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DELTA REPORT

10-K

RXRX - RECURSION PHARMACEUTICALS

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	11300
CHANGES	316
DELETIONS	4743
ADDITIONS	6241

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022 December 31, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-40323

Recursion Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

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

41 S Rio Grande Street
Salt Lake City, UT 84101
(Address of principal executive offices) (Zip code)
(385) 269 - 0203
(Registrant's telephone number, including area code)

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

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

Securities registered pursuant to section 12(g) of the Act: **None**

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes x No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes o No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes x No ☐

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.

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Large accelerated filer	x	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 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the 115,639,551 124,546,642 shares of Class A common voting stock held by non-affiliates of the Registrant, computed by reference to the closing price as reported on the Nasdaq Stock Exchange, as of the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2022) 2023) was $941.3 $930.4 million.

As of January 31, 2023 January 31, 2024, there were 183,443,480 227,143,401 and 7,789,209 7,509,871 shares of the registrant's Class A and B common stock, respectively, par value $0.00001 per share outstanding, respectively.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement for use in connection with the registrant's 2023 2024 Annual Meeting of Stockholders to be filed hereafter are incorporated by reference into Part III of this report.

A Letter from Our Co-Founder and CEO

Dear Shareholder, current or prospective shareholder,

Recursion celebrated its tenth anniversary in 2023, and as I am filled reflect back on the past decade of building and look forward to the next decade, it feels increasingly clear that we are in the midst of a tremendous technology and AI-driven transition in our society.

Knowledge workers are on the precipice of a massive transformation in their work; much of the toil embedded into the processes, systems and delivery today will give way to higher efficiency, more creativity and smart risk-taking with a sense new tools that will enable rapid and deep experimentation and fast failure. For many, embracing this evolving landscape of gratitude work will be tumultuous, but for your continued support of Recursion those who are open to the possibilities technology brings, an exciting new future awaits.

Like all major past shifts in society, we will face many new challenges and our mission obstacles as we come to Decode Biology to Radically Improve Lives. 2022 was a year of great progress, and I am honored to share our successes terms with the risks and opportunities of the new tools that are becoming increasingly available at our fingertips.

The broad transformations in society will be mirrored in the life sciences with you the evolution of BioTech into TechBio over the coming decade. The digitization of biology and chemistry will enable us to predict

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ways to map and navigate it, allowing us to design rather than discover better medicines faster with less failure. Advancements in laboratory automation, biological tools and quantified human health will allow for the emergence of massive datasets of human health and disease that will feed the AI-driven insights transforming life sciences.

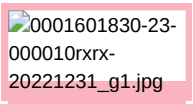
Of course, the idea that an AI 'black-box' will pop out new cures at scale in the coming 12-24 months is a fallacy and we have to be careful not to be caught up in that sort of hype. Drug discovery is too complex, has too many steps and has too long of a feedback loop for that sort of 'overnight' shift. But looking back as well as to lay out at how far we have come and the compounding improvements we see today, I believe that our plan going forward.

With industry will shift more in the world facing uncertainty, not only as coming decade than it ever has before.

A common argument from skeptics is that biology is too complex and healthcare too complicated for such a result of economic headwinds and geopolitical tensions, but also from the broad implications resulting from advances in technology making waves across the tech industry and threatening to change the way many people work, we are proud disruptive technological transformation to be possible. But like in prior industrial revolutions, a company new technology (or technologies) has set in motion a current that will fundamentally reshape the forces and assumptions that drive various fields, including our own. Here are a few facts that signal this transformation is focused on using cutting-edge technology to find solutions to some of the most complex and pressing problems in biotechnology. Our mission is a unifying force for good, a rallying call for our team reminding us of our purpose and driving us forward through times of uncertainty. happening right now:

2022 was, no doubt, an uncertain time for many, and especially for growth stage biotechnology companies. At Recursion, we adapted quickly to changing conditions by pulling back on growth and hiring plans in January and updating our tactics to increase our relative focus on near and mid-term value drivers without changing our long-term strategy to seize what we continue to see is an inevitable opportunity to leverage technology to fundamentally alter the efficiency and impact of the biopharma industry.

2022 Highlights



Specific key examples of our delivery in 2022 include: Data & Compute:

- We initiated 5 clinical trials, including three Phase 2 programs, setting The world has generated more data in the stage for readouts later this year, into 2024, and beyond. past 24 months than in all of human history before that
- We delivered against The world has consumed more computational cycles in the core foundational data pillars last 12 months than in all of our Roche/Genentech collaboration human history before that

Biological Tools:

- CRISPR-based gene editing has, in neuroscience and an indication in gastrointestinal oncology while advancing multiple fibrosis programs simultaneously with

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our partners at Bayer. This work sets just the stage last five years, enabled for potential advancement of programs or map-building milestones and data-usage options that underlie the strength of our approach. first time arrayed genome-wide genetic screens

- We continued Innovations in induced pluripotent stem cells allow us to build-out the Recursion OS, which we believe is among the most comprehensive full-stack technology solutions in the biopharma industry spanning target discovery through digital chemistry, lead optimization, translation generate high-quality, differentiated human cells at massive scale

Automation and IND-enabling work. The most significant advances include the acceleration of our scaled transcriptomic technologies, industry-leading build-out of hiPSC-derived cell production, and acceleration of our efforts to incorporate additional in-house chemistry capabilities at Recursion. Reagents:

- We continued operating from a position of strength through our expanded Robotic laboratory facilities, improved compliance processes fit for a company of

INITIATED 5 CLINICAL TRIALS**THE WORLD HAS GENERATED MORE DATA IN 2022** and planning a 6th clinical trial to initiate THE PAST 24 MONTHS than in all of human history before that

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our systems and software enable highly standardized and quality-controlled high-throughput screening to generate relatable data at scale our high-ratings after our first annual ESG report, and our ability to raise significant funds from long-term oriented investors in our $150M PIPE offering in October.

All of these achievements and many more have been possible because of the exceptional team we have at Recursion. I am proud to say that we have attracted some of the brightest minds from the technology and biotechnology industries. In 2022, we codified Recursion's Founding Principles as a way to frame how Recursion approaches problems from a first-principles perspective, solidify our culture that is at the interface of technology and biotechnology, and drive maximal impact and value. We believe that investing in our team is one of the most important things we can do to ensure our long-term success, and we will continue to do so in the years ahead.

WE BELIEVE THAT WE HAVE BUILT ONE OF THE LARGEST PROPRIETARY BIOLOGICAL AND CHEMICAL DATASETS What's more, the signs of AI-enabled point-solutions are already plentiful across our industry:

- >21 petabytes• Protein folding
- • Scaled protein-ligand interaction prediction
- • Generative AI for chemistry for tractable targets
- • The FDA is already discussing the use of data LLMs for program review
- >3 trillion searchable relationships• Major pharma companies are drafting regulatory filings like INDs by LLMs

Despite These facts lay out a clear future where efficiencies and improvements across the economic uncertainties many current AI-enabled point-solutions will begin to combine into integrated 'tech-stacks' and workflows that will result in compounding improvements in our ability to drug historically undruggable targets, understand the underlying

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networks of 2022, biology with increasing fidelity, fast-follow newly validated biology, characterize disease in increasingly robust ways and ultimately deliver more, better medicines to patients to alleviate suffering at scale. The question is no longer whether this sort of future is before us, but when and who will lead it.

Looking Back at 2023 and Before

Reflecting back on late 2013 when Recursion was founded and how far we have come, it is simultaneously incredible and unsurprising to see where we are operating from today. Recursion was then a Utah-based startup founded by two graduate students and a professor. Our first office was a conference room in the nearby University Research Park and our first laboratory was a converted storage room. Today, Recursion is a multinational, clinical-stage company leading position among TechBio companies. With roughly $550M the transition of cash BioTech into TechBio. We have over 500 employees, five clinical stage programs, one of the world's largest biological and equivalents at the end of 2022, some chemical datasets and two of the largest partnerships, discovery collaborations in the industry with Roche/Genentech and Bayer.

And in 2023, the opportunity ahead feels so much greater than it did in 2013, that in some ways it still feels like we are just getting started. In fact, from an internal perspective, 2023 felt like one of the broadest best years in our history. In 2023 we achieved a lot of important milestones, and most advanced clinical pipelines, a lot of things we've been working to build, in some cases for years, really seemed to start hitting their stride, including:

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FIVE PHASE 2 CLINICAL-STAGE PROGRAMS with multiple upcoming data readouts expected

Pipeline

- Five phase 2 clinical-stage programs with multiple upcoming data readouts expected, including REC-994 in cerebral cavernous malformation (CCM) in Q3 2024, REC-2282 in neurofibromatosis type 2 (NF2) in Q4 2024, REC-4881 in familial adenomatous polyposis (FAP) in H1 2025, and REC-4881 in AXIN1 or APC mutant solid tumors in H1 2025
- Completed a Phase 1 study for REC-3964 in healthy volunteers for the potential treatment of Clostridioides difficile (C. difficile) infection with a favorable safety and tolerability profile
- Advanced our RBM39 program in homologous recombination proficient ovarian cancer and other solid tumors to IND-enabling studies
- In-licensed a program (Target Epsilon) that emerged from our fibrosis collaboration with Bayer that represents a novel approach to treating fibrotic diseases with

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compelling early
data

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Our Collaborators

Roche and Genentech

Bayer

NVIDIA

Tempus

Enamine

Partnership

- Made significant progress against both the gastrointestinal-oncology and neuroscience portions of our collaboration with Roche and Genentech, including Roche exercising its Small Molecule Validated Hit Option to further advance our first partnership program in GI-oncology
- Updated our collaboration with Bayer to focus on challenging oncology indications with high unmet need, commensurate with higher per program milestone payments
- Entered into a collaboration with NVIDIA to accelerate the construction, optimization and deployment of foundation models for biology and chemistry as well as host Recursion-built computational and data tools on BioNeMo (NVIDIA's drug discovery platform) – additionally, NVIDIA invested $50 million in Recursion via a private placement
- Entered into a collaboration with Tempus giving Recursion access to over 20 petabytes of proprietary de-identified, multimodal patient oncology data for the purpose of training causal AI models for the discovery of novel therapeutic hypotheses, biomarker strategies and patient cohort selection
- Entered into a partnership with Enamine to generate enriched screening libraries with insights from Recursion's protein-ligand interaction predictions spanning across Enamine's massive library of approximately 36 billion compounds

Recursion OS

- Built, scaled and industrialized multiple tools and technologies to heavily automate workflows across the drug discovery process, creating one of the most diverse complete full-stack TechBio solutions
- Created LOWE (Large Language Model-Orchestrated Workflow Engine) connecting wet-lab and integrated technology stacks, dry-lab components of the Recursion OS using a natural language interface to streamline complex drug discovery tasks
- Deployed large language models (LLMs) to map scientific literature in conjunction with our internally derived proprietary maps for the purpose of autonomously identifying novel opportunities in areas of unmet need
- Deployed Phenom-1, a vision transformer utilizing hundreds of millions of parameters trained on billions of biological images from our proprietary data, which we believe to be the world's largest phenomics foundation model at this time
- Deployed new digital chemistry tools to predict the ligand-protein interactions for approximately 36 billion compounds in the Enamine REAL Space, reported to be the largest synthesizable chemical library
- Produced over 1 trillion human induced pluripotent stem cell (hiPSC)-derived neuronal cells since 2022, likely making Recursion one of the world's largest producers of neuronal cells
- Began training causal AI models leveraging over 20 petabytes of multi-modal precision oncology patient data from Tempus to support the discovery of potential biomarker-enriched therapeutics at scale

LOWE (LARGE LANGUAGE MODEL-ORCHESTRATED WORKFLOW ENGINE) is connecting wet-lab and dry-lab components of the Recursion OS using a natural language interface to streamline complex drug discovery tasks

>1 Trillion

HUMAN INDUCED PLURIPOTENT STEM CELL (hiPSC)-derived neuronal cells produced since 2022

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ACQUIRED CYCLICA AND VALENCE DISCOVERY TO BOLSTER digital chemistry and generative AI capabilities

Company Building

- Acquired Cyclica and Valence Discovery to bolster digital chemistry and generative AI capabilities
- Expanded our operations in Salt Lake City and Montréal and opened our Canadian headquarters in Toronto with a focus on growing our machine learning and digital chemistry teams
- Committed to quadrupling the capacity of our supercomputer, BioHive-1, to support our pipeline, partnerships and the construction of foundation models across the multiple modalities of biology, chemistry and patient-centric data – we believe that this expansion should make our supercomputer a top 50 supercomputer across any industry according to the TOP500 list

As one of the leading TechBio companies, Recursion has played a critical role in driving the pace and scale of adoption of new TechBio tools across the industry. And while I am very proud of how our team delivered in 2023, the most important shift for our business happened outside our walls this year. We finally found the ideas embedded in TechBio, and in particular the belief in the utility of AI in our industry, finding mainstream support among some of the larger and more traditional companies in the space.

While there is no doubt there will be massive short-term volatility in the space, there is an increasing consensus among leaders in BioPharma that ML and AI are going to play a very important role over the coming decade. While we have incredible work before us, it feels as if we are no longer sailing into the wind, but now the wind is starting to shift to our backs. And I believe that there is no team in the world better prepared to sail fast in this new environment and continue to put deep blue water between us and many of our competitors as we look out over the coming years.

Looking Out at 2024 and Beyond

You could almost taste the shift in sentiment around TechBio at the J.P. Morgan Healthcare Conference at the beginning of this year when compared to years prior. While some skepticism still prevails, it no longer carries the room in most places as a shift towards cautious optimism permeates the executive teams and boards of the most powerful companies in our space.

Following the announcement of our partnership with NVIDIA in 2023, we co-hosted an event with them at the JP Morgan conference. We brought together members of the executive teams and boards of many of the largest biopharma companies in the world, many of the CEOs of leading TechBio companies, executives of leading tech companies, and investors and analysts who either already invest in or cover this convergence or are tempted to do so.

That evening, attendees heard from life science luminaries like Scott Gottlieb, Aviv Regev and Amy Abernethy as well as Jensen Huang, the CEO of NVIDIA. They heard conviction from those leaders about how clearly the trend of ML and AI will impact our industry going forward. What I found most interesting was how fluent the tech leaders among the group were in speaking the language of biopharma. Far more fluent, I would argue, than the leaders of biopharma are in speaking 'tech.' And that presents a risk for biopharma and an opportunity for companies like Recursion that are positioned as leaders in TechBio.

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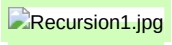
But despite all the excitement around our space, we are part of an industry with a mission to alleviate suffering by bringing new, better medicines to patients. That is how we ultimately measure our impact. And as I look ahead to the next 18 months, Recursion will take advantage meaningful steps toward that goal as we read out our first four phase 2 studies.

This is incredibly exciting as it represents the first opportunity for us to demonstrate utility for the patients we aim to serve. But it is also important to come into these initial readouts with a focus on how they can help us learn and tune our platform.

The trials that will read out this year are from the earliest iterations of our Recursion OS. They represent repurposing opportunities as they arise in rare genetic diseases we modeled using challenging tools like siRNA. New generations of our operating system using more and more powerful biology tools, chemistry tools and AI tools are leading us to identify and advance more exciting programs with some even already moving to the clinic.



The industry average success rate for Phase 2 readouts is approximately 20-30%. This suggests that if even one of our upcoming four readouts demonstrates a useful signal, we are on the right track to developing meaningful potential treatments for patients. And while we hope to do better than that, for the good of all the patients we seek to treat, we are in this for the long-run and we will use every piece of data, positive or negative, to learn and feedback into the Recursion OS so that we can maximize our long term impact.

"We are a company building a platform to deliver many medicines over time."

It is important to understand that we are not a company who built a platform to deliver a handful of medicines; we are a company who is building a platform to deliver many medicines over time. And if our thesis holds, our system should improve over time with decreasing rates of late-stage failures. We believe we have built an operating system capable of discovering and developing many medicines, both within our own pipeline and via partnerships with others in the industry.

And beyond the excitement we all have for all we will learn from our first generation of programs reading out in the near term, we are also tremendously excited to be helping the rest of the industry adopt tools and technologies that can help them put the power of our operating system at their fingertips.

We announced LOWE (Large Language Model Orchestrated Workflow Engine) at JP Morgan via a live software demonstration at the conference. Together with the audience we started a mock oncology program, from leveraging Recursion's proprietary data to identify a target of interest in oncology, to designing and ordering potential small molecule modulators of the target, to scheduling follow-up experiments on our platform to evaluate the molecules in a first cycle of SAR. You can view a version of this demonstration and our software tool LOWE here: ***https://www.youtube.com/watch?v=Hf1bb9rPQtE***

While this was a fun and exciting way to engage with the audience at JPM, we are actively discussing making LOWE available to various potential partners for deployment within their own R&D engine. While we don't know exactly what the future holds for LOWE, this represents an exciting new opportunity for Recursion to help accelerate the industry and the broader adoption of TechBio by integrating portions of our RecursionOS into the engine of other companies in the space.

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"From our perspective there are two key drivers that will remain prudent stewards determine the winners in this race: data and execution."

The Differentiator Will Be Data and Execution

Extending our view out beyond the near term and over the next decade, it feels possible, and even probable, that there will be a small number of capital, very powerful companies in TechBio who may supplant much of what we call BioTech today. Who will these companies be and how will they win?

While compute is supply-constrained right now, it has also never been anywhere near as abundant as it is today. Table-stakes in this race over the next few years will be access to dedicated compute and robust ML/AI and software engineering teams. That is why Recursion has continued investing in BioHive-1, our on-premise supercomputer. We announced in late 2023 an expansion of the computer with our partners at NVIDIA that is likely to make it the fastest supercomputer wholly owned and operated by any biopharma company on Earth, including all the big ones. We also have an incredible, talented and growing team of ML researchers and engineers working to leverage this compute to advance the OS. We've grown both organically on these teams and by acquisition when needed. But as I said, these are table stakes.

From our perspective there are two key drivers that will determine the winners in this race: data and execution.

There is a divergence of opinions on what sort of data to use. There are those who believe that much of the data needed to solve the biggest problems in drug discovery and development exist today, either publicly or in the hands of large pharmaceutical companies. There is some evidence to support this idea; for example, the incredible progress in protein folding has been driven by sophisticated compute applied to the Protein Data Bank (PDB), a publicly available dataset. But there are few other examples in our field of data as robustly and carefully annotated as in the PDB. In fact, it is well-understood that the majority of data in the published literature cannot be recapitulated by other laboratories.

Recursion4.jpg

Turning to large pharmaceutical companies, who obviously have large quantities of data from their longstanding operations in drug discovery and development, we find more headwinds. First, few if any of these large datasets were built for the purpose of machine-learning. And while that doesn't mean machine learning and AI cannot be a useful tool, the unimodal nature of the data in these sources and the lack of inter-experiment controls, especially from preclinical and clinical sides, will make it challenging to extract enough value. Further, the success of large language models trained across the internet and the subsequent lawsuits we are beginning to see from content purveyors whose data was used to train these models (e.g., https://www.nytimes.com/2023/12/27/business/media/new-york-times-open-ai-microsoft-lawsuit.html) should be making it clear to large pharma companies that they must be cautious about sharing these data.

For all of the reasons above, at Recursion we have always believed that generating and aggregating large-scale, iterative many-modal data will be the fastest path to achieving our mission to decode biology. We have now done more than 200 million experiments across multiple -omics modalities. We have also signed our first data aggregation partnership with Tempus, where we now have access to the DNA and RNA-sequencing data of over 100K oncology patients on which we can train causal-AI models. And while each layer of our data is powerful, the true magic is found when we combine them together to train more general models of biology spanning massive cellular -omics data, animal omics data and human patient omics data. We believe this deeply enough that you can expect us to continue investing deeply in building data across new layers and partnering to aggregate the proprietary datasets we believe are key to our long-term ambition.

Finally, while it seems obvious to state that execution will be a differentiator in our space, the type of execution and the perspective from which decisions are made matters deeply here. The scale of the opportunity before us is so great that we are making decisions at Recursion which we believe are most likely to increase the probability of success that we are the first company to build a general utility AI model of biology. That is, to achieve our mission by decoding biology such that we can predict or simulate how any perturbation

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might affect not only a human cell, but a human patient. And while realization of that mission may take another decade or two, if a company were to achieve it well-ahead of other companies in the space or alongside a small set of other companies, there could be an opportunity to aggregate much of the multi-trillion dollar value of biopharma across one or a handful of companies, as opposed to the broad distribution of valuable companies we see in biopharma today (e.g. there are about a dozen public biopharma companies with market caps solidly above $100B as of writing this note). As such, we will not make decisions that we believe increase the probability we will be afraid one of a handful of big winners in this space versus decisions that increase the probability we achieve intermediate successes.

The next decade is going to be absolutely incredible for biopharma, where the pace of change will be much higher than at any point in our past. While there is much more work to do to best take advantage of the creative destruction in the private that is ahead, I cannot imagine many other teams who are more ready to take this on and public stage biopharma space including prudent consolidation where and when it fits with our strategy.

Perhaps one of the biggest shifts we noticed in 2022 was the continued acceleration of people's appreciation of the potential for the TechBio space. From large pharmaceutical companies to large technology companies, it feels to us like there is a growing sense of inevitability among leaders at these companies that technology will indeed create step-function shifts in the healthcare industry; an opinion that has not been widely accepted until recently. Seeing the nexus of interest between both biopharma industry players and technology players in the space is creating an exciting recipe for transformational partnerships and collaborations.

At Recursion, our Roche/Genentech deal, signed in late 2021, set a precedent that may have been underappreciated at the time for selling access to portions of our proprietary dataset. And our recent dataset release of RxRx3, the largest public dataset of its kind ever shared, has created significant interest in our data. Looking forward into 2023, we see our proprietary dataset of over 21 petabytes as a unique value driver not only for our own discovery programs and those of our close partners, but perhaps as a harbinger of a new market of extraordinarily high-quality biological and chemical data built fit-for-the purpose of training machine learning and AI algorithms.

In closing, I want to express my sincere gratitude for your continued support of Recursion. We are incredibly proud of what we have accomplished together and remain committed to delivering value to our shareholders, our team, and the patients we aim to serve. We could not be more excited about the long-term future of our space and how our team is prepared to continue building and executing against this grand opportunity. If we can achieve even a portion of our ambitious mission, we have the opportunity to create massive positive impact in the world and build an incredible business to drive it. We won't let up in our work to achieve that outcome. win.

Thank you,

Chris Gibson, Ph.D.
Co-Founder and Chief Executive Officer

RELEASED THE RXRX3 DATASET AND MOLREC APPLICATION
framing how data itself can be a unique value driver

"We are proud to be a company that is focused on using cutting-edge technology to find solutions to some of the most complex and pressing problems in biotechnology. We are operating from a leading position among TechBio companies."

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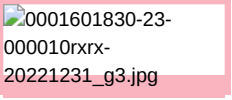
companies.



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PART I

RISK FACTOR SUMMARY

Below is a summary of the principal factors that make an investment in the common stock of Recursion Pharmaceuticals, Inc. (Recursion, the Company, we, us, or our) risky or speculative. This summary does not address all of the risks we face. Additional discussion of the risks summarized below, and other risks that we face, can be found in the section titled “Item 1A. Risk Factors” in this Annual Report on Form 10-K.

Risks Related to Our Limited Operating History, Financial Position, and Need for Additional Capital

- We are a clinical-stage biotechnology company with a limited operating history. history and no products approved by regulators for commercial sale, which may make it difficult to evaluate our current and future business prospects
- We have incurred significant operating losses since our inception and anticipate that we will incur continued losses for the foreseeable future.
- We will need to raise substantial additional funding. If we are unable to raise capital when needed, we would be forced to delay, reduce, or eliminate at least some of our product development programs, business development plans, strategic investments, and potential commercialization efforts, and to possibly cease operations.
- Raising additional capital and issuing additional securities may cause dilution to our stockholders, restrict our operations, require us to relinquish rights to our technologies or drug candidates, and divert management’s attention from our core business.
- We are engaged in strategic collaborations and we intend to seek to establish additional collaborations, including for the clinical development or commercialization of our drug candidates. If we are unable to establish collaborations on commercially reasonable terms or at all, or if current and future collaborations are not successful, we may have to alter our development and commercialization plans.
- We have no products approved for commercial sale and have not generated any revenue from product sales. We or our current and future collaborators may never successfully develop and commercialize our drug candidates, which would negatively affect our results of operation and our ability to continue our business operations.
- If we engage in future acquisitions or strategic partnerships, this may increase our capital requirements, dilute our stockholders’ equity, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

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Risks Related to the Discovery and Development of Drug Candidates

- Our approach to drug discovery is unique and may not lead to successful drug products for various reasons, including, but not limited to, challenges identifying mechanisms of action for our candidates.
- Our drug candidates are in preclinical or clinical development, which are lengthy and expensive processes with uncertain outcomes and the potential for substantial delays.
- We have incurred significant operating losses since If we experience delays or difficulties in the enrollment of patients in clinical trials, our inception, we expect to incur substantial receipt of necessary regulatory approvals could be delayed or prevented.
- Our planned clinical trials, or those of our current and increasing operating losses for the foreseeable potential future and we collaborators, may not be able to achieve successful or maintain profitability.

- Our mission is broad and expensive to achieve and we will need to raise substantial additional funding, may reveal significant adverse events not seen in our preclinical or nonclinical studies, which may not be available on commercially reasonable terms result in a safety profile that could inhibit regulatory approval or at all.
- We expect to finance our cash needs for the foreseeable future potentially through a combination market acceptance of private and public equity offerings and debt financings, as well as strategic collaborations. If we are unable to raise capital when needed, we would be forced to delay, reduce, or eliminate at least some of our product development programs and other activities, and to possibly cease operations.
- Raising additional capital entails risks, including that it may adversely affect the rights, or dilute the holdings, of our existing stockholders; increase our fixed payment obligations; require us to relinquish rights to our technologies or drug candidates; and/or divert management's attention from our core business.
- If we are unable to establish additional strategic collaborations on commercially reasonable terms or at all, or if current or future collaborations are not successful, we may have to alter our drug development plans.
- We or our current and future collaborators may never successfully develop and commercialize drug candidates, or the market for approved drug candidates may be less than anticipated, which in either case would materially and adversely affect our financial results and our ability to continue our business operations.
- Our approach to drug discovery is unique and may not lead to successful drug products for various reasons, including potential challenges identifying mechanisms of action for our candidates.
- Although we intend to explore other therapeutic opportunities in addition to the drug candidates we are currently developing, we may fail to identify viable new candidates or we may need to prioritize candidates and, as a result, we may fail to capitalize on profitable market opportunities.
- We may experience delays in initiating and completing clinical trials, including due to difficulties in enrolling patients or maintaining compliance with trial protocols, or our trials may produce inconclusive or negative results.
- If we are unable to obtain or there are delays in obtaining regulatory approvals for our drug candidates in the U.S. or other jurisdictions, or if approval is subject to limitations, we will be unable to commercialize, or delayed or limited in commercializing, the products in that jurisdiction and our ability to generate revenue may be materially impaired.
- Our quarterly and annual operating results may fluctuate significantly due to a variety of factors, a number of which are outside our control or may be difficult to predict, which could cause our stock price to fluctuate or decline.
- If we are not able to develop new solutions and enhancements to our drug discovery platform that keep pace with technological developments, or if we experience breaches or malfunctions affecting our platform, our ability to identify and validate viable drug candidates would be adversely impacted.
- Third parties that provide supplies or equipment, or that manufacture our drug products or drug substances, may not provide sufficient quantities at an acceptable cost or may otherwise fail to perform.
- We or third parties on which we depend may experience system failures, cyber-attacks, and other disruptions to information technology or cloud-based infrastructure, which could harm our business and subject us to liability for disclosure of confidential information.
- Force majeure events, such as the COVID-19 pandemic, a natural disaster, global political instability, or warfare, could materially disrupt our business and the development any of our drug candidates.
- If we are unable to adequately protect and enforce our intellectual property rights, including obtaining and maintaining patent protection We conduct clinical trials for our key technology drug candidates outside the United States, and products the FDA and similar foreign regulatory authorities may not accept data from such trials.
- It is difficult to establish with precision the incidence and prevalence for target patient populations of our drug candidates. If the market opportunities for our drug candidates are smaller than we estimate, or if any approval that we obtain is sufficiently broad, based on a narrower definition of the patient population, our competitors

could develop revenue and commercialize technology and products similar or identical to ours and our ability to successfully commercialize our technology and products may achieve profitability will be impaired.

- If we are unable to protect the confidentiality of our trade secrets and know-how, our business and competitive position may be harmed. adversely affected, possibly materially.
- If we fail to comply with We may never realize a return on our obligations investment of resources and cash in the agreements under which we collaborate with and/or license intellectual property rights from third parties, or otherwise experience disruptions to our business relationships with our partners, we could lose rights that are important to our business. drug discovery collaborations.
- We face substantial competition, which may result in others discovering, developing, or commercializing competing products before, or more successfully than, we do.
- Because we have multiple programs and drug candidates in our development pipeline and are pursuing a variety of target indications and treatment modalities, we may expend our limited resources to pursue a particular drug candidate and fail to capitalize on development opportunities or drug candidates that may be more profitable or for which there is a greater likelihood of success.

Risks Related to Our Platform and Data

- We have invested, and expect to continue to invest, in research and development efforts to further enhance our drug discovery platform, which is central to our mission. If the return on these investments is lower or develops more slowly than we expect, our business and operating results may suffer.
- Our information technology systems and infrastructure may fail or experience security breaches and incidents that could adversely impact our business and operations and subject us to liability.

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- Interruptions in the availability of server systems or communications with internet or cloud-based services, or failure to maintain the security, confidentiality, accessibility, or integrity of data stored on such systems, could harm our business.
- Our solutions utilize third-party open source software (OSS), which presents risks that could adversely affect our business and subject us to possible litigation.
- Issues relating to the use of artificial intelligence and machine learning in our offerings could adversely affect our business and operating results.

Risks Related to Our Operations/Commercialization

- Even if any drug candidates we develop receive marketing approval, they may fail to achieve the degree of market acceptance by physicians, patients, healthcare payors, and others in the medical community necessary for commercial success.
- If we are unable to attract establish sales and retain key executives, experienced scientists, marketing capabilities or enter into agreements with third parties to sell and other qualified personnel, our ability to discover and develop market any drug candidates we may develop, we may not be successful in commercializing those drug candidates, if and pursue our growth strategy could be impaired. when they are approved.
- We are subject to comprehensive statutory regulatory and regulatory requirements, noncompliance operational risks associated with the physical and digital infrastructure at both our internal facilities and those of our external service providers.

Risks Related to Our Intellectual Property

- Our success significantly depends on our ability to obtain and maintain patents of adequate scope covering our proprietary technology and drug candidate products. Obtaining and maintaining patent assets is inherently challenging, and our pending and future patent applications may not issue with the scope we need, if at all.
- Our current proprietary position for certain drug product candidates depends upon our owned or in-licensed patent filings covering components of such drug product candidates, manufacturing-related methods, formulations, and/or methods of use, which may not adequately prevent a competitor or other third party from using the same drug candidate for the same or a different use.
- We may not be able to protect our intellectual property and proprietary rights throughout the world.
- If we do not obtain patent term extension and data exclusivity for any drug product candidates we may develop, our business may be materially harmed.
- We may need to license certain intellectual property from third parties, and such licenses may not be available or may not be available on commercially reasonable terms.
- Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our products.
- Issued patents covering our drug product candidates and proprietary technology that we have developed or may develop in the future could be found invalid or unenforceable if challenged in court or before administrative bodies in the United States or abroad.

Risks Related to Government Regulation

- Even if we receive FDA or other regulatory approval for any of our drug candidates, we will be subject to ongoing regulatory obligations and other conditions that may result in significant additional expense, as well as the potential recall or market withdrawal of an approved product if unanticipated safety issues are discovered.
- Though we have been granted orphan drug designation for certain of our drug candidates, we may be unsuccessful or unable to maintain the benefits associated with such a designation, including the potential for market exclusivity.
- We are subject to U.S. and foreign laws regarding privacy, data protection, and data security that could entail substantial compliance costs, while the failure to comply could subject us to significant liability.
- Regulatory and legislative developments related to the use of AI could adversely affect our use of such technologies in our products, services, and business.

Other Risks

- Third parties that perform some of our research and preclinical testing or conduct our clinical trials may not perform satisfactorily or their agreements may be terminated.
- Third parties that manufacture our drug candidates for preclinical development, clinical testing, and future commercialization may not provide sufficient quantities of our drug candidates or products at an acceptable cost, which could delay, impair, or prevent our development or commercialization efforts.
- We may not realize all of the anticipated outcomes and benefits of our Acquisitions.
- Our future success depends on our ability to market retain key executives and experienced scientists, and to attract, retain, and motivate qualified personnel.
- We have identified a material weakness in our products or result in fines or other liabilities. internal control over financial reporting.

Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains “forward-looking statements” about us and our industry within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “would,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements contained in this report may include without limitation those regarding:

- our research and development programs 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 other 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 TechBio companies;
- 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;

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- 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 ability to effectively use machine learning and artificial intelligence in our drug development process;
- our ability to use the assets acquired in recent acquisitions to expand our technology-enabled drug discovery process and accelerate our digital chemistry capabilities;
- our ability to leverage our collaborations and partnerships to develop our products and grow our business;
- our expectations related to the performance and benefits of our BioHive-1 supercomputer; supercomputer, Recursion OS, and our digital chemistry platform;
- our ability to realize a return on our investment of resources and cash in our drug discovery collaborations;
- our ability to sell or license assets and re-invest proceeds into funding our long-term strategy;
- 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 achieve net-zero greenhouse gas emissions across our operations;
- 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 expectations regarding the period during which we will qualify as an emerging growth company under the JOBS Act;
- our ability to maintain effective internal control over financial reporting and disclosure controls and procedures, including our ability to remediate the material weakness in internal control over financial reporting;
- our anticipated use of our existing resources and the net proceeds from our initial public offering; and
- other risks and uncertainties, including those listed in the section titled “Risk Factors.”

We have based these forward-looking statements largely on our current expectations and projections about our business, the industry in which we operate, and financial trends that we believe may affect our business, financial condition, results of operations, and prospects. These forward-looking statements are not guarantees of future performance or development. These statements speak only as of the date of this report and are subject to a number of risks, uncertainties and assumptions described in the section titled “Risk Factors” and elsewhere in this report. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, we undertake no obligation to update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, or otherwise.

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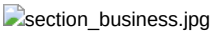
In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this report. While we believe such information forms a reasonable basis for such statements, the information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon them.



Item 1. Business.

Business Overview

Recursion is a leading 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, chemical, and chemical patient-centric relationships within the Recursion Data Universe, one across over 50 petabytes of the world’s largest proprietary biological and chemical datasets. data. We frame this integration of the physical and digital components as iterative loops, of atoms and bits. Scaled where scaled ‘wet-lab’ biology, chemistry, and chemistry patient-centric experimental data built in-house (atoms) are organized into virtuous cycles with by ‘dry-lab’ computational tools (bits) in order to rapidly identify, validate, and translate *in silico* hypotheses into validated insights therapeutic insights. We believe Recursion’s unbiased, data-driven approach to understanding biology will bring more, new, and novel chemistry. Our focus on mapping better medicines at higher scale 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 lower cost 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.patients.

We leverage our Recursion OS to enable There are three key value drivers: value-drivers at Recursion:

1. • An expansive **pipeline** of internally-developed internally developed clinical and preclinical programs focused on genetically-driven precision oncology and genetically driven rare diseases and oncology with significant unmet need and market opportunities in some cases that could potentially in excess of exceed $1 billion in annual sales in some cases
2. • Transformational **partnerships** with leading biopharma and technology 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 using advanced computational and data resources
3. • Development of one of the largest fit-for-purpose proprietary biological An industry-leading **dataset** intentionallydesigned to capitalize on computational tools and chemical **datasets** in the world at a time when advances in AI paired with the right training data are creating disruptive value. accelerate value created through our pipeline, partnerships and technology products

Key Achievements in 2022 2023

Pipeline Delivery

- Initiated five clinical trials Five phase 2 clinical-stage programs with multiple upcoming data readouts expected, including Phase REC-994 in cerebral cavernous malformation (CCM) in Q3 2024, REC-2282 in neurofibromatosis type 2 trials (NF2) in Cerebral Cavernous Malformation (CCM) Q4 2024, REC-4881 in familial adenomatous polyposis (FAP) in H1 2025, and Familial Adenomatous Polyposis (FAP), a Phase 2/3 trial in *NF2*-mutated meningiomas and Phase 1 healthy volunteer trials for REC-4881 and REC-3964
- • Received Fast Track Designation from the US FDA and Orphan Drug Designation from the European Commission for REC-4881 for the potential treatment of FAP
- • Leveraged our map of biology and chemistry to expand the scope of REC-4881 beyond FAP with plans for a fifth clinical program (Phase 1b/2) being readied to explore the molecule in *AXIN1* or *APC* mutant solid tumors in H1 2025
- Focused our discovery Completed a Phase 1 study for REC-3964 in healthy volunteers for the potential treatment of *Clostridioides difficile* (*C. difficile*) infection with a favorable safety and preclinical pipelines in oncology, with significant advances made in our Target Alpha checkpoint sensitization program and tolerability profile
- • Advanced our RBM39 program in homologous recombination proficient ovarian cancer (formerly named Target Gamma) which are now both nearing and other solid tumors to IND-enabling studies

Partnership Delivery *• In-licensed a program (Target Epsilon) that emerged from our fibrosis collaboration with Bayer that represents a novel approach to treating fibrotic diseases with compelling early data*

*• Initiated four new programs (for eight total programs initiated to date) in the space of fibrosis with our partners at Bayer and advanced multiple programs towards value inflection points****Partnership***

- Made significant progress against both the gastrointestinal-oncology and neuroscience portions of our collaboration with Roche and Genentech, including cell type evaluation Roche exercising its Small Molecule Validated Hit Option to further advance our first partnership program in GI-oncology
- • Updated our collaboration with Bayer to focus on challenging oncology indications with high unmet need, commensurate with higher per program milestone payments

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- Entered into a collaboration with NVIDIA to accelerate the construction, optimization and significant cell scale up deployment of foundation models for biology and chemistry as well as host Recursion-built computational and data tools on BioNeMo (NVIDIA's drug discovery platform) – additionally, NVIDIA invested $50 million in support Recursion via a private placement
- Entered into a collaboration with Tempus giving Recursion access to over 20 petabytes of initial Phenomap-building efforts which remain on track proprietary deidentified, multimodal patient oncology data for the purpose of training causal AI models for the discovery of novel therapeutic hypotheses, biomarker strategies and patient cohort selection
- Entered into a partnership with Enamine to generate enriched screening libraries with insights from Recursion's protein-ligand interaction predictions spanning across Enamine's massive library of approximately 36 billion compounds

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Recursion OS Building

- Industrialized transcriptomics-based validation, including using transcriptomics data Built, scaled and industrialized multiple tools and technologies to advance programs for heavily automate workflows across the drug discovery process, creating one of our partners (at the end of 2022, we had sequenced over 250,000 individual transcriptome samples) most complete full-stack TechBio solutions
- Industrialized digital tolerability studies Created LOWE (Large Language Model-Orchestrated Workflow Engine) connecting wet-lab and dry-lab components of the Recursion OS using our InVivomics technology a natural language interface to enable better, faster candidate selection streamline complex drug discovery tasks
- Industrialized Deployed large language models (LLMs) to map scientific literature in conjunction with our internally derived proprietary maps for the purpose of autonomously identifying novel opportunities in areas of unmet need
- Deployed Phenom-1, a vision transformer utilizing hundreds of millions of parameters trained on billions of biological images from our proprietary data, which we believe to be the world's largest phenomics foundation model at this time
- Deployed new digital chemistry tools to predict the ligand-protein interactions for approximately 36 billion compounds in the Enamine REAL Space, reported to be the largest synthesizable chemical library
- Produced over 1 trillion human induced pluripotent stem cell production (produced over 500 billion neural hiPSC-derived (hiPSC)-derived neuronal cells in 2022) to enable neurology research at exceptional levels of quality and simultaneously since 2022, likely making Recursion one of the world's largest producers of neural hiPSC-derived neuronal cells on earth in the span of a single year
- Advanced several in-house internal digital chemistry applications (two Began training causal AI models leveraging over 20 petabytes of which we have published on: MolE and Multi-Objective GFlowNets)[1] multimodal precision oncology patient data from Tempus to support the discovery of potential biomarker-enriched therapeutics at scale

Company Building

- Closed a significant PIPE offering from a cohort of supportive, long-term investors including both new Acquired Cyclica and existing shareholders (Kinnevik, Baillie-Gifford, Mubadala, Laurion, Platinum, Invus)
- Demonstrated commitment Valence Discovery to ethical business practices as demonstrated in our inaugural ESG report bolster digital chemistry and generative AI capabilities
- Expanded our laboratory facilities to enable novel technology, partnerships operations in Salt Lake City and pipeline Montréal and opened our Canadian headquarters in Toronto with a focus on growing our machine learning and digital chemistry teams
- Evolved as Committed to quadrupling the capacity of our supercomputer, BioHive-1, to support our pipeline, partnerships and the construction of foundation models across the multiple modalities of biology, chemistry and patient-centric data – we believe that this expansion should make our supercomputer a public company by preparing for SOX and SOC2 compliance top 50 supercomputer across any industry according to the TOP500 list

Vision, Mission, People and Culture

Human biology is a highly an incredibly complex system for which human intelligence alone is insufficient to fully understand. While hundreds of thousands of incredible scientists around the comprehend it. Our world dedicate themselves to expanding our understanding each day, the extraordinarily high failure rates of human-generated hypotheses in our industry suggest to us that we still understand just a small percentage of biology, chemistry and the interactions between the two.

Simultaneously, our world is currently transiting its next industrial revolution based on extraordinary progress in scaled automation, computation, machine learning (ML), and artificial intelligence (AI). While This progress in this field has been steady for decades, is apparent through the exponential growth trajectory is becoming more apparent to many members rapid rise of modern society through LLMs, generative AI, and accessible applications like ChatGPT. While progress is being made using sophisticated computation Undoubtedly, remarkable shifts in virtually every industry, perception occurred in 2023 amongst technology and biopharma companies as well as among regulators and policymakers, who highlight the complexity utility of biology AI/ML for broad drug discovery and the highly regulated nature of the biopharma industry has resulted in development from novel target discovery through next-generation manufacturing.

However, a delay in the fruits of technology in our space. However, this means we are in a position to learn key lesson from the lessons of the application to technology to many numerous other fields. One of the primary lessons learned across numerous industries is that computational sophistication alone is rarely sufficient to create disruptive change. It is when computational sophistication is paired with the right data, typically in an iterative process of ongoing learning, prediction, and refinement, where that outsized change is created.

[1] Recursion shared preprints at the AI for Accelerated Materials Design workshop and Learning Meaningful Representations of Life workshop: Multi-Objective GFlowNets (https://arxiv.org/pdf/2211.02657.pdf); MolE: A Molecular Foundation Model for Drug Discovery (https://arxiv.org/abs/2210.12765)

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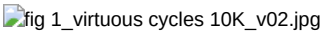

Figure 1. Machine learning native companies A simple formula is used across multiple technology industries to map and navigate complex systems. First, high-dimensional data is generated, aggregated and organized to create iterative loops of profiling, analysis and inference[2]**.** A common theme digital representations. Then, AI/ML algorithms make predictions about that system that can be tested in the successful application of ML / AI to many industries reality. The result is the creation of a virtuous loop cycle of learning and iteration. First, real systems (atoms) are profiled in order to create digital representations (bits) which can be analyzed by ML and AI to infer the rules, shapes or values of the real system. For example, digitizing the physical state of the planet using satellite imaging traffic flow, weather and other real-world data allows one to model the real world and predict optimal, real-time and flexible navigation routes.

Recursion was founded in 2013 with a vision to capitalize on the convergence of advancements in computation and machine learning to address the decreasing efficiency of drug discovery and development. We believe that this opportunity represents one of the most positively impactful applications of ML and AI. Our vision is to leverage technology to map and navigate biology, chemistry, and chemistry patient-centric outcomes in order to discover and develop more, better increasingly transition the process of developing medicines faster. from discovery to design. We believe that neither advanced computational approaches, massive datasets, nor human intelligence alone can fundamentally shift the efficiency curve of drug discovery and development; instead, we believe that those companies that augment their teams with sophisticated computational tools leveraging hard-to-replicate proprietary and focus deeply on generating and aggregating the right datasets will have a significant advantage. We believe we are among the companies leading this burgeoning new sector of the biopharma industry that we call TechBio. Our success and the success of this new the burgeoning TechBio sector generally, has the promise to drive more, new, and better new medicines to patients at higher scale and lower prices. prices in the coming decades. We are working hard to not only lead this space but define it.

[2] Adapted from Rutgers, V and Sniderman, B. (Oct 2018) Around the physical-digital-physical loop - A current look at Industry 4.0 capabilities. Deloitte Insights.

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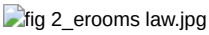

Figure 2. Eroom's Law observes that while technology advancements have made many processes faster and less expensive over the years, drug discovery is becoming slower and more expensive. expensive[3,4].[1,2] Recursion was created to take advantage of the discontinuity between these fields and harness the power of accelerating technological innovations to improve the efficiency of drug discovery and development.

Our mission at Recursion, ***Decoding Biology to Radically Improve Lives***, flows naturally from our vision. We interpret our mission expansively and believe it to be a durable direction and source of inspiration for our team. While we are best-known for We started pioneering, scaling, and industrializing phenomics (data based on images of cellular structures), over a decade ago, but we do not feel constrained by recognize that foundation drug discovery is made up of many steps, and will use any a point solution targeting one or two steps is insufficient to generate efficiencies across the entire process. To decode biology, we must construct a full-stack technology or combination platform capable of technologies we see fit to decode biology. integrating and industrializing many complex workflows. Success in decoding biology implies our ability to predict ways to navigate it. The ability to predictably navigate biology may enable us to build a massive an expansive pipeline of medicines, either by ourselves, with partners, or both. As part of that work, we seek not only to radically improve the lives of patients who could benefit from the medicines we help to deliver, but the lives of those who care for those patients, the lives of our employees and their families, as well as the communities in which we operate our company.

[3] [1] Adapted from Scannell, J et al (2012). Diagnosing the decline in pharmaceutical R&D efficiency. *Nat Rev Drug Discov*, 11, 191-200.

[4] [2] Adapted from Roser, M et al. (2013). Technological Change. *OurWorldInData.org*.

Figure 3: Recursion's Founding Principles and Values support our ambitious mission. Together, these elements shape Recursion's culture by guiding our people to high-impact decision-making and behaviors.

Our culture at Recursion is intentionally designed with intention to fuel our mission. We believe culture drives delivery. Essential to decoding biology in our context is the Recursion Mindset, a mindset deeply committed deep commitment to achieving impact at unprecedented scale through pioneering new industrialized approaches. We call it the Recursion Mindset. To embrace this mindset and our ambition, our people must deeply learn what will make them impactful in our context while questioning what made them successful in prior contexts. Sometimes this requires unlearning. Sometimes this requires a professional metamorphosis. For everyone it requires change. To decode biology, we intentionally source for talent from an incredible breadth of fields from multiple industries and for industries. For all of them our employees, Recursion is a new kind of company. The guideposts for teaching our people to successfully transition to TechBio and deliver our mission are our Founding Principles and Values. They are the essential shape of our culture. The Our Founding Principles direct us in making scientific and technical decisions that further our mission. The Our Values define the day-to-day behaviors and mindsets that further our mission. Together, along with the brilliance, humility and diversity of our people, our culture comes to life. Together, they are the compass that point our people towards decoding biology.

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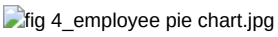
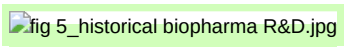


Figure 4. Recursion's team requires operating at the interface of many diverse fields. Building a TechBio company requires fluency in operating at the interface of many disciplines and fields not previously attuned to working as closely in traditional BioPharma. biopharma.

How Recursion is Industrializing the Drug Discovery Process

The traditional drug discovery and development process is characterized by substantial financial risks, with increasing and long-term capital outlays for development programs that often fail to reach patients as marketed products. Historically, it has taken over ten years and an average capitalized R&D cost of approximately $2 billion per approved medicine to move a drug discovery project from early discovery to an approved therapeutic. Such productivity outcomes have culminated in a rapidly declining internal rate of return for the biopharma industry.



TFigure 5. Historical biopharma industry R&D metrics. The primary driver of the cost to discover and develop ableofContents new medicine is clinical failure. Less than 4% of drug discovery programs that are initiated result in an approved therapeutic, resulting in a risk-adjusted cost of approximately $1.8 to $2.6 billion per new drug launched.[3,4,5,6,7]

Despite significant investment and brilliant scientists, these metrics point to the need to evolve a more efficient drug discovery process and explore new tools. Traditional drug discovery relies on basic research discoveries from the scientific community to elucidate disease-relevant pathways and targets to interrogate. Coupled with biology's incredible complexity, this approach has forced the industry to rely on reductionist hypotheses of the critical drivers of complex diseases, which can create a 'herd mentality' as multiple parties chase a limited number of therapeutic targets. The situation has been exacerbated by human bias (e.g., confirmation bias and sunk-cost fallacy). Accentuating this problem, the sequential nature of current drug discovery activities and the challenges with aggregation and relatability of data across projects, teams and departments lead to frequent replication of work and long timelines to discharge the scientific risk of such hypotheses. Despite decades of accumulated knowledge, the result is that drug discovery has unintentionally created hurdles for innovation.

Simultaneously, exponential improvements in computational speed and reductions in data storage costs driven by the technology industry, coupled with the rapid rise of large language models, generative AI and other ML tools, have transformed complex industries from media to transportation to e-commerce. Historically, the biopharma sector has been slow to embrace such innovations. Within the past 18 months, there have been remarkable shifts in perception among technology and biopharma companies as well as among regulators and policymakers, who highlight the utility of AI/ML for broad drug discovery and development from novel target discovery through next-generation manufacturing. We believe this rapid acceleration and adoption of these technologies demonstrates the growing consensus that AI/ML is a catalyst for substantial leaps in drug discovery.

At Recursion, we are pioneering the integration of innovations across biology, chemistry, automation, data science and engineering to industrialize drug discovery in a full-stack solution across dozens of key workflows and processes critical in discovering and developing a drug. For example, by combining advances in high content microscopy with arrayed CRISPR genome editing techniques, we can rigorously profilemassive, high-dimensional biological and chemical perturbation libraries in multiple human cellular contexts to create digital 'maps' of human biology.Leveraging advances in scaled computation, we can conduct massive virtual screens to predict the protein targets for billions of chemical compounds. Similarly, data generated from our automated DMPK module and InVivomics platform enables us to predict ADME properties and identify toxicity signals, respectively, significantly faster than traditional methods. We believe that by harnessing advances in technology to industrialize drug discovery, we can derive novel biological insights not previously described by scientific researchers, reduce the effects of human bias inherent in discovery biology and reduce translational risk at the program outset.

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[3] Zhou, S. and Johnson, R. (2018). Pharmaceutical Probability of Success. *Alacrita Consulting, 1-42*

[4] Steedman M, and Taylor K. (2020). Ten years on: Measuring the return from pharmaceutical innovation. *Deloitte*. 1-44.

[5] DiMasi et al. (2016). Innovation in the pharmaceutical industry: New estimates of R&D costs. *Journal of Health Economics*. 47, 20-33.

[6] Paul, et al. (2010). How to improve R&D productivity: the pharmaceutical industry's grand challenge. *Nature Reviews Drug Discovery*. 9,203-214

[7] Martin et al. (2017). Clinical trial cycle times continue to increase despite industry efforts. *Nature Reviews Drug Discovery*. 16, 157

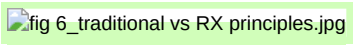

Figure 6. Recursion's approach to drug discovery. We utilize our Founding Principles on the right to build datasets which are scalable, reliable and relatable in order to elucidate novel biological and chemical insights and industrialize the drug discovery process.

We have used our approach to generate, aggregate, and integrate one of the largest biological, chemical, and patient-centric datasets in the world at over 50 petabytes at the end of 2023. This dataset includes proprietary phenomics, transcriptomics, predicted protein-ligand binding interactions, InVivomics, ADME data, and more across many biological and chemical contexts as well as preferred access to over 20 petabytes of multimodal oncology patient data from Tempus. Additionally, we have built a proprietary suite of software

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applications within the Recursion OS which has identified over 5 trillion predicted biological and chemical relationships. With our approach, we endeavor to turn drug discovery into a search problem where we map and navigate biology in an unbiased manner to discover new insights and translate them into potential new medicines at scale.

Business Strategy and Value Drivers

While most small to medium-sized biopharma companies are focused on a narrow slice of biology or a single therapeutic area, where they believe they have an advantage or insight based on the summed experience of their team, the Recursion OS allows us to discover and translate at scale across biology. However, we are cognizant that building disease-area expertise, especially in clinical development, is essential. And so, we We have developed a multi-pronged, capital-efficient business model focused on key value-drivers that enable us to demonstrate our progress over time while continuing to invest in the development of the Recursion OS, which we believe is the engine of value creation in the long-term. While our mapping and navigating tools have the plasticity to be applied across therapeutic areas and modalities, our business model is tailored to maximize value and advance programs cost-effectively based on the nature of market and regulatory dynamics associated with our three value drivers (internal pipeline, transformational partnerships, and fit-for-purpose proprietary biological, chemical, and chemical patient-centric data).

Figure 5. 7. We harness the value and scale of our maps of biology Recursion OS using a capital efficient business strategy. Our business strategy is segmented into our following value-drivers: (i) internally developed programs in capital-efficient therapeutic areas; (ii) partnered programs in resource-intensive therapeutic areas; and (iii) proprietary, fit-for-purpose training data. data and models. *Includes a single oncology indication from our Roche and Genentech collaboration.

Value-Driver Value Driver 1 - Internally Developed Programs in Capital-Efficient Capital Efficient Therapeutic Areas

We believe that the primary currency of any biotechnology company today is clinical-stage assets. These programs can be valued using a variety of models by stakeholders in the biopharma ecosystem and most importantly, present the potential to meet critical patient needs. For Recursion, is advancing five clinical-stage these assets have a variety of additional benefits, including: (i) validation of key elements of the Recursion OS, (ii) growing our expertise in clinical development and (iii) building in-house processes to facilitate smooth interaction with regulatory agencies and advance medicines towards the market. If the Recursion OS evolves as designed, then it will continuously improve with more iterations such that future programs across rare disease could be more novel and oncology, which we believe are capital-efficient opportunities potentially more valuable than today's programs. Operating as a vertically integrated TechBio company that leverages technology at every step from target discovery through clinical development (and even marketing and distribution) may be the long-term business model with the most upside for our growing clinical development team to focus on. stakeholders, including both investors and patients. We continue to advance internal preclinical programs focused on oncology to continue building may be opportunistic about selling or licensing assets after they achieve key value-inflection milestones so that we can re-invest in our pipeline. long-term strategy.

Value-Driver Value Driver 2 - Partnered Programs in Resource-Intensive Resource Intensive Therapeutic Areas

We believe that in its current form, our Recursion has made substantial progress OS is already capable of delivering many more therapeutic insights than we would be able to deliver against two transformational discovery collaborations;first a collaboration in neuroscience and a single gastrointestinal oncology indication shepherd alone today. As such, we have chosen to partner with experienced, top-tier biopharma companies like Bayer, Roche, and Genentech signed to explore intractable and resource-intensive areas of biology. The key advantages of these partnerships are that: (i) we are able to deploy the Recursion OS to turn latent value into tangible value in late 2021, areas of biology where it would be challenging for us to do so alone; (ii) the clinical development paths for these large therapeutic areas are often resource-intensive and second highly complex; and (iii) we are able to learn from our colleagues at these top-tier companies such that it could give us a collaboration competitive advantage in fibrosis with Bayer signed the industry over the longer term. This strategy also embeds us in 2020 the discovery process of large pharmaceutical companies and significantly expanded in 2021. We expect gives rise to continue making progress towards an alternative long-term business model whereby we become a valued partner of many such companies. Based on how value is ascribed across our industry today, this model alone is not yet feasible to maximize our business impact. However, we feel that due to shifts within the biopharma industry there is some potential value-accreting program milestones and map-building and data option milestones.for this portion of our business model to accrete notable value over the long-term.

Value-Driver

Value Driver 3 - Proprietary, Fit-for-Purpose Training Data and Models

While

As has been demonstrated in many other industries, a value driver and competitive advantage can be generated from the creation of a proprietary dataset. At Recursion, we will direct have generated what we believe to be one of the generation largest fit-for-purpose, relatable biological, chemical, and patient-centric datasets on Earth. Spanning multiple omics technologies and more than 200 million unique experiments, the over 50 petabytes of new data that Recursion generates, aggregates, and integrates has the fundamental purpose of being used to train machine learning models. Through intensive internal work, Recursion uses this data and utilize our own models, algorithms, and software to advance our own internal pipeline of medicines (Value Driver 1) as well as in partnership with our collaborators to advance additional discovery programs (Value Driver 2). As our field increasingly recognizes the latest potential for a technology-driven revolution in drug discovery, our data in Recursion's Data Universe has increasing potential to maximize our pipeline and partnership value-drivers, we drive value directly. We increasingly see the potential to license select models and subsets of our over 21

petabytes of proprietary data to a growing universe of collaborators for which internal efforts would be minimal, but value could be significant.

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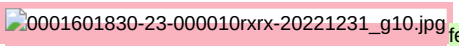
Competitive Landscape and Differentiation

There are a few key factors that differentiate Recursion from both other technology-enabled drug discovery companies.

1. Recursion utilizes **many biology, chemistry, and patient-centric proprietary datasets and modular tools** to industrialize drug discovery, while most other competitor companies rely on a point solution to solve one important step in drug discovery. We recognize that drug discovery is made up of many steps, and a point solution is insufficient to generate efficiencies across the entire process. To decode biology, we must construct a full-stack technology platform capable of integrating and industrializing many complex workflows. In part, Recursion's LOWE (LLM-Orchestrated Workflow Engine) is a natural progression of workflow automation. In the future, we believe the Recursion OS will also utilize large population genetics datasets and data from payer and healthcare systems to drive greater efficiencies and more precision medicine solutions for patients.
2. Recursion integrates **wet-lab and dry-lab capabilitiesin-house** to create a virtuous cycle of iteration. Fit-for-purpose wet-lab experimental data are translated by dry-lab digital tools into *in silico* hypotheses and testable predictions, which in turn generates more wet-lab data from which improved predictions can be made. Recursion is well positioned compared to companies of a similar stage either focused more specifically on the wet-lab only (traditional biotech or pharma companies) or dry-lab only (companies facing rapidly commoditized algorithms and a challenge differentiating on non-proprietary data).
3. Recursion has achieved a **significant scale** with respect to its scientific, technological, and business endeavors. With five clinical-stage programs, an exciting preclinical pipeline, two of the largest discovery partnerships in the biopharma industry with Roche/Genentech and technology industries. Bayer, and three technology-focused partnerships, Recursion has achieved a scale, level of integration, and stage that few other TechBio companies have.

The Recursion OS Competitive Landscape and Differentiation

The creation of virtuous cycles of atoms and bits has been There are a competitive advantage for leaders in many industries outside of biopharma. This virtuous cycle of profiling the real (atoms) to create digital representations (bits) can be paralleled as an approach to mapping and navigating biology and chemistry as well.



few key factors that differentiate Recursion from other technology-enabled drug discovery companies.

Figure 6. Recursion's virtuous cycle 1. Recursion utilizes **many biology, chemistry, and patient-centric proprietary datasets and modular tools** to industrialize drug discovery, while most other competitor companies rely on a point solution to solve one important step in drug discovery. We recognize that drug discovery is made up of atoms many steps, and bits. (1) Profile real biological and chemical systems using automation to scale a small number of data-rich assays, including phenomics, transcriptomics, InVivomics and ADMET point solution is insufficient to generate massive, high quality empirical data; (2) Aggregate efficiencies across the entire process. To decode biology, we must construct a full-stack technology platform capable of integrating and analyze industrializing many complex workflows. In part, Recursion's LOWE (LLM-Orchestrated Workflow Engine) is a natural progression of workflow automation. In the resultant future, we believe the Recursion OS will also utilize large population genetics datasets and data using a variety of in-house software tools including proprietary machine learning algorithms in both public from payer and private clouds; healthcare systems to drive greater efficiencies and more precision medicine solutions for patients.

2. Recursion integrates **wet-lab and dry-lab capabilities and (3) Map and navigate leveraging proprietary software tools in-house** to infer relationships between biology and chemistry tested independently. These inferred relationships serve as the basis of our ability to predict how to navigate between biological states using chemical or biological perturbations, which we can then validate in our automated laboratories, completing create a virtuous cycle of learning and iteration.

Specifically, at Recursion, automated iteration. Fit-for-purpose wet-lab biology and experimental data are translated by dry-lab computational digital tools are organized in an iterative loop to rapidly translate into *in silico* hypotheses into and testable predictions, which in turn generates more wet-lab data on from which improved predictions can be made. The Recursion OS cycles between is well positioned compared to companies of a similar stage either focused more specifically on the profiling of real systems (atoms) wet-lab only (traditional biotech or pharma companies) or dry-lab only (companies facing rapidly commoditized algorithms and the aggregation a challenge differentiating on non-proprietary data).

3. Recursion has achieved a **significant scale** with respect to its scientific, technological, and analysis of data (bits) to infer relationships across biological and chemical systems (mapping and navigating). Collectively, the components business endeavors. With five clinical-stage programs, an exciting preclinical pipeline, two of the Recursion OS can be joined together to identify, validate and advance a broad portfolio of novel therapeutic programs quickly, cost-effectively and with minimal human intervention and bias - industrializing drug discovery.We use standardized, automated workflows to identify programs and advance them through key stages of the drug largest discovery and development pipeline as partnerships in the following graphic. biopharma industry with Roche/Genentech and Bayer, and three technology-focused partnerships, Recursion has achieved a scale, level of integration, and stage that few other TechBio companies have.

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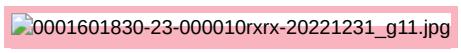

Figure 7. The Recursion OS is meant to industrialize the drug discovery and development process through multiple cycles of learning and iteration.

Atoms

Our Recursion OS is composed of a broad suite of automated laboratory systems used to conduct standardized, high-dimensional data acquisition at scale. These data span phenomics, transcriptomics, InVivomics and ADME/DMPK assays. Recursion has built a physical library of approximately 1.7 million compounds, including over 1 million new

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chemical entity (NCE) starting point substances, a large library of known chemical entities which can serve as guideposts, and more than 500 thousand compounds belonging to our collaborators. Further, Recursion has generated a custom whole-genome arrayed CRISPR guide library. Together, these tools allow Recursion to explore millions of different biological perturbations in our own wet-labs. Our tissue culture facility has scaled the production of nearly 50 human cell types and has also enabled work at scale in co-cultures and complex iPSC-derived cell types. In 2022, for example, Recursion generated more than 500 billion human neuronal iPSC-derived cells for our partnered work with Roche and Genentech - a scale achieved by few if any other companies in the world.

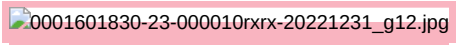

Figure 8. Diverse datasets within the Recursion Data Universe are highly complementary. The Recursion Data Universe consists of complementary datasets spanning multiple data modalities. While phenomics data can be generated cost-effectively and at scale, other datasets such as transcriptomics, DMPK and InVivomics offer increasing insight as we translate programs from early discovery through development.

Bits

The Recursion OS is built on top of a core technology stack that is highly scalable and flexible. This stack is composed of infrastructure components, such as our wholly-owned supercomputer, *BioHive-1,* where much of our deep learning model training and research happens. In addition, we have built a custom software stack including many proprietary tools integrated into a full-stack data collection, aggregation, storage and analysis pipeline spanning target discovery to digital chemistry.

Flowing through our software infrastructure are more than 21 petabytes of highly relatable biological and chemical data, including: phenomics, transcriptomics, InVivomics, ADMET assays and bespoke bioassay data we call the Recursion Data Universe. We generate, evaluate and analyze this scaled data using our enabling software tool suite, which includes a custom Laboratory Information Management System (LIMS), custom applications to design large experimental layouts consisting of millions of perturbation conditions, tools and dashboards to automatically execute and continuously monitor experimental protocols and a *MapApp* which enables users to map and navigate core components of our data spanning more than three trillion predicted relationships. Recursion recently released a demo-version of one of our internal tools, MolRec, along with a massive open-source dataset (RxRx3), which allows potential collaborators to get a taste of how Recursion explores relationships among and between potential medicines and genes.

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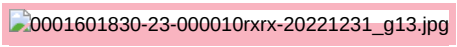

Figure 9. The MapApp allows our team to simultaneously view multiple relationships between genes and compounds. This proprietary software application enables us to rapidly explore inferred biological and chemical relationships in order to: (i) discover targets, (ii) predict active hits, (iii) optimize for similar or dissimilar relationships and (iv) predict mechanisms of action.

Virtuous Cycles of Atoms and Bits to Advance Programs

As of December 31, 2022, using our highly-automated wet-lab infrastructure, we have executed over 175 million experiments across different biological and chemical contexts in multiple human cell types. Experimental results reside within the Recursion Data Universe, which grows as new experiments are performed. Using this data, we apply sophisticated computational techniques to infer trillions of relationships between biological and pharmacological perturbations *in silico* and prioritize the most novel and promising candidates for further validation in our wet laboratories. Our mapping and navigating approach to drug discovery means that the ambitious experimental explorations that would have taken us over 1,000 years to physically execute can now be inferred nearly instantaneously due to the relatability of the datasets that we have already constructed. The computational methods at the core of mapping and navigating allow us to turn the output of each experiment from “data exhaust” into a data engine: every compound we profile is analyzed not for its activity against a single target, but for its inferred activity against *all possible targets* in our arrayed CRISPR library, as well as its similarity to every compound we have run before in its phenomap (digital relationship map of phenomic data) – producing a super-linear growth in biological relationships as we conduct experiments.

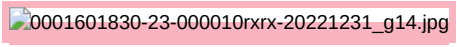

Figure 10. Mapping and navigating enables simultaneous genome-wide screening. Traditional pharma high-throughput screening methods screen thousands to millions of compounds simultaneously against single targets, deriving information about compound activity on that single target, but no information about other targets. Recursion’s mapping and navigating approach in phenomics enables us, in a single experiment, to infer the activity of a compound against all potential targets in our arrayed CRISPR knockout screen.

When building the Recursion OS, we first focused on discovering and validating novel *biological* targets because we believe that identifying the appropriate target is the most challenging step in the drug discovery process due to bias and limitations associated with the traditional approach to drug discovery. More recently, we have been actively expanding the Recursion OS to more rapidly identify novel *chemical* starting points, more rapidly drive chemistry optimization through structure-activity-relationships (SAR) and achieve higher success rates in translating our novel target discovery work into IND-enabled programs. In the future, we envision that we will further evolve our approach and

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incorporate data and techniques that improve our ability to *execute clinical programs* at scale, including population-scale genomics data and precision medicine tools in order to identify patients for which a potential therapeutic would be beneficial.

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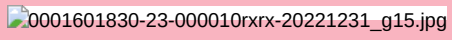

Figure 11. The productionized portions of the Recursion OS today. We use our proprietary software and highly-automated wet laboratory to design and execute up to 2.2 million experiments each week across diverse biological and chemical matter. Complex, high-dimensional data from these experiments are generated at a rate of up to 110 terabytes per week and aggregated and analyzed by proprietary neural networks in either distributed cloud computing environments or on our own supercomputer, BioHive-1. We leverage ML approaches to predict relationships between combinations of biological and chemical perturbations and have made more than 3 trillion such predictions. Our scientists navigate these predictions using proprietary software to discover novel relationships, which we can quickly test either in-house with our Industrialized Program Generation workflow or with clinical research organizations (CROs). As we validate or refute the predictions, our Recursion OS continuously improves.

Demonstrable Impact

Late-stage clinical failures are the primary driver of costs in today's pharmaceutical R&D model, due in part to inherent uncertainty in the clinical development and regulatory process. Reducing the rate of costly, late-stage failures and accelerating the timeline from hit to a clinical candidate would create a more sustainable R&D model. To achieve this more sustainable model, we believe that in its ideal state, a drug discovery funnel would morph from the being shaped like the letter 'V' to being be shaped like the letter 'T,' where a broad set of possible therapeutics could be narrowed rapidly to the best candidate, which would advance through subsequent steps of the process quickly and with no attrition. Recursion's goal is to leverage technology to reshape the typical drug discovery funnel towards its ideal state by moving failure as early as possible to rapidly narrowing the funnel into programs with the highest probability of success.

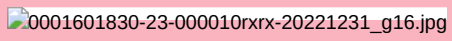

Figure 12. Reshaping the drug discovery funnel. Recursion's goal is to leverage technology to reshape the typical drug discovery funnel towards its ideal state by moving failure as early as possible to rapidly narrowing the funnel into programs with the highest probability of success.

We believe we have made progress in reshaping the traditional drug discovery funnel in the following ways:

- *Broaden the funnel of therapeutic starting points.* Our flexible and scalable mapping tools and infrastructure enable us to infer trillions of relationships between human cellular disease models and therapeutic candidates based on real empirical data from our own wet-labs, 'widening the neck' of the discovery funnel beyond human-hypothesized targets.

- *Identify failures earlier when they are relatively inexpensive.* Our proprietary navigation tools enable us to explore our massive biological and chemical datasets to validate more and varied hypotheses rapidly. While this strategy results in an increase in early stage attrition, the system is designed to rapidly prioritize programs with a higher likelihood of downstream success based on the exploration of high-dimensional, systems-biology data. Over time, and as our OS improves, we expect that moving failure earlier in the pipeline will result in an overall lower cost of drug development.

- *Accelerate delivery of high-potential drug candidates to the clinic.* The Recursion OS contains a suite of digital chemistry tools that enable highly efficient exploration of chemical space, including 3D virtual screening as well as translational tools that improve the robustness and utility of *in vivo* studies.

By leveraging our Recursion OS to explore more than 170 disease programs, we have shown quantifiable improvements in the time, cost and anticipated likelihoods of program success by stage when compared to the traditional drug discovery process. We believe that future iterations of the Recursion OS will enable even greater improvements minimizing the total dollar-weighted failure and maximizing the likelihood of success.

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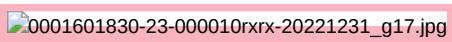

Figure 13. The trajectory of our drug discovery funnel mirrors the 'ideal' pharmaceutical drug discovery funnel. We believe that, compared to industry averages, our approach allows us to: (i) identify low-viability programs earlier in the research cycle, (ii) spend less per program and (iii) rapidly advance programs to a validated lead. Data shown are the averages of all our programs from 2017 through 2022.

Over time, we believe continued successes and improvements in any or all of the dimensions highlighted above will improve overall R&D productivity, allowing us to address targeted patient populations that may otherwise not be commercially viable using traditional drug discovery approaches. Furthermore, we have seen our unbiased approach lead us to novel targets which we believe could enable us to outperform others in highly competitive disease areas where multiple parties often simultaneously pursue a limited number of

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similar target hypotheses. These advantages potentially significantly expand the total addressable market for our technology. However, the process of clinical development is inherently uncertain, and there can be no guarantee of success.

Pipeline

All of the programs in our internal pipeline are built on unique biological insights surfaced through the Recursion OS where: (i) the disease-causing biology is well defined but the downstream effects of the disease-cause are typically poorly understood, the primary targets are typically considered undruggable, or the primary targets are not well known in the context of a disease and (ii) there is a high unmet medical need, no approved therapies, or significant limitations to existing treatments. Several of our internal pipeline programs could have potential market opportunities in excess of $1.0 billion in annual sales. We currently have four programs in active clinical studies and are preparing for a fifth program to enter a Phase 1b/2 clinical trial in early 2024. In addition to our clinical stage programs, we are actively developing dozens of preclinical and discovery programs.

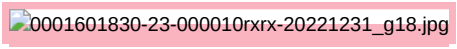

Figure 14. The power of our Recursion OS as exemplified by our expansive therapeutic pipeline. All populations defined above are US and EU5 incidence unless otherwise noted. EU5 is defined as France, Germany, Italy, Spain and UK. [1] Prevalence for hereditary and sporadic symptomatic CCM population. [2] Annual US and EU5 incidence for all *NF2*-driven meningiomas. [3] Our Targets Delta and Alpha programs have the potential to address a number of indications in the immunotherapy space. [4] Our MYC program has the potential to address a number of indications driven by MYC alterations, totaling 54,000 patients in the US and EU5 annually. We have not finalized a target product profile for a specific indication.

Clinical Programs

- REC-994 for the potential treatment of cerebral cavernous malformation, or CCM — a Phase 2, double-blind, placebo-controlled, safety, tolerability and exploratory efficacy study is underway. Orphan Drug Designation has been granted in the US and EU. We expect to share top-line data in 2H 2024.
- REC-2282 for the potential treatment of neurofibromatosis type 2, or NF2 — an adaptive, Phase 2/3, randomized, multicenter study is underway. Orphan Drug Designation in the US and EU as well as Fast Track Designation in the US have been granted. We expect to share a Phase 2 interim safety analysis in 2024.
- REC-4881 for the potential treatment of familial adenomatous polyposis, or FAP — a Phase 2, double-blind, randomized, placebo-controlled study is underway. Orphan Drug Designation in the US and EU as well as Fast Track Designation in the US have been granted.
- REC-4881 for the potential treatment of *AXIN1* or *APC* mutant cancers — a Phase 1b/2 study in select tumor types is expected to initiate in early 2024.
- REC-3964 for the potential treatment of *Clostridioides difficile* infection — a Phase 1 study in healthy volunteers is underway. We expect to share safety and PK data in 2H 2023.

Preclinical and Discovery Programs

Recursion continues to develop a suite of oncology programs progressing to and in the preclinical space. We believe many of these programs will remain internal at least through early clinical trials, though a subset may be well-positioned for asset-level partnerships at the preclinical or early clinical stages.

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Partnerships

Recursion has made substantial progress to deliver against two large discovery collaborations;first a collaboration in neuroscience and a single gastrointestinal oncology indication with Roche and Genentech signed in late 2021, and second a collaboration in fibrosis with Bayer signed in 2020 and significantly expanded in 2021. We expect to continue to make progress to set up the potential for value-accreting program milestones and map-building and data option milestones.

Roche and Genentech

On December 5, 2021, we entered into a collaboration with Roche and Genentech with the goal to use the Recursion OS to create maps of chemical and whole genome genetic perturbations in multiple cellular contexts of relevance to neuroscience and a single gastrointestinal oncology indication.In addition, together with Roche and Genentech we will create multi-modal models and maps, including significant single-cell sequencing data supplied by our partners, to further expand and refine the number of inferred relationships we uncover. Both approaches will be used to discover and develop up to 40 collaboration programs.In 2022, we made significant progress against both the gastrointestinal-oncology and neuroscience portions of the collaboration, including cell type evaluation and significant cell scale up in support of initial Phenomap-building efforts which remain on track.

Bayer

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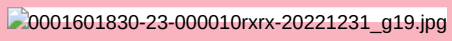
In August 2020, we entered into a Research Collaboration and Option Agreement with Bayer AG in the field of fibrosis. In December 2021, we significantly expanded this agreement to use our mapping and navigating tools to more efficiently identify biological and chemical insights that can be advanced as therapeutic programs. In 2022, we augmented our existing phenomaps with approximately 500,000 compounds from Bayer's proprietary chemical library, significantly expanding the chemical diversity within our phenomaps.Additionally, we initiated four (4) new Programs (for a total of eight (8) total Programs initiated to date) and advanced multiple Programs towards value inflection points.Going forward, we expect the use of our mapping and navigating tools to rapidly accelerate the scale and pace at which we can initiate additional Programs.



Business Detail

Recursion's Founding

Recursion was founded in November of 2013 as a spin-out from the laboratory of Recursion co-founder Dean Y. Li, then Vice-Dean of Research and Professor of Medicine at the University of Utah (currently President of Merck Research Labs). In Dean's lab, then MD/PhD student Chris Gibson (currently Recursion CEO) was working with a team to study Cerebral Cavernous Malformation (CCM), a genetic disease for which Recursion now has a drug in human clinical trials.Their research had led them to believe that activation of a protein called RhoA played the central role in the manifestation of CCM pathophysiology in humans. They leveraged an approved drug called simvastatin that is known to inhibit RhoA activation to evaluate their hypothesis in an animal model of CCM disease.The result was the opposite of what they expected; the treatment trended towards making the mice worse, not better.

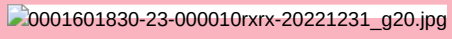


Figure 15. Modulating a hypothesis highlighted by a traditional approach resulted in a treatment that trended towards doing the opposite of what was expected.[5]

There were many reasons the experiment could have failed, but the real significance was that the result challenged the team to question the validity of the RhoA hypothesis that they had arrived at using traditional molecular and cellular biology tools. Coming off the failure, the team went back to the drawing board. During their work, they had noticed that human cellular models of CCM in human cells looked very different from healthy cells; that is to say that their cellular morphology was markedly different. That difference sparked an idea to try to unbias the approach by leveraging a phenotypic screen where they applied many different potential treatments to diseased cells, collected images and looked for molecules that reverted the 'diseased' cell morphology back to 'healthy.'

Rather than use a traditional phenotypic screening approach, where people would look at the images by eye or use a very basic measure like the intensity of a single marker from the microscopy images, the team instead used very early ML approaches to make this process much more objective, quantifiable and scalable. It turned out that the ML algorithms had a much higher probability of predicting "hits" - i.e., chemical compounds that demonstrated efficacy in a subsequent completely different experiment where diseased cells were treated and measured to evaluate the level of improvement.

They ran the best molecules from the increasingly complex assay systems through multiple different animal studies, and together with their collaborators ultimately demonstrated that two of those compounds, including what is now REC-994 (a molecule that Recursion is exploring in a phase 2 human safety and exploratory efficacy clinical trial for CCM), rescued multiple aspects of the disease in mice.

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[5] Gibson, et al. (2015). Strategy for identifying repurposed drugs for the treatment of cerebral cavernous malformation.*Circulation, 131(3),* 289-99.

The early success of leveraging machine learning to explore complex biological data to generate novel hypotheses in a target-agnostic way compelled Chris and Dean, along with a third co-founder, Blake Borgeson to spin-out the technology from the University of Utah. They wanted to test the hypothesis of whether one could use this approach, or similar approaches, to scale drug discovery and development, and thus Recursion was born.

Industrializing the Drug Discovery Process

The traditional drug discovery and development process is characterized by substantial financial risks, with increasing and long-term capital outlays for development programs that often fail to reach patients as marketed products. Historically, it has taken over ten years and an average capitalized R&D cost of approximately $2 billion per approved medicine to move a drug discovery project from early discovery to an approved therapeutic. Such productivity outcomes have culminated in a rapidly declining internal rate of return for the biopharma industry.

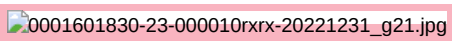

Figure 16. Historical biopharma industry R&D metrics. The primary driver of the cost to discover and develop a new medicine is clinical failure. Less than 4% of drug discovery programs that are initiated result in an approved therapeutic, resulting in a risk-adjusted cost of approximately $1.8 to $2.6 billion per new drug launched.[6,7,8,9,10]

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Despite significant investment and brilliant scientists, these metrics point to the need to evolve a more efficient drug discovery process and explore new tools. Traditional drug discovery relies on basic research discoveries from the scientific community to elucidate disease-relevant pathways and targets to interrogate. Coupled with biology's incredible complexity, this approach has forced the industry to rely on reductionist hypotheses of the critical drivers of complex diseases, which can create a 'herd mentality' as multiple parties chase a limited number of therapeutic targets. The situation has been exacerbated by human bias (e.g., confirmation bias and sunk-cost fallacy). Accentuating this problem, the sequential nature of current drug discovery activities and the challenges with aggregation and relatability of data across projects, teams and departments lead to frequent replication of work and long timelines to discharge the scientific risk of such hypotheses. Despite decades of accumulated knowledge, the result is that drug discovery has unintentionally created hurdles for innovation.

Simultaneously, exponential improvements in computational speed and reductions in data storage costs driven by the technology industry, coupled with modern ML tools, have transformed complex industries from media to transportation to e-commerce. The biopharma sector, however, has been slower to embrace such innovations, except in narrow areas.

At Recursion, we are pioneering the integration of innovations across biology, chemistry, automation, data science and engineering to industrialize drug discovery in a full-stack solution built from the bottom-up across dozens of key workflows and processes critical in discovering and developing a drug. For example, by combining advances in high

[6] Zhou, S. and Johnson, R. (2018). Pharmaceutical Probability of Success. *Alacrita Consulting, 1-42*

[7] Steedman M, and Taylor K. (2020). Ten years on: Measuring the return from pharmaceutical innovation. *Deloitte*. 1-44.

[8] DiMasi et al. (2016). Innovation in the pharmaceutical industry: New estimates of R&D costs. *Journal of Health Economics*. 47, 20-33.

[9] Paul, et al. (2010). How to improve R&D productivity: the pharmaceutical industry's grand challenge. *Nature Reviews Drug Discovery*. 9,203-214

[10] Martin et al. (2017). Clinical trial cycle times continue to increase despite industry efforts. *Nature Reviews Drug Discovery*. 16, 157

content microscopy with arrayed CRISPR genome editing techniques, we can rigorously *profile* massive, high-dimensional biological and chemical perturbation libraries in multiple human cellular contexts. Leveraging advancements in data storage and computation, we can *aggregate and analyze* the massive resultant datasets to create digital 'maps' of human cellular biology. Finally, we can use modern AI and ML tools to *infer* relationships within the data, unconstrained by known biology or presumptive hypotheses. We believe that by harnessing advances in technology to industrialize drug discovery, we can derive novel biological insights not previously described by scientific researchers, reduce the effects of human bias inherent in discovery biology and reduce translational risk at the program outset.

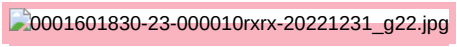

Figure 17. Recursion's approach to drug discovery. We utilize our Founding Principles on the right to build datasets which are scalable, reliable and relatable in order to elucidate novel biological and chemical insights and industrialize the drug discovery process.

We have used our approach to generate one of the largest biological and chemical datasets in the world (over 21 petabytes at the end of 2022) which includes proprietary phenomics, transcriptomics, InVivomics, ADME data and more across a large number of biological and chemical contexts. Additionally, we have built a proprietary suite of software applications within the Recursion OS which has identified over 3 trillion predicted biological and chemical relationships. The following table highlights how Recursion has scaled with respect to experiments, data and biological and chemical relationships. With our approach, we look to turn drug discovery into a search problem where we map and navigate biology in an unbiased manner to discover new insights and translate them into potential new medicines at scale.

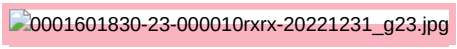

Table 1. Biology and chemistry are complex – data that is scalable and relatable is a differentiator. We are a biotechnology company scaling more like a technology company, as demonstrated by our growth in inputs (experiments as well as biological and chemical contexts) and growth in outputs (data as well as biological and chemical relationships). (1) Includes approximately 500,000 compounds from Bayer's proprietary library. (2) 'Predicted Relationships' refers to the number of unique perturbations that have been predicted using our maps.

Business Strategy and Value Drivers

While most small to medium-sized biopharma companies are focused on a narrow slice of biology or therapeutic area, where they believe they have an advantage or insight based on the summed experience of their team, the Recursion OS allows us to discover and translate at scale across biology. However, we are cognizant that building disease-area expertise, especially in clinical development, is essential. And so, we have developed a multi-pronged, capital-efficient business model focused on key value-drivers that enable us to demonstrate our progress over time while continuing to invest in the development of the Recursion OS, which we believe is the engine of value creation in the long-term. While our mapping and navigating tools have the plasticity to be applied across therapeutic areas and modalities, our business model is tailored to maximize value and advance programs cost-effectively based on the nature of market and regulatory dynamics associated with our three value drivers (internal pipeline, transformational partnerships and fit-for-purpose proprietary biological and chemical data).

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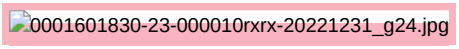

Figure 18. We harness the value and scale of our maps of biology using a capital efficient business strategy. Our business strategy is segmented into our following value-drivers: (i) internally developed programs in capital-efficient therapeutic areas; (ii) partnered programs in resource-intensive therapeutic areas; and (iii) proprietary, fit-for-purpose training data. *Includes a single oncology indication from our Roche and Genentech collaboration.

Value Driver 1 - Internally Developed Programs in Capital Efficient Therapeutic Areas

We believe that the primary currency of any biotechnology company today is clinical-stage assets. These programs can be valued using a variety of models by stakeholders in the biopharma ecosystem and most importantly, present the potential to meet critical patient needs. Further, for Recursion, these assets have a variety of additional benefits, including: (i) validation of key elements of the Recursion OS, (ii) growing our expertise in clinical development and (iii) building in-house processes to facilitate smooth interaction with regulatory agencies and advance medicines towards the market. If the Recursion OS evolves in the manner with which it has been designed, then it will improve with more iterations such that future programs could be more novel and potentially more valuable than today's programs. In this way, operating as a vertically-integrated biopharma company that leverages technology at every step from target discovery through clinical development (and even marketing and distribution) may be the long-term business model with the most upside for our stakeholders, including both investors and patients. Furthermore, we may be opportunistic about selling or licensing assets after they achieve key value-inflection milestones so that we can re-invest in our long-term strategy.

Value Driver 2 - Partnered Programs in Resource Intensive Therapeutic Areas

We believe that in its current form, our Recursion OS is already capable of delivering many more therapeutic insights than we would be able to responsibly shepherd alone today. As such, we have chosen to partner with experienced, top-tier biopharma companies to explore intractable and resource-intensive areas of biology like fibrosis with Bayer and neuroscience with Roche and Genentech. The key advantages of these partnerships are that: (i) we are able to deploy the Recursion OS to turn latent value into tangible value in areas of biology where it would be challenging for us to do so alone; (ii) the clinical development paths for these large therapeutic areas are often resource-intensive and highly complex; and (iii) we are able to learn from our colleagues at these top-tier companies such that it could give us a competitive advantage in the industry over the longer term. This strategy also embeds us in the discovery process of large pharmaceutical companies and gives rise to an alternative long-term business model whereby we become a valued partner of many such companies. Here, Recursion would focus on discovery efforts across a broad set of programs while relying on its partners to develop and market the medicines. Based on how value is ascribed across our industry today, this model alone is not yet feasible to maximize our business impact. However, we feel that due to shifts within the biopharma industry there is some potential for this portion of our business model to accrete notable value over the long-term.

Value Driver 3 - Proprietary, Fit-for-Purpose Training Data

As has been demonstrated in many other industries, a value drive and competitive advantage can be generated from the creation of a proprietary dataset. At Recursion, we have generated what we believe to be one of the largest fit-for-purpose, relatable biological and chemical datasets on earth. Spanning multiple omics technologies and more than 175 million unique experiments, the over 21 petabyte Recursion Data Universe is of the same rough scale as those generated by some of the oldest and largest pharma companies,[11] but is built from scratch in our laboratories with a fundamental purpose to be used as training data for machine learning models. Through intensive internal work, Recursion uses this data and our own algorithms and software to generate and advance our own internal pipeline of medicines (Value Driver 1), as well as in partnership with our collaborators to advance additional discovery programs (Value Driver 2). Our most recent collaboration announcement with Roche and Genentech set an important precedent - there are up to or exceeding $500M in milestones unrelated to specific drug discovery programs, but instead based on successful creation and optioning of collaboration data generated by Recursion. As our field increasingly recognizes the potential for a coming revolution in drug discovery based on virtuous cycles of atoms and bits, these data are themselves becoming a direct value driver. While we will likely direct the generation of new data and exploit the latest data in our data Universe to maximize our pipeline and partnership value-drivers, we increasingly see the potential to license subsets of our data to a growing universe of collaborators for which internal efforts would be minimal, but value could be significant.

Competitive Landscape and Differentiation

There are three a few key factors that differentiate Recursion from the vast majority of other TechBio technology-enabled drug discovery companies.

1. Recursion is utilizes **biology-first many biology, chemistry, and patient-centric proprietary datasets and modular tools** , to industrialize drug discovery, while most other competitor companies are chemistry-first. The highest probability rely on a point solution to solve one important step in drug discovery. We recognize that drug discovery is made up of failure for clinical stage programs in our industry many steps, and a point solution is insufficient to generate efficiencies across the entire process. To decode biology, we must construct a full-stack technology platform capable of integrating and industrializing many complex workflows. In part, Recursion's LOWE (LLM-Orchestrated Workflow Engine) is a lack natural progression of efficacy in workflow automation. In the intended disease state or an unexpected side-effect. These failure modes are primarily driven by picking the wrong target or not fully understanding the role of that target in broader physiology and not by failure to generate molecules that successfully agonize or antagonize the target of interest. There are of course exceptions to this, but future, we believe that mapping the Recursion OS will also utilize large population genetics datasets and navigating biology solves a zero-to-one type problem, while optimizing chemistry is a critical, but insufficient step alone. Because the chemistry problem is data from payer and healthcare systems to drive greater efficiencies and more tractable, the vast majority of TechBio companies have started (or remain) here. We believe our biology-first approach is a more critical unlock, and now have the opportunity to build on that success at low cost by adding digital chemistry and related precision medicine solutions to our solution stack, especially amidst an over-crowded space. for patients.
2. Recursion integrates **integrates the wet-lab and dry-lab capabilities in-house** and at scale. With scaled wet-lab (atoms) and dry-lab (bits) creating to create a virtuous cycle of iteration, iteration. Fit-for-purpose wet-lab experimental data are translated by dry-lab digital tools into *in silico* hypotheses and testable predictions, which in turn generates more wet-lab data from which improved predictions can be made. Recursion is well positioned compared to those companies of a similar stage either focused more completely specifically on the wet-lab only (traditional biotech or pharma companies) or dry-lab only focused companies who are (companies facing rapidly commoditized algorithms and a challenge differentiating on non-proprietary data. data).

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3. Recursion has achieved a **significant scale** with respect to its scientific, technological, and stage much earlier than other companies. business endeavors. With five clinical-stage programs, an exciting preclinical pipeline, and two of the largest discovery partnerships in the biopharma industry with Roche/Genentech and Bayer, and three technology-focused partnerships, Recursion has achieved a scale, level of integration, and stage that few other TechBio companies have. In the context of steep competition for resources amidst challenging capital markets, this position serves Recursion well, especially compared to many of the late stage private companies with significant valuations and burn.

[11] Dougherty, E. (2018, October 24). *On being and becoming a data science company*. Novartis. https://www.novartis.com/stories/being-and-becoming-data-science-company

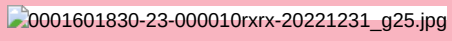

Figure 19. Recursion sits at a unique intersection of key advantages. Among TechBio companies, Recursion sits at a unique intersection of a (i) biology vs chemistry-first organization, focused on identifying novel relationships across biological targets and disease areas, which we believe to be the most pressing challenge in our industry; (ii) a virtuous cycle of wet-lab and dry-lab enabling virtuous cycles of iteration and proprietary insight generation; and (iii) with a scaled pipeline and partnerships differentiating from the many early startups and fee-for-service organizations.

While emerging competitors and large, well-resourced incumbents may pursue a similarly differentiated strategy to ours, we have two advantages as a first mover: (i) no amount of resources can compress the time it takes to observe naturally occurring biological processes and (ii) the growing Recursion Data Universe creates compounding network effects that may make it difficult for others to close the competitive gap.

The Recursion OS - Creating Virtuous Cycles of Atoms and Bits

The creation of virtuous cycles of atoms physical experiments and bits*in silico* models has been a competitive advantage for leaders in many industries outside of biopharma. This In drug discovery, virtuous cycle cycles of profiling the real (atoms) to create digital representations (bits) can be paralleled as experimentation (wet-lab assays) and machine learning (dry-lab predictions) is an approach to efficiently mapping and navigating biology and chemistry as well. at unparalleled scale and efficiency. Critically, by closely integrating the wet-lab and dry-lab in an iterative manner, one can create cycles of virtuous learning, where large fit-for-purpose wet-lab datasets support better *in silico* model generation and enable more focused future wet-lab experiments.

Figure 20. 8. Recursion's virtuous cycle of atoms wet-lab and bits. dry-lab. (1) Profile real biological and chemical systems using automation to scale a small number of data-rich assays, including phenomics, transcriptomics, InVivomics, and ADMET ADME to generate massive, high quality empirical data; (2) Aggregate aggregate and analyze the resultant data using a variety of in-house software tools including proprietary machine learning algorithms on both public and private clouds tools;**.** and (3) Map map and navigate leveraging proprietary software tools to infer relationships between biology and chemistry tested independently. chemistry. These inferred relationships serve as the basis of our ability to predict how to navigate between biological states using chemical or biological perturbations, which we can then validate in our automated laboratories, completing a virtuous cycle of learning and iteration.iteration.

Specifically, at Recursion, automated wet-lab biology and dry-lab computational tools are organized in an iterative loop to rapidly translate *in silico* hypotheses into testable predictions, which in turn generates more data on which improved predictions can be made. The Recursion OS cycles between the profiling is composed of real systems (atoms) many wet and the aggregation dry-lab modules. Each module is both a capability as well as a set of standardized workflows that have been scaled and analysis automated, in some cases, to a very high degree. In order to drive greater efficiency, these modules have been industrialized so that they can be plugged into drug discovery and development activities related to both our internal pipeline as well as large pharma partnerships. Connecting standardized workflows together can be thought of data (bits) to infer relationships across like modular programming but in a biological and chemical systems (mapping context. The general connected modular framework for carrying out industrialized, unbiased drug discovery and navigating). Each of these components development is explored in more detail, below.the Recursion OS.

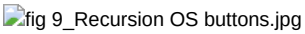

Figure 21. 9. The productionized portions of the Recursion OS today. is composed of many wet- and dry-lab modules that can be connected to carry out industrialized, unbiased drug discovery and development. We use our proprietary software Each module is both a capability as well as a set of standardized workflows that have been scaled and highly-automated wet laboratory automated, in some cases, to design and execute up to 2.2 million experiments each week across diverse biological and chemical matter. Complex, high-dimensional data from these experiments are generated at a rate of up to 110 terabytes per week and aggregated and analyzed by proprietary neural networks in either distributed cloud computing environments or on our own supercomputer, BioHive-1. We leverage ML approaches to predict relationships between combinations of biological and chemical perturbations and have made more than 3 trillion such predictions. Our

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scientists navigate these predictions using proprietary software to discover novel relationships, which we can quickly test either in-house with our Industrialized Program Generation workflow or with contract research organizations (CROs). As we validate or refute the predictions, our Recursion OS continuously improves. very high degree.

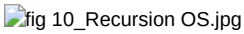

Figure 22. 10. The Recursion OS is meant to industrialize the drug discovery and development process through multiple cycles of learning and iteration. The Recursion OS is built on biologically-native biologically native cycles of atoms wet-lab and bits dry-lab modules leveraging phenomics, transcriptomics and InVivomics to drive discovery and validation of targets and compounds, while chemically-native chemically native cycles of predictive DMPK (drug metabolism and pharmacokinetics) and automated microsynthesis ADME drive optimization of validated hits towards development candidates suitable for human clinical trials.

Atoms Wet Lab (Physical)

In order to create large and relatable data sets, datasets, standardization and scale are two critical requirements that can be best achieved through automation. Standardization means that the experiment is executed consistently every time, day after day, year after year - and that any deviations can be detected, tracked, and quantified. It involves meticulous metadata collection, prospective/retrospective experiment execution analysis, standard results storage, quantitative quality control and more. At the same time, massive scale, with millions of experiments executed per week, requires execution of multi-step assays processed rapidly and in a tightly orchestrated manner. This combination of precise repetition, high speed and massive volumes favors relying on robots over highly trained scientists, whose time is better spent on context-specific problems. In addition, automation of high-dimensional experiment readouts at scale enables cost reductions in the large high-dimensional digital data sets datasets that can underpin today's cutting edge cutting-edge opportunities in machine learning (bits). learning.

Data utilized by the Recursion OS spans staining and multi-timepoint live-cell phenomics (brightfield), transcriptomics, proteomics, InVivomics, ADME assays, as well as predicted protein-ligand relationships. Recursion also has a physical library of over 1.7 million compounds, including over 1 million new chemical entity (NCE) starting point substances, a large library of known chemical entities which can serve as guideposts, and more than 500,000 compounds belonging to our collaborators. Further, Recursion has generated a custom whole-genome arrayed CRISPR guide library. Together, these tools allow Recursion to explore millions of different biological perturbations in our own wet labs. We have executed over 200 million phenomics and over 700,000 whole transcriptomics experiments across different biological and chemical contexts in multiple human cell types. In 2023, with the completion of our automated DMPK module, we have now conducted tens of thousands of ADME experiments. Our tissue culture facility has scaled the production of over 50 human cell types and has also enabled work at scale in co-cultures and complex iPSC-derived cell types. Since 2022, for example, Recursion generated more than 1 trillion hiPSC-derived neuronal cells for our partnered work with Roche and Genentech - a scale achieved by few other companies in the world.

Figure 11. Diverse datasets utilized by the Recursion OS are highly complementary and add useful context, like the different layers of digital maps of Earth. Multiple data modalities help identify connections within and between layers to enable decoding biology at scale.

Automation

While we do not consider ourselves to be hardware innovators, we have leveraged a significant team of automation scientists to assemble and synchronize advanced but widely-available robotic components, such as liquid dispensers, plate washers, incubation stations, automated HPLC, mass spectrometry and automated microscopy camera systems, to efficiently execute millions of experiments per week across a variety of data-rich outputs with only a small team overseeing the process at any given time. These robotic systems are modular by design and easily configurable to allow us to create complex and variable workflows. Furthermore, we have recently operationalized a fully integrated system that processes plates continuously through all steps in our primary experimental workflows. This fully integrated system is interoperable with the existing batch processing workcells work cells but provides greater walk-away time for our operators and greater throughput in a smaller footprint.

Figure 23. 12. Our high-throughput automation platforms make our labs look more like sophisticated manufacturing facilities than biology R&D laboratories. Our high-throughput high throughput phenomics platform (top) can execute up to 2.2 million experiments each week with high quality to enable downstream analyses. We are increasingly automating many other of our assays at Recursion.

Phenomics

At the core of the Recursion Data Universe is our proprietary cellular image dataset generated by our automated phenomics platform. While investigating various biological Cell Culture and chemical contexts, the readout remains constant: a fluorescent microscopy image that captures composite changes in cellular morphology; a cellular phenotype. We use our proprietary staining protocol to capture these changes in cellular morphology across our phenomic experiments. This protocol, consisting of six subcellular dyes imaged in

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six different channels, has been optimized to capture a wide array of biology across nearly any adherent human cell type that can be cultured and perturbed in laboratory conditions. As a result, we can capture the effects of a wide range of biological and pharmacological Cell Differentiation Tools

phenomena We have built a state-of-the-art cell culture facility to consistently produce high-quality, primary mammalian cells, such as vein, kidney, lung, liver, skin and immune cell subsets, as well as stem cell-derived and cancer cell lines. In total, over 50 cell types have been onboarded to our high-throughput discovery systems. In 2022, we greatly expanded our cell culture facility footprint to perform work using human induced pluripotent stem cell (hiPSC) lines. Specifically, we have developed protocols using CRISPR genome editing technologies to generate knock-out or knock-in lines. We have developed protocols to differentiate hiPSCs into several distinct cell types using 3D and 2D differentiation methods. Furthermore, we have developed internal capabilities to characterize these cells using standardized and partly automated methods. Lastly, we have developed a scalable platform to produce 50-100 billion cells of interest including phenotypic changes induced by small molecules, genetic gain- per week and loss-of-function, toxins, secreted factors, cytokines, infectious agents, or any combination cryopreserve cells in assay-ready frozen format. Since 2022, our team produced over 1 trillion hiPSC-derived cells of the above. interest to support various ongoing projects.

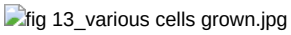

Figure 24. Our fluorescent staining protocol images multiple large cellular structures 13. Various cells grown at scale for phenomics assays in-house by Recursion. These cells represent a variety of iPSC-derived neuronal cell types to capture a holistic assessment of cellular state. support our neuroscience research. We use fluorescent dyes to stain a set of common cellular substructures that are subsequently captured using fluorescent microscopy imaging. Combined with tools from the Recursion OS, this complex and rich biological data modality can inform a host of scientific questions. The top image is a composite of the 6 channels, in HUVEC cells. It is followed by faux-colored images of each of the 6 individual channels: nuclei in blue, endoplasmic reticula in green, actin in red, nucleoli in cyan, mitochondria in magenta and Golgi apparatus in yellow. The overlap in channel content is due in part to the lack of complete spectral separation between fluorescent stains.

Phenomics

Cellular morphology is a holistic measure of cellular state that integrates changes from underlying layers of cell biology, including gene expression, protein production and modification and cell signaling, into a single, powerful readout. Image-based -omics can be two to four orders of magnitude more data-dense per dollar than other -omics datasets that focus on these more proximal readouts, enabling us to generate far more data per dollar spent to inform our drug discovery efforts. We currently generate up to 13.2 million images or 110 terabytes of new data to the Recursion Data Universe per week across up to 2.2 million experiments. Lastly, our Our phenomics approach builds on the recent explosion of powerful computer vision and ML approaches driven by the technology industry over the last decade. Modern ML tools can be trained to identify the most salient features of images without relying on any pre-selected, disease-specific subject matter expertise, even if these features are imperceptible to the human eye. Using these tools, we can capture the aggregate cellular response induced by a disease-causing perturbation or therapeutic and quantify these changes in an unbiased manner, freeing us from human bias. In contrast, traditional drug discovery relies on presumptive target hypotheses and bespoke biological signaling assays that only capture narrow, pre-determined biology and thus limit the scope of biological exploration.

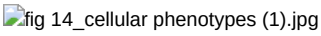

Figure 25. 14. AI/ML algorithms models can detect cellular phenotypes that are indistinguishable to the human eye. Most morphological differences within our images are too subtle for the human eye to detect, but ML algorithms AI models like those we deploy Phenom-1 deployed in our Recursion OS can readily distinguish between them. The heatmap of similarities shown here between learned embeddings of these images shows clear separation where even well-trained cell biologists or pathologists would be hard-pressed to describe consistent differences.

Imaging data that we generate can be broadly and consistently used across various biological and chemical contexts to create vast, relatable datasets rather than creating data islands of custom one-off imaging readouts. Previously, most of our phenomics data consisted of fluorescent microscopy images that capture composite

Our

changes in cellular morphology. This protocol, consisting of six subcellular dyes imaged in six different channels, has been optimized to capture a wide array of biology across nearly any adherent human cell type that can be cultured and perturbed in laboratory conditions. In 2023, we expanded how we gather phenomics laboratory operates approximately 50 weeks each year. We have achieved this level data and started capturing dynamic timepoint information from our cells throughout an assay using brightfield imaging. This technique offers the benefit of operational excellence by integrating state-of-the-art technology and adopting lean manufacturing principles. Furthermore, we ensure our lab generates consistent, accurate and precise data through the use of multiple systems: facility controls being able to prevent contamination of cells, rigorous assay validation and instrument qualification to ensure consistency and routine quality monitoring to automatically capture data within the same well over time and track all critical experiment specifications. Our quality system is designed such that across assays (e.g., we routinely monitor can capture a transcriptomic endpoint from the same experimental well in which we imaged cells over time after a perturbation of interest). Brightfield imaging, which increasingly comprises our performance to identify phenomics experiments, enables faster, more cost-effective image analysis across multiple timepoints and implement modalities. With these broadly applicable approaches, we can capture the appropriate preventive effects of a wide range of biological and continuous improvement actions. pharmacological phenomena of interest, including phenotypic changes induced by small molecules, genetic gain- and loss-of-function, toxins, secreted factors, cytokines, infectious agents, or any combination of the above.

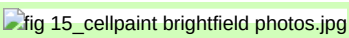

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Figure 15. A cellular image leveraging our fluorescent staining protocol (left) compared to a brightfield cellular image (right), both of which capture multiple levels of information about the cellular state. Brightfield imaging, which increasingly comprises our phenomics experiments, enables faster, more cost-effective image analysis across multiple timepoints and modalities.

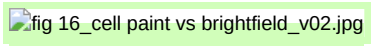

Figure 16. Maps made with phenomics data from both Cell Paint and Brightfield techniques demonstrate highly similar results. Heatmaps reveal relationships between genes that span a wide variety of well-documented cellular systems.

Transcriptomics

We have developed an in-house transcriptomics laboratory platform, complete with walk up automation and push button digital data processing, capable of profiling up to 15,000 25,000 samples per week covering expression of nearly 20,000 genes from samples drawn from any of our biological modules. At the end of 2022, 2023, we had leveraged our transcriptomics platform to sequence over 250,000 700,000 individual transcriptome samples to improve our biological understanding of many of our programs. programs and to begin to create another layer of orthogonal biological mapping data to complement our phenomics mapping data. In 2023, 2024, we intend to further scale and automate this capacity further to enable more hits identified from our phenomics platform to be confirmed using an orthogonal, transcriptomic readout as part of our Industrialized Program Generation workflows. industrialized program generation workflows and we expect to be able to approach whole-genome scale mapping in this data-layer as well. This approach of combining high dimensional, large scale data layers from the Recursion OS, across phenomics and transcriptomics allows us to increase our confidence around which insights to prioritize for scientist follow-up, while at the same time minimizing cost and human effort. Similar to how we scaled transcriptomics to complement phenomics, we expect to scale additional data types like proteomics, metabolomics, lipidomics, and others.

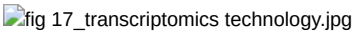

Figure 26. 17. Recursion utilizes an adapted transcriptomic experimental process to leverage industry-standard sequencing systems at vastly reduced cost per sample.

InVivomics

In vivo studies are an important tool for providing an assessment of the assessing efficacy and safety of a compound within the context of a complete, complex whole-organism system. Similar to Like other steps within in the drug discovery and development process, conventional *in vivo* studies are fraught with human bias and limited in the post-study endpoints that they measure. Using our In Vivo Data Collection Infrastructure (which we call InVivomics), we can collect more holistic measurements of an individual animal's behavior and physiological state using continuous video feeds and sensor technology (e.g., temperature), surveilling animals uninterrupted in their home environment and analyzing readouts live throughout studies in progress. By automating the process of data collection, we can amass uninterrupted data on animal behavior and physiology progress across days, weeks, or even months allowing for a more accurate and holistic assessment of the animal's health state across the entirety of the study. This data can subsequently be used to create more abstract representations of animal behavior, potentially allowing us to rapidly phenotype new animal

models and identify *in vivo* disease signatures that may be more relevant for assessing compound efficacy and potential liabilities. months.

In 2022, 2023, our Digital Vivarium consisted of 1,000 total over one-thousand digital mouse cage units units. These support digital tolerability studies, which allow us to identify phenotypic responses unique to different modes of toxicity and we ran 21 safety (Digital Tolerability Assay) prioritize which compounds and 14 doses should be used in efficacy studies. We also conduct InVivomic efficacy studies involving to evaluate treatment effects early based on whole-animal digital observations. We have also initiated the expansion of our drug candidates. Our Digital Tolerability Assay allows us InVivomics tolerability studies into rats to non-invasively monitor activity in leverage the advantages of whole-animal digital cages and detect meaningful differences between treated and untreated subjects that serve as an early indicator of established disease. observations for exploratory non-GLP toxicology studies.

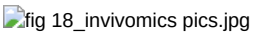

Figure 27. 18. Our proprietary, scalable Smart Housing System for *in vivo* studies automatically collects and analyzes video and sensor data from all cages continuously.

ADME Data

In 2022, a total of 26 new in vitro pharmacology assays were developed and qualified for validating hits and characterizing molecules. Prioritized assays were optimized with standard operating procedures (SOPs) and quality control (QC) metrics and incorporated into workflows for compound prosecution and program advancement. In addition, three DMPK assays were developed in preparation for on-boarding to a 2023 Recursion's custom-built integrated high-throughput robotic chemistry platform. As this ADME experimentation platform entered production. High quality, reproducible data is generated, it evaluated against a rigorously designed set of standard controls and QC metrics to

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ensure data quality. This data is included in our data warehousing system that connects one-off experimental assays with data. We will be deploying this fast-growing dataset to build predictive models for the rest microsomal stability, plasma protein binding, microsomal protein binding and passive permeability outcomes. These predictive models aim to ultimately prioritize the acquisition of high-quality compounds into the Recursion Data Universe. collection to accelerate our programs. We have also built an analytical laboratory equipped with state-of-the-art liquid chromatography-mass spectrometry equipment. Our analytical chemistry team supports work throughout the lifecycle of our programs, including assessing compound purity identity and identification purity for quality control, measuring bioanalysis of compound levels concentration in plasma and tissue samples from *in vivo* ADME and efficacy studies, and biomarker identification and validation activities in support of preclinical and clinical translational efforts. To support SAR and the development of predictive models, we have invested in an automated, connected module to process multiple *in vitro* DMPK assays at scale to evaluate compounds for plasma protein binding, microsomal stability and cell permeability. Using this system we expect an operational capacity of up to 500 compounds per week.

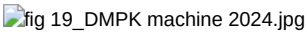

Figure 28. 19. Recursion's automated DMPK system module allows for automated assay execution across plasma protein binding, microsomal stability and cell permeability studies at scale and in both human and rodent cells to advance programs while generating state-of-the-art training data for ML and AI algorithm development. The system has been designed to allow for future potential addition of additional potentially add new modules into the automated workflow, such as addition additional *in vitro* absorption, distribution, metabolism, excretion, and toxicity (ADMET) testing**.**

Cell Culture and Cell Differentiation Tools

We have built a state-of-the-art cell culture facility to consistently produce high-quality, primary mammalian cells, such as vein, kidney, lung, liver, skin and immune cell subsets, as well as stem cell-derived and cancer cell lines. Approximately 50 cell types have been onboarded to our high-throughput discovery systems, spanning primary cells, cell lines and iPSCs. In 2022, we greatly expanded our cell culture facility footprint to perform work using human induced pluripotent stem cell (hiPSC) lines. Specifically, we have developed protocols using CRISPR genome editing technologies to generate knock-out or knock-in lines. We have developed protocols to differentiate hiPSC cells into several distinct cell types using 3D and 2D differentiation methods. Furthermore, we have developed internal capabilities to characterize these cells using standardized and partly automated methods to molecularly and functionally characterize the differentiated progeny. Lastly, we have developed a scalable platform to produce 50-100 billion cells of interest per week and cryopreserve cells in assay-ready frozen format. In 2022, our team produced over 500 billion hiPSC-derived cells of interest to support various ongoing projects.

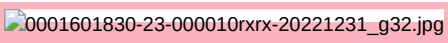

Figure 29. Various cells grown at scale for phenomics assays in-house by Recursion. From top left in clockwise order: iPSC-astrocytes, Bronchial Epithelial Cells, iPSC-neurons, dermal fibroblasts, iPSC-cardiomyocytes and U2OS cells.

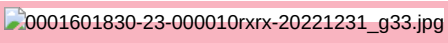

Table 2. Numerous and diverse cell types onboarded to our platform enable us to broadly interrogate biology. Approximately 50 human cell types have been onboarded to our high-throughput discovery systems, spanning primary cells, cell lines and cells derived from iPSCs.

We have on-boarded innovations including large scale, microcarrier-based, suspension culture systems to reduce footprint and increase growth surface for additional scale. We will continue to onboard additional cutting-edge innovations to scale our work further. We maintain a strong track record of quality and consistency in our cell culture facility by implementing facility design and control systems that are uncommon among technology-enabled drug discovery companies. These designs and controls include rigorous process validation and documentation, a personnel training and qualification program and routine quality monitoring. Our quality system is designed such that we routinely monitor our performance to identify and implement the appropriate preventive and continuous improvement actions.

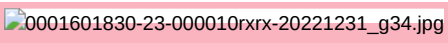

Figure 30. Recursion's recent facilities expansion has created room for further growth of its specialized high-scale precision tissue culture of diverse and complex human cell types.

Chemistry Tools

Our in-house chemistry tools include physical compound collections, state-of-the-art compound storage and handling infrastructure and high-precision analytical equipment. Our experienced team The physical capabilities paired with our cutting-edge computational and digital chemistry platforms combine to accelerate hit identification and progression

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through virtuous cycles of chemists use this equipment potency and a network of reputable CROs property optimization to advance discovery efforts and deliver differentiated drug candidates.

We have a total in-house chemical library of approximately over 1.7 million small molecules from a combination of commercial, semi-proprietary, and proprietary, and partner sources and use this library to identify chemical starting points for discovery campaigns. Over 1 million of these compounds reside within the Recursion's novel chemical entity library (i.e. these are not compounds belonging to our big-pharma partners), curated by our computational and medicinal chemists and designed for highly druggable chemical properties while avoiding undesirable chemical properties, such as poor solubility and permeability. While this library has been constructed to maximize chemical diversity, we have ensured that several analogs of many compound cores are included to help identify emergent SAR for early hits and to enable rapid hit expansion into readily available analogs. Additionally, we have curated a selection of approximately 9,000 10,000 clinical-stage and preclinical compounds from public forums or filings, covering approximately 1,000 unique mechanisms of action, for which an abundance of existing data and annotations currently exist. These well-characterized molecules are frequently used as tool compounds within our work and may be advanced as therapeutic programs if the Recursion OS reveals unique and previously undisclosed biological activity. Approximately 500,000 compounds are from Bayer's NCE library, for which we do not have structural information.

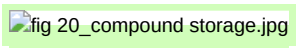

Figure 20. Our state-of-the-art compound storage and handling infrastructure. These tools provide the potential to store up to more than 60 million compounds (in plated formats) onsite.

In December 2023, we entered into a collaboration with Enamine to generate and design enriched compound libraries for the global drug discovery industry. By leveraging Recursion's MatchMaker AI model, a product added to Recursion after the acquisition of Cyclica in 2023, to identify compounds in the Enamine REAL Space predicted to bind to high-value targets, we believe we can generate more powerful compound libraries for drug discovery purposes. Recursion is expanding our chemical libraires by leveraging MatchMaker and other Recursion-developed predictive ML models to select compounds that represent tractable starting points and have an increased probability of exhibiting biological activity on our phenomics platform. We believe that the scale of our total in-house chemical library is comparable to the scale of chemical libraries curated by some large pharmaceutical companies. We plan to substantially increase the size and diversity of our NCE library over the coming years through a combination of partnerships and investments in automated chemical microsynthesis in order to more fully understand novel biological and chemical relationships. Furthermore, we envision that an automated chemical microsynthesis system would integrate with existing sample management, synthesis and purification capabilities. With the completion of our recent wet-laboratory expansion, we now have the potential capability to store up to more than 60 million compounds (in plated formats) onsite.

Figure 31. 21. Our internal MatchMaker technology predicted the protein target(s) for ~36 billion chemical libraries are highly diverse. compounds in the Enamine REAL Space, reported to be the world's largest searchable chemical library. This visualization We use the predicted interactions as a complementary data layer in our multiomics dataset for honing mechanistic predictions from our wet-labs and for accelerating SAR cycles through better predictions for our internal pipeline and within our partnerships.

Patient-Centric Genomics Data

In 2023, we entered into a collaboration with Tempus giving Recursion access to over 20 petabytes of proprietary deidentified, multimodal patient oncology data, spanning DNA and RNA tumor sequencing data, imaging, and health records collected from the structural diversity diagnostic profiling of approximately 1,000,000 hundreds of thousands of cancer patients. We believe this data gives Recursion a unique opportunity to fuse the "reverse genetics" approach of our in-house small molecules, where compounds are clustered wet-lab platform (identifying cellular phenotypes associated with particular genetic perturbations) with a patient-centric "forward genetics" dataset (identifying genotypes associated with disease-related phenotypes including but not limited to cancer type, progression, response, and survival). In particular, we intend to use this dataset to train causal AI models making use of both patient data and Recursion-proprietary experimental data to go beyond mere correlations or associations in patient data to improve the speed, precision, and scale of therapeutic development in oncology by identifying superior therapeutic targets and well-calibrated populations to accelerate our oncology clinical trials.

Figure 22. Integration of Recursion reverse-genetics and Tempus forward-genetics data. New potential causal nodes beyond known drivers in lung cancer. At top right, a distribution of potential genetic targets in lung cancer prioritized based on descriptors literature-derived evidence. At bottom right, re-ranking of these genes making use of joint Recursion-Tempus evidence using t-distributed stochastic neighbor embedding, demonstrates the evenly distributed and diverse nature of our causal discovery workflow discovers several novel targets with therapeutic impact potentially comparable to known non-small-cell lung cancer drivers.

compounds. This diversity increases the probability that we capture useful biochemical interactions across a broad range of biology. Note that red dots indicate known chemical entities.

Dry Lab

Bits

Processing and Data Storage Infrastructure

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The Recursion OS is built on top of a core technology stack that is highly scalable and flexible. We have adopted a hybrid-cloud strategy, leveraging the benefits of both public and private cloud infrastructure depending on the context and our needs: needs.

•*Public Cloud.* The public cloud is our default choice for production workloads and applications. The scale, elasticity of compute and storage, and economies of scale offered by public cloud computing providers enable us to cost-effectively execute our strategy. We benefit from large capital and investments from cloud service providers to utilize at-scale technologies that would otherwise be cost-prohibitive to build on our own.

- *Private Cloud.* The private cloud, or edge computing, is used We make use of owned infrastructure to integrate orchestrate the activities in our lab data flows, including labs and transfer the upload of data to the public cloud. We also own and operate GPU-based high-performance computing to train our state-of-the-art machine learning models. Owning this infrastructure is critical both for resiliency (on-premises laboratories) and for availability (GPUs) at a time when GPU availability continues to be at a premium.

- *BioHive-1 and High Performance High-Performance Computing in a Private Cloud.* Much of our deep learning model training and research happens with our world-class supercomputer named BioHive-1. BioHive-1 is built on NVIDIA's DGX SuperPod architecture and as of November 2023 is ranked #157 on the TOP500 list of the world's most powerful supercomputers. In November 2023, we committed to working with NVIDIA to expand BioHive-1 to increase the computational capacity by over 4X. We project that upon completion and benchmarking, BioHive-1 will be in the top 50 most powerful supercomputers as in the world across any industry (according to the TOP500 list) and will be the most powerful supercomputer owned and operated by any biopharma company. We believe that a combination of November 2022. compute, data and talent will enable us to train industry leading AI/ML foundation models.

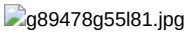

Figure 32. 23. We believe BioHive-1 is one of the most powerful supercomputers dedicated wholly to drug discovery for a single company. discovery. BioHive-1 consists of 40 In November 2023, we committed to adding over 500 NVIDIA DGX H100 Tensor Core GPUs to the more than 300 NVIDIA A100 640GB nodes, Tensor Core GPUs already in place, which further expands will increase our capability to rapidly improve ML models. computational capacity by more than 4X.

Enabling Software Tools

Alongside our infrastructure, we have built a suite of tools that empower our scientists to accurately design, execute and verify the quality of up to 2.2 million diverse experiments each week. Our tools, which take into account real-time onsite reagent supplies, enable consistent control strategies and design standards that make each week's data relatable across time. Additionally, these tools automatically flag experiments or processes which miss quality requirements or stall at some point in the process and notify the appropriate Recursionaut, providing them the tooling needed for manual intervention. Elements of our Enabling Software Tool suite include:

- *Experiment Design.* The Laboratory Information Management System (LIMS) tracks reagent inventory and enables compound selection from our library. Custom applications design large experimental layouts consisting of millions of perturbation conditions with appropriate randomization and control strategies. Proprietary algorithms design CRISPR gene editing guide RNAs for maximal knockout efficiency.

- *Experiment Execution and QC.* This suite of tools and dashboards automatically executes and continuously monitors experimental protocols to ensure reliable experiment execution. Custom web applications enable our Recursion scientists to view and interact with microscopy images and associated metadata from our phenomics platform for systematic QC at both the image- and plate-level.

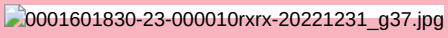

Figure 33. Software tools allow our scientists to design massive experiments while complying with our complex proprietary rules for layout. This graphical interface facilitates experiment plate layout specification for experiments that can span more than 1,000 1536-well plates while ensuring the relatability and appropriate design fit for the purpose of training machine-learning algorithms.

The Recursion Data Universe

Modern approaches to drug discovery are built on significant datasets, in both structured and unstructured forms, as well as from various sources, proprietary, licensed, and public. Recursion enables access to the Data Universe through a combination of modern Data Lake / Warehouse tools for our structured data, and proprietary tools for managing our large volume of unstructured data. Recursion combines these data sources as part of The Recursion Data Universe, comprises which compromises the following data sets, among others:

- *Proprietary, Unstructured*: This represents the data we generate from our scientific platforms, and consists of high-resolution images from our phenomics assays, sequence readouts from our transcriptomics assays, mass spectrometry data from our DMPK module, and video data from our InVivomics assays.

- *Proprietary, Structured*: To enable access to all this data, Recursion keeps significant metadata and structured data related to the outcomes from our experiments. This includes the embeddings output from our deep learning models, as well as various analyses of the data from our assays. Our unique use of high dimensional readouts from our assays enables comparison over 21 time in ways not otherwise possible in industry.

- *Licensed, Structured and Unstructured*: In 2023, we entered into a collaboration with Tempus giving Recursion access to over 20 petabytes of highly relatable biological proprietary deidentified, patient-centric, multimodal oncology data for the purpose of training causal AI models. We are adding this data to our Data Universe and chemical enabling further data including: phenomics, transcriptomics, InVivomics, ADMET assays and bespoke bioassay data. These different data modalities are highly

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complementary as we advance layers to our drug discovery and development programs. Phenomic data provides a broad, foundational layer of biological and chemical data, while other datasets provide greater translational insights. workflows.

Data Processing Tools

To understand, explore and relate new or existing data in

- *Public, Structured*: We regularly make use of public datasets as part of the Recursion Data Universe we must normalize, transform to expand our understanding of biology and analyze chemistry. Sources include the data. Our tools in this layer manage UK Biobank, TCGA and DepMap from the streaming Broad Institute of our data at scale to the appropriate public MIT and private cloud, the transformation of our images into mathematical representations through our in-house proprietary convolutional neural networks and the standard and custom analyses performed on our data as parameterized and requested by users. Anomalies are flagged to the team for fast resolution.

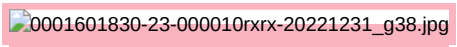

Figure 34. We convert raw images into a list of features that allows cross-image comparison. Microscopy images are run through a deep convolutional network with an architecture similar to the one above. The network is trained on our phenomics data so that, layer by layer, each image is transformed into a list of 128 features representing the cellular biology in the image. The resulting features power downstream analysis.

Biological and Chemical Activity Assessment

Our activity assessment tools enable us to evaluate the robustness of diverse disease model phenotypes and subsequently measure the activity of potential therapeutic agents within these disease models. These tools are target-agnostic by design, explore cellular biology holistically and enable the exploration of many disease models and potential therapeutics simultaneously with no significant alteration to the core platform.

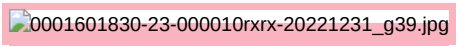

Figure 35. Our proprietary user interface enables our scientists to rapidly identify compounds with maximum positive effect on a disease phenotype while minimizing side effects. The results from our empirical hit identification screens allow drug discovery teams to rapidly explore results and focus on compounds that are believed to be the most promising. Harvard.

Mapping and Navigating to Drive Insights and Outcomes

Our mapping

The Recursion Data Universe spans many petabytes of biological, chemical, and navigating tools arepatient-centric data, relatable across years of experiment execution and data types. We have also built a rapidly growing suite of in-house software applications designed to process and translate this data from into rapidly actionable insights. Increasingly, these tools and data are joined in automated workflows to rapidly prosecute drug discovery programs.

A core part of the Recursion Data Universe into actionable insights for is our research and development teams to accelerate programs which fall into two categories: (i) insights into underlying maps of biology and early therapeutic starting points chemistry: massive *in silico* datasets created from our physical assays (e.g., phenomics) as well as *in silico* models (e.g., MatchMaker). Our maps predict relationships and (ii) interactions and allow Recursion to be extremely efficient in what studies to prioritize for a given drug discovery opportunity. By layering different maps from different technical modalities or from different biological or chemical spaces, we create a drug discovery “atlas” in which insights into the specific chemical substrate of interest. are further strengthened and understood by looking across map layers in an unbiased manner (e.g., characterizing a compound across phenomics, transcriptomics, ligand-target binding, *in vitro* and *in vivo* ADMET, etc.).

Recursion’s phenomaps are a massive database of Collectively, our phenotypic maps contain over 5 trillion inferred relationships amongst biological and chemical generated by ML tools without human bias, spanning across genetic perturbations inferred *in silico* based on phenotypic similarity. To date, we have built phenomaps consisting of whole genome CRISPR genetic knockouts as well as a large number of small small- and large molecule-perturbations at multiple concentrations in multiple human cell types. Collectively, these phenomaps contain over 3 trillion inferred biological and chemical relationships generated solely by ML tools without human bias. large-molecule perturbations. Our ability to query the relationships between any perturbations in our phenomaps phenotypic maps changes drug discovery from an iterative trial-and-error process into a computationally-driven computationally driven search problem. Furthermore, our teams use phenomaps to understand the mechanisms underpinning disease and how to manipulate them. For example, we can query the similarity (or dissimilarity) created by the CRISPR-engineered knockout of any two genes from our whole-genome arrayed CRISPR screen, revealing both known and novel drug targets never before described in scientific literature. We can also query the similarity between any small molecule in our library and all genetic knockouts, uncovering a compound’s mechanism of action and, most importantly, can infer the activity of such molecules against high-value drug targets. Using automated workflows, we can iteratively add phenotypes for new chemical compounds to our phenomaps on a weekly cadence, further expanding the diversity of chemical space that we can explore and allowing us to optimize individual program chemistry.

The computational methods enabling phenomaps allow us to turn the output of each experiment from “data exhaust” into a data engine. Unlike a traditional high-throughput screen, in which many compounds are profiled for their activity against a single target at a time, in our mapping and navigating approach enables every compound we profile is to be analyzed not just for its activity against a single target, but for its inferred activity against *all possible targets* in our arrayed CRISPR library, as well as its similarity to every

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compound we have run before in its phenomap previously analyzed – producing a super-linear growth in biological relationships as we conduct experiments, and chemical relationships.

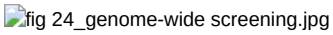

Figure 36. 24. Mapping and navigating enables enable simultaneous genome-wide screening. Traditional pharma high-throughput screening methods (left) screen thousands to millions of compounds simultaneously against single targets, deriving information about compound activity on that single target, but little or no information about other targets. Recursion's mapping and navigating approach (right) enables us, in a single experiment, to infer the activity of a compound against all potential targets in our arrayed CRISPR knockout screen.

We have invested to create processing pipelines LOWE: Large-Language Model (LLM) Orchestrated Workflow Engine

The growing number of AI tools and intuitive user interfaces datasets at Recursion – comprised of many wet-lab and dry-lab modules that can be connected – increases the complexity of our phenomaps early drug discovery workflows. Moreover, each module often requires specific expertise to operate and is only accessible to highly trained data scientists or machine learning engineers. LOWE is an LLM agent designed to orchestrate complex drug discovery workflows using a natural language interface. These workflows chain together a variety of steps and tools, from finding significant relationships within Recursion's maps of biology and chemistry to generating novel compounds and scheduling them for synthesis and experimentation. Through its natural language interface and interactive graphics, LOWE puts state-of-the-art AI tools into the hands of every drug discovery scientist at Recursion in a simple and scalable way.

LOWE not only represents the next evolution of the Recursion OS, but also how we believe drug discovery will be done at every company in the next 5 to 10 years. Today, LOWE is directed by scientists who formulate hypotheses and ask questions. In the future, we believe LOWE could be combined with additional AI agents capable of formulating hypotheses and learning from results, effectively thinking like a biologist or chemist. LOWE is a first step towards the development of autonomous 'AI scientists' for therapeutic discovery.

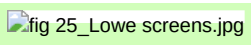

Figure 25. LOWE can orchestrate both wet-lab and dry-lab complex drug discovery tasks using natural language. In the examples above, LOWE has i) identified a list of targets involved in non-small cell lung cancer, ii) identified the top 50 commercially available compounds that help have a similar structure to an initial hit, and iii) designed a phenomics experiment to test the compounds for phenosimilarity to a given target.

Because LOWE deploys via a web-based application, the most up to date versions of data and modules are automatically propagated for usage so that version control is not an issue. At Recursion, we are working on an autonomous agent that interfaces with a set of drug discovery modules, whereby a human scientist would review a set of potential programs for further advancement. Whether running via human prompts or autonomously, LOWE maintains a precise record of the commands being made, versions of the data and modules being called, and results being relayed so that workflows could be replicated in the future and computational and experimental results can be collected as evidence for the progression of programs for our scientists internal pipeline, external partners, or regulatory groups.

Other Enabling Software Tools and LLMs

Additional internal software tools drive efficiency by enabling us to map and navigate the breadth of these data spanning more than 5 trillion predicted biological and chemical relationships, prioritize disease, target, and elucidate which insights are most promising. Our flagship user interface, the compound opportunities, design large experimental layouts, and automatically execute and continuously monitor experimental protocols. For example, *MapApp*, enables users scientists to mine explore relationships using several complementary visualizations, statistical measurements and data layers including known information about compounds or known relationships between genes and diseases to rapidly distinguish novel insights. We Other tools monitor real-time onsite reagent supplies, enable consistent control strategies, and design standards that make each week's data relatable across time. Additionally, these tools automatically flag experiments or processes which miss quality requirements or stall at some point in the process and notify the appropriate personnel.

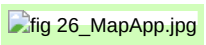

Figure 26. Our MapApp tool allows scientists to simultaneously view multiple relationships between genes and compounds.

Large Language Model (LLM) Cataloging of Scientific Literature. To efficiently initiate programs from our maps of biology, we use a proprietary in-house workflow that incorporates LLMs. This automated approach allows us to rapidly search for and prioritize the most promising opportunities from the large number of insights in our maps. In service to this process, we deploy LLMs to map the corpus of scientific literature against our internally derived proprietary maps in order to automatically surface critical data arbitrages. By layering these LLM-derived maps of scientific literature onto our proprietary maps, we can focus our work on novel and emerging biological, chemical, and patient-centric opportunities rather than the well-trodden and highly competitive diseases and targets the rest of the industry are looking focused on.

Computational Tools and Foundation Models in Biology

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To understand, explore and relate new or existing data, we must normalize, transform and analyze that data. Our tools in this layer manage the streaming of our data at scale to augment this information further to include predicted the appropriate public and private cloud, the transformation of data related to physicochemical into mathematical representations through our in-house proprietary foundation models, and structural properties, synthesizable compounds not yet tested the analyses performed on our platform, ADMET assays data as parameterized and requested by users. Anomalies are flagged to the team for fast resolution.

Phenom-1. in vivo Our phenomics-based foundation model, Phenom-1, is a large vision transformer utilizing hundreds of millions of parameters trained on billions of cellular images from our proprietary phenomics library. Phenom-1 demonstrated the scaling hypothesis within a biological context, namely that larger models trained on larger datasets lead to improved performance. Also, Phenom-1 performed up to 28% better at recapitulating known biological relationships.[8]

[8] experiments. Kraus, O et al. (2023). Masked Autoencoders are Scalable Learners of Cellular Morphology. NeurIPS 2023 Generative AI and Biology (GenBio) Workshop

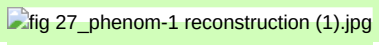

Figure 27. Image reconstruction tasks demonstrate impressive visual results of Phenom-1, our phenomics foundation model. Reconstructing partially masked images was the training task which has enabled emergent capabilities of the model in drug discovery tasks such as detecting biological relationships.

Forward- and Reverse-Genetics Causal AI Models. We invested in deepening the translational potential of the Recursion OS by incorporating patient-relevant, forward-genetics data through our collaboration with Tempus. Recursion's maps of biology represent a "reverse genetics" strategy, in which we identify and relate to each other the cellular phenotypes induced by genetic and chemical perturbations. Patient genomic datasets like those from Tempus represent a "forward genetics" strategy, cataloging genetic factors associating with patient phenotypes, including cancer type, progression, and more factors ascertainable from the health record. We seek to combine these forward genetics datasets with Recursion's experimental capabilities to build *causal* AI models that may better predict which programs are likely to translate therapeutic benefits for patients and which patients are more likely to benefit from such treatments.

Other Foundation Models. With the vast patient-centric data from Tempus and our own growing proprietary multiomics datasets, we anticipate the construction and application of more foundation models, including large language models, across biology, chemistry and translation. When specific foundation models are combined, we believe that a grand canonical foundation model which incorporates in-cellular insights through in-patient causal outcomes could drive a more deterministic and holistic understanding of biology, chemistry, and patient-centric care. We believe these increasingly sophisticated models will enable us to develop more, new, and better medicines at higher scale and lower cost to patients.

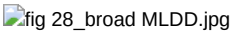

Figure 37. The MapApp allows our team 28. Phenom-1 demonstrates that the scaling hypothesis holds within a biological system. This scaling plot illustrates how increasing the compute power (X-axis), which is required for dataset size and model complexity, improved the model's ability to simultaneously view multiple recapitulate known biological relationships between genes and compounds.(Y-axis). This proprietary software application enables us to rapidly explore inferred biological and chemical relationships in order to: (i) discover targets, (ii) predict active hits, (iii) optimize for similar or dissimilar relationships and (iv) predict mechanisms observed improvement was not directed as part of action. the training, but rather emerged as a result of scaling the model.

Digital Computational Tools and Foundation Models in Chemistry Platform

The acquisitions of Cyclica and Valence in May 2023 added industry-leading capabilities in digital chemistry, machine learning, and artificial intelligence to Recursion's existing small molecule drug discovery capabilities. We are leveraging these capabilities to advance our internal and partnership drug discovery programs.

The Digital Chemistry Platform MatchMaker, a tool acquired during the Cyclica acquisition, is an AI-enabled deep learning engine that uses both AlphaFold2 structures and homology models to predict the polypharmacology of small molecules across the proteome. We utilized MatchMaker to successfully predict the protein target interactions of several commercially available libraries, including the 36 billion compound Enamine REAL Space collection. Predicting the proteome profiling of 36 billion molecules was a massive computational exercise involving the *in-silico* evaluation of over 2.8 quadrillion molecule-target pairs. Achieving this exercise was an important step in bridging the gap between the protein universe and the chemical universe and enabling us to intelligently search vast chemical libraries to identify molecules for profiling in our wet-lab platforms.

MolE, developed in-house by Recursion, is a self-supervised foundation model for chemistry. MolE learns generalizable, graph-based representations of compounds and transforms them into robust, task-specific ML models via fine-tuning. Fine-tuned MolE models span endpoints related to drug efficacy and safety. MolE models are trained across a wide array of public and private datasets, including the massive-scale data generated by Recursion's phenomics and DMPK platforms.[9]

Our digital chemistry platform is a core part of Recursion's software ecosystem, comprising an integrated suite of proprietary and commercial tools, enabling our medicinal and computational chemistry team to scalably scale and advance programs from hit to candidate. Key components aspects of the digital chemistry this platform include: (i) unified access

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to and visualization of chemical structures and assay data, (including internally-generated including internally generated high or low-dimensional assay data, externally-generated externally generated *in vitro* or *in vivo* data, and DMPK data); ADME data; (ii) integrated predictive modeling, chemical search and computational chemistry capabilities; and (iii) molecular design and collaboration. Predictive modeling available in the Digital Chemistry Platform includes both commercially available predictive tools as well as internally developed deep-learning based methods and is applied to both potency and ADMET optimization. We intend to further invest in predictive and digital chemistry capabilities across three domains: (i) chemistry-centric ML model development, (ii) chemistry-centric data generation and (iii) digital and physical chemistry process development to more efficiently drive the Design-Make-Test-Analyze cycle of chemistry optimization more efficiently, including the roll-out of industrialized workflows that integrate chemistry and biological assay steps autonomously.

InVivomics Research Suite

Our InVivomics Research Suite is 9 Méndez-Lucio, O et al. (2022). MolE: a proprietary collection of software tools that enable scientists to monitor and analyze behavioral and physiological data from ongoing and completed *in vivo* studies. Study data molecular foundation model for individual animals or aggregated study groups can be explored in near real-time, better ensuring that the final study data will be reproducible and interpretable and allowing researchers to prepare for follow-on activities prior to final study completion. Continuous monitoring allows researchers to similarly flag unexpected effects that may arise from animal handling, dosing, or compound liabilities and modify or terminate a study as needed. At the end of the study, graphical and tabular data are automatically generated to aid in the evaluation of study results and the design of follow-up drug discovery. Presented at NeurIPS 2022.*in vivo* studies.

Additionally, continuous video feeds and our proprietary animal cages enable us to amass uninterrupted data on animal behavior and physiology across days, weeks, or even months. ML tools within our InVivomics Research Suite can use this data to create more comprehensive representations of animal behavior, allowing us to rapidly phenotype new animal models and identify *in vivo* disease signatures that may be more relevant for assessing potential compound safety and efficacy attributes.

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Figure 38. The InVivomics Research Suite allows our team to track and analyze a broad range of data in ongoing animal studies. These tools enable our *in vivo* scientists to monitor individual subjects through near real-time video feed and data generation and review study level data.

Bridging from Recursion OS Insights to Program Advancement with the Recursion OS

The Recursion OS is an integrated, multi-faceted system for iteratively *mapping* and *navigating* massive biological and chemical datasets that contain trillions of inferred relationships between disease-causative perturbations and potentially therapeutic compounds. Individually, components of the Recursion OS can be used to build or interrogate one piece of the drug discovery value chain. Collectively, the components of the Recursion OS can be joined together in a modular way to identify, validate and advance a broad portfolio of novel therapeutic programs quickly, cost-effectively and with minimal human intervention and bias - industrializing drug discovery. We use standardized, automated workflows to identify programs and advance them through key stages of the drug discovery and development pipeline as in Figure 22.

Step 1: Inference
Using our mapping tools and infrastructure, we have profiled diverse biological and pharmacological perturbations, including CRISPR gene knockouts, soluble factors, bacterial toxins and small molecules. Recursion's phenomaps contain trillions of inferred relationships amongst these perturbations that have been inferred *in silico* based on phenotypic similarity.

In order to identify novel program starting points, it is important that the Recursion OS accurately predict relationships across diverse domains of biology. To confirm the accuracy of our predictions, we have demonstrated that our approach recapitulates hundreds of well-known biological pathways. In the example below, we illustrate our phenomap predictions for approximately 150 gene knockouts from canonical biological pathways and known agonists or antagonists of these same pathways. By comparing the phenotypes induced by these perturbations to one another using our Recursion OS, we observed that each perturbation creates a unique phenotype and phenotypes form clusters that recapitulate well-understood biological pathways, including genes involved in Bcl-2 signaling, NF-KB signaling, RAS signaling, JAK/STAT signaling and TGFß signaling.

0001601830-23-000010rxrx-20221231_g41.jpg

Figure 39. Inferred relationships between genes and small molecules recapitulate well known biology. Above, we show a visualization of well studied genes and small molecules. Increasingly dark shades of red reflect an increasing degree of phenotypic similarity. Increasingly dark shades of blue reflect an increasing degree of phenotypic oppositeness or anti-similarity (which often suggests inhibitory relationships between genes, though possibly distal). process which includes:

- These findings validate the accuracy of our phenomap relationships
- Patient Connectivity and suggest that we can use our approach to identify new drug targets or early therapeutic starting points. We begin *de novo* programs by searching our phenomaps with respect to (i) well-known biological pathways or (ii) human genetics data and identifying novel gene targets or compound (e.g. Novelty (i.e., small molecule) perturbations that are inferred to have a therapeutic effect above statistically-defined thresholds. program initiation)

Step 2: *Hit Identification*

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Promising compounds are automatically advanced in our Industrialized Program Generation workflows for further evaluation. First, we physically test candidate compounds in multiple concentrations and replicates using our phenomics assay, including directly in the disease-relevant background, to confirm our predictions. These experiments are designed to confirm predicted relationships of interest from our phenomaps and can be completed rapidly.

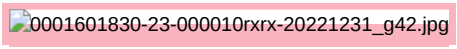
Target Validation

Compounds that advance from our phenomics platform are evaluated in one or more high-dimensional, • in vitro orthogonal assays to confirm the relationship we observed from our phenomics platform. Today, our transcriptomics platform is used as the primary orthogonal assay within our automated workflows. However, proteomics or metabolomics assays may also be used in the future. Compounds, and related compound series, that confirm and validate in one or more orthogonal assays may be advanced to more bespoke and low-throughput assays as deemed necessary by our scientific teams. Compound Optimization

Throughout the early stages of this process, we have intentionally limited human intervention in order to (i) minimize bias and (ii) minimize our dependency on scientists to evaluate and analyze voluminous data packages. Rather, program advancement is automatically triggered if compounds meet pre-specified statistical thresholds. The decision to automate the decision making process, in addition to automating physical experimentation, allows us to advance large numbers of programs simultaneously and efficiently. Data from each assay is summarized in reports which can be reviewed by our scientific teams to assist with program prioritization and advancement as needed.

Step 3: Hit to Lead

After compounds have been empirically confirmed in multiple orthogonal assays, our medicinal chemists work to optimize early chemical starting points into drug-like molecules using our Industrialized Hit-to-Lead (iH2L) workflows. One critical step in this process is to further understand the mechanism by which compounds are demonstrating a therapeutic effect. One way in which our chemists can begin this process, is by using our mapping and navigating software tools to compare the phenotype of a candidate molecule to the phenotypes of (i) approximately 9,000 well-characterized clinical-stage and preclinical compounds in our library or (ii) tens of thousands of CRISPR-engineered genetic knockouts in our phenomaps. Novel chemical entities that cluster with annotated compounds and genetic landmarks may share similar mechanistic functions. The below data demonstrates the power of our embeddings to accurately cluster diverse compounds with similar mechanisms of action.



• Translation

Figure 40. Compounds with the same mechanism cluster together phenotypically. • Each dot represents a different compound. Compounds that are phenotypically similar reside closer together and recapitulate mechanistic similarities. IND Enabling Studies

Additionally, while a compound may be active in our screens, most early therapeutic starting points have low potency and undesirable drug properties and must be optimized before advancing into • in vivo Clinical Development and, ultimately, human studies. During the hit-to-lead process, our chemists may leverage our phenomics platform to repeatedly measure changes in compound potency and selectivity that result from changes in compound structure. Our chemists also take advantage of our Digital Chemistry Platform to conduct chemical expansion exercises across more than 1 trillion molecules in our *in silico* library which we can then order for further profiling.

Because this process may extend over several months, it is critical that our platform assay is highly stable over time. To ensure this stability, we test that our assay can reproduce specific measures of compound activity, such as a compound's EC50 (the concentration of a drug that gives half-maximal response) or max-effect (the maximal response), in experiments run weeks, or even months, apart. In the example below, we ran four separate experiments of a HIF2a inhibitor known to be active against our VHL disease model over a period of three months. Dose-response curves across all four runs demonstrate a high degree of overlap, including highly similar EC50s and max-effect. Our calculated minimum significance ratio from this study, a common industry metric of *in vitro*

assay reproducibility over time, is 1.076, which is highly robust by industry benchmarks[12]. These results demonstrate the stability of our assay and the ability to use our phenomic platform as a basis for SAR.

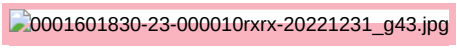


Figure 41. Compound activity is reproducible across experimental runs. Dose response curves from multiple runs of the same tool compound against our disease model for VHL loss-of-function show high consistency with a minimum significance ratio of 1.076.

Step 4: Candidate Evaluation and IND Preparation

Prior to nominating a clinical candidate, optimized molecules are evaluated in more complex and disease-relevant *in vivo* models using our InVivomics platform. This process consists of two steps. Firstly, compounds are tested in Digital Tolerability studies, during which we non-invasively monitor subject activity to confirm the most promising compound (e.g. within a series) and identify an optimal dosage. Secondly, we run efficacy studies using our proprietary cage hardware, including continuous sensors and high-resolution video systems, to assess compound effects. Readouts are reported in real time rather than at the end of a study enabling scientists to make informed and impactful decisions regarding study continuation, modification, or termination as well as program advancement.

After optimizing therapeutic drug candidates, we select those compounds that have the best chemical properties to advance through development and ultimately clinical trials. We have built the internal capabilities to drive clinical candidates through IND-enabling studies, regulatory approval processes and human clinical studies. Collectively, members of our team have been involved in hundreds of clinical trials. Additionally, we work closely with a team of external consultants across regulatory, CMC and clinical development to ensure execution success. In the future, we envision that we will evolve the Recursion OS to incorporate data and techniques that improve our ability to execute clinical programs at scale,

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including population-scale genomics data, industrialized biomarker development and precision medicine tools in order to identify patients for which a potential therapeutic would be beneficial.

The End Result - A Pipeline Designed to Move Failure Early in the Process

Late-stage clinical failures are the primary driver of costs in today's pharmaceutical R&D model, due in part to inherent uncertainty in the clinical development and regulatory process. model. Reducing the rate of costly, late-stage failures and accelerating the timeline from hit to a clinical candidate would create a more sustainable R&D model. To achieve this more sustainable model, we believe that in its ideal state, a drug discovery funnel would morph from the being shaped like the letter 'V' to being shaped like the letter 'T,' where a broad set of possible therapeutics could be narrowed rapidly to the best candidate, which would advance through subsequent steps of the process quickly and with no attrition. Recursion's goal is to leverage technology to reshape the typical drug discovery funnel towards its ideal state by moving failure as early as possible to rapidly narrowing the funnel into programs with the highest probability of success.

[12] Haas JV, Eastwood BJ, Iversen PW, et al. (Updated 2017). Minimum Significant Ratio – A Statistic to Assess Assay Variability. *Assay Guidance Manual [Internet]*.

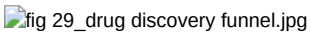

Figure 42. 29. Reshaping the drug discovery funnel. Recursion's goal is to leverage technology to reshape the typical drug discovery funnel towards its ideal state by moving failure as early as possible to rapidly narrowing the funnel into programs with the highest probability of success.

We believe we have made progress in reshaping the traditional drug discovery funnel in the following ways:

- *Broaden the funnel of therapeutic starting points.* Our flexible and scalable mapping tools and Infrastructure infrastructure enable us to infer trillions of relationships between human cellular disease models and therapeutic candidates based on real empirical data from our own wet-labs, 'widening the neck' of the discovery funnel beyond hypothesized and therefore human-biased targets. wet labs.

- *Identify failures earlier when they are relatively inexpensive.* Our proprietary navigation tools enable us to explore our massive biological, chemical, and chemical patient-centric datasets to validate more and varied hypotheses rapidly. While this strategy results in an increase in early stage early-stage attrition, the system is designed to rapidly prioritize programs with a higher likelihood of downstream success because they have been explored in the context of high-dimensional, systems-biology data. Over time, and as our OS improves, we expect that moving failure earlier in the pipeline will result in an overall lower cost of drug development.

- *Accelerate delivery of high-potential drug candidates to the clinic.* The Recursion OS contains a suite of digital chemistry tools that enable highly efficient exploration of chemical space including 3D virtual screening as well as translational tools that improve the robustness and utility of *in vivo* studies.

We have leveraged By leveraging our Recursion OS to explore more than 170 disease and advance our programs, to a depth sufficient to quantify improvements in the time, cost and anticipated likelihoods we have shown leading indicators of program success by stage improvement when compared to the traditional drug discovery paradigm. We process, particularly with respect to cost and time. Across all Recursion programs from late 2017 through 2023, the average amount of time to reach the validated lead stage is approximately 11 months. By the end of 2024, we believe that Recursion programs could reach the validated lead stage in about half that time or less. Ultimately, we believe that future iterations of the Recursion OS will enable even greater improvements. Ultimately, we look to minimize improvements minimizing the total dollar-weighted failure while and maximizing the likelihood of success.

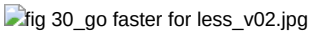

Figure 43. 30. The trajectory of our drug discovery funnel mirrors the 'ideal' pharmaceutical drug discovery funnel. We believe that, compared to industry averages, our approach allows enables us to: (i) identify low-viability programs earlier in the research cycle, (ii) spend less per program and (iii) rapidly advance programs to a validated lead. Data lead candidate. All industry data has been adapted from Paul, et al. *Nature Reviews Drug Discovery*. (2010) 9, 203–214. The cost to IND has been inflation-adjusted using the US Consumer Price Index (CPI). The Recursion data shown are for the averages transition stages and time to validated lead is the average of all our Recursion programs from since late 2017 through 2022. 2023. The Recursion data shown for cost to IND pertains to the actual and projected costs for a novel chemical entity to reach IND.

Over time, we believe continued successes The Recursion OS has not only improved speed and improvements in any or all of the dimensions highlighted above will improve overall R&D productivity, allowing cost, but also led us to address targeted patient populations that may otherwise not be commercially viable using traditional drug discovery approaches. Furthermore, we have seen our unbiased approach lead us to explore novel targets which we believe could enable give us to outperform others in highly a competitive disease areas advantage where multiple parties often simultaneously pursue a limited number of similar target hypotheses. These advantages potentially significantly expand the total

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addressable market Below one can see quantitative measures for our technology. However, the process of clinical development is inherently uncertain, and there can be no guarantee that how we will achieve shorter development timelines with future product candidates.

Investment Roadmap

There are three key factors that differentiate Recursion from the vast majority of other TechBio companies. First, Recursion integrates both wet-lab and dry-lab capabilities in-house in order to create virtuous cycles of learning and iteration. Second, Recursion already functions at significant scale (e.g., five clinical-stage prioritize programs an exciting preclinical pipeline, and two of the largest discovery partnerships in the industry with Roche/Genentech and Bayer, one of the largest characterized by (i) strong genetically driven biological and chemical datasets in the world, etc.). Third, although Recursion has built significant chemistry capabilities, Recursion was founded as a biology-first company in order to mitigate one of the fundamental causes of failure in drug discovery, choosing the wrong target associated with a disease. While emerging competitors and large, well-resourced incumbents may pursue a similarly differentiated strategy to ours, we have two advantages as a first mover: (i) no amount of resources can compress the time it takes to observe naturally occurring biological processes evidence and (ii) the growing Recursion Data Universe creates compounding network effects that may make it difficult for others to close the competitive gap. In the future, we envision building the following technologies into the Recursion OS. differentiated novel biology.

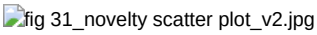

Figure 44. 31. We continue use LLMs to integrate new capabilities into organize relationships within public data as well as our own proprietary data and software tools to identify starting points for all of our internal programs. We prioritize programs at scale by focusing on targets where our proprietary data provides a distinct arbitrage that suggests we can drive towards novel target identification and selection in oncology. Each circle represents a gene that can be searched by the Recursion OS across a number of biological and pharmacological factors. Circles in order to create additional cycles green reflect targets for drugs that have obtained regulatory approval for the treatment of learning specific diseases and iteration that can lead to a more complete understanding of biology and chemistry. are adapted from Ochoa, D. et al. *Nucleic Acids Research.* In the future, we envision investing in additional digital chemistry capabilities, automated chemical microsynthesis, population-scale genomics data and other technologies. (2023).

Our Pipeline

All of the programs in our internal pipeline are built on unique biological insights surfaced through the Recursion OS where: (i) the disease-causing biology etiology of the disease is well defined but the downstream effects subsequent impacts of the disease-cause disease are typically poorly understood, generally obscure, the primary targets are typically considered undruggable, or the primary targets are not well known extensively recognized in the context of association with a particular disease and (ii) there is a high unmet medical need, no approved therapies, or significant limitations to existing treatments. Several of our internal pipeline programs could have potential market opportunities in excess of $1.0 billion more than $1 billion in annual sales. We currently have four five programs in active or planning to initiate Phase 2 clinical studies and we are preparing to submit an IND for a fifth sixth program to enter a Phase 1b/2 clinical study in early H2 2024. In addition to our clinical stage programs, we are actively developing dozens of preclinical and discovery programs.

Clinical Programs

- REC-994 for the potential treatment of cerebral cavernous malformation, or CCM — SYCAMORE, a Phase 2, randomized, double-blind, placebo-controlled, safety, tolerability and exploratory efficacy study is underway. Orphan Drug Designation has been granted in the US and EU. We expect to share top-line Phase 2 data in 2H Q3 2024. This trial was fully enrolled in June 2023 and the vast majority of participants who completed 12 months of treatment continue to elect to enter the long-term extension study.

- REC-2282 for the potential treatment of neurofibromatosis type 2, or NF2 — POPLAR, an adaptive, Phase 2/3, randomized, multicenter study is underway. Enrollment of Phase 2 is expected to complete in H1 2024. Orphan Drug Designation in the US and EU as well as Fast Track Designation in the US have been granted. We expect to share a Phase 2 interim safety analysis and preliminary efficacy data in Q4 2024.

- REC-4881 for the potential treatment of familial adenomatous polyposis, or FAP — TUPELO, a Phase 1b/2, double-blind, randomized, placebo-controlled open label, multicenter study is underway. underway with Part 1 complete. FPI for Part 2 is anticipated in H1 2024. Orphan Drug Designation in the US and EU as well as Fast Track Designation in the US have been granted. We expect to share Phase 2 safety and preliminary efficacy data in H1 2025.

- REC-4881 for the potential treatment of *AXIN1* or *APC*mutant cancers — LILAC, a Phase 1b/2 open label, multicenter study in select tumor types is expected solid tumors initiated at the end of 2023 with FPI anticipated in Q1 2024. We expect to initiate share Phase 2 safety and preliminary efficacy data in early 2024. H1 2025.

- REC-3964 for the potential treatment prevention of recurrent *Clostridioides difficile* infection — a Phase 1 study in healthy volunteers is underway. completed in Q3 of 2023. REC-3964 was well tolerated with no serious adverse events (SAEs) reported. We expect to share safety and PK data initiate a Phase 2 study in 2H 2023. 2024.

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We believe that the number of potential programs we can generate with our Recursion OS is key to the future of our company, as a greater volume of validated programs has a higher likelihood of creating value. Additionally, we believe that our large number of potential programs makes us an attractive partner for larger pharmaceutical companies. The static or declining level of R&D output at many several large pharmaceutical companies means that they have indicates an ongoing need requirement for new projects to fill sustain their product pipelines.

Figure 45. 32. The power of our Recursion OS as exemplified by our expansive therapeutic pipeline. All populations defined above are US and EU5 incidence unless otherwise noted. EU5 is defined as France, Germany, Italy, Spain and UK.[1]Prevalence for hereditary and sporadic symptomatic CCM population.[2]Annual US and EU5 incidence for all *NF2*-driven meningiomas.[3]Our Targets Delta Prevalence for adult and Alpha programs have the potential to address a number of indications in the immunotherapy space. [4] pediatric population. Our MYC program has the potential to address a number of indications driven by MYC alterations, totaling 54,000 patients in the US and EU5 annually. several indications.[4] We have not finalized a target product profile for a specific indication.[5] Incidence for US only.[6] 2L drug-treatable population.[7] 2L drug-treatable population comprising ovarian, prostate, breast and pancreatic cancers with no HRR mutations.[8]

REC-994 for Cerebral Cavernous Malformation - – Phase 2

REC-994 is an orally bioavailable, superoxide scavenger small molecule being developed currently under development for the treatment of symptomatic CCM. In Phase 1 SAD and MAD trials in healthy volunteers directed and executed by us, REC-994 demonstrated excellent tolerability and suitability for chronic dosing. CCM is among the largest rare disease opportunities and has no approved therapies to date. A REC-994 demonstrated excellent tolerability and suitability for chronic dosing in Phase 1 SAD and MAD trials in healthy volunteers directed and executed by Recursion. SYCAMORE, a Phase 2 randomized, double-blind, placebo-controlled, safety, tolerability and exploratory efficacy study is underway. underway, and Orphan Drug Designation has been granted in the US and EU. We expect to share top-line Phase 2 data in 2H Q3 2024. This trial was fully enrolled in June 2023, with the vast majority of participants who completed 12 months of treatment electing to enter the long-term extension portion of the study.

Disease Overview

CCM is a disease of the neurovasculature for which neurovascular condition that impacts approximately 360,000 patients in the US and EU5 are symptomatic. Less than 30% of patients with CCM experience symptoms, resulting in the disease being severely underdiagnosed and suggesting that well more than 1 million patients may have the disease symptomatic individuals in the US and EU5. Yet, with only around 30% of patients exhibiting noticeable symptoms, the disease is severely underdiagnosed, potentially affecting over 1 million patients. CCM and its hallmark vascular malformations are caused by inherited or somatic originates from genetic mutations in any of three genes involved in endothelial function: *CCM1, CCM2,* or *CCM3*. Approximately and approximately 20% of patients have inherit a familial form of CCM that is inherited in an autosomal dominant pattern. Sporadic disease in the remaining population is caused by somatic mutations that arise in the same genes. CCM manifests as vascular malformations of the spinal cord and brain characterized by abnormally enlarged capillary cavities without intervening brain parenchyma. Patients with CCM lesions are at substantial risk for seizures, headaches, progressive neurological deficits, and potentially fatal

hemorrhagic stroke. Current non-pharmacologic treatments include microsurgical resection and stereotactic radiosurgery. Given the

invasive and risky nature of these interventions, these options are reserved for a subset of patients with significant symptomatology and/or easily accessible lesions. Rebleeds and other negative sequelae of treatment further limit the effectiveness of these interventions. There is no approved pharmacological treatment that affects the rate of growth of CCM lesions or their propensity to bleed or otherwise induce symptoms. Hence, CCM can be remains a severe disease serious health condition resulting in progressive neurologic impairment and a high risk of death due to hemorrhagic stroke.

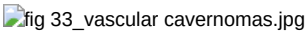

Figure 46. 33. Vascular malformations (cavernomas) in the brain of a CCM patient.[13] [10]

Insight from Recursion OS

CCM2 knock-down in human endothelial cells reveal revealed pronounced structural and functional phenotypes that are distinct from healthy cells. We hypothesized that these observed structural changes could be used to enable unbiased drug discovery. Fluorescent microscopy and automated cellular quantification and profiling software enabled high throughput analysis. More than 2,000 commercially available and known chemical entities were rapidly evaluated with this strategy based on the hypothesis that hits from this library could be more quickly translated to the clinic. The novel use of REC-994 for CCM was discovered leveraging this early form of the Recursion OS. The exciting aspect of this novel, unbiased approach was that the drug candidates chosen using automated software analysis outperformed those chosen by human analysis in subsequent orthogonal screens.

[13] Cooper, AD. et al. (2008). Susceptibility-weighted imaging in familial cerebral cavernous malformations. *Neurology, 71,* 382.

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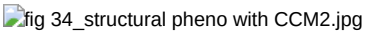

Figure 47: 34: Rescue of structural phenotypes associated with loss of *CCM2*. Immunofluorescence images of endothelial cells treated with siCTRL, siCCM2, or siCCM2 treated with REC-994, Simvastatin, or Cholecalciferol stained for DNA (blue), actin (green) and VE-cadherin (red). According to a machine learning classifier trained on images, REC-994 shows image-based rescue.

[10] Cooper, AD. et al. (2008). Susceptibility-weighted imaging in familial cerebral cavernous malformations. *Neurology, 71,* 382.

REC-994 is a small molecule therapeutic designed to alleviate neurological symptoms associated with CCM and potentially reduce the accumulation of new lesions. REC-994 is an orally bioavailable superoxide scavenger with pharmacokinetics supporting once-daily dosing in humans. The putative mechanism of action of REC-994 is through reduction of reactive oxygen species and decreased oxidative stress that leads to stabilization of endothelial barrier function. In addition, REC-994 exhibits anti-inflammatory properties which could be beneficial in reducing disease-associated pathology.

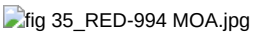

Figure 48. 35. REC-994 mechanism of action and proposed potential therapeutic impact.

Preclinical

The activity of REC-994 as a potential treatment for CCM was further confirmed in orthogonal functional assays and in acute and chronic *in vivo* models. REC-994 demonstrated benefit on acute to subacute disease-relevant hemodynamic parameters such as vascular dynamics and vascular permeability. Chronic administration of REC-994 was also tested in two endothelial-specific knockout mouse models for the two most prevalent genetic causes, *CCM1* and *CCM2*. These mouse models faithfully recapitulate the CNS cavernous malformations of the human disease. Mice treated with REC-994 demonstrated a decrease in lesion number and/or size compared to vehicle treated controls. Notably, 24-hour circulating plasma levels of REC-994 in this *in vivo* experiment were consistent with exposures seen in humans at a 200 mg daily dose.

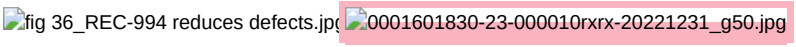

Figure 49. 36. REC-994 rescues acetylcholine-induced vasodilation defect and dermal permeability defect in Ccm2 endothelial specific knockout mice.[14] [11]

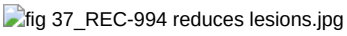

Figure 50. 37. REC-994 reduces lesion severity in chronic mouse models of CCM Disease. Mice treated with REC-994 demonstrated a statistically significant decrease in the number of small-size lesions, with a trend toward a decrease in the number of mid-size lesions.[14] [11]

Clinical

We conducted a Phase 1 Single Ascending Dose (SAD) study in 32 healthy human volunteers using active pharmaceutical ingredients with no excipients in a powder-in-bottle (PIB) dosage form. Results showed that systemic exposure (C_{max} and AUC) generally increased in proportion to REC-994 dose after both single and multiple doses. Median T_{max} and $t_{1/2}$ appeared to be independent of dose. There were no deaths or SAEs reported during this study and no TEAEs that led to the withdrawal of subjects from the study. These data supported a MAD study in healthy human volunteers.

[11] Gibson, et al. (2015). Strategy for identifying repurposed drugs for the treatment of cerebral cavernous malformation. Circulation, 131(3), 289-99.

A subsequent Phase 1 Multiple Ascending Dose (MAD) study was conducted in 52 healthy human volunteers and was designed to investigate the safety, tolerability, and PK of multiple oral doses of REC-994, to bridge from the PIB

[14] Gibson, et al. (2015). Strategy for identifying repurposed drugs for the treatment of cerebral cavernous malformation. Circulation, 131(3), 289-99.

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dosage form to a tablet dosage form, as well as to assess the effect of food on PK following a single oral dose. Overall, multiple oral doses of REC-994 were well tolerated in healthy male and female subjects at each dose level administered in this study. There appeared to be no dose-related trends in TEAEs, vital signs, ECGs, pulse oximetry, physical examination findings, or neurological examination findings. Pharmacokinetic results support once-daily oral dosing with the tablet formulation.

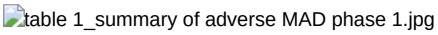

Table 3. 1. Summary of Adverse Events from Phase 1 Multiple Ascending Dose Study. AE=adverse event; MAD=multiple ascending dose; SAE=serious adverse event; TEAE=treatment-emergent adverse event.

A Recursion initiated the SYCAMORE study, a two-part Phase 2 study is underway. trial in CCM patients in Q1 2022. Part 1 is a randomized, double-blind, placebo-controlled trial to investigate the safety, efficacy, and PK of daily doses of REC-994 (200 mg and 400 mg) compared to placebo in participants with symptomatic CCM over a treatment period of 12 months. Part 2 is an optional, double-blind, long-term extension (LTE) study of daily doses of REC-994 (200 mg and 400 mg) for participants completing Part 1 of the study. Currently, there is no development or regulatory precedent or registrational pathway for CCM drug development. Results from the ongoing Phase 2 study are expected to inform a pivotal trial design with guidance from the FDA.

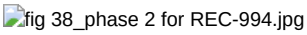

Figure 51. 38. Phase 2 clinical trial schematic study schema for REC-994. Phase 2 trial design to assess the efficacy and safety of REC-994 in patients with symptomatic CCM. Enrollment criteria includes MRI-confirmed lesion(s), diagnosis of familial or sporadic CCM, and having symptoms directly related to CCM. Primary outcome measures are safety and

tolerability. Secondary measures are focused on efficacy, including clinician-measured outcomes, imaging of CCM lesions, acute stroke scales and patient reported outcomes. This trial was fully enrolled in June 2023 and the vast majority of participants who completed 12 months of treatment continue to enter the long-term extension study.

Competitors

To our knowledge, the REC-994 program is the only industry-sponsored first industry sponsored therapeutic program in clinical trials for CCM. If approved, REC-994 would be the first pharmacologic disease-modifying treatment for CCM, one of the largest areas of unmet need in the rare disease space. Other ongoing research includes an investigator-initiated study of a marketed therapeutic and a preclinical industry-sponsored program. There are currently three other active programs in clinical development for CCM.

- Investigators at the University of Chicago are evaluating the efficacy of atorvastatin, or Lipitor, on reduction OV-888, a ROCK2 inhibitor from Ovid Therapeutics, is currently in hemorrhage rate Phase 1, with a signal-finding trial expected to initiate in patients with CCM. As of February 2023, the phase 1/2 randomized, placebo-controlled, double-blinded, single-site clinical trial is ongoing with an estimated study completion date of June, 2025. H2 2024.
- NRL-1049, a ROCK inhibitor from Neurelis in-licensed from BioAxone BioSciences, is currently in preclinical development of NRL-1049, Phase 1.
- Atorvastatin, a repurposed ROCKi to potentially reduce the accumulation of new lesions and alleviate neurological symptoms competitive HMG-CoA reductase inhibitor, is being studied in an investigator sponsored Phase 1/2 study in CCM patients with CCM. a recent history of symptomatic bleeds.

REC-2282 for Neurofibromatosis Type 2 - Phase 2/3

REC-2282 is a small molecule HDAC inhibitor being developed currently under development for the treatment of *NF2*-mutant meningiomas. In previous prior clinical studies, trials, the molecule has been was well tolerated, including in patients dosed for multiple years, and potentially reduced cardiac toxicity that differentiates it from other HDAC inhibitors. years. In contrast to approved HDAC inhibitors, REC-2282 is both CNS-penetrant and orally bioavailable. An adaptive, Phase 2/3, randomized, multicenter study is underway. underway with enrollment of Phase 2 expected to complete in H1 2024. Orphan Drug Designation in the US and EU as well as Fast Track Designation in the US have been granted. We expect to share a Phase 2 interim safety analysis and preliminary efficacy data in Q4 2024.

Disease Overview

Neurofibromatosis type 2 (NF2) is an autosomal dominant, inherited, rare, tumor syndrome that predisposes affected individuals to multiple nervous system tumors, the most common of which are bilateral vestibular schwannomas, intracranial meningiomas, spinal meningiomas and other spine tumors such as ependymomas.

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Approximately one-half of individuals with NF2 have meningiomas and most of these individuals will have multiple meningiomas. In patients with NF2 the incidence of meningiomas increases with age, and lifetime risk may be as high as 75%. Combined, we believe *NF2*-driven NF2-driven meningiomas occur in approximately 33,000 patients per year in the US and EU5. Patients with NF2 are diagnosed typically in their late teens or early 20s and present with hearing loss which is usually unilateral at the time of onset, focal neurological deficits, and symptoms relating to increasing intracranial pressure.

Although most meningiomas are benign, their location often makes complete resection untenable, and subsequently patients with NF2 experience loss of hearing, facial paralysis, poor balance, and visual difficulty. Spinal tumors can result in weakness and disability and some patients become wheelchair bound. Many patients with multi-tumor disease die in early adulthood. Due to the catastrophic nature of the disease and lack of non-surgical options for management, new approaches to treatment are needed, particularly those directed toward shrinking tumor burden.

Insight from Recursion OS

To select We selected REC-2282 for our NF2 program we employed our through the application of a brute-force approach by developing a high content phenotypic screen to identify cellular and structural changes associated with the genetic knockdown of NF2 by siRNA in HUVEC cells. Transfected *NF2*-deficient cells were treated with thousands of compounds to discover molecules that restored the structural defects associated with loss of NF2. REC-2282 reversed this complex cellular phenotype back to a healthy state (wildtype) in four independent screens at concentrations between 0.1 to 1 µM, in line with efficacious concentration levels in our preclinical experiments. Additionally, REC-2282 failed to exhibit the same level of dose dependent rescue in the evaluation of hundreds of other tumor suppressor or oncogene knockdown models, providing further evidence of a selective effect in the specific context of *NF2* loss of function. Together, these experiments demonstrated robust and reproducible activity in disease relevant settings suggesting the therapeutic potential of REC-2282 in treating *NF2*-mutant tumors.

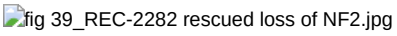

Figure 52. 39. REC-2282 rescued the loss of NF2. A) Immunofluorescent images of human endothelial cells treated with siRNA control or siRNA NF2. B) REC-2282 rescued the high-dimensional disease phenotype as evidenced with a left shift from the disease to the healthy state. HUVEC, human umbilical vein endothelial cells; NF2, neurofibromatosis type 2; siRNA, small interfering RNA.

REC-2282, is an orally bioavailable, CNS-penetrating, pan-histone deacetylase, or HDAC, inhibitor with PI3K/AKT/mTOR pathway modulatory activity. By comparison to marketed HDAC inhibitors, REC-2282 is uniquely suited for patients with NF2 and *NF2*-mutant CNS tumors, due to its oral bioavailability, CNS-exposure, and lack as of yet undocumented cardiovascular liabilities.

Figure 53. 40. REC-2282 would be a first-in-class HDAC inhibitor for the potential treatment of NF2 meningiomas. We believe REC-2282 is well suited for NF2 vs other HDAC inhibitors due to its oral bioavailability and CNS-exposure.[15,16,17] [12,13,14]

NF2 disease is driven by mutations in the *NF2* gene, which encodes an important cell signaling modulator, merlin. Loss of merlin results in activation of multiple signaling pathways converging on PI3K/AKT/mTOR among others and results in enhanced cell proliferation. Anti-neoplastic effects of HDAC inhibitors, like REC-2282, are thought to derive primarily via disruption of the protein phosphatase 1 (PP1)-HDAC interaction, and the subsequent inhibition of PI3K/AKT signaling leading to growth arrest and apoptosis of cancer cells.

We obtained a global license for REC-2282 from the Ohio State Innovation Foundation in December 2018. Orphan drug designation for REC-2282 in NF2 has been granted in the US and EU. Fast Track Designation for REC-2282 in *NF2*-mutated meningioma was granted in the US in 2021.

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15 12 Sborov, D.W et al. (2017) A phase 1 trial of the HDAC inhibitor AR-42 in patients with multiple myeloma and T- and B-cell lymphomas. *Leuk Lymphoma, 58(10)*, 2310-2318.

16 13 Collier KA, et al. (2021). A phase 1 trial of the histone deacetylase inhibitor AR-42 in patients with neurofibromatosis type 2-associated tumors and advanced solid malignancies. *Cancer Chemother Pharmacol. 87(5),* 599-611.

17 14 Prescribing Information of Vorinostat/Belinostat/Romidepsin respectively.

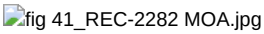

Figure 54. 41. REC-2282 acts on an important pathway in tumor development to inhibit the growth of tumor cells. A potential mechanism of action of REC-2282 in NF2.18 15

Preclinical

After we discovered the novel use of REC-2282 for NF2 using our platform, we performed a literature search to better understand the molecule and validate its activity in disease relevant preclinical models. REC-2282 has been shown to be pharmacologically active in various human cancer cell lines and mouse human cancer xenograft models. REC-2282 had been shown to inhibit *in vitro* proliferation of vestibular schwannoma, or VS, and meningioma cells by inducing cell cycle arrest and apoptosis at doses that correlate with AKT inactivation. In preclinical models, REC-2282 inhibited the growth of primary human VS and *Nf2*-deficient mouse schwannoma cells, as well as primary patient-derived meningioma cells and the benign meningioma cell line, Ben-Men-1.

In animal models of NF2, REC-2282 suppressed *in vivo* tumor growth of an *Nf2*-deficient mouse vestibular schwannoma allograft. In addition, REC-2282 suppressed *in vivo* tumor growth of human vestibular schwannoma xenograft models in mice fed chow formulated to deliver 25 mg/kg/day REC-2282 for 45 days. REC-2282 also suppressed the growth of meningioma cells in an orthotopic mouse model of *NF2*-deficient meningioma that contained luciferase-expressing Ben-Men-1 meningioma cells. These animal data served as a functional and orthogonal validation of our platform findings.

18 15 Adapted from Petrilli and Fernández-Valle. (2016). Role of Merlin/NF2 inactivation in tumor biology. *Oncogene, 35(5)*, 537-48.

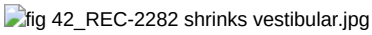

Figure 55. 42. REC-2282 shrinks vestibular schwannoma xenografts in SCID-ICR mice and prevents growth & regrowth of tumors in the *NF2*-deficient meningioma mouse model. (A) Change in VS tumor volume for each control mouse, demonstrating a mean 6% increase. (B) REC-2282 significantly reduces the mean size of VS tumor volume by ~28% across SCID-ICR mice implanted with VS xenografts. Error bars shown are the 95% CI. P=0.006. C) REC-2282 also suppressed the growth of Ben-Men-1-LucB tumor xenografts as measured by tumor bioluminescence.19,20 16,17

Clinical

Four Investigator-Sponsored Trials (ISTs) of REC-2282 (previously referred to as AR-42) have been completed. In study AR-42-001, REC-2282 was administered as monotherapy. In the other 3 trials, REC-2282 was administered in combination with anti-neoplastic agents: decitabine (AR-42-002), pazopanib (AR-42-003) and pomalidomide (AR 42 004), respectively. In these studies, REC-2282 was given to 77 patients with solid or hematological malignancies in doses ranging from 20 mg to 80 mg three times a week for three weeks followed by one week off-treatment in four-week cycles. Multiple patients were treated for multiple years using this dosing regimen at the 60 mg dose and the longest recorded treatment duration is 4.4 years at the 40 mg dose. The majority of adverse events were transient cytopenia that did not result in dose reduction or stoppage. The MTD in patients with solid tumors was determined to be 60 mg. The REC-2282 plasma exposure in patients with hematological malignancies and solid tumors generally increased with increasing doses. There were no consistent signs of plasma REC-2282 accumulation across a 19-day administration period nor obvious differences in PK between hematologic and solid tumor patients.

In another early Phase 1 pharmacodynamic IST conducted by Ohio State University, it appeared that REC-2282 suppressed aberrant activation of ERK, AKT and S6 pathways in vestibular schwannomas from adult patients undergoing tumor resection. These results may be difficult to achieve with single pathway inhibitors of ALK or MEK.

Recursion is currently conducting enrolling patients in POPLAR, an adaptive, Phase 2/3, randomized, multicenter study to evaluate the efficacy and safety of REC-2282 in patients with progressive *NF2*-mutated meningiomas with underlying NF2 disease and sporadic meningiomas with documented *NF2* mutations. The study is designed to accelerate the path to potential product registration by allowing for initiation of a confirmatory Phase 3 study prior to full completion of Phase 2. It This is a combined two-staged Phase 2/3 study design, beginning with enrollment done in two parts. Cohort A is a Proof-of-Concept signal seeking Phase 2 portion in which 20 adult subjects and up to nine adolescent subjects will begin treatment on two active dose arms. Subject safety will be monitored by an independent Data Monitoring Committee, which will apply dose modification and stopping rules as indicated. After all 20 adult subjects have completed six months of treatment, an interim analysis will be performed for the purpose of 1) determination of go/no-go criteria for Cohort B, or the Phase 3 portion of the study, 2) selection of the dose(s) to carry forward, 3) re-estimation of sample size for the planned Phase 3 and 4) agreement from FDA to initiate the Phase 3. Subjects in the Phase 2 portion will continue treatment for up to 26 months total and then have the option to enroll in an Extension study. The Phase 3 portion currently

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requires recruitment of an additional 60 subjects (adult and potentially adolescent subjects), who will receive treatment for up to 26 months. The planned primary endpoint is Progression-Free Survival (PFS).

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19 16 Adapted from Jacob A, et al. (2012). Triological Society Thesis Preclinical Validation of AR42, a Novel Histone Deacetylase Inhibitor, as Treatment for Vestibular Schwannomas. *Laryngoscope, 122(1)*, 174-189.

20 17 Burns SS, et al. (2013). Histone Deacetylase Inhibitor AR-42 Differentially Affects Cell-cycle Transit in Meningeal and Meningioma Cells, Potently Inhibiting NF2-Deficient Meningioma Growth. *Cancer Res; 73(2)*, 792-803.

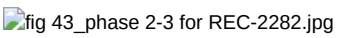

Figure 56. 43. Phase 2/3 clinical study schema for REC-2282. Phase 2/3 two-staged study design to assess the efficacy safety, tolerability, and safety preliminary efficacy of REC-2282 in patients with progressive *NF2*-mutated meningiomas. Enrollment criteria include MRI-confirmed progressive meningioma and either (1) sporadic meningiomas with confirmed *NF2* mutation or (2) confirmed diagnosis of NF2 disease. The primary outcome measure for the phase Phase 2 portion of the study is safety and tolerability. Primary endpoint for the phase 3 portion of the study is Progression-Free Survival progression-free survival (PFS). rate at 6 months.

Competitors

There are currently five eight active programs in clinical development targeting *NF2*-driven brain tumors.

- Brigatinib, an approved ALK inhibitor for NSCLC from Takeda Pharmaceuticals, is in Phase 2 for NF2 disease meningioma, vestibular schwannoma, and ependymoma.
- Neratinib, an approved HER2 inhibitor for HER2+ breast cancer after trastuzumab-based therapy from Puma Biotechnology, is in Phase 2 for NF2 disease meningioma, vestibular schwannoma, and ependymoma
- Crizotinib, an ALK/ROS1 inhibitor, is being studied in an investigator sponsored Phase 2 study in progressive vestibular schwannoma in NF2 patients.
- Selumetinib, a MEK inhibitor from AstraZeneca, is being studied in a Phase 2 study for *NF2* related tumors.
- GSK2256098, a FAK inhibitor from GlaxoSmithKline, is being studied in a basket Phase 2 for meningiomas with a variety of targeted therapies and genetic alterations, including *NF2* mutation.
- IK-930, a TEAD inhibitor from Ikena Oncology, is being studied in a basket Phase 1 for advanced solid tumors driven by hippo signaling, including patients with *NF2* mutations.
- VT-3989, a TEAD inhibitor from Vivace Therapeutics, is being studied in a basket Phase 1 for advanced malignant mesothelioma and other tumors with *NF2* mutations, including meningiomas.
- IAG933, a TEAD inhibitor from Novartis, is being studied in a basket Phase 1 for advanced malignant mesothelioma and other tumors with *NF2* mutations, including meningiomas.

REC-4881 for Familial Adenomatous Polyposis (FAP) - Phase 1b/2

REC-4881 is an orally bioavailable, non-ATP-competitive, allosteric small molecule inhibitor of MEK1 and MEK2 being developed currently under development to reduce polyp burden and progression to adenocarcinoma in FAP patients. REC-4881 has been was well tolerated in prior clinical studies. A studies, demonstrating dose dependent increases in exposure and pharmacological activity. Recursion is currently enrolling patients in TUPELO, a Phase 1b/2, double-blind, randomized, placebo-controlled open label, multicenter study is underway. with FPI in the Part 2 portion anticipated in H1 2024. Orphan Drug Designation in the US and EU as well as Fast Track Designation in the US have been granted. We expect to share Phase 2 safety and preliminary efficacy data in H1 2025.

Disease Overview

FAP is a rare tumor predisposition syndrome affecting approximately 50,000 patients in the US and EU5 with no approved therapies. FAP is a genetic disorder resulting from a heterogeneous spectrum of point mutations in the adenomatous polyposis coli (*APC*) gene. The *APC* gene is a tumor suppressor gene which encodes a negative regulator of the Wnt signaling pathway.

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FAP is characterized by progressive development of hundreds to thousands of adenomatous polyps in the lower gastrointestinal tract, mainly in the colon and rectum, and is associated with up to a 100% lifetime risk of colorectal cancer before age 40 if left untreated. Standard The standard of care for patients with FAP is colectomy in late teenage years. Without surgical intervention, affected patients will progress to colorectal cancer by early adulthood. Post-colectomy, patients receive endoscopic surveillance every 6-12 months to monitor disease progression given the ongoing risk of malignant transformation.

Despite removing the main at-risk organ, approximately 50% of patients will develop adenomatous lesions in the neo-rectum. Once endoscopic management is no longer sufficient, additional surgical procedures are required. Similarly, these patients also develop duodenal (particularly ampullary) adenomas which also require endoscopic management. In the presence of larger adenomas and evidence of carcinoma, patients require additional localized surgery, including radical Whipple procedures. There are currently no approved therapies for FAP.

Insights from Recursion OS

The novel use of REC-4881 for FAP was discovered by leveraging knock-down of the FAP disease gene APC in human cells using the Recursion OS. To select REC-4881 as a potential therapeutic for FAP, Recursion developed a high content phenotypic screen to identify cellular and structural changes associated with knockdown of APC using small interfering RNA (siRNA) in osteosarcoma U2OS cells. Using machine vision and automated analysis software, Recursion quantified hundreds of cellular parameters associated with *APC* knockdown. This complex phenotype was used as the basis for a chemical screen of more than 3,000 known drugs and bioactive compounds, revealing several RAF and MEK inhibitors, including REC-4881, which reversed the structural defects associated with loss of *APC*. REC-4881 exhibited highly specific and potent reversal of cellular phenotypes when compared to the MEK inhibitors selumetinib and binimetinib.

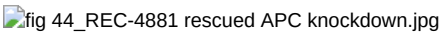


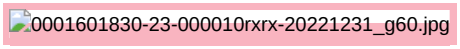
Figure 57. 44. REC-4881 rescued phenotypic defects of cells with *APC* knockdown. Compared to thousands of other molecules tested, REC-4881 rescued phenotypic defects substantially better (including better rescue than other MEK inhibitors) for *APC*-specific knockdown.

REC-4881 is an orally bioavailable, non-ATP-competitive, allosteric small molecule inhibitor of MEK1 and MEK2 (IC50 2-3 nM and 3-5 nM, respectively) that is being developed to reduce polyp burden and progression to adenocarcinoma in FAP patients. We obtained a global license for REC-4881 from Takeda Pharmaceuticals

(TAK-733) in May 2020. Orphan drug designation for REC-4881 in FAP and *APC*-driven tumors was granted by the FDA in 2021.

FAP is driven by loss of function of *APC*, which is a critical component of the β-catenin destruction complex, leading to aberrant activation of the Wnt pathway. This Wnt-on state can lead to RAS stabilization, activation of the RAS/ERK pathway and the activation of MYC, leading to cell proliferation and survival - including the growth of adenomas seen in FAP. REC-4881 inhibits MEK1/2 thereby inhibiting ERK activation, decreasing MYC activity, restoring cells back to a Wnt-off state and inhibiting cell proliferation.

Lending further support for the use of MEK inhibitors in FAP, studies have shown that ERK signaling is activated in adenoma epithelial cells and tumor stromal cells, including fibroblasts and vascular endothelial cells. In addition, genomic events resulting in alteration of mitogen-activated protein kinase signaling, such as activating mutations in KRAS, are frequent somatic events that promote the growth of adenomas in FAP. Overall, suppression of aberrant MAPK signaling in adenomas of FAP with REC-4881 has the potential to regress or slow the growth of these tumors by acting on core pathways driving their growth.



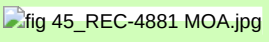


Figure 58. 45. REC-4881 inhibits *APC*-mutation induced MAPK signaling to block cell proliferation in the context of FAP. A potential mechanism of action of REC-4881 in cells with loss of function mutations in *APC* *APC*.[21] [18]

Preclinical

We validated the findings from the initial phenotypic screens using tumor cell lines and spheroids grown from human epithelial tumor cells with a mutation in *APC*. REC-4881 inhibited both the growth and organization of spheroids in these models and, in tumor cell lines, had well over a 1,000-fold selectivity range in cells harboring *APC* mutations.

We subsequently evaluated REC-4881 in a disease relevant preclinical model of FAP. Mice harboring truncated *Apc*, or *Apc*^{Min}, were treated with multiple oral daily doses of REC-4881 or celecoxib (as a comparator) over an eight-week period. Mice treated with celecoxib had approximately 30% fewer polyps than did those treated with vehicle, whereas mice treated with 1 mg/kg or 3 mg/kg REC-4881 exhibited approximately 50% fewer polyps than

[21] Jeon, WJ, et al. (2018). Interaction between Wnt/β-catenin and RAS-ERK pathways and an anti-cancer strategy via degradations of β-catenin and RAS by targeting the Wnt/β-catenin pathway. npj Precision Oncology, 2(5).

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vehicle-treated mice. Mice that were treated with 10 mg/kg REC-4881, the highest dose tested, exhibited an approximately 70% reduction in total polyps.

In FAP, polyps arising from mutations in *APC* may progress to high-grade adenomas through accumulation of additional mutations and eventually to malignant cancers. To evaluate the activity of REC-4881 on both benign polyps and advanced adenomas, gastrointestinal tissues from mice treated with REC-4881 were histologically evaluated and polyps were classified as either benign or high-grade adenomas. While celecoxib reduced the growth of benign polyps in the model, a large proportion of polyps that remained were dysplastic. By contrast, treatment with REC-4881 specifically reduced not only benign polyps, but also precancerous high-grade adenomas, a finding with the potential for translational significance.

[18] Jeon, WJ, et al. (2018). Interaction between Wnt/β-catenin and RAS-ERK pathways and an anti-cancer strategy via degradations of β-catenin and RAS by targeting the Wnt/β-catenin pathway. npj Precision Oncology, 2(5).

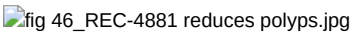

Figure 59. 46. REC-4881 reduces GI polyp count and high grade high-grade adenomas in the *Apc*$_{Min}$ mouse model of FAP. GI polyp count (left panel) and the percent of high grade high-grade adenomas (right panel) after oral administration of indicated dose of REC-4881, celecoxib, or vehicle control for 8 weeks. Polyp count at the start of dosing reflects animals sacrificed at the start of study (15 weeks of age). $P < 0.001$ for all REC-4881 treatment groups versus vehicle control. Quantification of high-grade adenomas versus total polyps was based on blinded histological review by a pathologist. While celecoxib reduces benign polyps, the majority of remaining lesions are high grade adenomas. By contrast, REC-4881 reduces both polyps and high-grade adenomas.

Clinical

In the Phase 1 dose escalation study previously conducted by Millenium Pharmaceuticals in 51 participants with non-hematologic malignancies (Study C20001), TAK-733 (REC-4881) was administered in the dose range of 0.2 mg QD to 22 mg QD for 21 days. The maximum tolerated dose (MTD) was determined to be 16 mg QD in this study. In this study, REC 4881 exposures increased in a less than dose-proportional manner.

The most commonly reported AEs were rashes, with rash of any type reported in 34 participants (67%); 4 of the 7 participants who discontinued study drug treatment due to an AE discontinued for rash or some type of skin condition. Fourteen (27%) participants experienced at least 1 treatment-emergent SAE; the only SAEs that occurred in more than 1 participant were metastatic melanoma (3 participants; 6%), pulmonary embolism (2; 4%) and anemia (2; 4%). Five participants died during the study; all deaths were due to disease progression.

REC-4881-101 was a safety and PK study conducted by Recursion in healthy volunteers to confirm comparability of REC-4881 with TAK-733. Twenty-five (25) healthy participants, separated into 2 cohorts, were exposed to single doses of REC-4881 4 mg and 8 mg (under fed and fasting conditions) and single doses of REC-4881 12 mg (under fasting conditions). Each cohort received single doses of study drug across 3 study periods with each period separated by 14 days.

REC-4881 was generally well tolerated. No deaths or SAEs were reported during the study. For both cohorts, the percentage of participants reporting TEAEs was comparable between participants who received REC-4881 and placebo. No apparent relationship with the dose of REC-4881 or food conditions was observed. All TEAEs were assessed by the Investigator as being of Grade 1 severity except 1 (blurred vision reported with 4 mg REC-4881/fed). Two additional participants reported treatment-related eye disorders (blurred vision in both eyes in 1 participant with 8 mg REC-4881/fasted and vitreous floaters in 1 participant with 12 mg REC-4881/fasted). In all instances, the symptoms resolved. Notably, no instance of QTcF abnormality (change from baseline or prolongation) was noted in these healthy participants.

A Recursion is currently enrolling patients in TUPELO, a Phase 1b/2, randomized, double-blind, placebo-controlled open label, multicenter study to evaluate efficacy, safety, pharmacokinetics, and pharmacokinetics pharmacodynamics of REC-4881 in classical FAP patients is underway. with FAP. The study is being conducted in two parts. Part 1 will evaluate evaluated the PK, safety, tolerability, and PD in participants with FAP following administration of REC-4881 in single and multiple doses. Five FAP patients received single dose and 14 days of

REC-4881 treatment at 4 mg QD. 4 mg QD was generally well tolerated with a safety profile consistent with other MEK inhibitors. Preliminary PD data suggests the 4 mg dose may be pharmacologically active in FAP patients. Part 2 will assess the efficacy, safety, PK, and PD following administration of once daily doses of REC-4881 to participants with FAP who have previously undergone a colectomy/proctocolectomy and have a confirmed germline *APC* mutation. Study drug will be administered orally for 6 3 months. Recent protocol amendments were aimed at enhancing the quality and pace of the trial.

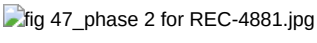

Figure 60. 47. Phase 1b/2 clinical study schema for REC-4881. REC-4881 in FAP. Phase 1b/2 clinical study to assess the efficacy, safety, and pharmacokinetics of REC-4881 in patients with classical FAP. Enrollment criteria include (1) Confirmed *APC* mutation; (2) ≥ 55 years of age; (3) Post-colectomy/proctocolectomy; (3) (4) No GI cancer; (4) (5) Polyps in duodenum (including ampulla of Vater and/or rectum/pouch). Outcome measures: PK, safety, tolerability, preliminary efficacy (change from baseline in polyp burden, histological grade, extent of desmoid disease).

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Competitors

There are four primary therapeutic approaches currently three active programs in clinical development for FAP; all are focused on reduction in colorectal polyposis. FAP.

- Guselkumab (Tremfya) ALFA, also known as eicosapentaenoic acid from SLA Pharma, is an IL-23 human monoclonal antibody, or mAb, currently in Phase 3 for FAP patients that recently completed Phase 1b development in March 2022 by Janssen Pharmaceuticals. It is hypothesized to reduce cytokine production, inflammation harbor a pathogenic *APC* mutation and rectal/pouch polyp burden in patients with FAP. have had a previous colectomy.

- Eicosapentaenoic acid-free fatty acid Flynpovi, a combination of CPP-1X and sulindac from Panbela, is a polyunsaturated fatty acid currently in Phase 3 development for FAP by S.L.A. Pharma AG. Eicosapentaenoic acid-free fatty acid patients with a focus on lower GI disease. Further guidance on a regulatory path forward is hypothesized to reduce polyp formation due to its activity as a competitive inhibitor of arachidonic acid oxidation. expected in H2 2024.

- A combination of eflornithine (CPP-1X) and sulindac (Flynpovi) is in development by Cancer Prevention Pharma for FAP and, in a recent Phase 3 study, the incidence of disease progression with the combination

  was not significantly lower than either drug alone. The company submitted eRapa, an NDA in June 2020, and it remains under review. The company withdrew their MAA application in October 2021.

- Encapsulated mTORC1 inhibitor also known as encapsulated rapamycin or eRAPA, from Emtora Biosciences, is currently in Phase 2 development by Emtora Biosciences for FAP and is hypothesized to reduce tumor formation through its inhibitory effect on the mTOR pathway. patients.

REC-4881 for AXIN1 or APC Mutant Cancers - Phase 1b/2

REC-4881 is an orally bioavailable, non-ATP-competitive non-ATP competitive, allosteric small molecule inhibitor of MEK1 and MEK2 being developed for the treatment of *AXIN1* or *APC* mutant cancers. REC-4881 was well tolerated in prior clinical studies, demonstrating dose dependent increases in exposure with no reported ocular toxicities typically associated with this class. and pharmacological activity. Recursion initiated LILAC, a Phase 2 study in *AXIN1* or *APC* mutant cancers at the end of 2023, and FPI is anticipated in Q1 2024. We expect to initiate a Phase 1b/2 biomarker enriched basket study across select *AXIN1* or *APC* mutant tumors share safety and preliminary efficacy data in early 2024. H1 2025.

Disease Overview

AXIN1 and APC function as critical tumor suppressors that form part of the beta-catenin destruction complex, directly and indirectly regulating beta-catenin and RAS levels, respectively, in the cell. Aberrant activation of the Wnt and RAS pathways through inactivating mutations in *AXIN1* or *APC* appears appear frequently across a wide variety of human cancers with an estimated 65,000 patients in the US and EU5 eligible for treatment. treatment in the second line. These tumors are often considered clinically aggressive and less sensitive to treatments with chemotherapies and/or immunotherapies, representing a heavily refractory population. Accordingly, there is a substantial need for developing therapeutics for patients harboring mutations in *AXIN1* or *APC*, as these mutations are considered undruggable. There are no treatments specifically approved for *AXIN1* or *APC* mutant cancers.

Insight from Recursion OS

The REC-4881 program for *AXIN1* or *APC* mutant cancers is our first program nominated solely based on our inferential search approach. In our HUVEC map, we discovered that REC-4881 exhibited a phenotypically opposite relationship across clinically relevant doses to the gene knockout of *AXIN1*, in addition to the previously uncovered relationship with *APC*. We interpreted this relationship as a second novel insight around this molecule and that the use of REC-4881 could potentially restore the biological consequences driven by *AXIN1* or *APC* loss, found in many cancers.

Two additional insights provided us with conviction in this interpretation:

- AXIN1 and APC are central components of the beta-catenin destruction complex. This destruction complex physiologically regulates the levels of beta-catenin and RAS in cells. As AXIN1 and APC exist together in a complex, they are considered functionally related. Our map revealed a strong degree of phenotypic similarity between the gene knockout of *AXIN1* and *APC*, suggesting that this axis of biology is recapitulated in our high dimensional embedding space.

- Our Phase 1b/2 program for REC-4881 in FAP was initiated using our brute-force screen approach where we discovered a dose concentration dependent cellular restoration from a modeled disease state (APC gene knockdown by siRNA) to a modeled healthy state (wildtype) in the U2OS cell type. Our map imputed a similar phenotypic effect

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with REC-4881 across doses concentrations in HUVEC, suggesting alignment between the brute-force approach and the inferential search approach. These discoveries arose from two different cell contexts, were conducted at different points in time, and under different conditions, robustly validating our interpretation.

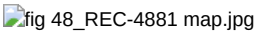

Figure 61. 48. Insights from Recursion OS. REC-4881 displays a phenotypic opposite relationship across clinically relevant doses to genetic knockout of *AXIN1* and *APC* in HUVEC.

Preclinical

On the basis of our inference generation from our Recursion OS, we advanced REC-4881 into two PDX mouse studies, focusing on HCC and Ovarian tumors. A PDX clinical trial (PCT) is a population study with PDX models that can be used to assess efficacy and predict responders to treatment in the preclinical setting. Across 29 total PDX models, treatment with single-agent REC-4881 resulted in a significantly better response in *AXIN1* or *APC* mutant models versus wildtype models. These responses led to a significant benefit in PFS (modeled as the time of tumor doubling from baseline), observed specifically in *AXIN1* or *APC* mutant models, providing further evidence of a biomarker driven effect.

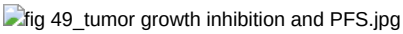

Figure 62. 49. Tumor growth inhibition and PFS across 29 PDX mouse models. REC-4881 shows enhanced activity in mouse models with *AXIN1* or *APC* mutant tumors. Tumor volumes were measured three per week after randomization in two dimensions using a caliper, and the volume was expressed in mm3 using the formula: V = (L x W x W)/2, where V is tumor volume, L is tumor length (the longest tumor dimension), and W is tumor width (the longest tumor dimension perpendicular to L). %TGI was calculated using the formula %TGI = (TV vehicle - TV treatment) / (TV vehicle – TV initial) *100 for all mice (Wong, H, et al. *Clin Cancer Res*., 2012, 18(14): 3846-3855).

Clinical

We are finalizing the design of LILAC, a Phase 1b/2 biomarker-enriched clinical trial, and plan to initiate it open label, multicenter study in select tumor types initiated towards the end of 2023 with FPI anticipated in early Q1 2024.

There are two investigator-initiated clinical studies ongoing This phase 2, open label, multicenter study is designed to study cancers evaluate the safety, tolerability, PK, PD, and preliminary anti-tumor activity of REC-4881 administered orally (PO) at an initial dose of 12 mg on a once daily (QD) schedule in participants with unresectable locally advanced or metastatic cancer harboring *AXIN1* or *APC* mutations mutations. Participants must have progressed on at least one prior line of therapy in order to be eligible for the trial.

- MD Anderson investigating DKN-01, The study will consist of two arms – an anti-DKK1 monoclonal antibody, AXIN1 cohort and an APC cohort and two parts. In Part 1, a maximum of 20 participants will be enrolled in combination a 1:1 allocation across each arm. In Part 2, up to 20 additional patients may be enrolled in each arm. Once the first six cumulative participants have enrolled in Part 1, enrollment will be briefly paused, and a safety assessment will be conducted by a Safety Review Committee to review the completion of the first four weeks of study drug. The study will follow a Bayesian design with pembrolizumab futility analysis after the first 10 participants have been enrolled in each arm of the trial. Study drug may be administered for up to 2 years. Disease status will be evaluated every eight weeks, for the first 24 weeks, and then every 12 weeks, until treatment of endometrial cancers, including non-endometrioid histologies with Wnt activating mutations such discontinuation or withdrawal. The primary endpoints for this study are safety, tolerability, and preliminary anti-tumor activity as *AXIN1* measured by Objective Response Rate (ORR). We expect to share safety and *APC.* preliminary efficacy data in H1 2025.

- The University of Utah is investigating cetuximab, an anti-EGFR monoclonal antibody, Figure 50. Phase 2 study schema for the treatment of third line colorectal cancers harboring mutations in *APC, TP53* and *RAS.*

To our knowledge, REC-4881 is the only industry sponsored small molecule therapeutic designed to enroll solid tumor patients harboring mutations in ***AXIN1* or *APC* mutant cancers.** Phase 2 open label, multicenter clinical study to assess the efficacy, safety, and pharmacokinetics of REC-4881 in patients with *AXIN1* or *APC* mutant cancers. Enrollment criteria include (1) unresectable, locally advanced, or metastatic cancers; (2) ≥ 55 years of age; (3) confirmed *AXIN1* or *APC* mutation by NGS (tissue or blood); (4) no MEK inhibitor treatment within 2 months of initial dose; (5) ≥ 1 prior line of therapy; and (6) ECOG PS 0-1. The primary endpoints are safety, tolerability, and preliminary anti-tumor activity as measured by Objective Response Rate (ORR).

REC 3964 Competitors

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There are currently 3 active programs in clinical development for *AXIN1* or *APC* mutant cancers.

- FOG-001, a TCF-blocking β-catenin inhibitor from FogPharma, is being studied in a Phase 1/2 trial in patients with locally advanced or metastatic solid tumors with Wnt activating mutations, including *AXIN1* or *APC*.
- Tegavivint, a TBL1 inhibitor from Iterion Therapeutics, is being studied in a Phase 1/2 trial in combination with pembrolizumab in patients with advanced hepatocellular carcinoma harboring mutations in either *CTNNB1* or *AXIN1*.
- DKN-01, an anti-DKK1 monoclonal antibody from Leap Therapeutics, is being studied in a Phase 2 trial in combination with pembrolizumab in patients with advanced or recurrent endometrial cancer harboring Wnt activating mutations, including *AXIN1* or *APC*.

***REC-3964* for *Clostridioides difficile* Infection - Phase 1 2**

REC-3964 is an orally active, bioavailable, small molecule inhibitor of *C. difficile* glucosyltransferase. This molecule has the potential to prevent recurrent disease and be used as secondary prophylaxis therapy in high-risk patients with *C. difficile* infections, a leading cause of antibiotic-induced diarrhea and a major cause of morbidity and mortality. A Phase 1 study in healthy volunteers is underway. completed in Q3 2023 and demonstrated that REC-3964 was well tolerated with no serious adverse events (SAEs) reported. We expect to share safety and PK data initiate a Phase 2 study in 2H 2023. 2024.

Disease Overview

C. difficile difficile--induced induced diarrhea is a leading cause of antibiotic-induced diarrhea and arises from the disruption of normal bacterial flora in the colon. Toxins A, or TcdA, and B, or TcdB, secreted by the bacterium are responsible for considerable morbidity, including severe diarrhea, colitis, toxic megacolon, sepsis, extended hospital stays and potentially, death. More than 730,000 patients are diagnosed in the US and EU5 each year. Recurrence of disease occurs in 20-30% of patients treated with standard of care. Standard of care includes antibiotic therapies which can further impair gut flora and lead to relapse.

Insight Recursion OS

REC-3964 is a new chemical entity that was identified with our brute-force approach which utilized phenomics to identify cellular and structural changes in epithelial cells associated with the pathological changes resulting from exposure to *C. difficile* toxins. Structure-activity-relationship (SAR) was driven through the Recursion OS to identify structural series that restored structural defects resulting from *C. difficile* toxins' effects. REC-3964 was identified from a lead benzodiazepinedione structural series that confers selective antagonism against the *C. difficile* toxins' effects with nanomolar potency on our platform, and dose dependent cellular restoration to a modeled healthy state in human endothelial cells.

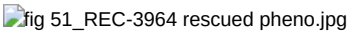

Figure 63. 51. REC-3964 rescued the phenotype of human epithelial cells treated with *C. difficile* toxin. REC-3964 was identified as demonstrating strong dose-responsive concentration-responsive rescue in HUVEC cells treated with *C. difficile* toxin b B on Recursion's phenomics platform.

We aim to develop REC-3964 as the first safe and efficacious, orally bioavailable, small molecule toxin inhibitor of C. difficile, which could be used to prevent recurrent disease and potentially used as secondary prophylaxis in high-risk patients, including elderly immunocompromised patients in long-term care facilities who have a history of related infections and hospitalizations. In addition, this molecule represents a novel mechanism that could be used in combination with currently approved and novel antimicrobials in development for this disease. Unlike antibiotic treatments that can eliminate the gut microbiota and further enhance C. difficile infection, this toxin-targeted mechanism would not be expected to negatively impact the gut microbiome. REC-3964 could have the potential to offer protection against recurrent C. difficile infections, thereby preventing significant morbidity and mortality.Preclinical

Preclinical
REC-3964 was validated in orthogonal functional assays including the Electrical Cell-substrate Impedance Sensing (ECIS) assay where it demonstrated concentration-dependent activity in blocking toxin-mediated barrier disruption.

We have shown in a target-based validation assay that REC-3964 selectively inhibits the toxin's innate glucosyltransferase (IC50 = 1.2-10 4.7-9 nM), suggesting suppression of toxin-induced glycosylation of Rho-GTPases in host cells as the most likely mode of action. REC-3964 has negligible off-target activity, does not target the host's glucosyltransferases, produces favorable gut and plasma exposure levels following oral dosing, and is non-mutagenic. Further, in an *in vivo* hamster model of *C.Difficile C. difficile* infection, treatment with REC-3964 significantly prolonged the survival of animals relative to vehicle-treated bezlotoxumab and vehicle treated controls.

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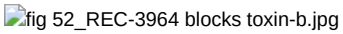


Figure 64. 52. REC-3964 blocks *C. difficile* Toxin B-mediated endothelial barrier disruption. Transendothelial resistance was quantified with ECIS after incubation of HUVEC cells with 10ng/mL TcdB from *C. difficile* in the presence of REC-3964. Barrier resistance is shown on a normalized scale with 0% representing the resistance in the absence of REC-3964, and 100% representing the resistance of healthy monolayers that were not exposed to toxin B. Data are presented as Mean ± SEM, N≥3 independent experiments.

Figure 65. 53. *C. difficile*-infected infected model hamsters treated with REC-3964 survive longer than vehicle-treated vehicle treated animals. REC-3964 was administered by oral gavage twice daily for 5 consecutive days along with groups for vehicle and vancomycin (50 mg/kg, QD). N=5 in untreated and vancomycin-treated vancomycin treated animals and N=10 in vehicle and test-compound REC-3964 treated animals.

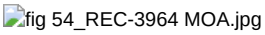
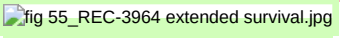


Figure 66. 54. REC-3964 selectively inhibits the toxin's innate UDP-glucose glucosyltransferase. (A) Autocatalytic event releases *C. difficile* toxin's glucosyltransferase enzymatic domain into the infected cell, which locks Rho family GTPases in the inactive state. Inactivation of Rho GTPases alters cytoskeletal dynamics, induces apoptosis and impairs barrier function which drives the pathological effects of *C. difficile* infection. (B) REC-3964 binds and blocks catalytic activity of the toxin's innate glucosyltransferase with no effect on the host protein.[22] [19]

Clinical

REC-3964 has completed IND-enabling safety studies. A Phase 1 first-in-human SAD/MAD clinical study in healthy volunteers is underway. We expect to share safety and PK data in 2H 2023 

Competitors

The following therapeutics are approved **Figure 55. REC-3964 significantly extended survival over the standard of care, bezlotoxumab, in a human disease relevant CDI hamster model.** REC-3964 was administered at 200 mg/kg by oral gavage twice daily for 7 consecutive days along with groups for vehicle and vancomycin (50 mg/kg, QD). Bezlotoxumab was administered at 10 mg/kg BID 2 days prior to treat inoculation with *C. difficile* infection: (strain 630). N=10 hamsters per group. Clinical observations were conducted from Day 0 to Day 7, with surviving animals monitored until Day 14. REC-3964 demonstrated a significant difference in the probability of survival vs bezlotoxumab at the end of treatment ($p<0.001$, log-rank test).

- The current standard of care for treating *C. difficile* infection is the oral antibiotic vancomycin, according to the 2018 Infectious Diseases Society of America guidelines for the diagnosis and management of *C. difficile* infection.

- Metronidazole is an antibiotic that can be administered orally or IV. It is not prescribed as frequently as other approved therapeutics due to its inferior efficacy compared to vancomycin, especially in severe disease.
- Fidaxomicin is an approved antibiotic launched by Merck in 2011. Though guidelines recommend it as first line therapy due to its superior efficacy in treating *C. difficile* infection and preventing recurrence, it is rarely prescribed.
- Bezlotoxumab is a human monoclonal antibody against *C. difficile* toxin B. It is administered via an infusion as an adjuvant with vancomycin.

There are currently two fecal microbiota transplantation (FMT) potential therapeutics that are anticipated to enter the market in 2023.

- RBX2660 is an enema developed by Ferring/Rebiotix for potentially treating recurrent *C. difficile* infection in patients who have experienced 2 recurrences. Rbx 2660 was voted for approval by the FDA in November 2022.

[22] [19] Awad, MM. et al. (2014). Clostridium difficile virulence factors: Insights into an anaerobic spore-forming pathogen. *Gut Microbes. 5(5)*, 579-593.

Clinical

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We conducted a Phase 1 healthy volunteer study to evaluate the safety, tolerability, and PK of REC-3964 at increasing oral doses in comparison with placebo. A total of 90 healthy subjects participated in this study with 48 subjects in the Single Ascending Dose (SAD) study and 42 subjects in the Multiple Ascending Dose (MAD) study. The SAD study included a cohort of healthy elderly subjects (age > 65 years). REC-3964 monotherapy was safe and well tolerated at single doses up to 1200 mg (SAD) and multiple doses (MAD) up to 900 mg.

In the SAD study, the most frequently reported TEAE with REC-3964 was contact dermatitis (4 subjects, 11.1%). All TEAEs were mild in severity and the only TEAE that was considered related to REC-3964 was a single TEAE of fatigue. There were no serious adverse events (SAEs), deaths, or TEAEs that led to discontinuation. In the MAD study, the most frequently reported TEAEs with REC-3964 were fatigue and headache (6 subjects each, 17.6%). All TEAEs were mild in severity. For subjects receiving REC-3964, 11.8% (n=4) had TEAEs considered to be related to treatment, consisting of abdominal distension (3 subjects) and flatulence (1 subject). Abdominal distension was also considered to be related to the study drug for 25% (n=2) of subjects who received placebo. There were no serious adverse events (SAEs), deaths, or TEAEs that led to discontinuation.

PK analysis demonstrated that exposures (AUC) increased approximately dose-proportionally across the dose ranges tested and the half-life ranged from approximately 7 to 10 hours. The peak and systemic exposure to REC-3964 was comparable between healthy elderly subjects and subjects aged ≤ 65 years. As a result, BID dosing is expected to reach targeted trough concentrations.

There were no clinically meaningful trends or clinically significant abnormalities in hematology and chemistry and no clinically relevant effects on ECG parameters (including QTcF) or vital signs after administration of single or multiple doses of REC-3964.

We plan to initiate a Phase 2 open label, multicenter study in 2024 to evaluate the safety, tolerability, efficacy, and PK of REC-3964 at doses of either 250 mg or 500 mg both administered orally (PO) twice a day (BID) over a 28-day period compared to an observational cohort after an initial cure with vancomycin. The primary endpoints for this study will be safety, tolerability, and preliminary efficacy as assessed by the rate of recurrent *Clostridioides difficile* infection (rCDI).

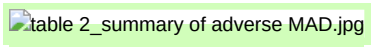

Table 2. Summary of Adverse Events from Phase 1 Multiple Ascending Dose Study. AE=adverse event; MAD=multiple ascending dose; SAE=serious adverse event; TEAE=treatment-emergent adverse event.

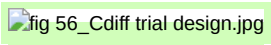

Figure 56. Planned Phase 2 study schema of REC-3964 for prevention of rCDI. Phase 2 open-label, multicenter clinical study to assess the safety, tolerability, PK, and efficacy of REC-3964 at two dose levels. Enrollment criteria include (1) High risk for rCDI; (2) *C. difficile* associated diarrhea with confirmation of toxin positivity (3) No fulminant CDI; (4) No history of chronic diarrheal illness due to other causes. The primary endpoints are safety, tolerability, and efficacy as determined by the rate of reduction of rCDI after initial clinical cure with vancomycin.

Competitors

There are a number of approved drugs for the treatment and prevention of *C. difficile* infection.

- SER-109 Antibiotics are the main treatment for *C. difficile* infection with vancomycin and fidaxomicin as the two most commonly prescribed. Metronidazole may also be prescribed for severe cases. However, the efficacy of antibiotic therapy decreases with each recurrence.
- Bezlotoxumab is an oral FMT developed by Seres Therapeutics a human monoclonal antibody against *C. difficile* toxin B approved for potentially treating reducing CDI recurrence in patients receiving antibiotics who are at high-risk for CDI recurrence.
- Stool derived microbiome products are used to prevent recurrent *C. difficile* infection with RBX2660 and SER-109 approved for this indication, following antibiotic treatment for recurrent CDI.

There are currently 2 active programs in clinical development for the prevention of recurrent *C. difficile* infection.

- VE303, an oral microbiome therapeutic from Vedanta Biosciences, is being studied in a Phase 3 trial in patients who have experienced with ≥ 1 prior occurrence of CDI, including a high-risk for recurrence population.
- LMN-201, an oral biologic from Lumen Bioscience, is being studied in a Phase 2 recurrences. Positive results from trial in patients newly diagnosed with CDI planning to receive antibiotic treatment.

To our knowledge, REC-3964 is the Phase 3 clinical trials were reported in May 2022 and Seres was granted a Priority Review designation with a Prescription Drug User Fee Act action date of April 26, 2023. first orally bioavailable, non-antibiotic, *C. difficile* toxin inhibitor that selectively targets bacterial toxin while sparing the host.

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Selected Preclinical and Discovery Programs

- Novel CDK12-adjacent target, RBM39, for the potential treatment of HR-proficient ovarian cancer cancers and other Solid Tumors (previously identified as Target Gamma).
- Potential first-in-class novel chemical entity with novel MOA to enhance anti-PD-(L)1 response (Target Alpha).
- Potentiator of anti-PD-(L)1 response in high tumor mutational burden cancers (Target Delta).
- Potential for the treatment of solid and hematological malignancies using indirect MYC inhibition. an undisclosed indication in Fibrosis (Target Epsilon)

HR-Proficient Ovarian Cancer Cancers and other Solid Tumors (Previously Identified as Target Gamma) - Late Discovery

Using inferential-search, inferential search, we identified compounds that inhibit RBM39 and phenocopy the loss of *CDK12*, but not *CDK13*. We further optimized these molecules to generate lead molecules candidates with oral bioavailability that are capable of sensitizing single agent activity in homologous recombination-proficient (HRP) recombination proficient (HR-proficient) ovarian tumors to PARP inhibitors. cancers and other solid tumors. There are approximately 13,000 cases 200,000 drug-treatable patients per year of HR-proficient ovarian cancers in the US and EU5. EU5 whose tumors lack mutations in the homologous recombination repair (HRR) pathway and who have progressed on frontline therapies. While PARP inhibitors have significantly improved outcomes for patients with HR-deficient tumors, cancers, patients with HR-proficient tumors are either not eligible have poorer prognosis and unfavorable outcomes. We expect to submit an IND for certain PARP-targeted therapies, or have significantly worse response rates. There are currently no approved therapies that sensitize HR-proficient tumors to PARP inhibitors. This this program anticipates reaching IND-enabling studies in 2023. H2 2024.

Disease Overview

Ovarian cancer carries a particularly poor prognosis as most patients are diagnosed at an advanced stage.
Mutations in genes involved DNA repair pathways and genomic instability are a fundamental hallmark of cancer. Large-scale genomic datasets highlight cancers such as ovarian, breast, prostate, pancreatic, non-small cell lung, and small-cell lung cancers harboring molecular alterations within the DDR repair network. Cancers with genetic alterations in the DNA Damage Repair DDR pathway including *BRCA1/2*, are identified in up to 50% of ovarian cancer patients. such as homologous recombination (HR) can often be treated with DDR inhibitors, such as PARP inhibitors, including olaparib, rucaparib and niraparib, were developed to exploit the resulting susceptibility to additional genomic damage in tumors harboring these mutations. Outcome for ovarian cancer patients with HR-deficient tumors have improved approximately twofold, with even better survival data observed in patients with *BRCA1/2* mutant tumors; however, inhibitors. However, patients with HR-proficient tumors have do not similarly benefited derive significant clinical benefit from PARP inhibition; these patients often have poorer prognoses and unfavorable outcomes.inhibitors. Accordingly, there is a high unmet need for developing therapeutics that can regulate DNA repair mechanisms for the treatment of HR-proficient cancers, including ovarian cancer.

Insight from Recursion OS

Reports suggest that genetic or pharmacologic depletion of CDK12 is a critical transcriptional CDK that regulates can reduce the expression of several genes involved in the DNA Damage Response (DDR). Inhibiting *CDK12* sensitizes cancer cells to DDR agents homologous recombination repair pathway such as PARP inhibitors. Additionally, genome-wide studies suggest that *CDK12* deficiency may predict sensitivity to PARP inhibitors in the clinic. As BRCA1 and BRCA2, inducing a result BRCA-like phenotype and DDR response. Thus, CDK12 has been identified received considerable interest as a therapeutic target that can induce synthetic lethality in both HR-deficient and tumor biomarker for HR-proficient cancers. Discovery of selective CDK12 inhibitors has been challenging as CDK12 and CDK13 share conserved kinase domains. Inhibiting CDK13 may lead to toxicities based on human genetic evidence studies, making combinations difficult to tolerate. Despite reports of functional redundancy, we observed that the genetic knockout of *CDK12* could be clearly distinguished phenotypically from that of *CDK13*. We leveraged this insight from the Recursion OS CDK13. Using map-based inference to identify *characterize and relate cellular phenotypes, we identified RBM39* as an alternative target that selectively mimics *CDK12* loss, but not *CDK13*, providing a novel approach for targeting CDK12 biology while mitigating circumventing any toxicities that may arise due to CDK13. We subsequently discovered REC-65029 REC-1170204 as an RBM39 molecular glue degrader that closely mimicking mimics the phenotypic loss of *CDK12* and *RBM39*, but not *CDK13*.CDK13. Functionally, REC-1170204 treatment globally impacts the expression of many DDR genes but does so in a CDK12 independent manner.

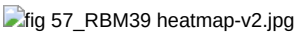

Figure 67: 57: Inferred map relationships between *CDK12, CDK13, RBM39* and REC-65029. REC-1170204. Map representation demonstrating a high degree of phenotypic similarity between *CDK12*, *RBM39* and multiple concentrations of REC-65029. REC-1170204. *CDK13* shows little or no functional similarity to *CDK12*, *RBM39* or any concentration of REC-65029. REC-1170204.

Product Concept

We aim to discover and develop novel, orally bioavailable, small molecules that drive de novo sensitivity to PARP inhibitors in HR-proficient tumors. While the biological and clinical evidence supporting CDK12 inhibition has been proposed as a mechanism to drive sensitivity to PARP in this setting, but therapeutic target is promising, the high homology of CDKs makes targeting a single homolog difficult and prone to off-target toxicity. Mimicking the effects of CDK12 inhibition via alternative novel targets could be a route to increase the effectiveness of PARP inhibitors in treating HR-proficient tumors. We intend to position this our lead candidate as a single agent in combination with PARP inhibitors in for the potential treatment of HR-proficient ovarian cancer, cancers and potentially explore single agent activity. other HR-proficient solid tumors.

Preclinical

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In 2022, we evaluated a Recursion-generated NCE molecule REC-1170204 with high phenotypic similarity to REC-65029, the initial small molecule discovered for this program.

In vivo efficacy studies evaluated REC-1170204 as a single agent and in combination activity with niraparib in OV0273, an ovarian HR-proficient BRCA proficient patient derived xenograft (PDX) model. We observed statistically significant responses in both single agent REC-1170204 and combination vs versus either Niraparib niraparib or vehicle arms. We REC-1170204 also saw demonstrated a significant survival for animals treated with REC-1170204 alone benefit as a monotherapy, or in combination with Niraparib niraparib at >30 days post final dose. We have identified As a lead series and result of our strategic collaboration with Tempus, we are leveraging genomic data across all tumor types to identify clinical biomarkers for patient expansion. We are advancing our lead molecules into pilot (rodent and non-rodent species) safety candidate through IND-enabling studies while pursuing back-up molecules. with IND submission expected in H2 2024.

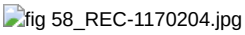

Figure 68. 58. REC-1170204 ± Niraparib niraparib inhibits tumor growth in the OV0273 PDX mouse model. In the OV0273 PDX model, mice were treated with a representative lead molecule REC-1170204 (100 mg/kg, BID, PO) ± Niraparib

(40 niraparib (40 mg/kg, QD, PO) for 32 28 days. Single agent REC-1170204 or in combination with Niraparib niraparib resulted in a statistically significant response vs either Niraparib

niraparib or vehicle arms. arms, where the reduction in tumor volume is plotted using a logarithmic scale (y-axis). In addition, there was a statistically significant improvement in survival > 30 days post final dose. *p<0.05, ** p<0.01, **** p<0.0001.

Enhancing Anti-PD-(L)1 Response by Inhibiting Novel Targets (Target Alpha) - Late Discovery Undisclosed Indication in Fibrosis – Target Epsilon

We identified Phenotypic screening of human PBMCs was used to identify novel and structurally diverse small molecules that reverse the phenotypic features of disease-state fibrocyte cells into those of healthy-state cells. The power of the Recursion OS revealed a lead series using our inferential-search approach relationship between the small molecule hits and a novel target that is capable could impact fibrotic diseases. The most promising hit compounds were confirmed as potent inhibitors of amplifying the response this novel target (Target Epsilon) in validation experiments. Optimized hit compounds were found to checkpoint therapy be effective in an *in vivo*. A therapy that enhances anti-PD-(L)1 effect has the potential to increase the response rate in anti-PD-(L)1-eligible patients or expand the eligibility criteria mouse model of patients not expected to respond to immune checkpoint therapy. Additional priming of tumors can have a significant benefit, as response rates in checkpoint-eligible settings is approximately 12-15%. Furthermore, many tumor types have proven intractable for immunotherapy and could greatly benefit from this approach. Although there are several approved combinations with anti-PD-(L)1, the vast majority of these are combinations with other checkpoint antibodies. These combinations frequently lead to an increase in the presence of immune-related adverse events (IRAEs), thereby causing treatment discontinuation and hindering the overall patient benefit. fibrosis. This program anticipates reaching is now entering IND-enabling studies in 2023. studies.

Disease Overview

Anti-PD-(L)1 therapies have significantly changed

Fibrotic diseases carry a high, mostly unmet clinical need and can afflict all major organs. Patients across fibrotic disease indications may benefit from the landscape modulation of cancer therapy over common pathways and cells involved in driving pathogenesis of fibrosis. Immune cells, particularly monocyte-derived cell populations including fibrocytes closely associated with collagen producing myofibroblasts, can drive a fibrotic response exceeding what is necessary for injury repair. Monocyte-derived cells produce growth factors that promote the past ten years. In eligible patients, overall survival has nearly doubled for certain tumors continued activation of mesenchymal populations. Molecules that modulate this immuno-mesenchymal interface may enable a shift towards a pro-resolution and serious adverse events have nearly halved compared to historical chemotherapies. tissue repair response. Despite the use important role these cell types play in fibrotic processes there are no current therapies to effectively target the accumulation and differentiation of biomarkers, such as PD-L1 expression and tumor mutation burden (TMB) status, low response rates persist in many checkpoint-eligible settings. Furthermore, next generation checkpoints such as LAG-3 and TIGIT, or strategies these pathogenic cell populations. With limited treatment options, two approved anti-fibrotics, patients need greater therapeutic efficacy to promote secondary immune activation (e.g., STING or dual checkpoint) focus primarily on addressing these efficacy limitations. Yet these newer agents have been shown to amplify IRAEs, leading to treatment reductions and discontinuations. An agent that increases sensitivity to anti-PD-1 therapy without concomitant increases in peripheral inflammation could enhance response rates in under-responsive tumor types and lead to more durable clinical benefits for patients. address this burden.

Insight from Recursion OS

We mapped 110 genes identified as causal markers of response or resistance to immunotherapy derived from *in vivo* pooled CRISPR genetic screens in mice. We discovered an interesting novel relationship between *BIRC2*, other *BIRC2* family genes and Gene A, a known modulator of inflammation and a counterintuitive target for enhancing immunotherapy response. We used the Recursion OS to identify both an annotated inhibitor of Gene A, REC-648918, and a second gene, Gene B as a second target of REC-648918, which was independently uncovered as a potential immunotherapy resistance marker.

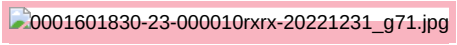

Figure 69: Inferred map relationships supporting initiation With the critical role that monocyte-derived immune cells play in fibrotic disease, we developed a phenotypic screening assay from hPBMC-derived fibrocytes that could capture key features of Target Alpha. (A)Map representation of 110 causal markers of response or resistance to immunotherapy identified from *in vivo* pooled CRISPR screens in mice.

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(B) Cluster of genes including *BIRC2*, *BIRC2* family genes and Gene A, an druggable gene with unexpected clustering disease in this group. Map relationship between Gene A, important cell type. Human recombinant pentraxin-2 (PTX-2) is a constitutive, anti-inflammatory, innate immune plasma protein whose circulating level is decreased in chronic human fibrotic diseases. PTX-2 has an annotated Gene A inhibitor impact on monocyte differentiation to fibrocytes and Gene B.

Product Concept

We aim to discover macrophage polarization state, which elicit tissue repair and develop reduce fibrosis. Leveraging Recursion's phenotypic screening platform, we identified multiple structurally diverse and novel orally bioavailable small molecules that drive sensitivity were able to immune checkpoint therapies. We phenotypically mimic the morphological effects of PTX-2 on hPBMC-derived fibrocytes and macrophages. The hPBMC-fibrocyte reversal assay was also leveraged for optimization of the identified an agent that potentiates anti-PD-1 tumor efficacy while decreasing peripheral inflammation compared to anti-PD-(L)1 alone that could both enhance response rates in under-responsive tumor types and decrease IRAEs, likely leading to more durable clinical benefits compounds. Using inferential search of Recursion's HUVEC phenomap, we identified a putative binding target (Epsilon) for patients. We intend to position this therapeutic in combination the small molecules which was later confirmed through biochemical binding assays with anti-PD-(L)1 in both checkpoint-eligible and checkpoint-resistant patients.

Preclinical

In June 2022, we characterized the isolated protein. The identified target represents a novel chemical entity, REC-1170035, with significantly increased potency from the original compound, REC-648918. *In vivo* efficacy was improved approach to modulating immuno-mesenchymal cell populations in the CT26 tumor model from 40% to 60% complete responses in combination with anti-PD-1 therapy, and all complete responders elicited immunological memory upon rechallenge. REC-1170035 in combination with anti-PD-1 caused significant recruitment of $CD45_+$ cells into the tumor microenvironment, while significantly attenuating the percentage of immunosuppressive, alternatively activated (M2) macrophages and percentage of exhausted, $LAG3_+$, $CD8_+$ T cells. While REC-1170035 maintained local anti-tumor inflammation, the levels of IFNγ and CXCL10 were significantly reduced in the blood as compared to anti-PD-1 therapy alone. Additional chemical optimization efforts for this program have focused on improving human dose projection and pharmacokinetic properties. fibrosis.

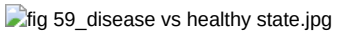

Figure 70. REC-1170035 inhibits tumor growth in 59: Phenotypic screening assay. Differentiation of human PBMCs into fibrocytes can be reversed by Pentraxin-2, a mouse CT26 colorectal cancer model in combination with anti-PD-1 without inducing peripheral inflammation. (A) Mice harboring CT26 tumors show 60% complete tumor regressions upon treatment with 100 mpk REC-1170035 in combination with 10 mpk anti-PD-1. (B) Flow cytometric analysis of the CT26 tumor microenvironment following 11 days of dosing. One-way ANOVA and Tukey's post test, ***p<0.001, ****p<0.0001. (C) Blood levels of CXCL10 (left) and IFNγ (right) in CT26 tumor bearing mice

following 10 days of dosing. Statistical analysis performed using one-way ANOVA and Tukey's post test against aPD1 alone, **p<0.01, ****p<0.0001.

Potentiator of Anti-PD-(L)1 in High TMB Cancers (Target Delta) - Preclinical

We have tissue repair protein, to mimic a healthy state. Small molecules are identified a novel use for a clinical-stage, orally bioavailable small molecule which rescue disease state to improve sensitivity to immune checkpoint inhibitors in non-small cell lung cancer (NSCLC) and additional tumors harboring high TMB including *KRAS* and p53 mutations. Each year over 150,000 high TMB patients are eligible for treatment in the US and EU5 Although many of these patients receive anti-PD-1 therapy, response rates are highly variable and the need for a chemotherapy-free regimen in the refractory setting remains high in this population. This program is currently in the dose-optimization phase.

Disease Overview

While anti-PD-1 therapy is approved for high TMB (greater than or equal to 10 muts/Mb), there is a significant degree of heterogeneity in responses, there remains a significant need for additional therapies to act as single agents or to potentiate the activity of currently approved immunotherapies.

Insight from Recursion OS

Certain loss of function (LoF) mutations in cancer are known to drive immune checkpoint resistance. We hypothesized that agonizing the same targets in a wildtype setting may work to further augment immune sensitivity and response to checkpoint inhibitors. We searched the Recursion OS to identify small molecules that act phenotypically opposite to several loss of function genes and identified Gene A and the compound REC-64151, which is strongly phenotypically opposite to Gene A. On the basis of this inference, we advanced REC-64151 into a non-small cell lung carcinoma (NSCLC) model to determine if it would potentiate the response to anti-PD-1.

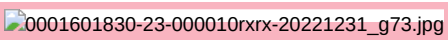

Figure 71: Inferred map relationships between Gene A and REC-64151. Map representation demonstrating a high degree of phenotypic opposite between Gene A and REC-64151 at multiple concentrations.

Product Concept

We aim to discover and develop orally bioavailable, small molecule therapeutics that potentiate immunotherapies. We intend to position these therapeutics in combination with anti-PD-(L)1 and other targeted therapies in metastatic NSCLC and other populations with high tumor mutation burden.

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Preclinical

We capitalized on our inferential-search approach to identify small molecules that show pheno-opposite relationships to LoF mutations in cancer known to drive immune checkpoint resistance. In Q4 2022, we showed that REC-64151 potentiates anti-PD-1 in a NSCLC model compared to anti-PD-1 alone. All complete responders elicited immunological memory upon rechallenge. We are currently evaluating several molecules with similar mechanisms of action in *in vivo* efficacy and tolerability studies. healthy state.

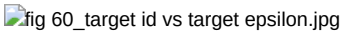

Figure 72. REC-64151 potentiates anti-PD-1 60: Target and compound identification and validation related to Target Epsilon. (1) Disease Score of 1.0 reflects “disease state” while disease score of 0.0 reflects “healthy state”; (2) cosine similarity between REC-1169575 and genetic knockout of Epsilon is the cosine of the angle between the two vectors in high-dimensional space. Values near 1.0 suggest the angle between perturbations is near 0° and is interpreted as directionally phenosimilar; and (3) Target Epsilon NanoBRET assay.

Product Concept

We aim to discover and develop an orally bioavailable immuno-mesenchymal modulator offering a high TMB NSCLC model. novel mechanism of action designed to treat fibro-inflammatory diseases. We are targeting a small molecule with single agent efficacy that reverses fibrosis by modulating fibrocytes, fibrotic macrophages, and adaptive immune cells. Discovered using Recursion’s phenomics platform, our lead molecule has shown promise in both *in vitro* (A) KP-3M tumor cells were injected into and *in vivo* models of fibrosis, suggesting that it might restore immuno-mesenchymal homeostasis and tissue integrity by targeting immune and mesenchymal cell populations. It exhibits a unique profile with immunomodulatory effects on multiple cell types and shows anti-fibrotic effects, with the subcutaneous right flank possibility of differentiating from current treatment options.

Preclinical

We identified multiple structurally distinct small molecules capable of imparting the desired phenotypic rescue of the fibrocyte disease model. REC-1169575, a representative lead molecule, is a potent compound with an EC_{50} of 0.40 µM in the fibrocyte reversal assay and an IC_{50} of 12nM at target Epsilon. In digital tolerability, REC-1169575 was well-tolerated in C57BL/6 mice allowed to size match at all doses (30, 200, and then treated for 25d with either vehicle, anti-PD-1 (10 300 mg/kg/day, BIW), REC-64151 (150 mg/kg/day QD), anti-PD-1 + REC-64151 (at 75 PO x 6 days). REC-1169575 did not significantly affect the body weight, breathing rate, motion, or 150 mg/kg/day QD). Tumor volumes are represented as mean ± SEM. Statistical analysis performed using mixed-effects two way ANOVA and Tukey’s post test against aPD1 alone, **p<0.01, ****p<0.0001, ***p<0.001. (B) When re-challenged with KP-3M tumor cells on body temperature of the left flank, all mice that achieved CR rejected re-implantation. Statistical analysis performed using two way repeated measures ANOVA and Tukey’s post test against naive age-matched controls, ****p<0.0001. mice. In a rodent in vivo efficacy model of fibrosis, REC-1169575 significantly reduced collagen, an important histological marker of fibrosis.

Figure 61: REC-1169575 reduces collagen in a mouse model of fibrosis. There was a statistically significant reduction in collagen ratio, a marker of fibrosis, in both our representative lead molecule REC-1169575 (50 mg/kg BID, PO) and a control molecule known to inhibit fibrosis, SB525334, a selective inhibitor of TGF-beta receptor type 1 compared to fibrosis-induced vehicle treated mice. *p<0.05 (Kruskal-Wallis test)

Therapeutics Partnerships

We have and in the future may collaborate with third parties to broadly explore diverse disease domains (such as fibrosis, neuroscience, oncology, immunology and inflammation) in order to identify novel target insights and potential therapeutics that may include small molecules, large molecules, gene therapies and cell therapies. We may also explore a communal asset-type strategy where we license search results from our phenomaps to partners.

The goal of every partnership is to create therapeutics, yet the approach may take multiple forms:

- *Novel Therapeutics*. Without any presumptive target hypothesis, we can identify differentiated therapeutics by rapidly evaluating large compound libraries within our maps of human cellular biology.

- *Novel Targets*. By profiling diverse biological perturbations (such as genetic factors) on our platform, we may be able to identify novel druggable targets that we can then exploit with partners to generate therapeutic candidates.

Roche & Genentech Collaboration and License Agreement

On December 5, 2021, we entered into a Collaboration and License Agreement with Genentech, Inc. and F. Hoffmann-La Roche Ltd, pursuant to which we will construct, using our imaging technology and proprietary machine learning algorithms, unique maps of the inferred relationships amongst perturbation phenotypes in a given cellular context and together

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with Roche and Genentech will create multi-modal multimodal models and maps to further expand and refine such inferred relationships, in both cases with the goal to discover and develop therapeutic small molecule programs in a gastrointestinal cancer indication and in key areas of neuroscience.

Upfront Payment. In January 2022, Roche paid us an upfront cash payment of $150.0 million.

Phenomap Creation, Acceptance and Access. Under the Collaboration Agreement, we are responsible for creating a certain number of phenomaps in each of the Exclusive Fields. We will also provide Roche with limited access to our pre-existing human umbilical vein endothelial cells (HUVEC) phenomap. Roche will have specified rights to query or access the phenomaps to generate novel inferences that may lead to the discovery or development of therapeutic products.

Phenomap-Related Options. Each of the phenomaps requested by Roche and created by Recursion may be subject to either an initiation fee, acceptance fee or both. Such fees could exceed $250.0 million for sixteen (16) accepted phenomaps. In addition, for a period of time after Roche's acceptance of certain phenomaps, Roche will have the option to obtain, subject to payment of an exercise fee, rights to use outside the collaboration the raw images generated in the course of creating those phenomaps. If Roche exercises its External Use Option for all twelve (12) eligible phenomaps, Roche's associated exercise fee payments to Recursion could exceed $250.0 million.

Collaboration Programs and Roche Options. Roche and Recursion will collaborate to select certain novel inferences with respect to small molecules or targets generated from the phenomaps for further validation and optimization as collaboration programs. Roche and Recursion may also combine sequencing datasets from Roche with Recursion's phenomaps and collaborate to generate new algorithms to produce multi-modal multimodal maps from which additional collaboration programs may be initiated. For every collaboration program that successfully identifies potential therapeutic small molecules or validates a target, Roche will have an option to obtain an exclusive license to develop and commercialize such potential therapeutic small molecules or to exploit such target in the applicable Exclusive Field. In October 2023, Roche exercised its Small Molecule Validated Hit Option to further advance our first partnership program in GI-oncology.

Payments if Roche Exercises Option for a Collaboration Program. Under the collaboration, Roche may initiate up to forty (40) small molecule collaboration programs. Each small molecule collaboration program, if optioned and successfully developed and commercialized by Roche, could yield more than $300.0 million in research, development, commercialization and net sales milestones for Recursion, as well as mid- to high-single digit tiered royalties on net sales. Recursion is also eligible for research, development, commercialization and net sales milestones for target collaboration programs optioned by Roche.

Recursion Programs. If Roche does not exercise its options in the Collaboration Agreement for certain collaboration programs, we may, with Roche's prior consent, choose to independently validate, develop and commercialize products in a limited number of such programs, subject to agreed milestones and royalties to Roche. Roche will have rights to obtain an exclusive license to exploit such products by providing notice and paying us an opt-in fee and economics exceeding those that would otherwise be applicable if Roche had exercised its option for such program.

Exclusivity. During an agreed period of time after the Collaboration Agreement's effective date, we are subject to certain exclusivities that limit our ability to conduct certain research and development activities with respect to compounds and targets in the Exclusive Fields, other than pursuant to the collaboration with Roche. However, we may continue pursuing products that we are researching and developing in the Exclusive Fields as of the effective date of the Collaboration Agreement.

Termination. The Collaboration Agreement includes standard termination provisions, including for material breach or insolvency and for Roche's convenience. Certain of these termination rights can be exercised with respect to a particular Exclusive Field or exclusive license, as well as with respect to the entire Collaboration Agreement.

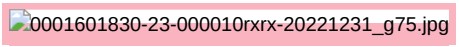

Figure 73. 62. Under our collaboration with Roche & Genentech, we are creating multimodal maps of cellular biology to elucidate novel targets and starting points.

Bayer AG Amended and Restated Research Collaboration and Option Agreement

In August 2020, we On August 28, 2020, Recursion and Bayer entered into a Research Collaboration and Option Agreement, or the Bayer Agreement, with Bayer AG, or Bayer. The Bayer Agreement which was subsequently amended in December 2021 to incorporate usage expanded on December 1, 2021, for research and collaboration on a certain number of our biological mapping and navigating tools (inferential search). This agreement has a five-year term pursuant to which we and Bayer may initiate more than a dozen projects related to fibrosis. On November 8, 2023, the parties amended and restated the original Bayer Agreement to re-align the collaboration with Bayer's strategic shift in focus to

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oncology. As a result, the parties wound down their joint work in fibrosis across multiple organ systems, including lung, liver and heart. the exclusivities with respect to the field of fibrosis were terminated.

Under the agreement, we contributed approximately 190,000 compounds from our proprietary library and Restated Agreement, Recursion will collaborate with Bayer contributed approximately 500,000 compounds from its proprietary library and will contribute scientific expertise throughout for the collaboration. During remainder of the five-year period under the original Agreement (extendable by up to 2 years to enable completion of certain research activities), to initiate up to seven programs in oncology. During certain agreed time periods within the collaboration term, of the Bayer Agreement, we are Recursion is prohibited from conducting certain research and development activities with respect to certain identified genes of relevance in the field of fibrosis oncology outside of the collaboration, either by ourselves itself or together with third parties. However, Recursion may continue research and development activities for any such identified genes that it has initiated prior to the date of identification of such gene.

We received an upfront technology access fee of $30.0 million in September 2020 as part of the Bayer Agreement. Under each research oncology project, we Recursion will work with Bayer to identify potential lead candidates for development. Under the agreement, Restated Agreement, Bayer has the first option for licenses to license potential candidates; each such license could potentially result in option exercise fees and development and commercial milestones paid to us Recursion with an aggregate value of up to approximately $100.0 million (for an option on a lead series) or $210.0 million for one license and up to approximately $120.0 million (for an option on a development candidate), $1.5 billion if each program is licensed, as well as tiered royalties for each such license, ranging from low- to mid-single-digit mid-single digit percentages of sales, depending on commercial success. Royalty periods for each license are on a country-by-country basis, and the duration of each such period is tied to the duration of patent or regulatory exclusivity in each country (with a minimum term of 10 years each).

If Bayer does not exercise its option with respect to a development lead candidate or otherwise discontinues a research project prior to completion, within a specified period of time, we Recursion may exercise an option to negotiate with Bayer in good faith to obtain an exclusive license under Bayer's interest in any lead series or development candidate developed pursuant to the research project and backup compounds related to thereto, as well as a non-exclusive license under Bayer's background intellectual property necessary for our Recursion's use of the project results related to such compounds.

Bayer may terminate the collaboration at any time without cause. Either party may terminate the agreement for a material breach by the other party. The term of each lead series or development candidate license agreement continues on a product-by-product and country-by-country basis until the later of (a) the expiration of the last to expire valid claim of the licensed patents covering such product in such country, (b) the expiration of any applicable regulatory exclusivity period for such product in such country and (c) ten (10) years after the first commercial sale of such product in such country. Bayer may terminate each such license agreement at any time without cause. Either party may terminate each such license agreement for the other party's uncured material breach. As of this prospectus, we have not entered into any lead series or development candidate license agreements with Bayer.

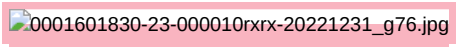

Figure 74. Multiple programs are advancing simultaneously in parallel to near-term milestones in the Bayer collaboration. Brute force programs commenced early in the partnership are making substantial progress, while the transition to inferential search accelerated new program initiation in 2022.

Technology Partnerships

While we focus on the generation and utilization of the Recursion Data Universe to maximize our pipeline and partnership value-drivers, we are exploring ways to make small, select data layers and foundation models externally available to drive additional value and technology and data collaborations that strengthen our platform. Large datasets generated for training AI models are rare and valuable, especially with respect to biology and chemistry, where most data generated is siloed and not relatable across experimental contexts. The Recursion OS has generated, and continues to generate, highly relatable and reliable datasets used to train foundation models. Our collaborations with NVIDIA, Tempus and Enamine highlight how data, foundation models and compute are integral value drivers in the TechBio space and for Recursion.

NVIDIA

In July 2023, we entered a strategic collaboration with NVIDIA to accelerate the development of our groundbreaking AI foundation models for biology and chemistry using our supercomputer, BioHive-1, and priority access on NVIDIA DGX™ Cloud. We intend to optimize and distribute these models for internal use in addition to possible commercial license or release on BioNeMo, NVIDIA's cloud service for generative AI in drug discovery. During the JP Morgan

Healthcare Conference in 2024 we released, with NVIDIA, Phenom-Beta on the BioNeMo platform. Phenom-Beta is a smaller, yet still powerful, version of the Phenom-1 model discussed above. In November 2023, we committed to working with NVIDIA to expand BioHive-1, increasing the computational capacity by over 4X. We project that upon completion and benchmarking, BioHive-1 will be in the top 50 most powerful supercomputers in the world across any industry (according to the TOP500 list) and will be the most powerful supercomputer owned and operated by any biopharma company.

Tempus

In November 2023, we entered a collaboration with Tempus to gain preferred access to one of the world's largest proprietary, de-identified, patient-centric oncology datasets, spanning DNA, RNA, health records and more to support the discovery of potential biomarker-enriched therapeutics at scale through the training of causal AI models. By combining

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the forward genetics approach of Tempus with the reverse genetics approach at Recursion, we believe we have an opportunity to improve the speed, precision, and scale of therapeutic development in oncology.

Enamine

In December 2023, we entered a collaboration with Enamine to generate and design enriched compound libraries for the global drug discovery industry. By leveraging Recursion's MatchMaker, an AI model, to identify compounds in the Enamine REAL Space predicted to bind to high-value targets, we believe we can generate more powerful compound libraries for drug discovery purposes. Enamine may offer the resulting libraries to customers for purchase and will co-brand any libraries under both the Enamine and Recursion's MatchMaker trademarks. This collaboration is an example of how select data layers can drive value in novel ways.

People and Culture

Essential to leading and defining TechBio is our growing team of approximately over 500 Recursionauts, balanced between life scientists such as chemists and biologists (approximately 40% 35% of employees) and computational and technical experts such as data scientists and software engineers (approximately 35% 40% of employees). This kind of functional balance intentionally stands in contrast to traditional biotechnology companies. Together our team creates an environment where empirical data, statistical rigor and creative thinking is brought to bear on the problems we address. While we are united in a common mission, ***Decoding Biology to Radically Improve Lives***, our greatest strength lies in our differences: expertise, gender, race, disciplines, experience and perspectives. Deliberately building and cultivating this culture is critical to achieving our audacious goals.

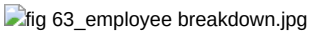

Figure 75. 63. Breakdown of Recursion's approximately over 500 employees across life sciences, technology and strategic operations.

One of the most critical elements supporting Recursion's leadership in TechBio is what we call the Recursion Mindset– Mindset – a deep belief and commitment to industrialization through automation, systems-thinking, algorithms and data to deliver our mission. Broadly at the company we apply this mindset to eliminate toil and inefficiency creating space for our creative energy to be pointed at Recursion's hardest problems. The Recursion Mindset is made manifest through our Founding Principles and supported by our Culture and Values. Our Founding Principles are the guideposts to our approach to technical and scientific decision-making. Our Values are the core behaviors that define our Culture and are the simplest definition of how we will achieve our mission. Combined they are the shape of our culture and guide us to reimagine how medicines are made on the path to delivering our mission.

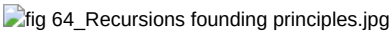

Figure 76. 64. Recursion's Founding Principles. These six founding principles differentiate our approach from nearly every other biopharma company, enable us to lead TechBio and form the foundation for a mindset we teach and enrich for at Recursion.

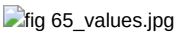

Figure 77. 65. Recursion's Values. These five values support our founding principles and guide our culture at Recursion.

Diversity, Equity, Inclusion and Belonging

At Recursion, we believe in the moral and business case for diversity. The research-based evidence is unequivocal that diverse perspectives support better complex decision-making, foster greater innovation and ultimately result in greater company performance and success. We seek the best talent by maximizing diversity at the top of the recruiting funnel and then mitigating bias through objective decision-making throughout the hiring process. We foster an environment of inclusion for candidates and employees to unleash the strength of our differences. Lastly, acknowledging the breadth of societal injustice and inequities we pursue fair and equitable outcomes across all people-decisions through process design and supported by analytics.

Employee Recruitment, Development and Training

We take a design-thinking approach to building the employee experience at Recursion. It is a fit-for-purpose system that finds, grows and retains top talent to deliver our mission. Our people are mission-driven, humble, bright, generous of spirit and constructively dissatisfied with the status quo. We employ a targeted approach to identify, attract and hire diverse employees across highly-technical highly technical scientific disciplines including: biology, chemistry, data science, machine learning, engineering, robotics, clinical

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development and more. We seek people that are a fit for our commitment to industrialization as defined by our Recursion Mindset, which is manifested in our Founding Principles and Values.

Culturally, we instill an expectation to be constantly learning and teaching in pursuit of growing ourselves as fast as Recursion. Most notable is a 2-day experience offered year-round to all employees called Decoding Recursion. It is an opportunity for close interaction with senior leaders who teach the Recursion Mindset through stories. The need to learn is reinforced throughout our performance system which creates accountability for our learning, delivery and impact on others.

People stay at Recursion because of the opportunity to impact the world and grow in a place where they feel challenged, supported and connected. Throughout the employee experience we create moments, rituals, programs and spaces that inspire ambition, reward contributions and growth and foster belonging.

Employee Health and Safety

We have dedicated Standard Operating Procedures to manage occupational health and safety, safety training and injury and illness and incident reporting. Every employee is responsible to ensure these procedures and policies are followed. We offer extensive training to ensure understanding and compliance. Compliance is mandatory for all laboratory employees per requirements of the Occupational Safety and Health Administration standard on Hazardous Chemicals in Laboratories. Our Co-Founder and CEO is the Director of Public Safety at the company and has the ultimate responsibility for chemical hygiene within the organization. Our Chemical Hygiene Officer and Lab Manager oversees the day-to-day management of institutional chemical hygiene.

Read more about how we invest in and motivate our people to achieve our mission in Recursion's latest Environmental, Social and Governance Report, available at our corporate website.

Facilities

Headquarters

In 2018, we moved to our current Our United States headquarters which is located in downtown Salt Lake City, Utah. We Utah where we lease 105,419 square feet of office research and laboratory space. The lease for this space expires in May 2028. In November 2022, we expanded into 103,634 square feet of office and laboratory space adjacent to our headquarters under a lease that expires in May 2028 and have entered into a lease for an additional research and laboratory space that expires in May 2032. Our modern headquarters is a draw for local, national and international talent and houses both traditional and automated laboratories for drug research. talent.

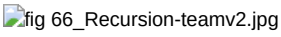

Figure 78. 66. Our headquarters is centrally located in downtown Salt Lake City, Utah. Images of our headquarters in Salt Lake City, Utah. We are a proud founding member of BioHive, the branding effort of the life science hub of Utah. Working with state and local government, we are helping to create a burgeoning life science ecosystem around a downtown cluster of existing and soon to move companies centered around our headquarters.

Satellite Offices and Facilities

Toronto and Montreal Montréal. In 2021, June 2023, we announced plans for celebrated the opening of our first major international expansion in Toronto. This 28,110 square foot Toronto site, which serves as the headquarters for Recursion Canada. The lease for this space expires in November 2032. The new site represents Recursion's significant growth in Canada and our continued investment in the local economy. Following the acquisition of Cyclica, we consolidated our Toronto based teams into our new headquarters. In addition to our Recursion Canada headquarters we have a multidisciplinary hub across data science, site in Montréal that houses our semi-autonomous artificial intelligence research engine, Valence Labs, which is located in the world-renowned artificial intelligence and machine learning engineering and computational biology and is scheduled to open in 2023. Additionally, we announced a multi-year collaboration with Mila, the Quebec Artificial Intelligence Institute, to accelerate Recursion's machine learning capabilities, and opened our Montreal site in September 2022. hub MILA.

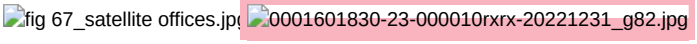

Figure 79. 67. Recursion's satellite offices and facilities. Left panel: Mila, the Quebec Artificial Intelligence Institute, is recognized worldwide for its major contributions to AI. Right panel: Our Government and biotech leaders celebrate the opening of our Toronto office, is home to Recursion's first major expansion project Canadian headquarters and our largest site outside of the United States. our global headquarters in Salt Lake City, Utah. This site, along with the Mila Montreal office, will serve serves as multidisciplinary hubs across data science and machine learning.

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Digital Vivarium. We lease a property that serves as a rodent vivarium. This lease expires in May 2028. We use this facility to conduct drug-discovery enabling pharmacokinetic, pharmacodynamic and exploratory safety studies. The facility is equipped with proprietary, digitally-enabled digitally enabled cage technology.

Corporate Social Responsibility

We believe that to achieve our mission, we must *act like the company we aim to be*, which means we must be a good corporate citizen. In recognition of our commitment to excellence in environment, environmental, social and governance stewardship, Recursion received a Prime Rating in 2022 2023 for ESG performance from Institutional Shareholder Services (ISS). The ISS ESG Corporate Rating provides an assessment of a company's environmental, social and governance activity. A Prime Rating is awarded to companies with ESG performance above a sector-specific threshold and is defined by ISS as "absolute best in class". Additionally, as of October 2022, January 2024, Recursion was ranked 98 16 out of over 850 900 companies (approximately top 10% 2%) in the pharmaceutical category by Morningstar Sustainalytics[23] [20] which gives an in-depth analysis of a company's ESG performance and compares it to industry peers. This ranking places Recursion in Sustainalytics' 2024 Top-Rated ESG Companies List.

To date, we have focused our community efforts in areas of impact that are aligned with our Values and our strengths, including: (i) diversity, equity and inclusion in technology and biotechnology (e.g., in 2020 the Recursion Foundation has partnered with the University of Utah to sponsor launched Altitude Lab, a life science incubator and accelerator for diverse health care entrepreneurs); (ii) the growth and sustainability of our local life science and technology ecosystems (e.g., Recursion is a founding member of BioHive, a Utah life science collective); and (iii) the promotion of sustainable environmental practices. practices (e.g., Recursion aims to achieve net-zero greenhouse gas emissions across our operations by the year 2030). We believe that through these principles of community engagement, we can extend our mission of radically improving lives to those in our communities.

Read more about how we are delivering on that belief in Recursion's Environmental, Social and Governance Report Report.

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Commercialization

We may retain significant development and commercial rights to some of our drug candidates. If marketing approval is obtained, we may commercialize our drug candidates on our own, or potentially with a partner, in the United States and other geographies. We currently have no sales, marketing, or commercial product distribution capabilities. Decisions to create this infrastructure and capability will be made following further advancement of our drug candidates and based on our assessment of our ability to build the necessary capabilities and infrastructure

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with competitive advantage. Clinical data, the size of the addressable patient population, the size of the commercial infrastructure, manufacturing needs and major trends as to how value is accrued in the industry may all influence or alter our commercialization plans.

Manufacturing

We currently utilize contract development and manufacturing organizations to produce drug substance and investigational drug product in support of the assets within our pipeline. To date, we have obtained drug substance and drug product for our drug candidates from third party contract manufacturers. We are in the process of developing our supply chain for each of our drug candidates on a project-by-project basis based on our development needs.

Strategic Agreements

In order to To achieve our mission, we may partner with leading biotechnology companies, pharmaceutical companies and academic research institutions to identify novel therapeutics and unlock biological insights using our discovery technology. Our partnering efforts take two primary forms: i) Discovery Platform Partnerships and ii) Asset-Based Collaborations. access datasets, molecules, or other intellectual property.

Asset-Based Collaborations Tempus Master Agreement

On November 3, 2023, Recursion Pharmaceuticals, Inc., or the Company, and Tempus Labs, Inc., or Tempus entered into a Master Agreement, or the Tempus Agreement pursuant to which Tempus may provide certain services and deliverables to the Company and/or license certain data to the Company. The term of the Tempus Agreement is five years from the effective date of the Tempus Agreement, or the Term.

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Under the terms of the Tempus Agreement, the Company is granted a limited right to access Tempus's proprietary database of de-identified clinical and molecular data for certain therapeutic product development purposes, including to develop, train, improve, modify, and create derivative works of the Company's machine learning/artificial intelligence models for the purposes of therapeutic product development. The Company is permitted to download a maximum number of de-identified records at any one time, subject to an aggregate cap in the total unique records that can be downloaded over the course of the Term, and to retain each downloaded record for a period of 180 days from the date of download. After such 180-day period, The Company may elect to license such downloaded records for a longer period subject to additional terms and the payment of additional fees.

In exchange for these rights, the Company will pay Tempus an initial license fee in an amount equal to $22.0 million, or the Initial License Fee and annual license fees during the Term ranging between $22.0 million and $42.0 million, which, together with the Initial License Fee, totals up to $160.0 million over the Term, subject to the Company's early termination, which may be triggered only following the third anniversary of the Master Agreement's effective date, and payment by the Company of an early termination fee (as further discussed below). The Initial License Fee and each annual license fee shall be payable at the Company's option either in the form of (x) cash, (y) shares of Class A Common Stock of the Company or (z) a combination of cash and shares of Class A Common Stock in such proportion as is determined by the Company in its sole discretion; provided that (a) the aggregate number of shares of Class A Common Stock that the Company may issue in connection with all payments under this Agreement shall not exceed 19.9% of the aggregate total of shares of Class A Common Stock and the Company's Class B Common Stock outstanding on November 2, 2023 or the date immediately preceding the date of any shares of Class A Common Stock issued pursuant to the Tempus Agreement, whichever is less (the "Share Maximum").

In the event that all or any portion of the Initial License Fee or any annual license fee is payable in the form of shares of Class A Common Stock, the Company shall, subject to the Share Maximum, issue to Tempus a number of shares of Class A Common Stock equal to (1) the amount of such fee divided by (2) the volume weighted average price of Class A Common Stock for the seven trading day period ending on the trading day immediately preceding (and including) the date that is five business days before the date on which such fee is paid (any shares so issued, the "Tempus Shares").

The Company has agreed to use commercially reasonable efforts to prepare and file a registration statement (or a prospectus supplement to an effective registration statement on Form S-3ASR that will become automatically effective upon filing with the SEC pursuant to Rule 462(e)) with the Securities and Exchange Commission as soon as practicable but in no event later than 30 days after each issuance of Tempus Shares under the Tempus Agreement, and to use its commercially reasonable efforts to have the registration statement declared effective as promptly as possible but in any event within 30 days following initially filing (or up to 90 days in the event of full SEC review). After such registration, the Company has agreed to use commercially reasonable efforts to keep such registration statement effective until such date that all Tempus Shares covered by such registration statement have been sold thereunder or may be sold without restriction or volume limitation under Rule 144 as promulgated by the SEC under the Securities Act of 1933, as amended.

The Tempus Agreement also grants the Company the right to access and use Tempus' LENS software that permits the viewing and analysis of clinical, molecular, and other health data maintained by Tempus. Company will pay Tempus a six-figure annual license fee for the duration of the Term for the use of such software.

In addition to NCEs, the Recursion OS may discover new uses for known chemical entities owned or controlled by third parties. In such circumstances, we may license mutual rights to these assets terminate for an uncured breach of the Tempus Agreement, the Company may terminate the Tempus Agreement for convenience after three years upon 90 days prior notice, subject to payment by the Company of an early termination fee equal to (a) an amount per unique record that Company has downloaded prior to termination less (b) the sum of any annual license fees paid prior to termination, which could result in order early payment of the aggregate annual license fees contemplated by the Tempus Agreement to advance these programs internally. Following are four such enabling licensing agreements underlying our four clinical stage programs. the extent all records made available under the Tempus Agreement have been downloaded.

Either party may assign its rights under the Tempus Agreement subject to limited restrictions, but the Company may not assign the Tempus Agreement without Tempus's consent if the proposed assignee is a large pharmaceutical company.

REC-994: University of Utah Research Foundation Agreements

In February 2016, we entered into an Amended and Restated License Agreement with the University of Utah Research Foundation, or UURF, pursuant to which we obtained an exclusive license under certain patents and a non-exclusive license under certain know-how, in each case controlled by UURF and related to the drug tempol, or REC-994, to make, have made, use, offer to sell, sell, import and distribute products incorporating REC-994 worldwide for the treatment of cerebral cavernous malformation, or CCM. In partial consideration for the license rights, we issued UURF equity in our company. In addition, we agreed to reimburse UURF for a specified portion of costs associated with the filing, maintenance and prosecution of the licensed patent rights. The Amended and Restated License Agreement will expire on a country-by-country basis upon the expiration of the last-to-expire patent within the patent rights in the applicable country. UURF may terminate the agreement for an uncured material breach, if we cease commercially diligent efforts to develop or commercialize a licensed product or service, or our bankruptcy or insolvency.

REC-2282: Ohio State Innovation Foundation In-License

In December 2018, we entered into an Exclusive License Agreement with the Ohio State Innovation Foundation, or OSIF, pursuant to which we obtained an exclusive, sublicensable, non-transferable, royalty-bearing license under certain patents and fully-paid up, royalty-free, nonexclusive license under certain know-how, in each case controlled by OSIF and related to the pan-histone deacetylase inhibitor, OSU-HDAC42, or REC-2282, to develop, make, have made, use, sell, offer for sale and import products incorporating OSU-HDAC42 worldwide. OSIF also assigned certain assets to us, relating to the pharmaceutical composition known as AR-42. OSIF retains the right to use and allow other academic, nonprofit and government institutions to use the licensed intellectual property for research, non-commercial and educational purposes. OSIF shall not practice, have practiced, or transfer such reserved rights for any clinical purpose other than completion of the existing clinical trials at the time of the license agreement without our prior written consent. We are developing REC-2282 for the treatment of NF2 and are evaluating the utility of the compound in additional disease states using our platform.

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Pursuant to the agreement, we must use commercially reasonable efforts to commercialize licensed products and are required to meet certain diligence milestones within two years following the execution of the agreement, including the initiation of clinical trials. The license agreement is also limited by and made subject to certain rights and regulations of the government, including the Bayh-Dole Act.

In consideration for the license, we paid OSIF an upfront payment of $2.0 million dollars and are obligated to pay OSIF certain milestones, totaling up to $20.0 million dollars, as well as mid-single digit royalties on net sales of the licensed products. In addition, we owe 25% of any non-royalty sublicensing consideration prior to a Phase II clinical trial or 15% of such sublicensing consideration after initiation of a Phase II clinical trial, provided that milestone payments are creditable against these sublicensing fees. In 2022 we paid OSIF $1.0 million dollars upon dosing of the first patient in the Phase 2 study of REC-2282 for the treatment of NF2.

The agreement expires on the expiration of the last valid claim within the licensed patents. We may terminate this agreement on 90 days prior written notice to OSIF. Either party may terminate the agreement on 60 days prior written notice for an uncured, material breach by the other party, or bankruptcy or insolvency of the other party.

REC-3599: Chromaderm License Agreement

In December 2019, we entered into a License Agreement with Chromaderm, Inc., or Chromaderm, pursuant to which we obtained an exclusive, sublicensable, worldwide license under certain know-how and future patents that may arise controlled by Chromaderm to develop, manufacture and commercialize products containing ruboxistaurin, an inhibitor of protein kinase C, in non-topical formulations for all uses other than the treatment, prevention and/or diagnosis of skin hyperpigmentation conditions or disorders. Chromaderm obtained an exclusive license from Eli Lilly to certain intellectual property necessary for the development, commercialization and manufacture of ruboxistaurin and has developed certain additional intellectual property. Chromaderm reserved the right to use the licensed intellectual property to fulfill its obligations under supply and manufacturing agreements with us, and both Chromaderm and Eli Lilly reserved rights to use the licensed intellectual property to fulfill obligations under existing agreements and in the case of Eli Lilly for internal research. In Q4 2022, we announced that we had discontinued development of ruboxistaurin, or REC-3599, in GM2; however, we continue to evaluate the compound as a potential medicine for various other indications. We are required to use commercially reasonable efforts to develop and commercialize the licensed products in the territory in accordance with a specified development plan as may be modified by us at any time in our sole discretion. Under the agreement, we are prohibited from developing, manufacturing, or commercializing licensed products for the treatment, prevention and/or diagnosis of skin hyperpigmentation conditions or disorders.

Under the agreement, we paid Chromaderm an upfront payment of $1.3 million. We are obligated to pay Chromaderm certain development milestones with respect to the licensed products, totaling up to $35.5 million for a first indication, up to $52.5 million if multiple indications are pursued, and certain commercial milestones totaling up to $49 million. Finally, we will owe Chromaderm mid-single-digit to low-double-digit tiered royalties on net sales of REC-3599. As of the date of this filing, we have not made any milestone or royalty payments to Chromaderm.

The agreement will expire, on a licensed product-by-licensed product basis, a country-by-country basis upon the later of (a) the last to expire of the licensed patents applicable to the development, manufacture or commercialization of a licensed product in such country, (b) ten years from the first commercial sale of licensed product in such country, or (c) the expiration of regulatory exclusivity of such licensed product in such country. We may terminate the agreement on 90 days prior written notice to Chromaderm. Either party may terminate the agreement upon 45 days prior written notice (15 days for payment breaches) for an uncured, material breach by the other party.

REC-4881: Takeda License Agreement

In May 2020, we entered into a License Agreement, or the Takeda In-License, with Takeda Pharmaceutical Company Limited, or Takeda, pursuant to which we obtained an exclusive (even as to Takeda and its affiliates), worldwide, sublicensable under certain conditions, transferable, royalty-bearing license to certain Takeda patents, know-how and materials related to develop, manufacture and commercialize Takeda's clinical-stage compound known as TAK-733, a non-ATP-competitive allosteric inhibitor of MEK1 and MEK2, subject to a non-exclusive, royalty-free, irrevocable, fully paid up, license back to Takeda to use the licensed compounds for non-clinical research purposes. We are currently developing the compound REC-4881 for the treatment of FAP, and patients with spontaneous *APC*-mutant tumors. We are also evaluating the utility of the compound in additional disease states using our platform.

We are required to use commercially reasonable efforts to develop and commercialize at least one licensed product in each of (a) the US, (b) at least three of the following European countries: the United Kingdom, France, Germany, Italy and Spain and (c) Japan.

Upon execution of the agreement, we paid an upfront fee of $1.5 million to Takeda. Under the Takeda In-License, we are obligated to pay Takeda milestones amounts totaling up to $39.5 million upon achievement of specified development and regulatory milestone events. In addition, we are obligated to pay Takeda low-to-mid single-digit royalties based on net sales of products containing the licensed compounds by us, our affiliates or sublicensees, subject to specified reductions. Our obligation to pay royalties continues on a country-by-country basis until the latest of expiration of the last to expire patent licensed by Takeda that covers the product, expiration of any regulatory exclusivity period for the product and ten years after the first commercial sale of the product, in such country. As of the date of this filing, we have not made any milestone or royalty payments to Takeda.

Each party has the right to terminate the license agreement for the other party's material uncured breach, insolvency or bankruptcy. In addition, we may terminate the agreement without cause any time after May 2023, and Takeda may terminate the agreement if we have not conducted any material activities in support of the development or commercialization of the licensed compounds or any product containing a licensed compound and have not demonstrated that we used commercially reasonable efforts towards the development of such compounds or products for a period of 12 consecutive months and such failure is not due to events beyond our reasonable control. Further, Takeda may terminate the license agreement if we challenge the validity or enforceability of a licensed patent. Upon termination for any reason other than for Takeda's breach of the license agreement, upon Takeda's request we are obligated to negotiate in good faith, for a period of 120 days, terms and conditions of a license to Takeda under certain technology

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developed by us during the term of the agreement for the purpose of developing, commercializing and otherwise exploiting the licensed compounds and products containing the licensed compounds.

Competition

Target Epsilon: Bayer License Agreement

In December 2023, we entered into a License Agreement with Bayer, the Bayer License Agreement, pursuant to which we obtained (a) an assignment of certain compounds, know-how and inventions related primarily to fibrosis, and (b) an exclusive, sublicensable and royalty-bearing license under certain project know-how related to fibrosis to research, develop, manufacture and commercialize products as independent research tools in all fields worldwide, subject to a non-exclusive, royalty-free license back to Bayer to use such licensed project know-how solely for internal research and development purposes.

We are required to use commercially reasonable efforts to develop and commercialize at least one product in one of the following countries: (a) the US, (b) Japan, or (c) a clinical-stage biotechnology company utilizing advanced technologies across biology, chemistry, automation country of the European Union.

Under the Bayer License Agreement, we are obligated to pay Bayer milestone amounts totaling up to approximately $34 million upon achievement of specified development, regulatory and computer science sales milestones. In addition, we are obligated to discover pay Bayer low single-digit royalties based on net sales of products containing certain compounds by us, our affiliates, or sublicensees, subject to specified reductions. Our obligation to pay royalties continues on a product-by-product and design therapeutics at unprecedented scale country-by-country basis until the latest of: (a) expiration of the last to expire patent filed by us, our affiliates or sublicensees that covers the product, and efficiency. (b) ten years after the first commercial sale of the product in such country. As of the date of this filing, we have not made any milestone or royalty payments to Bayer.

Each party has the right to terminate the license agreement for the other party's material uncured breach. In addition, we may terminate the agreement without cause. Upon termination by us without cause or by Bayer for our breach, Bayer would have the right to use, practice, develop and exploit (including the right to sublicense) certain assigned know-how solely for Bayer's internal research and development purposes.

Competition

Our efforts to date have resulted in several clinical-stage programs, an expansive pipeline of differentiated programs in early discovery and preclinical development, several partnerships with large pharma and four clinical-stage programs technology companies, as well as an intellectual property portfolio comprising patents, trademarks, software and trade secrets. We believe that our differentiated approach to technology-enabled drug discovery, a combination of both wet lab and computational approaches embodied by the Recursion OS, provides us with a significant competitive advantage.

We are a hybrid company, comprising the best elements of technology-enabled drug discovery companies, scalable platform companies and traditional biopharma companies. As such, we compete competing within multiple categories of the pharmaceutical, biotechnology, and biotechnology technology industries where companies are similarly working to integrate rapidly advancing technologies into their drug discovery and development activities and/or are creating scalable scientific platforms with the potential to generate large therapeutic pipelines and where other companies are developing therapies targeting indications we are or may choose to pursue. While we believe we have the competitive advantages referred to above, we face competition from major pharmaceutical and biotechnology companies, academic institutions, governmental agencies, consortiums and public and private research institutions, among others, many of whom have significantly greater resources than us. platforms. Notable competitors include:

- *Technology-Enabled Drug Discovery TechBio Companies.* Such companies apply computational tools to unlock novel insights or accelerate drug discovery and development across different points in the value chain. Representative examples include Relay Therapeutics, Exscientia, Isomorphic Labs, Schrodinger, AbCellera and Insitro. AbCellera.

- *Scalable Platform Companies*. Such companies are applying novel scientific approaches or engineering novel therapeutic modalities with the potential to seed large numbers of therapeutic candidates. These companies may compete directly with our pipeline of predominantly small molecule therapeutics. Representative companies include Moderna, BioNTech, and CureVac. Roivant Sciences.

- *Traditional Biopharma Companies*. Such companies, while primarily engaged in late-stage clinical development and product commercialization, are increasingly making their own investments in the application of ML and advanced computational tools across the drug discovery and development value

  chain. Such investments may include partnerships with other biotechnology companies (including Recursion) from which we may benefit. Representative companies include Novartis, Janssen (a subsidiary of Johnson & Johnson), Merck, and Pfizer.

- *Large Technology Companies.* Large technology companies constantly seek growth opportunities. Technology-enabled drug discovery may represent a compelling opportunity for these companies, some of which have research groups or subsidiaries focused on drug discovery and others of which have signed large technology partnerships with biopharma companies. Representative companies include Alphabet, Microsoft, and Amazon.

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Intellectual Property

Our intellectual property focus is the industrialization of phenomics, a new class of -omics data, and have applied industry knowledge to date to continue to build out and expand a variety of other cutting-edge technologies. Further, we have generated algorithmic, software and statistical insights in the course of our work. Within the burgeoning field of technology-enabled drug discovery, we seek to protect our innovations, with a combination of patents and trade secrets and for each novel technology or improvement we develop, we consider the appropriate course of intellectual property protection.

Our commercial success depends in part on our ability to obtain, maintain, enforce and maintain proprietary protection for defend intellectual property rights owned or licensed by us that are directed to our current and future drug product candidates and any methods of our future their use, drug candidates, novel discoveries, development and product development technologies, and know how; to operate how, without infringing, misappropriating or otherwise violating the intellectual property and proprietary rights of others; others, and to prevent others from infringing, misappropriating or otherwise violating our intellectual property and proprietary rights. Our policy is to We seek to protect our proprietary position by, among other methods, filing or in-licensing licensing U.S. and foreign patents and patent applications related to our proprietary technology, inventions and improvements that are important to the development and implementation of our business. We also rely on trademarks, trade secrets, know-how, continuing technological innovation and potential in-licensing opportunities to develop and maintain our proprietary position.

As for our current and future drug product candidates that we are developing and seeking to commercialize, we have and will continue to pursue composition of matter and therapeutic method of use patents, dosage formulation patents, therapeutic use patents on novel indications, and other relevant aspects of our current or future drug product candidates, where available. In addition, we have and will continue to pursue patents with respect to our proprietary drug discovery platform and drug development technologies. We may also continue to seek patent protection, either alone or jointly with our collaborators, as our collaboration agreements may dictate.

We believe in the benefits of open-source science and that open-source data sharing drives value for us and society as a whole. For example, we have published certain key findings and datasets derived from our platform around COVID-19 under terms designed to allow anyone to make use of the data, in the hope that the data would be useful in fighting the global pandemic. We have also released some of the largest open-sourced biological datasets in the world under terms that allow for broad academic and non-commercial use.

Patents

As of February 2023, Recursion has a number of 2024, we currently own or license at least 300 patents or patent applications worldwide, including over 170 issued patents and pending or allowed patent applications in the US and over 75 foreign jurisdictions. These filings are from over 90 different patent families, other strategic markets, covering all aspects of our business, including Platform IP and Program IP.

- Recursion Platform IP: The Approximately one-third of the patents and patent applications that we own or license worldwide relate to the Recursion Platform IP encompasses platform, including patents and applications related to the Recursion OS IP, as well as many other inventions related to cell perturbations, gene editing, cell manufacturing drug discovery, drug development and hardware solutions. Through our acquisition of Cyclica Inc., we obtained approximately 4 patent families related to drug discovery. We also pursue a strategy of seeking patent protection on smaller discrete inventions throughout the breadth of our pipeline, ranging from experiment design, operations within our labs, data collection and analysis (including deep learning insights). We have 23 distinct patent families related to our Recursion Platform, with patents expiring as late as 2044.

- InVivomics: Additionally, through our acquisition of Vium, we obtained a collection of active patent families related to InVivomics, including 39 issued U.S. patents covering cage design, data collection and data analysis, 19 pending U.S. non-provisional patent applications and 1 pending U.S. design application. Our patents related to our InVivomics generally expire between 2035 and 2040.

- Recursion Program IP: A breakdown of our Program IP portfolio is below:

    - REC-2282: We exclusively license OSIF's interest in patents and patent applications related to REC-2282 from OSIF; this these patents and patent estate includes applications relate to composition of matter IP and methods of use for REC-2282. Our Currently, we expect our licensed issued patents related to REC-2282 to generally expire between 2027 2024 and 2038, 2035, excluding any patent term adjustment extension, or other mechanisms for effecting patent term, extension.

    - REC-994: We exclusively license patents in connection with our REC-994 product candidate from UURF; this patent estate is targeted at the use and assuming payment of REC-994 for the treatment of CCM. Our licensed patents related all appropriate maintenance, renewal, annuity or other governmental fee. With respect to REC-994 generally expire between 2035 and 2036, excluding any patent term adjustment or patent term extension. Orphan NF-2, orphan drug exclusivity in the U.S. would run seven years from marketing authorization.

    - REC-4881: REC-994: We exclusively license UURF's interest in patents and patent applications in connection with related to use of REC-994 for treatment or prevention of CCM from UURF. Currently, we expect our REC-4881 product candidate from Takeda; this patent estate includes composition of matter IP for REC-4881. Our licensed

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issued patents related to REC-4881 REC-994 to generally expire between 2027 and 2032, in 2035, excluding any patent term adjustment extension, or other mechanisms for effecting patent term, extension. Orphan and assuming payment of all appropriate maintenance, renewal, annuity or other governmental fee. With respect to CCM, orphan drug exclusivity in the U.S. would run seven years from marketing authorization.

- REC-4881: We own patent applications, or exclusively license Takeda's interest in patents and patent applications from Takeda, related to composition of matter and methods of use for REC-4881. Currently, we expect our licensed issued patents related to REC-4881 to generally expire in 2029, excluding any patent term extension, or other mechanisms for effecting patent term, and assuming payment of all appropriate maintenance, renewal, annuity or other governmental fee. With respect to FAP, orphan drug exclusivity in the U.S. would run seven years from marketing authorization.

  - REC-3964: This program was generated internally and has pending We own patent applications, that would including an allowed US patent application, related to the composition of matter and methods of use of REC-3964. Upon issuance, we expect our patents resulting from these patent applications will expire in no earlier than 2042, excluding any patent term adjustment or patent term extension. extension, or other mechanisms for effecting patent term, and assuming payment of all appropriate maintenance, renewal, annuity or other governmental fee.

The patent positions of companies like ours are generally uncertain and involve complex legal and factual questions. No consistent policy regarding the scope of claims allowable in patents in the field of biotechnology has emerged in the United States and in Europe, among other countries. Changes in the patent laws and rules, either by legislation, judicial decisions, or regulatory interpretation in other countries may diminish our ability to protect our inventions and enforce our intellectual property rights, and more generally could affect the value of our intellectual property. In particular, our ability to stop third parties from making, using, selling, offering to sell, importing, or otherwise commercializing any of our patented inventions, either directly or indirectly, will depend in part on our success in obtaining, defending and enforcing patent claims that cover our technology, inventions and improvements. With respect to both licensed and company-owned intellectual property, we cannot be sure that patents will be granted with respect to any of our pending patent applications or with respect to any patent applications filed by us in the future, nor can we be sure that any of our existing patents or any patents that may be granted to us in the future will be commercially useful in protecting our platform and drug candidates and the methods used to manufacture them. Moreover, our issued patents and those that may issue in the future may not guarantee us the right to practice our technology in relation to the commercialization of our platform's drug product candidates. The area of patent and other intellectual property rights in biotechnology is an evolving one with many risks and uncertainties, which may prevent us from commercializing our drug candidates and future drug candidates and practicing our proprietary technology.

Our issued patents and those that may issue in the future may be challenged, narrowed, circumvented, or invalidated, which could limit our ability to stop competitors from marketing related platforms or drug candidates or limit the length of the term of patent protection that we may have for our drug candidates, future drug candidates and platforms. In addition, the rights granted under any issued patents may not provide us with complete protection or competitive advantages against competitors with similar technology. Furthermore, our competitors may independently develop similar technologies that achieve similar outcomes but with different approaches. For these reasons, we may have competition for our drug candidates. Moreover, the time required for the development, testing and regulatory review of our candidate products may shorten the length of effective patent protection following commercialization. For this and other risks related to our proprietary technology, inventions, improvements, platforms and drug candidates, please see the section titled "Risk Factors—Risks Related to Our Intellectual Property."

Our commercial success will also depend in part on not infringing upon the intellectual property and proprietary rights of third parties. It is uncertain whether the issuance of any third-party patent would require us to alter our development or commercial strategies for our products or processes or to obtain licenses or cease certain activities. Our breach of any license agreements or failure to obtain a license to proprietary rights that we may require to develop or commercialize our future products may have an adverse impact on us. If third parties prepare and file patent applications in the United States that also claim technology to which we have rights, we may have to participate in interference or derivation proceedings in the USPTO to determine priority of invention. For more information, please see "Risk Factors—Risks Related to Our Intellectual Property."

Some of our pending patent applications in the United States are provisional patent applications. Provisional patent applications are not eligible to become issued patents until, among other things, we file a non-provisional patent application within 12 months of filing of one or more of our related provisional patent applications. If we do not timely file any non-provisional patent applications, we may lose our priority date with respect to our provisional patent applications and any patent protection on the inventions disclosed in our provisional patent applications. While we intend to timely file non-provisional patent applications relating to our provisional patent applications, we cannot predict whether any such patent applications will result in the issuance of patents that provide us with any competitive advantage.

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing a nonprovisional patent application related to the patent. However, the actual protection afforded by a patent varies on a product-by-product basis, from country to country, and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory-related extensions, the availability of legal remedies in a particular country, and the validity and enforceability of the patent. A U.S. patent also may be accorded patent term adjustment, or PTA, under certain circumstances to compensate for delays in obtaining the patent from the USPTO. In some instances, such a PTA may result in a U.S. patent term extending beyond 20 years from the earliest date of filing a non-provisional patent application related to the U.S. patent. In addition, in the United States, the term of a U.S. patent that covers an FDA-approved drug may also be eligible for patent term extension (PTE), which permits patent term restoration as compensation for the patent term lost during the FDA regulatory review process. However, with respect to patent term extensions granted as a result of the FDA regulatory review period, the restoration period cannot be longer than five years, the total patent term including the restoration period must not exceed 14 years following FDA approval, only one patent applicable to each regulatory review period may be extended and only those issued claims covering the approved drug or a method for using it may be extended. We may not receive an extension if we fail to exercise due diligence during the testing phase or regulatory review process, fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. There can be no assurance that we will benefit from any patent term extension or favorable adjustment to the term of any of our patents.

Rapidly evolving patent laws in the United States and elsewhere make it difficult to predict the breadth of claims that may be allowed or enforced in our patents. Moreover, patent offices in general can require that patent applications concerning pharmaceutical and/or biotechnology-related inventions be limited or narrowed substantially to cover only the

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specific innovations exemplified in the patent application, thereby limiting the scope of protection against competitive challenges. Thus, even if we are able to obtain patents, the patents may be substantially narrower than anticipated.

Our ability to maintain and defend our intellectual property and proprietary position for our drug product candidates, methods of their use, and other proprietary technologies will depend on our success in obtaining effective claims and enforcing those claims once granted. We do not know whether any of the patent applications that we may file or license from third parties will result in the issuance of any patents. The issued patents that we own, may receive in the future, or license from third parties may be challenged, invalidated, held unenforceable, narrowed or circumvented, and the rights granted under any issued patents may not provide us with proprietary protection or competitive advantages against third parties, including our competitors, with similar technology. Furthermore, third parties, including our competitors, may be able to independently develop and commercialize similar drugs or products, or duplicate our technology, business model or strategy without infringing our patents.

Trademarks

As of January 2023, February 2024, our trademark portfolio comprises more than 70 registered trademarks or active trademark applications worldwide, among which we have issued trademarks in the U.S. for “Recursion” and “Recursion Pharmaceuticals.”

Trade Secrets

In addition to our reliance on patent protection for our inventions, drug candidates and programs, we also rely on trade secrets, know-how, confidentiality agreements and continuing technological innovation to develop and maintain our competitive position. For example, some elements of manufacturing processes, proprietary assays,

analytics techniques and processes, knowledge gained through clinical experience such as approaches to dosing and administration and management of patients, as well as computational-biological algorithms, and related processes and software, are based on unpatented trade secrets and know-how that are not publicly disclosed. Although we take steps to protect our proprietary information and trade secrets, including through contractual means with our employees, advisors and consultants, these agreements may be breached, and we may not have adequate remedies for any breach. In addition, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology. As a result, we may not be able to meaningfully protect our trade secrets. It is our policy to require our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements upon the commencement of employment or consulting relationships with us. These agreements provide that all confidential information concerning our business or financial affairs developed or made known to the individual or entity during the course of the party’s relationship with us is to be kept confidential and not disclosed to third parties except in specific circumstances. In the case of employees, the agreements provide that all inventions conceived of by the individual during the course of employment, and which relate to or are reasonably capable or being used in our current or planned business or research and development are our exclusive property. In addition, we take other appropriate precautions, such as physical and technological security measures, to guard against the misappropriation of our proprietary technology by third parties. However, such agreements and policies may be breached, and we may not have adequate remedies for such breaches. For more information regarding the risks related to our intellectual property, see “Risk Factors—Risks Related to Our Intellectual Property.”

Government Regulation

Government authorities in the United States at the federal, state and local level and in other countries regulate, among other things, the research, development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, post-approval monitoring and reporting, marketing and export and import of drug and biological products. Generally, before a new drug can be marketed, considerable data demonstrating its quality, safety and efficacy must be obtained, organized into a format specific for each regulatory authority, submitted for review and approved by the relevant regulatory authority.

U.S. Drug Development

In the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act, or FDCA. Drugs also are subject to other federal, state and local statutes and regulations. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable United States requirements at any time during the product development process, approval process or post-market may subject an applicant to administrative or judicial sanctions. These sanctions could include, among other actions, the FDA’s refusal to approve pending applications, withdrawal of an approval, a clinical hold, untitled or warning letters, product recalls or market withdrawals, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement and civil or criminal penalties. Any agency or judicial enforcement action could have a material adverse effect on us.

- Our drug candidates are considered small molecule drugs and must be approved by the FDA through the new drug application, or NDA, process before they may be legally marketed in the United States. The process generally involves the following: completion of extensive preclinical studies in accordance with applicable regulations, including studies conducted in accordance with good laboratory practice, or GLP;
- submission to the FDA of an investigational new drug, or IND, application, which must become effective before human clinical trials in the U.S. may begin;
- approval by an independent institutional review board, or IRB, or ethics committee at each clinical trial site before each trial may be initiated;

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- performance of adequate and well-controlled human clinical trials in accordance with applicable IND regulations, good clinical practice, or GCP, requirements and other clinical trial-related regulations to establish substantial evidence of the safety and efficacy of the investigational product for each proposed indication;

- submission to the FDA of an NDA;
- a determination by the FDA within 60 days of its receipt of an NDA to accept the filing for review;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility or facilities where the drug will be produced to assess compliance with cGMP requirements to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity;
- potential FDA audit of the preclinical study and/or clinical trial sites that generated the data in support of the NDA filing;
- payment of user fees for FDA review of the NDA;
- FDA review and approval of the NDA, including consideration of the views of any FDA advisory committee, prior to any commercial marketing or sale of the drug in the United States; and
- compliance with any post-approval requirements, including the potential requirement to implement a Risk Evaluation and Mitigation Strategy, or REMS, and the potential requirement to conduct post-approval studies.

The data required to support an NDA is generated in two distinct developmental stages: preclinical and clinical. The preclinical and clinical testing and approval process requires substantial time, effort and financial resources, and we cannot be certain that any approvals for any current and future drug candidates will be granted on a timely basis, or at all.

Preclinical Studies and IND

Before testing any drug product candidate in humans, the product candidate must undergo rigorous preclinical testing. The conduct of preclinical studies is subject to federal regulations and requirements, including GLP and ICH

regulations for safety/toxicology studies. The preclinical developmental stage generally involves laboratory evaluations of drug chemistry, formulation and stability, as well as studies to evaluate toxicity in animals, which support subsequent clinical testing. The sponsor must submit the results of the preclinical studies, together with manufacturing information, analytical data, any available clinical data or literature and a proposed clinical protocol, to the FDA as part of the IND. An IND is a request for authorization from the FDA to administer an investigational product to humans and must become effective before human clinical trials may begin.

Preclinical studies include laboratory evaluation of product chemistry and formulation, as well as *in vitro* and animal studies to assess the potential for adverse events and in some cases to establish a rationale for therapeutic use. The conduct of preclinical studies is subject to federal regulations and requirements, including GLP regulations for safety/toxicology studies. An IND sponsor must submit the results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and plans for clinical studies, among other things, to the FDA as part of an IND. Some long-term preclinical testing, such as animal tests of reproductive adverse events and carcinogenicity, may continue after the IND is submitted. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to one or more proposed clinical trials and places the trial on clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. As a result, submission of an IND may not result in the FDA allowing clinical trials, which are generally required for FDA approval of an NDA, to commence. A separate submission to an existing IND must also be made for each successive clinical trial conducted during product development along with any subsequent changes to the investigational plan. Some long-term nonclinical testing, such as animal tests of reproductive adverse events and carcinogenicity, may continue after the IND is submitted.

Clinical Trials

The clinical stage of development involves the administration of the investigational product to healthy volunteers or patients under the supervision of qualified investigators, generally physicians not employed by or under the trial sponsor's control, in accordance with GCP requirements, which include the requirement that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the clinical trial, dosing procedures, subject selection and exclusion criteria and the parameters to be used to monitor subject safety and assess efficacy. Each protocol, and any subsequent amendments to the protocol, must be submitted to the FDA as part of the IND. Furthermore, each clinical trial must be reviewed and approved by an IRB for each institution at which the clinical trial will be conducted to ensure that the risks to individuals participating in the clinical trials are minimized and are reasonable in relation to anticipated benefits. The IRB must also approve the informed consent form that must be provided to each clinical trial subject or his or her legal representative and must monitor the clinical trial until completed. There also are requirements governing the reporting of ongoing clinical trials and completed clinical trial results to public registries.

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A sponsor who wishes to conduct a clinical trial outside of the United States may, but need not, obtain FDA authorization to conduct the clinical trial under an IND. If a foreign clinical trial is not conducted under an IND, the sponsor may submit data from the clinical trial to the FDA in support of an NDA. The FDA will generally accept a well-designed and well-conducted foreign clinical trial not conducted under an IND if the trial was conducted in accordance with GCP and GMP requirements, and the FDA is able to validate the data through an onsite inspection, if deemed necessary, and the practice of medicine in the foreign country is consistent with the United States.

Clinical trials in the United States generally are conducted in three sequential phases, known as Phase 1, Phase 2 and Phase 3, and may overlap.

- Phase 1 clinical trials generally involve a small number of healthy volunteers or disease-affected patients who are initially exposed to a single dose and then multiple doses of the drug candidate. The primary purpose of these clinical trials is to assess the metabolism, pharmacologic action, tolerability and safety of the drug, the side effects associated with increasing doses, and if possible to gain early evidence on effectiveness.

- Phase 2 clinical trials involve studies in disease-affected patients to determine the dose and dosing schedule required to produce the desired benefits. At the same time, safety and further pharmacokinetic and pharmacodynamic information are collected, possible adverse effects and safety risks are identified, and a preliminary evaluation of efficacy is conducted.

- Phase 3 clinical trials generally involve a large number of patients at multiple sites and are designed to provide the data necessary to demonstrate the effectiveness of the product for its intended use, its safety in use and to establish the overall benefit/risk relationship of the product and provide an adequate basis for product approval. These trials may include comparisons with placebo and/or other comparator treatments. The duration of treatment is often extended to mimic the actual use of a product during marketing.

Post-approval trials, sometimes referred to as Phase 4 clinical trials, are conducted after initial marketing approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication. In certain instances, the FDA may mandate the performance of Phase 4 clinical trials as a condition of approval of an NDA.

Progress reports detailing the results of the clinical trials, among other information, must be submitted at least annually to the FDA. The sponsor is also responsible for submitting written IND safety reports, including reports of serious and unexpected suspected adverse events, findings from other studies suggesting a significant risk to humans exposed to the drug, findings from animal or *in vitro* testing that suggest a significant risk for human subjects, and any clinically significant increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator brochure.

Phase 1, Phase 2 and Phase 3 clinical trials may not be completed successfully within any specified period, if at all. The FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients. Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board or committee. This group provides authorization for whether a trial may move forward at designated checkpoints based on access to certain data from the trial.

Concurrent with clinical trials, companies usually complete additional animal safety studies and also must develop additional information about the chemistry and physical characteristics of the drug as well as finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process, as performed by the manufacturing facility, must be capable of consistently producing quality batches of our drug candidates. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that our drug candidates do not undergo unacceptable deterioration over their labeled shelf life.

NDA Review Process

Following completion of the clinical trials, data is analyzed to assess whether the investigational product is safe and effective for the proposed indicated use or uses. The results of preclinical studies and clinical trials are then submitted to the FDA as part of an NDA, along with proposed labeling, chemistry, and manufacturing information to ensure product quality and other relevant data. In short, the NDA is a request for approval to market the drug in the United States for one or more specified indications and must contain proof of safety and efficacy for a drug.

The application must include both negative and ambiguous results of preclinical studies and clinical trials, as well as positive findings. Data may come from company-sponsored clinical trials intended to test the safety and efficacy of a product's use or from a number of alternative sources, including studies initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and efficacy of the investigational product to the satisfaction of the FDA. FDA approval of an NDA must be obtained before a drug may be legally marketed in the United States.

Under the Prescription Drug User Fee Act, or PDUFA, as amended, each NDA must be accompanied by a user fee. FDA adjusts the PDUFA user fees on an annual basis. PDUFA also imposes an annual program fee for each marketed human drug. Fee waivers or reductions are available in certain circumstances, including a waiver of the application fee for the first application filed by a small business. Additionally, no user fees are assessed on NDAs for products designated as orphan drugs, unless the product also includes a non-orphan indication.

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The FDA reviews all submitted NDAs before it accepts them for filing and may request additional information rather than accepting the NDA for filing. The FDA must make a decision on accepting an NDA for filing within 60 days of receipt. Once the submission is accepted for filing, the FDA begins an in-depth review of the NDA. Under the goals and policies agreed to by the FDA under PDUFA, the FDA has ten months, from the filing date, in which to complete its initial review of a new molecular-entity NDA and respond to the applicant, and six months from the filing date of a new molecular-entity NDA designated for priority review. The FDA does not always meet its PDUFA goal dates for standard and priority NDAs, and the review process is often extended by FDA requests for additional information or clarification.

Before approving an NDA, the FDA will conduct a pre-approval inspection of the manufacturing facilities for the new product to determine whether they comply with cGMP requirements. The FDA will not approve the product unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. The FDA also may audit data from clinical trials to ensure compliance with GCP requirements. Additionally, the FDA may refer applications for novel drug products or drug products which present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved and under what conditions, if any. The FDA is not bound by recommendations of an advisory committee, but it considers such recommendations when making decisions on approval. The FDA likely will reanalyze the clinical trial data, which could result in extensive discussions between the FDA and the applicant during the review process. After the FDA evaluates an NDA, it will issue an approval letter or a Complete Response Letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. A Complete Response Letter indicates that the review cycle of the application is complete, and the application will not be approved in its present form. A Complete Response Letter usually describes all of the specific deficiencies in the NDA identified by the FDA. The Complete Response Letter may require additional clinical data, additional pivotal Phase 3 clinical trial(s) and/or other significant and time-consuming requirements related to clinical trials, preclinical studies and/or manufacturing. If a Complete Response Letter is issued, the applicant may either resubmit the NDA, addressing all of the deficiencies identified in the letter, or withdraw the application. Even if such data and information are submitted, the FDA may decide that the NDA

does not satisfy the criteria for approval. Data obtained from clinical trials are not always conclusive and the FDA may interpret data differently than we interpret the same data.

Under the Pediatric Research Equity Act, or PREA, NDAs or supplements to NDAs must contain data to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the drug is safe and effective. The FDA may grant full or partial waivers, or deferrals, for submission of data.

The Best Pharmaceuticals for Children Act, or BPCA, provides NDA holders a six-month extension of any exclusivity—patent or non-patent—for a drug if certain conditions are met. Conditions for exclusivity include the FDA's determination that information relating to the use of a new drug in the pediatric population may produce health benefits in that population, the FDA making a written request for pediatric studies and the applicant agreeing to perform, and reporting on, the requested studies within the statutory timeframe. Applications under the BPCA are treated as priority applications, with all of the benefits that designation confers.

Orphan Drugs

Under the Orphan Drug Act, the FDA may grant an orphan designation to a drug or biological product intended to treat a rare disease or condition, which is generally a disease or condition that affects fewer than 200,000 individuals in the United States, or more than 200,000 individuals in the United States and for which there is no reasonable expectation that the cost of developing and making the product available in the United States for this type of disease or condition will be recovered from sales of the product.

Orphan drug designation must be requested before submitting an NDA. After the FDA grants orphan drug designation, the identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in or shorten the duration of the regulatory review and approval process.

If a product that has orphan designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications to market the same drug for the same indication for seven years from the date of such approval, except in limited circumstances, such as a showing of clinical superiority to the product with orphan exclusivity by means of greater effectiveness, greater safety, or providing a major contribution to patient care or in instances of drug supply issues. However, competitors may receive approval of either a different product for the same indication or the same product for a different indication but that could be used off-label in the orphan indication. Orphan drug exclusivity also could block the approval of one of our products for seven years if a competitor obtains approval before we do for the same product, as defined by the FDA, for the same indication we are seeking approval, or if a drug candidate is determined to be contained within the scope of the competitor’s product for the same indication. If one of our products designated as an orphan drug receives marketing approval for an indication broader than that which is designated, it may not be entitled to orphan drug exclusivity. Orphan drug status in the European Union has similar, but not identical, requirements and benefits.

Expedited Development and Review Programs

The FDA has a fast track program that is intended to expedite or facilitate the process for reviewing new drugs that meet certain criteria. Specifically, new drugs are eligible for fast track designation if they are intended to treat a serious or life-threatening condition and preclinical or clinical data demonstrate the potential to address unmet medical needs for the condition. Fast track designation applies to both the product and the specific indication for which it is being studied. The sponsor can request the FDA to designate the product for fast track status any time before receiving NDA approval, but ideally no later than the pre-NDA meeting with the FDA.

Any product submitted to the FDA for marketing, including under a fast track program, may be eligible for other types of FDA programs intended to expedite development and review, such as priority review and accelerated approval. Any product is eligible for priority review if it treats a serious or life-threatening condition and, if approved, would provide a significant improvement in safety and effectiveness compared to available therapies.

A product may also be eligible for accelerated approval, if it treats a serious or life-threatening condition and generally provides a meaningful advantage over available therapies. In addition, it must demonstrate an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit or on a clinical endpoint that can be measured earlier than

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irreversible morbidity or mortality, or IMM, which is reasonably likely to predict an effect on IMM or other clinical benefit. As a condition of approval, the FDA may require that a sponsor of a drug receiving accelerated approval perform adequate and well-controlled post-marketing clinical trials. FDA may withdraw drug approval or require changes to the labeled indication of the drug if confirmatory post-market trials fail to verify clinical benefit or do not demonstrate sufficient clinical benefit to justify the risks associated with the drug. If the FDA concludes that a drug shown to be effective can be safely used only if distribution or use is restricted, it may require such post-marketing restrictions as it deems necessary to assure safe use of the product.

Additionally, a drug may be eligible for designation as a breakthrough therapy if the product is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints. The benefits of breakthrough therapy designation include the same benefits as fast track designation, plus intensive guidance from the FDA to ensure an efficient drug development program. Fast track designation, priority review, accelerated approval and breakthrough therapy designations do not change the standards for approval, but may expedite the development or approval process.

Post-approval Requirements

Following approval of a new product, the manufacturer and the approved product are subject to continuing regulation by the FDA, including, among other things, monitoring and record-keeping requirements, requirements to report adverse events and comply with promotion and advertising requirements, which include restrictions on promoting drugs for unapproved uses or patient populations, known as “off-label promotion,” and limitations on industry-sponsored scientific and educational activities. Although physicians may prescribe legally available drugs for off-label uses, manufacturers may not market or promote such uses. Prescription drug promotional materials must be submitted to the FDA in conjunction with their first use. Further, if there are any modifications to the drug, including changes in indications, labeling, or manufacturing processes or facilities, the applicant may be required to submit and obtain FDA approval of a new NDA or NDA supplement, which may require the development of additional data or preclinical studies and clinical trials.

The FDA may also place other conditions on approvals including the requirement for REMS, to assure the safe use of the product. A REMS could include medication guides, physician communication plans or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. Any of these limitations on approval or marketing could restrict the commercial promotion, distribution, prescription or dispensing of products. Product approvals may be withdrawn for non-compliance with regulatory standards or if problems occur following initial marketing.

FDA regulations require that products be manufactured in specific approved facilities and in accordance with cGMP regulations. Manufacturers must comply with cGMP regulations that require, among other things, quality control and quality assurance, the maintenance of records and documentation, and the obligation to investigate and correct any deviations from cGMP. Manufacturers and other entities involved in the manufacture and distribution of approved drugs are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP requirements and other laws. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain cGMP compliance. The discovery of violative conditions, including failure to conform to cGMP regulations, could result in enforcement actions, and the discovery of problems with a product after approval may result in restrictions on a product, its manufacturer or the NDA holder, including recalls.

The FDA may withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical studies to assess new safety risks or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market, or product recalls;
- fines, warning letters, or holds on post-approval clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications;
- suspension or revocation of product approvals;
- product seizure or detention;
- refusal to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates marketing, labeling, advertising and promotion of products that are placed on the market. Drugs may be promoted only for the approved indications and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability.

FDA Regulation of Companion Diagnostics

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Safe and effective use of a therapeutic product may rely upon an *in vitro* companion diagnostic for use in selecting the patients that will be more likely to respond to that therapy. If an *in vitro* diagnostic is essential to the safe and effective use of the therapeutic product and if the manufacturer wishes to market or distribute such diagnostic for use as a companion diagnostic, then the FDA will require separate approval or clearance of the diagnostic as a companion diagnostic to the therapeutic product. According to FDA guidance, an unapproved or uncleared companion diagnostic device used to make treatment decisions in clinical trials of a drug generally will be considered an investigational medical device unless it is employed for an intended use for which the device is already approved or cleared. If used to make critical treatment decisions, such as patient selection, the diagnostic device generally will be considered a significant risk device under the FDA's Investigational Device Exemption, or IDE, regulations. The sponsor of the diagnostic device will be required to comply with the IDE regulations for clinical

studies involving the investigational diagnostic device. According to the guidance, if a diagnostic device and a drug are to be studied together to support their respective approvals, both products can be studied in the same clinical trial, if the trial meets both the requirements of the IDE regulations and the IND regulations. The guidance provides that depending on the details of the clinical trial protocol, the investigational product(s), and subjects involved, a sponsor may seek to submit an IDE alone (e.g., if the drug has already been approved by FDA and is used consistent with its approved labeling), or both an IND and an IDE.

Pursuing FDA approval/clearance of an *in vitro* companion diagnostic would require either a pre-market notification, also called 510(k) clearance, or a pre-market approval, or PMA, or a de novo classification for that diagnostic. The review of companion diagnostics involves coordination of review with the FDA's Center for Devices and Radiological Health.

510(k) clearance process

To obtain 510(k) clearance, a pre-market notification is submitted to the FDA demonstrating that the proposed device is substantially equivalent to a previously cleared 510(k) device or a device that was in commercial distribution before May 28, 1976 for which the FDA has not yet required the submission of a PMA application. The FDA's 510(k) clearance process may take three to 12 months from the date the application is submitted and filed with the FDA, but may take longer if FDA requests additional information, among other reasons. In some cases, the FDA may require clinical data to support substantial equivalence. In reviewing a pre-market notification submission, the FDA may request additional information, which may significantly prolong the review process. Notwithstanding compliance with all these requirements, clearance is never assured.

After a device receives 510(k) clearance, any subsequent modification of the device that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, will require a new 510(k) clearance or require a PMA. In addition, the FDA may make substantial changes to industry requirements, including which devices are eligible for 510(k) clearance, which may significantly affect the process.

De novo classification process

If a new medical device does not qualify for the 510(k) pre-market notification process because no predicate device to which it is substantially equivalent can be identified, the device is automatically classified into Class III. The Food and Drug Administration Modernization Act of 1997 established a different route to market for low to moderate risk medical devices that are automatically placed into Class III due to the absence of a predicate device, called the “Request for Evaluation of Automatic Class III Designation,” or the de novo classification process. This process allows a manufacturer whose novel device is automatically classified into Class III to request down-classification of its medical device into Class I or Class II on the basis that the device presents a low or moderate risk, rather than requiring the submission and approval of a PMA. If the manufacturer seeks reclassification into Class II, the manufacturer must include a draft proposal for special controls that are necessary to provide a reasonable assurance of the safety and effectiveness of the medical device. The FDA may reject the reclassification petition if it identifies a legally marketed predicate device that would be appropriate for a 510(k) or determines that the device is not low to moderate risk and requires PMA or that general controls would be inadequate to control the risks and special controls cannot be developed.

Obtaining FDA marketing authorization, de novo down-classification, or approval for medical devices is expensive and uncertain, may take several years and generally requires significant scientific and clinical data.

PMA process

The PMA process, including the gathering of clinical and nonclinical data and the submission to and review by the FDA, can take several years or longer. The applicant must prepare and provide the FDA with reasonable assurance of the device’s safety and effectiveness, including information about the device and its components regarding, among other things, device design, manufacturing and labeling. PMA applications are subject to an application fee. In addition, PMAs for medical devices must generally include the results from extensive preclinical and adequate and well-controlled clinical trials to establish the safety and effectiveness of the device for each indication for which FDA approval is sought. In particular, for a diagnostic, the applicant must demonstrate that the diagnostic produces reproducible results. As part of the PMA review, the FDA will typically inspect the manufacturer’s facilities for compliance with the Quality System Regulation, or QSR, which imposes extensive testing, control, documentation and other quality assurance and GMP requirements.

After a device is placed on the market, it remains subject to significant regulatory requirements. Among other requirements, medical devices may be marketed only for the uses and indications for which they are cleared or approved, device manufacturers must establish registration and device listings with the FDA and a medical device manufacturer’s manufacturing processes and those of its suppliers are required to comply with the applicable portions of the Quality System Regulation, or QSR, which cover the methods and documentation of the design, testing, production, processes, controls, quality assurance, labeling, packaging and shipping of medical devices. Domestic facility records and manufacturing processes are subject to periodic unscheduled inspections by the FDA and the FDA also may inspect foreign facilities that export products to the U.S.

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Other U.S. Regulatory Matters

- Our current and future arrangements with healthcare providers, third-party payors, customers and others may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations, which may constrain the business or financial arrangements and relationships through which we research, as well as, sell, market and distribute any products for which we obtain marketing approval. The applicable federal, state and foreign healthcare laws and regulations that may affect our ability to operate include, but are not limited to: the federal Anti-Kickback Statute, which makes it illegal for any person, including a prescription drug or medical device manufacturer (or a party acting on its behalf), to knowingly and willfully solicit, receive, offer or pay any remuneration that is intended to induce or reward referrals, including the purchase, recommendation, order or prescription of a particular drug, for which payment may be made under a federal healthcare program, such as Medicare or Medicaid. Moreover, the ACA (as defined below) provides that the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act;

- The federal criminal False Claims Act and Civil Monetary Penalties Laws, and the civil False Claims Act that can be enforced by private citizens through civil whistleblower or qui tam actions, prohibit individuals or

  entities from, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government and/or impose exclusions from federal health care programs and/or penalties for parties who engage in such prohibited conduct;

- The Federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, prohibits, among other things, executing or attempting to execute a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations also impose obligations on covered entities such as health insurance plans, healthcare clearinghouses and certain health care providers and their respective business associates, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;

- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers;

- the FD&C Act, which prohibits, among other things, the adulteration or misbranding of drugs, biologics and medical devices;

- The federal Physician Payments Sunshine Act requires applicable manufacturers of covered drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program, with specific exceptions, to annually report to Centers for Medicare & Medicaid Services, or CMS, information regarding certain payments and other transfers of value to physicians and teaching hospitals as well as information regarding ownership and investment interests held by physicians and their immediate family members; and

- Analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, state laws that require

  biotechnology companies to comply with the biotechnology industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government; state and local laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and require the registration of their sales representatives, state laws that require biotechnology companies to report information on the pricing of certain drug products and state and foreign laws that govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Pricing and rebate programs must also comply with the Medicaid rebate requirements of the U.S. Omnibus Budget Reconciliation Act of 1990 and more recent requirements in the Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the "ACA"). If products are made available to authorized users of the Federal Supply Schedule of the General Services Administration, additional laws and requirements apply. Manufacturing, sales, promotion and other activities also are potentially subject to federal and state consumer protection and unfair competition laws. In addition, the distribution of pharmaceutical and/or medical device products is subject to additional requirements and regulations, including extensive record-keeping, licensing, storage and security requirements intended to prevent the unauthorized sale of pharmaceutical and/or medical device products. Products must meet applicable child-resistant packaging requirements under the U.S. Poison Prevention Packaging Act as well as other applicable consumer safety requirements.

The failure to comply with any of these laws or regulatory requirements subjects firms to possible legal or regulatory action. Depending on the circumstances, failure to meet applicable regulatory requirements can result in significant civil, criminal and administrative penalties, including damages, fines, disgorgement, imprisonment, exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, integrity oversight and reporting obligations, contractual damages, reputational harm, diminished profits and future earnings, injunctions, requests for recall, seizure of products, total or partial suspension of production, denial or withdrawal of product approvals or refusal to allow a firm to enter into supply contracts, including government contracts.

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U.S. Patent-Term Restoration and Marketing Exclusivity

Depending upon the timing, duration and specifics of FDA approval of any future drug candidates, some of our U.S. patents may be eligible for limited patent term extension under the Hatch-Waxman Act. The Hatch-Waxman Act permits restoration of the patent term of up to five years as compensation for patent term lost during product development and FDA regulatory review process. Patent-term restoration, however, cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The patent-term restoration period is generally one-half the time between the effective date of an IND or the issue date of the patent, whichever is later, and the submission date of an NDA plus the time between the submission date of an NDA or the issue date of the patent, whichever is later, and the approval of that application, except that the review period is reduced by any time during which the applicant failed to exercise due diligence. Only one patent applicable to an approved drug, a method for using it, or a method of manufacturing it, is eligible for the extension and the application for the extension must be submitted prior to the expiration of the patent. The USPTO, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future, if and when our products receive FDA approval, we may apply for restoration of patent term for our currently owned or licensed patents covering products eligible for patent term extension to add patent life beyond its current expiration date, depending on the expected length of the clinical trials and other factors involved in the filing of the relevant NDA. Similar provisions are available in Europe and certain other jurisdictions to extend the term of a patent that covers an approved drug. We may seek patent term extension for any of our issued or licensed patents in any jurisdiction where these are available; however, there is no guarantee that the applicable authorities, including the FDA in the United States, will agree with our assessment of whether such extensions should be granted, and if granted, the length of such extensions.

Market exclusivity provisions under the FDCA also can delay the submission or the approval of certain applications. The FDCA provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to gain approval of an NDA for an NCE. A drug is an NCE if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not accept for review an abbreviated new drug application, or ANDA, or a 505(b)(2) NDA submitted by another company for a generic version of such drug where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement. The FDCA also provides three years of marketing exclusivity for an NDA, 505(b)(2) NDA or supplement to an existing NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example, new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the conditions of use associated with the new clinical investigations and does not prohibit the FDA from approving ANDAs for drugs containing the original active agent. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to all of the preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness or generate such data themselves.

European Union Drug Development

Similar to the United States, the various phases of preclinical and clinical research in the European Union are subject to significant regulatory controls. Although the EU Clinical Trials Directive 2001/20/EC has sought to harmonize the EU clinical trials regulatory framework, setting out common rules for the control and authorization of clinical trials in the EU, the EU Member States have transposed and applied the provisions of the Directive differently. This has led to significant variations in the member state regimes. Under the current regime, before a clinical trial can be initiated, it must be approved in each of the EU countries where the trial is to be conducted by two distinct bodies: the National Competent Authority, NCA, and one or more Ethics Committees, or ECs. Under the current regime all suspected unexpected serious adverse reactions to the investigated drug that occur during the clinical trial have to be reported to the NCA and ECs of the Member State where they occurred.

The EU clinical trials legislation currently is undergoing a transition process mainly aimed at harmonizing and streamlining clinical-trial authorization, simplifying adverse-event reporting procedures, improving the supervision of clinical trials and increasing their transparency. Recently enacted Clinical Trials Regulation EU No 536/2014

ensures that the rules for conducting clinical trials in the EU will be identical. In the meantime, Clinical Trials Directive 2001/20/EC continues to govern all clinical trials performed in the EU.

European Union Drug Review and Approval

In the European Economic Area, or EEA, which is composed of the 28 Member States of the European Union and three European Free Trade Association States (Norway, Iceland and Liechtenstein), medicinal products can only be commercialized after obtaining a Marketing Authorization, or MA. There are two types of marketing authorizations.

- The Community MA is issued by the European Commission through the Centralized Procedure, based on the opinion of the Committee for Medicinal Products for Human Use, or CHMP, of the EMA, and is valid throughout the entire territory of the EEA. The Centralized Procedure is mandatory for certain types of products, such as biotechnology medicinal products, orphan medicinal products, advanced-therapy medicines such as gene-therapy, somatic cell-therapy or tissue-engineered medicines and medicinal products containing a new active substance indicated for the treatment of HIV, AIDS, cancer, neurodegenerative disorders, diabetes, auto-immune and other immune dysfunctions and viral diseases. The Centralized Procedure is optional for products containing a new active substance not yet authorized in the EEA, or for products that constitute a significant therapeutic, scientific, or technical innovation or which are in the interest of public health in the EU.

- National MAs, which are issued by the competent authorities of the Member States of the EEA and only cover their respective territory, are available for products not falling within the mandatory scope of the Centralized Procedure. Where a product has already been authorized for marketing in a Member State of the EEA, this National MA can

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be recognized in another Member States through the Mutual Recognition Procedure. If the product has not received a National MA in any Member State at the time of application, it can be approved simultaneously in various Member States through the Decentralized Procedure. Under the Decentralized Procedure an identical dossier is submitted to the competent authorities of each of the Member States in which the MA is sought, one of which is selected by the applicant as the Reference Member State, or RMS. The competent authority of the RMS prepares a draft assessment report, a draft summary of the product characteristics, or SOPC, and a draft of the labeling and package leaflet, which are sent to the other Member States (referred to as the Member States Concerned) for their approval. If the Member States Concerned raise no objections, based on a potential serious risk to public health, to the

assessment, SOPC, labeling or packaging proposed by the RMS, the product is subsequently granted a national MA in all the Member States (i.e., in the RMS and the Member States Concerned).

Under the above described procedures, before granting the MA, EMA or the competent authorities of the Member States of the EEA make an assessment of the risk-benefit balance of the product on the basis of scientific criteria concerning its quality, safety and efficacy. Similar to the U.S. patent term-restoration, Supplementary Protection Certificates, or SPCs, serve as an extension to a patent right in Europe for up to five years. SPCs apply to specific pharmaceutical products to offset the loss of patent protection due to the lengthy testing and clinical trials these products require prior to obtaining regulatory marketing approval.

Coverage and Reimbursement

Sales of our products will depend, in part, on the extent to which our products will be covered by third-party payors, such as government health programs, commercial insurance and managed healthcare organizations. There is significant uncertainty related to third-party payor coverage and reimbursement of newly approved products. In the United States, for example, principal decisions about reimbursement for new products are typically made by CMS. CMS decides whether and to what extent a new product will be covered and reimbursed under Medicare, and private third-party payors often follow CMS's decisions regarding coverage and reimbursement to a substantial degree. However, no uniform policy of coverage and reimbursement for drug products exists. Accordingly, decisions regarding the extent of coverage and amount of reimbursement to be provided for any of our products will be made on a payor-by-payor basis.

Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. Further, such payors are increasingly challenging the price, examining the medical necessity and reviewing the cost effectiveness of medical drug candidates. There may be especially significant delays in obtaining coverage and reimbursement for newly approved drugs. Third-party payors may limit coverage to specific drug candidates on an approved list, known as a formulary, which might not include all FDA-approved drugs for a particular indication. We may need to conduct expensive pharmaco-economic studies to demonstrate the medical necessity and cost effectiveness of our products. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be obtained.

In addition, companion diagnostic tests require coverage and reimbursement separate and apart from the coverage and reimbursement for their companion pharmaceutical or biological products. Similar challenges to obtaining coverage and reimbursement, applicable to pharmaceutical or biological products, will apply to companion diagnostics.

In addition, in most foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing and reimbursement vary widely from country to country. For example, the European Union provides options for its member states to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. A member state may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our products. Historically, products launched in the European Union do not follow the price structures of the United States and generally prices tend to be significantly lower.

Healthcare Reform

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, or MMA, established the Medicare Part D program to provide a voluntary prescription drug benefit to Medicare beneficiaries. Under Part D, Medicare beneficiaries may enroll in prescription drug plans offered by private entities that provide coverage of outpatient prescription drugs. Unlike Medicare Part A and B, Part D coverage is not standardized. While all Medicare drug plans must give at least a standard level of coverage set by Medicare, Part D prescription drug plan sponsors are not required to pay for all covered Part D drugs, and each drug plan can develop its own drug formulary that identifies which drugs it will cover and at what tier or level. However, Part D prescription drug formularies must include drugs within each therapeutic category and class of covered Part D drugs, though not necessarily all the drugs in each category or class. Any formulary used by a Part D prescription drug plan must be developed and reviewed by a pharmacy and therapeutic committee. Government payment for some of the costs of prescription drugs may increase demand for products for which we receive marketing approval. However, any negotiated prices for our products covered by a Part D prescription drug plan likely will be lower than the prices we might otherwise obtain. Moreover, while the MMA applies only to drug benefits for Medicare beneficiaries, private third-party payors often follow Medicare coverage policy and payment limitations in setting their own payment rates.

The United States government, state legislatures and foreign governments have shown significant interest in implementing cost containment programs to limit the growth of government-paid healthcare costs, including price-controls, restrictions on reimbursement and requirements for substitution of generic products for branded prescription drugs. For example, the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively, the ACA, was passed which substantially changed the way healthcare is financed by both the government and private insurers, and significantly impacts the U.S. pharmaceutical industry. The ACA contains provisions that may reduce the profitability of drug products through increased rebates for drugs reimbursed by Medicaid programs, extension of Medicaid rebates to Medicaid managed care plans, mandatory discounts for certain Medicare Part D beneficiaries and annual fees based on pharmaceutical companies' share of sales to federal health care programs. The Medicaid Drug Rebate Program requires pharmaceutical manufacturers to enter into and have in effect a national rebate agreement with the U.S. Department of Health and Human Services, or HHS, Secretary as a condition for states to receive federal matching funds for the manufacturer's outpatient drugs furnished to Medicaid patients. The ACA made several changes to the Medicaid Drug Rebate Program, including increasing pharmaceutical manufacturers' rebate liability by raising the minimum basic Medicaid

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rebate on most branded prescription drugs from 15.1% of average manufacturer price, or AMP, to 23.1% of AMP and adding a rebate calculation for “line extensions” (i.e., new formulations, such as extended release formulations) of solid oral dosage forms of branded products, as well as potentially impacting their rebate liability by modifying the statutory definition of AMP. The ACA also expanded the universe of Medicaid

utilization subject to drug rebates by requiring pharmaceutical manufacturers to pay rebates on Medicaid managed care utilization and by enlarging the population potentially eligible for Medicaid drug benefits. Additionally, for a drug product to receive federal reimbursement under the Medicaid or Medicare Part B programs or to be sold directly to U.S. government agencies, the manufacturer must extend discounts to entities eligible to participate in the 340B drug pricing program. The required 340B discount on a given product is calculated based on the AMP and Medicaid rebate amounts reported by the manufacturer.

Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, two bills affecting the implementation of certain taxes under the ACA have passed.

On November 20, 2020, the HHS Office of Inspector General (“OIG”) issued a final rule eliminating the federal Anti-Kickback Statute safe harbors for rebates paid by manufacturers to Medicare Part D plan sponsors, Medicaid managed care organizations, and those entities’ pharmacy benefit managers, the purpose of which is to further reduce the cost of drug products to consumers. OIG created two safe harbors for certain point-of-sale reductions in price on prescription pharmaceutical products and certain pharmacy benefit manager service fees. On December 2, 2020, OIG and CMS each issued a final rule that set forth modifications to the federal Anti-Kickback Statute, Civil Monetary Penalties Law and Physician Self-Referral Law (or the Stark Law) (respectively) regulations to remove regulatory barriers to value-based care arrangements. CMS’s final rule also clarifies and updates certain long-standing terms that appear throughout the Stark Law regulations.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. These changes included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, effective April 1, 2013, which, due to subsequent legislative amendments, will stay in effect through 2029 unless additional congressional action is taken. The American Taxpayer Relief Act of 2012 was signed into law, which, among other things, reduced Medicare payments to several providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These laws may result in additional reductions in Medicare and other healthcare funding, which could have a material adverse effect on customers for our drugs, if approved, and accordingly, our financial operations.

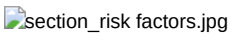
Additionally, there has been heightened governmental scrutiny recently over the manner in which drug manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs and reform government program reimbursement methodologies for drug products. For example, the federal Inflation Reduction Act, signed into law on August 16, 2022, contains multiple provisions that could have an adverse effect on our ability to generate revenue, attain profitability, or commercialize our drug candidates if approved, as the statute includes provisions intended to reduce the cost of prescription drugs under Medicare. In addition to the direct impact of the IRA on federal drug reimbursement, the statute may also lead to similar reductions in payments from private payers. Various members of the current U.S. Congress have indicated that lowering drug prices continues to be a legislative and political priority, and some have introduced other proposals aimed at drug pricing. Similarly, at the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

Available Information

Our principal executive office is located at 41 S Rio Grande Street, Salt Lake City, UT 84101. Our telephone number is (385) 269-0203.

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, or the Exchange Act, are available free of charge on our website as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Our website is www.recursion.com. Investors and others should note that we announce material financial and other information to our investors using our investor relations website (https://ir.recursion.com/), SEC filings, press releases, public conference calls and webcasts. We use these channels as well as social media and blogs to communicate with our stakeholders and the public about our company, our services and other issues. It is possible that the information we post on social media and blogs could be deemed to be material information. Therefore, we encourage investors, the media and others interested in our company to review the information we post on the social media channels and blogs listed on our investor relations website. Information contained in, or that can be accessed through, our website is not a part of, and is not incorporated into, this report.

This report includes citations to information published by third parties, including academic and industry research, publications, surveys, and studies. While we believe that such information is reliable, we have not separately verified such information, and such information is not a part of, and is not incorporated into, this report.



Item 1A. Risk Factors.

You should carefully consider the risks and uncertainties described below, together with all of the other information contained in this Annual Report on Form 10-K and our other public filings with the SEC, before making investment decisions regarding our common stock. The risks described below are not the only risks we face. The occurrence of any of the following risks, or of additional risks and uncertainties not presently known to us or that we currently believe to be immaterial, could cause our business, prospects, operating results, and financial condition to be materially and adversely affected.

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RISKS RELATED TO OUR LIMITED OPERATING HISTORY, FINANCIAL POSITION, AND NEED FOR ADDITIONAL CAPITAL

We are a clinical-stage biotechnology company with a limited operating history and no products approved by regulators for commercial sale, which may make it difficult to evaluate our current and future business prospects.

Since our inception in November 2013, we have focused substantially all of our efforts and financial resources on building our drug discovery platform and developing our initial drug candidates. All of our drug candidates are still in the discovery, preclinical development, or clinical stages. Before we can commercialize our drug candidates, they require, among other steps, clinical success; development of internal or external manufacturing capacity and marketing expertise; and regulatory approval by the U.S. Food and Drug Administration (FDA) and other applicable jurisdictions. We have no products approved for commercial sale and we can provide no assurance that we will obtain regulatory approvals to market and sell any drug products in the future. We therefore have never generated any revenue from drug product sales, and we do not expect to generate any revenue from drug product sales in the foreseeable future. Until we successfully develop and commercialize drug candidates, which may never occur, we expect to finance our operations through a combination of equity offerings, debt financings, and strategic collaborations or similar arrangements. Biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of risk. For these and other reasons discussed elsewhere in this Risk Factors section, it may be difficult to evaluate our current business and our future prospects.

We have incurred significant operating losses since our inception and anticipate that we will incur continued losses for the foreseeable future.

We have incurred net losses in each year since our inception. We had an accumulated deficit of $639.6 million $967.6 million as of December 31, 2022 December 31, 2023. Substantially all of our operating losses have resulted from costs incurred in connection with research and development efforts, including clinical studies, and from general and administrative costs associated with our operations. We expect our operating expenses to significantly increase as we continue to invest in research and development efforts and the commencement and continuation of clinical trials of our existing and future drug candidates. We also continue to incur additional costs associated with operating as a public company. As a result, we expect to continue to incur substantial and increasing operating losses for the foreseeable future. Our prior losses, combined with expected future losses, have had, and will continue to have, an adverse effect on our stockholders' deficit and working capital. Because of the numerous risks and uncertainties associated with developing pharmaceutical products and new technologies, we are unable to predict the extent of any future losses or when we will become profitable, if at all. Even if we do become profitable, we may not be able to sustain or increase our profitability on a quarterly or annual basis.

We will need to raise substantial additional funding. If we are unable to raise capital when needed, we would be forced to delay, reduce, or eliminate at least some of our product development programs, business development plans, strategic investments, and potential commercialization efforts, and to possibly cease operations.

Our mission, decoding biology to decode biology and deliver new drugs to the patients who need them, radically improve lives, is broad, expensive to achieve, and will require substantial additional capital in the future. We have programs throughout the stages of development including clinical, preclinical, late discovery and early discovery. We expect our expenses to increase in connection with our ongoing activities as we continue the research and development of, initiate clinical trials of, and potentially seek marketingapproval for, our current drug candidates, and as we add to our pipeline what we believe will be an accelerating number of additional programs. Preclinical and clinical testing is expensive and can take many years, so we will need supplemental funding to complete these undertakings. If our drug candidates are eventually eventually approved by regulators, we will require significant additional funding in order to launch and commercialize our products.

Our future capital requirements will depend on, and could increase significantly as a result of, many factors, including but not limited to the following:

- the number of drug candidates that we pursue and their development requirements;
- the scope, progress, results, and costs of our current and future preclinical and clinical trials;
- the costs, timing, and outcome of regulatory review of our drug candidates;
- if we obtain marketing approval for any current or future drug candidates, expenses related to product sales, marketing, manufacturing, and distribution;
- our ability to establish and maintain collaborations, licensing, and other strategic arrangements on favorable terms, and the success of such collaborations, licensing, and strategic arrangements;
- the impact of any business interruptions to our operations or to the operations of our manufacturers, suppliers, or other vendors, including the timing and enrollment of participants in our planned clinical trials, resulting from the COVID-19 pandemic, global supply chain issues or other force majeure events;
- the extent to which we acquire or invest in businesses, products, and technologies;
- the costs of preparing, filing, and prosecuting patent and other applications covering our intellectual property; maintaining, protecting, and enforcing our intellectual property rights; and defending intellectual property-related claims of third parties;
- our headcount growth and associated costs as we expand our business operations and our research and development activities, including into new geographies; geographies and through acquisitions;
- the increase in salaries and wages and the extension of benefits required to retain, attract and motivate qualified personnel;
- the increases in costs of components necessary for our business;
- inflation;
- the costs of any commitments to become carbon neutral by 2030 and other environmental, social and governance goals; and
- the costs of operating as a public company.

We historically have financed our operations primarily through private placements of our convertible preferred capital stock, through the net proceeds from our initial public offering completed on April 20, 2021 and from our "at-the market" offerings under our Open Market Sales Agreement (the "Sales Agreement") with Jefferies LLC (the "Sales Agent"), that provides for the offering, issuance and through a private placement completed on October 24, 2022. sale of up to an aggregate amount of $300.0 million of our Class A common stock from time to time in. We expect that our existing cash position and short-term investments as of the date of this Annual Report on Form 10-K will be sufficient to fund our operating expenses and capital expenditures for at least the next 12 months. However, identifying potential drug candidates and conducting preclinical development testing and clinical trials is a time-consuming, expensive, and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain

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marketing approval and achieve product sales. In addition, our drug candidates, even if approved, may not achieve commercial success. We do not anticipate that our commercial revenues, if any, will be derived from sales of products for at least several years. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives, and we may need to raise substantial additional funds sooner than expected.

Until such time, if ever, as we can generate substantial revenues, we expect to finance our cash needs potentially through a combination of private and public equity offerings and debt financings, as well as strategic collaborations, partnerships, and licensing arrangements. We do not have any committed external source of funds other than amounts payable by Takeda Pharmaceutical Company Limited (Takeda), by Bayer AG (Bayer) under and by Genentech, Inc. and F. Hoffmann-La Roche Ltd (together, Roche Genentech), under collaboration agreements. Disruptions in the financial markets in general, due to the COVID-19 pandemic, or other potential pandemics, U.S. debt ceiling and budget deficit concerns, and other geo-political issues such as the Ukraine/Russia conflict, the Israel-Hamas war, and political and trade uncertainties in the greater China region, may make equity and debt financing more difficult to obtain. We cannot be certain that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. If we are unable to raise additional funds through equity or debt financings, or strategic collaborations or similar arrangements, on a timely basis and satisfactory terms, we may be required to significantly curtail, delay, or discontinue one or more of our research and development programs or the future commercialization of any drug candidate, or we may be unable to expand our operations or otherwise capitalize on

our business opportunities as desired. Any of these circumstances could materially and adversely affect our business and results of operations and may cause us to cease operations.

Raising additional capital and issuing additional securities may cause dilution to our stockholders, restrict our operations, require us to relinquish rights to our technologies or drug candidates, and divert management's attention from our core business.

The terms of any financing we obtain may adversely affect the holdings or rights of our stockholders, and the issuance of additional securities, whether equity or debt, or the possibility of such issuance, may cause the market price of our shares to decline. To the extent that we raise additional capital or otherwise issue additional securities through the sale of Class A common stock or securities convertible or exchangeable into Class A common stock, our stockholders' ownership interests will be diluted.

For example, in October 2022, we issued 15,336,734 15.3 million shares of our Class A common stock for gross proceeds of approximately $150 million and in July 2023, we issued 7.7 million shares of our Class A common stock for gross proceeds of $50 million. Additionally, in August 2023, we entered into the Sales Agreement to provide for the offering, issuance and sale of up to an aggregate amount of $300.0 million of our Class A common stock from time to time in "at-the-market" offerings. In addition to capital raising issuances, in connection with the acquisitions of Cyclica Inc. (Cyclica) and Valence Discovery Inc. (Valence) in May 2023, we issued 12.4 million shares of our Class A common stock or securities convertible or exchangeable into Class A common stock and we issued 3.2 million shares of our Class A common stock in November 2023 to Tempus Labs, Inc. (Tempus) in payment for the initial license fee under the terms of that certain Master Agreement entered into by and between us and Tempus (the Tempus Agreement) and may issue additional shares in the future under the Tempus Agreement. Sales of a substantial number of shares of our outstanding Class A common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares of our Class A common stock intend to sell shares, could reduce the market price of our common stock.

Moreover, as a condition to providing additional funds to us, future investors may demand, and may be granted, favorable terms that may include liquidation, preferences, dividend payments, voting rights or other preferences that materially and adversely affect the rights of common stockholders. Debt financing, if available, wouldresult in increased fixed payment obligations. In addition, we may be required to agree to certain restrictive covenants, which could adversely impact our ability to make capital expenditures, declare dividends, or otherwise conduct our business. We also may need to raise funds through additional strategic collaborations, partnerships, or licensing arrangements with third parties at an earlier stage than would be desirable. Such arrangements could require us to relinquish rights to some of our technologies or drug candidates, future revenue streams, or research programs, or otherwise agree to terms unfavorable to us. Fundraising efforts have the potential to divert our management's attention from our core business or create competing priorities, which may adversely affect our ability to develop and commercialize our drug candidates and technologies.

We are engaged in strategic collaborations and we intend to seek to establish additional collaborations, including for the clinical development or commercialization of our drug candidates. If we are unable to establish collaborations on commercially reasonable terms or at all, or if current and future collaborations are not successful, we may have to alter our development and commercialization plans.

Our product development programs and the potential commercialization of our drug candidates will require substantial additional cash to fund expenses. To date our operating revenue has primarily been generated through funded research and development agreements with Roche Genentech, Takeda, and Bayer. For example, in December 2021, we entered into a Collaboration and License Agreement with Roche Genentech (the Roche Genentech Agreement) for discovery of small molecule drug candidates with the potential to treat key areas of neuroscience and an oncology indication, and under which we received a non-refundable upfront payment of $150.0 million in January 2022. 2022 and an option fee for a single molecule validation program in oncology of $3M in October 2023. We intend to seek additional strategic collaborations, partnerships, and licensing arrangements with pharmaceutical and biotechnology companies. In the near term, the value of our company will depend in part on the number and quality of the collaborations and similar arrangements that we negotiate. Whether we reach a definitive agreement for a collaboration will depend, among other things, on our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration, and the potential collaborator's evaluation of a number of factors. Those factors may include, among others, (i) our technologies and capabilities; (ii) our intellectual property position with respect to the subject drug candidate; (iii) the design or results of clinical trials; (iv) the likelihood of approval by the FDA and similar regulatory authorities outside the U.S.; (v) the potential market for the subject drug candidate; (vi) potential competing products; and (vii) industry and market conditions generally. In addition, the significant number of business combinations among large pharmaceutical companies has reduced the number of potential future collaborators with whom we can partner.

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Collaborations and similar arrangements are complex and time-consuming to negotiate and document. We may have to relinquish valuable rights to our product candidates, intellectual property, or future revenue streams, or grant licenses on terms that are not favorable to us or in instances where it would have been more advantageous for us to retain sole development and commercialization rights. We may be restricted under collaboration agreements from entering into future agreements on certain terms with other potential collaborators. In addition, management of our relationships with collaborators requires (i) significant time and effort from our management team; (ii) coordination of our marketing and research and development programs with the marketing and research and development priorities of our collaborators; and (iii) effective allocation of our resources across multiple projects.

Collaborations and similar arrangements may never result in the successful development or commercialization of drug candidates or the generation of sales revenue. The success of these arrangements will depend heavily on the efforts and activities of our collaborators. Collaborators generally have significant discretion in determining the efforts and resources that they will apply to these collaborations, and they may not pursue or prioritize the development and commercialization of partnered drug candidates in a manner that is in our best interests. Product revenues arising from collaborations are likely to be lower than if we directly marketed and sold products. Disagreements with collaborators regarding clinical development or commercialization matters can lead to delays in the development process or commercialization of the applicable drug candidate and, in some cases, the termination of the collaboration arrangement. These disagreements can be difficult to resolve if neither of the parties has final decision-making authority. Collaboration agreements are typically terminable by the collaborator, and any such termination or expiration would adversely affect us financially and could harm our business reputation. If we were to become involved in arbitration or litigation with any of our collaborators, it would consume time and divert management resources away from operations, damage our reputation, impact our ability to enter into future collaboration agreements, and may further result in substantial payments from us to our collaborators to settle those disputes.

We may not be able to establish additional strategic collaborations and similar arrangements on a timely basis, on acceptable terms, or at all, and to maintain and successfully conclude them. Collaborative relationships with third parties could cause us to expend significant resources and incur substantial business risk with no assurance of financial return. If we are unable to establish or maintain strategic collaborations and similar arrangements on terms favorable to us and realize the intended benefits of those partnering arrangements, our research and development efforts and potential to generate revenue may be limited and our business and operating results could be materially and adversely impacted.

We have no products approved for commercial sale and have not generated any revenue from product sales. We or our current and future collaborators may never successfully develop and commercialize our drug candidates, which would negatively affect our results of operation and our ability to continue our business operations.

Our ability to become profitable depends upon our ability to generate substantial revenue in an amount necessary to offset our expenses. As of December 31, 2022 December 31, 2023, we have not generated any revenue from our drug candidates or technologies, other than limited grant revenues, as well as payments under collaboration agreements, including the Roche Genentech Agreement. We expect to continue to derive most of our revenue in the near future from collaborations. We do not expect to generate significant revenue unless and until we progress our drug candidates through clinical trials and obtain marketing approval of, and begin to sell, one or more of our drug candidates, or we otherwise receive substantial licensing or other payments under our collaborations. Even if we obtain market approval for our drug candidates, one or more of them may not achieve commercial success.

Commercialization of our drug candidates depends on a number of factors, including but not limited to our ability to:

- successfully complete preclinical studies;
- obtain approval of Investigational New Drug (IND) applications by the FDA and similar regulatory approvals outside the U.S., allowing us to commence clinical trials;
- successfully enroll subjects in, and complete, clinical trials;
- receive regulatory approvals from applicable regulatory authorities;
- establish commercial manufacturing capabilities or make arrangements with third-party manufacturers for clinical supply and commercial manufacturing;
- obtain patent and trade secret protection or regulatory exclusivity for our drug candidates, and maintain, protect, defend, and enforce such intellectual property rights;
- launch commercial sales of our drug products, whether alone or in collaboration with other parties;
- obtain and maintain acceptance of our drug products by patients, the medical community, and third-party payors, and effectively compete with other therapies;
- obtain and maintain coverage of and adequate reimbursement for our drug products, if and when approved, by medical insurance providers; and
- demonstrate a continued acceptable safety profile of drug products following marketing approval.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize our drug candidates, which would materially harm our business.

Our current or future collaborators would similarly need to be effective in the above activities as they pertain to the collaborators in order to successfully develop drug candidates. We and they may never succeed in developing and commercializing drug candidates. And even if we do, we may never generate revenues that are significant enough to achieve profitability; or even if our collaborators do, we may not receive option fees, milestone payments, or royalties from them that are significant enough for us to achieve profitability. Even if we achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would eventually depress our value and could impair our ability to raise capital, expand our business, maintain our research and development efforts, develop a pipeline of drug candidates, enter into collaborations, or even continue our operations.

Our quarterly and annual operating results may fluctuate significantly due to a variety of factors and could fall below our expectations or the expectations of investors or securities analysts, which may cause our stock price to fluctuate or decline.

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The amount of our future losses, and when we might achieve profitability, is uncertain, and our quarterly and annual operating results may fluctuate significantly for various reasons, including, but not limited to, the following:

- the timing of, and our levels of investment in, research and development activities relating to our drug candidates;
- the timing of, and status of staffing and enrollment for, clinical trials;
- the results of clinical trials for our drug candidates, including whether there are any unexpected health or safety concerns with our drug candidates and whether we receive marketing approval for them;
- commercialization of competing drug candidates or any other change in the competitive landscape of our industry, including consolidation among our competitors or partners;
- the timing and cost of manufacturing our drug candidates;
- additions and departures of key personnel;
- the level of demand for our drug candidates should they receive approval, which may vary significantly;
- changes in the regulatory environment or market or general economic conditions;
- the increase in salaries and wages and the extension of benefits required to retain, attract and motivate qualified personnel;
- the increases in costs of components necessary for our business; and
- inflation.

The occurrence of one or more of these or other factors could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. This variability and unpredictability could also result in our failing to meet any forecasts we provide to the market, or the expectations of industry or financial analysts or investors, for any period. If one or more of these events occur, the price of our Class A common stock could decline substantially.

If we engage in future acquisitions or strategic partnerships, this may increase our capital requirements, dilute our stockholders' equity, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

We have engaged and may in the future engage in acquisitions and strategic partnerships, in the future, including by licensing or acquiring complementary products, intellectual property rights, technologies, or businesses. Any acquisition or strategic partnership may entail numerous risks, including but not limited to the following:

- increased operating expenses and cash requirements;
- the assumption of indebtedness or contingent liabilities;
- the issuance of our equity securities, which would result in dilution to our stockholders' equity;
- difficulties in assimilating operations, intellectual property, products, and drug candidates of an acquired company, and with integrating new personnel;
- the diversion of our management's attention from our existing product programs and initiatives, even if we are unable to complete such proposed transaction;
- our ability to retain key employees and maintain key business relationships;
- uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing products or drug candidates and ability to obtain regulatory approvals; and
- our inability to generate revenue from acquired intellectual property, technology, and/or products sufficient to meet our objectives or even to offset the associated transaction and maintenance costs.

In addition, if we undertake such a transaction, we may assume or incur debt obligations, incur a large one-time expense, or acquire intangible assets, which could result in significant future amortization expenses and adversely impact our results of operations.

Costs of components materials necessary for our business increasing more rapidly could reduce profitability. increase our net losses.

The costs of components materials necessary for our business have risen significantly in recent years and will likely continue to increase given stringency of demands. Competition and fixed price contracts may limit our ability to maintain existing operating margins. Costs increasing more rapidly than market prices may increase our net losses and may have a material adverse impact on our business and results of operations.

RISKS RELATED TO THE DISCOVERY AND DEVELOPMENT OF DRUG CANDIDATES

Our approach to drug discovery is unique and may not lead to successful drug products for various reasons, including, but not limited to, challenges identifying mechanisms of action for our candidates.

We image cells and use cell morphology to understand how a diseased cell responds to drugs and if or when it appears normal. If studying the shape, structure, form, and size of cells does not prove to be an accurate way to better understand diseases or does not lead to the biological insights or viable drug candidates we anticipate, our drug discovery platform may not be useful or may not lead to successful drug products, or we may have to move to a new business model, any of which could have an adverse effect on our reputation and results of operations. If the mechanism of action of a drug candidate is unknown, it may be more difficult to choose the best lead to optimize from an efficacy standpoint and to avoid potential off-target side effects that could affect safety. Such uncertainty could make it more difficult to form partnerships with larger pharmaceutical

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companies, as the expenses involved in late-phase clinical trials increase the level of risk related to potential efficacy and/or safety concerns and may pose challenges to IND and/or New Drug Application (NDA) approval by the FDA or other regulatory agencies.

Our drug candidates are in preclinical or clinical development, which are lengthy and expensive processes with uncertain outcomes and the potential for substantial delays.

Our current drug candidates are in preclinical or clinical development. Before we can bring any drug candidate to market, we must, among other things, successfully complete preclinical studies, have the candidate manufactured to appropriate specifications, conduct extensive clinical trials to demonstrate safety and efficacy in humans, and obtain marketing approval from the FDA and other appropriate regulatory authorities, which we have not yet demonstrated our ability to do. Clinical testing is expensive, difficult to design and implement, can take many years to complete, and is uncertain as to outcome. A failure of a clinical trial can occur at any stage of testing. The outcome of preclinical development testing and early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. We may accelerate development from cell models in our drug discovery platform directly to patients without validating results through animal studies or validate results in animal studies at the same time as we conduct Phase 1 clinical trials. This approach could pose additional risks to our success if the effect of certain of our drug candidates on diseases has not been tested in animals prior to testing in humans.

We have several clinical-stage drug candidates focused on rare, monogenic diseases, and we anticipate filing IND applications with the FDA or other regulators for Phase 1 or Phase 2 studies, as applicable, for these drug candidates. We may not be able to file such INDs, or INDs for any other drug candidates, and begin such studies, on the timelines we expect, if at all, and any such delays could impact any additional product development timelines. Moreover, we cannot be sure that submission of an IND will result in the FDA or other regulators allowing further clinical trials to begin or that, once begun, issues will not arise that require us to suspend or terminate these trials. Commencing each of these clinical trials is subject to finalizing the trial design based on discussions with the FDA and other regulatory authorities. The requirements imposed by these regulatory authorities, or their governing statutes, could change at any time, which may result in stricter approval conditions than we currently expect and/or necessitate completion of additional or longer clinical trials. Successful completion of our clinical trials is a prerequisite to submitting NDAs to the FDA, as well as Marketing Authorization Applications (MAAs) to the European Medicines Agency (EMA) and the Medicines and Healthcare Products Regulatory Agency (MHRA) for each drug candidate and, consequently, to the ultimate approval and commercial marketing of each drug candidate. We do not know whether any of our future clinical trials will begin on time or be completed on schedule, if at all.

We have experience, and may in the future experience delays in completing our preclinical studies and initiating or completing clinical trials, or numerous unforeseen events during, or as a result of, any clinical trials, that could require us to incur additional costs or delay or prevent our ability to receive marketing approval or to commercialize our drug candidates, including but not limited to those related to one or more of the following:

- regulators, Institutional Review Boards (IRBs), or ethics committees may not authorize us or our investigators to commence a clinical trial or to conduct a clinical trial at prospective trial sites;
- we may have difficulty reaching, or fail to reach, agreement on acceptable terms with prospective trial sites and prospective Contract Research Organizations (CROs), the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- the number of participants required for clinical trials of our drug candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate, or participants may drop out of clinical trials or fail to return for post-treatment follow-up at a higher rate than we anticipate;
- we or our third-party contractors may fail to comply with regulatory requirements, fail to meet their contractual obligations to us in a timely manner or at all, deviate from the clinical trial protocol, or drop out of a trial, which may require that we add new clinical trial sites or investigators;
- the supply or quality of our drug candidates or the other materials necessary to conduct clinical trials of our drug candidates may be insufficient, delayed, or inadequate;
- the occurrence of delays in the manufacturing of our drug candidates;
- reports may arise from preclinical or clinical testing of other therapies that raise safety, efficacy, or other concerns about our drug candidates; and
- clinical trials may produce inconclusive, mixed, or negative results about our drug candidates, including determinations that candidates have undesirable side effects or other unexpected characteristics, in which event, we may decide – or our investigators or regulators, IRBs, or ethics committees may require us — to suspend or terminate the trials.

From time to time as we move through the stages of development, we may have published and expect in the future to publish interim top-line or preliminary data from our clinical trials. Interim data from clinical trials are subject to the risk that one or more of the clinical outcomes may materially change as enrollment of participants continues and more data become available. Preliminary or top-line data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, interim and preliminary data should be viewed with caution until the final data are available. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects.

Our product development costs will increase if we experience delays in testing or regulatory approvals. We do not know whether any of our future clinical trials will begin as planned, or whether any of our current or future clinical trials will need to be restructured or will be completed on schedule, if at all. If we decide or are required to suspend or terminate a clinical trial, we may elect to abandon product development for that program. Significant preclinical study or clinicaltrial delays including but not limited to those caused by the COVID-19 pandemic, could also shorten any periods during which we may have the exclusive right to commercialize our drug candidates or could allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our drug candidates. Any delays in or unfavorable outcomes from our preclinical or clinical development programs may significantly harm our business, operating results, and prospects.

If we experience delays or difficulties in the enrollment of patients in clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.

We may not be able to initiate, continue, and complete clinical trials for current or future drug candidates if we are unable to locate and timely enroll a sufficient number of eligible participants in these trials as required by the FDA or similar regulatory authorities outside the United States. The process of finding potential participants may prove more costly than currently expected and our ability to enroll eligible participants may be limited or may result in slower enrollment than we anticipate due to a number of factors, including but not limited to the following:

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- the severity of the disease under investigation;
- the eligibility criteria for the clinical trial in question, such as requirements that participants have specific characteristics or diseases;
- the availability of an appropriate genomic screening test;

- the perceived risks and benefits of the drug candidate under study;
- difficulties in identifying, recruiting, and enrolling a sufficient number of participants to complete our clinical studies;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- the referral practices of physicians;
- whether competitors are conducting clinical trials for drug candidates that treat the same indications as ours, and the availability and efficacy of competing therapies;
- our ability to monitor participants adequately during and after the trial and to maintain participant informed consent and privacy;
- the proximity and availability of clinical trial sites for prospective participants;
- pandemics or other public health crises such as the COVID-19 pandemic, natural disasters, global political instability, warfare, or other external events that may limit the availability of participants, principal investigators, study staff, or clinical sites; and
- the risk that enrolled participants will not complete a clinical trial.

If individuals are unwilling to participate in or complete our studies for any reason, or we experience other difficulties with enrollment or participation, the timeline for recruiting participants, conducting studies, and obtaining regulatory approval of potential products may be delayed.

Our planned clinical trials, or those of our current and potential future collaborators, may not be successful or may reveal significant adverse events not seen in our preclinical or nonclinical studies, which may result in a safety profile that could inhibit regulatory approval or market acceptance of any of our drug candidates.

Before obtaining regulatory approvals for the commercial sale of any products, we must demonstrate through preclinical studies and clinical trials that our drug candidates are both safe and effective for use in each target indication. Failure can occur at any time during the clinical trial process. The results of preclinical studies and early clinical trials of our drug candidates may not be predictive of the results of later-stage clinical trials, and initial success in clinical trials may not be indicative of results that will be obtained when such trials are completed. An extremely high rate of drug candidates fail as they proceed through clinical trials. Drug candidates in later stages of clinical trials also may fail to show the desired safety and efficacy profile despite having progressed through nonclinical studies and initial clinical trials. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety issues, notwithstanding promising results in earlier trials. Most drugcandidates that commence clinical trials are never approved for marketing, and there can be no assurance that any of our current or future clinical trials will ultimately be successful or support further clinical development of any of our drug candidates.

As is the case with many treatments for rare diseases and other conditions, there have been, and it is likely that in the future there may be, side effects associated with the use of our drug candidates. If significant adverse events or other side effects are observed in any of our current or future drug candidates, we may have difficulty recruiting participants in our clinical trials, they may drop out of our trials, or we may be required to abandon the trials or our development efforts of one or more drug candidates altogether. Moreover, if we develop drug candidates in combination with one or more disease therapies, it may be more difficult to accurately predict side effects. We, the FDA, other applicable regulatory authorities, or an IRB may suspend or terminate clinical trials of a drug candidate at any time for various reasons, including a belief that subjects in such trials are being exposed to unacceptable health risks or adverse side effects. Some potential therapeutics developed in the biotechnology industry that initially showed therapeutic promise in early-stage trials were later found to cause side effects that prevented their further development. Even if the side effects do not preclude the product from obtaining or maintaining marketing approval, undesirable side effects may inhibit market acceptance of the approved product due to its tolerability versus other therapies. Any of these developments could materially harm our business, operating results, and prospects.

We conduct clinical trials for our drug candidates outside the United States, and the FDA and similar foreign regulatory authorities may not accept data from such trials.

We have started to conduct additional conducted clinical trials outside the United States, including in the United Kingdom and the Netherlands, and may in the future choose to conduct additional clinical trials outside the United States in locations that may include Australia, Europe, Asia, or other jurisdictions. FDA acceptance of trial data from clinical trials conducted outside the United

States requires that all of FDA's clinical trial requirements be met. In addition, in cases where data from clinical trials conducted outside the United States are intended to serve as the sole basis for marketing approval in the United States, the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the United States population and United States medical practice; (ii) the trials are performed by clinical investigators of recognized competence; and (iii) the data may be considered valid without the need for an on-site inspection by the FDA or, if the FDA considers such an inspection to be necessary, the FDA is able to validate the data through an on-site inspection or other appropriate means. Many foreign regulatory bodies have similar approval requirements, and such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA or any similar foreign regulatory authority will accept data from trials conducted outside of the United States or the applicable jurisdiction. If the FDA or any similar foreign regulatory authority does not accept such data, it would result in the need for additional

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trials, which would be costly and time-consuming and delay aspects of our business plan, and which may result in our drug candidates not receiving approval or clearance for commercialization in the applicable jurisdiction.

Following the United Kingdom's departure from the EU (referred to as Brexit) on January 31, 2020, and the end of the "transition period" on December 31, 2020, the EU and the United Kingdom entered into a trade and cooperation agreement that governs certain aspects of their future relationship, including the assurance of tariff-free trade for certain goods and services. As the regulatory framework for pharmaceutical products in the United Kingdom is derived from EU directives and regulations, Brexit will materially impact the future regulatory regime that applies to products and the approval of drug candidates in the United Kingdom. Longer term, the United Kingdom is likely to develop its own legislation that diverges from that in the EU, which may delay or preclude marketing approval for our drug candidates in one or both jurisdictions.

It is difficult to establish with precision the incidence and prevalence for target patient populations of our drug candidates. If the market opportunities for our drug candidates are smaller than we estimate, or if any approval that we obtain is based on a narrower definition of the patient population, our revenue and ability to achieve profitability will be adversely affected, possibly materially.

Even if approved for commercial sale, the total addressable market for our drug candidates will ultimately depend upon, among other things, (i) the indications and diagnostic criteria included in the final label; (ii) acceptance by the medical community; and (iii) patient access, product pricing, andreimbursement by third-party payors. The number of patients targeted by our drug candidates may turn out to be lower than expected, patients may not be amenable to treatment with our products, or new patients may become increasingly difficult to identify or access, all of which would adversely affect our results of operations and our business. Due to our limited resources and access to capital or for other reasons, we must prioritize development of certain drug candidates, which may prove to be the wrong choices and may adversely affect our business.

Although we intend to explore other therapeutic opportunities in addition to the drug candidates that we are currently developing, we may fail to identify viable new drug candidates for clinical development for a number of reasons.

Research programs to pursue the development of our existing and planned drug candidates for additional indications, and to identify new drug candidates and disease targets, require substantial technical, financial, and human resources whether or not they are ultimately successful. For example, under the Roche Genentech Agreement, we are collaborating with Roche Genentech to develop various projects related to the discovery of small molecule drug candidates with the potential to treat "key areas" of neuroscience and an oncology indication. There can be no assurance that we will find potential targets using this approach, that the conditions targeted will be tractable, or that clinical trials will be successful. Our research programs may initially show promise in identifying potential indications and/or drug candidates, yet fail to yield results for clinical development for a number of reasons, including but not limited to the following:

- the research methodology used may not be successful in identifying potential indications and/or drug candidates, including as a result of the limited patient sample represented in our databases and the validity of extrapolating based on insights from a particular cellular context that may not apply to other, more relevant cellular contexts;
- potential drug candidates may, after further study, be shown to have harmful side effects or other characteristics that indicate they are unlikely to be effective products; or
- it may take greater human and financial resources than we can allocate to identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates through internal research programs, thereby limiting our ability to develop, diversify, and expand our product portfolio.

Because we have limited financial and human resources, we will have to prioritize and focus on certain research programs, drug candidates, and target indications while forgoing others. As a result, we may forgo or delay pursuit of opportunities with other drug candidates or for other indications that later prove to have greater commercial potential or a greater likelihood of success. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities.

Accordingly, there can be no assurance that we will ever be able to identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates through internal research programs, which could materially adversely affect our future growth and prospects.

If we are unable to obtain, or if there are delays in obtaining, required regulatory approvals for our drug candidates in the U.S. or other jurisdictions, or if approval is subject to limitations, we will be unable to commercialize, or will be delayed or limited in commercializing, the drug candidates in such jurisdiction and our ability to generate revenue may be materially impaired.

Our drug candidates and the activities associated with their development and commercialization — including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale, distribution, import, and export — are subject to comprehensive regulation by the FDA and other regulatory agencies in the United States and by comparable authorities in other countries. Before we can commercialize any of our drug candidates, we must obtain marketing approval. As of December 31, 2022 December 31, 2023, all of our drug candidates are in development, and we have not received approval to market any of our drug candidates from regulatory authorities in any jurisdiction. It is possible that our current and future drug candidates will never obtain regulatory and marketing approval.

We have only limited experience in filing and supporting applications to regulatory authorities and expect to rely on CROs and/or regulatory consultants to assist us in this process. Securing regulatory approval requires the submission of extensive preclinical and clinical data and supporting information to the various regulatory authorities for each therapeutic indication to establish the drug candidate's safety and efficacy. It also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the relevant regulatory authority. Given our novel approach to drug discovery that uses our platform to generate data, regulatory authorities may not

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approve any of our drug candidates derived from our platform. They may also elect to inspect our platform and facilities and manufacturing and research practices, which may uncover regulatory deficiencies that must be addressed and remedied before research or market authorizations may occur.

The process of obtaining regulatory approvals, both in the United States and abroad, is expensive and often takes many years. If the FDA or a comparable foreign regulatory authority requires that we perform additional preclinical or clinical trials, then approval may be delayed, if obtained at all. The FDA and comparable regulatory authorities in other countries have substantial discretion in the approval process and may refuse to accept any application, or they may decide that our data are insufficient for approval and require additional preclinical, clinical, or other studies. Our drug candidates could be delayed in receiving, or fail to receive, regulatory approval for many reasons, including but not limited to the following:

- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may not be able to enroll a sufficient number of patients in our clinical studies;
- we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a drug candidate is safe and effective for its proposed indication or that a related companion diagnostic is suitable to identify appropriate patient populations;
- a drug candidate may be only moderately effective or may have undesirable or unintended side effects, toxicities, or other characteristics;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;

- we may be unable to demonstrate that a drug candidate's clinical and other benefits outweigh its safety risks;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of our drug candidates may not be sufficient or of sufficient quality to support the submission of an NDA or other submission or to obtain regulatory approval in the United States or elsewhere;
- the FDA or comparable foreign regulatory authorities may find deficiencies with, or fail to approve, our manufacturing processes or facilities, or those of third-party manufacturers with which we contract, for clinical and commercial supplies; and
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change such that our clinical or manufacturing data are insufficient for approval.

Even if we obtain approval, regulatory authorities may approve any of our drug candidates for fewer or more limited indications than we request, thereby narrowing the commercial potential of the drug candidate. In addition, regulatory authorities may grant approval contingent on the performance of costly post-marketing clinical trials or may approve a drug candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that drug candidate.

If we are unable to obtain, or experience delays in obtaining, approval of our current and future drug candidates in the U.S. or other jurisdictions, or if approval is subject to limitations, the commercial prospects for the drug candidates may be harmed, and our reputation and ability to generate revenues may be materially impaired.

We may never realize a return on our investment of resources and cash in our drug discovery collaborations.

We conduct drug discovery activities for or with collaborators who are also engaged in drug discovery and development, which include pre-commercial biotechnology companies and large pharmaceutical companies. Under these collaborations, we typically provide, among other resources, the benefit of our drug discovery platform and platform experts who identify molecules that have activity against one or more specified targets. In consideration, we have received, and expect to receive in the future, (i) equity investments; (ii) upfront fees; and/or (iii) the right to receive option fees, cash milestone payments upon the achievement of specified development, regulatory, or commercial sales milestones for the drug discovery targets, and potential royalties. Our ability to receive fees and payments and realize returns from our drug discovery collaborations in a timely manner, or at all, is subject to a number of risks, including but not limited to the following:

- our collaborators may incur unanticipated costs or experience delays in completing, or may be unable to complete, the development and commercialization of any drug candidates;

- collaborators have significant discretion in determining the amount and timing of efforts and resources that they will apply to our collaborations and may not perform their obligations as currently expected;
- collaborators may decide not to pursue development or commercialization of drug candidates for various reasons, including results of clinical trials or other studies, changes in the collaborator's strategic focus or available funding, their desire to develop products that compete directly or indirectly with our drug candidates, or external factors (such as an acquisition or industry slowdown) that divert resources or create competing priorities;
- existing collaborators and potential future collaborators may begin to perceive us to be a competitor more generally, particularly as we advance our internal drug discovery programs, and therefore may be unwilling to continue existing collaborations, or enter into new collaborations, with us;
- a collaborator may fail to comply with applicable regulatory requirements regarding the development, manufacture, distribution, or marketing of a drug candidate or product;

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- disagreements with collaborators, including disagreements over intellectual property or proprietary rights, contract interpretation, or the preferred course of development, might cause delays or terminations of the research, development, or commercialization of drug candidates, or might result in litigation or arbitration;
- collaborators may not properly obtain, maintain, enforce, defend, or protect our intellectual property or proprietary rights, or they may use our proprietary information in such a way as to potentially lead to disputes or legal proceedings that could jeopardize or invalidate our or their intellectual property or proprietary rights;
- collaborators may infringe, misappropriate, or otherwise violate the intellectual property or proprietary rights of third parties, which may expose us to litigation and potential liability; and

- drug discovery collaborations may be terminated prior to our receipt of any significant value.

In addition, we may be over-reliant on our partners to provide information for molecules that we in-license, or such molecules may no longer be well-protected because the composition of matter patents that once protected them become expired. Moreover, we may have difficulty obtaining the quality and quantity of active pharmaceutical ingredients (API) for use in drug candidates, or we may be unable to ensure the stability of the molecule, all of which is needed to conduct clinical trials or bring a drug candidate to market. For those molecules that we are attempting to repurpose for other indications, our collaboration partners may not have sufficient data, may have poor quality data, or may not be able to help us interpret data, any of which could cause our collaboration to fail.

If any drug discovery collaborations that we enter into do not result in the successful development and commercialization of drug products that result in option fees, milestone payments, royalties, or other payments to us as expected, we may not receive an adequate return on the resources we have invested in such collaborations, which would have an adverse effect on our business, results of operations and prospects. Further, we may not have access to, or may be restricted from disclosing, certain information regarding development and commercialization of our collaborators' drug candidates and, consequently, may have limited ability to inform our stockholders about the status of, and likelihood of achieving, option fees, milestone payments or royalties under such collaborations.

We face substantial competition, which may result in others discovering, developing, or commercializing products before, or more successfully than, we do.

The development and commercialization of new products in the biopharmaceutical and related industries is highly competitive. There are other companies focusing on technology-enabled drug discovery to identify and develop new chemical entities (NCEs) that have not previously been investigated in clinical trials and/or known chemical entities (KCEs) that have been previously investigated. Some of these competitive companies are employing scientific approaches that are the same as or similar to our approach, and others are using entirely different approaches. These companies include large pharmaceutical companies, specialty pharmaceutical companies, and biotechnology companies of various sizes worldwide. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies. Potential competitors also include academic institutions, government agencies, and other public and private research organizations. Many of the companies that we compete against, or which we may compete against in the future, have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals, and marketing approval of products than we do. They may also compete with us in recruiting and retaining qualified scientific and management personnel, in establishing clinical trial sites and patient recruitment for clinical trials, as well as in acquiring technologies complementary to, or necessary for, developing our programs.

Within the field of technology-enabled drug discovery, we believe that our approach utilizing a combination of wet-lab biology to generate our proprietary dataset, and the *in silico* tools in our closed-loop system, sets us apart and affords us a competitive advantage in initiating and advancing drug development programs. We further believe that the principal competitive factors to our business include (i) the accuracy of our computations and predictions; (ii) the ability to integrate experimental and computational capabilities; (iii) the ability to successfully transition research programs into clinical development; (iv) the ability to raise capital; and (v) the scalability of our platform, pipeline, and business.

Any drug candidates that we successfully develop and commercialize will compete with currently-approved therapies, and new therapies that may become available in the future, from segments of the pharmaceutical, biotechnology, and other related industries. The key competitive factors affecting the success of all of our drug candidates, if approved, are likely to be (i) their efficacy, safety, convenience, and price; (ii) the level of non-generic and generic competition; and (iii) the availability and amount of reimbursement from government healthcare programs, commercial insurance plans, and other third-party payors. Our commercial opportunity could be reduced or eliminated if competing products are more effective, have fewer or less severe side effects, are more convenient, or are less expensive than products that we or our collaborators may develop, or if competitors obtain FDA or other regulatory approval more rapidly than us and are able to establish a strong market position before we or our collaborators are able to enter the market.

If our proprietary tools and technology and other competitive advantages do not remain in place and evolve appropriately as barriers to entry in the future, or if we and our collaboration partners are not otherwise able to effectively compete against existing and potential competitors, our business and results of operations may be materially and adversely affected.

Because we have multiple programs and drug candidates in our development pipeline and are pursuing a variety of target indications and treatment modalities, we may expend our limited resources to pursue a particular drug candidate and fail to capitalize on development opportunities or drug candidates that may be more profitable or for which there is a greater likelihood of success.

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We currently focus on the development of drug candidates regardless of the treatment modality or the particular target indication. Because we have limited financial and personnel resources, we may forgo or delay pursuit of opportunities with potential target indications or drug candidates that later prove to have greater commercial potential than our current and planned development programs and drug candidates. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and other future drug candidates for specific indications may not yield any future drug candidates that are commercially viable.

We and our collaborators may not achieve projected discovery and development milestones and other anticipated key events in the time frames that we or they announce, which could have an adverse impact on our business and could cause our stock price to decline.

From time to time we have made, and in the future are likely to make, public statements regarding the expected timing of certain milestones and key events, such as the commencement and completion of preclinical and clinical studies in our internal drug discovery programs as well as developments and milestones under our collaborations. Our collaborators, such as Roche Genentech, have also made public statements regarding expectations for the development of programs under collaborations with us and may in the future make additional statements about their goals and expectations for collaborations with us. The actual timing of these events can vary dramatically due to a number of factors, such as (i) delays or failures in our, or our current and future collaborators', drug discovery and development programs; (ii) the amount of time, effort, and resources committed by us and our current and future collaborators; and (iii) the numerous uncertainties inherent in the development of drugs. As a result, there can be no assurance that our, or our current and future collaborators', programs will advance or be completed in the time frames we or they announce or expect. If we or any collaborators fail to achieve one or more of these milestones or other key events as planned and announced, our business and reputation could be materially adversely affected.

RISKS RELATED TO OUR PLATFORM AND DATA

We have invested, and expect to continue to invest, in research and development efforts to further enhance our drug discovery platform, which is central to our mission. If the return on these investments is lower or develops more slowly than we expect, our business and operating results may suffer.

Our drug discovery platform is central to our mission to decode biology by integrating technological innovations across biology, chemistry, automation, data science, and engineering. The platform includes the Recursion Operating System, which combines an advanced infrastructure layer to generate proprietary biological and chemical datasets, and the Recursion Map, a suite of custom software, algorithms, and machine learning tools. Our platform depends upon the continuous, effective, and reliable operation of our software, hardware, databases, and related tools and functions, as well as the integrity of our data. Our ability to develop drug candidates and increase revenue depends in large part on our ability to enhance and improve our platform. The success of any enhancement to our platform depends on several factors, including (i) innovation in hardware solutions; (ii) increased computational storage and processing capacity; (iii) development of more advanced algorithms; and (iv) generation of additional biological and chemical data, such as that which is necessary to our ability to identify important and emerging use cases and quickly develop new and effective innovations to address those use cases.

We have invested, and expect to continue to invest, in research and development efforts, acquisitions, and licensing agreements that further enhance our platform. These investments may involve significant time, risks, and uncertainties, including the risks that any new software or hardware enhancement or the integration of software or hardware from an acquired company or third party licensor may not be introduced in a timely or cost-effective manner; may not keep pace with technological developments; or may not achieve the functionality necessary to generate significant revenues.

Our proprietary software tools, hardware, and data sets are inherently complex. We have from time to time found defects, vulnerabilities, or other errors in our software and hardware that produce the data sets we use to discover new drug candidates, and new errors with our software and hardware may be detected in the future. The risk of errors is particularly significant when new software or hardware is first introduced or when new versions or enhancements of existing software or hardware are implemented. Errors may also result from the interface of our proprietary software and hardware tools with our data or with third-party systems and data.

If we are unable to successfully enhance our drug discovery platform, or if there are any defects or disruptions in our platform that are not timely resolved, our ability to develop new innovations and ultimately gain market acceptance of our products and discoveries could be materially and adversely impacted, and our reputation, business, operating results and prospects could be materially harmed.

Our information technology systems and infrastructure may fail or experience security breaches and incidents that could adversely impact our business and operations and subject us to liability.

We have experienced significant growth in the complexity of our data and the software tools that our hardware infrastructure supports. We rely significantly upon information technology systems and infrastructure owned and maintained by us or by third party providers to generate, collect, store, and transmit confidential and proprietary information and data (including but not limited to intellectual property, proprietary business information, and personal information) and to operate our business. We also outsource elements of our operations to, and obtain products and services from, third parties and engage in collaborations for drug discovery with third parties, each of which has or could have access to our confidential or proprietary information.

We deploy and operate an array of technical and procedural controls to reduce the risks to our information technology systems, infrastructure and data and to work to maintain the availability, confidentiality and integrity of our data, and we expect to continue to incur significant costs on such detection and prevention efforts. Despite these measures, our information technology and other internal infrastructure systems face the risk of failures, interruptions, security breaches and incidents, or other harm from various causes or sources, and third parties with whom we share confidential or proprietary information face similar risks and may experience similar events that materially impact us. These causes or sources include but are not limited to the following:

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- service interruptions;
- system malfunctions;
- computer viruses and other malicious code;
- natural disasters;
- global political instability;

- warfare;
- telecommunication and electrical failures;
- inadvertent or intentional actions by our employees or third-party providers; and
- cyber-attacks by malicious third parties, including the deployment of ransomware and malware, denial-of-service attacks, social engineering, and other means to affect service reliability and threaten the confidentiality, integrity, and availability of information.

With respect to cyber-attacks, the techniques used by cyber criminals change frequently, may not be recognized until launched, and can originate from a wide variety of sources, including outside groups and individuals with a range of motives (including industrial espionage) and expertise, such as organized crime affiliates, terrorist organizations, or hostile foreign governments or agencies. These risks may be heightened in connection with geopolitical events such as the conflict between Russia and Ukraine. The costs to us to investigate and mitigate actual and suspected cybersecurity breaches and incidents could be significant. We may not be able to anticipate all types of security threats and implement preventive measures effective against all such threats. In addition, an increased amount of work is occurring remotely, including through the use of mobile devices. This could increase our cybersecurity risk, create data accessibility concerns, and make us more susceptible to communication disruptions.

We have experienced, and may continue to experience, cyber-attacks, security breaches and incidents, and other system failures, although to our knowledge we have not experienced any material interruption or incident as of December 31, 2022 December 31, 2023. The loss, corruption, unavailability of, or damage to our data would interfere with and undermine the insights we draw from our platform and could impair the integrity of our clinical trial data, leading to regulatory delays or the inability to get our drug candidates approved. If we do not accurately predict and identify our infrastructure requirements and failures and timely enhance our infrastructure, or if our remediation efforts are not successful, it could result in a material disruption of our business operations and development programs, including the loss or unauthorized disclosure of our trade secrets, individuals' personal information, or other proprietary or sensitive data. A security breach or incident that leads to unauthorized acquisition, disclosure, or other processing of our intellectual property or other proprietary information could also affect our intellectual property rights and enable competitors to compete with us more effectively. Likewise, as we rely on third parties for the manufacture of our drug candidates and to conduct clinical trials, similar events relating to their systems and operations could also have a material adverse effect on our business and lead to regulatory agency actions.

Moreover, any security breach or other event that leads to loss of, unauthorized access to, disclosure of, or other processing of personal information, including personal information regarding clinical trial subjects, contractors, directors, or employees, or the perception any of these has occurred, could harm our reputation, compel us to comply with federal and/or state notification laws and foreign law equivalents, subject us to mandatory corrective action, and otherwise subject us to liability under laws and regulations that protect the privacy and security of personal information. For more information see "Risk Factors— We are subject to U.S. and foreign laws regarding privacy, data protection, and data security that could entail substantial compliance costs, while the failure to comply could subject us to significant liability" set forth below.

Failures, disruptions, security breaches and incidents, cyber-attacks, and other harmful events impacting data processed or maintained in our business, or information technology systems or infrastructure used in our business, including those resulting in a loss of or damage to our information technology systems or infrastructure, or the loss of or inappropriate acquisition, disclosure, or other processing of confidential, proprietary, or personal information, or the perception any of these has occurred, could expose us to a risk of loss, enforcement measures, regulatory agency investigations, proceedings, and other actions, penalties, fines, indemnification claims, litigation, potential civil or criminal liability, collaborators' loss of confidence, damage to our reputation, and other consequences, which could materially adversely affect our business and results of operations. While we maintain insurance coverage for certain expenses and liabilities related to failures or breaches of our information technology systems, it may not be adequate to cover all losses associated with such events. In addition, such insurance may not be available to us in the future on satisfactory terms or at all. Furthermore, if the information technology systems of third parties with whom we do business become subject to disruptions or security breaches or incidents, we may have insufficient recourse against them.

Interruptions in the availability of server systems or communications with internet or cloud-based services, or failure to maintain the security, confidentiality, accessibility, or integrity of data stored on such systems, could harm our business.

We rely on third-party data centers and telecommunications solutions, including cloud infrastructure services such as Google Cloud and Amazon Web Services, to host substantial portions of our technology platforms and to support our business operations. We have no control over these cloud-based service or other third-party providers, although we attempt to reduce risk by minimizing reliance on any single third party or its operations. We have experienced, and expect we may in the future again experience, system interruptions, outages, or delays due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions, and capacity constraints. A prolonged service disruption affecting our cloud-based solutions could damage our reputation or otherwise materially harm our business.

Further, if the security measures of our third-party data center or cloud infrastructure providers are breached by cyber-attacks or other means and unauthorized access to our information technology systems or data occurs, it could result in interruptions to our operations and the loss of proprietary or confidential information, which could damage our reputation, cause us to incur substantial costs, divert our resources from other tasks, and subject us to significant legal and financial exposure and liabilities, any one of which could materially adversely affect our business, results of operations, and prospects. Such third-party providers may also be subject to natural disasters, global political instability, warfare, power losses, telecommunications failures, or other disruptive events that could negatively affect our business and require us to incur significant costs to secure alternate

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cloud-based solutions. In addition, any changes in our third-party providers' service levels or features that we utilize or a termination of our agreements could also adversely affect our business.

Our solutions utilize third-party open source software (OSS), which presents risks that could adversely affect our business and subject us to possible litigation.

Our solutions include software that is licensed from third parties under open source licenses, and we expect to continue to incorporate such OSS in our solutions in the future. We cannot ensure that we have effectively monitored our use of OSS, validated the quality or source of such software, or are in compliance with the terms of the applicable open source licenses or our policies and procedures. Use of OSS may entail greater risks than use of third-party commercial software because open source licensors generally do not provide support, updates, or warranties or other contractual protections regarding infringement claims or the quality of the code. OSS may also be more susceptible to security vulnerabilities. Third-party OSS providers could experience service outages, data loss, privacy breaches, cyber-attacks, and other events relating to the applications and services they provide, which could diminish the utility of these services and harm our business. We also could be subject to lawsuits by third parties claiming that what we believe to be licensed OSS infringes such parties' intellectual property rights, which could be costly for us to defend and require us to devote additional research and development resources to change our solutions.

RISKS RELATED TO OUR OPERATIONS/COMMERCIALIZATION Issues relating to the use of artificial intelligence and machine learning in our offerings could adversely affect our business and operating results.

The COVID-19 pandemic We incorporate artificial intelligence and machine learning ("AI") solutions into our platform, in applications that are important to our operations and our drug discovery processes. There are significant risks involved in utilizing AI. Issues relating to the use of new and evolving technologies such as AI and machine learning may materially cause us to experience brand or reputational harm, competitive harm, legal liability, and new or enhanced governmental or regulatory scrutiny, and we may incur additional costs to resolve such issues. Known risks of AI currently include inaccuracy, bias, toxicity, intellectual property infringement or misappropriation, data privacy and cybersecurity issues, and data provenance disputes. Perceived or actual technical, legal, compliance, privacy, security, ethical or other issues relating to the use of AI may cause public confidence in AI to be undermined, which could slow our customers' adoption of our products and services that use AI. In addition, litigation or government regulation related to the use of AI may also adversely impact our and others' abilities to develop and offer products that use AI, as well as increase the cost and complexity of doing so. See the section titled "—Regulatory and legislative developments related to the use of AI could adversely affect our use of such technologies in our products, services, and business." Developing, testing and deploying AI systems may also increase the cost profile of our product offerings due to the nature of the computing costs involved in such systems, which could impact our project margin and adversely affect our business and operating results and could disrupt results. In addition, AI may have or produce errors or inadequacies that are not easily detectable. If the development of our drug candidates.

The COVID-19 pandemic, and data used to train AI or the related adverse public health developments, have disrupted the normal operations of businesses across industries, including the biotechnology and pharmaceutical industries. National, state, and local governments content, analyses, or recommendations that AI applications assist in regions affected by the COVID-19 pandemic have implemented, producing are or may implement or reinstitute, measures such as quarantines, shelter-in-place policies, travel restrictions, and other public safety protocols. The health effects of the pandemic, along with these initiatives, have adversely affected workforces, organizations, government entities, healthcare communities, regional and national economies, and financial markets, leading to economic slowdowns and increased market volatility from time to time.

We continue to monitor applicable government recommendations and have made some modifications to our normal operations. For example, we have instituted a hybrid remote work policy for certain personnel. Although we believe that these and the other safety measures we have taken have not substantially impacted our productivity or business activities, it is not certain that this will continue are alleged to be the case. Moreover, the risk of cyber-attacks deficient, inaccurate, incomplete, overbroad or other privacy or data security incidents may be heightened as a result of the increased number of personnel working remotely, which may be less secure and lead to the release of confidential or proprietary information that could adversely affect our business. And notwithstanding governmental precautionary measures or those implemented by us, the COVID-19 pandemic or other similar outbreak could affect the health and availability of our workforce, as well as that of the third parties from whom we obtain goods and services.
In addition, the global spread of COVID-19 — including any variants that are more contagious, have more severe effects, or are resistant to treatments or vaccinations — could adversely impact our preclinical or clinical trial operations in the U.S. and other countries, including our ability to recruit and retain trial participants as well as principal investigators and site staff. As may be the case with other biopharmaceutical companies, we have experienced difficulties in enrolling participants, and delays in activating new trial sites and in initiating and concluding preclinical and clinical studies, and could experience protocol deviations. Also, the COVID-19 pandemic has made it more difficult or costly to source products needed for the trials, or to engage with CROs and regulatory authorities regarding our drug candidates. Any negative impact COVID-19 has on enrollment in or the execution of our drug trials, or our interactions with CROs or regulatory authorities, could cause costly delays, adversely affect our ability to obtain regulatory approval for and to commercialize our drug candidates, increase our operating expenses, and have material adverse effect on biased, our business, operating results, financial condition, and prospects. As COVID-19 conditions have improved, the effects noted above have eased but the duration and sustainability of any such improvements is uncertain.

The ultimate direct and indirect impacts of COVID-19 on our operations, including our research and development activities and preclinical and clinical trials, or the operations of our third-party partners, will depend on future developments that are highly uncertain and difficult to predict. If these impacts are more severe than we anticipate or if our countermeasures are insufficient, it could disrupt our ability, or our collaborators' ability, to develop, obtain regulatory approvals for, and commercialize drug candidates, and would have a material adverse effect on our business, results of operations may be adversely affected. The legal landscape and prospects. Further, uncertainty around these subsequent legal protection for the use of AI remains uncertain, and related issues could lead to adverse effects on the economies development of the U.S. and other countries, which law in this area could impact our ability to raise the capital needed enforce our proprietary rights or protect against infringing uses. If we do not have sufficient rights to develop and commercialize our drug candidates. collect or use the data on which our AI relies or to the outputs produced by AI applications, we may incur liability through the alleged violation of certain laws, third-party privacy rights, online terms of service, or other contracts to which we or our data providers are a party. Our use of AI applications may also, in the future, result in cybersecurity incidents that implicate the personal data of customers or patients. Any such cybersecurity incidents related to our use of AI applications could adversely affect our reputation and results of operations.

RISKS RELATED TO OUR OPERATIONS/COMMERCIALIZATION

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Even if any drug candidates we develop receive marketing approval, they may fail to achieve the degree of market acceptance by physicians, patients, healthcare payors, and others in the medical community necessary for commercial success.

The commercial success of our drug candidates that receive marketing approval will depend upon their degree of market acceptance by physicians, patients, third-party payors, and others in the medical community. The degree of market acceptance will depend on a number of factors, including but not limited to the following:

- their efficacy and safety as demonstrated in pivotal clinical trials and published in peer-reviewed journals;
- their potential and perceived advantages compared to alternative treatments, including any similar generic treatments;
- the prevalence and severity of any side effects or adverse events;
- our ability to offer these products for sale at competitive prices;
- our ability to offer appropriate patient access programs, such as co-pay assistance;
- their convenience and ease of dosing and administration compared to alternative treatments;
- the clinical indications for which the drug candidate is approved by the FDA or comparable regulatory authorities;
- product labeling or product insert requirements of the FDA or other comparable foreign regulatory authorities, including any limitations, contraindications, or warnings;
- restrictions on how the product is distributed;
- the timing of market introduction of competitive products;
- publicity concerning these products or competing products and treatments;
- the strength of marketing and distribution support; and
- favorable third-party coverage and sufficient reimbursement.

Sales of medical products also depend on the willingness of physicians to prescribe treatment with our drug products, which is likely to be based on a determination by these physicians that the products are safe, therapeutically effective, and cost effective. In addition, the inclusion or exclusion of products from treatment guidelines established by various physician groups, as well as the viewpoints of influential physicians, can affect the willingness of other physicians to prescribe treatment with our drug products. We cannot predict whether physicians, physicians' organizations, hospitals, other healthcare providers, government agencies, or private insurers will determine that any product we may develop is safe, therapeutically effective and cost effective as compared with competing treatments. If any drug candidateswe develop do not achieve an adequate level of acceptance, we may not generate significant product revenue, and we may not become profitable.

If we are unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market any drug candidates we may develop, we may not be successful in commercializing those drug candidates, if and when they are approved.

We do not have a sales or marketing infrastructure and have little experience in the sale, marketing, or distribution of pharmaceutical products. To achieve commercial success for any approved product for which we retain sales and marketing responsibilities, we must either develop a sales and marketing organization, develop sales and marketing software solutions, or outsource these functions to third parties. In the future, we may choose to build a focused sales, marketing, and commercial support infrastructure to market and sell our drug candidates, if and when they are approved. We may also elect to enter into collaborations or strategic partnerships with third parties to engage in commercialization activities with respect to selected drug candidates, indications, or geographic territories, including territories outside the United States, although there is no guarantee we will be able to enter into these arrangements.

There are risks involved with both establishing our own commercial capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force or reimbursement specialists is expensive and time-consuming and could delay any product launch. If the commercial launch of a drug candidate for which we recruit a sales force and establish marketing and other commercialization capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition commercialization personnel. Factors that may inhibit our efforts to commercialize any approved product on our own include but are not limited to the following:

- the inability to recruit and retain adequate numbers of effective sales, marketing, reimbursement, customer service, medical affairs, and other support personnel;
- the inability of sales personnel or software tools to obtain access to physicians or persuade adequate numbers of physicians to prescribe any future approved products;
- the inability of reimbursement professionals to negotiate arrangements for formulary access, reimbursement, and other acceptance by payors;
- the inability to price products at a sufficient price point to enable an adequate and attractive level of profitability;
- restricted or closed distribution channels that make it difficult to distribute our products to segments of the patient population;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent commercialization organization.

If we enter into arrangements with third parties to perform sales, marketing, commercial support, and distribution services, they may also experience many of the above challenges. In addition, our product revenue or the profitability of product revenue may be lower than if we were to market and sell any products we may develop internally. We may not be successful in entering into such arrangements, or we may be unable to do so on terms that are favorable to us or them. We also may have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively, or they may expose us to legal and regulatory risk by not adhering to regulatory requirements and restrictions governing the sale and promotion of prescription drug products, including those restricting off-label promotion. If we do not establish commercialization capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing any future approved drug candidates.

We are subject to regulatory and operational risks associated with the physical and digital infrastructure at both our internal facilities and those of our external service providers.

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Our facilities in Salt Lake City, Utah have not been reviewed or pre-approved by any regulatory agency, such as the FDA. An inspection by the FDA could disrupt our ability to generate data and develop drug candidates. Our laboratory facilities are designed to incorporate a significant level of automation of equipment, with integration of several digital systems to improve efficiency of research operations. We have attempted to achieve a high level of digitization for a research operation relative to industry standards. While this is meant to improve operational efficiency, this may pose additional risk of equipment malfunction and even overall system failure or shutdown due to internal or external factors including, but not limited to, design issues, system compatibility, or potential cybersecurity breaches. This may lead to delay in potential drug candidate identification or a shutdown of our facility. Any disruption in our data generation capabilities could cause delays in advancing new drug candidates into our pipeline, advancing existing programs, or enhancing the capabilities of our platform, including expanding our data, the occurrence of which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

In the future, we may manufacture drug substances or products at our facilities for preclinical and clinical use, and we may face risks arising from our limited prior manufacturing capability and experience.

We do not currently have the infrastructure or capability internally to manufacture drug substances or products for preclinical, clinical, or commercial use. If, in the future, we decide to produce drug substances or products for preclinical and clinical use, the costs of developing suitable facilities and infrastructure and implementing appropriate manufacturing processes may be greater than expected. We may also have difficulty implementing the full operational state of the facility, causing delays to preclinical or clinical supply or the need to rely on third-party service providers, resulting in unplanned expenses.

As we expand our development and commercial capacity, we may establish manufacturing capabilities inside the Salt Lake City area or in other locations or geographies, which may lead to regulatory delays or prove costly. If we fail to select the correct location, complete construction in an efficient manner, recruit the appropriate personnel, and generally manage our growth effectively, the development and production of our drug candidates could be delayed or curtailed.

Recursion, or the third parties upon whom we depend, may be adversely affected by natural disasters, and our business continuity plans and insurance coverage may not be adequate.

Our current operations are located in Salt Lake City, Utah; Milpitas, California; and Montreal, Canada. A natural disaster or other serious unplanned event, such as flood, fire, explosion, earthquake, extreme weather condition, pandemic (including COVID-19), power shortage, telecommunications failure, global political instability, warfare, or man-made incident, could result in us being unable to fully utilize our facilities, delays in the development of our drug candidates, interruption of our business operations, or unexpected increased costs, which may have a material and adverse effect on our business. Our collaboration partners, as well as suppliers to us or our collaboration partners, and our third-party service providers and vendors, are similarly subject to some or all of these events. If a natural disaster, power outage, or other event occurs that (i) prevents us from using all or a significant portion of our headquarters or our datacenters; (ii) damages critical infrastructure or our equipment, such as our research facilities or the manufacturing facilities of our third-party contract manufacturers; or (iii) otherwise significantly disrupts operations, it may be difficult, or in certain cases impossible, for us to continue our business for a substantial period of time.

Furthermore, the disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses, business interruptions, and harm to our research and development programs as a result of the limited nature of our disaster recovery and business continuity plans. As part of our risk management policy, we maintain insurance coverage at levels that we believe are appropriate for our business to the extent it is available on commercially reasonable terms. However, in the event of an accident or incident at these facilities, the amounts of insurance may not be sufficient to cover all of our damages and losses.

In addition, our facilities in Salt Lake City, Utah are located in a busy downtown area. Although we believe we have taken the necessary steps to ensure our operations are safe to the surrounding area, there could be a risk to the public if we were to conduct hazardous material research, including use of flammable chemicals and materials, at our facilities. If the surrounding community perceives our facility as unsafe, it could have a material and adverse effect on our reputation, operations, and prospects.

If we fail to comply with environmental, health and safety, or other laws and regulations, we could become subject to fines, penalties, or personal injury or property damages.

We are subject to numerous environmental, health and safety, and other laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment, and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological and radioactive materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for significant damages for harm to persons or property, as well as civil or criminal fines and penalties. Although we maintain workers' compensation insurance to cover costs and expenses arising from injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against all such potential liabilities.

Our insurance policies are expensive and protect us only from some business risks, which leaves us exposed to significant uninsured liabilities.

We do not carry insurance for all categories of risk that our business may encounter and insurance coverage is becoming increasingly expensive. We do not know if we will be able to maintain existing insurance with adequate levels of coverage in the future, and any liability insurance coverage we acquire in the future may not be sufficient to reimburse us for any expenses or losses we may suffer. If we obtain marketing approval for any drug candidates that we or our collaborators may develop, we intend to acquire insurance coverage

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to include the sale of commercial products, but we may be unable to obtain such insurance on commercially reasonable terms or in adequate amounts. The coverage or coverage limits currently maintained under our insurance policies may not be adequate. If our losses exceed our insurance coverage, our financial condition would be adversely affected. Clinical trials or regulatory approvals for any of our drug candidates could be suspended, which could adversely affect our results of operations and business, including by preventing or limiting the development and commercialization of any drug candidates that we or our collaborators may identify. Additionally, operating as a public company has made it more expensive for us to obtain directors and officers liability insurance. If we do not maintain adequate levels of directors and officers liability insurance, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors and in our executive team.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes may be limited.

We have substantial federal net operating loss (NOL) carryforwards. To the extent that we continue to generate taxable losses as expected, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire, except the federal NOLs generated during and after fiscal year 2018 are carried forward indefinitely. Under Section 382 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an "ownership change," its ability to use pre-change NOL carryforwards and certain other pre-change tax attributes (such as research tax credits) to offset its post-change income could be subject to an annual limitation. An "ownership change" is generally defined as a greater than 50%change by value in the ownership of the corporation's equity by one or more 5% shareholders over a three-year period. Such annual limitation could result in the expiration of a portion of our NOL carryforwards before full utilization thereof. We may have experienced ownership changes within the meaning of Section 382 in the past and we may experience some ownership changes in the future as a result of subsequent shifts in our stock ownership, such as a result of our follow-on offerings or subsequent shifts in our stock ownership (some of which shifts are outside our control). We have not yet conducted a study to assess whether an ownership change has occurred. Future legislative or regulatory changes could also negatively impact our ability to utilize our NOL carryforwards or other tax attributes. Provisions of state tax law may also suspend or otherwise limit our ability to use NOLs and accumulated state tax attributes. As a result, if we attain profitability, we may be unable to use all or a material portion of our NOL carryforwards and other tax attributes for federal and state tax purposes, which could result in increased tax liability and adversely affect our future cash flows.

Changes in tax laws or regulations that are applied adversely to us may have a material adverse effect on our business, cash flow, financial condition or results of operations.

New income, sales, use or other tax laws or regulations could be enacted at any time, which could affect our tax profile and our business and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. For example, the Tax Cuts and Jobs Act of 2017 (TCJA) eliminates eliminated the option to deduct research and development expenditures currently and requires taxpayers to capitalize and amortize them over five or fifteen years pursuant to Code Section 174, beginning in 2022. Further, the Inflation Reduction Act of 2022 (IRA), among other changes, imposes a one-percent excise tax on stock repurchases made on or after January 1, 2023. Any further changes in tax laws or regulations that are applied adversely to us could have a material adverse effect on our business, cash flow, financial condition or results of operations.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect, or financial reporting standards or interpretations change, our results of operations could be adversely affected.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience, known trends and events, and various other factors that we believe to be reasonable under the circumstances, as provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Use of Estimates." The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include stock-based compensation and valuation of our equity investments in early-stage biotechnology companies. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions.

Additionally, we regularly monitor our compliance with applicable financial reporting standards and review new pronouncements and drafts thereof that are relevant to us. As a result of new standards, changes to existing standards, or changes in their interpretation, we might be required to change our accounting policies, alter our operational policies, and implement new or enhanced systems so that they reflect new or amended financial reporting standards, or we may be required to restate our published financial statements, which may have an adverse effect on our financial position and reputation.

Product liability lawsuits could cause us to incur substantial liabilities and could limit commercialization of any drug candidates that we may develop.

We face an inherent risk of product liability exposure related to the testing of drug candidates in human clinical trials, and we will face an even greater risk if we commercially sell any medicines that we may develop. If we cannot successfully defend ourselves against claims that our drug candidates or medicines caused injuries, we could incur substantial damages or settlement liability. Regardless of merit or eventual outcome, liability claims may also result in adverse effects including but not limited to the following:

- decreased demand for any drug candidates or therapeutics that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue; and
- the inability to commercialize our drug candidates.

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Although we maintain product liability insurance, including coverage for clinical trials that we sponsor, it may not be adequate to cover all liabilities that we may incur. We anticipate that we will need to increase our insurance coverage as we commence additional clinical trials and if we successfully commercialize any drug candidates. The market for insurance coverage can be challenging, and the costs of insurance coverage will increase as our clinical programs increase in size. We may not be able to maintain insurance coverage at a reasonable cost and with adequate limits to satisfy any and all liability that may arise.

RISKS RELATED TO OUR RELIANCE ON THIRD PARTIES

Third parties that perform some of our research and preclinical testing or conduct our clinical trials may not perform satisfactorily or their agreements may be terminated.

We currently rely, and expect to continue to rely, on third parties to conduct some aspects of research and preclinical testing and clinical trials. The third parties include CROs, clinical data management organizations, medical institutions, and principal investigators. Any of these third parties may fail to fulfill their contractual obligations, including by not meeting deadlines for the completion of research, testing, or trials, or we or they may terminate their engagements with us. If any of our relationships with these third parties terminate, we may not be able to enter into arrangements with alternative third parties on commercially reasonable terms, or at all. If we need to enter into alternative arrangements, such negotiations could delay product development activities.

Our reliance on third parties for research and development activities reduces our control over these activities, but does not relieve us of our responsibilities. For example, we remain responsible for ensuring that each of our respective clinical trials is conducted in accordance with the general investigational plan and protocols for the trial, as well as applicable legal, regulatory, and scientific standards. We also are required to register ongoing clinical trials and post the results of completed clinical trials on a government-sponsored database within certain timeframes. In addition, the FDA and comparable foreign regulatory authorities require compliance with good clinical practices (GCP) guidelines for conducting, recording, and reporting the results of clinical trials to assure that data and reported results are credible, reproducible, and accurate, and that the rights, integrity, and confidentiality of trialparticipants are protected. Regulatory authorities enforce GCP compliance through periodic inspections of trial sponsors, principal investigators, and trial sites.

If we or any of the third parties fail to comply with applicable GCP regulations, some or all of the clinical data generated in our clinical trials may be deemed unreliable, and the FDA or comparable foreign regulatory authorities may require us to perform additional nonclinical or clinical trials or to enroll additional patients before approving our marketing applications. In addition, if we or the third parties fail to comply with our stated protocols or applicable laws and regulations during the conduct of clinical trials, we or the third parties could be subject to warning letters or enforcement actions by the FDA and comparable foreign regulatory authorities, which could result in civil penalties or criminal prosecution, as well as adverse publicity that harms our business.

We also will not be able to obtain, or may be delayed in obtaining, marketing approvals for any drug candidates we may develop if these third parties do not successfully carry out their contractual duties, meet expected deadlines, or conduct clinical trials in accordance with our stated protocols or regulatory requirements. As a result, we may be delayed or unable to successfully commercialize our drug candidates.

Third parties that manufacture our drug candidates for preclinical development, clinical testing, and future commercialization may not provide sufficient quantities of our drug candidates or products at an acceptable cost, which could delay, impair, or prevent our development or commercialization efforts.

We do not currently own or operate any manufacturing facilities and have no manufacturing personnel. We rely, and expect to continue to rely, on third parties for drug supplies for our clinical trials, the manufacture of many of our drug candidates for preclinical development and clinical testing, as well as the commercial manufacture of our products if any of our drug candidates receive marketing approval. We may be unable to establish necessary agreements with third-party manufacturers or to do so on acceptable terms. This reliance on third parties increases the risk that we will not have sufficient quantities of our drug candidates or products, or will not have sufficient quantities at an acceptable cost or quality, which could delay, impair, or prevent our development or commercialization efforts.

In addition, the facilities used by our contract manufacturers to manufacture our drug candidates must be inspected by the FDA pursuant to pre-approval inspections that will be conducted after we submit our marketing applications to the FDA. We do not expect to control the manufacturing process of, and will be completely dependent on, our contract manufacturers for compliance with current good manufacturing practice guidelines (cGMP) in connection with the manufacture of our drug candidates in the near to intermediate term, or possibly the long term. If our contract manufacturers cannot maintain adequate quality control and qualified personnel to successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or others, including cGMP guidelines, they will not be able to pass regulatory inspections and/or maintain regulatory compliance for their manufacturing facilities.

If the FDA or a comparable foreign regulatory authority finds deficiencies with, does not approve, or withdraws approval of these facilities for the manufacture of our drug candidates, we may need to find alternative manufacturing facilities, which would significantly impact our timelines and ability to develop, obtain regulatory approval for, or market our drug candidates, if approved. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us. Our drug candidates and any other products that we may develop may compete with the drug candidates and approved products of other companies for access to manufacturing facilities or capacity, which may further restrict our ability to secure alternative manufacturing sites.

Further, our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of drug candidates or products that may be approved, operating restrictions, and criminal prosecutions, any of which could significantly and adversely affect our business, supplies of our drug candidates, and prospects.

Even if we are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including but not limited to the following:

- reliance on the third party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third party;

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- the possible misappropriation of our proprietary information, including our trade secrets and know-how; and
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us.
-

Any performance failure on the part of our existing or future third-party manufacturers could delay clinical development or marketing approval. If it is necessary to replace any such third-party manufacturer, we may incur added costs and delays in identifying and qualifying any a replacement. In addition, any performance failure on the part of our distributors could delay clinical development or marketing approval of any drug candidates we may develop or seek to commercialize, producing additional losses and depriving us of product revenue.

Our current and anticipated future dependence upon others for the manufacture and distribution of our drug candidates or products may adversely affect our future profit margins and our ability to commercialize any products that receive marketing approval on a timely and competitive basis, if at all.

If we are unable to adequately source clinical and commercial supplies, equipment, and active pharmaceutical ingredients (API) from third party vendors as our drug development pipeline matures, our business could be significantly harmed.

We procure raw materials, components, parts, consumables, reagents, and equipment used in the development and operation of our platform and the development of our drug candidates from third party vendors. We also rely on third party vendors to perform quality testing. Particular risks to our platform include reliance on third-party equipment and instrument suppliers and consumable and reagent suppliers. As we increase development of drug products and commence clinical testing and commercialization, we will require expanded capacity across our supply chain. We face risks regarding our sourcing of products and quality-testing services, including but not limited to the following:

- the inability of suppliers and service providers to grow their capacity to meet demand, whether from us or other drug manufacturers, particularly if the field of technology-enabled drug discovery continues to expand;
- termination or non-renewal of supply and service agreements with third parties in a manner or at a time that is costly or damaging to us;
- disruptions to the operations of these suppliers and service providers caused by conditions unrelated to our business or operations, including the bankruptcy of the supplier or service provider or force majeure events, such as the COVID-19 pandemic, public health crises, global political instability, natural disasters, supply chain issues, or warfare; and
- inspections of third-party facilities by regulatory authorities that could have a negative outcome and result in delays in, or termination of, their ability to meet our requirements.

Moreover, certain of our specialized equipment, as well as the API used in our drug candidates, are obtained from single-source suppliers. Our ability to successfully develop our drug candidates, and to ultimately supply our commercial products in quantities sufficient to meet the market demand, depends in part on our ability to obtain equipment and the API for these products in accordance with regulatory requirements and in sufficient quantities for clinical testing and commercialization. We do not currently have arrangements in place for a redundant or second-source supply of any such equipment or ingredients in the event any of our current suppliers fails or is unable to meet our requirements. While our single-source suppliers have generally met our demand for their products on a timely basis in the past, we are not certain that they will be able to meet our future demand, whether due to any of the above factors, the nature of our agreements with those suppliers, our limited experience with those suppliers, our relative importance as a customer, or any other reason. For all of our drug candidates, we intend to identify and qualify additional vendors and manufacturers, as available, to provide such equipment and API prior to our submission of an NDA to the FDA and/or an MAA to the EMA, which may require additional regulatory inspection or approval and result in further delay.

Any interruption or delay in the supply of components, materials, specialized equipment, API, and quality-testing sources at acceptable prices and in a timely manner could impede, delay, limit, or prevent our development efforts, which could harm our business, results of operations, and prospects.

RISKS RELATED TO OUR INTELLECTUAL PROPERTY

Our success significantly depends on our ability to obtain and maintain patents of adequate scope covering our proprietary technology and drug candidate products. Obtaining and maintaining patent assets is inherently challenging, and our pending and future patent applications may not issue with the scope we need, if at all.

We protect our products, product candidates, and platform technologies, in both the U.S, and internationally, with patents and patent applications owned by or licensed to us, and we plan to file additional patent applications in the future. Our commercial success will depend depends in significant part on our ability and the ability of our licensors and collaborators to obtain and maintain protect, and enforce our patents patent protection and other intellectual property rights in the U.S. United States and other countries for relating to our drug product candidates and our core proprietary technologies important to the development and implementation of our business, including our phenomics platform, preclinical and clinical assets, and related know-how. business.

Patent prosecution is a complex, expensive, and lengthy process, with no guarantee that a patent will issue in a timely fashion or at all, or with sufficiently broad claims to protect our drug product candidates and core proprietary technologies. Further, the laws and regulations for obtaining and maintaining patents are subject to change by legislative or judicial action in the relevant jurisdictions. The patent positions of pharmaceutical, biotechnology, and other life sciences companies in particular can be highly uncertain and involve complex legal and factual questions for which important legal principles remain unresolved. No consistent policy regarding the breadth of claims allowed in biotechnology patents has emerged to date in the U.S., and tests used for determining the patentability of patent claims in all technologies are in flux. The pharmaceutical, biotechnology, and other life sciences patent laws and regulations outside the U.S. can be even more uncertain. The U.S. Patent and Trademark Office (USPTO) and patent offices in other jurisdictions have

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often required that patent applications concerning pharmaceutical and/or biotechnology-related inventions be limited or narrowed substantially to cover only the specific innovations exemplified in the patent application, thereby limiting the scope of protection against competitive challenges.

The issuance of a patent is not conclusive as to its inventorship, scope, validity, or enforceability, and our owned and licensed patents may be challenged in the patent offices and courts in the United States and abroad. Third parties may invent, publish, or file patents of their own in ways which overlap or conflict with our patent rights. Moreover, even if unchallenged, our owned patent portfolio and any patent portfolio we license may not provide us with any meaningful protection or prevent competitors from designing around our patent claims to circumvent our owned or licensed patents by developing similar or alternative technologies or products in a non-infringing manner. For example, a third party may develop a competitive product that provides benefits similar to one or more of our drug candidates, but that has a different composition that falls outside the scope of our patent protection. In addition, patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after its first effective, non-provisional filing date, and patents protecting drug candidates might expire before or shortly after the candidates are commercialized given the amount of time required for development, testing, and regulatory review. The various governmental patent agencies also require compliance with extensive rules and fee obligations. Failure to do so can, under certain circumstances, result in the abandonment of a patent application or the termination of patent rights. Non-compliance events that could result in abandonment or lapse of a patent or patent application include a failure to respond to official actions within prescribed time limits, non-payment of fees, and failure to properly legalize and submit formal documents.

We have patent applications pending before the USPTO and other patent offices, and we plan to file new applications in the future. Patent offices may require us to significantly narrow our claims based upon prior art discovered by the USPTO or through third-party submissions. Moreover, we do not always have the right to control the preparation, filing, prosecution, and maintenance of licensed patents and applications under arrangements with collaborators or licensors. We may become involved in procedural challenges, including *inter partes* review, which could result in the narrowing or elimination of our patent rights or those of our licensors. This could limit our ability to stop others from freely using or commercializing similar or identical technology and products, or limit the duration of the patent protection covering our technology and drug candidates. Such challenges may also result in our inability to manufacture or commercialize our drug candidates without infringing third-party patent rights. Further, inadvertent or intentional public disclosures of our inventions prior to the filing of a patent application have precluded us, and in the future may preclude us, from obtaining patent protection in certain jurisdictions. We also could fail to identify patentable aspects of our technology and research and development output in time to obtain patent protection.

We also currently own a number of U.S. provisional patent applications. These provisional applications are not eligible to become issued patents until, among other things, we file a non-provisional patent application within 12 months of filing one or more of our related provisional patent applications. If we do not timely file any non-provisional patent applications, we may lose our priority dates with respect to our provisional patent applications and any patent protection on the inventions disclosed in such applications.

Our current patent portfolio contains a limited number of patents and patent applications, some of which are in-licensed from third parties, related to our drug product candidates and methods of their use. We presently do not currently own or in-license license any issued U.S. composition of matter patents with respect for REC-994 or REC-3964. While we license composition of matter patents for REC-4881 and REC-2282, we expect these patents to expire prior to commercial launch. We cannot be certain that any non-provisional patent applications we or our licensors may file will result in issued patent claims covering the composition of our programs, including our lead molecules for the treatment matter of C. difficile colitis (REC-163964, REC-164014, REC-994, REC-2282, REC-4881, and REC-164067); lead molecules for the treatment of STK11-mutant immune checkpoint resistance in non-small cell lung cancer (REC-64151); and MYC inhibitory molecules for the treatment of solid and hematological malignancies. REC-3964.

We cannot provide any assurances that any of our or our licensors' pending or future patent applications will issue, or that any pending or future patent applications that mature into issued patents will include claims with a scope sufficient to protect our drug candidates from competition. If we fail to obtain and maintain adequate intellectual property protection covering any technology, invention, or improvement that is important to our business, or if the scope of the patent protection obtained is not sufficiently broad, we may not be able to prevent third parties from launching generic versions of our products, from using our proprietary technologies, or from marketing products that are very similar or identical to ours. If the breadth or strength of protection provided by our patents and patent applications are threatened, it could also dissuade companies from collaborating with us to license, develop, or commercialize current or future drug candidates. This could have a material, adverse effect on our ability to successfully commercialize our technology and products, and on our business, results of operations, and prospects.

Our current proprietary position for certain drug product candidates depends upon our owned or in-licensed patent filings covering components of such drug product candidates, manufacturing-related methods, formulations, and/or methods of use, which may not adequately prevent a competitor or other third party from using the same drug candidate for the same or a different use.

Composition of matter patent protection is generally considered to be desirable for drug products because it provides protection without regard to any particular method of use or manufacturing, or formulation. For some of the molecules that we in-license from our collaboration partners, we cannot rely on composition of matter patent protection as the term on those patents has already expired or is close to expiring.

Method of use patents protect the use of a product for the specified method and formulation patents cover formulations to deliver therapeutics. While we file applications covering method of use for our programs at appropriate times in the development process, we cannot be certain that claims in any future patents issuing from these applications will cover all commercially-relevant applications of molecules in competing uses. These types of patents do not prevent a competitor or other third party from developing, marketing, or commercializing a similar or identical product for an indication that is outside the scope of the patented method, or from developing a different formulation that is outside the scope of the patented formulation. Moreover, with respect to method of use patents, even if competitors or other third parties do not actively promote their product for our targeted indications or uses for which we may obtain patents, physicians may recommend that patients use these products off-label, or patients may do so themselves. Although off-label use may infringe or contribute to the infringement of method of use patents, the practice is common and this type of infringement is difficult to prevent or enforce. Additionally, some commercially-relevant jurisdictions do not allow for patents covering a new method of use of an otherwise-known molecule. Consequently, we may not be able to prevent third parties from practicing our inventions in the United States or abroad, which may have a material adverse effect on our business.

We may not be able to protect our intellectual property and proprietary rights throughout the world.

Filing, prosecuting, maintaining, and defending patents related to our drug product candidates or other proprietary technologies we may develop in all countries throughout the world would be prohibitively expensive, and the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may

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export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our products, and our patent rights or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, such as certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property protection, particularly those relating to biotechnology products, which could make it difficult for us to stop the infringement of our patent rights or marketing of competing products in violation of our intellectual property and proprietary rights generally. In addition, some jurisdictions, such as Europe, Japan and China, may have a higher standard for patentability than in the United States, including, for example, the requirement of claims having literal support in the original patent filing and the limitation on using supporting data that is not in the original patent filing. Under those heightened patentability requirements, we may not be able to obtain sufficient patent protection in certain jurisdictions even though the same or similar patent protection can be secured in the U.S. and other jurisdictions.

Proceedings to enforce our intellectual property and proprietary rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patent rights at risk of being invalidated or interpreted narrowly, could put our owned or in-licensed patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property and proprietary rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we or any of our licensors are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected.

In 2012, the European Patent Package, or EU Patent Package, regulations were passed with the goal of providing a single pan-European Unitary Patent and a new European Unified Patent Court, or UPC, for litigation involving European patents. Implementation of the EU Patent Package began in June 2023, when the UPC opened for business. Under the UPC, all European patents, including those issued prior to ratification of the European Patent Package, will by default automatically fall under the jurisdiction of the UPC. The UPC provides our competitors with a new forum to centrally revoke our European patents and allow for the possibility of a competitor to obtain pan-European injunctions. It will be several years before we will understand the scope of patent rights that will be recognized and the strength of patent remedies that will be provided by the UPC. Under the EU Patent Package, we have the right to opt our patents out of the UPC over the first seven years of the court's existence, but doing so may preclude us from realizing the benefits of the new unified court.

If we do not obtain patent term extension and data exclusivity for any drug product candidates we may develop, our business may be materially harmed.

Depending upon the timing, duration, and specifics of any FDA marketing approval of any drug candidates we may develop, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Action of 1984, referred to as the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent extension term of up to five years as compensation for patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond 14 years from the date of product approval. Only one patent may be extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. However, we may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or the term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our business, financial condition, results of operations and prospects could be materially harmed.

We may need to license certain intellectual property from third parties, and such licenses may not be available or may not be available on commercially reasonable terms.

The growth of our business may depend in part on our ability to acquire, in-license or use third-party intellectual property and proprietary rights. A third party may hold intellectual property that are is important or necessary to the development of our products. It may be necessary for us to use the patented or proprietary technology of third parties to commercialize our products, in which case we would be required to obtain a license from these third parties on commercially reasonable terms, or our business could be harmed, possibly materially. third. For example, when we explore repurposing molecules owned by our collaboration partners or other third parties, we in-license the rights to use those molecules for our use. In addition, our drug product candidates may require specific formulations to work effectively and efficiently, we may develop product candidates containing our compounds and pre-existing pharmaceutical compounds, or we may be required by the FDA or comparable foreign regulatory authorities to provide a companion diagnostic test or tests with our product candidates, any of which could require us to obtain rights to use intellectual property held by third parties. In addition, with respect to any patent or other intellectual property rights we may co-own with third parties, we may require licenses to such co-owners' interest to such patent or other intellectual property rights. We may be unable to acquire or in-license any compositions, methods of use, processes or other third-party intellectual property rights from third parties that we identify as necessary or important to our business operations. In addition, we may fail to obtain any of these licenses at a reasonable cost or on commercially reasonable terms, if at all. Were that to happen, we may need to cease use of the compositions or methods covered by those third-party intellectual property rights, and may need to seek to develop alternative approaches that do not infringe, misappropriate or otherwise violate those intellectual property rights, which may entail additional costs and development delays, even if we were able to develop such alternatives, which may not be feasible. Even if we are able to obtain a license, it may be non-exclusive, which means that our competitors may also receive access to the same technologies licensed to us. In that event, we may be required to expend significant time and resources to develop or license replacement technology. If we are not able to obtain a license, or to obtain one on commercially reasonable terms and with sufficient breadth to cover the intended use of third-party intellectual property, our business could be materially harmed.

The licensing and acquisition of third-party intellectual property rights is a competitive area, and companies that may be more established or have greater resources than we do may also be pursuing strategies to license or acquire third-party intellectual property rights that we may consider necessary or attractive in order to commercialize our product candidates. More established companies may have a competitive advantage over us due to their size, resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. There can be no assurance that we will be able to successfully complete these types of negotiations and ultimately acquire the rights to the intellectual property related to the products or product candidates that we may seek to develop or market. If we are unable to successfully obtain rights to required third-party intellectual property or to maintain the existing intellectual property rights we have, we may have to abandon development of certain programs and our business, financial condition, results of operations and prospects could suffer.

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Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our products.

Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. Assuming that other requirements for patentability are met, prior to March 2013, in the United States, the first to invent the claimed invention was entitled to the patent, while outside the United States, the first to file a patent application was entitled to the patent. After March 2013, under the Leahy-Smith America Invents Act (the America Invents Act) enacted in September 2011, the United States transitioned to a first inventor to file system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. A third party that files a patent application in the USPTO after March 2013, but before us could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by such third party. This will require us to be cognizant going forward of the time from invention to filing of a patent application. Since patent applications in the United States and most other countries are typically not published until 18 months after filing or until issuance, or in some cases not at all, we cannot be certain that we were the first to either (i) file any patent application related to our therapeutic and diagnostic programs and other proprietary technologies we may develop or (ii) invent any of the inventions claimed in our owned or in-licensed patent applications.

The America Invents Act also includes a number of significant changes that affect the way patent applications will be prosecuted and also may affect patent litigation. These include allowing third party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including post-grant review, *inter partes* review and derivation proceedings. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in United States federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Therefore, the America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our owned or in-licensed patent applications and the enforcement or defense of patents issuing from those patent applications, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, the patent positions of companies in the development and commercialization of pharmaceuticals are particularly uncertain. Recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. For example, U.S. Supreme Court rulings, such as Amgen Inc. v. Sanofi, 598 U.S. 594, 143 S. Ct. 1243 (2023), may limit the breadth of certain genus patent claims covering composition of matter of pharmaceutical products if enough compounds with shared claimed features are not provided. As such, we cannot guarantee that we will be able to obtain patents covering our

drug product candidates. These cases and others like them have created uncertainty with respect to the validity and enforceability of patents, once obtained. Depending on future actions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways. In addition, the complexity and uncertainty of European patent laws have also increased in recent years. Any of the foregoing could have a material adverse effect on our owned and in-licensed patent portfolio and our ability to protect and enforce our intellectual property in the future.

Issued patents covering our drug product candidates and proprietary technology that we have developed or may develop in the future could be found invalid or unenforceable if challenged in court or before administrative bodies in the United States or abroad.

Our patent rights may be subject to priority, validity, inventorship and enforceability disputes. Legal proceedings relating to intellectual property claims, with or without merit, are unpredictable and generally expensive and time-consuming and likely to divert significant resources from our core business, including distracting our management and scientific personnel from their normal responsibilities and generally harm our business. If we or our licensors are unsuccessful in any of these proceedings, such patents and patent applications may be narrowed, invalidated or held unenforceable, we may be required to obtain licenses from third parties, which may not be available on commercially reasonable terms or at all, or we may be required to cease the development, manufacture or commercialization of our product candidates. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

If we or one of our licensors initiated legal proceedings against a third party to enforce a patent covering our drug product candidates or methods of their use, or other proprietary technologies, we may develop, the defendant could counterclaim that such patent is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may raise claims challenging the validity or enforceability of a patent before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post-grant review, *inter partes* review, derivation proceedings, and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in the revocation of, cancellation of or amendment to our patent rights in such a way that they no longer cover our drug product candidates or methods of their use, and other proprietary technologies we may develop. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we or our licensing partners and the patent examiner were unaware during prosecution. If a third party were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our drug product candidates or methods of their use, or other proprietary technologies, that we may develop. Such a loss of patent protection would have a material adverse impact on our business, financial condition, results of operations and prospects.

We may be subject to claims challenging the inventorship of our owned or in-licensed patent rights and other intellectual property.

We may be subject to claims that former employees, collaborators or other third parties have an interest in our patent rights, trade secrets, or other intellectual property as an inventor or co-inventor. For example, we may have inventorship disputes arise from conflicting obligations of consultants or others who are involved in developing our therapeutic

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and diagnostic programs and other proprietary technologies we may develop. Litigation may be necessary to defend against these and other claims challenging inventorship or our patent rights, trade secrets or other intellectual property. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property that is important to our therapeutic and diagnostic programs and other proprietary technologies we may develop. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our management and other employees. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

Intellectual property rights do not necessarily address all potential threats.

The degree of future protection afforded by our intellectual property rights, and particularly those arising from patents, is uncertain because these rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. Examples where our intellectual property rights may not further our competitive advantage include but are not limited to the following:

- others may be able to duplicate or utilize similar technology in a manner that infringes our patents but is undetectable or done in a jurisdiction where we have not secured, or cannot secure or enforce, patent rights;
- we, or our licensing partners or collaborators, might not have been the first to make the inventions covered by our owned or licensed current or future patent applications;
- we, or our licensing partners or collaborators, might not have been the first to file patent applications covering our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our owned or licensed intellectual property rights;
- it is possible that our owned or licensed current or future patent applications will not lead to issued patents;
- any patent issuing from our owned or licensed current or future patent applications may be held invalid or unenforceable, including as a result of legal challenges by our competitors or other third parties, or may not provide us with any competitive advantages;
- our competitors or other third parties might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- it is possible that there are prior public disclosures that could invalidate our or our licensors' patents;
- we may not develop additional proprietary technologies that are patentable;
- the patents or pending or future patent applications of others, if issued, may harm our business; and
- we may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could have a material, adverse effect on our business, results of operations, and prospects.

If we are unable to protect the confidentiality of our trade secrets and know-how, our business and competitive position may be harmed.

In addition to the protection afforded by patents, we rely on trade secret protection and contractual arrangements to protect proprietary know-how, information, and technology that is not covered by our patents. With respect to curating our data and our library of small molecules generally, we consider trade secrets and know-how to be our primary intellectual property. Unpatented proprietary rights, including trade secrets and know-how, can be difficult to protect and may lose their value if their secrecy is lost or if they are independently developed by a third party.

We seek to protect our proprietary technology and processes, in part, by entering into non-disclosure and confidentiality agreements with parties that have access to them, including our collaborators, scientific advisors, employees, and consultants. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes. Our agreements with our employees and consultants also require them to acknowledge ownership by us of inventions they may conceive as a result of their work for us and to perfect such ownership by assignment. However, we may not be able to prevent the unauthorized disclosure or use of our trade secrets or other confidential information through these agreements or other preventative measures. In addition, third parties, including our competitors, could independently develop and lawfully use the same or substantially equivalent trade secrets and know-how.
Unpatented proprietary rights, including Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets and know-how, can were to be difficult to protect and may lose their value if their secrecy is lost lawfully obtained or if they are independently developed by a competitor or other third party. party, we would have no right to prevent them from using that technology or information to compete with us. Any loss of trade secret protection or other unpatented proprietary rights could harm our business, results of operations, financial condition, and prospects.

We may be subject to claims that third parties have an ownership interest in our trade secrets. For example, we may have disputes arise from conflicting obligations of our employees, consultants or others who are involved in developing our product candidate. Litigation may be necessary to defend against these and other claims challenging ownership of our trade secrets. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable trade secret rights, such as exclusive ownership of, or right to use, trade secrets that are important to our therapeutic programs and other proprietary technologies we may develop. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our management and other employees. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not identify relevant third-party patents or may incorrectly interpret the relevance, scope or expiration of a third-party patent, which might adversely affect our ability to develop and market our drug product candidates.

We cannot guarantee that any of our patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending patent application in the United States and abroad that is relevant to or necessary for the commercialization of our current and future products and product candidates in any jurisdiction. The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending patent application may be incorrect, which may negatively impact our ability to market our products. We may incorrectly determine that our drug

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product candidates are not covered by a third-party patent or may incorrectly predict whether a third party's pending patent application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect, and we may incorrectly conclude that a third-party patent is invalid and unenforceable. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our drug product candidates. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to claims that we or our employees have wrongfully used or disclosed alleged trade secrets of third parties or are in breach of their non-competition or non-solicitation agreements with third parties.

We take efforts intended to ensure that our employees and consultants do not use the intellectual property, proprietary information, know-how, or trade secrets of others in their work for us, or breach any applicable non-competition or non-solicitation agreement. However, we may in the future be subject to claims that we or these individuals have, inadvertently or otherwise, used or disclosed the alleged trade secrets or other proprietary information of a third party, including a former employer or competitor, or that we caused an employee or contractor to breach the terms of their non-competition or non-solicitation agreement with a third party. In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in obtaining such agreements or an assignment of rights to us.

Litigation may be necessary to defend against or enforce these claims, which may be costly, a distraction to management, and of uncertain outcome. If we are found liable for disclosure or misuse of a third party's proprietary information, or if we are unable to secure rights to intellectual property developed by an employee or contractor a court could prohibit us from using technologies or features that may be essential to our drug candidates that incorporate or are derived from such proprietary information, in addition to awarding damages. Moreover, any such litigation could also adversely affect our ability to hire or retain employees or contractors. If we are unable to establish our rights to valuable intellectual property or retain key personnel, this failure may prevent us from successfully commercializing our drug candidates and have an adverse effect on our business, financial condition, and results of operation.

Litigation to defend against third party claims that we are infringing their of intellectual property infringement, misappropriation or other violations against us or our collaborators, or to enforce our intellectual property rights or to enforce our the intellectual property rights of our collaborators, presents numerous risks.

The biotechnology and pharmaceutical industries are characterized by extensive and frequent litigation regarding patents and other intellectual property rights. Intellectual property litigation or other legal proceedings, with or without merit, is generally expensive and time consuming, potentially distracting to technical and management personnel, and subject to uncertain outcomes. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios.

Our commercial success depends upon our ability, and collaborators' abilities, the ability of our collaborators, to develop, manufacture, market, and sell our drug product candidates, and to use our proprietary technologies, without infringing, misappropriating, or otherwise violating the intellectual property or proprietary rights of third parties. Given the vast and continually increasing number of patents in our field of technology, we cannot be certain that we do not infringe existing patents or that we will not infringe patents granted in the future. We may in the future become party to, or threatened with, litigation or adversarial proceedings initiated by our competitors or other third parties alleging that our products or technologies are covered by their patents.

Many companies have obtained patents or filed patent applications in areas important to our business, including artificial intelligence and deep learning, technology-aided drug discovery, CRISPR, high-throughput screening, and combinations of any or all of these fields. For example, we sublicense CRISPR-Cas9 gene editing technology from a licensed vendor, which provides critical tools upon which portions of our drug discovery process relies. CRISPR-Cas9 gene editing is a field that is highly active for patent filings and there are ongoing disputes between third parties, which we are not party to, regarding the ownership of and licensing rights related to the technology. The extensive patent filings related to CRISPR and Cas make it difficult for us to assess the full extent of relevant patents and pending applications that may cover this technology, and there may be third-party patents, or pending patent applications with claims that may issue in the future, covering our use of CRISPR-Cas9.

If we or our collaborators are found to infringe a third party's patent or other intellectual property rights, such determination could result in significant damages and costs. costs including treble damages and attorneys' fees for willful infringement or royalties. In the event of a successful infringement claim against us or our collaborators, we may have to redesign the infringing products or technologies, which may be impossible or require substantial time and monetary expenditure. In addition, we could be required to obtain a license from such third party to continue developing and marketing our drug product candidates and or other proprietary technology, which may not be available on commercially reasonable terms or at all, or to cease developing and commercializing the infringing technology or drug product candidates altogether. If we are prevented from commercializing our drug product candidates or forced to cease some of our business operations, this restriction could materially harm our reputation and have a significant adverse impact on our business, results of operations, and prospects.

Alternatively or additionally, we We may initiate litigation, or file counterclaims, to protect or enforce our patents and other intellectual property rights if we believe competitors or other third parties have infringed, misappropriated, or otherwise violated our rights. intellectual property rights or the intellectual property rights of our collaborators in certain circumstances. Our ability to enforce our intellectual property rights or the intellectual property rights of our collaborators is subject to litigation risks, including that the opposing party may seek counterclaims against us, as well as uncertainty as to the protection and enforceability of those rights in some countries. If we seek to enforce our intellectual property rights, patents or the patents of our collaborators, we may be subject to findings that our these patents should be interpreted narrowly and do not cover the technology at issue, or that our these patents are invalid or unenforceable. If we are unable to enforce and protect our intellectual property rights or the intellectual property rights of our collaborators, or if they are circumvented, invalidated, or rendered obsolete by the rapid pace of technological change, it could have an adverse impact on our competitive position, business, financialposition, and prospects.

Competing products may also be sold in other countries in which our patent coverage might not exist or might not be as strong. The legal systems of some countries do not favor the enforcement of patents and other intellectual property rights, and other jurisdictions may have limited enforcement rights for patent holders. This could make it difficult for us to stop the infringement of our patents, if obtained, or the misappropriation of our other intellectual property rights in other countries. Consequently, we and our licensors or collaborators may have limited remedies in those foreign countries if patents are infringed, or we or our licensors may be compelled to grant a license to a third party, which could materially diminish the value of those patents and could limit our potential revenue opportunities. In addition, competitors may use our technologies to develop their own products that compete with ours in jurisdictions where we have not obtained patent protection or where we have patent protection but limited enforcement rights. Accordingly,

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our efforts to protect our intellectual property rights in such countries may be inadequate to obtain a significant commercial advantage from the intellectual property that we own or license.

Even if resolved in our favor, the foregoing proceedings could be very expensive, particularly for a company of our size, and time-consuming. Such proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such proceedings adequately. Some of our competitors may be able to sustain the costs of litigation or administrative proceedings.

If we fail to comply with our obligations in the agreements under which we collaborate with or license intellectual property rights from third parties, if the licenses are terminated, if a dispute regarding these licenses arises, or we otherwise experience disruptions to our business relationships with our collaborators or licensors, we could lose rights that are important to our business.

We license certain intellectual property that is important to our business and, in the future, we may enter into additional agreements that provide us with licenses to valuable intellectual property or technology. Our current license agreements impose, and we expect our future license agreements will impose, various development, diligence, commercialization, and other obligations on us in order to maintain the licenses. In spite of our efforts, a licensor might conclude that we have materially breached our obligations under a license agreement and seek to terminate the agreement, thereby removing or limiting our ability to develop and commercialize products and technology covered by the agreement. If these in-licenses are terminated, or if the underlying patent rights licensed thereunder fail to provide the intended exclusivity, competitors or other third parties would have the freedom to seek regulatory approval of, and to market, products identical to ours and we may be required to cease development and commercialization of certain of our drug candidates. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Moreover, disputes may arise regarding intellectual property subject to a licensing agreement, including but not limited to the following:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe, on misappropriate or otherwise violate intellectual property of the licensor that is not subject to the licensing agreement;
- the sublicensing of patent and other rights under our collaborative development relationships;
- our diligence obligations under the license agreement and what activities satisfy those diligence obligations;
- the inventorship and ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners;
- our right to transfer or assign the license agreement; and
- the priority of invention of patented technology.

The agreements under which we license intellectual property or technology from third parties are, and future agreements are likely to be, complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or it could increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations, and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected drug candidates, which could have a material adverse effect on our business, financial conditions, results of operations, and prospects.

These and similar issues may arise with respect to our collaboration agreements, such as the Bayer Agreement and the Roche Genentech Agreement. The Bayer Agreement and the Roche Genentech Agreement are two of our key collaborations, and there is no assurance that these collaborations will continue past their current terms, on favorable terms or at all, or that at any time while the collaborations are in effect the parties will operate under the agreements without disputes.

Some of our intellectual property has been, and in the future may be, discovered through government-funded programs and thus may be subject to federal regulations such as "march-in" rights, certain reporting requirements, and a preference for U.S.-based companies, and compliance with such regulations may limit our exclusive rights and our ability to contract with non-U.S. manufacturers.

Our intellectual property rights may be subject to a reservation of rights by one or more third parties. For example, certain intellectual property rights that we have licensed, or may in the future license, have been generated through the use of U.S. government funding. As a result, the U.S. government may have certain rights to intellectual property embodied in our current or future processes and related products and services. These U.S. government rights include a non-exclusive, non-transferable, irrevocable worldwide license to use inventions for any governmental purpose. In addition, the U.S. government has the right, under certain limited circumstances, to require the licensor to grant exclusive, partially exclusive, or non-exclusive licenses to any of these inventions to a third party if the U.S. government determines that (1) adequate steps have not been taken to commercialize the invention and achieve practical application of the government-funded technology, (2) government action is necessary to meet public health or safety needs, (3) government action is necessary to meet requirements for public use under federal regulations or (4) we have failed to meet requirements of federal regulations (also collectively referred to as "march-in rights").

The U.S. government also has the right to take title to these inventions if we or our licensors fail to disclose the invention to the government or fail to file an application to register the intellectual property within specified time limits. These rights may permit the U.S. government to disclose our confidential information to third parties. In addition, our rights in such

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inventions may be subject to requirements to manufacture products embodying such inventions in the United States. Intellectual property generated under a government-funded program is also subject to certain reporting requirements, compliance with which may require us to expend substantial resources.

Any exercise by the U.S. government of such rights could have a material adverse effect on our competitive position, business, results of operations, financial condition, and prospects.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented, declared generic, or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential collaborators or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to our intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our business, financial condition, results of operations, and prospects.

RISKS RELATED TO ACQUISITIONS

We may not realize all of the anticipated outcomes and benefits of our Acquisitions.

The benefits we expect to achieve as a result of our acquisitions of Cyclica and Valence in May 2023 and any future acquisitions 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 Cyclica's and Valence's, and any future acquisition targets', business and operations with our business and operations. Even if we are able to integrate our business with Cyclica's and Valence's businesses 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 have incurred, and anticipate that we will incur additional substantial expenses in connection with the integration of Cyclica's and Valence's businesses with our business. 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 our acquisitions of Cyclica and Valence 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 both Cyclica and Valence are reported in Canadian dollars, which we then translate to U.S. dollars for inclusion in our consolidated financial statements, we are exposed to more significant currency translation risk as a result of the acquisitions. 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 GOVERNMENT REGULATION

Even if we receive FDA or other regulatory approval for any of our drug candidates, we will be subject to ongoing regulatory obligations and other conditions that may result in significant additional expense, as well as the potential recall or market withdrawal of an approved product if unanticipated safety issues are discovered.

Even if the FDA or a comparable foreign regulatory authority approves any of our drug candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, and recordkeeping for the product will be subject to extensive and ongoing regulatory requirements. These requirements also include submission of safety and other post-marketing information and reports, establishment registration and listing, as well as continued compliance with cGMPs for manufacturing processes and GCPs for any clinical trials that we conduct post-approval. Any regulatory approvals that we receive for our drug candidates may also be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval, or they may contain requirements for potentially costly post-marketing studies and surveillance to monitor the safety and efficacy of the drug product.

Any failure to comply with regulatory requirements, or any discovery of previously unknown problems with a drug product — including adverse events of unanticipated severity or frequency — orwith our third-party manufacturers or manufacturing processes, may result in, among other things:

- restrictions on the marketing or manufacturing of the drug product, withdrawal of the product from the market, or voluntary or mandatory product recalls;
- clinical trial holds;
- fines, warning letters or other regulatory enforcement action;
- refusal by the FDA to approve pending applications or supplements to approved applications filed by us;

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- product seizure or detention, or refusal to permit the import or export of drug products; and
- injunctions or the imposition of civil or criminal penalties.

The occurrence of any of the foregoing actions could materially and adversely affect our reputation, business, results of operation, and prospects.

Though we have been granted orphan drug designation for certain of our drug candidates, we may be unsuccessful or unable to maintain the benefits associated with such a designation, including the potential for market exclusivity.

As part of our business strategy, we have sought orphan drug designation for certain of our drug candidates and may do so for other drug candidates in the future. Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively small patient populations as orphan drugs. The FDA may designate a drug as an orphan drug if it is intended to treat a rare disease or condition. In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers.

Similarly in Europe, the European Commission, upon the recommendation of the EMA's Committee for Orphan Medicinal Products, grants orphan drug designation for drugs intended for the diagnosis, prevention, or treatment of a life-threatening, seriously debilitating or serious and chronic condition when, without incentives, it is unlikely that sales of the drug in Europe would be sufficient to justify the necessary investment in developing the drug. In Europe, orphan drug designation entitles a party to financial incentives such as reduction of fees or fee waivers. We have received orphan drug designation from the FDA and European Commission for REC-4881 for the potential treatment of FAP and REC-994 for the potential treatment of CCM, but we may be unsuccessful with respect to other drug candidates in the future.

Generally, if a drug with an orphan drug designation subsequently receives the first marketing approval for the indication for which it has such designation, the drug is entitled to a period of marketing exclusivity, which precludes the FDA or the EMA from approving another marketing application for the same drug and indication for that time period, except in limited circumstances. The applicable period is seven years in the United States and ten years in Europe. The European exclusivity period can be reduced to six years if a drug no longer meets the criteria for orphan drug designation or if the drug is sufficiently profitable so that market exclusivity is no longer justified.
Even if we obtain orphan drug exclusivity for a drug, that exclusivity may not effectively protect the drug from competition because different drugs can be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve a different drug for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective, or makes a major contribution to patient care. In addition, a designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. Moreover, orphan drug exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition or if another drug with the same active part of the molecule is determined to be safer, more effective, or represents a major contribution to patient care. Orphan drug designation neither shortens the development time or regulatory review time of a drug, nor gives the drug any advantage in the regulatory review or approval process. While we may seek orphan drug designation for our drug candidates, we may never receive such designations. Even if we do receive such designations, there is no guarantee that we will enjoy the benefits of those designations.

Obtaining and maintaining regulatory approval of our drug candidates in one jurisdiction does not mean that we will be successful in obtaining regulatory approval of our drug candidates in other jurisdictions.

We may submit marketing applications in countries other than the United States. Regulatory authorities in jurisdictions outside of the United States have requirements for approval of drug candidates with which we must comply prior to marketing in those jurisdictions. For example, our trials to date have consisted of small patient populations and some international regulatory filings may require larger patient populations or additional nonclinical studies or clinical trials.

Obtaining foreign regulatory approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties, and costs for us and could delay or prevent the introduction of our products in certain countries. If we fail to comply with the regulatory requirements in international markets and/or fail to receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our drug candidates will be harmed.

Obtaining and maintaining regulatory approval of our drug candidates in one jurisdiction does not guarantee that we will be able to obtain or maintain regulatory approval in any other jurisdiction, although a failure or delay in obtaining regulatory approval in one jurisdiction may have a negative effect on the regulatory approval process in others. For example, even if the FDA grants marketing approval of a drug candidate, comparable regulatory authorities in foreign jurisdictions must also approve the manufacturing, marketing, and promotion of the drug candidate in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States. These may include additional nonclinical studies and clinical trials since clinical trials conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In short, the foreign regulatory approval process involves all of the risks associated with FDA approval. In many jurisdictions outside the United States, a drug candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that we may intend to charge for our drug products will also be subject to regulatory approval.

As we expand our operations outside the United States, we will be exposed to various risks related to the global regulatory environment.

We have expanded our operations into Canada and use service providers in many regions outside the U.S. and expect our foreign activities to increase in the future. If we continue expanding our operations outside of the United States, we must dedicate additional resources to comply with U.S. laws governing activities in other countries, as well as numerous laws and regulations in each jurisdiction in which we plan to operate, such as the U.S. Foreign

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Corrupt Practices Act (FCPA) and U.S. and foreign anti-money laundering, export control, sanctions, and other trade laws and regulations (collectively, Trade Laws).

Compliance with the FCPA is expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, the FCPA presents particular challenges in the pharmaceutical industry, because, in many countries, hospitals are operated by the government, and doctors and other hospital employees are considered foreign officials. Certain payments to hospitals in connection with clinical trials and other work have been deemed to be improper payments to government officials and have led to FCPA enforcement actions.

Violations of Trade Laws can result in substantial consequences. We have direct or indirect interactions with officials and employees of governmental agencies or government-affiliated hospitals, universities or other organizations. We plan to engage third parties for clinical trials and/or to obtain necessary permits, licenses, patent registrations, and other regulatory approvals and we can be held liable for the corrupt or other illegal activities of our personnel, agents, or partners, even if we do not explicitly authorize or have prior knowledge of such activities.

Changing, inconsistent, or conflicting laws, rules and regulations governing international business practices, and ambiguities in their interpretation and application, create uncertainty and challenges. The failure to comply with any such laws or regulations may result in substantial civil and criminal penalties and suspension or debarment from government contracting. The SEC also may suspend or bar issuers from trading securities on U.S. exchanges for violations of the FCPA's accounting provisions.

Though we have been granted priority review designation for one of our certain drug candidates, such designation may not lead to a faster regulatory review or regulatory approval process, and we might not receive such designation for additional drug candidates in the future.

If the FDA determines that a drug candidate offers a treatment for a serious condition and, if approved, the drug product would provide a significant improvement in safety or effectiveness, the FDA may designate the drug candidate for priority review. The FDA has broad discretion with respect to whether or not to grant priority review status to a drug candidate, so even if we believe a particular drug candidate is eligible for such designation or status, the FDA may decide not to grant it. While we have been granted priority review designation for REC-4881 for the potential treatment of FAP, a priority review designation does not necessarily result in an expedited regulatory review or regulatory approval process or necessarily confer any advantage with respect to regulatory approval compared to conventional FDA procedures. Receiving priority review from the FDA does not guarantee regulatory approval within the six-month review cycle or at all. We may request priority review for additional drug candidates from time to time.

Breakthrough therapy designation and fast track designation by the FDA, even if granted for any of our drug candidates, may not lead to a faster development, regulatory review, or regulatory approval process, and each designation does not increase the likelihood that any of our drug candidates will receive marketing approval in the United States.

We may seek a breakthrough therapy designation for some of our drug candidates. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For drugs that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Drugs designated as breakthrough therapies by the FDA may also be eligible for priority review and accelerated approval. Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe one of our drug candidates meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of a breakthrough therapy designation for a drug candidate may not result in a faster development process, review or approval compared to therapies considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our drug candidates qualify as breakthrough therapies, the FDA may later decide that such drug candidates no longer meet the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

We may seek fast track designation for some of our drug candidates from time to time. If a drug candidate is intended for the treatment of a serious or life-threatening condition and the drug candidate demonstrates the potential to address unmet medical needs for this condition, the drug sponsor may apply for fast track designation. The FDA has broad discretion whether or not to grant this designation, so even if we believe a particular drug candidate is eligible for this designation, we cannot ensure that the FDA would decide to grant it. Even if we do receive fast track designation, we may not experience a faster development process, regulatory review or regulatory approval compared to conventional FDA procedures. The FDA may withdraw fast track designation if it believes that the designation is no longer supported by data from our clinical development program. Fast track designation alone does not guarantee qualification for the FDA's priority review procedures.

The FDA, EMA, and other regulatory authorities may implement additional regulations or restrictions on the development and commercialization of our drug candidates.

The FDA, other agencies at both the federal and state level, and U.S. Congressional committees have expressed interest in further regulating the small molecule pharmaceutical industry, as have the EMA and regulatory authorities in other countries. Such action may delay or prevent commercialization of some or all of our drug candidates. Adverse developments in clinical trials conducted by others may cause the FDA or other oversight bodies to change the requirements for regulatory approval of any of our drug candidates. These regulatory review agencies and committees, and any new requirements or guidelines they promulgate, may lengthen the regulatory review process, require us to perform additional studies or trials, increase our development costs, lead to changes in regulatory positions and interpretations, delay or prevent regulatory approval and commercialization of our drug candidates, or lead to significant post-approval limitations or restrictions. As we advance our drug candidates, we will be required to consult with these regulatory authorities and comply with applicable regulatory requirements and guidelines. If we fail to do so, we may be required to delay or discontinue development of such drug candidates. These additional processes may result in a review and approval process that is longer than we otherwise would have expected. Delays as a result of a more stringent or lengthier regulatory approval process, or further restrictions on the development of our drug candidates, could be costly and could negatively impact our ability to complete clinical trials and commercialize our current and future drug candidates in a timely manner, if at all.

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Healthcare legislative reform measures in the U.S. and abroad, such as changes in healthcare spending and policy, may have a material adverse effect on our business, results of operations, and prospects.

We operate in a highly regulated industry, and new laws and regulations, or new interpretations of laws and regulations by regulatory authorities or the courts, related to healthcare availability and the method of delivery of, or payment for, healthcare products and services could negatively impact our business. The U.S. and many foreign jurisdictions have enacted or proposed legislative and regulatory changes affecting the healthcare system that could impact our clinical trials; prevent or delay marketing approval of our current or future drug candidates; restrict or regulate potential post-approval activities; and/or affect our ability to profitably sell a drug product for which we obtain marketing approval. For any of our drug candidates that receive marketing approval, such laws and regulations could require, for example, (i) changes to our manufacturing arrangements; (ii) additions or modifications to drug product labeling; (iii) the recall or discontinuation of our drug products; and/or (iv) additional record-keeping and data transfer requirements.

There have been, and likely will continue to be, legislative and regulatory proposals at the U.S. federal and state levels and abroad directed at increasing the availability of healthcare and containing or lowering healthcare costs. For example, the Affordable Care Act (ACA) substantially changed the way healthcare is financed by both governmental and private insurers in the U.S., and significantly impacted the pharmaceutical industry. The ACA, among other things, (i) subjected biological products to potential competition by lower-cost biosimilars; (ii) addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted, or injected; (iii) increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extended the rebate program to individuals enrolled in Medicaid managed care organizations; (iv) established annual fees and taxes on manufacturers of certain branded prescription drugs; and (v) created a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer specified point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D. Since the ACA was enacted, there continue to be changes to certain aspects of the law by Congress, Executive Order and court decisions.

There also have been U.S. Congressional inquiries and proposed federal and state legislation designed to, among other things, (i) bring more transparency to drug pricing, including that of specialty drugs; (ii) reduce the cost of prescription drugs under Medicare, which may result in a similar reduction in payments from private payors; (iii) review the relationship between pricing and manufacturer patient programs; and (iv) reform government program reimbursement methodologies for drugs. For example, the recently enacted federal Inflation Reduction Act (IRA) contains provisions that could have an adverse effect on our ability to generate revenue, attain profitability, or commercialize our drug candidates if approved, as the statute includes provisions intended to reduce the cost of prescription drugs under Medicare. In addition to the direct impact of the IRA on federal drug reimbursement, the statute may also lead to similar reductions in payments from private payors. The continuing efforts of the government, insurance companies, managed care organizations, and other payors of healthcare services to contain or reduce costs of healthcare and/or impose price controls may adversely affect, among other things:

- the demand for our current or future drug candidates if we obtain regulatory approval;
- our ability to set a price that we believe is fair for our drug products;
- our ability to obtain coverage and reimbursement approval for a drug product;
- our ability to generate revenue and achieve or maintain profitability;
- the level of taxes that we are required to pay; and
- the availability of capital.

Any such legislative or other reform measures and changes in healthcare spending and policy could result in increased costs to us, reduced demand for our current or future drug candidates, and additional pricing pressures, which could have a material adverse effect on our business, results of operations, and prospects.

Our relationships with healthcare providers, other customers, and third-party payors will be subject to applicable anti-kickback, fraud and abuse, and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, exclusion from government healthcare programs, contractual damages, reputational harm, and diminished profits and future earnings.

Although we do not currently have any drug products on the market, once we begin commercializing our drug candidates, we will be subject to additional healthcare statutory and regulatory requirements and enforcement by the federal government and the states and foreign governments in which we conduct our business. Healthcare providers, physicians, and third-party payors play a primary role in the recommendation and prescription of any drug candidates for which we obtain marketing approval. Our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell, and distribute our drug candidates for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations include, but are not limited to, the Anti-Kickback Statute, the False Claims Act, the Health Insurance Portability and Accountability Act (HIPAA), and the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH Act).

Efforts to ensure that our future business arrangements with third parties comply with applicable healthcare laws and regulations could involve substantial costs and may require us to undertake or implement additional policies or measures. We may face claims and proceedings by private parties, and claims, investigations and other proceedings by governmental authorities, relating to allegations that our business practices do not comply with statutes, regulations or case law involving applicable fraud and abuse, privacy or data protection, or other healthcare laws and regulations, and it is possible that courts or governmental authorities may conclude that we have not complied with them, or that we may find it necessary or appropriate to settle any such claims or other proceedings. In connection with any such claims, proceedings, or settlements, we may be subject to significant civil, criminal, and administrative penalties, damages, fines, other damages, imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any of the physicians or other providers or entities with whom we expect to do business is foundnot to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

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We are subject to U.S. and foreign laws regarding privacy, data protection, and data security that could entail substantial compliance costs, while the failure to comply could subject us to significant liability.

Privacy, data protection, and data security have become significant issues in the U.S., Europe, and other jurisdictions where we conduct or may in the future conduct our operations. The regulatory framework for the collection, use, safeguarding, sharing, and transfer of health and other personal information is rapidly evolving worldwide and is likely to remain in flux for the foreseeable future. The scope and interpretation of the laws that are or may be applicable to us are often uncertain, subject to differing interpretations, and may be inconsistent among different jurisdictions.

In the U.S., HIPAA, as amended by the HITECH Act, imposes on covered entities certain requirements relating to the privacy, security, and transmission of individually identifiable health information. The legislation also increased the civil and criminal penalties that may be assessed for violations and gave state attorneys general the authority to file civil actions in federal courts to enforce the HIPAA rules. In addition, for clinical trials conducted in the U.S., any personal information that is collected is further regulated by the Federal Policy for the Protection of Human Subjects. Privacy laws are also being enacted or considered at the state level, including significant new legislation in California, the California Consumer Privacy Act, as amended by the California Privacy Rights Act. While there is currently an exception for protected health information subject to HIPAA and clinical trial regulations, these and other state privacy laws may impact our business activities, and there continues to be uncertainty about how these laws will be interpreted and enforced. Other states have passed privacy legislation, including general privacy legislation similar to the CCPA, and legislation such as Washington's My Health, My Data Act, that also may impact our business activities, in the future and additional states are evaluating similar legislation.

In the event we enroll subjects in clinical trials in the European Union (EU) or other jurisdictions, or otherwise acquire or process personal data of individuals in those jurisdictions, we may be subject to additional restrictions and obligations relating to the collection, use, storage, transfer, and other processing of this data. Clinical trial activities in the European Economic Area (EEA), for example, are governed by the EU General Data Protection Regulation (GDPR).

We may need to take additional steps, such as new contractual negotiations or modifications to our policies or practices relating to cross-border transfers of personal data, to comply with these restrictions and obligations. More generally, laws and regulations governing privacy and data protection exist in many other countries around the world, and these laws (which are evolving and expanding) create complicated and potentially inconsistent obligations that may impact our business.

The increasing number, complexity, and potential inconsistency of current and future laws and regulations relating to privacy, data protection, and data security in the U.S. and other countries make our compliance obligations more difficult and costly. This is particularly true with respect to healthcare data or other personal information acquired as a result of our research activities and clinical trials. If we fail to comply with applicable laws and regulations or experience a breach of security that results in unauthorized disclosure of personal information – or if a third party with whom we share personal information or who processes such information for us fails to comply with applicable requirements or experiences a security breach – or incident– or if any of these is reported or perceived to have occurred, it could lead to government investigations, enforcement actions, and other proceedings, as well as civil claims and litigation against us. We could incur substantial costs to defend against any such claims or proceedings and may also be held liable for significant fines, penalties, and monetary judgments. Any of the foregoing could have a material adverse effect on our business, results of operations, reputation, and prospects.

Regulatory and legislative developments related to the use of AI could adversely affect our use of such technologies in our products, services, and business.

We use AI throughout our business, including in our drug discovery processes and technology. As the regulatory framework for AI (including generative AI) evolves, our business, financial condition and results of operations may be adversely affected. The regulatory framework for AI and similar technologies is changing rapidly. It is possible that new laws and regulations will be adopted in the United States and in non-U.S. jurisdictions, or that existing laws and regulations may be interpreted in ways that would affect the operation of our drug discovery platform and data analytics and the way in which we use AI and similar technologies. We may not be able to adequately anticipate or respond to these evolving laws and regulations, and we may need to expend additional resources to adjust our offerings in certain jurisdictions if applicable legal frameworks are inconsistent across jurisdictions. In addition, because these technologies are themselves highly complex and rapidly developing, it is not possible to predict all of the legal or regulatory risks that may arise relating to our use of such technologies. Further, the cost to comply with such laws or regulations could be significant and would increase our operating expenses, which could adversely affect our business, financial condition and results of operations.

For example, in Europe, on December 8, 2023, the Council of the EU European Parliament and European Commission reached provisional agreement on a revised draft of the AI Act which is currently expected to be enacted in early 2024. The current draft of the AI Act, if enacted, would establish a risk-based governance framework for regulating high-risk AI systems operating in or being used by the EU market. The AI Act could impact our products, business, and use of AI, even if we do not have a direct presence in the EU. This framework would categorize AI systems based on the risks associated with such AI systems' intended purposes as creating "unacceptable", "high" or "limited" risks. While the AI Act has not been enacted or enforced, there is a risk that our current or future AI-powered software or applications may be categorized as "high" risk or "limited" risk, obligating us to comply with the applicable requirements of the AI Act, which may impose additional costs on us, increase our risk of liability, or adversely affect our business. For example, "high" risk AI systems are required, amongst other things, to implement and maintain certain risk and quality management systems, conduct certain conformity and risk assessments, use appropriate data governance and management practices, including in development and training, and meet certain standards related to testing, technical robustness, transparency, human oversight, and cybersecurity. Even if our AI systems are not categorized as "high" risk we may be subject to additional transparency and other obligations for "low" risk AI system providers. The AI Act sets forth certain penalties, including fines of the greater of EUR 35 million or 7% of worldwide annual turnover (as defined in the AI Act) for the prior year for violations related to offering prohibited AI-systems or data governance, fines of the greater of EUR 15 million or 3% of worldwide annual turnover for the prior year for violations related to the requirements for "high" risk AI systems, and fines of the greater of EUR 7.5 million or 1.5% of worldwide annual turnover for the prior year for violations related to supplying incorrect, incomplete or misleading information to the EU and member state authorities. If enacted in this form or a similar form, this regulatory framework is expected to have a material impact on the way AI is regulated in the EU, and together with developing guidance and/or decisions in this area, may affect our use of AI and our ability

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to provide and to improve our services, require additional compliance measures and changes to our operations and processes, result in increased compliance costs and potential increases in civil claims against us, and could adversely affect our business, financial condition and results of operations.

Our employees, independent contractors, consultants, and vendors may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading laws, which could cause significant liability for us and harm our reputation.

We are exposed to the risk of fraud or other misconduct by our employees, independent contractors, CROs, consultants, and vendors. Misconduct by these parties could include intentional, reckless, or negligent conduct that causes us to fail to comply with, among other things, FDA regulations or similar regulations of comparable foreign regulatory authorities, drug manufacturing standards, and healthcare fraud and abuse laws. Such misconduct could also involve the improper use of information obtained in the course of clinical trials, as well as violations of HIPAA and other privacy laws in the U.S and foreign jurisdictions, including the GDPR. We are also exposed to risks in connection with potential insider trading violations by employees or others affiliated with us. It is not always possible to identify and deter employee or other individual misconduct. The precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses, or in protecting us from governmental investigations or other actions or lawsuits stemming from noncompliance with applicable laws, standards, regulations, or codes of conduct. If any such actions are instituted against us, whether with or without merit, and we are not successful in defending ourselves or asserting our rights, they may result in damages, fines, and other sanctions that could materially and adversely affect our business, results of operations, and reputation.

We are exposed to the risk of fraud or other misconduct by our employees, independent contractors, CROs, consultants, and vendors. Misconduct by these parties could include intentional, reckless, and/or negligent conduct that causes us to fail to comply with FDA regulations or similar regulations of comparable foreign regulatory authorities, provide accurate information to the FDA or comparable foreign regulatory authorities, comply with manufacturing standards, comply with federal and state healthcare fraud and abuse laws and regulations and similar laws and regulations established and enforced by comparable foreign regulatory authorities, report financial information or data accurately, or disclose unauthorized activities to us. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. This could include violations of HIPAA, other U.S. federal and state law, and requirements of foreign jurisdictions, including the GDPR. We are also exposed to risks in connection with any insider trading violations by employees or others affiliated with us, including inadvertent violations such as a sale of pledged shares by a lender when the pledgor is in possession of material nonpublic information.

It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws, standards, regulations, guidance, or codes of conduct. Additionally, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred and our employees may, from time to time, bring lawsuits against us for employment issues, including injury, discrimination, wage and hour disputes, sexual harassment, hostile work environment, or other employment issues. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business, results of operations, financial condition, reputation, and prospects.

Climate change-related risks and uncertainties and legal or regulatory responses to climate change could negatively impact our results of operations, financial condition and/or reputation.

We are subject to increasing climate-related risks and uncertainties, many of which are outside of our control. Climate change may result in more frequent severe weather events, potential changes in precipitation patterns, and extreme variability in weather patterns, which can disrupt our operations as well as those of our vendors, suppliers, and collaborators.

The transition to lower greenhouse gas emissions technology, the effects of carbon pricing, and changes in public sentiment, regulations, taxes, public mandates, or requirements and increases in climate-related lawsuits, insurance premiums, and implementation of more robust disaster recovery and business continuity plans could increase costs to maintain or resume our operations or achieve any sustainability commitments we make, which would negatively impact our results of operations.

We are reviewing our impact on climate change and determining if it is economically feasible for us to be carbon neutral by 2030. We are also working on other environmental, social and governance goals. Execution and achievement of any future commitments or goals are subject to risks and uncertainties. Given the focus on sustainable investing and corporate and social responsibility, if we fail to make a climate change commitment by 2030 and adopt policies and practices to enhance environmental, social and governance initiatives, our reputation and our customer and other stakeholder relationships could be negatively impacted and it may be more difficult for us to compete effectively or gain access to financing on acceptable terms when needed, which would have an adverse effect on our results of operations, financial condition, reputation and prospects.

RISKS RELATING RELATED TO EMPLOYEE MATTERS AND MANAGING GROWTH

Our future success depends on our ability to retain key executives and experienced scientists, and to attract, retain, and motivate qualified personnel.

We are highly dependent on the research and development, clinical, and business development expertise of our executive, management, scientific, technological, and clinical teams. Although we have entered into employment agreements with our executive officers, any of them may terminate their employment with us at any time or may not be able to perform the services we need in the future.

Recruiting and retaining qualified scientific, clinical, manufacturing, and sales and marketing personnel is also critical to our success. For example, we rely on our employees to help operate and repair our equipment, and on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategies. Because of the specialized scientific nature of our business, we are highly dependent upon attracting and retaining qualified scientific, technical,

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and managerial personnel. While we strive to reduce the impact of the potential loss of existing employees by having an established organizational talent review process that identifies successors and potential talent needs, there is still significant competition for qualified personnel in the pharmaceutical and biotechnology fields. Therefore, we may not be able to attract and retain the qualified personnel necessary for the continued development of our business. The loss of the services of existing personnel, as well as the failure to recruit and train additional key scientific,

technical, and managerial personnel in a timely manner, could harm our business, results of operations, financial condition, and prospects.

The loss of the services of our executive officers or other key employees or consultants could impede our ability to successfully implement our business strategy. Replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry withthe breadth of skills and experience required to successfully develop, gain regulatory approval of, and commercialize drug products, and because of the competition among numerous pharmaceutical and biotechnology companies for similar personnel. In addition, our consultants and advisors may have commitments or non-competition obligations under consulting or advisory contracts with other entities that may limit their availability to us. We may also experience difficulties recruiting scientific and clinical personnel from universities and research institutions. If one or more of our clinical trials are unsuccessful, it may become more challenging to recruit and retain qualified scientific personnel.

In addition, increases in salaries and wages, extensions of personal and other leave policies, other governmental regulations affecting labor costs, and a diminishing pool of potential qualified personnel when the unemployment rate falls could significantly increase our labor costs and make it more difficult to retain, attract, and motivate qualified personnel, which could materially adversely affect our business, financial performance, and cash reserves. As a result of inflationary pressures and other initiatives, our net losses may increase and we may need to raise capital sooner than otherwise anticipated. Because we employ a large workforce, any salary or wage increase and/or expansion of benefits mandates will have a particularly significant impact on our labor costs. Our vendors, contractors and business partners are similarly impacted by wage and benefit cost inflation, and many have or will increase their price for goods, construction and services in order to offset their increasing labor costs.

Some of the employees we may want to hire in the future may not reside in Salt Lake City, Utah or other areas where we have operations and may not want to relocate. In addition, many of the other pharmaceutical and biotechnology companies that we compete against for qualified personnel have greater financial and other resources, different risk profiles, and a longer history in the industry than we do. They also may provide more diverse opportunities and better chances for career advancement.

If we are unable to hire, retain, and motivate highly qualified senior executives and personnel, the rate and success with which we can discover and develop drug candidates, our ability to pursue our growth strategy, and our business may be adversely impacted.

We expect to expand our development and regulatory capabilities and potentially implement sales, marketing, and distribution capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

We expect to experience significant growth in the number of employees and the scope of our operations. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational, and financial systems; expand our facilities; and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

We may acquire additional businesses or products, form strategic alliances, or create joint ventures with third parties that we believe will complement or augment our existing business. If we acquire businesses with promising markets or technologies, we may not be able to realize the benefit of acquiring such businesses if we are unable to successfully integrate them with our existing operations and company culture. We may encounter numerous difficulties in developing, manufacturing, and marketing any new products resulting from a strategic alliance or acquisition that delay or prevent us from realizing their expected benefits or enhancing our business. We cannot ensure that, following any such acquisition, we will achieve the expected synergies to justify the transaction.

RISKS RELATED TO THE SECURITIES MARKETS AND OWNERSHIP OF OUR CLASS A COMMON STOCK

The dual-class structure of our common stock affects the concentration of voting power, which limits our Class A common stockholders' ability to influence the outcome of matters submitted to our stockholders for approval, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws, and the approval of any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transactions.

Our Class A common stock, offered in the class of our initial public offering common stock listed on The Nasdaq Stock Market, has one vote per share, and our Class B common stock has 10 votes per share. As of December 31, 2022 December 31, 2023, Dr. Gibson, our CEO and a member of our board of directors, and his affiliates held 377,995 343,704 shares of our Class A common stock and all of the issued and outstanding shares of our Class B common stock, representing approximately 31.93% 25% of the voting power of our outstanding capital stock, which voting power may increase over time as Dr. Gibson exercises or vests in equity awards. If all such equity awards held by Dr. Gibson had been exercised or vested and exchanged for shares of Class B common stock as of December 31, 2022 December 31, 2023, Dr. Gibson and his affiliates would hold approximately 32.80% 26% of the voting power of our outstanding capital stock.

As a result, Dr. Gibson may be able to significantly influence any action requiring the approval of our stockholders, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws, and the approval of any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction. Dr. Gibson may have interests that differ from our Class A common stockholders and may vote in a way with which our Class A stockholders disagree and which may be adverse to our Class A stockholders' interests. The concentrated control of Dr. Gibson may have the effect of delaying, preventing, or deterring a change in control of our

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company, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale in our company, and, thus, may affect the market price of our Class A common stock.

Future transfers by the holders of Class B common stock will generally result in those shares automatically converting into shares of Class A common stock, subject to limited exceptions, such as certain transfers for estate planning. Transfers or exchanges of shares of Class B common stock may result in the issuance of additional shares of Class A common stock and such issuances will be dilutive to holders of our Class A common stock. 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) April 16, 2028; (ii) the date specified by written consent or agreement of the holders of 66 2⁄3% of our then outstanding shares of Class B common stock; (iii) nine months after Dr. Gibson 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 amended and restated certificate of incorporation occurs as the Final Conversion Date.

Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.

As of December 31, 2022 December 31, 2023, our executive officers, directors, holders of 5% or more of our capital stock, and their respective affiliates, including Dr. Gibson and his affiliates, beneficially owned shares representing more than 50% of our voting power. These stockholders, acting together, may be able to impact matters requiring stockholder approval, including the elections of directors; amendments of our organizational documents; and approval of any merger, sale of all or substantially all of our assets, or other major corporate transaction. This concentrated control may also have the effect of deterring, delaying, or preventing unsolicited acquisition proposals or offers for our capital stock that other stockholders may feel are in their best interest. The interests of this group of stockholders may not always coincide with each other's interests or the interests of other stockholders, and this groupmay act in a manner that advances its best interests and not necessarily those of other stockholders generally, including seeking a premium value for their common stock, which might therefore affect the market price for our common stock.

The price of our Class A common stock may be volatile and fluctuate substantially, which could result in substantial losses for holders of our common stock.

The trading price of our Class A common stock has been volatile since our initial public offering and it is likely that the price will fluctuate substantially in the future. The stock price may be influenced by many factors, a number of which are beyond our control, which factors include but are not limited to the following:

- the success of competitive products or technologies;
- results of clinical trials of our drug candidates or those of our competitors;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents, or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to any of our drug candidates or clinical development programs;
- the results of our efforts to discover, develop, acquire, or in-license additional drug candidates or drug products;
- actual or anticipated changes in estimates as to financial results, development timelines, or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems;
- inflation, general supply chain matters, global political instability, or warfare;
- performance of the overall stock market and shares of biotechnology companies in particular, as well as general economic conditions; and
- the other factors described in this "Risk Factors" section.

As a result of this volatility, holders of our Class A common stock may not be able to sell their stock at or above the price they originally paid for it, which could result in the loss of a part or all of their investment.

Sales of a substantial number of shares of our Class A common stock in the public market could cause our stock price to fall.

Sales of a substantial number of shares of our Class A common stock in the public market could occur at any time. These sales, or the perception in the market that one or more holders of a large number of shares intend to sell their shares, could cause the market price of our Class A common stock to decline.

Also, shares of Class A common stock that are either subject to outstanding options and warrants or that are reserved for future issuance under our equity compensation plans are eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules and Rule 144 and Rule 701 under the Securities Act. Some holders of shares of our Class A common stock issued and issuable upon conversion of Class B common stock are entitled to rights with respect to the registration of their shares under the Securities Act. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by affiliates.

In the future we may also issue our securities in connection with any financings, investments, or acquisitions, and the number of shares issued could constitute a material portion of our then-outstanding common stock. For example, in connection with the May 2023 acquisition of Valence, we entered into a registration rights agreement with certain shareholders

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of Valence that required us to prepare and file a registration statement, which permits the resale by shareholders of approximately 8.1 million shares of our October 2022 Class A common stock. Such resale prospectus supplement was filed on May 30, 2023. In connection with the May 2023 acquisition of Cyclica, we entered into a registration rights agreement with certain shareholders of Cyclica that required us to prepare and file a resale prospectus supplement to the automatic shelf registration statement filed May 10, 2022, which permits the resale by the shareholders of approximately 6 million shares of our Class A common stock. Such resale prospectus supplement was filed on June 9, 2023. In connection with our July 2023 private placement, we entered into a registration rights agreement with the private placement investors investor that required us to prepare and file a resale prospectus supplement to the automatic shelf registration statement filed May 10, 2022, which permits the resale by the private placement investors investor of approximately 15.3 million 7.7 million shares of our Class A common stock. Such resale prospectus supplement was filed on October 28, 2022 August 8, 2023. In December 2023, the we filed a prospectus supplement to the automatic shelf registration statement filed May 10, 2022, to register for resale approximately 3.2 million shares of our Class A common stock that were issued to Tempus in payment for the initial license fee under the terms of the Tempus Agreement.

The sale of a significant number of shares of our Class A common stock under any of the above circumstances, or otherwise, in the public market at any time, or the perception that they may be sold, could have a material adverse effect on the market price of our Class A common stock. In that event, holders of our Class A common stock may not be able to sell their stock at or above the price they originally paid for it, which could result in the loss of part or all of their investment.

Our amended and restated certificate of incorporation and amended and restated bylaws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.

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 Securities Exchange Act of 1934, as amended (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.

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 certificate of incorporation and amended and restated bylaws contain provisions that could depress the market prices of our Class A common stock by acting to discourage, delay or prevent a change in control of our company or changes in our management that the stockholders of our company may deem advantageous. These provisions, among other things:

- establish a classified board of directors so that not all members of our board are elected at one time;
- permit only the board of directors to establish the number of directors and fill vacancies on the board;
- authorize the issuance of "blank check" preferred stock that our board could use to implement a stockholder rights plan (also known as a "poison pill");
- eliminate the ability of our stockholders to call special meetings of stockholders;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- prohibit cumulative voting;
- authorize our board of directors to amend the bylaws;
- establish advance notice requirements for nominations for election to our board or for proposing matters that can be acted upon by stockholders at annual stockholder meetings; and

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- require a super-majority vote of stockholders to amend some provisions described above.

In addition, Section 203 of the General Corporation Law of the State of Delaware (DGCL) prohibits a publicly-held Delaware corporation from engaging in a business combination with an interested stockholder, generally a person which together with its affiliates owns, or within the last three years has owned, 15% of our voting stock, for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner.

Any provision of our amended and restated certificate of incorporation, amended and restated bylaws, or DGCL that has the effect of delaying or preventing a change in control could limit the opportunity for our stockholders to receive a premium for their shares of Class A common stock and could also affect the price that some investors are willing to pay for our stock.

Our actual operating results may differ significantly from any guidance that we provide.

From time to time, we may provide guidance in our quarterly earnings releases, or otherwise, regarding our future performance that represents our management's estimates as of the date of release. This guidance, which would include forward-looking statements, would be based on projections prepared by our management. Neither our registered public accountants nor any other independent expert or outside party would compile or examine the projections. Accordingly, no such person would express any opinion or any other form of assurance with respect to the projections.

Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. The principal reason that we would release guidance is to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by any such third parties. Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance would be only an estimate of what management believes is realizable as of the date of release. Actual results may vary from our guidance and the variations may be material.

As a public company, we are obligated to develop and maintain a proper and effective system of disclosure controls and internal controls over financial reporting. Any failure to maintain the adequacy of this system and these internal controls may adversely affect investor confidence in our company and, as a result, the value of our Class A common stock.

We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and the rules and regulations of the applicable listing standards of The Nasdaq Stock Market. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs; make some activities more difficult, time-consuming, and costly; and place significant strain on our personnel, systems, and resources.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. In addition, changes in accounting principles or interpretations could also challenge our internal controls and require that we establish new business processes, systems, and controls to accommodate such changes. We have limited experience with implementing the systems and controls that are necessary to operate as a public company, as well as adopting changes in accounting principles or interpretations mandated by the relevant regulatory bodies. Our chief financial officer has only been the chief financial officer of a publicly traded company since our initial public offering and our chief executive officer has only been the chief executive officer of a publicly traded company since our initial public offering. Neither has been involved in the long-term operations of a public company. Additionally, if these new systems, controls, or standards and the associated process changes do not give rise to the benefits that we expect or do not operate as intended, it could adversely affect our financial reporting systems and processes, our ability to produce timely and accurate financial reports, or the effectiveness of internal control over financial reporting. Moreover, our business may be harmed if we experience problems with any new systems and controls that result in delays in their implementation or increased costs to correct any post-implementation issues that may arise.

Pursuant to Section 404 of the Sarbanes-Oxley Act, we are required to furnish a report by our management on our internal control over financial reporting. This assessment must include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. During our evaluation of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. For example, in connection with the audit of our consolidated financial statements as of and for the year ended December 31, 2023, our management and auditors identified a material weakness related to the Company's processes to estimate costs used to calculate revenue related to its revenue license agreement. See "—We have identified material weaknesses in our internal control over financial reporting. If we fail to maintain effective internal controls, we may be unable to produce timely and accurate financial statements, and we may conclude that our internal control over financial reporting is not effective, which could adversely impact our investors' confidence and our stock price." We cannot assure you that we will be able to remediate such material weakness or that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future.

In addition, our independent registered public accounting firm is required to formally attest to the effectiveness of our internal control over financial reporting. Our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed, or operating.

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Any failure to maintain effective disclosure controls and internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, or results of operations. If at any time we are unable to conclude that our disclosure controls and internal control over financial reporting are effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, or if we are unable to remediate any existing weaknesses or deficiencies in a timely manner or at all, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of shares of our Class A common stock could decline, and we could be subject to sanctions or investigations by the Nasdaq Stock Market, the SEC, or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

We have identified a material weakness in our internal control over financial reporting. If we are unable to remediate this material weakness, or if we identify additional material weakness in the future or otherwise fail to maintain effective internal controls, we may be unable to produce timely and accurate financial statements, which could adversely impact our investors' confidence and our stock price.

In connection with the audit of our consolidated financial statements as of and for the year ended December 31, 2023, management identified a material weakness related to the Company's management review process over the estimated costs and time to completion and controls to validate completeness and accuracy of information used to calculate revenue and unearned revenue related to our license agreement. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

Although we are taking steps to improve our internal control over financial reporting and remediate these material weaknesses, we cannot assure you that the measures we have taken to date will be sufficient to avoid potential future material weaknesses.

If we identify new material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 of the Sarbanes-Oxley Act, if we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion that our internal control over financial reporting is effective in future periods, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected. As a result of such failures, we could also become subject to investigations by Nasdaq, the SEC or other regulatory authorities, and become subject to litigation from investors and stockholders, which could harm our reputation and financial condition or divert financial and management resources from our regular business activities.

GENERAL RISKS

Unfavorable global economic conditions could adversely affect our business.

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. For example, the COVID-19 pandemic, global political instability, supply chain issues, and inflation have caused significant volatility and uncertainty in U.S. and international markets. Uncertainty in the U.S. regarding the federal government's debt ceiling and related budgetary matters may also cause volatility and uncertainty in the global markets. A severe or prolonged economic downturn could result in a variety of risks to our business, including weakened demand for our drug candidates and impaired ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also strain our suppliers or result in supply disruption. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business, results of operations, financial condition, and prospects.

We are subject to the risks of litigation that may arise in the ordinary course of our business, which could be costly and time-consuming to pursue or defend.

We periodically are, and in the future may be, involved in legal proceedings or claims that arise in the ordinary course of business, such as those regarding commercial or contractual disputes, intellectual property rights, employment matters, product liability, or data privacy.

As a public company, we and our directors and officers are also subject to potential securities class action litigation, particularly if the market price of our Class A common stock is volatile. The stock market in general, and Nasdaq-listed and biotechnology companies in particular, experience significant price and volume fluctuations from time to time that often are unrelated or disproportionate to the operating performance of these companies. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action lawsuits, and we may be the target of such litigation in the future.

Litigation, whether with or without merit, may be expensive to pursue or defend; divert management's attention; result in adverse judgments for damages, injunctive relief, penalties, and fines; and harm our business and reputation. Some third parties may be able to sustain the costs of litigation more effectively than we can because they have substantially greater resources. Insurance may not cover all claims or may cover only a portion of our expenses and losses, and may not continue to be available on terms acceptable to us.

If securities analysts do not publish research or reports about our business or if they publish negative evaluations of our stock, the price of our stock could decline.

The trading market for our Class A common stock relies, in part, on the research and reports that industry or financial analysts publish about us or our business. If only a small number of analysts maintain coverage of us, the trading price of our stock would likely decrease. If an analyst covering our stock downgrade their evaluations of our stock, the price of our stock could decline. If one or more of these analysts cease to cover our stock, we could lose visibility in the market for our stock, which in turn could cause our stock price to decline.

Item 1B. Unresolved Staff Comments.

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None.

Item 1C. Cybersecurity.

We believe cybersecurity is a critical component of our enterprise risk management function. Our strategy regarding Information Security ("InfoSec") includes a comprehensive, proactive, and sustainable risk-based approach, assessing the risk posed to the Company at the strategic, operational, financial, and reputational levels. We take appropriate preventive, detective, and response measures to mitigate these risks on a continuing basis.

Risk Management Process

Recursion's approach to InfoSec is informed by the National institute of Standards and Technology ("NIST") Cybersecurity Framework ("CSF"), which is a broad standards framework that provides direction and guidance to assess the Company's InfoSec risk and implement InfoSec capabilities, and also provides measures of progress in areas that are relevant for the organization's business objectives.

Risk Identification and Assessment

We have a dedicated InfoSec team that regularly reviews threat intelligence from various sources, including third-party InfoSec consultants, assesses the applicability of known threats and threat actor behavior and tactics to the Company, and assesses whether these threats pose risks to the Company. The InfoSec team then evaluates potentially appropriate administrative, technical, and physical controls to mitigate and reduce these risks within the appropriate business context and applies such controls where appropriate. We also have implemented a process to identify and mitigate risks from cybersecurity threats related to our use of third-party service providers.

These mitigation measures are detailed in the Company's InfoSec Roadmap. Progress against this Roadmap and potential incidents are reviewed with management and the Company's Audit Committee.

Risk Assurance

Our InfoSec team tests relevant controls and maintains industry standard attestations, including reports prepared by an independent AICPA-accredited auditor.

We also run regular cybersecurity exercises, such as penetration tests, to test the effectiveness of our controls. We use the results of these exercises to identify, evaluate, and prioritize potential areas of improvement through the InfoSec Roadmap.

Consequence Mitigation

We also test the Company's InfoSec's Incident Response control effectiveness through tabletop exercises facilitated by a third party. These exercises test the Company's ability to detect and respond to cybersecurity incidents in a timely manner with a goal to reduce the impact of the cybersecurity incidents. Our InfoSec policies, processes and procedures are tested for completion and accuracy through these exercises. We use the results of these exercises to identify, evaluate, and prioritize potential areas of improvement identified through the InfoSec Roadmap.

We, like any technology company in the current environment, have experienced cybersecurity incidents in the past, but we have not experienced a cybersecurity incident which has been determined to be material. For additional information regarding whether any risks from cybersecurity threats are reasonably likely to materially affect our company, including our business strategy, results of operations, or financial condition, please refer to Item 1A, "Risk Factors," in this annual report on Form 10-K, including the risk factors entitled "Risks Related to Our Platform and Data."

Cybersecurity Governance

Our cybersecurity processes are overseen by the Audit Committee of the Board of Directors. The Audit Committee, through its charter, has express oversight of the Company's cybersecurity processes, controls, and procedures and is responsible for monitoring and reviewing the Company's mitigation efforts. The Audit Committee receives quarterly briefings from senior leadership, including our Chief Information Security Officer, regarding information security risk, strategy, and effectiveness and progress of the InfoSec program. The Audit Committee also reviews with management significant information security incidents for the period and associated remediation plans, and new or emerging information security risks. The Board of Directors is also provided an update quarterly on the Company's cybersecurity risk, processes, and mitigation efforts.

The execution of the Company's cybersecurity processes is overseen by a committee that includes our Chief Information Security Officer, Chief Financial Officer, Chief Operating Officer, General Counsel and Chief Technology Officer. This committee is responsible for the overall cybersecurity strategy and approving the cybersecurity processes, policies, and procedures, including the InfoSec Roadmap. The committee receives regular reports on the InfoSec strategy, risks, and mitigation efforts. It is also informed of any potential reportable information security incidents and is responsible for assessing the impact and approving remediation plans, as well as escalating to the Audit Committee or Board of Directors. Overall implementation of the cybersecurity strategy is executed across the enterprise by Recursion's InfoSec team, which is supervised by the Chief Information Security Officer.

Item 2. Properties.

Recursion's corporate offices headquarters are located at 41 S Rio Grande Street, Salt Lake City, Utah 84101 where we lease 105,419 99,172 square feet of office, research dry and wet laboratory space. The laboratories include both traditional and automated laboratories for drug research. The current term of our lease expires in May 2028. We have entered into a lease for an additional 103,634 square feet of office, research and laboratory space adjacent to our corporate offices headquarters under a lease that expires in May 2032. Certain sections

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Recursion's Canadian operations are headquartered at 336 Queen Street West, Toronto CA M5V 2A2, where welease 28,110 square feet of this space are office space. The current term expires in use and other sections are currently under construction. We November 2032. In addition to our Canada headquarters in Toronto, we also lease a 24,974 have two leases in Montreal that house our semi-autonomous artificial intelligence engine, Valence Labs. Valence Labs leases an 8,367 square foot property in Milpitas, California that includes lab office and technological services and is used for research, design and development under a lease dry laboratory space located at 6666 Rue Saint-Urbain, Montreal CAH2S3H1 that expires in May 2028. March 2029. Valence also has a research lounge located in the world renowned artificial intelligence and machine learning hub MILA. This office space hosts academic researchers.

We believe our facilities are adequate and suitable for our current needs and that, should it be needed, suitable additional or alternative space will be available to accommodate our operations.

Item 3. Legal Proceedings.

The Company is not currently a party to any material litigation or other material legal proceedings. The Company may, from time to time, be involved in various legal proceedings arising in the normal course of business. An unfavorable resolution of any such matter could materially affect the Company's future financial position, results of operations or cash flows. For more information pertaining to legal proceedings, see Part II, Item 8, Note 7, "Commitments and Contingencies," which is incorporated herein by reference.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

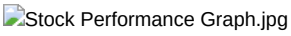
Principal market

The principal market for Recursion's Class A common stock is the Nasdaq Global Select Market (Symbol: RXRX). Our common stock began trading on April 16, 2021. Prior to that date, there was no public market for our common stock.

Recursion's Class B and Exchangeable common stock is are not listed on any stock exchange nor traded on any public market.

Stock performance graph

The following graph compares the cumulative total returns of Recursion, the Nasdaq Composite Index and the Nasdaq Biotechnology Index from our April 16, 2021 closing stock price (the date on which our common stock first began trading on the Nasdaq Global Select Market) through December 31, 2022 December 31, 2023. This graph assumes $100 was invested and the reinvestment of dividends, if any. The comparisons shown in the graph below are based upon historical data and are not necessarily indicative of future performance.



This performance graph is furnished and shall not be deemed "filed" with the SEC or subject to Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any of Recursion's filings under the Securities Act of 1933, as amended.

Stockholders

There were 27 74 stockholders of record of Recursion Class A common stock as of January 31, 2023 January 31, 2024. The actual number of stockholders of our Class A common stock is greater than this number of record holders and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees.

Dividend policy

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our Board of Directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions, and other factors that our Board of Directors may deem relevant, including restrictions in our current and future debt instruments, our future earnings, capital requirements, financial condition, prospects, and applicable Delaware law, which provides that dividends are only payable out of surplus or current net profits.

Securities authorized for issuance under equity compensation plans

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Information about our equity compensation plans in Item 12 of Part III of this Annual Report on Form 10-K is incorporated herein by reference.

Recent sales of unregistered securities

(a) Sales of Unregistered Securities

Acquisitions
In May 2023, the Company entered into an agreement to acquire Cyclica. The aggregate upfront consideration for the acquisition of Cyclica consisted of 5.8 million shares of Recursion Class A common stock, cash payments, 1.0 million shares issuable upon exercise of stock options held by Cyclica equity award holders and deferred liabilities. Approximately 182 thousand of the aforementioned Class A common stock consideration had not yet been issued as of December 31, 2023. A prospectus supplement to a registration statement (File No. 333-264845) was subsequently filed pursuant to Rule 424(b) on June 9, 2023, to register the resale of certain of such shares and the issuance of shares issuable upon exercise of certain such stock options. In addition, a registration statement on Form S-8 (File No. 333-272282) was filed on May 30, 2023 to register the issuance of shares issuable upon exercise of certain of such stock options.

Also in May 2023, the Company entered into an agreement to acquire Valence. The aggregate upfront consideration for the acquisition of Valence consisted of 2.2 million shares of Recursion Class A common stock, 4.4 million shares of a subsidiary of Recursion, exchangeable for shares of Recursion's Class A common stock, 792 thousand shares issuable upon the exercise of stock options held by Valence equity award holders and deferred liabilities. A registration statement on Form S-3ASR (File No. 333-272281) was subsequently filed on May 30, 2023, to register the resale of certain of such shares and to register the issuance of shares issuable upon exercise of certain of such stock options and of shares issuable upon exchange of exchangeable shares. In addition, a registration statement on Form S-8 (File No. 333-272027) was filed on May 18, 2023 to register the issuance of shares issuable upon exercise of certain of such stock options.

NVIDIA Private Placement
On October 27, 2022 July 11, 2023, we the Company issued an aggregate of 15,336,734 7.7 million shares (the "Shares" "NVIDIA Shares") of the Company's Class A common stock at a purchase price of $9.80 $6.49 per share in a private placement (the "Private Placement") to qualified institutional buyers and institutional accredited investors (collectively the "Purchasers") NVIDIA Corporation for an aggregate purchase price net proceeds of approximately $150.3 $49.9 million and after deducting fees and offering costs of $6.6 million, net proceeds were approximately $143.7 million. (the "NVIDIA Private Placement"). The sale was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act. In connection with the NVIDIA Private Placement, the Company and the investors NVIDIA Corporation entered into a registration rights agreement, dated October 27, 2022 July 11, 2023, providing for the registration for resale of the NVIDIA Shares. A prospectus supplement to a registration statement (File No. 333-264845) was subsequently filed pursuant to Rule 424(b) on October 28, 2022 August 8, 2023, to register the resale of the NVIDIA Shares by the Purchasers. NVIDIA Corporation.

Morgan Stanley & Co. LLC acted as Tempus Private Placement
In November 2023, the lead placement agent Company entered into a Master Agreement (the "Tempus Agreement") with Tempus Labs, Inc. ("Tempus") pursuant to which Tempus will provide certain services and Berenberg Capital Markets LLC, KeyBanc Capital Markets Inc. deliverables to the Company and/or license certain data to the Company. Pursuant to the Tempus Agreement, on November 30, 2023, and Needham & the Company LLC acted as co-placement agents issued to Tempus an aggregate of 3.2 million shares of the Company's Class A Common Stock, (the "Tempus Shares"), in lieu of a cash payment of $22.0 million for the initial license fee owed to Tempus in exchange for the rights granted to the Company under the Tempus Agreement (the "Tempus Private Placement. Placement"). The sale was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act. Pursuant to the terms of the Tempus Agreement, the Company subsequently filed a prospectus supplement to a registration statement (File No. 333-264845) pursuant to Rule 424(b) on December 15, 2023, to register the resale of the Tempus Shares by Tempus.

Stock Option Exercises
For the year ended December 31, 2022 December 31, 2023, we issued 169,950 242,000 shares of our Class A common stock to our employees, advisors and consultants upon the exercise of stock options under our Key Personnel Incentive Stock Plans for aggregate consideration of approximately $50 thousand, $43,000, in reliance on the exemption provided by Rule 701(b)(2) promulgated under the Securities Act, or pursuant to Section 4(a)(2) under the Securities Act, relative to transactions by an issuer not involving any public offering, to the extent an exemption from such registration was required.

(b) Use of Proceeds from Public Offering of Class A Common Stock

On April 15, 2021, the Registration Statement on Form S-1 (File No. 333-254576) for the initial public offering of our Class A common stock was declared effective by the SEC. Shares of our Class A common stock began trading on the Nasdaq Global Select Market on April 16, 2021. The offering closed on April 20, 2021. We issued 27,878,787 shares of our Class A common stock at a price of $18.00 per share for net proceeds of $462.4 million, after deducting underwriting discounts and commissions of $35.1 million and other offering costs of $4.3 million.

We are holding a significant portion of the balance of the net proceeds in cash and cash equivalents including bank deposits held in checking accounts and money market funds. There has been no material change in the planned use of proceeds from our IPO from those that were described in the final prospectus filed pursuant to Rule 424(b) under the Securities Act and other periodic reports previously filed with the SEC.

(c) Issuer Purchases of Equity Securities

None.

Item 6. [Reserved]

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following is a discussion and analysis of the financial condition of Recursion Pharmaceuticals, Inc. (Recursion, the Company, we, us or our) and the results of our operations. This commentary should be read in conjunction with the Consolidated Financial Statements and accompanying notes appearing in Item 8, "Financial Statements." This discussion, particularly information with respect to our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, includes forward-looking statements that involve risks and uncertainties as described under the heading "Note About Forward-Looking Statements" in this Annual Report on Form 10-K. You should review the disclosure under the heading "Risk Factors" in our Annual Report on Form 10-K for a discussion of important factors that could cause our actual results to differ materially from those anticipated in these forward-looking statements.

Overview

Recursion is a leading 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, chemical and chemical patient-centric relationships within the Recursion Data Universe, one across over 50 petabytes of the world's largest proprietary biological and chemical datasets. data. We frame this integration of the physical and digital components as iterative loops, of atoms and bits. Scaled where scaled 'wet-lab' biology, chemistry and chemistry patient-centric experimental data built in-house (atoms) are organized into virtuous cycles with by 'dry-lab' computational tools (bits) in order to rapidly identify, validate and translate *in silico* hypotheses into validated insights therapeutic insights. We believe Recursion's unbiased, data-driven approach to understanding biology will bring more, new and novel chemistry. Our focus on mapping better medicines at higher scale 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 lower cost 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.patients.

We leverage our Recursion OS to enable There are three key value drivers: value-drivers at Recursion:

1. An expansive **pipeline** of internally-developed internally developed clinical and preclinical programs focused on genetically-driven precision oncology and genetically driven rare diseases and oncology with significant unmet need and market opportunities in some cases that could potentially in excess of exceed $1 billion in annual sales in some cases
2. Transformational **partnerships** with leading biopharma and technology 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 using advanced computational and data resources
3. Development of one of the largest fit-for-purpose proprietary biological An industry-leading **dataset** intentionally designed to capitalize on computational tools and chemical **datasets** in the world at a time when advances in AI paired with the right training data are creating disruptive value. accelerate value created through our pipeline, partnerships and technology products

Recursion OS.jpg

We drive value by scaling and leveraging the Recursion finished the fourth quarter OS to generate, aggregate and integrate over 50 petabytes of 2022 with a portfolio data spanning large language model derived disease relevance and target-compound relationships, predicted protein-ligand binding interactions for ~36 billion compounds, over 200 million total staining and multi-timepoint live-cell (brightfield) phenomics experiments, over 700 thousand whole transcriptomics experiments, tens of clinical-stage, preclinical thousands of ADME experiments using our automated DMPK module, InVivomics and discovery programs and continued scaling the total number of experiments to multimodal precision oncology patient data. This dataset has been curated using over 175 million, size of its proprietary data to over 21 50 human cell types, our cell manufacturing facility which has

petabytes and number of biological and chemical relationships to produced over 3 trillion. Data have been generated by the Recursion OS across 48 human cell types, an 1 trillion hiPSC-derived neuronal cells since 2022, our in-house chemical library of approximately over 1.7 million compounds, and an *in silico* library of over 1 trillion small molecules by a and other capabilities. We have built proprietary software applications and AI/ML models within the Recursion OS which predict and navigate over 5 trillion biological and chemical relationships. With our approach and our team of approximately over 500 Recursionauts that is balanced between life scientists and computational and technical experts. experts, we endeavor to turn drug discovery into a search problem, where we map and navigate biology in an unbiased manner in order to translate insights into more, new and better medicines at higher scale and lower cost to patients.

Pipeline.jpg

Summary of Business Highlights

Internal Pipeline Platform

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- **Causal AI Modeling and Additional Datasets:** We have been training causal AI models leveraging over 20 petabytes of multimodal precision oncology patient data from Tempus to support the discovery of potential biomarker-enriched therapeutics at scale. By combining the forward genetics approach of Tempus with the reverse genetics approach at Recursion, we believe we have an opportunity to improve the speed, precision, and scale of therapeutic development in oncology. This work has already resulted in a directed-oncology program against a novel gene/disease relationship in a large oncology indication. Recursion intends to operate both as a data generator and multimodal data aggregator. In the future, we intend to augment our dataset and hone the Recursion OS with germline genetic data, organoid technologies, and automated nano-synthesis technologies.
- **LOWE (Large Language Model-Orchestrated Workflow Engine):** LOWE is an LLM agent that represents the next evolution of the Recursion OS. LOWE supports drug discovery programs by orchestrating complex wet and dry-lab workflows via natural language prompts. These workflows are the steps and tools available in the Recursion OS, from finding significant relationships across biology, chemistry, and patient-centric data to generating novel compounds and scheduling them for synthesis and experimentation. Through its natural language interface and interactive graphics, LOWE can put state-of-the-art AI tools into the hands of every drug discovery scientist.

Pipeline

- **Cerebral Cavernous Malformation (CCM) (REC-994):** Our Phase 2 SYCAMORE clinical trial is a randomized, double-blind, placebo-controlled, safety, tolerability and exploratory efficacy study of this drug candidate REC-994 in 60 participants with CCM. At this time, we This trial was fully enrolled in June 2023 with 62 participants and the vast majority of participants who completed 12 months of treatment continue to actively enroll participants. elect to enter the long-term extension study. We expect to share top-line Phase 2 data in 2H Q3 2024.
- **Neurofibromatosis Type 2 (NF2) (REC-2282):** Our adaptive Phase 2/3 POPLAR clinical trial is a parallel group, randomized, two stage, randomized, multicenter part study of this drug candidate REC-2282 in approximately 90 participants with progressive NF2-mutated meningiomas. At this time, we continue Part 1 of the study is ongoing and is exploring two doses of REC-2282 in approximately 23 adults and 9

adolescents, with enrollment in adults expected to actively enroll participants. complete in H1 2024. We expect to share a Phase 2 interim safety analysis and preliminary efficacy data in Q4 2024.

- **Familial Adenomatous Polyposis (FAP) (REC-4881):** Our Phase 1b/2 TUPELO clinical trial is a an open label, multicenter, randomized, double-blind, placebo-controlled two-part clinical trial two part study of REC-4881 in participants with FAP. Part 1 is complete with FPI for Part 2 anticipated in H1 2024. We expect to evaluate efficacy, share Phase 2 safety and pharmacokinetics of this drug candidate preliminary efficacy data in patients with FAP. Recent protocol amendments are aimed at accelerating the quality and pace of the trial. H1 2025.
- ***AXIN1* or *APC* Mutant Cancers (REC-4881):** In October 2022, we announced the nomination Our Phase 2 LILAC clinical trial is an open label, multicenter study of REC-4881 for the potential treatment of in participants with unresectable, locally advanced or metastatic cancer with *AXIN1*or *APC*mutations. This study was initiated at the end of 2023, with FPI anticipated in Q1 2024. We expect to share Phase 2 safety and preliminary efficacy data in H1 2025.
- ***Clostridioides difficile* mutant cancers Infection (REC-3964):** We conducted a Phase 1 healthy volunteer study to evaluate the safety, tolerability and PK of REC-3964 at increasing oral doses in comparison with an initial focus on hepatocellular carcinoma placebo. REC-3964 was safe and ovarian cancer. well tolerated and there were no serious adverse events, deaths or TEAEs that led to discontinuation. REC-3964 is a first-in-class *C.difficile* toxin inhibitor and the first new chemical entity developed by Recursion, with promising preclinical efficacy data seen in relevant models (superiority versus bezlotoxumab). We expect to initiate a Phase 1b/2 biomarker enriched basket study across select *AXIN1* or *APC* mutant tumors in early 2024.

- ***Clostridioides difficile* Colitis (REC-3964):** Our Phase 1 clinical trial is a first-in-human protocol evaluating single and multiple doses of REC-3964 in healthy volunteers and will assess the safety, tolerability and pharmacokinetic profile of REC-3964. At this time, we continue to actively enroll participants. We expect to share safety and PK data in 2H 2023.
- **RBM39 HR-Proficient Ovarian Cancer: Cancers and Other Solid Tumors:** In January 2023, we disclosed that RBM39 (previously identified as Target Gamma) is the a novel CDK12-adjacent target identified by the Recursion OS. We believe that modulating RBM39 could intend to position our lead to candidate as a single agent for the potential treatment of HR-proficient ovarian cancer. cancers and other HR-proficient solid tumors. As a result of our strategic collaboration with Tempus, we are leveraging genomic data across all tumor types to identify clinical biomarkers for patient expansion. We expect this program to reach are advancing our lead candidate through IND-enabling studies with IND submission expected in 2023. H2 2024.
- **Enhancing Anti-PD-(L)1 Response by Inhibiting Novel Targets Undisclosed Indication in Fibrosis (Target Alpha) Epsilon):** Phenotypic screening of human PBMCs identified novel and structurally diverse small molecules that reverse the phenotypic features of disease-state fibrocyte cells into those of healthy-state cells. The most promising compounds were confirmed as potent inhibitors of a novel target for fibrosis. This program is a potential first-in-class novel chemical entity originated under our initial fibrosis collaboration with a novel polypharmacologic mechanism of action for which Bayer and we have not yet disclosed the targets. We expect since in-licensed from Bayer all rights to this program to reach which is now entering IND-enabling studies in 2023.**studies.**

Transformational Collaborations Partnerships

- **Transformational Collaborations:**We continue to advance efforts to discover potential new therapeutics with our strategic partners in the areas of fibrotic disease undruggable oncology (Bayer) as well as neuroscience and a single indication in gastrointestinal oncology (Roche-Genentech). In the near-term, there is the potential for option exercises associated with partnership programs, option exercises associated with map building initiatives or data sharing, and additional partnerships in large, intractable areas of biology or technological innovation.

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Recursion OS

- **Cell and Tissue Culturing:** In 2022, we industrialized stem cell production and produced over 500 billion hiPSC-derived cells in-house to enable neurology research. We believe that this volume of biological material could make Recursion one of the largest producers of neural hiPSC-derived cells in the world and could give Recursion flexibility around its consumables and collaboration activities.
- **Chemical Technology: Enamine:** We have begun configuring our automated drug metabolism and pharmacokinetics (DMPK) wet-lab module into the Recursion OS. Once fully onboarded, this module will enable scaled, automated processing and evaluation of compounds for plasma protein binding, microsomal stability and cell permeability. With an operational capacity of up to 500 compounds per week, this module lays the foundation for us In December 2023, we entered a collaboration with Enamine to generate additional proprietary and design enriched compound libraries for the global drug discovery industry. By leveraging MatchMaker, a Recursion AI model, to identify compounds in the Enamine REAL Space (~36 billion chemical compounds) predicted to bind to high-value targets, we believe we can generate more powerful compound libraries for drug discovery purposes. Enamine may offer the resulting libraries to customers for purchase and will co-brand any libraries under both the Enamine and Recursion's trademarks. This collaboration is an example of how select data moats that enable the training of ML and AI algorithms.
- **Publicly Available Dataset and Application:** In January 2023, Recursion released RxRx3, its largest open-source cellular imaging dataset to date, as well as MolRec™, an interactive application to explore compound and gene relationships. Both of these offerings are free to the public and layers can be found at www.rxrx.ai. drive value in novel ways.

Additional Corporate Updates

- **Letter to Shareholders:** Recursion Co-Founder & CEO Chris Gibson, Ph.D. wrote an annual letter to shareholders which may be found in this 10-K report ahead of Part I.
- **Download Day:** In January 2023, Recursion hosted Download Day, a R&D-focused event highlighting aspects of Recursion's platform, data, programs, partnerships, and culture. Materials from this event can be found at www.Recursion.com/download-day.
- **Facilities:** Recursion completed an expansion of its headquarters in Salt Lake City, making room for research and development activities related to expanding our human tissue culture and chemical compound handling capabilities, enabling new biological contexts for map building and scaling sequencing and automated DMPK assays.
- **ESG Reporting:** In October 2022, Sustainalytics ranked Recursion in the top 100 of pharmaceutical companies with respect to its ESG efforts (approximately top 10%). In March 2023, Recursion plans to release an updated ESG report.
- **Annual Shareholder Meeting:** The Recursion Annual Shareholder Meeting will be held on June 16, 2023 at 12:00 pm Mountain Time.

Financing and Operations

We were incorporated in November 2013. In In October 2022, we issued 15,336,734 shares of our Class A common stock at a purchase price of $9.80 per share in a private placement (the Private Placement) to qualified institutional buyers and institutional accredited investors (the Purchasers) for net proceeds of $143.7 million, after deducting fees and offering costs of $6.6 million. April 2021On April 20, 2021, we closed our Initial Public Offering (IPO) and issued 27,878,78727.9 million shares of Class A common stock at a price of $18.00 per share, raising net proceeds of $462.4 million. Prior to our IPO, we had raised approximately $448.9 million in equity financing from investors in addition to $30.0 million in an upfront payment from our collaboration with Bayer AG (Bayer). In December 2021 January 2022, we announced a collaboration with Roche and received an upfront payment of $150.0 million in January 2022. from our collaboration with Roche. See Note 12, 9, "Collaborative Development Contracts" to the Consolidated Financial Statements for additional information on the collaborations. In October 2022, we issued 15.3 million shares of our Class A common stock at a purchase price of $9.80 per share in the 2022 private placement to qualified institutional buyers and institutional accredited investors (the Purchasers) for net proceeds of $143.7 million, after deducting fees and offering costs of $6.6 million. In July 2023, we issued an aggregate of 7.7 million shares of our Class A common stock at a purchase price of $6.49 per share in the 2023 Private Placement with NVIDIA Corporation for net proceeds of approximately $50.0 million. See Note 8, "Common Stock" to the Consolidated Financial Statements for additional information on the private placements. During the year ended December 31, 2023, Recursion entered into an Open Market Sales Agreement (the "Sales Agreement") with Jefferies LLC (the "Sales Agent"). For the year ended December 31, 2023, the Company has sold 12.0 million shares and received net proceeds of $78.2 million under the agreement. See Note 8, "Common Stock" to the Consolidated Financial Statements for additional information on the Sales Agreement.

We use the capital we have raised to fund operations operating and investing activities across platform research operations, drug discovery, clinical development, digital and other infrastructure, creation of our portfolio of intellectual property and administrative support. We do not have any products approved for commercial sale and have not generated any revenues from product sales. We had unrestricted cash and cash equivalents of $549.9 million $391.6 million as of December 31, 2022 December 31, 2023. Based on our current operating plan, we believe that our cash and cash equivalents and will be sufficient to fund our operations for at least the next twelve months.

Since inception, we have incurred significant operating losses. Our net losses were $239.5 million $328.1 million, $186.5 million $239.5 million and $87.0 $186.5 million during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. As of December 31, 2022 December 31, 2023, our accumulated deficit was $639.6 million $967.6 million. We anticipate that our expenses and operating losses will remain flat or increase moderately over the near term.

We anticipate that we will need to raise additional financing in the future to fund our operations, including the potential commercialization of any approved product candidates. Until such time, if ever, as we can generate significant product revenue, we expect to finance our operations with our existing cash and cash equivalents, any future equity or debt

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financings and upfront, milestone and royalty payments, if any, received under current or future license or collaboration agreements. We may not be able to raise additional capital on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, results of operations and financial condition may be adversely affected.

Components of Operating Results

Revenue

Operating revenue is generated through research and development agreements derived from strategic alliances. We are entitled to receive variable consideration as certain milestones are achieved. The timing of revenue recognition is not directly correlated to the timing of cash receipts.

Cost of Revenue

Cost of revenue consists of the Company's costs to provide services for drug discovery required under performance obligations with partnership customers. These primarily include materials costs, service hours performed by our employees and depreciation of property and equipment.

Research and Development

Research and development expenses account for a significant portion of our operating expenses. We recognize research and development expenses as they are incurred. Research and development expenses consist of costs incurred in performing activities including:

- costs to develop and operate our platform;
- costs of discovery efforts which may lead to development candidates, including research materials and external research;
- costs for clinical development of our investigational products;
- costs for materials and supplies associated with the manufacture of active pharmaceutical ingredients, investigational products for preclinical testing and clinical trials;
- personnel-related expenses, including salaries, benefits, bonuses and stock-based compensation for employees engaged in research and development functions;
- costs associated with operating our digital infrastructure; and
- other direct and allocated expenses incurred as a result of research and development activities, including those for facilities, depreciation, amortization and insurance.

We recognize expenses associated with third-party contracted services as they are incurred. Upon termination of contracts with third parties, our financial obligations are generally limited to costs incurred or committed to date. Any advance payments for goods or services to be used or rendered in future research and product development activities pursuant to a contractual arrangement are classified as prepaid expenses until such goods or services are rendered.

General and Administrative

We expense general and administrative costs as incurred. General and administrative expenses consist primarily of salaries; employee benefits; stock-based compensation; and outsourced labor for personnel in executive, finance, human resources, legal and other corporate administrative functions. General and administrative expenses also include legal fees for corporate and patent matters; professional fees for accounting, auditing, tax and administrative consulting services, insurance costs, facilities and depreciation expenses.

Other Income (Loss), net

Other income (loss), net consists of interest earned primarily from investments, interest expense incurred under our loan agreements, gains and losses from investments, changes in the fair value of warrant liabilities and debt extinguishment costs.

Results of Operations

The following table summarizes our results of operations:

(in thousands, except percentages)	(in thousands, except percentages)	Years ended December 31,			2022 compared to 2021		2021 compared to 2020		(in thousands, except percentages)	Years ended December 31,		
		2022	2021	2020	$	%	$	%		2023	2022	2021
Revenue	**Revenue**											
Operating revenue	Operating revenue	$ 39,681	$ 10,000	$ 3,413	$ 29,681	>100%	$ 6,587	>100%				
									Operating revenue			

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Operating revenue										$ 43,876		$ 39,681		$ 10,000			$
Grant revenue	Grant revenue	162	178	549	(16)	(9.0)%	(371)	(67.4)%	Grant revenue	699		162	162	178	178	538	
Total revenue	**Total revenue**	39,843	10,178	3,962	29,665	>100%	6,216	>100%	**Total revenue**	44,575		39,843	39,843	10,178	10,178	4,733	
Operating costs and expenses	**Operating costs and expenses**																
Operating costs and expenses																	
Operating costs and expenses																	
Cost of revenue																	
Cost of revenue																	
Cost of revenue	Cost of revenue	48,275	—	—	48,275	n/m	—	n/m	42,587	48,275	48,275		—	—		(5,688)		(5,6
Research and development	Research and development	155,696	135,271	63,319	20,425	15.1 %	71,951	>100%	Research and development	241,226		155,696	155,696	135,271	135,271	85,530	
General and administrative	General and administrative	81,599	57,682	25,258	23,917	41.5 %	32,423	>100%	General and administrative	110,822		81,599	81,599	57,682	57,682	29,224	
Total operating costs and expenses	**Total operating costs and expenses**	285,570	192,953	88,577	92,617	48.0 %	104,374	>100%	**Total operating costs and expenses**	394,635		285,570	285,570	192,953	192,953	109,066	
Loss from operations	**Loss from operations**	(245,727)	(182,775)	(84,615)	(62,952)	34.4 %	(98,158)	>100%									
Loss from operations																	
Loss from operations										(350,060)		(245,727)		(182,775)			
Other income (loss), net	Other income (loss), net	6,251	(3,704)	(2,391)	9,955	n/m	(1,313)	54.9 %	Other income (loss), net	17,932		6,251	6,251	(3,704)	(3,704)	11,681	
Loss before income tax benefit									**Loss before income tax benefit**	(332,128)		(239,476)		(186,479)			
Income tax benefit									Income tax benefit	4,062		—		—			
Net loss	**Net loss**	$ (239,476)	$ (186,479)	$ (87,006)	$ (52,997)	28.4 %	$ (99,471)	>100%	**Net loss**	$ (328,066)		$ (239,476)		$ (186,479)		$	$

n/m = Not meaningful

Summary

Our financial performance during the year ended December 31, 2022 December 31, 2023 compared to 2022 included an increase in research and development costs due to increased platform costs as we have expanded and upgraded our capabilities, additionally for the year ended December 31, 2022 platform costs decreased due to a reallocation of spending to cost of revenue for our strategic partnerships.

Our financial performance during the year ended December 31, 2022 compared to 2021 included: (i) a decrease in platform research and development costs due to a reallocation of spending to cost of revenue for our strategic partnerships; (ii) an increase in revenue recognized due to our strategic partnership with Roche; and (iii) the incurrence of cost of revenue due to our strategic partnerships. Additionally, our financial results reflected added funding to support our emerging early- and mid-stage pipeline assets.

Our financial performance during the year ended December 31, 2021 compared to 2020 included: (i) an increase in revenue recognized due to our strategic partnership with Bayer; and (ii) increased operating costs due to growth in size of the Company's operations.

Revenue

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The following table summarizes our components of revenue:

(in thousands, except percentages)	Years ended December 31,			2022 compared to 2021		2021 compared to 2020	
	2022	2021	2020	$	%	$	%
Revenue							
Operating revenue	$39,681	$10,000	$3,413	$29,681	>100%	$6,587	>100%
Grant revenue	162	178	549	(16)	(9.0)%	(371)	(67.4)%
Total revenue	$39,843	$10,178	$3,962	$29,665	>100%	$6,216	>100%

(in thousands, except percentages)	Years ended December 31,											
	2023		2022		2021		$	%		$		
Operating revenue	$43,876	$	39,681	$	10,000		$4,195	10.6	%	$	29,681	
Grant revenue	699	162	162	178	178	538	538	>100%	>100%		(16)	
Total revenue	$44,575	$	39,843	$	10,178	$	$4,733	11.9	11.9	%	$	29,665	>100%

Operating revenue is generated through partnerships in which we perform research and development activities for customers. Generally, those arrangements provide our customers with certain rights related to the results of those research and development activities. We may also retain certain rights related to the results of those activities. Our revenue to-date relates primarily to the recognition over time of amounts received at inception of the partnerships. In addition, we are entitled to receive variable consideration as certain milestones are achieved. The timing of revenue recognition is not directly correlated to the timing of cash receipts.

For the year ended December 31, 2022 December 31, 2023, the increase in revenue compared to prior year was due to revenue recognized from our strategic partnership with Roche, which commenced in January 2022. has progressed from primarily cell type evaluation work to inference-based Phenomap building and additional cell type evaluation work. For the year ended December 31, 2021 December 31, 2022, the increase in revenue compared to prior year was due to revenue recognized from our strategic partnership with Bayer, Roche, which commenced in August 2020.January 2022.

Cost of Revenue

The following table summarizes our cost of revenue:

(in thousands, except percentages)	Years ended December 31,			2022 compared to 2021		2021 compared to 2020	
	2022	2021	2020	$	%	$	%
Total cost of revenue	$48,275	$—	$—	$48,275	n/m	$—	n/m

(in thousands, except percentages)	Years ended December 31,			2023 compared to 2022			2022 compared to 2021		
	2023	2022	2021	$	%		$	%	
Total cost of revenue	$ 42,587	$ 48,275	$ —	$	$ (5,688)	(11.8) (11.8) %	$	48,275	n/m n/m

n/m = Not meaningful

Cost of revenue consists of the Company's costs to provide services for drug discovery required under performance obligations with partnership customers. These primarily include materials costs, service hours performed by our employees and depreciation of property and equipment.

For the year ended December 31, 2022 December 31, 2023, the increase decrease in cost of revenue compared to prior year was due to our strategic partnerships. partnership with Bayer, for which less brute-force work was required. For the years year ended December 31, 2021 and 2020, December 31, 2022, the increase in cost of revenue compared to prior year was due to our strategic partnerships. For the year ended

December 31, 2021, cost of revenue was insignificant and was included within “Research and development” in the Consolidated Statement of Operations.

Research and Development

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The following table summarizes our components of research and development expense:

(in thousands, except percentages)	(in thousands, except percentages)	Years ended December 31,			2022 compared to 2021		2021 compared to 2020		(in thousands, except percentages)	Years ended December 31,			2023 compared to 2022		2022 compared to 2021		
		2022	2021	2020	$	%	$	%		2023	2022	2021	$	%	$	%	
Research and development expenses	Research and development expenses																
Platform	Platform																
Platform	Platform	$ 41,765	$ 55,959	$ 29,651	$ (14,194)	(25.4)%	$ 26,308	88.7 %	$ 96,796	$ 41,765	$ 55,959	$	$ 55,031	>1			
Discovery	Discovery	52,358	48,984	17,670	3,374	6.9 %	31,314	>100%	Discovery	62,142	52,358	52,358	48,984	48,984	9,784		9
Clinical	Clinical	46,820	21,841	10,003	24,979	>100%	11,838	>100%	Clinical	57,564	46,820	46,820	21,841	21,841	10,744		10
Stock based compensation	Stock based compensation	10,524	4,979	1,777	5,545	>100%	3,202	>100%	Stock based compensation	22,761	10,524	10,524	4,979	4,979	12,237		12
Other	Other	4,229	3,508	4,218	721	20.6 %	(710)	(16.8)%	Other	1,963	4,229	4,229	3,508	3,508	(2,266)		(2
Total research and development expenses	Total research and development expenses	$155,696	$135,271	$63,319	$ 20,425	15.1 %	$ 71,952	>100%	Total research and development expenses	$241,226	$ 155,696	$ 135,271	$		$		$ 85

Research and development expenses account for a significant portion of our operating expenses. These expenses arise from research and development activities that are not performed pursuant to a customer contract. We recognize research and development expenses as they are incurred. Research and development expenses consist of costs incurred in performing activities including:

- costs to develop and operate our platform;
- costs of discovery efforts which may lead to development candidates, including research materials and external research;
- costs for clinical development of our investigational products;
- costs for materials and supplies associated with the manufacture of active pharmaceutical ingredients, investigational products for preclinical testing and clinical trials;
- personnel-related expenses, including salaries, benefits, bonuses and stock-based compensation for employees engaged in research and development functions;
- costs associated with operating our digital infrastructure; and
- other direct and allocated expenses incurred as a result of research and development activities, including those for facilities, depreciation, amortization and insurance.

We recognize expenses associated with third-party contracted services as they are incurred. Upon termination of contracts with third parties, our financial obligations are generally limited to costs incurred or committed to date. Any advance payments for goods or services to be used or rendered in future research and product development activities pursuant to a contractual arrangement are classified as prepaid expenses until such goods or services are rendered.

Significant components of research and development expense include the following allocated by development phase: Platform, which refers primarily to expenses related to screening of product candidates through hit identification; Discovery, which refers primarily to expenses related to hit identification through development of candidates; and Clinical, which refers primarily to expenses related to development of candidates and beyond.

For the year ended December 31, 2023, the increase in research and development expenses compared to the prior year was primarily due to increased platform costs as we have expanded and upgraded our capabilities in platform including our chemical technology, machine learning and transcriptomics platform.

For the year ended December 31, 2022, the increase in research and development expenses compared to the prior year was primarily due to increased clinical costs as studies progressed. The Company initiated three Phase 2 or Phase 2/3 studies and two Phase 1 studies in 2022, which includes a Phase 1 study for REC-4881. These increases were partially offset by a decrease in platform costs due to a reallocation of spending to cost of revenue for our strategic partnerships.

For the year ended December 31, 2021, the increase in research and development expenses compared to the prior year was due to an increased number of experiments screened on our platform, an increased number of pre-clinical assets being validated and increased clinical costs as studies progressed.

General and Administrative Expense

The following table summarizes our general and administrative expense:

(in thousands, except percentages)	(in thousands, except percentages)	Years ended December 31,			2022 compared to 2021		2021 compared to 2020		(in thousands, except percentages)	Years ended December 31,			2023 compared to 2022		2022 compared to 2021	
		2022	2021	2020	$	%	$	%		2023	2022	2021	$	%	$	%

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Total general and administrative expenses	Total general and administrative expenses	$81,599	$57,682	$25,258	$23,917	41.5 %	$32,423	>100%	Total general and administrative expenses	$110,822	$81,599	$57,682	$	$	$29,223	35.8	35.8 %	$23,917	41.5	41.5 %

We expense general and administrative costs as incurred. General and administrative expenses consist primarily of salaries; including employee benefits and stock-based compensation. General and administrative expenses also include facilities, depreciation, information technology, professional fees for auditing and tax, legal fees for corporate and patent matters and insurance costs.

For the year ended December 31, 2023, the increase in general and administrative expense compared to the prior year was primarily driven by an increase in salaries and wages of $12.4 million and increases in legal, software and depreciation expense.

For the year ended December 31, 2022, the increase in general and administrative expense compared to the prior year was due to the growth in size of the Company's operations including increased salaries and wages of $14.3 million, a fixed asset write-down of $2.8 million, increased rent expense of $2.4 million and increases in other administrative costs associated with operating a growing company.

For the year ended December 31, 2021, the increase in general and administrative expense compared to prior year was due to the growth in size of the Company's operations including increased salaries and wages of $16.4 million, equipment costs, human resources costs, facilities costs and other administrative costs associated with operating a growth-stage company.

Other Income (Loss), Net

The following table summarizes our components of other income (loss), net:

(in thousands, except percentages)	(in thousands, except percentages)	Years ended December 31,			2022 compared to 2021		2021 compared to 2020		(in thousands, except percentages)	Years ended December 31,			2023 compared to 2022		2022
		2022	2021	2020	$	%	$	%		2023	2022	2021	$	%	$
Interest expense	Interest expense	$ (55)	$ (2,952)	$ (1,360)	$ 2,897	(98.1)%	$ (1,592)	>100%	Interest expense	$ (97)	$ (55)	$ (2,952)	$ (43)	78.4	78.4 %	$ 2,897
Interest income	Interest income	6,254	73	336	6,181	>100%	(263)	(78.3)%	Interest income	19,116	6,254	6,254	73	73	12,862	12,862		>100%	>100%	6,181
Loss on debt extinguishment	Loss on debt extinguishment	—	(827)	(883)	827	(100.0)%	56	(6.3)%	Loss on debt extinguishment	—	—	—	(827)	(827)	—	—		n/m	n/m	827
Derivative fair value adjustment		—	—	(484)	—	n/m	484	(100.0)%												
Other	Other	52	2	—	50	>100%	2	n/m	Other	(1,087)	52	52	2	2	(1,139)	(1,139)		(2174.7)	(2174.7)%	51
Other income (loss), net	Other income (loss), net	$6,251	$ (3,704)	$ (2,391)	$ 9,955	n/m	$ (1,313)	54.9 %	Other income (loss), net	$ 17,932	$ 6,251	$ (3,704)	$	$	11,680	>100%		>100%	>100%	$ 9,956

n/m = Not meaningful

For the year ended December 31, 2022 December 31, 2023, the increase in other income (loss), net compared to the prior year was driven by an increase in interest income related to earnings on cash and cash equivalents in money market funds.

For the year ended December 31, 2022, the increase in other income (loss), net compared to the prior year was driven by a decrease in interest expense from the 2021 Midcap a loan settlement and an increase in interest income from our investment portfolio. See Note 5, "Investments" to the Consolidated Financial Statements for additional details earnings on the investment portfolio.

For the year ended December 31, 2021, the increase cash and cash equivalents in expense compared to the prior year was primarily due to an increase in interest expense due to the fair value of the Series A and B warrants. See Note 13, "Stock-Based Compensation" to the Consolidated Financial Statements for additional details on the warrants. money market funds.

Liquidity and Capital Resources

Sources of Liquidity

We have not yet commercialized any products and do not expect to generate revenue from the sales of any product candidates for at least several years. Unrestricted cash, Cash and cash equivalents totaled $391.6 million and investments totaled $549.9 million and $516.6 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

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We have incurred operating losses and experienced negative operating cash flows and we anticipate that the Company will continue to incur losses for at least the foreseeable future. Our net loss was $239.5 million $328.1 million, $186.5 million $239.5 million and $87.0 million $186.5 million during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. As of December 31, 2022 and December 31, 2021 December 31, 2023, we had an accumulated deficit of $639.6 million and $400.1 million, respectively. $967.6 million.

We have financed our operations through the private placements of preferred stock and Class A common stock issuances. As of December 31, 2022 December 31, 2023, we have received net proceeds of $448.9 million from the sale of preferred stock and $606.1 million $734.2 million from Class A common stock issuances. See Note 11, 8, "Common Stock" to the Consolidated Financial Statements for additional details on the Class A common stock issuances. Additionally, as of December 31, 2022 December 31, 2023, we have received proceeds of $180.0 million $183.0 million from our strategic partnerships. See Note 12, 9, "Collaborative Development Contracts" to the Consolidated Financial Statements for additional details on the collaborations.

Midcap Credit and Security Agreement

In September 2019, the Company entered into a Credit and Security Agreement with Midcap Financial Trust (Midcap) and the other lenders party thereto (the Midcap loan agreement). The Midcap loan agreement provided for a term loan facility that included an initial tranche of $11.9 million. In July 2021, the Company paid the balance due on the loan outstanding with Midcap. See Note 8, "Notes Payable" to the Consolidated Financial Statements for additional details.

partnerships.

Cash Flows

The following table is a summary of the Consolidated Statements of Cash Flows:

	Years ended December 31,				Years ended December 31,		
(in thousands)	**(in thousands)**	**2022**	**2021**	**2020**	**(in thousands)**	**2023**	**2022**	**2021**
Cash used in operating activities	Cash used in operating activities	$(83,524)	$(158,614)	$(45,399)				
Cash provided by (used in) investing activities	Cash provided by (used in) investing activities	193,249	(271,744)	(8,740)				
Cash provided by financing activities	Cash provided by financing activities	154,345	458,540	246,135				

Operating Activities

Cash used by operating activities decreased increased during the year ended December 31, 2023 as a result of an upfront payment of $150.0 million from our strategic partnership with Roche received during the year ended December 31, 2022.

Cash used by operating activities during the year ended December 31, 2022 compared to the prior year as we received included an upfront payment of $150.0 million from our strategic partnership with Roche. That cash inflow was offset by cash used for cost of revenue, research and development and general and administrative expenses.

Cash used by operating activities during the year ended December 31, 2021 increased compared to the prior year as a result of higher costs incurred for research and development and general and administrative expenses due to the Company's growth.

Investing Activities

Cash used by investing activities during the year ended December 31, 2023 consisted primarily of purchases of property and equipment of $12.0 million, which includes $1.7 million for a project to upgrade the BioHive supercomputer and lab equipment purchases. The cash used was partially offset by $1.8 million of net cash acquired in the acquisition of a business.

Cash provided by investing activities during the year ended December 31, 2022 was driven by sales and maturities of investments of $230.6 million, partially offset by the purchases of property and equipment of $37.1 million.

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Cash used by investing activities during the year ended December 31, 2021 primarily consisted of investment purchases of $301.1 million and property and equipment purchases of $39.8 million, which included $17.9 million for the purchase of a Dell EMC supercomputer. The cash outflows were partially offset by proceeds of $69.2 million from the sales and maturities of investments.

Cash used by investing activities during the year ended December 31, 2020 included $2.6 million for the acquisition of Vium, Inc (Vium) and $5.8 million of capital expenditures primarily for the purchase of lab equipment and leasehold improvements. Additionally, the Company purchased other intangible assets for $904 thousand. The cash outflows were partially offset by the proceeds from the note receivable. See Note 3, “Acquisitions” to the Consolidated Financial Statements for additional details on the Vium acquisition.

Financing Activities

Cash provided by financing activities during the year ended December 31, 2023 primarily included proceeds of $128.1 million from common stock issuances. Financing inflows also included proceeds from equity incentive plans of $12.8 million.

Cash provided by financing activities during the year ended December 31, 2022 primarily included $143.7 million of net proceeds from the 2022 Private Placement. Financing cash flows also included proceeds from equity incentive plans of $10.7 million.

Cash provided by financing activities during the year ended December 31, 2021 primarily included $462.4 million of net proceeds from the IPO. Financing cash flows also included an outflow of $12.7 million for the repayment of long-term debt on the Midcap loan.

Cash provided by financing activities during the year ended December 31, 2020 primarily included proceeds from the sale of preferred stock of $239.1 million. Financing cash flows also included $6.4 millionof proceeds from the issuance of convertible notes. debt.

Contractual Obligations

The Company's material cash requirements include the following contractual obligations:

As of December 31, 2022, the Company had $633 thousand of debt outstanding. This balance is related to notes payable for tenant improvement allowances. See Note 8, “Notes Payable” to the Consolidated Financial Statements for additional details.

As of December 31, 2022, the Company had $68.5 million of future lease commitments. See Note 6 “Leases” to the Consolidated Financial Statements for additional detail on future lease commitments. In addition to leases that have commenced, the Company has $11.0 million for leases that have been executed but not yet commenced.

As of December 31, 2022, the Company had $68.0 million of future purchase obligations, $49.8 million of which are expected to be payable within the next year. These commitments primarily related to third-party research services, materials and supplies for research and development activities and capital expenditures.

Critical Accounting Estimates and Policies

Our management's discussion and analysis of financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The preparation of our consolidated financial statements and related disclosures requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities expenses and the disclosure of contingent assets and liabilities expenses in our financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in the notes to our consolidated financial statements, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

We have generated revenue from our strategic alliances. contracts with partners. Our alliances with strategic collaborators may partnerships often contain multiple elements, components, including research and development services, licenses, options to obtain development and commercialization rights obligations to develop and manufacture preclinical and clinical material and options to obtain additional research and development services, preclinical and clinical material. services. Such arrangements may provide for various types of payments to us, including upfront fees, funding of research and development services and preclinical and clinical material, technical, development, regulatory and commercial milestone payments, licensing fees, option exercise fees and royalty and milestone payments on product sales. These Determining how to recognize revenue from these partnerships involves judgment about whether promised goods and services are distinct from one another or should be accounted for as combined performance obligations,

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how to estimate and allocate various payment streams to performance obligations and how to measure performance on each performance obligation. Because of these judgments, payments are often not commensurate with the timing of revenue recognition and therefore result in the deferral of revenue recognition.

Our operating revenue has primarily been generated through funded research and development agreements. Revenue for from research and development agreements is recognized as the Company satisfies a the performance obligation by transferring the promised services to the customer. The Company recognizes revenue over time by measuring the progress toward complete satisfaction of the relevant performance obligation using an appropriate input or output method based on the services promised to the customer. This method of recognizing revenue requires the Company to make estimates to determine the progress towards completion. A significant change in these estimates could have a material effect on the timing and amount of revenue recognized in future periods.

Valuation of Goodwill and Intangible Assets

Recursion has acquired and may continue to acquire significant intangible assets and goodwill in connection with business combinations. Amounts allocated to intangible assets and goodwill are based upon fair value estimates. We make estimates of fair value based upon assumptions believed to be reasonable and that of a market participant. These estimates are based on available historical information as well as future expectations and the estimates are inherently uncertain. The use of alternative estimates and assumptions could increase or decrease the estimated fair values, the amounts allocated to identifiable intangible assets acquired, future amortization expense and the value of goodwill.

Accrued Research and Development Expenses

As part of the process of preparing our financial statements, we are required to estimate our expenses resulting from our obligations under contracts with vendors and clinical research organizations and consultants. organizations. The financial terms of these contracts are subject to negotiations, which vary from contract to contract and may result in payment terms that do not match the periods over which materials or services are provided under such contracts. Our objective is to reflect the appropriate expenses in our financial statements by matching those expenses with the period in which services are performed and efforts are expended. We account for these expenses according to the timing of various aspects of the expenses and determine accrual estimates by taking into account discussion discussions with applicable personnel and outside service providers as to the progress of clinical trials, or the services completed. During the course of a clinical trial, we adjust our clinical expense recognition if actual results differ from estimates. We make estimates of our accrued expenses as of each balance sheet date based on the facts and circumstances known to us at that time. Our clinical trial accruals are dependent upon the timely and accurate reporting of contract research organizations and other third-party vendors. Although we do not expect estimates to be materially different from amounts actually incurred, our understanding of the anticipated status and timing of services performed relative to the actual status and timing of services performed may vary and may result in reporting amounts that are too high or too low for any particular period.

Stock-Based Compensation

We measure stock options and other stock-based awards granted to employees, directors and non-employees based on their fair value on the date of grant and recognize the compensation expense over the requisite service period. We recognize the impact of forfeitures on stock-based compensation expenses as forfeitures occur. We generally apply the straight-line method of expense recognition to awards.

The grant date fair value of stock options is estimated using the Black-Scholes option-pricing model, which requires inputs for the expected term, stock price volatility, dividend yield and the risk-free interest rate of the options. If any assumptions used in the Black-Scholes option-pricing model change significantly, stock-compensation for future awards may differ materially compared with the awards granted previously.

Contractual Obligations

The Company's material cash requirements include the following contractual obligations:

As of December 31, 2023, the Company had $1.1 million of debt outstanding. This balance is related to notes payable for tenant improvement allowances and the financing agreement for the supercomputer upgrade project. See Note 2, "Summary of Significant Accounting Policies" to the Consolidated Financial Statements for additional details.

As of December 31, 2023, the Company had $66.2 million of future lease commitments. See Note 5 "Leases" to the Consolidated Financial Statements for additional detail on future lease commitments.

As of December 31, 2023, the Company had $229.3 million of future purchase obligations, $91.3 million of which are expected to be payable within the next year. These commitments primarily related to third-party research services, materials and supplies for research and development activities.

Recently Issued and Adopted Accounting Pronouncements

See Note 2, "Summary of Significant Accounting Policies" to the Consolidated Financial Statements for information regarding recently issued and adopted accounting pronouncements.

Item 7a. Quantitative and Qualitative Disclosures About Market Risk.

Interest rate risk

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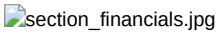
We are exposed to market risk related to changes in interest rates of our investment portfolio of cash and cash equivalents. As of December 31, 2022 December 31, 2023, our cash and cash equivalents consisted of money market funds. Our primary exposure to market risk is interest income sensitivity, which is affected by changes in U.S. interest rates. A hypothetical 100 basis point decrease in interest rates as of December 31, 2022 December 31, 2023 would have an insignificant effect on net loss in the ensuring year.

Foreign currency exchange risk

Our employees and our operations are primarily located in the United States and Canada and our expenses are generally denominated in U.S. and Canadian dollars. We also have entered into a limited number of contracts with vendors for research and development services that have underlying payment obligations denominated in foreign currencies. We are subject to foreign currency transaction gains or losses on our contracts denominated in foreign currencies. To date, foreign currency transaction gains and losses have not been material to our financial statements, and we do not have a formal hedging program with respect to foreign currency. A 10% increase or decrease in current exchange rates would not have had a material effect on our financial results during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020. 2021.

Inflation Risk and Market Volatility

In recent months, inflation has continued to increase significantly in the U.S. and overseas resulting in rising costs for transportation, wages, construction and other goods and services. Inflation and supply chain disruptions have increased our overall operating expenses. In addition, the capital and credit markets have been experiencing volatility and disruption, which has exerted downward pressure on stock prices and credit capacity. There is no assurance that such markets will be a source of future financing for Recursion, nor that other funding sources would be available or sufficient, particularly if current levels of market disruption and volatility continue or worsen. Although we do not believe that the above conditions have materially changed our overall financial position, if our costs continue to increase, we may not be able to fully offset those increased costs through reduced spending or additional financing efforts and failure to do so could harm our business, financial condition and results of operations.



Item 8. Financial Statements and Supplementary Data.

Report of Independent Registered Public Accounting Firm

To the Stockholders Shareholders and the Board of Directors of Recursion Pharmaceuticals, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Recursion Pharmaceuticals, Inc. (the Company) as of December 31, 2022 December 31, 2023 and 2021, 2022, the related consolidated statements of operations, comprehensive loss, convertible preferred stock and stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 December 31, 2023 and 2021, 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 27, 2023 February 29, 2024 expressed an unqualified adverse opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

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Revenue Recognition – Operating Revenue

Description of the Matter

In connection with the Company's collaboration and license agreement with Roche and Genentech to perform research and development services, revenue is recognized based on costs incurred relative to total expected costs to perform the research and development services. Significant inputs used to determine expected contract costs include the length of time required, service hours performed by Company employees, and materials costs. Accounting for the agreement involves judgment, particularly as it relates to estimating total costs to be incurred based on the scope of work industry information, and historical experience, among other factors.

Given the judgment necessary to estimate total costs, which is a significant factor in calculating the amount of revenue to recognize under the agreement during a period, auditing the Company's total cost estimate required significant audit effort.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process to estimate total costs to be incurred under the agreement.

To test the Company's estimate of total costs, we obtained the agreement and evaluated the terms and conditions to understand the nature of the Company's performance obligations under the agreement. We obtained and evaluated management's estimate of total costs to be incurred for each performance obligation by performing corroborating inquiries with the Company's project scientists and financial analysts. We compared current costs incurred against the initial estimate of total costs. We tested the mathematical accuracy of the costs to be incurred for each performance obligation. used in the revenue calculations. We also tested the reasonableness of costs underlying the total estimate for each performance obligation by comparing the cost estimates to actual costs incurred.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2017.

Salt Lake City, Utah
February 27, 2023 29, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders Shareholders and the Board of Directors of Recursion Pharmaceuticals, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Recursion Pharmaceuticals, Inc.'s internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, because of the effect of the material weakness described below on the achievement of the objectives of the control criteria, Recursion Pharmaceuticals, Inc. (the Company) has not maintained in all material respects, effective internal control over financial reporting as of December 31, 2022 December 31, 2023, based on the COSO criteria.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment. Management has identified a material weakness in internal controls related to the company's revenue and unearned revenue process.

As indicated in the accompanying Management's Annual Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Valence Discovery Inc. and Cyclica Inc., which are included in the 2023 consolidated financial statements of the Company and constituted 14% and 19% of total and net assets, respectively, as of December 31, 2023, and 2% and 4% of revenues and net loss, respectively, for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Valence Discovery Inc. and Cyclica Inc.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Recursion Pharmaceuticals, Inc. the Company as of December 31, 2022 December 31, 2023 and 2021, 2022, the related consolidated statements of operations, comprehensive loss, convertible preferred stock and stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, and the related notes notes. This material weakness was considered in determining the nature, timing and extent of audit tests applied in our audit of the 2023 consolidated financial statements, and this report does not affect our report dated February 27, 2023 February 29, 2024, which expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the

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Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,

accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Salt Lake City, Utah
February 27, 2023 29, 2024

Recursion Pharmaceuticals, Inc.
Consolidated Balance Sheets
(in thousands, except share and per share amounts)

		December 31,			December 31,	
		2022	2021		2023	2022
Assets	**Assets**			**Assets**		
Current assets	**Current assets**			**Current assets**		
Cash and cash equivalents	Cash and cash equivalents	$ 549,912	$285,116			
Restricted cash	Restricted cash	1,280	1,552			
Accounts receivable		—	34			
Other receivables	Other receivables	2,753	9,056			
Investments		—	231,446			
Other current assets	Other current assets	15,869	7,514			
Total current assets	**Total current assets**	569,814	534,718			
Restricted cash, non-current						
Restricted cash, non-current						

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Restricted cash, non-current	Restricted cash, non-current	7,920	8,681
Property and equipment, net	Property and equipment, net	88,192	64,725
Operating lease right-of-use assets	Operating lease right-of-use assets	33,255	—
Intangible assets, net	Intangible assets, net	1,306	1,385
Goodwill	Goodwill	801	801
Other non-current assets		—	35
Other assets, non-current			
Total assets	**Total assets**	$ 701,288	$610,345
Liabilities and stockholders' equity	**Liabilities and stockholders' equity**		
Liabilities and stockholders' equity			
Liabilities and stockholders' equity			
Current liabilities	**Current liabilities**		
Current liabilities			
Current liabilities			
Accounts payable			
Accounts payable			
Accounts payable	Accounts payable	$ 4,586	$ 2,819
Accrued expenses and other liabilities	Accrued expenses and other liabilities	32,904	32,333
Unearned revenue	Unearned revenue	56,726	10,000
Notes payable	Notes payable	97	90
Operating lease liabilities	Operating lease liabilities	5,952	—
Lease incentive obligation		—	1,416
Total current liabilities	**Total current liabilities**	100,265	46,658
Deferred rent		—	4,110
Unearned revenue, non-current			
Unearned revenue, non-current			
Unearned revenue, non-current	Unearned revenue, non-current	70,261	6,667
Notes payable, non-current	Notes payable, non-current	536	633
Operating lease liabilities, non-current	Operating lease liabilities, non-current	44,420	—
Lease incentive obligation, non-current		—	9,339

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Deferred tax liabilities			
Total liabilities	**Total liabilities**	215,482	67,407
Commitments and contingencies (Note 9)			
Commitments and contingencies (Note 7)			
Commitments and contingencies (Note 7)			
Commitments and contingencies (Note 7)			
Stockholders' equity	**Stockholders' equity**		
Common stock, $0.00001 par value; 2,000,000,000 shares (Class A 1,989,032,117 and Class B 10,967,883) authorized as of December 31, 2022 and December 31, 2021, respectively; 191,022,864 shares (Class A 183,209,655 and Class B 7,813,209) and 170,272,462 (Class A 160,906,245 and Class B 9,366,217) issued and outstanding as of December 31, 2022 and December 31, 2021, respectively		2	2
Stockholders' equity			
Stockholders' equity			
Common stock, $0.00001 par value; 2,000,000,000 shares (Class A 1,989,032,117 and Class B 10,967,883) authorized as of December 31, 2023 and December 31, 2022; 234,270,384 shares (Class A 226,264,764, Class B 7,544,871 and Exchangeable 460,749) and 191,022,864 (Class A 183,209,655 and Class B 7,813,209 and Exchangeable —) issued and outstanding as of December 31, 2023 and December 31, 2022, respectively			
Common stock, $0.00001 par value; 2,000,000,000 shares (Class A 1,989,032,117 and Class B 10,967,883) authorized as of December 31, 2023 and December 31, 2022; 234,270,384 shares (Class A 226,264,764, Class B 7,544,871 and Exchangeable 460,749) and 191,022,864 (Class A 183,209,655 and Class B 7,813,209 and Exchangeable —) issued and outstanding as of December 31, 2023 and December 31, 2022, respectively			

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Additional paid-in capital	Additional paid-in capital	1,125,360	943,142
Accumulated deficit	Accumulated deficit	(639,556)	(400,080)
Accumulated other comprehensive loss		—	(126)
Total stockholders' equity	**Total stockholders' equity**	485,806	542,938
Total liabilities and stockholders' equity	**Total liabilities and stockholders' equity**	$ 701,288	$610,345
Total liabilities and stockholders' equity			
Total liabilities and stockholders' equity			

See the accompanying notes to these consolidated financial statements.

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

		Years ended December 31,		
		2022	2021	2020
		Years ended December 31,		
		2023		
Revenue	**Revenue**			
Operating revenue				
Operating revenue				
Operating revenue	Operating revenue	$ 39,681	$ 10,000	$ 3,413
Grant revenue	Grant revenue	162	178	549
Total revenue	**Total revenue**	39,843	10,178	3,962
Operating costs and expenses	**Operating costs and expenses**			
Operating costs and expenses				

		Years ended December 31,		
		2023	2022	2021
Revenue	**Revenue**			
Operating revenue				
Operating revenue				
Operating revenue	Operating revenue	$ 39,681	$ 10,000	$ 3,413
Grant revenue	Grant revenue	162	178	549
Total revenue	**Total revenue**	39,843	10,178	3,962
Operating costs and expenses	**Operating costs and expenses**			
Operating costs and expenses				

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Operating costs and expenses				
Cost of revenue				
Cost of revenue				
Cost of revenue	Cost of revenue	48,275	—	—
Research and development	Research and development	155,696	135,271	63,319
General and administrative	General and administrative	81,599	57,682	25,258
Total operating costs and expenses	**Total operating costs and expenses**	285,570	192,953	88,577
Loss from operations	**Loss from operations**	(245,727)	(182,775)	(84,615)
Loss from operations				
Loss from operations				
Other income (loss), net	Other income (loss), net	6,251	(3,704)	(2,391)
Loss before income tax benefit				
Income tax benefit				
Net loss	**Net loss**	$ (239,476)	$ (186,479)	$ (87,006)
Per share data	**Per share data**			
Net loss per share of Class A and B common stock, basic and diluted		$ (1.36)	$ (1.49)	$ (3.99)
Weighted-average shares (Class A and B) outstanding, basic and diluted		175,537,487	125,348,110	21,781,386
Per share data				
Per share data				
Net loss per share of Class A, B and Exchangeable common stock, basic and diluted				
Net loss per share of Class A, B and Exchangeable common stock, basic and diluted				
Net loss per share of Class A, B and Exchangeable common stock, basic and diluted				

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Weighted-average shares (Class A, B and Exchangeable) outstanding, basic and diluted	

See the accompanying notes to these consolidated financial statements.

Recursion Pharmaceuticals, Inc.
Consolidated Statements of Comprehensive Loss
(in thousands)

		Years ended December 31,		
		2022	**2021**	**2020**
		Years ended December 31,		
		2023		
		2023	**2022**	**2021**
Net loss	**Net loss**	$ (239,476)	$(186,479)	$(87,006)
Unrealized gain (loss) on investments				
Unrealized gain (loss) on investments				
Unrealized gain (loss) on investments	Unrealized gain (loss) on investments	87	(162)	—
Net realized loss on investments reclassified into net loss	Net realized loss on investments reclassified into net loss	39	36	—
Other comprehensive income (loss)	Other comprehensive income (loss)	126	(126)	—
Comprehensive loss	**Comprehensive loss**	$ (239,350)	$(186,605)	$(87,006)

See the accompanying notes to these consolidated financial statements.

Recursion Pharmaceuticals, Inc.
Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity (Deficit)
(in thousands, except share amounts)

	Convertible Preferred Stock		Common Stock (Class A and B)		Additional Paid-in-Capital	Accumulated Deficit	Accumulated other comprehensive loss	Stockholders' Equity
	Shares	**Amount**	**Shares**	**Amount**				
Balance as of December 31, 2019	75,189,517	$201,109	21,637,609	$ —	$ 2,330	$ (126,595)	$ —	$ (124,265)
Net loss	—	—	—	—	—	(87,006)	—	(87,006)
Vesting of stock options exercised early	—	—	—	—	9	—	—	9

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Stock option exercises		—	—	677,076	—	681	—	—	681
Issuance of Series D convertible preferred stock inclusive of the convertible notes, net of issuance costs		36,898,548	247,203	—	—	—	—	—	—
Stock-based compensation		—	—	—	—	4,292	—	—	4,292

		Convertible Preferred Stock		Common Stock (Class A, B and Exchangeable)					
		Shares		Shares		Additional Paid-in-Capital	Accumulated Deficit	Accu c	
		Shares	Amount	Shares	Amount				
Balance as of December 31, 2020	**Balance as of December 31, 2020**	112,088,065	448,312	22,314,685	—	7,312	(213,601)	—	(206,289)
Net loss		—	—	—	—	—	(186,479)	—	(186,479)
Other comprehensive loss		—	—	—	—	—	—	(126)	(126)
Comprehensive loss									
Common stock issuance for initial public offering, net of issuance costs	Common stock issuance for initial public offering, net of issuance costs	—	—	27,878,787	1	462,353	—	—	462,354
Conversion of preferred stock to common stock	Conversion of preferred stock to common stock	(112,088,065)	(448,312)	115,598,018	1	448,311	—	—	448,312
Stock warrant exercises	Stock warrant exercises	—	—	343,609	—	3,512	—	—	3,512
Stock option exercises and other	Stock option exercises and other	—	—	4,137,363	—	6,812	—	—	6,812
Stock-based compensation		—	—	—	—	14,842	—	—	14,842
Stock based compensation									
Balance as of December 31, 2021	**Balance as of December 31, 2021**	—	—	170,272,462	2	943,142	(400,080)	(126)	542,938
Net loss		—	—	—	—	—	(239,476)	—	(239,476)
Other comprehensive income		—	—	—	—	—	—	126	126
Comprehensive loss									
Common stock issuance for private placement, net of issuance costs	Common stock issuance for private placement, net of issuance costs	—	—	15,336,734	—	143,711	—	—	143,711
Stock option exercises and other	Stock option exercises and other	—	—	5,413,668	—	10,598	—	—	10,598
Stock-based compensation	Stock-based compensation	—	—	—		27,909	—	—	27,909

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Balance as of December 31, 2022	**Balance as of December 31, 2022**	—	$ —	191,022,864	$ 2	$1,125,360	$ (639,556)	$ — $ 485,806
Comprehensive loss								
Stock option exercises and other								
Stock-based compensation								
Common stock sales issuances, net of issuance costs								
Common stock and stock options issued for acquisitions								
Common stock issued for Tempus agreement								
Balance as of December 31, 2023								

See the accompanying notes to these consolidated financial statements.

Recursion Pharmaceuticals, Inc.
Consolidated Statements of Cash Flows
(in thousands)

		Years ended December 31,					
		Years ended December 31,			Years ended December 31,		
		2022	**2021**	**2020**	**2023**	**2022**	**2021**
Cash flows from operating activities	**Cash flows from operating activities**						
Net loss	Net loss	$ (239,476)	$ (186,479)	$ (87,006)			
Net loss	Net loss						
Adjustments to reconcile net loss to net cash used in operating activities:	Adjustments to reconcile net loss to net cash used in operating activities:						
Depreciation and amortization	Depreciation and amortization						
Depreciation and amortization	Depreciation and amortization	11,756	8,405	3,943			
Stock-based compensation	Stock-based compensation	27,909	14,842	4,292			

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Asset impairment	Asset impairment	2,806	—	874
Lease expense	Lease expense	7,730	—	—
Loss on debt extinguishment	Loss on debt extinguishment	—	827	883
Other, net	Other, net	830	4,097	781
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:			
Other receivables and assets	Other receivables and assets	(2)	(5,376)	(1,119)
Other receivables and assets				
Other receivables and assets				
Unearned revenue	Unearned revenue	110,320	(10,000)	26,667
Accounts payable	Accounts payable	1,767	1,745	(185)
Accrued development expense	Accrued development expense	522	561	1,348
Accrued expenses, deferred rent and other current liabilities		(576)	12,764	4,123
Accrued expenses and other current liabilities				
Operating lease liabilities	Operating lease liabilities	(7,110)	—	—
Net cash used in operating activities	**Net cash used in operating activities**	(83,524)	(158,614)	(45,399)
Cash flows from investing activities	**Cash flows from investing activities**			
Cash flows from investing activities				
Cash flows from investing activities				
Net cash and restricted cash acquired in the acquisition of a business				
Net cash and restricted cash acquired in the acquisition of a business				
Net cash and restricted cash acquired in the acquisition of a business				
Purchases of property and equipment	Purchases of property and equipment	(37,059)	(39,798)	(5,831)
Acquisition of a business		—	—	(2,600)
Purchase of an intangible asset	Purchase of an intangible asset	(300)	—	(904)

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Purchases of investments	Purchases of investments	—	(301,137)	—
Sales and maturities of investments	Sales and maturities of investments	230,608	69,191	—
Proceeds from note receivable		—	—	595
Net cash provided by (used in) investing activities	**Net cash provided by (used in) investing activities**	193,249	(271,744)	(8,740)
Cash flows from financing activities	**Cash flows from financing activities**			
Proceeds from private placement of common stock, net of issuance costs		143,711	—	—
Proceeds from initial public offering of common stock, net of issuance costs		—	462,901	—
Proceeds from sale of preferred stock, net of issuance costs		—	—	239,131
Cash flows from financing activities				
Cash flows from financing activities				
Proceeds from issuance of common shares, net of issuance costs				
Proceeds from issuance of common shares, net of issuance costs				
Proceeds from issuance of common shares, net of issuance costs				
Proceeds from equity incentive plans and warrants	Proceeds from equity incentive plans and warrants	10,724	8,437	681
Repayment of long-term debt	Repayment of long-term debt	(90)	(12,798)	(77)
Proceeds from convertible notes		—	—	6,400
Net cash provided by financing activities	**Net cash provided by financing activities**	154,345	458,540	246,135
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**Effect of exchange rate changes on cash, cash equivalents and restricted cash**	(307)	—	—
Effect of exchange rate changes on cash, cash equivalents and restricted cash				

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Effect of exchange rate changes on cash, cash equivalents and restricted cash				
Net change in cash, cash equivalents and restricted cash				
Net change in cash, cash equivalents and restricted cash				
Net change in cash, cash equivalents and restricted cash	**Net change in cash, cash equivalents and restricted cash**	263,763	28,182	191,996
Cash, cash equivalents and restricted cash, beginning of period	Cash, cash equivalents and restricted cash, beginning of period	295,349	267,167	75,171
Cash, cash equivalents and restricted cash, end of period	**Cash, cash equivalents and restricted cash, end of period**	$ 559,112	$ 295,349	$267,167
Supplemental disclosure of non—cash investing and financing information				
Supplemental disclosure of non-cash investing and financing information				
Supplemental disclosure of non-cash investing and financing information				
Supplemental disclosure of non-cash investing and financing information				
Issuance of shares for the acquisitions of businesses				
Issuance of shares for the acquisitions of businesses				
Issuance of shares for the acquisitions of businesses				
Issuance of shares for Tempus agreement				
Right-of-use asset additions and modifications				
Accrued property and equipment				
Conversion of preferred stock to common stock	Conversion of preferred stock to common stock	$ —	$ 448,312	$ —
Conversion of convertible notes to equity		—	—	8,071

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Accrued property and equipment		591	7,749	1,400
Right-of-use asset additions and modifications		3,950	—	—
Deferred issuance costs recorded in equity	Deferred issuance costs recorded in equity	—	547	547
Supplemental disclosure of cash flow information	**Supplemental disclosure of cash flow information**			
Supplemental disclosure of cash flow information				
Supplemental disclosure of cash flow information				
Cash paid for operating leases				
Cash paid for operating leases				
Cash paid for operating leases				
Cash paid for interest	Cash paid for interest	$ 55	$ 680	$ 989
Cash paid for operating leases		7,110	—	—

See the accompanying notes to these consolidated financial statements.

Recursion Pharmaceuticals, Inc.
Notes to Consolidated Financial Statements

Note 1. Description of the Business

Recursion Pharmaceuticals, Inc. (Recursion, the Company, we or our) was originally formed as a limited liability company on November 4, 2013 under the name Recursion Pharmaceuticals, LLC. In September 2016, the Company converted to a Delaware corporation and changed its name to Recursion Pharmaceuticals, Inc.

Recursion is a clinical stage TechBio company decoding biology to industrialize drug discovery. The Recursion Operating System (OS), a platform built across diverse technologies, enables the Company 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. The Company integrates physical and digital components as iterative loops of atoms and bits scaling wet lab biology and chemistry data organized into virtuous cycles with computational tools to rapidly translate *in silico* hypotheses into validated insights and novel chemistry.

As of December 31, 2022 December 31, 2023, the Company had an accumulated deficit of $639.6 million $967.6 million. The Company expects to incur substantial operating losses in future periods and will require additional capital to advance its drug candidates. The Company does not expect to generate significant revenue until the Company successfully completes significant drug development milestones with its subsidiaries or in collaboration with third parties, which the Company expects will take a number of years. There is no assurance that these milestones will be completed successfully. In order to commercialize its drug candidates, the Company or its partners need to complete clinical development and comply with comprehensive regulatory requirements. The Company is subject to a number of risks and uncertainties similar to those of other companies of the same size within the biotechnology industry, such as the uncertainty of clinical trial outcomes, uncertainty of additional funding and a history of operating losses.

The Company has funded its operations to date primarily through the issuance of convertible preferred stock (see Note 10, "Convertible Preferred Stock" for additional details) and the issuance of Class A common stock (see Note 11, 8, "Common Stock" for additional details). Additionally, we have the Company has received payments of $180.0 million from our its strategic partnerships (see Note 12, 9, "Collaborative Development Contracts" for additional details). Recursion will likely be required to raise additional capital. As of December 31, 2022 December 31, 2023, the Company did not have any unconditional outstanding commitments for additional funding. If the Company is unable to access additional funds when needed, it may not be able to continue the development of its products or the Company could be required to delay, scale back or abandon some or all of its development programs and other operations. The Company's ability to access capital when needed is not assured and, if not achieved on a timely basis, could materially harm its business, financial condition and results of operations.

Recursion believes that the Company's existing cash and cash equivalents will be sufficient to fund the Company's operating expenses and capital expenditures for at least the next 12 months.

Note 2. Summary of Significant Accounting Policies

Use of Estimates

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The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP), which requires the Company to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from those amounts. Significant estimates and assumptions include the estimated progress towards the satisfaction of performance obligations to record revenue, the valuation of goodwill and intangible assets, accrued research and development expenses and the fair value of stock-based awards issued.

Basis of Presentation

The consolidated financial statements include the accounts of Recursion and its majority-owned wholly-owned subsidiaries that the Company controls. Intercompany balances and transactions have been eliminated in consolidation.

In April 2021, the Company completed a 1.5-for-1 forward stock split of common and convertible preferred stock. All shares presented within these consolidated financial statements were adjusted to reflect the forward stock split for all periods presented.See Note 11, “Common Stock” for additional details.

In April 2021, the Company’s Board of Directors authorized two classes of common stock, Class A and Class B. Certain shares of Class A were exchanged for Class B on a one-for-one basis. The creation and issuance of the Class B common stock did not affect the loss per share for the Class A or Class B shares for any period. The Company presented the 2021 net loss per share amounts as if the authorization and exchange occurred as of the start of the 2021 reporting period. All share amounts presented prior to the authorization are referred to as Class A common stock. See Note 11, 8, “Common Stock” for additional details.

Segment Information

Recursion operates as a single operating segment. The Company’s chief operating decision maker is its chief executive officer, who allocates resources and assesses performance at the consolidated level.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents and marketable securities. equivalents. These financial instruments are primarily held at two U.S. financial institutions that management believes are of high credit quality. Recursion’s primary bank accounts significantly exceed the federally insured limits.

The Company is dependent on third-party suppliers for certain research and development activities including preclinical and clinical testing. In particular, the Company relies and expects to continue to rely on a small number of these suppliers. These activities could be adversely affected by a significant interruption to Recursion’s third-party suppliers including a delay in the Company’s preclinical and clinical testing and the supply of certain consumable products and compounds.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents includes bank deposits held in checking accounts and money market funds, commercial paper, corporate bonds and certificates of deposits funds. Short-term highly liquid investments with maturities of three months or less at the time of purchase. purchase are classified as cash and cash equivalents.

The Company is required to maintain a cash balance in a collateralized account to secure the Company’s credit cards. Additionally, the Company holds restricted cash related to an outstanding letter of credit issued by J.P. Morgan, which was obtained to secure certain Company obligations relating to tenant improvements.

Investments

Investments consist primarily of marketable debt securities including corporate debt securities, government debt securities, commercial paper and certificates of deposit. Investments that have a readily determinable fair value are recorded at fair value. Investments in marketable debt securities are classified as available-for-sale and are recorded at fair value with any unrealized holding gains or losses, net of tax, included in accumulated other comprehensive loss on the Consolidated Balance Sheets. Once realized, the gains and losses are recognized in earnings and included in other income (loss), net in the Consolidated Statements of Operations. Realized gains and losses on sales of investments are computed using the first-in, first-out method.

The Company reviews investments for declines in fair value below cost basis each quarter or whenever circumstances indicate the cost basis of an asset may not be recoverable and assesses whether the decline was due to credit-related or other factors. The evaluation is based on a number of factors, including the extent to which fair value is below cost basis; adverse conditions related specifically to the security, such as any changes to the credit rating of the security; and the intent to sell, or whether Recursion will more likely than not be required to sell the security before recovery of its amortized cost basis. The assessment of whether a security is impaired could change in the future based on new developments or changes in assumptions also holds restricted cash related to that particular security. a Bill and Melinda Gates Foundation grant.

Property and Equipment

Property and equipment is carried at acquisition cost less accumulated depreciation. The cost of normal, recurring or periodic repairs and maintenance activities related to property and equipment are expensed as incurred.

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Depreciation is computed using the straight-line method based on the estimated useful lives of the assets. The estimated useful lives by asset classification are generally as follows:

Software/Licenses	3 years
Office Equipment	5 years
Computer Equipment	5 years
Lab Equipment	7 years
Leasehold Improvements	Lesser of 15 years or the remainder of the lease

Property and equipment are reviewed for impairment as discussed below under Accounting for the Impairment of Long-Lived Assets. Assets Impairment.

Accounting for the Impairment of Long-Lived Assets Impairment

The Company reviews the carrying amounts of long-lived assets, other than goodwill and intangible assets not subject to amortization, for potential impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. In evaluating recoverability, Recursion groups assets and liabilities at the lowest level such that the identifiable cash flows relating to the group are largely independent of the cash flows of other assets and liabilities. The Company then compares the carrying amount of the asset or asset group with the projected undiscounted future cash flows to be generated by the asset or asset group. In the event impairment exists, an impairment charge is recorded as the amount by which the carrying amount of the asset or asset group exceeds the fair value.

Goodwill Impairment

Annually, the Company tests its goodwill for impairment by first assessing qualitative factors to determine whether it is more likely than not that the fair value is less than its carrying amount. Some of the factors considered in the assessment include general macro-economic conditions, conditions specific to the industry and market, cost factors, the overall financial performance and whether there have been sustained declines in the Company's share price. If the Company concludes it is more likely than not that the fair value of the reporting unit is less than its carrying amount, a quantitative impairment test is performed.

For its quantitative impairment tests, the Company uses an estimated future cash flow approach that requires significant judgment with respect to future volume, revenue and expense growth rates, changes in working capital use, the selection of an appropriate discount rate and other assumptions and estimates. The estimates and assumptions used are consistent with the Company's business plans and a market participant's views. The use of alternative estimates and assumptions could increase or decrease projected cash flows and the estimated fair value.

Business Combinations

Results of operations of acquired companies are included in the Recursion results of operations as of the respective acquisition dates. The purchase price of each acquisition is allocated to the net assets acquired based on estimates of their fair values at the date of acquisition. Any purchase price in excess of these net assets is recorded as goodwill. The allocation of purchase price in certain cases may be subject to revision based on the final determination of fair values during the measurement period, which may be up to one year from the acquisition date. Legal costs, due diligence costs, business valuation costs and all other business acquisition costs are expensed when incurred.

Accruals for Research and Development Expenses and Clinical Trials

As part of the process of preparing its financial statements, the Company is required to estimate its expenses resulting from obligations under contracts with vendors and clinical research organizations and consultants. organizations. The financial terms of these contracts are subject to negotiations, which vary from contract to contract and may result in payment terms that do not match the periods over which materials or services are provided for under such contracts. The Company's policy is to record these expenses during the period in which services are performed and efforts are expended. The Company determines accrual estimates by taking into account discussion discussions with applicable personnel and outside service providers as to the progress of clinical trials, or the services completed. During the course of a clinical trial, the Company adjusts its clinical expense recognition if actual results differ from its estimates. The Company makes estimates of its accrued expenses as of each Consolidated Balance Sheet date based on the facts and circumstances known to it at that time. The actual expenses could be different from the amounts accrued.

Leases

The Company rents facilities under operating lease agreements and recognizes rent expense on a straight-line basis over the term of the lease. Certain lease agreements contain tenant improvement allowances, rent holidays, scheduled rent increases and renewal options. Rent holidays and scheduled rent increases are included in the determination of rent expense. Renewals Certain leases also include provisions for variable lease payments which are generally based on, but not included in the determination of the lease term unless limited to, maintenance, insurance, taxes and usage-based amounts. Recursion recognizes these costs as they are determined to be reasonably certain to be exercised at the commencement date of the lease. incurred.

Right-of-use assets and lease liabilities are recognized based on the present value of lease payments over the lease term at the lease commencement date. Present value is determined using an incremental borrowing rate when the rate implicit in the lease is not readily determinable. Right-of-use assetsThe incremental borrowing rate is equal to the rate

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of interest that Recursion would have to pay to borrow on a collateralized basis over a similar term in an amount equal to the lease payments in a similar economic environment. Renewals are adjusted not included in the determination of the lease term unless they are determined to be reasonably certain to be exercised at the commencement date of the lease. The Company recognizes rent expense beginning on the date the Company obtains the legal right to use and control the leased space. Recursion classifies leases as operating or finance at the lease commencement date. All outstanding leases are operating leases.

The Company has elected to apply the practical expedient for short-term leases whereby Recursion does not recognize a lease incentives. Short-term liability and right-of-use asset for leases with a term of less than 12 months or less are months. The Company has also elected to not recorded on separate consideration in the balance sheet. contract between lease and non-lease components of a contract that contains a lease. Right-of-use assets and lease liabilities are remeasured upon certain remeasurement events using the present value of remaining lease payments and estimated incremental borrowing rate upon lease modification. The Company recognizes rent expense beginning onFor operating leases that commenced prior to the date Company's adoption of Topic 842, Recursion measured the Company obtains lease liabilities and right-of-use assets using the legal right to use and control the leased space. incremental borrowing rate as of January 1, 2022.

Revenue Recognition

Operating revenue has primarily been generated through funded research and development agreements (see Note 12. 9, "Collaborative Development Contracts" for additional details). Revenue for research and development agreements is recognized as the Company satisfies a performance obligation by transferring the promised services to the customer. The Company recognizes revenue over time by measuring the progress toward complete satisfaction of the relevant performance obligation using an appropriate input or output method based on the services promised to the customer. This method of recognizing revenue requires the Company to make estimates of the work required to complete the performance obligation in order to determine the progress towards completion. A significant change in these estimates could have a material effect on the timing and amount of revenue recognized in future periods.

The Company may also provide options in our its agreements under which a partner could request that Recursion provide additional services in the future. Recursion evaluates whether these options are material rights at the inception of the agreement. If the Company determines an option is a material right, Recursion will consider the option a separate performance obligation. Historically, the Company has concluded that options granted to license in the future or to provide additional services are not material rights because these items are contingent upon future events that may not occur and are not priced at a significant discount.

Cost of Revenue

Cost of revenue consists of the Company's costs to provide services for drug discovery required under performance obligations with partnership customers. These primarily include materials costs, service hours performed by our the Company's employees and depreciation of property and equipment. Consumables purchased to be used in the future to satisfy performance obligations are recognized on the Consolidated Balance Sheet until consumed.

Research and Development

Research and development expenses comprise of costs incurred in performing research and development activities other than those performance pursuant to contracts with customers, including drug discovery and development studies, external research and the purchase of laboratory supplies. The Company recognizes expenses associated with third-party contracted services based on the completion of activities as specified in the applicable contracts. Upon the termination of contracts with third-parties, the Company's financial obligations are generally limited to costs incurred or committed to date. Any advance payments for goods or services to be used or rendered in future research and product development activities are classified as prepaid expenses until the goods or services are rendered.

Stock-Based Compensation

The Company issues stock-based awards to employees and non-employees, generally in the form of stock options and restricted stock units (RSUs). Most of the Company's stock-based awards have been made to employees.

Recursion measures compensation expense for equity awards at their grant-date fair value and recognizes compensation expense over the requisite service period, generally on a straight-line basis. For stock-based awards with a performance condition, Recursion recognizes stock-based compensation expense based on the probable outcome of the performance condition. Awards generally vest over four years for employees. Recursion recognizes the impact of forfeitures on stock-based compensation expense as they occur.

The grant date fair value of stock options is estimated using the Black-Scholes option pricing model, which requires inputs for the expected term, stock price volatility, dividend yield and the risk-free interest rate of the options. The expected term is based on the simplified method since the Company does not have sufficient historical exercise data to estimate the expected term. The volatility is based on an average peer historical volatility over the expected term of the option. The expected dividend yield is assumed to be zero as Recursion has never paid dividends and does not have current plans to pay dividends. The risk-free interest rate is based on the rates available at the time of the grant for zero-coupon U.S. government issues with a remaining term equal to the option's expected term.

The grant date fair value of RSUs is determined using the market price of the Company's common stock at grant date. For stock-based awards with a market condition, the grant date fair value is determined using a Monte Carlo simulation and stock-based compensation expense is recognized using the accelerated attribution method over the implied service period. When a market condition is satisfied in a period before the end of the implied service period, any remaining unrecognized compensation cost is recognized. Stock-based

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compensation is recorded in cost of revenue, research and development expense and general and administrative expense based on the role of the employee and non-employee. employee.

Income Taxes

Income taxes are accounted for under the asset and liability method. Provisions for federal, state and foreign income taxes are calculated on reported pretax losses based on current tax laws. Deferred taxes are recognized using enacted tax rates on the future tax consequences of temporary differences, which are the differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases and the tax benefits of carryforwards. A valuation allowance is established or maintained when, based on currently available information, it is more likely than not that all or a portion of a deferred tax asset will not be realized.

For uncertain tax positions, Recursion determines whether the position is more-likely-than-not to be sustained upon examination based on the technical merits of the position. Any tax position that meets the more-likely-than-not recognition threshold is measured and recognized in the Consolidated Financial Statements at the largest amount that is greater than 50% likely of being realized upon ultimate settlement.

Recent Accounting Pronouncements

On January 1, 2022, Recursion adoptedIn December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-9, *Income Taxes (Topic 740)*. The new standard updates disclosure requirements for Accounting Standards Codification (ASC) 740 primarily by requiring additional information in the income tax rate reconciliation and additional disclosures about income taxes paid. This standard will be effective for Recursion starting the annual period ending December 31, 2025. Early adoption is permitted for annual financial statements that have not yet been issued. The amendments can be applied on a prospective or retrospective basis. The adoption of this standard will not impact Recursion's consolidated balance sheet and statement of operations.

In November 2023, the FASB issued ASU No. 2023-7, *Segment Reporting (Topic 280)*. The standard requires new disclosures related to ASC 280 including: disclosing significant segment expenses by category; requiring all the ASC 280 disclosures for Companies with a single reportable segment and; requiring an increased frequency of the ASC 280 disclosures. Recursion must apply the amendments retrospectively to each prior reporting period presented. This standard will be effective for Recursion starting the annual period ending December 31, 2024. Early adoption is permitted. The adoption of this standard will not impact Recursion's consolidated balance sheet and statement of operations.

On January 1, 2022, Recursion adopted ASU No. 2016-02, *Leases (Topic 842)*. Under Topic ASC 842, lessees are required to recognize a right-of-use asset and a lease liability on the balance sheet for all leases with terms greater than 12 months. The guidance also expanded the disclosure requirements of lease arrangements. The Company adopted Topic ASC 842 using the modified retrospective method. Recursion elected the following practical expedients

when assessing the transition impact: i) not to reassess whether any expired or existing contracts as of the adoption date are or contain leases; ii) not to reassess the lease classification for any expired or existing leases as of the adoption date; and iii) not to reassess initial direct costs for any existing leases as of the adoption date.

Results for reporting periods beginning after December 31, 2021 are presented in accordance with the standard, while results for prior periods are not adjusted and continue to be reported in accordance with Recursion's historical accounting. The January 1, 2022 adjustment to record lease right-of-use assets and lease liabilities was $32.9 million and $47.8 million, respectively. The impact to the consolidated statements of operations and cash flows was insignificant.

Note 3. Acquisitions Supplemental Financial Information

Acquisition of Vium, Inc. Tempus agreement

In July 2020, the CompanyNovember 2023, Recursion entered into an asset purchase a five-year agreement with Tempus Labs, Inc. (Tempus) to purchase 100% access to their records of patient-centric multimodal oncology data and use rights for therapeutic development purposes. This data will be used to improve the assets training of Vium, Inc. (Vium) Recursion's artificial intelligence and machine learning models and is expected to accelerate Recursion's drug discovery process. Recursion is making annual payments, ranging between $22.0 million and $42.0 million, up to $160.0 million in aggregate, to Tempus in cash or equity at the Company's option. The equity value is determined by using the seven-trading day period dollar volume-weighted average price (VWAP) for a total cash consideration of $2.6 million. The primary purpose of Recursion Class A common stock ending on the acquisition was to obtain Vium's technology. This was a related party transaction due day immediately preceding the date that is five business days prior to the fact that Vium was affiliated with certain investors of the Company. The acquisition of Vium has been accounted for as a business combination using the acquisition method of accounting. payment date.

The following table summarizes fair values of assets acquired Recursion is expensing the record purchases as of "Research and Development" expenses in the July 2020 acquisition date:

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(in thousands)		
Inventory	$	232
Property and equipment		14
Technology intangible asset		911
Other intangibles assets		642
Total identifiable net assets		1,799
Goodwill		801
Total assets acquired	$	2,600

The results of operations of Vium have been included in our Consolidated Statements of Operations since the date the business was acquired and were not significant. The technology intangible asset is being amortized on a straight-line basis over its three-year useful life. The inventory and other intangible assets were fully impaired at the time they were acquired as the Company did not intend records are purchased. To the extent that the Recursion payments to use them.

The goodwill includes Tempus are greater than or less than the value records purchased amount, Recursion records the applicable amount to “Other Current Assets” or “Accrued Expenses and Other Liabilities” on the Consolidated Balance Sheet, respectively. As of potential future technologies as well as December 31, 2023, Recursion had recorded $16.0 million within “Other current assets” on the overall strategic benefits provided Consolidated Balance Sheet related to the business.

Intangible Asset Acquisition

In December 2020, the Company purchased the Recursion domain name for cash consideration of $904 thousand. The purchase price was capitalized as an intangible asset with an indefinite useful life.

Note 4. Supplemental Financial Information Tempus agreement.

Property and Equipment

	December 31,	
(in thousands)	2022	2021
Lab equipment	$47,524	$33,076
Leasehold improvements	41,872	13,936
Office equipment	20,164	20,005
Construction in progress	8,747	16,445
Property and equipment, gross	118,307	83,462
Less: Accumulated depreciation	(30,115)	(18,737)
Property and equipment, net	$88,192	$64,725

December 31,		
(in thousands)	2023	2022

Depreciation expense on property and equipment was $11.4 million $15.9 million, $8.8 million $11.4 million and $4.2 million $8.8 million during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. The Company recorded an impairment of $2.8 $1.2 million and $2.8 million during the year years ended December 31, 2022 December 31, 2023 and 2022, respectively, related to a construction project projects for leasehold improvements as the Company no longer intended to use them. The impairment was impairments were recorded in “General and Administrative” in the Consolidated Statements of Operations.

For the year ended December 31, 2023, the Company initiated and completed a project to upgrade the BioHive supercomputer for $1.7 million. The supercomputer was classified as office equipment in the above table. The increase in lab equipment from the prior year was driven by the completion of several labs in the headquarters expansion. The majority of the balance was included in construction in progress in the prior year.

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For the year ended December 31, 2022, the increase in lab equipment from the prior year was driven by investments in the Company's chemical technology, machine learning and transcriptomics platform. The increase in leasehold improvements from the prior year was primarily driven by the completion of the headquarters expansion. The construction in progress balance primarily relates related to lab equipment under construction.

For the year ended December 31, 2021, the Company purchased a Dell EMC supercomputer for $17.9 million. The purchase was classified as office equipment in the above table.

Accrued Expenses and Other Liabilities

	December 31,	
(in thousands)	2022	2021
Accrued compensation	$20,433	$11,738
Accrued development expenses	3,372	4,682
Accrued early discovery expenses	3,192	2,114
Accrued construction	591	4,665
Accrued professional fees	151	1,793
Materials received not invoiced		
Accrued other expenses	5,165	7,341
Accrued expense and other liabilities	$32,904	$32,333

Notes Payable

In January 2023, the Company entered into a financing agreement for borrowing $1.9 million as part of the supercomputer upgrade project. The debt will be repaid over a three-year period at a 7% interest rate. As of December 31, 2023, the outstanding balance was $606 thousand.

In 2018, the Company borrowed $992 thousand, which was available as part of a lease agreement for use on tenant improvements. The note will be repaid over a 10-year period at an 8% interest rate. As of December 31, 2023, the outstanding balance was $536 thousand.

Interest Income (Expense), net

	Years ended December 31,		
(in thousands)	2022	2021	2020
Interest expense	$ (55)	$(2,952)	$(1,360)
Interest income	6,254	73	336

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Interest income (expense), net	Interest income (expense), net	$6,199	$(2,879)	$(1,024)

For the year years ended December 31, 2022, December 31, 2023 and 2022, interest income primarily related to the investment portfolio. See Note 5, "Investments" for additional details earnings on the investment portfolio. cash and cash equivalents in money market funds. For the year ended December 31, 2021, interest expense primarily related to changes in fair value of the Series A and B warrants (see Note 13, "Stock-based Compensation" for additional details on the warrants). For the year ended December 31, 2020, interest expense included expenses for the Midcap loan, convertible notes and tenant improvement allowance notes. warrants. Interest income and expense were included in "Other income (loss), net" on the Consolidated Statements of Operations.

Note 5. Investments 4. Acquisitions

Valence Discovery Inc.

In August 2021, the Company invested cash in an investment portfolio. The primary objectives On May 16, 2023, Recursion acquired all of the investment portfolio outstanding equity interests in Valence Discovery Inc. (Valence), a privately-held machine learning (ML) / artificial intelligence (AI) digital chemistry company. The integration of Valence's AI-based chemistry engine into Recursion's operating system will allow Recursion to expand its technology-enabled drug discovery process. This will accelerate Recursion's digital chemistry capabilities and its drug discovery process.

The acquisition of Valence was accounted for as a business combination using the acquisition method of accounting. The aggregate upfront consideration for the acquisition of Valence consisted of 2.2 million shares of Recursion Class A common stock, 4.4 million shares of a subsidiary of Recursion, exchangeable for shares of

Recursion's Class A common stock, 792 thousand shares issuable upon exercise of stock options held by Valence equity award holders and deferred liabilities for additional consideration. An insignificant number of the aforementioned shares of consideration had not yet been issued as of December 31, 2023.The final number of shares to be issued has not yet been finalized and so are subject to preserve principal, maintain prudent levels of liquidity and obtain investment returns. Recursion's investment policy limits investments to certain types of debt and money market instruments issued by institutions with investment-grade credit ratings and it places restrictions on maturities and concentration by asset class and issuer. change.

The following table summarizes total consideration:

(in thousands)		
Fair value of Recursion Class A common stock	$	11,096
Fair value of Exchangeable stock		22,473
Fair value of equity awards issued to Valance equity award holders		1,933
Deferred liabilities for additional consideration		396
Total consideration	$	35,898

The following table summarizes the Company's investment portfolio by type fair value of security: assets acquired and liabilities assumed as of the acquisition date:

	December 31, 2022			
(in thousands)	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair values
Money market funds	$ 404,613	$ —	$ —	$ 404,613
Total	$ 404,613	$ —	$ —	$ 404,613

(in thousands)		
Cash	$	4,235
Other receivables		536
Intangible asset - technology		15,000
Accounts payable and accrued liabilities		(872)
Deferred income taxes		(3,265)
Total identifiable net assets	$	15,634
Goodwill		20,264
Total assets acquired and liabilities assumed	$	35,898

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The intangible asset related to Valence's ML and AI digital chemistry platform. The estimated fair value of the intangible asset was determined using a cost approach. This valuation technique provides the fair value of an asset based on estimates of the total costs to develop the technology. Significant inputs used to determine the total cost includes the length of time required, service hours performed by Company employees and the estimated obsolescence. The technology intangible asset is being amortized on a straight-line basis over its four-year useful life.

Goodwill was calculated as the excess of the consideration transferred over the net assets recognized. The goodwill recognized represents the assembled workforce and expected synergies, including the ability to: (i) leverage Valence's digital chemistry platform across Recursion's business; (ii) leverage Valence's ML and AI capabilities; (iii) integrate Recursion's data and operating system into Valence's platform; and (iv) accelerate Recursion's pipeline. Goodwill was also impacted by the establishment of a deferred tax liability for the acquired identifiable intangible assets which have no tax basis. The goodwill is not deductible for tax purposes.

Recursion's consolidated statement of operations for the year ended December 31, 2023 included no net revenue and a $6.8 million operating loss associated with Valence's operations. As the acquisition occurred in May 2023, the Company is still finalizing the allocation of the purchase price to the individual assets acquired and liabilities assumed. The allocation of the purchase price included in the current period balance sheet is based on the best estimate of management and is preliminary and subject to change. The primary areas subject to change relate to the valuation of the intangible asset, other receivables and deferred taxes. To assist management in the allocation, the Company engaged external specialists. The Company will finalize the amounts recognized as the information necessary to complete the analysis is obtained. The Company expects to finalize these amounts as soon as possible but no later than one year from the acquisition date.

Cyclica Inc.

	December 31, 2021			
(in thousands)	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair values
Money market funds	$ 155,731	$ —	$ —	$ 155,731
U.S. government debt	19,960	—	(33)	19,927
Corporate bonds	61,451	—	(74)	61,377
Certificates of deposit	21,450	—	(10)	21,440
Commercial paper	140,911	3	(12)	140,902
Total	$ 399,503	$ 3	$ (129)	$ 399,377

On May 25, 2023, Recursion acquired all of the outstanding equity interests in Cyclica Inc. (Cyclica), a privately-held Company that has built a digital chemistry software suite which enables mechanism of action deconvolution and generative chemistry suggestions based on desired targets. Cyclica's platform is expected to enhance the optimization of Recursion's compounds for efficacy while minimizing liabilities through generative machine learning approaches.

The acquisition of Cyclica was accounted for as a business combination using the acquisition method of accounting. The aggregate upfront consideration for the acquisition of Cyclica consisted of 5.8 million shares of Recursion Class A common stock, cash payments, 1.0 million shares issuable upon exercise of stock options held by Cyclica equity award holders and deferred liabilities for additional consideration. Approximately 182 thousand of the aforementioned shares of Class A common stock consideration had not yet been issued as of December 31, 2023.

The following table summarizes total consideration:

(in thousands)	
Fair value of Recursion Class A common stock	$ 49,915
Cash	6,505
Fair value of equity awards issued to Cyclica equity award holders	3,852
Deferred liabilities for additional consideration	344
Total consideration	$ 60,617

The following table summarizes the classification fair value of assets acquired and liabilities assumed as of the Company's investment portfolio acquisition date:

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(in thousands)		
Cash	$	2,429
Restricted cash		1,685
Other receivables		741
Investments		1,000
Other current assets		385
Intangible assets - technology		28,000
Accounts payable and accrued liabilities		(579)
Unearned revenue		(1,754)
Deferred income taxes		(2,075)
Other liabilities, current		(66)
Other liabilities, non-current		(139)
Total identifiable net assets	$	29,627
Goodwill		30,990
Total assets acquired and liabilities assumed	$	60,617

The intangible assets are related to Cyclica's digital chemistry platforms. The estimated fair value of the intangible assets were determined using a cost approach. This valuation technique provides the fair value of an asset based on estimates of the total costs to develop the technology. Significant inputs used to determine the total cost includes the length of time required, service hours performed by Company employees and the estimated obsolescence. The technology intangible assets are being amortized on a straight-line basis over their three-year useful lives.

Goodwill was calculated as the excess of the consideration transferred over the net assets recognized. The goodwill recognized represents the assembled workforce and expected synergies, including the ability to: (i) leverage Cyclica's digital chemistry platform across Recursion's business; (ii) leverage Cyclica's ML and AI capabilities; (iii) integrate Recursion's data and operating system into Cyclica's platform; and (iv) accelerate Recursion's pipeline. Goodwill was also impacted by the establishment of a deferred tax liability for the acquired identifiable intangible assets. The goodwill is not deductible for tax purposes.

Recursion's consolidated statement of operations for the year ended December 31, 2023 included immaterial net revenue and a $9.6 million operating loss associated with Cyclica's operations. As the acquisition occurred in May 2023, the Company is still finalizing the allocation of the purchase price to the individual assets acquired and liabilities assumed. The allocation of the purchase price included in the current period balance sheet is based on the Consolidated Balance Sheet: best estimate of management and is preliminary and subject to change. The primary areas subject to change relate to the valuation of the intangible assets, other receivables and deferred taxes. To assist management in the allocation, the Company engaged external specialists. The Company will finalize the amounts recognized as the information necessary to complete the analysis is obtained. The Company expects to finalize these amounts as soon as possible but no later than one year from the acquisition date.

(in thousands)		***December 31, 2022***		***December 31, 2021***
Cash and cash equivalents	*$*	*404,613*	*$*	*167,931*
Investments		*—*		*231,446*
Total	*$*	*404,613*	*$*	*399,377*

Pro forma financial information

As The following table presents the unaudited pro forma combined results of December 31, 2022, operations of Recursion, Valence and Cyclica as if the Company's did not have any available-for-sale investments outstanding. As acquisitions had occurred on January 1, 2022:

	Years ended December 31,	
(in thousands)	**2023**	**2022**
Net revenue	$ 44,861	$ 40,517
Net loss	(336,603)	(273,889)

The unaudited pro forma financial information was prepared using the acquisition method of December 31, 2021, all accounting and was based on the historical financial information of Recursion, Valence and Cyclica. In order to reflect the occurrence of the Company's available-for-sale investments mature in one year or less.

There were no significant realized or unrealized losses during years ended December 31, 2022 acquisitions on January 1, 2022 as required, the unaudited pro forma financial information includes adjustments to reflect the incremental amortization expense to be incurred based on the fair values of the identifiable intangible assets acquired, the additional stock compensation expense associated with the issuance of equity compensation related to the acquisitions and 2021. No impairments were recorded the reclassification of

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acquisition costs incurred during the years year ended December 31, 2023 to the year ended December 31, 2022 and 2021. Realized gains and losses The unaudited pro forma financial information is not necessarily indicative of what the consolidated results of operations would have been had the acquisitions been completed on interest-bearing securities are recorded in “Other income (loss), net”, in January 1, 2022. In addition, the Consolidated Statements unaudited pro forma financial information is not a projection of Operations.the future results of operations of the combined company nor does it reflect the expected realization of any cost savings or synergies associated with the acquisitions.

Note 6. 5. Leases

The Company has entered into various long-term real estate leases primarily related to office, research and development and operating activities. The Company has elected to utilize the package of practical expedients under the transition guidance of Accounting Standards Codification (ASC) Topic 842, *Leases*, which allows Recursion to not reassess whether any existing contract contains a lease, the classification of any existing leases and initial direct costs for any existing leases. The Company's leases have remaining terms from under 1 to 10 9 years and some of those leases include options that provide Recursion with the ability to extend the lease term for five years. Such The options are included in the lease term when it is reasonably certain that the option will be exercised.

Certain leases include provisions for variable For the year ended December 31, 2023, Recursion entered into lease payments which are based on, but not limited modifications resulting in an increase to maintenance, insurance, taxes the right-of-use asset and usage-based amounts. Recursion will recognize these costs as they are incurred. The Company has also elected to apply the practical expedient for short-term leases whereby Recursion does not recognize a lease liability and right-of-use asset for leases with a term of less than 12 months. $3.4 million. The Company has also elected to not separate consideration in the contract between lease and non-lease components of a contract that contains a lease.

Recursion classifies leases as operating or finance at the lease commencement date. All outstanding leases are operating leases. Certain leases have free rent periods or escalating rent payment provisions. The Company recognizes lease cost on a straight-line basis over the term of the lease.

Lease liabilities and right-of-use assets are calculated and recognized at the lease commencement date based on the present value of minimum lease payments over the lease term. The incremental borrowing rate is equal modifications had no impact to the rate Consolidated Statements of interest that Recursion would have to pay to borrow on a collateralized basis over a similar term in an amount equal to the lease payments in a similar economic environment. For operating leases that commenced prior to the Company's adoption of Topic 842, Recursion measured the lease liabilities and right-of-use assets using the incremental borrowing rate as of January 1, 2022.

Operations. For the year ended December 31, 2022, Recursion entered into several lease modifications resulting in a decrease to the right-of-use assets and lease liabilities of $2.7 million $2.7 million and $2.8 million, $2.8 million, respectively. The modifications resulted in an insignificant impact to the Consolidated Statements of Operations.

In February 2021, the Company entered into a lease agreement for laboratory and office space with approximately 51,869 square feet (the “Industry Lease”). This lease was separated into multiple lease components based on the intended use of the portions of the space. The right of use asset is expected to begin in the first quarter of 2023. The Industry Lease term is five years with a five-year renewal option. The lease includes provisions for escalating rent payments and a tenant improvement allowance of up to $2.1 million. Total fixed lease payments are expected to be approximately $7.6 million with additional variable expenses, including building and amenity expenses. The Company did not control the space or any of the assets being constructed as of December 31, 2022 and therefore no right of use asset or lease liability was recorded on the Consolidated Balance Sheet as of December 31, 2022.

In May 2022, the Company entered into a lease agreement for laboratory and office space in Toronto, Ontario with approximately 26,320 28,110 square feet (the “Toronto Lease”). This lease was separated into multiple lease components based on the intended use of the portions of the space. For some of those components, the right of use began May 2022 when the control of the assets were was obtained. The right of use asset for the remaining lease component is expected to begin began in June 2023 when the second quarter control of 2023. the asset was obtained. The Toronto Lease terms for each component are ten years with a five-year renewal option. The Toronto Lease includes provisions for escalating rent payments and a tenant improvement allowance of up to $1.5 million $1.6 million. Total fixed payments are expected to be approximately $10.8 million $11.1 million with additional variable expenses, including building expenses.

See Note 7, “Commitments and Contingencies” for information on the Industry lease.

The components of the lease cost are as follows:

(in thousands)	Year ended December 31, 2022
Operating lease cost	$ 7,793
Variable lease cost	1,070
Lease cost	$ 8,863

	Years ended December 31,	
(in thousands)	2023	2022

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Operating lease cost	$	8,144	$	7,793
Variable lease cost		2,116		1,070
Short-term lease cost		139		—
Lease cost	$	10,399	$	8,863

Lease term and discount rates as of December 31, 2022were:

(in thousands)	
Operating leases	
Weighted-average remaining lease term (years)	7.6
Weighted-average discount rate	7.3 %

	Years ended December 31,	
(in thousands)	2023	2022
Operating leases		
Weighted-average remaining lease term (years)	6.7	7.6
Weighted-average discount rate	7.8 %	7.3 %

Maturities of operating lease liabilities as of December 31, 2022 2023 were:

(in thousands)	Operating leases
2023	$ 9,500
2024	8,438
2025	8,622
2026	8,873
2027	9,131
Thereafter	23,896
Total lease payments	68,460
Less: imputed interest	(18,088)
Present value of lease liabilities	$ 50,372

Prior to adoption of ASC 842, future minimum lease payments as of December 31, 2021, as disclosed in our 2021 Annual Report, were:

(in thousands)	(in thousands)	Amount	(in thousands)	Operating leases
2022		$ 3,977		
2023		7,053		
2024	2024	7,325		
2025	2025	7,513		
2026	2026	7,739		
2027				
2028				
Thereafter	Thereafter	26,448		
Total minimum payments		$60,055		
Total lease payments				

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Less: imputed interest	
Present value of lease liabilities	

Total rent expense was $6.4 million and $3.7 million during the years year ended December 31, 2021 and 2020, respectively. .

Note 7. 6. Goodwill and Intangible Assets

Goodwill

The following table summarizes the changes in the carrying amount of goodwill:

(in thousands)		
Balance as of December 31, 2022	$	801
Additions from acquisitions		51,255
Balance as of December 31, 2023	$	52,056

The additions to goodwill relate to the acquisition of Cyclica and Valence during the year ended December 31, 2023. See Note 4, “Acquisitions” for additional details. There were no changes to the carrying amount of goodwill during the years ended December 31, 2022 and 2021. No goodwill impairment was recorded during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021.

Intangible Assets, Net

The following table summarizes intangible assets:

	December 31, 2022			December 31, 2021		
	December 31, 2023					December 31, 2022
(in thousands)	Gross carrying amount	Accumulated Amortization	Net carrying amount	Gross carrying amount	Accumulated Amortization	Net carrying amount
Definite-lived intangible asset	$1,211	$ (809)	$ 402	$ 911	$ (430)	$ 481
Indefinite-lived intangible asset	904	—	904	904	—	904
Intangible assets, net	$2,115	$ (809)	$1,306	$1,815	$ (430)	$1,385

(in thousands)	December 31, 2023			December 31, 2023		
	Gross carrying amount	Accumulated Amortization	Net carrying amount	Gross carrying amount	Accumulated Amortization	Net carrying amount
Definite-lived intangible assets						
Indefinite-lived intangible assets						
Intangible assets, net						

The definite-lived intangible assets balance increased during the year ended December 31, 2023 due to the Company’s acquisitions. See Note 4, “Acquisitions” for additional details on the intangible assets acquired.

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Amortization expense was $8.5 million, $379 thousand $304 thousand and $126 $304 thousand during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020. 2021, respectively. Amortization expense was included in research "Research and development Development" in the Consolidated Statements of Operations. Amortization expense for the definite-lived intangible assets will be recognized over approximately the next year. 2.8 years.

The estimated annual amortization expense for the definite-lived intangible assets recorded as of December 31, 2023 is as follows:

(in thousands)	2024	2025	2026	2027	2028
Estimated annual amortization expense	$ 13,379	$ 13,116	$ 7,672	$ 1,283	$ 7

The indefinite-lived intangible asset represents assets primarily represent the Recursion domain name that the Company purchased. No indefinite-lived intangible asset impairment charges were recorded during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020. 2021.

Note 8. Notes Payable

Midcap Financial

In September 2019, the Company entered into a lending agreement with Midcap Financial Trust (Midcap) and the other lenders party thereto (the Midcap loan agreement) for borrowing $11.9 million. In July 2021, the Company paid the balance due under the Midcap loan agreement. The total amount paid was $12.7 million. The Company recorded an early extinguishment loss of $996 thousand, which was included in "Other income (loss), net" on the Consolidated Statements of Operations.

Convertible Notes

In March 2020 and April 2020, the Company issued convertible promissory notes for an aggregate principal amount of $6.4 million. Under certain conditions, the principal was convertible into an amount of equity with a fair value that exceeded the amount of the notes' principal on the conversion date. This feature of the notes was accounted for separately at fair value as a derivative liability. These notes converted to 1,203,231 shares of Series D Preferred Stock in September 2020. Upon conversion of the notes, the Company recorded the $1.6 million fair value of the derivative liability as equity on the Consolidated Balance Sheet. Changes in the fair value of the derivative were recorded in "Other income (loss), net" in the Consolidated Statements of Operations at a loss of $484 thousand during the year ended December 31, 2020.

Notes Payable for Tenant Improvement Allowance

In 2018, the Company borrowed $992 thousand, which was available as part of a lease agreement for use on tenant improvements. Under the terms of the lease, the note will be repaid over a 10-year period at an 8% interest rate. The balance outstanding as of December 31, 2022 is $633 thousand.

Note 9. 7. Commitments and Contingencies

Indemnification

The Company has agreed to indemnify its officers and directors for certain events or occurrences, while the officer or director is or was serving at the Company's request in such capacity. The Company purchases directors and officers liability insurance coverage that provides for reimbursement to the Company for covered obligations and this is intended to limit the Company's exposure and enable it to recover a portion of any amounts it pays under its indemnification obligations. The Company had no liabilities recorded for these agreements as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, as no amounts are probable or estimable. were probable.

Employee Agreements

The Company has signed employment agreements with certain key employees pursuant to which, if their employment is terminated following a change of control of the Company, the employees are entitled to receive certain benefits, including accelerated vesting of equity incentives.

Legal Matters

The Company is not currently a party to any material litigation or other material legal proceedings. The Company may, from time to time, be involved in various legal proceedings arising in the normal course of business. An unfavorable resolution of any such matter could materially affect the Company's future financial position, results of operations or cash flows.

Note 10. Convertible Preferred Stock

The In February 2021, the Company has issued preferred stock as part of various financing events. entered into a lease agreement for laboratory and office space (the Industry Lease) with Industry Office SLC, LLC (the landlord). In April 2021, all outstanding shares of convertible preferred stock converted into 115,598,018 shares of Class A common stock as part of March 2023, the initial public offering (IPO) (see Note 11, "Common Stock" for additional details on Company sent a letter to the IPO). There was no convertible preferred stock outstanding as of December 31, 2022 landlord detailing numerous construction delays and 2021.

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No convertible preferred stock was issued during the year ended December 31, 2022 irregularities, deficiencies and 2021. The Company issued 36,898,548 shares of Series D convertible preferred stock for an aggregate purchase price of $245.9 million ($6.71 per purchased share and $5.37 per converted share) during the year ended December 31, 2020. As part of the Series D issuance, outstanding convertible notes were converted into Series D shares. See “Note 8, Notes Payable” for additional details on the convertible notes. As of December 31, 2020, there were no cumulative dividends owed or in arrears on the preferred stock.

deviations from applicable structural drawings

Convertible preferred stock consisted and/or non-conforming conditions with applicable building codes. On June 23, 2023, the landlord filed a lawsuit against the Company (*Industry Office SLC, LLC v. Recursion Pharmaceuticals, Inc.*, Case No. 230904627) in the Third District Court for Salt Lake County, State of Utah (the Court), alleging anticipatory repudiation and breach of contract. The Plaintiff seeks monetary damages and attorney's fees. In July 2023, the Company filed a motion to dismiss. In September 2023, Recursion was granted its motion to dismiss, and the Court provided the landlord until October 23, 2023, to amend and re-file the dismissed complaint. On October 23, 2023, the landlord filed an amended complaint again alleging anticipatory repudiation, breach of contract and breach of the following implied covenant of good faith and fair dealing (the Amended Complaint), and seeks monetary damages and attorney's fees. In November 2023, the Company filed a motion to dismiss the Amended Complaint. The Court set a hearing on the Company's motion to dismiss on March 29, 2024. As of December 31, 2023, the Company had no liability recorded for these events as of December 31, 2020:

(in thousands except share data)	Preferred Shares Authorized	Preferred Shares Issued and Outstanding	Carrying Value	Liquidation Preferences	Shares of Common Stock Issuable Upon Conversion
Series A	30,078,402	29,965,754	$ 21,281	$ 21,281	29,965,754
Series A-1	4,975,521	4,975,520	—	—	4,975,520
Series B	21,497,667	21,471,898	59,913	60,000	21,471,898
Series C	18,956,354	18,776,345	119,915	122,058	22,286,298
Series D	45,926,769	36,898,548	247,203	247,511	36,898,548
Total convertible preferred stock	121,434,713	112,088,065	$ 448,312	$ 450,850	115,598,018

an unfavorable outcome was not probable.

In connection with the Industry Lease, in September 2023, the Company filed claims in the Court against the landlord alleging, among other things, breach of contract and fraudulent misrepresentation (the Counterclaims). In October 2023, the landlord filed an answer and denied the Company's allegations asserted in the Counterclaims. The Company's convertible preferred stock was classified outside of stockholders' equity Company and the landlord are currently engaged in discovery. On October 27, 2023, the Company filed a motion for partial judgment on the Consolidated Balance Sheets because pleadings, seeking judgment on one of its four counterclaims. The Court set a hearing on the holders Company's motion for partial judgment on the pleadings on March 29, 2024. The Company is unable to estimate the possible amount or range of such shares have liquidation rights in amounts associated with the event of a deemed liquidation that, in certain situations, are not solely within the control of the Company and would require the redemption of the then-outstanding convertible preferred stock. The convertible preferred stock was not redeemable, except in the event of a deemed liquidation event. Counterclaims.

Note 11. 8. Common Stock

Each share of Class A common stock entitles the holder to one vote per share and each share of Class B common stock entitles the holder to 10 votes per share on all matters submitted to a vote of the Company's stockholders. Common stockholders are entitled to receive dividends, as may be declared by the Company's board Board of directors. Directors. As of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, no dividends had been declared.

At-The-Market Offering

In August 2023, the Company entered into an Open Market Sales Agreement (the “Sales Agreement”) with Jefferies LLC (the “Sales Agent”), to provide for the offering, issuance and sale of up to an aggregate amount of $300.0 million of its Class A common stock from time to time in “at-the-market (ATM)” offerings. As of December 31, 2023, an amount of $219.4 million remained available for future sales under the Sales Agreement. The Company has sold 12.0 million shares and received net proceeds of $78.2 million under the agreement as of December 31, 2023. Recursion is not required to sell additional shares under the Sales Agreement. The Company pays the Sales Agent a commission of up to 3% of the aggregate gross proceeds received from all sales of Class A common stock. The Sales Agreement continues until the earlier of selling all shares available under the Sales Agreement or terminated by written notice from either of the parties. The ATM Offering is being made under a prospectus supplement dated August 8, 2023, and related prospectus filed with the Securities and Exchange Commission pursuant to our automatically effective shelf registration statement on Form S-3ASR (Registration No. 333-264845).

NVIDIA Private Placement

In July 2023, Recursion entered into a Stock Purchase Agreement for a private placement with NVIDIA Corporation (2023 Private Placement), pursuant to which the Company sold an aggregate of 7.7 million shares of the Company's Class A common stock at a price of $6.49 per share for net proceeds of approximately $49.9 million.

Valence Acquisition Exchangeable Shares

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In May 2023, in connection with the acquisition of Valence, the Company entered into an agreement to issue up to 5.9 million shares of Class A common stock (the “Exchange Shares”), that may be issued upon exchange, retraction or redemption of exchangeable shares of a subsidiary of Recursion. Each exchangeable share of the subsidiary of Recursion entitles the holder to exchange those shares on a one-for-one basis for Recursion’s Class A common stock. The shares are entitled to receive dividends economically equivalent to dividends declared by Recursion, are non-voting and are subject to customary adjustments for stock splits or other reorganizations. In addition, the Company may require all outstanding exchangeable shares to be exchanged into an equal number of Class A common stock upon the occurrence of certain events and at any time following the seventh anniversary of the closing of the Valence acquisition. The exchangeable shares are substantially the economic equivalent of the Class A shares and classified as common stock within the Company’s stockholders’ equity. The Company’s calculation of weighted-average shares outstanding includes the exchangeable shares. As of December 31, 2023, 3.6 million Exchangeable shares have been redeemed for Class A shares.

2022 Private Placement

In October 2022, Recursion issued 15,336,734 15.3 million shares of the Company’s Class A common stock at a purchase price of $9.80 per share in a private placement (the 2022 Private Placement) to qualified institutional buyers and institutional accredited investors (the Purchasers) for net proceeds of $143.7 million, after deducting fees and offering costs of $6.6 million.

Registration Rights Agreement Agreements

Tempus agreement

In November 2023, in connection with the Tempus Agreement, the Company agreed to prepare and file a registration statement (or a prospectus supplement to an effective registration statement on Form S-3ASR that will become automatically effective upon filing with the SEC pursuant to Rule 462(e)) with the SEC, for resale of the shares of Class A common stock issued or issuable under the Tempus Agreement. A prospectus supplement to a registration statement (File No. 333-264845) was subsequently filed in December 2023 to register shares issued to Tempus for the initial license fee under the Tempus Agreement for resale.

After registration of any shares issued to Tempus under the Tempus Agreement, the Company has agreed to use commercially reasonable efforts to keep such registration statement effective until such date that all shares issued to Tempus covered by such registration statement have been sold or are able to be publicly sold by relying on Rule 144 of the Securities Act without registration.

NVIDIA Private Placement

In July 2023, in connection with the 2023 Private Placement in October 2022, with NVIDIA, the Company entered into a Registration Rights Agreement (“the Agreement”) providing for the registration for resale of the shares of Class A common stock issued in such transaction. A prospectus supplement to a registration statement (File No. 333-264845) was subsequently filed in August 2023 to register the resale of the shares of Class A common stock issued to NVIDIA. The Company has agreed to use commercially reasonable efforts to keep the registration statement continuously effective until such date that all registrable securities under the agreement have been sold. In the event the holders cannot sell their shares due to certain circumstances causing the registration statement to be ineffective, the Company must pay each holder of shares outstanding on the date and each month thereafter 1% of the aggregate purchase price with the maximum payable amount of 5% of the aggregate purchase price. As of December 31, 2023, there was no accrued liability related to this agreement, as it was not probable that a payment would be required.

Acquisitions

In May 2023, in connection with the acquisition of Valence, the Company entered into a Registration Agreement providing for the registration for resale of the shares of Class A common stock and Exchange Shares issued or issuable in such transaction. A registration statement on Form S-3ASR (File No. 333-272281) was filed to register the shares for resale by the holders. The registration statement must remain effective for a period of not less than three years.

In May 2023, in connection with the acquisition of Cyclica, the Company entered into a Registration Agreement providing for the registration for resale of the shares of Class A common stock issued in such transaction. A prospectus supplement to a registration statement (File No. 333-264845) was subsequently filed in June 2023 to register the shares for resale by the holders. The registration statement must be continuously effective until the earlier of the date that all shares have been sold thereunder or are able to be publicly sold by relying on Rule 144 of the Securities Act without registration.

2022 Private Placement

In October 2022, in connection with the 2022 Private Placement, the Company entered into a Registration Rights Agreement providing for the registration for resale of the shares of Class A common stock issued in the Private Placement. such transaction. A prospectus supplement to a registration statement (File No. 333-264845) was subsequently filed in October 2022 to register the resale of the Shares shares of Class A common stock by the Purchasers. The Agreement agreement must remain effective until registrable securities covered by the Agreement agreement have been publicly sold by the holders or all

shares cease to be registrable securities. In the event the holders cannot sell their shares due to certain circumstances causing the Agreement agreement to be ineffective, the Company must pay each holder of shares outstanding on the date and each month thereafter 1.0% 1% of the aggregate purchase price paid by the holder without limit until the Agreement agreement is cured. As of December 31, 2022 December 31, 2023, there was no accrued liability related to this agreement, as it was not probable or reasonably possible that a payment would be required.

Initial Public Offering

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On April 20, 2021, the Company closed its IPOinitial public offering (IPO) and issued 27,878,787 27.9 million shares of its Class A common stock at a price of $18.00 per share for net proceeds of $462.4 million, after deducting underwriting discounts and commissions of $35.1 million and other offering costs of $4.3 million. In connection with

Prior to the IPO, the Company had issued preferred stock as part of various financing events. In April 2021, all outstanding shares of convertible preferred stock converted into 115,598,018115.6 million shares of Class A common stock. stock as part of the IPO. There was no convertible preferred stock outstanding as of December 31, 2023, 2022 and 2021. No convertible preferred stock was issued during the years ended December 31, 2023, 2022 and 2021.

Stock Split

In April 2021, The Company's convertible preferred stock was classified outside of stockholders' equity on the Board Consolidated Balance Sheets because the holders of Directors approved such shares had liquidation rights in the event of a 1.5-for-1 forward stock split deemed liquidation that, in certain situations, were not solely within the control of the Company's common Company and would require the redemption of the then-outstanding convertible preferred stock. Each shareholder The convertible preferred stock was not redeemable, except in the event of record on April 9, 2021 received 1.5 shares for each then-held share. The split proportionally increased the authorized shares and did not change the par values of the Company's stock. The split affected all stockholders uniformly and did not affect any stockholder's ownership percentage of the Company's shares of common stock. All shares and per share amounts presented within these Consolidated Financial Statements were adjusted to reflect the forward stock split for all periods presented.a deemed liquidation event.

Class A and B Common Shares Authorization

In April 2021, the Company's Board of Directors authorized two classes of common stock, Class A and Class B. The rights of the holders of Class A and B common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to 10 votes per share and is convertible at any time into one share of Class A common stock.

All Class B common stock is held by Christopher Gibson, Ph.D., the Company's Chief Executive Officer (CEO), or his affiliates. As of December 31, 2022 December 31, 2023, Dr. Gibson and his affiliates held outstanding shares of Class B common stock representing approximately 32% 25% of the voting power of the Company's outstanding shares. This voting power may increase over time as Dr. Gibson vests in and exercises equity awards outstanding. If all the exchangeable equity awards held by Dr. Gibson had been fully vested, exercised and exchanged for shares of Class B common stock as of December 31, 2022 December 31, 2023, Dr. Gibson and his affiliates would hold approximately 33% 26% of the voting power of the Company's outstanding shares. As a result, Dr. Gibson will be able to significantly influence any action requiring the approval of Recursion stockholders, including the election of the Board of Directors; the adoption of amendments to the Company's certificate of incorporation and bylaws; and the approval of any merger, consolidation, sale of all or substantially all of the Company's assets, or other major corporate transaction.

Note 12. 9. Collaborative Development Contracts

Roche and Genentech

Description
In December 2021, Recursion entered into a collaboration and license agreement with Roche and Genentech (collectively referred to as Roche). Recursion is constructing, using the Company's imaging technology and proprietary machine-learning algorithms, unique maps of the inferred relationships amongst perturbation phenotypes in a given cellular context with the goal to discover and develop therapeutic small molecule programs in a gastrointestinal cancer indication and in key areas of neuroscience. Roche and Recursion will collaborate to select certain novel inferences with respect to small molecules or targets generated from the Phenomaps for further validation and optimization as collaboration programs. Roche and Recursion may also combine sequencing datasets from Roche with Recursion's Phenomaps and collaborate to generate new algorithms to produce multi-modal maps from which additional collaboration programs may be initiated. For every collaboration program that successfully identifies potential therapeutic small molecules or validates a target, Roche will have an option to obtain an exclusive license to develop and commercialize such potential therapeutic small molecules or to exploit such target in the applicable exclusive field.

Pricing
In January 2022, Recursion received a $150.0 million non-refundable upfront payment from the Company's collaboration with Roche. Recursion is eligible for additional milestone payments based on performance progress of the collaboration. Each of the Phenomaps requested by Roche and created by Recursion may be subject to either an initiation fee, acceptance fee or both. Such fees could exceed $250.0 million for 16 accepted Phenomaps. In addition, for a period of time after Roche's acceptance of certain Phenomaps, Roche will have the option to obtain, subject to payment of an exercise fee, rights to use outside the collaboration the raw images generated in the course of creating those Phenomaps. If Roche exercises its external use option for all 12 eligible Phenomaps, Roche's associated exercise fee payments to Recursion could exceed $250.0 million. Under the collaboration, Roche may initiate up to 40 programs, each of which, if successfully developed and commercialized, could yield more than $300.0 million in development, commercialization and net revenue milestones for Recursion, as well as tiered royalties on net revenue.

Accounting
This agreement represents a transaction with a customer and therefore will be is accounted for in accordance with ASC 606. Recursion has determined that it has three performance obligations, one related to gastrointestinal cancer and two in neuroscience. These performance obligations are for performing research and development services for Roche to identify targets and medicines. The performance obligations also include potential licenses related to the intellectual property. The Company concluded that licenses within

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the contract are not distinct from the research and development services as they are interrelated due to the fact that the research and development services significantly impact the potential licenses. Any additional services are considered customer options and will be considered as separate contracts for accounting purposes.

The Company has determined the transaction price to be $150.0 million, for the initial performance obligations, comprised of the upfront payment. Recursion will fully constrain the amounts of variable consideration to be received from potential milestones considering the stage of development and the risks associated with the remaining development required to achieve each milestone. Recursion will re-evaluate the transaction price each reporting period.

The transaction price was allocated to the performance obligations based on the estimated relative stand-alone selling price of each performance obligation as determined using an expected cost plus margin approach. The Company recognizes revenue over time based on costs incurred relative to total expected costs to perform the research and development services. Recursion determined that this method provides a faithful depiction of the transfer of control to the customer. This method of recognizing revenue requires the Company to make estimates of total costs to provide the services required under the performance obligations. Significant inputs used to determine the total costs included the length of time required, service hours performed by Company employees and materials costs. A significant change in these estimates could have a material effect on the timing and amount of revenue recognized in future periods. Recursion has estimated the completion of the performance obligations by 2025. 2026.

Bayer AG

Description
In August 2020, the Company entered into a Research Collaboration and Option Agreement (the Bayer Agreement) with Bayer AG (Bayer) for a five-year term pursuant to which the Company and Bayer may initiate approximately 10 initiated research projects related to fibrosis across multiple organ systems, including the lung, liver and heart. Under the agreement, the Company contributed compounds from its proprietary library and Bayer contributed compounds from its proprietary library and will contribute contributed scientific expertise throughout the collaboration.

Under each research project, the The Company will work worked with Bayer to identify potential candidates for development. Under the agreement, Bayer has had the first option for licenses to potential candidates.

Pricing
In October 2020, the Company received a $30.0 million $30.0 million non-refundable upfront payment. Each such license potentially could potentially result have resulted in option exercise fees and development and commercial milestone payments payable to the Company, with an aggregate value of up to approximately $100.0 million $100.0 million (for an option on a lead series) or up to approximately $120.0 million $120.0 million (for an option on a development candidate), as well as tiered royalties for each such license, ranging from low- to mid-single digit percentages of sales, depending on commercial success.

Accounting
The Company determined that it has had one performance obligation under the agreement, which is was to perform research and development services for Bayer. Recursion determined the transaction price to be $30.0 million, comprised of the upfront payment. The Company allocated the amount to the single performance obligation. The Company is recognizing recognized revenue over time as it makes by measuring progress towards completion of the performance obligation. This method of recognizing revenue required the Company to make estimates of the total time to provide the services required under the performance obligation. For the years year ended December 31, 2021 and 2020, , the costs of providing the services for this agreement were insignificant and were included within “Research and development” Development” in the Consolidated Statement of Operations. Recursion has estimated the completion of completed its performance obligation by services in 2023.

Additional Revenue Disclosures

Recursion recognized $39.7 million, $10.0 million and $3.3 million of operating revenue during the years ended December 31, 2022, 2021 and 2020, respectively. Revenues from two customers exceeded 10% of total revenues and those two customers represent primarily all of our Recursion’s operating revenue during the year years ended December 31, 2022. December 31, 2023 and 2022. Revenues from one customer exceeded 10% of total revenues and that one customer represents represented all of our Recursion’s operating revenue during the years year ended December 31, 2021 and December 31, 2020 .

Of the revenue recognized during the year ended December 31, 2023, primarily all of it was included in the unearned revenue balance as of December 31, 2022. Of the revenue recognized during the year ended December 31, 2022, $10.0 million was included in the unearned revenue balance as of December 31, 2021. All revenue recognized during the year ended December 31, 2021 was included in the unearned revenue balance as of December 31, 2020. Revenue recognized was from upfront payments received at the inception of the related contracts, which decreased the initial unearned revenue recognized. Unearned revenue of $150.0 million was recorded on the Consolidated Balance Sheet during the year ended December 31, 2022 related to the upfront payment from the Roche collaboration. As of December 31, 2022 December 31, 2023, the Company had $8.1 million $9.8 million of costs incurred to fulfill a contract on its Consolidated Balance Sheet within “Other current assets.”

Unearned revenue was classified as short-term and long-term on the Consolidated Balance Sheets based on the Company’s estimate of revenue that will be recognized during the next twelve months.

Note 13. 10. Stock-Based Compensation

In April 2021, the Board of Directors and the stockholders of the Company adopted the 2021 Equity Incentive Plan (the 2021 Plan). Under the 2021 Plan, 16,186,000 16.2 million shares of Class A common stock were reserved. Additionally, shares were reserved for all outstanding awards under the previous 2016 Plan. The Company may grant stock options, RSUs, restricted stock units (RSUs), stock appreciation rights, restricted stock awards and other forms of stock-based compensation.

As of December 31, 2022 December 31, 2023, 14,912,815 10.9 million shares of Class A common stock were available for grant.

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The following table presents the classification of stock-based compensation expense for stock options and RSUs for employees and non-employees within the Consolidated Statements of Operations:

	Years ended December 31,		
(in thousands)	2022	2021	2020
Cost of revenue	$ 2,755	$ —	$ —
Research and development	10,065	4,841	1,777
General and administrative	14,052	8,989	2,059
Total	$26,872	$13,830	$3,836

	Years ended December 31,		
(in thousands)	2023	2022	2021

Stock Options

Stock options are primarily granted to executive leaders at the Company, generally vest over four years and expire no later than 10 years from the date of grant. Stock option activity during the year ended December 31, 2022 December 31, 2023 was as follows:

(in thousands except share data)	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (In Years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2021	19,191,714	$ 3.78	8.1	$260,867
Granted	2,483,336	11.10		
Cancelled	(1,494,036)	6.15		
Exercised	(4,026,090)	2.11		28,018
Outstanding as of December 31, 2022	16,154,924	$ 5.10	7.5	$ 67,997
Exercisable as of December 31, 2022	8,745,444	$ 3.66	6.7	$ 45,401

(in thousands except share and per share amounts)	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2022				
Cancelled				
Exercised				
Outstanding as of December 31, 2023				
Exercisable as of December 31, 2023				

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The fair value of options granted to employees is calculated on the grant date using the Black-Scholes option valuation model. The weighted-average grant-date fair values of stock options granted during the years ended December 31, 2022 December 31, 2023, 2022 and 2021 were $5.64, $6.57 and 2020 were $6.57, $7.66, and $1.50, respectively.

The following weighted-average assumptions were used to calculate the grant-date fair value of stock options:

	Years ended December 31,		
	2022	2021	2020
Expected term (in years)	6.2	6.3	6.2
Expected volatility	63 %	65 %	67 %
Expected dividend yield	—	—	—
Risk-free interest rate	1.9 %	1.1 %	1.0 %

In February 2021, the Company granted 150,000 shares of stock options with a performance and service condition that had a fair value of $358 thousand. The grant was fully expensed during the year ended December 31, 2021 as the performance and service conditions were met.

In March 2020, the Company granted 1,500,000 shares of stock options with performance, market and service conditions. At grant date, the Company estimated that the fair value of the options was approximately $2.0 million. For the years ended December 31, 2022, 2021 and 2020, $165 thousand, $1.7 million and zero of expense was recorded, respectively. For the year ended December 31, 2021, several of the award's conditions were met. For the year ended December 31, 2020, no expense was recorded as the performance conditions were not considered probable.

	Years ended December 31,		
	2023	2022	2021
Expected term (in years)	5.8	6.2	6.3
Expected volatility	66 %	63 %	65 %
Expected dividend yield	—	—	—
Risk-free interest rate	3.6 %	1.9 %	1.1 %

As of December 31, 2022 December 31, 2023, $29.1 million $32.6 million of unrecognized compensation cost related to stock options is expected to be recognized as expense over approximately the next three two years.

RSUs

In April 2021, Recursion redesigned certain aspects of its long-term incentive program. As a result, equity Equity awards granted to employees since the redesign generally primarily consist of a combination of stock options RSUs and RSUs. RSUs awarded to employees pursuant to the 2021 Plan generally vest over four years. The weighted-average grant-date fair value of RSUs generally is determined based on the number of units granted and the quoted price of Recursion's common stock on the date of grant.

The following table summarizes Recursion's RSU activity during the year ended December 31, 2022 December 31, 2023:

	Stock units	Weighted-average grant date fair value
Outstanding as of December 31, 2021	478,136	$ 23.40

Stock units				Stock units		Weighted-average grant date fair value
Outstanding as of December 31, 2022						
Granted	Granted	7,746,249	7.46	Granted	14,332,216	8.61
Vested	Vested	(896,555)	4.32	Vested	(3,385,863)	8.52
Forfeited	Forfeited	(433,305)	9.18	Forfeited	(2,617,114)	8.29

Outstanding as of December 31, 2022	6,894,525	$ 8.17

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Outstanding as of December 31, 2023

The fair market value of RSUs vested was $10.1 million $26.9 million during the year ended December 31, 2022 December 31, 2023. As of December 31, 2022 December 31, 2023, $49.9 million $119.5 million of unrecognized compensation cost related to RSUs is expected to be recognized as expense over approximately the next three years.

Employee Share Purchase Plan (ESPP)

In April 2021, the Board of Directors and stockholders of the Company adopted the 2021 Employee Stock Purchase Plan (the ESPP). Under the ESPP, 3,238,000 shares of Class A common stock were reserved. The ESPP has consecutive six-month offering periods. The offering periods are scheduled to start on the first trading day on or after May 20 and November 20 of each year. The per share purchase price is 85% of the lower of the fair market value on (1) the first trading day of the offering period or (2) the exercise date.

The fair value of the ESPP grants are measured at grant date. The fair value is determined considering the purchase discount and the fair value of the look-back feature. Black-Scholes pricing models are used to calculate the fair value of the look-back feature. The weighted-average assumptions used in the Black-Scholes models were as follows:

	Years ended December 31,	
	2022	2021
Expected term (in years)	0.5	0.5
Expected volatility	66 %	61 %
Expected dividend yield	—	—
Risk-free interest rate	3.0 %	0.1 %

For the year ended December 31, 2022, 525,628 shares were issued under the ESPP. For the years ended December 31, 2022 and 2021, Recursion recognized expense of $1.0 million and $731 thousand, respectively. As of December 31, 2022, $714 thousand of unrecognized ESPP compensation cost is expected to be recognized as expense over approximately the next five months.

Warrants

In connection with a certain loan agreement, the Company issued fully vested warrants to purchase 112,647 shares of Series A Preferred Stock (Series A warrants) at a purchase price of $0.71 per share. These Series A warrants were exercised in April 2021.

Subsequently, the Company drew on additional borrowing capacity under an amended agreement. This required the Company to issue fully vested warrants to purchase 25,762 shares of Series B Preferred Stock (Series B warrants) at a purchase price of $2.79 per share. These Series B warrants were exercised in April 2021.

In January 2020, the Company issued warrants to purchase 213,646 shares of Series C Preferred Stock (Series C warrants) at a purchase price of $5.49 per share as part of a services agreement. These Series C warrants were exercised in October 2021. The grant date fair value was $4.10 per share.

The FASB has issued accounting guidance on the classification of freestanding warrants and other similar instruments for shares that are redeemable (either puttable or mandatorily redeemable). The guidance requires liability classification for certain warrants that are exercisable into convertible preferred stock. The initial fair values of the Series A and B warrants were recorded as debt issuance costs, which resulted in a reduction in the carrying value of the debt and subsequent accretion. The Company remeasured the Series A and B warrants on each Consolidated Balance Sheet date. The change in valuation was recorded in the Consolidated Statements of Operations in “Other income (loss), net.” The liability was recorded to equity upon the exercise of the Series A and B warrants.

The Series C warrants’ compensation expense was recorded in general and administrative expense ratably over the requisite service period based on the award’s fair value at the date of grant. These warrants were classified as equity as they were issued to non-employees for services and the convertible preferred stock was not redeemable.

The following is a summary of the changes in the Company’s Series A and B warrant liability balance during the years ended December 31, 2021 and 2020:

(in thousands)	
Balance as of December 31, 2019	$ 128
Decrease in fair value of warrants	(3)
Balance as of December 31, 2020	$ 125
Increase in fair value of warrants	2,215
Recorded in equity upon exercise	(2,340)
Balance as of December 31, 2021	$ —

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Note 14. 11. Employee benefit plans

The Company has an employee maintains defined contribution benefit plan under Section 401(k) of the Internal Revenue Code. plans for its eligible employees. The plan plans generally allows employees to make contributions up to a specified percentage of their compensation. The Company is currently contributing generally contributes up to 4% of employee base salary, by matching 100% of the first 4% of annual base salary contributed by each employee. Additionally, the Company generally contributes a certain amount to the 401(k) defined contribution plans for employees that worked at the Company during the year. Employer expenses were $3.6 million $3.8 million, $2.1 million $3.6 million and $1.1 $2.1 million during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020. 2021, respectively.

Note 15. 12. Income Taxes

The provision for income taxes consisted of the following components (all deferred):

(in thousands)	(in thousands)	Years ended December 31, 2022	2021	2020	(in thousands)	Years ended December 31, 2023	2022	2021
Federal	Federal	$61,225	$47,138	$20,707				
State	State	3,188	(684)	947	State	(54,634)	(3,188)	(3,188)	684	684
Foreign	Foreign	471	149	—				
Change in valuation allowance	Change in valuation allowance	(64,884)	(46,603)	(21,654)				
Total		$ —	$ —	$ —				
Total tax benefit								

The Company's effective tax rate of 1% during the year ended December 31, 2023 and 0% during the years ended December 31, 2022, and 2021 and 2020 differs from the statutory U.S. federal rate as follows:

		Years ended December 31, 2022	2021	2020		Years ended December 31, 2023		2022		2021	
Statutory tax rate	Statutory tax rate	21.0 %	21.0 %	21.0 %	Statutory tax rate	21.0	%	21.0	%	21.0	%
R&D credit generation	R&D credit generation	3.7 %	3.2 %	3.3 %	R&D credit generation	3.1	%	3.7	%	3.2	%
Orphan drug credit generation	Orphan drug credit generation	1.1 %	1.1 %	1.0 %	Orphan drug credit generation	2.1	%	1.1	%	1.1	%
State taxes					State taxes	16.4	%	—	%	—	%
Stock based compensation	Stock based compensation	0.8 %	0.6 %	(0.5)%	Stock based compensation	(0.1)	%	0.8	%	0.6	%
Uncertain tax positions	Uncertain tax positions	(0.3)%	(0.4)%	(0.4)%	Uncertain tax positions	(0.8)	%	(0.3)	%	(0.4)	%
Other non-deductible expenses		(0.8)%	(0.2)%	(0.6)%							
Other					Other	1.0	%	(0.8)	%	(0.2)	%
Change in valuation allowance	Change in valuation allowance	(25.5)%	(25.3)%	(23.8)%	Change in valuation allowance	(41.5)	%	(25.5)	%	(25.3)	%
Effective tax rate	Effective tax rate	— %	— %	— %	Effective tax rate	1.2	%	—	%	—	%

Significant components of deferred tax assets and liabilities were as follows:

(in thousands)	(in thousands)	December 31, 2022	2021	(in thousands)	December 31, 2023	2022

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Deferred tax assets	**Deferred tax assets**		
Net operating loss carryforwards	Net operating loss carryforwards	$ 89,951	$ 76,954
Net operating loss carryforwards			
Net operating loss carryforwards			
Research and development capitalization	Research and development capitalization	39,095	—
Tax credit carryforwards	Tax credit carryforwards	30,965	16,742
Unearned revenue			
Lease liabilities	Lease liabilities	11,442	—
Reserves and accruals	Reserves and accruals	3,622	5,922
Stock-based compensation	Stock-based compensation	2,231	1,732
Definite lived intangibles	Definite lived intangibles	969	1,005
Deferred rent		—	3,132
Other	Other	433	426
Gross deferred tax assets	Gross deferred tax assets	178,708	105,913
Valuation allowance	Valuation allowance	(166,775)	(102,041)
Net deferred tax asset	Net deferred tax asset	11,933	3,872
Deferred tax liabilities	**Deferred tax liabilities**		
Right-of-use assets	Right-of-use assets	(9,416)	—
Right-of-use assets			
Right-of-use assets			
Definite lived intangibles			
Depreciable assets	Depreciable assets	(1,951)	(2,089)
Tenant allowance receivable		(566)	(1,783)
Deferred tax liabilities	Deferred tax liabilities	(11,933)	(3,872)
Net deferred tax asset		$ —	$ —
Net deferred tax liability			

Significant judgment is required in determining the Company's provision for income taxes, recording valuation allowances against deferred tax assets and evaluating the Company's uncertain tax positions. Due to net losses since inception and the uncertainty of realizing the deferred tax assets, the Company has a full valuation allowance against its all entities in a net deferred tax assets. asset position. To the extent that the Company generates positive income and expects, with reasonable certainty, to continue to generate positive income, the Company may release all, or a portion of, the valuation allowance in a future period. This release would result in the recognition of all, or a portion of, the Company's deferred tax assets, resulting in a decrease to income tax expense for the period such release is made. As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company's valuation allowance was $166.8 million $304.6 million and $102.0 million $166.8 million, respectively, which increased by approximately $64.7 million $137.8 million and $46.6 million $64.7 million during the years ended December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

Net operating losses (NOLs) and tax credit carry-forwards are subject to review and possible adjustment by the Internal Revenue Service ("IRS") and may become subject to annual limitation due to ownership changes that have occurred previously or that could occur in the future under Section 382 of the Internal Revenue Code, as amended and similar state

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provisions. These ownership changes may limit the amount of carryforwards that can be utilized annually to offset future taxable income. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain shareholders or public groups in the stock of a corporation by more than 50% over a three-year period. The Company has not conducted is conducting a study to assess whether a change of ownership has occurred or whether there have been multiple ownership changes since inception due to the significant complexity and cost associated with such a study. inception. If the Company has experienced a change of ownership, as defined by Section 382, at any time since inception, utilization of the net operating loss carryforwards or research and development tax credit carryforwards would be subject to an annual limitation under Section 382, which is determined by first multiplying the value of the Company's stock at the time of the ownership change by the applicable long-term tax-exempt rate and then could be subject to additional adjustments, as required. Any limitation may result in expiration of a portion of the net operating loss carryforwards or research and development tax credit carryforwards before utilization. Further, until a study is completed and any limitation is known, no amounts are being presented as an uncertain tax position.

As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company had federal NOL carryforwards of $414.4 million $412.0 million and $353.1 million $414.4 million, respectively, available to reduce taxable income, of which $18.6 million expire beginning 2036 and $395.8

million $393.4 million do not expire. The Company had state NOL carryforwards of $61.5 million $398.6 million and $63.0 million $61.5 million as of December 31, 2022

December 31, 2023 and 2021, 2022, respectively, available to reduce future state taxable income, of which $5.3 million $334.0 million expire beginning 2031 and $56.2 million $64.6 million do not expire. The Company had foreign NOL carryforwards of $1.4 million $19.5 million as of December 31, 2022 December 31, 2023, available to reduce future foreign taxable income, which do not expire. expire beginning in 2032.

As of December 31, 2022 December 31, 2023, the Company also had federal and state research and development credit carryforwards of $21.3 million $30.3 million and $5.6 million $6.9 million respectively. As of December 31, 2021 December 31, 2022, the Company had federal and state research and development credit carryforwards of $12.7 million $21.3 million and $2.2 million $5.6 million, respectively. The federal research and development credit carryforwards expire beginning in 2036 and the state credit carryforwards expire beginning in 2030. The Company also had federal Orphan Drug credits of $6.8 million $17.9 million and $3.8 million $6.8 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, which will begin expiring in 2036. The Company had reserves 2039.

Reserves for uncertain tax positions against these the credit carryforwards of $2.8 million and $1.9 million were as of December 31, 2022 and 2021 respectively. follows:

	December 31,	
(in thousands)	2023	2022
Balance at the beginning of the period	$ 2,762	$ 1,944
Increases for positions taken in current year	1,726	818
Increase for positions taken in prior year	929	—
Balance at the end of the period	$ 5,417	$ 2,762

The Company recognizes benefits of uncertain tax positions if it is more likely than not that such positions will be sustained upon examination based solely on their technical merits, as the largest amount of benefit that is more likely than not to be realized upon the ultimate settlement. It is the Company's policy to include penalties and interest expense related to income taxes as a component of Other income (loss), net as necessary.

The Company files income tax returns in the United States, Canada, United Kingdom, Utah, California and Massachusetts. The Company is not currently under examination in any of these jurisdictions. The Company is subject to income tax examinations on all federal returns since the 2019 2016 tax return.

Note 16. 13. Net Loss Per Share

For the years ended December 31, 2022 December 31, 2023, 2022 and 2021, Recursion calculated net loss per share of Class A, and Class B and Exchangeable common stock using the two-class method. Basic net loss per share is computed using the weighted-average number of shares outstanding during the period. Diluted net loss per share is computed using the weighted-average number of shares and the effect of potentially dilutive securities outstanding during the period. Potentially dilutive securities consist of stock options and other contingently issuable shares. For periods presented in which the Company reports a net loss, all potentially dilutive shares are anti-dilutive and as such are excluded from the calculation. For the years ended December 31, 2022 December 31, 2023, 2022 and 2021, the Company reported a net loss and therefore basic and diluted loss per share were the same.

The rights, including the liquidation and dividend rights, of the holders of the Company's Class A, and Class B and Exchangeable common stock and the Exchangeable common shares are identical, except with respect to voting. As a result, the undistributed earnings for each period are allocated based on the contractual participation rights of the Class A and Class B common stock and the Exchangeable common shares as if the earnings for the period had been distributed. As the liquidation and dividend rights are identical, the undistributed earnings are allocated on a proportionate basis and the resulting amount per share for Class A, and Class B and Exchangeable common stock was the same during the years ended December 31, 2022 December 31, 2023, 2022 and 2021.

Recursion issued certain shares of convertible preferred stock that were outstanding until April 2021 and were concluded to be participating securities. For the year ended December 31, 2020, there was only one class of common stock outstanding. Due to the presence of participating securities, Recursion calculated net loss per share during the year

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ended December 31, 2020 using the more dilutive of the treasury stock or the two-class method. For periods presented in which the Company reports a net loss, the losses are not allocated to the participating securities. For the year ended December 31, 2020, the Company reported a net loss and therefore basic and diluted loss per share were the same. The preferred stock converted to common stock in April 2021 as part of the Company's IPO. See Note 11, "Common stock" for additional details.

The following tables set forth the computation of basic and diluted net loss per share of Class A, and Class B and Exchangeable common stock during 2023, 2022 and 2021:

(in thousands, except share amount)	Year ended December 31, 2022		Year ended December 31, 2021	
	Class A	Class B	Class A	Class B
Numerator:				
Allocation of undistributed earnings	$ (228,270)	$ (11,206)	$ (172,399)	$ (14,080)
Denominator:				
Weighted average common shares outstanding	167,323,062	8,214,425	115,883,920	9,464,190
Net loss per share, basic and diluted	$ (1.36)	$ (1.36)	$ (1.49)	$ (1.49)

The following table sets forth the computation of basic and diluted net loss per share during 2020:

(in thousands, except share amounts)	Year ended December 31, 2020
Numerator:	
Net loss	$ (87,006)
Denominator:	
Weighted average common shares outstanding	21,781,386
Net loss per share, basic and diluted	$ (3.99)

(in thousands, except share amounts)	Years ended December 31, 2023	2022	2021
Numerator:			
Net loss	(328,066)	(239,476)	(186,479)
Denominator:			
Weighted average common shares outstanding	207,853,702	175,537,487	125,348,110
Net loss per share, basic and diluted	$ (1.58)	$ (1.36)	$ (1.49)

The Company excluded the following potential common shares from the computation of diluted net loss per share for the periods indicated because including them would have had an anti-dilutive effect:

		Years ended December 31,		
		2022	2021	2020
Stock based compensation Tempus agreement				
Convertible preferred stock	Convertible preferred stock	—	34,615,890	90,684,675
Stock based compensation		10,966,651	15,381,210	3,636,400
Warrants	Warrants	—	151,745	117,342
Total	Total	10,966,651	50,148,845	94,438,417

Years ended December 31,		
2023	2022	2021

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Note 17. 14. Fair Value Measurements

The fair value hierarchy consists of the following three levels:

- Level 1 — Valuations based on unadjusted quoted prices in active markets for identical assets that the company has the ability to access;
- Level 2 — Valuations based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuations in which all significant inputs are observable in the market; and
- Level 3 — Valuations using significant inputs that are unobservable in the market and include the use of judgment by the company's management about the assumptions market participants would use in pricing the asset or liability.

The Company is required to maintain a cash balance in a collateralized account to secure the Company's credit cards. Additionally, the Company holds restricted cash related to an outstanding letter of credit issued by J.P. Morgan, which was obtained to secure certain Company obligations relating to tenant improvements.

The Company measured the Series A and B preferred stock warrant liabilities at fair value using a Black-Scholes option-pricing model. See Note 13, "Stock-based Compensation" for additional details on the warrant liabilities including a reconciliation of the balance.

The following tables summarize the Company's assets and liabilities that are measured at fair value on a recurring basis:

		Basis of fair value measurement			
(in thousands)	(in thousands)	December 31, 2022	Level 1	Level 2	Level 3
Assets	**Assets**				
Cash equivalents:	Cash equivalents:				
Money market funds	Money market funds	$404,613	$404,613	$ —	$ —
Restricted cash	Restricted cash	9,200	9,200	—	—
Total assets	Total assets	$413,813	$413,813	$ —	$ —

		Basis of fair value measurement			
(in thousands)	(in thousands)	December 31, 2023	Level 1	Level 2	Level 3
Cash equivalents:	Cash equivalents:				
Money market funds	Money market funds	$ 155,731	$ 155,731	$ —	$ —
Commercial paper	Commercial paper	12,000	—	12,000	—
Corporate bonds	Corporate bonds	200	—	200	—
Restricted cash	Restricted cash	10,233	10,233	—	—
Investments:	Investments:				
U.S. government debt	U.S. government debt	19,927	—	19,927	—
Corporate bonds	Corporate bonds	61,177	—	61,177	—
Certificates of deposit	Certificates of deposit	21,440	—	21,440	—
Commercial paper	Commercial paper	128,902	—	128,902	—
Total assets	Total assets	$ 409,610	$ 165,964	$ 243,646	$ —

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(in thousands)	December 31, 2022	Basis of fair value measurement		
		Level 1	Level 2	Level 3
Assets				
Cash equivalents:				
Money market funds	$ 404,613	$ 404,613	$ —	$ —
Restricted cash	9,200	9,200	—	—
Total assets	$ 413,813	$ 413,813	$ —	$ —

In addition to the financial instruments that are recognized at fair value on the Consolidated Balance Sheet, the Company has certain financial instruments that are recognized at amortized cost or some basis other than fair value. The carrying amount of these instruments are considered to be representative of their approximate fair values.

The following tables summarize the Company's financial instruments that are not measured at fair value:

	Book values		Fair values	
(in thousands)	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Liabilities				
Current portion of notes payable	$ 97	$ 90	$ 97	$ 90
Notes payable, net of current portion	536	633	536	633
Total liabilities	$ 633	$ 723	$ 633	$ 723

(in thousands)	Book values		Fair values	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Current portion of notes payable				
Current portion of notes payable				

Note 15. Subsequent Events

In January 2024, the Company entered into a lease agreement for office space with approximately 6,792 square feet (the "London Lease"). The London Lease term is five years. The lease includes provisions for escalating rent payments. Total fixed lease payments are expected to be approximately $7.9 million, additionally there will be variable expenses including building services charges related to the lease.

Item 9. Changes in and Disagreements with Accountants.

None.

Item 9A. Controls and Procedures.

The Company has established disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act) designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to management, including the principal executive officer (our Chief Executive Officer) and principal financial officer (our Chief Financial Officer), to allow timely decisions regarding required disclosure. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

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Evaluation of Disclosure Controls and Procedures

Our management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives as management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures have been designed to provide reasonable assurance of achieving their objectives. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2022 December 31, 2023, our disclosure controls and procedures were effective. ineffective due to the material weakness in internal controls related to our revenue and unearned revenue process described below. Notwithstanding this material weakness, management concluded that the consolidated financial statements included in this report present fairly, in all material respects, our financial condition, results of operations and cash flows for the periods covered by this report and our external auditors have issued an unqualified opinion on our consolidated financial statements of and for the year ended December 31, 2023.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, (as defined in Rule 13a-15(f) under the Exchange Act). Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies may deteriorate.

Management performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2022 December 31, 2023. In making this assessment, management used the framework in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. We have excluded from our evaluation of the effectiveness of our internal control over financial reporting the companies acquired in 2023, which are included in the December 31, 2023 consolidated financial statements. Total assets, total liabilities and total net loss were approximately 14%, 3% and 4% of Recursion's Consolidated Financial Statements for the year ended December 31, 2023, respectively. Based on that assessment under the framework in Internal Control-Integrated Framework (2013), management concluded that our identified a material weakness in internal control over financial reporting was effective related to the operating effectiveness of management review controls over the estimated costs and time to completion and controls to validate the completeness and accuracy of information produced by the entity ("IPE") used to calculate revenue and unearned revenue related to its license agreement as of December 31, 2022 December 31, 2023. This resulted in no revisions to our previously-reported financial results.

An attestation report on the effectiveness of our internal control over financial reporting as of December 31, 2022 has been issued by

Ernst & Young LLP, an independent registered public accounting firm, has audited the effectiveness of our internal controls over financial reporting as of December 31, 2023 and has issued an adverse report thereon as stated in their report which appears is included herein in Part II Item 8, "Financial Statements and Supplementary Data."

Remediation of Material Weakness

As discussed above, the material weakness related to the ineffective controls related to the revenue and unearned revenue process was identified in connection with the audit of our financial statements for the year ended December 31, 2023. We will take comprehensive actions to remediate the material weakness in internal control over financial reporting. We are in the process of identifying all issues contributing to this material weakness and developing a remediation plan.

Changes in Internal Control Over Financial Reporting

As of December 31, 2023, management is in the process of integrating the internal controls of the acquired businesses into Recursion's existing operations as part of planned integration activities. There has been were no change other changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter year ended December 31, 2022 December 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

reporting, other than the identification of the material weakness discussed above.

Item 9B. Other Information.

None. On December 27, 2023, Christopher Gibson, Chief Executive Officer and a member of our Board of Directors, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c) for the sale of up to 620,015 shares of the Company's Class A common stock until March 6, 2025.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

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The information required by this Item is incorporated herein by reference to the information that will be contained in our proxy statement related to the 2023 2024 Annual Meeting of Stockholders, which we intend to file with the Securities and Exchange Commission within 120 days of the end of our fiscal year.

Item 11. Executive Compensation.

The information required by this Item is incorporated herein by reference to the information that will be contained in our proxy statement related to the 2023 2024 Annual Meeting of Stockholders, which we intend to file with the Securities and Exchange Commission within 120 days of the end of our fiscal year.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item is incorporated herein by reference to the information that will be contained in our proxy statement related to the 2023 2024 Annual Meeting of Stockholders, which we intend to file with the Securities and Exchange Commission within 120 days of the end of our fiscal year pursuant.

Item 13. Certain Relationships and Related Transactions and Director Independence.

The information required by this Item is incorporated herein by reference to the information that will be contained in our proxy statement related to the 2023 2024 Annual Meeting of Stockholders, which we intend to file with the Securities and Exchange Commission within 120 days of the end of our fiscal year.

Item 14. Principal Accountant Fees and Services.

Our independent public accounting firm is Ernst & Young LLP, Salt Lake City, Utah, PCAOB Auditor ID 00042.

The information required by this Item is incorporated herein by reference to the information that will be contained in our proxy statement related to the 2023 2024 Annual Meeting of Stockholders, which we intend to file with the Securities and Exchange Commission within 120 days of the end of our fiscal year.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) Documents filed as part of this Form 10-K.

(1) Financial Statements: See Item 8, “Financial Statements and Supplementary Data” for a list of financial statements.

(2) Financial Statement Schedules: All schedules omitted are inapplicable or the information required is shown in the consolidated financial statements or notes thereto.

(3) Exhibits Required by Item 601 of Regulation S-K: The information called for by this paragraph is set forth in Item 15(b) below.

(b) Exhibit Index:

			Incorporated by Reference											
			Incorporated by Reference											Incorporated by Reference
Exhibit number	Exhibit number	Description	Form	File No.	Exhibit No.	Filing Date	Filed / Furnished Herewith	Exhibit number	Description	Form	File No.	Exhibit No.	Filing Date	Filed / Furnished Herewith
3.1	3.1	Amended and Restated Certificate of Incorporation of Recursion Pharmaceuticals, Inc.	8-K	001-40323	3.1	April 21, 2021								
3.2	3.2	Amended and Restated Bylaws of Recursion Pharmaceuticals, Inc.	8-K	001-40323	3.2	April 21, 2021								

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	3.2								
	3.2								
	4.1								
	4.1								
4.1	4.1	Amended and Restated Investors' Rights Agreement by and among the Registrant and certain of its stockholders, dated September 1, 2020.	S-1/A	333-254576	4.1	April 15, 2021			
4.2	4.2	Specimen Class A common stock certificate of the Registrant.	S-1/A	333-254576	4.2	April 15, 2021			
	4.2								
	4.2							Description of Securities.	X
4.3	4.3	Description of Securities	10-K	001-40323	4.3	March 23, 2022			
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	4.7								
	4.7								
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	10.1								
10.1	10.1	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.	S-1/A	333-254576	10.1	April 15, 2021			
10.2+	10.2+	2016 Equity Incentive Plan, as amended, and forms of agreement thereunder.	S-1/A	333-254576	10.2	April 15, 2021			
	10.2+								
	10.2+								
	10.3+								

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	10.3+							
10.3+	10.3+	2021 Equity Incentive Plan and forms of agreements thereunder.						X
10.4+	10.4+	2021 Employee Stock Purchase Plan and forms of agreements thereunder.	S-1/A	333-254576	10.4	April 15, 2021		
	10.4+							
	10.4+							
10.5	10.5	Executive Incentive Compensation Plan.	S-1/A	333-254576	10.20	April 15, 2021		
	10.6+	CEO Change in Control and Severance Policy	S-1/A	333-254576	10.21	April 15, 2021		
	10.7+	Outside Director Compensation Policy.	S-1/A	333-254576	10.11	April 15, 2021		
	10.8	Office Lease by and between Vestar Gateway, LLC and Registrant, dated November 13, 2017, as amended through December 2022.						X
	10.9	Office Lease by and between Berrueta Family, L.P. and Registrant, dated July 27, 2015, as amended through April 2022.	10-Q	001-40323	10.2	August 9, 2022		
	10.10	Office Lease by and between Constantine Enterprises, Inc and Registrant, dated May 1, 2022.	10-Q	001-40323	10.3	May 10, 2022		
	10.11#	Research Collaboration and Option Agreement by and between Bayer AG and the Registrant, dated August 28, 2020.	S-1/A	333-254576	10.14	April 15, 2021		

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10.12#	Bayer Collaboration Expansion Agreement, dated December 1, 2021.	10-K	001-40323	10.11	March 23, 2022
10.13#	Amended and Restated License Agreement between the Registrant and University of Utah Research Foundation, dated February 9, 2016.	S-1/A	333-254576	10.15	April 15, 2021
10.14#	Exclusive License Agreement between Ohio State Innovation Foundation and Registrant, dated December 21, 2018.	S-1/A	333-254576	10.16	April 15, 2021
10.15#	License Agreement by and between Takeda Pharmaceutical Company Limited and Registrant, dated May 1, 2020.	S-1/A	333-254576	10.17	April 15, 2021
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10.12+						
10.12+						

10.13+	Confirmatory Employment Letter between the Registrant and Michael Secora.	S-1/A	333-254576	10.8	April 15, 2021	
10.14+	Employment Offer Letter, dated May 19, 2023, between the Registrant and Dr. David Mauro, M.D., Ph.D.	10-Q	001-40323	10.1	August 8, 2023	
10.15+	Confirmatory Employment Letter between the Registrant and Shafique Virani.	S-1/A	333-254576	10.9	April 15, 2021	
10.16+	Form of Exchange Agreement among the Registrant, Christopher Gibson, Ph.D., and entities affiliated with Dr. Gibson.	S-1/A	333-254576	10.22	April 15, 2021	
10.17+	Form of Equity Exchange Right Agreement among the Registrant, Christopher Gibson, Ph.D., and entities affiliated with Dr. Gibson.	S-1/A	333-254576	10.23	April 15, 2021	
10.18	Office Lease by and between Vestar Gateway, LLC and Registrant, dated November 13, 2017, as amended through December 2022.	10-K	001-40323	10.8	February 27, 2023	
10.19#	Research Collaboration and Option Agreement by and between Bayer AG and the Registrant, dated August 28, 2020.	S-1/A	333-254576	10.14	April 15, 2021	
10.20#	Bayer Collaboration Expansion Agreement, dated December 1, 2021.	10-K	001-40323	10.11	March 23, 2022	
10.21#	Amended and Restated Research Collaboration and Option Agreement by and between Bayer AG and the Registrant, dated November 8, 2023.					X
10.22#	Amended and Restated License Agreement between the Registrant and University of Utah Research Foundation, dated February 9, 2016.	S-1/A	333-254576	10.15	April 15, 2021	
10.23#	Exclusive License Agreement between Ohio State Innovation Foundation and Registrant, dated December 21, 2018.	S-1/A	333-254576	10.16	April 15, 2021	
10.24#	License Agreement by and between Takeda Pharmaceutical Company Limited and Registrant, dated May 1, 2020.	S-1/A	333-254576	10.17	April 15, 2021	
10.25#	Roche Collaboration and License Agreement, dated December 5, 2021.	10-K	001-40323	10.25	March 23, 2022	
10.26#	Master Agreement between the Company and Tempus Labs, Inc dated November 3, 2023.	10-Q	001-40323	10.4	November 9, 2023	
10.27^	Stock Purchase Agreement, dated October 24, 2022, by and among the Company and the Purchasers.	8-K	001-40323	10.1	Oct. 25, 2022	
10.28^	Stock Purchase Agreement, dated July 11, 2023, by and among the Registrant and NVIDIA.	8-K	001-40323	10.1	July 12, 2023	
10.29^	Open Market Sales Agreement dated August 8, 2023 by and between the Registrant and Jefferies LLC.	10-Q	001-40323	10.6	August 8, 2023	
21.1	List of Subsidiaries.					X
23.1	Consent of Ernst and Young					X
24.1	Power of Attorney (included on signature page to this Annual Report on Form 10-K)					X
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
97.1	Recursion Pharmaceuticals, Inc. Compensation Recovery Policy					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X

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10.16+	Confirmatory Employment Letter between the Registrant and Christopher Gibson, Ph.D.	S-1/A	333-254576	10.5	April 15, 2021	
10.17+	Confirmatory Employment Letter between the Registrant and Ramona Doyle.	S-1/A	333-254576	10.6	April 15, 2021	
10.18+	Confirmatory Employment Letter between the Registrant and Tina Marriott Larson.	S-1/A	333-254576	10.7	April 15, 2021	
10.19+	Confirmatory Employment Letter between the Registrant and Michael Secora.	S-1/A	333-254576	10.8	April 15, 2021	
10.20+	Confirmatory Employment Letter between the Registrant and Shafique Virani.	S-1/A	333-254576	10.9	April 15, 2021	
10.21+	Executive Change in Control and Severance Plan (for executives other than the CEO).	S-1/A	333-254576	10.10	April 15, 2021	
10.22+	Form of Equity Exchange Right Agreement among the Registrant, Christopher Gibson, Ph.D., and entities affiliated with Dr. Gibson.	S-1/A	333-254576	10.22	April 15, 2021	
10.23+	Form of Exchange Agreement among the Registrant, Christopher Gibson, Ph.D., and entities affiliated with Dr. Gibson.	S-1/A	333-254576	10.23	April 15, 2021	
10.24#	Roche Collaboration and License Agreement, dated December 5, 2021.	10-K	001-40323	10.25	March 23, 2022	
10.25^	Stock Purchase Agreement, dated October 24, 2022, by and among the Company and the Purchasers.	8-K	001-40323	10.1	Oct. 25, 2022	
10.26^	Registration Rights Agreement, dated October 24, 2022, by and among the Company and the Purchasers.	8-K	001-40323	10.2	Oct. 25, 2022	
21.1	List of Subsidiaries					X
23.1	Consent of Ernst and Young					X
24.1	Power of Attorney (included on signature page to this Annual Report on Form 10-K)					X
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

+	Indicates a management contract or compensatory plan.
#	Portions of the exhibit, marked by brackets and asterisks [***], have been omitted because the omitted information is not material and (i) would likely cause competitive harm to the registrant if publicly disclosed or (ii) is information that the registrant treats as private or confidential.
^	Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC upon request.
*	The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.

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Item 16. Form 10-K Summary.

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, Recursion Pharmaceuticals Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Salt Lake City, Utah, on February 27, 2023 February 29, 2024.

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 constitutes and appoints each of Christopher Gibson and Michael Secora his or her true and lawful attorney-in-fact and agent, with full power of substitution, 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 Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has executed this Power of Attorney as of the date indicated opposite his/her name.

Pursuant to the requirements of the Securities Act of 1934, this report has been signed by the following persons in the capacities and on the dates indicated.

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Signature	Title	Date
/s/ Christopher Gibson Christopher Gibson	Chief Executive Officer and Director *(Principal Executive Officer)*	February 27, 2023 29, 2024
/s/ Michael Secora Michael Secora	Chief Financial Officer *(Principal Financial and Accounting Officer)*	February 27, 2023 29, 2024
/s/ Zachary Bogue Zachary Bogue	Director	February 27, 2023 29, 2024
/s/ Blake Borgeson Blake Borgeson	Director	February 27, 2023 29, 2024
/s/ Terry-Ann Burrell Terry-Ann Burrell	Director	February 27, 2023 29, 2024
/s/ R. Martin Chavez R. Martin Chavez	Chair of the Board	February 27, 2023 29, 2024
/s/ Zavain Dar Zavain Dar	Director	February 27, 2023 29, 2024
/s/ Robert Hershberg Robert Hershberg	Director	February 27, 2023 29, 2024
/s/ Dean Li Dean Li	Director	February 27, 2023 29, 2024

Exhibit 4.2

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

Exhibit 10.3

RECURSION PHARMACEUTICALS, INC.

2021 EQUITY INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility,
- to provide additional incentive to Employees, Directors and Consultants, and
- to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares.

2. Definitions. As used herein, the following definitions will apply:

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(a) "Administrator" means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(b) "Applicable Laws" means the legal and regulatory requirements relating to the administration of equity-based awards, including without limitation the related issuance of shares of Common Stock, including without limitation under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any non-U.S. country or jurisdiction where Awards are, or will be, granted under the Plan.

(c) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares.

(d) "Award Agreement" means the written or electronic agreement between the Company and Participant setting forth the terms and provisions applicable to an Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) "Board" means the Board of Directors of the Company.

(f) "Change in Control" means the occurrence of any of the following events:

(i) Change in Ownership of the Company. A change in the ownership of the Companywhich occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, (A) the acquisition of additional stock by any one Person, who is considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control, and (B) any acquisition of additional stock by the Founder and/or his Permitted Entities (each as defined in the Company's certificate of incorporation, as amended from time to time (the "COI")) as a result of a Permitted Transfer (as defined in the COI) or from the Company in a transaction or issuance (including pursuant to equity awards) approved by the Board or a committee thereof, that results

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in such parties owning more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control. Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of 50% or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event will not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities. For the avoidance of doubt, increases in the percentage of total voting power owned by the Founder and/or his Permitted Entities resulting solely from a decrease in the number of shares of stock of the Company outstanding shall not constitute an acquisition that creates a Change in Control under this subsection (i); or

(ii) Change in Effective Control of the Company. A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any 12-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder

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of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a "change in control event" within the meaning of Section 409A.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (x) its primary purpose is to change the jurisdiction of the Company's incorporation, or (y) its primary purpose is to create a holding company that will be owned in

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Exhibit 10.3

substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(g) "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code or regulation thereunder will include such section or regulation, any valid regulation or other official guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such section or regulation.

(h) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board, or a duly authorized committee of the Board, in accordance with Section 4 hereof.

(i) "Common Stock" means the Class A common stock of the Company.

(j) "Company" means Recursion Pharmaceuticals, Inc., a Delaware corporation, or any successor thereto.

(k) "Consultant" means any natural person, including an advisor, engaged by the Company or a Parent or Subsidiary of the Company to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale (the "Company") has one class of securities in a capital-raising transaction, and (ii) do not directly promote or maintain a market for the Company's securities, in each case, within the meaning of Form S-8 promulgated under the Securities Act, and provided, further, that a Consultant will include only those persons to whom the issuance of Shares may be registered under Form S-8 promulgated under the Securities Act.

(l) "Director" means a member Section 12 of the Board.

(m) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(n) "Employee" means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(o) "Exchange Act" means the Securities Exchange Act of 1934, as amended. amended: our Class A common stock, par value $0.00001 per share. As used in this summary, the terms "Recursion," "the Company," "we," "our" and "us" refer to Recursion Pharmaceuticals, Inc.

(p) "Exchange Program" means

The following is a program under which (i) outstanding Awards are surrendered or cancelled in exchange for awards description of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the exercise price of an outstanding Award is increased or reduced. The Administrator will determine the material terms and conditions of any Exchange

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Program provisions relating to our capital stock. The following description is a summary that is not complete and is subject to and qualified in its sole discretion.

(q) "Fair Market Value" means, as entirety by reference to our amended and restated certificate of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, the Nasdaq

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Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market, its Fair Market Value will be the closing sales price for such stock (or, if no closing sales price was reported on that date, as applicable, on the last Trading Day such closing sales price was reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid incorporation and low asked prices for the Common Stock on the day of determination (or, if no bids our amended and asks were reported on that date, as applicable, on the last Trading Day such bids restated bylaws, and asks were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(iii) For purposes of any Awards granted on the Registration Date, the Fair Market Value will be the initial price to the public as set forth in the final prospectus included within the registration statement on Form S-1 filed with the Securities and Exchange Commission for the initial public offering provisions of the Common Stock; or

(iv) In the absence Delaware General Corporation Law. Copies of an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

The determination our amended and restated certificate of fair market value for purposes incorporation and our amended and restated bylaws, each of tax withholding may be made in the Administrator's discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(r) "Fiscal Year" means the fiscal year of the Company.

(s) "Incentive Stock Option" means an Option intended to qualify, and actually qualifies, as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(t) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(u) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(v) "Option" means a stock option granted pursuant to the Plan.

(w) "Outside Director" means a Director who is not an Employee.

(x) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Code Section 424(e).

(y) "Participant" means the holder of an outstanding Award.

(z) "Performance Share" means an Award denominated in Shares which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine pursuant to Section 10.

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(aa) "Performance Unit" means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10.

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(ab) "Period of Restriction" means the period (if any) during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(ac) "Plan" means this Recursion Pharmaceuticals, Inc. 2021 Equity Incentive Plan.

(ad) "Registration Date" means the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 12(b) of the Exchange Act, with respect to any class of the Company's securities.

(ae) "Restricted Stock" means Shares issued pursuant to a Restricted Stock award under Section 7 of the Plan, or issued pursuant to the early exercise of an Option.

(af) "Restricted Stock Unit" means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 8. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(ag) "Rule 16b-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(ah) "Section 16(b)" means Section 16(b) of the Exchange Act.

(ai) "Section 409A" means Section 409A of the Code, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time are included as exhibits to time, or any state law equivalent.the Annual Report on Form 10-K to which this description is an Exhibit.

(aj) "Securities Act" means the Securities Act

General

Our authorized capital stock consists of 1933, as amended.

(ak) "Service Provider" means an Employee, Director or Consultant.

(al) "Share" means a2,200,000,000 shares of capital stock, $0.00001 par value per share, of the which 200,000,000 shares are designated preferred stock and 2,000,000,000 shares are designated common stock.

Common Stock

We have two series of authorized common stock, Class A common stock and Class B common stock. 1,989,032,117 shares are designated as adjusted in accordance with Section 13 Class A common stock and 10,967,883 shares are designated as Class B common stock. The rights of the Plan.

(am) "Stock Appreciation Right" means an Award, granted alone or in connection with an Option, that pursuant to Section 9 is designated as a Stock Appreciation Right.

(an) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Code Section 424(f).

(ao) "Trading Day" means a day that the primary holders of Class A common stock exchange, national market system, or other trading platform, as applicable, upon which the Common Stock is listed is open for trading.

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3. Stock Subject to the Plan.

(a) Subject to the provisions of Section 13 of the Plan and the automatic increase set forth in Section 3(b), the maximum aggregate number of Shares that may be issued under the Plan is (i) 16,186,000 Shares, plus (ii) a number of Shares equal to (A) any shares subject to Class B common stock options or similar awards granted under the Company's 2016 Equity Incentive Plan (the "2016 Plan") that, on or after the Registration Date, expire or otherwise terminate without having

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been exercised or issued in full, (B) any shares that, on or after the Registration Date, are tendered to or withheld by the Company for payment of an exercise price of an award granted under the 2016 Plan or for tax withholding obligations identical, except with respect to an award granted under the 2016 Plan, or (C) any shares issued pursuant voting and conversion.

Voting Rights

Each holder of Class A common stock is entitled to the 2016 Plan that, one vote for each share on or after the Registration Date, are forfeited all matters submitted to or repurchased by the Company due to failure to vest, with the maximum number of Shares to be added to the Plan pursuant to the foregoing clause (ii) equal to 19,479,146 Shares. In addition, Shares may become available for issuance under the Plan pursuant to Sections 3(b) and 3(c). The Shares may be authorized, but unissued, or reacquired Common Stock.

(b) Automatic Share Reserve Increase. Subject to the provisions of Section 13 a vote of the Plan, stockholders, including the number election of Shares available directors, and each holder of Class B common stock is entitled to ten votes for issuance under the Plan will be increased each share on the first day of each Fiscal Year beginning with the 2022 Fiscal Year, in an amount equal all matters submitted to the least of (i) 16,186,000 Shares, (ii) 5% a vote of the outstanding shares stockholders, including the election of all classes directors. The holders of the Company's Class A common stock on the last day of the immediately preceding Fiscal Year, or (iii) such number of Shares determined by the Administrator no later than the last day of the immediately preceding Fiscal Year.

(c) Lapsed Awards. If an Award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an Exchange Program, or, with respect to Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares, is forfeited to or repurchased by the Company due to failure to vest, then the unpurchased Shares (or for Awards other than Options or Stock Appreciation Rights, the forfeited or repurchased Shares), which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to Stock Appreciation Rights, only Shares actually issued (i.e., the net Shares issued) pursuant to a Stock Appreciation Right will cease to be available under the Plan; all remaining Shares under Stock Appreciation Rights will remain available for future grant or sale under the Plan (unless the Plan has terminated). Shares that actually have been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to the Company due to failure to vest, such Shares will become available for future grant under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, the cash payment will not result in reducing the number of Shares available for issuance under the Plan. Notwithstanding the foregoing and, subject to adjustment as provided in Section 13, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a), plus, to the extent allowable under Section 422 of the Code and the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to Sections 3(b) and 3(c).

(d) Share Reserve. The Company, at all times during the term of this Plan, will reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

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(ii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iii) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion, to:

(i) determine the Fair Market Value;

(ii) select the Service Providers to whom Awards may be granted hereunder;

(iii) determine the number of Shares to be covered by each Award granted hereunder;

(iv) approve forms of Award Agreement for use under the Plan;

(v) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. The terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) institute and determine the terms and conditions of an Exchange Program;

(vii) prescribe, amend and rescind rules and regulations and adopt sub-plans relating to the Plan, including rules, regulations and sub-plans for the purposes of facilitating compliance with foreign laws, easing the administration of the Plan and/or taking advantage of tax-favorable treatment for Awards granted to Service Providers outside the U.S., in each case as the Administrator may deem necessary or advisable;

(viii) construe and interpret the terms of the Plan and Awards granted under the Plan;

(ix) modify or amend each Award (subject to Section 18(c) of the Plan), including without limitation the discretionary authority to extend the post-termination exercisability period of Awards; provided, however, that in no event will the term of an Option or Stock Appreciation Right be extended beyond its original maximum term;

(x) allow Participants to satisfy tax withholding obligations in a manner prescribed in Section 14 of the Plan;

(xi) authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xii) temporarily suspend the exercisability of an Award if the Administrator deems such suspension to be necessary or appropriate for administrative purposes;

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(xiii) allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that otherwise would be due to the Participant under an Award; and

(xiv) make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards and will be given the maximum deference permitted by Applicable Laws.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Grant of Options. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Options to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Stock Option Agreement. Each Award of an Option will be evidenced by an Award Agreement that will specify the exercise price, the number of Shares subject to the Option, the exercise restrictions, if any, applicable to the Option, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(c) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate fair market value of the shares with respect to which incentive Class B common stock options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary of the Company) exceeds one hundred thousand dollars ($100,000), such options will be treated as nonstatutory stock options. For purposes of this Section 6(c), incentive stock options will be taken into account in the order in which they were granted. the fair market value of the shares will be determined as of the time the option with respect to such shares is granted.

(d) Term of Option. The term of each Option will be stated in the Award Agreement. In the case of an Incentive Stock Option, the term will be 10 years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be 5 years from the date of grant or such shorter term as may be provided in the Award Agreement.

(e) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the voting power of

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all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than 110% of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than 100% of the Fair Market Value per Share on the date of grant.

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(2) In the case of a Nonstatutory Stock Option, the per Share exercise price will be no less than 100% of the Fair Market Value per Share on the date of grant.

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than 100% of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of: (1) cash; (2) check; (3) promissory note, to the extent permitted by Applicable Laws, (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (5) consideration received by the Company under a broker-assisted (or other) cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (6) by net exercise; (7) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (8) any combination of the foregoing methods of payment.

(f) Exercise of Option.

(i) Procedure for Exercise; Rights vote together as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) notice of exercise (in accordance with the procedures that the Administrator may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with any applicable tax withholdings). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 13 of the Plan.

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Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) Cessation of Status as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the cessation of the Participant's Service Provider status as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of cessation of the Participant's Service Provider status (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following cessation of the Participant's Service Provider status. Unless otherwise provided by the Administrator, if on the date of cessation of the Participant's Service Provider status the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If, after cessation of the Participant's Service Provider status, the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

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(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of cessation of the Participant's Service Provider status (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for 12 months following cessation of the Participant's Service Provider status. Unless otherwise provided by the Administrator, if on the date of cessation of the Participant's Service Provider status the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If, after cessation of the Participant's Service Provider status, the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the Option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided the Administrator has permitted the designation of a beneficiary and provided such beneficiary has been designated prior to the Participant's death in a form acceptable to the Administrator. If the Administrator has not permitted the designation of a beneficiary or if no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for 12 months following the Participant's death. Unless otherwise provided by the Administrator, if at the time of death, the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(v) Tolling Expiration. A Participant's Award Agreement may also provide that:

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(1) if the exercise of the Option following the cessation of the Participant's status as a Service Provider (other than upon the Participant's death or Disability) would result in liability under Section 16(b), then the Option will terminate on the earlier of (A) the expiration of the term of the Option set forth in the Award Agreement, or (B) the 10th day after the last date on which such exercise would result in liability under Section 16(b); or

(2) if the exercise of the Option following the cessation of the Participant's status as a Service Provider (other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of Shares would violate the registration requirements under the Securities Act, then the Option will terminate on the earlier of (A) the expiration of the term of the Option or (B) the expiration of a period of 30 days after the cessation of the Participant's status as a Service Provider during which the exercise of the Option would not be in violation of such registration requirements.

7. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify any Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 7 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of any applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

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(e) Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of any applicable Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During any applicable Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, single class, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During any applicable Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

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8. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws or any other basis determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may settle earned Restricted Stock Units only in cash, Shares, or a combination of both.

(e) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

9. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Service Provider.

(c) Exercise Price and Other Terms. The per share exercise price for the Shares to be issued pursuant to exercise of a Stock Appreciation Right will be determined by the Administrator and will be no less than 100% of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

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(d) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date as determined by the Administrator, in its sole discretion,

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and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 6(f) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined as the product of:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; and

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon exercise of a Stock Appreciation Right may be in cash, in Shares of equivalent value, or in some combination of both.

10. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions (including, without limitation, continued status as a Service Provider) in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out to the Service Providers. The time period during which the performance objectives or other vesting provisions must be met will be called the “Performance Period.” Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws, or any other basis determined by the Administrator in its discretion.

(d) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made as soon as practicable after the expiration of the applicable Performance Period. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market

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Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

11. Leaves of Absence/Transfer Between Locations. Unless a leave policy approved by the Administrator provides otherwise or it is otherwise required by Applicable Law, vesting law. Under our amended and restated certificate of Awards granted under the Plan will continue for Participants on a Company-approved leave incorporation, approval of absence. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, or any of its Subsidiaries. For purposes of Incentive Stock Options, no such leave may exceed 3 months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then 6 months following the 1st day of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

12. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent and distribution, and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate.

13. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, reclassification, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs (other than any ordinary dividends or other ordinary distributions), the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of shares of stock that may be delivered under the Plan and/or the number, class, and price of shares of stock covered by each outstanding Award, and the numerical Share limits in Section 3 of the Plan.

(b) Dissolution or Liquidation. In the event of a proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Merger or Change in Control. In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding Award will be treated as the Administrator determines (subject to the provisions of the following paragraph) without a Participant's consent, including, without limitation, that (i) Awards will be assumed, or substantially equivalent awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments as to the number and kind of shares and prices; (ii) upon written notice to a Participant, that the Participant's Awards will terminate upon or immediately prior to the consummation of such merger or Change in Control; (iii) outstanding Awards will vest and become exercisable, realizable, or payable, or restrictions applicable to an

Exhibit 10.3

Award will lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iv) (A) the termination of an Award in

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exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Administrator determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment), or (B) the replacement of such Award with other rights or property selected by the Administrator in its sole discretion; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 13(c), the Administrator will not be obligated to treat all Participants, all Awards, all Awards held by a Participant, all Awards of the same type, or all portions of Awards, similarly in the transaction.

In the event that the successor corporation does not assume or substitute for the Award (or portion thereof), the Participant will fully vest in and have the right to exercise the Participant's outstanding Option and Stock Appreciation Right (or portion thereof) that is not assumed or substituted for, including Shares as to which such Award would not otherwise be vested or exercisable, all restrictions on Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units (or portions thereof) not assumed or substituted for will lapse, and, with respect to such Awards with performance-based vesting (or portions thereof) not assumed or substituted for, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions met, in each case, unless specifically provided otherwise under the applicable Award Agreement or other written agreement between the Participant and the Company or any of its Subsidiaries or Parents, as applicable. In addition, if an Option or Stock Appreciation Right (or portion thereof) is not assumed or substituted for in the event of a merger or Change in Control, the Administrator will notify the Participant in writing or electronically that such Option or Stock Appreciation Right (or its applicable portion) will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right (or its applicable portion) will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the merger or Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the merger or Change in Control, the consideration (whether stock, cash, or other securities or property) received in the merger or Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received 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 merger following circumstances:

- if we were to seek to amend our amended and restated certificate of incorporation to increase or Change 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 Control is not solely 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 successor corporation amended and restated certificate of incorporation inconsistent with, or its Parent, the Administrator may, with the consent otherwise alter, any provision of the successor corporation, 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 consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout holders of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely 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 successor corporation directors standing for election, if they should so choose. With respect to matters other than the election of directors,

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at any meeting of the stockholders at which a quorum is present or its Parent equal represented, the affirmative vote of a majority of the voting power of the shares present in fair market value person or represented by proxy at such meeting and entitled to vote on the per share consideration received subject matter shall be the act of the stockholders, except as otherwise required by law. The holders of Common Stock 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

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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 merger or Change in Control.

Notwithstanding anything in this subsection (c) net assets legally available for distribution to stockholders after the contrary, payment of all of our debts and unless otherwise provided in an Award Agreement or other written agreement between the Participant liabilities and the Company or any of its Subsidiaries or Parents, as applicable, an Award that vests, is earned or paid-out upon 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 performance goals will not be considered assumed if series and to fix the Company 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 its successor modifies any the designation of such performance goals without series, any or all of which may be greater than the Participant's consent; provided, however, 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, theissuance of preferred stock could have the effect of delaying, deferring or preventing a modification to such performance goals only to reflect change in our control or other corporate action.

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

Exhibit 10.3

the successor corporation's post-Change Certain provisions of Delaware law and certain provisions included in Control corporate structure will not our amended and restated certificate of incorporation and amended and restated bylaws summarized below may be deemed to invalidate have an otherwise valid Award assumption. 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.

Notwithstanding anything

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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 terminated on the date of the 2023 annual meeting, and the term of the initial Class III directors will terminate on the date of the 2024 annual meeting. At each annual meeting of stockholders beginning in this subsection (c) to 2022, the contrary, if a payment under an Award Agreement class of directors whose term expires at that annual meeting is subject to Section 409A reelection for a three-year term.

Removal of Directors

Our amended and if 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 change shares present in control definition contained in person or by proxy at the Award Agreement or other written agreement related meeting and entitled to the Award does 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 qualify as a "change in control event" within the meaning of Section 409A, then any payment of an amount that otherwise is accelerated under this Section will be delayed until the earliest time that such payment would be permissible under Section 409A without triggering any penalties applicable under Section 409A.

(d) Outside Director Awards. With respect to Awards granted to an Outside Director, in the event of a Change in Control, the Participant will fully vest in and have the right to exercise Options and/or Stock Appreciation Rights 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 to all otherwise required by law, special meetings of the Shares underlying 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 Award, including those Shares which would 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 vested or exercisable, all restrictions on Restricted Stock effected by written consent.

Amending our Certificate of Incorporation and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions met, unless specifically provided otherwise under the applicable Award Agreement or other written agreement between the Participant and the Company or any of its Subsidiaries or Parents, as applicable. ***Bylaws***

14. Tax.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof) or such earlier time as any tax withholding obligations are due, the Company (or any of its Subsidiaries, Parents or affiliates employing or retaining the services of a Participant, as applicable) will have the power and the right to deduct or withhold, or require a Participant to remit to the Company (or any of its Subsidiaries, Parents or affiliates, as applicable), an amount sufficient to satisfy U.S. federal, state, and local, non-U.S., and other taxes (including the Participant's FICA or other social insurance contribution obligation) required to be withheld with respect to such Award (or exercise thereof).

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(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (i) paying cash, check or other cash equivalents, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a fair market value equal to the minimum statutory amount required to be withheld or such greater amount (including up to a maximum statutory amount) as the Administrator may determine if such amount would not have adverse accounting consequences, as the Administrator determines in its sole discretion, (iii) delivering to the Company already-owned Shares having a fair market value equal to the statutory amount required to be withheld or such greater amount (including up to a maximum statutory amount) as the Administrator may determine, in each case, provided the delivery of such Shares will not result in any adverse accounting consequences, as the Administrator determines in its sole discretion, (iv) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) to satisfy any applicable withholding obligations, (v) any combination of the foregoing methods of payment, or (vi) any other method of withholding determined by the Administrator and, to the extent required by Applicable Laws or the Plan, approved by the Board or the Committee. The withholding amount will be deemed to include any amount which the Administrator agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum statutory rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined or such greater amount as the Administrator may determine if such amount would not have adverse accounting consequences, as the

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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.

Exhibit 10.3

Authorized but Unissued Shares

Administrator determines in its sole discretion.

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 fair market value 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 Shares 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 be withheld or delivered will be determined as the selection of an alternative forum, the Court of Chancery of the date 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. Our amended and restated bylaws further provide that the amount federal district courts of taxes 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 be withheld is calculated.

(c) Compliance With Section 409A. Awards will be designed have notice of and operated consented to these provisions. Although we believe these provisions benefit us by providing increased consistency in such a manner that they are either exempt from the application of law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or comply 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 requirements 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 409A 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

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such time the grant, payment, settlement board of directors of such corporation approved either the business combination or deferral will 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 be 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 additional tax plan will be tendered in a tender or interest applicable under Section 409A, except as otherwise determined in exchange offer); or (3) at or subsequent to such time the sole discretion 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 Administrator. The Plan outstanding voting stock of such corporation not owned by the interested stockholder.Our amended and each Award Agreement under the Plan is intended to meet the requirements restated certificate of Section 409A incorporation and will be construed our amended and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent restated bylaws provide that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A, such that the grant, payment, settlement or deferral will not be subject we must indemnify our directors and officers to the additional tax or interest applicable under Section 409A. In no event will the Company or any of its Subsidiaries or Parents have any obligation or liability under the terms of this Plan to reimburse, indemnify, or hold harmless any Participant or any other person in respect of Awards, for any taxes, interest or penalties imposed, or other costs incurred, as a result of Section 409A.

15. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider, nor interfere in any way with the Participant's right or the right of the Company and its Subsidiaries or Parents, as applicable, to terminate such relationship at any time, with or without cause, to the fullest extent permitted by Applicable Laws.

16. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined authorized by the Administrator. Notice of the determination will be provided DGCL. We are expressly authorized to, each Participant within a reasonable time after the date of such grant.

17. Term of Plan. Subject to Section 21of the Plan, the Plan will become effective upon the later to occur of (i) its adoption by the Board or (ii) the business day immediately prior to the Registration Date. It will continue in effect until terminated under Section 18, but no Incentive Stock Options may be granted after 10 years from the date adopted by the Board and Section 3(b) will operate only until the 10th anniversary of the date the Plan is adopted by the Board.

18. Amendment do, carry directors' and Termination of the Plan.

(a) Amendment officers' insurance providing coverage for our directors, officers and Termination. The Administrator, at any time, may amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will materially impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination. certain

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Exhibit 10.3

19. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant employees for some liabilities. We believe that these indemnification provisions and insurance are useful to the exercise or vesting of an Award unless the exercise or vesting of such Award attract and the issuance retain qualified directors and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise or vesting of an Award, the Company may require the person exercising or vesting in such Award to represent and warrant at the time of any such exercise or vesting that the Shares are being acquired only for

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investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

20. Inability to Obtain Authority. If the Company determines it to be impossible or impractical to obtain authority from any regulatory body having jurisdiction or to complete or comply with the requirements of any registration or other qualification of the Shares under any U.S. state or federal law or non-U.S. law or under the rules and regulations of the U.S. Securities and Exchange Commission, the stock exchange on which Shares of the same class are then listed, or any other governmental or regulatory body, which authority, registration, qualification or rule compliance is deemed by the Company's counsel to be necessary or advisable for the issuance and sale of any Shares hereunder, the Company will be relieved of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority, registration, qualification or rule compliance will not have been obtained.

21. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within 12 months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

22. Forfeiture Events. The Administrator may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award will be subject to reduction, cancellation, forfeiture, recoupment, reimbursement, or reacquisition upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Notwithstanding any provisions to the contrary under this Plan, an Award will be subject to the Company's clawback policy as may be established and/or amended from time to time to comply with Applicable Laws (including without limitation pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as may be required by the Dodd-Frank Wall Street Reform and Consumer Protection Act) (the "Clawback Policy"). The Administrator may require a Participant to forfeit, return or reimburse the Company all or a portion of the Award and any amounts paid thereunder pursuant to the terms of the Clawback Policy or as necessary or appropriate to comply with Applicable Laws. Unless this Section 22 specifically is mentioned and waived in an Award Agreement or other document, no recovery of compensation under a Clawback Policy or otherwise will constitute an event that triggers or contributes to any right of a Participant to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or any Parent or Subsidiary of the Company.

Exhibit 10.3

RECURSION PHARMACEUTICALS, INC.
2021 EQUITY INCENTIVE PLAN
GLOBAL STOCK OPTION AGREEMENT

Unless otherwise defined herein, the terms defined in the Recursion Pharmaceuticals, Inc. 2021 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Global Stock Option Agreement (the "Award Agreement"), which includes the Global Notice of Stock Option Grant (the "Notice of Grant"), the Global Terms and Conditions of Stock Option Grant attached hereto as Exhibit A, the Country-Specific Terms and Conditions of Stock Option Agreement attached hereto as Exhibit B, the Exercise Notice attached hereto as Exhibit C.

GLOBAL NOTICE OF STOCK OPTION GRANT

Participant: executive officers.

The undersigned Participant has been granted 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 Option to purchase Common Stock of Recursion Pharmaceuticals, Inc. (the "Company"), subject action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the terms extent we pay the costs of settlement and conditions of the Plan damage awards against directors and this Option Agreement, as follows: officers pursuant to these indemnification provisions.

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Grant Number: *Listing*

Date of Grant: Our Class A common stock is listed on the Nasdaq Global Select Market under the symbol “RXRX.”

Vesting Commencement Date: *Transfer Agent and Registrar*

Number of Shares Granted: The transfer agent and registrar for our Class A common stock is Equiniti Trust Company, LLC. The transfer agent and registrar’s address is 6201 15th Avenue, Brooklyn, NY 11219.

Exercise Price per Share: $

Total Exercise Price: $

Type of Option: Incentive Stock Option

Nonstatutory Stock Option Term/Expiration Date:

Vesting Schedule:

Subject to accelerated vesting as set forth below or in the Plan, this Option will be exercisable, in whole or in part, in accordance with the following schedule:

[Insert Vesting Schedule]

Termination Period:

This Option will be exercisable for three (3) months after Participant ceases to be a Service Provider, unless such termination is due to Participant’s death or Disability, in which case this Option will be exercisable for twelve (12) months after Participant ceases to be a Service Provider. Notwithstanding the foregoing sentence, in no event may this Option be exercised after the Term/Expiration Date as provided above, and this Option may be subject to earlier termination as provided in Section 13 of the Plan.

By Participant’s signature and the signature of the representative of the Company below, Participant and the Company agree that this Option is granted under and governed by the terms

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Exhibit 10.21

CERTAIN INFORMATION, MARKED BY BRACKETS AND ASTERISKS (I.E., [***]), HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE OF INFORMATION THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

Exhibit 10.3

and conditions of the Plan and this Option Agreement, including the Global Terms and Conditions of Stock Option Grant attached hereto as Exhibit A, the Country-Specific Terms and Conditions of Stock Option Grant attached hereto as Exhibit B, and the Exercise Notice attached hereto as Exhibit C, all of which are made a part of this document. Participant has reviewed the Plan and this Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement, and fully understands all provisions of the Plan and this Option Agreement. Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Option Agreement.

PARTICIPANT RECURSION PHARMACEUTICALS, INC.

Amended and Restated Research Collaboration and Option Agreement

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_____ _____ by and between

Signature Signature

_____ _____ Bayer AG

Print Name Print Name

_____ and

Title

Recursion Pharmaceuticals, Inc.

Exhibit 10.3

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GLOBAL TERMS AND CONDITIONS OF Appendix 1: Collaboration Plan

STOCK OPTION GRANT Appendix 1A: Anchor Perturbations

Appendix 2: License Agreement (Lead Series)

Appendix 3: Reserved

Appendix 4: Template Project Plan

Appendix 4A: Lead Candidate Criteria

Appendix 5: Technical and Organizational Measures

Amended and Restated Research Collaboration and Option Agreement

This Amended and Restated Research Collaboration and Option Agreement (this "Agreement"), dated as of November 8, 2023 (the "RestatementEffective Date"), is made by and between Recursion Pharmaceuticals, Inc., a Delaware corporation with offices at 41 S Rio Grande Street, Salt Lake City, UT 84101 ("Recursion") and Bayer AG, a German corporation, with offices at 42096 Wuppertal, Germany ("Bayer"). Each of Recursion and Bayer may be referred to herein as a "Party" or together as the "Parties".

WHEREAS, Recursion is a company engaged in the discovery, research, development and commercialization of pharmaceutical products, including through the use of its proprietary drug discovery platform; and

WHEREAS, Bayer is an international pharmaceutical company engaged in the research, development, manufacture and commercialization of pharmaceutical products and possesses among other areas of expertise, special expertise and products in oncology;

WHEREAS, Recursion and Bayer entered into that certain Research and Collaboration Option Agreement, dated August 28, 2020 (the "Effective Date"), as amended by the Collaboration Expansion Agreement between the Parties, dated December 1, 2021 (the "Expansion Agreement"), as amended by the First Amendment to the Collaboration Expansion Agreement between the Parties, dated August 30th, 2022 (the "Expansion Amendment") (such Research and Collaboration Agreement as amended by the Expansion Agreement and Expansion Amendment, the "Original Agreement"), under which Bayer and Recursion desired to bring together and complement their expertise in a collaboration and conduct research projects with the aim to discover and improve drug products in the fibrosis disease field; and

WHEREAS, Recursion and Bayer now desire to amend and restate in its entirety the Original Agreement to set forth terms under which, after the Restatement Effective Date, Recursion and Bayer will collaborate and conduct research projects with the aim to discover and improve drug products directed towards certain agreed upon genes of relevance to oncology, all in accordance with the terms and conditions set forth below.

NOW, THEREFORE, the Parties hereby agree as follows as of the Restatement Effective Date:

Chapter A – Introduction

1. Grant DEFINITIONS

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The following terms (and their correlatives), in addition to terms defined on first use in this Agreement, have the meanings set forth below:

3.1 "Achievement of Lead Candidate Criteria" means a decision of the Bayer Criteria Committee in accordance with Section 4.8 that a Project Compound from a Project fulfills Lead Candidate Criteria or that a Project Compound endorsed by the JSC to be a Lead Candidate pursuant to Section 4.4.1.8 should otherwise be selected as a Lead Candidate and that, in each case, lead optimization shall be started.

3.2 "Active" means, with regard to a Compound, that it has a potency below **[***]** (or another threshold determined by the JSC) with regard to the respective **[***]**, as determined in accordance with the Project Plan.

3.3 "Acquiring Entity" means a Third Party (i) to which Recursion transfers all or substantially all of its assets to which this Agreement pertains in a Change of Control transaction or (ii) that directly or indirectly controls Recursion following a Change of Control transaction.

3.4 "Affiliate" shall mean any business entity controlled by, controlling, or under common control with a Party hereto. For the purpose of this definition, a business entity shall be deemed to "control" another business entity, if it (i) owns directly or indirectly, more than fifty percent (50%) of the outstanding voting securities, capital stock, or other comparable equity or ownership interest of such business entity having the power to vote on or direct the affairs of such business entity, as applicable (or such lesser percentage which is the maximum allowed to be owned by a foreign corporation in a particular jurisdiction), or (ii) possesses, directly or indirectly, the power to direct or cause the direction of the policies and management of such business entity, as applicable, whether by the ownership of stock, by contract or otherwise.

3.5 "Agreement" has the meaning given in the preamble.

3.6 "Alliance Manager" has the meaning given in Section 4.3.

3.7 "Anchor Perturbation" means a particular genetic perturbation of relevance to oncology, including any and all molecular subtypes such gene. For purposes of the foregoing, molecular subtypes include mutations, amplifications, loss of function.

3.8 "Anchor Perturbation Exclusivity Term" has the meaning given in Section 2.5.1.

3.9 "Applicable Law" means all applicable laws, rules and regulations (including any rules, regulations or other requirements of the regulatory authorities) that may be in effect from time to time.

3.10 "Assigned Party" has the meaning given in Section 9.2.

3.11 "Assigning Party" has the meaning given in Section 9.2.

3.11 "Background IP Rights" means, with respect to a Party and a Project, all Intellectual Property Rights that (i) are in the Control of such Party and (ii) were not or are not Created in the course of a Project or activities under the Collaboration Plan. Without limiting the foregoing, Recursion's Background IP Rights include, with respect to a particular Anchor Perturbation, (a) any and all Intellectual Property Rights Created by or on behalf of Recursion in the course of performing activities pursuant to the Collaboration Plan hereunder with respect to such Anchor Perturbation prior to Project Initiation Approval (if any) for a Project based on such Anchor Perturbation and (b) any and all Intellectual Property Rights in and to any ISMI Data Package with respect to such

Anchor Perturbation (collectively, the "Recursion ISMI IP Rights"); provided that if a Project based on such Anchor Perturbation becomes the subject of a Project Initiation Approval in accordance with Section 3.1.3, then the Recursion ISMI IP Rights for such Project shall become Project IP Rights.

3.12 "Background Know-How" means, with respect to a Party and a Project, all Know-How that is or becomes in the Control of such Party and (a) were not or are not Created in the course of a Project or activities under the Collaboration Plan or (b) were Created pursuant to the Original Agreement prior to the Restatement Effective Date. Without limiting the foregoing, Recursion's Background Know-How includes, with respect to a particular Anchor Perturbation, (i) any and all Know-How Created by or on behalf of Recursion in the course of performing activities pursuant to the Collaboration Plan hereunder with respect to such Anchor Perturbation prior to Project Initiation Approval (if any) for a Project based on such Anchor Perturbation and (ii) any and all Know-How in any ISMI Data Package with respect to such Anchor Perturbation (collectively, the "Recursion ISMI Know-How"); provided that if a Project based on such Anchor

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Perturbation becomes the subject of a Project Initiation Approval in accordance with Section 3.1.3 the Recursion ISMI Know-How for such Project shall become Project Know-How.

3.13 "Backup Compound" means, with respect to any Lead Candidate, any Project Compound derived in the course of the Project in which such Lead Candidate was derived and selected, which is Active against the same Deconvoluted Target, if applicable, as such Lead Candidate.

3.14 "Bayer" has the meaning given in the preamble.

3.15 "Bayer Indemnitees" has the meaning given in Section 14.7.

3.16 "Bayer JSC Members" has the meaning given in Section 4.1.

3.17 "Bayer Lead Series Option" has the meaning given in Section 8.1.

3.18 "Bayer Lead Series Option Period" has the meaning given in Section 8.1.

3.19 "Bayer Library Compound(s)" means Bayer's then-existing chemical library, which consists of approximately 500,000 Compounds as of the Restatement Effective Date.

3.20 "Business Day" shall mean any day other than a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in Salt Lake City, Utah, USA, or Wuppertal or Berlin, Germany.

3.21 "Calendar Quarter" means a period of three (3) consecutive months corresponding to the calendar quarters commencing on the first day of January, April, July or October, or any partial period thereof immediately following the Restatement Effective Date or immediately prior to the termination or expiration of this Agreement.

3.22 "Calendar Year" means a period of twelve (12) consecutive months corresponding to the calendar year commencing on the first day of January, or any partial period thereof immediately following the Restatement Effective Date or immediately prior to the termination or expiration of this Agreement.

3.23 "Change of Control" means, with respect to a Party (a) the acquisition of beneficial ownership, directly or indirectly, by any Person (other than such Party or an Affiliate of such Party, and other than by virtue of obtaining irrevocable proxies) of securities or other voting interest of such Party representing a majority or more of the combined voting power of such Party's then outstanding securities or other voting interests, (b) any merger, reorganization, consolidation or business combination involving such Party with a Third Party that results in the holders of beneficial ownership (other than by virtue of obtaining irrevocable proxies) of the voting securities or other voting interests of such Party (or, if applicable, the ultimate parent of such Party) immediately

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prior to such merger, reorganization, consolidation or business combination ceasing to hold beneficial ownership of at least fifty percent (50%) of the combined voting power of the surviving entity immediately after such merger, reorganization, consolidation or business combination, (c) any sale, lease, exchange, contribution or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of such Party to which this Agreement relates, other than a sale or disposition of such assets to an Affiliate of such Party.

3.24 "Collaboration" shall mean, collectively, the Projects and the activities under the Collaboration Plan.

3.25 "Collaboration Plan" means the general outline of the Collaboration and its goals attached as **Appendix 1**.

3.26 "Collaboration Term" has the meaning given in Section 15.1.

3.27 "Commercially Reasonable Efforts" means, **[***]**.

3.28 "Committee" means the JSC or JPT, as context requires.

3.29 "Competing Project" means **[***]**.

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3.30 "Complete Invention Disclosure" means a description of the invention which shall include, in reasonable detail, a description of (i) database searches on state of the art undertaken; (ii) relevant prior art references found including an assessment of their relevance to the invention, (iii) the technical problem underlying the invention, (iv) the solution to this problem, (v) the names and private addresses of the inventors, (vi) the individual contribution of each inventor to the invention, (vii) examples, all materials and methods used in connection with performing the invention, (viii) any and all sources of funding for the work done on the invention, (ix) and any encumbrance related to the invention.

3.31 "Compound(s)" means a small molecule or peptide, where a peptide is any alpha amino acid polymer composed of 40 or fewer amino acid.

3.32 "Confidential Information" has the meaning given in Section 12.1.

3.33 "Control" means, as to any Know-How, Intellectual Property Right, or Material, the possession (whether by ownership or license, other than by a license granted pursuant to this Agreement) by a Party or its Affiliates of the ability to grant to the other Party access, ownership, a license or a sublicense as required herein to such Know-How, Intellectual Property Right, or Material without (i) violating the terms of any agreement or other arrangement with any Third Party in existence as of the time such Party or its Affiliates would first be required hereunder to grant the other Party such access, ownership, license or sublicense, and (ii) violating any Applicable Law relating to such grant of ownership, license or a sublicense. "Controlled", "Controls" and "Controlling" have their correlative meanings. Notwithstanding anything to the contrary in this Agreement, the following shall be deemed to not be Controlled by Recursion or any of its Affiliates: (i) any Know-How, Intellectual Property Right or Material owned or licensed by an Acquiring Entity immediately prior to the effective date of the Change of Control making such Third Party an Acquiring Entity, and (ii) any Know-How, Intellectual Property Right or Material that an Acquiring Entity subsequently develops without using or practicing the Project Results or Recursion Technology.

3.34 "Created" means (a) with respect to non-patent related matters conceived, made or otherwise created; (b) with respect to patent related matters invented, made or reduced to practice; and (c) with respect to Patents and other IP Rights, Patents or IP Rights that claim the subject matter described in (a) or (b). "Create" and "Creating" have their correlative meanings.

3.35 "Deconvoluted Target" has the meaning given in Section 3.2.2.

3.36 "Derivative" means a Compound which is (a) derived from a Project Compound within **[***]** years after execution of a License Agreement with respect to such Project Compound, and that is generated in the course of further lead optimization of a Lead Series and (b) which is Active **[***]**.

3.37 "Disclosing Party" has the meaning given in Section 12.1.

3.38 "Dispute" has the meaning given in Section 16.1.

3.39 "Divestiture" means, with respect to a Restricted Project, (a) the divestiture of such Restricted Project through (i) an outright sale or assignment of all material rights in such Restricted Project to a Third Party or (ii) an exclusive out-license of all research and development rights with respect to such Restricted Project, with no further rights or role or ability to influence or control the authority of the licensee, directly or indirectly, with respect to such Restricted Project such that neither Recursion nor its Affiliates are consulted with respect to, and do not otherwise participate in, any decisions (other than those described in clauses (i) and (ii) above), or (b) the complete cessation of all research and development activities with respect to such Restricted project. For clarity, the right of Recursion to receive royalties, milestones or other payments in connection with an acquirer, assignee or licensee's research, development or commercialization of a Restricted Project pursuant to sub-section (a) above, shall be permitted for any such Divestiture. When used as a verb, "Divest" and "Divested" means to cause a Divestiture.

3.40 "Double Tax Treaty" has the meaning given in Section 7.6.

3.41 "Effective Date" has the meaning given in the Recitals.

3.42 "Enabled Compound" shall mean a Compound, that is (i) Active **[***]**.

3.43 "Excluded IP" shall mean:

(i) with regard to Recursion, (a) **[***]**; and

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(ii) with regard to Bayer, (a) **[***]**.

3.44 "Fibrosis" means any disease or indication for which Fibrosis is the primary pathophysiology.

3.45 "Field" means any and all fields, including therapeutic indications and uses for humans and animals and diagnostic uses, including – without limitation – the use as in vitro diagnostics and biomarkers.

3.46 "Final Project Report" has the meaning given in Section 3.9.3.

3.47 "HUVEC Phenomap" means Recursion's then-existing Phenomap for human umbilical vein endothelial cells ("HUVEC"), which includes the Bayer Library Compound(s), as may be expanded by Recursion, in its discretion, from time to time.

3.48 "IND" means an investigational new drug application or similar application filed with a regulatory authority in any country or group of countries prior to beginning clinical trials in that country or in that group of countries.

3.49 "Indemnifying Party" means Bayer in case Bayer is obligated to indemnify Recursion and Recursion in case Recursion is obligated to indemnify Bayer.

3.50 "Indemnitees" means Recursion Indemnitees or Bayer Indemnitees as the context requires.

3.51 "Initial Small Molecule Insight" has the meaning set forth in Section 3.1.2.

3.52 "Intellectual Property Rights" or "IP Rights" means copyrights, Patents and other registered intellectual property rights including registered trademarks, trade names and domain names.

3.53 "ISMI Data Package" has the meaning given in Section 3.1.3.

3.54 "JSC" has the meaning given in Section 4.1.

3.55 "Know-How" means all confidential commercial, technical, scientific and other information, unpatented inventions (whether patentable or not and excluding Materials), knowledge, technology, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, specifications, non-transient data and results (including biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, pre-clinical, clinical, safety, manufacturing and quality control data and know-how, including study designs and protocols), in all cases whether in written, electronic or any other tangible or non-tangible form, including information related to Materials, samples, assays, Compounds, compositions or formulations.

3.56 "Lead Candidate" shall mean on a Project-by-Project basis, (a) a Project Compound that has met the Lead Candidate Criteria, as determined by the JSC, or (b) a Project Compound that is otherwise selected by the JSC as Lead Candidate.

3.57 "Lead Candidate Criteria" shall mean the decision criteria for a Project Compound to be considered a Lead Candidate as set forth on a Project-by-Project basis in the respective Project Plan, including the criteria set forth in **Appendix 4A**.

3.58 "Lead Series" shall mean on a Project-by-Project basis, a series of Project Compounds that includes Lead Candidate(s) wherein all such Lead Candidates and Project Compounds are Created within the same Project and are structurally similar Compounds which are derived from a common chemotype, as determined by the JPT and confirmed by the JSC.

3.59 "Library Compounds" means, collectively, the Bayer Library Compound and the Recursion Library Compound.

3.60 "License Agreement" has the meaning given in Section 2.4.

3.61 "Losses" means claims, demands, liability, damage, loss, or expense (including reasonable attorneys' fees and expenses or judgments).

3.62 "Materials" shall mean any tangible materials provided by one Party to the other Party under this Agreement for the purpose of the Project, including any Library Compounds.

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3.63 "Members" means the Bayer JSC Members or the Recursion JSC Members, as context requires.

3.64 "Option(s)" shall mean the Bayer Lead Series Option or the Recursion Option, as context requires.

3.65 "Option Exercise Notice" has the meaning given in Section 8.2.

3.66 "Option Periods" means the Bayer Lead Series Option Period or the Recursion Option Period, as context requires.

3.67 "Original Agreement Upfront Payment" has the meaning given in Section 5.1.

3.68 "Party" and "Parties" have the meanings given in the preamble.

3.69 "Patents" means (a) all national, regional and international patents and patent applications filed in any country of the world including provisional patent applications, (b) all patents and patent applications filed either from such patents, patent applications or provisional applications, including any continuations, continuations-in part which are limited to the subject matter directly related to the subject matter of the original patent application, divisions, provisionals, converted provisionals and continued prosecution applications, or any substitute applications, (c) any patent issued with respect to or in the future issued from any such patent applications, (d) any and all extensions or restorations by existing or future extension or restoration mechanisms, including reissues, re-examinations and extensions (including any supplementary protection certificates and the like) of the foregoing patents and (c) any utility models, design patents or similar rights, and all foreign counterparts of any of the foregoing.

3.70 "Patent Matters" has the meaning given in Section 16.5.

3.71 "Person" means an individual, or any form of legally recognized entity, including, without limitation, a corporation, limited liability company, association, joint stock company, trust, or governmental entity.

3.72 "Phenomap" has the meaning given in Section 3.1.1.

3.73 "Phenoprint" has the meaning given in Section 3.1.1.

3.74 "Primary Hit" or "Primary Hit Series" shall have the meaning given in Section 3.1.3.

3.75 "Products" means, with respect to a Project, any product for use in the Field containing a Project Compound from such Project or any Derivative thereof, in any and all dosage forms, formulations, presentations, administrations, line extensions and package configurations.

3.76 "Project" means one of up to seven (7) different projects to further investigate Compounds identified as being potentially active against a given Anchor Perturbation, each as described in a Project Plan, which has been approved by the JSC.

3.77 "Project Compound" means, with respect to a Project, a Compound that is derived from a Qualified Hit and newly synthesized in the course of such Project.

3.78 "Project Initiation Approval" has the meaning set forth in Section 3.1.3.

3.79 "Project IP Rights" means Intellectual Property Rights that are Created in the course of a Project, excluding Excluded IP and Recursion Technology.

3.80 "Project Know-How" means Know-How that is Created in the course of a Project, excluding Excluded IP and Recursion Technology.

3.81 "Project Leader(s)" has the meaning given in Section 3.4.

3.82 "Project Patents" means Project IP Rights that are Patents.

3.83 "Project Plan" means a project plan that has been approved by the JSC, including its amendments made from time to time in accordance with this Agreement.

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3.84 "Project Results" means, with respect to each Project, any and all of (i) Project IP Rights (including for the avoidance of any doubt Project Patents), and (ii) Project Know-How, including Project Compounds or any results and scientific and technical data (including images) that are Created in the course of such Project and specifically related to such Project Compounds (or the Qualified Hits from which they are derived.

3.85 "Project Term" means, as to a Project, the period commencing upon the approval of a Project Plan for such Project or any other date if so expressly agreed in the Project Plan and, unless such Project is earlier discontinued or terminated or this Agreement is terminated in accordance with the provisions hereunder, continuing until the earliest of (i) the date on which a License Agreement is executed following the exercise of an Option for the last remaining Lead Series for such Project; (ii) expiration of all Option Periods for such Project, and (iii) the fifth (5th) anniversary of the Effective Date (unless extended by mutual agreement of the Parties); provided that, at Bayer's request, the applicable Project Term shall be extended until the earlier of the seventh (7th) anniversary of the Effective Date and achievement of **[***]** for a Project, to the extent such Project has been initiated prior to the fifth (5th) anniversary of the Effective Date but for which **[***]** has not yet been achieved.

3.86 "Providing Party" has the meaning given in Section 3.7.1.

3.87 "Qualified Hits" or "Qualified Hit Series" has the meaning given in Section 3.1.3.

3.88 "Receiving Party" has the meaning given in Section 12.1.

3.89 "Recursion" has the meaning given in the preamble.

3.90 "Recursion Library Compound" means Recursion's then-existing chemical library, which consists of approximately **[***]** Compounds as of the Restatement Effective Date.

3.91 "Recursion Indemnitees" has the meaning given in Section 14.6.

3.92 "Recursion JSC Members" has the meaning given in Section 4.1.

3.93 "Recursion Option" has the meaning given in Section 8.4.

3.94 "Recursion Option Period" has the meaning given in Section 8.4.

3.95 "Recursion Technology" shall mean Recursion's proprietary methods for **[***]**, methods for compound management, high-throughput screening lab, data analysis algorithms, high-dimensional phenotypic and other assays, engineering infrastructure, and databases, but, for the avoidance of doubt, shall exclude any data. For purposes of this Agreement, Recursion Technology shall be treated as Background Know-How of Recursion, regardless of whether Created prior to, in the course of any Project or activities under the Collaboration Plan or outside the Collaboration.

3.96 "Research Documentation" has the meaning given in Section 3.10.

3.97 "Research License" has the meaning given in Section 10.1.

3.98 "Restatement Effective Date" has the meaning set forth in the preamble.

3.99 "Restricted Anchor Perturbation Activity" has the meaning given in Section 2.5.1.

3.100 "Restricted Deconvoluted Target Activity" has the meaning given in Section 2.5.2.

3.101 "Restricted Project" means, individually or collectively, each Restricted Anchor Perturbation Activity or Restricted Deconvoluted Target Activity.

3.102 "Retention Period" has the meaning given in Section 3.10.

3.103 "Segregate" means, with respect to a Restricted Project, to segregate the Project Results and Confidential Information of Bayer from the research and development activities relating to such Restricted Project; provided, that, senior management personnel may review and evaluate plans

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and information regarding the research and development of such Restricted Projects, solely in connection with portfolio decision-making among product opportunities.

3.104 "SOFR" has the meaning given in Section 7.4.

3.105 "Subcontractor" has the meaning given in Section 3.6.1.

3.106 "Territory" means worldwide.

3.107 "Third Party" means any Person other than Bayer, Recursion, or any Bayer Affiliate or Recursion Affiliate.

3.108 "Tool Compound" means a Compound that is not Created within the Project and that is used in the course of a Project for reference or characterization purposes and which shall be identified as such within the respective Project Plan for a Project.

3.109 "Using Party" has the meaning given in Section 3.7.1.

3.110 "VAT" has the meaning given in Section 7.5.

3.111 "Withholding Tax" has the meaning given in Section 7.6.

2. SCOPE AND STRUCTURE OF THIS AGREEMENT

2.1. Original Agreement; Scope of this Agreement. This Agreement amends, restates and supersedes in its entirety the Original Agreement, as of the Restatement Effective Date. The Original Agreement, including any provisions surviving pursuant to Section 15.7 of the Original Agreement, shall govern the Parties collaboration in the area of Fibrosis-related indications in individual Projects prior to the Restatement Effective Date. As of the Restatement Effective Date, this Agreement serves as an umbrella agreement under which the Parties undertake to collaborate in the area of oncology in up to seven (7) individual Projects. For clarity, effective as of the Restatement Effective Date, all research, collaboration and projects in Fibrosis under the Original Agreement are terminated.

2.2. Objective of the Agreement. The Company hereby grants Parties shall strive to develop at least one (1) Lead Candidate per Project under this Agreement.

2.3. Roles of the Parties. Both Parties will contribute Compound libraries suitable for screening purposes to the individual (the "Participant") named Projects as further detailed in the Global Notice Collaboration Plan. The research works will be conducted mainly by Recursion using the Recursion Technology and by Bayer, in each case to the extent expressly laid out in Sections 3.1 or 3.2 of Stock the Agreement, the Collaboration Plan or the applicable Project Plan.

2.4. Options. Bayer will at its discretion have the right to exercise the Bayer Lead Series Option Grant (the "Notice with regard to each Lead Series in accordance with Article 8 on terms agreed in the license agreement attached to this Agreement as **Appendix 2 (Lead Series)** (each, a "License Agreement"). In case Bayer does not exercise the Bayer Lead Series Option with respect to a Lead Series during the relevant Option Period, Recursion will have the option to negotiate on a Lead Series-by-Lead Series basis a license in accordance with Article 8.

2.5. Exclusivity.

2.5.1. During the Anchor Perturbation Exclusivity Term, Recursion will not alone, or with, or for any third party conduct any research and development activities to the extent that the focus of Grant" such activities is **[***]** the Anchor Perturbations listed in Appendix 1a (each, a "Restricted Anchor Perturbation Activity"). As used herein, "Anchor Perturbation Exclusivity Term" means, on an option (the "Option") Anchor Perturbation-by-Anchor

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Perturbation basis, the period commencing on the Restatement Effective Date and expiring upon the earliest to purchase occur of **[***]**.

2.5.2. During the number of Shares, applicable Project Term for a particular Project for which a Deconvoluted Target has been determined as set forth in Section 3.2.2, Recursion will not alone, or with, or for any third party conduct any research and development activities to the Notice extent the focus of Grant, at such activities is the exercise price per Share discovery and validation of Compounds **[***]** the same Deconvoluted Target that the subject of such Project for use **[***]** (each, a "Restricted Deconvoluted Target Activity"). Notwithstanding the foregoing, Recursion shall be entitled to continue any research and development activities which Recursion can prove to be already initiated by Recursion prior to approval of the Deconvoluted Target by the JSC as set forth in the Notice of Grant (the "Exercise Price"), subject to all of the terms Section 3.2.3. even if such research and conditions in this Option Agreement and the Plan, which is incorporated herein by reference. Subject to Section 18(c) of the Plan, in development activities would constitute a Restricted Deconvoluted Target Activity.

2.5.3. In the event of a Change of Control of Recursion, the foregoing limitations in Sections 2.5.1 or 2.5.2 shall not apply to any program that an Acquiring Entity had ongoing as of immediately prior to the date of such Change of Control or any program conducted by an Acquiring Entity after the date of such Change of Control; provided that such Acquiring Entity does not use the Recursion Technology, Project Results or any Confidential Information of Bayer for such program or for activities related to such program. Further, if Recursion or any of its Affiliates acquires rights to a Restricted Project through the acquisition of a Third Party (whether by merger or acquisition of all or substantially all of the stock or assets of a Third Party or of any operating or business division of a Third Party or similar transaction), such acquisition, and research and development for such Restricted Project thereafter, shall not constitute a breach of this Section 2.5 if Recursion or such Affiliate, as applicable, Divests such Restricted Project within twelve (12) months from the closing of the acquisition and at all times prior to such Divestiture, Segregates such Restricted Project.

2.6. Chapters of the Agreement. This Agreement is structured into the following chapters:

- "Chapter A – Introduction" comprises the definition section and introduction to the scope and structure of this Agreement.
- "Chapter B – Collaboration" comprises provisions concerning the selection and execution of Projects and the governance rules under this Agreement.
- "Chapter C – Financials" comprises provisions regarding the funding of the Projects, payments pertaining to the Option exercise and general payment terms.
- "Chapter D – Options" comprises provisions on the scope, timelines and exercise of the Options.
- "Chapter E – Intellectual Property" comprises provisions on the ownership and licenses to the Project Results and Background IP Rights and Background Know-How.
- "Chapter F – General Provisions" comprises provisions of general nature including without limitation on Confidentiality, Publications, Liability, Term and Termination, Applicable Law and Dispute Resolution.

Chapter B – Collaboration

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3. PROJECTS

3.1. Project Phases.

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Phase 1 – Discovery Research

3.1.1. Inferential Search Approach Generally. Except as to the extent already performed by **[***]** prior to the Restatement Effective Date, **[***]** will use the **[***]** to profile the Bayer Library Compounds, the Recursion Library Compounds and **[***]** (as described below) in the HUVEC Phenomap (each **[***]** being a "Phenoprint" and **[***]** being the "Phenomap").

3.1.2. Use of Inferential Search Approach to identify Primary Hits and Initiate Projects. Using the **[***]** will query the HUVEC Phenomap with respect to, unless increased by Recursion in its sole discretion, up to **[***]**, with the aim to identify Compounds that are predicted to elicit a therapeutic benefit based on the similarity or oppositeness of a Compound's Phenoprint to the Phenoprints of the Anchor Perturbations (each such Compound, an "Initial Small Molecule Insight"). Pursuant to the Collaboration Plan, **[***]** will subsequently perform activities to potentially validate these predictions and generate Primary Hits.

3.1.3. Primary Hits; ISMI Data Package; Project Initiation Approval. Each such Compound that is validated pursuant to the activities described in Section 3.1.2 shall be referred to herein as a "Primary Hit" or "Primary Hit Series".

Recursion will generate an Initial Small Molecule Insight data package summarizing **[***]** (each such data package, an "ISMI Data Package") **[***]**. Upon review and approval **[***]** by the JSC, and subject to **[***]**, the JSC may approve and initiate a Project (if approved, such approval, the "Project Initiation Approval" and such Compounds, the "Qualified Hits" or "Qualified Hit Series").

Phase 2 – Initial Qualified Hit Optimization and in-vivo validation of Lead Candidates

3.1.4. In-vitro validation. For each Qualified Hit, **[***]** will conduct further in-vitro validation efforts to confirm activity of the Qualified Hit in oncology-relevant model systems, in accordance with the applicable Project Plan.

3.1.5. SAR exploration and Hit optimization: for each Qualified Hit Series, **[***]** will conduct further efforts in accordance with the applicable Project Plan to identify at least one (1) Lead Candidate and related Lead Series to meet the Lead Candidate Criteria and to allow for Lead Candidate acceptance by the JSC.

At the conclusion of Phase 2, if there are no Lead Series for a Project, as reported to the JSC, the Project shall be discontinued, unless otherwise mutually agreed by Parties through the JSC.

Phase 3 – Lead Optimization

Phase 3 a) Bayer exercises Bayer Lead Series Option

3.1.6. Bayer Lead Optimization. In case Bayer exercises the Bayer Lead Series Option with regard to a Lead Series in accordance with Article 8 below, the Parties agree that the joint Project works for such Lead Series are discontinued and that the Project activities for such Lead Series will be transferred to Bayer who will then continue the Project at its sole responsibility.

In the event that Bayer requires Recursion's support in course of Bayer's further utilization of the Project Results from such a Project with respect to which Bayer exercises the Bayer Lead Series Option (e.g. in course of the preparation of the IND application or the preparation of the clinical studies), Recursion will provide appropriate support **[***]**.

3.2 Target Deconvolution.

3.2.1. Unless mutually agreed upon to the contrary in the applicable Project Plan, Recursion shall commence Commercially Reasonable Efforts to determine the target(s) to which a given Project Compound modulates to elicit a therapeutic benefit with respect to a particular Anchor Perturbation, for the particular Project, **[***]**.

3.2.2. **[***]**. If the JSC determines a target to be successfully deconvoluted ("Deconvoluted Target"), the Parties shall properly document the identity of the Deconvoluted Target which shall then be the basis for the determination of any Enabled Compound(s).

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3.2.3. Following JSC approval of a Deconvoluted Target, each Party shall determine whether (i) it is subject to any obligations **[***]** with regard to said target that would limit such Party from performing activities **[***]** or (ii) **[***]** (each, a "Target Conflict").

3.2.4. **[***]**, Bayer shall have the right to exclude from the Project the Project Compounds that are the subject of the Target Conflict, provided that if there are no Project Compounds remaining in the Project, the Project shall be discontinued, **[***]**. Any such exclusion of Project Compounds by Bayer or discontinuation of a Project in accordance with this paragraph shall trigger the Recursion Option for such Project Compounds or Project as set forth in Section 8.4.

3.3 Project Plan. The Parties' activities under each Project shall be conducted in accordance with and governed by the Collaboration Plan and the Project Plan applicable for such Project as amended from time to time pursuant to Section 4.4 and 4.5. For the avoidance of doubt, the terms of this Agreement shall apply to the Collaboration Plan and each Project and the corresponding Project Plan. A template for a Project Plan outlining the general tasks and obligations of each Party is attached to this Agreement as **Appendix 4**.

In the event of any conflict between the terms Collaboration Plan or a Project Plan, on one hand, and conditions this Agreement, on the other hand, the terms of the Collaboration Plan or Project Plan shall prevail with respect to matters covered in Sections 3.1 and 3.2 of this Agreement and for all other matters, this Agreement shall prevail.

3.4 Joint Project Teams. The Parties shall establish a research team comprised of at least one (1) senior scientist from each Party and one individual to be the first contact for operational and scientific matters ("Project Leader") for each Project (each, a "Joint Project Team" or "JPT"). Each Party shall appoint its respective representatives to the JPT from time to time, and may change its representatives, in its sole discretion, effective upon notice to the other Party designating such change. The JPT shall meet no less frequently than once every **[***]** months in accordance with a schedule established by the JPT. The JPT shall operate by consensus and make recommendations to the JSC with respect to matters within its authority, but shall have no decision-making authority.

The JPT shall:

3.4.1 be responsible for the day-to-day dealings within the respective Project and the Project Leader shall be the first contact person for the other Party for operational and scientific matters with regard to such Project;

3.4.2 propose, as necessary, the initial Project Plan and amendments to the Project Plan;

3.4.3 ensure that the research activities are performed in accordance with the Project Plan;

3.4.4 through the Project Leader, keep regular contact between each other and ensure that the Project Leader of the other Party is well informed about the progress of the Project and about relevant changes or obstacles that may occur during the Project Term;

3.4.5 through the Project Leader, internally coordinate their respective project teams;

3.4.6 ensure the timely submission and accurate preparation of the reports as set forth in Section 3.9 and the Project Plan and record the Project Know-How, Project Compounds and Project IP Rights along with any Background IP Rights and Background Know-How that would be subject to a License Agreement under such Project; and

3.4.7 determine the specific Project Compounds to be included in a Lead Series.

3.5 Performance. Each Party shall use Commercially Reasonable Efforts to perform(itself or through its Affiliates or by permitted Subcontractors) its respective obligations under the Collaboration Plan and each Project Plan and Sections 3.1 and 3.2 of this Agreement, and to reasonably cooperate with the other Party in such other Party's performance of its responsibilities under the Collaboration Plan and each Project Plan; provided that, notwithstanding anything herein to the contrary, neither Party shall be obligated to take any action under this Agreement or a Project that it in good faith determines would cause it to infringe the intellectual property rights of or contractual obligations towards a Third Party.

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The Parties acknowledge and agree that with respect to any research work to be performed under the Collaboration Plan or a Project Plan no success is or can be assured and that failure to achieve desired results shall not in and of itself constitute a breach or default of any obligation in this Agreement.

3.6 Subcontracting.

3.7.1 Each Party may subcontract any of its activities to be performed under the Collaboration Plan or a Project Plan to its Affiliate or to a Third Party (collectively referred to as "Subcontractor") without the consent of the other Party, provided, however, that the Subcontractor is obligated by the subcontracting Party in such manner that the subcontracting Party can comply with its obligations under this Agreement. Particularly, but without limitation, the subcontracting Party must ensure that the provisions protecting and limiting use, disclosure and publication of Confidential Information, Materials, Project Compounds, Intellectual Property Rights and Know-How flow down through to the Subcontractor and that it is granted by the Subcontractor all rights to the subcontracted works as necessary to fulfill its obligations under this Agreement.

3.6.1. Each Party shall remain responsible and liable for the performance by its Subcontractors of its obligations hereunder, and shall require its Subcontractors to comply with the provisions of this Agreement. This shall without limitation apply, in particular to the representations and warranties set forth in Article 14.

3.7 Exchange of Materials / Tool Compounds / Project Compounds.

3.7.1 To the extent Materials and/or Tool Compounds are provided by one Party (the "Providing Party") to the other Party (the "Using Party") under this Agreement, each Party shall use such Materials and/or Tool Compounds only for the purposes of the respective Project and in accordance with the Collaboration Plan and/or the applicable Project Plan, the terms and conditions of this Option Agreement and in compliance with Applicable Law. The Using Party will not make the Materials and/or Tool Compounds available to any Third Party (other than Subcontractors) without the prior written consent of the Providing Party, will limit the access to such of its employees that are involved in the Collaboration Plan activities or the Project and may make the Materials and/or Tool

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Compounds available to Affiliates and Subcontractors in accordance with Section 3.6 without the other Party's consent only on a need-to-know basis for the performance of the subcontracted activities under the relevant Project. Legal title to such Materials and/or Tool Compounds shall remain with the Providing Party.

3.7.2 The Providing Party shall provide reasonable written instructions, including material safety sheets (as applicable), for all Materials, Tool Compounds and Project Compounds provided under this Agreement. The Providing Party shall provide such Materials, Tool Compounds and Project Compounds in accordance with Applicable Law, and shall transfer responsibility to the Using Party upon delivery in accordance with all applicable export/import control laws. Each Party acknowledges that all Materials, Tool Compounds and all Project Compounds exchanged hereunder are experimental and their properties are not completely known. The Using Party shall use, store and handle such Materials, Tool Compounds or Project Compounds in accordance with any reasonable written instructions provided by the Providing Party and all Applicable Law relating thereto. EACH PARTY AGREES THAT THE MATERIALS, TOOL COMPOUNDS OR PROJECT COMPOUNDS EXCHANGED UNDER THIS AGREEMENT ARE PROVIDED "AS IS".

3.7.3 Unless that the Providing Party agreed otherwise, any unused portion of the Materials or Tool Compounds shall be, at the Providing Party's option, either returned to the Providing Party at their cost or destroyed.

3.8 Debarment. The Parties shall not use in any capacity the services of anyone debarred or disqualified by any medical or government regulatory authority in any jurisdiction anywhere in the world in the performance of the Projects. Furthermore, each Party represents and warrants that neither itself nor its employees, agents or representatives involved in the performance of the Collaboration Plan or Projects have been debarred or disqualified, by any regulatory authority. During the term of this Agreement, each Party shall promptly notify the other Party should it or any of its employees, agents or representatives involved in the performance of the Collaboration Plan or Projects become debarred or disqualified.

3.9 Information Exchange and Reporting.

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3.9.1 Regular Information Exchange. The Project Leaders and Alliance Managers of the Parties shall keep each other informed on a regular basis about the status and progress of the Projects and about any difficulties that may impact the Project Plans or otherwise have an important impact on the Collaboration.

The JSC and JPT meeting participants shall agree on a meeting agenda prior to the beginning of every scientific meeting (including audio or video teleconferences).

3.9.2 Progress Reports. During the Project Term, the Project Leaders shall furnish to the JSC as to each Project a written report (e.g., PowerPoint presentation, Word doc.) upon request of the JSC, that (i) describes the activities and progress of the Project during the relevant Calendar Quarter and (ii) includes a summary of the Project Results, particularly highlighting any Project IP Rights generated during the relevant Calendar Quarter, (iii) as well as any other topics requested to be included by the JSC. The Project Leaders shall furnish to the JSC as to each Project quarterly reports in writing with the names of the people working in each Project on a month by month basis.

3.9.3 Final Project Report. Within **[***]** months after completion or termination of the works of a Project, the Project Leaders shall provide the JSC with a Final Project Report (e.g., PowerPoint, Word doc.), which shall, in addition to any other information required under the Project Plan, comprise the following information on the respective Project ("Final Project Report"):

3.9.3.1. a short executive summary containing the Project title, the names of Project Leaders, the Project duration, a short project history describing the main scope and activities of the Project, main changes from the original Project Plan and a summary of the main results;

3.9.3.2. a detailed report consisting of:

(a) introduction to the scientific background of the Project;

(b) description of the methods used including references;

(c) names of the persons involved in performing the Project (scientists and non-scientists) including a brief description of their responsibilities;

(d) description of all changes to the Project Plan, including minor changes;

(e) description of all Project Results;

(f) discussion of the Project Results; and

(g) list of references.

3.9.4 Review by the JSC. The JSC shall review the Final Project Report within **[***]** weeks of its receipt as to its completeness and sufficiency in detail, correctness and comprehensibility and, if applicable, request the Project Leaders to rectify any deficiencies in the report within a reasonable period of time.

3.10 Recordkeeping. Each Party shall prepare and maintain complete, current, accurate, organized and legible records of all documentation relating to its activities under this Agreement ("Research Documentation") in a manner as necessary for patent and regulatory purposes and in full compliance with the Applicable Law. Each Party shall retain all Research Documentation during the Collaboration Term and thereafter until (a) the **[***]** anniversary of the date that each Project Term expires or terminates; or (b) until such later date as may be required by Applicable Law (the "Retention Period"). Each Party shall deliver copies of such Research Documentation to the other Party at the other Party's reasonable request and cost.

3.11 Audits.

3.11.1 Bayer or its authorized representatives shall have the right, up to one (1) time per year, upon **[***]** prior notice and during regular business hours at days and times mutually agreed upon by both Parties, to: (a) monitor the conduct of the research activities being carried out by Recursion and its Subcontractors pursuant to this Agreement and to inspect Recursion's and its Subcontractors premises where such activities are or are to be carried

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out, (b) review and audit during the Retention Period all Research Documentation and any other books, records, and data relating to such activities, and (c) interview relevant personnel; provided such personnel consents to be interviewed and provided that such rights may not be exercised in a manner that interferes with the normal operations and activities of Recursion's and its Subcontractors' personnel. Recursion shall, and shall require its and its Subcontractors' personnel to, reasonably cooperate with any such activities. All monitoring must be conducted in accordance with Recursion's and Subcontractors' respective policies regarding personnel, and access to its respective facilities and information systems. Bayer will bear the costs associated with monitoring. Recursion shall promptly inform Bayer of any inspections and the like by authorities that relate to the research activities being carried under a Project pursuant to this Agreement and shall provide Bayer with a copy of any reports from such inspections to the extent permissible by Applicable Law.

3.12 Animal Welfare. The Parties agree that animal welfare is considered an important issue for ethical reasons as well as for the sake of quality of studies. In case the Projects comprise *in-vivo* testing, the Parties agree to apply customary standards of animal care. Bayer represents and warrants to follow all relevant local as well as European animal welfare regulations. Recursion represents and warrants that it holds a valid accreditation of the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC) and that it will comply with all applicable standards AAALAC imposes on its accredited organizations and will promptly notify Bayer in the event of any debarment, conviction, or indictment related to its compliance to the AAALAC standards.

3.13 Pharmacovigilance. With respect to a Tool Compound or a Project Compound that is in clinical development or therapeutic use Recursion shall forward without undue delay, at the latest within **[***]** days in written form (either via e-mail or via fax, letter etc.) to the Bayer Project Leader specified in the Project Proposal and the drug safety department of Bayer (Bayer AG, Global Pharmacovigilance, Muellerstr.178, 13353 Berlin, Germany, Fax: + 49 **[***]**, E-Mail: **[***]**@bayer.com) any unexpected information/finding, which indicates or permits to deduce a (potential) serious health hazard associated with the Tool Compound or Project Compound and which (as a consequence) may have an impact on the benefit/risk profile of the Tool Compound or Project Compound or the related product. If the Tool Compound is provided by Bayer, Bayer shall inform Recursion that the Tool Compound is in clinical or therapeutic use.

3.14 Information Security.

3.14.1. Each Party shall structure its internal organization so that it meets particular information security requirements for Confidential Information of the other Party. Technical and organizational measures must be adopted to guarantee reasonable protection of such Confidential Information. The safety measures to be taken by the Parties are specified in detail in **Appendix 5**.

3.14.2. Each Party will have the right to check the effectiveness of the other Party's technical and organizational measures to meet information security requirements on a regular basis up to one (1) time per year, at the checking Party's cost. For this purpose, each Party shall have the right, upon **[***]** days' prior notice and during regular business hours, to:

- Request information from the other Party (self-reporting);
- Conduct a personal on-site inspection of the other Party, or have such an inspection conducted by a qualified third party (on-site audit). For such on-site audit, each Party shall grant the other access to, in particular, the data processing systems, files and documents in question;
- Interview relevant personnel, provided that such rights may not be exercised in a manner that interferes with the normal operations and activities of the other Party's personnel.
- Each Party shall and shall cause its personnel to cooperate with any such activities. In particular, each Party shall immediately make available to the other all information and certifications that are necessary for the performance of the information security control.

4. GOVERNANCE

4.1. Joint Steering Committee. The Parties shall establish a Joint Steering Committee ("JSC"), comprised of two (2) representatives, including at least one (1) senior executive, of Recursion (the "Recursion JSC Members") and two (2) representatives, including at least one (1) senior executive, of Bayer (the "Bayer JSC Members"). The Parties shall nominate their respective initial JSC Members upon the Restatement Effective Date and inform each other respectively. In addition, the Alliance Manager of each Party shall be an associate member of the JSC. Each Party

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may replace its members of the JSC at any time upon written notice to the other Party. The Parties may mutually agree to invite non-voting employees and consultants to attend meetings of the JSC, subject to their agreement to be bound to obligations necessary to ensure their compliance with the provisions hereunder concerning confidentiality, publication, use restrictions, the grant of licenses and rights and any other provisions of this Agreement that may be relevant in that context.

4.2. Meetings. Unless otherwise agreed to by the Parties, the JSC shall meet during the first Calendar Year of this Agreement at least twice and thereafter at least two times each Calendar Year. Additional meetings may be requested by any JSC member of either Party on **[***]** days' prior written notice to the Alliance Manager. JSC meetings can be held by audio or video conference and at least once each Calendar Year in person. Meetings of a JSC shall be effective only if at least one JSC Member of each Party is present at the meeting or participating by teleconference. Each Party shall be responsible for all of its own expenses of participating in JSC meetings. The Parties shall endeavor to schedule meetings of the JSC timely in advance. The Alliance Managers shall prepare the meeting agenda and shall circulate for review and approval by each Party written minutes of such meeting within **[***]** days after such meeting. The Parties shall agree on the minutes of each meeting promptly, but in no event later than the next meeting of the JSC.

4.3. Alliance Manager. Each Party shall nominate an alliance manager who shall be the primary point of contact for the Parties for overall matters regarding the Collaboration and shall facilitate the communication regarding all activities hereunder (each an "Alliance Manager"). Each Party may replace its Alliance Manager at any time upon written notice to the other Party. For the avoidance of doubt, the Alliance Manager shall be an employee of the respective Party or the respective Party's Affiliate.

4.4. Responsibilities.

4.4.1. Responsibilities of the JSC. The JSC, subject to Sections 4.5 and 4.6, shall oversee and supervise the overall Collaboration and the relationship between the Parties hereunder, and within such scope shall:

4.4.1.1. define the Collaboration goals and strategic direction;

4.4.1.2. prioritize Projects and respective activities;

4.4.1.3. closely interact with Joint Project Teams and steer Projects towards achievements of Lead Candidate Criteria;

4.4.1.4. review the efforts of the Parties under the Collaboration Plan and the Project Plans, as reported by the JPT;

4.4.1.5. approve Project Plans, and approve, with any necessary modifications, changes to the Collaboration Plan and/or Project Plans; provided that such modifications to the Project Plans are made in alignment with the respective Project Leaders;

4.4.1.6. approve the deconvolution of the target for each Project;

4.4.1.7. if applicable, determine lead candidate criteria a for a Project, provided that, as a general rule, such lead candidate criteria shall correspond to the Lead Candidate Criteria, unless the Bayer representatives in the JSC agree that a deviation from such Lead Candidate Criteria would be acceptable;

4.4.1.8. endorse Lead Candidate Criteria achievement and other Lead Candidate selections, always provided that the achievement of the respective Lead Candidate Criteria or Lead Candidate selection is confirmed by the Bayer Criteria Committee in accordance with Section 4.8;

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4.4.1.9. approve the Project Leaders recommendation for Qualified Hits/ Qualified Hit Series and for Lead Series and confirm the JPT's determination of the specific Project Compounds to be included in a Lead Series;

4.4.1.10. decide whether to discontinue a Project or any activities under a Project Plan, or to reduce activities under a Project Plan, whereby the JSC shall consider a reasonable wind-down period which shall not exceed **[***]** months in case the Project is discontinued;

4.4.1.11. form such other committees or working groups as the JSC may deem appropriate, provided that such committees may make recommendations to the JSC but may not be delegated JSC decision-making authority;

4.4.1.12. support the filing and prosecution of the Project IP Rights;

4.4.1.13. address such other matters relating to the activities of the Parties under this Agreement as either Party may bring before the JSC, including any matters that are expressly for the JSC to decide as provided in this Agreement;

4.4.1.14. assist the Parties in their efforts to resolve any disputes on an informal basis, including any unresolved disputes from the Joint Project Teams;

4.4.1.15. confirm that a target or combination of targets for Project/Lead Series has been properly deconvoluted; and

4.4.1.16. confirm the Project Know-How, Project Compounds and Project IP Rights along with any Background IP Rights and Background Know-How that would be subject to a License Agreement under such Project.

4.4.2. Responsibilities of the Alliance Managers. The Alliance Managers shall:

4.4.2.1. prepare and manage the JSC meetings in particular:

(a) notify each Party at least **[***]** days in advance of each such JSC meeting (or **[***]** days with respect to additional meetings requested by a Party's members);

(b) collect and organize agenda items for each such JSC meeting; and

(c) prepare the written minutes of each such JSC meeting and circulate such minutes within **[***]** days after such meeting for review and approval by the Parties, and identify action items to be carried out by the Parties;

4.4.2.2. ensure proper communication between the JSC and the JPTs;

4.4.2.3. have an overview on the ongoing Projects;

4.4.2.4. oversee the budget and resources in the Projects;

4.4.2.5. attempt to resolve any conflicts on an informal basis; and

4.4.2.6. be the first point of contact for external communication (press releases, presentations at partnering conferences etc.) regarding this Agreement and the Projects and be responsible for ensuring alignment with their internal communication functions. All such external communications must be made in accordance with Sections 13 and 17.3.

4.5. Decision-Making and Amicable Dispute Resolution.

4.5.1. Decisions of the JSC shall be unanimous (with Bayer JSC Members collectively having one vote and Recursion JSC Members collectively having one vote).

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On matters which the JSC cannot reach a unanimous decision and subject to the limitations set forth in Section 4.5.2 and 4.6, the Bayer JSC Members shall have the casting vote.

4.5.2. The following matters shall only be adopted or decided by unanimous decision of the Recursion and Bayer JSC Members and Bayer shall have no casting vote with respect to such matters:

4.5.2.1. change of the Collaboration goals and strategic direction;

4.5.2.2. changes to the Collaboration Plan;

4.5.2.3. approval of, or changes to, the Project Plans.

4.5.3. If the JSC cannot reach a unanimous decision on the matters set forth in Section 4.5.2 the following shall apply:

The Recursion and Bayer JSC Members shall first try to resolve such matter in a second JSC meeting to be held within twenty (20) Business Days from the JSC meeting in which such matter remained unsolved. If the JSC is again unable to resolve such matter the Recursion and/or the Bayer JSC Members can refer the matter to senior representatives of each Party for resolution. Such individuals shall convene for a meeting (by audio or video conference or in presence) and shall endeavor in good faith to resolve such matter within thirty (30) Business Days following such referral.

If the Parties cannot resolve the matter within such period, the matter shall be deemed as finally rejected, without recourse to any further escalation or dispute resolution procedure. Notwithstanding the foregoing, the Parties termination rights with regard to a particular Project or the complete Agreement remain unimpaired.

4.6. Limitations on JSC Authority. Each Party shall retain the rights, powers and discretion granted to it under this Agreement and no such rights, powers, or discretion shall be delegated to or vested in the JSC unless such delegation or vesting of rights is expressly provided for in this Agreement or the Parties expressly so agree in writing. It is understood and agreed that issues to be formally decided by the JSC are limited to those specific issues that are expressly provided in Section 4.4 of this Agreement and the disputes which relate to the subjects other than those set forth in Section 4.4 will be handled according to Article 16. None of the JSC, Bayer via exercise of its final decision-making authority as specified in Section 4.5.1, or the JPT shall have the power to determine any issue in a manner that would (a) conflict with the terms and conditions of this Agreement (except as specified in Section 3.3), (b) modify or amend this Agreement, or (c) determine whether either Party has breached this Agreement or resolve any dispute regarding the Plan will prevail. existence or amount of any payment owed under this Agreement.

4.7. Discontinuation of Projects. In the event that a Project is discontinued in accordance with Sections 3.1.4, 3.1.6, 3.1.7, 3.2.4, 4.4.1.10, or as otherwise provided for in this Agreement, the Parties shall cooperate with each other in winding down their activities under the respective Project.

4.8. Bayer Criteria Committee. Bayer shall establish or designate a committee, internal to Bayer and in accordance with Bayer's internal guidelines, as the "**Bayer Criteria Committee**". **[***]**. The Bayer Criteria Committee shall have authority only to approve or reject Project Compounds endorsed by the JSC pursuant to Section 4.4.1.8 as Lead Candidates in accordance with the foregoing, and shall have no other decision-making authority under this Agreement.

Chapter C – Financials

(a) 5. Upfront Payment, Achievement Lead Candidate Criteria Fee

5.1. Original Agreement Upfront Payment. The Parties agree and acknowledge that (i) in consideration for the rights granted under the Original Agreement, Bayer paid a one-time lump-sum fee in the amount of US $ 30,000,000 (in words thirty million US Dollars) ("Original Agreement Upfront Payment"), which was non-refundable and non-creditable.

5.2. Other costs. **[***]**.

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6. ADDITIONAL PAYMENTS AFTER OPTION EXERCISE

6.1. Subject to Bayer's exercise of the Bayer Lead Series Option with regard to a Project and the execution of a respective License Agreement, Bayer shall pay Recursion, as consideration for the licenses granted by Recursion to Bayer, the option exercise fee, milestone payments and royalties set forth in the License Agreement.

7. GENERAL PAYMENT PROVISIONS

7.1. Payment Rule. Unless otherwise agreed herein, all payments under this Agreement shall be made within **[***]** days after receipt of a correct invoice that is compliant with this Agreement.

7.2. Payment Address. All invoices of Recursion shall be sent to the following address:

Bayer AG
[***]
51368 Leverkusen
Germany

Each invoice for payments mentioning the aforementioned address and reference shall be sent electronically in portable document format (pdf) via email without electronic signature ("pdf-invoicing"), to

[***]@bayer.com

thus replacing a corresponding paper form.

7.3. Bank Account. All payments to Recursion under this Agreement shall be made by wire transfer to the following bank account of Recursion, or such other bank account as notified by Recursion to Bayer at least fifteen (15) Business Days prior to the payment date:

For U.S. taxpayers, ACH delivery:
[***]

For Wire Transfers:
[***]

3.1 Late Payments. All payments not made by **[***]** days after the Option will respective Payment Date set out in this Agreement shall be designated as either an Incentive Stock Option subject to Late Payment interest at the United States Secured Overnight Financing Rate ("ISO"SOFR"), currently published on Bloomberg screen SOFRRATE Index, fixed two Business Days prior to the respective Payment Date and reset to the prevailing SOFR at monthly intervals thereafter, plus a premium of **[***]** (or the maximum applicable legal rate of interest if lower). Interest shall be calculated based on the actual number of days in the interest

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period divided by 360 and shall be calculated from the respective Payment Date (inclusive) until the date of payment (exclusive).

3.2 Value Added Tax. All agreed consideration is exclusive of "VAT" (European Value Added Tax, goods and service tax and similar taxes). If VAT is applicable, VAT shall be invoiced additionally according to applicable VAT law. Such VAT shall be paid to Recursion only if Recursion is obliged to transfer such VAT to respective tax authorities and after receipt of a corresponding invoice. Recursion shall issue correct invoices in accordance with the applicable VAT law.

3.3 Withholding Taxes. Any Party required to make a payment pursuant to this Agreement shall be entitled to deduct and withhold from the amount payable the tax for which paying Party on behalf of payee is liable under any provisions of Applicable Law (such tax, "Withholding Tax");

If the Withholding Tax rate is reduced according to the regulations in the Double Tax Treaty no deduction shall be made or a Nonstatutory Stock Option ("NSO"). reduced amount shall be deducted only if paying Party is timely furnished with necessary documents (Freistellungsbescheid) by

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payee issued from the German Tax Authority (Bundeszentralamt für Steuern), certifying that the payment is exempt from Withholding Tax or subject to a reduced Withholding Tax rate.

Any withheld Withholding Tax shall be treated as having been paid by paying Party to payee for all purposes of this Agreement. Paying Party shall timely forward to the payee the tax receipts certifying the payments of Withholding Tax on behalf of payee. In case paying Party must pay, but cannot deduct the Withholding Tax due to fulfilment and completion of its payment obligation by settlement or set-off, payee will pay the Withholding Tax to paying Party separately. If designated paying Party reasonably failed to deduct Withholding Tax, but is still required by Applicable Law to pay such Withholding Tax on account of payee to the tax authorities, payee shall reasonably assist paying Party with regard to all procedures required in order to obtain reimbursement by tax authorities or, in case tax authorities will not reimburse withholding tax to paying Party, payee will immediately refund the tax amount.

3.4 Notwithstanding anything in this Agreement to the contrary, if any assignment by a Party of its rights or obligations under this Agreement without the consent of the other Party results in the Notice imposition of Grant Withholding Tax on a payment to be made by such Party that would not have been imposed in the absence of such assignment (or in an increase in Withholding Tax from the amount that would have been imposed in the absence of such assignment) and the Parties cannot reasonably cooperate as an ISO, described above to eliminate such additional Withholding Tax, then the amount payable by the assigning Party shall be increased to the extent necessary to ensure that the other Party receives a net amount equal to the amount that it would have received had no such assignment occurred (taking into account any Withholding Tax on such additional amounts), unless the payee has approved or requested this Option is intended assignment.

7.4. To the extent relevant for U.S. federal income tax purposes, the Parties intend to qualify treat the payments contemplated by this Agreement as an ISO under "foreign-derived deduction eligible income" within the meaning of Section 422 250 of the U.S. Internal Revenue Code of 1986, as amended, (the "Code"). However, if this Option is intended and the U.S. Treasury regulations thereunder, and the Parties shall reasonably cooperate to be an ISO, provide a certification or documentation to demonstrate eligibility for the extent that it exceeds the $100,000 rule of Code deduction for "foreign-derived intangible income" pursuant to Section 422(d) it will be treated as an NSO. Further, if for any reason this Option (or portion thereof) will not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as an NSO granted under the Plan. In no event will the Administrator, the Company or any Parent or Subsidiary or any of their respective employees or directors have any liability to Participant (or any other person) due to the failure of the Option to qualify for any reason as an ISO. 250.

Chapter D - Options

(b) 8. For non-U.S. taxpayers, the Bayer Lead Series Option; Recursion Option will be designated as an NSO.

2. 8.1. Vesting Schedule Bayer Lead Series Option. Except as otherwise provided in Section 3 and subject During the **[***]** day period following Achievement of Lead Candidate Criteria with respect to any acceleration provisions contained in the Plan or set forth in this a Lead Series (the "Bayer Lead Series Option Agreement, the Option awarded by this Option Agreement will vest and be exercisable, in whole or in part, in accordance with the vesting provisions set forth in the Notice of Grant. Shares scheduled Period"), Recursion hereby grants to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Option Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs.

3. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Option at any time, subject Bayer an exclusive option to the terms of the Plan. If so accelerated, such Option will be considered as having vested as of the date specified by the Administrator.

4. Exercise of Option.

(a) Right to Exercise. This Option may be exercised only within the term set out in the Notice of Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option Agreement.

(b) Method of Exercise. This Option is exercisable by delivery of an exercise notice (the "Exercise Notice") in the form attached as Exhibit C or in a manner and pursuant to such procedures as the Administrator may determine, which will state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "Exercised Shares"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice will be completed by Participant and delivered to the Company. The Exercise Notice will be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares together and any Tax Obligations (as defined in Section obtain.

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Exhibit 10.3

(i) an exclusive (even as to Recursion) license under Recursion's rights, title and interest in the Project Compounds in such Lead Series and the Backup Compounds for such Lead Series (including the Project IP Rights claiming such Project Compounds and Backup Compound) and certain Project Know-How (including the applicable Deconvoluted Target and all data relating to such Project Compounds) generated with respect to such Lead Series and Backup Compounds; and

6(a)(ii) a non-exclusive license to Recursion's Background IP Rights and Background Know-How which are necessary for Bayer to use the Project Results described in (i) above,

in each case (i) and (ii), to do or have done research on, develop or have developed, make, have made, use, have used, sell, have sold, offer for sale, have offered for sale, import and have imported Products incorporating such Lead Series, Backup Compounds or Derivatives thereof in the Field in the Territory and to use such Project Compounds as tools in independent research and development projects of Bayer (as to each Project, the "Bayer Lead Series Option"), all on the license terms and financial considerations set forth in the License Agreement.

[***].

8.2. Option Exercise. Bayer may exercise the Bayer Lead Series Option at any time during the Bayer Lead Series Option Period by notifying Recursion in writing (each such notice being an "Option Exercise Notice"). This

8.3. Execution of License Agreement. As for each Option will be deemed exercised by Bayer, the Parties shall execute a License Agreement no later than **[***]** days after Recursion's receipt of the Option Notice, unless otherwise mutually agreed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price.

Parties.

5. 8.4. Method of Payment Recursion Option. Payment Bayer hereby grants Recursion an option, exercisable during the applicable Recursion Option Period, to negotiate for a period of no less than **[***]** days after such exercise (the "Negotiation Period") in good faith to obtain (x) a worldwide exclusive license under Bayer's interest in the Project Compounds in the applicable Lead Series and Backup Compounds for such Lead Series (including the Project IP Rights claiming such Project Compounds) and the Project Know-How (including the applicable Deconvoluted Target, and all data relating to such Project Compounds) generated with respect to such Project Compounds and (y) a non-exclusive license to Bayer's Background IP Rights and Background Know-How which are necessary for Recursion to use the licensed Project Results, in each case ((x) and (y)) to make, have made, use, sell and import Products incorporating such Lead Series, Backup Compounds or Derivatives thereof in the Field in the Territory and to use such Project Compounds as tools in independent research and development projects of Recursion (the "Recursion Option"). The "Recursion Option Period" means the **[***]**-day period immediately following (a) expiration of the aggregate Exercise Price will be by any of Bayer Lead Series Option Period, if Bayer does not exercise the following, or Bayer Lead Series Option with respect to a combination thereof, at the election of Participant:

(a) cash;

particular Lead Series, (b) check;

(c) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan;

(d) if Participant is a U.S. employee, surrender of other Shares which have a fair market value on the date of surrender equal exclusion of Project Compound from a Project pursuant to the aggregate Exercise Price Section 3.2.4; **[***]**, (c) expiration or termination of the Exercised Shares and that are owned free and clear of any liens, claims, encumbrances, or security interests, provided that accepting such Shares, in the sole discretion of the Administrator, will not result in any adverse accounting consequences to the Company; or

(e) by other such consideration as may be approved by the Administrator from time to time to the extent permitted by Applicable Laws.

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6. Tax Obligations.

(a) Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer") or Parent or Subsidiary to which Participant is providing services (together, the Company, Employer and/or Parent or Subsidiary to which the Participant is providing services, the "Service Recipient"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Option, including, without limitation, (i) all federal, state, local, and foreign taxes (including the Participant's Federal Insurance Contributions Act (FICA) obligation and any applicable foreign social insurance contributions) that are required to be withheld by the Company or the Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (ii) the Participant's and, to the extent required by the Company (or Service Recipient), the Company's (or Service Recipient's) fringe benefit tax liability, if any, associated with the grant, vesting, or exercise of the Option or sale of Shares, and (iii) any other Company (or Service Recipient) taxes the responsibility for which the Participant has, or has agreed to bear, Project Term, with respect to a Project discontinued for any reason other than termination of the Project or this Agreement for Recursion's breach of this Agreement, (d) expiration of the period set forth in Section 8.4, with respect to any Lead Series for which Bayer exercises its Bayer Lead Series Option (or exercise thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's responsibility and may exceed the amount actually withheld pursuant to Section 8.1 but does not execute a License Agreement,(e) a determination by the Company or Bayer Criteria Committee that a Lead Candidate does not achieve the Service Recipient. Participant further acknowledges that Lead Candidate Criteria, and is not otherwise selected by the Company and/or Bayer Criteria Committee as a Lead Candidate. Recursion may exercise the Service Recipient (A) make no representations or undertakings regarding Recursion Option for a Project at any time during the treatment of any Tax Obligations applicable Recursion Option Period by notifying Bayer in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise writing thereof, and the upon Bayer's receipt of any dividends or other distributions, and (B) do not commit to and are under no obligation to structure such notice the Parties shall negotiate in good faith the terms of the grant or any aspect of applicable license agreement during the Option to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Service Recipient (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares. Negotiation Period.

Chapter E – Intellectual Property

9. OWNERSHIP OF BACKGROUND RIGHTS AND PROJECT RESULTS

9.1. Ownership of Background Rights. Each Party will retain ownership of its Background IP Rights, Background Know-How and Excluded IP. Each Party shall assign, and hereby assigns, to the other Party all rights, title and interest it may have in and to any Excluded IP or the Recursion Technology that is to be owned by the other Party pursuant to this Section 9.1 or Section 9.3. Notwithstanding the foregoing, with respect to a particular Project after Project Initiation Approval for such Project, any Recursion ISMI IP Rights and Recursion ISMI Know-How with respect to such Project, shall be thereafter deemed Project Results and treated as such under this Agreement; provided that, if the Project Term for such Project terminates or expires **[***]**, Recursion ISMI IP Rights and Recursion ISMI Know-How shall no longer be deemed Project Results, all rights, title and interest in and to such Recursion ISMI IP Rights and Recursion ISMI Know-How shall revert to Recursion and shall be deemed Recursion's Confidential Information, and Bayer shall assign and hereby does assign to Recursion any and all rights, title and interest it may have in and to such Recursion ISMI IP Rights and Recursion ISMI Know-How.

9.2. Ownership of Project Results. Subject to Section 9.3, all Project Results shall be jointly owned in equal and undivided shares by Bayer and Recursion independently of which Party Created such Project Results. Each Party (the "Assigning Party"), shall, and hereby does, assign to the other Party (the "Assigned Party") an undivided joint interest in the rights, title and interests the Assigning Party has in and to any such Project Results and the Assigned Party hereby accepts such assignment.

9.3. Recursion Technology. Notwithstanding Section 9.2, the Parties agree that any improvement or modification made by Recursion in the course of a Project or activities under the Collaboration Plan directly relating to the Recursion Technology and which are not specific for a Project or any Bayer Library Compounds

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are the exclusive property of Recursion and such improvement or modification shall be considered Recursion Technology.

3.1 Cooperation Duties. Each Party shall reasonably cooperate with and assist the other Party and execute, and cause its employees, agents and subcontractors to execute such documents as necessary to grant the other Party the ownership rights described under this Article 9.

3.2 Employee's Invention Compensation. Each Party is solely responsible and shall compensate its own employees in accordance with the law applicable to the employer for any inventions generated by such employees in course of a Project or activities under the Collaboration Plan.

10. LICENSE GRANTS AND USAGE RIGHTS

Research License

10.1. Research License. Each Party shall and hereby does grant to the other Party, during the Collaboration Term, a worldwide, non-exclusive, royalty-free license, without the right to sublicense, under its right, title and interest to the Project Results, and its Background IP Rights, Background Know-How, and Excluded IP to the extent necessary to enable the other Party to perform its tasks and obligations under the Project Plan for such Project (or have performed such activities and obligations by a Subcontractor subject to the provisions for subcontracting in Section 3.6) (the "Research License").

The disclosure and use of any Background IP Rights under the Research License shall not constitute any right of prior use for the recipient.

Exhibit 10.3 Use and Exploitation Rights

10.2. Use and Exploitation of Project Results.

With respect to Project Results from a Project, the Parties shall have the following usage and exploitation rights:

10.2.1. Prior to expiry of Option Period / prior to Option exercise. Beginning upon commencement of activities under the Collaboration Plan in preparation for a Project and during the Project Term for such Project, to the extent the Option Periods for the respective Project have not expired and the Parties have not exercised their respective Options, the Parties shall only use the Project Results for such Project within the limits of the Research License and for purposes of determining whether to exercise its Options for such Project. In addition to the foregoing, with regard to any Project Know-How that has been disclosed to the respective Party, each Party shall have the right during such period to use, practice, develop and exploit their share in such Project Know-How of the respective Project solely for internal research and development purposes, including the right to sublicense its interest in the Project Results to Affiliates and Third Parties working for, with, or on behalf of the sublicensing Party for such purpose, without the consent of the other Party and without a duty of accounting to the other Party, provided, however, that neither Party may use any Project Know-How or allow its Affiliates or sublicensees to use of any Project Know-How for a Competing Project. Where such consent is required by Applicable Law, it is deemed hereby granted and where a duty of accounting to the other Party exists by Applicable Law, such duty is hereby waived. Where the Applicable Law in any country prevents that such consent or waiver is given in advance the Parties shall be obligated to give their consent or waiver at the given point in time. Notwithstanding the foregoing due to the joint ownership of the Project Know-How, neither Party shall have the right to assign the entire Project Know-How or entire rights to the Project Know-How without the other Party's prior written consent (except in connection with a permitted assignment of this Agreement in accordance with Section 17.5).

The Parties shall protect and maintain the confidentiality of the Project Know-How and shall ensure that any sublicensee pursuant to this Section is bound by confidentiality and non-use obligations consistent with the confidentiality provisions of this Agreement as they apply to the Parties.

10.2.2. If no Option exercise. In case that the Project Term for such Project terminates or expires and (i) neither Party has exercised any of its Options for such Project or (ii) an Option for such Project was exercised but no license agreement was executed as a result (either a License Agreement if a Bayer Lead Series Option was exercised or an agreement on the Recursion Option if the Recursion Option was exercised), or (iii) to the extent Project Results are not exclusively licensed to a Party under the respective license agreement, and further subject to Section 10.2.3, each Party shall, after the expiry of the Project Term for such Project have the right to use, practice, develop and exploit their share in the Project Results of the respective Project solely for internal research and development purposes, including the right to sublicense its interest in the Project Results to

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Affiliates and Third Parties working for, with, or on behalf of the sublicensing Party for such purpose, without the consent of the other Party and without a duty of accounting to the other Party, provided, however, that neither Party may use any Project Know-How or allow its sublicensees to use of any Project Know-How for a Competing Project. Where such consent is required by Applicable Law, it is deemed hereby granted and where a duty of accounting to the other Party exists by Applicable Law, such duty is hereby waived. Where the Applicable Law in any country prevents that such consent or waiver is given in advance the Parties shall be obligated to give their consent or waiver at the given point in time. Notwithstanding the foregoing due to the joint ownership of the Project Results, neither Party shall have the right to assign the entire Project Results or entire rights to the Project Results without the other Party's prior written consent (except in connection with a permitted assignment of this Agreement in accordance with Section 17.5).

The Parties shall protect and maintain the confidentiality of the Project Results and shall ensure that any sublicensee pursuant to this Section is bound by confidentiality and non-use obligations consistent with the confidentiality provisions of this Agreement as they apply to the Parties.

For the avoidance of doubt, with respect to a Party, the limitations on use of Project Know-How as set forth in this Section 10.2.2 shall not apply to such Party to the extent that such Project Know-How is publicly known through no fault or omission of such Party or any of its Affiliate.

10.2.3. Without limiting the restrictions on use of the Project Results set forth in this Section 10.2, in the event that a Party wishes to pursue the clinical development or commercialization of a Project Compound or Derivative thereof, outside of the Option and license structure provided in Article 8, or in the event that a Party wishes to pursue clinical development or commercialization of an Enabled Compound outside of the scope of any such development or commercialization permitted pursuant to a license resulting from Article 8, such Party shall give the other Party written notice thereof, and the Parties shall, prior to any filing of an IND or conducting other clinical development or commercialization activities with respect to such Compound, discuss in good faith the financial and other terms that would be applicable to such development and commercialization, and if agreed, the Parties will enter into a separate agreement with respect to such activities. Restrictions on a Party's activities in this Section 10.2 will apply to activities conducted by such Party itself or with or through any Affiliate of such Party or Third Party.

10.2.4. If Option is exercised. In the event that Bayer exercises an Option and the Parties execute a License Agreement with respect to a Lead Series, Bayer shall have exclusive rights to Recursion's share in the Project Results of the respective Project to the extent set forth in such License Agreement. In the event that Bayer does not exercise its Option with respect to a Lead Series, but the Parties reach an agreement on the Recursion Option with respect thereto, Recursion shall have exclusive or non-exclusive rights to Bayer's share in the Project Results to the extent set forth in the license agreement negotiated between the Parties regarding such Recursion Option. To the extent Project Results are not exclusively licensed to a Party under the respective license agreement, and further subject to Section 10.2.3, with regard to any Project Know-How that has been disclosed to the respective Party, each Party shall have the right to use, practice, develop and exploit their share in such Project Know-How of the respective Project solely for internal research and development purposes, including the right to sublicense its interest in the Project Results to Affiliates and Third Parties working for, with, or on behalf of the sublicensing Party for such purpose, without the consent of the other Party and without a duty of accounting to the other Party, provided, however, that neither Party may use any Project Know-How or allow its sublicensee the use of any Project Know-How for a Competing Project except to the extent expressly permitted in the applicable license agreement between the Parties. Where such consent is required by Applicable Law, it is deemed hereby granted and where a duty of accounting to the other Party exists by Applicable Law, such duty is hereby waived. Where the Applicable Law in any country prevents that such consent or waiver is given in advance the Parties shall be obligated to give their consent or waiver at the given point in time. Notwithstanding the foregoing due to the joint ownership of the Project Know-How, neither Party shall have the right to assign the entire Project Know-How or entire rights to the Project Know-How without the other Party's prior written consent (except in connection with a permitted assignment of this Agreement in accordance with Section 17.5).

The Parties shall protect and maintain the confidentiality of the Project Know-How and shall ensure that any sublicensee pursuant to this Section is bound by confidentiality and non-use obligations consistent with the confidentiality provisions of this Agreement as they apply to the Parties.

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10.3. No other licenses. Nothing in this Agreement shall be construed to confer any license or other rights upon a Party by implication, estoppel, or otherwise as to any Intellectual Property Rights or Know-How of the other Party other than as expressly granted in this Agreement.

10.4. Permitted Use of Know-How. To the extent that any information included in a Party's Know-How ceases to be Confidential Information of such Party because it falls into one of the exclusions in Section 12.3, nothing in this Agreement restricts the other Party from using such information in conducting research, development and/or commercialization of products or services to the same extent that a Third Party who lawfully obtained such information without obligations of confidentiality and non-use to the first Party would be able to do. For purposes of clarity, this Section 10.4 does not override any other license terms or confidentiality provisions between the Parties that would otherwise govern such information.

11. PATENT PROSECUTION

3.1 Patent Prosecution before Option Exercise/Expiry of Option Periods. As to each Project and until expiry of the Project Term for such Project, the Parties agree with respect to the filing of Project Patents for such Project to the following:

Project Patents, where permitted by Applicable Law, shall be filed in Bayer's and Recursion's name and assigned to both Bayer and Recursion jointly.

Bayer shall be responsible for, either itself or through an outside patent counsel of its choice, filing, prosecuting and maintaining any Project Patents and shall **[***]** cover the running costs here for. Bayer or outside counsel shall care of the filing, prosecution and maintenance of the Project Patents in close alignment with Recursion, including discussion of patent scope, subsequent applications and other matters of patent strategy. Bayer, either itself or through their outside patent counsel, will keep Recursion fully informed with respect to the status of the filing, prosecution (EP and US) and maintenance of the Project Patents and will provide material submissions to any patent office related to the filing, prosecution and maintenance of the Project Patents to Recursion for review and comment at least **[***]** days prior to submission thereof. Bayer will consider any comments from Recursion in good faith. Bayer will also notify Recursion in writing about and provide copies to Recursion of, any relevant substantial correspondence including all newly filed patent applications of Project Patents, proposal of countries in which the patent application shall be filed, notifications on allowance, issue or grant and office actions. Bayer shall have the right to apply for a Project Patent in any country or region of the world. Bayer shall not give up substantial scope of the claims (unless a claim is determined to be invalid by the PTAB (Patent Trial and Appeal Board) at the US PTO, by a Board of Appeal at the EPO or by a national court) or abandon any Project Patents without Recursion's prior written consent. For the avoidance of doubt, this means that a determination of invalidity of a claim by either PTAB or Boards of Appeal allows to cancel this claim in any country without Recursion's prior written consent.

If Bayer decides to abandon, surrender, revoke, or invalidate or not to apply for or maintain any Project Patent in any country or abandon any previously restricted or amended claims, Bayer will provide written notice to Recursion, **[***]** days prior to the date an action is due, of Bayer's intent to abandon, surrender, revoke, or invalidate or not respond to any official correspondence that will result in the loss of rights (or with respect to Patents not yet filed, within forty-five (45) days after Recursion's request to apply for such Patent). Recursion may then, at Recursion's sole discretion and sole cost and expense, elect to prosecute and maintain the respective Project Patent. Recursion may accept such offer in writing within **[***]** days after having received the offer. Upon receipt of Recursion's notice of acceptance, Recursion shall forthwith be responsible for the rights and obligations and costs resulting from such Project Patent and such (formerly) Project Patent will cease to be a Project Patent under this Agreement. The Parties shall take all measures necessary for the transfer of Bayer's co-ownership share in such (formerly) Project Patent to Recursion, and for the transfer of patent prosecution responsibility from Bayer to Recursion; transfer costs imposed by respective patent attorneys and registration costs imposed by the respective public registers shall be borne by Recursion and all rights granted to Bayer under this

Agreement to such Project Patents shall cease. In case Recursion refuses the offer or does not provide its acceptance in writing within the **[***]** days period, Bayer has the right to abandon or to not apply for the offered Project Patent. Bayer shall not be liable to Recursion for ultimate discontinuation of such

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Project Patents, except in the case that Bayer intentionally ignores said Recursion's acceptance notice, provided, however, that Bayer has timely received such acceptance notice and discontinuation of the respective Project Patents is irreversible.

3.6.1. Patent Prosecution if no Option Exercise. Unless Recursion exercises its Option with respect to a Project, after the Project Term expires, Bayer shall remain responsible for, either itself or through an outside patent counsel of its choice, for filing, prosecuting and maintaining any Project Patent as described in Section 11.1. The costs here for will be carried by Bayer. Unless stated otherwise in this Section 11.1.1, the provisions in Section 11.1 shall apply. If Recursion is interested in taking over the responsibility for the respective Project Patent, the Parties will discuss a transfer of the responsibility which Bayer shall not unreasonably withhold, provided that such Project Patents do not cover subject matter of other then-ongoing Projects.

3.6.2. Patent Enforcement before Option Exercise/Expiry of Option Periods or if No Option Exercise.

3.9.3.1. Notice. During the Project Term and thereafter if no Option was exercised during the Project Term, if any Project Patent for such Project is infringed or might be infringed by a Third Party (each an "Infringement"), the Party first having knowledge thereof shall promptly notify the other Parties in writing. Such notice shall set forth the facts of the Infringement in reasonable detail, if known.

3.9.3.2. Enforcement.

(a) Bayer shall have the first right (but not the obligation), by counsel of its own choice and at its sole expense, to institute, prosecute and control the enforcement or defense of any Project Patents to abate any Infringement thereof. Prior to undertaking any action to enforce such Project Patents, Bayer shall notify Recursion in writing. To the extent possible Recursion shall be given reasonable time to provide its comments to Bayer. Recursion shall further have the right, at its own expense, to be represented in any action by counsel of its own choice. However, should Recursion partake in any such action Bayer shall retain control of the proceeding and shall have final say on all decisions related thereto.

(b) Tax Withholding. If In the Option is event that Bayer fails to institute an action or proceeding or otherwise take appropriate action to abate such Infringement within a Nonstatutory Stock Option, then when the Option is exercised, Participant generally will recognize immediate U.S. taxable income if Participant is a U.S. taxpayer. If Participant is a non-U.S. taxpayer, Participant may be subject to applicable taxes in his or her jurisdiction. Pursuant to such procedures as the Administrator may specify from time to time, the Company and/or Service Recipient shall withhold the amount required to be withheld for the payment period of Tax Obligations. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit or require Participant to satisfy, and Participant authorizes the Administrator to satisfy, such Tax Obligations, in whole or in part (without limitation), if permissible by applicable local law, by (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (iii) withholding the amount sixty (60) days after taking notice of such Tax Obligations from Participant's wages or other cash compensation paid to Participant by the Company and/or the Service Recipient, (iv) delivering to the Company already vested and owned Shares having a fair market value equal to such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (v) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), or (vi) such other means as the Administrator deems appropriate. To the extent determined appropriate by the Administrator in its discretion, the Administrator will Infringement, Recursion shall have the right (but not the obligation) to satisfy request permission to institute and/or prosecute and control such an action or proceeding in its name with respect to such Infringement at its sole expense and by counsel of its choice (such permission not to be unreasonably withheld or delayed), and Bayer shall have the right to be represented in any Tax Obligations such action by reducing counsel of its own choice and at its own expense. However, should Bayer partake in any such action, Recursion shall retain control of the number of Shares otherwise deliverable to Participant. Further, if Participant is subject to tax in more than one jurisdiction between the Date of Grant proceeding and a date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges and agrees that the Company and/or the Service Recipient (and/or former employer, as applicable) may be required to withhold or account for tax in more than one jurisdiction. shall have final say on all decisions related thereto.

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(c) Company's Obligation to Deliver Shares. For clarification purposes, The Parties shall reasonably cooperate with each other in no event will the Company issue Participant any Shares unless planning and until arrangements satisfactory to the Administrator have been made for the payment of Participant's Tax Obligations. If Participant fails to make satisfactory arrangements for the payment execution of any required Tax Obligations hereunder at such action to enforce the time of respective Project Patents (including the Option exercise, Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to issue or deliver the Shares.

(d) Notice of Disqualifying Disposition of ISO Shares. If the Option granted to Participant herein is an ISO, and if Participant sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Date of Grant, or (ii) the date one (1) year after the date of exercise, Participant will immediately notify the Company in writing of such disposition. Participant agrees that Participant may be subject to income tax withholding by the Company on the compensation income recognized by Participant.

(e) Code Section 409A. For U.S. taxpayers, under Code Section 409A, a stock right (such as the Option) that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with a per share exercise price that is determined by the Internal Revenue Service (the "IRS") obligation to be less than the fair market value of an underlying share on the date of grant (a "discount option") may be considered "deferred compensation." A stock right that is named or joined as a "discount option" may result party in (i) income recognition by the recipient of the stock right prior to the exercise of the stock right, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest a lawsuit, as

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charges. The "discount option" may also result in additional state income, penalty and interest tax applicable). Each Party initiating an action or proceeding agrees to provide reasonable information to the recipient other Party, at this Party's request, about such action or proceeding.

(d) All monies recovered upon the final judgment or settlement of any such suit or action to enforce the respective Project Patents in the Territory shall be applied in the following order of priority: (i) first, to reimburse the costs and Losses of the stock right. Participant acknowledges Party bringing suit, then to the costs and Losses, if any, of the other Party; (ii) any amounts remaining shall be allocated **[***]** Party.

(e) The Party that controls the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the fair market value prosecution of a Share on given suit or action shall also have the date right to control settlement of grant such suit or action. If one Party controls and intend to settle the prosecution of a given suit or action, it shall provide the other Party reasonably in a later examination. Participant agrees that advance written information about such intention and about the terms pertaining to the settlement. Only if the IRS determines settlement would materially and adversely impact the interest of the other Party, the Party in control of the suit or action shall obtain the other Party's consent prior to entering into the settlement. Any amounts received in settlement of any action shall be apportioned between the Parties in the same manner as set forth in Section 11.1.2.2(d) above.

3.6.3. Patent Prosecution and Enforcement after Option Exercise. In the event that the Option was granted with a per Share exercise price that was less than the fair market value of a Share on the date of grant, Participant shall be solely responsible for Participant's costs related to such a determination.

7. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company is exercised with respect to voting a Project, the License Agreement for such Shares Project shall control as to the preparation, filing, prosecution, and receipt maintenance and enforcement of dividends the Project Patents for such Project and distributions on any other rights granted under such Shares. agreement.

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8. 3.2 No Guarantee of Continued Service General Cooperation Duties. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW IS AT THE WILL OF THE COMPANY (OR THE SERVICE RECIPIENT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS OPTION AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SERVICE RECIPIENT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE. Bayer and Recursion agree to cooperate in all matters relating to the filing, prosecution, maintenance and enforcement of Project Patents.

3.6.1. Such cooperation shall in particular comprise the following assistance:

3.9.3.1. Execute all necessary documents respectively provide the necessary declarations to enable the other Party to file for patent protection (including SPC protection) in accordance with this Agreement;

3.9.3.2. Timely provide any Complete Invention Disclosures;

3.9.3.3. Provide copies of any Project Patents filed;

3.9.3.4. Promptly inform the other Party of any significant matter coming to such Party's attention that may significantly affect the preparation, filing, prosecution or maintenance of any Project Patents, including patent office actions raising significant patentability objections, in particular office actions of the patent offices of the following countries: USA, Europe, China, Japan;

3.9.3.5. Provide any and all information which is reasonably required to support the drafting, the prosecution and/or the defense of Project Patents;

3.9.3.6. Cooperate on the obtaining of patent term extensions in all possible territories; and

3.9.3.7. Promptly inform the other Party of any Third Party rights which may affect the use of the subject-matter claimed in the Project Patents.

9. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant. 28

Chapter F – General Provisions

10. 12. Nature of Grant CONFIDENTIALITY

3.1 Confidential Information. In accepting Each Party ("Disclosing Party") may disclose to the other Party ("Receiving Party"), and Receiving Party may acquire during the course and conduct of activities under the Agreement Confidential Information of Disclosing Party in connection with this Agreement. The term "Confidential Information" means all confidential information or material in tangible and non-tangible form disclosed hereunder; including all technical and non-technical information conveyed from one Party to the other in any form, electronic data, proprietary information, samples, Compounds, methods, formulas, processes, protocols, technologies and equipment employed, information relating to quality assurance, procedures for and record keeping, techniques, inventions, know-how, apparatus, and formulae.

3.2 Allocation of Confidential Information. The terms and conditions of this Agreement, the Project Plan and the Project Results shall be considered to be Confidential Information of Recursion and Bayer and be treated confidential by both Parties, and each Party shall be deemed the Disclosing Party with respect thereto, provided, however, that any Project Results that have been exclusively licensed to either Party shall be considered to be Confidential Information of this Party.

3.3 Exceptions. Notwithstanding any other provisions herein, Confidential Information does not include information which:

3.6.1. is available to the public at the time of receipt by the Receiving Party or any of its Affiliates from the Disclosing Party, or

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3.6.2. was known to Receiving Party or any of its Affiliates prior to the time of disclosure;

3.6.3. is at the time of disclosure hereunder or later becomes public knowledge through no fault or omission of Receiving Party or any of its Affiliates; provided, however, that disclosures by Receiving Party permitted under Section 12.5 shall not be considered a wrongful disclosure hereunder;

3.6.4. is obtained by Receiving Party or any of its Affiliates from a Third Party under no obligation of confidentiality to Disclosing Party;

3.6.5. has been independently developed by employees, subcontractors, consultants or agents of Receiving Party or any of its Affiliates without the aid, application or use of Disclosing Party's Confidential Information;

3.4 Use of Confidential Information. During the Collaboration Term and for **[***]** years thereafter, Receiving Party shall take reasonable steps to keep all Disclosing Party's Confidential Information in confidence, subject to the limitations on use and disclosure set forth in this Article 12. Receiving Party shall not use Disclosing Party's Confidential Information except for in connection with the performance of its obligations and exercise of its rights under this Agreement. Receiving Party has the right to disclose Disclosing Party's Confidential Information without Disclosing Party's prior written consent to its Affiliates and to its own and its Affiliates' employees, subcontractors, consultants, permitted licensees or agents who are bound by an equivalentobligation of confidentiality and who have a need to know such Confidential Information in order for the Receiving Party to perform its obligations and exercise its rights under this Agreement. Receiving Party shall (and shall ensure that any Party to which it discloses the Confidential Information) only use the Confidential Information for the purposes of performing its obligations and exercising its rights under this Agreement. To the extent the foregoing obligations conflict with any Party's right to use Project Results pursuant to a license agreement executed by the Parties after exercise of an Option, Participant acknowledges, understands and agrees that such license agreement shall control.

(a) 3.5 Permitted Disclosures. Receiving Party may disclose Disclosing Party's Confidential Information in the Plan is established voluntarily following instances:

3.6.1. in order to comply with Applicable Law (including any securities law or regulation or the rules of a securities exchange) or with a binding order within a legal or administrative proceeding, provided that, where reasonably possible, Receiving Party shall notify Disclosing Party of Receiving Party's intent to make any such disclosure sufficiently prior to making such disclosure so as to allow Disclosing Party adequate time to take whatever action it may deem appropriate to protect the confidentiality of the information to be disclosed; or

3.6.2. in connection with prosecuting or defending litigation, obtaining regulatory approval and making other regulatory filings and communications, and filing, prosecuting and enforcing IP Rights in connection with Receiving Party's rights and obligations pursuant to this Agreement; or

3.6.3. with respect to this Agreement and the Project Results only, to such Party's or its Affiliate's attorneys, independent accountants or financial advisors for the sole purpose of enabling such advisors to provide advice to the Receiving Party or such Affiliates, or to potential or actual investors or potential or actual acquirers or potential or actual sublicensees in connection with due diligence or similar investigations by such Third Parties on the condition that such advisors or potential or actual investors or potential or actual acquirers or potential or actual sublicensees are bound by confidentiality and non-use obligations consistent with the confidentiality provisions of this Agreement as they apply to the Receiving Party.

13. PUBLICATIONS; FILINGS

13.1. Scientific Publications. The Parties acknowledge that scientific publications must be strictly monitored to prevent any adverse effect from premature publication of the Project Results. Except as otherwise set forth in any license agreement executed following exercise of an Option, neither Party shall publish, publicly present or otherwise publicly disclose any data, material, results or other information generated under the Collaboration, except in accordance with this Section 13.1, without the prior written consent of the other Party, not to be unreasonably withheld, delayed, or conditioned. Each Party shall have the right to review any paper proposed for publication by the Company, it other Party, including any oral presentation, abstract, poster, manuscript, or other presentation, that contains any data, material, results or other information generated under the Collaboration or that includes Confidential Information of the other Party. Before any such paper is discretionary in nature and it may be modified, amended, suspended submitted for publication or terminated an oral presentation is made, the publishing or presenting Party (the "Publishing Party") shall deliver to the other Party (the "Reviewing Party") a copy of any such proposed written publication or an outline of an oral disclosure at least **[***]** days prior to submission for publication or presentation for review. The Reviewing Party shall have the right (a) to require the removal of its Confidential Information or any Project Results from any such publication or presentation by the Company at any time, Publishing Party, or (b) to request a reasonable delay in publication or presentation in order to protect patentable

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information. If the Reviewing Party requests such a delay, the Publishing Party shall delay submission or presentation for a period of **[***]** days after its provision of the copy of the proposed publication or disclosure, pursuant to this Section 13.1 to enable patent applications protecting the Reviewing Party's rights.

13.2. Filings. A Party may disclose this Agreement and its terms, in securities filings with the US Securities Exchange Commission (the "SEC") or equivalent foreign agency to the extent required by Applicable Laws after complying, to the extent permitted by Applicable Law, with the Plan;

(b) procedure set forth in this Section 13.2. In such event, the grant Party seeking such disclosure shall prepare a draft confidential treatment request and proposed redacted version of this Agreement to request confidential treatment for the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants redacted portions of options, or benefits in lieu of options, even if options have been granted in the past;

(c) all decisions with respect to future option or other grants, if any, will be at the sole discretion of the Company;

(d) Participant is voluntarily participating in the Plan;

(e) the Option and any Shares acquired under the Plan, this Agreement, and the income from other Party agrees to promptly (and in any event, within **[***]** Business Days after receipt of such confidential treatment request and value of same, are not intended proposed redactions) give its input in a reasonable manner in order to replace any pension rights or compensation; allow the Party seeking disclosure to file its request within the time lines proscribed by Applicable

(f) Laws. The Party seeking such disclosure shall reasonably consider any comments thereto provided by the other Party within such **unless otherwise agreed** **[***]**-Business Day period, and shall use reasonable efforts to obtain confidential treatment of this Agreement from the SEC (or equivalent foreign agency) as represented by the redacted version revised by the other Party.

13.3. Press Releases. Upon execution of this Agreement the Parties will jointly issue a press release announcing the existence of this Collaboration. The Parties will share such press release with each other at least **[***]** Business Days before its intended publication and only publish it after receiving the written approval of the other Party. The Parties may issue further press releases without the consent of the other Party as long such press releases only repeat the same information as contained in the initial press release. The Parties will however inform each other prior to publication of such further press releases. Except as required by Applicable Law any other press release or public statement relating to this Agreement or the Projects not only repeating the information comprised by the initial press release shall require prior consultation and the express written consent of the other Party.

14. REPRESENTATIONS, WARRANTIES AND COVENANTS; LIMITATION OF LIABILITY; INDEMNITY

3.1 Mutual Representations and Warranties. Each Party represents and warrants to the other Party as of the Restatement Effective Date that:

3.6.1. such Party is duly organized, validly existing and in good standing under the law of the jurisdiction of its incorporation and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof;

3.6.2. this Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid, binding obligation, enforceable against it in accordance with the Company terms hereof;

3.6.3. the performance of this Agreement by it does not create a breach or default under any other agreement to which it is a party;

3.6.4. the execution, delivery and performance of this Agreement by such Party does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it is bound, nor violate any Applicable Law or regulation of any court, governmental body or administrative or

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other agency having jurisdiction over such Party;

3.6.5. such Party is authorized to grant the rights and licenses contemplated under this Agreement; and

3.6.6. no government authorization, consent, approval, license, exemption of or filing or registration with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, under any Applicable Law currently in writing, the Option and the Shares acquired under the Plan, and the income from and value of same, are not granted as consideration effect, is or will be necessary for, or in connection with, the service Participant transaction contemplated by this Agreement or any other agreement or instrument executed in connection herewith, or for the performance by it of its obligations under this Agreement and such other agreements except as may provide be required to obtain Hart-Scott-Rodino clearance or other clearances as required by other government authorities.

3.2 Mutual Covenants. Each Party hereby covenants to the other Party that:

3.6.1. all employees, of such Party providing services in connection with this Agreement and/or the Projects have in the course of their employment or shall execute agreements requiring assignment to such Party or its designee of all right, title and interest in and to their inventions and discoveries invented or otherwise discovered or generated during the

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course of and as a director result of their association with such Party, whether or not patentable, if any, to such Party as the sole owner thereof,

3.6.2. all of its employees, of such Party providing services in connection with this Agreement and/or the Projects have in the course of their employment or shall execute agreements obligating each such employee to maintain as confidential the Confidential Information of such Party,

3.6.3. such Party shall perform its activities pursuant to this Agreement in compliance with the Applicable Law and institutional policy;

3.6.4. such Party shall not **[***]** infringe the intellectual property rights of any Third Party in connection with its activities pursuant to this Agreement; and such Party shall not grant any rights to a Parent Third Party which would conflict with its obligations under this Agreement, such as conflict with the rights granted to the other Party hereunder.

3.3 Recursion Representations and Warranties. Recursion hereby represents and warrants to Bayer that as of the Restatement Effective Date:

1.3.1. It has right, title and interest to the Recursion Technology, or Subsidiary; otherwise has the right to use the Recursion Technology for purposes of the Collaboration, and these rights are not subject to any encumbrance, lien, restriction or claim of any ownership by another party that would conflict with the rights granted to Bayer hereunder, which have not been waived (or will not have been waived) as of the Restatement Effective Date or the effective date of the applicable License Agreement, as applicable based on which agreement would conflict with such encumbrance, lien, restriction or claim (such waiver to be evidenced by Recursion by providing respective documentation to Bayer); and

3.6.5. It has investigated its freedom to operate with regard to the Recursion Technology **[***]**, the use of the Recursion Technology within the Collaboration does not infringe any Third Party intellectual property rights.

3.4 DISCLAIMERS. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND CONCERNING ITS ACTIVITIES UNDER OR RESULTS OF THE PROJECT PLAN AND THE PARTIES HEREBY DISCLAIM ALL FURTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF ITSELF OR THIRD PARTIES, VALIDITY, ENFORCEABILITY AND SCOPE OF PATENT RIGHTS, VALIDITY OF PATENT RIGHTS CLAIMS, WHETHER ISSUED OR PENDING, AND THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE.

3.5 LIMITATION OF LIABILITY. EXCEPT FOR THE INDEMNIFICATION OBLIGATION HEREUNDER AND WITH RESPECT TO ANY BREACH OF ARTICLE 12, NEITHER PARTY, THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND AFFILIATED INVESTIGATORS SHALL BE LIABLE TO THE OTHER WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT FOR ANY INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING INCIDENTAL, ECONOMIC DAMAGES OR INJURY TO PROPERTY AND LOST PROFITS, EVEN IF SUCH PARTY HAS BEEN

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INFORMED, SHOULD HAVE KNOWN OR IN FACT KNEW OF THE POSSIBILITY OF SUCH DAMAGES; PROVIDED THAT THIS SECTION 14.5 SHALL NOT APPLY TO THE PARTIES' INDEMNIFICATION RIGHTS AND OBLIGATIONS UNDER SECTION 14.6 AND 14.7.

3.6 Bayer Indemnity. Bayer shall indemnify, defend, and hold harmless Recursion and its Affiliates, and their respective directors, officers, employees, trustees, and their respective successors, heirs and assigns (the "Recursion Indemnitees"), against any Losses incurred by or imposed upon any

(g)

of the Option and Shares acquired Recursion Indemnitees in connection with any claims, suits, investigations, actions, demands from or by a Third Party or respective judgments to the extent arising out of or related to (i) Bayer's use of Project Results, or the negligent exercise of any rights under the Plan, and the income from and value this Agreement, (ii) any breach of same, are not part of normal or expected compensation for any purpose, this Agreement, including but not limited to any representation, warranty or covenant set forth herein, by Bayer or (iii) Bayer's negligence or willful misconduct under this Agreement, except, in each case, to the calculation extent that the respective Losses are caused by the negligence or willful misconduct of Recursion or any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, pension or retirement or welfare benefits or similar mandatory payments;

Recursion Indemnitees.

(h) 3.7 the future value Recursion Indemnity. Recursion shall indemnify, defend, and hold harmless Bayer and its Affiliates, and their respective directors, officers, employees, (the "Bayer Indemnitees"), against any Losses incurred by or imposed upon any of the Shares underlying the Option is unknown, indeterminable and cannot be predicted with certainty;

(i) if the underlying Shares do not increase in value, the Option will have no value;

(j) if Participant exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the Exercise Price;

(k) for purposes of the Option, Participant's engagement as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Option Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, (i) Participant's right to vest in the Option under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); and (ii) the period (if any) during which Participant may exercise the Option after such termination of Participant's engagement as a Service Provider will commence on the date Participant ceases to actively provide services and will not be extended by any notice period mandated under employment laws in the jurisdiction where Participant is employed or terms of Participant's engagement agreement, if any; the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of his or her Option grant (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(l) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option, resulting from termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's service agreement, if any);

(m) unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Option Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, Bayer Indemnitees in connection with any corporate transaction affecting claims, suits, investigations, actions, demands from or by a Third Party or respective judgments to the Shares; and

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(n) Participant understands and agrees that neither the offer to participate in the Plan, nor his extent arising out of or her participation in the Plan, will be interpreted to form an employment

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contract or relationship with the Company, any Subsidiary, or Service Recipient, as applicable, and furthermore, nothing in the Plan, this Option Agreement nor Participant's participation in the Plan will be interpreted to form an employment contract with the Company, any Subsidiary, or Service Recipient, as applicable.

11. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to (i) Recursion's use of Project Results, or the Plan.

12. **Data Privacy.**

(a) **Data Collection and Usage.** ***The Company and the Service Recipient may collect, process and use certain personal information about Participant, negligent exercise of any rights under this Agreement, (ii) any breach of this Agreement, including but not limited to Participant's name, home address, telephone number, email address, date any representation, warranty or covenant set forth herein, by Recursion or (iii) Recursion's negligence or willful misconduct under this Agreement, except, in each case, to the extent that the respective Losses are caused by the negligence or willful misconduct of birth, social insurance number, passport any Bayer Indemnitees.***

3.8 Procedures. The Indemnitee agrees to provide the Indemnifying Party with prompt written notice of any claim, suit, action, demand, or other identification number, salary, nationality, job title, judgment for which indemnification is sought under this Agreement; provided that, an Indemnitee's failure to do so shall not affect the rights of such Indemnitee unless, and then only to the extent that, such delay or failure is prejudicial to or otherwise adversely affects the Indemnifying Party. The Indemnifying Party agrees, at its own expense, to provide attorneys reasonably acceptable to the Indemnitee to defend against any shares of stock or directorships held in the Company, details of all Options granted under the Plan or any other entitlement to stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for purposes of implementing, administering and managing Participant's participation in the Plan. such claim. The legal basis, where required, for the processing of Data is Participant's consent.

(b) **Stock Plan Administration Service Providers.** ***The Company will transfer Data to Fidelity Stock Plan Services, LLC and certain of its affiliated entities (the "Broker"), an independent service provider based in the United Stated which assists the Company Indemnitee shall cooperate with the implementation, administration Indemnifying Party in such defense and management shall permit the Indemnifying Party to conduct and control such defense and the disposition of the Plan. such claim, suit, or action (including all decisions relative to litigation, appeal, and settlement). The Company may select a different service provider or additional service providers and share Data with such other provider serving in a similar manner. Participant may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.***

(c) **International Data Transfer.** ***The Company and Broker are based in the U.S. Participant's country or jurisdiction may Indemnitee shall have different data privacy laws and protections than the U.S. The Company's legal basis for the transfer of Data, where required, is Participant's consent.***

(d) **Data Retention.** ***The Company will hold and use Data only as long as is necessary to implement, administer and manage Participant's participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax and securities laws. This period may extend beyond Participant's service relationship to the Company, any Subsidiary or Service Recipient.***

(e) **Voluntariness and Consequences of Consent Denial or Withdrawal.** ***Participation in the Plan is voluntary and Participant is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke the***

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consent, Participant's salary/compensation from or service relationship will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant the Options or other awards or administer or maintain such awards.

(f) **Data Subject Rights.** ***Participant may have a number of rights under data privacy laws depending on his or her jurisdiction, including the right to (i) request access retain its own counsel, at its own expense. The Indemnifying Party agrees to or copies keep the Indemnitee informed of Data the Company processes, (ii) rectify incorrect Data, (iii) delete Data, (iv) restrict progress in the processing defense and disposition of Data, (v) restrict the portability of Data, (vi) lodge complaints with competent***

Exhibit 10.3

authorities in Participant's jurisdiction, and/or (vii) receive a list such claim and to consult with the names and addresses Indemnitee with regard to any proposed settlement.

3.9 Settlement. Notwithstanding anything to the contrary in this Agreement, the Indemnifying Party shall not enter into any settlement, consent judgment, or other voluntary final disposition of any potential recipients of Data. To receive clarification regarding these rights or to exercise these rights, Participant can contact his or her local human resources representative.

(g) ***Additional Consents. Upon request of the Company or the Service Recipient, Participant agrees to provide claim that has an executed data privacy consent form to the Company and/or the Service Recipient (or any other agreements or consents that may be required by the Company and/or the Service Recipient) that the Company and/or the Service Recipient may deem necessary to obtain from Participant for the purpose of administering his or her participation in the Plan in compliance with the applicable data privacy laws, either now or in the future. Participant understands and agrees that he or she will not be able to participate in the Plan if Participant fails to provide any such consent or agreement requested by the Company and/or the Service Recipient.***

13. Address for Notices. Any notice to be given to the Company under the terms of this Option Agreement will be addressed to the Company at Recursion Pharmaceuticals, Inc., 41 S Rio Grande Street, Salt Lake City, Utah 84101, U.S.A, or at such other address as the Company may hereafter designate in writing.

14. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Option awarded under the Plan or future options that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

15. Language. Participant acknowledges that Participant is proficient in the English language, or has consulted with an advisor who is proficient in the English language, so as to enable Participant to understand the provisions of this Option Agreement and the Plan. If Participant has received this Option Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

16. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Participant's participation in the Plan, adverse effect on the Option and rights of any Indemnitee(s) hereunder or on the Project IP Rights, or admits any wrongdoing or fault by any Indemnitee(s), or imposes on any Shares acquired under the Plan, to the extent the Company determines it is necessary Indemnitee(s) any payment or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

17. No Waiver. Either party's failure to enforce any provision or provisions of this Option Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Option Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

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18. Successors and Assigns. The Company may assign any of its rights under this Option Agreement to single or multiple assignees, and this Option Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Option Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Option Agreement may only be assigned with liability, without the prior written consent of the Company. Indemnitee, provided however, that such consent shall not be unreasonably withheld.

3.10 Insurance. The Parties hereby agree to maintain a program of insurance and/or self-insurance which is prudent and adequate to address any claim or liability which may arise out of the performance of their obligations pursuant to this Agreement.

15. TERM AND TERMINATION

3.1 Collaboration Term. This Agreement shall commence as of the Restatement Effective Date and, unless sooner terminated in accordance with the terms hereof or by mutual written consent, shall continue until the expiration of all Project Terms ("Collaboration Term").

3.2 Termination by Bayer for Convenience. Bayer may, without cause and for any reason, terminate a Project by providing **[***]** days advance notice. Upon receipt of the termination notice, both Parties shall promptly discuss wind-down activities for the respective Project.

3.3 Termination for Breach. In the event of any material breach by a Party of this Agreement, the other Party shall have the right to terminate the respective Project or, if the material breach is of a general nature that impacts the Collaboration as a whole, to terminate this Agreement upon delivery of a written termination notice to the breaching Party, provided that the terminating Party gave in advance written notice of such breach to the breaching Party specifying the nature of the

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19. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, alleged breach and that the listing, registration, qualification or rule compliance breaching Party did not cure the breach within **[***]** days after its receipt of the Shares upon any securities exchange notice of breach. Notwithstanding the foregoing, the Party receiving a notice of breach pursuant to this Section 15.3 may dispute the existence or under U.S. or non-U.S. federal or state law, tax code and related regulations or under the rulings or regulations materiality of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the purchase by, or issuance of Shares, to Participant (or his or her estate) hereunder, such purchase or issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Where the Company determines that the delivery of any Shares will violate U.S. or non-U.S. federal or state securities laws or other applicable laws, the Company will defer delivery until the earliest date at which the Company reasonably anticipates that the delivery of Shares will no longer cause such violation. The Company will make all reasonable efforts to meet the requirements of any such U.S. and non-U.S. federal or state law or securities exchange and to obtain any such consent or approval of any such governmental authority or securities exchange.

20. Interpretation. The Administrator will have the power to interpret the Plan and this Option Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Shares subject to the Option have vested). All actions taken and all interpretations and determinations made by the Administrator breach in good faith, will in which case the cure period set forth above shall be final and binding upon Participant, tolled pending the Company and all other interested persons. Neither the Administrator nor any person acting on behalf resolution of the Administrator will be personally liable for any action, determination, or interpretation made in good faith with respect such dispute pursuant to the Plan or this Option Agreement. Article 16 below.

21. 3.4 Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction Consequence of Termination of this Option Agreement.

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22. Amendment, Suspension or Termination of the Plan. By accepting this Option, Participant expressly warrants that he or she has received an Option under the Plan, and has received, read, and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

23. Agreement Severable. In the event that this Agreement is terminated,

(i) By Bayer in accordance with Section 15.2, **[***]**.

(ii) By Bayer in accordance with Section 15.3, **[***]**.

(iii) By Recursion in accordance with Section 15.3, **[***]**.

(iv) For clarity, nothing in this Section 15.4 shall grant either Party rights to use the Project Results within the scope of an Option that it declined to exercise prior to such termination, or amend the terms of any License Agreement (or license agreement executed as a result of Recursion's exercise of the Recursion Option) entered into prior to such termination.

3.5 Bankruptcy. Either Party may, but is not required to, terminate this Agreement if, at any time, the other Party shall file in any court or agency pursuant to any statute or regulation of any state, country or jurisdiction, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of that Party or of its assets, or if the other Party proposes a written agreement of composition, or if the other Party shall be served with an involuntary petition against it, filed in any insolvency proceeding, and such petition shall not be dismissed within sixty (60) days after the filing thereof, or if the other Party shall propose or be a party to any dissolution or liquidation of such Party, or if the other Party shall make an assignment of substantially all of its assets for the benefit of its creditors other than in the ordinary course of business. All rights and licenses granted under or pursuant to this Agreement by one Party to the other are, for all purposes of Section 365(n) of Title 11 of the United States Code ("Title 11"), licenses of rights to "intellectual property" as defined in Title 11, and, in the event that a case under Title 11 is commenced by or against either Party, the other Party shall have all of the rights set forth in Section 365(n) of Title 11 to the maximum extent permitted thereby.

3.6 Accrued Rights. Expiration or termination of this Agreement (or any provision hereof) for any reason shall be without prejudice to any right that shall have accrued to the benefit of a Party prior to such expiration or termination, including damages arising from any breach under this Agreement. Expiration or termination of this Agreement shall not relieve a Party from any obligation that is expressly indicated to survive such expiration or termination.

3.7 Survival. The termination or expiration of this Agreement shall not affect any executed License Agreement, license agreement executed in support of a Recursion Option, or the obligations under Sections 1, 3.7, 3.10 (for the period of time set forth therein), 3.11 (for the period of time set forth therein), 7, 9, 10.2-10.4, 12 (for the period of time set forth therein), 14.4-14.10, 15, 16, and 17 of this Agreement and all other obligations under this Agreement, which by their very nature are intended to survive such termination or expiration.

16. DISPUTE RESOLUTION

3.1 Mandatory Procedures. The Parties agree that any dispute arising out of or relating to this Agreement, including its termination, (a "Dispute") shall be resolved solely by means of the procedures set forth in this Option Agreement will be held invalid or unenforceable, Article 16, and that such procedures constitute legally binding obligations that are an essential provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Option Agreement.

24. 3.2 Modifications to the Agreement Preliminary Injunctions. This Option Notwithstanding anything in this Agreement, constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Option Agreement in reliance on any promises, representations or inducements other than those contained herein. Modifications to this Option Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything including Section 16.3, to the contrary, in the Plan a Party may, at any time, seek a temporary restraining order or this Option Agreement, the Company reserves the right to revise this Option Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Code Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A of the Code in connection with the Option.

25. Governing Law and Venue. This Option Agreement will be governed by the laws of Utah, without giving effect to the conflict of law principles thereof. For purposes of litigating any a preliminary

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dispute that arises under this Option injunction from any court of competent jurisdiction in order to prevent immediate and irreparable injury, loss, or this Option Agreement, damage on a provisional basis, pending the parties hereby submit to and consent to the exclusive jurisdiction decision of the State arbitrator(s) or experts on the ultimate merits of Utah, and agree that such litigation will be conducted exclusively in the courts of Salt Lake County, Utah, or the federal courts for the United States for the District of Utah, and no other courts, where this Option is made and/or to be performed.

any dispute.

26. 3.3 Entire Agreement Dispute Resolution Procedure. The Plan is incorporated herein by reference. The Plan and this Option Agreement (including In the appendices and exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means event of a writing signed by Dispute, the Company Parties shall first attempt in good faith to resolve such Dispute as follows: either Party can refer the matter to senior representatives of each Party for resolution. Such individuals shall convene for a meeting (by audio or video conference or in presence) and Participant. shall endeavor in good faith to resolve such matter within thirty (30) Business Days following such referral. If the Dispute remains unresolved after good faith efforts, either Party may initiate proceedings in accordance with the following paragraphs of this Article 16. For clarity, Disputes shall not include matters within the JSC's authority, which shall be resolved in accordance with Sections 4.5 and 4.6.

27. Appendix. Notwithstanding any provisions in this Option Agreement, this Option shall be subject to any additional terms and conditions set forth in the appendix to this Option Agreement for Participant's country (the "Appendix"). Moreover, if Participant relocates to one of the countries included in the Appendix, the additional terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Option Agreement. 35

Certifications of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

28. Insider Trading/Market Abuse Laws. Participant acknowledges that he or she may be subject to insider trading and/or market abuse laws in applicable jurisdictions, including but not limited to the United States and Participant's country, which may affect Participant's ability to acquire or sell Shares acquired under the Plan during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws in applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of order Participant places before possessing inside information. Furthermore, Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Third parties include fellow Service Providers. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Participant is responsible for complying with any applicable restrictions, so Participant should speak to his or her personal legal advisor for further details regarding any applicable insider trading and/or market abuse laws in applicable jurisdictions.

In connection with the Annual Report of Recursion Pharmaceuticals, Inc. (the "Company") on Form 10-K for the period ended December 31, 2022 December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), The undersigned certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher Gibson

Christopher Gibson, Chief Executive Officer (principal executive officer)

29. Foreign Asset/Account Reporting and Exchange Control Requirements. Participant acknowledges that there may be certain foreign asset and/or account reporting and/or exchange control requirements which may affect his or her ability to acquire or hold the Shares acquired under the Plan or cash received from participating in the Plan (including from any dividends paid on the Shares acquired under the Plan) in a brokerage or bank account outside his or her country. Participant may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. Participant may also be required to repatriate sale proceeds or other funds received as a result of participating in the Plan to his or her country through a designated bank or broker within a certain after receipt. Participant acknowledges that it is his or her responsibility to be compliant with such regulations, and Participant should speak to his or her personal advisor on the matter.

/s/ Michael Secora

Michael Secora, Chief Financial Officer (principal financial officer)

Date: February 27, 2023 February 29, 2024

30. Tax Consequences. Participant has reviewed with his or her own tax, legal, and financial advisors the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Option Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company, any Subsidiary of the Company, or Service Recipient or any of their agents, written or

RECURSION PHARMACEUTICALS, INC.

Exhibit 10.3 COMPENSATION RECOVERY POLICY

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3.4 Arbitration. As adopted on October 31, 2023

ora Recursion Pharmaceuticals, Inc. (the "**Company**") is committed to strong corporate governance. As part of this commitment, the Company's Board of Directors (the "**Board**") has adopted this clawback policy called the Compensation Recovery Policy (the "**Policy**"). The Policy is intended to further the Company's pay-for-performance philosophy and to comply with applicable law by providing rules related to the reasonably prompt recovery of certain compensation received by Covered Executives (as defined below) in the event of an Accounting Restatement. The application of the Policy to Covered Executives is not discretionary, except to the limited extent provided below, and applies without regard to whether a Covered Executive was at fault.

3.6 Capitalized terms used in the Policy are defined below, and the definitions have substantive impact on its application so reviewing them carefully is important to your understanding. l testimony, evidence and written documentation) shall be English. The IBA Rules on the Taking of Evidence in International Arbitration shall apply on any evidence to be taken up in the arbitration.

The Policy is intended to comply with, and will be interpreted in a manner consistent with, Section 10D of the Securities Exchange Act of 1934 (the "**Exchange Act**"), with Exchange Act Rule 10D-1 and with the listing standards of the national securities exchange (the "**Exchange**") on which the securities of the Company are listed.

3.5 Patent Disputes. Notwithstanding anything in this Agreement to the contrary, any and all issues regarding the validity and enforceability of any Patent Persons Covered by the Policy: determined in a court or other tribunal, as the case may be, of competent jurisdiction under the applicable patent laws of such country with a result jury trial being however excluded. If such Dispute involves both Patent Matters and other matters, the arbitrators or experts as applicable will The Policy is binding and enforceable against all "**Covered Executives**." A Covered Executive is each individual who is or was ever designated as an "officer" by the Board in accordance with Exchange Act Rule 16a-1(f) (a "**Section 16 Officer**"). The Compensation Committee of the Board (the "**Committee**") may (but is not obligated to) require a Covered Executive to sign and return to the Company an acknowledgement that such Covered Executive will be bound by the terms and comply with the Policy. The Policy is binding on each Covered Executive whether or not the Covered Executive signs and/or returns any acknowledgment. any Dispute which subject matter relates to a scientific or technical assessment or the transactions contemplated determination of the amount of royalty payments or a license fee to administered expert proceedings in accordance with the Rules for the Administration of Expert Proceedings of the Administration of the Policy. of Commerce. The Parties agree that in such case the findings of the expert shall be contractually binding upon them in the absence of manifest error or fraud and that they will agree with the expert on the terms of his appointment.

The Committee has full delegated authority to administer the Policy. The Committee is authorized to interpret and construe the Policy and to make all determinations necessary, appropriate, or advisable for the administration of the Policy. In addition, if determined in the discretion of the Board, the Policy may be administered by the independent members of the Board or another committee of the Board made up of independent members of the Board, in which case all references to the Committee will be deemed to refer to the independent members of the Board or the other Board committee. All determinations of the Committee will be final and binding and will be given the maximum deference permitted by law.

17. Accounting Restatements Requiring Application of the Policy

3.1 Notice. If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (an "**Accounting Restatement**"), then the Committee must determine the Excess Compensation, if any, that must be recovered. The Company's obligation to recover Excess Compensation is not dependent on if or when restated financial statements are filed.

Compensation Covered by the Policy

The Policy applies to certain **Incentive-Based Compensation** (certain terms used in this Section are defined below) that is **Received** on or after October 2, 2023 (the "**Effective Date**"), during the **Covered Period** while the Company has a class of securities listed on a national securities exchange. Incentive-Based Compensation is considered "**Clawback Eligible Incentive-Based Compensation**" if the Incentive-Based Compensation is Received by a person after such person became a Section 16 Officer and the person served as a

Exhibit 10.3

EXHIBIT B

APPENDIX

RECURSION PHARMACEUTICALS, INC.

2021 EQUITY INCENTIVE PLAN

COUNTRY-SPECIFIC

TERMS AND CONDITIONS OF

STOCK OPTION GRANT

Ca Section 16 Officer at any time during the performance period for the Incentive-Based Compensation. "**Excess Compensation**" means the amount of Clawback Eligible Incentive-Based Compensation that exceeds the amount of Clawback Eligible Incentive-Based Compensation that otherwise would have been Received had such Clawback Eligible Incentive-Based Compensation been determined based on the restated amounts. Excess Compensation must be computed without regard to any taxes paid and is referred to in the listings standards as "erroneously awarded incentive-based compensation".

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To determine the amount of Excess Compensation for Incentive-Based Compensation based on stock price or total shareholder return, where it is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received and the Company must maintain documentation of the determination of that reasonable estimate and provide that documentation to the Exchange., determine the extent to which the terms and conditions contained herein will be applicable to Participant.

"**Incentive-Based Compensation**" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. For the avoidance of doubt, no compensation that is potentially subject to recovery under the Policy will be earned until the Company's right to recover under the Policy has lapsed.

Notifications

This Appendix also includes notifications relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the countries listed herein as of June 2021. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the notifications herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be outdated when Participant exercises the Option or sells Shares acquired under the Plan.

"**Financial Reporting Measures**" are measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the Securities and Exchange Commission.

Incentive-Based Compensation is "**Received**" under the Policy in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment, vesting, settlement or grant of the Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, the Policy does not apply to Incentive-Based Compensation for which the Financial Reporting Measure is attained prior to the Effective Date.ion.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working (or is considered as such for local law purposes) or if Participant relocates to another country after the Option is granted, the information contained herein may not be applicable to Participant.

"**Covered Period**" means the three completed fiscal years immediately preceding the Accounting Restatement Determination Date. In addition, Covered Period can include certain transition periods resulting from a change in the Company's fiscal year.

"**Accounting Restatement Determination Date**" means the earliest to occur of: (a) the date the Board, a committee of the Board, or one or more of the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; and (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

Repayment of Excess Compensation

Exhibit 10.3

The Company must recover Excess Compensation reasonably promptly and Covered Executives are required to repay Excess Compensation to the Company. Subject to applicable law, the Company may recover Excess Compensation by requiring the Covered Executive to repay such amount to the Company by direct payment to the Company or such other means or combination of means as the Committee determines to be appropriate (these determinations do not need to be identical as to each Covered Executive). These means include (but are not limited to):

Terms and conditions

(a) requiring reimbursement of cash Incentive-Based Compensation previously paid;

(b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards (including, but not limited to, time-based vesting awards), without regard to whether such awards are Incentive-Based Compensation or vest based on the achievement of performance goals;

Form of Payment. Notwithstanding Section 5(d) of the Terms and Conditions or anything in the Plan to the contrary, Participant is prohibited from surrendering Shares Participant already owns or attesting to the ownership of Shares to pay the Exercise Price or any Tax Obligations in connection with the Option.

Termination as a Service Provider. The following paragraphs replace in their entirety Section 10(k) of the Terms and Conditions:

For purposes of the Option, Participant's status as a Service Provider will be considered terminated (regardless of the reason for such termination and whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any) as of the date that is the earlier of (i) the date Participant's employment or service relationship terminates, and (ii) the date Participant receives notice of termination of employment or other service relationship. In either case, the date shall exclude any period during which notice, pay in lieu of notice or related payments or damages are provided or required to be provided under local law. For greater certainty, Participant will not earn or be entitled to any pro-rated vesting for that portion of time before the date on which Participant's right to vest terminates, nor will Participant be entitled to any compensation for lost vesting.

(c) offsetting the amount to be recovered from any unpaid or future compensation to be paid by the Company or any affiliate of the Company to the Covered Executive, including (but not limited to) payments of severance that might otherwise be due in connection with an Executive Officer's termination of employment and without regard to whether such amounts are Incentive-Based Compensation;

Notwithstanding [illegible] cipant acknowledges that his or her right to vest in the Option, if any, will terminate effective as of the last day of Participant's minimum statutory notice period, but Participant will not earn or be entitled to pro-rata vesting if the vesting date falls after the end of Participant's statutory notice period, nor will Participant be entitled to any compensation for lost vesting.

(d) cancelling outstanding vested or unvested equity awards (including, but not limited to, time-based vesting awards), without regard to whether such awards are Incentive-Based Compensation; and/or

(e) taking any other remedial and recovery action permitted by law, as determined by the Committee.

The following provisions apply if Participant resides in Quebec:

The repayment of Excess Compensation must be made by a Covered Executive notwithstanding any Covered Executive's belief (whether or not legitimate) that the Excess Compensation had been previously earned under applicable law and therefore is not subject to clawback.

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Languag In addition to its rights to recovery under the Policy, the Company or any affiliate of the Company may take any legal actions it determines appropriate to enforce a Covered Executive's obligations to the Company or to discipline a Covered Executive. Failure of a Covered Executive to comply with their obligations under the Policy may result in (without limitation) termination of that Covered Executive's employment for cause, institution of civil proceedings, reporting of misconduct to appropriate governmental authorities, reduction of future compensation opportunities or change in role. The decision to take any actions described in the preceding sentence will not be subject to the approval of the Committee and can be made by the Board, any committee of the Board, or any duly authorized officer of the Company or of any applicable affiliate of the Company. For avoidance of doubt, any decisions of the Company or the Covered Executive's employer to discipline a Covered Executive or terminate the employment of a Covered Executive are independent of determinations under this Policy. For example, if an Covered Executive was involved in activities that led to an Accounting Restatement, the Company's decision as to whether to not to terminate such Covered Executive's employment would be made under its employment arrangements with such Covered Executive and the requirement to apply this no-fault and non-discretionary clawback policy will not determine whether any such termination was for cause (other than in a circumstance where the termination of employment was due to the Covered Executive's failure to comply with the Policy).

Limited Exceptions to the Policy

The Company must recover the Excess Compensation in accordance with the Policy except to the limited extent that any of the conditions set forth below is met, and the Committee determines that recovery of the Excess Compensation would be impracticable:

(a) The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before reaching this conclusion, the Company must make a reasonable attempt to recover such Excess Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange; or

(b) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the legal requirements as such.

Other Important Information in the Policy

The Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 that are applicable to the Company's Chief Executive Officer and Chief Financial Officer, as well as any other applicable laws, regulatory requirements, rules, or pursuant to the terms of any existing Company policy or agreement providing for the recovery of compensation.

Notwithstanding the terms of any of the Company's organizational documents (including, but not limited to, the Company's bylaws), any corporate policy or any contract (including, but not limited to, any indemnification agreement), neither the Company nor any affiliate of the Company will indemnify or provide advancement for any Covered Executive against any loss of Excess Compensation. Neither the Company nor any affiliate of the Company will pay for or reimburse insurance premiums for an insurance policy that covers potential recovery obligations. In the event that the Company is required to recover Excess Compensation pursuant to the Policy from a Covered Executive who is no longer an employee pursuant to the Policy, the Company will be entitled to seek recovery in order to comply with applicable law, regardless of the terms of any release of claims or separation agreement that individual may have signed.

The Committee or Board may review and modify the Policy from time to time.

If any provision of the Policy or the application of any such provision to any Covered Executive is adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provisions of the Policy or the application of such provision to another Covered Executive, and the invalid, illegal or unenforceable provisions will be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

The Policy will terminate and no longer be enforceable when the Company ceases to be listed issuer within the meaning of Section 10D of the Exchange Act.

Exhibit 10.3
Participant hereby authorizes the Company (including any Parent or Subsidiary) and the Company's representatives, including the broker(s) designated by the Company, to discuss with and obtain all relevant information from all personnel, professional or not, involved with the administration and operation of the Plan. Participant further authorizes the Company, the Service Recipient (or any Parent or Subsidiary) and the Administrator, or such other broker(s) as designated by the Company, to record such Participant's employee file.
Notifications
Securities Law Information. Participant is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the sale of the Shares takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed (*i.e.*, the Nasdaq Global Select Market).
-3-
EXHIBIT C
2022 EQUITY INCENTIVE PLAN EXERCISE NOTICE
Recursion Pharmaceuticals, Inc. 41 S Rio Grande Street
Salt Lake City, UT 84101, U.S.A.
Attention: Stock Administration
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1. Exercise of Option. Effective as of today,,, the undersigned (“Purchaser”) hereby elects to purchaseshares (the “Shares”) of the Common Stock of Recursion Pharmaceuticals, Inc. (the “Company”) under and pursuant to the 2021 Equity Incentive Plan (the “Plan”) and the Global Stock Option Agreement, dated and including the Global Notice of Grant, the Global Terms and Conditions of Stock Option Grant, and exhibits attached thereto (the “Option Agreement”). The purchase price for the Shares will be $, as required by the Option Agreement.

2. Delivery of Payment. Purchaser herewith delivers to the Company the full purchase price of the Shares and any Tax Obligations (as defined in Section 6(a) of the Option Agreement) to be paid in corACKNOWLEDGEMENTise of the Option.

• 3. I acknowledge that I have received and read the Compensation Recovery Policy (the “**Policy**”) of Recursion Pharmaceuticals, Inc. (the “**Company**”). Representations of Purchaser. Purchaser acknowledges that Purchaser has received, read and understood the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

• I understand and acknowledge that the Policy applies to me, and all of my beneficiaries, heirs, executors, administrators or other legal representatives and that the Company’s right to recovery in order to comply with applicable law will apply, regardless of the terms of any release of claims or separation agreement I have signed or will sign in the future.

4. Rights as Stockholder. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the Shares, no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares s

• I agree to be bound by and to comply with the Policy and understand that determinations of the Committee (as such term is used in the Policy) will be final after e and binding and will be given the maximum deference permitted by law.or other right for which the record date is prior to the date of issuance, except as provided in Section 13 of the Plan.

• I understand and agree that my current indemnification rights, whether in an individual agreement or the Company’s organizational documents, exclude the right to be indemnified for amounts required to be recovered under the Policy.

5. Tax Consultation. Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser’s purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted with any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

• I understand that my failure to comply in all respects with the Policy is a basis for termination of my employment with the Company and any affiliate of the Company, as well as any other appropriate discipline.

6. Entire Agreement; Governing Law. The Plan and Option Agreement are incorporated herein by reference. This Exercise Notice, the Plan and the Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Purchaser with respect to the subject matter hereof, and may not be modified adversely to the Purch

• I understand that neither the Policy, nor the application of the Policy to me, gives rise to a resignation for good reason (or similar concept) by me under any applicable employment agreement or arrangement.

• I acknowledge that if I have questions concerning the meaning or application of the Policy, it is my responsibility to seek guidance from the Legal Department or my own personal advisers.

substa les, of Utah.

• I acknowledge that neither this Acknowledgement nor the Policy is meant to constitute an employment contract.

Please review, sign, and return this form to People Operations.

Covered Executive

(*print name*)

Exhibit 10.3

(*signature*)

Submitted by: Accepted by:

(date)

PURCHASER RECURSION PHARMACEUTICALS, INC.

_____ _____ Signature Signature

_____ _____

Print Name Print Name

Address:

_____ _____

Date Received

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Unless otherwise defined herein, the terms defined in the Recursion Pharmaceuticals, Inc. 2021 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Global Restricted Stock Unit Agreement (the "Award Agreement"), which includes the Global Notice of Restricted Stock Unit Grant (the "Notice of Grant"), the Global Terms and Conditions of Restricted Stock Unit Grant attached hereto as Exhibit A, and the Country-Specific Terms and Conditions of Restricted Stock Unit Grant, attached hereto as Exhibit B.

Participant:

The undersigned Participant has been granted the right to receive an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number:

Date of Grant:

Vesting Commencement Date:

Number of Restricted Stock Units:

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan, in the Company's Executive Change In Control and Severance Plan, or set forth below, the Restricted Stock Units will vest in accordance with the following schedule:

[insert vesting schedule]

A "Quarterly Vesting Date" is the first trading day on or after each of February 15, May 15, August 15, and November 15.

In the event Participant ceases to be a Service Provider for any or no reason before Participant vests in the Restricted Stock Units, the Restricted Stock Units and Participant's right to acquire any Shares hereunder will immediately terminate.

By Participant's signature and the signature of the representative of Recursion Pharmaceuticals, Inc. (the "Company") below, Participant and the Company agree that this Award of Restricted Stock Units is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as Exhibit A, and the Country-Specific Terms and Conditions of Restricted Stock Unit Grant attached hereto as Exhibit B, all of which are made a part of this document. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to

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obtain the advice of counsel prior to executing this Award Agreement, and fully understands all provisions of the Plan and this Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated above.

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PARTICIPANT: RECURSION PHARMACEUTICALS, INC.

SignatureSignature

Print NamePrint Name

_____

Title

If to Recursion:

If to Bayer AG:

Recursion Pharmaceuticals, Inc.
41 S Rio Grande Street
Salt Lake City, UT 84101
Attention: **[***]**
E-mail: **[***]**@recursionpharma.com
Tel: **[***]**
With a copy to:
Wilson Sonsini Goodrich & Rosati
201 Washington Street, Suite 2000
Boston, MA 02108
Attention: **[***]**
E-mail: **[***]**@wsgr.com
Fax: **[***]**
Tel: **[***]**

Bayer AG

Attention: **[***]**
Site Head Bayer Research Innovation Center
[***]

And with a copy to
Head of Law BP Pharmaceuticals Research & Development
Attention: **[***]**
[***]
Germany

All notices under this Agreement shall be deemed effective upon receipt. A Party may change its contact information immediately upon written notice to the other Party in the manner provided in this Section.

3.2 Acknowledgment; Release of Claims. The Parties acknowledge and agree that each Party has satisfactorily performed its obligations with respect to the Collaboration (as defined in the Original Agreement) under the Original Agreement. Each Party, on behalf of itself, its Affiliates and its and their respective executors, officers, employees, investors, administrators, agents, representatives, successors, hereby release the other Party, its Affiliates and their respective executors, officers, employees, investors, administrators, agents, representatives, successors and assigns, from, and agree not to sue concerning, any claim, duty, obligation or cause of action relating to **[***]**, whether presently known or unknown, suspected or unsuspected, that such Party may possess arising from any omissions, acts or facts that have occurred under the Original Agreement up until the Restatement Effective Date of this Agreement.

3.3 Non-Use of Name. Except as set forth in Article 13, neither Party shall use the name, insignia, symbol, trademark, trade name or logotype or any variation, adaptation, or abbreviation thereof, of the other Party or its Affiliates, its directors, officers, staff, employees, agents, or affiliated investigators in any manner, without limitation, in promotional material or other public announcement or disclosure, or through any other form of media, written or oral, without the prior written consent of the other Party, which consent the other Party may withhold in its sole

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discretion, with the exception(s) for disclosures pursuant to Applicable Law. Notwithstanding the foregoing, each Party shall be permitted to identify the other Party as a collaborator and display the other Party's logo on its website subject to compliance with any trademark guidelines provided by the other Party and a separate written declaration of consent pursuant to such guidelines.

3.4 Governing Law. This Agreement and all disputes arising out of or related to this Agreement, or the performance, enforcement, breach or termination hereof, and any remedies relating thereto, shall be construed, governed, interpreted and applied in accordance with the laws of the State of New York, without regard to its conflict of laws principles, except that questions affecting the construction and effect of any patent shall be determined by the law of the country in which the patent shall have been granted.

3.5 Assignment.

3.6.1. Except as expressly permitted in this Agreement, neither Party shall assign, delegate, or subcontract any of its rights or obligations under this Agreement without the prior written consent of the other Party. Any attempted assignment in contravention of this Section 17.5.1 shall be null and void.

3.6.2. Notwithstanding the foregoing, each Party may, without the consent of the other Party, assign or transfer all of its rights and obligations hereunder to an Affiliate or to a successor in interest by reason of merger or consolidation or sale of all or substantially all of the assets of such Party relating to the subject matter of this Agreement, provided however, that (i) such successor in interest or Affiliate shall have agreed as of such assignment or transfer to be bound by the terms of this Agreement in a writing provided to the non-assigning Party, and (ii) where this Agreement is assigned or transferred to an Affiliate, the assigning Party remains responsible for the performance of this Agreement.

3.6 Amendment and Waiver. No amendment, modification, or waiver of the terms of this Agreement shall be binding on either Party unless reduced to writing and signed by an authorized representative of both Parties. The failure of either Party at any time or times to require performance of any provision hereof shall in no manner affect its rights at a later time to enforce the same. No waiver by either Party of any condition or term shall be deemed as a further or continuing waiver of such condition or term or of any other condition or term.

3.7 Independent Contractors. It is understood and agreed that the relationship between the Parties is that of independent contractors and that nothing in this Agreement shall be construed as authorization for either Party to act as agent for the other. Nothing herein contained shall be deemed to create an employment, agency, joint venture or partnership relationship between the Parties or any of their agents or employees for any purpose, including tax purposes, or to create any other legal arrangement that would impose liability upon one Party for the act or failure to act of the other Party. Neither Party shall have any express or implied power to enter into any contracts or commitments or to incur any liabilities in the name of, or on behalf of, the other Party, or to bind the other Party in any respect whatsoever.

3.8 Severability. In the event that any provision of this Agreement shall be held invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any other provision of this Agreement, and the Parties shall negotiate in good faith to modify this Agreement to preserve (to the extent possible) their original intent.

3.9 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

3.10 Interpretation. All headings are for convenience only and shall not affect the meaning of any provision of this Agreement. The Parties acknowledge that each Party has read and negotiated the language used in this Agreement. Because both Parties participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement which construes ambiguous

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language in favor of or against any Party by reason of that Party's role in drafting this Agreement. Except where the context expressly requires otherwise, (a) the use of any gender herein will be deemed to encompass references to any gender, and the use of the singular will be deemed to include the plural (and vice versa), (b) the words "include", "includes" and "including" will be deemed to be followed by the phrase "without limitation", (c) the word "will" will be

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construed to have the same meaning and effect as the word “shall”, (d) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (e) any reference herein to any Person will be construed to include the Person’s successors and permitted assigns, (f) the words “herein”, “hereof” and “hereunder”, and words of similar import, will be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (g) all references herein to sections, attachments, appendices, exhibits or the like will be construed to refer to sections, attachments, appendices, exhibits or the like of this Agreement, and references to this Agreement include all attachments, appendices, exhibits or the like attached hereto, (h) references to any Applicable Law, rule or regulation, or article, section or other division thereof, will be deemed to include the then-current amendments thereto or any replacement or successor Applicable Law, rule or regulation thereof and (i) the term “or” will be interpreted in the inclusive sense commonly associated with the term “and/or”.

3.11 No Referrals. The Parties expressly acknowledge that the compensation payable hereunder is fair market value for the services rendered, and that nothing contained herein shall require referrals for orders or services between the Parties. Neither Party will knowingly or intentionally conduct itself in such a manner as to violate any federal or state law, rule or regulation applicable to the services rendered hereunder, including but not limited to any fraud and abuse provisions relating to the Medicare and Medicaid Programs. The Parties also agree that the benefits to either Party hereunder do not require, are not payment for, and are not in any way contingent upon the admission, referral, or other arrangement for the provision of any item or service reimbursed under Medicare or Medicaid/TennCare.

3.12 Entire Agreement. This Agreement (including any attachments, appendices, exhibits or the like) constitutes the entire agreement between the Parties with respect to its subject matter and supersedes all prior agreements or understandings between the Parties relating to its subject matter.

3.13 Counterparts. This Agreement may be executed in counterparts, including by electronic scan copies, each of which counterparts, when so executed and delivered, shall be deemed to be an original, and all of which counterparts, taken together, shall constitute one and the same instrument.

3.14 Export Control. It is understood that the Parties are subject to United States laws and regulations controlling the export of technical data, computer software, laboratory prototypes and other commodities, and that its obligations hereunder are contingent on compliance with applicable U.S. export laws and regulations, including the Export Administration Regulations (“EAR”) (15 C.F.R. §730-744), the International Traffic in Arms Regulations (“ITAR”) (22 C.F.R. § 120-130), and the economic sanctions programs administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) (as set forth in 31 C.F.R. §500-598 and certain executive orders). The transfer of any such technology and items and the entering into and provision of such transactions and services that are subject to restrictions may require a license or authorization from the cognizant agency of the United States Government, and/or may require written assurances by the receiving Party that it shall not re-export such Technology and items to certain foreign destinations and/or to certain recipients without prior approval of the cognizant government agency, and/or may require that the involved individuals and entities will comply with conditions on transactions and services. While Recursion agrees to cooperate in securing any license which the cognizant agency deems necessary in connection with this Agreement, Recursion cannot guarantee that such licenses will be granted. No Party shall share or disclose information, materials, or technology with any person, party or location in Cuba, Iran, North Korea, Sudan, Syria, the Crimea region of the Ukraine or any other country or territory subject to

U.S. trade sanctions, as listed at https://www.treasury.gov/resourcecenter/sanctions/Programs/Pages/Programs.aspx.

Appendices:

Appendix 1: Collaboration Plan

Appendix 1A: Anchor Perturbations

Appendix 2: License Agreement (Lead Series)

Appendix 3: Reserved

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Appendix 4: Project Plan Template

Appendix 4A: Lead Candidate Criteria

Appendix 5: Technical and Organizational Measures

[Signature page to follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

Recursion Pharmaceuticals, Inc.	**Bayer AG**
By: /s/ Christopher Gibson	By (ppa.) **/s/ [***]**
Name: Chris Gibson, PhD	Name: **[***]**
Title: Co-Founder and CEO	Title: SVP, Head of DDS
By: **/s/** Shafique Virani	By (ppa.) **/s/ [***]**
Name: Shafique Virani, MD, FRCS	Name: **[***]**
Title: Chief Corporate Development Officer	Title: SVP Head of Regional BD&L and Divestitures

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Appendix 1
Collaboration Plan

[***]

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Appendix 1A
Anchor Perturbations

[***]

Exhibit 10.3

EXHIBIT A

GLOBAL TERMS AND CONDITIONS Appendix 2
License Agreement (Lead Series)

Research Collaboration and Option Agreement

FORM OF

RESTRICTED STOCK UNIT GRANT

LICENSE AGREEMENT

Lead Series Option

[Exhibit Follows]

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LICENSE AGREEMENT

by and between

RECURSION PHARMACEUTICALS, INC.

and

BAYER AG

[DATE]

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. The Company hereby grants to the individual (the "Participant") named in the Global Notice of Restricted Stock Unit Grant (the "Notice of Grant") under the Plan an Award of Restricted Stock Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 18(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan shall prevail. 2.LICENSE GRANTS TO LICENSED RIGHTS AND BACKGROUND IP 15

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2. Company's Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. Vesting Schedule. Except as provided in Section 4, and subject to Section 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting schedule set forth in the Notice of Grant, subject to Participant continuing to be a Service Provider through each applicable vesting date.

4. Payment after Vesting.

(a) General Rule. Subject to Section 7, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant's death, to his or her properly designated beneficiary (to the extent permitted by the Administrator) or estate) in whole Shares. Subject to the provisions of Section 4(b), such vested Restricted Stock Units shall be paid in whole Shares as soon as practicable after vesting, but in each such case within sixty (60) days following the vesting date. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of payment of any Restricted Stock Units payable under this Award Agreement.

(b) Acceleration.

(i) Discretionary Acceleration. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator. If Participant is a U.S. taxpayer, the payment of Shares vesting pursuant to this Section 4(b) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) Notwithstanding anything in the Plan or this Award Agreement or any other agreement (whether entered into before, on or after the Date of Grant), if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in connection with Participant's termination as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to Participant's death, and if (a) Participant is a U.S. taxpayer and a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (b) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following Participant's termination as a Service Provider, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of Participant's termination as a Service Provider, unless Participant dies

following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to Participant's estate as soon as practicable following his or her death.

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(c) THIS LICENSE AGREEMENT (the "**Section 409A Agreement**. It is the intent"), dated as of _____ (the "**Effective Date of this Award Agreement that it and all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). However, in no event will the Company or any of its Subsidiaries reimburse or indemnify Participant, or be otherwise responsible for, any taxes or costs, including penalties and interest, that may be imposed on Participant as a result of Section 409A. For purposes of this Award Agreement, "Section 409A" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.**

5. Forfeiture Upon Termination as a Service Provider. Unless specifically provided otherwise in this Award Agreement or other written agreement between Participant and the Company or any of its Subsidiaries or Parents, as applicable, if Participant ceases to be a Service Provider for any or no reason, the then-unvested Restricted Stock Units awarded by this Award Agreement will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder.

For purposes of the Restricted Stock Units, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Restricted Stock Units (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law).

6. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Tax Obligations

(a) Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer") or Parent or Subsidiary to which Participant is providing services (together, the Company, Employer and/or Parent or Subsidiary to which the Participant is providing services, the "Service Recipient"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (i) all federal, state, local, and foreign taxes (including the Participant's Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company or the Service Recipient or other payment of tax-

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related items related to Participant's participation in the Plan and legally applicable to Participant, (ii) the Participant's and, to the extent required by the Company (or Service Recipient), the Company's (or Service Recipient's) fringe benefit tax liability, if any, associated with the grant, vesting, or settlement of the Restricted Stock Units or sale of Shares, and (iii) any other Company (or Service Recipient) taxes the responsibility for which the Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or settlement thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is made by and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Service Recipient. Participant further acknowledges that the Company and/or the Service Recipient (A) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (B) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if

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Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Service Recipient (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares.

(b) Tax Withholding and Default Sell-to-Cover Method of Tax Withholding. When Shares are issued in settlement for vested Restricted Stock Units, Participant generally will recognize immediate U.S. taxable income if Participant is a U.S. taxpayer. If Participant is a non-U.S. taxpayer, Participant may be subject to applicable taxes in his or her jurisdiction. Further, if Participant is subject to tax in more than one jurisdiction between the Date of Grant and a date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges and agrees that the Company and/or the Service Recipient (and/or former employer, as applicable) may be required to withhold or account for tax in more than one jurisdiction. Subject to Section 7(c), the amount of Tax Obligations which the Company and/or Service Recipient determines must be withheld with respect to this Award ("Tax Withholding Obligation") will be satisfied by Shares being sold on Participant's behalf at the prevailing market price pursuant to such procedures as the Company and/or Service Recipient may specify from time to time, including through a broker-assisted arrangement (it being understood that the Shares to be sold will be Shares that would otherwise be issuable in settlement of such Restricted Stock Units that have vested pursuant to the terms of this Award Agreement and the Plan) (the "Sell-to-Cover Method"). The proceeds from the Sell-to-Cover Method will be used to satisfy Participant's Tax Withholding Obligation arising with respect to this Award. In addition to Shares sold to satisfy the Tax Withholding Obligation, additional Shares will be sold to satisfy any associated broker or other fees. Only whole Shares will be sold through the Sell-to-Cover Method to satisfy any Tax Withholding Obligation and any associated broker or other fees. Any proceeds from the sale of Shares in excess of the Tax Withholding Obligation and any associated broker or other fees generated through the Sell-to-Cover Method will be paid to Participant in accordance with procedures the Company and/or Service Recipient may specify from time to time. **By accepting this Award, Participant expressly consents to the sale of Shares to cover the Tax Withholding Obligation (and any associated broker or other fees) through the Sell-to-Cover Method and agrees and acknowledges that Participant may not satisfy them by any means other than such sale of Shares, unless required to do so by the Administrator or pursuant to the Administrator's express written consent.**

(c) Administrator Discretion. Notwithstanding the foregoing Sections 7(a) and 7(b), if the Administrator determines it is in the best interests of the Company and/or Service Recipient for Participant to satisfy Participant's Tax Withholding Obligation by a method other than through the default Sell-to-Cover Method described in Section 7(b), the Administrator, in its sole

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discretion and pursuant to such procedures as it may specify from time to time, may permit or require Participant to satisfy, and Participant authorizes the Administrator to satisfy, such Tax Obligations, in whole or in part (without limitation), if permissible by applicable local law, by (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as the Company may decide or Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (iii) withholding the amount of such Tax Obligations from Participant's wages or other cash compensation paid to Participant by the Company and/or the Service Recipient, (iv) delivering to the Company already vested and owned Shares having a fair market value equal to such Tax Obligations (or such greater amount as the Company may decide or Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), or (v) such other means as the Administrator deems appropriate.

(d) Company's Obligation to Deliver Shares. For clarification purposes, in no event will the Company issue Participant any Shares unless and until arrangements satisfactory to the Administrator have been made for the payment of Participant's Tax Obligations. If Participant fails to make satisfactory arrangements for the payment of such Tax Obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4 or Participant's Tax Obligations otherwise become due, Participant will permanently forfeit such Restricted Stock Units to which Participant's Tax Obligations relate and any right to receive Shares thereunder and such Restricted Stock Units will be returned to the Company at no cost to the Company. Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares if such Tax Obligations are not delivered at the time they are due.

8. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant

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(including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

9. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW IS AT THE WILL OF THE COMPANY (OR THE SERVICE RECIPIENT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SERVICE RECIPIENT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

10. Grant is Not Transferable. Except to the limited extent provided in Section 6, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon

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any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

11. Nature of Grant. In accepting the grant of Restricted Stock Units, Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Restricted Stock Units is voluntary and occasional, and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(c) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Company;

(d) Participant is voluntarily participating in the Plan;

(e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not intended to replace any pension rights or compensation;

(f) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not part of normal or expected compensation for any purpose, including but not limited to the calculation of any severance, resignation, termination, redundancy, dismissal, end-of- service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) unless otherwise agreed with the Company in writing, the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not granted as consideration for, or in connection with, the service Participant may provide as a director of a Parent or Subsidiary;

(h) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

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(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's service agreement, if any);

(j) unless otherwise provided in the Plan or by the Company in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(k) Participant understands and agrees that neither the offer to participate in the Plan, nor his or her participation in the Plan, will be interpreted to form an employment contract or relationship with the Company, any Subsidiary, or Service Recipient, as applicable, and furthermore, nothing in the Plan, this Award Agreement nor Participant's participation in the Plan will be interpreted to form an employment contract with the Company, any Subsidiary, or Service Recipient, as applicable.

Exhibit 10.3

12. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

13. **Data Privacy**.

(a) **Data Collection and Usage.** ***The Company and the Service Recipient may collect, process and use certain personal information about Participant, including, but not limited to, Participant's name, home address, telephone number, email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Restricted Stock Units granted under the Plan or any other entitlement to stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for purposes of implementing, administering and managing Participant's participation in the Plan. The legal basis, where required, for the processing of Data is Participant's consent.***

(b) **Stock Plan Administration Service Providers.** ***The Company will transfer Data to Fidelity Stock Plan Services, LLC and certain of its affiliated entities (the "Broker"), an independent service provider based in the United Stated which assists the Company with the implementation, administration and management of the Plan. The Company may select a different service provider or additional service providers and share Data with such other provider serving in a similar manner. Participant may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.***

(c) **International Data Transfer.** ***The Company and Broker are based in the U.S. Participant's country or jurisdiction may have different data privacy laws and protections than the U.S. The Company's legal basis for the transfer of Data, where required, is Participant's consent.***

(d) **Data Retention.** ***The Company will hold and use Data only as long as is necessary to implement, administer and manage Participant's participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax and securities laws. This period may extend beyond Participant's service relationship to the Company, any Subsidiary or Service Recipient.***

(e) **Voluntariness and Consequences of Consent Denial or Withdrawal.** ***Participation in the Plan is voluntary and Participant is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke the consent, Participant's salary/compensation from or service relationship will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant the Restricted Stock Units or other awards or administer or maintain such awards.***

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(f) **Data Subject Rights.** ***Participant may have a number of rights under data privacy laws depending on his or her jurisdiction, including the right to (i) request access to or copies of Data the Company processes, (ii) rectify incorrect Data, (iii) delete Data, (iv) restrict the processing of Data, (v) restrict the portability of Data, (vi) lodge complaints with competent authorities in Participant's jurisdiction, and/or (vii) receive a list with the names and addresses of any potential recipients of Data. To receive clarification regarding these rights or to exercise these rights, Participant can contact his or her local human resources representative.***

Exhibit 10.3

(g) ***Additional Consents. Upon request of the Company or the Service Recipient, Participant agrees to provide an executed data privacy consent form to the Company and/or the Service Recipient (or any other agreements or consents that may be required by the Company and/or the Service Recipient) that the Company and/or the Service Recipient may deem necessary to obtain from Participant for the purpose of administering his or her participation in the Plan in compliance with the applicable data privacy laws, either now or in the future. Participant understands and agrees that he or she will not be able to participate in the Plan if Participant fails to provide any such consent or agreement requested by the Company and/or the Service Recipient.***

14. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at Recursion Pharmaceuticals, Inc., Inc, a Delaware corporation with offices at 41 S Rio Grande Street, Salt Lake City, Utah UT 84101 U.S.A., ("**Recursion**") and Bayer AG, a German corporation, with offices at Müllerstrasse 178, 13353 Berlin, Germany ("**Bayer**"). Each of Recursion and Bayer may be referred to herein as a "**Party**" or at such other address together as the Company may hereafter designate in writing. "**Parties**".

15. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

16. Language. Participant acknowledges that Participant is proficient in the English language, or has consulted with an advisor who is proficient in the English language, so as to enable Participant to understand the provisions of this Award Agreement and the Plan. If Participant has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

17. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Restricted Stock Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

18. No Waiver. Either party's failure to enforce any provision or provisions of the Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

19. Successors and Assigns. The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may only be assigned with the prior written consent of the Company.

20. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under U.S. or non-U.S. federal or state law, tax code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body

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or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or

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Exhibit 10.3

her estate) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Where the Company determines that the delivery of any Shares will violate U.S. or non-U.S. federal or state securities laws or other applicable laws, the Company will defer delivery until the earliest date at which the Company reasonably anticipates that the delivery of Shares will no longer cause such violation. The Company will make all reasonable efforts to meet the requirements of any such U.S. and non-U.S. federal or state law or securities exchange and to obtain any such consent or approval of any such governmental authority or securities exchange. RECITALS

21. WHEREAS, Recursion and Bayer have concluded an Amended and Restated Research Collaboration and Option Agreement (hereinafter the "**Interpretation**. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Award Agreement.

22. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

23. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

24. Agreement Severable. In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

25. Modifications to the Award Collaboration Agreement. This Award Agreement constitutes ") effective as of November 8, 2023, to conduct research projects with the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations or inducements other than those contained herein. Modifications aim to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary discover and improve drug products in the Plan or this Award Agreement, oncology field, all in accordance with the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award of Restricted Stock Units.

26. Governing Law and Venue. This Award Agreement will be governed by the laws of Utah, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under these Restricted Stock Units or this Award Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Utah, and agree that such litigation will be conducted exclusively in the courts of Salt Lake County, Utah, or the federal courts for the United States for the District of Utah, and no other courts, where this Award Agreement is made and/or to be performed.

27. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the appendices and exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety

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all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

28. Appendix. Notwithstanding any provisions in this Award Agreement, the Restricted Stock Unit grant shall be subject to any additional terms and conditions set forth in an appendix therein;

WHEREAS, Bayer timely and effectively exercised the Bayer Lead Series Option granted to this Award Agreement for Participant's country (the "Appendix"). Moreover, if Participant relocates to one Bayer under Section 8 of the countries Collaboration Agreement with respect to the Project (as defined below);

NOW, THEREFORE, the Parties hereby agree as follows:

1. DEFINITIONS

All references to particular Exhibits or Sections shall mean the Exhibits attached hereto and the Sections set forth in this Agreement, unless otherwise specified. Any reference herein to any defined term shall include both the singular and the plural, whether or not both forms are included in the Appendix, the additional terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part reference. For purposes of this Award Agreement.

29. Insider Trading/Market Abuse Laws. Participant acknowledges that he or she may be subject to insider trading and/or market abuse laws in applicable jurisdictions, including but not limited to Agreement and the United States and Participant's country, which may affect Participant's ability to purchase or sell Shares acquired under Exhibits attached hereto, the Plan during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws in applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of order Participant places before possessing inside information. Furthermore, Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Third parties include fellow Service Providers. Any restrictions under these laws or regulations are separate from and following terms (and their correlatives), in addition to any restrictions that may be imposed under any applicable Company insider-trading policy. Participant is responsible for complying with any applicable restrictions, so Participant should speak to his or her personal legal advisor for further details regarding any applicable insider trading and/or market abuse laws in applicable jurisdictions.

30. Foreign Asset/Account Reporting and Exchange Control Requirements. Participant acknowledges that there may be certain foreign asset and/or account reporting and/or exchange control requirements which may affect his or her ability to acquire or hold the Shares acquired under the Plan or cash received from participating in the Plan (including from any dividends paid terms defined on the Shares acquired under the Plan) in a brokerage or bank account outside his or her country. Participant may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. Participant also may be required to repatriate sale proceeds or other funds received as a result of participating in the Plan to his or her country through a designated bank or broker within a certain after receipt. Participant acknowledges that it is his or her responsibility to be compliant with such regulations, and Participant should speak to his or her personal advisor on the matter.

31. Tax Consequences. Participant has reviewed with his or her own tax, legal, and financial advisors the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company, any Subsidiary of the Company, or Service Recipient or any of their agents, written or oral. Participant understands that Participant (and not the Company, any Subsidiary of the Company, or Service Recipient) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement

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Exhibit 10.3

EXHIBIT B

APPENDIX

RECURSION PHARMACEUTICALS, INC.
2021 EQUITY INCENTIVE PLAN
COUNTRY-SPECIFIC
TERMS AND CONDITIONS OF
RESTRICTED STOCK UNIT GRANT

Capitalized terms used but not defined first use in this Appendix shall Agreement, have the meanings set forth in this Section 1 below. Terms with a capital initial letter which are not defined in this Agreement shall have the Plan, meaning given to them in the Notice of Grant and/or the Global Terms and Conditions of Restricted Stock Unit Grant ("Terms and Conditions"). Collaboration Agreement.

Terms 1.1 "Accounting Standards" means the maintenance of records and Conditions books of accounts in accordance with Generally Accepted Accounting Principles (GAAP), when in reference to Recursion, and those accounting standards used in accordance with the accounting standards IFRS/IAS, when in reference to Bayer, which standards or principles (as applicable) are currently used at the relevant time, and consistently applied by the applicable Party.

This Appendix includes additional terms and conditions that govern the Restricted Stock Units granted to Participant under the Plan if Participant works in one 1.2 "Achievement of Development Candidate Criteria" means a decision of the countries Bayer committee which is responsible to take such decision according to the internal guidelines of Bayer that a

Licensed Project Compound or a Derivative fulfills Development Candidate Criteria and that GLP toxicology studies shall be started.

1.3 "Active" means, with regard to a compound, that it has a potency below **[***]** (or another threshold as agreed upon by the Parties in accordance with the Collaboration Agreement, such other threshold to be further specified in Exhibit C) with regard to the respective **[***]**.

1.4 "Affiliate" shall mean any business entity controlled by, controlling, or under common control with a Party hereto. For the purpose of this definition, a business entity shall be deemed to "control" another business entity, if it (i) owns directly or indirectly, more than fifty percent (50%) of the outstanding voting securities, capital stock, or other comparable equity or ownership interest of such business entity having the power to vote on or direct the affairs of such business entity, as applicable (or such lesser percentage which is the maximum allowed to be owned by a foreign corporation in a particular jurisdiction), or (ii) possesses, directly or indirectly, the power to direct or cause the direction of the policies and management of such business entity, as applicable, whether by the ownership of stock, by contract or otherwise.

1.5 "Agreement" has the meaning given in the preamble of this Agreement.

1.6 "Anchor Perturbation" means a particular genetic perturbation of relevance to oncology, including any and all molecular subtypes such gene. For purposes of the foregoing, molecular subtypes include mutations, amplifications, loss of function.

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1.7 "Applicable Law" means all applicable laws, Accounting Standards, rules and regulations (including any rules, regulations or other requirements of the regulatory authorities) that may be in effect from time to time.

1.8 "Background IP Rights" means all Intellectual Property Rights listed below. If Participant in EXHIBIT D.

1.9 "Background Know-How" means all Know-How that is a citizen or resident listed in EXHIBIT D.

1.10 "Bayer" has the meaning given in the preamble of a country (or is considered as such for local law purposes) this Agreement.

1.11 "Bayer Indemnitees" has the meaning given in Section 10.2 of this Agreement.

1.12 "Bayer Lead Series Option" has the meaning given in Section 8.1 of the Collaboration Agreement.

1.13 "Business Day" shall mean any day other than a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in Salt Lake City USA, or Wuppertal or Berlin, Germany.

1.14 "Calendar Quarter" means a period of three (3) consecutive months corresponding to the calendar quarters commencing on the first day of January, April, July or October, or any partial period thereof immediately following the Effective Date of this Agreement or immediately prior to the termination or expiration of this Agreement.

1.15 "Calendar Year" means a period of twelve (12) consecutive months corresponding to the calendar year commencing on the first day of January, or any partial period thereof

immediately following the Effective Date of this Agreement or immediately prior to the termination or expiration of this Agreement.

1.16 "Collaboration Agreement" has the meaning given in the recitals above.

1.17 "Combination Product" means a product for use in the Field sold in a single SKU for a single selling price, wherein such product utilizes, contains, incorporates or is made through use of one or more Licensed Project Compound(s), Derivative, Enabled Compounds or Product(s) in which he combination with one or she more other active ingredients or pharmaceutical products, that are not Licensed Project Compounds, Derivative, Enabled Compounds or Products, and are not required for the function of the included Licensed Project Compound(s), Derivative, Enabled Compound or Product(s). A Combination Product is currently working and/ deemed included within Product, when that defined term is used herein.

1.18 "Commercially Reasonable Efforts" hereunder means **[***]**.

1.19 "Compound(s)" means a small molecule or residing, peptide, where a peptide is any alpha amino acid polymer composed of 40 or if Participant relocates fewer amino acids.

1.20 "Confidential Information" as used herein has the meaning given in Section 11.1 of this Agreement.

1.21 "Control" means, as to another country after receiving any Know-How, Intellectual Property Right, or Material, the Restricted Stock Units, possession (whether by ownership or license, other than by a license granted pursuant to this Agreement) by a Party or its Affiliates of the Company will, in its discretion, determine ability to grant to the extent other Party access, ownership, a license or a sublicense as required herein to which such Know-How, Intellectual Property Right, or Material without (i) violating the terms of any agreement or other arrangement with any Third Party in existence as of the time such Party or its Affiliates would first be required hereunder to grant the other Party such access, ownership, license or sublicense, and conditions contained herein will be applicable to Participant. (ii) violating any Applicable Law. "Controlled", "Controls" and "Controlling" have their correlative meanings.

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Notifications

This Appendix also includes notifications relating to exchange control and other issues of which Participant should be aware1.22 "Cover" means, with respect to his a particular subject matter in a particular country and a Patent, that the manufacture, use, sale or her participation importation of such subject matter, as applicable, in such country would, but for a license under or joint ownership right in such Patent, infringe a Valid Claim of such Patent.

1.23 "Created" means with respect to non-patent related matters conceived, made or otherwise created; and with respect to patent related matters invented, made or reduced to practice. "Create" and "Creating" have their correlative meanings.

1.24 "Deconvoluted Target" means, with respect to the Licensed Rights, a target that was deconvoluted under the Project and which is further specified in Exhibit C.

1.25 "Derivative" means a Compound which is (i) derived from a Licensed Project Compound within **[***]** years after the Effective Date of this Agreement and that is generated in the Plan. The information course of further lead optimization of a Lead Series within the Licensed Project Compounds and (ii) which is based Active **[***]**.

1.26 "Derivative Patent" means IP Rights Created, or filed, by Bayer, its Affiliate or Sublicensee after the Project and claiming a Licensed Project Compound and / or a Derivative as such or a method of use of such a Licensed Project Compound or Derivative thereof.

1.27 "Development Candidate" means (a) a Licensed Project Compound that has met the Development Candidate Criteria or (b) a Licensed Project Compound that is otherwise selected **[***]** as a Development Candidate.

1.28 "Development Candidate Criteria" means the decision criteria for a Licensed Project Compound to be considered a Development Candidate as set forth in Exhibit F.

1.29 "Disclosing Party" as used hereunder has the meaning given in Section 11.1 of this Agreement.

1.30 "Dispute" has the meaning given in Section 14.1 of this Agreement.

1.31 "Domain Names" means any domain name identical or similar with the Trademarks under any ccTLD (country code Top Level Domain) and gTLD (generic Top Level Domain) address area.

1.32 "Double Tax Treaty" has the meaning given in Section 7.7 of this Agreement.

1.33 "Effective Date of this Agreement" has the meaning given in the preamble of this Agreement.

1.34 "EMA" means the European Medicines Agency or any successor agency thereto.

1.35 "Enabled Compound" shall mean a Compound, that is (i) Active **[***]**, and (ii) **[***]**.

1.36 "Enabled Product" means any product for use in oncology **[***]** containing an Enabled Compound, **[***]**.

1.37 "European Union" means the European Union as it exists as of the Effective Date of this Agreement, together with the United Kingdom and any countries or territories that subsequently join the European Union. For clarity, any countries or territories that exit the European Union after the Effective Date of this Agreement shall remain part of the European Union for purposes of this Agreement.

1.38 "FDA" means the U.S. Food and Drug Administration, or any successor agency thereto.

1.39 "Field" means any and all fields, including therapeutic indications and uses for humans and animals and diagnostic uses, including – without limitation – the use as in vitro diagnostics and biomarkers.

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1.40 "First Commercial Sale" means the first sale of a Product by Bayer and/or its Affiliates and/or its Sublicensee (as applicable) to a Third Party in any country of the Territory after grant of a Marketing Authorization and pricing approval as applicable in the applicable country or jurisdiction. For the avoidance of doubt, supply of a Product to patients for compassionate use, named patient use, clinical trials or other similar purposes prior to regulatory approval shall not be considered a First Commercial Sale.

1.41 "Generic Product" means, with respect to a Product being sold in any country, a product that contains the same active pharmaceutical ingredient as such Product, regardless of the polymorphic, salt or solvate form of said active ingredient, and the dosage and formulation of such product, which is approved in such country for sale in reliance on a prior approval of such Product by the exchange control, securities applicable Regulatory Authority, under Section 505(j) of the Federal Food, Drug and Cosmetic Act or 42 U.S.C. §§ 262(i)(2) and (k) or under Art. 10 Dir 2001/83/EC or Art. 10a Dir. 2001/83 in the version current at the time of approval of such Product,, or in each case, any successor, foreign or equivalent Applicable Law, by way of an abbreviated or expedited approval process, pursuant to which such product is determined to be equivalent to the applicable Product by the applicable Regulatory Authority. A product shall not be considered to be a Generic Product if (a) Bayer or any of its Affiliates or Sublicensees is or was involved in, or granted such Third Party rights with respect to, the development or commercialization of such product, or (b) such product is commercialized by any Third Party who obtained such product in a chain of distribution that included Bayer or any of its Affiliates or any sublicensee engaged or entrusted by Bayer or its Affiliates to (directly or indirectly) sell such product.

1.42 "Intellectual Property Rights" or "IP Rights" means trade secrets protectable under Applicable Law, copyrights, Patents and other laws registered intellectual property rights including registered trademarks, trade names and domain names.

1.43 "Know-How" means all confidential commercial, technical, scientific and other information, unpatented inventions (whether patentable or not and excluding Materials), knowledge, technology, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, specifications, data and results (including biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, pre-clinical, clinical, safety, manufacturing and quality control data and know-how, including study designs and protocols), in effect all cases whether in written, electronic or any other tangible or non-tangible form, including information related to Materials, samples, assays, compounds, compositions or formulations.

1.44 "Licensed Project Know-How" means (a) the Project Know-How which is listed in EXHIBIT C of this Agreement and (b) the Recursion ISMI IP Know-How.

1.45 "Licensed Project Compound(s)" means the Project Compound(s) listed in EXHIBIT E.

1.46 "Licensed Project IP Rights" means (a) the Project IP Rights listed in EXHIBIT B and (b) the Recursion ISMI IP Rights.

1.47 "Licensed Project Patents" means Licensed Project IP Rights that are Patents, together with all Patents claiming priority thereto or foreign equivalents thereof and all Derivative Patents.

1.48 "Licensed Rights" means the Licensed Project Compounds, Licensed Project IP Rights and Licensed Project Know-How.

1.49 "Losses" means claims, demands, liability, damage, loss, or expense (including reasonable attorneys' fees and expenses).

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1.50 "Marketing Authorization" means any approval, license, registration or authorization required from the relevant Regulatory Authority to market and sell the Product in a particular country or jurisdiction.

1.51 "Net Receipts" means all money or money's worth paid to Bayer or its Affiliates by Bayer's or its Affiliates' Sublicensees or other parties granted a compulsory license in accordance with Section 6.6 including, but not limited to, licensing fees, upfront and milestone payments, and royalties, less sales, value-added and excise taxes.

1.52 "Net Sales" means the gross amount **[***]** for sales of a Product (or Combination Product) to Third Parties less customary and reasonable deductions like: value-added tax or customs duties; allowances or credits upon rejections or returns of Product (or Combination Product), including recalls or damaged goods; quantity, early payment, cash settlement and other trade discounts; rebates, chargebacks or premiums; fees, discounts or other charges paid as required by government or public healthcare legislation, as reasonably allocated to the Product; and a **[***]** percent (**[***]**%) lump sum of the gross amount invoiced to cover transportation, freight, insurance, distribution, shipping, packaging and handling costs as well as a **[***]** percent (**[***]**%) lump sum of the gross amount invoiced to cover bad debt charges.

In the event that a Product is sold in the countries listed herein, as form of June 2021. Such laws a Combination Product, then, for the purpose of calculating royalties due, Net Sales will be adjusted by multiplying Net Sales of such Combination Product (as calculated in accordance with the first paragraph of this Section 1.52) by the fraction A/(A+B) where A is the gross per unit invoice price of the Product, if sold separately, and B is the gross per unit invoice price of all other active ingredient(s) in the combination, if sold separately.

If, on a country-by-country basis, the other active ingredient(s) in the combination are often complex not sold separately in that country, Net Sales will be adjusted by multiplying by the fraction A/C where A is the gross per unit invoice price of the Product, if sold separately, and change frequently. As C is the gross per unit invoice price of the Combination Product. In each case, the gross per unit invoice price shall be those applicable during the relevant Calendar Quarter. If sales of both the Product and the other active ingredient(s) in the same formulation and dosage in a result, comparable indication did not occur in such Calendar Quarter, in such country, or on a country-by-country basis, neither the Company strongly recommends that Participant not rely on Product nor the notifications herein as other active ingredient(s) of the only source Combination Product are sold separately in such country, then the fraction by which the Net Sales value shall be multiplied shall be determined between the Parties in good faith.

1.53 "Option Exercise Fee" has the meaning given in Section 3.1 of information relating this Agreement.

1.54 "Quarterly Report" has the meaning given in Section 6.5 of this Agreement.

1.55 "Party" and "Parties" have the meanings given in the preamble to this Agreement.

1.56 "Patents" means (a) all national, regional and international patents and patent applications filed in any country of the world including provisional patent applications, (b) all patents and patent applications filed either from such patents, patent applications or provisional applications, including any continuations, continuations-in part which are limited to the consequences subject matter directly related to the subject matter of his the original patent application, divisions, provisionals, converted provisionals and continued prosecution applications, or her participation any substitute applications, (c) any patent issued with respect to or in the Plan because future issued from any such patent applications, (d) any and all extensions or restorations by existing or future

extension or restoration mechanisms, including reissues, re-examinations and extensions (including any supplementary protection certificates, patent term extensions and the information may be outdated when Participant vests like) of the foregoing patents and (e) any utility models, design patents or similar rights, and all foreign counterparts of any of the foregoing.

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1.57 “Patent Matters” has the meaning given in Section 14.5 of this Agreement.

1.58 “Person” means an individual, and any form of legally recognized entity, including, without limitation, a corporation, limited liability company, association, joint stock company, trust, or governmental entity.

1.59 “Phase 1 Clinical Trial” means a human clinical trial of a Product, the principal purpose of which is to determine initial tolerance or safety of such Product in the Restricted Stock Units and acquires Shares, target patient population, or when Participant subsequently sells Shares acquired under in the Plan.

In addition, the notifications are general United States, is otherwise consistent with a human clinical trial as described in nature and may not apply to Participant’s particular situation and the Company is not 21 CFR 312.21(a), or, in a position to assure Participant of any particular result. Accordingly, Participant should seek appropriate professional advice as to how the relevant laws in Participant’s country may apply to Participant’s situation.

Finally, if Participant is a citizen or resident of a country other than the one United States, a similar clinical study prescribed by the applicable Regulatory Authority. With respect to the milestone payments set forth in which Participant Section 4, a Phase 1 Clinical Trial shall be deemed started upon the first dosing of the first subject of the first Phase 1 Clinical Trial.

1.60 “Phase 3 Clinical Trial” means a human clinical trial of a Product, on a sufficient number of subjects that is currently working (or designed to:

(i) evaluate overall benefit risk profile;

(ii) define possible warnings, precautions and adverse reactions that are associated with such Product in the dosage range to be prescribed; and

(iii) support Marketing Authorization of such Product;

or is considered otherwise (x) consistent with in the United States, a human clinical trial as such for local law purposes) described in 21 CFR 312.21(c), or, if Participant relocates in a country other than the United States, a similar clinical study prescribed by the applicable Regulatory Authority or (y) supports Marketing Authorization of a Products without the need for subsequent clinical trials, including any such Phase 2/3 clinical trial.

With respect to another country after receiving the Award milestone payments set forth in Section 4, a Phase 3 Clinical Trial shall be deemed started upon the first dosing of Restricted Stock Units, the information contained herein first subject of the first Phase 3 Clinical Trial.

1.61 “Product” means any Project Product or Enabled Product, as the case may not be applicable to Participant. be.

1.62 “Project” means the Project under the Collaboration Agreement specifically identified in EXHIBIT A.

1.63 “Project Product” means any product containing a Licensed Project Compound or a Derivative, in any and all dosage forms, formulations, presentations, administrations, line extensions and package configurations.

1.64 “Receiving Party” as used hereunder has the meaning given in Section 11.1 of this Agreement.

1.65 “Recursion” has the meaning given in the preamble.

1.66 “Recursion Indemnitees” has the meaning given in Section 10.1 of this Agreement.

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1.67 Recursion ISMI IP Rights" means the IP Rights listed in EXHIBIT G.

1.68 Recursion ISMI Know-How" means the Know-How listed in EXHIBIT H.

1.69 "Regulatory Authority" means the FDA, the EMA or any supranational, national or local agency, authority, department, inspectorate, ministry official, parliament or public or statutory person of any government of any country having jurisdiction over any of the activities contemplated by this Agreement or the Parties, or any successor bodies thereto.

1.70 "Regulatory Exclusivity" means, with respect to a Product in a country, any period of data, market or other regulatory exclusivity (other than Patent exclusivity) granted or afforded by Applicable Law or by a Regulatory Authority in such country that confers exclusive marketing rights with respect to such Product in such country or prevents another party from using or otherwise relying on any data supporting the approval of the Marketing Authorization for such Product.

1.71 "Reversion Technology" means, with respect to a Product under development or commercialization by Bayer at, or prior to, the time of termination, any Patents or Know-How Controlled by Bayer or any of its Affiliates as of the effective date of termination of this Agreement, **[***]**.

1.72 "Royalty Term" has the meaning given in Section 6.4 of this Agreement.

1.73 "Sublicense" means an agreement pursuant to which a Third Party receives: (i) a grant or transfer of any rights to design, develop, test, make, use, sell, offer for sale or import Licensed Project Compounds, Derivatives, Enabled Compounds or Products or any sublicense or other transfer of the rights licensed to Bayer under Section 2.1, or (ii) the benefit of an agreement not to assert such rights or to sue, prevent or seek a legal remedy for the practice of the rights licensed to Bayer under Section 2.1. Where the definition "Sublicense" is used it shall not include any distribution or manufacturing agreement or other agreement by which Bayer or an Affiliate exercises its right to have done research on, have developed, have made, or have sold Products in the Field in the Territory for Bayer or the Affiliate or Sublicensee granting such right and shall not include the grant of licenses by Bayer or an Affiliate or Sublicensee to Third Parties solely for joint research and development activities between Bayer or its Affiliates and such Third Parties (e.g. joint collaboration activities on the further research and development of the Products).

1.74 "Sublicensee" means any Third Party to which Bayer, an Affiliate or any Sublicensee (which received a Sublicense from or through Bayer or its Affiliate) has granted a Sublicense.

1.75 "Term" has the meaning given in Section 15.1 of this Agreement.

1.76 "Territory" means worldwide.

1.77 "Third Party" means any Person other than Bayer or Recursion or any Bayer Affiliate or Recursion Affiliate.

1.76 "Third Party Patents" means one or more valid and enforceable patents and/or pending patent applications (provided that such pending application has not extended beyond seven

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years from its earliest priority date) owned by one or more Third Parties that are licensed to Bayer or its Affiliate or Sublicensee and that Cover the manufacturing, use, sale, offer to sell, or importation of the Licensed Project Compound or Derivative in a Product.

1.77 "Third Party Royalties" shall mean the collective running royalty for Third Party Patents based on the Net Sales for Products, on a Product-by-Product and country-by-country basis, that Bayer or its Affiliate or Sublicensee is obligated to pay to Third Parties for the manufacture, use, sale, offer to sell or importation of such Products in such country.

1.78 "Trademark" means any trademark owned and controlled by Bayer and used by them in connection with the marketing of the Products.

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1.79 "USD" has the meaning given in Section 7.4 of this Agreement.

1.80 "Valid Claim" means a claim of a pending or issued Patent that has not (A) expired or been cancelled, (B) been declared invalid by a decision of a court or other appropriate body of competent jurisdiction, from which no appeal is or can be taken, (C) been admitted to be invalid or unenforceable through reexamination, reissue, disclaimer or otherwise, or (D) been abandoned or disclaimed.

1.81 "VAT" has the meaning given in Section 7.6.

2. LICENSE GRANTS TO LICENSED RIGHTS AND BACKGROUND IP

2.1 License Grant.

2.1.1 Exclusive License to Recursion interest in Licensed Rights. Subject to the terms and conditions of this Agreement, Recursion agrees to grant and does hereby grant to Bayer an exclusive, sub-licensable and royalty-bearing license under Recursion's rights, title and interest in the Licensed Rights to do or have done research on, develop or have developed, make, have made, use, have used, sell, have sold, offer for sale, have offered for sale and import and have imported Products and to use such Licensed Rights as tools in independent research and development projects of Bayer, in each case in the Field in the Territory.

2.1.2 Non-Exclusive License to Recursion's Background IP Rights and Background Know-How. Subject to the terms and conditions of this Agreement, Recursion agrees to grant and does hereby grant to Bayer a non-exclusive, sub-licensable, license to Recursion's Background IP Rights and Background Know-How specifically identified in EXHIBIT D solely to the extent such Background IP Rights and Background Know-How are necessary to do or have done research on, to develop, have developed, make, have made, use, have used, sell, have sold, offer to sell, have offered for sale, import and have imported Products in the Field in the Territory.

For the avoidance of doubt, the aforementioned right to sublicense under Recursion's Background IP Rights and Background Know-How does not grant Bayer any rights to sub-license such Background IP Rights and Background Know-How independently from the development and commercialization of the Licensed Rights (e.g. no right for independent sub-licensing for the purpose of generating license fees from Recursion's Background IP Rights and Background Know-How).

CANADA

*Terms*2.1.3 *Use and Conditions*

Form of Settlement Exploitation Rights. For the avoidance of doubt, the Restricted Stock Units Use and Exploitation Rights agreed under Section 10.2 of the Collaboration Agreement remains unimpaired.

2.1.4 Right to Sublicense. Without limiting the license grant in Sections 2.1.1 and 2.1.2 the following provisions shall apply with respect to sublicenses to Affiliates and Sublicensees.

2.1.4.1 Sublicense to Affiliates. If any Affiliate exercises any of Bayer's rights or fulfills Bayer's obligations under this Agreement, each and every such Affiliate shall be paid bound by all terms and conditions of this Agreement, including but not limited to indemnity, insurance, royalty payment obligations. In addition, Bayer shall remain fully liable to Recursion for all acts and obligations of any of its Affiliates such that acts of any and all Affiliates shall be considered acts of Bayer.

2.1.4.2 Sublicense to Third Parties. With respect to Sublicenses to Third Parties, each Sublicense shall be in Shares only. In writing and contain terms and conditions consistent with this Agreement and sufficient to enable Bayer and require Bayer's Sublicensees to comply with this Agreement.

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Any Sublicense granted or authorized by Bayer hereunder shall not relieve Bayer from any of its obligations under this Agreement.

Bayer shall provide written notice to Recursion of any Sublicense with a Third Party within **[***]** days after entering into such Sublicense along with a copy of such Sublicense, which may be redacted to remove any provisions not necessary to determine compliance with this Agreement, provided, however, that this requirement shall not apply when no event commercialization rights are being granted to the Licensed Rights.

Bayer agrees to be fully responsible for the performance of Sublicensees hereunder, including acts and omissions of same.

Bayer's obligation to meet the requirements of Section 5.1 of this Agreement shall not be waived by the Restricted Stock Units be paid grant of any Sublicense.

2.1.4.3 For the avoidance of doubt, this Section 2.1.4 shall not limit Bayer's right to grant sublicenses within the scope of the license grant in cash, notwithstanding any discretion contained Sections 2.1.1 through 2.1.2 to Third Parties who do not fall under the definition of a Sublicensee respectively (e.g. if sublicenses granted to such Sublicensees are granted for distribution or manufacturing agreements or other agreements by which Bayer or an Affiliate exercises its right to have done research on, have developed, have made, or have sold, Products in the Plan Field in the Territory for Bayer or the Affiliate or if sublicenses are granted by Bayer or an Affiliate to Third Parties solely for joint research and development activities between Bayer or its Affiliates and such Third Parties).

3. OPTION EXERCISE FEE

3.1 In consideration for Bayer's exercise of the Option according to Section 8 of the Collaboration Agreement with regard to the contrary, respective Lead Series and the execution of this Agreement, and as consideration for the licenses granted by Recursion to Bayer under Section 2.1 of this Agreement, Bayer shall pay Recursion an "Option Exercise Fee" of **[***]** within **[***]** days after receipt of a correct invoice that is compliant with the Applicable Law.

3.2 No Multiple Payments. For the avoidance of doubt only one Option Exercise Fee payment shall be made for each respective Lead Series (including potential back up compounds) and only if Bayer exercised the Option for such respective Lead Series.

Termination as a Service Provider 4. MILESTONE PAYMENTS

4.1 Development Milestones for Project Products. The following paragraphs replace

Bayer will pay Recursion the second paragraph of Section 5 amounts listed in the table below based on the achievement of the Terms and Conditions: first Project Product of the respective milestone, by Bayer or any of its Affiliates or Sublicensees, whereby each milestone shall be payable only once upon its first occurrence. All amounts below are in USD million (M USD, where M = 1,000,000).

Development milestone event	***Development milestone payment***
1. **[***]**	**[***]**
1. **[***]**	**[***]**
1. **[***]**	**[***]**
1. **[***]**	**[***]**
1. **[***]**	**[***]**
1. **[***]**	**[***]**

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If any of the development milestone events set forth in rows (1)-(3) of the chart above is achieved for a Project Product, each development milestone event in a higher row not previously achieved shall be deemed achieved upon achievement of such development milestone event in a lower row. If any of the development milestone events set forth in rows (4)-(6) of the chart above is achieved prior to the achievement of any development milestone event set forth in rows (1)-(3), each development milestone event in rows (1)-(3) not previously achieved shall be deemed achieved upon achievement of such development milestone event set forth in row (4), (5) or (6).

4.2 Sales Milestones for Project Products.

Bayer shall pay Recursion upon the first (1st) occurrence of global cumulative Net Sales of all Project Products in the Field in the Territory, the amounts indicated in the below table.

For purposes the avoidance of doubt "global cumulative Net Sales" means worldwide Net Sales of Project Products in a given Calendar Year. All amounts below are in USD million (M USD, where M = 1,000,000).

Sales milestone event for first occurrence of global cumulative Net Sales exceeds	***Sales milestone payment***
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**

For the Restricted Stock Units, Participant's status as avoidance of doubt, if more than one sales milestone event is achieved in a Service Provider will be considered terminated (regardless of the reason for Calendar Year, Bayer shall pay each sales milestone payment associated with each sales milestone event achieved during such termination and whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any) as of the date that is the earlier of (i) the date Participant's employment or service relationship terminates, and (ii) the date Participant receives notice of termination of employment or other service relationship. In either case, the date shall exclude any period during which notice, pay in lieu of notice or related payments or damages are provided or required to be provided under local law. For greater certainty, Participant will not earn or be entitled to any pro-rated vesting for that portion of time before the date on which Participant's right to vest terminates, nor will Participant be entitled to any compensation for lost vesting.

Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued vesting during a statutory notice period, Participant acknowledges that his or her right to vest in the Restricted Stock Units, if any, will terminate effective as of the last day of Participant's minimum statutory notice period, but Participant will not earn or be entitled to pro-rata vesting if the vesting date falls Calendar Year after the end of Participant's statutory notice period, nor will Participant be entitled to any compensation such Calendar Year in accordance with Section 7.

4.3 Milestones for lost vesting.

The following provisions apply if Participant resides in Quebec:

Language Consent Enabled Products. *To be negotiated prior to execution of the license agreement*, [***].

4.4 No Multiple Payments. For the avoidance of doubt no milestone payment shall be made more than once, irrespective of the number of Products (including combinations with other products) or the number of indications that have achieved the milestone or the number of countries in which such milestone has been achieved.

4.5 Reporting on Milestone Achievement and Payment. Bayer shall provide written notice to Recursion of any occurrence of any of the Development Milestones set forth in Section 4.1 no later than [***] calendar days following the occurrence of the relevant milestone. The parties

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acknowledge that it is their express wish that this Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted Sales Milestones set forth in Section 4.2 shall be reported to Recursion within the Quarterly Report (see Section 6.5) of the respective Calendar Quarter in which the Sales Milestone was met. Bayer shall remit payment for the applicable milestone due pursuant hereto or relating directly or indirectly hereto, be drawn up in English. to Section 7.

Consentment Relatif à la Langue **5. DILIGENCE EFFORTS**

5.1 Diligence Efforts. Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention. Bayer, acting itself and/or through its Sublicensee, will use Commercially Reasonable Efforts to develop and commercialize [***] Project Product [***]. Bayer shall provide Recursion with annual written reports summarizing Bayer's, its Affiliates and its Sublicensee's development and commercialization of Licensed Project Compounds, Derivatives, and Products, including a summary of the development and commercialization activities and progress of such development. Without limiting the foregoing, such reports shall contain sufficient detail to enable Recursion to assess Bayer's compliance with its obligations hereunder. The reports shall also contain sufficient detail to enable Recursion to assess whether Achievement of Development Candidate Criteria has occurred with respect to any Licensed Project Compound or Derivative or any Product is otherwise selected as a Development Candidate.

Data Privacy **6. : The following provisions supplement Section 13 of the Terms and Conditions: ROYALTY PAYMENTS**

Participant hereby authorizes the Company (including any Parent or Subsidiary) and the Company's representatives, including the broker(s) designated by the Company, to discuss with and obtain all

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relevant information from all personnel, professional or not, involved6.1 Royalty Rates for Project Products. Bayer shall pay Recursion a running royalty on the aggregate Net Sales of Project Products in a Calendar Year, the applicable percent in accordance with the administration and operation table below:

Portion of Net Sales During Calendar Year (in USD)	***Royalty Rate (% of Net Sales)***
[***]	[***]
[***]	[***]
[***]	[***]

6.2 Royalty Rates for Enabled Products. *To be negotiated prior to execution of the Plan. Participant further authorizes license agreement*, [***].

6.3 For the Company, avoidance of doubt, the Service Recipient (or any Parent or Subsidiary) and the Administrator, or such other broker(s) as designated by the Company, to disclose and discuss the Plan with their advisors. Participant further authorizes the Company and the Service Recipient (or any Parent or Subsidiary) to record such information and to keep such information in Participant's employee file.

Notifications

aggregate Net Sales value shall be calculated on a Calendar Year basis.

Securities Law Information 6.4 Royalty Term. Participant is permitted Bayer's obligation to sell Shares acquired under pay royalties to Recursion shall commence, on a Product-by-Product basis and country-by-country basis on the Plan through First Commercial Sale of such Product in such country and end on latest of (a) the designated broker appointed under the Plan, if any, provided the sale expiration or termination of the Shares takes place outside of Canada through the facilities last to expire Valid Claim of a stock exchange on which Project Patent or Derivative Patent Covering the Shares are listed (*i.e.*, Product in such country, (b) expiration of Regulatory Exclusivity applicable to such Product in such country, and (c) ten (10) years after the Nasdaq Global Select Market) First Commercial Sale of such Product in such country ("Royalty Term").

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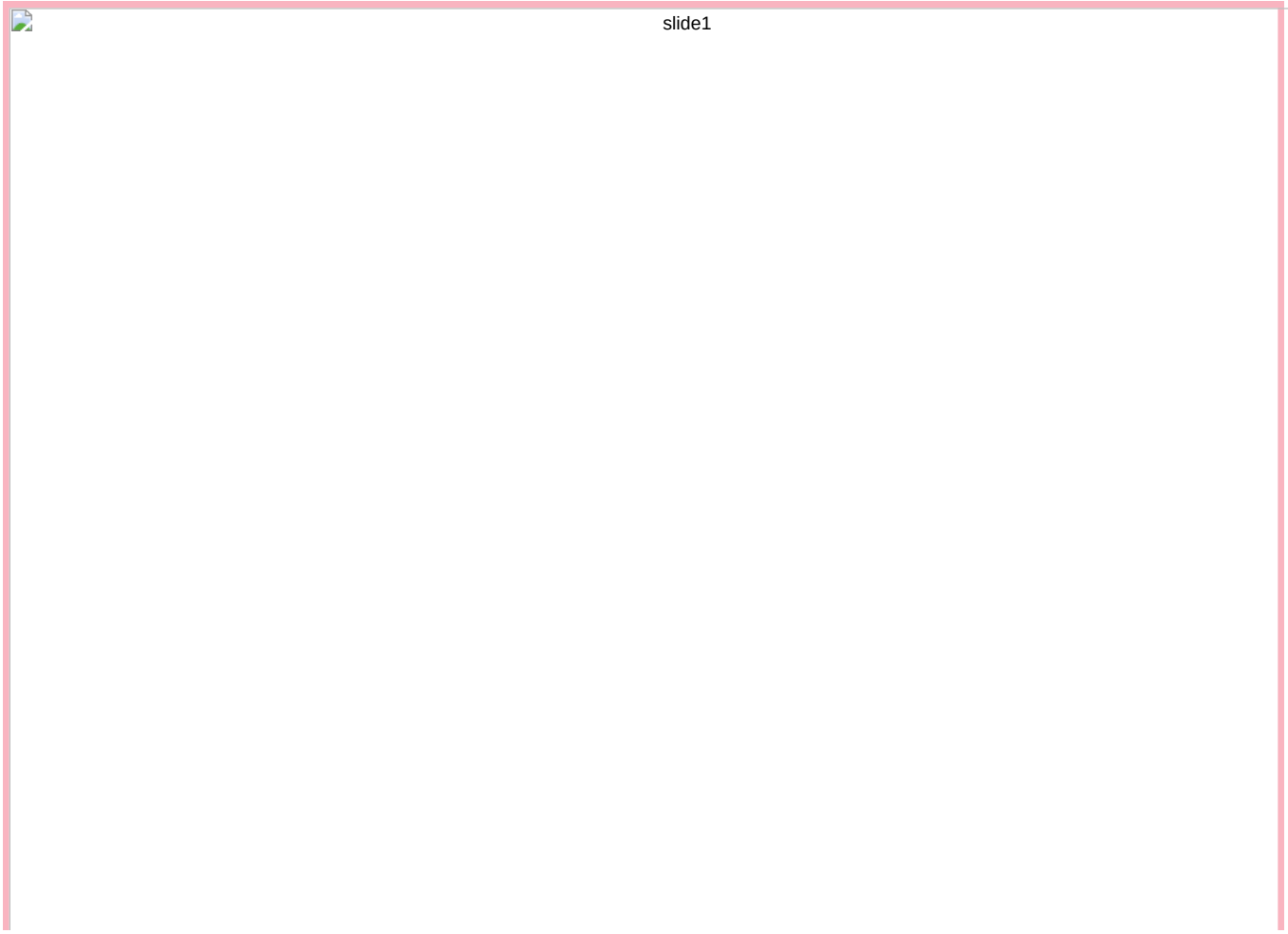
Foreign Asset/Account 6.5 Quarterly Royalty Reporting Information. Specified foreign property, including shares Starting from the date of First Commercial Sale of a Product in any country, Bayer shall submit to Recursion within [***] days after the end of each Calendar Quarter a statement showing the Net Sales for that Calendar Quarter on a country-by-country basis, the total gross amount invoiced from sales of Product by Bayer, its Affiliates and rights Sublicensees, the manner and basis for any currency conversion in accordance with Section 7.4, if any sales milestone event is achieved during such Calendar Quarter and the associated royalties due to receive shares (Recursion ("Quarterly Report"). Recursion may invoice the royalties payable for the Calendar Quarter upon receipt of the respective Quarterly Report.

6.6 e.g. Compulsory Licenses. In the event that a court or a governmental agency of competent jurisdiction requires Recursion or Bayer and/or its Affiliates to grant a compulsory license to a Third Party permitting such Third Party to make and/or sell the Product in a particular country, then the royalties to be paid by Bayer to Recursion on the Net Sales of such Product in such country shall automatically be reduced [***].

6.7 Generic Product. If during the Royalty Term, a Third Party receives marketing authorization for and commences commercial sale of a Generic Product in a country in the Territory, and quantities sold of such Generic Product represent a market share of [***] of the total market for such Generic Product and the corresponding Product sold during such Calendar Quarter in that country [***], Restricted Stock Units) of a non-Canadian company held by a Canadian resident must generally be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the specified foreign property exceeds C$100,000 at any time during the year. Thus, the Restricted Stock Units must be reported (generally at a nil cost) if the C$100,000 cost threshold is exceeded because Participant holds other specified foreign property. When Shares are acquired upon settlement of the Restricted Stock Units, their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB ordinarily is equal to the fair market value of the Shares at the time of acquisition, but if Participant owns other Shares, this ACB may have to be averaged with the ACB of the other Shares. Participant should consult with his or her personal tax advisor to ensure compliance with the applicable reporting obligations.



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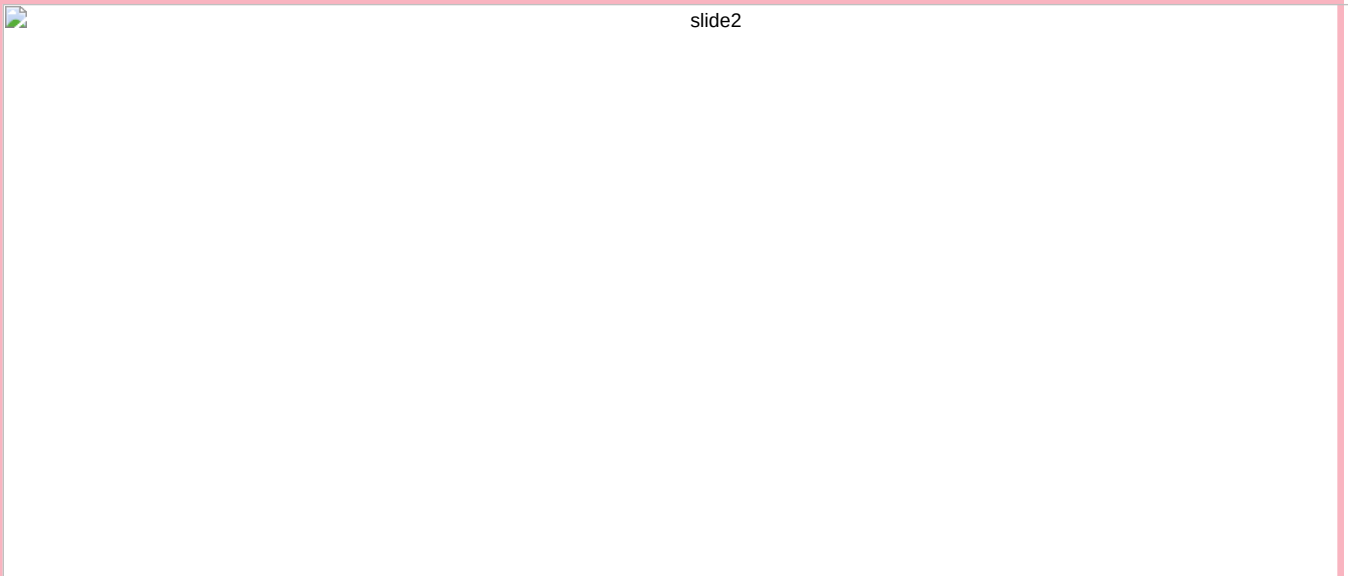
DocuSign Envelope ID: DLE73935-D884-4DE7-M06-1 B0C9421 1 ODA OFFICE LEASE This Office Lease (the "Lease"), dated as of the date set forth in Section 1 of the Summary of Basic Lease Information (the "Summary"), below, is made by and between VESTAR GATEWAY LLC, a Delaware limited liability company ("Landlord"), and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant"). SUMMARY OF BASIC LEASE INFORMATION TERMS OF LEASE DESCRIPTION Date: November 13, 2017 2. Premises 2.1 Building: That certain two (2) story office building containing approximately 99,172 rentable square feet of space, commonly known as Station 41 at The Gateway, 41 South Rio Grande, Salt Lake City, Utah, and depicted on Exhibit A to this Lease. 2.2 Premises: The Premises consists of the entire Building. 3. Lease Term; Option 3.1 Length of Term: Approximately Ten (10) Years. Commencing as of the Lease Commencement Date (as defined below). 3.2 Delivery Date: The date that Landlord delivers the Premises to Tenant in the condition required under Section 1.3 below. The Delivery Date is anticipated to occur on December 1, 2017. 3.3 Lease Commencement Date: The earlier to occur of the issuance of a final certificate of occupancy for the Premises by the Building Services Department of Salt Lake City Corporation, or June 1, 2018. 3.4 Lease Expiration Date: May 31, 2028. 4. Base Rent; Variable Operating Amount Due: Monthly Installment Approximate of Base Rent Based on Monthly Installment Annual Partial Premises for first of Base Rent Based on Rate Per Square Foot Five Years Entire Premises Foot 06/01/18 — 05/31/19 $209,078.38* $235,533.50 $28.50* 06/01/19 — 05/31/20 $2,15,350.73* $242,599.51 $29.36* 06/01/20 — 05/31/21 $221,81 1.25* $249,877.49 $30.24* 06/01/21 —05/31/22 $228,466.59* $257,373.82 $3.1 14* 06/01/22 — 05/31/23 $235,3 19.55* $265,095.03 $32.08* 06/01/23 — 05/31/24 $273,047.88 $273,047.88 $33.04* 06/01/24 — 05/31/25 $281,239.32 $281,239.32 $34.03 06/01/25 — 05/31/26 $289,676.50 $289,676.50 $35.05 06/01/25 — 05/31/27 $298,366.79 $298,366.79 $36.10 06/01/27 — 05/31/28 $307,317.79 $307,317.79 $37.19 1029451.11/SF-372690000759111 3-17-(dtd) Recursion Pharmaceuticals, Inc. Exhibit 10.3



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DocuSign Envelope ID: D1F7393F-D384-4DF7-AAO6-1B9C9421 1CDA *During the period from June 1, 2018 through May 31, 2023 (the “Reduced Rent Period”), Tenant shall only be required to pay Base Rent on 88,033 rentable square feet of the Premises (rather than on the entire 99,172 rentable square feet), as shown in the second column of the rental chart above. The “Reduced Rent Amount’ refers to the amount of Base Rent that Tenant is not paying for the entire Premises (i.e., the remaining 11,151 rentable square feet) during the Reduced Rent Period. Landlord then Bayer shall have the right to purchase the Reduced Rent from Tenant reduce any royalties payable in such country for such Product pursuant to Section 3.2 below, 6.1 [***].

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6.8 Third Party Technology. In the event that Bayer is required to pay Third Party Royalties for the manufacture, use, sale, offer to sell or importation of a particular Product in which case, a country, then the royalty payments made by Bayer to Recursion herein in said country for such Product shall be reduced [***].

6.9 Royalty Floor. In no event will the aggregate amount of royalty payments due to Recursion for a Product in a country in any given Calendar Quarter during the Royalty Term for such Product in such country be reduced to less than [***] percent ([***]%) of the amount that otherwise would have been due and payable to Recursion in such Calendar Quarter for such Product in such country pursuant to Section 6.1 as a result of cumulative reductions set forth in Sections 6.7 and 6.8.

7. GENERAL FINANCIAL PROVISIONS

7.1 Payment Terms. Unless otherwise agreed herein, all payments due under this Agreement shall be made within [***] days after receipt of a correct invoice that is compliant with the Applicable Law.

7.2 Invoicing by Recursion. All invoices shall be sent by Recursion to the following address of Bayer:

Bayer AG
Attn: [***]
51368 Leverkusen
Germany

mentioning such other information required and as may be amended and/or provided by Bayer to Recursion from time to time.

Each invoice for payments mentioning the aforementioned address and reference shall be sent electronically in portable document format (pdf) via email without electronic signature ("pdf-invoicing"), to

[***]@bayer.com

thus replacing a corresponding paper form.

7.3 Bank Accounts. All payments to Recursion under this Agreement shall be made by wire transfer to the following bank account of Recursion, or such other bank account as notified in writing by Recursion to Bayer at least [***] Business Days prior to the Payment Date:

For ACH delivery:
[***]

For Wire Transfers:
[***]

Account Name: [***]

Payments by Bayer to Recursion shall reference "[•]" to identify the payment.

7.4 Currency. All payments under this Agreement will be made in U.S. dollars ("USD"). Where the payments due are calculated based on a currency other than USD, the amount due will be converted to USD using the average exchange rate for the applicable Calendar Quarter as consistently applied per Bayer's internal accounting and reporting process.

7.5 Late Payments. All payments not made by [***] days after the respective date on which such payment is received, Base Rent due ("Payment Date") set out in this Agreement shall be subject to late payment interest at the United States Secured overnight Financing Rate (SOFR), currently published on Bloomberg screen <SOFRRATE Indie>, fixed two Business Days prior to the respective Payment Date and reset to the prevailing one (1) month USD rate at monthly intervals thereafter, plus a premium of one (1) percentage point (or the maximum applicable legal rate of interest if

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lower). Interest shall be calculated based on the actual number of days in the interest period divided by 360 and shall be calculated from the respective Payment Date (inclusive) until the date of payment (exclusive).

7.6 Value Added Tax. All agreed consideration is exclusive of "VAT" (including European Value Added Tax, goods and service tax and similar taxes). If VAT is applicable, VAT shall be invoiced additionally according to the applicable VAT law. Such VAT shall be paid to a Party only, if such Party is obliged to transfer such VAT to respective tax authorities and after receipt of a corresponding invoice. Each Party shall issue correct invoices in accordance with the applicable VAT law.

7.7 Withholding Tax. Any Party required to make a payment pursuant to this Agreement shall be entitled to deduct and withhold from the amount payable the tax for which paying Party on behalf of payee is liable under any provisions of Applicable Law (such tax, "Withholding Tax");

If the Withholding Tax rate is reduced according to the regulations in the Double Tax Treaty no deduction shall be made or a reduced amount shall be deducted only if paying Party is timely furnished with necessary documents (Freistellungsbescheid) by payee issued from the German Tax Authority (Bundeszentralamt für Steuern), certifying that the payment is exempt from Withholding Tax or subject to a reduced Withholding Tax rate. For purposes of this Agreement, "Double Tax Treaty" means the Convention between the United States of America and the Federal Republic of Germany for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital and to Certain Other Taxes, effective January 1 1990, and as may be amended from time to time.

Any withheld Withholding Tax shall be treated as having been paid by paying Party to payee for all purposes of this Agreement. Paying Party shall timely forward to the payee the tax receipts certifying the payments of Withholding Tax on behalf of payee. In case paying Party must pay, but cannot deduct the Withholding Tax due to fulfilment and completion of its payment obligation by settlement or set-off, payee will pay the Withholding Tax to paying party separately. If paying Party reasonably failed to deduct Withholding Tax, but is still required by Applicable Law to pay Withholding Tax on account of payee to the tax authorities, payee shall reasonably assist paying party with regard to all procedures required in order to obtain reimbursement by tax authorities or, in case tax authorities will not reimburse withholding tax to paying Party, payee will immediately refund the tax amount.

7.8 Notwithstanding anything in this Agreement to the contrary, if any assignment by a Party of its rights or obligations under this Agreement without the consent of the other Party results in the imposition of Withholding Tax on a payment to be made by such Party that would not have been imposed in the absence of such assignment (or in an increase in Withholding Tax from the amount that would have been imposed in the absence of such assignment) and the Parties cannot reasonably cooperate as described above to eliminate such additional Withholding Tax, then the amount payable by Tenant the assigning Party shall be increased to the extent necessary to ensure that the other Party receives a net amount equal to the amount that it would have received had no such assignment occurred (taking into account any Withholding Tax on such additional amounts), unless the payee has approved or requested this assignment.

To the extent relevant for U.S. federal income tax purposes, the Parties intend to treat the payments contemplated by this Agreement as shown in "foreign-derived deduction eligible income" within the third column meaning of Section 250 of the rental chart above. If U.S. Internal Revenue Code of 1986, as amended, and the Lease Commencement Date occurs prior U.S. Treasury regulations thereunder, and the Parties shall reasonably cooperate to June 1, 2018, then provide a certification or documentation to demonstrate eligibility for the parties deduction for "foreign-derived intangible income" pursuant to Section 250.

8. ACCOUNTING RECORDS AND AUDITS

8.1 Accounting. Bayer shall execute an amendment to this Lease to update retain, and shall procure that all of its Affiliates and Sublicensees (the "Bayer Parties") retain, true and accurate records and books of account containing all data necessary for the rental chart set forth above. 4.2 Rent Payment Address: If by cheek and sent via United States Postal Service: Vestar Gateway, LLC Department # 880114 P0 Box 29650 Phoenix, Arizona 25038 — 9650 If by check and sent via federal Express: J.P. Morgan Chase (AZ1 —2170) Attn: Vestar Gateway, LLC P0 Box 29650, Dept. 880114 1820 E. Sky Harbor Circle South Phoenix, Arizona 85034 If by wire: Account Name: Vestar Gateway, LLC Bank: J.P. Morgan Chase Method: ACH Account No. 780122130 ABA/Routing: 122100024 Tax Payer ID # 37-1797456 5. Base Year Calendar year 2017. (Article 4): 6. Permitted Use As more fully set forth in this Lease, general office (Article 5): and, subject to the terms of Section 5.1 and Article 24 of this Lease, Laboratory Use (as defined below) and all ancillary uses related thereto. 7. Letter of Credit $3,800,882.00 (Article 21): 8. Parking Passes Up to two

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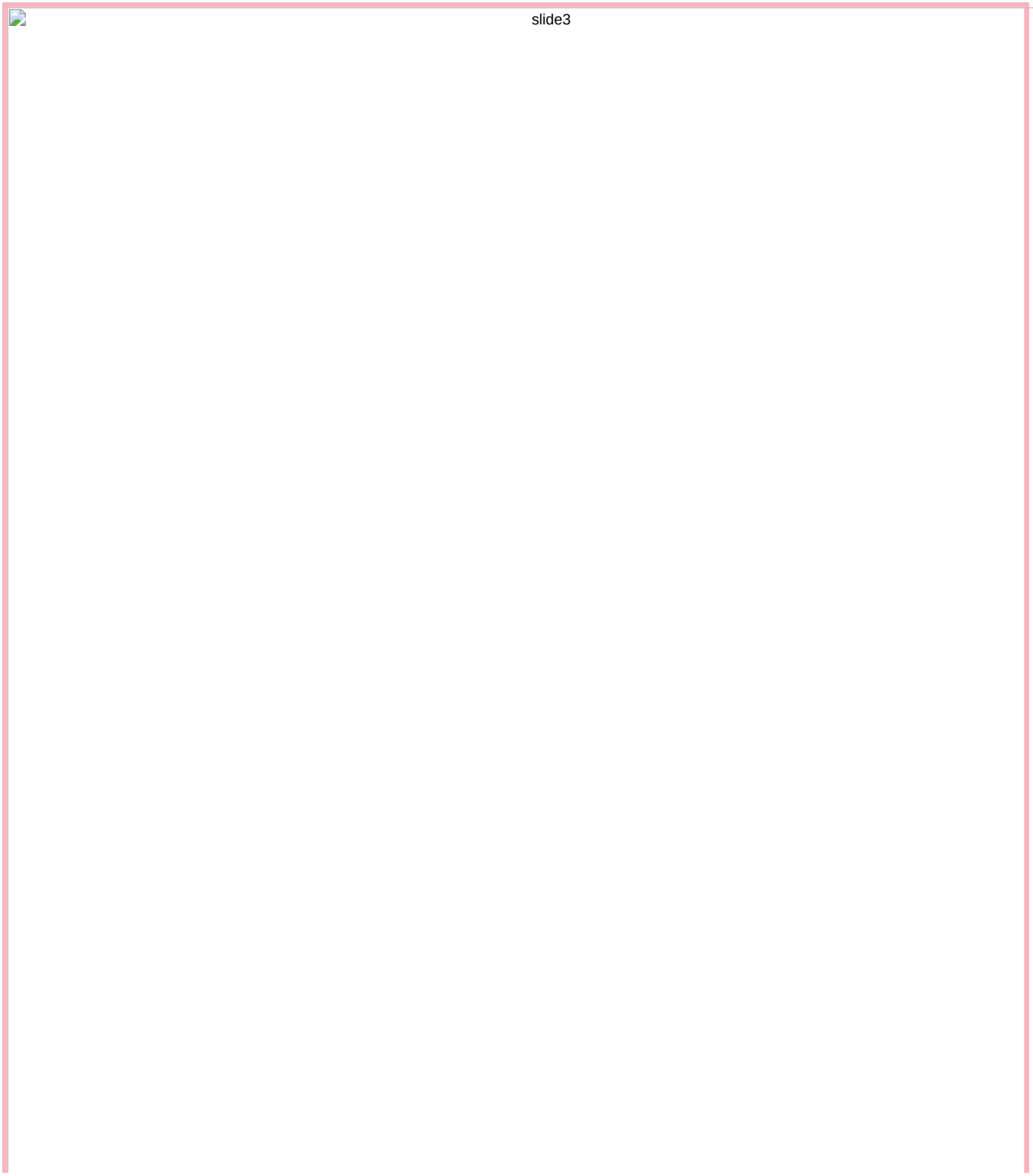
hundred eighty-eight (288) parking (Article 28): passes for use in the parking garage located below the Building, of which up to twenty-five (25) of such parking passes are reserved parking passes, subject to the terms of Article 28 of this Lease. 1049651.11/Sf 373398-00076/I t-13-17/arb/jll — 2— Recursion Pharmaceuticals, Inc.



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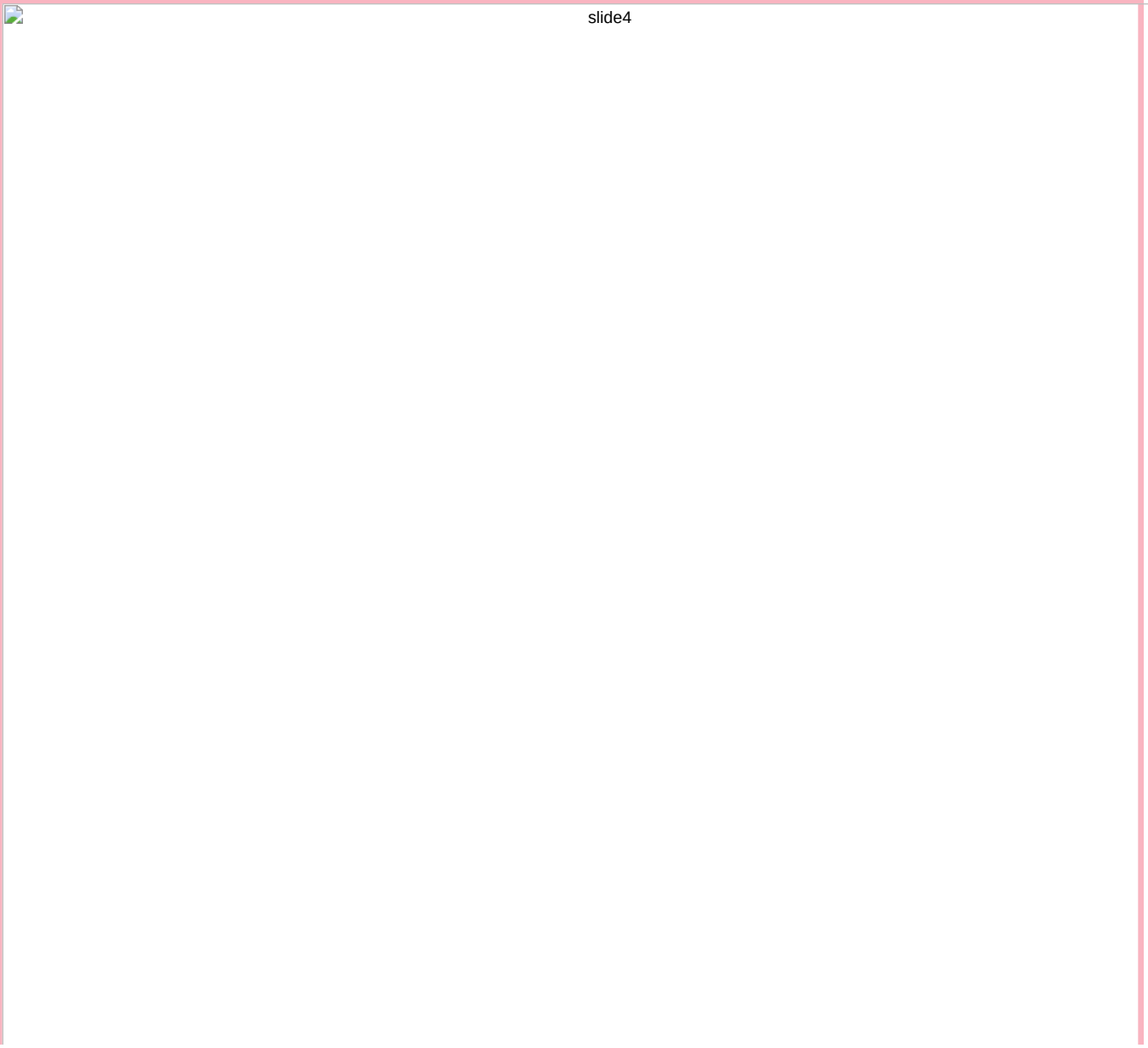
DocuSign Envelope ID: D1E7681E-D684-4DE7-AM06-1B8C8421-1CDA 9 Address of Tenant Recursion Pharmaceuticals (Section 29.19) 630 Komas Drive, Suite 300 Salt Lake City, Utah 84108 Attention: John Pereira (Prior to Lease Commencement Date) and Recursion Pharmaceuticals 41 South Rio Grande Salt Lake City, Utah 84101 Attention: John Pereira (After Lease Commencement Date) With a copy to: Holland & Hart LLP 201 South Main Street, Suite 2200 Salt Lake City, Utah 84101 Attention: Adrienne Bell, Esq. 10 Address of Landlord Vestar Gateway, LLC (Section 29.19) c/o Vestar Development Co. 2425 East Camelback Road, Suite 750 Phoenix, Arizona 85016 Attention: President 11 Broker(s) Cushman & Wakefield (for Landlord) (Section 29.21) 12 Tenant Improvement Allowance $3,956,880.00 (based on $40.00 per rentable square (Section 2.01 Exhibit B) 13 Additional Premises) 1049651.1/WSB 373398.00076/1I-13-17/arb/jll 3 Recursion Pharmaceuticals, Inc.



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DocuSign Envelope ID: D 1 F7393F-D384-4DF7-M06-1 B9C9421 1 CDA ARTICLE I PREMISES, BUILDING, PROJECT, AND COMMON AREAS 1.1 Premises, Building, Project and Common Areas. 1.1.1 The Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 2.2 of the Summary (the "Premises'). The parties hereto agree that the lease of the Premises is upon and subject to the terms, covenants and conditions herein set forth, and each party covenants as a material part of the consideration for this Lease to keep and perform each and all of such terms, covenants and conditions amounts payable by it to Recursion pursuant to the Agreement. Those records and books of account shall be kept and performed and that this Lease is made upon for [***] years following the condition of such performance. The parties hereto hereby acknowledge that the purpose of Exhibit A is to show the approximate location end of the Premises period to which they relate.

8.2 Audit. To validate Bayer's compliance with its obligations under or in connection with this Agreement, Recursion may, during the Building, as that term is defined in Section 1 . I .2, below, only, and such Exhibit is not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof or the specific location of the "Common Areas," as that term is defined in Section 1 . 1 3, below, or the elements thereof or of the accessways to the Premises or the "Project', as that term is defined in Section 11.2, below. 1.1.2 The Building and The Project. The Premises consists ofthe entire building commonly known as Station 41 at The Gateway, 41 South Rio Grande, Salt Lake City, Utah (the "Building"), together with the loading areas serving the Building which are shown as "exclusive" and depicted on attached Exhibit A-3 attached hereto. The term "Project," as used in this Lease, shall mean (1) the Building, (ii) the real property and improvements now or to be located thereon as more particularly described and depicted on the Site Plan attached as Exhibit A-i, located west of 400 West and east of 500 West between 200 South and 50 North, City of Salt Lake, Salt Lake County, Utah (collectively, the "Other Buildings"), (iii) the Common Areas, (iv) the land (which is improved with landscaping, parking facilities and other improvements) upon which the Building, the Other Buildings and the Common Areas are located, and (v) at Landlord's discretion, subject to the conditions set forth in Section 1.1.3, below, any additional real property, areas, land, buildings or other improvements added thereto outside of the Project. The Project is part of a mixed use project known as "The Gateway," and is subject to the "Declarations," as that term is defined in Section 29.33 below. 1.1.3 Common Areas. Tenant shall have the non-exclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Article 5 course of this Lease Agreement and the Declarations, those portions for [***] after expiration or termination of the Project which are provided, this Agreement, appoint auditors, at Recursion's expense (except as otherwise contemplated below), to carry out an audit of Bayer's records from time to time for use in common on behalf of Recursion. The auditors selected by Landlord, Tenant and any other tenants of the Project, including (i) the areas on the ground floor and all other floors of the Project devoted to non-exclusive uses such as corridors, stairways, loading and unloading areas, walkways, driveways, fire vestibules, elevators and elevator foyers, lobbies, electric and telephone closets, restrooms, mechanical areas, janitorial closets and other similar facilities for the general use of and/or benefit of all tenants and invitees of the Project, (ii) those areas of the Project devoted to central plant facilities, mechanical and service rooms servicing more than one (1) floor or the Project as a whole and which service the Project tenants as a whole, and (iii) Project atriums and plazas, if any, and (iv) those areas of the Project that are reasonably necessary or appropriate for access to, and use of, the Premises as contemplated under the specified in this Lease (such areas, together with such other portions of the Project designated by Landlord, in its reasonable discretion, including certain areas designated for the exclusive use of certain tenants, or to be shared by Landlord and certain tenants, are collectively referred to herein as the "Common Areas'). The manner in which the Building, Other Buildings, Project and Common Areas are maintained and operated shall be at the sole discretion of Landlord and the use thereof Recursion shall be subject to acceptance by Bayer, such rules, regulations and restrictions as Landlord acceptance not to be unreasonably withheld. Audits may make from time to time (including, without limitation, any rules regulations or restrictions contained in or promulgated under the Declarations). Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas; provided that if any such alterations or additions will have a material adverse effect on Tenant's use of or access be undertaken subject to the Premises, Landlord following conditions:

I. Any such audits shall provide Tenant with be undertaken by an independent certified public accountant;

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II. Any such audits shall be conducted during regular business hours at least seven (7) Bayer's premises upon [***] days' prior written notice by Recursion and shall not interfere unreasonably with Bayer's business activities;

III. The auditor may inspect records for up to two years after the end of the same period to which they pertain;

IV. Audits may not take place more than once per Calendar Year and no period may be audited more than once;

V. Prior to the audit taking place, auditor shall undertake to Bayer that they shall keep all information confidential and shall not disclose any information (except as set forth in VI) to any Third Party including Recursion;

VI. Details of the auditor's findings (including, for the avoidance of doubt, monetary values and supporting calculations) shall not be shared with Recursion except in the form of a summary report and, in the event the auditor finds any incorrect payments, details required to explain such discrepancies. In any event, the results shall be communicated to Bayer before being shared with Recursion. Bayer shall be given a period of [***] Business Days to review and respond to the auditor's findings before the summary report may be provided to Recursion, such reports to include Bayer's response to the findings;

VII. The auditor shall not be permitted to include any extrapolation calculations in the calculation of amounts underpaid to Recursion; if the auditor wants to base the audit assessment on a selection of samples, the auditor shall use a reasonable and appropriate approach to ensure that the outcome of a calculation based on such samples results in a comprehensible and reliable outcome. Such approach shall be discussed and agreed upon between the auditor and Bayer, beforehand.

VIII. If an emergency, audit reveals that Bayer has underpaid royalties due, Recursion may invoice Bayer for the underpaid amount; if the audit reveals that Bayer has overpaid royalties due, Recursion shall credit Bayer for the overpaid amount;

IX. If an audit reveals an underpayment in which case prior excess of [***] percent ([***]%) of the fees for the period subject to review by Recursion, then Bayer shall pay the reasonable costs of Recursion in conducting the audit (including the reasonable costs of the auditors) within [***] days of Recursion notifying Bayer that the audit has been completed.

8.3 Audit Disagreement: If there is a dispute between the Parties following any audit performed pursuant to Section 8.2, either Party may refer the issue (an "Audit Disagreement") to an internationally recognized independent certified public accountant or chartered accountant for resolution. In the event an Audit Disagreement is submitted for resolution by either Party, the Parties shall comply with the following procedures:

a) The Party submitting the Audit Disagreement for resolution shall provide written notice to the other Party that it is not required, but Landlord shall use commercially reasonable efforts to notify Tenant as promptly as possible under invoking the circumstances). 1.2 Intentionally Omitted. 1.3 Condition procedures of this Section;

b) Within [***] Business Days of the Premises. Except giving of such notice, the Parties shall jointly select a recognized international accounting firm to act as specifically set forth an independent expert to resolve such Audit Disagreement.

c) The Audit Disagreement submitted for resolution shall be described by the Parties to the independent expert, which description may be in this Lease and in the Tenant Work Letter attached hereto as Exhibit B (the "Tenant Work Letter"), Tenant shall accept the Premises and the Building, including the base, shell, and core of (i) the Premises and (ii) the floor written or oral form, within [***] Business Days of the Building selection of such independent expert.

d) The independent expert shall render a decision on which the Premises is located (collectively, matter as soon as practicable.

e) The decision of the "Base, Shell, independent expert shall be final and Core") binding unless such Audit Disagreement involves alleged fraud, breach of this Agreement or construction or interpretation of any of the terms and conditions thereof.

f) All fees and expenses of the independent expert, including any Third Party support staff or other costs incurred with respect to carrying out the procedures specified at the direction of the independent expert in their "AS-IS" condition connection with such Audit Disagreement, shall be

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borne [***].

9. REPRESENTATIONS, WARRANTIES, DISCLAIMERS

9.1 Mutual Representations and Warranties. Each Party represents and warrants to the other Party with respect to this Agreement and as of the Lease Commencement Effective Date of this Agreement that:

9.1.1 such Party is duly organized, validly existing and Landlord shall not be obligated to provide or pay for any improvement work or services related to in good standing under the improvement Applicable Law of the Premises. Tenant also acknowledges jurisdiction of its incorporation and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof;

9.1.2 this Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid, binding obligation, enforceable against it in accordance with the terms hereof;

9.1.3 the performance of this Agreement by it does not create a breach or default under any other agreement to which it is a party;

9.1.4 the execution, delivery and performance of this Agreement by such Party does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it is bound, nor violate any Applicable Law or regulation of any court, governmental body or administrative or other agency having jurisdiction over such Party;

9.1.5 such Party is authorized to grant the rights and licenses contemplated under this Agreement and Recursion in particular and without limiting the foregoing represents and warrants that Landlord has made it is authorized to grant Bayer the rights and licenses contemplated under this Agreement; and

9.1.6 to such Party's knowledge, no representation government authorization, consent, approval, license, exemption of or warranty regarding filing or registration with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, under any Applicable Law currently in effect, is or will be necessary for, or in connection with, the condition transaction contemplated by this Agreement or any other agreement or instrument executed in connection herewith, or for the performance by it of its obligations under this Agreement and such other agreements except as may be required to obtain Hart-Scott-Rodino clearance or other clearances as required by other government authorities.

9.2 Recursion Representations and Warranties. Recursion hereby represents and warrants to Bayer that as of the Premises, Effective Date of this Agreement:

(i) Recursion's right, title and interest in the Building Licensed Rights, and Background Know-How licensed to Bayer under this Agreement are not subject to any encumbrance, lien, restriction or claim of ownership by any other party that would impair Recursion's ability to grant the licenses granted hereunder, which have not been waived as of the Effective Date of this Agreement (such waiver to be evidenced by Recursion by providing respective documentation to Bayer);

(ii) Recursion has not granted any right to any other party which would conflict with the rights granted to Bayer hereunder; and

(iii) Recursion has disclosed to Bayer any intellectual property rights of any third party that the Recursion officers and senior employees that participated in the Project are aware of which may be infringed or misappropriated by the Licensed Rights, and that Recursion has disclosed any written notice, claim or other communication alleging such infringement or misappropriation or challenging Recursion's right, title and interest with respect to the suitability Licensed Rights.

9.3 Exclusions. Bayer acknowledges that Recursion does not represent or warrant:

(i) the validity or scope of any of the foregoing Intellectual Property Rights that are the subject matter of this Agreement; or

(ii) that the exploitation of any of the Intellectual Property Rights that are the subject matter of this Agreement will be successful.

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9.4 No Other Promises or Warranties. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, NEITHER PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, TO THE OTHER PARTY: RECURSION IN PARTICULAR HEREBY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTIBILITY OR FITNESS FOR A PARTICULAR PURPOSE OR, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NON-

INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS. BAYER HEREBY DISCLAIMS IN PARTICULAR ANY REPRESENTATION OR WARRANTY THAT THE DEVELOPMENT, COMMERCIALIZATION AND MANUFACTURE OF THE PRODUCT, OR THE OBTAINMENT OF MARKETING AUTHORIZATION OR PRICING APPROVAL IN ANY PARTICULAR COUNTRY, PURSUANT TO THIS AGREEMENT WILL BE SUCCESSFUL.

9.5 No Liability for Indirect Damages. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT OR OTHERWISE, NEITHER PARTY, THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND AFFILIATED INVESTIGATORS SHALL BE LIABLE TO THE OTHER WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT FOR ANY INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING ANY SUCH INCIDENTAL, ECONOMIC DAMAGES OR INJURY TO PROPERTY AND LOST PROFITS, EVEN IF SUCH PARTY HAS BEEN INFORMED, SHOULD HAVE KNOWN OR IN FACT KNEW OF THE POSSIBILITY OF SUCH DAMAGES; PROVIDED THAT THIS SECTION 9.5 SHALL NOT APPLY TO THE PARTIES' CONFIDENTIALITY OBLIGATIONS SET FORTH IN SECTION 11 AND INDEMNIFICATION RIGHTS AND OBLIGATIONS UNDER SECTIONS 10.1 AND 10.2 OF THIS AGREEMENT.

10. INDEMNITY AND INSURANCE

10.1 Bayer Indemnification. Bayer shall indemnify, defend, and hold harmless Recursion and its Affiliates, and their respective directors, officers, employees, trustees and their respective successors, heirs and assigns (collectively the "Recursion Indemnitees"), against any Losses incurred by or imposed upon any of the Recursion Indemnitees in connection with any claims, suits, investigations, actions, demands from or by a Third Party or resulting judgments arising out of or related to (i) the research, development, use or commercialization of the Products by Bayer or its Affiliates or Sublicensee, (ii) any breach of this Agreement, including but not limited to any representation, warranty or covenant set forth herein, by Bayer or its Affiliates or (iii) Bayer's negligent performance or willful misconduct under this Agreement, except, in each case, to the extent that the respective Losses are caused by breach, the negligence or willful misconduct of a Recursion Indemnitee.

10.2 Recursion Indemnification. Recursion shall indemnify, defend, and hold harmless Bayer and its Affiliates, and their respective directors, officers, employees, trustees and their respective successors, heirs and assigns (collectively and including Bayer the "Bayer Indemnitees"), against any Losses incurred by or imposed upon any of the Bayer Indemnitees in connection with any claims, suits, investigations, actions, demands from or by a Third Party or resulting judgments arising out of or related to (i) Recursion's or its Affiliates' use of any rights retained by Recursion under this Agreement, (ii) any breach of this Agreement, including but not limited to any representation, warranty or covenant set forth herein, by Recursion or its Affiliates or (iii) Recursion's negligent performance or willful misconduct under this Agreement, except, in each case, to the extent that the respective Losses are caused by the breach, negligence or willful misconduct of Bayer Indemnitee.

10.3 Procedures. The Recursion or Bayer Indemnitee (referred to as applicable as "Indemnitee") agrees to provide the Party from which indemnification is sought (the "Indemnifying Party") with prompt written notice of any claim, suit, action, demand, or judgment for which indemnification is sought under this Agreement; provided that, an Indemnitee's failure to do so shall not affect the rights of such Indemnitee unless, and then only to the extent that, such delay or failure is prejudicial to or otherwise adversely affects the Indemnifying Party. The Indemnifying Party agrees, at its own expense, to provide attorneys reasonably acceptable to the Indemnitee to defend against any such claim. The Indemnifying Party shall defend or

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handle the claim in consultation with the Indemnified Party, and shall keep the Indemnified Party timely apprised of the status of such Third Party Claim. The Indemnitee shall cooperate with the Indemnifying Party in such defense and shall permit the Indemnifying Party to conduct and control such defense and the disposition of such claim, suit, or action (including all decisions relative to litigation, appeal, and settlement). The Indemnitee shall have the right to retain its own counsel, at its own expense. The Indemnifying Party agrees to keep the Indemnitee informed of the progress in the defense and disposition of such claim and to consult with the Indemnitee with regard to any proposed settlement.

10.4 Settlement. Notwithstanding anything to the contrary in this Agreement, the Indemnifying Party shall not enter into any settlement, consent judgment, or other voluntary final disposition of any claim that has an adverse effect on the rights of any Indemnitee(s) hereunder, or admits any wrongdoing or fault by any Indemnitee(s), imposes on any Indemnitee(s) any payment or other liability, or does not include a release of all claims against the Indemnitee without the prior written consent of the Indemnitee, provided however, that such consent shall not be unreasonably withheld.

10.5 Insurance. The Parties hereby agree to maintain a program of insurance and/or self-insurance which is prudent and adequate to address any claim or liability which may arise out of the performance of their obligations pursuant to this Agreement. Bayer also shall ensure that any Sublicensee also maintains insurance sufficient to meaningfully protect Recursion.

11. CONFIDENTIALITY

11.1 Definition. Each Party ("Disclosing Party") may disclose to the other Party ("Receiving Party"), and Receiving Party may acquire during the course and conduct of activities under the Agreement, Confidential Information of Disclosing Party in connection with this Agreement. The term "Confidential Information" means all confidential information or material in tangible and non-tangible form disclosed hereunder; including all technical and non-technical information conveyed from one Party to the other in any form, electronic data, and other trade secret, proprietary information, samples, Compounds, methods, formulas, processes, protocols, technologies and equipment employed, information relating to quality assurance, procedures for and record keeping, techniques, inventions, know-how, apparatus, and formulae.

11.2 Allocation of Confidential Information. The terms and conditions of this Agreement shall be considered to be Confidential Information of Recursion and Bayer and be treated confidential by each Party.

The Licensed Rights shall be considered to be Confidential Information of Bayer and be treated confidential by Recursion.

11.3 Exclusions. Confidential Information does not include information which:

(a) is at the time of disclosure in the public domain;

(b) becomes after disclosure part of the public domain other than by an act or omission on the part of the Receiving Party;

(c) the Receiving Party can prove was known to it or its Affiliates before the date of its disclosure by the Disclosing Party;

(d) the Receiving Party or its Affiliates obtains from a Third Party; provided that such information was not obtained by said Third Party, directly or indirectly, from the Disclosing Party under an obligation of confidentiality; and / or

(e) the Receiving Party can prove was developed by it or its Affiliates independently of (i.e., without use of or reference to) the Confidential Information provided by the Disclosing Party.

Confidential Information shall not be deemed to be in, or have come into, the public domain merely because any part of such Confidential Information is embodied in general disclosures or because individual features, components or combinations thereof are or become publicly known.

11.4 Obligation of Confidentiality and Non-Use. The Receiving Party agrees with respect to the Confidential Information of the Disclosing Party that:

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(a) it shall hold in confidence and take such steps as it normally takes to protect its own confidential and proprietary information, but in any event no less than reasonable steps, to preserve the confidentiality of the Confidential Information disclosed to it by the Disclosing Party under this Agreement;

(b) it shall not use the Confidential Information of the Disclosing Party, for any purposes other than to perform the Receiving Party's obligations or exercise the Receiving Party's rights under this Agreement; and

(c) it shall not to disclose Confidential Information to any Third Party other than employees, or agents of or consultants to the Receiving Party who in each case demonstrate a need to know the Confidential Information and who are bound, by contract or law, to an obligation of confidentiality at least as stringent as the ones hereunder.

The obligations of confidentiality, non-disclosure and non-use remain in force during the Term of this Agreement and for [***] years thereafter.

11.5 Permitted Disclosures. Notwithstanding Section 11.4, the Receiving Party may disclose Confidential Information of the Disclosing Party in the following instances:

(a) in order to comply with Applicable Law (including any securities law or regulation or the rules of a securities exchange) or with a binding order or other requirement or procedure within a legal or administrative proceeding; provided that, where reasonably possible, Receiving Party shall notify Disclosing Party of Receiving Party's intent to make any such disclosure sufficiently prior to making such disclosure so as to allow Disclosing Party adequate time to take whatever action it may deem appropriate to protect the confidentiality of the information to be disclosed;

(b) in connection with prosecuting or defending litigation, obtaining regulatory approval and making other regulatory filings and communications, and filing, prosecuting and enforcing Patents in connection with such Party's rights and obligations pursuant to this Agreement; or

(c) with respect to this Agreement and the Licensed Rights only, including the progress of development of the Products and achievement of milestones hereunder, to such Party's or its Affiliate's attorneys, independent accountants or financial advisors for the conduct sole purpose of Tenant's business, except as specifically set forth in this Lease and the Tenant Work Letter. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Building were at enabling such time in good and sanitary order, condition and repair. 1.4 Outdoor Patio Area. 1.4.1 Subject advisors to provide advice to the satisfaction of all applicable receiving Party or such Affiliates, on the condition that such advisors are bound by confidentiality and non-use obligations consistent with the confidentiality provisions of this Lease Agreement as they apply to the Receiving Party, or to potential or actual investors or potential or actual acquirers or potential or actual sublicensees in connection with due diligence or similar investigations by such Third Parties.

12. PUBLICATIONS

The provisions concerning publications in Section 13 of the Collaboration Agreement shall apply analogously to this Agreement. With respect to the Licensed Rights, Bayer shall be entitled to publish such results without prior approval from Recursion. However, Bayer shall make a good faith effort to consult with Recursion authors with respect to the publication and acknowledge Recursion's participation and/or co-authorship in the conditions generation of the Licensed Rights in accordance with good scientific publication practices. The Parties shall mutually agree on whether and when to issue a press release announcing the existence of this Agreement.

13. PATENT PROSECUTION, MAINTENANCE & INFRINGEMENT

13.1 Prosecution & Maintenance.

13.1.1 Licensed Project IP Rights. As of the Effective Date of this Agreement, Bayer, at its sole expense, shall lead the filing, prosecuting and maintaining of Licensed Project IP Rights. Licensed Project Patents shall be filed in Bayer's and Recursion's name and assigned to both Bayer and Recursion jointly and, with respect to Licensed Project Patents filed prior to the Effective Date of this Agreement, shall continue to reside in Bayer's and Recursion's name.

Upon Recursion's written request but at least once a year Bayer shall provide to Recursion a written report about the status of Licensed Project IP Rights.

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13.1.1.1 Bayer shall be responsible for, either itself or through an outside patent counsel of its choice, filing, prosecuting and maintaining any Licensed Project Patents and shall [***] cover the running costs therefor. Bayer or outside counsel shall take care of the filing, prosecution and maintenance of the Licensed Project Patents in close alignment with Recursion, including discussion of patent scope, subsequent applications and other matters of patent strategy. Bayer, either itself or through their outside patent counsel, will keep Recursion informed with respect to the status of the filing, prosecution (EP and US) and maintenance of the Licensed Project Patents. Bayer will also notify Recursion in writing about any relevant substantial correspondence including all newly filed patent applications of Licensed Project Patents, proposal of countries in which the patent application shall be filed, notifications on allowance, issue or grant and office actions. Bayer shall have the right to apply for a Licensed Project Patent in any country or region of the world. Bayer shall not give up substantial scope of the claims (unless a claim is determined to be invalid by the PTAB (Patent Trial and Appeal Board) at the US PTO, by a Board of Appeal at the EPO or by a national court) or abandon any Licensed Project Patents without Recursion's prior written consent. For the avoidance of doubt this means, that a determination of invalidity of a claim by either PTAB or Boards of Appeal allows to cancel this claim in any country without Recursion's prior written consent.

13.1.1.2 If Bayer decides to abandon, surrender, revoke, or invalidate or not to apply for or maintain any Licensed Project Patent in any country or abandon any previously restricted or amended claims, Bayer will provide written notice to Recursion [***] days prior to the date such action is due of Bayer's intent to abandon, surrender, revoke or invalidate or not respond to any official correspondence that

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will result in the loss of rights (or with respect to Patents not yet filed, within [***] days after Recursion's request to apply for such Patent). Recursion may then, at Recursion's sole discretion and sole cost and expense, elect to prosecute and maintain the respective Licensed Project Patent. Recursion may accept such offer in writing within [***] days after having received the offer. Upon receipt of Recursion's notice of acceptance, Recursion shall forthwith be responsible for the rights and obligations and costs resulting from such Licensed Project Patent and such (former) Licensed Project Patent will cease to be a Licensed Project Patent under this Agreement. The Parties shall take all measures necessary for the transfer of Bayer's co-ownership share in any such (former) Licensed Project Patent to Recursion, and for the transfer of patent prosecution responsibility of any such Licensed Project Patent from Bayer to Recursion; transfer costs imposed by respective patent attorneys and registration costs imposed by the respective public registers shall be borne by Recursion and all rights granted to Bayer under this Agreement to such Licensed Project Patents shall cease. In case Recursion refuses the offer or does not provide its acceptance in writing within the [***] days period, Bayer has the right to abandon or to not apply for the offered Licensed Project Patent. Bayer shall not be liable to Recursion for ultimate discontinuation of such Licensed Project Patents, except in the case that Bayer intentionally ignores said Recursion's acceptance notice, provided, however, that Bayer has timely received such acceptance notice and discontinuation of the respective Licensed Project Patents is irreversible.

13.1.2 Background IP Rights and Background Know-How. Recursion shall have the sole discretion in filing, prosecuting and maintaining of Recursion Background IP Rights and Background Know-How which title shall reside in Recursion.

Upon Bayer's written request but at least once a year Recursion shall provide to Bayer a written report about the status of Recursion's Background IP Rights and Background Know-How licensed under Section 2.1.2.

13.1.2.1 If there is an increase in any governmental, filing or other fees at the United States Patents and Trademark Office or foreign equivalent due to any license to Bayer of the Background IP Rights under Section 2.1.2, Bayer agrees to reimburse Recursion for the difference in fees (for example, the difference between filing as a small entity versus a large entity at the United States Patents and Trademark Office).

13.1.2.2 Further, in the case of any filing of Background IP Rights licensed under Section 2.1.2 outside the US, Bayer may request that Recursion expand the patent filings to additional jurisdictions beyond the US, which Recursion may do in its sole discretion, and Bayer agrees to reimburse Recursion for those non-US patent filings requested in writing by Bayer.

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13.1.2.3 If Recursion decides to abandon or not to file or maintain any Background IP Rights licensed under Section 2.1.2 in any country or abandon any previously restricted or amended claims, Recursion will provide written notice to Bayer [***] days prior to the date such action is due of Recursion's intent to abandon or not respond to any

official correspondence that will result in the loss of rights. The Parties shall discuss whether Bayer could participate in the ongoing maintenance or prosecution costs of such Background IP Rights. Recursion shall not be liable to Bayer for ultimate discontinuation of any Background IP Rights.

13.2 Notification of Infringement by Third Party. If any Licensed Project Patent or Background IP Right is infringed or might be infringed by a Third Party, the Party first having knowledge thereof shall promptly notify the other Party in writing. As used in this Section 1.4, Landlord hereby grants to Tenant, and Tenant hereby accepts from Landlord, a non-exclusive, non transferable (except as provided herein)license to use certain patio areas (collectively, 13.2, "knowledge" shall mean the "Patio Area") located adjacent to the Premises, as shown on the plan attached hereto as Exhibit A-2. Tenant's use actual knowledge of the Patio Area is further officers and expressly subject to Landlord obtaining all necessary approvals and permits from the relevant i049651.i 1/5f 373398-00076/i i .13.i7/arb/jll 4 Recursion Pharmaceuticals, Inc.

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DocuSign Envelope ID: DI F7393F-D384-4DF7-AAO6-1 B9C9421 1 CDA governmental authorities senior employees of a Party performing activities under this Agreement or for the use Project.

13.3 Enforcement of LicensedProject Patents.

13.3.1 Bayer shall have the first right (but not the obligation), by counsel of its own choice and at its sole expense, to institute, prosecute and control the enforcement or defense of any of the Patio Area as described herein, which permits and approvals Landlord Licensed Project Patents to abate any infringement thereof. Prior to undertaking any action to enforce such Licensed Project Patents, Bayer shall apply for no later than notify Recursion in writing. To the Lease Commencement Date. The Patio Area extent possible Recursion shall be used given reasonable time to provide its comments to Bayer. Recursion shall further have the right at its own expense, to be represented in any action by Tenant counsel of its own choice. However, should Recursion partake in a manner consistent with a first-class office project containing outdoor decks, any such action, Bayer shall have control of the proceeding and shall have final say on all decisions related thereto. In no event shall Bayer admit the terms invalidity of, or after exercising its right to bring and conditions set forth herein. Tenant may install furniture, plants, a movable outdoor gas grill, and other items, within control an action under this Section 13.3.1, fail to defend the Patio Area, subject to Landlords validity of, any Licensed Project Patent without Recursion's prior written consent, which shall not be unreasonably withheld, conditioned or delayed (however, it shall be reasonable for Landlord delayed.

13.3.2 In the event that Bayer fails to withhold its consent for any institute an action or proceeding or otherwise take appropriate action to abate such items if, in Landlord's sole but reasonable judgment, infringement within a period of [***] days after taking notice of such items are not consistent with the quality and character of the outdoor areas of the Project). Tenant shall not make any permanent improvements or alterations to the Patio Area, nor shall Tenant be permitted to install or place on the Patio Area any furniture, fixtures, plants or other items of any kind whatsoever without the consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed (however, it shall be reasonable for Landlord to withhold its consent for any such items if, in Landlord's sole but reasonable judgment, such items are not consistent with the quality and character of the outdoor areas of the Project). Tenant shall not be permitted to display any graphics or insignias or the like on the Patio Area. Landlord infringement, Recursion shall have the right (but not the obligation) to institute and/or prosecute and control such an action or proceeding in its name with respect to such infringement at its sole discretion, expense and by counsel of its choice (such permission not to make improvements be unreasonably withheld or delayed), and alterations to the Patio Area so long as such improvements and alterations do not materially adversely affect Tenant's use and enjoyment thereof. Upon providing Tenant with seven (7) days' advance written notice, Landlord Bayer shall have the right to temporarily close the Patio Area or limit access

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thereto from time to time in connection with Patio Area or Building repairs or maintenance and/or for other reasonable purposes (except in the event of an emergency, in which case prior written notice is not required, but Landlord shall usc commercially reasonable efforts to notify Tenant as promptly as possible under the circumstances). Tenant's right to use the Patio Area shall be conditioned upon Tenant abiding by all reasonable and non-discriminatory rules and regulations which are prescribed by Landlord in writing from time to time for use of the Building's decks of which Tenant has received prior written notice. 1.4.2 If the Patio Area requires additional cleaning as a result of the use thereof by Tenant or any Tenant Patio Area Users (hereinafter defined), then such additional cleaning shall be performed, at Tenant's expense, by Landlord's cleaning contractor and Tenant shall reimburse Landlord for Landlord's actual, out-of-pocket costs incurred to perform such cleaning within thirty (30) days after receipt of an invoice therefor, together with reasonable documentation of such costs. Except to the extent caused by Landlord's gross negligence or intentional acts, (i) Tenant acknowledges and agrees that Tenant assumes the risk for any loss, claim, damage or liability arising out of the use or misuse of the Patio Area by Tenant's employees, officers, directors, shareholders, agents, representatives, contractors and/or invitees (the "Tenant Patio Area Users"), and (ii) Tenant releases and discharges Landlord from and against any such loss, claim, damage or liability. Tenant further agrees to indemnify, defend and hold Landlord and the "Landlord Parties," as that term is defined below, harmless from and against any and all losses and claims relating to or arising out of the use or misuse of the Patio Area by Tenant or Tenant's Patio Area Users except to the extent caused by the negligence or willful misconduct of Landlord, its agents, employees or contractors. Tenant acknowledges and agrees that the other occupants of the Project (together with their respective employees, officers, directors, shareholders, agents, representatives, contractors and/or invitees, collectively "Other Patio Area Users") may or shall have non-exclusive rights of access to the Patio Area and that Landlord shall have no liability or responsibility to monitor the use, or manner of use, by any Other Patio Area Users; provided, however, that in the event the Patio Area is damaged by the Other Patio Area Users, Landlord shall use commercially reasonable efforts to enforce such provisions to cause the Other Patio Area Users to fulfill their obligations under their respective leases. 1.4.3 Without limiting the foregoing, it is understood that the Patio Area is and shall remain a public and common area and is not part of the Premises and the license to use the Patio Area granted herein is not a lease and does not confer any rights with respect to the Patio Area other than as expressly stated in this Section. Except as otherwise provided in this Lease, the term of the license hereby granted to Tenant shall commence on the Lease Commencement Date and unless sooner revoked by Landlord, the term of said license shall terminate upon the expiration or earlier termination of this Lease. Notwithstanding anything in this Lease to the contrary, the license granted hereby may be revoked by Landlord at any time, only for cause (but not otherwise), immediately upon Landlord giving Tenant written notice of such revocation and represented in any such event, Landlord action by counsel of its own choice and at its own expense. However, should Bayer partake in any such action, Recursion shall retain control of the proceeding and shall have no liability final say on all decisions related thereto.

13.3.3 The Parties shall reasonably cooperate with each other in the planning and execution of any such action to Tenant, and Tenant acknowledges and agrees that Tenant shall not enforce the respective Licensed Project Patents (including the obligation to be entitled to any diminution named or abatement of rent or other compensation for diminution of rental value, nor shall this Lease or any of Tenant's obligations hereunder be affected or reduced, joined as a result of such revocation by Landlord. For purposes of this Section, the term "for cause" shall mean party in a governmental lawsuit, as applicable). Each Party initiating an action or similar requirement preventing Tenant's use of the Patio Area, an emergency, a safety reason, a default by Tenant under this Lease with respect proceeding agrees to Tenant's failure to use the Patio Area in accordance with the provisions of this Lease (which default is not cured to Landlord's provide reasonable satisfaction within ten (10) days after Tenant's receipt of written notice thereof, without reference to any other notice or cure period provided for in this Lease). ARTICLE 2 LEASE TERM 2.1 General. The terms and provisions of this Lease shall be effective as of the date of this Lease except for the provisions of this Lease relating to the payment of Rent. The term of this Lease (the "Lease Term") shall be as determined in accordance with Section 3.1 of the Summary, shall commence on the date determined in accordance with Section 3.3 of the Summary (the "Lease Commencement Date"), and shall terminate on the date determined in accordance with Section 3.3 of the Summary (the "Lease Expiration Date") unless this Lease is sooner terminated as hereinafter provided. The "Delivery Date' shall be date described in Section 3.2 of the Summary. for purposes of this Lease, the term "Lease Year" shall mean each consecutive twelve (12) month period during the Lease Term. This Lease shall not be void, voidable or subject to termination, nor shall Landlord be liable to Tenant for any loss or damage, resulting from Landlord's inability to deliver the Premises to Tenant by any particular date; provided that if Landlord fails to deliver possession of the Premises by January 1, 2018, as such 1049651.11/SF 373398-00076/1i-13-17/arb/jll 5 Recursion Pharmaceuticals, Inc.

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DocuSign Envelope ID: D 1 F7393F-D384-4DF7-M06-1 B9C9421 1 CDA date may be extended by Force Majeure, as defined below (such date, as so extended, the “Trigger Date”), Tenant may, at Tenant’s option, (1) terminate this Lease upon providing written notice to Landlord no later than ten (10) days after the Trigger Date, and upon such termination, Landlord shall promptly return all funds previously paid to Landlord by Tenant hereunder and, upon such reimbursement, this Lease shall terminate and neither party shall have further obligation information to the other hereunder, Party, at this Party’s request, about such action or (ii) delay commencement proceeding.

13.3.4 All monies recovered upon the final judgment or settlement of any such suit or action to enforce the respective Licensed Project Patents in the Territory shall be applied in the following order of priority: (i) first, to reimburse the costs and Losses of the Tenant Improvements (as defined below) until Landlord is able Party bringing suit, then to deliver possession the costs and Losses, if any, of the Premises, in which

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event other Party; (ii) any amounts remaining shall be treated allocated [***]. The Party that controls the Lease Commencement Date and Lease Expiration Date prosecution of a given suit or action shall each be extended day-for-day equal to the number days of Landlord's delay in delivering possession. At any time during the Lease Term, Landlord may deliver to Tenant, or Tenant may request from Landlord, a notice in the form as set forth in Exhibit C, attached hereto, as a confirmation only of the information set forth therein, which each party shall execute and return to Landlord within five (5) days of receipt thereof. 2.2 Beneficial Occupancy. Notwithstanding any provision to the contrary contained in this Lease, Tenant shall also have the right to occupy all control settlement of such suit or any portion action. If one Party controls and intends to settle the prosecution of a given suit or action, it shall provide the other Party reasonably in advance written information about such intention and about the terms pertaining to the settlement. Only if the settlement would materially and adversely impact the interest of the Premises for non-

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controlling Party, in non-controlling Party's opinion, the conduct Party in control of its business the suit or action shall obtain the non-controlling Party's consent prior to entering into the Lease Commencement Date, provided that (i) Tenant shall give Landlord at least three (3) days prior written notice settlement. Any amounts received in settlement of any such occupancy for action shall be apportioned between the conduct of its business, (ii) governmental approval (including permit "sign-offs") permitting the occupancy of the Premises by Tenant shall have been issued by the appropriate governmental authorities for each such portion to be occupied, (iii) Tenant shall have delivered to Landlord satisfactory evidence of the insurance coverage required to be carried by Tenant Parties in accordance with Article 10 below with respect to the applicable portion of the Premises, and (iv) all of the terms and conditions of this Lease shall apply, other than Tenant's obligation to pay Base Rent and Tenant's Share of Building Direct Expenses (as defined below), as though the Lease Commencement Date had occurred (although the Lease Commencement Date shall not actually occur until the occurrence of the same pursuant to the terms of Section 2.1). 2.3 Renewal Option. 2.3.1 Option Right. Landlord hereby grants to the original Tenant executing this Lease ("Original Tenant") and any Non-Transferee Assignee (as defined in Section 14.7 below) one (1) option to extend the Lease Term for a period of five (5) years (the "Option Term"), which option shall be exercisable only by written notice delivered by Tenant to Landlord manner as provided below, provided that the following conditions (the "Option Conditions") are satisfied: (i) as of the date of delivery of the Option Exercise Notice, this Lease remains in full force and effect, Tenant is not in Default under this Lease, and Original Tenant (and/or any Permitted Non- Transferee, as defined in Section 14.7 below) occupies the entire Premises; (ii) as of the end of the initial Lease Term, this Lease remains in full force and effect, Tenant is not in Default under this Lease; and (iii) Original Tenant (and/or any Permitted Non-Transferee) occupies the entire Premises at the time the option to extend is exercised and as of the commencement of the Option Term. Landlord may, at Landlord's option, exercised in Landlord's sole and absolute discretion, waive any of the Option Conditions in which case the option, if otherwise properly exercised by Tenant, shall remain in full force and effect. Upon the proper exercise of such option to extend, and provided that Tenant satisfies all of the Option Conditions (except those, if any, which are waived by Landlord), the Lease Term, as it applies to the Premises, shall be extended for a period of five (5) years. The rights contained in this Section 2.3 shall be personal to the Original Tenant and any Non-Transferee Assignee, and may be exercised only by the Original Tenant or any Non-Transferee Assignee (and not by any other assignee, sublessee or other "Transferee," as that term is defined in Section 14.1, below, of Tenant's interest in this Lease), unless otherwise agreed to by Landlord. 2.3.2 Option Rent. The annual Rent payable by Tenant during the Option Term (the "Option Rent") shall be the "Fair Rental Value," as that term is defined in Section 2.3.3 below, for the Premises for the Option Term. 2.3.3 Fair Rental Value. As used in this Lease, "Fair Rental Value" shall be equal to the rent (including additional rent and considering any "base year" or "expense stop" applicable thereto) on an annual per rentable square foot basis, including all escalations, at which, as of the commencement of the Option Term, tenants are leasing non-sublease, non-encumbered, non-equity space which is comparable in size, location and quality to, and used for similar uses as, the Premises, for a comparable lease term, in an arm's length transaction consummated during the twelve (12) month period prior to the date on which Landlord delivers the "Option Rent Notice," as that term is defined in Section 2.3.4, below, which comparable space is located in the Project, or if there are not a sufficient number of comparable transactions in the Project, then in comparable first-class institutionally-owned buildings which are comparable to the Building in terms of tenant mix, age (based upon the date of completion of construction or major renovation), quality of construction, level of services and amenities, size and appearance, and are located in Salt Lake City, Utah ("Comparable Buildings"), taking into consideration the value of the existing improvements in the subject space, such value to be based upon the age, condition, design, quality of finishes and layout of the improvements and the extent to which the same could be utilized by a general office user (but taking into consideration, as applicable, the fact that the precise tenant improvements existing in the Premises are specifically suitable to Tenant) and the following concessions (collectively, the "Concessions"): (a) rental abatement concessions, if any, being granted such tenants in connection with such comparable space; and (b) other reasonable monetary concessions being granted such tenants in connection with such comparable space; provided, however, that in calculating the

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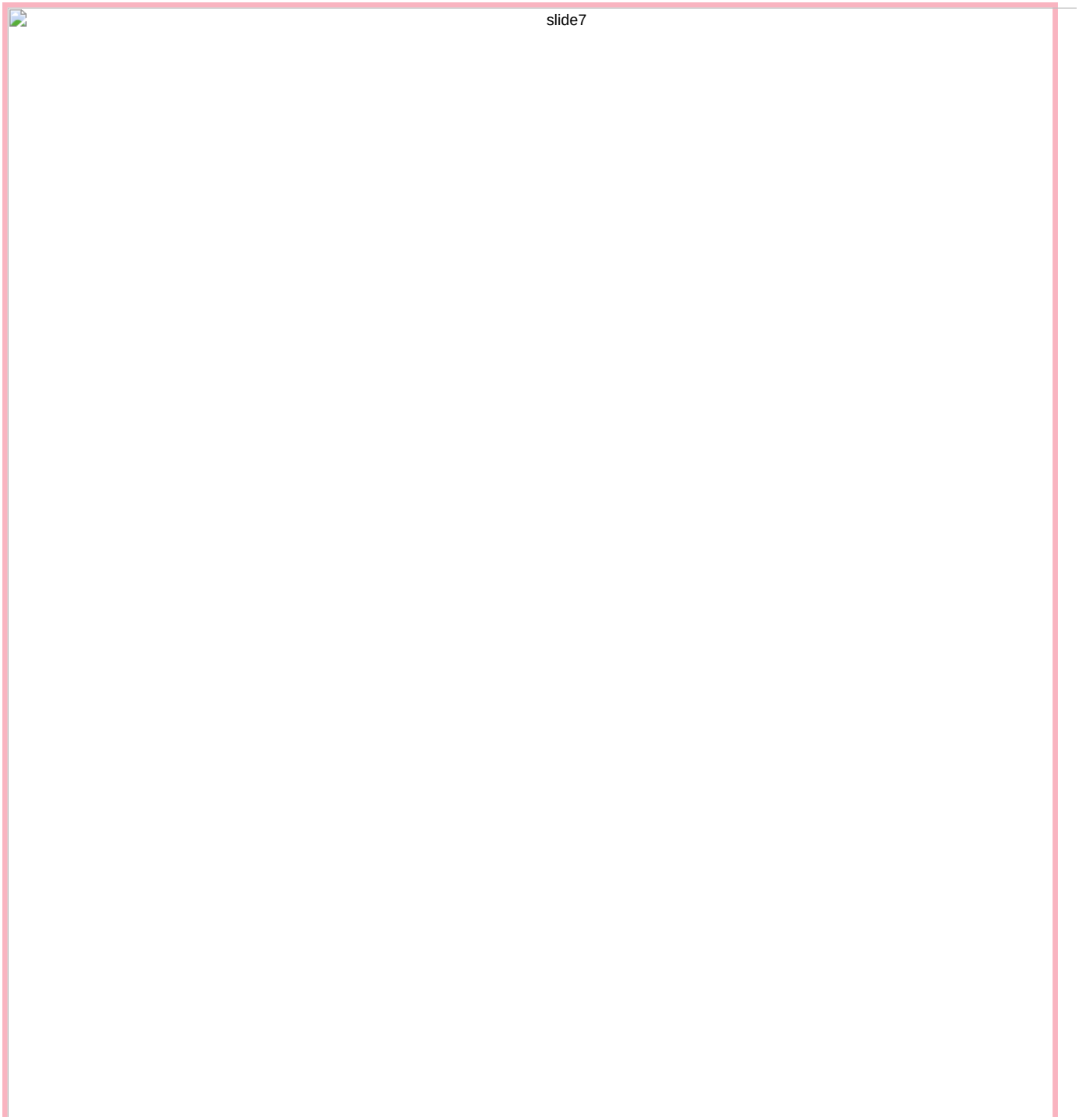
Fair Rental Value, no consideration shall be given to (i) the fact that Landlord is or is not required to pay a real estate brokerage commission in connection with Tenant's exercise of its right to lease the subject space during the term thereof, or the fact that landlords are or are not paying real estate brokerage commissions in connection with such comparable space, (ii) any period of rental abatement, if any, granted to tenants in comparable transactions in connection with the design, permitting and construction of tenant improvements in such comparable spaces, and (iii) tenant improvements or allowances provided or to be provided for such comparable space. The Fair Rental Value shall additionally include a determination as to whether, and if so to what extent, Tenant must provide Landlord with financial security, such as a letter of credit or guaranty, for 1049651.1 i/Sf 373398-00076/i i.13-17/arb/jll 6 Recursion Pharmaceuticals, Inc.



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DocuSign Envelope ID: DLE7693E-D8E4-4DE7-M061-B8C94241 1 CDA Tenant's Rent obligations during the Option Term. Such Concessions or Landlord's election, either (A) shall be reflected in the effective rental rate payable by Tenant (which effective rental rate shall take into consideration the total dollar value of such Concessions as amortized on a straight-line basis over the applicable term of the comparable transaction), in which case such Concessions evidenced in the effective rental rate shall not be granted to Tenant, or (B) shall be granted to Tenant in kind. 2.3.4 Exercise of Option. The option contained in this Section 2.3 shall be exercised by Tenant, if at all, only in the following manner: (i) Tenant shall deliver written notice (the "Option Exercise Notice") to Landlord not more than fifteen (15) months nor less than twelve (12) months prior to the expiration of the Initial Lease Term, stating that Tenant is irrevocably exercising its option for the entire Premises then being leased by Tenant; (ii) Landlord, within thirty (30) days after receipt of the Option Exercise Notice, shall deliver notice (the "Option Rent Notice") to Tenant setting forth the proposed Option Rent, which Option Rent Notice shall state the basis upon which Landlord calculated the proposed Option Rent; and (iii) Tenant, within ten (10) days after Tenant's receipt of the Option Rent Notice, shall send written notice to Landlord either (A) confirming Tenant's agreement with the proposed Option Rent contained in the Option Rent Notice, or (B) objecting to the Option Rent contained in the Option Rent Notice. If Tenant timely objects to the Option Rent Notice or fails to timely respond to the Option Rent Notice, then the parties shall follow the procedure, and the Option Rent shall be determined, as set forth in Section 2.3.5 below. 2.3.5 Determination of Option Rent. In the event Tenant timely and appropriately objects to the Option Rent, Landlord and Tenant shall attempt to agree upon the Option Rent using their best good faith efforts. If Landlord and Tenant fail to reach agreement within ten (10) business days following Tenant's objection to the Option Rent (the "Outside Agreement Date"), then each party shall make a separate determination of the Option Rent within five (5) business days, and such determinations shall be submitted to arbitration in accordance with Sections 2.3.5.1 through 2.3.5.7 below. 2.3.5.1 Landlord and Tenant shall each appoint one arbitrator who shall by profession be a real estate broker licensed in the State of Utah in good standing who shall have been active over the five (5) year period ending on the date of such appointment in the leasing of projects comparable to the Project located within the greater Salt Lake City market. The determination of the arbitrators shall be limited solely to the issue area of whether Landlord's or Tenant's submitted Option Rent is the closest to the actual Option Rent as determined by the arbitrators, taking into account the requirements of Section 2.3.3 of this Lease. Each such arbitrator shall be appointed within fifteen (15) days after the Outside Agreement Date. 2.3.5.2 The two arbitrators so appointed shall within ten (10) days of the date of the appointment of the last appointed arbitrator agree upon and appoint a third arbitrator who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two arbitrators, provided that the third arbitrator shall not be then representing Landlord or Tenant. 2.3.5.3 The three arbitrators shall within thirty (30) days of the appointment of the third arbitrator render a decision as to whether the parties shall use Landlord's or Tenant's submitted Option Rent and shall notify Landlord and Tenant thereof. 2.3.5.4 The decision of the majority of the three (3) arbitrators shall be binding upon Landlord and Tenant. 2.3.5.5 If either Landlord or Tenant fails to appoint an arbitrator within fifteen (15) days after the Outside Agreement Date, the arbitrator appointed by one of them shall reach a decision, notify Landlord and Tenant thereof, and such arbitrator's decision shall be binding upon Landlord and Tenant. 2.3.5.6 If the two (2) arbitrators fail to agree upon and appoint a third arbitrator, or if both parties fail to appoint an arbitrator, then the appointment of the third arbitrator or any arbitrator shall be dismissed and the matter to be decided shall be forthwith submitted to binding, final, non-appealable arbitration before a JAMS arbitrator mutually agreed upon by Landlord and Tenant. If Landlord and Tenant cannot agree on the arbitrator, the parties will so inform JAMS, who will then be authorized to select a JAMS judge to arbitrate the matter. 2.3.5.7 The cost of arbitration shall be paid by Landlord and Tenant equally. 2.4 Termination Option. Provided Tenant fully and completely satisfies each of the conditions 2.4 of the Original Tenant 2.4 of

13.4 Enforcement of non-exclusively licensed Background IP Rights.

13.4.1 With regard to Background IP Rights which have been non-exclusively licensed under this Agreement, Recursion shall have the option ("Termination Option") sole right to terminate this Lease effective as institute, prosecute and control the enforcement or defense of any of the expiration Background IP Rights to abate any infringement thereof.

13.4.2 Bayer shall reasonably cooperate in any such litigation at Recursion's expense.

13.5 Trademarks

13.5.1 Bayer shall be responsible for the selection, registration, maintenance and defense of the sixtieth (60") MI calendar month of the Lease Term (the "Termination Date"). In order to exercise the Termination Option, Tenant must fully and completely satisfy each and every one of the following conditions: (a) Tenant must give Landlord written notice ("Termination Notice") of its exercise of the Termination Option, any Trademark which Termination Notice must be delivered to Landlord at least nine (9) months prior to the Termination Date; (b) at the time of the Termination Notice Tenant shall not be in Default under this Lease after expiration of applicable cure periods; and (c) concurrently with Tenant's delivery of the Termination Notice to Landlord, Tenant shall pay to Landlord a termination fee ("Termination fee") equal to the unamortized balance, as of the Termination Date, of (i) the Tenant Improvement Allowance (and the Additional Allowance, if applicable), and (ii) the brokerage commissions paid by Landlord it employs in connection with the marketing, sale or distribution in the Territory of the Products. Bayer shall own and control such Trademarks and pay all relevant costs thereto.

13.5.2 Recursion recognizes the exclusive ownership by Bayer of any proprietary Bayer name, logotype, Trademark or trade dress furnished by Bayer (e.g. the name "Bayer" and the "Bayer Cross") for use in connection with the marketing, sale or distribution of the Products in the Territory. Recursion shall not, either while this Lease. Amortization pursuant Agreement is in effect, or at any time thereafter, register, use or challenge or assist others to challenge the Trademark, the Bayer name, logotype and trade dress furnished by Bayer or attempt to obtain any right in or to any such name, logotype, trademarks or trade dress confusingly similar for the marketing of the Product as defined in this Agreement or any other goods and products, notwithstanding that such goods or products have a different use or are dissimilar to the foregoing, Products as defined in this Agreement.

13.5.3 Only Bayer will be authorized to initiate at its own discretion legal proceedings against any infringement or threatened infringement of the Trademark in the Territory.

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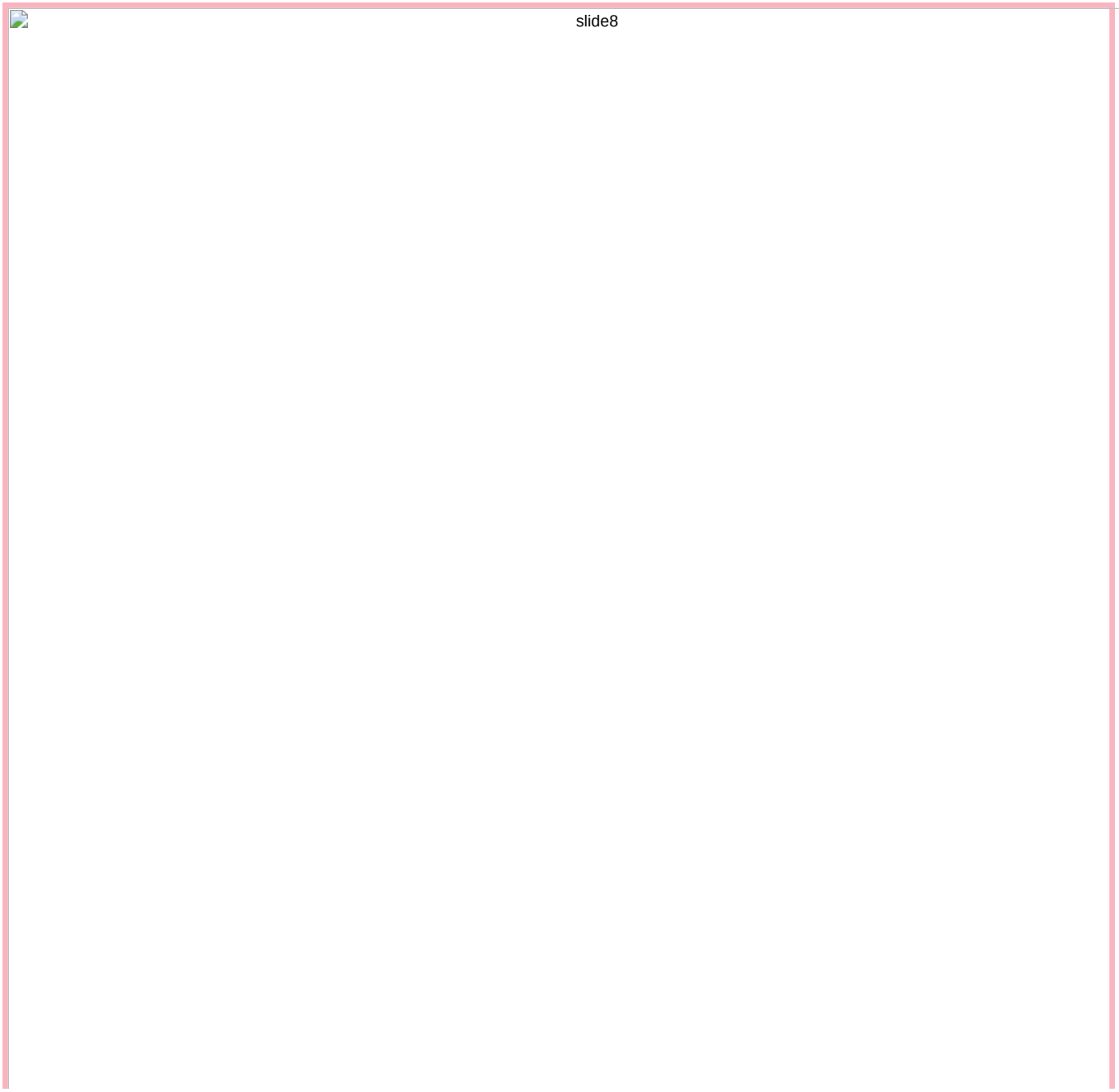
13.5.4 Bayer shall be calculated on a one hundred twenty (120) month amortization schedule commencing as responsible for the registration, hosting, maintenance and defense of the Lease Commencement Date based upon equal monthly payments Domain Names under all generic Top Level Domains (gTLDs) and - within the Territory - under all relevant country code Top Level Domains (ccTLD). For the avoidance of principal doubt Bayer is allowed to register such Domain Names in its own name, to host on its own servers, maintain and interest, with interest imputed on defend the outstanding principal balance at the rate Domain Names and use them for websites.

14. DISPUTE RESOLUTION

14.1 Mandatory Procedures. The Parties agree that any dispute arising out of eight percent (8%) per annum. The rights contained in or relating to this Section 2.4 Agreement, including its termination, (a "Dispute") shall be personal to the Original Tenant, and may be exercised only resolved solely by the Original Tenant (and not by 1049651.11/SF 37339$.00076/11.13..17/arb/j11 7 Recursion Pharmaceuticals, inc.



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DocuSign Envelope ID: D 1 F7393F-D384-4DF7-AAO6-1 B9C942 1 1 CDA any assignee, sublessee or other Transferee of Tenants interest in this Lease). If Tenant exercises Tenants Termination Option, then, on or before the Termination Date, Tenant shall vacate and surrender the Premises to Landlord in the condition required by this Lease (as if the Termination Date were the original expiration date under the Lease). ARTICLE 3 BASE RENT 3.1 General. Tenant shall pay, without prior notice or demand, to Landlord or Landlord's agent at the address set forth in Section 4.2 means of the Summary, or, at Landlord's option, at such other place as Landlord may from time to time designate by delivering written notice to Tenant at Tenant's notice address as set forth herein, by a check or wire transfer for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("Base Rent") as set forth in Section 4 of the Summary, payable in equal monthly installments as set forth in Section 4 of the Summary in advance on or before the first day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever, except as otherwise expressly procedures set forth in this Lease. The Base Rent for the first full month of the Lease Term which occurs after the expiration of any free rent period shall be paid at the time of Tenant's execution Section 14, and that such procedures constitute legally binding obligations that are an essential provision of this Lease. If any Rent payment date (including the Lease Commencement Date) falls on a day of the month other than the first day of such month or if any payment of Rent is for a period which is shorter than one month, the Rent for any fractional month shall accrue on a daily basis for the period from the date such payment is due to the end of such calendar month or to the end of the Lease Term at a rate per day which is equal to 1/365 of the applicable annual Rent. All other payments or adjustments required to be made under the terms of Agreement.

14.2 Preliminary Injunctions. Notwithstanding anything in this Lease that require proration on a time basis shall be prorated on the same basis. 3.2 Right to Purchase Reduced Rent Amount. Notwithstanding anything Agreement, including without limitation Section 14.3, to the contrary, contained a Party may, at any time, seek a temporary

restraining order or a preliminary injunction from any court of competent jurisdiction in Section 4.2 order to prevent immediate and irreparable injury, loss, or damage on a provisional basis, pending the decision of the Summary, Landlord reserves arbitrator(s) or experts on the right, ultimate merits of any Dispute.

14.3 Dispute Resolution Procedure.

Dispute Resolution. Each Party may notify the other Party of a Dispute and the issue shall be referred to a senior executive of each Party who shall meet within [***] Business Days (in person, by means of telephone conference, videoconference or other means of communications) and attempt in its sole good faith to resolve such issue (subject only to internal approvals (e.g. by the board of directors), if required by Recursion's or Bayer's organization). All such discussions shall be confidential and absolute discretion, shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. Notwithstanding the foregoing, if such executives cannot resolve such matter within [***] Business Days after their meeting, then, either Party may initiate proceedings in accordance with the Sections 14.4 to elect 14.7 below.

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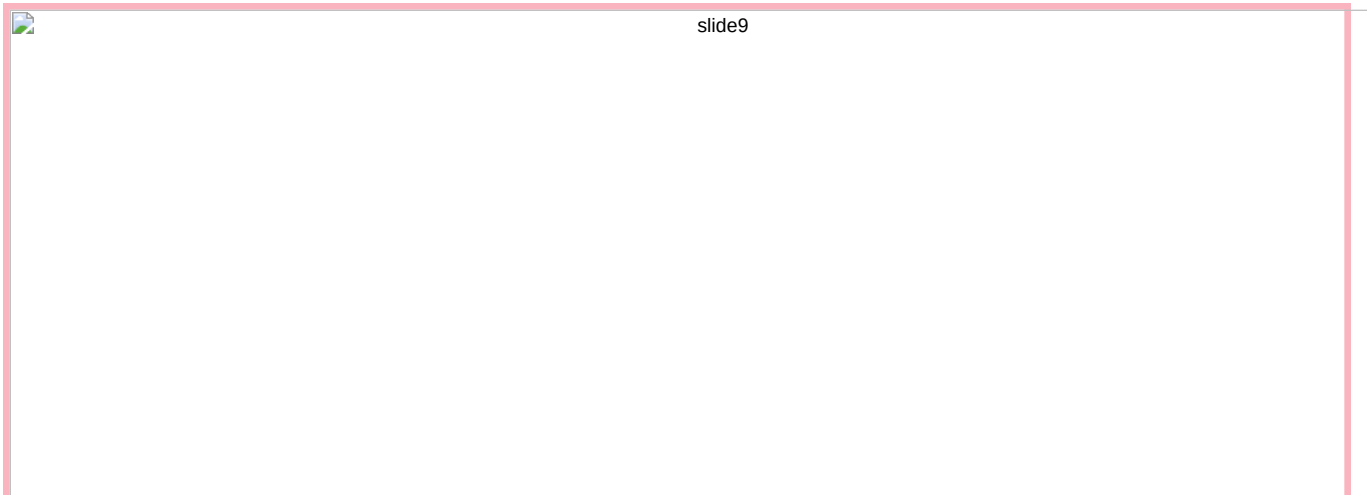
14.4 Arbitration.

14.4.1 Subject to pay Tenant Sections 14.5 and 14.6 any Disputes shall be finally settled under the entire Reduced Rent Amount or any such remaining Reduced Rent Amount, as applicable, in cash prior to the scheduled application Rules of Arbitration of the same. If Landlord elects to pay Tenant International Chamber of Commerce (the "Rules") by a panel of three arbitrators appointed in accordance with the Reduced Rent Amount, or any portion thereof, then with respect to those portions said Rules, save that the third arbitrator, who will act as president of the Reduced Rent Amount that Landlord has so paid, from and after arbitral tribunal, shall not be appointed by the date thereof, Tenant shall pay Base Rent pursuant International Court of Arbitration, but by the third column in the rental chart set forth in Section 4.1 two arbitrators which have been appointed by either of the Summary. ARTICLE Parties in accordance with Article 12 para 4 ADDITIONAL RENT 4.1 General Terms. In addition to paying the Base Rent specified in Article 3 of this Lease, Tenant said Rules, as may be updated.

14.4.2 The place of arbitration shall pay "Tenant's Share" of the annual "Direct Expenses," as those terms are defined in Sections 4.2.6 and 4.2.2 of this Lease, respectively, allocated to the tenants of the Building pursuant to Section 4.3.1 below, which are in excess of the amount of Direct Expenses applicable to the "Base Year," as that term is defined in Section 4.2.1, below, allocated to the tenants of the Building pursuant to Section 4.3.1 below; provided, however, that in no event shall any decrease in Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 below for any Expense Year below Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 below for the Base Year entitle Tenant to any decrease in Base Rent or any credit against sums due under this Lease, except as set forth in Section 4.4.1. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord or Landlord's property manager pursuant to the terms of this Lease, are hereinafter collectively referred to as the "Additional Rent" be New York, New York, U.S., and the Base Rent language to be used in any such proceeding (and for all testimony, evidence and the Additional Rent are herein collectively referred to as 'Rent." All amounts due under this Article 4 as Additional Rent written documentation) shall be payable for English. The IBA Rules on the same periods and Taking of Evidence in International Arbitration shall apply on any evidence to be taken up in the same manner as arbitration.

14.4.3 Without limiting any other remedies that may be available under law, the Base Rent. Without limitation on other obligations of Tenant which survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term. As of the date hereof, the parties acknowledge and agree that Tenant is the sole tenant of the Building. 4.2 Definitions of Key Terms Relating to Additional Rent. As used in this Article 4, the following terms arbitrator(s) shall have no authority to award punitive damages. Any final award by the meanings hereinafter set forth: 4.2.1 "Base Year" shall mean the period set forth arbitrator may be entered by either Party in Section 5 any court having appropriate jurisdiction for applicable orders of the Summary. 4.2.2 "Direct Expenses" shall mean "Operating Expenses" and "Tax Expenses." 4.2.3 'Expense Year" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires. 4.2.4 "Operating Expenses" shall mean all actual expenses, costs and amounts of every kind and nature which Landlord pays or accrues during any Expense Year because of or in connection with the ownership, management, maintenance, security, repair, replacement, restoration or operation of the Project, or any portion thereof, including, without limitation, any and all of the following (excluding any Operating Expense Exclusions, as defined below): (i) the cost of supplying all utilities enforcement. Except to the Common Areas (but not extent necessary to the Premises), the cost of operating, repairing, maintaining, and renovating the utility, telephone, mechanical, sanitary, storm drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections and the cost of contesting any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with a transportation system management program or similar program; (iii) the cost of all insurance carried by Landlord or the property manager of Landlord 049651.11/SF 373398-00076/I 1-i3-17/arb/jll 8 Recursion Pharmaceuticals, Inc.



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DocuSign Envelope ID: D 1 E7393F-D384-4DE7-AAO6-1 B9C9421 1 CDA in connection with the Project in such amounts as Landlord may reasonably determine confirm an award law, neither a Party nor Depositions any monies paid Arbitrators disbursements expenses pertaining the lessor's estate by reason of any underlying ground lease affecting the Project and/or the Building; (ii) the cost of janitorial services, toilet equipment and materials used in the operation, repair and maintenance of the Project, or any portion thereof; (iii) reasonable costs incurred in connection with the parking areas servicing the Project; (iv) reasonable fees and other costs, including management fees, consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance or security of the Project, and employer's Social Security taxes, unemployment taxes or insurance, and any similar taxes which may be levied on such wages, salaries, compensation and benefits; provided that if any of the employees of Landlord provide services for more than one project of Landlord, then a prorated portion of such employees' wages, benefits and taxes shall be prorated portion of such employees wages, benefits and taxes shall be included in Operating Expenses based on the portion of their working time devoted to the Project; (v) payments under any equipment rental agreements and the fair rental value of any management office space and the cost of furnishings in such management office space; (vi) wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons engaged in the operation, maintenance and security of the Property; provided, however, if any employees of Landlord provide services for more than one project of Landlord, then a prorated portion of such employees' wages, benefits and taxes shall be included in Operating Expenses based on the portion of their working time devoted to the Project; (vi) costs under any instrument pertaining to the sharing of costs by the Project; (vii) operation, repair, maintenance and replacement of all systems and equipment and components thereof of the Building; (xi) the reasonable cost of janitorial for the Common Area (but not for the Premises), alarm, security and other services, replacement of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (x) amortization (including interest on the unamortized cost) of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project, or any portion thereof, (xi) the cost of capital improvements or other costs incurred in connection with the Project (A) which are intended to effect economies in the operation or maintenance of the Project, or any portion thereof, or (B) that are required under any governmental law or regulation; provided, however, that any capital expenditure shall be amortized with interest over the lesser of its useful life (as reasonably determined from time to time by Landlord) or the period of time in which the savings from such capital expenditure is equal to the cost of the capital expenditure, as Landlord shall reasonably determine in accordance with generally accepted property management practices and accounting principles; (xii) costs, fees, charges or assessments imposed by or resulting from any mandate imposed on Landlord by any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute "Tax Expenses" as that term is defined in Section 4.2.5, below; and (xv) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Building (collectively, "CC&R Payments") including, without limitation, all assessments levied against Landlord or the Project pursuant to the Declarations, whether or not the same would otherwise be includable in Operating Expenses pursuant to this Section 4.3). If Landlord is not furnishing any particular work or service (the cost of which, if performed by Landlord, would be included in Operating Expenses) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant. If the Project is not at least ninety-five percent (95%) occupied during all or a portion of the Base

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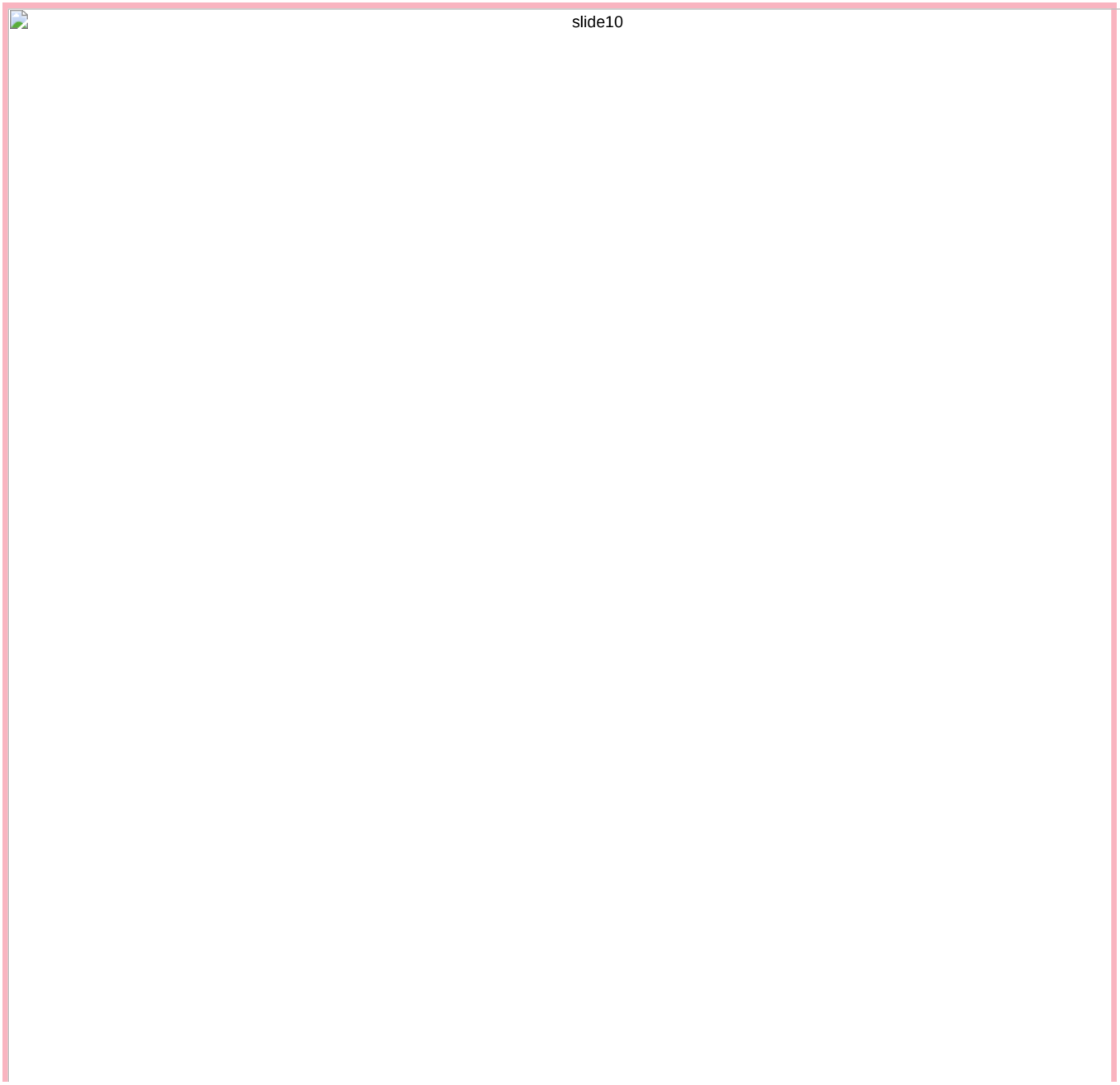
Year or any Expense Year, Landlord may elect to make an appropriate and reasonable adjustment to the components of Operating Expenses for such year to determine the amount of Operating Expenses that would have been incurred had the Project been fully rented (95%) occupied, and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year. Only as provided below in items (1) and (2) below, in the event Landlord incurs costs or expenses associated with or relating to separate items or categories or subcategories of Operating Expenses which were not part of Operating Expenses during the entire Base Year, Operating Expenses for the Base Year shall be deemed increased by the amounts Landlord would have incurred during the Base Year with respect to such costs and expenses had such separate items or categories or subcategories of Operating Expenses been included in Operating Expenses during the entire Base Year. The foregoing shall only apply as follows: (1) In the event any portion of the Project is covered by a warranty at any time during the Base Year, Operating Expenses for the Base Year shall be deemed increased by such amount as Landlord would have incurred during the Base Year with respect to the items or matters covered by the subject warranty, had such warranty not been in effect at the time during the Base Year; and (2) any insurance premiums resulting from any new forms of insurance including earthquake insurance shall be deemed to be included in Operating Expenses for the Base Year. Operating Expenses for the Base Year shall not include market-wide labor-rate increases due to extraordinary circumstances, including, but not limited to, acts of war or terrorism, boycotts and strikes, and utility rate increases due to extraordinary circumstances including, but not limited to, conservation surcharges, boycotts, embargoes or other shortages, or amortized costs relating to capital improvements; provided, however, that at such time as any such particular assessments, charges, costs or fees are no longer included in Operating Expenses, such particular assessments, charges, costs or fees shall be excluded from the Base Year calculation of Operating Expenses. Operating Expenses shall not, however, include any of the following (collectively, the "Operating Expense Exclusions"): (A) except as otherwise specifically provided in this Section 4.2 (to the extent Landlord is reimbursed by insurance proceeds), the costs of repairs or other work occasioned by fire, windstorm or other casualty (other than those amounts within the deductible limits of insurance policies actually earned by Landlord, which amounts shall be includable as Operating Expenses so long as such deductibles are within the generally prevailing range of deductibles for policies carried by landlords of comparable first-class office buildings located in the vicinity of the Building); (B) costs of leasing commissions, attorneys' fees and other costs and expenses incurred in connection with negotiations of disputes with present or prospective tenants or other occupants of the Building; (C) except as otherwise specifically provided in this Section 4.2, costs incurred by Landlord in connection with the initial development of the Project and any costs for repairs, capital additions, alterations or replacements made or incurred to rectify or correct defects in design, materials or workmanship in connection with any portion of the Building; (D) costs (including permit, license and inspection costs) incurred in renovating or otherwise improving, decorating or redecorating rentable space for other tenants or vacant rentable space; (E) cost of utilities or services sold to tenants for which Landlord is entitled to reimbursement (other [0496951.11]SF-373695-00076/6/15-Jul-19 Resolution Pharmaceuticals, Inc.)



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DocuSign Envelope ID: D 1 F7393F-D384-4DF7-AAO6-1 B9C9421 1 CDA than through any operating cost reimbursement provision identical or substantially similar to the provisions set forth in this Lease); (E) except as otherwise specifically provided in this Section 4.2, costs incurred by Landlord for alterations to the Building which are considered capital improvements and replacements under sound real estate management and accounting principles, consistently applied; (F) costs of depreciation and amortization, except on materials, small tools and supplies purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party, where such depreciation and amortization would otherwise have been included in the charge for such third party services, all as determined in accordance with sound real estate management principles, consistently applied; (H) costs of services or other benefits which are not available to Tenant but which are provided to other tenants within the Project; (I) costs to procure tenants and marketing, advertising and entertaining Project leases, including without limitation brokerage commissions, attorneys' fees, advertising and promotional expenses, and rent concessions; the costs incurred in removing and storing the property of former tenants of the Project; and any other costs incurred due to the violation by Landlord or any other tenant of the terms and conditions of any lease of space in the Building; (J) except as otherwise specifically provided in this Section 4.2, costs of debt service on debt or amortization on any mortgages, and rent and other charges, costs and expenses payable under any ground lease, including without limitation costs of points, prepayment penalties, interest and defeasing costs, appraisal costs, title insurance and survey costs, and attorneys' fees; (K) the amount of the management fee paid by Landlord in connection with the management of the Building and the Project to the extent such management fee is not exclusive to the Project and is in excess of three percent (3%) of the gross revenues of the Project (which shall be grossed up by Landlord up to one hundred percent (100%) occupancy on an annual basis); (L) costs of any compensation and employee benefits paid to clerks, attendants or other persons in a commercial concession operated by Landlord, except those costs relating to the Project; (M) costs of rentals and other related expenses incurred in leasing HVAC systems, elevators or other equipment (ordinarily considered to be of a capital nature except equipment which is used in providing janitorial or similar services and which is not affixed to the Building); (N) costs of advertising and promotion; and (O) costs of electrical power or other utilities for which Tenant directly contracts with and pays a local public service company or other utility provider; (P) expenses (including, without limitation, penalties and interest) resulting from the violation of Laws (as defined below) or any contract by Landlord, Landlord's employees, agents or contractors or other tenants of the Project; (Q) Landlord's general corporate overhead; and (R) lease hold taxes or other taxes personal property of (S) the costs of any advertisement, removal or policy remedial activities with respect to Hazardous Materials (as defined below); provided, however, Operating Expenses may include the costs attributable to those actions taken by Landlord in connection with the routine and ordinary operation and maintenance of the Building, including costs incurred in removing limited amounts of Hazardous Materials from the Building when such removal or spill is directly related to such routine and ordinary maintenance and operations; (T) charitable, civic and political contributions and professional fees; (U) expenses for the use of the Project to accommodate events, including without limitation shows, promotions, kiosks, displays, filming, holding by private events and parties and ceremonies; (V) costs of repairs to the Premises, the Building or the Project necessitated by Landlord's default hereunder or its willful misconduct or gross negligence of Landlord or its employees or agents; (W) acquisition costs for sculpture, paintings or other objects of art or any extraordinary costs for the insuring, repair or maintenance thereof; and (X) bad debt and rent loss reserves. 4.2.5 Taxes. 4.2.5.1 "Tax Expenses" shall mean, subject to the provisions of Section 4.2.5.2 and 4.2.5.3, all federal, state, county or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary (including, without limitation, real estate taxes, general and special assessments, transit taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project, or any portion thereof which shall be paid or accrued during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because or in connection with the ownership, leasing and operation of the Project, or any portion thereof. 4.2.5.2 Any costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in attempting to protest, reduce or minimize Tax Expenses shall be included in Tax Expenses in the Expense Year such expenses are paid. Refunds of Tax Expenses shall be credited against Tax Expenses and refunded to Tenant regardless of when received, based on the Expense Year to which the refund is applicable, provided that in no event shall the amount to be refunded to Tenant for any such Expense Year exceed the total amount paid by Tenant as Additional Rent under this Article 4 for such Expense Year. If Tax Expenses for any period during the Lease Term or any Extension thereof are increased after payment thereof for any reason, including without limitation error or reassessment by applicable governmental or municipal authorities, Tenant shall pay Landlord within thirty (30) days of written demand therefor, together with reasonable documentation of such expenses, Tenant's Share of any such increased Tax Expenses included by Landlord as Tax Expenses pursuant to the terms of this Lease. Notwithstanding anything to the contrary contained in this Section 4.2 (except as set forth in Section 4.2.5.1 above), there shall be excluded from Tax Expenses (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, transfer and revenue taxes and other taxes applicable to Landlord as a general or net income or imposed on or measured by gross income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any items included as Operating Expenses, (iii) any items paid by Tenant under Section 4.5 of this Lease, and (iv) any tax increment amounts applicable to the Project and paid by Landlord for which Landlord is reimbursed pursuant to any participation or similar agreement with any governmental agency. 4.2.5.3 If the Tax Expenses for the Base Year include special assessments from which you elected and such special assessments terminate during the Lease Term, then from and after the date of such 1049963 11/SF-372398.000767/ 1-13-17/zlh/ll Recursion Pharmaceuticals, Inc.

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DocuSign Envelope ID: D 1 E7393E-D384-4DE7-AAO6-1 B9C9421 1 CDA termination of the special assessment, the Tax Expenses for the Base Year shall be deemed to be reduced by the amount of such special assessment so that Tenant bywill its full Tenant's Share of increases in the Tax Expenses during the Lease Term. 4.2.6 "Tenant's Share" shall be calculated as the percentage determined by dividing the number of rentable square feet of the Premises by the total rentable square feet in the Building (or the total rentable square feet leased in the Building if such total is greater than ninety-five percent (95%) of the total rentable square feet in the building). 4.3 Allocation of Direct Expenses to Building Cost Pools. 4.3.1 Allocation of Direct Expenses to Building. The parties acknowledge that the Building is a part ofa multi-building project, and that the costs and expenses incurred in connection with the Project (i.e. the Direct Expenses) shall be shared between the tenants of the Building and the tenants of the Other Buildings. Accordingly, as set forth in Sections 4.1 and 4.2 above, Direct Expenses are determined annually for the Project as a whole, and a portion of the Direct Expenses, which portion shall be determined by Landlord on an equitable basis, shall be allocated to the tenants ofthe Building (as opposed to the tenants ofthe Other Buildings), and such portion so allocated shall be the amount of Direct Expenses payable with respect to the Building upon which Tenant's Share shall be calculated. Such portion of the Direct Expenses allocated to the tenants of the Building shall include all Direct Expenses which are attributable solely to the Building, and an equitable portion of the Direct Expenses attributable to the Project as a whole. 4.3.2 Cost Pools. Without limit on in addition to the provisions of Section 4.3.1 above, Landlord shall have the right, from time to time, in its discretion, to: (i) equitably allocate and prorate some or all of the Operating Expenses and/or Tax Expenses among different tenants and/or different buildings of the Project and/or on a building-by-building basis (collectively, the "Cost Pools"), which Cost Pools may include, without limitation, the office space tenants and retail space tenants, if any, of the buildings in the Project and/or the office buildings and retail buildings of the Project, and (ii) to include or exclude existing or future buildings in the Project for purposes of determining some or all of the Operating Expenses, Tax Expenses and/or the provision of various services and amenities thereto, including allocation of Operating Expenses and/or Tax Expenses in any such Cost Pools. 4.4 Calculation and Payment of Additional Rent. If for any Expense Year ending or commencing within the Lease Term, Tenant's Share of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for such Expense Year exceeds Tenant's Share of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for the Base Year, then Tenant shall pay to Landlord, in the manner set forth in Section 4.4.1 below, and as Additional Rent, an amount equal to the excess (the "Excess"). If for any Expense Year ending or commencing within the Lease Term, Tenant's Share of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for such Expense Year is less than Tenant's Share of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for the Base Year, then Tenant shall not be entitled to any refund. 4.4.1 Statement of Actual Direct Expenses and Payment by Tenant. Within one hundred twenty (120) days following the end of each Expense Year, Landlord shall give to Tenant a statement (the "Statement") which shall state in reasonable detail the Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above incurred or accrued for such preceding Expense Year, and which shall indicate the amount of the Excess (if any. Notwithstanding the foregoing, Landlord and Tenant hereby acknowledge and agree that the failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord or Tenant from enforcing its rights under this Article 4;provided, however, Landlord shall not be entitled to collect from Tenant any Operating Expenses that are billed to Tenant for the first time more than two (2) years after the Expense Year in which such Operating

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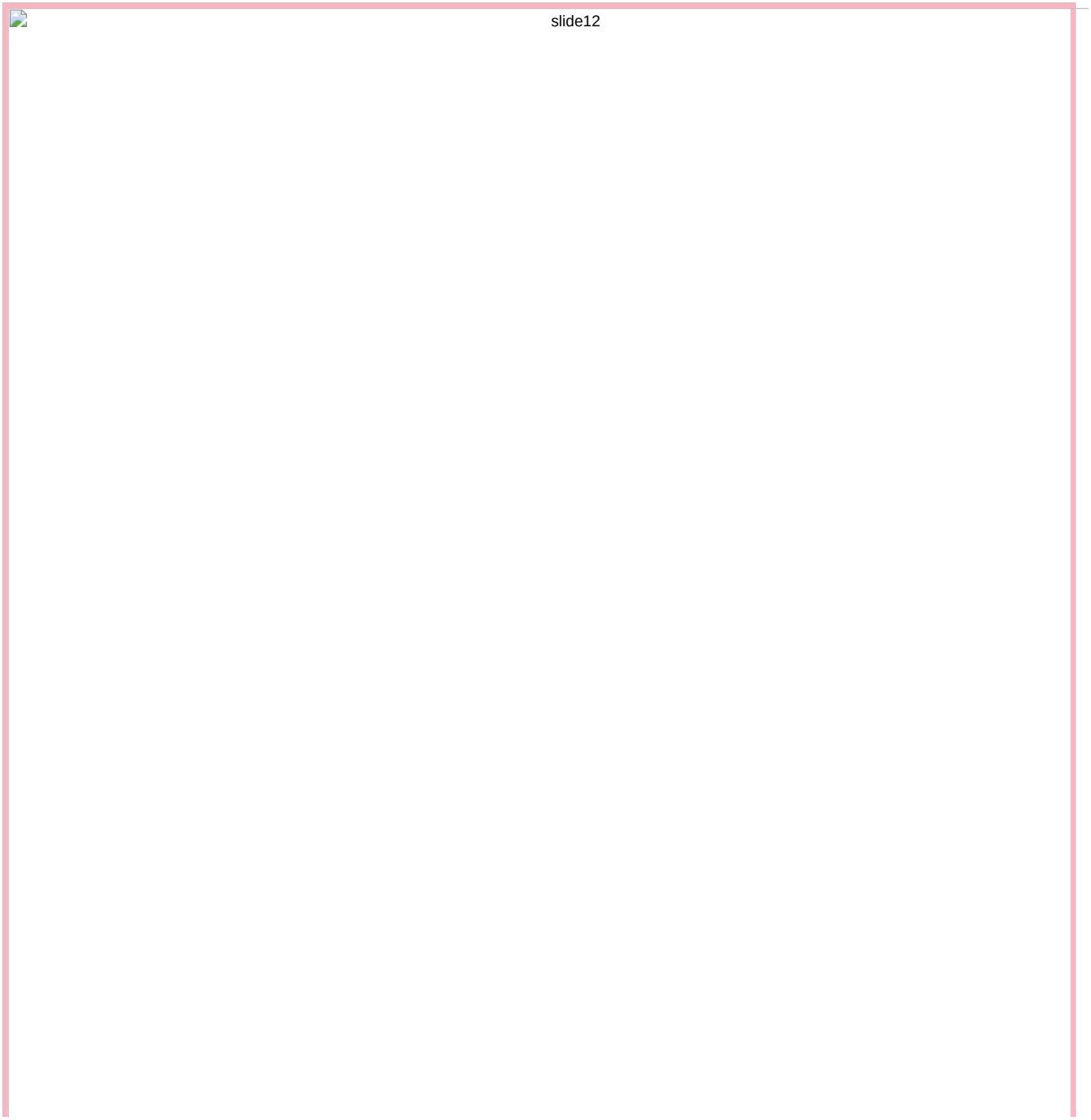
Expenses arise (provided further that the foregoing waiver shall not apply with respect to, and Tenant shall remain responsible for, any Operating Expenses levied by any governmental authority or any public utility companies at any time following the expiration of the applicable Expense Year which are attributable to such Expense Year so long as Landlord delivers to Tenant any such bill for such amounts within the later of (i) two (2) calendar years after the end of the Expense Year or (ii) three (3) months following Landlord's receipt of the bill therefor). Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, if an Excess is present, Tenant shall pay, at Tenant's election, with its next installment of Base Rent due or within thirty (30) days of Tenant's receipt of the Statement, the full amount of the Excess for such Expense Year, less the amounts, if any, paid during such Expense Year as "Estimated Excess," as that term is defined in Section 4.4.2, below. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's Share of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for the Expense Year in which this Lease terminates, if an Excess is present, Tenant shall pay to Landlord such amount within thirty (30) days following receipt by Tenant of the Statement setting forth the Excess. In the event that a Statement shall indicate that Tenant has paid more as Estimated Excess than Tenant's Share of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above in connection with any Expense Year or as determined in accordance with the provisions of Section 4.5 below (an "Overpay"), Tenant shall receive a credit against the Rent next due under this Lease in the amount of such Overpay (or, in the event that this Lease shall have terminated, Tenant shall receive a refund from Landlord in the amount of such Overage within thirty (30) days after Landlord delivers such Statement). The provisions of this Section 4.4.1 shall survive the expiration or earlier termination of the Lease Term. 4.4.2 Statement of Estimated Direct Expenses. In addition, Landlord shall give Tenant a yearly expense estimate statement (the "Estimate Statement") which shall set forth, in reasonable detail, Landlord's reasonable estimate (the "Estimate") of what the total amount of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for the then current Expense Year shall be and the estimated excess (the 104965 ill/SF 373398-00076/i 1-13-17/arb/jli 11 Recursion Pharmaceuticals, Inc.



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DocuSign Envelope ID: D1E7393E-D384-4DE7-M06-1B9C84214 CDA "Estimated Excess") as calculated by comparing the Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for such Expense Year, which shall be based upon the Estimate, to the amount of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for the Base Year. The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Excess under this Article 4, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Excess theretofore delivered to the extent necessary thereof more frequently than once per calendar year. Thereafter, Tenant shall pay with its next installment of Base Rent due a fraction of the Estimated Excess for the then current Expense Year (reduced by any amounts already paid pursuant to the last sentence of this Section 4.4.2). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished in accordance with the provisions ofthis Section, Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Excess set forth in the previous Estimate Statement delivered by Landlord to Tenant. 4.5 Taxes and Other Charges for Which Tenant Is Directly Responsible. 4.5.1 Tenant shall be liable for and shall pay before delinquency taxes levied against Tenant's equipment, furniture, trade fixtures and any other personal property located in or about the Premises. If any such taxes on Tenant's equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property and if Landlord pays the taxes based upon such increased assessment which Landlord shall have the right to do regardless of the validity thereof but only under protest if requested by Tenant, Tenant shall within thirty (30) days of receipt of written demand pay to Landlord the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be, so long as Landlord provides reasonable documentation of such increased assessment and payment by Landlord of the same. 4.5.2 If the tenant improvements in the Premises, whether installed and/or paid for by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which tenant improvements conforming to Landlord's building standard in other space in the Building are assessed, then the Tax Expenses levied against Landlord or the property by reason of such excess assessed valuation shall be deemed to be taxes levied against personal property of Tenant and shall be governed by the provisions of Section 4.5.1 above. 4.5.3 Notwithstanding any contrary provision herein and so long as Tenant receives from Landlord reasonable documentation of such taxes, Tenant shall pay prior to delinquency any (i) rent tax or sales tax, service tax, transfer tax or value added tax, or any other applicable tax on the rent or services herein or otherwise respecting this Lease, (ii) taxes assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Project, including the Project parking facility, or (iii) taxes assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. 4.6 Landlord's Books and Records. Within forty-five (45) days after receipt of a Statement by Tenant, if Tenant disputes the amount of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above and set forth in the Statement, an independent certified public accountant (which accountant is a member of a nationally or regionally recognized accounting firm and which accountant shall not be compensated on a contingency fee or similar basis related to the result of such audit) or other authorized representative (which representative shall not be compensated on a contingency fee or similar basis related to such audit) designated by Tenant, may, within ten (10) business days after Landlord's receipt of notice from Tenant and, in any event, only during normal business hours, inspect Landlord's records at Landlord's offices; provided that Tenant is not then in default under this Lease and Tenant has paid all amounts required to be paid under the applicable Statement and further provided that such inspection must be completed within ten (10) business days after Landlord's full and complete records are made available to Tenant. Tenant agrees that any records of Landlord reviewed under this Section 4.6 shall constitute confidential information of Landlord, which Tenant shall not disclose, nor permit to be disclosed by Tenant or Tenant's accountant. If, within thirty (30) days after such inspection, Tenant notifies Landlord in writing that Tenant still disputes such Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above and included in the Statement, then a certification as to the proper amount shall be made, at Tenant's expense, by an independent certified public accountant selected by Landlord, which certification shall be final and conclusive, provided, however, if the actual amount of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above and due for that Expense Year, as determined by such certification, is determined to have been overstated by more than five percent (5%), then Landlord shall pay the costs associated with such certification and the costs of Tenant's inspection of Landlord's records. Tenant's failure (1) to take exception to any Statement within forty-five (45) days after Tenant's receipt of such Statement or (ii) to timely complete its inspection of Landlord's records or (iii) to timely notify Landlord of any remaining dispute after such inspection shall be deemed to be Tenant's approval of such Statement and Tenant thereafter waives the right or ability to dispute the amounts set forth in such Statement, which Statement shall be considered final and binding. Notwithstanding anything in this Section 4.6 to the contrary, Tenant may not inspect Landlord's records pursuant to this Section 4.6 more than once per Expense Year. 4.7 Utilities. During each calendar year or part thereof during the Lease Term, Tenant shall pay to Landlord, as Additional Rent, the actual cost incurred by Landlord with respect to all electricity, water, sewer, heat, steam, light, power and other utilities consumed within the Premises as more particularly described in this Section 4.7. All such costs payable by Tenant pursuant to this Section 4.7 shall be referred to as "Tenant's Monthly Utility Charge", and all such amounts shall constitute rent hereunder. All electricity directly serving the Premises 1049651 1 111SI 3763890 D0007/0 I 13437/zlb/1/12 Recursion Pharmaceuticals, Inc.

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DocuSign Envelope ID: D1F7393F-D384-4DF7-M06-189C9421 1 CDA ('Direct Electrical Costs") shall be separately metered or submetered and Tenant shall pay the cost (without mark up by Landlord) of all such Direct Electrical Costs either to Landlord as a reimbursement, or, at Landlord's election, as a payment directly to the entity providing such electricity. With respect to all utility costs for the Premises other than Direct Electrical Costs (collectively, "Other Utility Costs'), Landlord shall have the right, from time to time, to equitably allocate some or all of such Other Utility Costs among cost pools for different portions or occupants of the Building, in Landlord's reasonable discretion. Such cost pools may include, but shall not be limited to, office space tenants and retail space tenants of the Building. The utility costs within each such cost pool shall be allocated and charged to the tenants within such cost pool in an equitable manner. With respect to Other Utility Costs that vary based on occupancy, such ifthe Building is not at least one hundred percent (100%) occupied during all or a portion of any month, Landlord shall elect to make an appropriate adjustment to the components of Other Utility Costs for such month to determine the amount ofOther Utility Costs that would have been incurred had the Building been one hundred percent (100%) occupied; and the amount so determined shall be deemed to have been the amount of Other Utility Costs for such month. Payments on account of Tenant's Monthly Utility Charge are due and payable monthly together with the payment of Base Rent. Tenant's Monthly Utility Charges shall not be based upon the Base Year. Notwithstanding the foregoing, with respect to HVAC (as defined below), Landlord owns and operates a central plant which generates both hot and cold water to be used for artificial heating and cooling of building improvements in the Project, including, but not limited to, the Premises, and to heat culinary water used by the occupants and guests of the Project, including, but not limited to, the Premises. Landlord shall deliver hot and cold water to their respective points of connection to the Premises, with hot water being delivered at a temperature of not less than 1 80°F and chilled water being delivered at a temperature of no warmer than 45°f, or sufficiently hotlcool so as maintain 72Sf air temperature in cooling mode and 70°f air temperature in heating mode in the Premises. Tenant, at Tenant's sole cost and expense, shall maintain all HVAC facilities from the point of connection to the Premises and Landlord shall maintain all HVAC facilities serving the Project generally, up to their point of connection to the Premises. Tenant

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shall pay Landlord, as additional rent, $1.26 per cooling per one hundred thousand BTU and $2.62 per heating per one hundred thousand BTU, which rates are subject to change from time to time based on increases in the utility costs charged to Landlord by the applicable utility companies. ARTICLE 5 USE OF PREMISES 5.1 Permitted Use. Tenant shall use the Premises solely for general office purposes and wet and dry laboratory uses (collectively, "Laboratory Use"), together with all ancillary uses related thereto (including, without limitation, a café/cafeteria with food preparation for Tenant's internal use (subject to Section 5.4 below)), consistent with the character of the Building as a first-class office/laboratory building and Tenant shall not use or permit the Premises or the Project to be used for any other purpose or purposes whatsoever arbitration without the prior written consent of Landlord, which may be withheld both Parties.

14.5 Patent Disputes. Notwithstanding anything in Landlord's sole discretion. With respect this Agreement to Tenant's proposed lab use at the Premises, Tenant, at Tenant's sole cost and expense, shall obtain and maintain contrary, any and all approvals issues regarding the validity and permits required enforceability of any Patent ("Patent Matters") shall be determined in a court or other tribunal, as the case may be, of competent jurisdiction under the applicable Laws. patent laws of such country with a jury trial being however excluded. If such Dispute involves both Patent Matters and other matters, the arbitrators or experts as applicable will have the right to stay the arbitration or expert determination until determination of Patent Matters material to the resolution of the Dispute as to other matters is resolved.

14.6 Expert Determination for Specific Matters. Subject to Section 14.5 and notwithstanding Section 14.4, the Parties may agree to submit any Dispute which subject matter relates to a scientific or technical assessment or the determination of the amount of royalty or milestone payments or a license fee to administered expert proceedings in accordance with the Rules for the Administration of Expert Proceedings of the International Chamber of Commerce.

The Parties agree that in such case the findings of the expert shall be contractually binding upon them in the absence of manifest error or fraud and that they will agree with the expert on the terms of his appointment.

14.7 Performance to Continue. Without limiting either Party's rights under Sections 15.2 to 15.3, each Party shall continue to perform its undisputed obligations under this Lease Agreement pending final resolution of any dispute arising out of or relating to this Agreement; provided, however, that a Party may terminate this Agreement in accordance with Sections 15.2 to 15.3 or suspend performance of its undisputed obligations during any period in which the other Party fails or refuses to perform its undisputed obligations or during any period in which the issue in dispute is payments due under this Agreement.

15. TERM AND TERMINATION

15.1 Term.The term of this Agreement shall commence on the Effective Date of this Agreement and Rules shall continue on a Product-by-Product and Regulations set forth in Exhibit D and such security measures that Landlord may reasonably deem necessary or desirable for country-by-country basis until the safety and security expiration of the Project, Royalty Term applicable to such Product in such country ("Term").

15.2 Termination for Convenience by Bayer. Bayer may without cause and for any reason terminate this Agreement completely or partially with respect to a specific Product or country by giving Recursion written notice of at least [***] days in advance of the Building effective date of termination selected by Bayer. Bayer shall pay all sums respectively due under this Agreement, including earned royalties and milestone payments which are or the Premises, Tenant shall have access become due prior to the Premises twenty-four (24) hours per day, seven (7) days per week, subject to full effective date of the respective complete or partial closures which may be required from time to time in termination of this Agreement. In the event of an actual or threatened emergency or otherwise (in which case Landlord termination by Bayer pursuant to this Section 15.2, Bayer, its Affiliates shall use its good faith efforts to reopen access to the Premises as soon as possible following such emergency, or for construction, maintenance, repairs, or other events or circumstances which make it reasonably necessary to temporarily restrict or limit access so long as Landlord provides Tenant with seven (7) days' advance written notice of such work cease all development, manufacture and such work does not materially interfere with Tenant's access to, and use commercialization of the Premises. 5.2 Prohibited Uses. The uses prohibited under Licensed Project Compounds, Derivatives, and Products, or if this Lease shall include, without limitation, use of Agreement is terminated in part, the Premises or a portion thereof for: (1) offices of any agency or bureau of the United States or any state or political subdivision thereof; (ii) offices or agencies of any foreign governmental or political subdivision thereof, (iii) intentionally omitted; (iv) schools or other training facilities which are not ancillary to corporate, executive or professional office use; (v) retail or restaurant uses (except as otherwise set forth in this Lease); (vi) communications firms such as radio and/or television stations, or (vii) an executive suites subleasing business or operation. Tenant shall not allow occupancy density of use of the Premises which is greater than one person per one hundred fifty (150) rentable square feet of the Premises. Tenant further covenants and agrees that Tenant shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof

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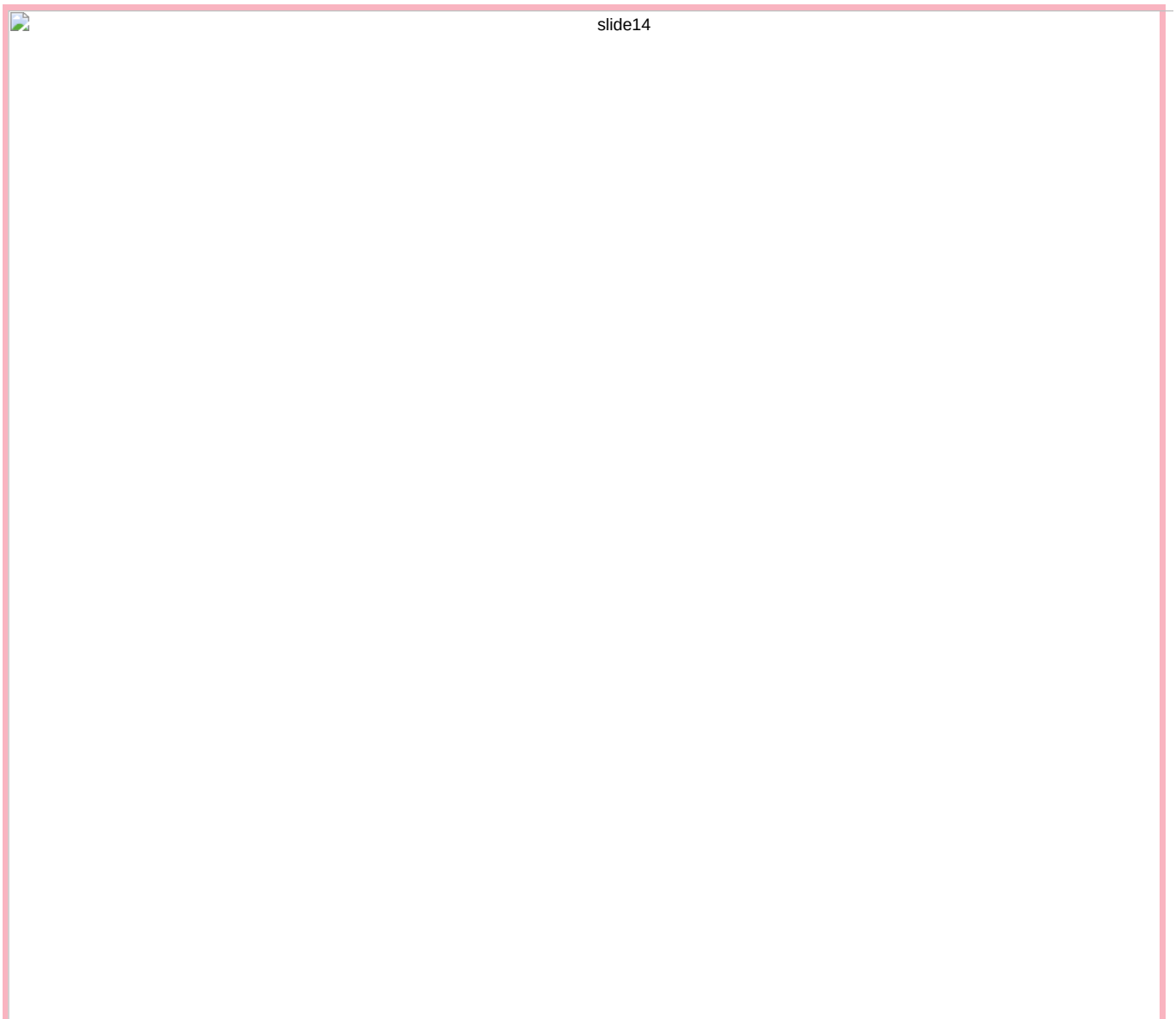
for any use or purpose contrary to the provisions of the Rules and Regulations set forth in Exhibit D, attached hereto, as the same may be amended by Landlord from time to time so long as such amendments are commercially reasonable and Landlord provides written notice of such amendments to Tenant, terminated Products or in violation of the laws, statutes, regulations, or other rules or requirements of the United States of America, the State of Utah, or the ordinances, rules, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Project, including, without limitation, any such laws, ordinances, regulations or requirements relating to Hazardous Materials (as defined below) or to the Americans with Disabilities Act of 1990 (collectively, the "Laws"). Tenant shall not do or permit anything to be done in or about the Premises which will in any way damage the reputation of the Project or obstruct or interfere with the rights of other tenants or occupants of the Building or the Other Buildings, or injure them or use or allow the Premises to be used terminated country, as applicable.

15.3 Termination for any unlawful or reasonably objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall comply with all recorded covenants, conditions, and restrictions now or hereafter affecting the Project. 5.3 Hazardous Materials; Tenant. Except for ordinary and general office supplies typically used in the ordinary course of business within office buildings, such as copier toner, liquid paper, glue, ink and common household cleaning materials (some or all of which may constitute "Hazardous Materials" as defined in this Lease), and except in connection with the operation of Tenant's Laboratory Use, Tenant agrees not to cause or knowingly 1049651.11/SF 37339$-00076111-13-17/arb/jll -13— Recursion Pharmaceuticals, Inc.



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DocuSign Envelope ID : D 1 F7393F-D384-4DF7-M06-1 B9C9421 1 CDA permit any Hazardous Materials to be brought upon, stored, used, handled, generated, released or disposed of on, in, under or about the Premises, the Building, the Common Areas or any other portion of the Project by Tenant, its agents, employees, subtenants, assignees, licensees, contractors or invitees (collectively, "Tenant Parties"), without the prior written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. With respect to any material which Tenant or its agents brings onto the Premises in connection with Tenant's Laboratory Use that are Hazardous Materials, Tenant shall at all time handle and store such materials in compliance with all applicable Laws. Within twenty (20) days after Landlord's written request (but in no event more than once during any eighteen (18) month period), Tenant shall complete, to the best of Tenant's knowledge, the Landlord's then-current Hazardous Materials questionnaire, and shall provide Material Safety Data Sheets for any Hazardous Materials used on or brought to the Premises by Tenant. Upon the expiration or earlier termination of this Lease, Tenant agrees to promptly remove from the Premises, the Building and the Project, at its sole cost and expense, any and all Hazardous Materials, including any equipment or systems containing Hazardous Materials which are installed, brought upon, stored, used, generated or released upon, in, under or about the Premises, the Building and/or the Project or any portion thereof by Tenant or any of Tenant Parties. To the fullest extent permitted by law, Tenant agrees to promptly indemnify, protect, defend and hold harmless Landlord and Landlord's partners, officers, directors, employees, agents, successors and assigns (collectively, "Landlord Indemnified Parties") from and against any and all claims, damages, judgments, suits, causes of action, losses, liabilities, penalties, fines, expenses and costs (including, without limitation, clean-up, removal, remediation and restoration costs, sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees and court costs) which arise or result from the presence of Hazardous Materials on, in, under or about the Premises, the Building or any other portion of the Project and which are caused or permitted by Tenant or any ofTenant Parties. Tenant agrees to promptly notify Landlord of any release of Hazardous Materials at the Premises, the Building or any other portion of the Project which Tenant becomes aware of during the Lease Term, whether caused by Tenant or any other persons or entities. Breach. In the event of any release of Hazardous Materials caused or permitted material breach by Tenant or any of Tenant Parties, Tenant shall immediately take all steps required under applicable Laws to remediate such release and prevent any similar future release to the satisfaction of Landlord and Landlord's mortgagee(s), acting reasonably. As used in this Lease, the term "Hazardous Materials" shall mean and include any hazardous or toxic materials, substances or wastes as now or hereafter designated under any law, statute, ordinance, nile, regulation, order or ruling of any agency of the State in which the Building is located, the United States Government or any local governmental authority, including, without limitation, asbestos, petroleum, petroleum hydrocarbons and petroleum based products, urea formaldehyde foam insulation, polychlorinated biphenyls ("PCBs"), and freon and other chiorofluorocarbons. The provisions a Party of this Section 5.3 will survive Agreement, the expiration or earlier termination of this Lease. 5,4 Kitchen Use. Subject to Landlords prior written approval of the plans and specifications therefor, Tenant shall have the right to use a portion of the Premises for the operation of, and include in the Tenant Improvements (or subsequent Alterations) the construction of, a kitchen/cooking/dining facility (including a gas line of adequate capacity with gas lines stubbed to the Premises with a local shut-off valve and a gas meter connection) for Tenant's employees and guests only (in no event shall such kitchen/cooking/dining facility be open to or serve the general public), on and subject to the foLlowing terms and conditions: (i) Tenant shall be responsible, at its sole cost and expense (subject to the application of the Tenant Improvement Allowance), for obtaining all applicable permits, licenses and governmental approvals necessary for the use of the Premises for such kitchen/cooking/dining facility uses (including, without limitation, any necessary approvals from the applicable health and/or fire departments, permits required in connection with any venting or other air-removal/circulation system, and any required fire-suppression systems), copies of which shall be delivered to Landlord prior to Tenant's installation of any Tenant Improvements or other Alterations in the Premises in connection with such kitchen/cooking/dining facility uses; (ii) in the event such use requires any alterations or improvements to the Building structure and/or the Base Building (as defined below) (specifically including, without limitation, in connection with the installation of any venting or other air-removal/circulation system), Tenant shall be solely responsible for all costs incurred in connection therewith (subject to the application of the Tenant Improvement Allowance); (iii) Tenant shall take all reasonable actions and shall conduct its operations in the kitchen/cooking/dining areas of the Premises so as to reasonably ensure that no liquid seeps from the Premises to the space of any other tenant or to any other portion of the Building, including, without limitation, through the floor of the Premises; (iv) Tenant shall not permit any emission or emanation of any unreasonable noise, odors or vibrations from the kitchen/cooking/dining areas of the Premises affecting adjacent areas of the Project in violation of any applicable

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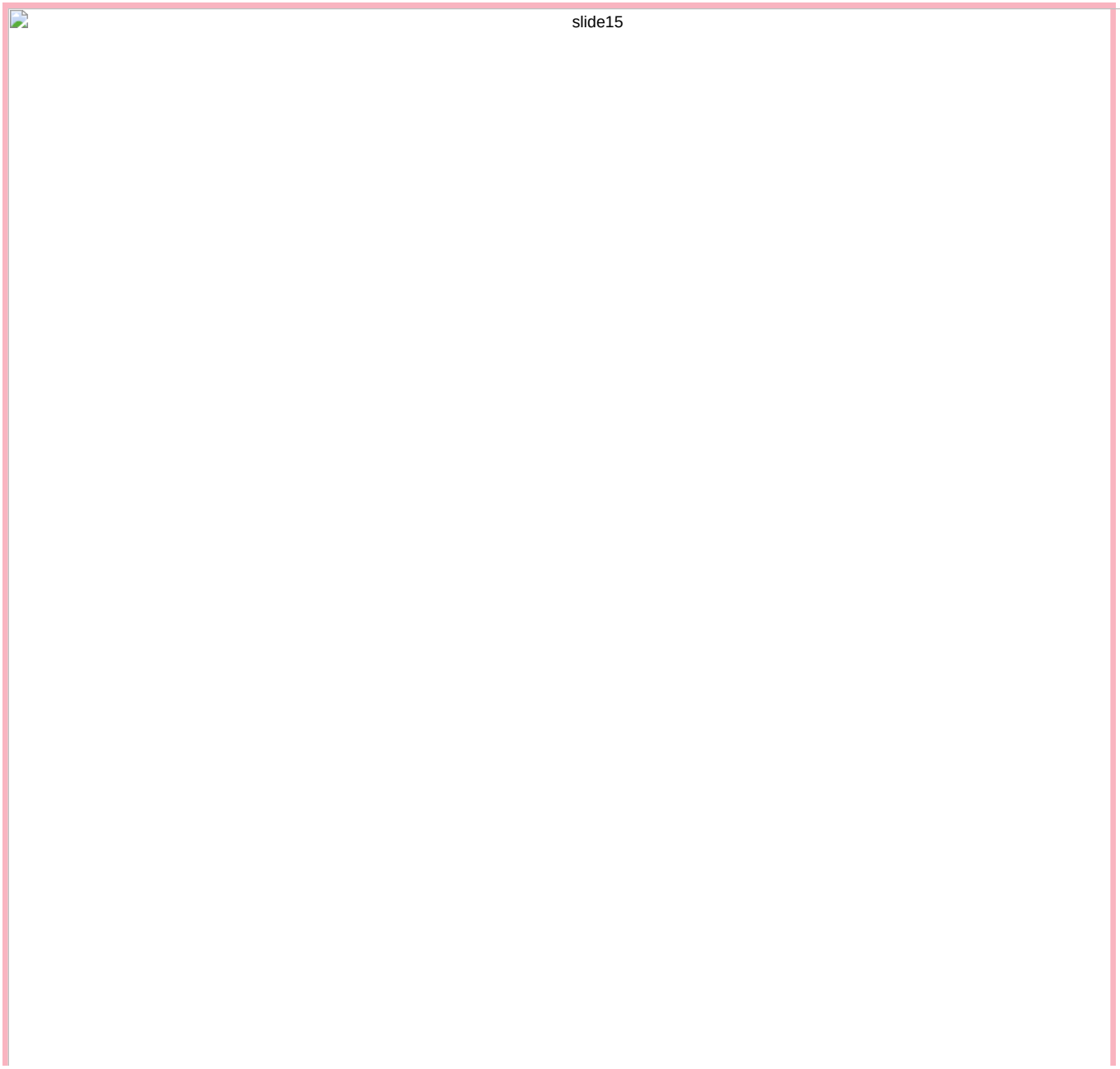
Laws; (v) the kitchen/cooking/dining areas of the Premises and the equipment contained therein must at all times be adequately ventilated and filtered, and any odors must be exhausted and dispersed, in a manner in compliance with all applicable Laws; (vi) if reasonably requested by Landlord, Tenant shall install grease traps of sufficient size and design to catch grease, fat and oils disposed into the sinks located in the Premises before entry into the Building's sewer system, and Tenant shall keep such grease traps clean and operational at all times; (vii) Tenant shall cause to be provided pest eradication and control services if and as necessary to control any pest infestation related to Tenant's kitchen/cooking/dining facility, as reasonably required by Landlord, with respect to the Premises; (viii) all trash generated from Tenant's kitchen/cooking/dining use shall be stored in covered containers to reduce the emission or emanation of odors from the Premises, shall be sealed in double plastic bags (or otherwise sealed in a manner prescribed by or acceptable to Landlord), and shall be deposited by Tenant daily and removed pursuant to Tenant's janitorial contract at commercially reasonable times in the areas of the Building designated for trash removal; and (ix) in connection with Tenant's kitchen/cooking/dining use of the Premises, Tenant shall maintain the Premises at all times in a clean and sanitary manner in compliance with all applicable health and sanitation Requirements and with any reasonable health and safety guidelines promulgated by Landlord. ARTICLE 6 SERVICES AND UTILITIES 6.1 Standard Tenant Services. Landlord (or Landlord's property manager) shall provide the following services on all days (unless otherwise stated below) during the Lease Term. 1049651.1 1/SF 373398-00076/1 t-13-17/arb/jll 14 Recursion Pharmaceuiicals, Inc.



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DacuSign Envelope ID: DI F7393F-D384-4DF7-M06-1 B9C9421 I CDA 6. 1 . 1 Subject to force Majeure (as defined below), limitations imposed by all governmental rules, regulations and guidelines applicable thereto and Tenant's payment to Landlord for the same pursuant to Section 4.7 above, Landlord shall provide heating and air conditioning by means of hot and cold water delivered to the Premises from the central plant at the temperatures specified in Section 4.7 ("HVAC") twenty-four (24) hours a day, seven (7) days a week. 6.1.2 Landlord shall provide adequate electrical wiring and facilities for normal general office use and electricity at levels consistent with normal general office use, as reasonably determined by Landlord. Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-Building standard lighting fixtures within the Premises. 6. 1 .3 Landlord shall provide city water from the regular Building outlets for drinking, lavatory and toilet purposes and for any business office type kitchens in the Premises and the Common Areas. Tenant shall cooperate fully with Landlord at all times and abide by all regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the HVAC, electrical, mechanical and plumbing systems. 6.2 Overstandard Tenant Use. If Tenant requires heating or cooling beyond that which Landlord is required to supply pursuant to Section 4.7 and/or 6. 1 above (and so long as the same is consistent with the requirements of the central plant, as reasonably determined by Landlord), then Tenant, at Tenant's sole cost and expense, shall be responsible for any supplemental air conditioning units or other facilities serving the Premises necessary to satisfy such additional Tenant requirements. Tenant's use of electricity shall never exceed the capacity of the feeders to the Project or the risers or wiring installation, and subject to the terms of Section 29.32, below, Tenant shall not install or use or permit the installation or use of any computer or electronic data processing equipment in the Premises, without the prior written consent of Landlord. 6.3 Interruption of Use. Tenant agrees that Landlord (or Landlord's property manager) shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by breakage, repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Project after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause (except to the extent due to Landlord's gross negligence or willful misconduct); and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease, furthermore, Landlord (or Landlord's property manager) shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6. Landlord (or Landlord's property manager) may comply with voluntary controls or guidelines promulgated by any governmental entity relating to the use or conservation of energy, water, gas, light or electricity or the reduction of automobile or other emissions without creating any liability of Landlord (or Landlord's property manager) to Tenant under this Lease, provided that the Premises are not thereby rendered untenantable. Notwithstanding the foregoing, if (i) Landlord fails to perform the obligations required of Landlord under this Lease, (ii) such failure causes all or a portion of the Premises to be untenantable and unusable by Tenant, and (iii) such failure relates to the nonfunctioning of the HVAC system in the Premises, or the failure to provide any of the services described in Section 6.1 above, or the nonfunctioning of the elevator service to the Premises, Tenant shall give Landlord Notice (the "Initial Notice"), specifying such failure to be performed by Landlord (the "Abatement Event"). If Landlord has not cured such Abatement Event within five (5) business days after the receipt of the Initial Notice (the "Eligibility Period"), then Tenant may abate Rent payable under this Lease for that portion of the Premises rendered untenantabte and not used by Tenant, for the period beginning as of the date immediately after the expiration of the Eligibility Period and continuing until the earlier of the date Landlord cures such Abatement Event or the date Tenant recommences the use of such portion of the Premises. Such right to abate Rent shall be Tenant's sole and exclusive remedy at law or in equity to abate Rent for an Abatement Event. If the Abatement Event continues for sixty (60) consecutive days after Tenant's delivery of the Initial Notice, then Tenant Party shall have the right to terminate this Lease Agreement upon delivery of written notice to Landlord given at any time prior the breaching Party, provided that the notifying Party provides notice of such breach to the earlier breaching Party specifying the nature of the date Landlord cures alleged breach and that such Abatement Event or breach has not been cured within [***] days after such notice thereof. Notwithstanding the date Tenant recommences foregoing, the use notice and cure period as provided above shall be [***] days for breaches of such any payment obligation under this Agreement, provided however, that if a portion of the Premises. The abatement provisions set forth above invoice is in dispute, the undisputed portion shall be inapplicable paid and this Agreement shall remain in full force and effect subject to any interruption Section 14.7 and the disputed portion shall be resolved in or failure or inability accordance with Section 14 above. In the event of termination by Recursion pursuant to provide any this Section 15.3, Bayer, its Affiliates shall cease all development, manufacture and commercialization of the services Licensed Project Compounds, Derivatives and Products.

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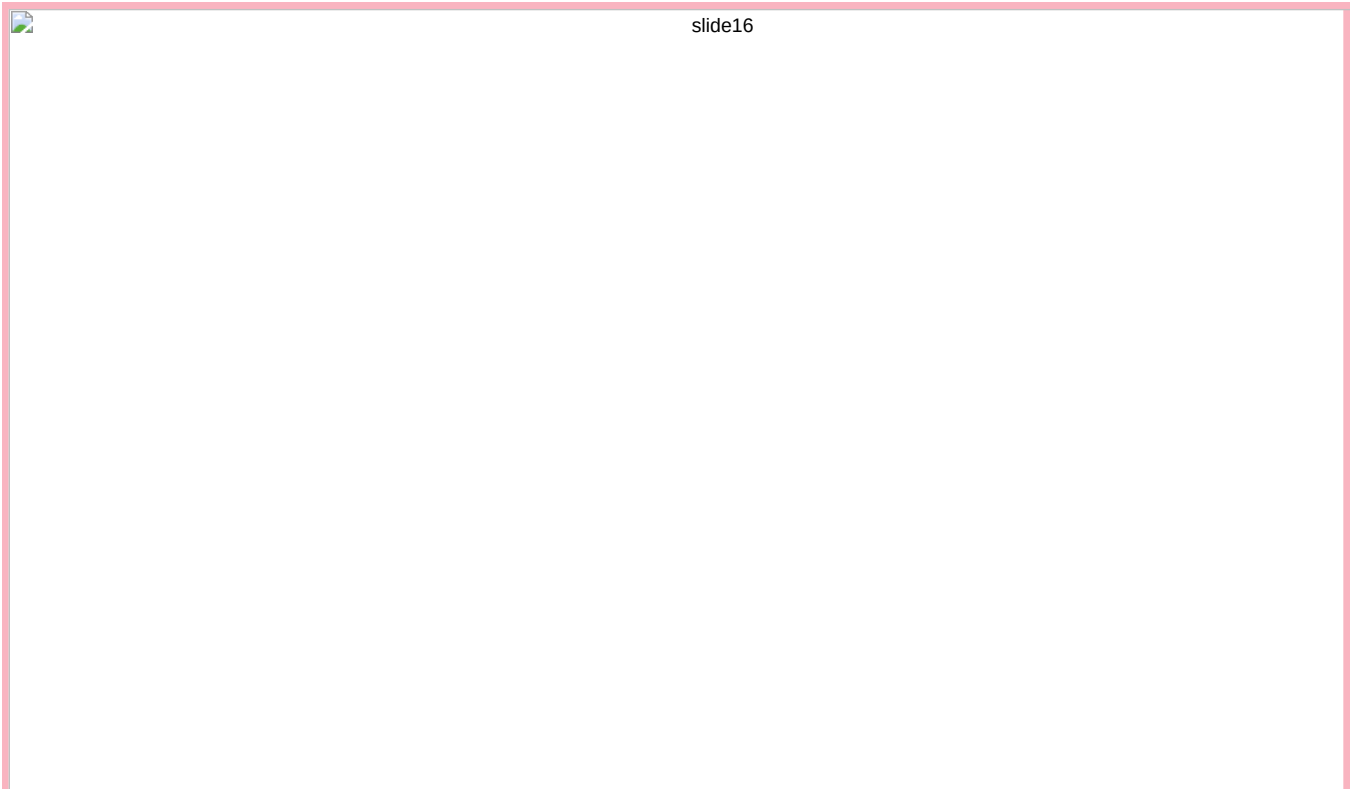
15.4 Consequences of Expiration or utilities described above Termination.

15.4.1 Consequences of Termination for Convenience by Bayer or Termination for Cause by Recursion. In the event that this Agreement is caused terminated by (x) damage Bayer for convenience in accordance with Section 15.2 or by fire or other casualty or a taking (it being acknowledged that such situations Recursion for breach in accordance with Section 15.3:

15.4.1.1 The licenses granted hereunder by Recursion to Bayer under the Licensed Rights shall, be governed by Article II and 13, respectively), or (y) the negligence or willful misconduct of Tenant or any other Tenant Parties (as defined below). ARTICLE 7 REPAIRS 7.1 Tenant's Repair Obligations. Tenant shall, at Tenant's own expense, pursuant subject to the terms last sentence of Section 14.3, cease completely or if applicable, partially with respect to the specific Product(s) or country for which this Lease, including, without limitation, Article 8 hereof, keep Agreement was terminated.

15.4.1.2 For the Premises, including all improvements, fixtures Licensed Rights, as far as affected by the respective termination according to Section 15.2 or 15.3 and furnishings therein, in good order, repair and condition at all times during the Lease Term. In addition, Tenant shall, at Tenant's own expense (except except to the extent caused by Landlord's gross negligence or intentional act), but under the supervision and subject that exclusive rights have been granted to the prior approval of Landlord, and within any reasonable period of time specified by Landlord, pursuant to the terms of this Lease, including, without limitation, Article 8 hereof, promptly 104965 1.11/SF 373398-00076/ll-I 3-17/arb/jll 15 Recursion Pharmaceuticals, inc.



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DocuSign Envelope ID: D1F7393F-D384-4DF7-M06-1B9C9421 1CDA and adequately repair all damage to the Premises and replace or repair all damaged, broken, or worn fixtures and appurtenances, except for damage caused by ordinary wear and tear or beyond the reasonable control of Tenant or to the extent due to Landlords gross negligence or intentional act; provided however, that, at Landlords option upon written notice to Tenant, or if Tenant fails to make such repairs, Landlord (or Landlord's property manager) may, but need not, make such repairs and replacements, and Tenant shall pay Landlord (or Landlords property manager) within thirty (30) days after Tenant's receipt ofwntten request for payment, together with reasonable documentation of such costs, Landlord's actual, out-of-pocket costs thereof. Landlord may, but shall not be required to, enter the Premises at all reasonable times to make such repairs, alterations, improvements or additions to the Premises or to the Project or to any equipment located in the Project as Landlord shall desire or deem necessary or as Landlord may be required to do by governmental or quasi-governmental authority or court order or decree. Landlord shall at all times when entering the Premises comply with Tenant's reasonable safety rules and regulations and laboratory protocols of which Landlord has knowledge of, and, at Tenant's option, shall be accompanied or escorted by Tenant's representative at all times when entering the Premises, so long as such representative is made available when Landlord or its agents need to enter the Premises. Tenant shall be responsible for supplying its own janitorial services for the Premises using contractors and subcontractors who are licensed in the State of Utah and bonded and who must be approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed. Tenant agrees not to employ any person, entity or contractor for any janitorial services in the Premises whose presence may give rise to a labor or other disturbance in the Building. Landlord Party, each Party shall have the right to require use, practice, develop and exploit their respective share of the affected Licensed Rights from the Project solely for internal research and development purposes, including the right to sublicense its interest in the Licensed Rights for such purposes, without the consent of the other Party and without a duty of accounting to the other Party provided, however, that Tenant cause neither Party may use any Project Know-How or allow its sublicensee the use of any Project Know-How for a Competing Project except to the extent expressly permitted in a separate license agreement between the Parties, and Bayer may not use the Licensed Rights with respect to Licensed Project Compounds, Derivatives, Enabled Compounds or Products. Where such consent is required by Applicable Law, it is deemed hereby granted and where a duty of accounting to the other Party exists by Applicable Law, such duty is hereby waived. Where the Applicable Law in any country prevents that such consent or waiver is given in advance the Parties shall be obligated to give their consent or waiver at the given point in time. Notwithstanding the foregoing, neither Party shall have the right to assign the entire Licensed Rights or entire rights to the Licensed Rights to a Third Party without the other Party's prior written consent (except in connection with a permitted assignment of this Agreement in accordance with Section 16.4).

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For the avoidance of doubt, if the Licensed Rights that are affected by the respective termination of this Agreement are also exclusively licensed by Recursion to Bayer under a separate license agreement, Bayer shall maintain the exclusive usage rights regarding such Licensed Rights in accordance with such other agreement and Recursion shall only be entitled to use such Licensed Rights in accordance with the provisions of such other agreement and any other license granted to Recursion, as applicable.

15.4.1.3 The license granted hereunder by Recursion to Bayer under the Background IP Rights and Background Know-How shall cease completely or if applicable, partially with respect to the specific Product(s) or country for which Bayer terminated this Agreement according to Section 15.2.

15.4.1.4 For the avoidance of doubt, termination of this Agreement does not affect the use rights under Section 10.2 of the Collaboration Agreement.

15.4.1.5 To the extent requested by Recursion, the Parties shall negotiate in good faith the terms and conditions for an exclusive, sub-licensable and royalty-bearing license under Bayer's rights, title and interest under the Licensed Rights and a non-exclusive royalty-bearing license to other Reversion Technology to do or have done research on, develop or have developed, make, have made, use, have used, sell, have sold, offer for sale, have offered for sale and import and have imported Product(s), or if applicable, all Product(s) or country(ies) for which Bayer terminated this Agreement according to Section 15.2, in each case, in the Field in the Territory. [***].

15.4.1.6 With respect to Products for which this Agreement was terminated, Recursion herewith grants Bayer a license for a period of [***] months starting from the date the respective termination becomes effective to sell off its janitorial service providers to obtain and maintain insurance as reasonably determined by Landlord and as inventory, with respect to which Landlord Recursion does not exercise its rights under Section 15.4.1.5, of Products affected by the respective termination that are and either manufactured prior to the effective date of the respective termination or manufactured thereafter to fulfil such other parties designated orders received by Landlord Bayer or its Affiliates or their Sublicensees prior to the submission of the respective termination notice. Bayer shall remain obliged to pay Recursion the milestones and royalties accruing during such sell-off period and the respective provisions regarding milestones and royalty payments and reporting set out herein shall continue to apply during such period. After said selloff period, Bayer and its Affiliates shall cease the sale of the Products for which this Agreement was terminated.

15.4.1.7 Bayer shall be additional insureds. Except responsible, at its own cost and expense, for the wind-down of Bayer's and its Affiliates' development, manufacturing and commercialization activities for terminated Products.

15.4.2 Consequences of Expiration of this Agreement. In the event that this Agreement expires after the Term as expressly set forth in this Lease, Tenant hereby waives Section 15.1:

15.4.2.1 The licenses granted hereunder by Recursion to Bayer under Recursion's rights, title and releases its right to make repairs at Landlord's expense under any applicable law, statute, or ordinance now or hereafter interest in effect. 7.2 Landlord's Repair Obligations. Notwithstanding anything to the contrary in this Lease, Landlord Licensed Rights shall make all necessary structural and exterior repairs to the Premises, the Building and the Project and shall be responsible for all repairs and maintenance of the Base Building and the Common Areas, and any costs associated with such repairs shall be deemed an Operating Expense; cease immediately, provided, however, that if Bayer shall continue to have such license under any Licensed Project Know-How within the Licensed Rights, on a non-exclusive, fully paid-up basis.

15.4.2.2 Each Party shall have the right to freely use, practice, develop and exploit the respective affected Licensed Rights of the respective Project, including the right to sublicense its interest in the Licensed Rights, without the consent of the other Party and without a duty of accounting to the other Party. Where such repairs or maintenance are consent is required by reason Applicable Law, it is deemed hereby granted and where a duty of accounting to the special requirements, acts, other Party exists by Applicable Law, such duty is hereby waived. Where the Applicable Law in any country prevents that such consent or negligence of Tenant waiver is given in advance the Parties shall be obligated to give their consent or of the agents,

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employees, patients, or invitees of Tenant, including, without limitation, any equipment required or installed by Tenant and, then, only serving the Premises (as the same may be adjusted hereunder), then Landlord shall make the necessary repairs waiver at the sole expense given point in time. Notwithstanding the foregoing, neither Party shall have the right to assign the entire Licensed Rights or entire rights to the Licensed Rights to a Third Party without the other Party's prior written consent (except in connection with a permitted assignment of Tenant. In this connection, Landlord shall maintain or cause to be maintained, as an Operating Expense, the Base Building in good condition and repair, and Agreement in accordance with all applicable Laws and all insurance companies of Landlord insuring all or any part of the Common Areas and/or the Project. Section 16.4). To the extent that any Hazardous Materials, including, without limitation, mold or carbon monoxide, are or become present in, or migrate onto or under, the Building, the Premises, or the Project, and the presence or migration of such Hazardous Materials is not caused by Tenant's use of or occupancy of the Premises, then Landlord shall promptly cause such Hazardous Materials to be removed and/or remediated in accordance with all applicable Laws and in a manner that minimizes disruption to Tenant's access to and use of the Premises Licensed Rights by a Party requires a license to the extent reasonably practicable. Notwithstanding anything to the contrary in this Lease, Tenant shall have no liability of any kind for any pre-existing Hazardous Materials located in, on, or under the Building, the Premises, or the Project as background rights of the date of this Lease or for any Hazardous Materials other Party, the Parties will in good faith discuss whether and, provided that migrate onto or a license grant is agreeable, under or otherwise become present at, the Building, Premises, or the Project as a result of activities of anyone other than Tenant or the Tenant Parties, except to the extent that Tenant or any Tenant Parties exacerbates any what terms and conditions such pre-existing conditions. ARTICLES ADDITIONS AND ALTERATIONS 8.1 Landlord's Consent to Alterations. Tenant license may not make any improvements, alterations, additions or changes to the Premises or any mechanical, plumbing or HVAC facilities or systems pertaining to the Premises (collectively, the "Alterations") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than thirty (30) days prior to the commencement thereof, and which consent shall not be unreasonably withheld by Landlord, provided it shall be deemed reasonable for Landlord to withhold its consent to any Alteration which adversely affects the structural portions or the systems or equipment of the Building or is visible from the exterior of the Premises (other than any Back-Up Generator, as defined in Section 29.35). The construction of the initial improvements to the Premises shall be governed by the terms of the Tenant Work Letter and not the terms of this Article 8. Notwithstanding anything to the contrary contained herein, Tenant may make non-structural alterations to the Premises ("Permitted Alterations"), without Landlord's consent, granted, always provided that the aggregate cost licensing party is in Control of any such changes the respective background rights.

15.4.2.3 The licenses granted hereunder by Recursion to Bayer under Recursion's Background IP Rights shall cease immediately, whereas the non-exclusive license granted under Recursion's Background Know-How under Section 2.1.2 shall survive the expiration of this Agreement.

15.4.2.4 For the avoidance of doubt, expiration of this Agreement does not exceed $25,000.00 per instance (up to $75,000.00 in any twelve (12) month period), and further provided that such changes do not (1) require any structural modifications to the Premises or Building, (ii) affect the exterior use rights under Section 10.2 of the Building (nor visible from the exterior Collaboration Agreement.

15.5 Consequences of the Building), (iii) trigger any Law which would require either party to make any alteration or improvement to the Premises, the Building or the Project, or (iv) result in the voiding Termination of Landlord's insurance. Tenant shall give Landlord at least ten (10) days prior notice of such Permitted Alterations, which notice shall be accompanied this Agreement by a reasonably detailed description of the Permitted Alteration and reasonably adequate evidence that such changes meet the criteria contained in this Section 8.1 to qualify' as a Permitted Alteration. Except as otherwise provided, the term "Alterations" shall include Permitted Alterations. 8.2 Manner of Construction. Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its sole discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize Bayer for such purposes only contractors, subcontractors, materials, mechanics and materialmen selected Breach by Tenant from a list provided and approved by Landlord, the requirement that upon Landlord's request given at the time of Landlord's approval of the Alteration, Tenant shall, at Tenant's expense, remove such Alterations upon the expiration or any early termination i04965t.ii/SF 373398.00076/i 1-13-i 7/arb/jll 16 Recursion Pharmaceuticals, Inc.

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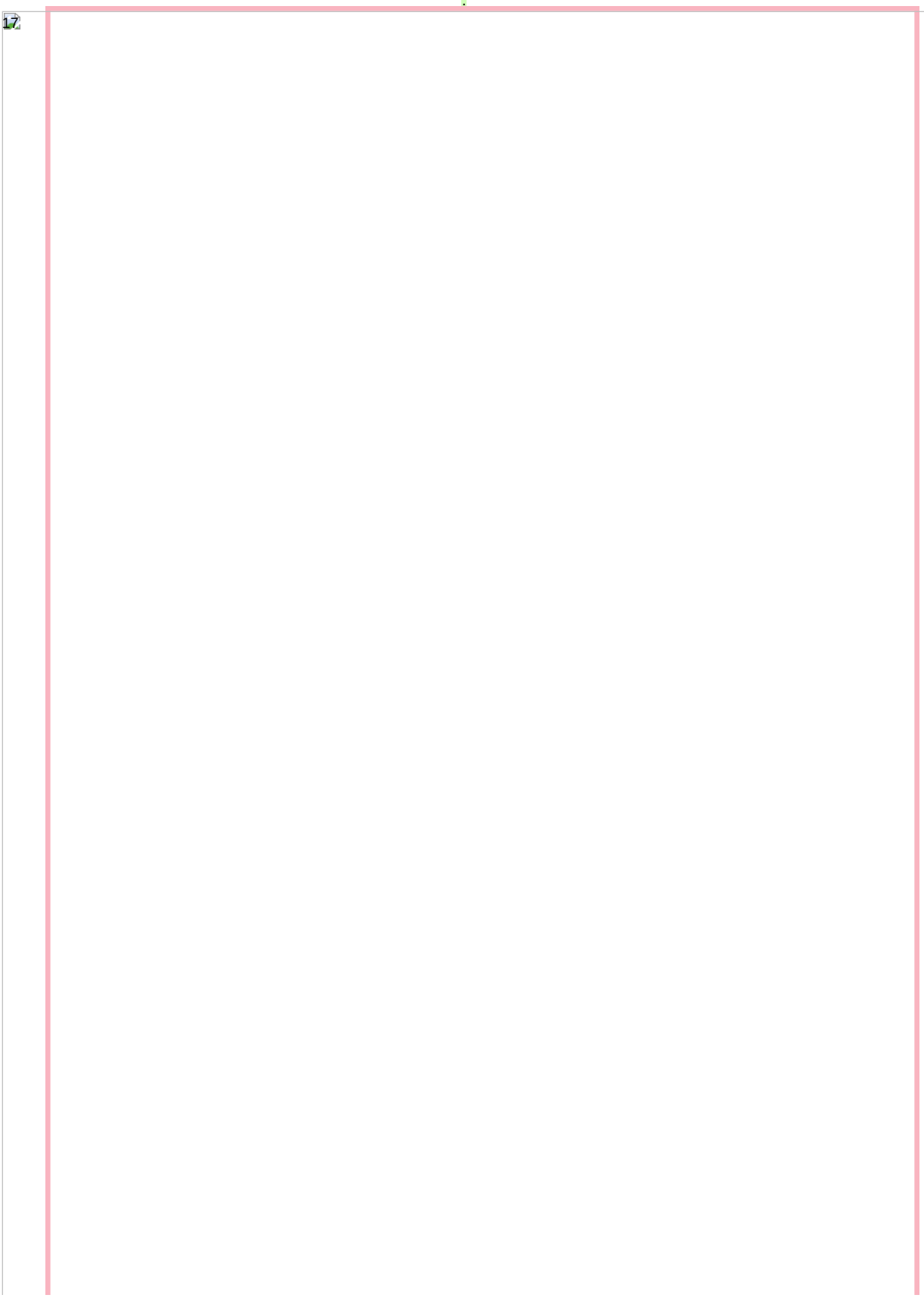

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DocuSign Envelope ID: B1EF985E-D584-4DE7-AAC6-1 B9C84214 1 CRA of the Lease Term, and the requirement that all Alterations conform in terms of quality and style to the building standards established by Landlord. If such Alterations will involve the use of or disturb hazardous materials or substances existing in the Premises, Tenant shall comply with Landlords reasonable rules and regulations concerning such hazardous materials or substances. Landlord's approval of the plans, specifications and working drawings for Tenant's Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all Laws. Tenant shall construct such Alterations and perform such repairs in a good and workmanlike manner, in conformance with any and all applicable Laws and pursuant to a valid building permit, issued by Salt Lake City, all in conformance with Landlord's construction rules and regulations and the plans and specifications previously approved by Landlord. 15.5.1 In the event Tenant performs any Alterations that this Agreement is terminated by Bayer according to Section 15.3:

15.5.1.1 Unless Bayer expressly terminates the licenses granted in Section 2.1, the license granted under Section 2.1.1 by Recursion to Bayer under Recursion's rights, title and interest in the Premises which require or give rise to governmentally required changes to the "Base Building," as that term is defined below, then Landlord (or Landlord's property manager) Licensed Rights shall at Tenant's expense, make such changes to the Base Building. The "Base Building" shall mean the (i) Building's roof and roof membrane, elevator shafts, footings, foundations, structural portions of load-bearing walls, structural floors and subfloors, structural columns and beams, and curtain walls, and (ii) Building's core HVAC, life-safety, plumbing, electrical, mechanical and elevator systems. In performing the work of any such Alterations, Tenant shall have the work performed continue in such manner so as not to obstruct access to the Project or any portion thereof, by any other tenant each country, until expiration of the Project, and so as not to obstruct the business of Landlord or other tenants in the Project. Tenant shall not use (and upon notice from Landlord shall cease using) contractors, services, workmen, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Project and Royalty Term in that respect, Landlord shall have the right, in connection with the construction of any Alterations and/or any tenant improvements constructed in the Premises pursuant to the terms of the Tenant Work Letter, to require that all subcontractors, laborers, materialmen, country and suppliers retained directly by Tenant and/or Landlord (unless Landlord elects otherwise) be union labor in compliance with the then existing master labor agreements. In addition to Tenant's obligations under Article 9 of this Lease, upon completion of any Alterations, Tenant agrees to deliver to the Project management office a reproducible copy of the "as built" drawings of the Alterations as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations. 8.3 Payment for Improvements. If payment is made directly to contractors, Tenant shall comply with Landlord's reasonable requirements for final lien releases and waivers in connection with Tenant's payment for work to contractors for contracts in excess of $5,000.00. Whether or not Tenant orders any work directly from Landlord (or Landlord's property manager), Tenant shall pay to Landlord (or Landlord's property manager) a percentage of the cost of such work sufficient to compensate Landlord (or Landlord's property manager) for all overhead, general conditions, fees and other costs and expenses arising from Landlords (or Landlord's property managers) involvement with such work, in an amount of one percent (1%) of the cost of such work, excluding any Permitted Alterations; provided that if Landlord manages the construction of the Alterations on behalf of Tenant, then the construction management fee payable by Tenant to Landlord shall be three percent (3%) of the cost of such work, excluding any Permitted Alterations. 8.4 Construction Insurance. In addition to the requirements of Article 10 of this Lease, in the event that Tenant makes any Alterations, prior to the commencement of such Alterations, Tenant shall provide Landlord with evidence that Tenant carries "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. In addition, Landlord may, in its reasonable discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of such Alterations and naming Landlord as a co-obligee. 8.5 Landlord's Property. All Alterations, improvements, fixtures, equipment and/or appurtenances which may be installed or placed in or about the Premises, from time to time, shall be at the sole cost of Tenant and, other than Tenant's equipment, which shall remain Tenant's sole property, shall be and become the property of Landlord. Landlord may, however, by written notice to Tenant prior to the end of the Lease Term, or given following any earlier termination of this Lease, require Tenant, at Tenant's expense, to (i) remove any Alterations or improvements in the Premises, and/or (ii) remove any "Above Standard Tenant Improvements," as that term is defined in Section 2.4 of the Tenant Work Letter, located within the Premises and replace the same with then existing "Building Standard Tenant Improvements," as that term is defined in Section 2.3 of the Tenant Work Letter, and to repair any damage to the Premises and Building caused by such removal and return the affected portion of the Premises to a building standard tenant improved condition as determined by Landlord. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations or improvements in the Premises, and

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return the affected portion of the Premises to a building standard tenant improved condition as determined by Landlord, then at Landlord's option, either (A) Tenant shall be deemed to be holding over in the Premises and Rent Bayer shall continue to accrue pay Recursion the milestone and royalty payments under this Agreement in accordance with the terms of Article 16, below, until this Agreement, whereby all such work payments shall be completed, or (B) Landlord [***] reduced after the effective date of termination and Bayer's associated reporting obligations hereunder shall also continue.

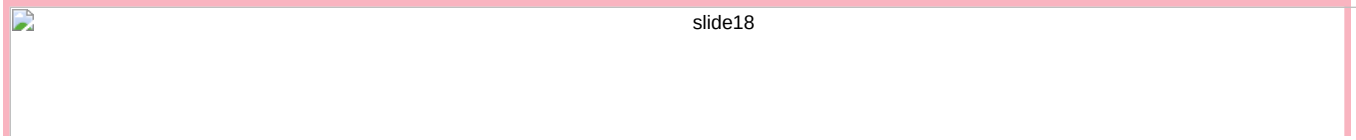
15.5.1.2 The license granted pursuant to Section 2.1.2 by Recursion to Bayer under Recursion's Background IP Rights and Background Know-How shall continue in each country, until expiration of the Royalty Term in that country unless Bayer expressly terminates the licenses granted in Section 2.1.1, in which case the license granted pursuant to Section 2.1.2 shall also terminate.

15.5.1.3 For the avoidance of doubt, termination of this Agreement does not affect the use rights under Section 10.2 of the Collaboration Agreement.

15.6 Effect on Sublicenses. Upon termination of this Agreement, for any reason, Bayer shall promptly notify its Sublicensees of such termination. Upon notice by Recursion of its intent to terminate (or, if notice is not required, upon termination) this Agreement, Bayer shall no longer have the authority to grant further sublicenses. With respect to any rights previously granted by Bayer under any Sublicense hereunder any Sublicensee, so long as they are not in default under such Sublicense, may do so elect to continue its Sublicense provided that (i) the Sublicense will be modified as reasonably necessary to accommodate the functional and may charge structural differences between Recursion and Bayer; (ii) Recursion is bound only to the cost thereof extent under terms no less economically favorable to Tenant. Tenant hereby protects, defends, indemnifies Recursion than existed when this Agreement and holds Landlord harmless from any liability, cost, obligation, expense or claim of lien the Sublicense were in effect; and (iii) in no event will Recursion be obligated in any manner relating that it was not to Bayer hereunder and that the installation, placement, removal terms of such license agreement will not impose any representations, warranties, expenses or financing liabilities on Recursion that are not included in this Agreement. Sublicensee will notify Recursion in writing, within [***] days after the Sublicensee's receipt of notice of such termination, of its election, and of its agreement to assume in respect to Recursion all the obligations (including obligations for payment) contained in the Sublicense with Bayer and all the obligations in this Agreement. For the avoidance of doubt, in the event that Bayer retains under this Agreement or the Collaboration Agreement after termination of this Agreement any rights to grant sublicenses, such Alterations, improvements, fixtures and/ rights remain unimpaired.

15.7 Survival. Termination or equipment expiration of this Agreement shall not affect any rights or liabilities of either Party that have accrued prior to such termination or expiry. Except as otherwise expressly provided herein (including in on or about the Premises, which this Section 15), all other rights and obligations of Tenant the Parties under this Agreement shall terminate upon termination or expiration of this Agreement.

The following sections shall survive the expiration or earlier termination of this Lease. ARTICLE 9 COVENANT AGAINST LIENS Tenant shall keep the Project and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, and shall protect, defend, 104965i.1 1/sf 373398-00076/li-i3-i7/arb/jll I7 Recursion Pharmoceuticuls, Inc.



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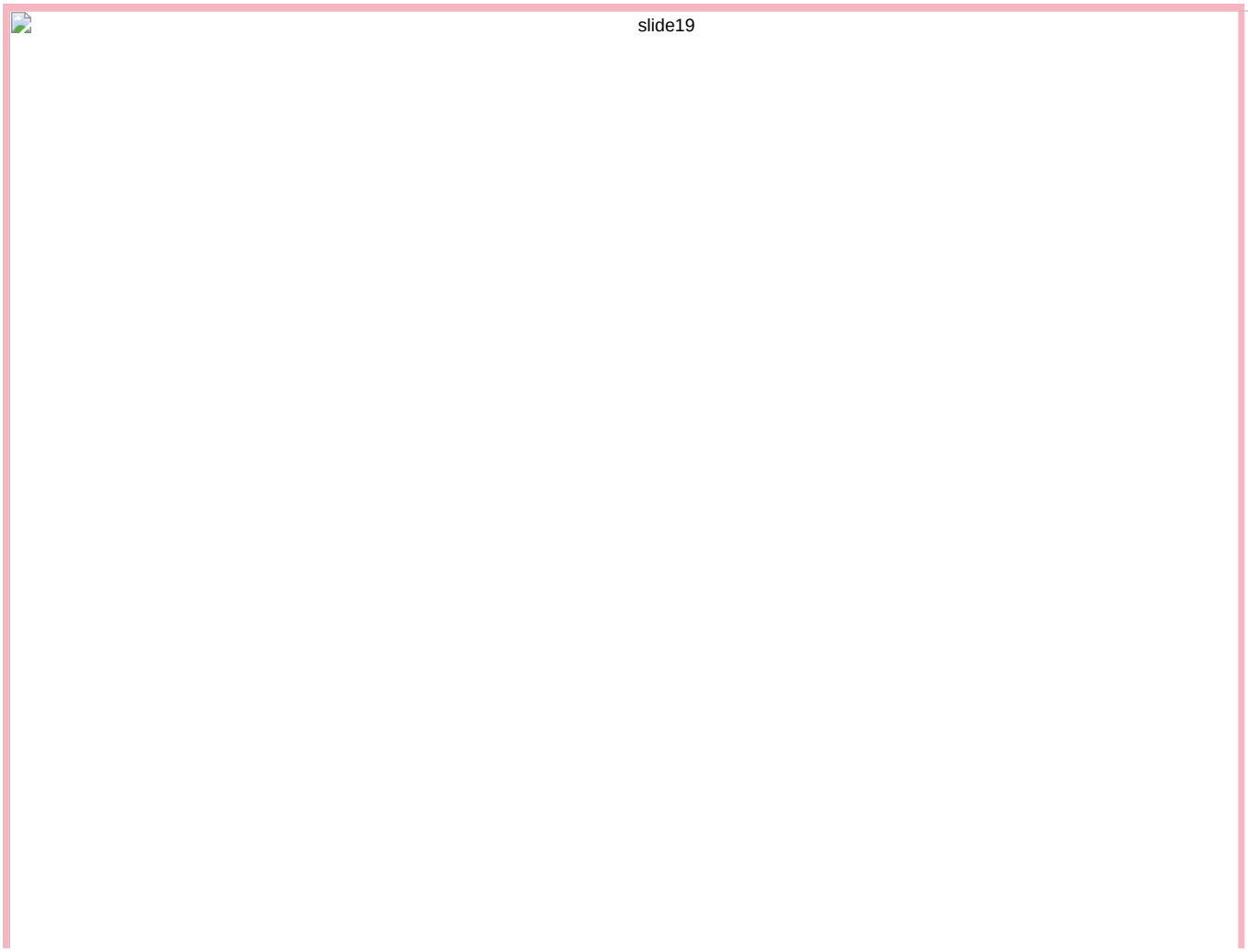
DocuSign Envelope ID: D1 E7393E-D384-4DE7-PA06-1 B9C9421 1 CDA indemnify and hold Landlord harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys fees and costs) arising out of same or in connection therewith. Tenant shall give Landlord notice at least twenty (20) days prior to the commencement of any Alterations on the Premises (or such additional time as may be necessary under applicable Laws) to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility. If a lien is recorded against the Building, Premises or Project relating to any work performed by or under Tenant, Tenant shall remove any such lien or encumbrance by bond or otherwise within fifteen (15) days after receipt of written notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof. The amount so paid shall be deemed Additional Rent under this Lease payable upon demand, without limitation as to other remedies available to Landlord under this Lease. Nothing contained in this Lease shall authorize Tenant to do any act which shall subject Landlord's title to the Project, Building or Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract. Any claim to a lien or encumbrance upon the Project, Building or Premises arising in connection with any work or respecting the Premises not performed by or on behalf of Tenant shall be null and void, or at Landlord's option shall attach only against Tenant's interest in the Premises and shall be subordinate to Landlord's title to the Project, Building and Premises. ARTICLE 10 INSURANCE 10.1 Indemnification and Waiver. Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever (other than Landlord's gross negligence or willful misconduct) and agrees that Landlord, its partners, subpartners and their respective officers, agents, servants, and employees (collectively "Landlord Parties") shall not be liable for, and hereby are released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant, except to the extent due to Landlord's gross negligence or willful misconduct. Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all losses, costs, damages, expenses and liabilities (including without limitation court costs and reasonable attorneys' fees) incurred in connection with or arising from any cause in or about the Premises, any violation of any of any applicable Laws, any acts, omissions or negligence of Tenant or of any person claiming by, through or under Tenant or of the Tenant Parties, in or about the Project or any breach of the terms of this Lease by Tenant, either prior to, during, or after the expiration of this Lease Term, provided that the terms of the foregoing indemnity shall not apply to the negligence or willful misconduct of the Landlord Parties. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy of the Premises, Tenant shall pay to Landlord its costs and expenses incurred in such suit, including without limitation its actual professional fees such as appraisers', accountants' and attorneys' fees, further, Tenant's agreement to indemnify Landlord pursuant to this Section 10.1 is not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease, and to the extent such policies cover the matters subject to Tenant's indemnification obligations, nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Lease. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination. Subject to Section 10.5 below, Landlord shall indemnify, defend, protect, and hold harmless Tenant and the Tenant Parties from any and all losses, costs, damages, expenses and liabilities (including, without limitation, court costs and reasonable attorneys' fees) incurred in connection with or arising from any accident, injury or damage to any person or the property of any person (i) in or about the Common Areas (specifically excluding the Premises) to the extent attributable to the negligence or willful misconduct of Landlord or the Landlord Parties and (ii) in or about the Premises to the extent attributable to the gross negligence or willful misconduct of Landlord or the Landlord Parties, provided that the terms of the foregoing indemnity shall not apply to the negligence or willful misconduct of the Tenant Parties. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy of the Premises, Tenant shall pay to Landlord its costs and expenses incurred in such suit, including without limitation, its actual professional fees such as appraisers', accountants' and attorneys' fees, further, Landlord's agreement to indemnify Tenant pursuant to this Section 10.1 is not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried by Landlord pursuant to the provisions of this Lease, to the extent such policies cover the matters subject to Landlord's indemnification obligations, nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Lease. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination. 10.2 Tenant's Compliance with Landlord's Fire and Casualty Insurance. Tenant shall, at Tenant's expense, comply with all fire and casualty insurance company requirements pertaining to the use of the Premises. If Tenant's conduct or use of the Premises causes any increase in the premium for such insurance policies then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body. 10.3 Tenant's Insurance. Tenant shall maintain the following coverages in the following amounts. 10.3.1 Commercial General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereof) arising out of Tenant's operations, and contractual liabilities (covering the performance by Tenant of its indemnity agreements) including a Broad Form 1624551 11/SF-37369E00079/9/EB 317/ATP/11 13 Restriction Pharmaceuticals, Inc.



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DocuSign Envelope ID: DI F7393F-D384-4DF7-M06-1 B9C9421 1 CDA endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements period set forth in Section 1 0. 1 of this Lease, for limits of liability not less than: Bodily Injury 15.4.1.6, Sections 4.1, 4.2, 6.1, and $2,000,000 each occurrence Property Damage Liability $3,000,000 annual aggregate Personal Injury Liability $2,000,000 each occurrence $3,000,000 annual aggregate 0% Insureds participation 10.3.2 Special Form (Causes of Loss) Property Insurance covering (i) all office furniture, business 6.2.

16. MISCELLANEOUS PROVISIONS

16.1 Notice. Any notices to be given hereunder shall be in writing and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise shall be either delivered by hand, electronically via e-mail, or sent postage prepaid by certified mail or via an internationally recognized courier service, and all addressed to the other items of Tenants property on the Premises installed by, for, Party's address provided below or at the expense of Tenant, (ii) the 'Tenant Improvements," as that term is defined in Section 2. 1 of the Tenant Work Letter, and any such other improvements which exist in the Premises as of the Lease Commencement Date (excluding the Base Building) (the "Original Improvements"), and (iii) all Alterations. Such insurance shall be address for the full replacement cost (subject to reasonable deductible amounts) new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include coverage for damage or other toss caused by fire or other peril including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion, and providing business interruption coverage for a period of one year. 10.3.3 Worker's Compensation and Employer's Liability or other similar insurance pursuant to all applicable state and local statutes and regulations. 10.3.4 Business interruption, loss-of-income and extra expense insurance in such amounts as will reimburse Tenant for direct or indirect loss of earnings attributable to all perils commonly insured against and payable to Landlord, insuring the loss of the full rent for up to twelve (12) months. 10.4 Form of Policies. The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (1) name Landlord, Landlord's lender, and any other party the Landlord so specifics, as an additional insured, including Landlord's managing agent, if any; (ii) specifically cover the liability assumed by Tenant under this Lease, including, but not limited to, Tenant's obligations under Section 10.1 of this Lease; (iii) be issued by an insurance company having a rating of not less than A-:V1II in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the State of Utah; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of Tenant; (v) be in form and content reasonably acceptable to Landlord; and (vi) contain a cross-liability endorsement or severability of interest clause acceptable to Landlord; and (vii) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord. Tenant shall deliver said policy or policies or certificates thereof to Landlord on or before the Lease Commencement Date and at least thirty (30) days before the expiration dates thereof. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificate, Landlord may, at its option, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord within five (5) days after delivery to Tenant of bills therefor. 10.5 Subrogation. Landlord and Tenant intend that their respective property loss risks shall be borne by reasonable insurance carriers to the extent above provided,

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and Landlord and Tenant hereby agree to look solely to, and seek recovery only from, their respective insurance earners in the event of a property loss to the extent that such loss is the result of a risk insurable under the policies of property damage insurance which such party was required Party gives notice hereunder.

If to maintain under this Lease (whether or not such party actually maintained the same), or which such party actually maintains at the time of such property loss. Notwithstanding anything to the contrary in this Lease, the parties each hereby waive all rights and claims against each other for such losses, and waive all rights of subrogation of their respective insurers, provided such waiver of subrogation shall not affect the right to the insured to recover thereunder. The parties agree that their respective insurance policies are now, or shall be, endorsed such that the waiver of subrogation shall not affect the right of the insured to recover thereunder, so long as no material additional premium is charged therefor. 10.6 Additional Insurance Obligations. Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10 and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord. 10.7 Landlord's Insurance Obligations. Landlord shall maintain comprehensive public liability insurance coverage against claims for personal injury, death, or property damage resulting from any act or omission of Landlord occurring in or upon the Building, Premises, the Common Areas and the Project with a combined single limit for bodily injury and property damage of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate, and at least a $5,000,000 umbrella. Landlord shall procure and maintain, throughout the Term of this Lease, a policy or policies of "all risk" and/or other comparable hazard and casualty property insurance, insuring the Building and the Project against loss by fire or, as determined by Landlord, other casualties in an amount equal to the replacement cost basis for the full insurable valuable of the Project. Landlord shall also carry rental loss insurance insunng the loss of all Rent required to be paid by Tenant hereunder for up to twelve (12) months. In addition, property insurance coverage will be maintained by Landlord upon the Building and the Project, inclusive of the Premises. In no event shall any such insurance requirement be deemed to constitute an obligation by 1049651.11/SF 373398-00076/li-i3-17/arb/jil 19 Recursion:

Recursion Pharmaceuticals, Inc.

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41 S Rio Grande Street

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DocuSign Envelope ID: DLE73998E-D384-4D57-M06-1 B9C09421-1 CDA Landlord to provide insurance coverage beyond the scope of that required hereunder or if a coverage amount is not specified herein, coverage amounts in excess of those customarily maintained by owners of Similarly configured Office Buildings situated in County, Utah. Without limiting the foregoing, Landlord also shall, at all times during the Lease Term, procure and maintain any insurance required by Law for the protection of employees of Landlord working in or around the Project (including, without limitation, worker's compensation insurance) with no less than the minimum limits required by Law. ARTICLE 11 DAMAGE AND DESTRUCTION 11.1 Repair of Damage. Landlord

Attention: [***]

E-mail: [***]@recursionpharma.com

Tel: [***]

With a copy to:

Wilson Sonsini Goodrich & Rosati

One Boston Place

201 Washington St., Suite 2000

Boston, MA 02108

E-mail: [***]@wsgr.com

Fax: [***]

Tel: [***]

If to Premises by Land]ord. Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty. Ifthc Premises or any Common Areas serving or providing access to the Premises is damaged by fire or other casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of Bayer:

[…]

All notices under this Article I 1 , restore the Base Building and such Common Areas. Such restoration Agreement shall be to substantially the same condition ofthe Base Building and the Common Areas prior to the casualty, except for modifications required

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by zoning and building codes and other applicable Laws or by the holder of a mortgage on the Building or Project or any other modifications to the Common Areas deemed desirable by Landlord, provided that Tenant's access to and use of the Premises and any common restrooms serving the Premises shall not be materially impaired. If the Premises are damaged and Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided in Section 11.2 below, Landlord shall provide to Tenant as soon as reasonably practicable, but in no event later than forty-five (45) days after the occurrence of such damage, the reasonable estimate of Landlord's architect or contractor of the estimated time required to complete the requisite repairs (the "Landlord Repair Notice"). If such repairs cannot, according to the Landlord Repair Notice, be completed within two hundred seventy (270) days from the date of such damage or ninety (90) days after the date on which such damage occurs if such damage occurs within the last twelve (12) months of the Lease Term, Tenant effective upon receipt. A Party may elect to terminate this Lease by change its contact information immediately upon written notice to Landlord given within thirty (30) days after Tenant receive the Landlord Repair Notice, with such termination effective as of the date specified other Party in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date such notice is given by Tenant. If neither Landlord nor Tenant elect to terminate this Lease pursuant to a termination right manner provided in this Article 11, Tenant Section.

16.2 Non-Use of Name. Neither Party shall assign to Landlord (or to use the name, insignia, symbol, trademark, trade name or logotype or any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.3 variation, adaptation, or abbreviation thereof, of this Lease, and Landlord shall repair any injury the other Party or damage to the Tenant Improvements and the Original Improvements installed in the Premises and shall return such Tenant Improvements and Original Improvements to their original condition; provided that if the cost of such repair by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, the cost of such repairs shall be paid by Tenant to Landlord within thirty (30) days of Landlord's written request therefor, together with reasonable documentation of such expenses. Except to the extent due to Landlord's gross negligence

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its Affiliates, its directors, officers, staff, employees, agents, or intentional act or omission, Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting affiliated investigators in any way from such damage or the repair thereof; provided, however, that if such fire promotional material or other casualty shall have damaged the Premises public announcement or portions of the Common Areas necessary to Tenant's occupancy, Landlord shall allow Tenant a proportionate abatement of Base Rent and Tenant's Share of increases in Direct Expenses during the time and to the extent the Premises arc unfit for occupancy for the Permitted Use, and not occupied by Tenant as a result thereof, provided, further, however, that if the damage or destruction is due to the negligence or willful misconduct of Tenant or any of its agents, employees, contractors, invitees or guests, Tenant shall be responsible for any reasonable, applicable insurance deductible (which shall be payable to Landlord upon demand) and there shall be no rent abatement. 11.2 Landlord's Option to Repair. Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rcbtiild and/or restore the Premises, Building an&or Project, and instead terminate this Lease, by notifiing Tenant in writing of such termination within forty-five (45) days after the date of discovery of the damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, but Landlord may so elect only if the Building is damaged by fire or other casualty or cause, whether or not the Premises are affected, and one or more of the following conditions is present: (1) in the reasonable judgment of Landlord's architect or general contractor, such repairs cannot reasonably be completed within two hundred fifty (250) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Building or Project or ground lessor with respect to the Building or Project shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; (iii) the cost to repair such damage exceeds the amount of insurance proceeds available to Landlord under the insurance policies Landlord is required to carry under Section 10.7 of this Lease or otherwise by at least five percent (5%) of the replacement cost of the Building (excluding any applicable deductible amount) for reasons beyond Landlord's control (excluding Landlord's failure to carry such insurance policies); or (iv) the damage occurs during the last twelve (12) months of the Lease Term. 11.3 Waiver of Statutory Provisions. The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or the Project, and any statute or regulation of the State of Utah with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other

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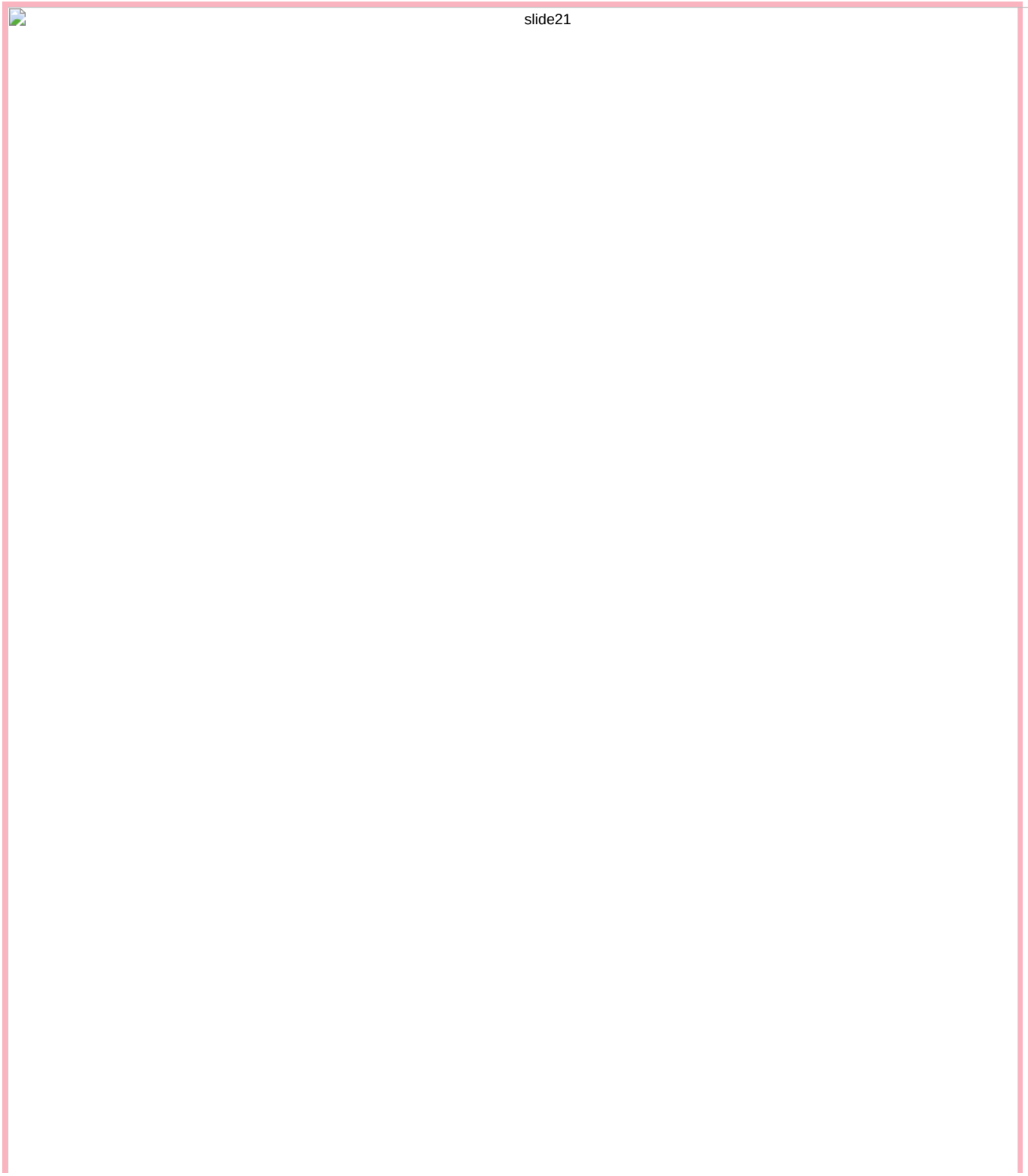
statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or the Project. 1049651.11/SF 373390-00076/1 I.13-17/arb/jll 20 Recursion Pharmaceuticals, Inc.



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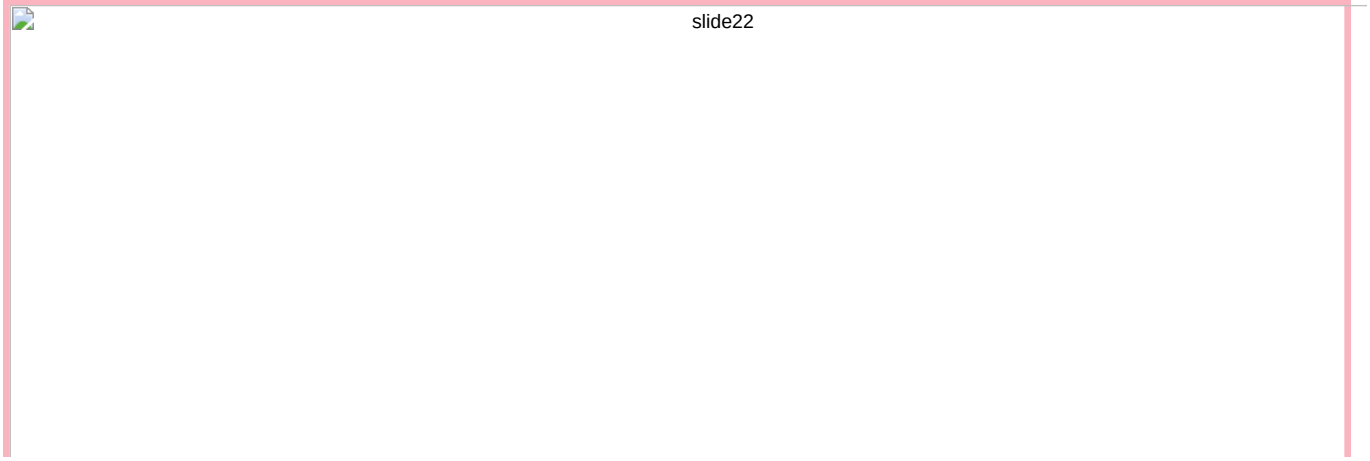
DocuSign Envelope ID: D 1 F7393F-D384-4DE7-M063 B9C9421 1 CDA ARTICLE 12 NONWAIVER No provision of this Lease shall be deemed waived by either party hereto unless expressly waived in a writing signed thereby. The waiver by either party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of Landlord's right to receive the full amount due, nor shall any endorsement or statement on any check or payment or any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the full amount due. No receipt of moneys by Landlord from Tenant after the termination of this Lease, shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder, or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such moneys, it being agreed that after the service of notice or the commencement of a suit, or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment. ARTICLE 13 CONDEMNATION If the whole of the Premises is taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if Landlord makes a deed or other instrument in lieu of such taking by eminent domain or condemnation, this Lease shall automatically terminate as of the date possession is required to be surrendered to the authority. If part, but not all, of the Premise, Building, or Project is taken, either Party may terminate as set forth in this Article 13. If more than twenty-five percent (25%) of the rentable square feet of the Premises, or any material part of the Building (excluding the Premises) shall be so taken, or if any adjacent property or street shall be so taken or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or demolition of more than twenty-five percent (25%) of the Building, Landlord shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. If more than twenty-five percent (25%) of the rentable square feet of the Premises is taken, or if a material part of the Project outside of the Premises is taken, and as a result thereof, Tenant will not have reasonable access to the Premises or to sufficient off-street parking for Tenant's use of the Premises, Tenant shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. Tenant shall not because of such taking assert any claim against Landlord or the authority for any compensation because of such taking, and Landlord shall be entitled to the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses, so long as such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Base Rent and Tenant's Share of Direct Expenses shall be proportionately abated. This Article 13 shall be Tenant's sole and exclusive remedy in the event of any taking and Tenant hereby waives any rights and the benefits of any statute granting Tenant specific rights in the event of a taking which are inconsistent with the provisions of this Article 13. Notwithstanding anything to the contrary contained in this Article 13, in the event of a temporary taking of all or any portion of the Premises for a period of one hundred eighty (180) days or less, then this Lease shall not terminate but the Base Rent and the Additional Rent shall be abated for the period of such taking in proportion to the ratio that the portion of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking. ARTICLE 14 ASSIGNMENT AND SUBLETTING 14.1 Transfers. Tenant shall not disclosure Landlord, assign, mortgage, pledge, hypothecate, encumber, or permit any lien the other Party, which consent the other Party may withhold in its sole discretion, with the exception(s) for disclosures pursuant attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment, or other transfer, by operation of law (a "Statutory Assignment"), or permit any Affiliate of Tenant this Lease or any interest hereunder, by operation of law, sublet the Premises or any part hereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees and contractors (all of the foregoing are hereinafter sometimes referred to collectively as "Transfers" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "Transferee"). If Tenant desires Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "Transfer Notice") shall include (i) the proposed effective date of the Transfer, which shall not be less than thirty (30) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "Subject Space"), (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the "Transfer Premium", as that term is defined in Section 14.3 below, (iv) the name, publications or press releases made in accordance with Section 12 above. Notwithstanding the foregoing, each Party shall be permitted to identify the other Party as a collaborator and/or partner and display the other Party's name and logo on its website within a reasonable timeframe, provided that such display and use of the other Party's name and logo shall cease within a reasonable timeframe following termination or expiration of this Agreement. pursuant to a Transfer the name and address of the proposed Transferee, and (v) an executed copy of all documentation effectuating the proposed Transfer, including all operative documents to evidence such Transfer (collectively,

16.3 Governing Law. This Agreement and all agreements incidental disputes arising out of or related to such Transfer, provided this Agreement, or the performance, enforcement, breach or termination hereof, and any remedies relating thereto, shall be construed, governed, interpreted and applied in accordance with the laws of the State of New York, without regard to its conflict of laws principles, except that Landlord questions affecting the construction and effect of any patent shall be determined by the law of the country in which the patent shall have the right to require Tenant to utilize Landlord's standard Transfer documents been granted.

16.4 Assignment.

16.4.1 Except as expressly permitted in connection with this Agreement, neither Party shall assign, delegate, or subcontract any of its rights or obligations under this Agreement without the documentation of such Transfer, 1049651.1 1/SF 373398-00076/i i-i3-i7/arb/jll 21 Recursion Pharmaceuticuls. Inc.



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DocuSign Envelope ID: D 1 E7999E-D884-4DE7-AA0B-1 B9C9421 1 CDA and provided further that this form of the proposed Transfer shall provide that (i) proposed Transferee shall not be permitted to further assign or sublease its interest in the Subject Space and/or Lease, (ii) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and history of the proposed Transferee and any other information required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business and proposed use of the Subject Space, and (iii) an executed estoppel certificate from Tenant stating such information set forth in items (i) through (ii) in Article 14.7 below. Any transfer made without Landlord's _____ shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord's (or Landlord's property manager's) review and processing fees (which currently equal $1,500.00 for each proposed Transfer), as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord (or Landlord's property manager) within thirty (30) days after written request by Landlord, provided that Tenant's (or Landlord's assignee's) obligation to pay such fees shall not exceed $5,000.00 in connection with any one Transfer. 14.2 Landlord's Consent. Notwithstanding anything to the contrary herein, Landlord shall not unreasonably withhold its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice (any such proposed assignment or subletting is hereinafter referred to as a "Proposed Transfer"). Any attempted assignment or subletting by Tenant without Landlord's consent shall be void and shall constitute a material default by Tenant under this Lease. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply: 14.2.1 The Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building or the Project; 14.2.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease; 14.2.3 The Transferee is either a governmental agency or instrumentality thereof; 14.2.4 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested; 14.2.5 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease; 14.2.6 The terms of the proposed Transfer will allow the Transferee to exercise any right of renewal, right of expansion, right of first offer, or other similar right held by Tenant (or will allow the Transferee to occupy space leased by Tenant pursuant to any such right). 14.2.7 Either the proposed Transferee, or any person or entity which directly or indirectly controls, is controlled by, or is under common control with, the proposed Transferee, (i) occupies space in the Project at the time of the request for consent, or (ii) is negotiating with Landlord (which for purposes of this item (ii) and (iii) below shall be evidenced by the transmittal of one or more letters of intent, drafts, proposals or lease documents by such Transferee to Landlord or Landlord to such Transferee) to lease space in the Project at such time, or (iii) has delivered unsolicited written Landlord to lease space within the Project during the six (6) month period immediately preceding the Transfer Notice (with "actively negotiated" meaning at least, written correspondence and negotiation for the lease of space within the Project, but excluding, without more, the mere delivery of leasing or property information relating to the Project), provided, however, that Landlord shall not unreasonably withhold, condition or delay its consent to an assignment of this Lease or a

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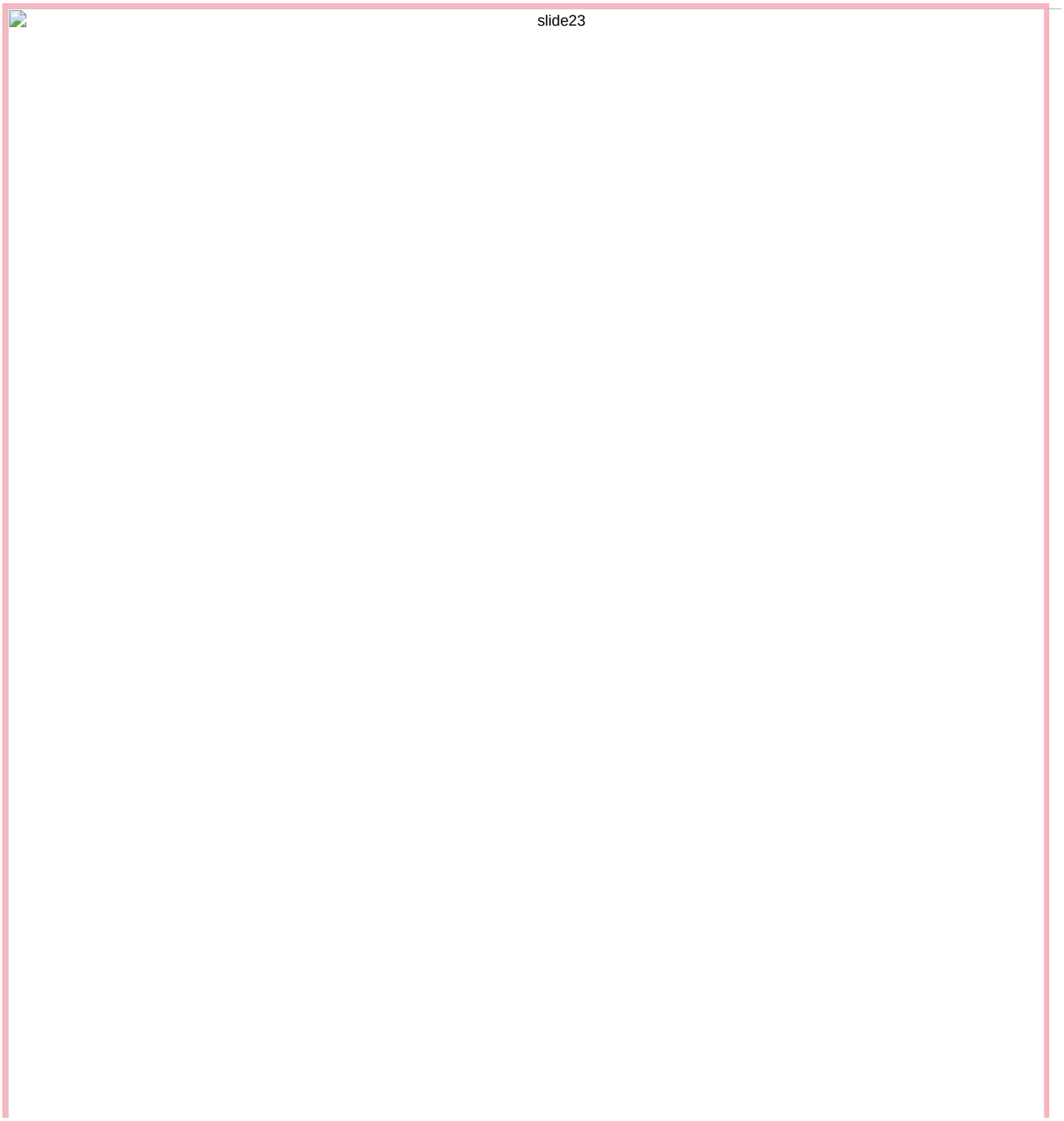
sublease of the Premises to a proposed assignee or subtenant under the foregoing portion of this subsection (iii) if Landlord is not willing and able to accommodate the space needs of such assignee or subtenant within the Project, and Tenant is able to do so by such assignment or sublease. 14.2.3 The transferee does not intend to occupy the entire Subject Space and continue its business therefrom for a substantial portion of the term of the Transfer. 14.2.4 The portion of the Premises to be sublet or assigned is irregular in shape with inadequate means of ingress and/or egress. Notwithstanding anything to the contrary contained herein, in no event shall Tenant enter into any Transfer for the possession, use, occupancy or utilization (collectively, "use") of the part of the Premises which (i) provides for a rental or other payment for such use based in whole or in part on the income or profits derived by any person from the Premises (other than an amount based on a fixed percentage or percentages of gross receipts or sales) and (ii) Tenant agrees that all Transfers of any part of the Premises shall provide that the person having an interest in the use of the Premises shall not enter into any lease or sublease which provides for a rental or other payment for such use based in whole or in part on the income or profits derived by any person from the Premises (other than an amount based on a fixed percentage or percentages of gross receipts or sales) or (ii) would cause any portion of the amounts payable to Landlord hereunder to not constitute "rents from real property" within the meaning of Section 512(b)(3) of the Internal Revenue Code of 1986, and any such purported Transfer shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy or utilization of any part of the Premises. If Landlord consents to any Transfer pursuant to the terms contravention Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may enter into such Transfer of the 1049651.11/sf 373398-0007/9/14/17/rthy/l22 Recursion Pharmaceuticals, Inc.



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DocuSign Envelope ID: D 1 F7393F-D384-4DF7-AAO6-J B9C9421 I CDA Subject Space, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice (i) such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, or (ii) which would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in Tenant's original Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture, if any, under Section 14.4 of this Lease). Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld or delayed its consent under Section 14.2 or otherwise has breached or acted unreasonably under this Article 14, their sole remedies shall be a declaratory judgment and an injunction for the relief sought without any monetary damages, and Tenant hereby waives all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalfand, to the extent permitted under all applicable Laws, on behalfofthe proposed Transferee. 14.3 Transfer Premium. If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium," as that term is defined in this Section 14.3, received by Tenant from such Transferee in any particular calendar month, which amount shall be paid to Landlord immediately following Tenant's receipt of the same. "Transfer Premium" shall mean all rent, additional rent or other consideration (including, without limitation, key money, bonus money or other cash consideration but excluding any payment for assets, inventory, equipment or furniture transferred by Tenant to Transferee in connection with such Transfer) payable by such Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, and (ii) any market rate, third party brokerage commissions incurred in connection with the Transfer (collectively, the "Subleasing Costs"); provided, however, that if, at the time of any such sublease or assignment, Landlord determines that the foregoing "Transfer Premium" formula may result in the receipt by Landlord of amounts that the Landlord may not be permitted to receive pursuant to any requirements, obligation or understanding applicable to Landlord, the parties agree to enter into an amendment to this Lease which revises the "Transfer Premium" formula in a manner that (x) is mutually agreed to by the parties and (y) does not result in any material increase in the expected costs or benefits to either party under this Section 14.3. 14.4 Landlord's Option as to Subject Space. Notwithstanding anything to the contrary contained in this Article 14, Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after receipt of any Transfer Notice, to recapture the Subject Space for the remainder of the Lease Term. Such recapture notice shall cancel and terminate this Lease with respect to the Subject Space as of the date stated in the Transfer Notice as the effective date of the proposed Transfer (or at Landlord's option, shall cause the Transfer to be made to Landlord or its agent, in which case the parties shall execute the Transfer documentation promptly thereafter); provided, however, Tenant may, within ten (10) business days after receipt of Landlord's notice of intent to recapture the Subject Space, withdraw its request for consent to the Transfer if the Subject Space is less than all or substantially all of the Premises. In that event, Landlord's election to terminate this Lease as to the Subject Space 16.4 shall be null and void and of no force and effect. In void.

16.4.2 Notwithstanding the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than foregoing, each Party may, without the entire Premises, the Base Rent and Tenant's Share of increases in Direct Expenses reserved herein shall be prorated on the basis consent of the number other Party, assign or transfer all of rentable square feet retained by Tenant in proportion its rights and obligations hereunder to the number an Affiliate of rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner to recapture the Subject Space under this Section 14.4, then, provided Landlord has consented to the proposed Transfer, Tenant shall be entitled to proceed to transfer the Subject Space to the proposed Transferee, subject to provisions of this Article t4. 14.5 Effect of Transfer. If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall successor in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space. In no event shall any Transferee assign, sublease or otherwise encumber its interest in this Lease or further sublet any portion of the Subject Space, or otherwise suffer or permit any portion of the Subject Space to be used or occupied by others, except in accordance with this Section 14. Landlord or its authorized representatives shall have the right at all reasonable times during normal business hours, but not more than once for each Transfer, to audit the books, records and papers of Tenant relating to any Transfer. Landlord agrees to and shall keep and maintain the

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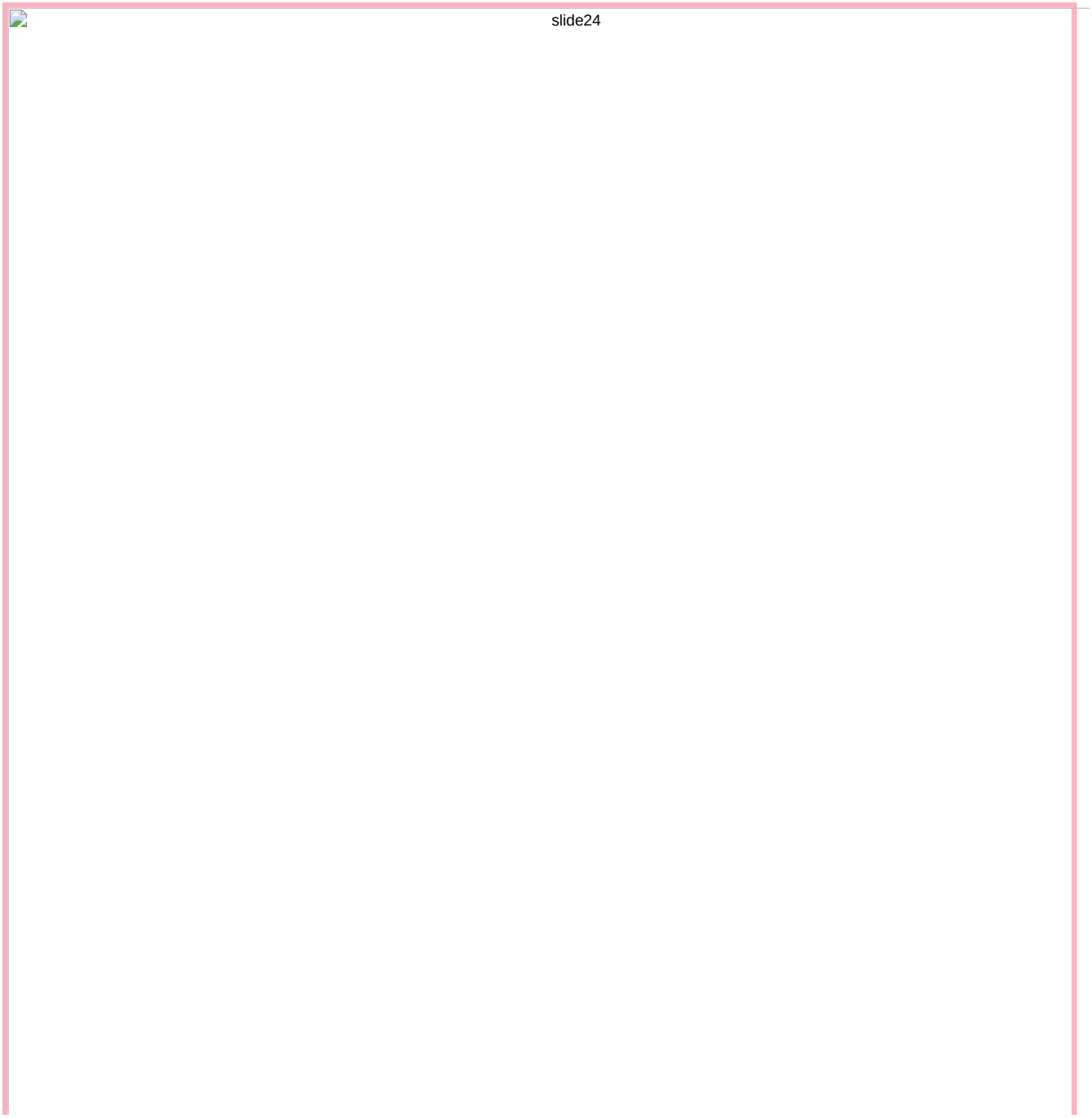
books, records, and papers of Tenant strictly confidential and shall not disclose such confidential information to any person or entity other than Landlord's financial or legal consultants or Landlord's mortgagee. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than five percent (5%), Tenant shall pay Landlord's reasonable costs of such audit. 14.6 Additional Transfers, for purposes of this Lease, the term "Transfer" shall also include (i) if Tenant is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of fifty percent (50%) or more of the partners, or transfer of fifty percent (50%) or more of partnership interests, within a twelve (12)-month period, or the dissolution of the partnership without immediate reconstitution thereof, and (ii) if Tenant is a closely held corporation (i.e., whose stock is not publicly held and not traded through an exchange or over the 1049651.11/sf 373398-00076/1 l-13.17/arb/jll 23 Recursion Pharmaceuticals. Inc.



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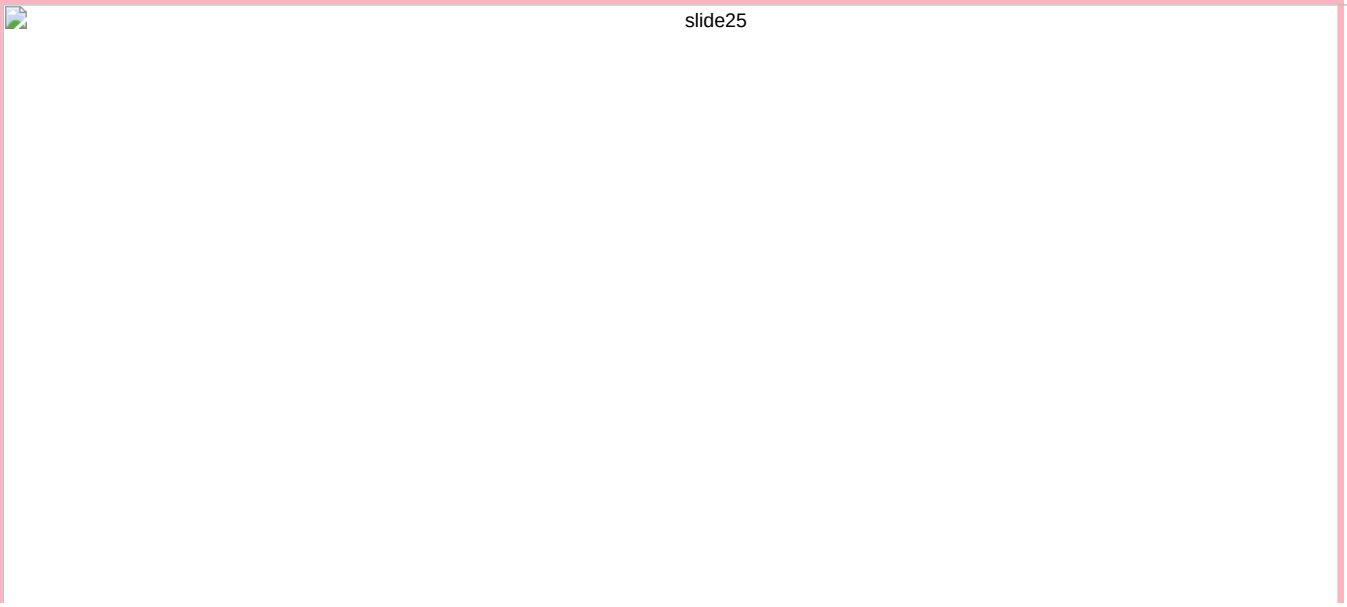
DocuSign Envelope ID: B 1 EZ6935E-B3B4-4DE7-M05-138C84214 LCDA country (A) the dissolution, merger, consolidation or other reorganization of Tenant or (B) the sale or other transfer of an aggregate of fifty percent (50%) or more of the voting shares of Tenant (other than to immediate family members by gift or death), within a twelve (12)-month period, or (C) the sale, mortgage, hypothecation or pledge of an aggregate of fifty percent (50%) or more of the value of the unencumbered assets of Tenant within a twelve (12)-month period (a "Non-Transfer"). Notwithstanding anything to the contrary contained in this Article 14 and so long as any such Permitted Non-Transfer (as defined herein) is not a subterfuge by Tenant to avoid its obligations under this Lease, any of the following transfers shall not be deemed a Transfer under this Article 14, each of which are hereinafter referred to as a "Permitted Non-Transfer" and any such assignee or sublessee pursuant to a Permitted Non-Transfer hereinafter referred to as a "Permitted Non-Transferee"): (i) an assignment of Tenant's interest in this Lease, or a subletting of all or a portion of the Premises, to an affiliate of Tenant (i.e., an entity which is controlled by, controls, or is under common control with, Tenant) or any parent of Tenant; (ii) an assignment of Tenant's interest in this Lease to an entity which acquires all or substantially all of the assets or interests of Tenant; (iii) an assignment of Tenant's interest in this Lease to an entity which is the resulting entity of a stock acquisition, [redacted] of Tenant during the Lease Term; (iv) any [redacted] of stock for capital raising purposes in which Tenant is the surviving corporation, or the sale of stock or other equity interests in Tenant on a public stock exchange (e.g., NYSE or NASDAQ), whether in connection with an initial public offering or thereafter; (v) or any merger effected exclusively to change the domicile of Tenant; or (vi) any assignment of Tenant's interest in the Lease in connection with any financing or refinancing of Tenant's business, whether such financing or refinancing takes the form of debt or equity investments through a publicly or privately traded equity or any other form, including without limitation any transaction whereby an equity investor directly or indirectly provides financing or refinancing for Tenant and/or purchases ownership interests of Tenant, its parent or any affiliate of Tenant. Each Permitted Non-Transferee shall have a valuation immediately following such transaction that (A) is the greater of (1) the valuation of Tenant immediately prior to such Permitted Non-Transfer or (2) the valuation of Original Tenant on the date of this Lease, and (B) is otherwise reasonably sufficient to satisfy the financial obligations under this Lease or sublease as the case may be, for each Permitted Non-Transfer. Tenant shall notify Landlord of the same and promptly supply Landlord with any commercially reasonable documents or information reasonably requested by Landlord regarding such Permitted Non-Transferor or such Permitted Non-Transferee. An assignee of Original Tenant's entire interest in this Lease which assignee is a Permitted Non-Transferee may also be referred to herein as a "Non-Transferee Assignee." As used in this Section 14.7, "control" shall mean the ownership, directly or indirectly, of at least fifty-one percent (51%) of the voting securities of, or possession of the right to vote, in the primary division of, or if any, of at least fifty-one percent (51%) of the voting interest in, any person or entity. 14.8 Occurrence of Default. Any Transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease shall be terminated during the term of any such Transfer, Landlord shall have the right to: (i) treat such Transfer as cancelled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee attorn to and recognize Landlord as its landlord under any such Transfer. If Tenant shall be in default under this Lease, Tenant is hereby irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any Transferee to make all payments under or in connection with such Transfer directly to Landlord (who Landlord shall apply towards Tenant's obligations under this Lease) until such default is cured. Such Transferee shall rely on any representation by Landlord that Tenant is in default hereunder, without any need for confirmation thereof by Tenant. Upon any assignment of Tenant's interest in this Lease, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this Article 14 or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In the event Tenant's default or any portion of this Lease against any Transferee, no delay or failure by Landlord to enforce any term of this Lease against Tenant or any other person. If Tenant's obligations hereunder have been guaranteed, Landlord's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer. ARTICLE 15 SURRENDER Of PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES 15.1 Surrender of Premises. No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such matter is specifically acknowledged in writing by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord, shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such subleases or subtenancies. 15.2 Removal of Tenant Property by Tenant. Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, business and trade fixtures, free-standing cabinet work, movable partitions, cabling installed by Tenant, and all [redacted] Registration Enumerated Heads, [illegible]



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DocuSign Envelope ID: D 1 F7393F-D384-4DF7-AAO6-1 B9C9421 1 CDA by or at the request of Tenant that is not contained in protective conduit or metal raceway and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises and such similar articles of any other persons claiming under Tenant as Landlord may in its sole discretion require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal. ARTICLE 16 HOLDING OVER If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term, and in such case Rent shall be payable at a monthly rate equal to the product of 150% of the Rent applicable during the last rental period of the Lease Term under this Lease. Such month-to-month tenancy shall be subject to every other applicable term, covenant and agreement contained herein. For purposes of this Article 16, a holding over shall include Tenant's remaining in the Premises after the expiration or earlier termination of the Lease Term, as required pursuant to the terms of this Lease or the Tenant Work Letter, to remove any Alterations or Above Building Standard Tenant Improvements located within the Premises and replace the same with Building Standard Tenant Improvements. Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all losses, costs (including reasonable attorneys' fees) and liabilities resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender, and any lost profits to Landlord resulting therefrom. ARTICLE 17 ESTOPPEL CERTIFICATES Within fifteen (15) days following a request in writing by Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate in the form of Exhibit H attached hereto. Any such certificate may be relied upon by any current or prospective mortgagee or purchaser of all or any portion of the Project. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. At any time during the Lease Term (but in no event more than once during any calendar year except in connection with a sale or refinancing of the Building), Landlord may require Tenant and the Guarantor(s) to provide Landlord with a certified (or, if Tenant is a publicly traded company, audited) financial statement and audited financial Statements of the two (2) years prior to the current financial Statement year. Such Statements shall be delivered by Tenant and such guarantor(s) to Landlord within thirty (30) days after Landlord's written request therefor and be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant or such guarantor(s), shall be audited by an independent certified public accountant with copies of the auditor's statement, reflecting Tenant's or such guarantor(s)'s applicable, unconsolidated operations for such period. Landlord may reasonably request Any such financial Statements obtained by Landlord shall be kept strictly confidential. Tenant and Landlord shall not disclose such confidential information to any person or entity other than Landlord's financial and legal consultants and Landlord's mortgagees without Tenant's prior written consent, which may be withheld in Tenant's sole discretion. At any time and from time to time, in the context of a sale of Tenant's business or a financing thereof only, and upon not less than fifteen (15) days' prior notice from Tenant, Landlord shall execute and deliver to Tenant a statement certifying (i) the files and dates of the documents which comprise this Lease, (ii) the current amounts of and the dates to which the Base Rent and Additional Rent have been paid, (iii) to the best of Landlord's knowledge, that Tenant is not in default under this Lease (or if Tenant is in default, specifying the nature of such default) and (iv) such other information reasonably requested by Tenant for such purposes. The failure of either party and any such guarantor(s) to timely execute, acknowledge and deliver such estoppel certificate shall constitute an acknowledgment by such party and such guarantor(s) that statements included in the estoppel certificate are true and correct, without exception. ARTICLE 18 SUBORDINATION This Lease shall be subject and subordinate to all present and future ground or underlying leases of the Building or Project and to the lien of any mortgage, trust deed or other encumbrance now or hereafter in force against the Building or Project or any part thereof, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages, trust deeds or other encumbrances, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto. Tenant covenants and agrees in the event any proceeding is brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground leases is terminated), to attorn, without any deductions or set-offs whatsoever, to the

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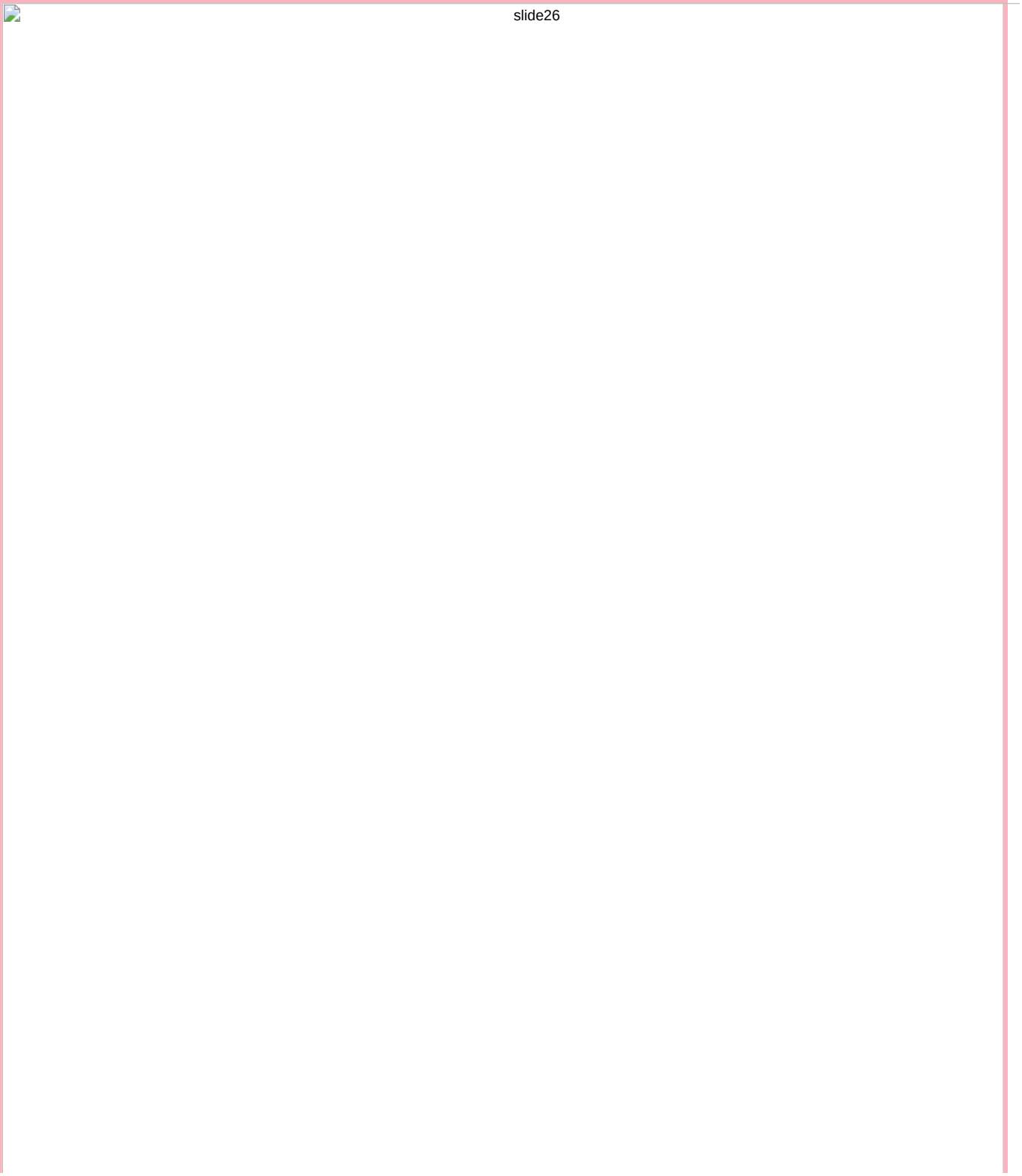
lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if so requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, provided such lienholder or purchaser or ground lessor agrees in writing to accept this Lease and agrees not to disturb Tenant's possession so long as Tenant timely pays the Rent and observes and performs the terms, covenants and conditions of this Lease to be observed 104965 t .11/SF 373398-00076/1 1-13-17/arb/jil —25— Recursion Pharmaceuticals, Inc.



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Docusign Envelope ID: DI F7393F-0384-4DF7-M06-1 B9C9421 1 CDA and performed by Tenant. Landlord's interest herein may be assigned as security at any time to any henholder. Tenant shall, within fifteen (15) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases so long as Tenants rights under this Lease are not adversely affected thereby. So long as the requirements of this Section arc satisfied, Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale. ARTICLE 19 DEFAULTS; REMEDIES 19.1 Events of Default. The occurrence of any of the following shall constitute a default of this Lease ("Default') by Tenant: 19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, within five (5) days when due and such failure continues for five (5) days after written notice thereof from Landlord, except that Landlord shall only be required to give one (1) such notice in any calendar year, and after any such notice is given any failure by Tenant in such calendar year to pay any Rent due hereunder within five (5) days when due shall itself constitute a Default, without the requirement of notice from Landlord of such failure; or 19.1.2 Except where a specific time period is otherwise set forth for Tenant's performance in this Lease, in which event the failure to perform by Tenant within such time period shall be a default by Tenant under this Section 19.1.2, any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for twenty (20) days after written notice thereof from Landlord to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within such 20-day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default, but in no event exceeding a period of time in excess of thirty (30) days after written notice thereof from Landlord to Tenant; or 19.1.3 The failure by Tenant to observe or perform according to the provisions of Articles 5, 14, 17 or 18 of this Lease where such failure continues for more than five (5) business days after notice from Landlord; or 19.1.4 Tenant's failure to comply with the terms of the Declarations within ten (10) days following Tenant's receipt of written notice of such failure; or 19.1.5 To the extent permitted by law, a general assignment by Tenant or any guarantor of this Lease for the benefit of creditors, or the taking of any corporate action in furtherance of bankruptcy or dissolution whether or not there exists any proceeding under an insolvency or bankruptcy law, or the filing by or against Tenant or any guarantor of any proceeding under an insolvency or bankruptcy law, unless in the case of a proceeding filed against Tenant or any guarantor the same is dismissed within sixty (60) days, or the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant such Party relating to the subject matter of this Agreement; provided however, that (a) such assignment includes, without limitation, all rights and obligations under this Agreement, (b) such successor in interest or Affiliate shall have agreed as of such assignment or transfer to be bound by the terms of this Agreement in a writing provided to the non-assigning Party, and (c) where this Agreement is assigned or transferred to an Affiliate, the assigning Party remains responsible for the performance of this Agreement. Recursion may assign or pledge any guarantor, of its rights to receive payment under this Agreement subject to Bayer's prior written consent, such consent not to be unreasonably withheld.

16.5 Amendment and Waiver. No amendment, modification, or waiver of the terms of this Agreement shall be binding on either Party unless possession is restored reduced to Tenant or such guarantor within thirty (30) days, or any execution or other judicially writing and signed by an authorized seizure representative of all or substantially all the Party to be bound. The failure of Tenant's assets located upon the Premises or of Tenant's interest in this Lease, unless such seizure is discharged within thirty (30) days; or 19.1.6 Tenant's failure to occupy the Premises for business operations for more than thirty (30) consecutive days either Party at any time during or times to require performance of any provision hereof shall in no manner affect its rights at a later time to enforce the Lease Term (or same. No waiver by either Party of any applicable Option Term); condition or 19.1.7 Tenant's term shall be deemed as a further or continuing waiver of such condition or term or of any other condition or term.

16.6 Independent Contractors. It is understood and agreed that the relationship between the Parties is that of independent contractors and that nothing in this Agreement shall be construed as authorization for either Party to act as agent for the other. Nothing herein contained shall be deemed to create an employment, agency, joint venture or partnership relationship between the Parties or any of their agents or employees for any purpose, including tax purposes, or to create any other legal arrangement that would impose liability upon one Party for the act or failure to occupy act of the Premises within ten (10) business days after other Party. Neither Party shall have any express or implied power to enter into any contracts or commitments or to incur any liabilities in the Lease Commencement Date. name of, or on behalf of, the other Party, or to bind the other Party in any respect whatsoever.

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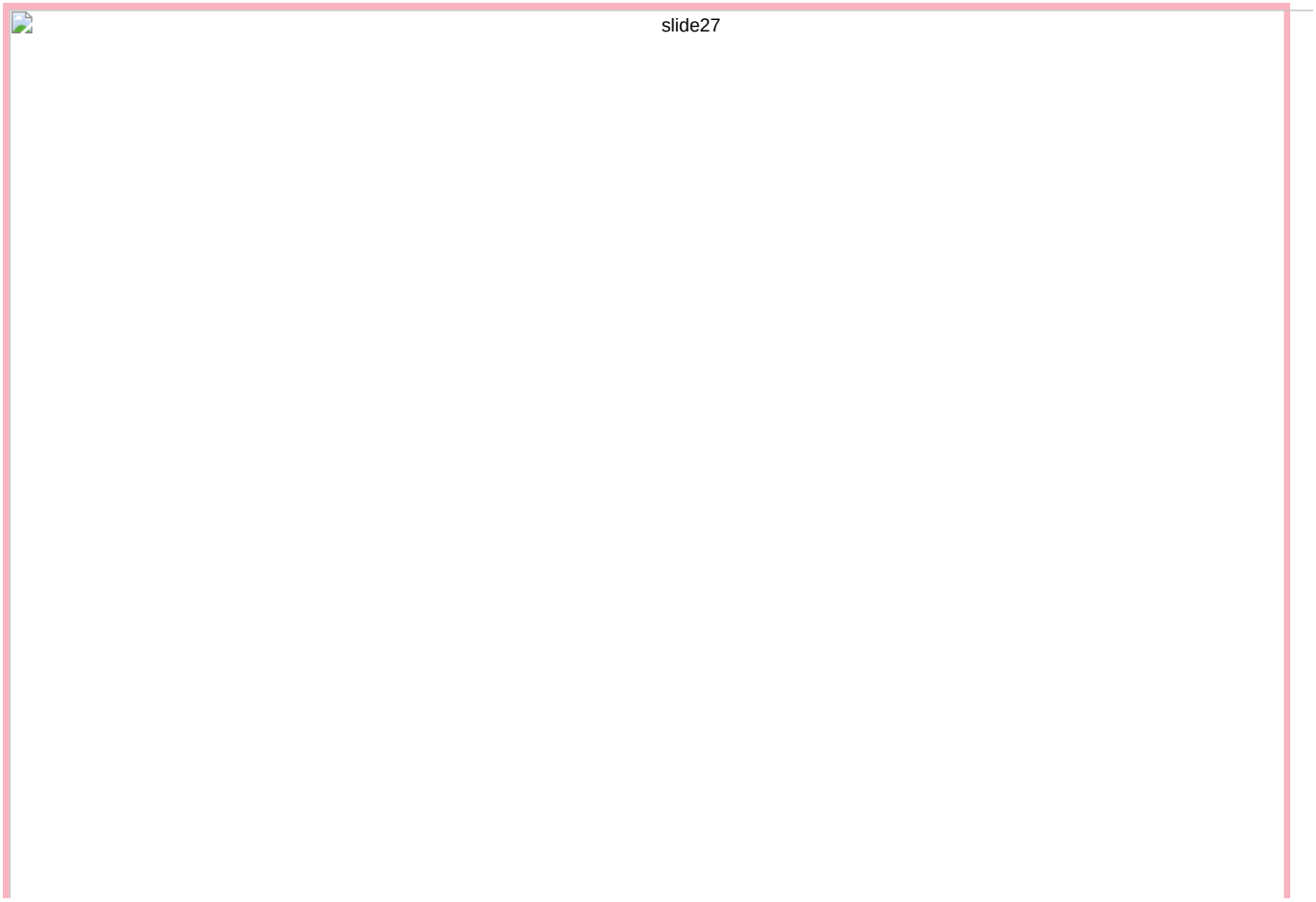
16.7 Severability. In the event that any provision of this Agreement shall be held invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any other provision of this Agreement, and the Parties shall negotiate in good faith to modify this Agreement to preserve (to the extent possible) their original intent.

16.8 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

16.9 Interpretation. All headings are for convenience only and shall not affect the meaning of any provision of this Agreement. The notice periods provided Parties acknowledge that each Party has read and negotiated the language used in this Agreement. Because allParties participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement which construes ambiguous language in favor of or against any Party by reason of that Party's role in drafting this Agreement. Except where the context expressly requires otherwise, (a) the use of any gender herein are in lieu of, and not in addition will be deemed to encompass references to any notice periods provided genders, and the use of the singular will be deemed to include the plural (and vice versa), (b) the words "include", "includes" and "including" will be deemed to be followed by law. 19.2 Remedies Upon Default. Upon the occurrence phrase "without limitation", (c) the word "will" will be construed to have the same meaning and effect as the word "shall", (d) any definition of any event of default by Tenant, Landlord shall have, in addition or reference to any agreement, instrument or other remedies available document herein will be construed as referring to Landlord at law such agreement, instrument or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever. 19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following: (i) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus 104965 1.11/sf 373398.00076/i i-13-17/arb/jll 26 Recursion Pharmoceuticals, Inc.



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DocuSign Envelope ID: PLE7393E-D384-4DE7-AAQ6-1 B9C9421 1 CDA (i) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant demonstrates could have been reasonably avoided; plus (iv) Any other reasonable amount necessary to compensate Landlord for all the detriment proximately caused by Tenants failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, reasonable brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether performed by Landlord or Landlords property manager, whether for the same or a different use, and any special concessions made to obtain a new tenant; provided, however, that for purposes of Tenant's liability under the foregoing portion of this sentence, such costs of reletting and commissions (only) shall be amortized over the initial term of such new lease, with interest thereon at the Interest Rate (as defined below), and Tenant shall be liable only for that portion so amortized falling within the remaining portion of the Term; and (v) All Landlords reletting, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Applicable Law. The term "rent" as used in this Section 19.2 shall be deemed to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Paragraphs 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the rate set forth in Article 25 of this Lease, but in no case greater than the maximum amount of such interest permitted by law. As used in Paragraph 19.2.1 (iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus one percent (1%). 19.2.2 Terminate Tenants right to possess the Premises by any lawful means with or without terminating this Lease, in which event Tenant will immediately surrender possession of the Premises to Landlord within ten (10) days of receipt of written notice from Landlord. In such event, this Lease continues in full force and effect (except for Tenant's right to possess the Premises) and Tenant continues to be obligated for and must pay all Rent and other amounts due under this Lease, unless Landlord specifically states that it is terminating this Lease. Landlords termination of Tenants right to possess the Premises is not to be construed as an election by Landlord to terminate this Lease or Tenants obligations and liabilities under this Lease. If Landlord terminates Tenant's right to possess the Premises, Landlord is not obligated to, but upon providing written notice to Tenant, may re-enter the Premises and remove all persons and property from the Premises if Tenant fails to do so within such 10-day period. Landlord may store any property Landlord removes from the Premises in any public warehouse or elsewhere at the cost of and for the account of Tenant, and if Tenant fails to pay the storage charges therefor within ten (10) days of Tenants receipt of written request therefor, Landlord may deem such property abandoned and may sell such property to be sold or otherwise disposed of without further obligation Tenant's accounting therefor. accounting to Tenant. Upon such re-entry, Landlord shall, to replacement or successor Applicable Law, rule or regulation thereof and (i) to the extent required by applicable Laws, use commercially reasonable efforts to relet the Premises to a third party or parties for Tenant's account Tenant shall be liable to Landlord for all Costs of Re-Letting (as defined below and shall pay Landlord the same within thirty (30) days after Landlord's written notice to Tenant. Landlord may relet the Premises for a period shorter or longer than the remaining Lease Term. If Landlord relets all or any part of the Premises, Tenant remains obligated to pay all Rent when due under this Lease, provided that Landlord will, on a monthly basis, credit any Net Re-Letting Proceeds (as defined below) received for the current month against Tenant's Rent obligation for the next succeeding month. If the Net Re-Letting Proceeds received for any month exceeds Tenants Rent obligation for the succeeding month, Landlord may retain the surplus. As used herein, "Net Re-Letting Proceeds" shall mean the total amount of rent and other consideration paid by any Replacement Tenants for the Premises, less all Costs of Re-Letting during the given period of time. "Costs of Re-Letting" shall include without limitation all commercially reasonable costs and expenses incurred by Landlord for any repairs, maintenance, changes, alterations and improvements to the Premises, brokerage commissions, advertising costs, attorneys' fees, any reasonable and customary free rent periods or credits, tenant improvement allowances, take-over lease obligations and other reasonable and customary concessions/incentives required to enter leases with Replacement Tenants. Replacement Tenants" shall mean any individual, trust, partnership, company, joint venture, association, corporation, or any other entity to whom Landlord relets the Premises or any portion thereof pursuant to this Section 19.2.2. 19.3 Form of Payment After Default. Following the occurrence of an event of default by Tenant, Landlord shall have the right to require that any or all subsequent amounts paid by Tenant to Landlord hereunder, whether to cure the default in question or otherwise, be paid interpreted in the form of cash, money order, cashier's or certified check drawn on an institution acceptable to Landlord or by other commercially reasonable means approved by Landlord, notwithstanding any prior practice of accepting payments in any different form. 19.4 Efforts to Relet; No Security or Possessory Rights; Reinstatement. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlords interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease. 19.5 Right to Sue Repeatedly. Suits for damages or for a sum of money due from Tenant to Landlord at any time or from time to time, may be instituted by Landlord against Tenant as often as Landlord shall deem advisable, and nothing herein shall be deemed to require Landlord to await the date on which the Term would have expired had there been no Event of Default or termination. Each right and remedy provided to Landlord in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and shall not preclude Landlord from exercising any other right or remedy provided in this Lease or now or hereafter existing at law or in equity or by statute or otherwise. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Rent shall be deemed to be other than on account of the earliest Rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease. 19.6 Waiver of Default. No waiver by Landlord of any violation or breach of any of the terms contained herein shall waive Landlord's rights regarding any future violation of such terms. Landlord's acceptance of any partial payment of Rent shall not waive Landlord's rights with regard to the remaining portion of the unpaid Rent regardless of any instruction or notation on any check or money order to the contrary. Landlord's acceptance of the keys to the Premises shall not be deemed an acceptance of a surrender of the Premises. No forbearance by Landlord of action upon any violation or breach of any of the terms of this Lease by Tenant shall be deemed to be a waiver of Landlord's right to act with respect to subsequent or similar violations or breaches. The subsequent acceptance of Rent by Landlord shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. Failure by Landlord to enforce any of the terms of this Lease for any period of time or at any time, or one or more times, shall not be deemed a waiver or estoppel against Landlord. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Lease. 19.7 Limitation on Recovery. Notwithstanding anything to the contrary contained in this Lease, Landlord's recovery against Tenant for any default or breach of this Lease shall be limited to the sum of (i) the unpaid Rent owing to Landlord at the time of termination of this Lease, plus (ii) the amount of any damages suffered by Landlord as a result of Tenant's default, not to exceed the amount of Rent owing for the three (3) month period immediately following the termination of this Lease. Landlord shall not have any right to levy execution against any property of Tenant other than its interest in the Premises and the Project, as the same may then be encumbered. The foregoing limitation shall not limit Landlord's right to obtain injunctive relief or specific performance as otherwise provided in this Lease. 19.8 Default by Landlord. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligations; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Tenant shall not have any rights to withhold any payment of Rent or other charges due and payable by Tenant hereunder for any reason whatsoever, including, without limitation, on account of any default by Landlord hereunder. In the event that Tenant shall have a claim against Landlord, Tenant shall not have the right to deduct the amount allegedly owed to Tenant from any payments of Rent due to Landlord hereunder, it being intended by Tenant and Landlord that Tenant's sole recourse against Landlord with respect to any default by Landlord hereunder is to bring a separate action against Landlord which shall not be consolidated with any action brought by Landlord against Tenant. 19.9 Limitation on Liability. Upon any default by Landlord hereunder, Tenant shall look solely to the equity of Landlord in the Project for the satisfaction of Tenant's remedies. Tenant shall not look to any other property or assets of Landlord or the property or assets of any of the partners, members, directors, officers, trustees, employees, beneficiaries, shareholders, agents or boards of Landlord in seeking either to enforce Landlord's obligations hereunder or to satisfy a judgment for Landlord's default hereunder. 19.10 Waiver of Jury Trial. To the extent permitted by law, Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and any emergency statutory or any other statutory remedy. 19.11 Waiver of Redemption. Tenant hereby waives, for Tenant and all those claiming by, through or under Tenant, any right and privilege which they or any of them may have under any present or future law to redeem the Premises or to continue this Lease after Tenant's eviction from the Premises or after the termination of this Lease or after the termination of Tenant's right to occupy the Premises. 19.12 Efforts to Relet; No Security or Possessory Rights; Reinstatement. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlords interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease. 19.13 Right to Sue Repeatedly. Suits for damages or for a sum of money due from Tenant to Landlord at any time or from time to time, may be instituted by Landlord against Tenant as often as Landlord shall deem advisable, and nothing herein shall be deemed to require Landlord to await the date on which the Term would have expired had there been no Event of Default or termination. Each right and remedy provided to Landlord in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and shall not preclude Landlord from exercising any other right or remedy provided in this Lease or now or hereafter existing at law or in equity or by statute or otherwise. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Rent shall be deemed to be other than on account of the earliest Rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease. 19.14 Waiver of Default. No waiver by Landlord of any violation or breach of any of the terms contained herein shall waive Landlord's rights regarding any future violation of such terms. Landlord's acceptance of any partial payment of Rent shall not waive Landlord's rights with regard to the remaining portion of the unpaid Rent regardless of any instruction or notation on any check or money order to the contrary. Landlord's acceptance of the keys to the Premises shall not be deemed an acceptance of a surrender of the Premises. No forbearance by Landlord of action upon any violation or breach of any of the terms of this Lease by Tenant shall be deemed to be a waiver of Landlord's right to act with respect to subsequent or similar violations or breaches. The subsequent acceptance of Rent by Landlord shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. Failure by Landlord to enforce any of the terms of this Lease for any period of time or at any time, or one or more times, shall not be deemed a waiver or estoppel against Landlord. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Lease. 19.15 Limitation on Recovery. Notwithstanding anything to the contrary contained in this Lease, Landlord's recovery against Tenant for any default or breach of this Lease shall be limited to the sum of (i) the unpaid Rent owing to Landlord at the time of termination of this Lease, plus (ii) the amount of any damages suffered by Landlord as a result of Tenant's default, not to exceed the amount of Rent owing for the three (3) month period immediately following the termination of this Lease. Landlord shall not have any right to levy execution against any property of Tenant other than its interest in the Premises and the Project, as the same may then be encumbered. The foregoing limitation shall not limit Landlord's right to obtain injunctive relief or specific performance as otherwise provided in this Lease. 19.16 Default by Landlord. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligations; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Tenant shall not have any rights to withhold any payment of Rent or other charges due and payable by Tenant hereunder for any reason whatsoever, including, without limitation, on account of any default by Landlord hereunder. In the event that Tenant shall have a claim against Landlord, Tenant shall not have the right to deduct the amount allegedly owed to Tenant from any payments of Rent due to Landlord hereunder, it being intended by Tenant and Landlord that Tenant's sole recourse against Landlord with respect to any default by Landlord hereunder is to bring a separate action against Landlord which shall not be consolidated with any action brought by Landlord against Tenant. 19.17 Limitation on Liability. Upon any default by Landlord hereunder, Tenant shall look solely to the equity of Landlord in the Project for the satisfaction of Tenant's remedies. Tenant shall not look to any other property or assets of Landlord or the property or assets of any of the partners, members, directors, officers, trustees, employees, beneficiaries, shareholders, agents or boards of Landlord in seeking either to enforce Landlord's obligations hereunder or to satisfy a judgment for Landlord's default hereunder. 19.18 Waiver of Jury Trial. To the extent permitted by law, Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and any emergency statutory or any other statutory remedy. 19.19 Waiver of Redemption. Tenant hereby waives, for Tenant and all those claiming by, through or under Tenant, any right and privilege which they or any of them may have under any present or future law to redeem the Premises or to continue this Lease after Tenant's eviction from the Premises or after the termination of this Lease or after the termination of Tenant's right to occupy the Premises. 19.20 Efforts to Relet; No Security or Possessory Rights; Reinstatement. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlords interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease. 19.21 Right to Sue Repeatedly. Suits for damages or for a sum of money due from Tenant to Landlord at any time or from time to time, may be instituted by Landlord against Tenant as often as Landlord shall deem advisable, and nothing herein shall be deemed to require Landlord to await the date on which the Term would have expired had there been no Event of Default or termination. Each right and remedy provided to Landlord in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and shall not preclude Landlord from exercising any other right or remedy provided in this Lease or now or hereafter existing at law or in equity or by statute or otherwise. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Rent shall be deemed to be other than on account of the earliest Rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease. 19.22 Waiver of Default. No waiver by Landlord of any violation or breach of any of the terms contained herein shall waive Landlord's rights regarding any future violation of such terms. Landlord's acceptance of any partial payment of Rent shall not waive Landlord's rights with regard to the remaining portion of the unpaid Rent regardless of any instruction or notation on any check or money order to the contrary. Landlord's acceptance of the keys to the Premises shall not be deemed an acceptance of a surrender of the Premises. No forbearance by Landlord of action upon any violation or breach of any of the terms of this Lease by Tenant shall be deemed to be a waiver of Landlord's right to act with respect to subsequent or similar violations or breaches. The subsequent acceptance of Rent by Landlord shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. Failure by Landlord to enforce any of the terms of this Lease for any period of time or at any time, or one or more times, shall not be deemed a waiver or estoppel against Landlord. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Lease. 19.23 Limitation on Recovery. Notwithstanding anything to the contrary contained in this Lease, Landlord's recovery against Tenant for any default or breach of this Lease shall be limited to the sum of (i) the unpaid Rent owing to Landlord at the time of termination of this Lease, plus (ii) the amount of any damages suffered by Landlord as a result of Tenant's default, not to exceed the amount of Rent owing for the three (3) month period immediately following the termination of this Lease. Landlord shall not have any right to levy execution against any property of Tenant other than its interest in the Premises and the Project, as the same may then be encumbered. The foregoing limitation shall not limit Landlord's right to obtain injunctive relief or specific performance as otherwise provided in this Lease. 19.24 Default by Landlord. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligations; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Tenant shall not have any rights to withhold any payment of Rent or other charges due and payable by Tenant hereunder for any reason whatsoever, including, without limitation, on account of any default by Landlord hereunder. In the event that Tenant shall have a claim against Landlord, Tenant shall not have the right to deduct the amount allegedly owed to Tenant from any payments of Rent due to Landlord hereunder, it being intended by Tenant and Landlord that Tenant's sole recourse against Landlord with respect to any default by Landlord hereunder is to bring a separate action against Landlord which shall not be consolidated with any action brought by Landlord against Tenant. 19.25 Limitation on Liability. Upon any default by Landlord hereunder, Tenant shall look solely to the equity of Landlord in the Project for the satisfaction of Tenant's remedies. Tenant shall not look to any other property or assets of Landlord or the property or assets of any of the partners, members, directors, officers, trustees, employees, beneficiaries, shareholders, agents or boards of Landlord in seeking either to enforce Landlord's obligations hereunder or to satisfy a judgment for Landlord's default hereunder. 19.26 Waiver of Jury Trial. To the extent permitted by law, Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and any emergency statutory or any other statutory remedy. 19.27 Waiver of Redemption. Tenant hereby waives, for Tenant and all those claiming by, through or under Tenant, any right and privilege which they or any of them may have under any present or future law to redeem the Premises or to continue this Lease after Tenant's eviction from the Premises or after the termination of this Lease or after the termination of Tenant's right to occupy the Premises. 19.28 Efforts to Relet; No Security or Possessory Rights; Reinstatement. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlords interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease. 19.29 Right to Sue Repeatedly. Suits for damages or for a sum of money due from Tenant to Landlord at any time or from time to time, may be instituted by Landlord against Tenant as often as Landlord shall deem advisable, and nothing herein shall be deemed to require Landlord to await the date on which the Term would have expired had there been no Event of Default or termination. Each right and remedy provided to Landlord in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and shall not preclude Landlord from exercising any other right or remedy provided in this Lease or now or hereafter existing at law or in equity or by statute or otherwise. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Rent shall be deemed to be other than on account of the earliest Rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease. 19.30 Waiver of Default. No waiver by Landlord of any violation or breach of any of the terms contained herein shall waive Landlord's rights regarding any future violation of such terms. Landlord's acceptance of any partial payment of Rent shall not waive Landlord's rights with regard to the remaining portion of the unpaid Rent regardless of any instruction or notation on any check or money order to the contrary. Landlord's acceptance of the keys to the Premises shall not be deemed an acceptance of a surrender of the Premises. No forbearance by Landlord of action upon any violation or breach of any of the terms of this Lease by Tenant shall be deemed to be a waiver of Landlord's right to act with respect to subsequent or similar violations or breaches. The subsequent acceptance of Rent by Landlord shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. Failure by Landlord to enforce any of the terms of this Lease for any period of time or at any time, or one or more times, shall not be deemed a waiver or estoppel against Landlord. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Lease. 19.31 Limitation on Recovery. Notwithstanding anything to the contrary contained in this Lease, Landlord's recovery against Tenant for any default or breach of this Lease shall be limited to the sum of (i) the unpaid Rent owing to Landlord at the time of termination of this Lease, plus (ii) the amount of any damages suffered by Landlord as a result of Tenant's default, not to exceed the amount of Rent owing for the three (3) month period immediately following the termination of this Lease. Landlord shall not have any right to levy execution against any property of Tenant other than its interest in the Premises and the Project, as the same may then be encumbered. The foregoing limitation shall not limit Landlord's right to obtain injunctive relief or specific performance as otherwise provided in this Lease. 19.32 Default by Landlord. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligations; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Tenant shall not have any rights to withhold any payment of Rent or other charges due and payable by Tenant hereunder for any reason whatsoever, including, without limitation, on account of any default by Landlord hereunder. In the event that Tenant shall have a claim against Landlord, Tenant shall not have the right to deduct the amount allegedly owed to Tenant from any payments of Rent due to Landlord hereunder, it being intended by Tenant and Landlord that Tenant's sole recourse against Landlord with respect to any default by Landlord hereunder is to bring a separate action against Landlord which shall not be consolidated with any action brought by Landlord against Tenant. 19.33 Limitation on Liability. Upon any default by Landlord hereunder, Tenant shall look solely to the equity of Landlord in the Project for the satisfaction of Tenant's remedies. Tenant shall not look to any other property or assets of Landlord or the property or assets of any of the partners, members, directors, officers, trustees, employees, beneficiaries, shareholders, agents or boards of Landlord in seeking either to enforce Landlord's obligations hereunder or to satisfy a judgment for Landlord's default hereunder. 19.34 Waiver of Jury Trial. To the extent permitted by law, Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and any emergency statutory or any other statutory remedy. 19.35 Waiver of Redemption. Tenant hereby waives, for Tenant and all those claiming by, through or under Tenant, any right and privilege which they or any of them may have under any present or future law to redeem the Premises or to continue this Lease after Tenant's eviction from the Premises or after the termination of this Lease or after the termination of Tenant's right to occupy the Premises. 19.36 Efforts to Relet; No Security or Possessory Rights; Reinstatement. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlords interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease. 19.37 Right to Sue Repeatedly. Suits for damages or for a sum of money due from Tenant to Landlord at any time or from time to time, may be instituted by Landlord against Tenant as often as Landlord shall deem advisable, and nothing herein shall be deemed to require Landlord to await the date on which the Term would have expired had there been no Event of Default or termination. Each right and remedy provided to Landlord in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and shall not preclude Landlord from exercising any other right or remedy provided in this Lease or now or hereafter existing at law or in equity or by statute or otherwise. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Rent shall be deemed to be other than on account of the earliest Rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease. 19.38 Waiver of Default. No waiver by Landlord of any violation or breach of any of the terms contained herein shall waive Landlord's rights regarding any future violation of such terms. Landlord's acceptance of any partial payment of Rent shall not waive Landlord's rights with regard to the remaining portion of the unpaid Rent regardless of any instruction or notation on any check or money order to the contrary. Landlord's acceptance of the keys to the Premises shall not be deemed an acceptance of a surrender of the Premises. No forbearance by Landlord of action upon any violation or breach of any of the terms of this Lease by Tenant shall be deemed to be a waiver of Landlord's right to act with respect to subsequent or similar violations or breaches. The subsequent acceptance of Rent by Landlord shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. Failure by Landlord to enforce any of the terms of this Lease for any period of time or at any time, or one or more times, shall not be deemed a waiver or estoppel against Landlord. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Lease. 19.39 Limitation on Recovery. Notwithstanding anything to the contrary contained in this Lease, Landlord's recovery against Tenant for any default or breach of this Lease shall be limited to the sum of (i) the unpaid Rent owing to Landlord at the time of termination of this Lease, plus (ii) the amount of any damages suffered by Landlord as a result of Tenant's default, not to exceed the amount of Rent owing for the three (3) month period immediately following the termination of this Lease. Landlord shall not have any right to levy execution against any property of Tenant other than its interest in the Premises and the Project, as the same may then be encumbered. The foregoing limitation shall not limit Landlord's right to obtain injunctive relief or specific performance as otherwise provided in this Lease. 19.40 Default by Landlord. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligations; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Tenant shall not have any rights to withhold any payment of Rent or other charges due and payable by Tenant hereunder for any reason whatsoever, including, without limitation, on account of any default by Landlord hereunder. In the event that Tenant shall have a claim against Landlord, Tenant shall not have the right to deduct the amount allegedly owed to Tenant from any payments of Rent due to Landlord hereunder, it being intended by Tenant and Landlord that Tenant's sole recourse against Landlord with respect to any default by Landlord hereunder is to bring a separate action against Landlord which shall not be consolidated with any action brought by Landlord against Tenant. 19.41 Limitation on Liability. Upon any default by Landlord hereunder, Tenant shall look solely to the equity of Landlord in the Project for the satisfaction of Tenant's remedies. Tenant shall not look to any other property or assets of Landlord or the property or assets of any of the partners, members, directors, officers, trustees, employees, beneficiaries, shareholders, agents or boards of Landlord in seeking either to enforce Landlord's obligations hereunder or to satisfy a judgment for Landlord's default hereunder. 19.42 Waiver of Jury Trial. To the extent permitted by law, Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and any emergency statutory or any other statutory remedy. 19.43 Waiver of Redemption. Tenant hereby waives, for Tenant and all those claiming by, through or under Tenant, any right and privilege which they or any of them may have under any present or future law to redeem the Premises or to continue this Lease after Tenant's eviction from the Premises or after the termination of this Lease or after the termination of Tenant's right to occupy the Premises. 19.44 Efforts to Relet; No Security or Possessory Rights; Reinstatement. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlords interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease. 19.45 Right to Sue Repeatedly. Suits for damages or for a sum of money due from Tenant to Landlord at any time or from time to time, may be instituted by Landlord against Tenant as often as Landlord shall deem advisable, and nothing herein shall be deemed to require Landlord to await the date on which the Term would have expired had there been no Event of Default or termination. Each right and remedy provided to Landlord in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and shall not preclude Landlord from exercising any other right or remedy provided in this Lease or now or hereafter existing at law or in equity or by statute or otherwise. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Rent shall be deemed to be other than on account of the earliest Rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease. 19.46 Waiver of Default. No waiver by Landlord of any violation or breach of any of the terms contained herein shall waive Landlord's rights regarding any future violation of such terms. Landlord's acceptance of any partial payment of Rent shall not waive Landlord's rights with regard to the remaining portion of the unpaid Rent regardless of any instruction or notation on any check or money order to the contrary. Landlord's acceptance of the keys to the Premises shall not be deemed an acceptance of a surrender of the Premises. No forbearance by Landlord of action upon any violation or breach of any of the terms of this Lease by Tenant shall be deemed to be a waiver of Landlord's right to act with respect to subsequent or similar violations or breaches. The subsequent acceptance of Rent by Landlord shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. Failure by Landlord to enforce any of the terms of this Lease for any period of time or at any time, or one or more times, shall not be deemed a waiver or estoppel against Landlord. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Lease. 19.47 Limitation on Recovery. Notwithstanding anything to the contrary contained in this Lease, Landlord's recovery against Tenant for any default or breach of this Lease shall be limited to the sum of (i) the unpaid Rent owing to Landlord at the time of termination of this Lease, plus (ii) the amount of any damages suffered by Landlord as a result of Tenant's default, not to exceed the amount of Rent owing for the three (3) month period immediately following the termination of this Lease. Landlord shall not have any right to levy execution against any property of Tenant other than its interest in the Premises and the Project, as the same may then be encumbered. The foregoing limitation shall not limit Landlord's right to obtain injunctive relief or specific performance as otherwise provided in this Lease. 19.48 Default by Landlord. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligations; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Tenant shall not have any rights to withhold any payment of Rent or other charges due and payable by Tenant hereunder for any reason whatsoever, including, without limitation, on account of any default by Landlord hereunder. In the event that Tenant shall have a claim against Landlord, Tenant shall not have the right to deduct the amount allegedly owed to Tenant from any payments of Rent due to Landlord hereunder, it being intended by Tenant and Landlord that Tenant's sole recourse against Landlord with respect to any default by Landlord hereunder is to bring a separate action against Landlord which shall not be consolidated with any action brought by Landlord against Tenant. 19.49 Limitation on Liability. Upon any default by Landlord hereunder, Tenant shall look solely to the equity of Landlord in the Project for the satisfaction of Tenant's remedies. Tenant shall not look to any other property or assets of Landlord or the property or assets of any of the partners, members, directors, officers, trustees, employees, beneficiaries, shareholders, agents or boards of Landlord in seeking either to enforce Landlord's obligations hereunder or to satisfy a judgment for Landlord's default hereunder. 19.50 Waiver of Jury Trial. To the extent permitted by law, Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and any emergency statutory or any other statutory remedy. 19.51 Waiver of Redemption. Tenant hereby waives, for Tenant and all those claiming by, through or under Tenant, any right and privilege which they or any of them may have under any present or future law to redeem the Premises or to continue this Lease after Tenant's eviction from the Premises or after the termination of this Lease or after the termination of Tenant's right to occupy the Premises. 19.52 Efforts to Relet; No Security or Possessory Rights; Reinstatement. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlords interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease. 19.53 Right to Sue Repeatedly. Suits

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DocuSign Envelope ID: D1E7685E-D284-4DE7-M06-1 B0C8421-1 CDA L9.5 Sublessee of Tenant. Whether or not Landlord elects to terminate this Lease on account of any default by Tenant as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder. 19.5 Landlord's Default/Tenant's Remedies. Upon the occurrence of any failure by Landlord to observe or perform any term, covenant or condition of this Lease to be observed or performed by Landlord, if such failure shall continue for thirty (30) days after receipt of written notice thereof to Landlord, Landlord shall be in default under this Lease; provided, however, that if the nature of the default is such that the same cannot be reasonably cured within said thirty (30) day period, Landlord shall not be in default hereunder if Landlord shall within such period commence such cure and shall thereafter diligently prosecute the same to completion; provided that if Landlord shall notify Tenant of the reasons for such extended time period and Landlord shall be acted completion date. 19.6 Remedies Generally. Except as otherwise specified in this Lease, Landlord's remedies and Tenant's remedies set forth in this Lease shall not be exclusive, but shall be cumulative and shall be in addition to, and not in lieu of, any other remedies now or hereafter allowed by law or in equity, including, without limitation, injunctive relief, specific performance and consequential damages. Notwithstanding anything to the contrary herein, in the event of a default by Tenant, Landlord shall use its commercially reasonable efforts to mitigate its damages as is required under Applicable Laws; provided that those efforts shall not require Landlord to relet the Premises in preference to any other Space in the Project, relet the Premises to any party that Landlord could reasonably reject as a transferee pursuant to Article 14, or incur any out-of-pocket construction costs or brokerage commissions in connection with such efforts (other than such costs that amortize over of a new lease for the Premises). ARTICLE 20 COVENANT OF QUIET ENJOYMENT Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall during the Lease Term peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof, without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied. ARTICLE 21 LETTER OF CREDIT 21.1 Delivery of Letter of Credit. Tenant shall deliver to Landlord, within ninety (90) days of the Effective Date, an unconditional, clean, irrevocable letter of credit (the "L-C") in the amount set forth in Section 7 of the Summary (the "L-C Amount") which L-C shall be issued by Silicon Valley Bank, a subsidiary of SVB Financial Group, EdgeWestern Bank or an affiliate or division thereof or a money center, solvent and nationally recognized bank (a bank which accepts deposits, maintains accounts, has a local office in Salt Lake City, Utah that will negotiate a letter of credit, and whose deposits are insured by the FDIC) reasonably acceptable to Landlord (such approved, issuing bank being referred to herein as the "Bank"), which Bank must have a short term Fitch Rating which is not less than "F1", and a long term Fitch Rating which is not less than A- (or in the event such Fitch Ratings are no longer available, a comparable rating from Standard and Poors Professional Rating Service or Moody's Professional Rating Service) (collectively, the "Bank's Credit Rating Threshold"), and which L-C shall be in the form of Exhibit attached hereto. Tenant shall pay all expenses, points and/or fees incurred by Tenant in obtaining the L-C. The L-C shall (i) be "callable" at sight, irrevocable and unconditional, (ii) be maintained in effect, whether through renewal or extension, for the period commencing on the date of this Lease and continuing until the date (the "L-C Expiration Date") that is no less than one hundred twenty (120) days after the expiration of the Lease Term, as the same may be extended, and Tenant shall deliver a new L-C or certificate of renewal or extension to Landlord at least sixty (60) days prior to the expiration of the L-C then held by Landlord, without any action whatsoever on the part of Landlord, (iii) be fully assignable by Landlord, its successors and assigns, (iv) permit partial draws and multiple presentations and drawings, and (v) be otherwise subject to the International Standby Practices-ISP 98, International Chamber of Commerce Publication #590. Landlord, or its then managing agent, shall have the right to draw down an amount up to the face amount of the L-C if any of the following shall have occurred or be applicable: (A) such amount is due to Landlord under the terms and conditions of this Lease, following the expiration of all applicable notice and default cure periods, or (B) Tenant has filed a voluntary petition under the U. S. Bankruptcy Code or any state bankruptcy code (collectively, "Bankruptcy Code"), or (C) an involuntary petition has been filed against Tenant under the Bankruptcy Code, or (D) the Bank has notified Landlord that the L-C will not be renewed or extended through the L-C Expiration Date, or (E) Tenant is placed into receivership or conservatorship, or becomes subject to similar proceedings under Federal or State law, or (F) Tenant executes an assignment for the benefit of creditors, or (G) if (1) any of the Bank's Fitch Ratings (or other comparable ratings to the extent the Fitch Ratings are not longer available) have been reduced below the Bank's Credit Rating Threshold, or (2) there is otherwise a material adverse change in the financial condition of the Bank, and Tenant has failed to provide Landlord with a replacement letter of credit within thirty (30) days following receipt of Landlord's written request therefor, conforming in all respects to the requirements of this Article 21 (including, but not limited to, the requirements placed on the issuing Bank more particularly set forth in this 1049651.11/SF 373398-00076/I 1-13-17/orb/ill 28 Recursion Subtenant/Landlord Int.

"and/or."

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DocuSign Envelope ID: D 1 F7393F-D384-4DF7-M06-1 B9C9421 1 CDA Section 21 1 above), in the amount ofthc applicable L-C Amount, within ten (10) days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in this Lease to the contrary) (each of the foregoing being an "L-C Draw Event").

16.10 Conflicting Provisions. The I-C shall be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the L-C. In addition, in the event the Bank is placed into receivership or conservatorship by the federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date such receivership or conservatorship occurs, said L-C shall be deemed to fail to meet the requirements ofthis Article 21, and, within ten (10) days following Landlord's notice to Tenant of such receivership or conservatorship (the "L-C FDIC Replacement Notice"), Tenant shall replace such L-C with a substitute letter of credit from a different issuer (which issuer shall meet or exceed the Bank's Credit Rating Threshold and shall otherwise be acceptable to Landlord in its reasonable discretion) and that complies in all respects with the requirements of this Article 2 1 . If Tenant fails to replace such L-C with such conforming, substitute letter of credit pursuant to the terms and conditions of this Section 2 1 . 1 , then, notwithstanding anything in this Lease to the contrary, Landlord shall have the right to declare Tenant in default of this Lease for which there shall be no notice or grace or cure periods being applicable thereto (other than the aforesaid ten (10) day period). Tenant shall be responsible for the payment of any and all costs incurred with the review of any replacement L-C (including without limitation Landlord's reasonable attorneys' fees), which replacement is required pursuant to this Section or is othen'ise requested by Tenant. Notwithstanding anything to the contrary contained in this Lease, Landlord shall not be required to disburse any portion of the Tenant Improvement Allowance to Tenant until Tenant has provided Landlord with the L-C described in this Article 21. 21.2 Application of I-C. Tenant hereby acknowledges and agrees that Landlord is entering into this Lease in material reliance upon the ability of Landlord to draw upon the L-C upon the occurrence of any L-C Draw Event. In the event of any L-C Draw Event, Landlord may, but without obligation to do so, conflict between this Agreement and without notice to Tenant, draw upon the L-C, in part or in whole, to cure any such L-C Draw Event and/or to compensate Landlord for any and all damages of any kind or nature sustained or which Landlord reasonably estimates that it will sustain resulting from Tenant's breach or default of Collaboration Agreement, the Lease or other L-C Draw Event and/or to compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination terms of this Lease, subject Agreement shall prevail. Notwithstanding the foregoing, unless explicitly set forth herein, no provision of this Agreement shall be interpreted to limit any express obligation of either Party set forth in the provisions of Article 19 hereof. The use, application or retention of the L-C, Collaboration Agreement or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by any applicable Laws, it being intended that Landlord shall not first be required license agreement resulting therefrom.

16.11 Compliance. Recursion and Bayer agree to proceed against the L-C, and such L-C shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. No condition or term of this Lease shall be deemed to render the L-C conditional to justif' the issuer of the L-C in failing to honor a drawing upon such L-C in a timely manner. Tenant agrees and acknowledges that (i) the L-C constitutes a separate and independent contract between Landlord and the Bank, (ii) Tenant is not a third party beneficiary of such contract, (iii) Tenant has no property interest whatsoever in the L-C or the proceeds thereof, and (iv) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, Tenant is placed into receivership or conservatorship, and/or there is an event of a receivership, conservatorship or a bankruptcy filing by, or on behalf of, Tenant, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the L-C and/or the proceeds thereof by application of Section 502(b)(6) of the U. S. Bankruptcy Code or otherwise. In the event of an assignment by Tenant of its interest in this Lease (and irrespective of whether Landlord's consent is required for such assignment), the acceptance of any

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replacement or substitute L-C by Landlord from the assignee shall be subject to Landlord's prior written approval, in Landlord's reasonable discretion, and the actual and reasonable attorney's fees incurred by Landlord in connection with such determination shall be payable by Tenant to Landlord within ten (10) days of billing. 21.3 L-C Amount; Maintenance of L-C by Tenant. If, as a result of any drawing by Landlord of all or any portion of the L-C, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within five (5) days thereafter, provide Landlord with additional letter(s) of credit in an amount equal to the deficiency, and any such additional letter(s) of credit shall comply with all Applicable Law, including, without limitation, laws related to fraud, abuse, privacy, discrimination, disabilities, samples, confidentiality, false claims and prohibition of the provisions of this Article 21. Tenant further covenants and warrants that it will neither assign nor encumber the L-C or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. kickbacks. Without limiting the generality of the foregoing, if the L-C expires earlier than the L-C Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit each Party to be in effect and delivered to Landlord, as applicable, not later than ninety (90) days prior to the expiration of the L-C), which shall be irrevocable and automatically renewable as above provided through the L-C Expiration Date upon the same terms as the expiring L-C or this Agreement certifies that such other terms as may be acceptable to Landlord in its sole discretion. If the L-C is not timely renewed, or if Tenant fails to maintain the L-C in the amount and in accordance with the terms set forth in this Article 21, Landlord shall have the right to present the L-C to the Bank in accordance with the terms of this Article 21, and the proceeds of the L-C may be applied by Landlord against any rent payable by Tenant under this Lease that is not paid when due and/or to pay for all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach or default by Tenant under this Lease. In the event Landlord elects to exercise its rights under the preceding sentence, (x) any unused proceeds shall constitute the property of Landlord (and not Tenant's property or, in the event of a receivership, conservatorship, or a bankruptcy filing by Tenant, property of such receivership, conservatorship or Tenant's bankruptcy estate) and need not be segregated from Landlord's other assets, and (y) Landlord agrees to pay to Tenant within thirty (30) days after the L-C Expiration Date the amount of any proceeds of the L-C received by Landlord and not applied against any rent payable by Tenant under this Lease that was not paid when due or used to pay for any losses and/or damages suffered by Landlord (or reasonably estimated by Landlord that it will suffer) as a result of any breach or default by Tenant under this Lease; provided, however, that if prior to the L-C Expiration Date a voluntary petition is filed by Tenant, or an involuntary petition is filed against Tenant by any of Tenant's creditors, under the Bankruptcy Code, then Landlord Party shall not be obligated to make such payment in violate the amount of the unused L-C proceeds until either all preference issues relating to payments under this Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed. 1049651.11/SF 373398-00076/i 1-13-I7/arb/jH —29— Recursion Pharmaceuticals, Inc.

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DocuSign Envelope ID: D 1 F7393F-D384-4DF7-AAO6-1 B9C9421 1 CDA 2 1 .4 Transfer and Encumbrance. The L-C shall also provide that Landlord may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) all or any portion of its interest in and to the L-C to another party, person or entity regardless of whether or not such transfer is from or as a result of the assignment by Landlord of its rights and interests in and to this Lease. In the event of a transfer of Landlord's interest in under this Lease, Landlord shall transfer the L-C, in whole or in part, to the transferee and thereupon Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereofshall apply to every transfer or assignment of the whole of said L-C to a new landlord. In connection with any such transfer of the L-C by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Bank such applications, documents and instruments as may be necessary to effectuate such transfer and Tenant shall be responsible for paying the Bank's transfer and processing fees in connection therewith. 21.5 L-C Not a Security Deposit. Landlord and Tenant (1) acknowledge and agree that in no event or circumstance shall the L-C or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context (the "Security Deposit Laws"), (2) acknowledge and agree that the L-C (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit and the Security Deposit Laws shall have no applicability or relevancy thereto, and (3) waive any and all rights, duties and obligations that any such party may now, or in the future will, have relating to or arising from the Security Deposit Laws. Tenant hereby irrevocably waives and relinquishes any statute and all other provisions of law, now or hereafter in effect, which (x) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (y) provide that a landlord may claim from a security deposit only those sums reasonably necessary to (1) remedy defaults in the payment of rent, to repair damages caused by a tenant or to clean the premises, both upon or after the landlord has regained possession thereof, and/or (2) those sums reasonably necessary to (i) compensate Landlord for any loss or damage caused by Tenant's breach of this Lease, including any damages Landlord suffers following termination of this Lease, and/or (ii) compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease. 21.6 Non-Interference By Tenant. Subject to the provisions of Sections 21.1 and 21.8, Tenant agrees not to interfere in any way with any payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of all or any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw down all or any portion of the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional and thereby afford the Bank a justification for failing to honor a drawing upon such L-C in a timely manner. 21.7 Waiver of Certain Relief. Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with the L-C: 21.7.1 A temporary restraining order, temporary injunction, permanent injunction or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any L-C or the Bank's honoring or payment of sight drafts; 21.7.2 Any attachment, garnishment, or levy in any manner upon either the proceeds of any L-C or the obligations of the Bank (either before or after the presentment to the Bank of sight drafts drawn under such L-C) based on any theory whatever. 21.8 Remedy for Improper Drafts. Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under any L-C shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the proceeds of which were misapplied, together with interest at the Interest Rate, and reasonable court costs incurred by Tenant, including without limitation, attorneys' fees, in connection therewith, provided that at the time of such refund, Tenant increases the amount of such L-C to the amount (if any) then required under the applicable provisions of this Lease. Tenant acknowledges that the presentment of sight drafts drawn under any L-C, or the Bank's payment of sight drafts drawn under such L-C, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) business days after demand, Tenant shall have the right to deduct the amount thereof together with interest thereon at the Interest Rate from the next installment(s) of Base Rent. 21.9 Notices to Bank. Tenant shall not request or instruct the Bank of any L-C to refrain from paying sight draft(s) drawn under such L-C. 21.10 Reduction in L-C Amount. Notwithstanding the foregoing, the L-C Amount required hereunder shall reduce to the following amounts on the following dates (each such date, a "Reduction Date"): (1) on the expiration of the thirty-sixth (36th) full calendar month of the Lease Term, the L-C Amount shall reduce to $2,290,593.00, (2) on the expiration of the forty-eighth (48th) full calendar month of the Lease Term, the L-C Amount shall reduce to $2,290,593.00, (3) on the expiration of the sixtieth (60th) full calendar month of the Lease Term, the L-C Amount shall reduce to $1,520,958.00, and (4) on the expiration of the seventy-second (72) full calendar month of the Lease Term, the L-C Amount shall reduce to $1,229,271.00; provided, however, that if on or prior to any Reduction Date, a Default by Tenant shall have occurred and remain uncured, the L-C Amount shall not reduce on such date and shall not thereafter reduce until the next Reduction Date if such Default has been cured prior to the occurrence of such next Reduction Date. If Tenant is entitled to any such reduction, then Landlord shall cooperate in a commercially reasonable manner with Tenant upon Tenant's 10496651 11/SF 373898-000767 I-13-17/arh/11.—30— Recursion Pharmaceuticals, Inc.

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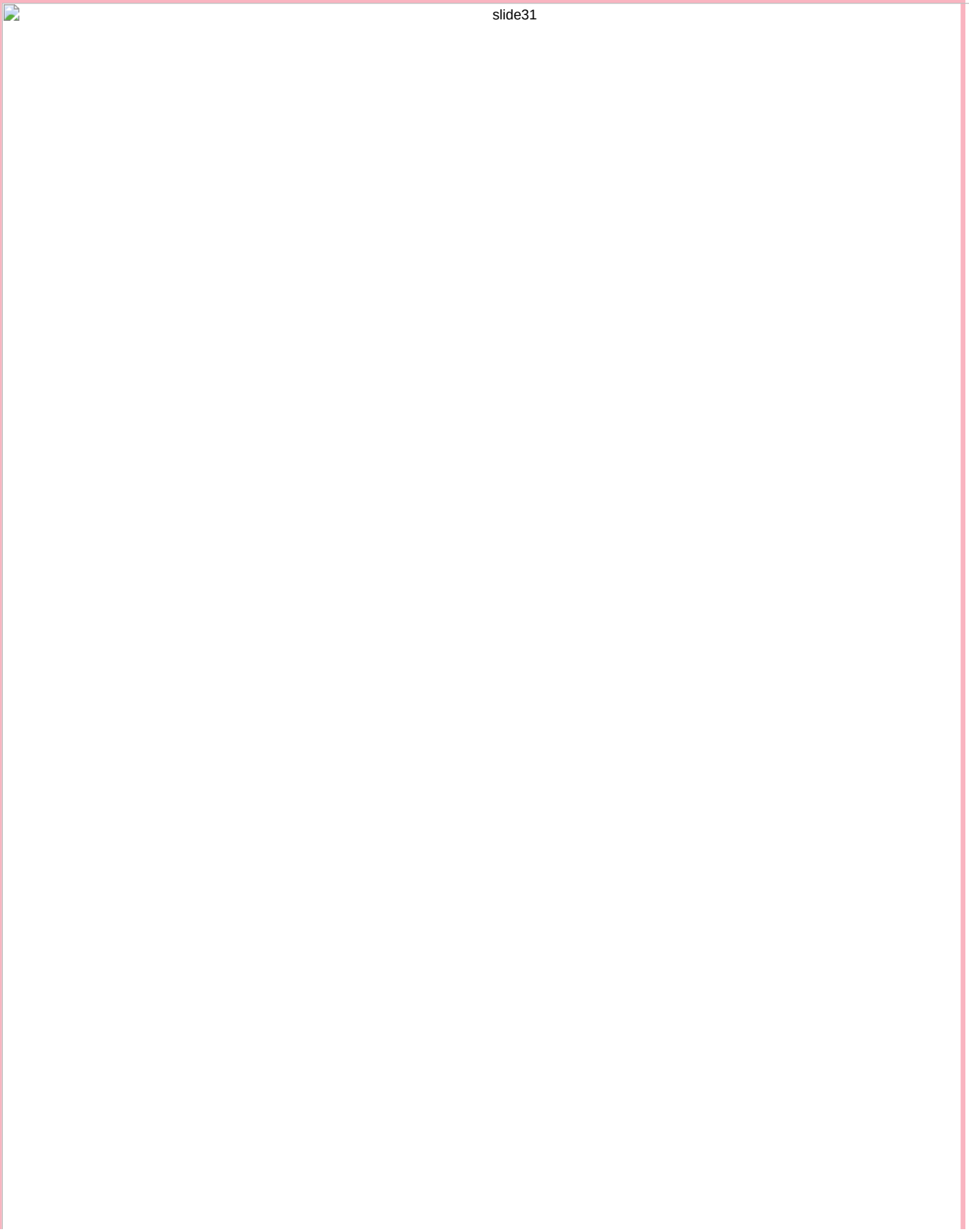

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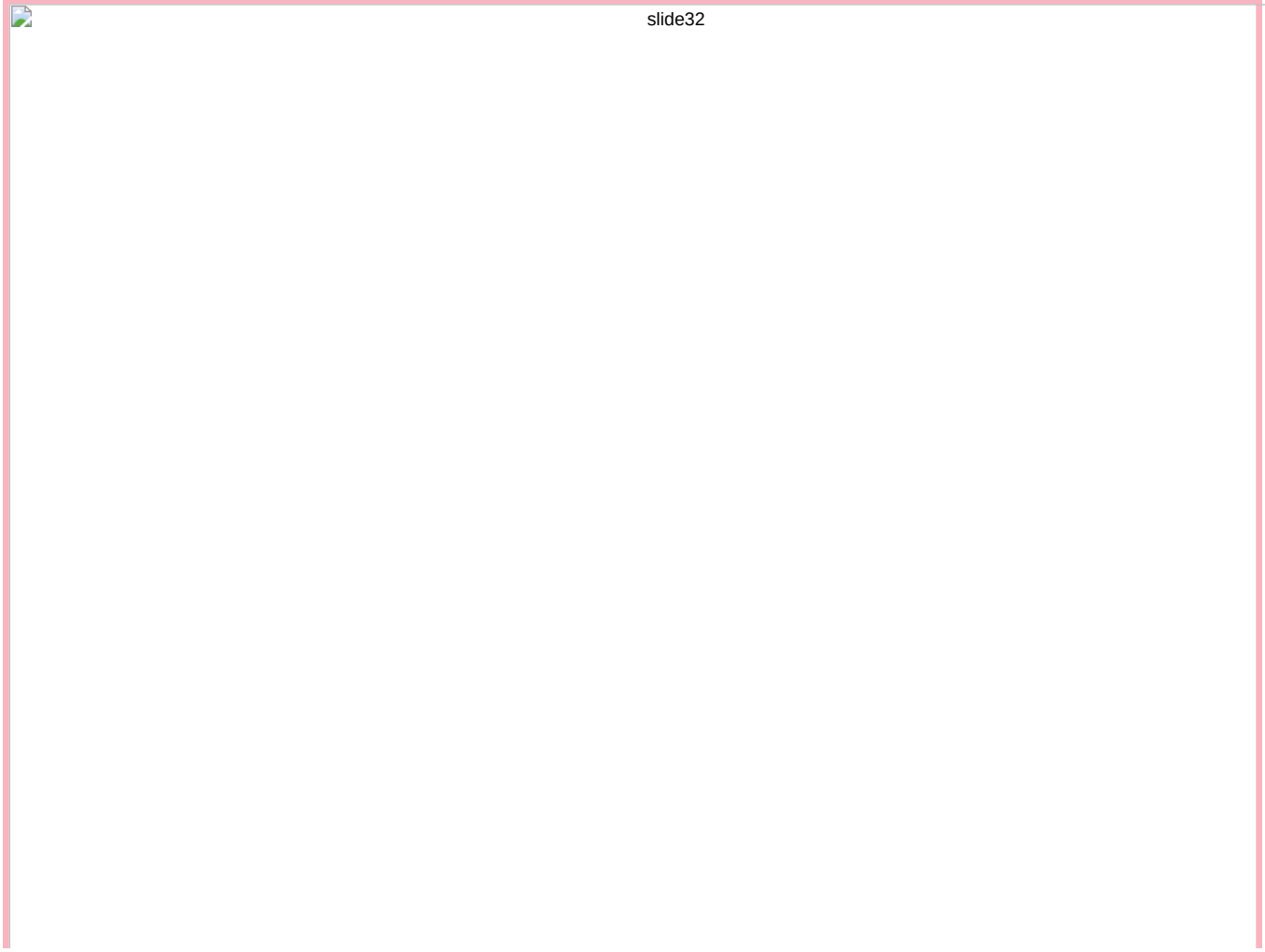
DocuSign Envelope ID: DE7393F-D384-4DE7-AA06-1 B9C9421 1 CDA request to replace or amend the then existing LC to reflect the reduced LC Amount. In no event shall any such reduction of the LC Amount be construed as an admission by Landlord that Tenant has performed all of its covenants and obligations hereunder. ARTICLE 22 INTENTIONALLY OMITTED ARTICLE 23 SIGNS 23.1 full Floors. Subject to Landlords prior written approval, not to be unreasonably withheld, conditioned or delayed, and provided full compliance with the quality, design and style of the Building and Project, if the Premises comprises an entire floor of the Building, at its sole cost and expense, may install identification signage anywhere in the Premises including in the elevator lobby ofthe Premises. 23.2 Multi-Tenant Floors. If other tenants occupy space on the floor on which the Premises is located, Tenant's identifying signage shall be provided by Landlord, at Tenant's cost, and such signage shall be comparable to that used by Landlord for other similar floors in the Building and shall comply with Landlord's Building standard signage program. 23.3 Building Directory. Tenant shall be entitled, at no expense, to puts its on the Building directory to list any portions name and location in the Building. The location, quality, design, style and size of such sign shall be consistent with the Landlord's Building standard signage program. Any changes to Tenant's directory signage after the initial placement of the same shall be at Tenant's sole cost and expense. 23.4 Prohibited Signage and Other Items. Any signs, notices, logos, pictures, names or advertisements which are installed and that have not been separately approved by Landl ord may be removed without notice by Landlord at the sole expense of Tenant. Tenant may not install any signs on the exterior or roof of the Project or the Common Areas. Any signs, window coverings, or blinds (even if the same are located behind the Landlord's approved window coverings for the Building), or other items visible from the exterior of the Premises or Building, shall be subject to the prior approval of Landlord, in its sole discretion. 23.5 Exterior Building Signage. 23.5.1 Subject to the terms of this Section 23.5, as a part of the Tenant Improvements in accordance with terms of the Tenant Work Letter or as Alterations in accordance with Article $ above, Tenant shall have the right to install signage on the exterior of the Building, identifying the name and/or logo of the Original Tenant (i.e., Recursion Pharmaceuticals) in the approximate locations shown and as depicted on Exhibit E attached hereto (the "Exterior Building Signage"). The graphics, materials, colors, design, lettering, size, quality and specifications of the Exterior Building Signage shall be subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. The Exterior Building Signage shall also comply with and be subject to all applicable Laws, including, but not limited to, all requirements of the City of Salt Lake City ("City") (or other applicable governmental authorities), all applicable Declarations (as defined below), and Landlord's signage criteria; provided, however, that in no event shall the approval by the City (or other applicable governmental authorities) of the Exterior Building Signage be deemed a condition precedent to the effectiveness of this Lease, and if such approval is not obtained, Landlord's and Tenant's other obligations under this Lease shall not be affected thereby. Landlord shall, at no out-of-pocket cost to Landlord, reasonably cooperate with Tenant in obtaining applicable permits from the City in connection with the installation of the Exterior Building Signage, following the initial construction and installation of the Exterior Building Signage, Tenant shall be entitled to modify the name and/or logo for such signage, at Tenant's sole cost but subject to the new name and/or logo approved by Original Tenant, provided that the new name and/or logo shall not be an Objectionable Name or Logo (as defined below). An Objectionable Name or Logo shall mean any name or logo which relates to an entity which is of a character or reputation, or is associated with a political orientation or faction, which is inconsistent with the quality of the Building as a first-class office building. Tenant shall, at its sole cost and expense, maintain the Exterior Building Signage in good condition and repair. The signage rights granted to Tenant under this Section 23.5 are personal to the Original Tenant and may only be exercised by the Original Tenant (and not any assignee or any sublessee or other Transferee of the Original Tenant's interest in this Lease). Notwithstanding anything to the contrary contained in this Section 23.5, in no event shall Tenant have any right to the Exterior Building Signage if the Original Tenant is not leasing and occupying at least 49,586 rentable square feet in the Building (the "Occupancy Threshold"). 23.5.2 Upon the expiration or earlier termination of this Lease or Tenant's right to possession of the Premises, or the earlier termination of Tenant's right to the Exterior Building Signage by reason of Tenant's failure to meet the requirements applicable thereto pursuant to this Section 23.5, or by Landlord's written notice to Tenant by reason of Tenant's failure to meet the Occupancy Threshold, Tenant shall remove the Exterior Building Signage at Tenants sole cost and expense and repair and restore to a good condition the areas of the Building on which the Exterior Building Signage was located or that was otherwise affected by such signage or the removal thereof, or at Landlord's election with prior written notice thereof to Tenant, Landlord may perform any such removal and/or repair and restoration and Tenant shall pay Landlord the reasonable cost thereof within thirty (30) days after Landlord's demand from time to time. ii4965 t 1 1/SF 373398 00076/i 1 13-17/arb/ill 3 1 Recursion Pharmaceuticals, inc



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DocuSign Envelope ID: DF7698E-D884-4DE7-W063-1 B9E9421 1 GDA ARTICLE 24 COMPLIANCE WITH LAW Tenant shall not do anything or suffer anything to be done in or about the Premises or the Project which will in any way conflict with any applicable Laws. At its sole cost and expense, Tenant shall promptly comply with all such Laws, including, without limitation, the making of any alterations and improvements to the Premises. Notwithstanding the foregoing to the contrary, Landlord shall be responsible, as part of Operating Expenses to the extent permitted under Article 4 above, for making all alterations to the following portions of the Building and Project required by applicable Laws: (i) structural portions of the Premises and Building, but not including Tenant Improvements or any Alterations installed by or at the request of Tenant, and (ii) those portions of the Building and Project located outside the Premises; provided, however, Tenant shall reimburse Landlord (or Landlord's property manager), within thirty (30) days after invoice, for the reasonable, out-of-pocket costs of any such improvements and alterations and other compliance costs to the extent necessitated by or resulting from (A) any Alterations or Tenant Improvements installed by or on behalf of Tenant, (B) the negligence or willful misconduct of Tenant or any Tenant Parties that is not covered by insurance obtained by Landlord and as to which the waiver of subrogation applies, and/or (C) Tenant's specific manner of use of the Premises (as distinguished from general office use). ARTICLE 25 LATE CHARGES If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) days after said amount is due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount plus any attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid within thirty days after that the date they are due shall bear interest from the date when due until paid at a rate per annum equal to the lesser of (i) the annual "Bank Prime Loan" rate cited in the federal Reserve Statistical Release Publication G.13(415) published on the first Tuesday of each calendar month (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published) plus four (4) percentage points, and (ii) the highest rate permitted by applicable law (the "Interest Rate"). ARTICLE 26 RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT 26.1 Landlord's Cure. All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent, except to the extent, if any, otherwise expressly provided herein. If Tenant shall fail to perform any obligation under this Lease, and, except in case of an emergency, such failure shall continue in excess of the time allowed under Section 19.1.2 above, unless a specific time period is otherwise stated in this Lease, Landlord may, but shall not be obligated to, make any such payment or perform any such act on Tenant's part without waiving its rights based upon any default of Tenant and without releasing Tenant from any obligations hereunder. 26.2 Tenant's Cure. In the event of any default under this Lease by Landlord as described in Section 19.6 above (for failure to maintain or repair the Building) and such failure materially adversely affects use of or operation of business from the Premises, Tenant shall have the right upon ten (10) days' prior written notice to Landlord (with a reasonably detailed description of the cure to be undertaken by Tenant by reason of any such default) to cure the default at Landlord's expense. If, however, Landlord delivers to Tenant, within five (5) days after receipt of Tenant's notice described in the preceding notice, a written objection to the necessity or scope of Tenant's intended actions, setting forth with reasonable particularity Landlord's reasons for its claim that such actions do not need to be taken by Landlord pursuant to this Lease, then Tenant shall not then be entitled to proceed hereunder until such matter is resolved by agreement, mediation, or a court of competent jurisdiction. Notwithstanding the foregoing, any repairs and/or maintenance performed by Tenant pursuant to this Section 26.2 shall be subject to the following: (i) Tenant shall not unreasonably disturb any other tenant of the Project, (ii) affect the safety or structural integrity of the Building, (iii) make any alterations, modifications, or improvements or cause any damage to any part of the Project outside the Premises, or (iv) if Tenant is not the sole tenant of the Building, affect any portion of the Base Building. If Tenant takes any such action, Tenant may use any contractors, subcontractors, materials, mechanics and materialmen Tenant previously used to complete the Tenant Improvements (so long as the same does not void any warranty with respect to the roof of the Building) or such other contractors, subcontractors, materials, mechanics and materialmen selected by Tenant from a list previously provided and approved by Landlord. If such contractors are unwilling or unable to perform or timely perform such work, Tenant may utilize the services of any other qualified contractor which normally and regularly performs similar work in comparable buildings in Salt Lake City, Utah; in such event, to the extent that Tenant pays any sum or incurs any expense in curing the default, Tenant shall provide Landlord with a written statement along with copies of all documentation supporting such costs and the actions taken by Tenant. Within thirty (30) days after receipt of the statement from Tenant, Landlord shall reimburse Tenant for the amount of such payment or expense. If Landlord fails to pay such amount due to Tenant by the due date, interest at the Interest Rate shall accrue on the past due amount from the due date until the date the amount is paid. Nothing herein contained shall relieve Landlord from its obligations hereunder, nor shall this subsection be construed to obligate Tenant to perform Landlord's repair obligations. 104965 1.11/SF 373398-00076/ii-13-i7/arb/jil 32 Recursion Pharmaceuticals, Inc.

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DocuSign Envelope ID: B1E7699E-D884-4DE7-AA06-1B9C8421-1 CRA 26.3 Tenant's Reimbursement. Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord (or Landlord's property manager) upon delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of Section 26.1; (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in Article 10 of this Lease; and (iii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all reasonable and other amounts so expended or Tenant's obligations under this Section 26.2 shall survive the expiration or sooner termination of the Lease Term. ARTICLE 27 ENTRY BY LANDLORD Landlord (or Landlord's property manager) reserves the right at all commercially reasonable times and upon providing one (1) business days' advance notice to Tenant (except in the case of an emergency) to enter the Premises to: (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or tenants, or to current or prospective mortgagees, ground or underlying lessors or insurers; (iii) post notices of non-responsibility; or (iv) alter, improve or repair the Premises or the Building or for structural alterations, repairs or improvements to the Building or the Building's systems and equipment. Notwithstanding anything to the contrary contained in this Article 27, Landlord (or Landlord's property manager) may enter the Premises at any time to: (A) perform services required of Landlord

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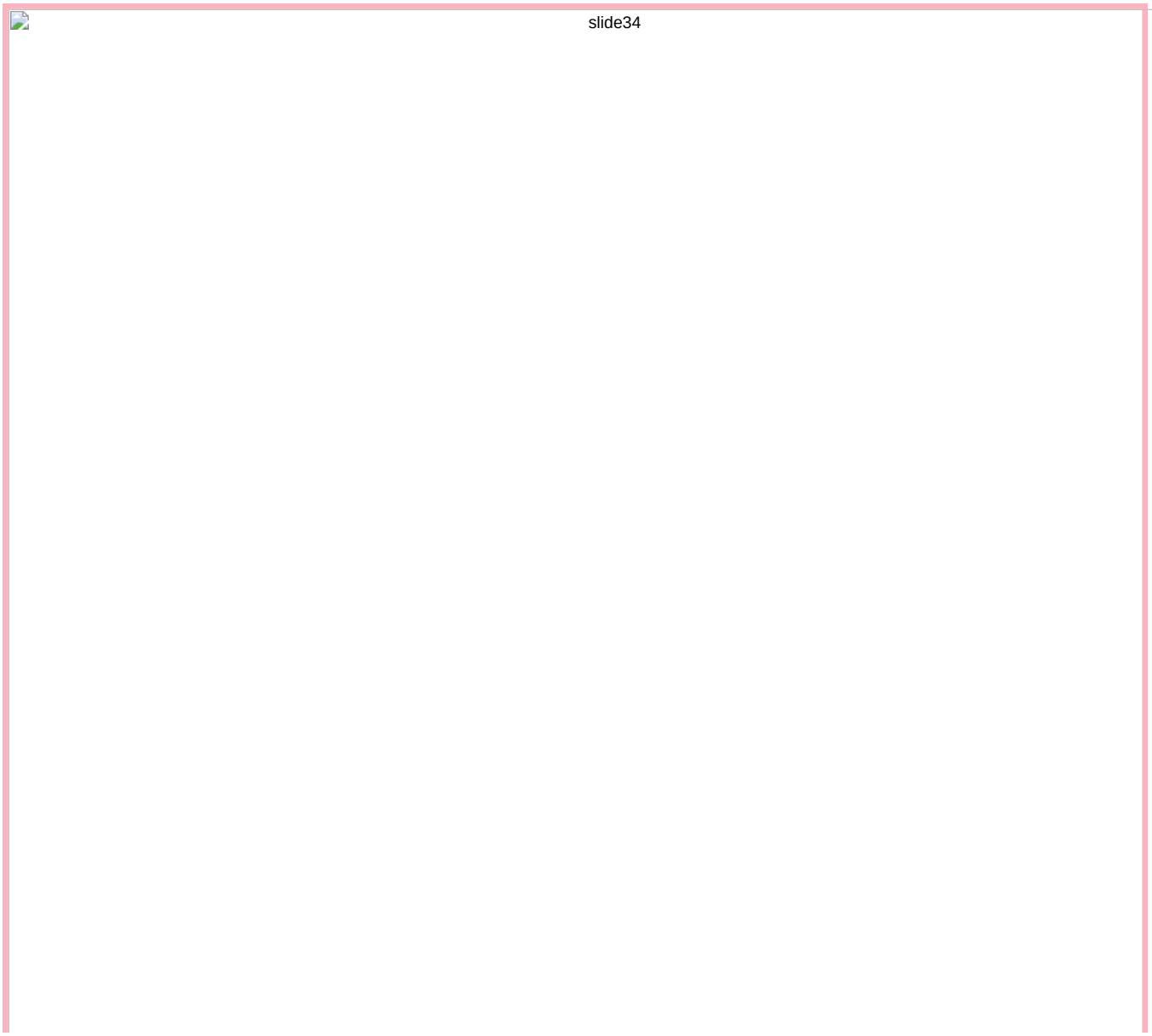
including janitorial service; (B) take possession due to any breach of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform. Landlord shall at all times when entering the Premises comply with Tenant's reasonable safety rules and regulations and laboratory protocols of which Landlord has knowledge and, at Tenant's option, shall be accompanied or escorted by Tenant's representatives at all times when entering the Premises, so long as such representative is made available when Landlord or its agents need to enter the Premises. Subject to the provisions of this Section, Landlord (or Landlords property manager) may make any such entries without the abatement of Rent and may take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's laboratories, vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into or a detainer of the Premises, or an eviction, actual or constructive, of Tenant from any portion of the Premises. No provision of this Lease shall be construed as obligating Landlord to perform any repairs, alterations or decorations except as otherwise expressly agreed to be performed by Landlord herein. ARTICLE 28 28 TENANT PARKING 28.1 Tenant Parking Passes. Tenant shall rent from Landlord, commencing on the Lease Commencement Date, up to the number of parking passes set forth in Section 8 of the Summary, on a monthly basis throughout the Lease Term, which parking passes shall pertain to the Lease Pooled Portions of the Project parking facility designated by Landlord and shall entitle Tenant and/or its personnel to park one (1) vehicle in one (1) parking space per pass rented. Any such passes for reserved parking spaces shall be at locations in the Project which are designated in Exhibit A attached hereto (the "Reserved Parking Area"). Any such passes for unreserved parking spaces shall be on a first-come, first-serve basis. Tenant's continued right to use the parking passes is conditioned upon Tenant abiding by all reasonable rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking passes are located, including any valet or other identification system established by Landlord (so long as Tenant is provided with at least thirty (30) days' advance written notice of any such rules and regulations so prescribed and such rules and regulations do not materially interfere with Tenant's use of or access to the Premises or its rights under this Lease). Tenant's reasonable cooperation in seeing that Tenant's employees and visitors also comply with such rules and regulations. In addition, Tenant shall comply with all applicable Laws. Accordingly, Tenant hereby agrees that Tenant shall not charge its employees for the parking passes utilized by such employees at the Project (notwithstanding any charge which may be imposed upon Tenant for such parking passes pursuant to the terms of this Lease). Landlord shall not relocate or relocate the Reserved Parking Area without Tenant's advance written consent, which may be granted or withheld in Tenant's sole discretion. At any time during the Term, Tenant may request additional parking passes for additional reserved parking spaces above the maximum number set forth in Section 8 of the Summary, which Landlord shall provide within thirty (30) days of receipt of Tenant's request, subject to availability of such additional parking. Tenant shall pay Landlord on a monthly basis the prevailing rate charged from time to time for each month of the Lease Term for each such additional parking pass provided to Tenant pursuant to the provisions hereof. Prior to the expiration of the twenty-fourth (24th) full calendar month of the Lease Term, Tenant shall provide Landlord with at least thirty (30) days' prior written notice if Tenant needs additional parking passes (up to the maximum number set forth in Section 8 of the Summary). Notwithstanding anything to the contrary contained herein to the contrary, commencing on the first day of the twenty-fifth (25th) full calendar month of the Lease Term and continuing thereafter during the Lease Term, Tenant shall be required to take all two hundred eighty-eight (288) 1049651.11/SF 27369010007/1 Lease37/mb/jl.38 Reversion Preimprovements.doc



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DocuSign Envelope ID: D1E7693F-D984-4D77-AA06-1B9C04210111CDA parking passes. Once Tenant has elected to take (or been required to take) any parking passes pursuant to this Article 28, Tenant shall not be permitted to release such parking passes back to Landlord during the Lease Term. 28.2 Other Terms. Landlord specifically reserves the right to change the size, configuration, design, layout and all other aspects of the Project parking facility at any time and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease, from time to time, temporarily close-off or restrict access to the Project parking facility for a period of time not to exceed sixty (60) days for purposes of permitting or facilitating any such construction, alteration or improvements; provided that if any such alterations or additions will have a material adverse effect on Tenant's use of or access to the Premises, Landlord shall provide Tenant with at least seven (7) days prior written notice of the same (except in the event of an emergency, in which case prior written notice is not required, but Landlord shall use commercially reasonable efforts to notify Tenant as promptly as possible under the circumstances) and in no event shall any such changes reduce or relocate the Reserved Parking Area or otherwise reduce the number of unreserved parking spaces available to Tenant within the parking garage located below the Building. Tenant agrees that Landlord shall not be liable for damages by abatement of Rent or otherwise, for failure to provide any parking, including any failure to provide reserved parking spaces, when such failure is occasioned, in whole or in part, by construction, alteration, improvements, repairs or replacements (subject to the provisions of this Section 28.2), by any strike, boycott or other labor trouble, by inability to resolve any dispute with any related party to the Declarations after reasonable efforts to do so, by any riot or other disturbance, emergency, accident or casualty whatsoever, by any act or default of Tenant or other parties, or by any other cause (except to the extent due to Landlord's gross negligence or willful misconduct), and subject to the provisions of this Section, such failures shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease, furthermore, Landlord shall not be liable under any circumstances for a loss of or injury to property or for injury to or interference with Tenant's business, including without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any parking as set forth in this Article 28 (except to the extent due to Landlord's gross negligence or willful misconduct). The parking passes rented by Tenant pursuant to this Article 28 are provided to Tenant solely for use by Tenant's own personnel, visitors and guests and such passes may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval. Tenant may validate visitor parking by such method or methods as may be established from time to time, at the validation rate from time to time generally applicable to visitor parking. 28.3 Parking Procedures. Except with respect to those parking passes which apply to the Reserved Parking Area, the parking passes initially will not be separately identified but will apply to the parking garage located beneath the Building; however Landlord reserves the right in its sole and absolute discretion to separately identify by signs or other markings the area to which Tenant's parking passes relate within such parking garage. Landlord shall have no obligation to monitor the use of such parking facility, nor shall Landlord be responsible for any loss or damage to any vehicle or other property or for any injury to any person. Tenant's parking passes shall be used only for parking of automobiles no larger than full-size passenger automobiles, sport utility vehicles, vans and pickup trucks in connection with Tenant's business operations at the Premises. At any time during the hours that Tenant and/or its personnel, visitors or guests are conducting business operations from the Premises, which may include overnight parking and parking on evenings and weekends consistent with Tenant's business operations, subject to Tenant's and/or its personnel's compliance with Landlord's rules related to such overnight parking, Tenant shall comply with all reasonable rules and regulations which may be prescribed from time to time with respect to parking and/or the parking facilities, so long as Tenant receives written notice of such rules and regulations and such rules and regulations are not inconsistent with Tenant's rights under this Lease. Tenant shall not at any time use more parking spaces in the Project parking facility than the number of parking passes so allocated to Tenant or park its vehicles or the vehicles of others in any portion of the Project parking facility not designated by Landlord as a non-exclusive parking area. If any unauthorized vehicle uses any parking passes allocated to the Reserved Parking Area, Landlord shall, upon notice from Tenant, use commercially reasonable efforts to cause the removal of the same in accordance with Landlord's rules and regulations with respect to parking. Tenant's use of any parking passes shall be subject to

DocuSign Envelope ID: DF7393E-D384-4DE7-M06E-1 B9C84421 1 CDA the Lease Term, in no event may parking rates increase by more than five percent (5%) over the parking rates charged during the preceding year, and (C) after the first two (2) years of the Lease Term, the prevailing parking rates charged to Tenant shall not be higher than the prevailing parking rates charged by Landlord to other tenants of the Project. As ofthe date hereof, the prevailing parking rate at the Project is $95.00 per parking pass per month. In addition, Tenant shall be responsible for the full amount of any taxes imposed by any governmental authority in connection with the renting of such parking passes by Tenant or the use of the parking facility by Tenant. The amount ofparking fees that is abated pursuant to this paragraph is referred to as the "Reduced Parking Amount". Notwithstanding anything to the contrary contained above in Section 29.4, Landlord reserves the right, in its sole and absolute discretion, to elect to pay Tenant the entire Reduced Parking Amount or any such remaining Reduced Parking Amount, as applicable, in cash prior to the scheduled application of the same. If Landlord elects to pay Tenant the Reduced Parking Amount, or any portion thereof, than with respect to those portions of the Reduced Parking Amount that Landlord has so paid, from and after the date thereof, Tenant shall pay to Landlord on a monthly basis the prevailing rate charged from time to time at the location of such parking passes. ARTICLE 29 MISCELLANEOUS PROVISIONS 29.1 Terms Captions. The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections. 29.2 Binding Effect. Subject to all other provisions of this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 of this Lease. 29.3 No Air Rights. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by

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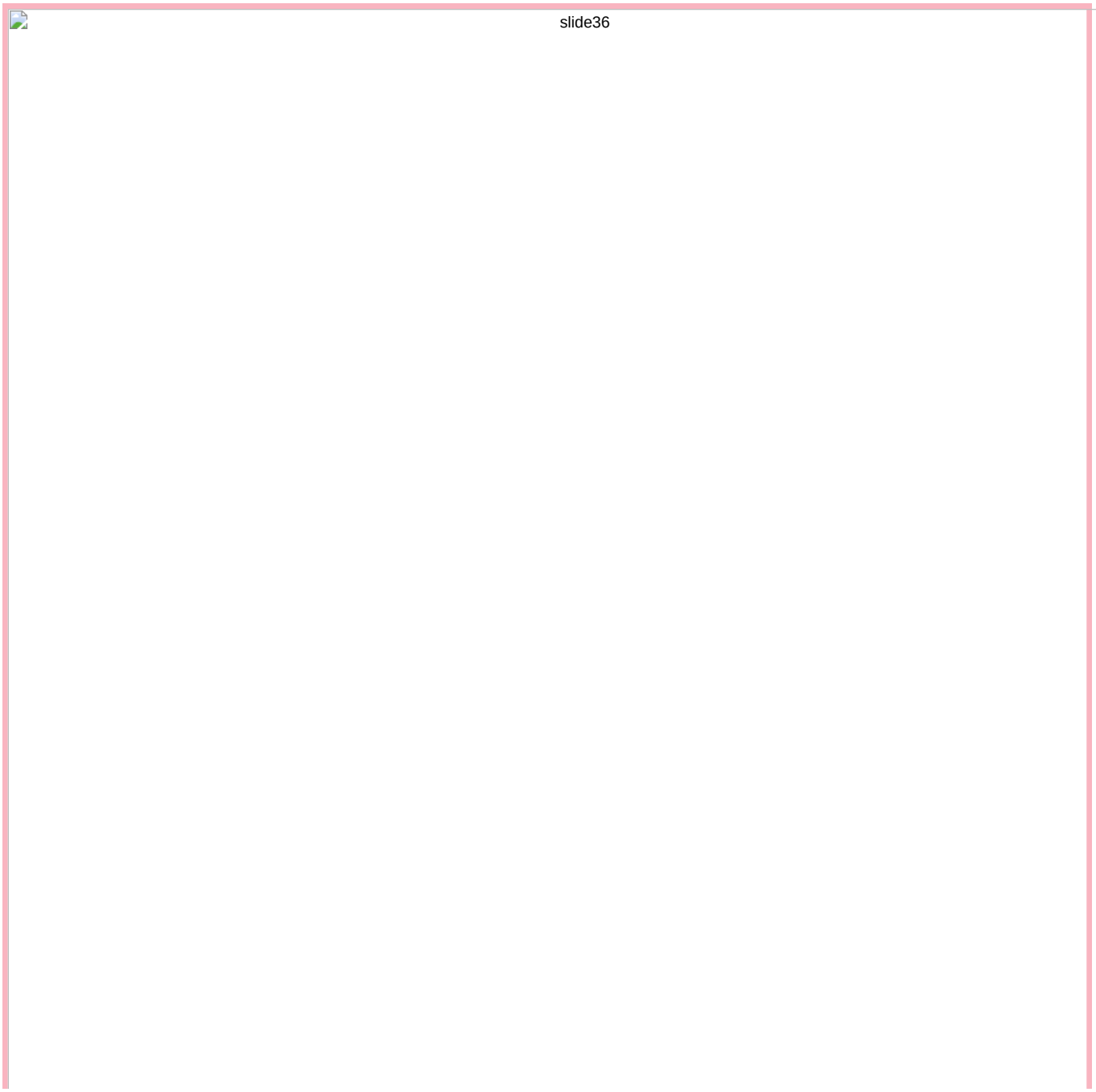
reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease. 29.4 Modification of Lease. Should any current or prospective mortgagee or ground lessor for the Building or Project require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute such commercially reasonable documents are reasonably required therefor, subject to Tenant's review and approval of the same, and to deliver the same to Landlord within thirty (30) days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute a short form of Lease and deliver the same to Landlord within thirty (30) days following the request therefor. 29.5 Transfer of Landlord's Interest. Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Project or Building and in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall be released from all liability under this Lease as long as such transferee assumes in writing the obligations of Landlord hereunder and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer and such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord from and after such date, including the return of any Security Deposit, and Tenant shall attorn to such transferee. Tenant further acknowledges that Landlord may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Landlord from its obligations hereunder and that Tenant shall continue to look to Landlord for the performance of its obligations hereunder. 29.6 Prohibition Against Recording. Except as provided in Section 29.4 of this Lease, neither this Lease nor any memorandum, affidavit or other writing with respect thereto shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant. 29.7 Landlord's Title. Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord. 29.8 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant. 29.9 Application of Payments. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect. 29.10 Time of Essence. Time is of the essence [illegible] Every provision [illegible] Lease in which time of performance is a factor. 104965 i.il/5f 373398-00076/i l-i3-i7/arb/jll 35intent. Bayer makes [illegible] Pharmaceuticals, Inc.



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DocuSign Envelope ID: DLE7898E-D884-4D57-AAQ6-1 B9C9421 LGDA 29.1.1 Partial Invalidity. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law. 29.12 No Warranty. In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the operating costs of the Building or the manner of calculation of such Additional Rent or the nature or extent of the services, facilities or conveniences to be furnished by Landlord or any other matter or thing concerning the Building or the Premises or the Project or the land upon which the same are located, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto. 29.13 Limitations on Liability. The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to the interest of Landlord in the Building, provided that in no event shall such liability extend to any sales or insurance proceeds received by Landlord or the Landlord Parties in connection with the Project, Building or Premises. In the case of Landlord or Tenant, no personal liability shall at any time be asserted or enforceable against the Landlord Parties or the Tenant Parties, respectively on account of any of Landlord's or Tenant's respective obligations or actions under this Lease, unless otherwise agreed to in writing by such party. The limitations of liability contained in this Section 29.13 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, members, agents and employees, and their respective partners, heirs, successors and assigns. The limitations of liability contained in this Section 29.13 shall inure to the benefit of Tenant's and the Tenant Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, members, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of either party (if such party is a partnership), member of either party (if such party is a limited liability company), or trustee or beneficiary (if such partner or any partner of such party is a trust), have any liability for the performance of such party's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring. 29.14 Entire Agreement. It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto. 29.15 Right to Lease. Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building or Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Project. 29.16 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, acts of terrorism, inability to obtain services, labor or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, pandemic or other causes beyond the reasonable control of the party obligated to perform (except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease and except as to Tenant's obligations under Articles 5 and 24 of this Lease (collectively, a "Force Majeure"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period of up to any such prevention, delay or stoppage, and therefore if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure. 29.17 Waiver of Redemption by Tenant. Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease. 29.18 Notices. All notices, demands, statements, designations, approvals or other communications (collectively, a "Notice") given or required to be given by either party to the other hereunder or by law shall be (i) in writing, (ii) sent by United States certified or registered mail, postage prepaid, return receipt requested ("Mail"), (iii) transmitted by confirmed electronic mail (except for (i) any notice of default, (ii) any notice required under Section 2.3, (iii) any notice required under Section 2.4, (iv) any notice required under Section 4.6, (v) any notice required under Section 6.3, (vi) any notice required under Article 11, (vii) any notice required under Article 14, (viii) any notice required under Article 19, or (ix) any notice required under Section 20.2), (iv) delivered by nationally recognized overnight courier, or (v) delivered personally. Any Notice shall be sent, transmitted or delivered, as the case may be, to Tenant at the applicable address set forth in Section 9 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord, or to Landlord at the addresses set forth in Section 10 of the Summary, or to such other places as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given (i) three (3) days after the date it is posted if sent by Mail, (ii) the date the electronic mail is transmitted, (iii) the date the overnight courier delivery is made, or (iv) the date personal delivery is made or attempted to be made. If Tenant is neither (i) the identity and address of Landlord's mortgagee or ground or underlying lessor, Tenant shall give to such mortgagee or ground or underlying lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or ground 10290511 1/SE-373898-00007/0/ EI16-17/0/0/1 —36— Recursion Pharmaceuticals, Inc.

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DocuSign Envelope ID: D 1 F7393F-D384-4DF7-MO6-1 B9C9421 1 CDA or underlying lessor shall be given a reasonable opportunity to cure such default (not to exceed thirty (30) days beyond any applicable cure period) prior to Tenant's exercising any remedy available to Tenant. 29.19 Joint and Several. Ifthere is more than one Tenant, the obligations imposed upon Tenant under this Lease shall bejoint and several. 29.20 Authoritv Tenant Representation. If Tenant is a corporation, trust, partnership or limited liability company, each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in the State ofUtah and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so. In such event, Tenant shall, within ten (10) days after execution of this Lease, deliver to Landlord satisfactory evidence of such authority and, upon demand by Landlord, also deliver to Landlord satisfactory evidence of (i) good standing in Tenant's state of formation and (ii) qualification to do business in the State of Utah. Tenant hereby represents to Landlord that neither Tenant nor any members, partners, subpartners, parent organization, affiliate or subsidiary, or their respective officers, directors, contractors, agents, servants, employees, invitees or licensees (collectively, "Tenant Individuals"), to Tenant's current actual knowledge, appears on any of the following lists (collectively, "Government Lists") maintained by the United States government: 29.20.1 The two (2) lists maintained by the United States Department of Commerce (Denied Persons and Entities; the Denied Persons list can be found Anti-Kickback Policies accessible at http://www.bisdoc.gov/dpl/thedeniallist.asp; the Entity List can be found at http://www.bis.doc.gov/entities/default.htm); 29.20.2 The list maintained by the United States Department of Treasury (Specially Designated Nationals and Blocked Persons, which can be found at http://www.ustreas.gov/ofac/tl lsdn.pdf); 29.20.3 The two (2) lists maintained by the United States Department of State (Terrorist Organizations and Debarred Parties; the State Department List of Terrorists can be found at http:llwww.state.gov/s/ct/rls/other/des/123085.html; the List

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of Debarred Parties can be found at http://www.prnddtc.state.gov/compliance/debar.html); and 29.20.4 Any other list of terrorists, terrorist, organizations or narcotics traffickers maintained pursuant to any of the rules and regulations of the Office of foreign Assets Control, United States Department of Treasury, or by any other government or agency thereof. 29.20.5 Should any Tenant Individuals appear on any Government Lists at any time during the Lease Term, Landlord shall be entitled to terminate this Lease by written notice to Tenant effective as of the date specified in such notice. 29.21 Attorneys' Fees. In the event that either Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease or for any other relief against the other, then all costs and expenses, including reasonable attorneys', experts' and arbitrators' fees and costs, incurred by the substantially prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment. 2922 Governing Law; WAIVER OF TRIAL BY JURY. www.bayer.us/en/products/bayer-pharmaceuticals/.

16.12 Counterparts. This Lease shall be construed and enforced in accordance with the laws of the State of Utah. IN ANY ACTION OR PROCEEDING ARISING IIEREFROM, LANDLORD AND TENANT HEREBY CONSENT TO (I) THE JURISDICTION Of ANY COMPETENT COURT WITHIN SALT LAKE COUNTY, UTAH, (H) SERVICE Of PROCESS BY ANY MEANS AUTHORIZED BY UTAH LAW, AND (III) IN THE INTEREST Of SAVING TIME AND EXPENSE, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT Of ANY MATTER ARISING OUT Of OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP Of LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. IN THE EVENT LANDLORD COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NONPAYMENT Of BASE RENT OR ADDITIONAL RENT, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION (UNLESS SUCH COUNTERCLAIM SHALL BE MANDATORY) IN ANY SUCH PROCEEDING OR ACTION, BUT SHALL BE RELEGATED TO AN INDEPENDENT ACTION AT LAW. 29.23 Submission of Lease. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, option for or option to lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant. 2924 Brokers. Landlord and Tenant each hereby represents and warrants to the other that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 11 of the Summary (the "Brokers"), and that it knows of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing in connection with this Lease on account of any dealings with any real estate broker or agent, other than the Brokers, occurring by, through, or under the indemnifying party. 1049651.11/Sf 373398.00076/i 1-13-17/art/ill 37 Recursion Pharmaceuticals, Inc.

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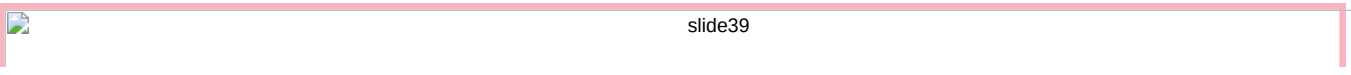
DocuSign Envelope ID: DF7393E-B3844DEF-AAO63-1 B9C9421-1 CDA 29.25 Independent Covenants. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord. 29.26 Project or Building Name and Signage. Landlord shall have the right at any time to change the name of the Project and to install, alter and maintain any and all signs on the exterior and on the interior of the Project as Landlord may in Landlord's sole discretion, desire. Tenant shall not use the name of the Project or use pictures or illustrations of the Project in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant in the Premises, without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned, or delayed. 29.27 Counterparts. This Lease may be executed with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease. 29.28 Confidentiality. Tenant and Landlord acknowledge that the content of this Lease and any related documents and any documents delivered to the other party in connection with this Lease is to be treated as confidential information. Except for any such party's financial, legal and space planning consultants without the prior written consent of the other party, 29.29 Transportation Management. Tenant shall fully comply with all present or future governmental mandated programs intended to manage parking, transportation or traffic in and around the Building and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities. 29.30 No Violation. Tenant and Landlord electronic scan copies. hereby warrants and represents that neither its execution of nor performance under this Lease shall cause such party to be in violation of any agreement, instrument, contract, law, rule or regulation by which such party is bound and each party shall protect, defend, indemnify and hold the other party harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorney's fees and costs, arising from such party's breach of this warranty and representation. 29.31 Communications and Computer Lines. Tenant may at any time install, maintain, replace, remove or use any communications fiber optics and/or computer wires and cables (collectively, the "Lines") at, under or through the Project to service the Premises, provided that (i) Tenant shall obtain Landlord's prior written consent, use an experienced and qualified contractor approved in writing by Landlord and comply with all of the other provisions of Articles 7 and 8 of this Lease, (ii) an adequate number of Spare Lines and Spaces for additional Lines shall be maintained for existing and future occupants of the Project, as determined in Landlord's reasonable opinion, (iii) the Lines therefor (including riser cables) shall be appropriately insulated to prevent excessive electromagnetic fields or radiation, and shall be surrounded by a protective conduit (iv) any new or existing Lines servicing the Premises shall comply with all applicable Laws, (v) such condition to permitting the installation of new Lines, Landlord may require that Tenant remove existing Lines located in or serving the Premises and Tenant any damage in connection with such removal, and (vi) Tenant shall pay all costs in connection therewith, including any fees charged by Landlord for Tenant's use of the Building's telecommunications conduits in excess of Tenant's pro rata share thereof. Landlord reserves the right to require that Tenant remove any Lines located in or serving the Premises which are installed in violation of these provisions, or which are at any time in violation of any applicable Laws or represent a dangerous or potentially dangerous condition. 29.32 Office and Communications Services. 29.32.1 The Provider. Landlord has advised Tenant that certain office and communications services may be offered to tenants of the Building by a concessionaire under contract to Landlord (a "Provider"). Tenant may contract with Provider for the provision of any or all of such services on such terms and conditions as Tenant and Provider may agree. Nothing herein shall be construed as requiring Tenant to contract with Provider and Tenant may and reserves the right to contract directly with any such other provider of such services at Tenant's sole discretion. If any such provider requires the installation of equipment on, or work in the Building in connection with the delivery of services to Tenant, Tenant shall obtain Landlord's prior written approval and consent (not to be unreasonably withheld, conditioned or delayed) prior to such installation. 29.32.2 Other Terms. Tenant acknowledges and agrees that (i) Landlord has made no warranty or representation to Tenant with respect to the availability of any such services, or the quality, reliability or suitability thereof, (ii) the Provider is not acting as the agent or representative of Landlord in the provision of such services, and Landlord shall have no liability or responsibility for any failure or inadequacy of such services, or any equipment or facilities used in the furnishing thereof, or any act or omission of Provider, or its agents, employees, representatives, officers or contractors, (iii) Landlord shall have no responsibility or liability in the installation, alteration, repair, maintenance, furnishing, operation, adjustment or removal of any such services, equipment or facilities, and (iv) any contract or other agreement between Tenant and Provider shall be independent of this Lease, the obligations of Tenant hereunder, and the rights of Landlord hereunder, and without limiting the foregoing, no default or failure of Provider with respect to any such services, equipment or facilities, or under any contract or agreement relating thereto, shall have any effect on this Lease or give to Tenant any offset or defense to the full and 1049651 4 USE 67689B2007F941B3E7ZEnbyUSB Procyon Pharmaceuticals, Inc.



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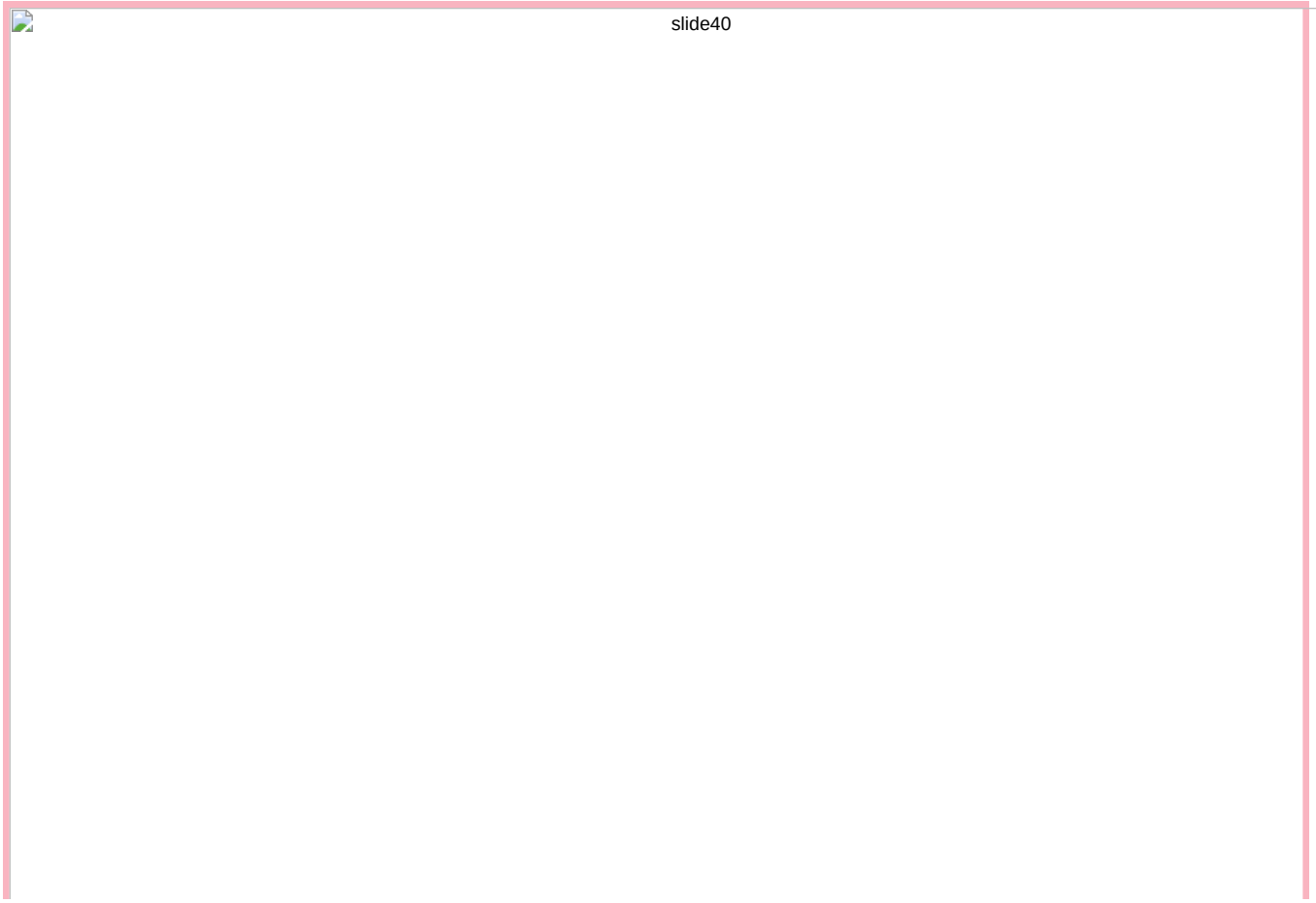
DocuSign Envelope ID: D 1 E7393E-D384-4DE7-M06-1 B9C9421 1 CDA timely performance of its obligations hereunder, or entitle Tenant to any abatement of rent or additional rent or any other payment required to be made by Tenant hereunder, or constitute any actual or constructive eviction of Tenant, or otherwise give rise to any other claim of any nature against Landlord. 29.33 Declarations. This Lease and the terms hereof shall be subject in all respects to the provisions of the Declarations (as defined in Exhibit G attached hereto). Tenant shall comply with all of the terms and conditions of the Declaration of Condominium (as defined below) and the Bylaws of the Block B Condominium Association. Tenant shall not allow or commit any nuisance, waste, unlawful or illegal act upon the Project. Landlord and Tenant acknowledge that (i) the Association (as defined in the Declaration of Condominium) is an intended third party beneficiary of this Lease, (ii) the Association shall have the right to enforce compliance with the Declaration of Condominium and the Bylaws of the Block B Condominium Association and to abate any nuisance, waste, unlawful or illegal activity upon the Premises, and (iii) the Association shall be entitled to exercise all ofLandlord's rights and remedies under this Lease to effect the foregoing. As used herein, the "Declaration of Condominium" means that certain Declaration of Condominium, Gateway Block B Condominium Project recorded 2/26/2001 as Entry No. 7228874 in Book 8427 at Page 1752 in the official records of Salt Lake County, as amended. 29.34 Building Renovations. It is specifically understood and agreed that Landlord has made no representation or warranty to Tenant and has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, Building, or any part thereof and that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant except as specifically set forth herein or in the Tenant Work Letter. However, Tenant hereby acknowledges that Landlord may during the Lease Term renovate, improve, alter, or modify (collectively, the "Renovations") the Project, the Building and/or the Premises including, without limitation, the parking structure, Common Areas, systems and equipment, roof, and structural portions of the same, which Renovations may include, without limitation, (i) installing sprinklers in the Building Common Areas and tenant spaces, (ii) modifying the Common Areas and tenant spaces to comply with applicable Laws, including regulations relating to the physically disabled, seismic conditions, and building safety and security, and (iii) installing new floor covering, lighting, and wall coverings in the Building Common Areas, and in connection with any Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building, limit or eliminate access to portions of the Project, including portions of the Common Areas, or perform work in the Building, which work may create noise, dust or leave debris in the Building. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent so long as Landlord provides Tenant with seven (7) days' advance written notice of such work an such work does not materially interfere with Tenant's business operations or use of, or access to, the Premises. Except to the extent due to Landlord's gross negligence or willful misconduct, Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the Whole or any part of the Premises or of Tenant's personal property or any improvements resulting from the Renovations or Landlord's actions in connection with such Renovations, or for any inconvenience or annoyance occasioned by such Renovations or Landlord's actions. 29.35 Installation of Back-Up Generator. Tenant shall have the right, at Tenant's sole cost and expense, at any time to install up to two (2) emergency or backup power systems serving the Premises (the "Back-Up Generator"). The Back-Up Generator shall be located wholly within the Building and/or on the roof of the Building and/or in the parking garage, in a location reasonably acceptable to Landlord. If Tenant elects to install a Back-Up Generator, then Tenant, at its sole cost and expense, shall perform all work required in connection with such installation (all such work being referred to herein, collectively, as the "Back-Up Generator Alterations"). Tenant shall have the right (but not the obligation) to install a Back-Up Generator concurrently with Tenant's construction of the Tenant Improvements, in which event, except as otherwise expressly provided in this Section 29.35, the Back-Up Generator Alterations shall be subject to all of the requirements of the Tenant Work Letter. If Tenant elects to install a Back-Up Generator separate and apart from Tenant's construction of the Tenant Improvements, then, except as otherwise expressly provided in this Section 29.35, the Back-Up Generator Alterations shall be subject to all of the requirements of Article 8. Notwithstanding the foregoing, Landlord shall have the right in any event to review and approve Tenant's plans and specifications for the Back-Up Generator and the Back-Up Generator Alterations (including, without limitation, the manner in which the Back-Up Generator and any ventilation and exhaust system shall be installed and the measures that shall be taken to mitigate any vibrations or sound disturbances from the operation of the Back-Up Generator), which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall have the obligation to maintain the Back-Up Generator in good working order and condition and in accordance with all applicable Laws and all permits and approvals of any governmental authorities. Tenant, at its sole cost and expense, shall procure and maintain in full force and effect, a contract (the "Service Contract") for the service, maintenance, repair and replacement of the Back-Up Generator with an electrical generator service and maintenance contracting firm reasonably acceptable to Landlord. Tenant shall follow all reasonable recommendations of said contractor for the use, maintenance, repair and replacement of the Back-Up Generator. A copy of the then current Service Contract shall be delivered to Landlord promptly. Tenant, at its sole cost and expense, shall also procure insurance coverage adequate to cover the full replacement value of the Back-Up Generator. A copy of the then-current insurance certificate shall be delivered to Landlord prior to the installation of the Back-Up Generator and thereafter annually. Tenant shall pay for all electricity and other utilities provided to the Back-Up Generator by separate charge in accordance with Section 4.7 above. Except to the extent due to Landlord's gross negligence or intentional act or omission, Tenant hereby agrees to indemnify and hold Landlord and all Landlord Parties harmless from all liability, losses, claims, penalties, and expenses, including, without limitation, reasonable attorneys' fees, resulting from or arising out of Tenant's connection to, or use or operation, of, the Back-Up Generator. Tenant hereby agrees that Tenant's use of the Back-Up Generator is at Tenant's sole risk, and Tenant hereby agrees that Landlord and the Landlord Parties shall not be liable for, and Tenant hereby waives, all claims for loss or damage to Tenant's business or damage to person or property sustained by Tenant or any Tenant Parties resulting from Tenant's use of the Back-Up Generator or connection to the same. 1049965 11/3/17 3743938 0007/64 13417/ab/jl 39 Recursion Prometheuteals, Inc.



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DocuSign Envelope ID: DI F7393F-D384-4DF7-AAO6-1 B9C9421 1 CDA the failure of the Back-Up Generator to operate properly, or the interruption or cessation of electrical service from the Back-Up Generator, except to the extent due to Landlords gross negligence or intentional acts or omission. 29.36 Landlord's Representations. In connection with Tenant's lease of the Premises from Landlord pursuant to the terms hereof, Landlord represents, warrants, and certifies to Tenant that (a) Landlord is the fee owner of Retail Unit 2 and Parking Unit I contained within the Gateway Block B Condominium Project as the same is identified in the Record of Survey Map recorded in Salt Lake County, Utah, on February 26, 2001, as Entry No. 7828970 and in the Declaration of Condominium, together with the undivided ownership interest in said Project's Common Elements that are appurtenant to said Unit as more particularly described in the Declaration; (b) no additional approvals of any third party are required under any of the Declarations in connection with the lease of the Premises to Tenant or in connection with Tenant's completion of the Tenant Improvements (hereinafter defined) and all building permits and approvals required under applicable Laws; (c) Landlord is the "Declarant" under that certain Declaration and Establishment of Protective Covenants, Conditions and Restrictions and Grant of Easements recorded 12/27/2000 as Entry No. 7787948 in Book 8410 at Page 8311, as amended (the "Master Declaration"), and that, while the proposed use of the Premises as described in Article 5 of this Lease is not expressly permitted by the terms of said Master Declaration, Landlord, solely in its capacity as owner of the Building and as Declarant under the Master Declaration, hereby approves of Tenant's proposed use of the Premises described in Article 5 of this Lease and acknowledges and agrees not to allege that Tenant is violating the terms of the Master Declaration solely as a result of Tenant's proposed use of the Premises as described in Article 5 of this Lease; (d) the issuance of the parking passes and Tenant's exclusive use of the Reserved Parking Area in accordance with the provisions of Article 28 will not conflict with any of the Declarations or the rights of any third party in and to the same; (e) to the best of Landlord's knowledge, there exists no breach, default, event or condition which, with the giving of notice or the passage of time or both, would constitute a breach or default by any party to or under the Declarations; (f) the Declarations have not been amended, altered, supplemented or otherwise modified as of the effective date of this Lease, except to the extent expressly set forth on attached Exhibit G; and (g) there are no outstanding assessments or other amounts due by Landlord under any of the Declarations. [Signatures appear on the following page.] 1049651.11/sf 373398.00076/l 1-13.17/orb/ill 40 Recursion Pharmaceuticals, Inc.

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IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written. LANDLORD: VESTAR GATEWAY, LLC, a Delaware limited liability company By: SLC Gateway Retail, LLC, a Delaware limited liability company, its Sole Member By: VGSLM, LLC, a Delaware limited liability company, its Managing Member By: Name: dt/l J. Raadq Title: Manager Signature Date: I/ 2-f TENANT: RECURSION PHRUTICALS, INC., a Delaware corporation By: Name: Its: By: Name: Its: Signature Date: If/7/((This date shall be inserted as of the Date of this Lease in Article 1.) If Tenant is a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. The Lease must be executed by the president or vice president of the, secretary or assistant secretary, unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached to this Lease. 1049651 11Sf 373398-00076/11-I 3-1 //cmbll Recursion Wymaseupleals, Inc

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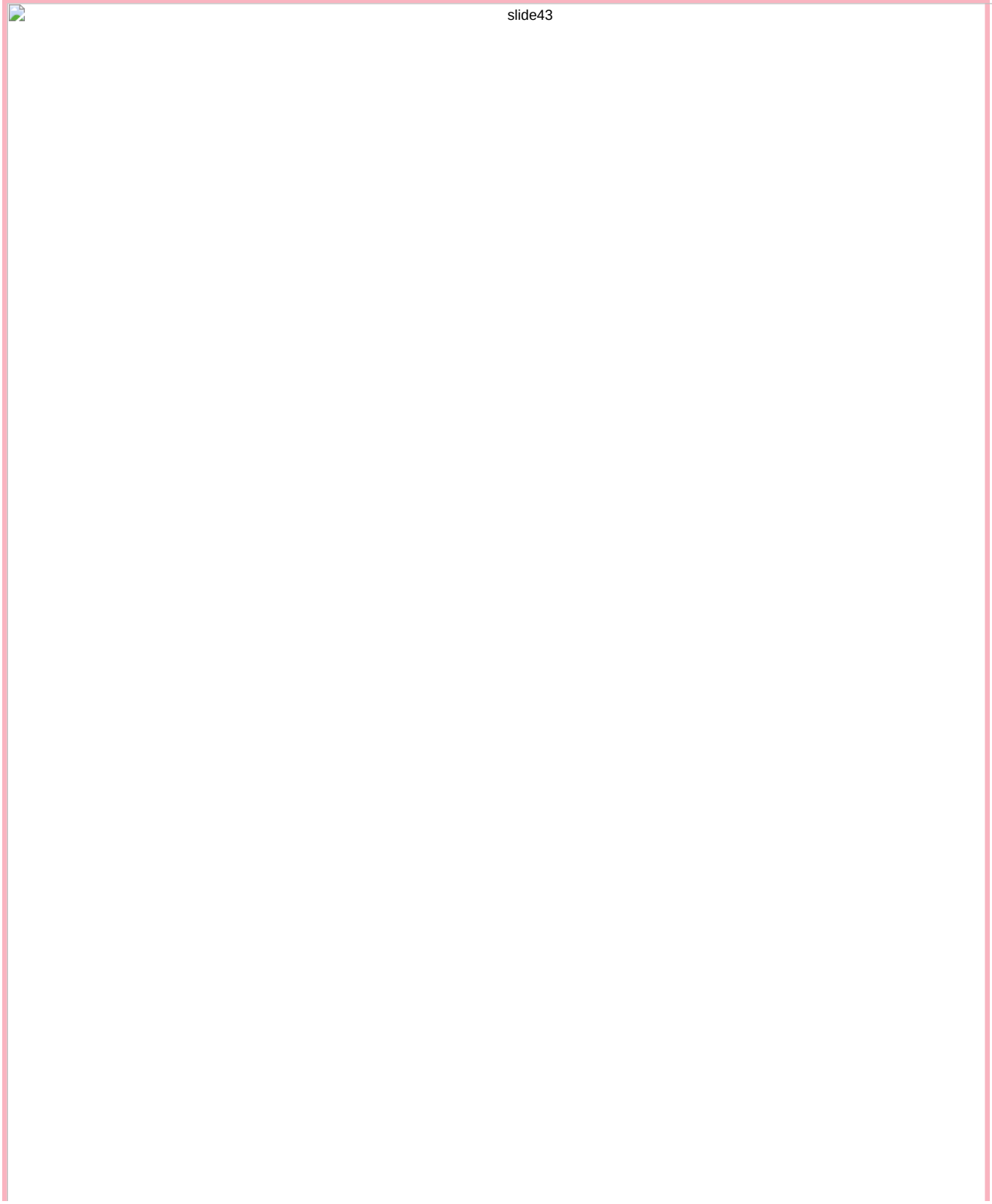

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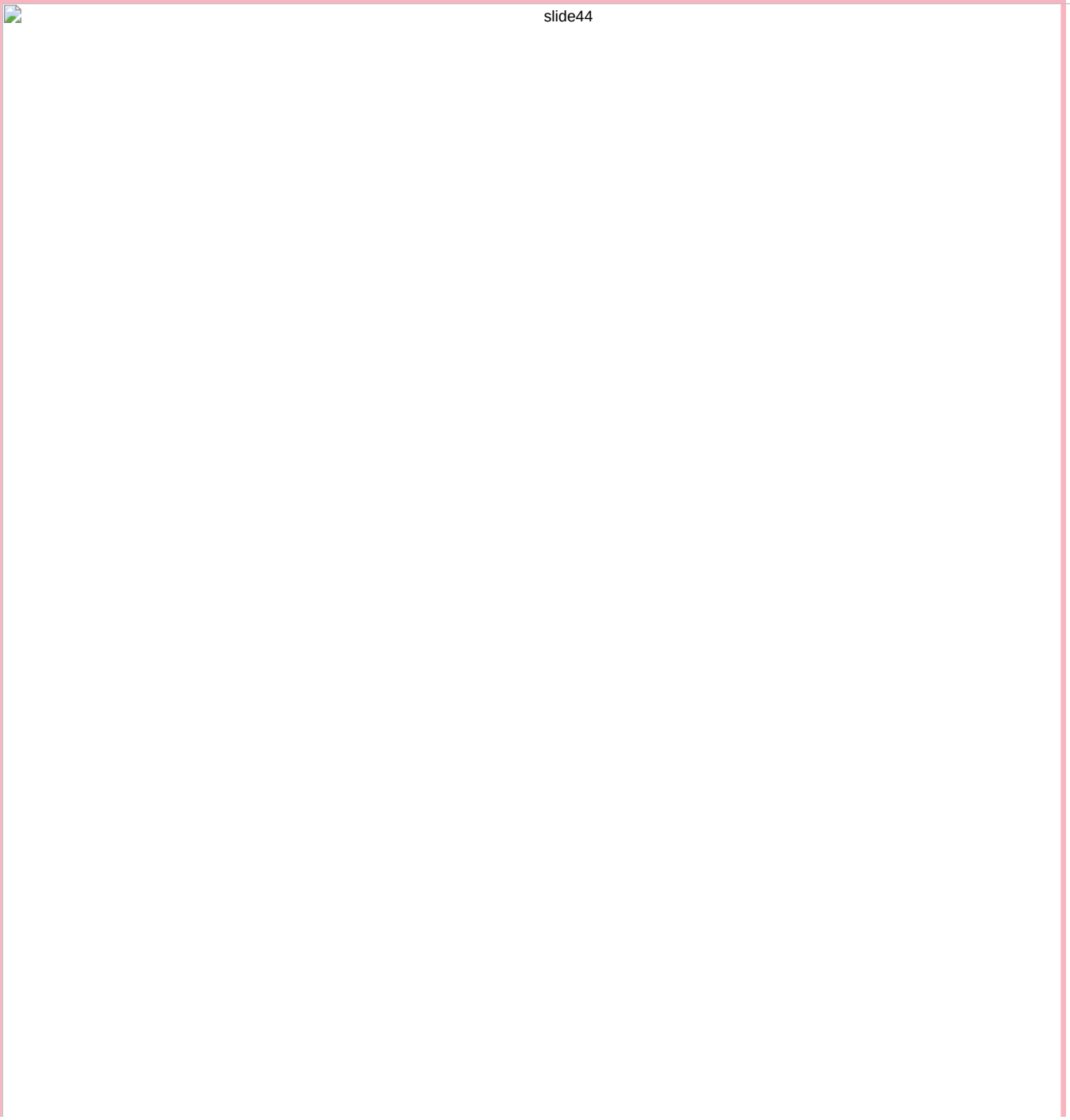

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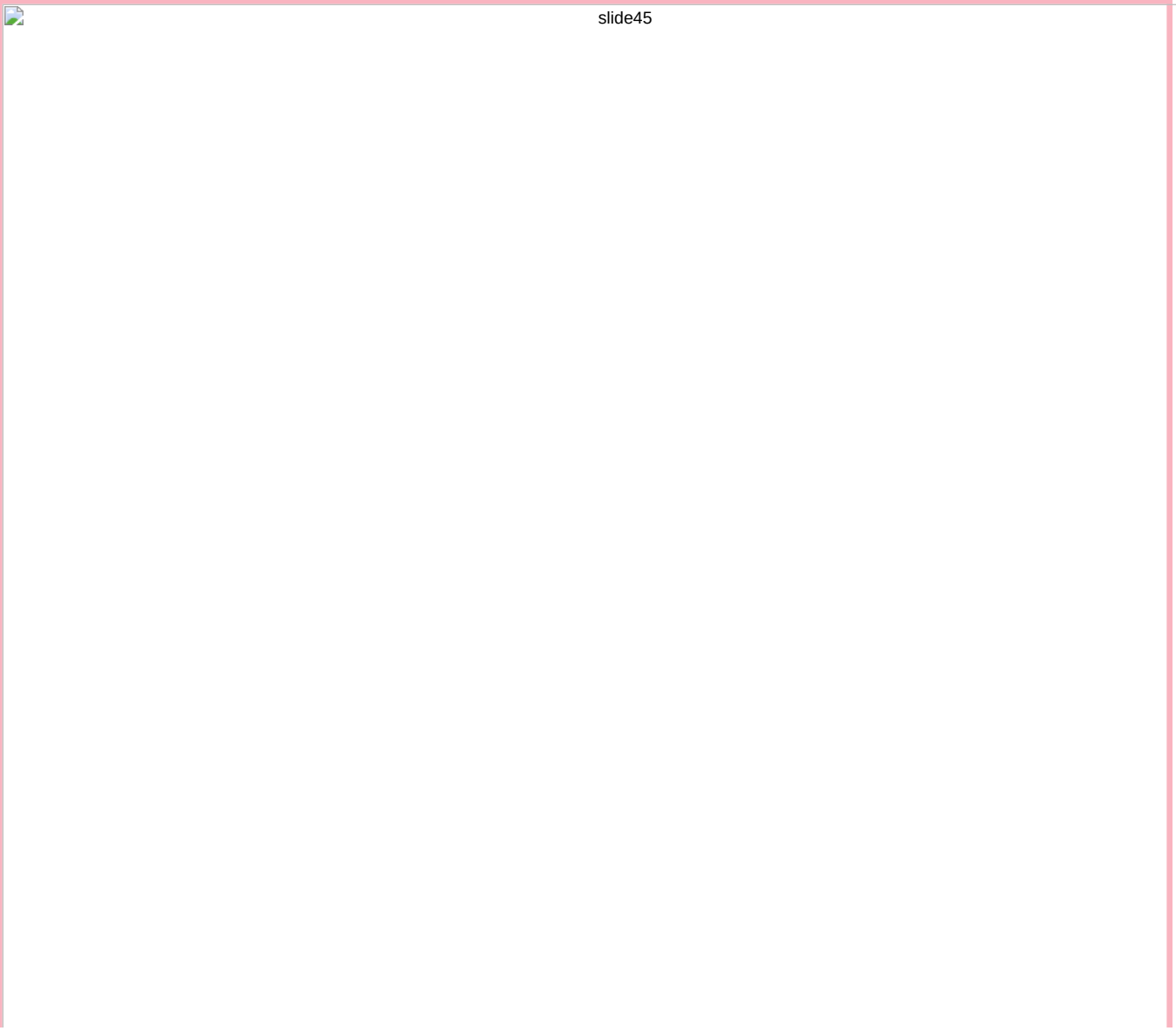

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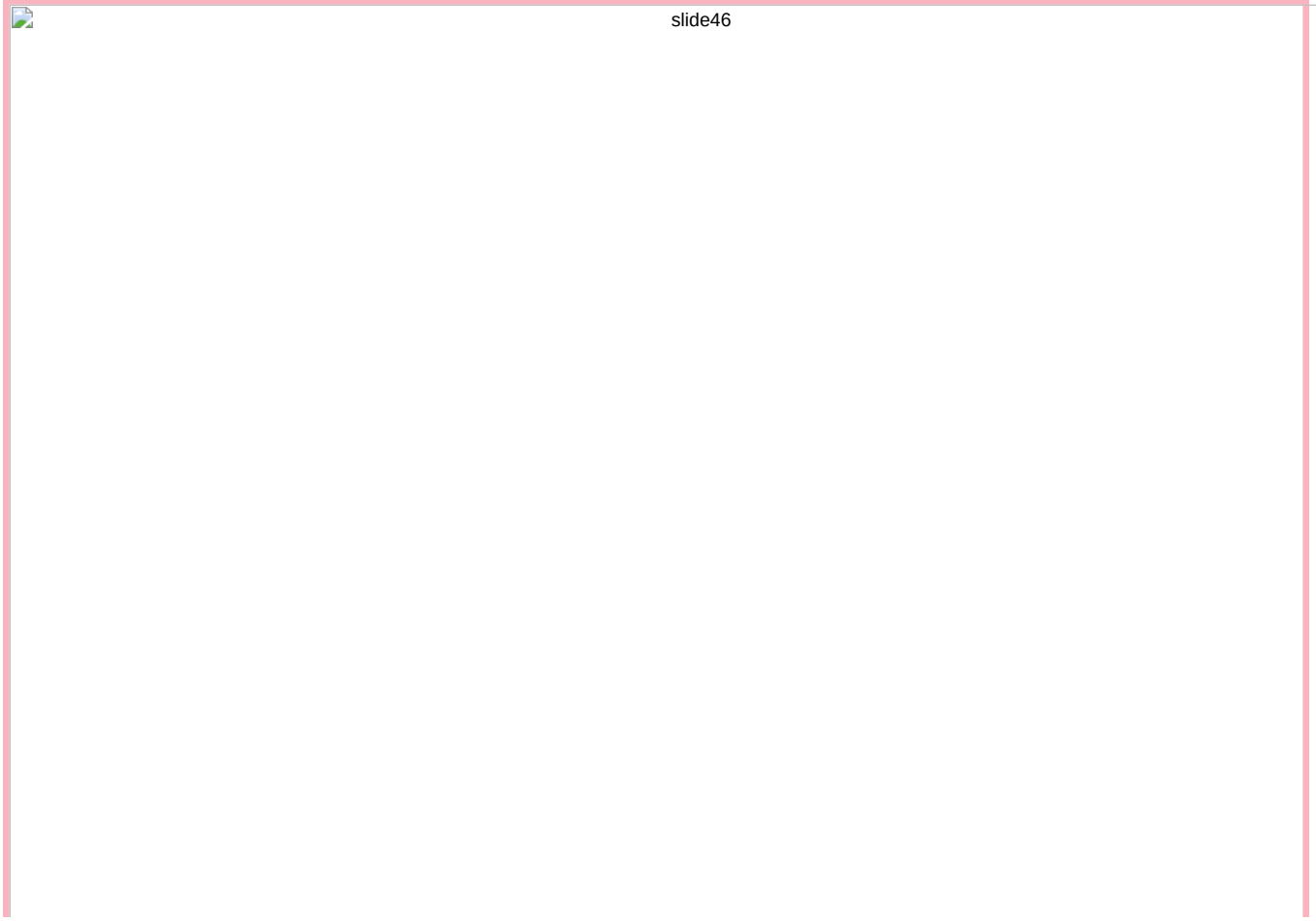

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DocuSign Envelope ID: DLEZ983E-D384-4DE7-AM06-LBBC8421LCDA 1048651.LU/SF 373890-00076/A LL13-17/ath/ll EXHIBIT A-3 DEPICTION OF EXCLUSIVE LOADING AREAS EXHIBIT A-3 Exclusive Ground Floor Access Common Area Dock, however Loading areas outlined in red above are reserved for Tenant's exclusive use pursuant to the terms of the Lease; provided, however, Tenant may not place any fixtures, equipment, improvements, or other obstacles within the hatched portion of the exclusive Common Area Dock that block any drive aisles or impede access to or the flow of traffic in and around the Common Area Docks — — Recursion Pharmaceuticals, Inc.

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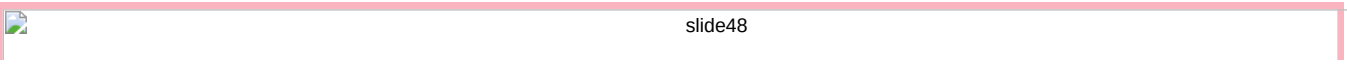
DocuSign Envelope ID: DJF7693E-D984-4DF7-AA06-1B9C94211CDA EXHIBIT B TENANT WORK LETTER This Tenant Work Letter shall set forth the terms and conditions relating to the construction of the tenant improvements in the Premises. This Tenant Work Letter is essentially organized chronologically and addresses the issues of the construction of the Premises, in sequence, as such issues will arise during the actual construction of the Premises. All references in this Tenant Work Letter to Articles or Sections of this Lease shall mean the relevant portion of Articles 1 through 29 of the Office Lease to which this Tenant Work Letter is attached as Exhibit B and to which this Tenant Work Letter forms a part (Control Only where herein expressly stated). All references in this Tenant Work Letter to Sections of this Tenant Work Letter shall mean the relevant portion of Sections 1 through 6 of this Tenant Work Letter. SECTION 1 DELIVERY OF THE PREMISES Tenant acknowledges that Tenant has thoroughly examined the Premises. Upon the Delivery Date, Landlord shall deliver the Premises to Tenant and Tenant shall accept the Premises from Landlord in their presently existing, "as-is" condition as of the date of this Lease, except as otherwise expressly provided in this Lease. Subject to the provisions of Section 8.4 of this Tenant Work Letter, Tenant may at Tenant's sole expense and discretion, resell or salvage any and all fixtures, furnishings or equipment within the Premises as of the Delivery Date and Tenant may retain any and all proceeds received by Tenant from the resale or salvage of any such fixtures, furnishings or equipment. SECTION 2 TENANT IMPROVEMENTS 2.1 Tenant Improvement Allowance. Tenant shall be entitled to the one-time Tenant Improvement Allowance (as defined in Section 12 of the Summary) for the costs relating to the initial design and construction of Tenant's improvements, which are permanently attached to the Premises (the "Tenant Improvements"); in no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter in a total amount which exceeds the Tenant Improvement Allowance, except to the extent specifically required by the terms of the Lease and this Tenant Work Letter. All Tenant Improvements for which the Tenant Improvement Allowance has been utilized shall be deemed Landlord's property under the terms of the Lease. In the event that Tenant shall fail to use the entire Tenant Improvement Allowance within one (1) year following the Delivery Date, such unused amounts shall be the sole property of Landlord and Tenant shall have no claim to any such unused amounts. Tenant acknowledges that the Tenant Improvement Allowance is to be applied to Tenant Improvements covering the entirety of the Premises and that, following the completion of the Tenant Improvements, the entire Premises has been built out by Tenant. 2.2 Disbursement of the Tenant Improvement Allowance. 2.2.1 Tenant Improvement Allowance Items. Except as otherwise set forth in this Tenant Work Letter, the Tenant Improvement Allowance shall be disbursed by Landlord only for the following items and costs (collectively the "Tenant Improvement Allowance Items"): 2.2.1.1 Payment of the fees of the Architect/Space Planner and the Engineers, as those terms are defined in Section 3.1 of this Tenant Work Letter, which payment shall, notwithstanding anything to the contrary contained in this Tenant Work Letter, not exceed an aggregate amount equal to $3.00 per rentable square foot of the Premises, and payment of the fees incurred by and the cost of documents and materials supplied by Landlord and Landlord's consultants in connection with the preparation and review of the "Construction Documents," as that term is defined in Section 3.1 of this Tenant Work Letter; 2.2.1.2 The payment of plan check, permit and license fees relating to construction of the Tenant Improvements; 2.2.1.3 The cost of construction of the Tenant Improvements, including, without limitation, demolition, testing and inspection costs, trash removal costs, building freight, after-hours utilities, taxes, and contractor's fees and general conditions; 2.2.1.4 The cost of any changes anywhere in the base building or the floor of the Building on which the Premises is located, when such changes are required by the Construction Documents (including if such changes are due to the fact that such work is prepared on an unoccupied basis) or to comply with applicable governmental regulations or building codes (collectively, the "Code"), such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith; 2.2.1.5 The cost of any changes to the Construction Documents or Tenant Improvements required by Code; 2.2.1.6 Sales and use taxes; and 2.2.1.8 The Landlord Coordination Fee as that term is defined in Section 4.2.6 of this Tenant Work Letter. 1049651 LTSE EXHIBIT B 37438810007v7 All 37/All/All Recursion Pharmaceuticals, Inc.



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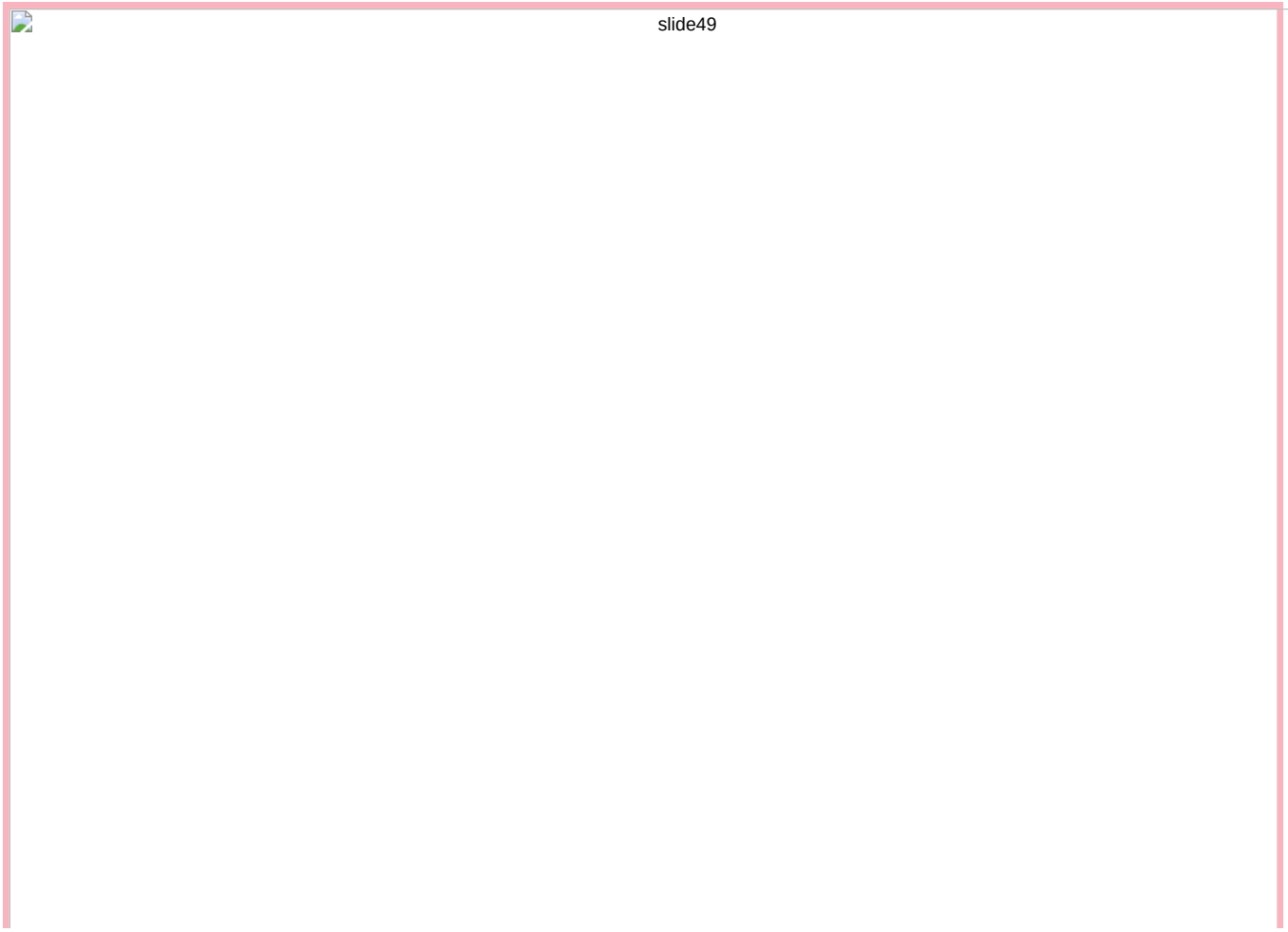
DocuSign Envelope ID: D1E7393F-D384-4DF7-AA06-1B9C9421 1 CDA 22.2 Disbursement of Tenant Improvement Allowance. During the construction of the Tenant Improvements, Landlord shall make monthly disbursements of the Tenant Improvement Allowance for Tenant Improvement Allowance Items for the benefit of Tenant and shall authoriie the release of monies for the benefit of Tenant as follows. 2.2.2.1 Monthly Disbursements. On or before the twentieth (20th) day of each calendar month during the construction of the Tenant Improvements (the "Submittal Date"), each Contractor (as hereinafter defined) performing work in the Premises shall deliver to Landlord a written request for payment of such Contractor's work in the Premises during the previous month. Each such request for payment shall be delivered by Tenant to Landlord on or before the Submittal Date, and shall (i) be in a form reasonably acceptable to Landlord, (ii) be executed by a representative of such Contractor, (iii) set forth the cumulative total amount of the Tenant Improvement Allowance Items for such Contractor's work in the Premises which have been completed through the date of such request, (iv) set forth the total amount requested to be paid to such Contractor in connection with such work, (v) be accompanied by invoices, work orders, or other backup data substantiating the amounts set forth in such request, and (vi) be accompanied by such lien releases, certificates and other documentation as Landlord may reasonably require. Landlord shall pay to Tenant the amounts requested in each of Contractor's requests for payment (less any amounts which Landlord disputes in good faith) within thirty (30) days after Landlord's receipt of such request for payment. Notwithstanding anything to the contrary contained in this Tenant Work Letter, Landlord shall not be obligated to disburse any portion of the Tenant Improvement Allowance during the last month of the Term (as the Term may be extended pursuant to the Lease) or during any period during which any Event of Default has occurred and is continuing beyond any applicable notice and cure period. 2.2.2.2 Final TI Allowance Disbursement. Subject to the provisions of this Tenant Work Letter, a check for the Final TI Allowance Disbursement payable to Tenant shall be delivered by Landlord to Tenant following the completion of construction of the Premises, provided that: (a) Tenant delivers to Landlord (i) properly executed, unconditional final mechanic's lien releases from all of Tenant's Agents, showing the amounts paid, in compliance with applicable Laws, (ii) Contractor's last application and certificate for payment (AIA form G702 1992 or equivalent) signed by the Architect/Space Planner, (c) a breakdown sheet (AIA form G703 1992 or equivalent), (d) original stamped building permit plans, (e) copy of the building permit, (0 original stamped building permit inspection card with all final signatures, (g) full size bond copies and one CD-R disk containing electronic files of the as built drawings of the Tenant Improvements in dwg and pdf formats from the Architect/Space Planner for architectural drawings, and from the Contractor for all other trades, (h) air balance reports, (i) excess energy use calculations, (j) one year warranty letters from Tenant's Agents, (k) manufacturer's warranties and operating instructions, (l) final punchlist completed and signed off by Tenant and the Architect/Space Planner, (m) letters of compliance from the Engineers stating that the Engineers have inspected the Tenant Improvements and that they complies with the Engineers' drawings and specifications, (n) a copy of the recorded Notice of Completion, and (o) a final list of all contractors/vendors/consultants retained by Tenant in connection with the Tenant Improvements and any other improvements in the Premises pursuant to this Tenant Work Letter, including, but not limited to, the Contractor, other contractors, subcontractors and the remaining Tenant's Agents, the Architect/Space Planner, the Engineers, systems furniture vendors/ installers, data/telephone cabling/equipment vendors/installers, etc., which final list shall set forth the full legal name, address, contact name (with telephone/fax/c mail addresses) and the total price paid by Tenant for goods and services to each such contractors/vendors/consultants (collectively, the "Final Close-Out Package"), and (p) Landlord has inspected the Premises and reasonably determined that no substandard work exists which adversely affects the mechanical, electrical, plumbing, heating, ventilating and air conditioning, life-safety or other systems of the Building, the curtain wall of the Building, the structure or exterior appearance of the Building, or any other tenant's use of such other tenant's leased premises in the Building. 2.2.2.3 Other Terms. Landlord shall only be obligated to make disbursements from the Tenant Improvement Allowance to the extent costs are incurred by Tenant for Tenant Improvement Allowance Items. All Tenant Improvement Allowance Items for which the Tenant Improvement Allowance has been made available shall be deemed conclusively disbursed by Landlord pursuant to the terms of Section 2.2.2 of this Lease, and Tenant shall have no claim to any Tenant Improvement Allowance not expended by Tenant on or before the one (1) year anniversary of the Delivery Date and any such sums shall be the sole property of Landlord. 2.2.2.4 L-C. Notwithstanding anything to the contrary contained in this Lease, Landlord shall not be required to disburse any portion of the Tenant Improvement Allowance to Tenant until Tenant has provided Landlord with the L-C described in Article 21 of the Lease. 2.3 Construction Rules, Requirements, Specifications, Design Criteria and Building Standards. Landlord has established construction rules, regulations, requirements, and procedures, and specifications, design criteria and Building standards with which Tenant, the "Architect/Space Planner" as that term is defined below, and all Tenant's Agents must comply in designing and constructing the Tenant Improvements in the Premises (the "Construction Rules, Requirements, Specifications, Design Criteria and Building Standards"). 104965i.li/SF EXHIBIT B 373398-00076/i 1-t3-i7/arb/jji 2 Recursion Pharmaceuticals, mc.



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DocuSign Envelope ID: DLE7938E-D982-4DE7-A7A0-61B9C84211CD A.2.4 Additional Allowance. Notwithstanding the terms and conditions set forth in Section 2.3, within thirty (30) days after the mutual execution and delivery of this Lease, Tenant shall be entitled, pursuant to a written notice (the "Additional Allowance Notice") delivered to Landlord, to a one time increase (the "Additional Allowance") in the Tenant Improvement Allowance in an amount not to exceed $10.00 per rentable square foot of the Premises ($[redacted]) to the costs relating to the initial design and construction of the Tenant Improvements. In the event that Tenant exercises its right to use all or any portion of the Additional Allowance, then such portion of the Additional Allowance shall be repaid by Tenant to Landlord by increasing Tenant's monthly Base Rent hereunder by the amount required to fully amortize such portion of the Additional Allowance over the initial Lease Term, in one hundred twenty (120) equal monthly installments, commencing upon the Lease Commencement Date and continuing on the first day of each calendar month thereafter through the Lease Expiration Date (the "Additional Monthly Base Rents"). Such amortization shall be established to include with interest at the rate of [redacted]% per annum. In the event Tenant elects to utilize all or any portion of the Additional Allowance, then (i) the parties shall promptly execute an amendment (the "Amendment") to this Lease setting forth the monthly Base Rent as increased by the Additional Monthly Base Rent, and (ii) Tenant shall pay to Landlord concurrently with Tenant's execution and delivery of the Amendment to Landlord, an amount equal to the first installment ofthe Additional Monthly Base Rent payment. SECTION 3 CONSTRUCTION DOCUMENTS 3.1 Selection of Architect/Space Planner/Construction Documents. Tenant shall retain a licensed, competent, reputable, architect/space planner experienced in first class office space and laboratory use design selected by Tenant and reasonably approved by Landlord (the "Architect/Space Planner") and licensed, competent, reputable engineering consultants selected by Tenant and reasonably approved by Landlord (the "Engineers") to prepare the Construction Documents. The plans and drawings to be prepared by Architect/Space Planner and the Engineers hereunder shall be known collectively as the "Construction Documents." All Construction Documents shall comply with Landlord's drawing format and specifications. Landlord's review of the Construction Documents as set forth in this Section 3, shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Construction Documents are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Documents, and Tenant's waiver and indemnity set forth in Section 10.1 of this Lease shall specifically apply to the Construction Documents. Furthermore, Tenant and Architect/Space Planner shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the base building plans, and Tenant and Architect/Space Planner shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. 3.2 Final Space Plan. Tenant shall supply Landlord with two (2) copies signed by Tenant of its final space plan for the Premises before any architectural Construction Documents or engineering drawings have been commenced. The final space plan (the "Final Space Plan") shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be connected thereto. Landlord may request clarification and more specific drawings for special use items not included in the Final Space Plan. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Space Plan for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require. 3.3 Final Construction Documents. After the approval of the Final Space Plan by Landlord and Tenant, Tenant shall promptly cause the Architect/Space Planner and the Engineers to complete the architectural and engineering drawings for the Premises, and Architect/Space Planner shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing Construction Documents in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "Final Construction Documents") and shall submit the same to Landlord for Landlord's approval, not to be unreasonably withheld, conditioned, or delayed. Tenant shall supply Landlord with two (2) copies signed by Tenant of such Final Construction Documents. Landlord, acting reasonably and in good faith, shall advise Tenant within ten (10) business days after Landlord's receipt of the Final Construction Documents for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall immediately revise the Final Construction Documents in accordance with such review and any disapproval of Landlord in connection therewith. 3.4 Approved Construction Documents. The Final Construction Documents shall be approved by Landlord (the "Approved Construction Documents") prior to the commencement of construction of the Premises by Tenant, provided, however, Tenant may commence demolition work prior to Landlord's approval of the Final Construction Documents with Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed. After approval by Landlord of the Final Construction Documents, Tenant shall cause the Architect/Space Planner to submit the Approved Construction Documents to the appropriate municipal authorities for all architectural and structural permits (the "Permits"), provided that (a) the Architect/Space Planner shall provide Landlord with a copy of the package that it intends to submit prior to such submission, and (b) if there are Base Building modifications required to obtain the Permits, then Tenant shall obtain Landlord's prior written consent to any such Base Building modifications. Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy or other documentation or approval allowing Tenant to legally occupy the Premises or the Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in performing ministerial acts t049651.li/SF EXHIBIT 3 373398-00076/i i-i3-i7/arb/jt 3 Recursion Pharmaceuticals, Inc.

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DocuSign Envelope ID: D 1 E7393F-D884-4DE7-AAQ6-1 B0C8421 1 CDA reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy (or other documentation or approval allowing Tenant to legally occupy the Premises). No changes, modifications or alterations in the Approved Construction Documents may be made without the prior written consent of Landlord, which consent may not be unreasonably withheld. SECTION 4 CONSTRUCTION OF THE TENANT IMPROVEMENTS 4. 1 Tenant's Selection of Contractors. 4.1.1 The Contractor. Tenant shall retain a licensed general contractor selected by Tenant and reasonably approved by Landlord (the

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"Contractor"), as contractor for the construction of the Tenant Improvements, which Contractor shall be a qualified, reputable, general contractor experienced in Comparable Buildings. 4.1.2 Tenant's Agents. The Architect/Space Planner, Engineers, consultants, Contractor, other contractors, vendors, subcontractors, laborers, and material suppliers retained and/or used by Tenant (collectively, as the "Tenant's Agents") for the following trades only (those contractors, subcontractors, laborers, and material suppliers listed in the Construction Rules, Requirements, Specifications, Design Criteria and Building Standards may be selected by Tenant: Asbestos, Cable Television, Electrical, Elevators, Fire Sprinklers, Fire / Life Safety, HVAC, HVAC Air Balance, Plumbing, Roofing (as listed for each building comprising the Project) and Waste. The Electrical, Fire Sprinklers, Fire / Life Safety, HVAC and Plumbing must be contracted by and Any Structural engineering must be conducted by an engineer or engineers approved by Landlord. 4.2 Construction of Tenant Improvements by Tenant's Agents. 4.2.1 Construction Contract; Cost Budget. Prior to execution of a construction contract, Tenant shall submit a copy of the proposed contract with the Contractor for the construction of the Tenant Improvements, including the general conditions with Contractor (the "Contract") to Landlord for its approval, which approval shall not be unreasonably withheld, conditioned or delayed. Following execution of the Contract, and prior to commencement of construction, Tenant shall provide Landlord with a fully executed copy of the Contract for Landlord's records. Prior to the commencement of the construction of the Tenant Improvements, and after Tenant has secured all bids and proposals for the Tenant Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, for all of Tenant's Agents, of the final estimated costs to be incurred or which have been incurred in connection with the design and construction of the Tenant Improvements to be performed by or at the direction of Tenant or the Contractor (the "Construction Budget"), which costs shall include, but not be limited to, the costs of the Architect's and Engineers' fees and the Landlord Coordination Fee. The amount, if any, by which the total costs set forth in the Construction Budget exceed the amount of the Tenant Improvement Allowance is referred to herein as the "Over-Allowance Amount". In the event that an Over-Allowance Amount exists, then prior to the commencement of construction of the Tenant Improvements, Tenant shall supply Landlord with cash in an amount equal to the Over- Allowance Amount. The Over-Allowance Amount shall be disbursed by Landlord prior to the disbursement of any of the then remaining portion of the Tenant Improvement Allowance, and such disbursement shall be pursuant to the same procedure as the Tenant Improvement Allowance. In the event that, after the total costs set forth in the Construction Budget have been delivered by Tenant to Landlord, the costs relating to the design and construction of the Tenant Improvements shall change, any additional costs of such design and construction in excess of the total costs set forth in the Construction Budget shall be added to the Over-Allowance Amount and the total costs set forth in the Construction Budget, and such additional costs shall be paid by Tenant to Landlord immediately as an addition to the Over-Allowance Amount or at Landlord's option, Tenant shall make payments for such additional costs out of its own funds, but Tenant shall continue to provide Landlord with the documents described in items (i), (ii) and (iii) of Section 4.2.2.1 of this Tenant Work Letter, above, for Landlord's approval, prior to Tenant paying such costs. All Tenant Improvements paid for by the Over-Allowance Amount shall be deemed Landlord's property under the terms of the Lease. 4.2.2 Tenant's Agents. 4.2.2.1 Landlord's General Conditions for Tenant's Agents and Tenant Improvement Work. Tenant's and Tenant's Agent's construction of the Tenant Improvements shall comply with the following: (i) the Tenant Improvements shall be constructed in strict accordance with the Approved Construction Documents; (ii) Tenant and Tenant's Agents shall not in any way interfere with, obstruct, or delay the work of Landlord's base building Contractor and Subcontractors with respect to the Base Building or any other work in the Building; (iii) Tenant's Agents shall submit schedules of all work relating to the Tenant's Improvements to Landlord and Landlord Shall, within five (5) business days of receipt thereof, inform Tenant's Agents of any changes which are necessary thereto, and Tenant's Agents shall adhere to such corrected schedule; and (iv) Tenant shall abide by all rules made by Landlord with respect to the use of parking, refuse, loading, dock and service elevators, storage of materials, coordination of work with the contractors of other tenants, and any other matters in connection with this Tenant Work Letter, including without limitation, the construction of the Tenant Improvements and Tenant shall promptly execute all documents including, but not limited to, Landlord's standard contractor's rules and regulations, as Landlord may deem reasonably necessary to evidence or confirm Tenant's agreement to so abide. 4.2.2.2 Indemnity. Tenant's indemnity of Landlord as set forth in Section 10.1 of this Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to (a) any act or omission of Tenant or Tenant's Agents in connection with the performance of work, or (b) any accident, injury or death occurring during the performance of work, as described in this Tenant Work Letter, provided that the terms of the foregoing indemnity shall not apply to the negligence or willful misconduct of Landlord or Landlord's agents, contractors, employees or invitees. 4.2.2.3 Requirements for Tenant's Agents. Each of Tenant's Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the Tenant Improvements for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Agents shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the completion of the work performed by such Tenant's Agent. The correction of such work shall include, without additional charge, all expenses and charges necessary to remove and replace any portions of the Building or any of Landlord's property damaged or destroyed by the defective work or by the removal or replacement of the defective work. Tenant's Agents' warranties shall run to both Landlord and Tenant, and Tenant hereby assigns to Landlord all warranties which Tenant may have received from Tenant's Agents. Tenant's Agents shall obtain all warranties and guarantees which may be customarily or reasonably given by subcontractors, suppliers or manufacturers, and shall cooperate with Landlord in enforcing all such warranties and guarantees. Tenant's Agents shall not do anything which would void any manufacturer's warranty. 4.2.2.4 Insurance Requirements. (i) General Coverages. All of Tenant's Agents shall carry worker's compensation insurance covering all of their employees, and shall also carry public liability insurance, including property damage, all with limits, deductibles, coverages and companies as are reasonably acceptable to Landlord. Prior to the commencement of any work by any of Tenant's Agents, Tenant shall provide Landlord with certificates for all of Tenant's Agents' insurance policies. (ii) Special Coverages. Tenant shall carry "Builder's All Risk" insurance, in an amount approved by Landlord, covering the construction of the Tenant Improvements, and such other insurance as Landlord may reasonably require, it being understood and agreed that all of the Tenant Improvements shall be insured by Tenant pursuant to this Lease immediately upon completion thereof. Such insurance shall be written on an "all risk" of physical loss or damage basis, for the full replacement cost value of the Tenant Improvements as they are completed, and shall include coverage against collapse during construction, to the limits of the standard coverage insurance policy in San Francisco, California. Such insurance shall be effected under valid and enforceable policies issued by insurers of recognized responsibility which are approved from time to time by Landlord or by Landlord's mortgagee. Upon the completion of the Tenant Improvements, Tenant shall deliver to Landlord certificates of such insurance. Tenant shall not occupy any portion of the Premises for business purposes until such certificates have been so delivered to Landlord. In addition, Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Tenant Improvements are completed, and certificates evidencing that such insurance coverage has been maintained in full force and effect shall be delivered to Landlord before the start of construction and before Tenant's Agents' insurance policies expire. All policies carried under this Section shall insure Landlord and Tenant as their interests appear and will provide that such insurance may not be materially changed, amended or canceled with respect to Landlord except after thirty (30) days prior written notice to Landlord. Tenant shall not do or permit to be done anything which invalidates any such insurance policies. 4.2.2.5 Boarding Off; Trash Removal; Cleaning. Tenant's Agents shall board off all areas in which they are working and shall take all reasonable measures to limit the dust and dirt caused by the construction of the Tenant Improvements. Tenant's Agents shall regularly remove from the Premises all debris resulting from the construction of the Tenant Improvements, and Tenant's Agents shall not place any of such debris in the public corridors or other areas of the Building. Tenant's Agents shall clean up all dirt or debris caused by the construction of the Tenant Improvements on the public streets or other areas outside the Building, and shall keep the streets and sidewalks adjacent to the Building free of all such dirt and debris caused by the construction of the Tenant Improvements. 4.2.2.6 Security and Safety Precautions. All of Tenant's Agents shall be responsible for all security and safety precautions and programs in connection with the performance of the Tenant Improvements, and shall keep the Premises and the Building adequately protected at all times. Landlord shall not be responsible for any theft, misappropriation or vandalism which occurs in connection with the performance of the Tenant Improvements. 4.2.2.7 Compliance with Laws. All of Tenant's Agents shall perform the Tenant Improvements in compliance with all applicable laws, rules, regulations and orders of any public authority having jurisdiction, and shall procure all permits, certificates and licenses required in connection therewith. 4.2.2.8 Coordination Fee. Tenant shall pay to Landlord a fee for Landlord's coordination of the Tenant Improvements in an amount equal to one percent (1%) of the Tenant Improvement Allowance (the "Coordination Fee"). 4.2.2.9 Time of the Essence. Tenant shall cause Tenant's Agents to perform the Tenant Improvements in a timely manner, and Tenant shall cause Tenant's Agents to cooperate with Landlord and Landlord's agents and employees in connection with the performance of the Tenant Improvements. 4.2.2.10 Tenant's Agents' Access to Building. Tenant's Agents shall have access to the Building during the Building's standard hours of operation, and Tenant's Agents shall have access to the Building after the Building's standard hours of operation, subject to Landlord's reasonable rules and regulations. 4.2.2.11 Tenant's Agents' Compliance with Rules and Regulations. Tenant's Agents shall comply with all of Landlord's reasonable rules and regulations relating to the Building, including, without limitation, Landlord's rules and regulations relating to the use of the freight elevators and the hours of construction. 4.2.2.12 Tenant's Agents' Parking. Tenant's Agents shall have the right to park in the Building parking facility, subject to the terms and conditions of the Lease and to the rules and regulations established by Landlord from time to time. 4.2.2.13 Tenant's Agents' Use of Utilities. Tenant's Agents shall have the right to use the water, gas, electricity, heating, ventilating and air conditioning systems of the Building for the construction of the Tenant Improvements, subject to the terms and conditions of the Lease and to the rules and regulations established by Landlord from time to time. 4.2.2.14 Tenant's Agents' Use of Hoist and Scaffolding. Tenant's Agents shall have the right to use the hoist and scaffolding in the Building for the construction of the Tenant Improvements, subject to the terms and conditions of the Lease and to the rules and regulations established by Landlord from time to time. 4.2.2.15 Tenant's Agents' Use of Restrooms. Tenant's Agents shall have the right to use the restrooms on the floor of the Premises for the construction of the Tenant Improvements, subject to the terms and conditions of the Lease and to the rules and regulations established by Landlord from time to time. 4.2.2.16 Tenant's Agents' Use of Elevators. Tenant's Agents shall have the right to use the elevators in the Building for the construction of the Tenant Improvements, subject to the terms and conditions of the Lease and to the rules and regulations established by Landlord from time to time. 4.2.2.17 Tenant's Agents' Use of Loading Dock. Tenant's Agents shall have the right to use the loading dock in the Building for the construction of the Tenant Improvements, subject to the terms and conditions of the Lease and to the rules and regulations established by Landlord from time to time. 4.2.2.18 Tenant's Agents' Use of Storage Space. Tenant's Agents shall have the right to use the storage space in the Building for the construction of the Tenant Improvements, subject to the terms and conditions of the Lease and to the rules and regulations established by Landlord from time to time. 4.2.2.19 Tenant's Agents' Use of Security Guards. Tenant's Agents shall have the right to use the security guards in the Building for the construction of the Tenant Improvements, subject to the terms and conditions of the Lease and to the rules and regulations established by Landlord from time to time. 4.2.2.20 Tenant's Agents' Use of Security Cameras. Tenant's Agents shall have the right to use the security cameras in the Building for the construction of the Tenant Improvements, subject to the terms and conditions of the Lease and to the rules and regulations established by Landlord from time to time. 4.2.2.21 Tenant's Agents' Use of Security Systems. Tenant's Agents shall have the right to use the security systems in the Building for the construction of the Tenant Improvements, subject to the terms and conditions of the Lease and to the rules and regulations established by Landlord from time to time. 4.2.2.22 Tenant's Agents' Use of Security Personnel. 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Tenant's Agents shall have the right to use the security personnel in the Building for the construction of the Tenant Improvements, subject to the terms and conditions of the Lease and to the rules and regulations established by Landlord from time to time. 4.2.2.125 Tenant's Agents' Use of Security Systems. Tenant's Agents shall have the right to use the security systems in the Building for the construction of the Tenant Improvements, subject to the terms and conditions of the Lease and to the rules and regulations established by Landlord from time to time. 4.2.2.126 Tenant's Agents' Use of Security Personnel. Tenant's Agents shall have the right to use the security personnel in the Building for the construction of the Tenant Improvements, subject to the terms and conditions of the Lease and to the rules and regulations established by Landlord from time to time. 4.2.2.127 Tenant's Agents' Use of Security Systems. Tenant's Agents shall have the right to use the security systems in the Building for the construction of the Tenant Improvements, subject to the terms and conditions of the Lease and to the rules and regulations established by Landlord from time to time. 4.2.2.128 Tenant's Agents' Use of Security Personnel. Tenant's Agents shall have the right to use the security personnel in the Building for the construction of the Tenant Improvements, subject to the terms and conditions of the Lease and to the rules and regulations established by Landlord from time to time. 4.2.2.129 Tenant's

DocuSign Envelope ID: D1E7695E-D98B-4D57-AM06-1BDC9221 LCDA any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Tenant Improvements and/or Tenant's disapproval of all or any portion of any request for payment. Such indemnity by Tenant, as set forth in Section 10.1 ofthis Lease, shall also apply with respect to any and all costs, losses, liens, damages, injuries and liabilities related in any way to Landlord's performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete the Tenant Improvements and (ii) to enable Tenant to obtain any building permit or certificate of occupancy or other documentation or approval allowing Tenant to legally occupy the Premises for the Permitted Use. 4.2.2.3 Requirements of Tenant's Agents. Each of Tenant's Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the Tenant Improvements for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Agents shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the later to occur of (i) completion of the work performed by such contractor or subcontractor and (ii) the Lease Commencement Date. The correction of such work shall include, without additional charges, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Tenant Improvements, and/or the Building and/or common areas that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Tenant Improvements shall be contained in the contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of both Landlord and Tenant, as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give to Landlord any assignment or other assurances which may be necessary to effect such right of direct enforcement. 4.2.2.4 Insurance Requirements. 4.2.2.4.1 General Coverages. All of Tenant's Agents shall carry worker's compensation insurance covering all of their respective employees, and shall also carry commercial general liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant as set forth in Article 10 of this Lease, and the policies therefor shall insure Landlord and Tenant, as their interests may appear, as well as the Contractor and Subcontractors. 4.2.2.4.2 Special Coverages. Tenant or Contractor shall carry "Builder's All Risk" insurance in an amount approved by Landlord, which shall in no event be less than the amount actually carried by Tenant or Contractor, covering the construction of the Tenant Improvements, and such other insurance as Landlord may require, it being understood and agreed that the Tenant Improvements shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord. 4.2.2.4.3 General Terms. Certificates for all insurance carried pursuant to this Section 4.2.2.4 shall be delivered to Landlord before the commencement of construction of the Tenant Improvements and before the Contractor's equipment is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will give Landlord thirty (30) days prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. In the event that the Tenant Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Tenant Improvements are fully completed and accepted by Landlord, except for any Products and Completed Operation Coverage insurance required by Landlord, which is to be maintained for ten (10) years following completion of the work and acceptance by Landlord and Tenant and which shall name Landlord, and any other party that Landlord so specifies, as additional insured as to the full limits required hereunder for such entire ten (10) year period. All insurance, except Workers' Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer and shall provide that, with respect to the insureds and additional insureds hereunder, such insurance shall be primary and non-contributing with respect to any insurance which is carried by Landlord and/or its lender(s). All such insurance shall provide that it is primary insurance as respects the owner and that any other insurance maintained by owner is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under Section 4.2.2.2 of this Tenant Work Letter. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of the Tenant Improvements and naming Landlord as a obligee. 4.2.3 Governmental Compliance. The Tenant Improvements shall comply in all respects with the following: (i) the Code and other state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications. 4.2.4 Inspection by Landlord. Landlord shall have the right to inspect the Tenant Improvements at all times, provided however, that Landlord's failure to inspect the Tenant Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Tenant Improvements constitute Landlord's approval of the same. Should Landlord reasonably disapprove any portion of the Tenant Improvements due to defects or deviations in the completion of such Improvements, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any defects or deviations noted in Landlord's disapproval shall be rectified by Tenant at no expense to Landlord, provided however, that in the event Landlord determines that a defect or deviation exists, Landlord may take such action as Landlord deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect or deviation, including but not limited to causing Tenant's contractor to suspend all or any portion of the Tenant Improvements until such time as such defect or deviation is corrected. 4.3 Time Deadlines. Tenant shall use its best efforts and all due diligence to cooperate with Landlord and Tenant's Agents to complete all phases of the Tenant Improvements and the Final Space Plan, and to fulfill all of Tenant's obligations under this Tenant Work Letter, expeditiously and in accordance with any deadlines established by Landlord. Tenant shall promptly pay to Landlord or Landlord's designee upon demand, as Additional Rent, any costs or charges incurred by Landlord for any overtime or after-hours heating, ventilating and air conditioning or other utilities or services during such periods. Tenant shall also promptly reimburse Landlord, upon demand, for the cost of after-hours janitorial services required as a result of Tenant's use of the Premises during such periods. 4.4 Miscellaneous. 4.4.1 Tenant's Authorized Representatives. Tenant designates Jeffrey Ahl as the only person authorized to act for Tenant pursuant to this Tenant Work Letter. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry or other communication relating to the Tenant Improvements unless the same is in writing from Tenant's authorized representative. 4.4.2 Landlord's Authorized Representatives. Landlord designates Jeffrey Ahl as the only person authorized to act for Landlord pursuant to this Tenant Work Letter. Tenant shall not be obligated to respond to or act upon any request, approval, inquiry or other communication relating to the Tenant Improvements unless the same is in writing from Landlord's authorized representative. 4.4.3 Time of the Essence in This Tenant Work Letter. Unless otherwise indicated, all references herein to a number of days shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord pursuant to the preceding, the failure to timely approve any subsequent resubmission of the same shall not be deemed to constitute Landlord's approval of the same or any subsequent resubmission. 4.4.4 Landlord's Fee. Tenant shall pay to Landlord a fee in the amount of 3% of the Tenant Improvement Allowance to cover Landlord's costs of overseeing the Tenant Improvements. 4.4.5 Entire Agreement. This Tenant Work Letter is the entire agreement between the parties with respect to the Tenant Improvements and is subject to the terms and conditions of this Lease. In the event of any conflict between the provisions of this Tenant Work Letter and the provisions of this Lease, the provisions of this Tenant Work Letter shall control. 4.4.6 No Waiver. No waiver of any provision of this Tenant Work Letter shall be effective unless it is in writing and signed by the party against which it is sought to be enforced. 4.4.7 Governing Law. This Tenant Work Letter shall be governed by, and construed in accordance with, the laws of the State of Delaware. 4.4.8 Successors and Assigns. This Tenant Work Letter shall be binding upon and inure to the benefit of the successors and assigns of Landlord and Tenant, to the same extent as if each successor and assign were named herein as a party to this Tenant Work Letter. 4.4.9 Antecedents. Any reference to this Tenant Work Letter shall include all amendments to this Tenant Work Letter. 4.4.10 Counterparts. This Tenant Work Letter may be executed in counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument. 4.4.11 Boilerplate. Boilerplate 4.4.11 Boilerplate. Boilerplate 4.4.11 Boilerplate. Boilerplate

DocuSign Envelope ID: DLE7393E-D384-4DE7-M06-1 B9C9421 1 CDA deviation, including, without limitation, causing the cessation of performance of the construction of the Tenant Improvements until such time as the defect, deviation and/or matter is corrected to Landlord's satisfaction. 4.2.5 Meetings. Commencing upon the execution of this Lease, Tenant shall hold regular meetings with the Architect/Space Planner and the Contractor regarding the progress of the preparation of Construction Documents and the construction of the Tenant Improvements, which meetings shall be held at the office of the Project, at a time mutually agreed upon by Landlord and Tenant, and, upon Landlord's request, certain of Tenant's Agents shall attend such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. One such meeting each month shall include the review of Contractor's current request for payment. 4.2.6 Landlord Coordination Fee. Tenant shall pay a construction supervision and management fee (the "Landlord Coordination Fee") to Landlord in an amount equal to one percent (1.0%) of the hard and soft costs of the Tenant Improvements. 4.3 Notice of Completion. Within five (5) days after the final completion of construction of the Tenant Improvements, including, without limitation, the completion of any punch list items, Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the County in which the Premises is located pursuant to applicable Law and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the completion of construction and prior to Landlord's payment of the Final TI Allowance Reimbursement, (i) Tenant shall cause the Contractor and the Architect/Space Planner (A) to update the Approved Construction Documents through annotated changes, as necessary, to reflect all changes made to the Approved Construction Documents during the course of construction, (B) to certify to the best of the Architect/Space Planner's and Contractor's knowledge that such updated Approved Construction Documents are true and correct, which certification shall survive the expiration or termination of this Lease, as hereby amended, and (C) Tenant shall deliver to Landlord the final Close Out Package. Landlord shall, at Tenant's expense, update Landlord's "as-built" mister plans for the floor(s) on which the Premises are located, if any, including updated vellums and electronic CAD files, all of which may be modified by Landlord from time to time, and the current version of which shall be made available to Tenant upon Tenant's request. SECTION 5 MISCELLANEOUS 5.1 Tenant's Representative. Tenant has designated Shannon Toystrom as its sole representative with respect to the matters set forth in this Tenant Work Letter, who shall have full

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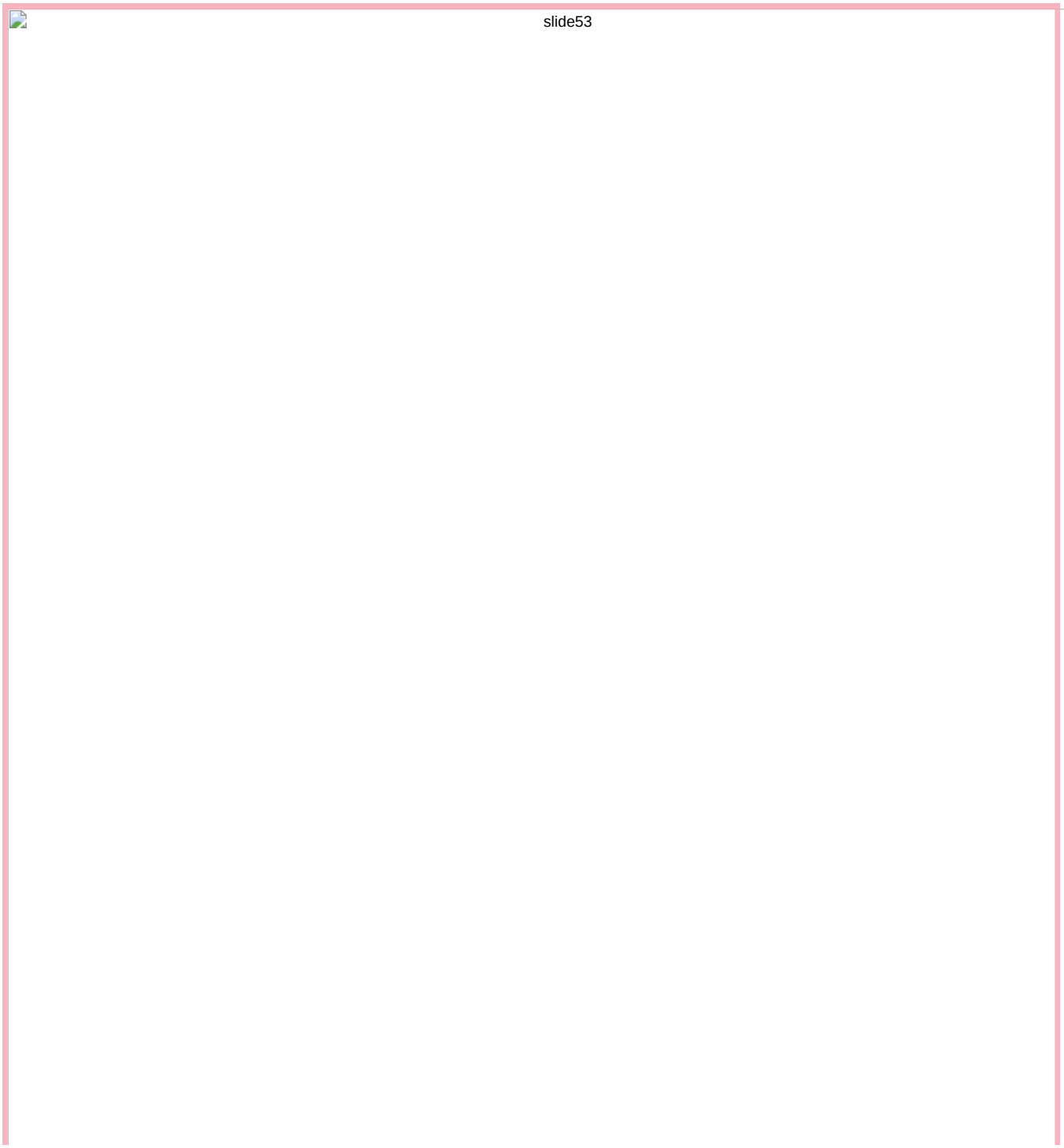
authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter. 5.2 Landlord's Representative. Landlord has designated Jack Van Kleumen as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter. 5.3 Time of the Essence in This Tenant Work Letter. Unless otherwise indicated, all references in this Tenant Work Letter to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord. 5.4 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in this Lease, if an event of default as described in Section 19.1 of this Lease or a default by Tenant under this Tenant Work Letter has occurred at any time on or before the substantial completion of the Premises, then (i) in addition to all other rights and remedies granted to Landlord pursuant to this Lease, Landlord shall have the right to withhold payment of all or any portion of the Tenant Improvement Allowance and/or Landlord may cause Contractor to cease the construction of the Premises (in which case, Tenant shall be responsible for any delay in the substantial completion of the Premises caused by such work stoppage), and (ii) all other obligations of Landlord under the terms of this Tenant Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of this Lease (in which case, Tenant shall be responsible for any delay in the substantial completion of the Premises caused by such inaction by Landlord). 1049551/FSE EXHIBIT B 37439840007601 i.13.17/arb/jli 6 Recursion Pharmaceuticals, inc.



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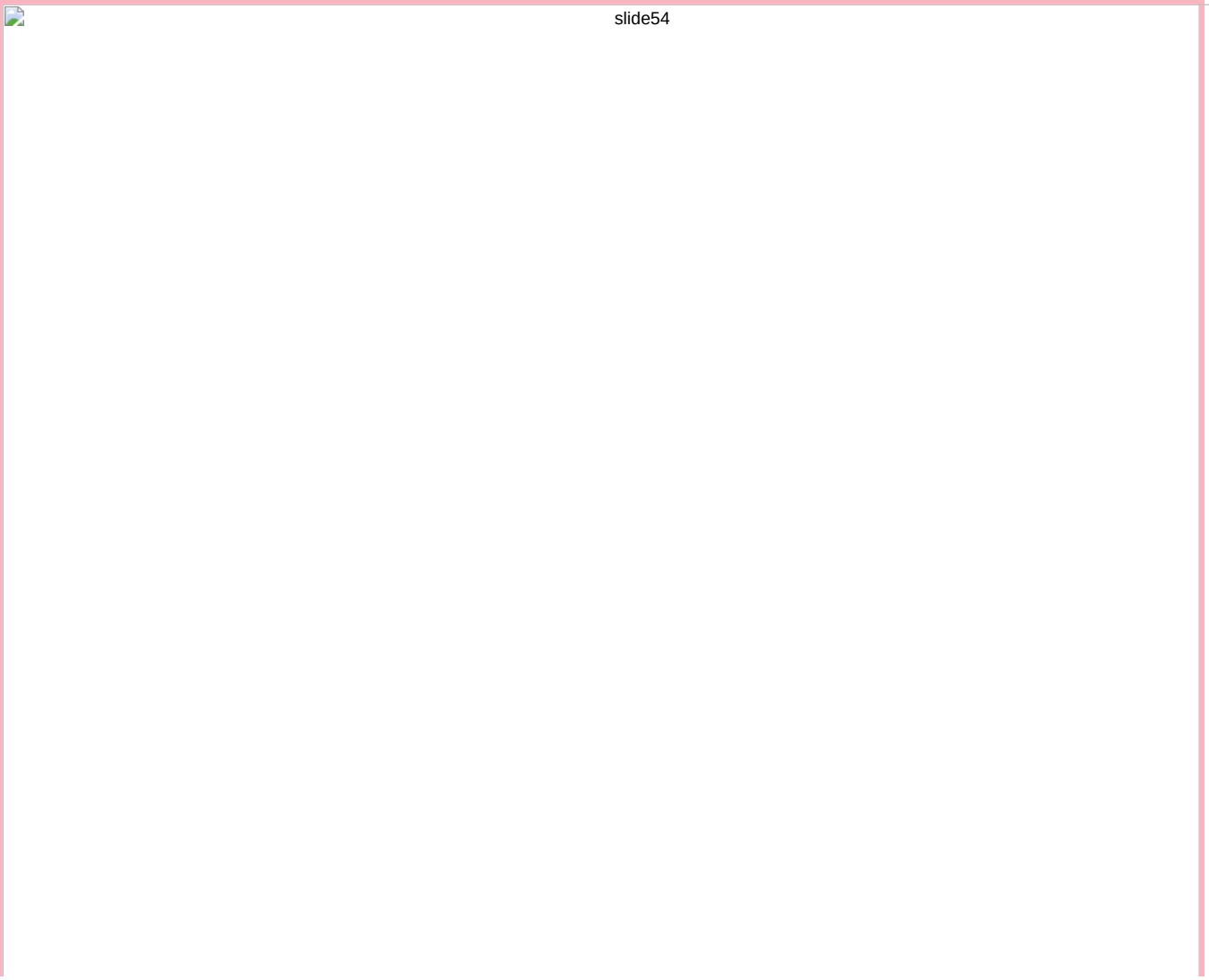
DocuSign Envelope ID: DLE7993E-D384-4D57-AAQ6-[illegible]B9C9421 LCDA EXHIBIT C NOTICE OF LEASE TERM DATES To: _____ Re: Office Lease dated _____, 20 between VESTAR GATEWAY, LLC, a Delaware limited liability company ("Landlord") and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant") concerning that certain two (2) story office building containing approximately 39,172 rentable square feet of space, commonly known as Station 41 at The Gateway, 41 South Rio Grande, Salt Lake City, Utah. Ladies and gentlemen: In accordance with the Office Lease (the "Lease"), we wish to advise you and/or confirm as follows: 1. The Delivery Date is confirmed on 2. The Lease Term shall commence on or has commenced on [June 1, 2018] for a term of ten (10) Years ending on [May 31, 2028]. 3. Rent commenced to accrue on [June 1, 2018], in the amount of $209,078.33 per month. 4. If the Lease Commencement Date is other than the first day of the month, the first billing will contain a pro rata adjustment. Each billing thereafter, with the exception of the final billing, shall be for the full amount of the monthly installment as provided for in the Lease. 5. Your rent checks should be made payable to _____ at _____ "Landlord": VESTAR GATEWAY, LLC, a Delaware limited liability company [ADD LANDLORD'S SIGNATURE BLOCK] Agreed to and Accepted this _____, 20__ "Tenant": RECURSION PHARMACEUTICALS, INC., a Delaware corporation By: _____ Its: _____ 104865113/5 EXHIBIT C 373398 0007674 13137/ath/1 Recursion Pharmaceuticals, Inc.



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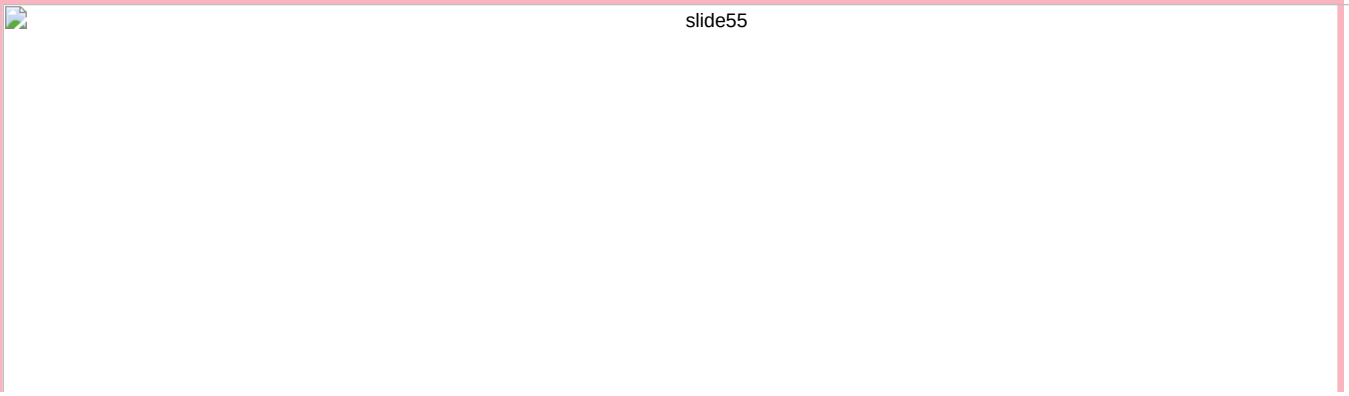
DocuSign Envelope ID: 01 F7393E-D284-4DE7-M06-1 B9C9421 1 CDA EXHIBIT D RULES AND REGULATIONS Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the noncompliance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Project. In the event of any conflict between the Rules and Regulations and the other provisions ofthis Lease, the latter shall control. 1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed. Tenant shall bear the cost of any lock changes or repairs required by Tenant. Two keys will be furnished by Landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord. Upon the termination of this Lease, Tenant shall restore to Landlord all keys of stores, offices, and toilet rooms, either furnished to or otherwise procured by Tenant and in the event of the loss of keys so furnished, Tenant shall pay to Landlord the cost of replacing same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such changes. 2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises. 3. Except as otherwise set forth in and permitted under the Lease, Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for the Comparable Buildings. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building, may be required to sign the Building register. Access to the Building may be refused unless the person seeking access has proper identification or has previously arranged pass for access to the Building. Landlord will furnish passes to persons for whom Tenant requests same in writing. Tenant shall be responsible for all persons for whom Tenant requests passes and shall be liable to Landlord for all acts of such persons. The Landlord and his agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building or the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property. 4. No furniture, freight or equipment of any kind shall be brought into the Building without prior notice to Landlord. All moving activity into or out of the Building shall be scheduled with Landlord and done only at such time and in such manner as Landlord designates. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building and also the times and manner of moving the same in and out of the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on steel supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. Any damage to any part of the Building, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility and expense of Tenant. 5. No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours established by Landlord from time to time, in such specific elevator and by such personnel as shall be designated by Landlord. 6. The requirements of Tenant will be attended to only upon application at the management office for the Project or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord. 7. No sign, advertisement, notice or handbill shall be exhibited, distributed, painted or affixed by Tenant on any part of the Premises or the Building without the prior written consent of the Landlord. Tenant shall not disturb, solicit, peddle, or canvass any occupant of the Project and shall cooperate with Landlord and its agents of Landlord to prevent same. 8. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose servants, employees, agents, visitors or licensees shall have caused same. 9. Tenant shall not overload the floor of the Premises, nor mark, drive nails or screws, or drill into the partitions, woodwork or drywall or in any way deface the Premises or any part thereof without Landlord's prior written consent. Tenant shall not purchase spring water, ice, towel, linen, maintenance or other like services from any person or persons not approved by Landlord. 10. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord. 10249651 11/ST EXHIBIT D 378398 10007/71136.3 7/ANDJ 1 Recursion Pharmaceuticals, Inc.



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DocuSign Envelope ID: D 1 F7393F-D384-4DF7-AAO6-1 89C9421 1 CDA 1 1 . Except as otherwise set forth in and permitted under the Lease, Tenant shall not use or keep in or on the Premises, the Building, or the Project any kerosene, gasoline, explosive material, corrosive material, material capable of emitting toxic fumes, or other flammable or combustible fluid chemical, substitute or material. Tenant shall provide material safety data sheets for any Hazardous Material used or kept on the Premises. 12. Except as otherwise set forth in and permitted under the Lease, Tenant shall not without the prior written consent of Landlord use any method of heating or air conditioning other than that supplied by Landlord. 13. Except as otherwise set forth in and permitted under the Lease, Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Project by reason of noise, odors, or vibrations, or interfere with other tenants or those having business therein, whether by the use of any musical instrument, radio, phonograph, or in any other way. Tenant shall not throw anything out of doors, windows or skylights or down passageways. 14. Tenant shall not bring into or keep within the Project, the Building, or the Premises any animals, birds, fish, aquariums, or, except in areas designated by Landlord, bicycles or other vehicles. 15. Except as otherwise set forth in and permitted under the Lease, no cooking shall be done or permitted on the Premises, nor shall the Premises be used for the storage of merchandise, for lodging, or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters Laboratories approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages for employees and visitors, provided that such use is in accordance with all applicable federal, State, county and city laws, codes, ordinances, rules and regulations. 16. The Premises shall not be used for manufacturing or for the storage of merchandise except as such storage may be incidental to the use of the Premises provided for in the Summary. Tenant shall not occupy or permit any portion of the Premises to be occupied as an office for a messenger-type operation or dispatch office, public stenographer or typist, or otherwise except as otherwise set forth in the Summary, for the manufacture or sale of liquor, narcotics, or tobacco in any form, or as a medical office, or as a barber or manicure shop, or as an employment bureau without the express prior written consent of Landlord. Tenant shall not engage or pay any employees on the Premises except those actually working for such tenant on the Premises nor advertise for laborers giving an address at the Premises. 17. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations. 18. Tenant, its employees and agents shall not loiter in or on the entrances, corridors, sidewalks, lobbies, courts, halls, stairways, elevators, vestibules or any Common Areas for the purpose of smoking tobacco products or for any other purpose, nor in any way obstruct such areas, and shall use

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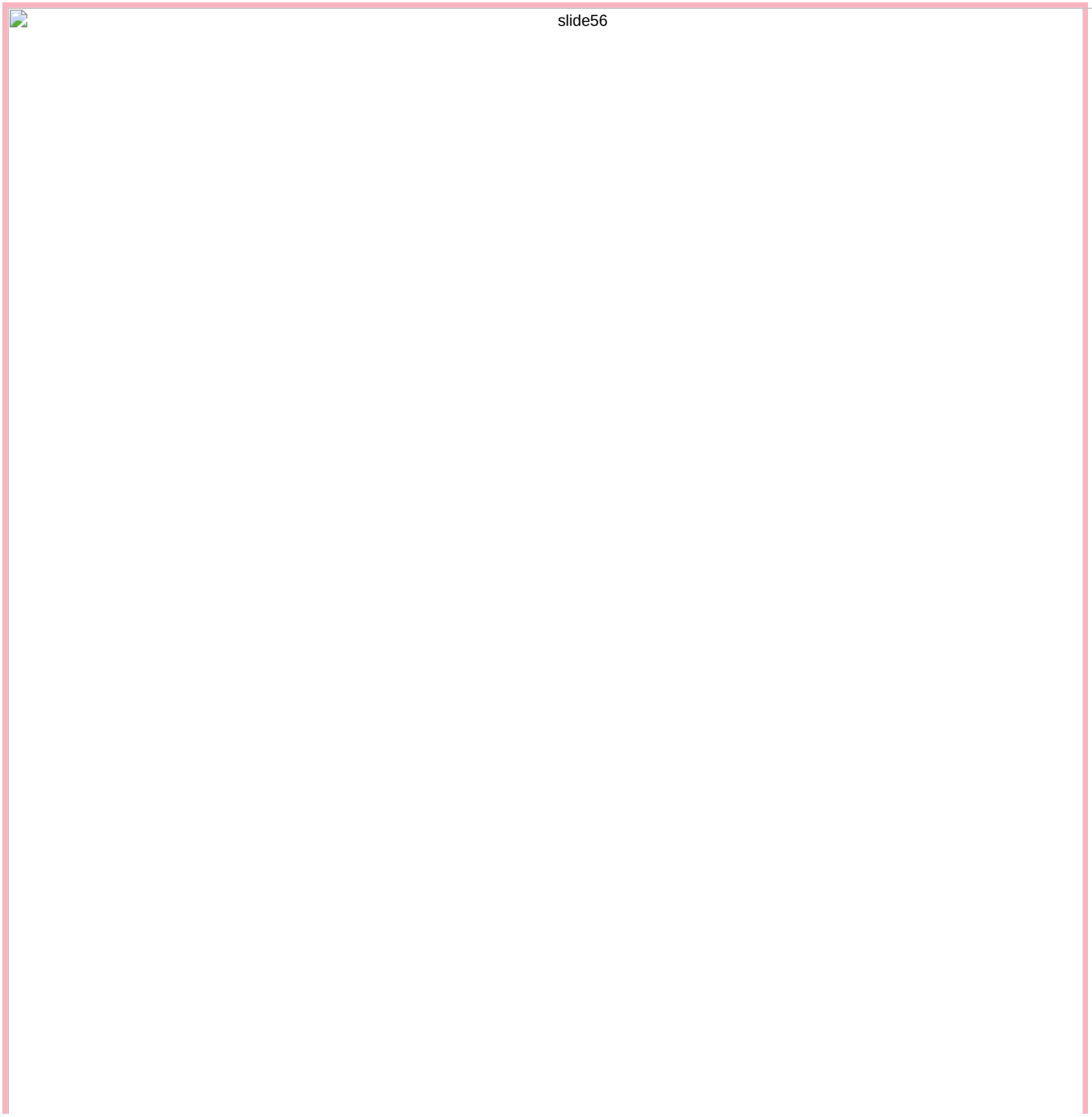
them only as a means of ingress and egress for the Premises. 19. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, and shall refrain from attempting to adjust any controls. Tenant shall participate in recycling programs undertaken by Landlord. 20. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in Salt Lake City, Utah without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entryways and elevators provided for such purposes at such times as Landlord shall designate. Tenant shall make alternate arrangements, at Tenant's cost, for the disposal of high volumes of trash in excess of the amount determined by Landlord to be customary for Tenant's use (i.e., excessive moving boxes or shipping materials). If the Premises is or becomes infested with vermin as a result of the use or any misuse or neglect of the Premises by Tenant, its agents, servants, employees, contractors, visitors or licensees, Tenant shall forthwith, at Tenant's expense, cause the Premises to be exterminated from time to time to the satisfaction of Landlord and shall employ such licensed exterminators as shall be approved in writing in advance by Landlord. 21. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency. 22. Any persons employed by Tenant to do janitorial work shall be subject to the prior written approval of Landlord and while in the Building and outside of the Premises, shall be subject to and under the control and direction of the Building manager (but not as an agent or servant of such manager or of Landlord), and Tenant shall be responsible for all acts of such persons. 23. No awnings or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord, and no curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises without Landlord's prior consent. All electrical ceiling fixtures hung in the Premises or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and a warm white bulb color approved in advance in writing by Landlord. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreened without the prior written consent of Landlord. 1049651.11/SF EXHIBIT D 67698E00076/13162-17/apy/1/2 Repligen Pharmaceuticals, Inc.



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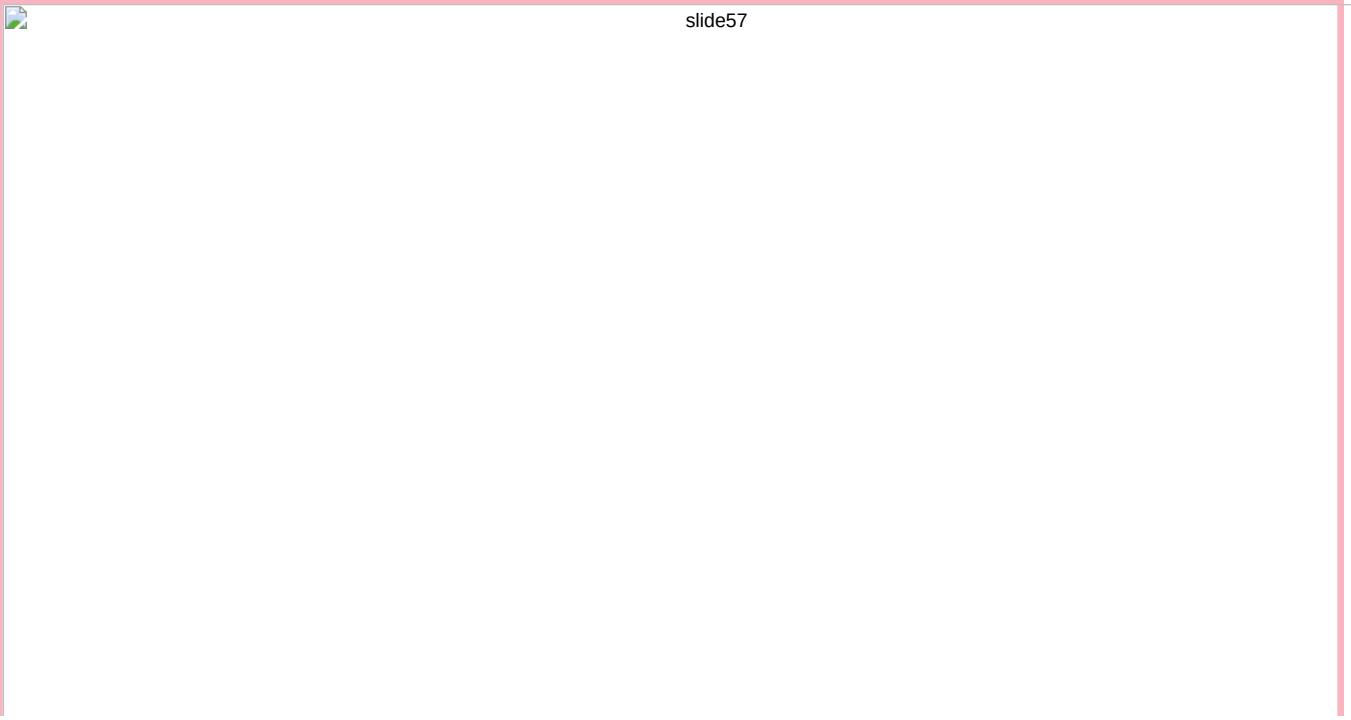
DocuSign Envelope ID: DJ E76981E-D584-4D17-AA06-1 B9C9421 1 CDA Tenant shall be responsible for any damage to the window film on the exterior windows of the Premises and shall promptly repair any such damage at Tenant's sole cost and expense. Tenant shall keep its window coverings closed during any period of the day when the sun is shining directly on the windows of the Premises. Prior to leaving the Premises for the day, Tenant shall draw or lower window coverings and extinguish all lights. Tenant shall abide by Landlord's regulations concerning the opening and closing of window coverings which are attached to the windows in the Premises and any which have a view of any interior portion of the Building or Common Areas. 24. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills. 25. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord. 26. Tenant must comply with all applicable NO SMOKING or similar ordinances. Tenant is required under this ordinance to obtain a written smoking policy a copy of said policy shall be on file in the office of the Building. 27. Tenant hereby acknowledges that Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises, the Building or the Project. Tenant hereby assumes all responsibility for the protection of Tenant and its agents, employees, contractors, invitees and guests, and the property thereof, from acts of third parties, including keeping doors locked and other means of entry to the Premises closed, whether or not Landlord, at its option, elects to provide security protection for the Project or any portion thereof. Tenant further assumes the risk that any safety and security devices, services and programs which Landlord elects in its sole discretion to provide may from time to time not be effective, or may malfunction or be circumvented by an unauthorized third party and Tenant shall, in addition to its other insurance obligations under this Lease, obtain its own insurance coverage to the extent Tenant desires protection against losses related to such occurrences. Tenant shall cooperate in any reasonable safety or security program developed by Landlord or required by law. 28. All office equipment of any electrical or mechanical nature shall be placed by Tenant in the Premises in settings approved by Landlord to absorb or prevent any vibration, noise and annoyance. 29. Tenant shall not use in any space or in the public halls of the Building any hand trucks except those equipped with rubber tires and rubber side guards. 30. No auction, liquidation, fire sale, going out of business or bankruptcy sale shall be conducted in the Premises without the prior written consent of Landlord. 31. No tenant shall use or permit the use of any portion of the Premises for living quarters, sleeping apartments or lodging rooms. 32. Tenant shall not purchase spring water, towels, janitorial or maintenance or other similar services from any company or persons not approved by Landlord. Landlord shall approve a sufficient number of sources of such services to provide Tenant with reasonable selection, but only such instances and to such extent as Landlord in its reasonable discretion shall consider consistent with the security and proper operation of the Building. 33. Tenant shall install and maintain, at Tenant's sole cost and expense, an adequate, visibly marked and properly operational fire extinguisher next to any duplicating or photocopying machines or similar heat producing equipment, which may or may not contain combustible material, in the Premises. 34. Tenant shall not permit any portion of the Project, including the Parking Facilities, to be used for the washing, detailing or other cleaning of automobiles. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations or to make such other and further reasonable Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, Building, the Common Areas and the Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein; provided that (1) Landlord provides Tenant with written notice of any such additional or modified Rules and Regulations and (ii) any such additional or modified Rules and Regulations remain subject to the provisions of this Lease and in the event of any conflict between the additional or modified Rules and Regulations and the other provisions of this Lease, the latter shall control. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Project. Tenant[redacted] have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises. 104965111/SF EXHIBIT D 373398-00076/0 1-1-26 3/2nd/0.3 Responsive Pharmaceuticals, Inc.



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DocuSign Envelope ID: DI F7393F-D384-4DF7-M06-1 B9C9421 1 CDA EXHIBIT E FORM Of LETTER OF CREDIT (Letterhead of a money center bank acceptable to the Landlord) FAX NO. [(J -] [Insert Bank Name And Address] SWIFT: [Insert No., If any] DATE OF ISSUE: _____ BENEFICIARY: APPLICANT: [Insert Beneficiary Name And Address] [Insert Applicant Name And Address] LETTER OF CREDIT NO. EXPIRATION DATE: AMOUNT AVAILABLE: _____ AT OUR COUNTERS USD [Insert Dollar Amount] (U.S. DOLLARS [Insert Dollar Amount]) LADIES AND GENTLEMEN: WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____ IN YOUR FAVOR FOR THE ACCOUNT OF [Insert Tenant's Name], A [Insert Entity Type], UP TO THE AGGREGATE AMOUNT OF USD[Insert Dollar Amount] ([Insert Dollar Amount] U.S. DOLLARS) EFFECTIVE IMMEDIATELY AND EXPIRING ON [Expiration Date] AVAILABLE BY PAYMENT UPON PRESENTATION OF YOUR DRAFT AT SIGHT DRAWN ON [Insert Bank Name] WHEN ACCOMPANIED BY THE FOLLOWING DOCUMENT(S): 1. THE ORIGINAL OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND AMENDMENT(S), IF ANY; 2. BENEFICIARY'S SIGNED STATEMENT PURPORTEDLY SIGNED BY AN AUTHORIZED REPRESENTATIVE OF [Insert Landlord's Name], A [Insert Entity Type] ("LANDLORD") STATING THE FOLLOWING: "THE UNDERSIGNED HEREBY CERTIFIES THAT THE LANDLORD, EITHER (A) UNDER THE LEASE (DEFINED BELOW), OR (B) AS A RESULT OF THE TERMINATION OF SUCH LEASE, HAS THE RIGHT TO DRAW DOWN THE AMOUNT OF USD _____ IN ACCORDANCE WITH THE TERMS OF THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE"), OR SUCH AMOUNT CONSTITUTES DAMAGES OWING BY THE TENANT UNDER SUCH LEASE TO BENEFICIARY RESULTING FROM THE BREACH OF SUCH LEASE BY THE TENANT THEREUNDER, AND SUCH AMOUNT REMAINS UNPAID AT THE TIME OF THIS DRAWING." OR "THE UNDERSIGNED HEREBY CERTIFIES THAT WE HAVE RECEIVED A WRITTEN NOTICE OF [Insert Bank Name]'S ELECTION NOT TO EXTEND ITS STANDBY LETTER OF CREDIT NO. _____ AND HAVE NOT RECEIVED A REPLACEMENT LETTER OF CREDIT WITHIN AT LEAST SIXTY (60) DAYS PRIOR TO THE PRESENT EXPIRATION DATE." OR "THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. AS THE RESULT OF THE FILING OF A VOLUNTARY PETITION UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE BY THE TENANT UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING." OR "THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. AS THE RESULT OF AN INVOLUNTARY PETITION HAVING BEEN FILED UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE AGAINST THE TENANT. 10499651.11/SI EXHIBIT E-3/7393F-D000760 1-3-13-17/attn)1—1— Rebrisen Pharmaceuticals, Inc.

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DocuSign Envelope ID: D1E7393E-D384-4DE7-AAC6-1 B0C9421 1 CDA UNDER THAT CERTAIN OFFICE LEASE DATED (Insert Lease Date), AS AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING. SPECIAL CONDITIONS: PARTIAL DRAWINGS AND MULTIPLE PRESENTATIONS MAY BE MADE UNDER THIS STANDBY LETTER OF CREDIT, PROVIDED, HOWEVER, THAT EACH SUCH DEMAND THAT IS PAID BY US SHALL REDUCE THE AMOUNT AVAILABLE UNDER THIS STANDBY LETTER OF CREDIT. ALL INFORMATION REQUIRED WHETHER INDICATED BY BLANKS, BRACKETS OR OTHERWISE, MUST BE COMPLETED AT THE TIME OF DRAWING. Please Provide The Required Items For Review And Attach As Schedules To The Letter Of Credit. ALL SIGNATURES MUST BE MANUALLY EXECUTED IN ORIGINALS. ALL BANKING CHARGES ARE FOR THE APPLICANT'S ACCOUNT. IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT

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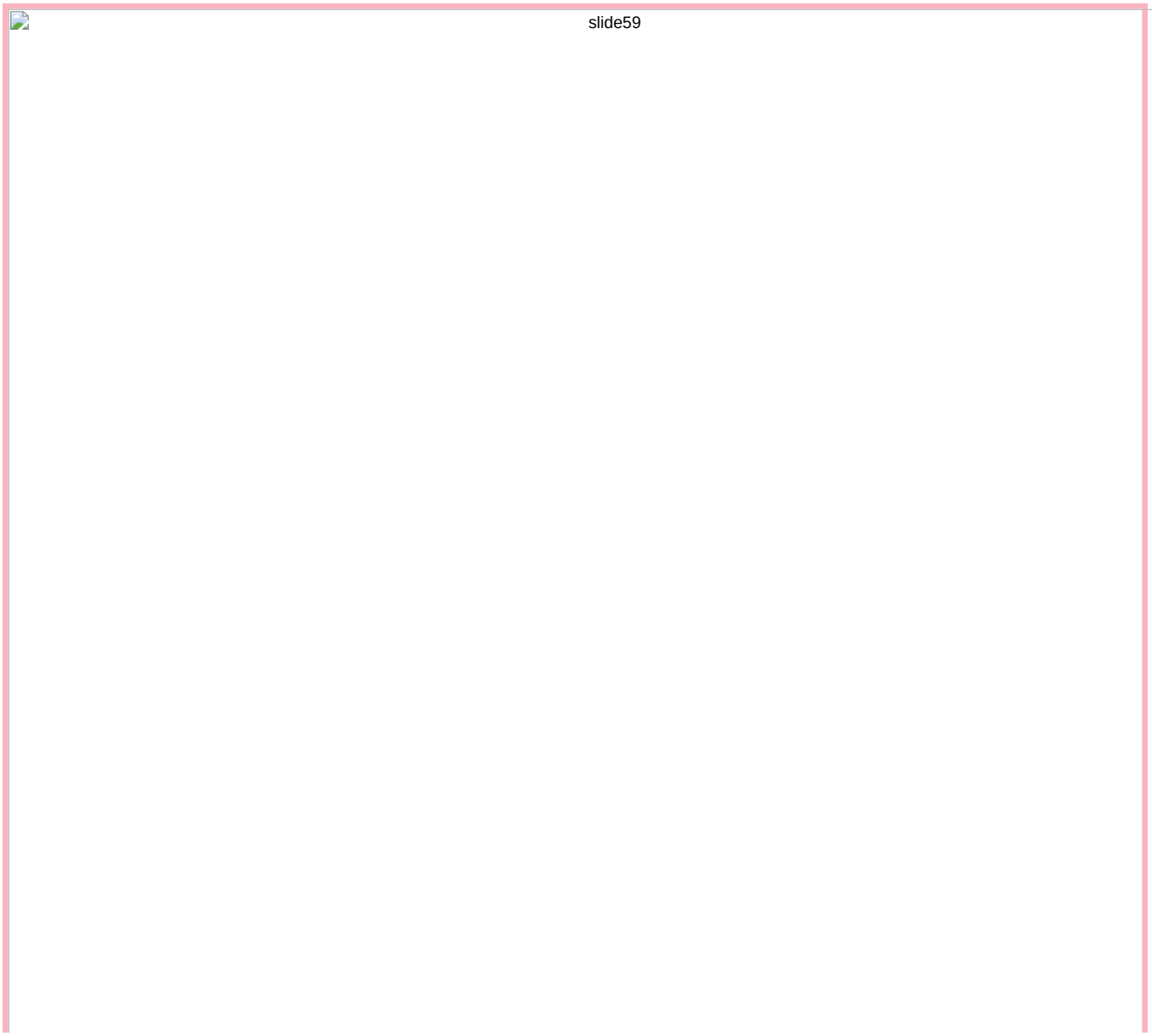
FOR A PERIOD Of ONE YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THE EXPIRATION DATE WE SEND YOU NOTICE BY NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE THAT WE ELECT NOT TO EXTEND THIS CREDIT FOR ANY SUCH ADDITIONAL PERIOD. SAID NOTICE WILL BE SENT TO THE ADDRESS INDICATED ABOVE UNLESS A CHANGE OF ADDRESS IS OTHERWISE NOTIFIED BY YOU TO US IN WRITING BY RECEIPTED MAIL OR COURIER. ANY NOTICE TO US WILL BE DEEMED EFFECTIVE ONLY UPON ACTUAL RECEIPT BY US AT OUR DESIGNATED OFFICE. IN NO EVENT, AND WITHOUT FURTHER NOTICE FROM OURSELVES, SHALL THE EXPIRATION DATE BE EXTENDED BEYOND A FINAL EXPIRATION DATE OF (Expiration Date). THIS LETTER OF CREDIT IS TRANSFERABLE ONE OR MORE TIMES, BUT IN EACH INSTANCE TO A SINGLE TRANSFEREE (TRANSFEREE) AND ONLY IN THE FULL AMOUNT AVAILABLE TO BE DRAWN UNDER THE LETTER OF CREDIT AT THE TIME OF SUCH TRANSFER, ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE IS IN COMPLIANCE WITH ALL APPLICABLE U.S. LAWS AND REGULATIONS. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF CREDIT AND ORIGINAL AMENDMENT(S) IF ANY, MUST BE SURRENDERED TO US TOGETHER WITH OUR TRANSFER FORM (AVAILABLE UPON REQUEST) AND PAYMENT OF OUR CUSTOMARY TRANSFER FEES BY APPLICANT. IN CASE OF ANY TRANSFER UNDER THIS LETTER OF CREDIT, THE DRAFT AND ANY REQUIRED STATEMENT MUST BE EXECUTED BY THE TRANSFEREE AND WHERE THE BENEFICIARY'S NAME APPEARS WITHIN THIS STANDBY LETTER OF CREDIT, THE TRANSFEREE'S NAME IS AUTOMATICALLY SUBSTITUTED THEREFOR. ALL DRAFTS REQUIRED UNDER THIS STANDBY LETTER OF CREDIT MUST BE MARKED: "DRAWN UNDER [Insert Bank Name] STANDBY LETTER OF CREDIT NO. _____ WE HEREBY AGREE WITH YOU THAT IF DRAFTS ARE PRESENTED TO [Insert Bank Name] UNDER THIS LETTER OF CREDIT AT OR PRIOR TO [Insert Time - (e.g., 11:00 AM)] ON A BUSINESS DAY AND PROVIDED THAT SUCH DRAFTS PRESENTED CONFORM TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SUCCEEDING BUSINESS DAY. IF DRAFTS ARE PRESENTED TO [Insert Bank Name] UNDER THIS LETTER OF CREDIT AFTER [Insert Time - (e.g., 11:00 AM)], ON A BUSINESS DAY AND PROVIDED THAT SUCH DRAFTS CONFORM WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SECOND SUCCEEDING BUSINESS DAY. AS USED IN THIS LETTER OF CREDIT, "BUSINESS DAY" SHALL MEAN ANY DAY OTHER THAN A SATURDAY, SUNDAY, OR A DAY ON WHICH BANKING INSTITUTIONS IN THE STATE OF UTAH ARE AUTHORIZED OR REQUIRED BY LAW TO CLOSE. IF THE EXPIRATION DATE FOR THIS LETTER OF CREDIT SHALL EVER FALL ON A DAY WHICH IS NOT A BUSINESS DAY THEN SUCH EXPIRATION DATE SHALL AUTOMATICALLY BE EXTENDED TO THE DATE WHICH IS THE NEXT BUSINESS DAY. PRESENTATION OF A DRAWING UNDER THIS LETTER OF CREDIT MAY BE MADE ON OR PRIOR TO THE THEN CURRENT EXPIRATION DATE HEREOF BY HAND DELIVERY, COURIER SERVICE, OVERNIGHT MAIL, OR FACSIMILE. PRESENTATION BY FACSIMILE TRANSMISSION SHALL BE BY TRANSMISSION OF THE ABOVE REQUIRED SIGHT DRAFT DRAWN ON US TOGETHER WITH THIS LETIER OF CREDIT TO OUR FACSIMILE NUMBER, [Insert F ax Number - LJ -J, ATTENTION: [Insert Appropriate Recipient], WITH TELEPHONIC CONFIRMATION OF OUR RECEIPT OF SUCH FACSIMILE TRANSMISSION AT OUR TELEPHONE NUMBER [Insert Telephone Number - LI _____] OR TO SUCH OTHER FACSIMILE OR TELEPHONE NUMBERS AS TO WHICH YOU HAVE RECEIVED WRITTEN NOTICE FROM US AS BEING THE APPLICABLE SUCH NUMBER. WE AGREE TO NOTIFY YOU IN WRITING BY NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE OF ANY CHANGE IN SUCH DIRECTION. ANY FACSIMILE PRESENTATION PURSUANT TO THIS PARAGRAPH SHALL ALSO STATE THEREON THAT THE ORIGINAL Of SUCH SIGHT DRAFT AND LETTER OF CREDIT ARE BEING REMITTED FOR DELIVERY ON THE NEXT BUSINESS DAY TO [Insert Bank Name] 1049651.1/SEXHIBITE-37.htm/SEXHIBITE-37.htm[6/17/2019 6:17:07 PM] 2 Revision Pharmaceuticals, Inc.



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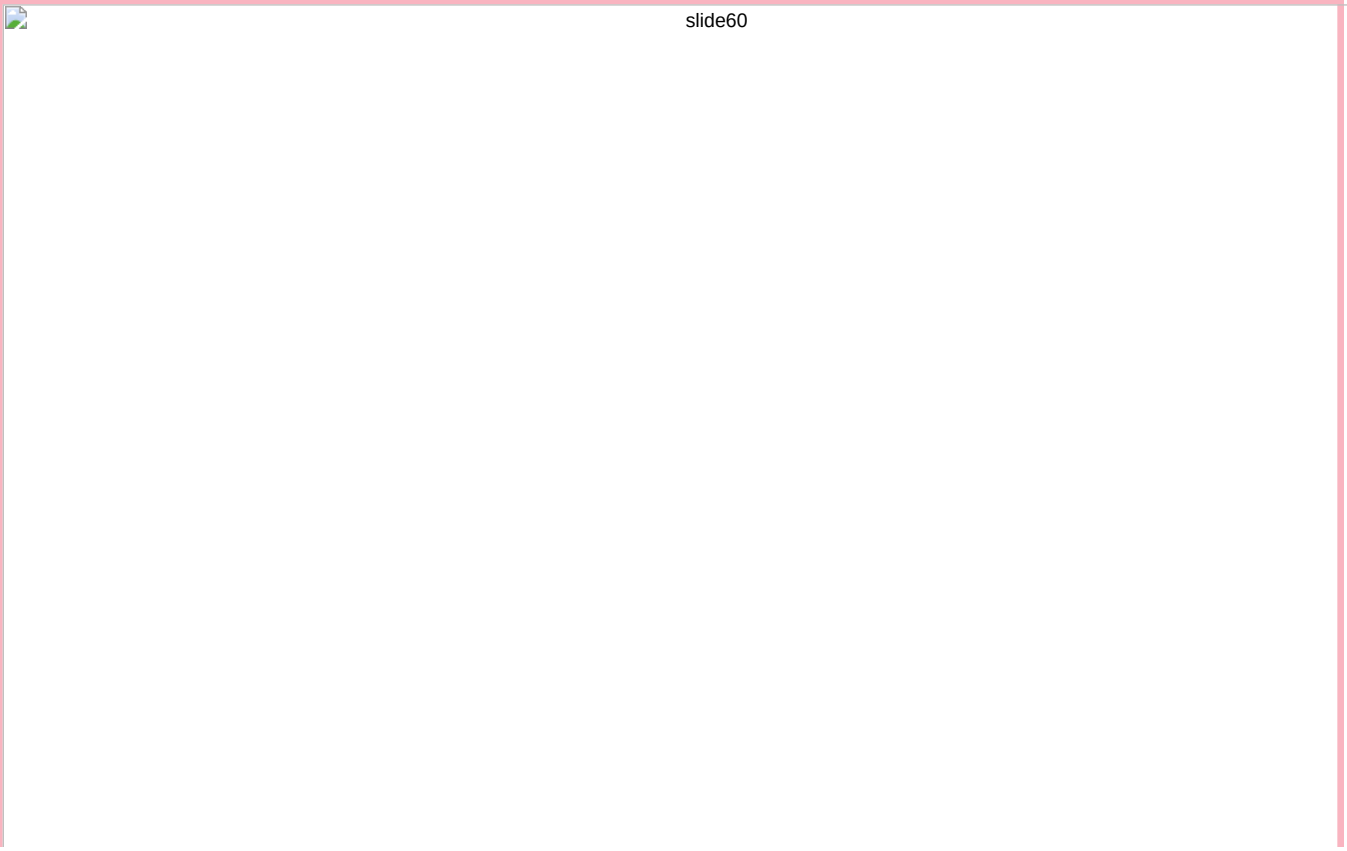
DocuSign Envelope ID: D1E7393E-D884-4DE7-AM06-1B9C9421 TODA AT THE APPLICABLE ADDRESS FOR PRESENTMENT PURSUANT TO THE PARAGRAPH FOLLOWING THIS ONE. WE HEREBY ENGAGE WITH YOU THAT ALL DOCUMENT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS STANDBY LETTER OF CREDIT WILL BE DULY HONORED IF DRAWN AND PRESENTED FOR PAYMENT AT OUR OFFICE LOCATED AT [Insert Bank Name & [Insert Bank Address], ATTN: [Insert Appropriate Recipient], ON OR BEFORE THE EXPIRATION DATE OF THIS CREDIT, (Expiration Date) [Insert Name of Issuing Bank] SHALL REPLACE THE ORIGINAL OF THIS LETTER OF CREDIT WITH A REPLACEMENT LETTER OF CREDIT IF SUCH ORIGINAL IS LOST, STOLEN, MUTILATED, OR DESTROYED PRIOR TO FULL DRAWING UPON PRIOR RECEIPT BY [Insert Name of Issuing Bank] OF ANY FEES CHARGED BY IT AND AN AFFIDAVIT OF LOST LETTER OF CREDIT AND INDEMNITY, EXECUTED BY BENEFICIARY, ACCEPTABLE TO [Insert Name of Issuing Bank] IN ITS SOLE DISCRETION. ANY BANK CHARGES FOR SUCH REPLACEMENT SHALL BE PAYABLE BY THE BENEFICIARY. EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS STANDBY LETTER OF CREDIT IS SUBJECT TO THE "INTERNATIONAL STANDBY PRACTICES" (ISP 98) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590). Very truly yours, [Name of Issuing Bank] By: _____ 10490511.1 /SE EXHIBIT F-373898.00078/11-13-17/arb/jll 3 Recursion Pharmaceuticals, Inc.



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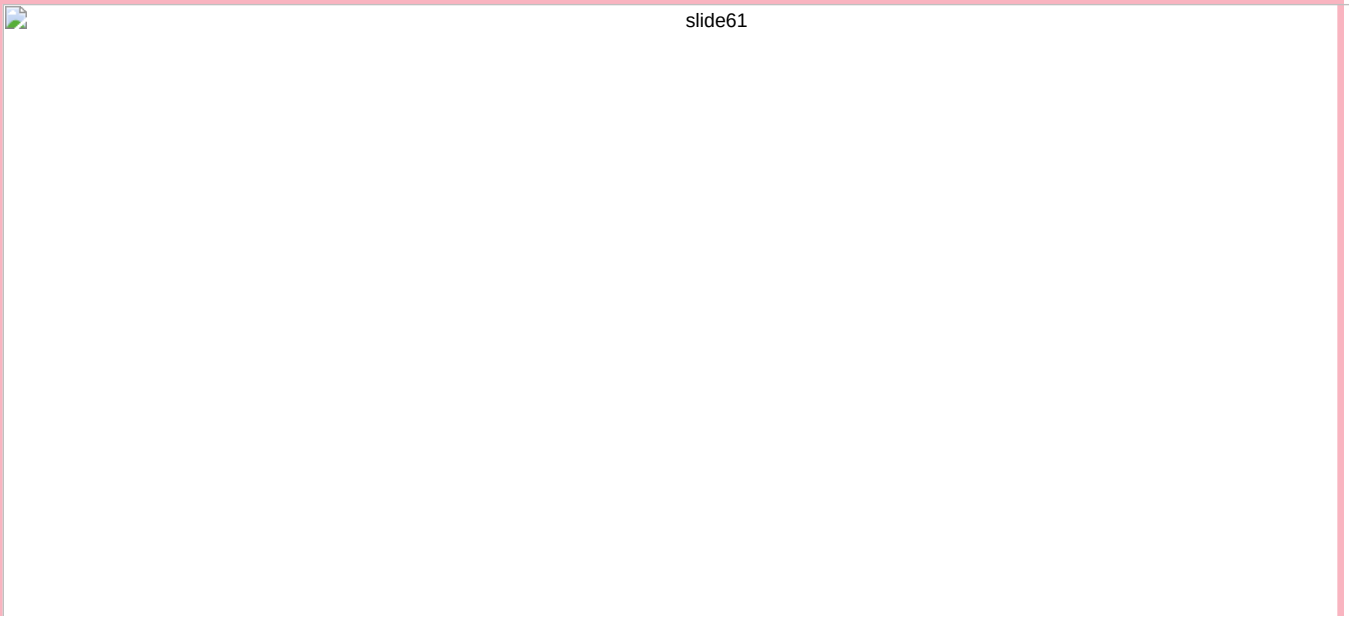
DocuSign Envelope ID: DI F7393E-D384-4DF7-M08-I B0C9421 1 CDA EXHIBIT F EXTERIOR BUILDING SIGNAGE EXHIBIT F 1049611 1/US 373693 00076/1 I 13-17/ARMI—1— Recursion Pharmaceuticals, Inc.



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DocuSign Envelope ID: DF7393F-D384-4DF7-M06-1 B9C9421 1 CDA EXHIBIT G DECLARATION The term Declarations' as used in this Lease shall mean, together, the following: (i) Notice Of Adoption Of Redevelopment plan Entitled Depot District Redevelopment Project Area Plan, dated October 15, 1998, recorded October 22, 1998 as Entry No. 7427494 in Book 8358 at Page 1335 of the Official Records, as amended and affected by an Amended Notice Of Adoption Of Redevelopment Plan Entitled 'Depot District Redevelopment Project Area Plan', dated October 15, 1998, recorded May 6, 1999 as Entry No. 7345726 in Book 8275 at Page 1302 of the Official Records, (ii) Easement Agreement (With Boundary Agreement), dated January 3, 2000, recorded January 13, 2000 as Entry No. 7553961, in Book 8336, at Page 1170 of the Official Records, as amended and/or otherwise affected by that certain Omnibus Amendment To City Project Agreements, recorded April 22, 2013 as Entry No. 11622650, in Book 10129, at Page 5755 of the Official Records, as amended and/or otherwise affected by that certain Affidavit, dated February 21, 2001 executed by BRIAN COCRNOUR, recorded February 26, 2001 as Entry No. 7828965, in Book 8427, at Page 4667 of the Official Records, (iii) Amended And Restated Participation And Reimbursement Agreement, dated as of May 30, 2006, recorded June 8, 2006 as Entry No. 9747342, in Book 9305, at Page 5127 of the Official Records, as amended and/or otherwise affected by that certain First Amendment To Amended And Restated Participation And Reimbursement Agreement, recorded April 22, 2013 as Entry No. 11622659 in Book 10129, at Page 5750 of the Official Records, (v) Rio Grande Street Grant Of Easement, dated January 31, 2000, recorded January 13, 2000 as Entry No. 7553963, in Book 8336, at Page 1217 of the Official Records, as corrected by an Affidavit recorded August 7, 2000 as Entry No. 7693049, in Book 8379 at Page 5484 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Rio Grande Street Grant Of Easement, recorded May 6, 2005 as Entry No. 9370280, in Book 9128, at Page 481 of the Official Records, and by that certain Second Amendment to Rio Grande Street Grant Of Easement, recorded December 20, 2007 as Entry No. 10205526, in Book 9556, at Page 5547 of the Official Records, and by that certain Joint Omnibus Amendment to Project Agreements, recorded April 22, 2013 as Entry No. 11622651, in Book 10129, at Page 5760 of the Official Records, (v) Plaza Pedestrian And Public Use Easement And Programming Agreement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553964, in Book 8336, at Page 1240 of the Official Records, as corrected by an Affidavit recorded August 7, 2000 as Entry No. 7693049, in Book 8379 at Page 5484 of the Official Records, and as amended, supplemented and otherwise affected by that certain First Amendment To Plaza Pedestrian And Public Use Easement And Programming Agreement, recorded May 6, 2005 as Entry No. 9370282, in Book 9128, at Page 595 of the Official Records, and by that certain Joint Omnibus Amendment To Project Agreements, recorded April 22, 2013 as Entry No. 11622651, in Book 10129, at Page 5760 of the Official Records, (vi) North Temple Frontage Road Grant Of Easement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553965, in Book 8336, at Page 1263 of the Official Records, as corrected by an Affidavit recorded August 7, 2000 as Entry No. 7693049, in Book 8379 at Page 5484 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To North Temple Frontage Road Grant Of Easement, recorded May 6, 2005 as Entry No. 9370279, in Book 9128, at Page 458 of the Official Records, and by that certain Joint Omnibus Amendment To Project Agreements, recorded April 22, 2013 as Entry No. 11622651, in Book 10129, at Page 5760 of the Official Records, (vii) Depot Pedestrian And Public Use Easement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553966, in Book 8336, at Page 1284 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Depot Pedestrian And Public Use Easement, recorded May 6, 2005 as Entry No. 9370281, in Book 9128, at Page 497 of the Official Records, (viii) Hotel Pedestrian Easement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553967, in Book 8336, at Page 1302 of the Official Records, as amended, supplemented and otherwise affected by that certain first Amendment To Hotel Pedestrian Easement Now Known As Walkway Easement, recorded May 6, 2005 as Entry No. 9370283, in Book 9128, at Page 525 of the Official Records; (ix) Parks Blocks Agreement, dated as of July 5, 2000, recorded July 7, 2000 as Entry No. 7674967, in Book 8373, at Page 5614 of the Official Records, as amended and/or otherwise affected by that certain Omnibus Amendment To City Project Agreements, recorded April 22, 2013 as Entry No. 11622650, in Book 10129, at Page 5755 of the Official Records, (x) Declaration And Establishment Of Protective Covenants, Conditions And Restrictions And Grant Of Easements, dated as of December 15, 2000, recorded December 27, 2000 as Entry No. 7787948, in Book 8410, at Page 8311 of the Official Records, as amended and/or otherwise affected by that certain first Amendment To Declaration And Establishment Of Protective Covenants, Conditions And Restrictions And Grant Of Easements, recorded March 1, 2001 as Entry No. 7833680, in Book 8430, at Page 1766 of the Official Records, and by that certain Second Amendment To Declaration And Establishment Of Protective Covenants, Conditions And Restrictions And Grant Of Easements, recorded May 6, 2005 as Entry No. 9370285, in Book 9128

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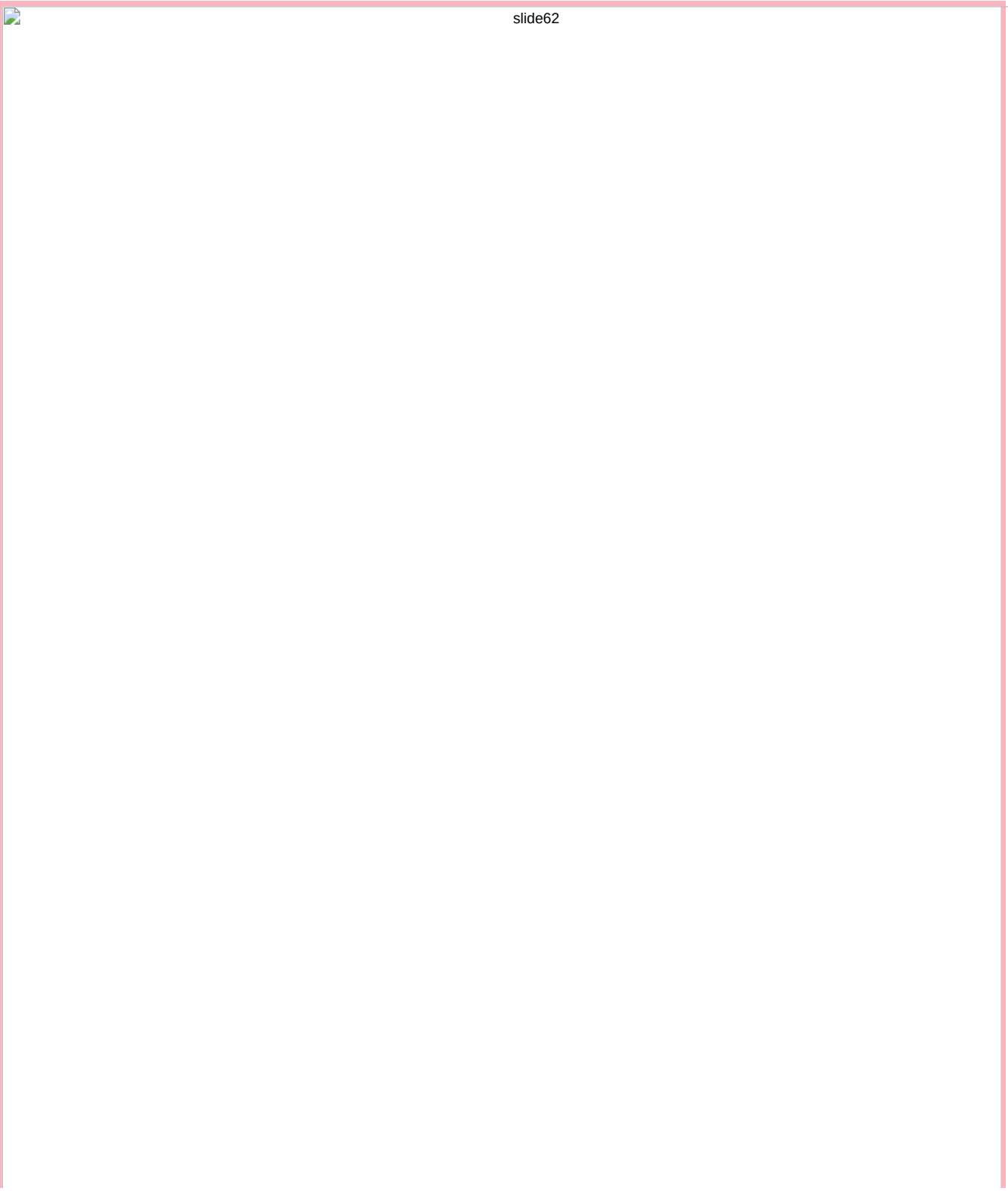
at Page 536 of the Official Records; (xi) Amended and Restated Declaration of Condominium Gateway Block C1 Condominium Project, recorded April 27, 2001 as Entry No. 7881708, in Book 8450, at Page 4761 of the Official Records, as said Amended And Restated 1049651 1 17/SF EXHIBIT C 373393 4007/97 1 13-17/mjw 1 Rectusion Pharmaceuticals, Inc.



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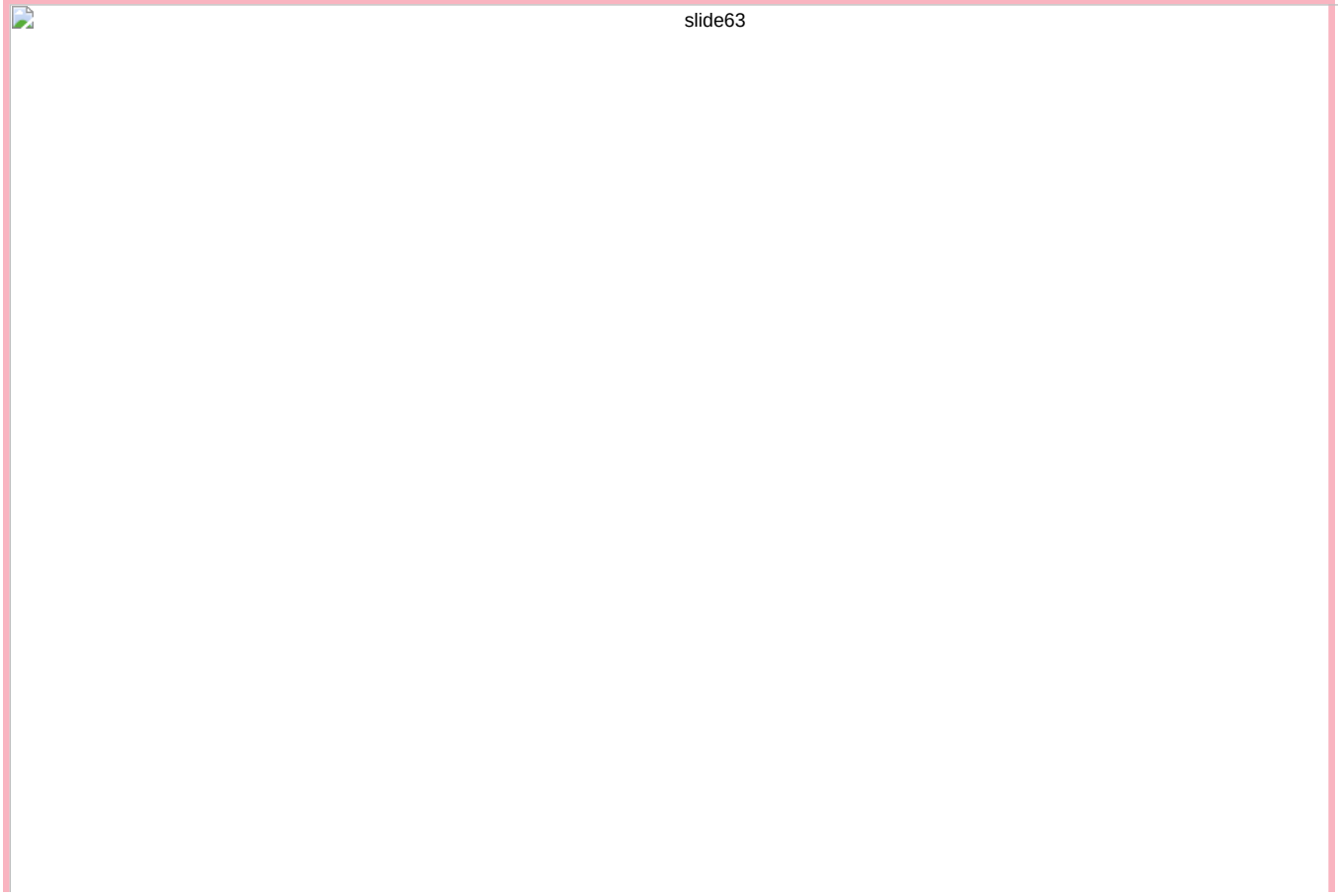
DocuSign Envelope ID: DI F7393F-D384-4DF7-M06-IB9C9421 1 CDA Declaration was amended and/or otherwise affected by that certain first Amendment to Amended and Restated Declaration of Condominium Gateway Block C2 Condominium Project, recorded February 15, 2013 as Entry No. 11184769, in Book 9995, at Page 6380 of the Official Records; (xi) Amended And Restated Declaration Of Condominium Gateway Block C2 Condominium Project, recorded April 27, 2001 as Entry No. 7851709, in Book 8450, at Page 4843 of the Official Records; (xii) Declaration Of Condominium Gateway Block A Condominium Project, recorded February 26, 2001 as Entry No. 7828969, in Book 8427, at Page 4676 of the Official Records; (xiv) Declaration Of Condominium Gateway Block B Condominium Project, recorded February 26, 2001 as Entry No. 7828971, in Book 8427, at Page 4752 of the Official Records, as amended by that certain First Amendment To Declaration Of Condominium Gateway Block B Condominium Project And Amendment Of Record Of Survey Map, recorded May 16, 2002 as Entry No. 8265745, in Book 8593, at Page 7012, of the Official Records, and by that certain Second Amendment To Declaration Of Condominium Gateway Block B Condominium Project And Amendment Of Record Of Survey Map, recorded July 20, 2004 as Entry No. 9125323, in Book 9016 at Page 2655; (xv) Declaration Of Covenants, Conditions And Restrictions Re Commercial Shared Maintenance, dated as of February 28, 2001, as evidenced by that certain Memorandum Of Declaration Of Covenants, Conditions And Restrictions Re Commercial Shared Maintenance (Gateway), recorded March 1, 2001 as Entry No. 7833694, in Book 8430, at Page 1770 of the Official Records, and by that certain First Amendment To Memorandum Of Declaration Of Covenants, Conditions And Restrictions Re Commercial Shared Maintenance, recorded May 6, 2005 as Entry No. 9370286, in Book 9128, at Page 568 of the Official Records, and by that certain Consent and Acknowledgment of Inland Western Salt Lake City Gateway, L.L.C., recorded September 25, 2013 as Entry No. 11730200, in Book 10180, at Page 1552 of the Official Records; (xvi) Declaration Of Easements, dated as of September 19, 2001, recorded April 7, 2003 as Entry No. 8600403, in Book 8772, at Page 5889 of the Official Records; (xvii) Covenant Agreement dated as of February 26, 2004, recorded April 7, 2003 as Entry No. 8600405, in Book 8772, at Page 6001 of the Official Records; (xviii) Unrecorded Parking License Agreement dated April 8, 2002, Unrecorded First Amendment to Parking License Agreement dated as of July 9, 2002, and Unrecorded Central Plant Participation Agreement dated June 1, 2002, each as disclosed by that certain Parking License, Parking Access, Central Plant Participation And Subordination Agreement, dated as of June 16, 2003, recorded June 16, 2003 as Entry No. 8691592, in Book 8818, at Page 5955 of the Official Records; (xix) Parking License Agreement, dated October 6, 2003, recorded October 10, 2003 as Entry No. 8818951, in Book 8894, at Page 9384 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Parking License Agreement (Gateway Office 3) dated May 5, 2005, recorded May 6, 2005 as Entry No. 9370289, in Book 9128, at Page 580 of the Official Records; (xx) Agreement For Construction And Subsequent Acquisition Of Retail Unit 4, Gateway Block A Condominium, F or The Purpose Of Operating A Planetarium And Presenting Large Screen Motion Picture features, dated February 13, 2002, recorded March 1, 2004 as Entry No. 8951196, in Book 8988, at Page 4901 of the Official Records; (xxi) Parking License Agreement, dated June 30, 2004, recorded July 20, 2004 as Entry No. 9125824, in Book 9016, at Page 2635 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Parking License Agreement, dated May 5, 2005, recorded May 6, 2005 as Entry No. 9370283, in Book 9128, at Page 576 of the Official Records; (xxii) Air Space Easement Agreement, dated as of May 5, 2005, recorded May 6, 2005 as Entry No. 9370290, in Book 9128, at Page 586 of the Official Records; (xxiii) Encroachment Agreement, dated as of May 5, 2005, recorded May 6, 2005 as Entry No. 9370291, in Book 9128, at Page 595 of the Official Records; (xxiv) Declaration Of Covenants, Restrictions And Easements (the Gateway Retail Parcels), recorded May 6, 2005 as Entry No. 9370292, in Book 9128, at Page 606 of the Official Records, as amended by that certain Amendment To Declaration Of Covenants, Restrictions And Easements, recorded May 31, 2005 as Entry No. 9390612, in Book 9137, at Page 7692 of the Official Records; (xxv) Declaration Of Easement (Emergency Ingress & Egress), dated as of January 6, 2006, recorded January 10, 2006 as Entry No. 9606025, in Book 9241, at Page 9418 of the Official Records; (xxvi) Parking License Agreement, dated December 15, 2006, recorded December 20, 2006 as Entry No. 9951937, in Book 9389, at Page 9815 of the Official Records; (xxvii) Easement, recorded December 4, 2007 as Entry No. 10291981, in Book 9544, at Page 1216 of the Official Records; (xxviii) Declaration Of Bridge Covenants And Easements (the Gateway Retail Parcels), dated October 31, 2007, recorded January 22, 2008 as Entry No. 10328082, in Book 9561, at Page 1128 of the Official Records; 104965i.li/5F EXHIBIT G 373398-00076/i i 13.17/arb/jii 2 Recursion Pharmaceuticals, Inc.



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DocuSign Envelope ID: DF7393E-D384-4DE7-M061-B9C94211 CDA (xxx) Easement, recorded January 22, 2008 as Entry No. 10528083, in Book 9561, at Page 11141 of the Official Records, (xxx) Parking License Agreement, dated March 20, 2006, the existence of which is disclosed of record by that certain Memorandum Of Parking License Agreement recorded October 22, 2012 as Entry No. 11496303, in Book 10068, at Page 3312 of the Official Records, (xxxi) Central Plant Participation Agreement, dated October 6, 2003, recorded October 10, 2003 as Entry No. 8218552, in Book 8904, at Page 9224 of the Official Records, (xxxii) Central Plant Participation Agreement, dated June 30, 2004, recorded July 20, 2004 as Entry No. 9125822, in Book 9016, at Page 2645 of the Official Records, and (xxxiii) all amendments, modifications, extensions and renewals and replacements thereof, all of which shall be superior to this Lease, binding upon the Project and run with the land. 1049651.11/sf EXHIBIT G 373398-00076/1 1-13-17/arb/jll 3. Recursion Phanuaceuticals, Inc.

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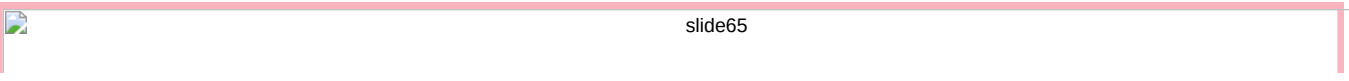
DocuSign Envelope ID: D1E7983E-D984-4DE7-M06-189C9421 1CDA EXHIBIT H FORM OF TENANT'S ESTOPPEL CERTIFICATE The undersigned as Tenant under that certain Office Lease (the 'Lease) made and entered into as of _____, 201__, by and between _____, as Landlord, and the undersigned as Tenant, for Premises on the _____ floor(s) of the office building located at _____, certifies as follows: 1. Attached hereto as Exhibit A is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in Exhibit A represent the entire agreement between the parties as to the Premises. 2. The undersigned currently occupies the Premises described in the Lease. The Lease Term commenced on _____, and the Lease Term expires on _____, and except as set forth in the Lease, the undersigned has not option to terminate or cancel the Lease or to purchase all or any part of the Premises, the Building and/or the Project. 3. Base Rent became payable on 4. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Exhibit A. 5. Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows: 6. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through _____. The current monthly installment of Base Rent is $_____. 7. All conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and, to the undersigned's actual knowledge, Landlord is not in default thereunder. In addition, the undersigned has not delivered any notice to Landlord regarding a default by Landlord thereunder. 8. No rental has been paid more than thirty (30) days in advance and no security has been deposited with Landlord except as provided in the Lease. 9. As of the date hereof, there are no existing defenses or offsets, or, to the undersigned's actual knowledge, claims or any basis for a claim, that the undersigned has against Landlord. 10. If Tenant is a corporation or partnership, each individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in Utah and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so. 11. There are no actions pending against the undersigned under the bankruptcy or similar laws of the United States or any state. 12. Other than in compliance with all applicable laws and ordinances, to the extent of the use of the Premises, the undersigned has not used or stored any hazardous substances in the Premises. 13. To the undersigned's actual knowledge, all tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any tenant improvement work have been paid in full. The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord or to a prospective mortgagee or prospective purchaser, and acknowledges that said prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in making the loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of making such loan or acquiring such property. [Remainder of Page Intentionally Blank] 1049651.11/SE EXHIBIT H 379398-00076/1 - 13-17/arMR -1- Recursion Pharmaceuticals, Inc.



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DocuSign Envelope ID: DI F7398F-D384-4DF7-AAO6-1 B9C9421 1 CDA This Estoppel Certificate has been executed by the undersigned on the day of , 201 , "Tenant: a

By: Its: By: Its: 1049651.11/SF EXHIBIT H 373398-00076/1.1-13-17/arb/jll Recursion Pharmaceuticals, Inc.

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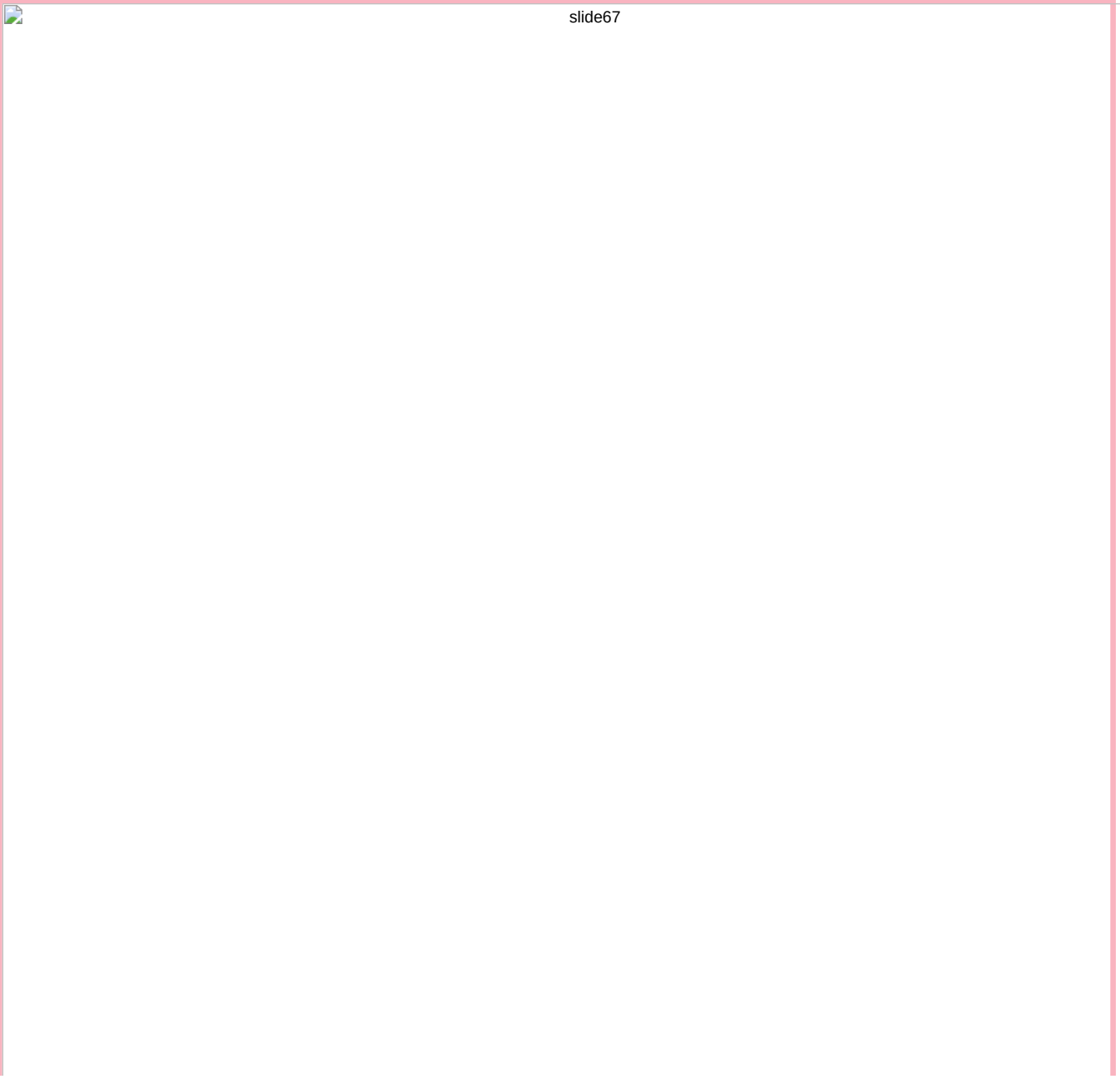
GSBS A2.07 ELY PLAN9U Recursion Pharmuceuticals, Inc.



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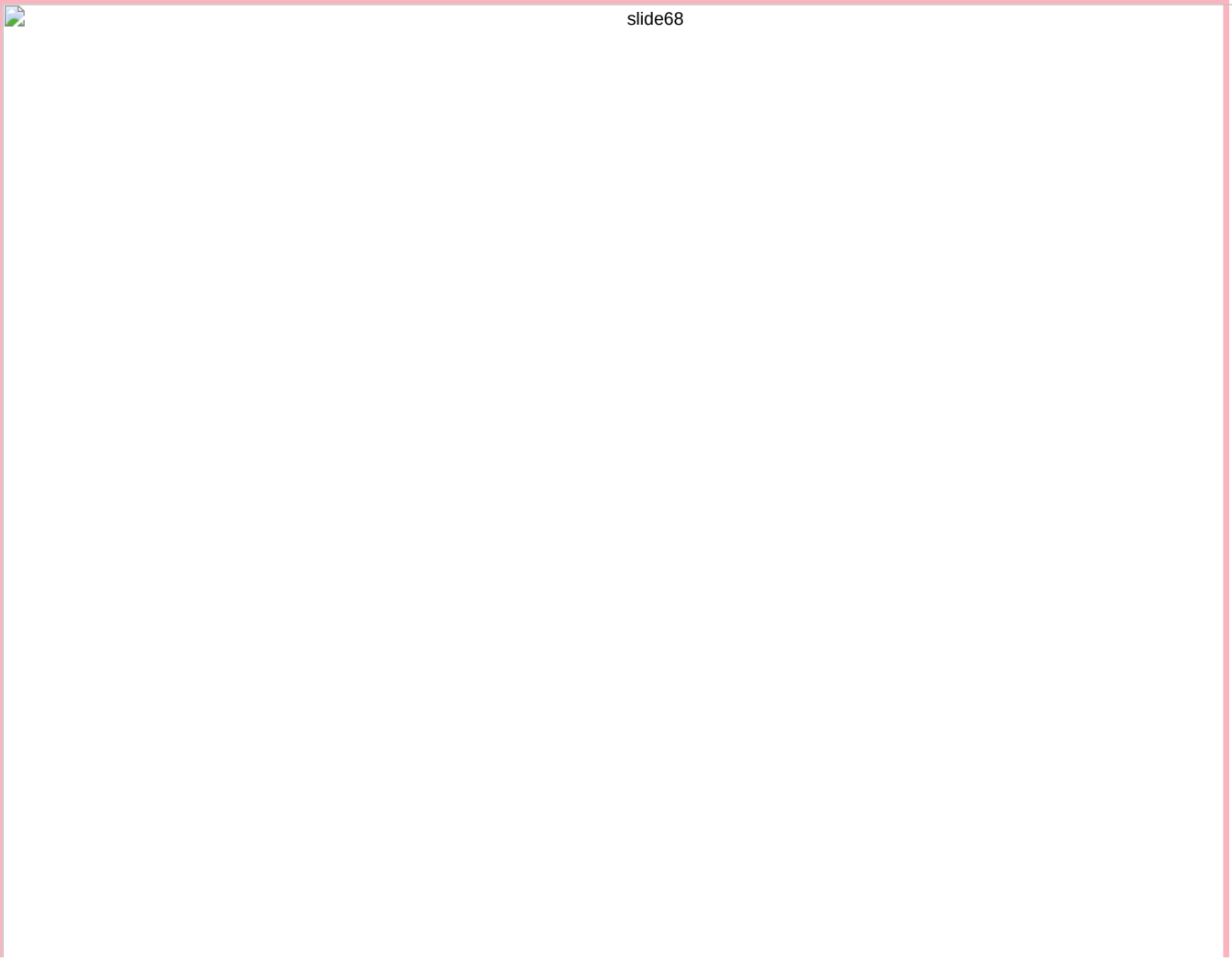
DocuSign Envelope ID: DF7399E-B384-4DE7-M08-1 B9C9421 1 CDA OFFICE LEASE VESTAR GATEWAY, LLC, a Delaware limited liability company, as Landlord, and RECURSION PHARMACEUTICALS, INC., a Delaware corporation, as Tenant. 1049651 1 1/SF 373398-00076/11 13-17/orb/ill Recursion Pharmaceuticals, Inc.



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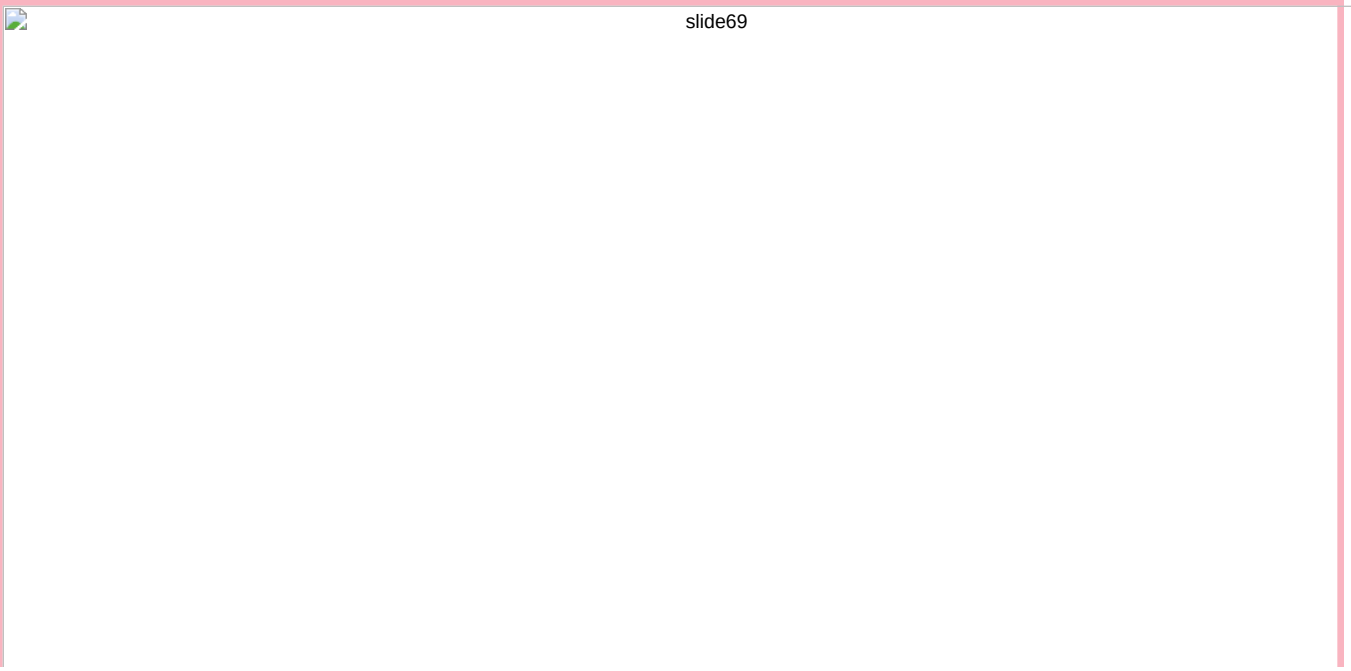
DocuSign Envelope ID: DLE7393E-D884-4DE7-AAO6-1 89C9421 1 CDA TABLE OF CONTENTS ARTICLE I PREMISES, BUILDING, PROJECT, AND COMMON AREAS 4 ARTICLE 2 LEASE TERM 5 ARTICLE 3 BASE RENT 8 ARTICLE 4 ADDITIONAL RENT 8 ARTICLE 5 USE OF PREMISES 13 ARTICLE 6 SERVICES AND UTILITIES 14 ARTICLE 7 REPAIRS 15 ARTICLE 8 ADDITIONS AND ALTERATIONS 16 ARTICLE 9 COVENANT AGAINST LIENS 17 ARTICLE 10 INSURANCE 18 ARTICLE II DAMAGE AND DESTRUCTION 20 ART1CLE 12 NONWAIVER 21 ARTICLE 13 CONDEMNATION 21 ARTICLE 14 ASSIGNMENT AND SUBLETTING 21 ARTICLE 15 SURRENDER OF PREMISES, OWNERSHIP AND REMOVAL OF TRADE FIXTURES 24 ARTICLE 16 HOLDING OVER 25 ARTICLE 17 ESTOPPEL CERTIFICATES 25 ARTICLE 18 SUBORDINATION 25 ARTICLE 19 DEFAULTS; REMEDIES 26 ARTICLE 20 COVENANT OF QUIET ENJOYMENT 28 ARTICLE 21 LETTER OF CREDIT 28 ARTICLE 22 INTENTIONALLY OMEVEED 31 ARTICLE 23 SIGNS 31 ARTICLE 24 COMPLIANCE WITH LAW 32 ARTICLE 25 LATE CHARGES 32 ARTICLE 26 RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT 32 ARTICLE 27 ENTRY BY LANDLORD 33 ARTICLE 28 TENANT PARKING 33 ARTICLE 29 MISCELLANEOUS PROVISIONS 35 EXHIBITS A OUTLINE OF PREMISES A1 DESCRIPTION OF PROJECT A2 PATIO AREA A3 DEPICTION OF EXCLUSIVE LOADING AREAS B TENANT WORK LETTER C NOTICE OF LEASE TERM DATES D RULES AND REGULATIONS E FORM OF LETTER OF CREDIT E EXTERIOR BUILDING SIGNAGE G DECLARATION H FORM OF TENANT ESTOPPEL CERTIFICATE I RESERVED PARKING SPACES 11029851 11/SF: 373389 00078/11613-1.7/ATP/11 0 Recursion Pharmaceuticals, Inc.



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DocuSign Envelope ID: DLE7698F-D8844DE7-AM064 B9C8421 LCDA INDEX Additional Rent 8 Alterations 16 Approved Construction Documents 3 Architect/Space Planner 3 Bank 28 BankPrimeLoan 32 BankruptcyCode 28 BankS Credit Rating Threshold 28 BaseBuilding 17 BaseRent 8 BaseYear 8 Base, Shell, and Core 4 Brokers 38 Builder's All Risk 17 Building 4 City 31 Code 1 Common Areas 4 Concessions 6 Construction Budget 4 Construction Documents 3 Construction Rules, Requirements, Specifications, Design Criteria and Building Standards 2 Contract 4 Contractor 4 Deductions 1 Default 26 Delivery Date 5 Direct Expenses 8 Estimate 12 Estimate Statement 12 Estimated Excess 10 Excess 11 Expense Year 8 Extinct Building Shortage 31 Fair Rental Value 6 Final Close Out Package 2 Final Construction Documents 3 Final Space Plans 3 Finish 11 Allowance Reimbursement 2 Force Majeure 36 HVAC 15 Interest Rate 32 Landlord I Landlord Coordination Fee 6 Landlord Parties 18 Landlord Repair Notice 20 Laws 32 L-C 28 L-C Amount 28 L-C Draw Event 29 L-C Expiration Date 28 L-C FDIC Replacement Notice 29 Lease 1 Lease Commencement Date 5 Lease Expiration Date 5 Lease Term 5 Lease Year 5 Lines 33 Mail Use Non-Transferee Assignee 24 Notices 36 Objectionable Name or Logo 31 Occupancy Threshold 31 Operating Expenses 8 Option Conditions 6 Option Exercise Notice 7 Option Rent 6 Option Rent Notice 7 Option Term 6 Original Improvements 19 Original Tenant 6 Outside Agreement Date 7 Overage 11 Over-Allowance Amount 41 [5496951f-f5E-3736985556726f1f3637/rtf/EN] Recession Phormoceosicols, Inc.

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DocuSign Envelope ID: DLE7393E-D384-4D57-M06-1 P9C9421 1 CDA Permits 3 Permitted Non-Transfer 24 Permitted Non-Transferee 24 Premises 4 Project 4 Provider 38 Reduction Date 30 Renovations 39 rent 27 Rent 9 Security Deposit Laws 30 Statement 11 Subject Space 22 Subleasing Costs 23 Submittal Date 2 Summary Tax Expenses 10 Tenant 1 Tenant Improvement Allowance Items 1 Tenant Improvements 1 Tenant Work Letter 4 Tenants Agents 1 Tenant's Share 11 Termination Date 7 Termination Fee 7 Termination Notice 7 Termination Option 7 Transfer 24 Transfer Notice 21 Transfer Premium 23 Transferee 21 Transfers 21 use 22 it4965i.ii/5E 373398-50076/i Hi3-i7/arb/jl (jj) Recursion Pharmaceuticals, Inc.

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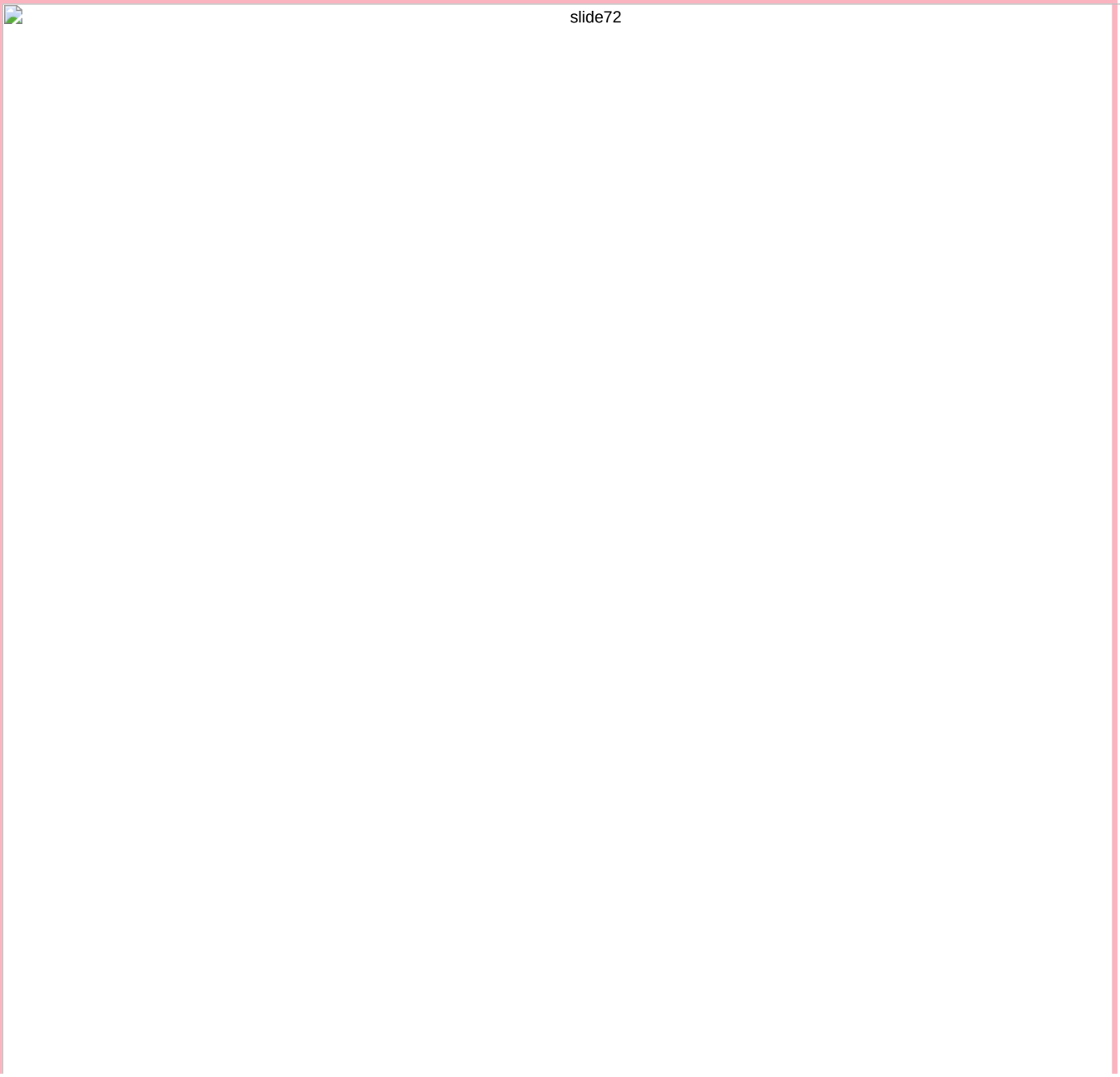
FIRST AMENDMENT TO LEASE THIS FIRST AMENDMENT TO LEASE (this Amendment) is dated as of SeptemberDEL 20 19, between VESTAR GATEWAY, LLC, a Delaware limited liability company (Landlord), and RECURSION PHARMACEUTICALS, INC., a Delaware corporation (Tenant). RECITALS A. Landlord and Tenant are parties to a lease dated as of November 13, 2017 (the Lease), pursuant to which Tenant leases from Landlord certain premises (the Premises) consisting of a two (2) story office building containing approximately 99,172 rentable square feet of space, commonly known as Station 41 at The Gateway, 41 South Rio Grande, Salt Lake City, Utah. Capitalized terms not otherwise defined in this Amendment shall have the meanings given them in the Lease. B. Pursuant to Section 2.4 of Exhibit B to the Lease, Tenant has the right to increase the Tenant Improvement Allowance by up to $10.00 per rentable Square foot of the Premises (i.e., $991,720.00), the actual amount of such increase being referred to as the Additional Allowance. The parties agreed that once the actual amount of the Additional Allowance was determined, the monthly Base Rent payable by Tenant for the Premises would be increased by the amortized value of such amount. The actual amount of the Additional Allowance has now been determined and that amount is the entire $10.00 per rentable Square foot of the Premises (i.e., $991,720.00). Accordingly, the monthly Base Rent payable by Tenant shall increase by $14,062.50 per month in order to amortize the Additional Allowance over the Lease Term. C. Landlord and Tenant now desire to amend the Lease to (i) adjust the Base Rent payable by Tenant for the Premises pursuant to the Lease, and (ii) modify the location of Tenant s reserved parking spaces, all upon and subject to the terms and conditions set forth herein NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree as follows: I. Base Rent. Effective as of the date of this Amendment, the rental chart set forth in Section 4.1 of the Summary of Basic Lease Information in the Lease is hereby deleted in its entirety and replaced with the following: Monthly Installment Monthly Installment of Base Rent Based on of Base Rent Based on Period Period Premises for First Five Years Entire Premises 06/01/18 — 05/31/19 $221,110.68 $247,565.80 06/01/19 — 05/31/20 $227,383.03 $254,631.81 06/01/20 — 05/31/21 $233,843.55 $261,909.79 06/01/21 — 05/31/22 $240,497.89 $269,406.12 06/01/22 — 05/31/23 $247,351.85 $277,127.33 06/01/23 — 05/31/24 $285,080.18 $285,080.18 06/01/24 — 05/31/25 $293,271.62 $293,271.62 06/01/25 — 05/31/26 $301,708.80 $301,708.80 06/01/26 — 05/31/27 $310,399.09 $310,399.09 1065499.03/SF 373398-0007/9/2 21:51 P/mfash — —



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06/01/27 — 05/31/28 $319,350.09 $319,350.09 *During the period from June 1, 2018 through May 31, 2023 (the “Reduced Rent Period”), Tenant shall only be required to pay Base Rent on 88,033 rentable square feet of the Premises (rather than on the entire 99,172 rentable square feet), as shown in the second column of the rental chart above. The “Reduced Rent Amount” refers to the amount of Base Rent that Tenant is not paying for the entire Premises (i.e., the remaining 11,151 rentable square feet) during the Reduced Rent Period. Landlord shall have the right to purchase the Reduced Rent from Tenant pursuant to Section 3.2 of the Lease, in which case, from and after the date such payment is received, Base Rent shall be payable by Tenant as shown in the third column of the rental chart above. Within ten (10) days after the execution of this Amendment, Tenant shall pay Landlord such additional increased Base Rent described Recital B above which is applicable for June 2018, July 2018 and August 2018 (and September2018 if applicable). 2. Reserved Parking Spaces. Exhibit I to the Lease is hereby deleted in its entirety and replaced with Exhibit A attached hereto, it being acknowledged that the Reserved Parking Area is shown highlighted in yellow on Exhibit A attached hereto. 3. No Offer. Submission of this instrument for examination and signature by Tenant does not constitute an offer to amend the Lease or a reservation of or option to amend the Lease, and this instrument is not effective as a lease amendment or otherwise until executed and delivered by both Landlord and Tenant. 4. Lease in Full Force and Effect. Except as provided above, the Lease is unmodified hereby and remains in full force and effect. 5. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original, and all of which counterparts, taken together, shall constitute but one and the same First Amendment. [Signatures appear on instrument.

16.13 No Third Party Beneficiaries. Nothing in this Agreement shall be construed as giving any person, firm, corporation or other entity, other than the following page] 1065499.03/SF 2 373398.00076/8-31.1 8/arb/arb — —

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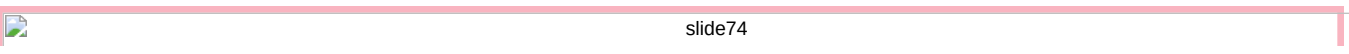
IN WITNESS WHEREOF, the parties have executed this Amendment as of the date Parties hereto year first LANDLORD: VESTAR GATEWAY, LLC, a Delaware limited liability company By: SLC Gateway Retail, LLC, a Delaware limited liability company, its Sole Member By: VGSLM, LLC, a Delaware limited liability company, its Managing Member By: Ezekiel Hoadley Managing Member above written. Name: Title: Manager TENANT: a Delaware INC., by: Name: Its: By: — Name: Its: 1065499.03/SF 373398.00076/8-31-I S/arb/arb 3



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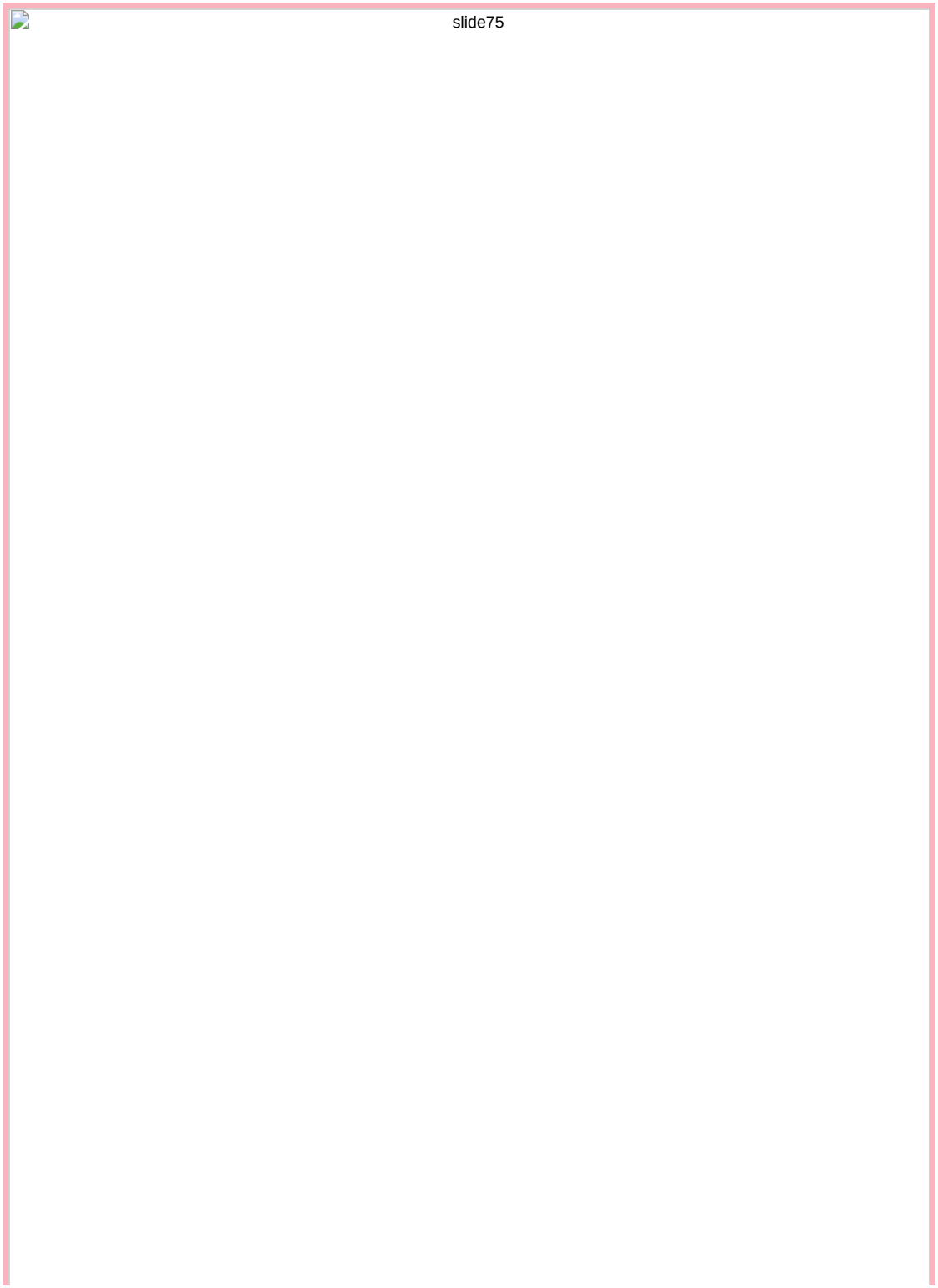

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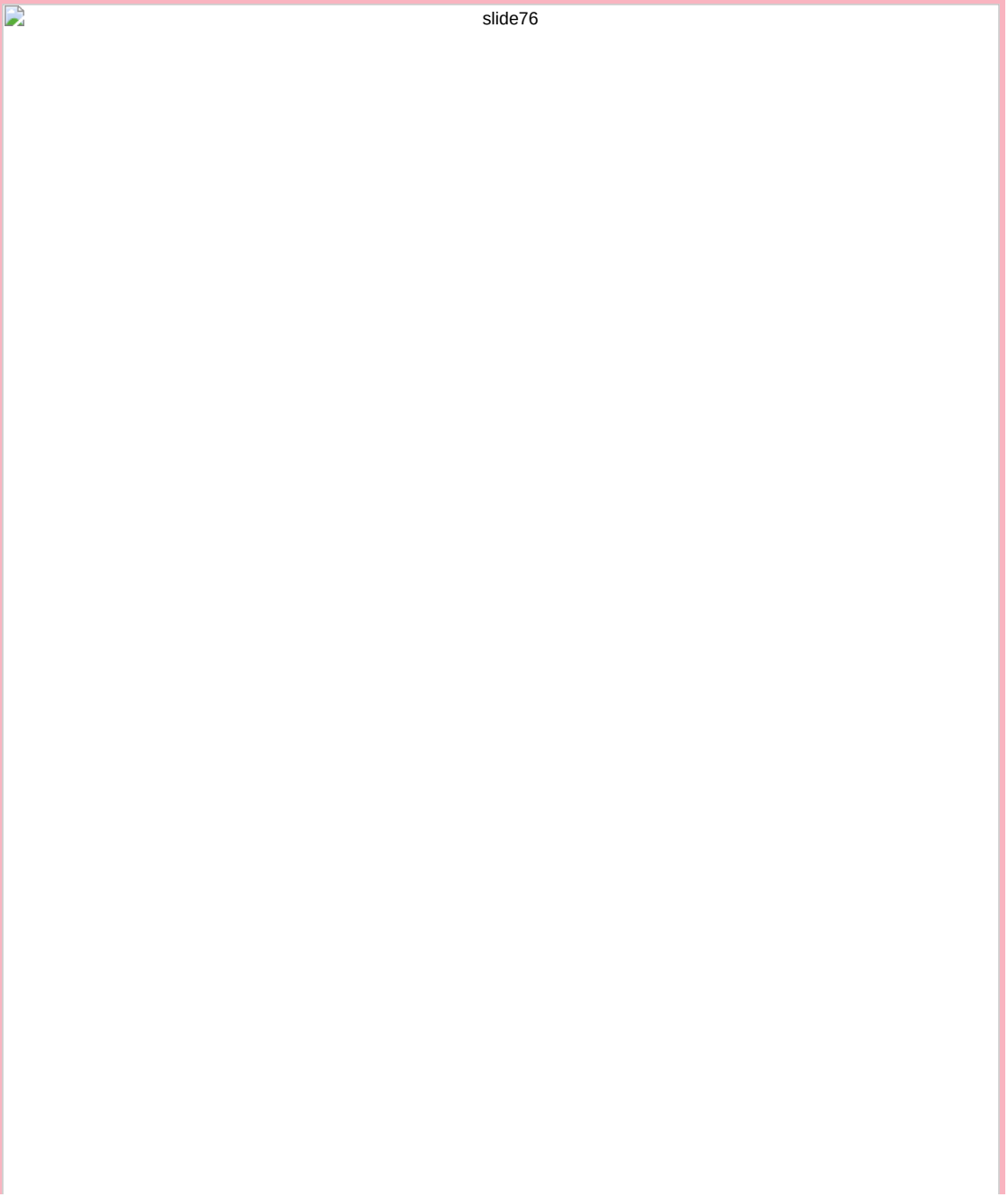

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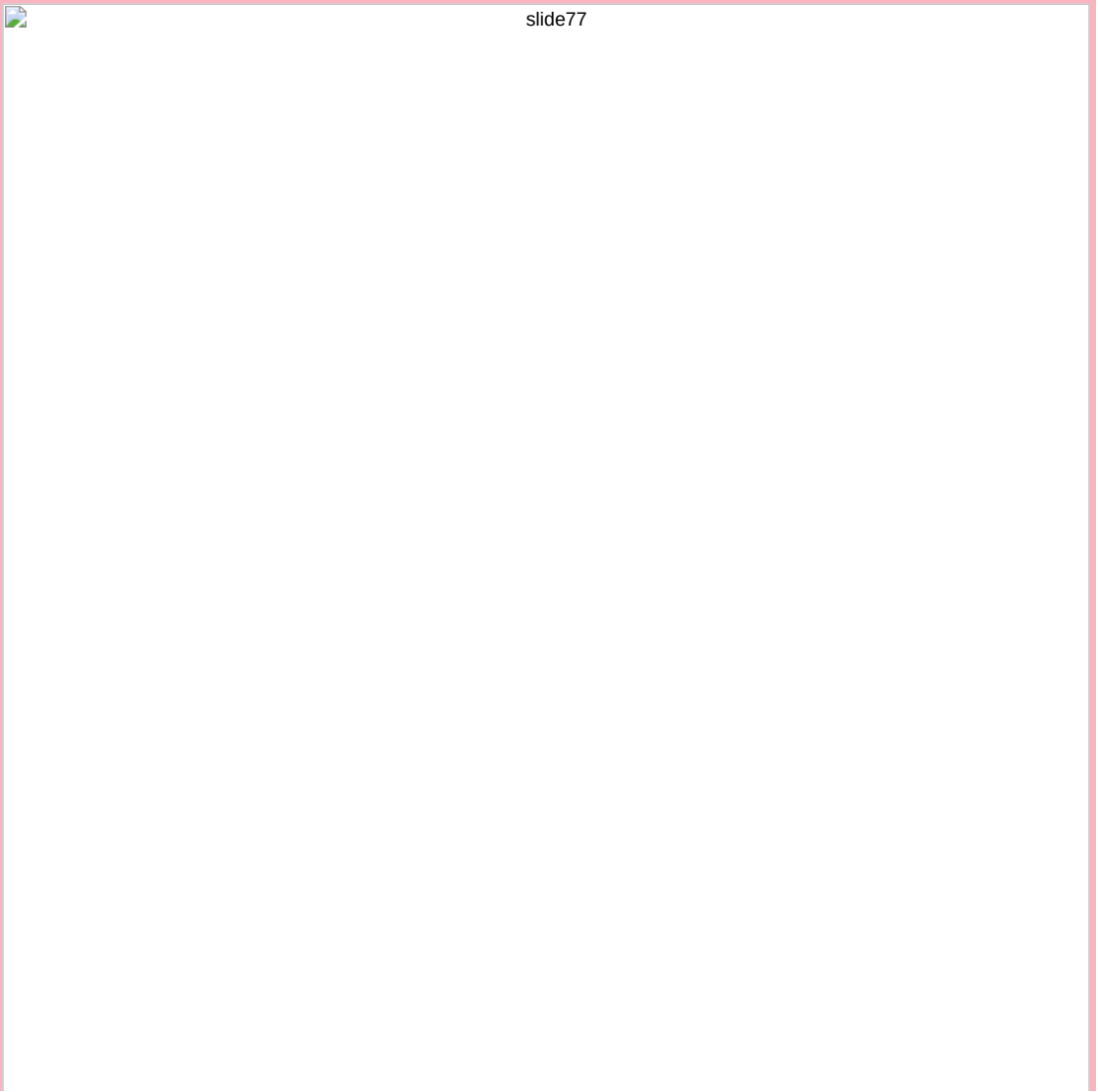

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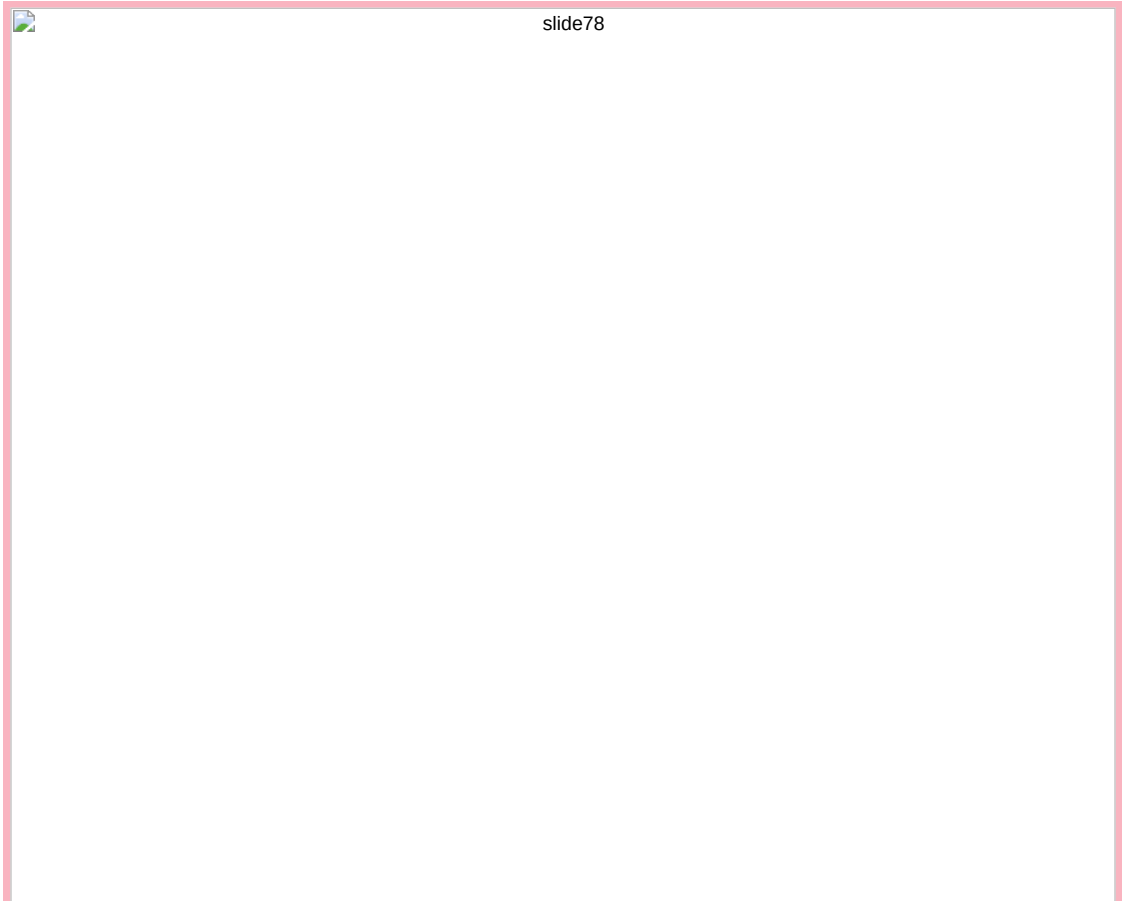

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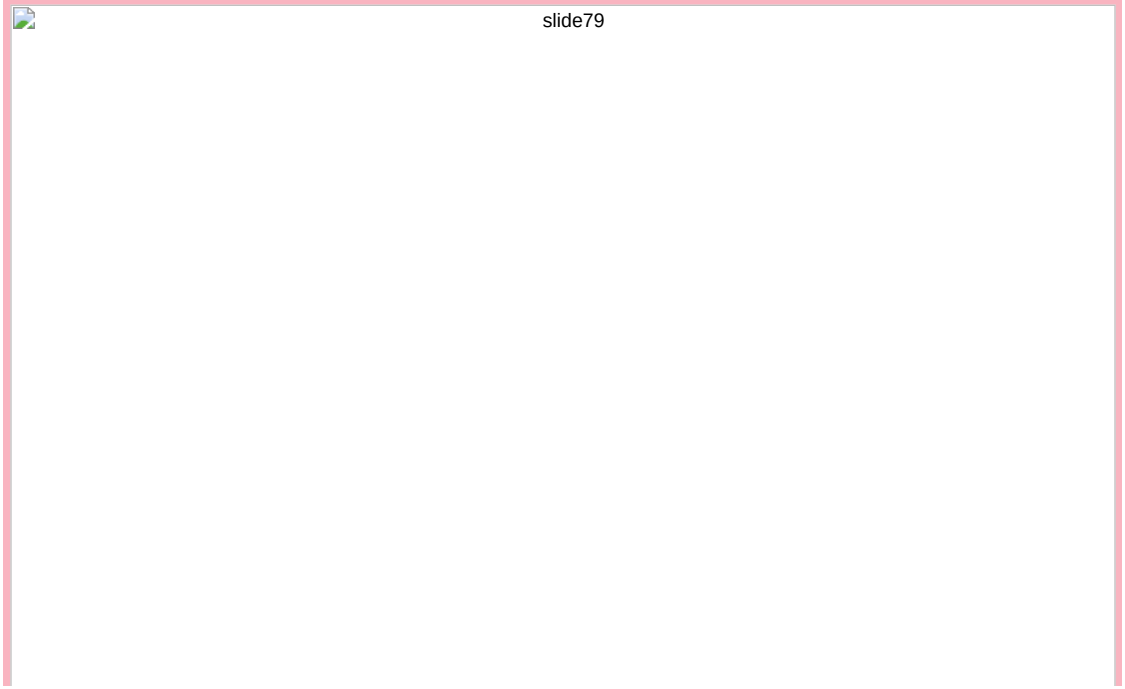

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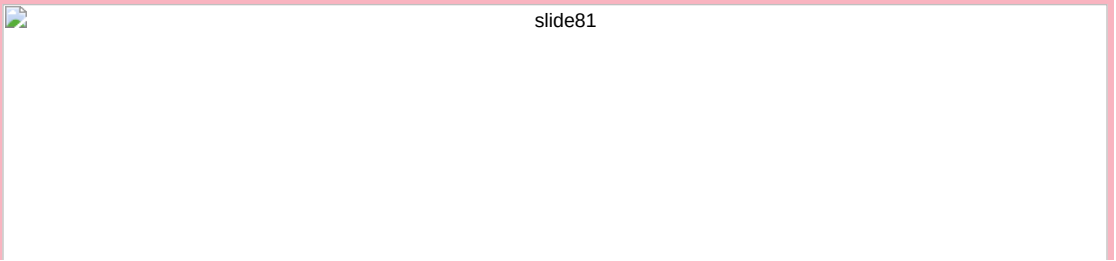

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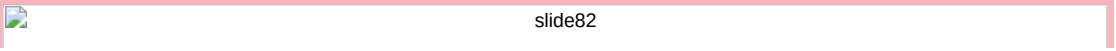

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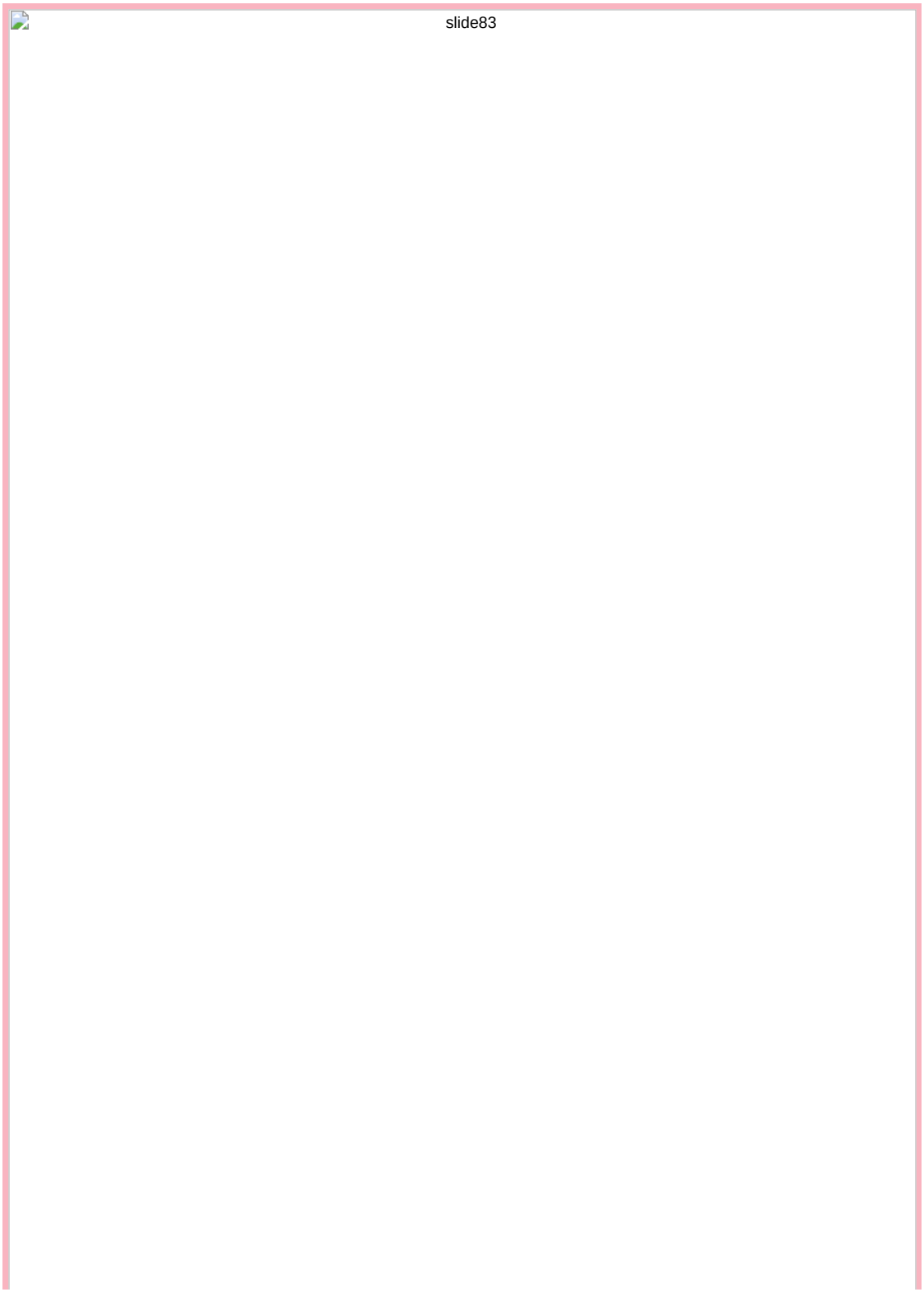

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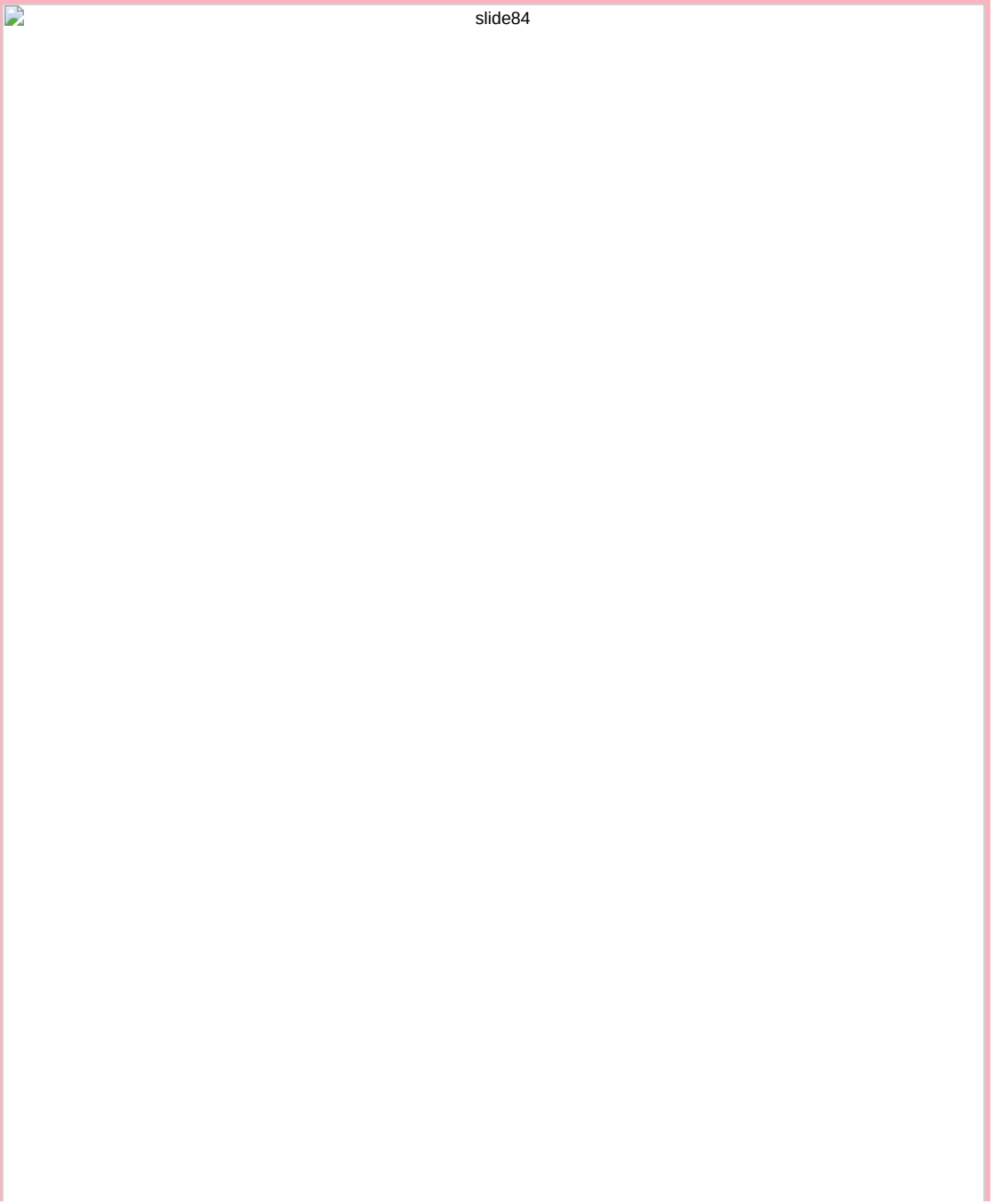

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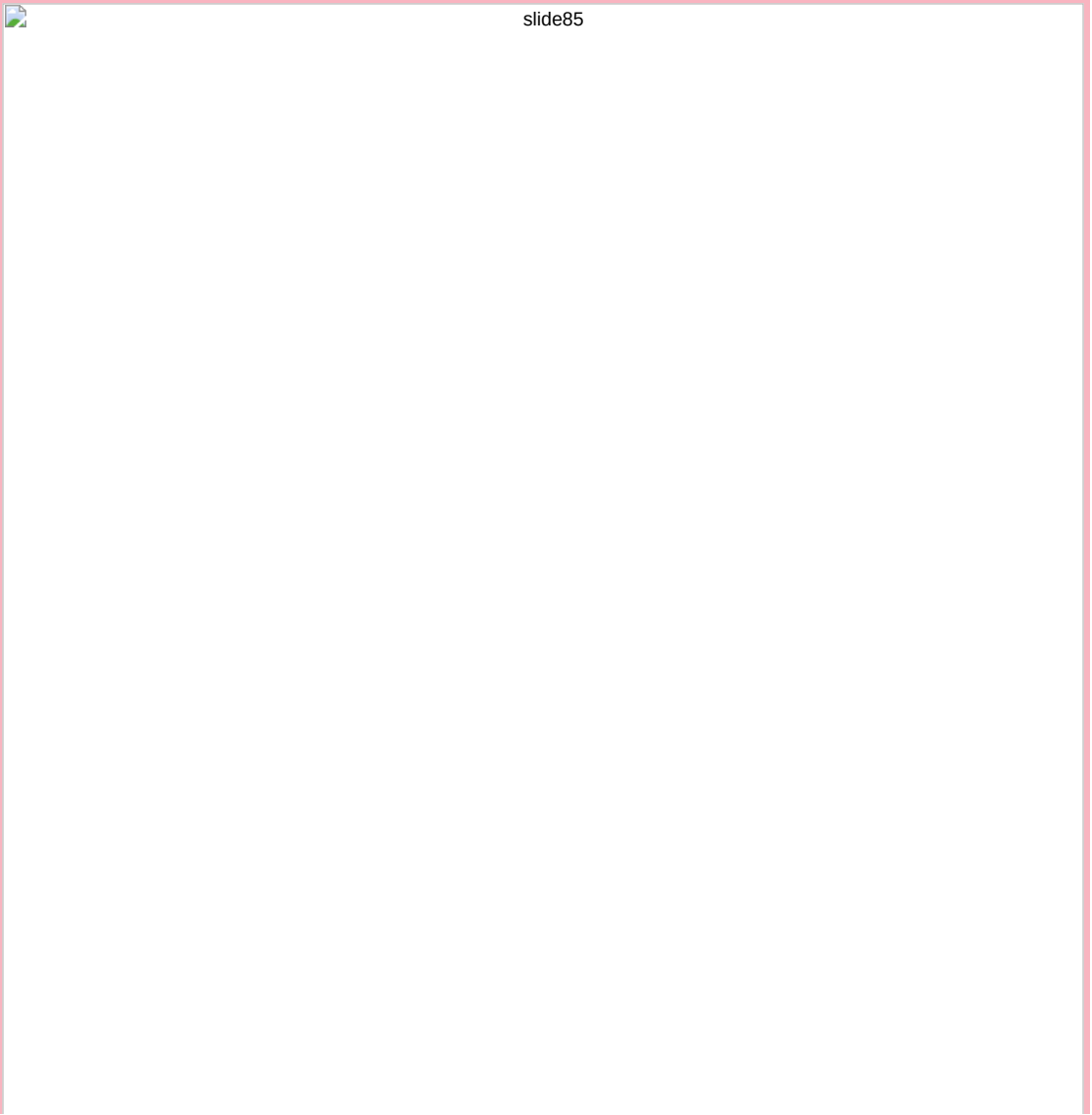

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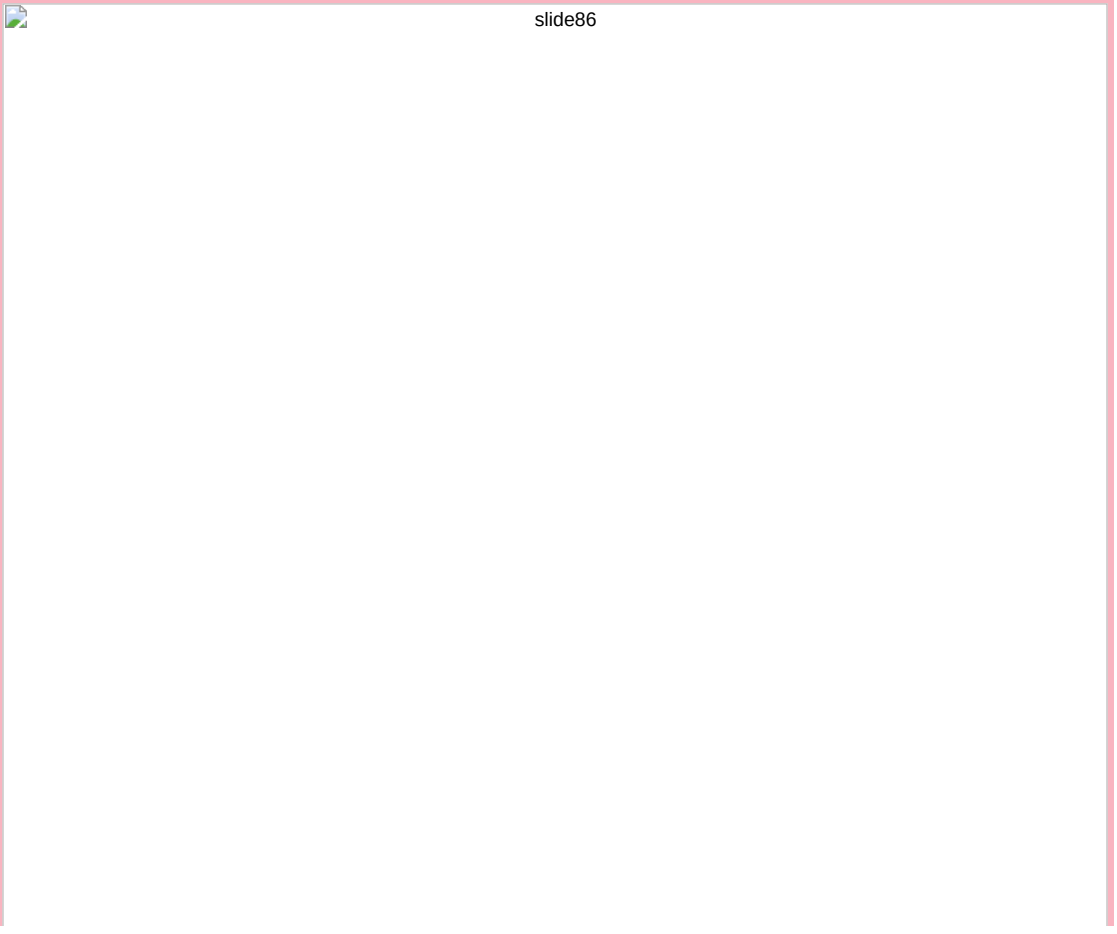

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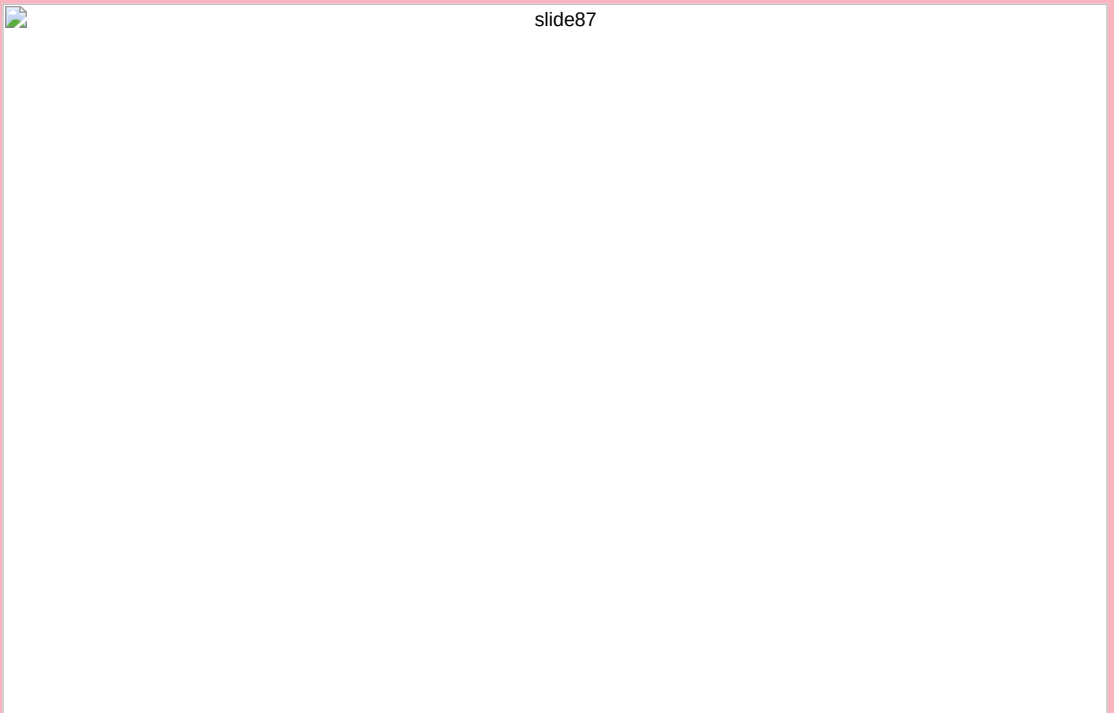

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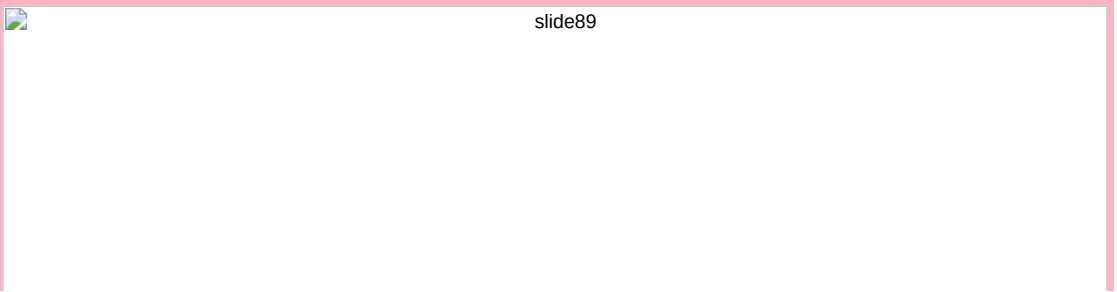

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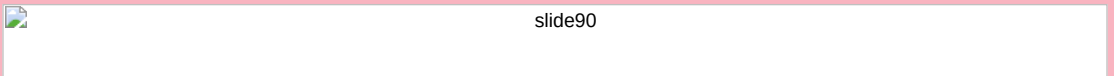

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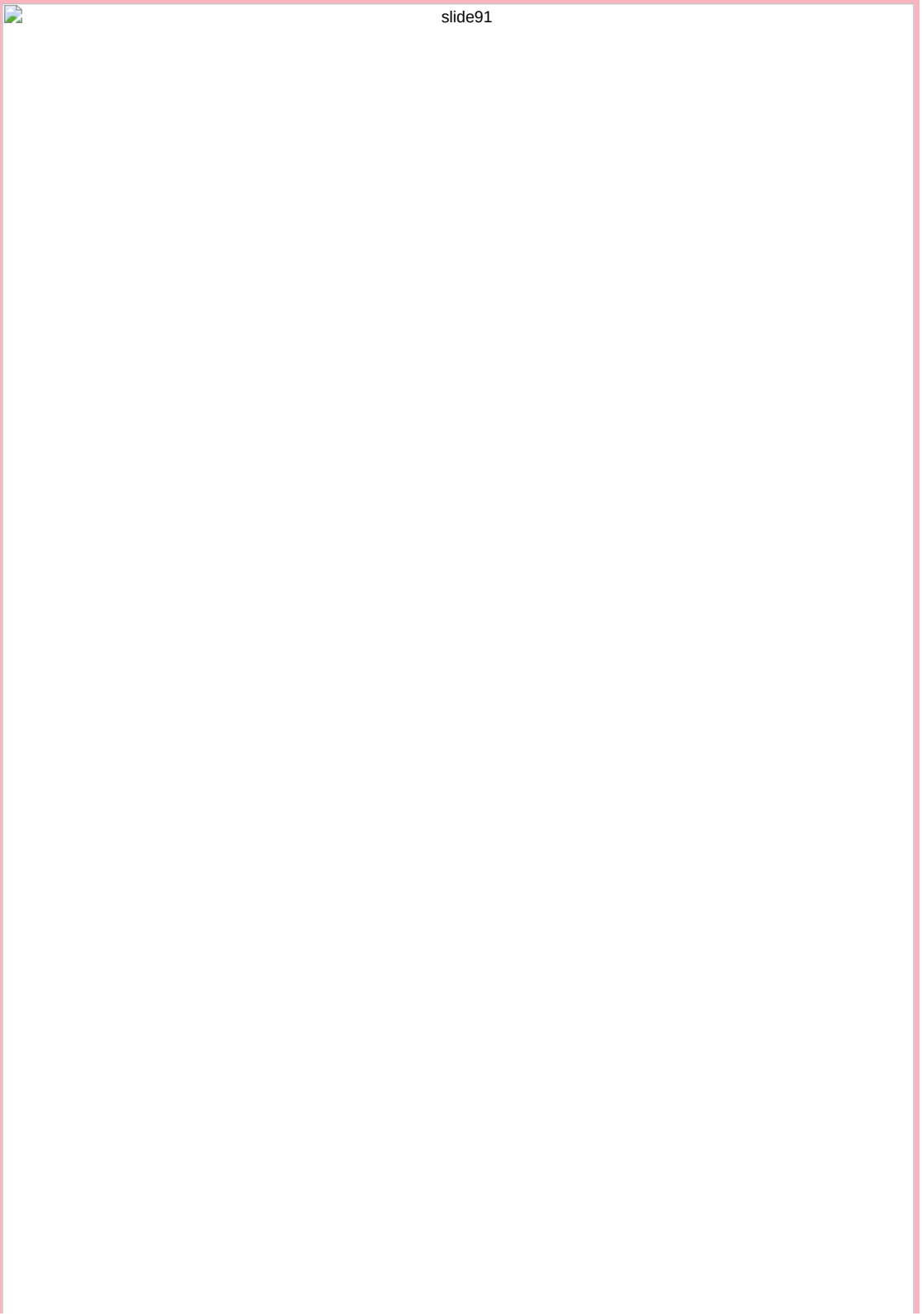

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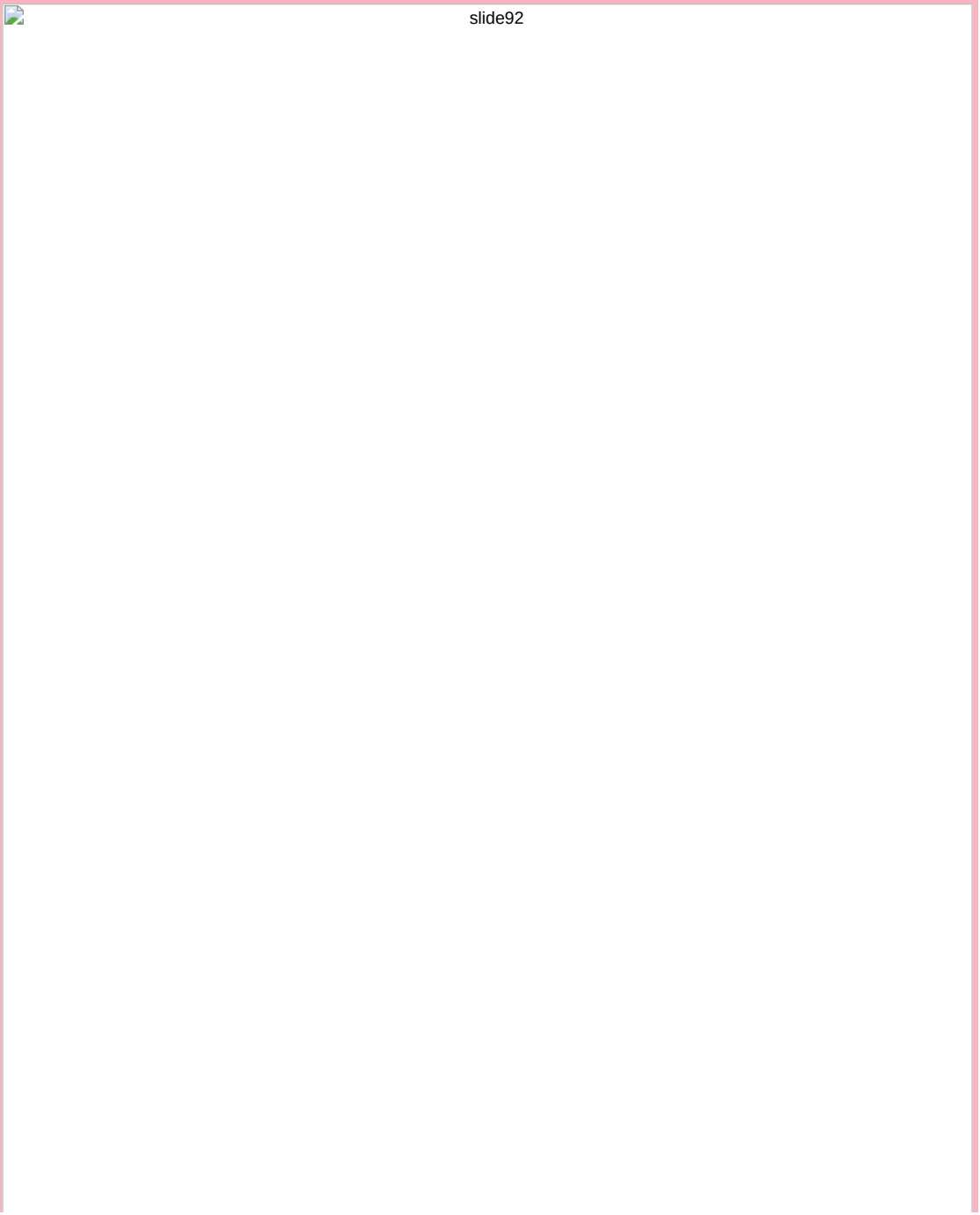

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1 56837\388601\261775737.v2 THIRD AMENDMENT TO OFFICE LEASE THIS THIRD AMENDMENT TO OFFICE LEASE (this "Amendment") is made their successors and entered into as of the 22nd day of January, 2021 (the "Amendment Effective Date") by and between VESTAR GATEWAY, LLC, a Delaware limited liability company ("Landlord") and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant"). RECITALS: A. Landlord and Tenant have previously executed and delivered that certain Office Lease dated November 13, 2017, as amended by that certain First Amendment to Lease dated September 25, 2018, and as amended by that certain Second Amendment to Lease dated November 13, 2019 (collectively, the "Lease") with permitted assigns, any right, remedy or claim under or in respect to certain Premises more particularly described therein. B. Landlord and Tenant have agreed to modify the Lease, subject to and in accordance with the further terms, covenants and provisions of this Amendment. NOW, THEREFORE, in consideration of the execution and delivery of the Lease, the foregoing Recitals, the mutual agreements, covenants and promises contained in this Amendment and other good and valuable considerations, the receipt, sufficiency and validity of which are hereby acknowledged, Landlord and Tenant agree as follows: 1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease unless the context expressly requires otherwise. 2. Expansion Premises. (a) In addition to and together with the Premises, from and after the Expansion Premises Rent Commencement Date (as defined in Paragraph 4 below), Landlord leases to Tenant and Tenant leases from Landlord that certain Expansion Premises (herein so called) located, in part, in the building comprising "Block B" (the "Expansion Premises Building") and, in part, in the Building, and consisting of approximately ninety-one thousand seven hundred forty- eight (91,748) rentable square feet (with 37,717 square feet located on the 1st floor and 51,856 square feet located on the 2nd floor of the Expansion Premises Building and 2,175 square feet located on the 1st floor of the Building adjacent to the Premises) Agreement or any provision hereof.

16.14 No Implied Licenses. The Expansion Premises is identified as the "Expansion Premises" on the Site Plan attached hereto as Exhibit "A-1". From and after the Expansion Premises Rent Commencement Date, references in the Lease to the "Premises" shall be deemed to include the "Expansion Premises" and Tenant's use, lease and occupancy of the Expansion Premises shall be subject to all of the terms, covenants and provisions of the Lease, exceptExcept as expressly set forth in herein, neither Party shall acquire, pursuant to this Amendment. (b) Landlord consents to entry Agreement, any license or other intellectual property interest, by Tenant in the Expansion Premises from and after the date Landlord tenders possession implication or otherwise, under any trademarks, Patent or other Intellectual Property Rights of the Expansion Premises to Tenant as described in Paragraph 8 other Party.

17. EXHIBITS

This Agreement includes the following Exhibits and all terms stated therein:

EXHIBIT A. Identification of Project

EXHIBIT B. Licensed Project IP Rights (including Licensed Project Patents)

EXHIBIT C. Licensed Project Know-How

EXHIBIT D. Specification of Recursion's licensed Background IP Rights and Background Know-How

EXHIBIT E Licensed Project Compounds

EXHIBIT F Development Candidate Criteria

EXHIBIT G Recursion ISMI IP Rights

EXHIBIT H Recursion ISMI Know-How

(Signatures Follow on Next Page)

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IN WITNESS WHEREOF, this Agreement has been executed below (the “Expansion Premises Delivery Date”) for by the purposes of readying the Expansion Premises for Tenant’s business operations and completing the Expansion Premises Work (as defined below). Tenant acknowledges that the (i) indemnification and waiver provisions of Article 10 respective duly authorized representatives of the Lease, (ii) the waiver of subrogation provisions of Section 10.5 of the Lease, and the insurance provisions of Article 10 of the Lease, apply to Tenant’s early entry in the Expansion Premises. 3. Use. The Expansion Premises shall be used solely for the purposes expressly set forth in Article 5 of the Lease and for no other purpose. 4. Lease Term. The new Lease Term for the Expansion Premises shall be ten (10) years commencing on the Expansion Premises Rent Commencement Date (defined below) (the “Expansion Premises Lease Term”); provided, however, the terms and provisions of this Amendment are effective Parties hereto as of the Amendment Effective Date. The Lease Term for all portions of the Premises and the Additional Premises (except the Expansion Premises) shall not be modified by the terms Date of this Amendment. References in the Lease to the “Lease Term” shall be deemed to include the Expansion Premises Lease Term to the extent consistent with the terms of this Amendment. Tenant will have the right to extend the Expansion Premises Lease Term for one (1) five (5) year period, provided Tenant gives Landlord written notice of its intent to do so at least twelve (12) months prior to the expiration of the Expansion Premises Lease Term. The Base Rent for the Option Period with respect to the Expansion Premises shall be ninety- five percent (95%) of the then Fair Rental Value (as defined in Article 2 of the Lease) of the Expansion Premises.

Agreement.

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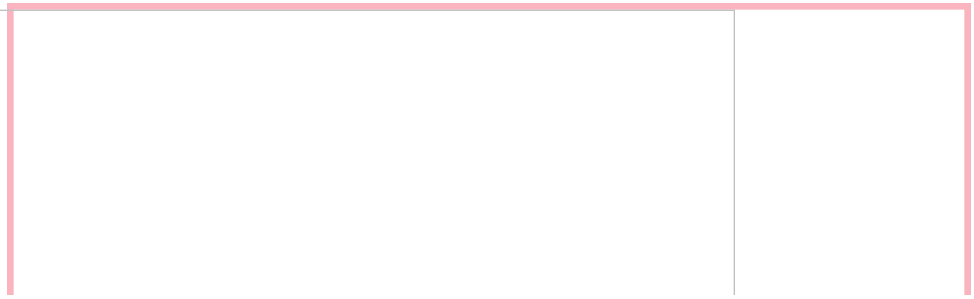
2.56837388601126177637/Y2.5. Base Rent. From and after the date Tenant commences business operation in the Expansion Premises, but no later than March 31, 2022 (the "Expansion Premises Rent Commencement Date"), Base Rent shall be payable with respect to the Expansion Premises in accordance with the schedule of Base Rent set forth below. Notwithstanding the foregoing, if Tenant's completion of the Expansion Premises Work extends beyond March 31, 2022, then Tenant will not be required to pay any Rent for the Expansion Premises until the Expansion Premises Work is substantially complete; however, the initial Expansion Premises Lease Term shall be extended (but not reduced) for each additional day beyond March 31, 2022 needed to complete such work (however, the Expansion Premises Rent Commencement Date shall not be extended by more than thirty (30) days), in which case, the last year of the initial Expansion Premises Lease Term may contain more than three hundred sixty-five (365) days. The Rent for the first year of the Expansion Premises Lease Term shall be on a modified gross equivalent basis, inclusive of all Operating Expenses. Following the first year of the Expansion Premises Lease Term with respect to the Expansion Premises, Tenant shall be responsible for its Pro Rata Share (i.e., 23.69%) of the increases in Operating Expenses and Tax Expenses over a calendar year 2022 (the "Expansion Premises Base Year") in accordance with Article 4 of the Lease, the terms of which, modified as necessary to conform to the defined terms and purposes of this Amendment, are incorporated herein by this reference. Tenant shall be responsible for the direct costs of electricity, water, and HVAC maintenance, consistent with Tenant's obligation with respect to the Premises as set forth in the Section 4.7 of the Lease (excluding the Additional Premises). Year of Lease Term Monthly Rental Annual Rental Annual Rental Rate Per Square Foot 1 $246,572.75 $2,958,873.00 $32.2500 2 $253,969.93 $3,047,639.13 $33.2175 3 $261,589.03 $3,139,068.37 $34.2140 4 $269,436.70 $3,233,240.42 $35.2404 5 $277,519.80 $3,330,237.63 $36.2977 6 $285,845.40 $3,430,144.76 $37.3866 7 $294,420.76 $3,533,049.10 $38.5082 8 $303,253.38 $3,639,040.57 $39.6634 9 $312,350.98 $3,748,211.79 $40.8533 10 $321,721.51 $3,860,658.14 $42.0789 * Tenant shall be allowed to occupy the Expansion Premises Rent-free until the Expansion Premises Rent Commencement Date. In addition, all Rent shall abate for the first six (6) months following the Expansion Premises Commencement Date (the "Rent Abatement Period"). The Rent Abatement Amount refers to the amount of Rent that Tenant is not required to pay for the Expansion Premises during the Rent Abatement Period. The Rent Abatement Amount is subject to the following: The parties agree to work cooperatively and in good faith to apply for and obtain a loan to Landlord and/or a tax increment incentive from the Redevelopment Agency of Salt Lake City in an amount equal to or greater than the Rent Abatement Amount (the "City Incentive") upon terms that are otherwise reasonably acceptable to Landlord (and Tenant to the extent Tenant is a party to or has obligations under any agreement for the City Incentive). If the total amount of the City Incentive is less than the Rent Abatement Amount, the Rent Abatement Amount shall be reduced to match the total amount of the City Incentive. For the avoidance of doubt, the Rent Abatement Amount shall not be increased even if the City Incentive is increased. 6. Termination of Lease for the Expansion Premises. So long as Tenant is not in material default under the Lease beyond any applicable notice and cure periods, Tenant may terminate the Lease, but only with respect to the Expansion Premises, by delivering written notice to Landlord of its intent to do so prior to May 15, 2021, which termination shall be effective as of May 31, 2021, but only if Tenant reasonably determines (and provides written documentation demonstrating) that the cost of the Expansion Premises Work exceeds the estimated construction budget of Eighteen Million and No/100 Dollars ($18,000,000.00) by more than fifteen percent (15%). 7. Security Access. During the Expansion Premises Lease Term, Landlord shall continue to operate the Building and the Project in a first-class manner that is consistent with similar buildings in the Salt Lake City downtown area and, at a minimum, consistent with past practices, and shall maintain the level of investment in and expenditures for security services for the Project that were made in calendar year 2020 (the "Minimum Security Investment"). If at any time during the Expansion Premises Lease Term Landlord fails to maintain the Minimum Security Investment, which failure continues for thirty (30) days after written notice thereof by Tenant to Landlord, Tenant may, at its option, separately contract for and/or otherwise engage additional security personnel as Tenant deems necessary to ensure a safe working environment for Tenant's employees, invitees, and guests, at Landlord's sole cost. In the event Tenant incurs such expenses at any time during the Expansion Premises Lease Term, Tenant shall submit an invoice to Landlord for reimbursement of the amount of such expenses, together with reasonable documentation of such expenses, and Landlord shall pay Tenant the amount set forth in each such invoice.



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3.56983\8896\1\2617757\37.v2 within thirty (30) days of receipt thereof. Tenant shall have the same access to the Expansion Premises as provided for the Premises in the Lease. 8. Delivery of Expansion Premises. Landlord shall tender possession of the Expansion Premises to Tenant promptly following the waiver by Tenant of the contingency set forth above in Paragraph 6 (the "Waiver Date"); provided, however such tender of possession of the Expansion Premises shall not include Suites 32, 81, 82, 83 and 84 (the "Exception Suites") within the Expansion Premises. Building Landlord shall tender possession of the Exception Suites to Tenant in the condition as more fully described in Exhibit "D" hereto on or before the date that is one hundred twenty-five (125) days after the Waiver Date. No representations, inducements, understanding or anything of any nature whatsoever, made, stated or represented by Landlord or anyone acting for or on Landlord's behalf, either orally or in writing, have induced Tenant to enter into this Amendment, and Tenant acknowledges, covenants and warrants that Tenant has entered into this Amendment under and by virtue of Tenant's own independent investigation. Except for Landlord's representation and warranties in this Amendment or the Lease, Tenant hereby shall accept the Expansion Premises (except the Exception Suites) in its current "as is" and "where is" condition without warranty of any kind, express or implied, including, without limitation, any warranty as to title, physical condition or the presence or absence of

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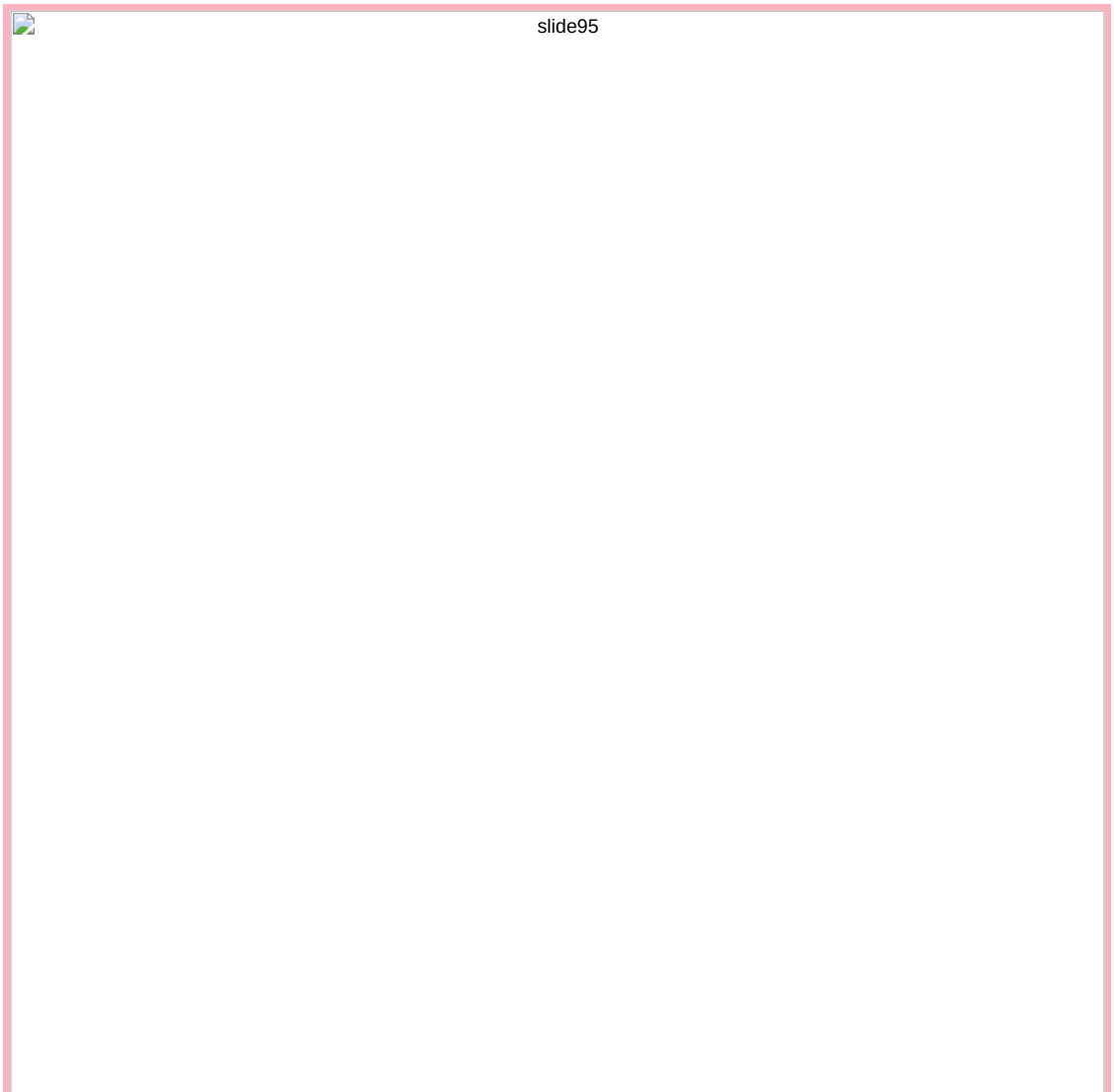
Hazardous Materials, and if the Expansion Premises (except the Exception Suites) are not in all respects entirely suitable for the use or uses to which the Expansion Premises or any part thereof will be put, then it is the sole responsibility and obligation of Tenant to take such action as may be necessary to place the Expansion Premises (except the Exception Suites) in a condition entirely suitable for such use or uses. IN CONNECTION WITH THE ABOVE, TENANT HEREBY ACKNOWLEDGES AND REPRESENTS TO LANDLORD THAT TENANT HAS HAD AMPLE OPPORTUNITY TO INSPECT AND EVALUATE THE EXPANSION PREMISES AND THE FEASIBILITY OF THE USES AND ACTIVITIES TENANT IS ENTITLED TO CONDUCT THEREON, THAT TENANT IS EXPERIENCED, THAT TENANT WILL RELY ENTIRELY ON TENANT'S EXPERIENCE, EXPERTISE AND ITS OWN INSPECTION OF THE EXPANSION PREMISES IN ITS CURRENT STATE IN PROCEEDING WITH THIS AMENDMENT (SUBJECT TO LANDLORD'S REPRESENTATIONS AND WARRANTIES IN THIS AMENDMENT AND THE LEASE AND LANDLORD'S WORK TO BE PERFORMED WITH RESPECT TO THE EXCEPTION SUITES), TENANT ACCEPTS THE EXPANSION PREMISES IN ITS PRESENT CONDITION (SUBJECT TO LANDLORD'S REPRESENTATIONS AND WARRANTIES IN THIS AMENDMENT AND THE LEASE AND LANDLORD'S WORK TO BE PERFORMED WITH RESPECT TO THE EXCEPTION SUITES), AND THAT TO THE EXTENT THAT TENANT'S OWN EXPERIENCE WITH RESPECT TO ANY OF THE FOREGOING IS INSUFFICIENT TO ENABLE TENANT TO REACH AND FORM A CONCLUSION, TENANT HAS ENGAGED THE SERVICES OF PERSONS QUALIFIED TO ADVISE TENANT WITH RESPECT TO SUCH MATTERS. TENANT IS NOT RELYING ON ANY EXPRESS OR IMPLIED, ORAL OR WRITTEN REPRESENTATIONS, OR WARRANTIES MADE BY LANDLORD OR ITS REPRESENTATIVES, OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AMENDMENT OR THE LEASE. In the event, except as set forth in this Amendment, Tenant shall be responsible, at its sole cost and expense, for the Expansion Premises Work in accordance with the provisions of the Lease and this Amendment. 9. Allowance. Tenant shall be entitled to a one-time "Expansion Premises Allowance" in an amount not to exceed One Hundred Ten and No/100 Dollars ($110.00) per rentable square foot of the Expansion Premises for reimbursement of the cost to install certain Tenant Improvements and otherwise ready the Expansion Premises for occupancy (which work is referred to herein as the "Expansion Premises Work"). The terms and conditions relating to the Expansion Premises Work and the payment of the Expansion Premises Allowance are set forth in the Tenant Work Letter (Expansion Premises) attached as Exhibit "B-1" to this Amendment. 10. Signage. Subject to all applicable laws and the sign criteria for the Project, Landlord shall allow Tenant the exclusive right to place exterior building signage on the Expansion Premises Building in a mutually acceptable location, subject to Landlord's prior review and approval, which shall not be unreasonably withheld, conditioned or delayed. Tenant shall be responsible for the cost of installation, maintenance, and removal of the exterior signage. Tenant may also install additional signage with respect to the Expansion Premises in accordance with the provisions of Article 23 of the Lease. 11. Letter of Credit. Tenant shall deliver to Landlord within ninety (90) days of the mutual execution of this Amendment an additional LOC (the "Additional LOC") in the amount of Six Million Four Hundred Thousand and No/100 Dollars ($6,400,000.00) which represents sixty-five percent (65%) of the Expansion Premises Allowance. So long as a Default by Tenant has not occurred and remains uncured beyond any required notice and applicable cure period on the expiration of the 30th full calendar month of the Expansion Premises Lease Term, the amount of the Additional LOC shall reduce by One Million and No/100 Dollars ($1,000,000.00) and thereafter annually by such amount on each anniversary of the 30th full calendar month of the Expansion Premises Lease Term for the remainder of such term; provided,



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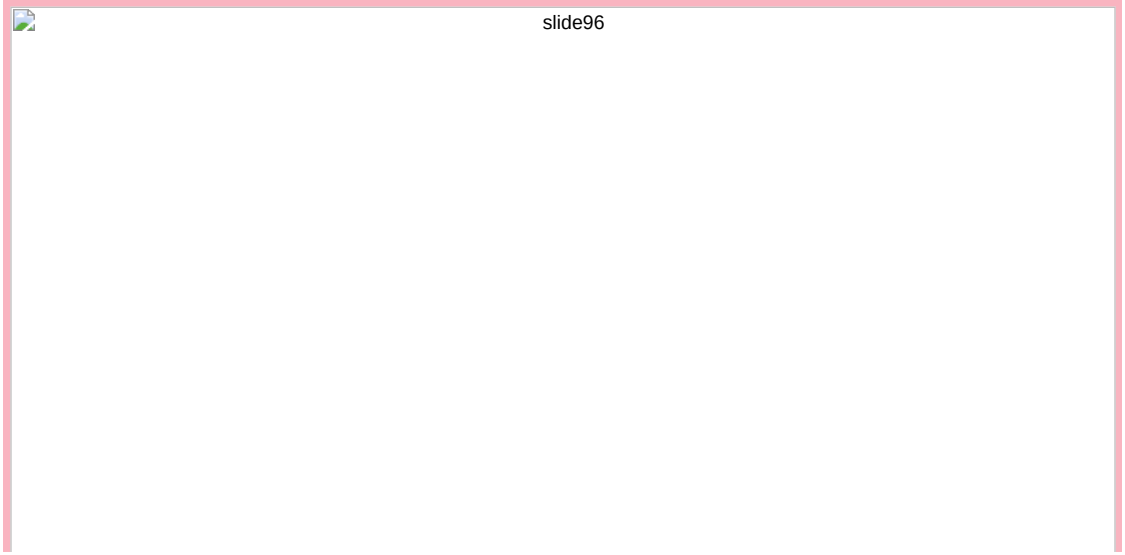
4156887/388601/26177757/7 v2 however, in no event shall the Additional LC amount reduced below One Million and No/100 Dollars ($1,000,000.00). The Additional LC shall be in the form set forth in Exhibit "F" to the Lease. 12. Parking. In addition to Tenant's existing parking rights set forth in the Lease, Tenant shall have the additional right, but not the obligation, to utilize up to three (3) parking passes for every one-thousand (1,000) rentable square feet comprising the Expansion Premises (or less with monthly basis throughout the Expansion Premises Lease Term (unless in the fourth and fifth year Landlord elects up to twenty (20) of such parking passes shall be designated parking spaces located in the Reserved Parking Area and the remaining passes shall be unreserved and on a first come, first served basis. The cost for such parking passes described herein for the Expansion Premises Lease Term shall be Eighty-Five and No/100 Dollars ($85.00) per pass per month; provided, however, that the parking fees for up to one hundred twenty (120) parking passes shall be abated in full during the Expansion Premises Lease Term. All other terms and provisions with respect to parking passes shall be as set forth in Article 28 of the Lease. 13. Power Supply. Tenant may, at its sole cost and expense, at any time during the Expansion Premises Lease Term install an uninterruptible power supply and/or Back-Up Generators for the Expansion Premises sufficient for Tenant's needs at a technically feasible location that is mutually acceptable to Tenant and Landlord. 14. Landlord's Representations. Landlord's representations set forth in Section 29.36 of the Lease with regard to the Premises are incorporated herein by this reference with respect to the Expansion Premises (and modified as necessary to conform to the defined terms and purposes of this Amendment); provided, however, for the purposes of Section 29.36(b) of the Lease and this Paragraph 14, the term "Master Declaration" shall refer to the instruments identified on Exhibit "G" attached to this Amendment, which have not been amended or modified as of the Amendment Effective Date except to the extent expressly set forth on attached Exhibit "G". 15. Estoppel. Tenant and Landlord each hereby affirms (by execution of this Amendment that to the best of such party's knowledge the Lease is in full force and effect and such party does not have any presently existing claims against the other party or any offsets against any amounts due under the Lease. To the best of such party's knowledge, there are no defaults of the other party under the Lease and there are no existing circumstances which with the passage of time, notice or both would give rise to a default under the Lease. 16. Broker. Landlord shall be solely responsible for and shall pay any and all commissions due to Mountain West Retail with respect to this Amendment pursuant to a separate agreement. In no event shall any commission be paid prior to Tenant waiving its termination right set forth in Paragraph 6 above and any other contingency set forth herein. Each party hereto shall indemnify the other party against claims by any other broker or finders claiming through the indemnifying party. 17. Full Force and Effect. Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed references to the Lease as modified by this Amendment. 18. Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts and the signature pages combined to constitute one document. Electronic signatures shall have the same force and effect as original signatures. 19. Payments of Rental Obligations. Tenant shall pay all rental obligations under the Lease by ACH or other electronic means in accordance with such written instructions that may be obtained from Landlord from time to time. (signatures on next page)



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5 56837\388601\261775737.v2 IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written. LANDLORD: VESTAR GATEWAY, LLC, a Delaware limited liability company By: SLC Gateway Retail, LLC, a Delaware limited liability company, its Sole Member By: VESTAR, LLC, a Delaware limited liability company, its Managing Member By: Name: Title: Manager TENANT: **RECURSION PHARMACEUTICALS, INC., a Delaware corporation By: INCBAYER AG**

Name: Its: David Larcher Tina Larson President & COO Name:

Title: Title:

Date: Date:

Name:

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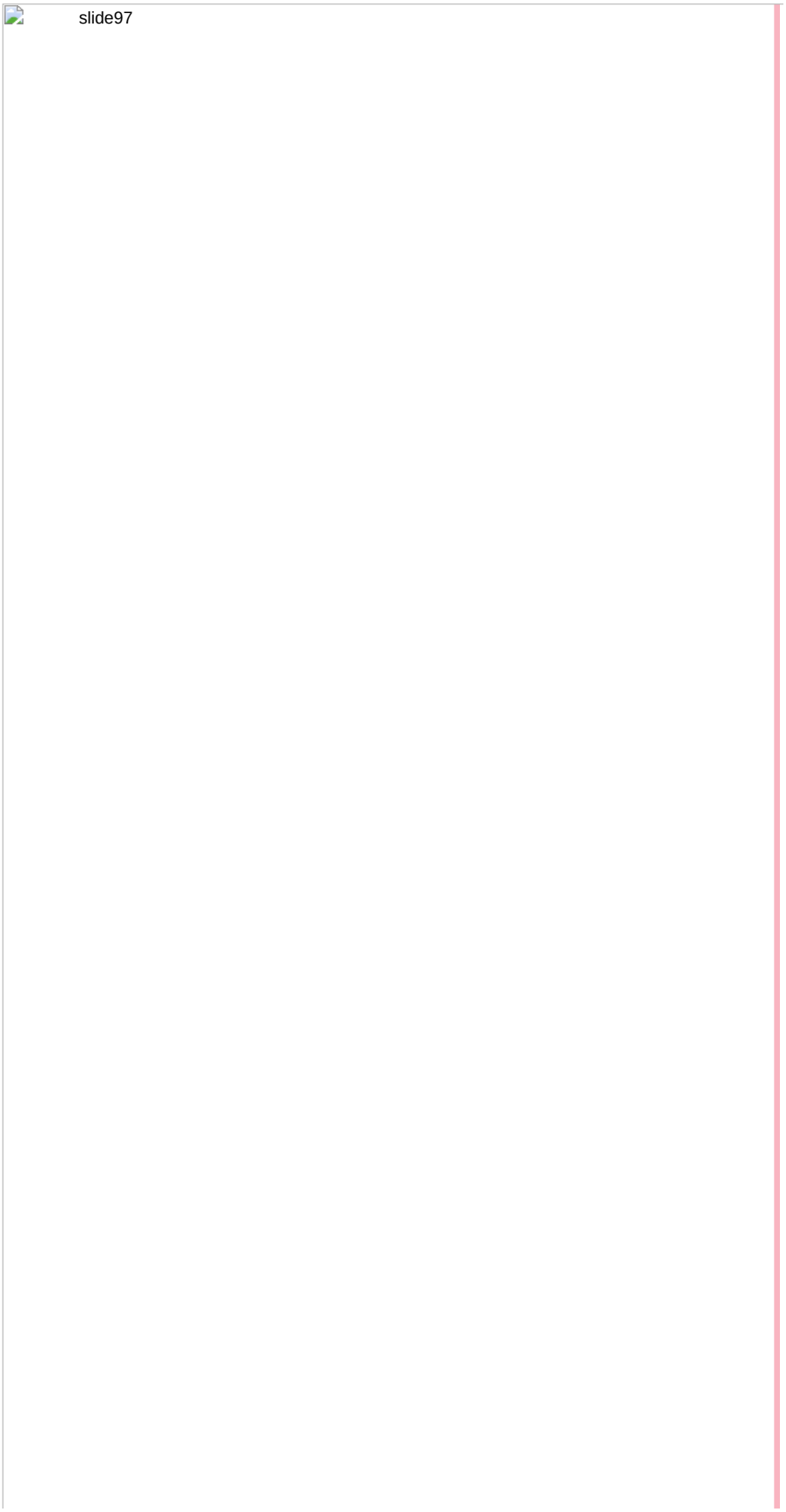

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EXHIBIT A-1 Page 1 15953353_v7 56837\388601\2617757\37.v2 EXHIBIT "A-1" SITE PLAN

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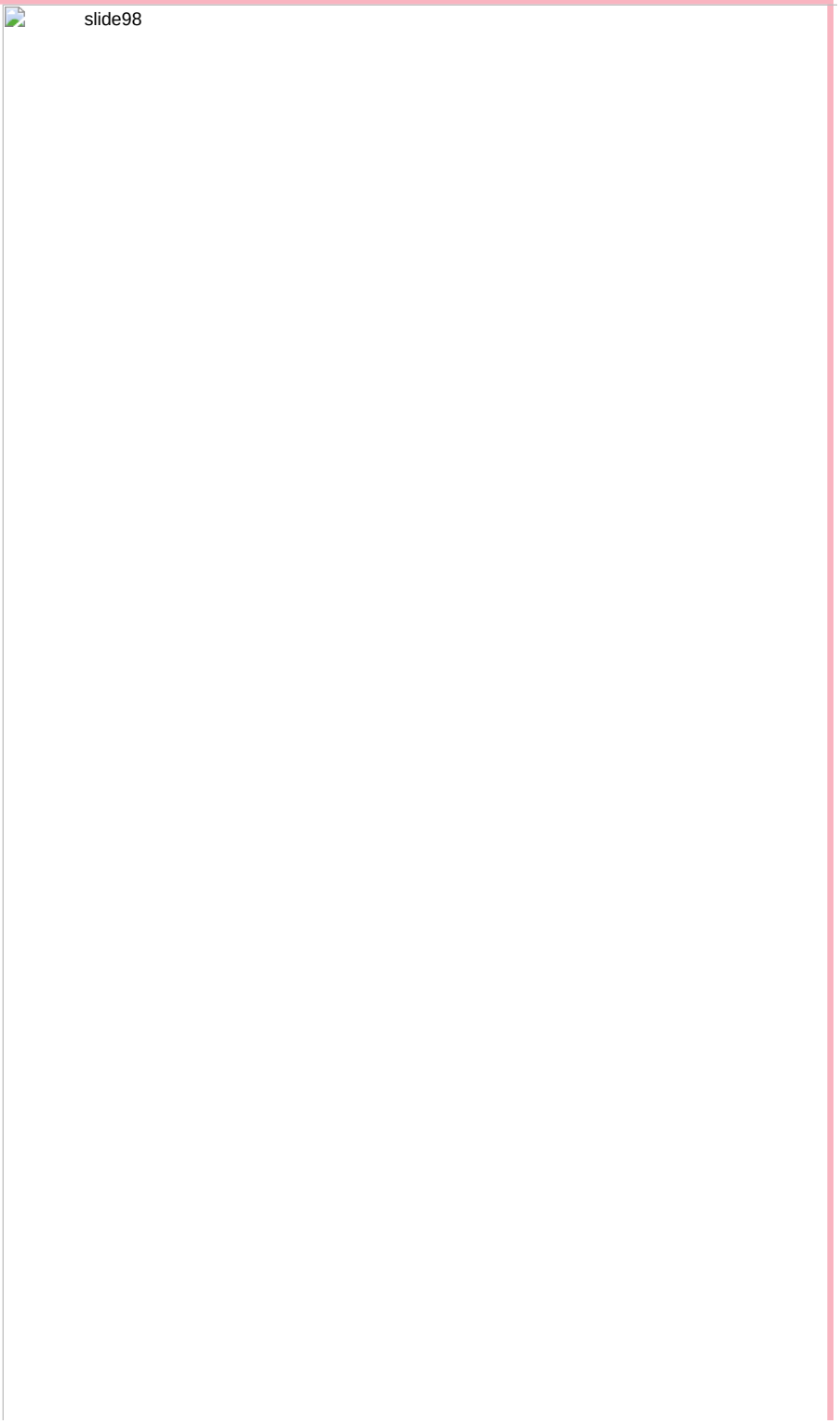

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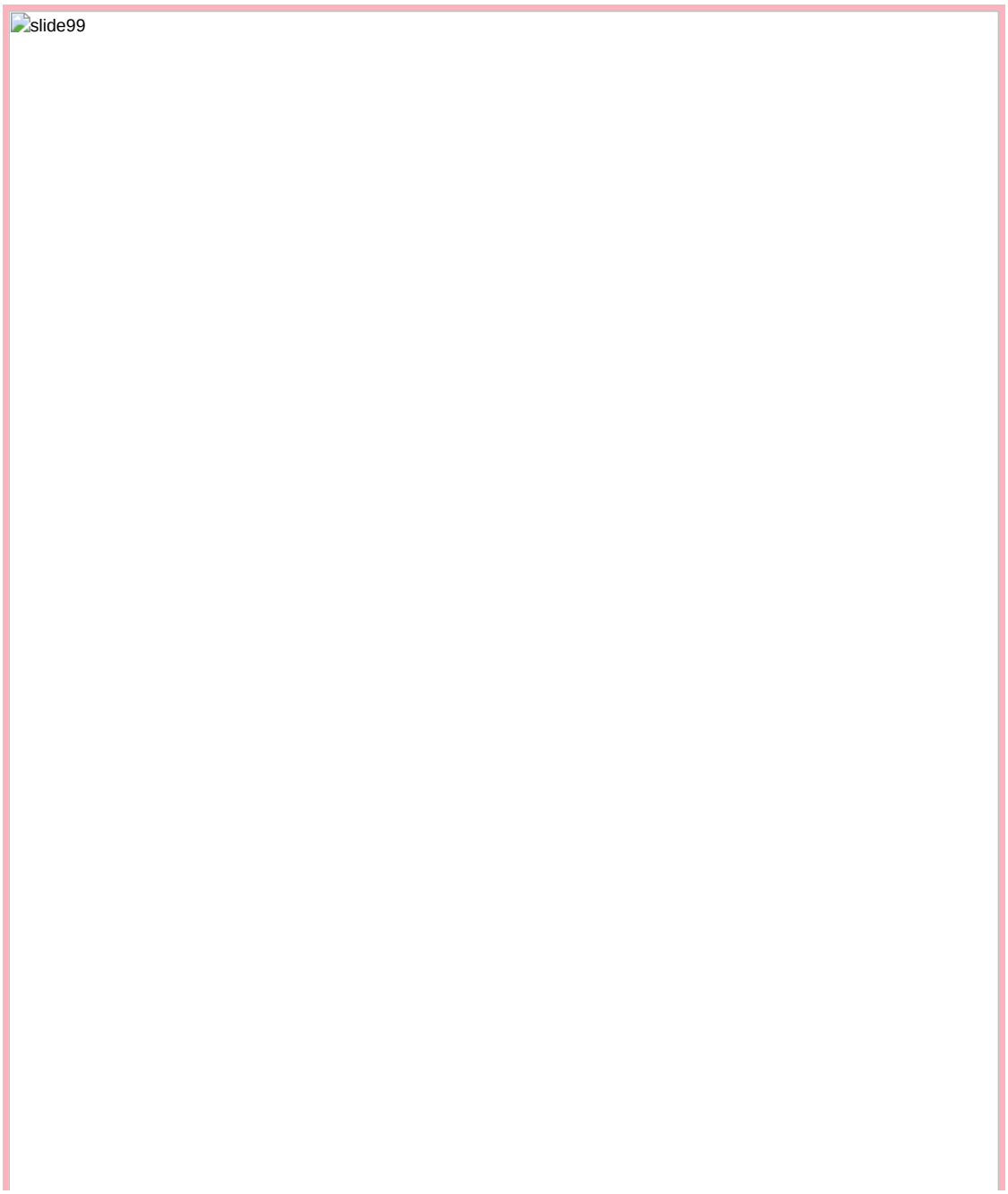

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EXHIBIT B-1 Page 1 I3958858_v7 58887488601\26177577\7 EXHIBIT "B-1" TENANT WORK LETTER (EXPANSION PREMISES) This Tenant Work Letter shall set forth the terms and conditions relating to the construction of the tenant improvements in the Expansion Premises. All references in this Tenant Work Letter to Articles or Sections of this Lease or this Amendment shall mean the relevant portion of (x) Articles 1 through 29 of the Office Lease and (y) Paragraphs 1 through 19 of the Third Amendment to Office Lease, to which this Tenant Work Letter is attached as Exhibit B-1 and of which this Tenant Work Letter forms a part. All references in this Tenant Work Letter to Sections of this Tenant Work Letter" shall mean the relevant portion of Sections 1 through 6 of this Tenant Work Letter. SECTION 1 DELIVERY OF THE PREMISES Tenant acknowledges that Tenant has thoroughly examined the Expansion Premises. Upon the Expansion Premises Delivery Date, Landlord shall deliver the Expansion Premises to Tenant and Tenant shall accept the Premises from Landlord in their presently existing "as-is" conditions as of the date of this Amendment, except as otherwise expressly provided in this Lease and this Amendment. Notwithstanding the foregoing, Landlord and Tenant hereby acknowledge that the Exception Suites portion of the Expansion Premises shall be delivered to Tenant in "grey shell" condition in accordance with the work set forth in Exhibit "D" to this Amendment and not in its presently existing, "as-is" condition as of the date of this Amendment. SECTION 2 TENANT IMPROVEMENTS 2.1 Tenant Improvement Allowance. Tenant shall be entitled to the one-time Expansion Premises Allowance (as defined in Paragraph 19 of this Amendment) for the costs relating to the initial design and construction of Tenant's improvements, which are permanently affixed to the Expansion Premises (the "Tenant Improvements"). In no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter in a total amount which exceeds the Expansion Premises Allowance, except to the extent specifically required by the terms of this Lease and this Tenant Work Letter. All Tenant Improvements for which the Expansion Premises Allowance has been utilized shall be deemed Landlord's property under the terms of the Lease. In the event that Tenant fails to use the entire Expansion Premises Allowance within one (1) year following the Delivery Date, such unused amounts shall be the sole property of Landlord and Tenant shall have no claim to any such unused amounts. Tenant acknowledges that the Expansion Premises Allowance is to be applied to Tenant Improvements covering the entirety of the Expansion Premises such that, following the completion of the Tenant Improvements, the entire Expansion Premises has been built out by Tenant. 2.2 Disbursement of the Expansion Premises Allowance. 2.2.1 Tenant Improvement Allowance Items. Except as otherwise set forth in this Tenant Work Letter, the Expansion Premises Allowance shall be disbursed by Landlord only for the following items and costs (collectively, the "Tenant Improvement Allowance Items"): 2.2.1.1 Payment of the fees of the "Architect/Space Planner" and the "Engineers", as those terms are defined in Section 3.1 of this Tenant Work Letter, which payment shall, notwithstanding anything to the contrary contained in this Tenant Work Letter, not exceed an aggregate amount equal to $3.00 per rentable square foot of the Expansion Premises, and payment of the fees incurred by, and the cost of documents and materials supplied by, Landlord and Landlord's consultants in connection with the preparation and review of the "Construction Documents" (as that term is defined in Section 3.1 of this Tenant Work Letter); 2.2.1.2 the payment to plan check, permit and license fees relating to construction of the Tenant Improvements; 2.2.1.3 the cost of construction of the Tenant Improvements, including, without limitation, demolition, testing and inspection costs, trash removal costs, parking fees, electrical utilities usage and contractor's fees and general conditions;

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EXHIBIT B-1 Page 2 15953353_v7 56837\388601\2617757737.v2 2.2.1.4 The cost of any changes anywhere in the base building or the floor of the Building on which the Expansion Premises is located (referred to herein as the "Building"), when such changes are required by the Construction Documents (including such changes that are due to the fact that such work is performed on an unoccupied basis) or to comply with applicable governmental regulations or building codes (collectively, the "Codes"), such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith; 2.2.1.5 The cost of any changes to the Construction Documents or Tenant Improvements required by Code; 2.2.1.6 Sales and use taxes; and 2.2.1.8 the "Landlord Coordination Fee," as that term is defined in Section 4.2.6 of this Tenant Work Letter. 2.2.2 Disbursement of Expansion Premises Tenant Improvement Allowance. During the construction of the Tenant Improvements, Landlord shall make monthly disbursements of the Expansion Premises Tenant Improvement Allowance for Tenant Improvement Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows: 2.2.2.1 Monthly Disbursements. On or before the twentieth (20th) day of each calendar month during the construction of the Tenant Improvements (the "Submittal Date"), (or such other date as Landlord or Tenant may designate), Tenant shall deliver to Landlord: (i) a request for payment of the "Contractor," as that term is defined in Section 4.1 of this Tenant Work Letter, approved by Tenant showing the Schedule, by trade, of percentage of completion of the Tenant Improvements in the Premises; (ii) invoices from all of Tenant's Agents, as that term is defined in Section 4.1.2 of this Tenant Work Letter, for labor rendered and materials delivered to the Premises (such invoices to be for the Contractor, the Contractor will need to provide an application and certificate for payment [AIA form G702-1992 or equivalent] signed by the Architect/Space Planner, and a breakdown sheet [AIA form G703-1992 or equivalent]); (iii) an original letter from the Tenant approving such invoices and requesting payment from the Tenant Improvement Allowance; (iv) executed mechanic's lien releases, which lien releases shall be conditional with respect to the then requested payment amounts and unconditional with respect to payment amounts previously disbursed by Landlord or Tenant from all of Tenant's Agents; and (v) all other information reasonably requested by Landlord. Tenant's request for payment shall be deemed Tenant's acceptance and approval of the work furnished and/or the materials supplied as set forth in Tenant's payment request. On or before the date occurring thirty (30) days after the Submittal Date, and assuming Landlord receives all of the information described in items (i) through (v), above, and subject to Tenant first disbursing any portion of the Over-Allowance Amount (as defined below) in accordance with Section 2.2.1, Landlord shall deliver a check to Tenant made to Tenant's Agents or to Tenant for such invoices were previously paid by the Tenant in payment of the lesser of: (A) the amounts so requested by Tenant as set forth in this Section 2.2.2.1, above, less a ten percent (10%) retention (the aggregate amount of such retentions shall be known as the "Final TI Allowance Reimbursement"), and (B) the balance of any remaining available portion of the Expansion Premises Tenant Improvement Allowance (not including the Final TI Allowance Reimbursement), provided that Landlord does not dispute any request for payment based on non-compliance of any work with the "Approved Construction Documents" (as that term is defined in Section 3.4 below), or due to any substandard work, or for any other reasons set forth in this Lease. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request. 2.2.2.2 Final TI Allowance Reimbursement. Subject to the provisions of this Tenant Work Letter, a check for the Final TI Allowance Reimbursement payable to Tenant shall be delivered by Landlord to Tenant following the completion of construction of the Premises, provided that (i) Tenant delivers to Landlord (a) properly executed, unconditional final mechanic's lien releases from all of Tenant's Agents, showing the amounts paid in compliance with applicable laws, (b) Contractor's last application and certificate for payment (AIA form G702-1992 or equivalent) signed by the Architect/Space Planner, (c) a breakdown sheet (AIA form G703-1992 or equivalent), (d) original stamped building permit plans, (e) copy of the building permit, (f) original stamped building permit inspection card with all final signoffs, (g) full size hard copies and a CD R disk containing electronic files of the "as built" drawings of the Tenant Improvements in both "dwg" and "pdf" formats, from the Architect/Space Planner for architectural drawings, and from the Contractor for all other trades, (h) air balance report, (i) excess energy use calculations, (j) once-year warranty letters from Tenant's Agents, (k) manufacturer's warranties and operating instructions, (l) punch list completed and signed off by Tenant and the Architect/Space Planner, (m) letters of compliance from the Engineers stating that the Engineers have inspected the Tenant Improvements and that they complies with the Engineers' drawings and specifications, (n) a copy of the recorded

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Notice of Completion, and (g) a final list of all contractors/vendors/consultants retained by Tenant in connection with the Tenant Improvements and any other improvements in the Premises pursuant to this Tenant Work Letter, including, but not limited to, the

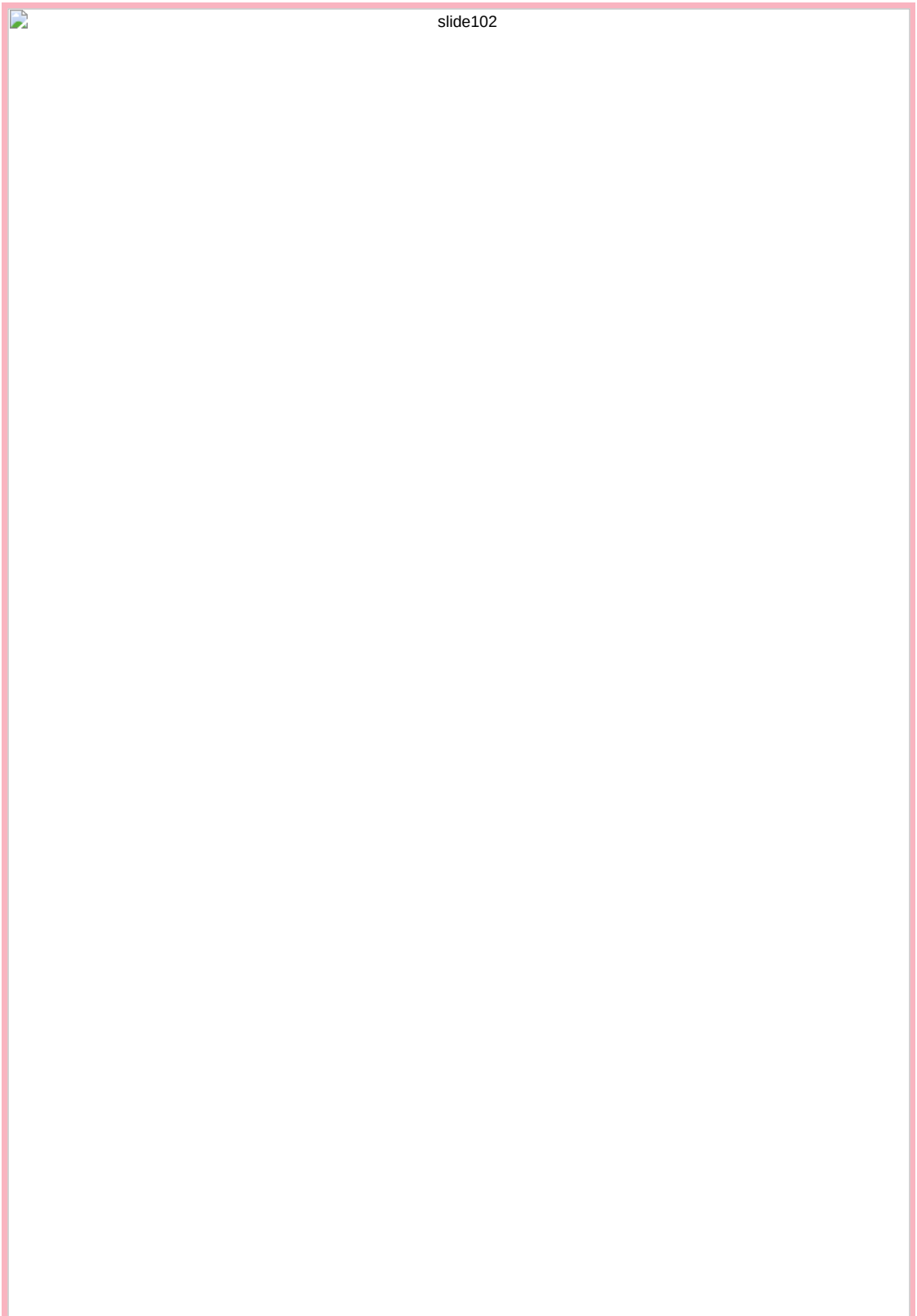

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EXHIBIT B-1 Page 3 15953353_v7 56837\388601\261775737.v2 Contractor, other contractors, subcontractors and the remaining Tenant's Agents, the Architect/Space Planner, the Engineers, systems furniture vendors/ installers, data/telephone cabling/equipment vendors/installers, etc., which shall list shall set forth the full legal names, address, contact names (with telephone/fax/e-mail addresses) and the total price paid by Tenant for goods and services to each of such contractors/vendors/consultants (collectively, the "Final Close Out Package"), and (ii) Landlord has inspected the Expansion Premises and reasonably determined that no substandard work exists which adversely affects the mechanical, electrical, plumbing, heating, ventilating and air-conditioning, life-safety or other systems of the Building, the exterior wall of the Building, the structure or exterior appearance of the Building, or any other tenant's use of such other tenant's leased premises in the Building. 2.2.2.3 Other Terms. Landlord shall only be obligated to make disbursements from the Tenant Improvement Allowance to the extent costs are incurred by Tenant for Tenant Improvement Allowance Items. All Tenant Improvement Allowance Items for which the Tenant Improvement Allowance has been made available shall be deemed Landlord's property under the terms of Section 8.5 of this Lease. Tenant shall have no claim to any Tenant Improvement Allowance not expended by Tenant on or before the one (1) year anniversary of the Delivery Date and any such sums shall be the sole property of Landlord. 2.2.2.4 Allowance Disbursement. Notwithstanding anything to the contrary contained in this Amendment, Landlord shall not be required to disburse any portion of the Expansion Premises Allowance to Tenant until Tenant has provided to Landlord the Additional Items described in paragraph 9 of this Amendment. 2.3 Construction Rules, Requirements, Specifications, Design Criteria and Building Standards. Landlord has established construction rules, regulation, requirements and procedures, and specifications, design criteria and building standards with which Tenant, the Architect/Space Planner, as that term is defined below, and all Tenant's Agents must comply in designing and constructing the Tenant Improvements in the Premises (the "Construction Rules, Requirements, Specifications, Design Criteria and Building Standards"). SECTION 3 CONSTRUCTION DOCUMENTS 3.1 Selection of Architect/Space Planner/Construction Documents. Tenant shall retain a licensed, competent, reputable architect/space planner experienced in high-rise office space and Laboratory Use design selected by Tenant and reasonably approved by Landlord (the "Architect/Space Planner") and licensed, competent, reputable engineering consultants selected by Tenant and reasonably approved by Landlord (the "Engineers") to prepare the Construction Documents. The plans and drawings to be prepared by Architect/Space Planner and the Engineers hereinafter shall be known collectively as the "Construction Documents." All Construction Documents shall comply with Landlord's drawing format and specifications. Landlord's review of the Construction Documents as set forth in this Section 3, shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Construction Documents are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Documents, and Tenant's waiver and indemnity set forth in Section 10.1 of this Lease shall specifically apply to the Construction Documents. Furthermore, Tenant and Architect/Space Planner shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the base building plans, and Tenant and Architect/Space Planner shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. 3.2 Final Space Plan. Tenant shall supply Landlord with two (2) copies signed by Tenant of its final space plan for the Premises before any architectural Construction Documents or engineering drawings have been commenced. The final space plan (the "Final Space Plan") shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Space Plan for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require. 3.3 Final Construction Documents. After the approval of the Final Space Plan by Landlord and Tenant, Tenant shall promptly cause the Architect/Space Planner and the Engineers to complete the architectural and engineering drawings for the Expansion Premises, and Architect/Space Planner shall

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EXHIBIT B-1 Page 4 15958853_v7 15958853v7A92 complete set of architectural, structural, mechanical, electrical and plumbing Construction Documents in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "Final Construction Documents") and shall submit the same to Landlord for Landlord's approval, not to be unreasonably withheld, conditioned, or delayed. Tenant shall supply Landlord with two (2) copies signed by Tenant of such Final Construction Documents. Landlord acting reasonably and in good faith, shall advise Tenant within ten (10) business days after Landlord's receipt of the Final Construction Documents for the Expansion Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall immediately revise the Final Construction Documents in accordance with such review and any disapproval of Landlord in connection therewith. 3.4 Approved Construction Documents. The Final Construction Documents shall be approved by Landlord (the "Approved Construction Documents") prior to the commencement of construction of the Expansion Premises by Tenant; provided, however, Tenant may commence demolition work prior to Landlord's approval of the Final Construction Documents with Landlord's prior written consent (not to be unreasonably withheld, conditioned, or delayed). After approval by Landlord of the Final Construction Documents, Tenant shall cause the Architect/Space Planner to submit the Approved Construction Documents to the appropriate municipal authorities for all architectural and structural permits (the "Permits"), provided that (a) the Architect/Space Planner shall provide Landlord with a copy of the package that it intends to submit prior to such submission, and (b) if there are Base Building modifications required to obtaining the Permits, then Tenant shall obtain Landlord's prior written consent to any such Base Building modifications. Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy (or other documentation or approval allowing Tenant to legally occupy the Premises) for the Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in performing ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy (or other documentation or approval allowing Tenant to legally occupy the Expansion Premises). No changes, modifications or alterations in the Approved Construction Documents may be made without the prior written consent of Landlord, which consent may not be unreasonably withheld. SECTION 4 CONSTRUCTION OF THE TENANT IMPROVEMENTS 4.1 Tenant's Selection of Contractors. 4.1.1 The Contractor. Tenant shall retain a licensed general contractor selected by Tenant and reasonably approved by Landlord (the "Contractor"), as contractor for the construction of the Tenant Improvements, which Contractor shall be a qualified, reputable, general contractor experienced in Comparable Buildings. 4.1.2 Tenant's Agents. The Architect/Space Planner, Engineers, consultants, contractors, other contractors, vendors, subcontractors, laborers, and material suppliers retained and/or used by Tenant shall be known collectively as the "Tenant's Agents". For the following trades only, those contractors, subcontractors, laborers, and material suppliers listed in the Construction Rules, Requirements, Specifications, Design Criteria and Building Standards may be selected by Tenant: Asbestos, Cable Television, Electrical, Elevators, Fire Sprinklers, Fire / Life Safety, HVAC, HVAC Air Balance, Plumbing, Roofing (as listed for each building comprising the Project), and Waste. The Electrical, Fire Sprinklers, Fire / Life Safety, HVAC and Plumbing must be engineered by a full service mechanical engineering firm which is approved by Landlord. 4.2 Construction of Tenant Improvements by Tenant's Agents. 4.2.1 Construction Contract; Cost Budget. Prior to execution of a construction contract, Tenant shall submit a copy of the proposed contract with the Contractor for the construction of the Tenant Improvements, including the general conditions with Contractor (the "Contract") to Landlord for its approval, which approval shall not be unreasonably withheld, conditioned or delayed. Following execution of the Contract and prior to commencement of construction, Tenant shall provide Landlord with a fully executed copy of the Contract for Landlord's records. Prior to the commencement of the construction of the Tenant Improvements, and after Tenant has received all bids and proposals for the Tenant Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, for all of Tenant's Agents of the then estimated costs to be incurred or which have been incurred in connection with the design and construction of the Tenant Improvements to be performed by or at the direction of Tenant or the Contractor (the "Construction Budget"), which costs shall include, but not be limited to, the costs of the Architect's and Engineers' fees and the Landlord Coordination Fee. The amount, if any, by which the

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EXHIBIT B-1 Page 5 15953353_v7 56837388601\2617757737 v2 total costs set forth in the Construction Budget exceed the amount of the Expansion Premises Tenant Improvement Allowance is referred to herein as the "Over Allowance Amount". In the event that an Over-Allowance Amount exists, then prior to the commencement of construction of the Tenant Improvements, Tenant shall supply Landlord with cash in an amount equal to the Over-Allowance Amount. The Over-Allowance Amount shall be disbursed by Landlord prior to the disbursement of any of the Improvement Allowance, and such disbursement shall be pursuant to the same procedure as the Expansion Premises Improvement Allowance. In the event that, after the total costs set forth in the Construction Budget have been delivered by Tenant to Landlord, the costs relating to the design and construction of the Tenant Improvements change, any additional costs for such design and construction in excess of the total costs set forth in the Construction Budget shall be added to the Over-Allowance Amount and the total costs set forth in the Construction Budget, and such additional costs shall be paid by Tenant to Landlord immediately as in addition to the Over-Allowance Amount or the Additional Allowance. Tenant shall make payments for such additional costs out of its own funds, but Tenant shall continue to provide Landlord with the documents described in items (i), (ii), (iii) and (iv) of Section 2.2.2.1 of this Tenant Work Letter, above, for Landlord's approval, prior to Tenant paying such costs. All Tenant Improvements paid for by the Over- Allowance Amount shall be deemed Landlord's property under the terms of the Lease. 4.2.2 Tenant's Agents. 4.2.2.1 Landlord's General Conditions for Tenant's Agents and Tenant Improvement Work. Tenant's and Tenant's Agent's construction of the Tenant Improvements shall comply with the following: (i) the Tenant Improvements shall be constructed in strict accordance with the Approved Construction Documents; (ii) Tenant and Tenant's Agents shall not, in any way, interfere with, obstruct, or delay, the work of Landlord's base building contractor and subcontractors with respect to the Base Building or any other work in the Building; (iii) Tenant's Agents shall submit schedules of all work relating to the Tenant Improvements to Landlord and Landlord shall, within five (5) business days of receipt thereof, inform Tenant's Agents of any changes which are necessary thereto, and Tenant's Agents shall adhere to such corrected schedule; and (iv) Tenant shall abide by all rules made by Landlord with respect to the use of the Building, including, without limitation, parking, loading dock and service elevators, storage of materials, coordination of work with the contractors of other tenants, and any other matter in connection with this Tenant Work Letter, including, without limitation, the construction of the Tenant Improvements and Tenant shall promptly execute all documents including, but not limited to, Landlord's standard

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contractor's rules and regulations, as Landlord may deem reasonably necessary to evidence or confirm Tenant's agreement to so abide. 4.2.2.2 Indemnity. Tenant's indemnity of Landlord as set forth in Section 10.1 of this Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Tenant Improvements and/or Tenant's disapproval of all or any portion of any request for payment. Such indemnity by Tenant, as set forth in Section 10.1 of this Lease, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to Landlord's performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete the Tenant Improvements, and (ii) to enable Tenant to obtain any building permit or certificate of occupancy for, or other documentation of approval allowing Tenant to legally occupy the Expansion Premises, for the Expansion Premises. 4.2.2.3 Requirements of Tenant's Agents. Each of Tenant's Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the Tenant Improvements for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Agents shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the later to occur of (i) completion of the work performed by such contractor or subcontractors and (ii) the Expansion Premises Rent Commencement Date. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Tenant Improvements, and/or the Building and/or common areas that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Tenant Improvements shall be contained in the contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of both Landlord and Tenant, as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give to Landlord any assignment or other assurances which may be necessary to effect such right of direct enforcement.

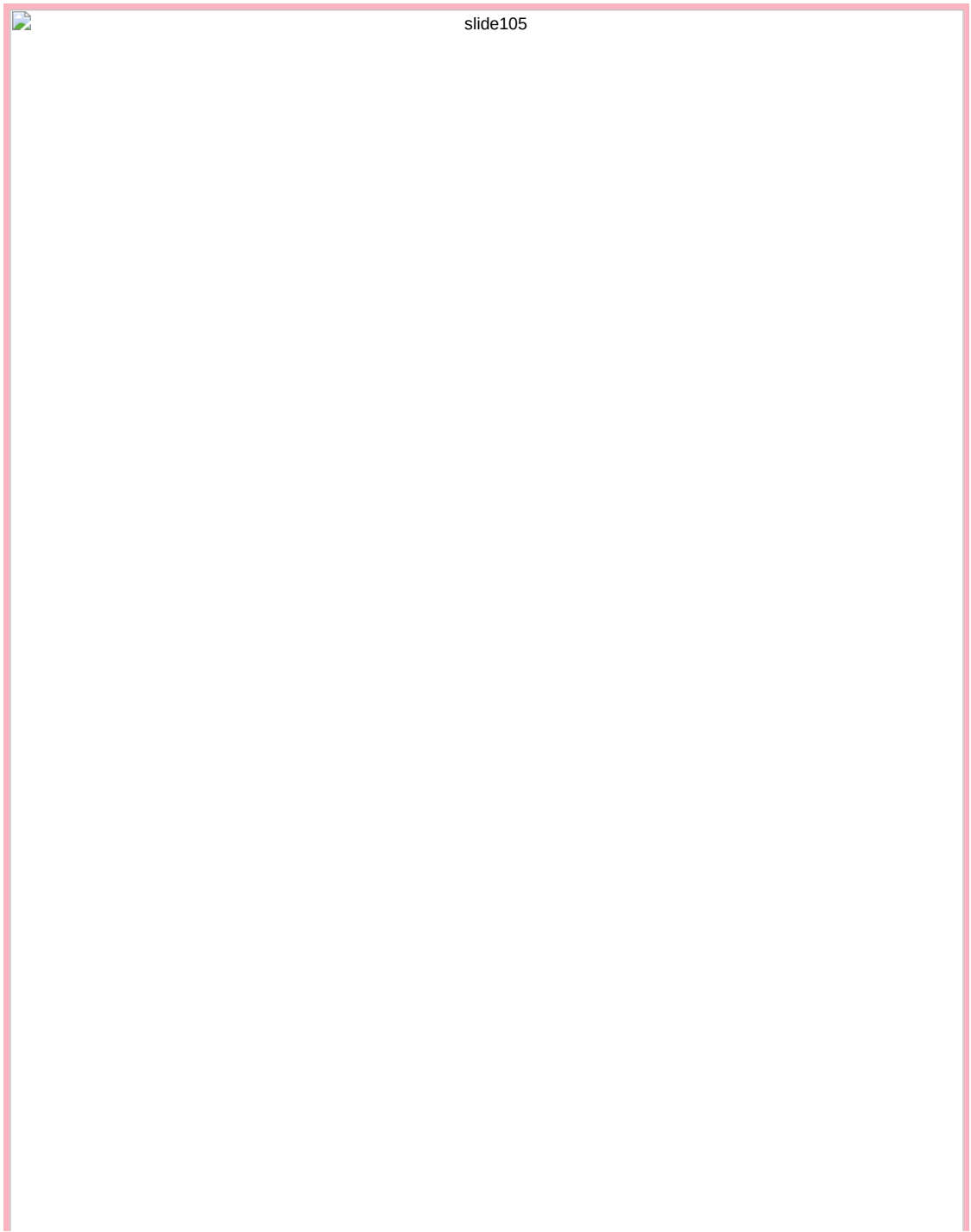

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EXHIBIT B-1 Page 61595865_v7 59867438601\X61775767\X2 4.2.2.4 Insurance Requirements. 4.2.2.4.1 General Coverages. All of Tenant's Agents shall carry workers compensation insurance covering all of their respective employees, and shall also carry commercial general liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant as set forth in Article 10 of this Lease, and the policies therefor shall insure Landlord and Tenant, as their interests may appear, as well as the Contractor and Subcontractors. 4.2.2.4.2 Special Coverages. Tenant or Contractor shall carry "Builders' All Risk" insurance in an amount approved by Landlord, which shall in no event be less than the amount actually carried by Tenant or Contractor, covering the construction of the Tenant Improvements, and such other insurance as Landlord may require, it being understood and agreed that the Tenant Improvements shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord. 4.2.2.4.3 General Terms. Certificates for all insurance carried pursuant to this Section 4.2.2.4 shall be delivered to Landlord before the commencement of construction of the Tenant Improvements and before the Contractor's equipment is moved onto the Site. All such policies of insurance must contain a provision that the company writing said policy will give Landlord thirty (30) days prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. In the event that the Tenant Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Tenant Improvements are fully completed and accepted by Landlord, except for any Products and Completed Operation Coverage insurance required by Landlord, which is to be maintained for ten (10) years following completion of the work and acceptance by Landlord and Tenant and which shall name Landlord, and any other party that Landlord so specifies, as additional insured as to the full limits required hereunder for such entire ten (10) year period. All insurance, except Workers' Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects the owner and that any other insurance maintained by owner is excess and non-contributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under Section 4.2.2.2 of this Tenant Work Letter. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of the Tenant Improvements and naming Landlord as a co-obligee. 4.2.3 Governmental Compliance. The Tenant Improvements shall comply in all respects with the following: (i) the Code and other state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications. 4.2.4 Inspection by Landlord. Landlord shall have the right to inspect the Tenant Improvements at all times, provided however, that Landlord's failure to inspect the Tenant Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Tenant Improvements constitute Landlord's approval of the same. Should Landlord reasonably disapprove any portion of the Tenant Improvements due to defects or deviations in the completion of such Improvements, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any defects or deviations noted in Landlord's disapproval shall be rectified by Tenant at no expense to Landlord, provided however, that in the event Landlord determines that a defect or deviation exists, Landlord may, take such action as Landlord deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect or deviation, including without limitation, causing the cessation of performance of the construction of the Tenant Improvements until such time as the defect, deviation and/or matter is corrected to Landlord's satisfaction. 4.2.5 Meetings. Commencing upon the execution of this Amendment, Tenant shall hold regular meetings with the Architect/Space Planner and the Contractor regarding the progress of the preparation of Construction Documents and the construction of the Tenant Improvements, which meetings shall be held at the office of the Project, at a time mutually agreed upon by Landlord and Tenant, and, upon Landlord's request, certain of Tenant's Agents shall attend such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. One such meeting each month shall include the review of Contractor's current request for payment.

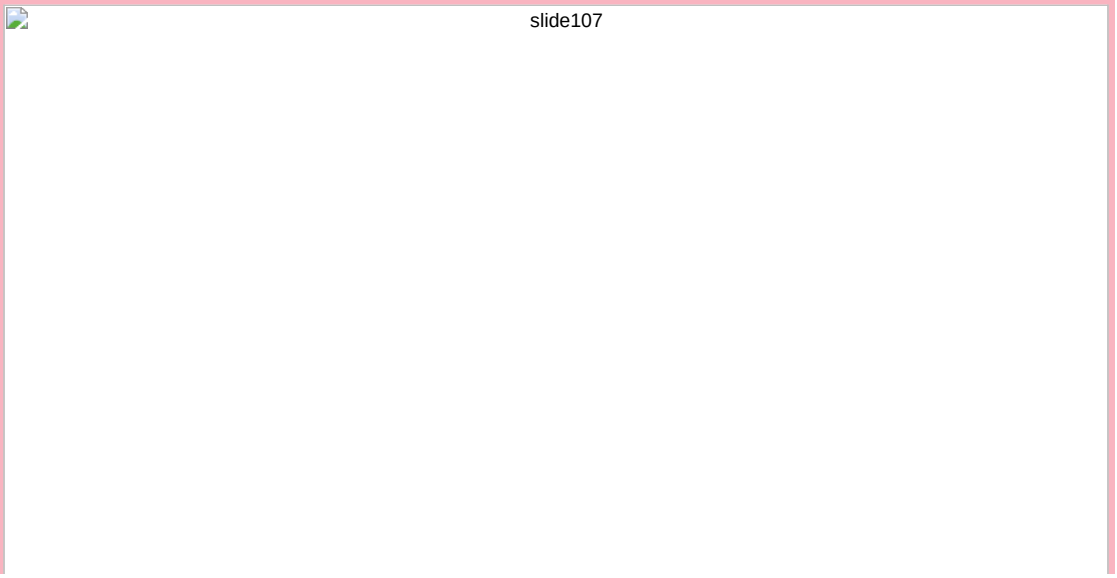

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EXHIBIT B-1 Page 7 15953353_v7 56837\388601\261775737.v2 4.2.6 Landlord Coordination Fee. Tenant shall pay a construction supervision and management fee (the "Landlord Coordination Fee") to Landlord in an amount equal to one percent (1.0%) of the Expansion Improvement Allowance. 4.3 Notice of Completion. Within five (5) days after the final completion of construction of the Tenant Improvements, including, without limitation, the completion of any punch list items, Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the County in which the Premises is located pursuant to applicable Law, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction and prior to Landlord's payment of the Final TI Allowance Reimbursement [illegible] rough annotated changes [illegible] For the Architect [illegible] urvive the expiration [illegible] Tenant's expense [illegible] files, all of which [illegible] ON 5 MASTER [illegible] is Tenant Work Letter [illegible] 3 Representative [illegible] until further notice [illegible] ence in The Plaza [illegible] ays. If any [illegible] the document [illegible] lt as described [illegible] on of the Exhibit [illegible] thhold payment [illegible] of the Expansion [illegible] ork

EXHIBIT C Page 1 56837\388601\261775737.v2 EXHIBIT "C" MASTER DECLARATION (i) Notice Of Adoption Of Redevelopment plan Entitled "Depot District Redevelopment Project Area Plan", dated October 15, 1998, recorded May 6, 1999 as Entry No. 7345726 in Book 8275 at Page 1402 of the Official Records, as amended and otherwise affected by an Amended Notice of Adoption of Redevelopment Plan Entitled "Depot District Redevelopment Project Area Plan", dated October 15, 1998, recorded May 6, 1999 as Entry No. 7345726 in Book 8275 at Page 1402 of the Official Records, (ii) Easement Agreement (With Boundary Agreement), dated January 3, 2000, recorded January 13, 2000 as Entry No. 7553961, in Book 8336, at Page 1170 of the Official Records, as amended and/or otherwise affected by that certain Omnibus Amendment To City Project Agreements, recorded April 22, 2013 as Entry No. 11622651, in Book 10129, at Page 5760 of the Official Records, (iii) Amended And Restated Participation And Reimbursement Agreement, dated as of May 1, 2001, executed by BRIAN GOCHNOUR, recorded February 26, 2001 as Entry No. 7828965, in Book 8427, at Page 4667 of the Official Records, (iv) Amended And Restated Participation And Reimbursement Agreement, dated as of May 1, 2001, executed by BRIAN GOCHNOUR, recorded February 26, 2001 as Entry No. 7828965, in Book 8427, at Page 4667 of the Official Records, (v) First Amendment To Amended And Restated Participation And Reimbursement Agreement, dated as of May 1, 2001, executed by BRIAN GOCHNOUR, recorded June 8, 2006 as Entry No. 9747342, in Book 9305, at Page 5127 of the Official Records, as amended and/or otherwise affected by that certain First Amendment To Amended And Restated Participation And Reimbursement Agreement, dated as of May 1, 2001, executed by BRIAN GOCHNOUR, recorded June 8, 2006 as Entry No. 9747342, in Book 9305, at Page 5127 of the Official Records, (vi) Declaration Of Easement (Rio Grande Street Grant Of Easement), dated January 3, 2000, recorded January 13, 2000 as Entry No. 7553963, in Book 8336, at Page 1217 of the Official Records, as corrected by an Affidavit recorded August 7, 2000 as Entry No. 7693049, in Book 8379 at Page 5484 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Rio Grande Street Grant Of Easement, recorded May 6, 2005 as Entry No. 9370280, in Book 9128, at Page 481 of the Official Records, and by that certain Second Amendment To Rio Grande Street Grant Of Easement, recorded December 20, 2007 as Entry No. 10504911, in Book 9850, at Page 5547, of the Official Records, and by that certain Joint Omnibus Amendment To Project Agreements, recorded April 22, 2013 as Entry No. 11622651, in Book 10129, at Page 5760 of the Official Records, (vii) Plaza Pedestrian And Public Use Easement And Programming Agreement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553964, in Book 8336, at Page 1240 of the Official Records, as corrected by an Affidavit recorded August 7, 2000 as Entry No. 7693049, in Book 8379 at Page 5482 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Plaza Pedestrian And Public Use Easement And Programming Agreement, recorded May 6, 2005 as Entry No. 9370282, in Book 9128, at Page 506 of the Official Records, and by that certain Joint Omnibus Amendment To Project Agreements, recorded April 22, 2013 as Entry No. 11622651, in Book 10129, at Page 5760 of the Official Records, (viii) North Temple Frontage Road Grant Of Easement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553965, in Book 8336, at Page 1263 of the Official Records, as corrected by an Affidavit recorded August 7, 2000 as Entry No. 7693050, in Book 8379 at Page 5482 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To North Temple Frontage Road Grant Of Easement, recorded May 6, 2005 as Entry No. 9370279, in Book 9128, at Page 466 of the Official Records, and by that certain Joint Omnibus Amendment To Project Agreements, recorded April 22, 2013 as Entry No. 11622651, in Book 10129, at Page 5760 of the Official Records, (ix) Depot Pedestrian And Public Use Easement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553966, in Book 8336, at Page 1285 of the Official Records, as corrected by an Affidavit recorded August 7, 2000 as Entry No. 7693051, in Book 8379 at Page 5480 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Depot Pedestrian And Public Use Easement, recorded May 6, 2005 as Entry No. 9370281, in Book 9128, at Page 497 of the Official Records, (x) Hotel Pedestrian Easement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553967, in Book 8336, at Page 1302 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Hotel Pedestrian Easement Now Known As Walkway Easement, recorded May 6, 2005 as Entry No. 9370283, in Book 9128, at Page 532 of the Official Records, (xi) Parcel Block 57 Agreement, dated July 7, 2000, recorded July 7, 2000 as Entry No. 7674574, in Book 8373, at Page 1324 of the Official Records, as amended and otherwise affected by that certain Omnibus Amendment To City Project Agreements, recorded April 22, 2013 as Entry No. 11622650, in Book 10129, at Page 5755 of the Official Records, (xii) Declaration And Establishment Of Protective Covenants, Conditions And Restrictions And Grant Of Easements, dated as of December 15, 2000, recorded December 27, 2000 as Entry No. 7787948, in Book

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stoppage), and (ii) all other obligations of Landlord under the terms of this Tenant Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of this Lease (in which case, Tenant shall be responsible for any delay in the substantial completion of the Expansion Premises caused by such inaction by Landlord).

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EXHIBIT C Page 2 56837388601\2\61775737.v2 8410, at Page 8311 of the Official Records, as amended and/or otherwise affected by that certain First Amendment To Declaration And Establishment Of Protective Covenants, Conditions And Restrictions And Grant Of Easements, recorded March 1, 2001 as Entry No. 7833680, in Book 8430, at Page 1766 of the Official Records, and by that certain Second Amendment To Declaration And Establishment Of Protective Covenants, Conditions And Restrictions And Grant Of Easements, recorded May 6, 2005 as Entry No. 9370283, in Book 9128, at Page 1565 of the Official Records; (x) Amended and Restated Declaration of Condominium Gateway Block C1 Condominium Project, recorded April 27, 2001 as Entry No. 7881708, in Book 8450, at Page 4761 of the Official Records, as said Amended And Restated Declaration was amended and/or otherwise affected by that certain First Amendment to Amended and Restated Declaration of Condominium Gateway Block C1 Condominium Project, recorded February 15, 2011 as Entry No. 11134756, in Book 9905, at Page 6380 of the Official Records; (xii) Amended And Restated Declaration of Condominium Gateway Block C2 Condominium Project, recorded April 27, 2001 as Entry No. 7881709, in Book 8450, at Page 4843 of the Official Records; (xiii) Declaration of Condominium Gateway Block A Condominium Project, recorded February 26, 2001 as Entry No. 7828969, in Book 8427, at Page 4676 of the Official Records; (xiv) Declaration Of Condominium Gateway Block B Condominium Project, recorded February 26, 2001 as Entry No. 7828971, in Book 8427, at Page 4752 of the Official Records, as amended or otherwise affected by that certain First Amendment To Declaration Of Condominium Gateway Block B Condominium Project And Amendment Of Record Of Survey Map, recorded May 16, 2002 as Entry No. 8335715, in Book 8598, at Page 7012, of the Official Records, and by that certain Second Amendment To Declaration of Condominium Gateway Block B Condominium Project And Amendment Of Record Of Survey Map, recorded July 20, 2004 as Entry No. 9125323, in Book 9016 at Page 2655; (xv) Declaration Of Covenants, Conditions And Restrictions Re Commercial Shared Maintenance, dated as of February 28, 2001, as evidenced by that certain Memorandum Of Declaration Of Covenants, Conditions And Restrictions Re Commercial Shared Maintenance (Gateway), recorded March 1, 2001 as Entry No. 7833681, in Book 8430, at Page 1770 of the Official Records, and by that certain First Amendment To Memorandum of Declaration of Covenants, Conditions And Restrictions Re Commercial Shared Maintenance, recorded May 6, 2005 as Entry No. 9370286, in Book 9128, at Page 563 of the Official Records, and by that certain Consent and Acknowledgment of Inland Western Salt Lake City Gateway L.L.C., recorded September 25, 2013 as Entry No. 11730200, in Book 10180, at Page 1552 of the Official Records; (xvi) Declaration Of Easements, dated as of September 1, 2001, recorded April 7, 2003 as Entry No. 8600407, in Book 8772, at Page 5889 of the Official Records; (xvii) Covenant Agreement, dated as of February 28, 2002, recorded April 8, 2002 as Entry No. 8606268, in Book 8722, at Page 5931 of the Official Records; (xviii) Unrecorded Parking License Agreement dated April 8, 2002, unrecorded First Amendment to Parking License Agreement dated as of July 9, 2002, and unrecorded Central Plant Participation Agreement dated June 1, 2002, each as disclosed by that certain Parking License, Parking Access, Central Plant Participation And Subordination Agreement, dated as of June 16, 2003, recorded June 16, 2003 as Entry No. 8691592, in Book 8818, at Page 5955 of the Official Records; (xix) Parking License Agreement, dated October 6, 2003, recorded October 10, 2003 as Entry No. 8848851, in Book 8884, at Page 8324 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment to Parking License Agreement (Gateway Office 3), dated May 6, 2005, recorded May 6, 2005 as Entry No. 9370289, in Book 9128, at Page 580 of the Official Records; (xx) Agreement For Construction And Subsequent Acquisition Of Retail Unit 4, Gateway Block A Condominium, For The Purpose Of Operating A Planetarium And Presenting Large Screen Motion Picture Features, dated February 13, 2002, recorded June 8, 2004 as Entry No. 9084123, in Book 8998, at Page 4901 of the Official Records; (xxi) Parking License Agreement, dated June 30, 2004, recorded July 20, 2004 as Entry No. 9125921, in Book 9016, at Page 2635 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment to Parking License Agreement, dated May 5, 2005, recorded May 16, 2005 as Entry No. 9370288, in Book 9128, at Page 573 of the Official Records; (xxii) Air Space Easement Agreement, dated as of May 5, 2005, recorded May 6, 2005 as Entry No. 9370290, in Book 9128, at Page 586 of the Official Records;

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EXHIBIT C Page 3 56937/3988601/2617757/37 v2 (xxiii) Encroachment Agreement, dated as of May 5, 2005, recorded May 6, 2005 as Entry No. 9370291, in Book 9128, at Page 595 of the Official Records; (xxiv) Declaration Of Covenants, Restrictions And Easements (The Gateway--Retail Parcels), recorded May 6, 2005 as Entry No. 9370292, in Book 9128, at Page 605 of the Official Records, as amended by that certain Amendment To Declaration Of Covenants, Restrictions And Easements, recorded May 31, 2005 as Entry No. 9390612, in Book 9137, at Page 7862 of the Official Records, as amended by that Second Amendment to Declaration of Covenants, Restrictions and Easements dated June 27, 2019, recorded June 28, 2019 as Entry No. 13019122 in Book 10797, Page 3555; (xxv) Declaration Of Easements (Emergency Ingress & Egress), dated as of January 6, 2006, recorded January 10, 2006 as Entry No. 9606025, in Book 9241, at Page 9218 of the Official Records; (xxvi) Parking License Agreement, dated December 15, 2006, recorded December 26, 2006 as Entry No. 9951937, in Book 9390, at Page 9315 of the Official Records; (xxvii) Easement, recorded December 4, 2007 as Entry No. 10291031, in Book 9544, at Page 1216 of the Official Records; (xxviii) Declaration Of Bridge Covenants And Easements (The Gateway--Retail Parcels), dated October 9, 2007, recorded January 22, 2008 as Entry No. 10429092, in Book 9561, at Page 1129 of the Official Records; (xxix) Easement, recorded January 22, 2008 as Entry No. 10429093, in Book 9561, at Page 1145 of the Official Records; (xxx) Parking License Agreement, dated March 20, 2006, the existence of which is disclosed of record by that certain Memorandum Of Parking License Agreement recorded October 22, 2012 as Entry No. 11496306, in Book 10068, at Page 3312 of the Official Records; (xxxi) Central Plant Participation Agreement, dated October 6, 2003, recorded October 10, 2003 as Entry No. 8848852, in Book 8894, at Page 9344 of the Official Records; (xxxii) Central Plant Participation Agreement, dated June 30, 2005, recorded July 20, 2005 as Entry No. 9725822, in Book 9016, at Page 2645 of the Official Records; and (xxxiii) all amendments, modifications, extensions and renewals and replacements thereof, all of which shall be superior to this Lease, binding upon the Project and run with the land.

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EXHIBIT D Page 1 56837\388601\261775737.v2 EXHIBIT "D" EXCEPTION SUITES GREY SHELL CRITERIA LANDLORD SHALL PROVIDE THE FOLLOWING GRAY SHELL IMPROVEMENTS TO THE PREMISES HEREINAFTER REFERRED TO AS "LANDLORD'S WORK": A. STRUCTURES: 1. Frame: The building is constructed of steel frame, reinforced concrete, or masonry bearing wall, as provided within the existing Gateway project. 2. Exterior Walls: The exterior wall(s) are of masonry, steel framed, or such other material or materials, as provided within the existing Gateway project. 3. Ceiling Heights: Tenant's responsibility as to detail height from floor slab. 4. Roof: The roof is of single-ply material type, or equal, as provided within the existing Gateway project. 5. Partitions: Interior partition walls are Tenant's responsibility. 6. Door(s) and Frame(s): Exterior service door(s) and frame(s) shall be hollow metal. 7. Storefront Doors: See Paragraph E.P. INTERIOR FINISHES: 1. Floors: Landlord shall furnish a standard four inch (4") thick concrete slab or suspended structural slab throughout the interior of the Premises. 2. Suspended Structural Slabs: The Elevated floor slabs of this building are of post-tension concrete construction. Any attachments (or mechanical, electrical, or architectural elements shall be limited to a 1" maximum drilled (or driven anchor embedment) if deeper embedment or core drilling is required, the slab shall be scanned to locate PT tendons and location adjusted to provide at least 3" clear from any PT tendon. In the event that PT tendons become damaged or cut, they must be repaired to bring the building back to the original design condition. Cost of these repairs shall be the responsibility of the Contractor. 3. Walls: Demising wall(s) shall be unpainted masonry or unpainted drywall finish, taped over stud. Tenant shall be responsible for final preparation and finish. Height shall be determined by Project Architect. Any cross partition(s) shall be Tenant's responsibility. Exterior and rear wall(s) shall be unpainted masonry or concrete finish or such other material(s) as selected by Project Architect. 4. Ceilings: None provided, Tenant's responsibility. C. SANITARY FACILITIES: 1. Toilet Room: None provided, Tenant's responsibility. (Existing toilet rooms can remain if tenant so chooses.) D. UTILITIES: 1. Water and Sewer: Landlord shall furnish a minimum of one (1) one inch (1a) cold water supply and one (1) four inch (4a) waste water line to the Premises per Landlord's plans. Tenant is responsible for stubbing access to both the supply and waste lines. 2. Electricity: Landlord shall furnish existing electrical cabinets and breakers, located on the rear of the building, capable of accommodating the following minimum service requirements: All down stream conduit from existing panels to be removed except for power to F.C.U.'s and misc. fire alarm devices. (a) Service at gutter shall be a 200A – 120/208V of service, terminated at the gutter.

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EXHIBIT D Page 2 56837398601\261775737.v2 (b) Any electrical requirements (step-down transformer, distribution, wiring, convenience outlets, etc.) beyond said service above shall be Tenant's responsibility. 3. Lighting: None provided. Tenant's responsibility. 4. HVAC: Landlord shall provide chilled and heating water from the central plant to the Premises and provide an outside air connection for Tenant's ventilation, based on the following: (a) Distribution System Design: All air distribution system(s) shall be Tenant's responsibility including providing 4-pipe fan coils, heating and chilled water distribution, outside air distribution and thermostats. Chilled water coils will be designed for 48°F EWT. Heating water coils will be designed for 145°F EWT. (aa) Central Plant Deliverable: Hot water and chilled water delivered from the central plant is intended for artificial cooling and heating of the space and for heating domestic hot water. Hot water and chilled water temperature set points during seasonality or fluctuations but are always 40°F plus or minus to maintain 72°F (Cooling Mode) and 70°F (Heating Mode) air temperatures respectively and to maintain 120°F domestic hot water. Tenant is responsible for obtaining Landlord approval for use of the central plant's hot and chilled water which exceed these parameters. (b) Capacity: The air conditioning capacity shall not exceed one (1) ton for each three hundred (300) square feet of Floor Area for retail space. (c) Special Equipment: In the event that Tenant's use of the Premises requires fresh air and/or exhaust air for special equipment, cooking equipment, additional personnel, stock room areas or show

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windows, and the like. Tenant shall provide same at Tenant's sole expense, subject to the prior approval of Landlord. Tenant shall connect to base building systems where available. 5. Fire Sprinkler System: Landlord will provide a main fire line stubbed through the Premises and a layout of upright heads for shell construction as required by code. E. TELEPHONE: 1. One (1) one inch (1") conduit with pull string from the building telephone mounting board to Premises will be provided by the Landlord. F. STORE FRONTS: 1. Design and Installation: A standard minimum of one (1) store front shall be designed by the Project Architect and installed by Landlord consisting of a minimum of one (1) single door with cylinder lock. Landlord may elect to provide a double entry door, at Landlord's sole discretion, predicated on the square footage of the Premises. 15953953_v12

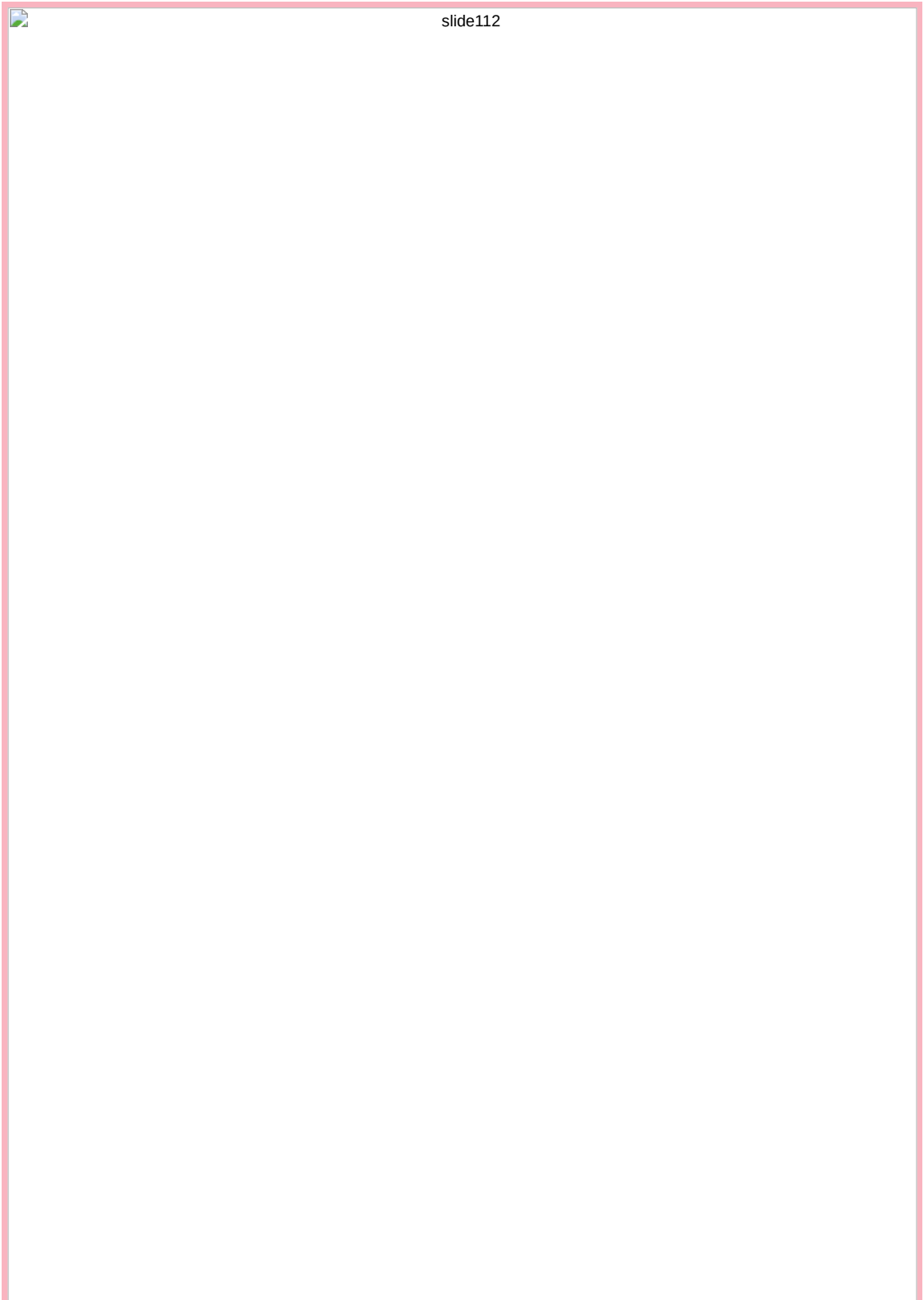

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EXHIBIT D Page 1 55837/88601/v62127989.v2 FOURTH AMENDMENT TO OFFICE LEASE THIS FOURTH AMENDMENT TO OFFICE LEASE (this "Amendment") is made and entered into as of the 25th day of February, 2021 (the "Amendment Effective Date") by and between VESTAR GATEWAY, LLC, a Delaware limited liability company ("Landlord") and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant"). RECITALS: A. Landlord and Tenant have previously executed and delivered that certain Office Lease dated November 13, 2017, as amended by that certain First Amendment to Lease dated September 25, 2018, as amended by that certain Second Amendment to Lease dated November 13, 2019, as amended by that certain Third Amendment to Lease dated January 22, 2021 (collectively, the "Lease") with respect to certain Premises more particularly described therein. B. Landlord and Tenant have agreed to modify the Lease, subject to and in accordance with the further terms, covenants and provisions of this Amendment. NOW, THEREFORE, in consideration of the execution and delivery of the Lease, the foregoing Recitals, the mutual agreements, covenants and promises contained in this Amendment and other good and valuable considerations, the receipt, sufficiency and validity of which are hereby acknowledged, Landlord and Tenant agree as follows: 1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease unless the context expressly requires otherwise. 2. Additional Premises Rent Commencement Date. Landlord and Tenant hereby agree that the Additional Premises Rent Commencement Date (as defined in the Second Amendment) is hereby amended to be March 1, 2021. The expiration date of the Lease Term (only with respect to the Additional Premises) shall be extended by six (6) months and twenty-two (22) days and shall expire on December 22, 2028. 3. Estoppel. Tenant and Landlord each hereby affirms by execution of this Amendment that to the best of such party's knowledge and belief, the Lease is in full force and effect and such party does not have any presently existing claims against the other party or any offsets against any amounts due under the Lease. To the best of such party's knowledge, there are no defaults of the other party under the Lease and there are no existing circumstances which with the passage of time, notice or both, would give rise to a default under the Lease. 4. Full Force and Effect. Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed references to the Lease as modified by this Amendment. 5. Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts and the signature pages combined to constitute one document. Electronic signatures shall have the same force and effect as original signatures. (signatures on next page) DocuSign Envelope ID: EC52E03E-EB25-47E1-9ED2-A35A6D61B449

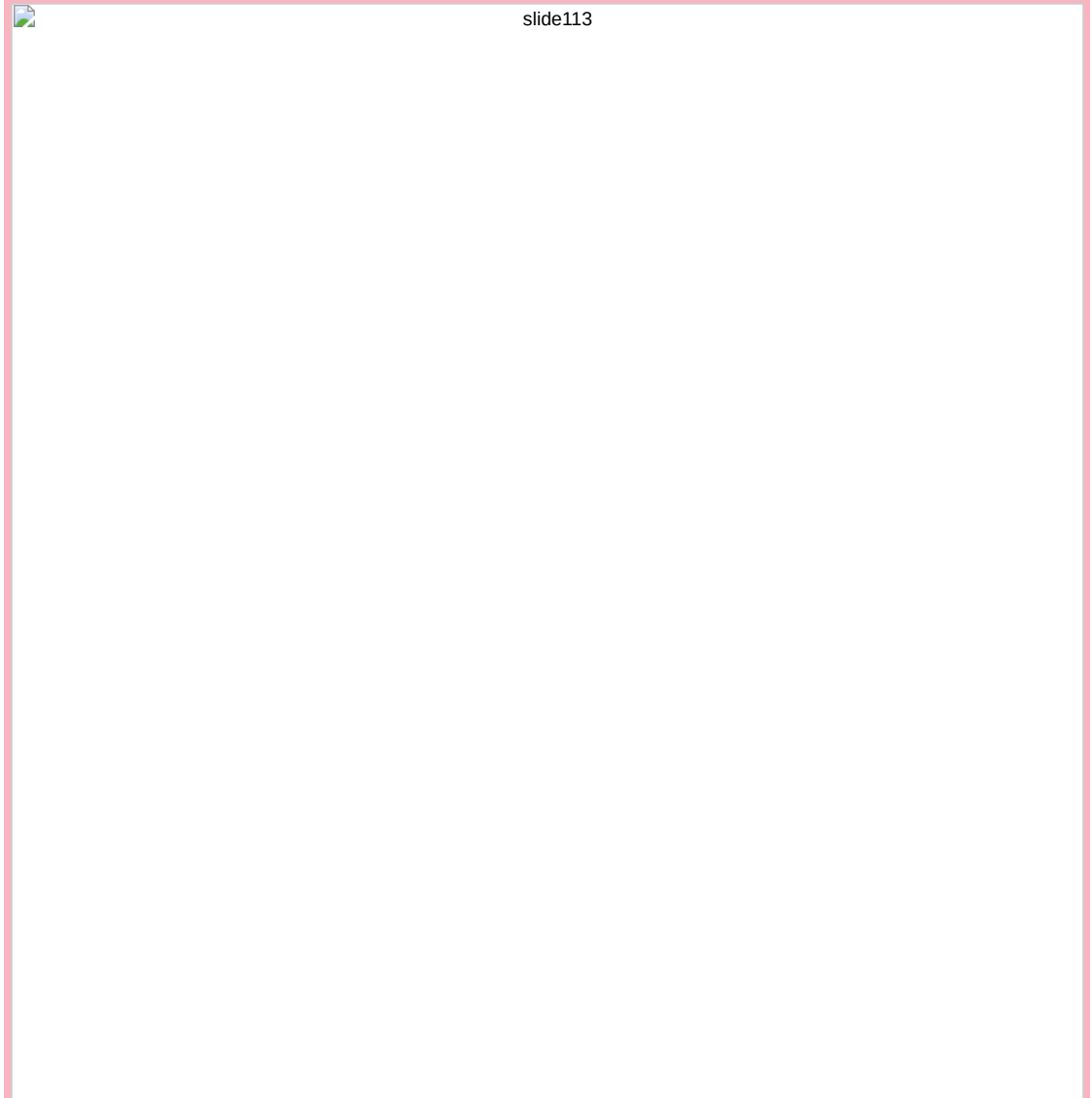

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EXHIBIT D Page 2 56837\388601\262127969.v2 IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written. LANDLORD: VESTAR GATEWAY, L.L.C., a Delaware limited liability company By: VSLC Gateway Retail, LLC, a Delaware limited liability company Its: Sole Member By: VCSLM, LLC, a Delaware limited liability company Its: Managing Member By: Name: Title: Manager TENANT: REQUISITE PHARMACEUTICALS, INC., a Delaware corporation By: Name: Its: DocuSign Envelope ID: EC52E03E-EB25-47E1-9ED2-A35ADD61B439 Senior Director of People Operations Blacken Curtis

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Page 1 56837\388601\262127969.v5 FIFTH AMENDMENT TO OFFICE LEASE THIS FIFTH AMENDMENT TO OFFICE LEASE (this "Amendment") is made and entered into as of the 15th day of May, 2021 (the "Amendment Effective Date"), by and between VESTAR GATEWAY II, LLC, a Delaware limited liability company ("Landlord"), and REGURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant"). REGTA, as Landlord and Tenant have previously executed and delivered that certain Office Lease dated November 13, 2017, as amended by that certain First Amendment to Lease dated September 25, 2018, as amended by that certain Second Amendment to Lease dated November 13, 2019, as amended by that certain Third Amendment to Lease dated January 22, 2021, and as amended by that certain Fourth Amendment to Lease dated February 25, 2021 (collectively, the "Lease") with respect to certain Premises more particularly described therein. B. Landlord and Tenant have agreed to modify the Lease, subject to and in accordance with the further terms, covenants and provisions of this Amendment. NOW, THEREFORE, in consideration of the execution and delivery of the Lease, the foregoing Recitals, the mutual agreements, covenants and promises contained in this Amendment and other good and valuable consideration, the receipt, sufficiency and validity of which are hereby acknowledged, Landlord and Tenant agree as follows: 1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease unless the context expressly requires otherwise. 2. Expansion Premises Termination Tenant's right to terminate the Lease as set forth in Paragraph 5 of the Third Amendment to Lease is hereby deleted. 3. Access to Adjoining Suites. If Tenant determines during the Expansion Premises Work that Tenant requires access to any one or more of the following three (3) suites that are adjacent to the Expansion Premises (i) the "Sprint" premises (containing 612 square feet), the "Hard Cell 6" Studios premises (containing 654 square feet), or the "Urban Homes" premises (containing 1,115 square feet)), each as depicted on Exhibit "A" to this Amendment (collectively, the "Adjoining Suites", Tenant may provide to Landlord written notice of the need for such access. Within thirty (30) days following receipt of such written notice with respect to the Urban Homes premises and the "Hard Cell 6" Studios premises and within one hundred twenty (120) days following receipt of such written notice for the Sprint premises, Landlord shall tender to Tenant possession of the Adjoining Suites designated by Tenant free and clear of all occupants thereof and their personal property. In accordance with the terms of the Lease, Tenant shall have the right to install an exhaust system and discharge stack that may include vertical and horizontal ducting, fans, motors, and related facilities and improvements (the "Exhaust System") within the Adjoining Suites in accordance with plans and specifications prepared by Tenant and approved by Landlord (which approval shall not be unreasonably withheld). Landlord acknowledges that the installation of the Exhaust System will require modifications to the roof deck and steel roof structure and agrees not to withhold its consent to such plans and specifications for such reasons. Upon completion of Tenant's Expansion Premises Work in the Adjoining Suites, but in no event later than the Expansion Premises Rent Commencement Date, Tenant shall return to Landlord possession of the Adjoining Suites in broom clean condition. Landlord shall have forty-five (45) days following Tenant returning to Landlord possession of the Adjoining Suites to determine whether the installation of the Exhaust System has rendered the Adjoining Suites unleasable due to lowered ceiling heights, columns, ducting or other physical limitations within the Adjoining Suites (the "Exhaust Limitations"). If the Adjoining Suites are not in leasable condition solely for the reasons set forth in the preceding sentence, then Landlord shall provide to Tenant notice and the Adjoining Suites will become a portion of the Premises and the rentable square footage of the Premises will be increased by the square footage of the Adjoining Suites retroactive to the Expansion Premises Rent Commencement Date. If, however, the Adjoining Suites are in leasable condition, Tenant's obligations with respect to the Adjoining Suites shall terminate; provided, however, Tenant shall have the right to use and maintain the Exhaust System for the remainder of the Expansion Premises Lease Term for no additional rent. 4. Occupancy of Adjoining Suites. Terminating the existing leases for the Adjoining Suites and relocating the tenants currently occupying the Adjoining Suites shall be at Landlord's sole cost and expense and will not be charged to Tenant. Furthermore, Tenant's right to access the Adjoining Suites or require Landlord to tender possession of the Accessed Suites to Tenant terminates once Tenant completes the Expansion Premises Work. As such, if Tenant does not request that Landlord tender possession of the Accessed Suites, and Tenant then performs the Expansion Premises Work and opens for business within the Expansion Premises, Tenant has no right at a later date to request possession of the Adjoining Suites. DocuSign Envelope ID: D0B97570-2AC2-4731-A521-222211DEA3B3

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Page 2 56837\388601\262127969.v5 5. Estoppel. Tenant and Landlord each hereby affirms by execution of this Amendment that to the best of such party's knowledge the Lease is in full force and effect and such party does not have any presently existing claims against the other party or any offsets against any amounts due under the Lease. To the best of each party's knowledge, there are no defaults of the other party under the Lease and there are no existing circumstances which with the passage of time, notice or both, would give rise to a default under the Lease. 6. Full Force and Effect. Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed references to the Lease as modified by this Amendment. 7. Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts and the signature pages combined to constitute one document. Electronic signatures shall have the same force and effect as original signatures. IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written. LANDLORD: VESTAR GATEWAY, LLC, a Delaware limited liability company By: SLC Gateway Retail, LLC, a Delaware limited liability company, its Sole Member By: VGSLM, LLC, a Delaware limited liability company, its Managing Member By: Name: Title: Manager TENANT: RECURSION PHARMACEUTICALS, INC., a Delaware corporation By: Name: Its: DocuSign Envelope ID: D0B57570-43AC-4751-A521-422211DEA58F Tina Larson President & COO David Knight

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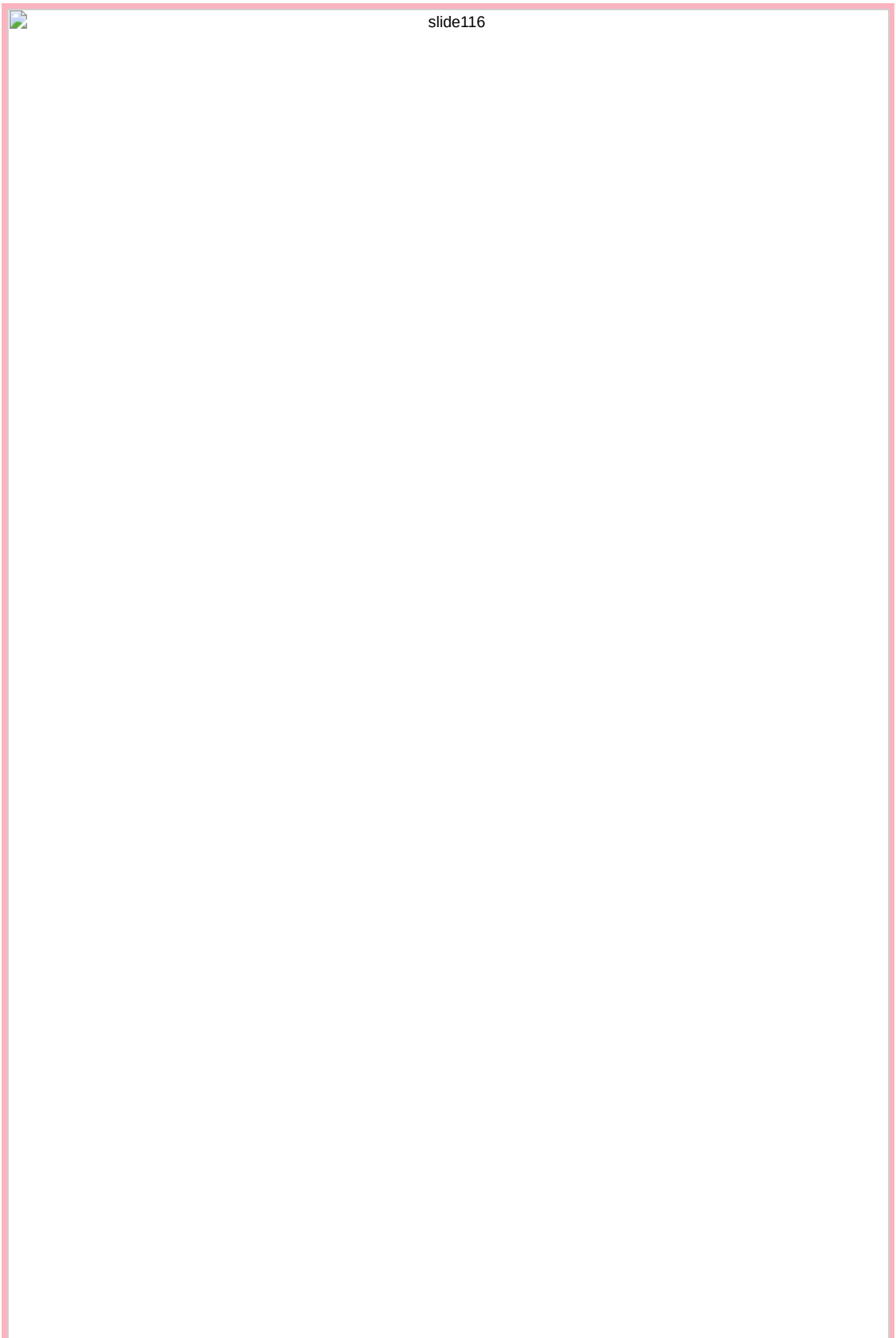

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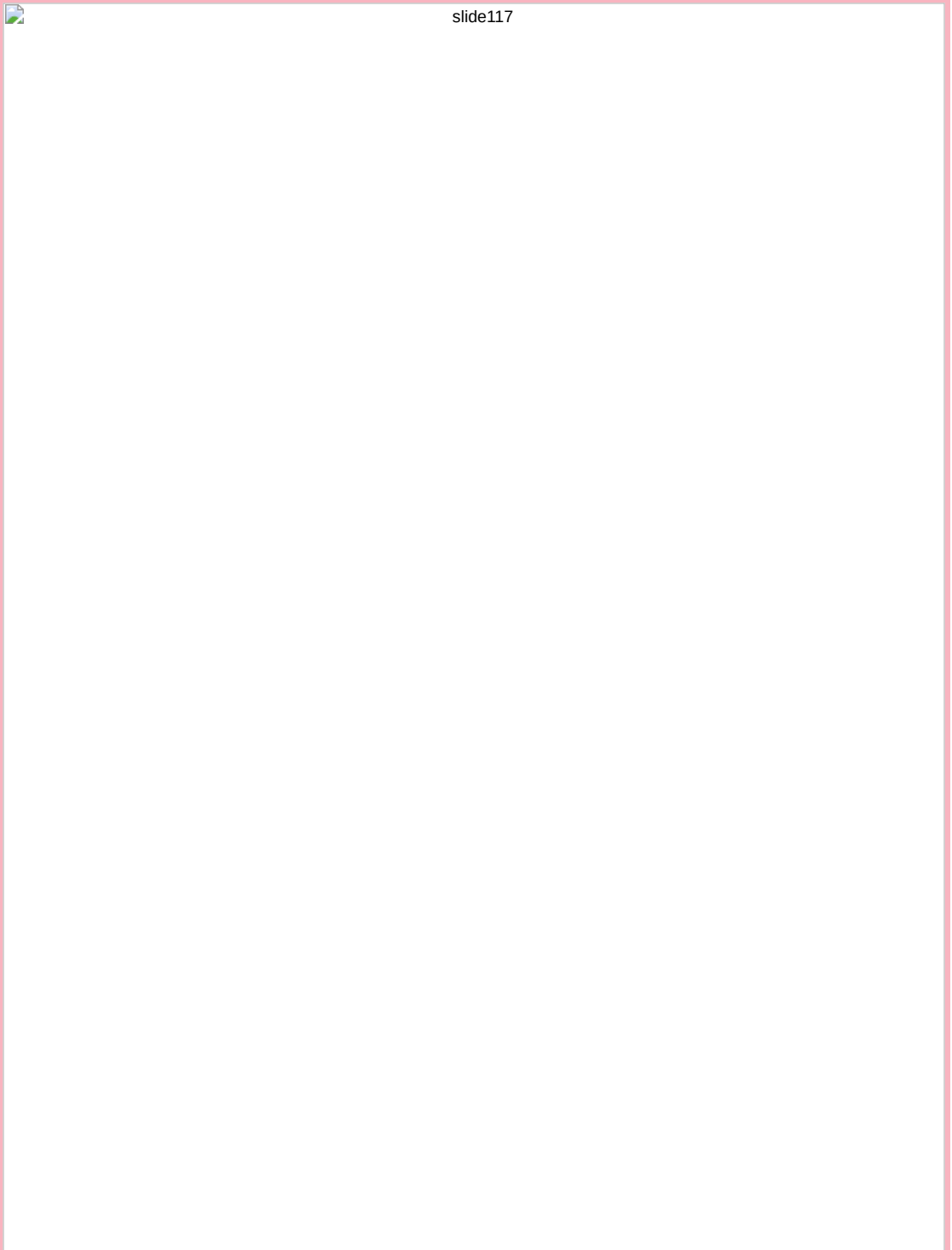

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Page 1 56837\388601\2637030 14.v6 ClarkHill\2637030 14.v8 SIXTH AMENDMENT TO OFFICE LEASE THIS SIXTH AMENDMENT TO OFFICE LEASE (this "Amendment") is made and entered into as of the ____ day of October, 2021 (the "Amendment Effective Date"), by and between VESTAR [SAN] WV, LLC, a Delaware limited liability company ("Landlord") and REGURSION PHARMACEUTICALS, INC., a Delaware corporation (collectively "Tenant"). RECITALS: A. Landlord and Tenant have previously executed and delivered that certain Office Lease dated November 13, 2017 ("Original Lease"), as amended by that certain First Amendment to Lease dated September 25, 2018, as amended by that certain Second Amendment to Office Lease dated November 13, 2019, as amended by that certain Third Amendment to Office Lease dated January 22, 2021 (the "Third Amendment"), as amended by that certain Fourth Amendment to Office Lease dated February 25, 2021, and as amended by that certain Fifth Amendment to Office Lease dated May 15, 2021 (collectively with the Original Lease, the "Lease") with respect to certain Premises more particularly described therein. B. Landlord and Tenant have agreed to modify the Lease, subject to and in accordance with the further terms, covenants and provisions of this Amendment. NOW, THEREFORE, in consideration of the execution and delivery of the Lease, the foregoing Recitals, the mutual agreements, covenants and promises contained in this Amendment and other good and valuable considerations, the receipt, sufficiency and validity of which are hereby acknowledged, Landlord and Tenant agree as follows: 1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease unless the context expressly requires otherwise. 2. Supplementary Premises. In addition to and together with the Premises, from and after the Expansion Premises Rent Commencement Date (as defined in the Third Amendment), Landlord leases to Tenant and Tenant leases from Landlord that certain Supplementary Premises (herein so called) consisting of approximately twelve thousand one hundred forty (12,140) square feet of Floor Area within the Expansion Premises Building and adjacent to the Expansion Premises (as each is defined in the Third Amendment), and identified as the "Supplementary Premises" on the Site Plan attached hereto as Exhibit A. Additionally, Tenant shall have exclusive use and control of the existing elevators that are accessible from the ground level of the Expansion Premises Building and the Supplementary Premises. From and after the Supplementary Premises Rent Commencement Date, references in the Lease to the "Premises" shall be deemed to include the "Supplementary Premises" and Tenant's use, lease and occupancy of the Supplementary Premises shall be subject to all of the terms, covenants and provisions of the Lease. Tenant acknowledges that the provisions of Article 10 of the Lease apply to Tenant's entry in the Supplementary Premises. 3. Term. The Term of the Lease with respect to the Supplementary Premises shall be coterminous with the Expansion Premises Lease Term (as defined in the Third Amendment). 4. Use. The Supplementary Premises shall be used solely for general office purposes (no laboratory work) provided, however, the Supplementary Premises may be used for the purposes expressly set forth in Article 5 of the Lease upon Tenant providing advance written notice to Landlord of such change, and for no other purpose. 5. Base Rent. From and after the Expansion Premises Rent Commencement Date, Base Rent shall be payable with respect to the Supplementary Premises in accordance with the Schedule of Base Rent set forth below: Months of Lease Term Monthly Rental Annual Rental Annual Rental Rate Per Square Foot Expansion Premises Rent Commencement Date – 12 $25,291.67 $303,500.00 $25.0000 13-24 $20,050.42 $3312,605.00 $25.7500 25-36 $26,861.98 $321,083.15 $26.5225 37-48 $27,636.80 $3381,642.64 $27.3182 49-60 $28,465.99 $341,591.92 $28.1377 61-72 $29,319.97 $351,839.68 $28.9819 73-84 $30,199.57 $362,394.87 $29.8513 85-96 $31,105.56 $373,266.72 $30.7468 97-108 $32,038.73 $384,464.72 $31.6693 109-120 $32,999.89 $395,998.66 $32.6193 DocuSign Envelope ID: 6955E491-98E3-4D62-A97C-07AEB9DA5A1E 1 0

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Page 2 56837d88601f263f706014d9:56837d88601f263f706014d9:6 Operating Expenses, Taxes—Supplementary Premises. Tenant acknowledges that its obligation for payments for Direct Expenses, Operating Expenses and Tax Expenses with respect to the Supplementary Premises shall be calculated in the same manner as the original Premises (as is set forth in Article 4 of the Original Lease; provided, however, with respect to the Supplementary Premises, the Base Year shall be calendar year 2021). 7. Delivery of Supplementary Premises. Landlord shall tender possession of the Supplementary Premises to Tenant promptly following the Amendment Effective Date; provided, however, such tender of possession of the Supplementary Premises shall not include Suites 78, 79 and 80 (the "Exception Suites") within the Supplementary Premises. Landlord shall tender possession of the Exception Suites to Tenant in any shell condition as more fully described in Exhibit "B" hereto on or before the date that is sixty-three (63) days after the Amendment Effective Date. Except for Landlord's representations and warranties contained in this Amendment and in the Lease, (a) no representations, inducements, understanding or anything of any nature whatsoever made, stated or represented by Landlord or anyone acting for or on Landlord's behalf, either orally or in writing, have induced Tenant to enter into this Amendment, and (b) Tenant acknowledges, represents and warrants that Tenant has entered into this Amendment under and by virtue of Tenant's own independent investigation. Except for Landlord's representation and warranties contained in this Amendment and in the Lease, Tenant hereby shall accept the Supplementary Premises (except the Exception Suites) in its current "as is" and "where is" condition without warranty of any kind, express or implied, including without limitation, any warranty as to title, physical condition or the presence or absence of Hazardous Materials, and the Supplementary Premises (except the Exception Suites) are not in all respects entirely suitable for the use or uses to which the Supplementary Premises or any part thereof will be put. Then it is the sole responsibility and obligation of Tenant, subject to and in accordance with the provisions of this Lease, to take such action as may be necessary to place the Supplementary Premises (except the Exception Suites) in a condition entirely suitable for such use or uses. IN CONNECTION WITH THE ABOVE, TENANT HEREBY ACKNOWLEDGES AND REPRESENTS TO LANDLORD THAT TENANT HAS HAD AMPLE OPPORTUNITY TO INSPECT AND EVALUATE THE SUPPLEMENTARY PREMISES AND THE FEASIBILITY OF THE USES AND ACTIVITIES TENANT IS ENTITLED TO CONDUCT THEREON, THAT TENANT IS EXPERIENCED, THAT TENANT WILL RELY ENTIRELY ON TENANT'S EXPERIENCE, EXPERTISE AND ITS OWN INSPECTION OF THE SUPPLEMENTARY PREMISES IN ITS CURRENT STATE IN PROCEEDING WITH THIS AMENDMENT (SUBJECT TO LANDLORD'S REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AMENDMENT AND THE LEASE AND LANDLORD'S WORK TO BE PERFORMED WITH RESPECT TO THE EXCEPTION SUITES), TENANT ACCEPTS THE SUPPLEMENTARY PREMISES IN ITS PRESENT CONDITION (SUBJECT TO LANDLORD'S REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AMENDMENT AND THE LEASE AND LANDLORD'S WORK TO BE PERFORMED WITH RESPECT TO THE EXCEPTION SUITES), AND THAT, TO THE EXTENT THAT TENANT'S OWN EXPERIENCE WITH RESPECT TO ANY OF THE FOREGOING IS INSUFFICIENT TO ENABLE TENANT TO REACH AND FORM A CONCLUSION, TENANT HAS ENGAGED THE SERVICES OF PERSONS QUALIFIED TO ADVISE TENANT WITH RESPECT TO SUCH MATTERS. TENANT IS NOT RELYING ON ANY EXPRESS OR IMPLIED, ORAL OR WRITTEN REPRESENTATIONS OR WARRANTIES MADE BY LANDLORD OR ITS REPRESENTATIVES, OTHER THAN THOSE SET FORTH IN THIS AMENDMENT AND IN THE LEASE. In this regard, except as set forth in this Amendment, Tenant shall be responsible, at its sole cost and expense, for the work within the Supplementary Premises in accordance with the provisions of the Lease and this Amendment. 8. Allowance. If the Lease is in full force and effect and if Tenant is not in breach or default of any of the terms, conditions, covenants and provisions of this Lease, Tenant shall be entitled to a one- time Supplementary Premises Allowance in the amount of Seventy and No/100 Dollars ($70.00) gross square foot for partial reimbursement of the cost to ready the Supplementary Premises for occupancy ("Tenant's Work"). Payment of the Supplementary Premises Allowance shall be made to Tenant by Landlord within thirty (30) days after the later to occur of (i) Tenant requesting in writing disbursement of the Supplementary Premises Allowance, which request may be made only after Tenant has opened at the Supplementary Premises for business to the general public in accordance with the terms, covenants and provisions of this Amendment, and (ii) delivery to Landlord of the following: (a) a copy of the Certificate of Occupancy (or comparable permit issued by the City of Salt Lake and/or the County of Salt Lake, Utah for the Supplementary Premises, (b) unconditional lien waivers from Tenant's contractor and all subcontractors and suppliers who furnished labor and/or materials in connection with the construction of the Supplementary Premises in a form substantially similar to the form previously delivered to Landlord with respect to the Original Supplementary Premises Allowance, and (c) a copy of all permits, licenses or other governmental, quasi-governmental or other licensing authority authorizations required as a prerequisite for Tenant (or the third party operator) conducting business operations at the Supplementary Premises, and (d) execution and delivery by Tenant to Landlord of an estoppel certificate in the form attached to the Lease as an Exhibit, and (e) copies of invoices and work orders demonstrating the cost of Tenant's Work, and (f) a copy of the "as-built" plans (or record drawings) marked to show field changes) for the Supplementary Data\Sun Envelope ID: 6455E491-8EE9-4D62-AA7C-CAEE0B9A4AEE

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Page 3 56837\388601\263703014.v6 ClarkHill\263703014.v8 Premises. Tenant shall deliver the request for the Supplementary Premises Allowance to Landlord no later than three hundred sixty (360) days after the Expansion Premises Rent Commencement Date (the "Allowance Cutoff Date"). In the event Tenant does not submit the request for the Supplementary Premises Allowance within thirty (30) days after the Allowance Cutoff Date, Landlord shall not be obligated to fund any portion of the Supplementary Premises Allowance to Tenant and the Supplementary Premises Allowance shall be forfeited by Tenant without any reduction or adjustment to the Base Rent, Additional Rent (as defined in the Lease) or other charges payable by Tenant to Landlord under this Lease. Tenant's Work shall be performed in accordance with the applicable provisions of the Lease, including the payment to Landlord of a construction supervision and management fee in an amount equal to one percent (1%) of the Supplementary Premises Allowance. 9. Existing Bathrooms; Fire Egress. The Supplementary Premises incorporates an existing hallway that runs along the northern

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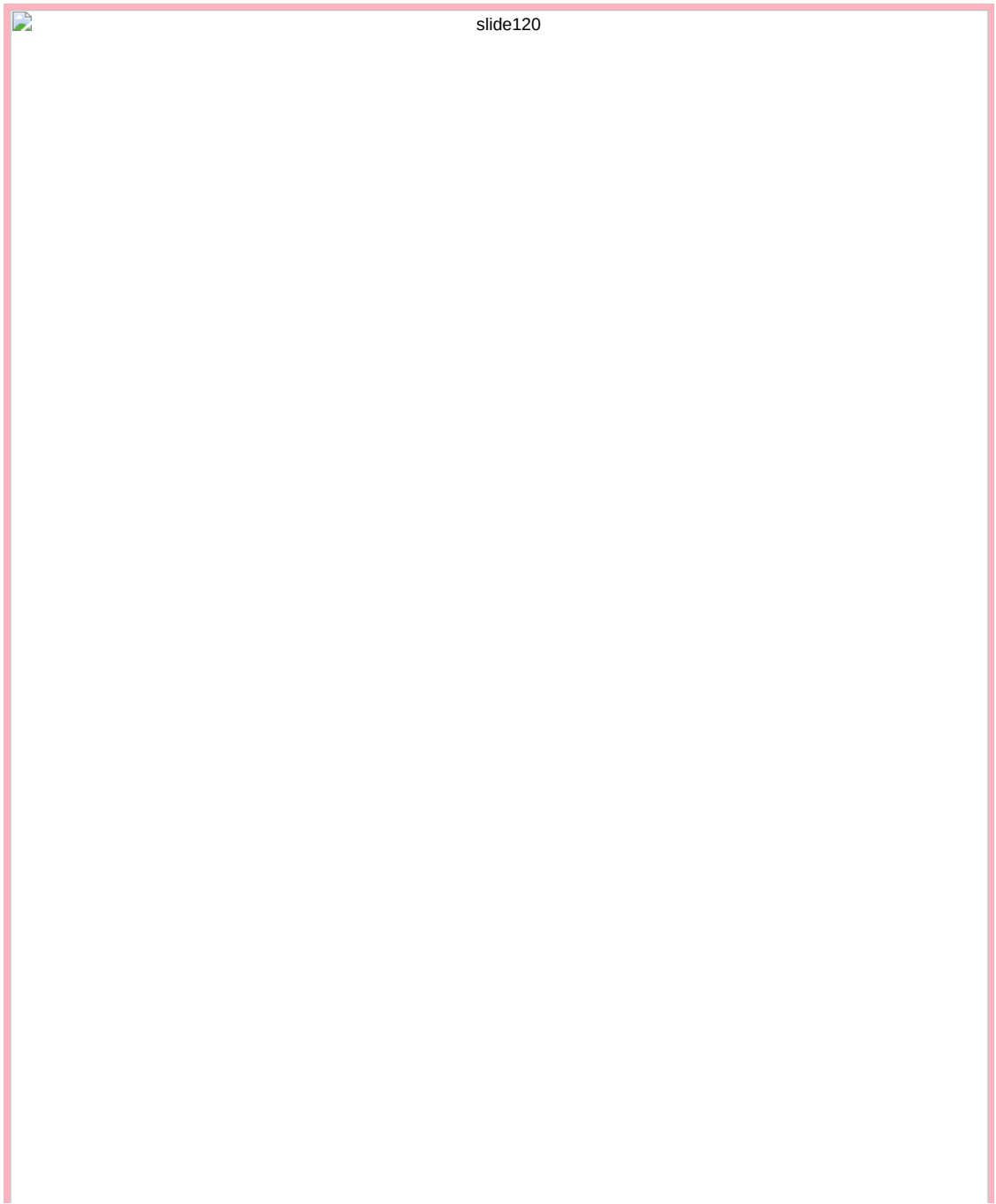
boundary (the "Existing Hallway"). The Existing Hallway provides access to public restrooms located to the west of the Supplementary Premises (the "Public Bathrooms") and also serves as a fire egress route for the Expansion Premises Building. In order to allow Tenant to fully integrate the Supplementary Premises with the Expansion Premises, the parties hereby agree as follows: (a) Tenant shall not alter or remove the Public Bathrooms; (b) the Public Bathrooms shall not be accessible to, or used as restrooms by, other tenants or the general public for the duration of the Expansion Premises Lease Term; and (c) Tenant shall incorporate, at part of Tenant's Work, a replacement fire egress hallway within the Supplementary Premises and/or Expansion Premises that meets life code requirements for the Expansion Premises Building. 10. Expansion Premises. The size of the Expansion Premises as more fully described in the Third Amendment shall be reduced from 91,748 rentable square feet to 91,494 rentable square feet, a reduction needed of 254 square feet so as to avoid relocating the South HVAC unit as shown on Exhibit A. Tenant will be responsible for adding the needed demising wall as shown on Exhibit A. 11. Base Rent – Expansion Premises. The rental chart set forth in Paragraph 6 of the Third Amendment is amended and restated in its entirety as follows: Year of Lease Term Monthly Rental Annual Rental Rate Per Square Foot 1 $245,850.16 $2,950,681.50 $32.2500 2 $253,226.66 $3,038,720.00 $33.2175 3 $260,864.66 $3,130,375.92 $34.2140 4 $268,660.43 $3,223,925.15 $35.2404 5 $276,751.81 $3,321,021.76 $36.2977 6 $285,054.13 $3,420,649.56 $37.3867 7 $293,605.77 $3,523,269.25 $38.5083 8 $302,413.59 $3,628,963.12 $39.6635 9 $311,485.99 $3,737,831.88 $40.8535 10 $320,830.57 $3,849,966.89 $42.0789 The Expansion Premises Allowance granted to Tenant (which has been stated as One Hundred Ten and No/100 Dollars ($110.00) per rentable square foot of the Expansion Premises) shall be adjusted based upon the reduced square footage of the Expansion Premises. 12. Parking. In addition to Tenant's existing parking rights set forth in the Lease, Tenant shall have the additional right, but not the obligation, to utilize up to three (3) parking passes for every one thousand (1,000) rentable square feet comprising the Expansion Premises and the Supplementary Premises (or fraction thereof) on a monthly basis throughout the Expansion Premises Lease Term (or fraction thereof) in the north and south parking garages owned by Landlord, which passes shall be unreserved and on a first-come, first-served basis. The cost for such parking passes described herein for the Expansion Premises Lease Term shall be Eighty-Five and No/100 Dollars ($85.00) per pass per month. All other terms and provisions with respect to parking passes shall be as set forth in Article 28 of the Lease. 13. Estoppel. Tenant and Landlord each hereby affirms by execution of this Amendment that to the best of such party's knowledge the Lease is in full force and effect and such party does not have any presently existing claims against the other party or any offsets against any amounts due under the Lease. To the best of each party's knowledge, there are no defaults of the other party under the Lease and there are no existing circumstances which with the passage of time, notice or both, would give rise to a default under the Lease. 14. Full Force and Effect. Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to this Lease shall be deemed DocuSign Envelope ID: C955E491-9BF9-4D62-A97E-EAFB98A5AAFB



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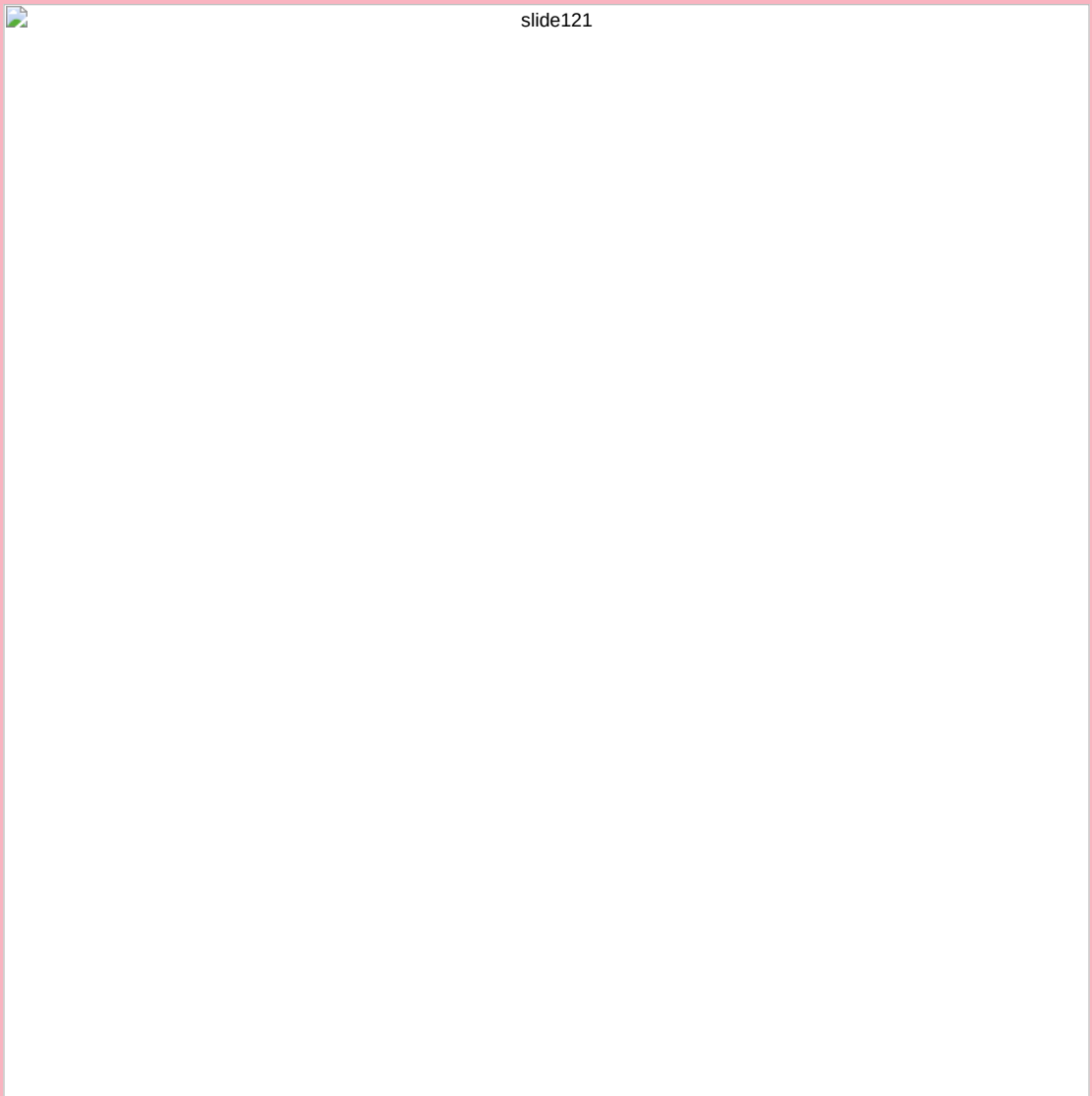
Page 4 56837d3836013637d3014v3 ClerkHill\26370\014v3 references to the Lease as modified by this Amendment. However, the provisions of Section 2.4 of the Original Lease shall not be applicable to this Amendment or to the Supplementary Premises. 15. Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts and the signature pages combined to constitute one document. Electronic signatures shall have the same force and effect as original signatures. [Signatures on following page] DocuSign Envelope ID: C055E491-8BE9-4DC2-A37C-CAFBDBA5AAED



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Page 1 56937/38860112637203014.v6 ClarkHill\2637203014.v8 IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written. LANDLORD: VESTAR GATEWAY, LLC, a Delaware limited liability company By: SLC Gateway Retail, LLC, a Delaware limited liability company, its Sole Member By: VGSLM, LLC, a Delaware limited liability company, its Managing Member By: Name: Title: Manager TENANT: RECURSION PHARMACEUTICALS, INC., a Delaware corporation By: Name: Its: DocuSign Envelope ID: C955F491-8BF9-4DC2-A37C-CAFBD8A5AAFD President & COO Tina Larson V.P. Legal and Associate General Counsel Nathan Hatfield David Perry

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Page 2 56837\388601\2637080141v6 ClarkHill\2637080141v6 EXHIBIT "A" SITE PLAN DocuSign Envelope ID: C955F491-8FE9-4DC2-A37C-CAFBD9A5AAED

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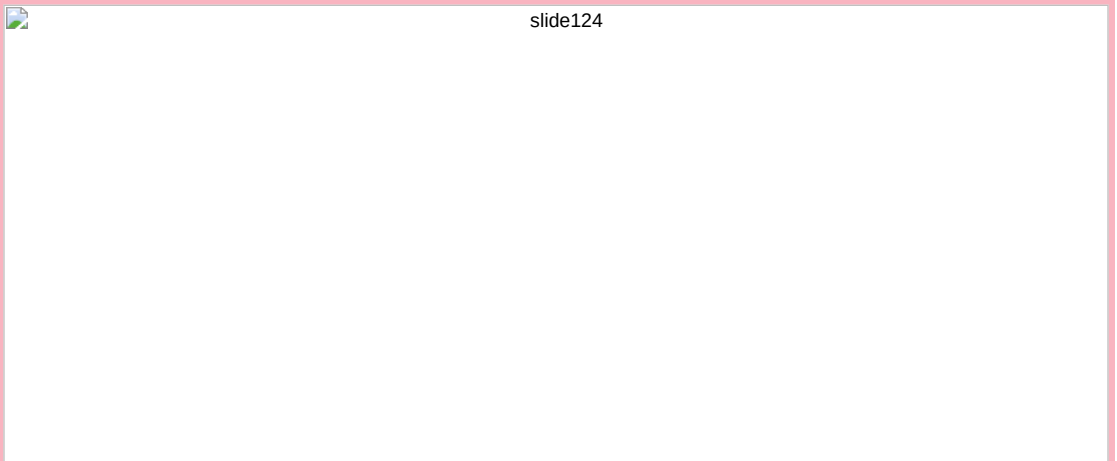

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Page 1 56837\388601\263703014.v6 ClarkHill\263703014.v8 EXHIBIT "B" EXCEPTION SUITES GREY SHELL CRITERIA LANDLORD SHALL PROVIDE THE FOLLOWING GRAY SHELL IMPROVEMENTS TO THE PREMISES (HEREINAFTER REFERRED TO AS "LANDLORD'S WORK"): A. STRUCTURES: 1. Frame: The building is constructed of steel frame, reinforced concrete, or masonry bearing wall, as provided within the existing Gateway project. 2. Exterior Walls: The exterior wall(s) are of masonry, steel framed, or such other material or materials, as provided within the existing Gateway project. 3. Ceiling Heights: Tenant's responsibility as to clear height from floor slab. 4. Roof: The roof is of single ply material type, or equal, as provided within the existing Gateway project. 5. Partitions: Interior partition walls are Tenant's responsibility. 6. Door(s) and Frame(s): Exterior service door(s) and frame(s) shall be hollow metal. 7. Storefront Doors: See Paragraph 5.E. B. INTERIOR FINISHES: 1. Floors: Landlord shall furnish a standard four inch (4") thick concrete slab or suspended structural slab throughout the interior of the Premises. 2. Suspended Structural Slab: The elevated floor slabs of this building are of post-tension concrete construction. Any attachments for mechanical, electrical, or architectural elements shall be limited to a 1" maximum drilled or driven anchor embedment. If deeper embedment or core drilling is required, the slab shall be scanned to locate PT tendons and location adjusted to provide at least 3" clear from any PT tendon. In the event that PT tendons become damaged or cut, they must be repaired to bring the building back to its original design condition. Cost of these repairs shall be the responsibility of the contractor. 3. Walls: Demising walls shall be unpainted masonry or unpainted drywall finish. Tenant shall be responsible for final preparation and finish. Height shall be determined by Project Architect. Any cross partition(s) shall be Tenant's responsibility. Exterior and rear wall(s) shall be unpainted masonry or concrete finish or such other material(s) as selected by Project Architect. 4. Ceilings: None provided. Tenant's responsibility. C. SANITARY FACILITIES: 1. Toilet Room: None provided. Tenant's responsibility. (Existing toilet rooms can remain if tenant so chooses.) D. UTILITIES: 1. Water and Sewer: Landlord shall furnish a minimum of one (1) one inch (1") cold water supply and one (1) one inch (1") waste/water line to the Premises per Exhibit "A" plus. Tenant is responsible for stubbing. Access to both the supply and waste lines. 2. Electricity: Landlord shall furnish existing electrical cabinets and breakers, located on the rear of the building, capable of accommodating the following minimum service requirements. All down stream conduit from existing panels to be removed except for power to F.C.U.'s and misc. fire alarm devices. (a) Service at gutter shall be a 200A – 120/208V of service, terminated at the gutter. DocuSign Envelope ID: C955E491-8BE9-4D62A97C7A5B0DA3WAEB

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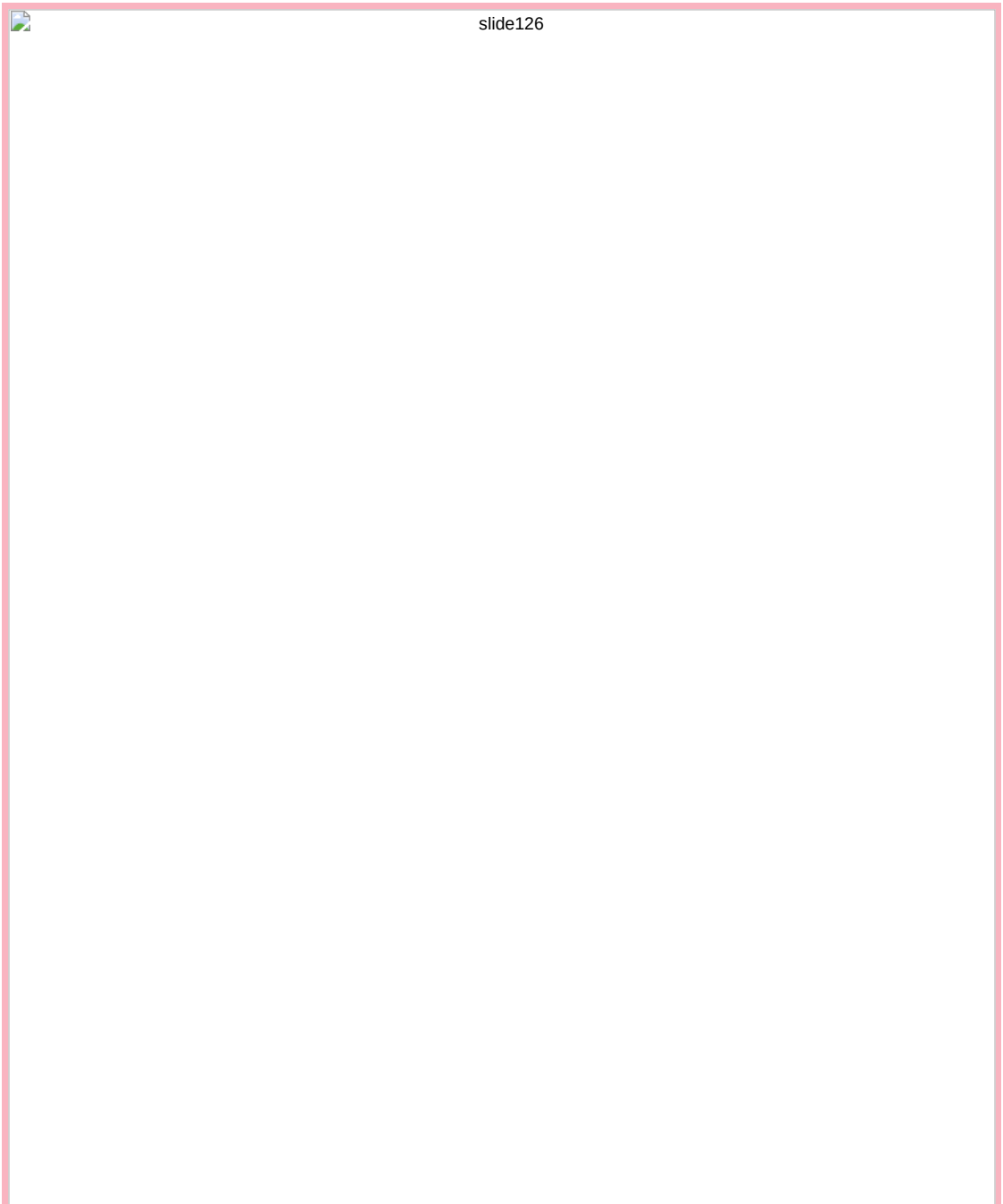
Page 2 568370388601\\263703014.v6 ClarkHill\\263703014.v8 (b) Any electrical requirements (step-down transformer, distribution, wiring, convenience outlets, etc.) beyond said service above shall be Tenant's responsibility. 3. Lighting: None provided. Tenant's responsibility. 4. H.V.A.C.: Landlord shall provide chilled and heating water from the central plant to the spaces and provide an outside air connection for space ventilation, based on the following: (a) Distribution System Design: All air distribution system(s) shall be Tenant's responsibility including providing 4-pipe fan coils, heating and chilled water distribution, outside air distribution and thermostats. Chilled water coils will be designed for 48°F EWT. Heating water coils will be designed for 145°F EWT. (c) Central Plant Delivery Rate: Hot water and chilled water delivered from the central plant is intended for artificial cooling and heating of the space and for heating domestic hot water. Hot water and chilled water temperature set points change seasonally for efficiencies but are always adequate to maintain 72°F Cooling Mode and 70°F Heating Mode) air temperatures year-round and to maintain 120°F domestic hot water. Tenant is responsible for obtaining Landlord approval for use of the central plant's hot and chilled water which exceed these parameters. (b) Capacity: The air conditioning capacity shall not exceed one (1) ton for each three hundred (300) square feet of Floor Area for Retail Spaces. (c) Special Equipment: In the event that Tenant's use of the Premises requires fresh air and/or exhaust and/or special equipment cooling or numerous additional personnel, such as computer rooms, or show windows, and the like, Tenant shall provide same at Tenant's sole expense, subject to the prior approval of Landlord. Tenant shall connect to base building systems where available. 5. Fire Sprinkler System: Landlord will provide a main fire line stubbed through the Premises and a layout of upright heads for shell construction as required by code. 6. TELEPHONE: One (1), one inch (1") conduit, with pull string from the building telephone mounting board to Premises will be provided by the Landlord. 7. STOREFRONTS: 1. Design and Installation: A standard minimum of one (1) store front shall be designed by the Project Architect and installed by Landlord consisting of a minimum of one (1) single door with cylinder lock. Landlord may elect to provide a double entry door, at Landlord's sole discretion, predicated on the square footage of the Premises. DocuSign Envelope ID: C953E491-B5E9-4D0C-2A97-CCAFBD8A5AAFD



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1 Error! Unknown document property name. SEVENTH AMENDMENT TO OFFICE LEASE THIS SEVENTH AMENDMENT TO OFFICE LEASE (this "Amendment") is made and entered into as of the _____ day of April, 2022 (the "Amendment Effective Date"), by and between VESTA GATEWAY LLC, a Delaware limited liability company ("Landlord") and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant"). RECITALS: A. Landlord and Tenant have previously executed and delivered that certain Office Lease dated November 13, 2017, as amended by that certain First Amendment to Lease dated September 25, 2018, as amended by that certain Second Amendment to Office Lease dated November 13, 2019, as amended by that certain Third Amendment to Office Lease dated January 22, 2021, as amended by that certain Fourth Amendment to Office Lease dated February 25, 2021, as amended by that certain Fifth Amendment to Office Lease dated May 13, 2021 and as amended by that certain Sixth Amendment to Office Lease dated October 18, 2021 (collectively, the "Lease"), with respect to certain Premises more particularly described therein. B. Landlord and Tenant have agreed to modify the Lease, subject to and in accordance with the further terms, covenants and provisions of this Amendment. NOW, THEREFORE, in consideration of the execution and delivery of the Lease, the foregoing Recitals, the mutual agreements, covenants and promises contained in this Amendment and other good and valuable considerations, the receipt, sufficiency and validity of which are hereby acknowledged, Landlord and Tenant agree as follows: 1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease. Unless the context expressly requires otherwise. 2. Loading Dock and Storage. Subject to compliance by Tenant with the codes and ordinances of governmental authorities having jurisdiction, for a term co-terminus with Tenant's lease of the Supplementary Premises (c) Landlord grants Tenant the non-exclusive right to use "Loading Dock #5" in connection with Tenant's use of the Supplementary Premises for deliveries; and (b) Landlord grants to Tenant a license to utilize a portion of the loading dock adjacent to the Supplementary Premises and depicted on Exhibit "A" attached hereto ("Storage Area") for the placement of Tenant's 2 bulk tanks and for the installation of Tenant's two Fill Boxes and related Fill Lines (collectively, "Fill Boxes"). Tenant shall coordinate with Landlord prior to installation of its Fill Boxes and Fill Lines to ensure that both the exact locations and the method of installation are approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed; provided that Landlord's review and approval of the locations and method of installation of the Fill Boxes and Fill Lines shall not interfere in any material respect with Tenant's ability to conduct its business. All of Tenant's indemnification and insurance obligations contained in the Lease with respect to the Supplementary Premises shall be applicable to Tenant's use of Loading Dock #5 and the Storage Area. There shall be no separate rental or other charge to Tenant for the rights granted in this Paragraph 2. 3. Supplementary Premises. Two hundred thirty seven (237) square feet of the Supplementary Premises on the first floor of the Building shall be removed from the Premises, as shown on Exhibit "B" (the "Deleted Area") and the Supplementary Premises shall be amended to be eleven thousand nine hundred three (11,903) rentable square feet. The Deleted Area was included as square footage within the Supplementary Premises but is part of Landlord's limited common area that is not part of Landlord's retained right to lease. With Landlord's consent, such consent not to be unreasonably withheld, Tenant shall have reasonable access to the Deleted Area; provided, however, in the case of emergency in which the panic door has opened and the drop down curtains have been engaged, then Tenant in that situation only will not have such access. Tenant further acknowledges that the terms of Paragraph 9 of the Sixth Amendment to Lease dated October 18, 2021 (the "Sixth Amendment") (existing bathrooms and fire egress) remain in full force and effect. The Supplementary Premises Allowance with respect to Tenant's Work Shall be reduced proportionately based upon Seventy and No/100 Dollars ($70.00) per square foot to reflect the removal of the Deleted Premises from the Supplementary Premises. 4. The rental set forth in Paragraph 5 of the Sixth Amendment is amended and restated in its entirety as follows: Month of Lease Term Monthly Rental Annual Rental Annual Rental Rate Per Square Foot Expansion Premises Rent Commencement Date – 12 $24,797.92 $297,575.00 $25.00 13-24 $25,541.85 $306,502.25 $25.75 25-36 $26,308.11 $315,697.32 $26.52 37-48 $27,097.35 $325,168.24 $27.32 DocuSign Envelope ID: FD89351C-49B9-420E-9165-6E8A0E5DA021 12

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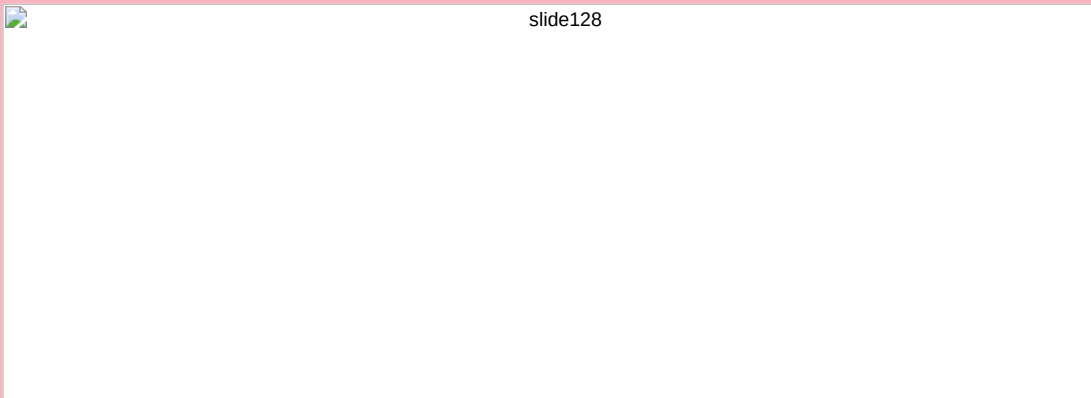
2 Error! Unknown document property name. 49.60 $27,910.27 $334,923.28 $28,14 61.72 $28,747.59 $344,970.93 $28.93 72.84 $29,610.01 $355,320.11 $28.85 85.96 $30,493.31 $365,979.72 $30,75 97.108 $31,413.26 $376,959.11 $31.67 109.120 $32,353.66 $388,267.88 $32.62 5. Estoppel. Tenant and Landlord each hereby affirms by execution of this Amendment that to the best of such party's knowledge the Lease is in full force and effect and such party does not have any presently existing claims against the other party or any offsets against any amounts due under the Lease. To the best of each party's knowledge, there are no defaults of the other party under the Lease and there are no existing circumstances which with the passage of time, notice or both, would give rise to a default under the Lease. 6. Full Force and Effect; Exculpation. As expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed references to the Lease as modified by this Amendment. However, the provisions of Section 2.4 of the Original Lease shall not be applicable to this Amendment or to the Supplementary Premises. 7. Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts and the signature pages combined to constitute one document. Electronic signatures shall have the same force and effect as original signatures. IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written. LANDLORD: VESTAR GATEWAY, LLC, a Delaware limited liability company By: SLC Gateway Retail, LLC, a Delaware limited liability company, its Sole Member By: VGSLM, LLC, a Delaware limited liability company, its Managing Member By: Name: Title: Manager TENANT: RECURSION PHARMACEUTICALS, INC., a Delaware corporation By: Name: Its: DocuSign Envelope ID: FD8935 1C-49B9-420E-9465-6E8A0E5DA021 Tina Larson Chief Operating Officer David Larcher



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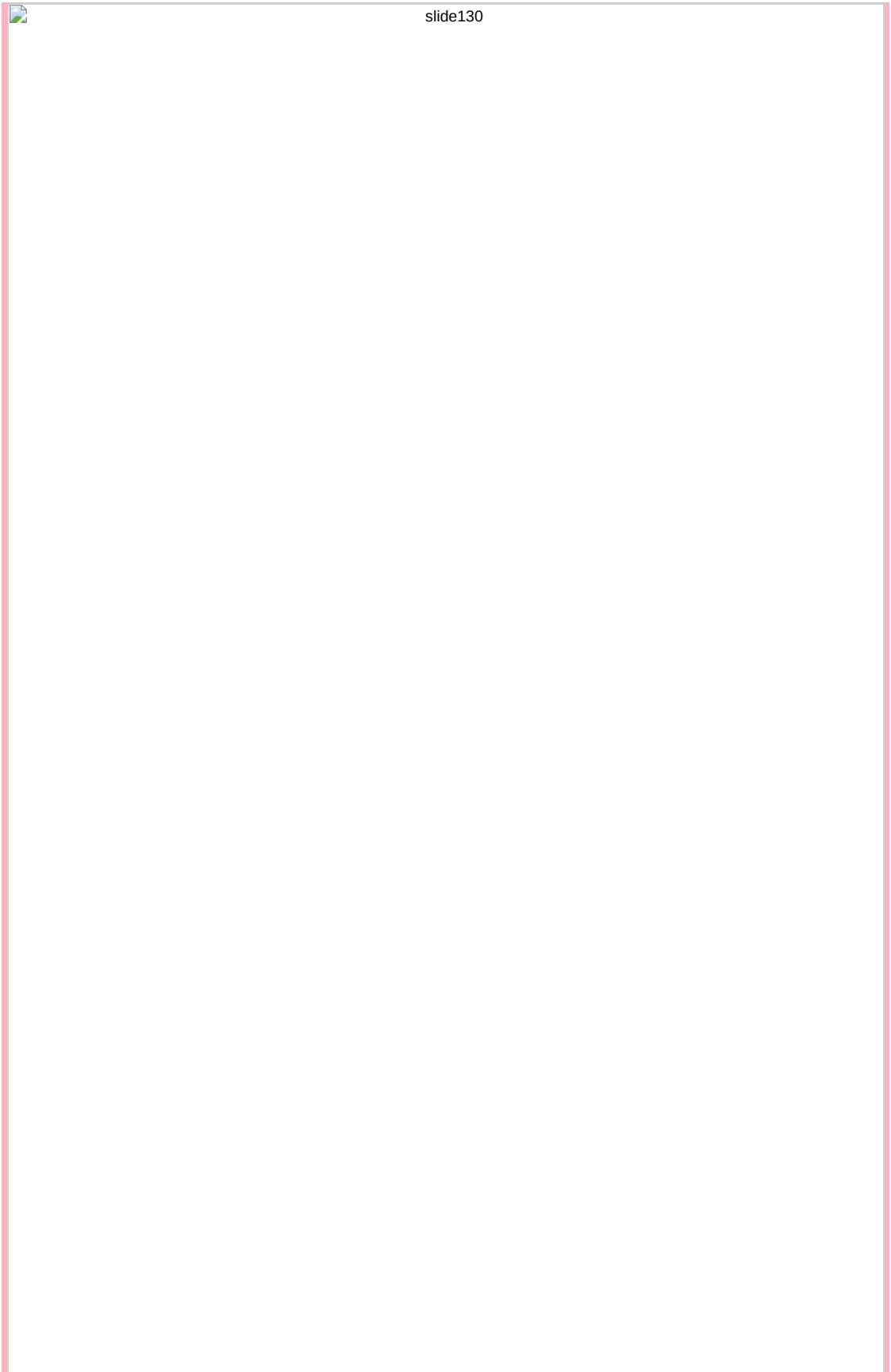

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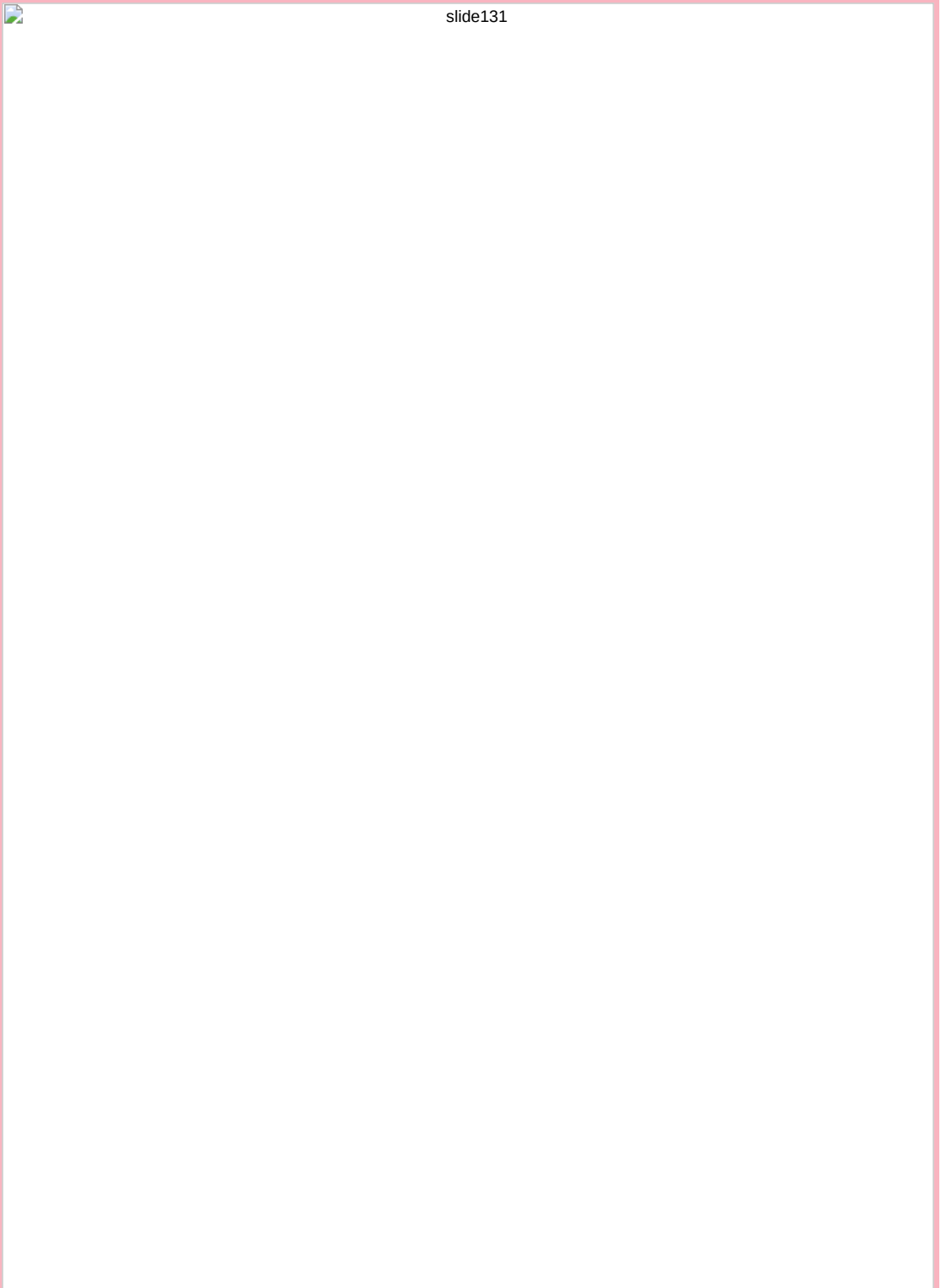

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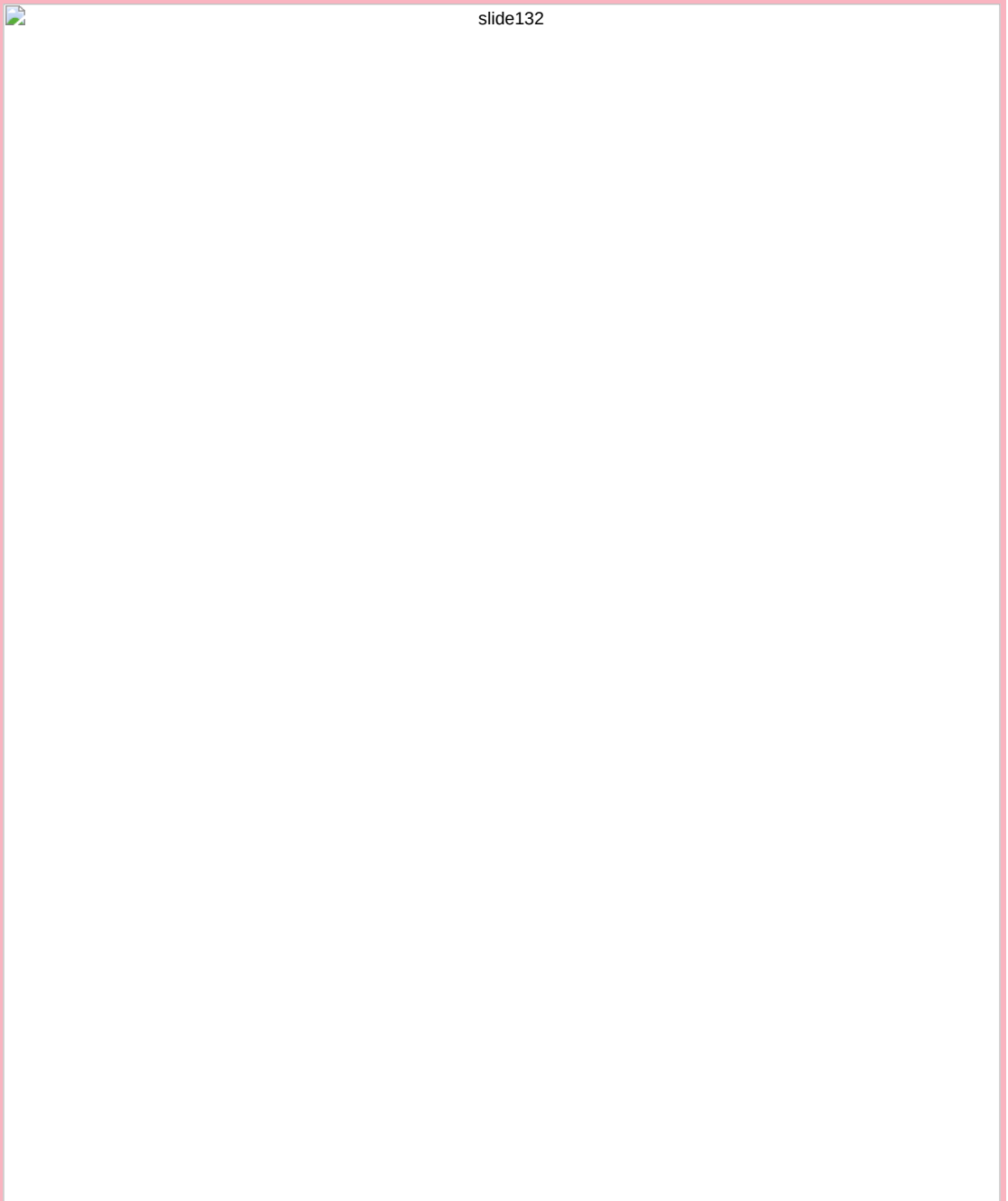

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1 56837\388601\266887144.v7 EIGHTH AMENDMENT TO OFFICE LEASE THIS EIGHTH AMENDMENT TO OFFICE LEASE (this "Amendment") is made and entered into as of the 1st day of May, 2022 (the "Amendment Effective Date") by and between VESTAR GATEWAY, LLC, a Delaware limited liability company ("Landlord") and REGURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant"). RECITALS: A. Landlord and Tenant have previously executed and delivered that certain Office Lease dated November 13, 2017 (the "Original Lease"), as amended by that certain First Amendment to Lease dated September 25, 2018 (the "First Amendment"), as amended by that certain Second Amendment to Office Lease dated November 13, 2019 (the "Second Amendment"), as amended by that certain Third Amendment to Office Lease dated January 22, 2021 (the "Third Amendment"), as amended by that certain Fourth Amendment to Office Lease dated February 25, 2021 (the "Fourth Amendment"), as amended by that certain Fifth Amendment to Office Lease dated May 15, 2021 (the "Fifth Amendment"), as amended by that certain Sixth Amendment to Office Lease dated October 18, 2021 (the "Sixth Amendment"), and as amended by that certain Seventh Amendment to Office Lease dated April 12, 2022 (the "Seventh Amendment" and together with the Original Lease, First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, and Sixth Amendment, the "Lease") with respect to certain Premises more particularly described therein. B. Landlord and Tenant have agreed to modify the Lease, subject to and in accordance with the further terms, covenants and provisions of this Amendment. NOW, THEREFORE, in consideration of the execution and delivery of the Lease, the foregoing Recitals, the mutual agreements, covenants and promises contained in this Amendment and other good and valuable considerations, the receipt, sufficiency and validity of which are hereby acknowledged, Landlord and Tenant agree as follows: 1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease unless the context expressly requires otherwise. 2. Deletion of Contractual Termination Option. The Lease is hereby amended by deleting Section 2.4 of the Original Lease. For the avoidance of doubt, Landlord and Tenant confirm that any contractual right that Tenant may have under the Lease (or any amendment thereto) to terminate the Lease prior to the Scheduled expiration of the Lease Term is hereby deleted. 3. Subletting. Article 14 of the Lease is hereby amended and restated in its entirety as follows: 14.1 Transfers. Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment, or other transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees and contractors (all of the foregoing are hereinafter sometimes referred to collectively as "Transfers" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "Transferee"). If Tenant desires Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "Transfer Notice") shall include (i) the proposed effective date of the Transfer, which shall not be less than thirty (30) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "Subject Space"), (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the "Transfer Premium," as that term is defined in Section 14.3 below, in connection with such Transfer, the name and address of the proposed Transferee, and an executed copy of all documentation effectuating the proposed Transfer, including all operative documents to evidence such Transfer and all agreements incidental or related to such Transfer, provided that Landlord shall have the right to require Tenant to utilize Landlord's standard Transfer documents in connection with the documentation of such Transfer, and provided further that the terms of the proposed Transfer shall provide that such proposed Transferee shall not be permitted to further assign or sublease its interest in the Subject Space and/or Lease, (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and history of the proposed Transferee and any other information required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, DocuSign Envelope ID: 2AF71C8F-63E9-45D9-84DE-1BB3E80FA89A

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2568874388601\2568874444v7 nature of such Transferee's business and proposed use of the Subject Space and (v) an executed estoppel certificate from Tenant stating the information set forth in items (a) through (d) in Article 17 below. Any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord's (or Landlord's property manager's) review and processing fees (which currently equal $1,500.00 for each proposed Transfer), as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord (or Landlord's property manager) within thirty (30) days after written request by Landlord, provided that Tenant's reimbursement for Landlord's fees pursuant to this sentence shall not exceed $5,000.00 in connection with any one Transfer. 14.2 Landlord's Consent. Notwithstanding anything to the contrary herein, Landlord shall not unreasonably withhold, condition or delay its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply: 14.2.1 The Transferee is engaged in a business which is not consistent with Landlord's development plan for the Project; 14.2.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease; 14.2.3 The Transferee is either a governmental agency or instrumentality thereof; 14.2.4 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested; 14.2.5 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease; 14.2.6 Intentionally Omitted; 14.2.7 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (i) occupies space in the Project at the time of the request for consent, or (ii) is negotiating with Landlord (which for purposes of this Item (i) and (ii) below shall be evidenced by the transmittal of one or more letters of intent or proposals or lease documents by such Transferee to Landlord or Landlord to such Transferee) to lease space in the Project at such time, or (iii) has actively negotiated with Landlord to lease space within the Project during the six (6) month period immediately preceding the Transfer Notice. "Actively negotiated" means, at least, written correspondence and negotiation for the lease of space within the Project, but excluding, without more, the mere delivery of leasing or property information relating to the Project); provided, however, that Landlord shall not unreasonably withhold, condition or delay its consent to an assignment of this Lease or a sublease of the Premises to a proposed assignee or Subtenant under the foregoing portion of this subsection (g) if Landlord is not willing and able to accommodate the space needs of such assignee or Subtenant within the Project, and Tenant is able to do so by such assignment or sublease. 14.2.8 The Transferee does not intend to occupy the portion of the Premises assigned or sublet and conduct its business therefrom for a substantial portion of the term of the Transfer; or 14.2.9 The portion of the Premises to be sublet or assigned is irregular in shape with inadequate means of ingress and/or egress. Notwithstanding anything to the contrary contained herein, in no event shall Tenant enter into any Transfer or allow possession, use, occupancy or utilization (collectively "use") of the or of the Premises which (i) provides for a rental or other payment for such Transfer in excess of the Rent payable under this Lease (on a per rentable square foot basis, in the case of a sublease of less than all of the Premises), or (ii) provides for payments based on the revenues or profits derived from the business of any Transferee (or any other party using or occupying the Premises or any portion thereof), or (iii) would cause Landlord to violate any agreement, or cause Landlord to lose the benefit of any agreement, binding on Landlord with regard to other tenants in the Project, or (iv) would cause Landlord to be subject to any unfavorable boycott, anti-terrorism or other governmental rule or regulation to which Landlord was not previously subject, or (v) would cause any of Landlord's representations or warranties set forth in Article 29 below to be untrue, or (vi) would cause Landlord to be in violation of any law, ordinance or governmental rule or regulation binding on Landlord, or (vii) would cause any portion of the Project to become subject to any "Blocked Person" list or other law, ordinance or governmental rule or regulation prohibiting certain persons from occupying space in the Project. 14.3 Transfer Notice. If Tenant desires to enter into a Transfer, Tenant shall give Landlord a notice (the "Transfer Notice") which shall: (i) state the proposed effective date of the Transfer (the "Transfer Date"), which shall not be less than thirty (30) days after the date of the Transfer Notice; (ii) describe the portion of the Premises proposed to be transferred (the "Transfer Premises"); (iii) state all of the terms and conditions of the proposed Transfer, including the identity of the proposed Transferee, the ownership and management structure of the Transferee, the nature of the Transferee's business and proposed use of the Transfer Premises, and the terms and conditions upon which the proposed Transfer is to be made; and (iv) be executed by the proposed Transferee and Tenant. Landlord shall have the right to require Tenant to provide Landlord with such additional information as Landlord may reasonably require to determine whether Landlord will consent to the proposed Transfer. 14.4 Landlord's Options. Within thirty (30) days after Landlord's receipt of the Transfer Notice, Landlord may elect by written notice to Tenant to do any one of the following: 14.4.1 Consent to the proposed Transfer; 14.4.2 Recapture the Transfer Premises and terminate this Lease with respect to the Transfer Premises as of the Transfer Date; or 14.4.3 Terminate this Lease with respect to the Transfer Premises as of a date selected by Landlord which is not earlier than thirty (30) days nor later than sixty (60) days after Landlord's receipt of the Transfer Notice. If Landlord fails to timely elect one of the options described in Item 14.4.2 or 14.4.3 above, Landlord shall be deemed to have elected the option described in Item 14.4.1 above. 14.5 Transfer Premium. If Landlord consents to a Transfer, Tenant shall pay to Landlord fifty percent (50%) of any Transfer Premium (as defined below) received by Tenant from such Transferee. "Transfer Premium" shall mean all rent, additional rent or other consideration payable by such Transferee in excess of the Rent payable by Tenant under this Lease on a per rentable square foot basis, in the case of a sublease of less than all of the Premises, after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, (ii) any free rent and other monetary concessions granted in connection with the Transfer, and (iii) any brokerage commissions in connection with the Transfer. Transfer Premium shall also include, but not be limited to, key money and bonus money paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for, or any other consideration paid in connection with, the sale, assignment or other disposition of any interest in Tenant or assets of Tenant's business. 14.6 Intentionally Omitted. 14.7 Effect of Transfer. If Landlord consents to a Transfer, the following shall apply: (i) such Transferee shall undertake to perform and be bound by all of the applicable terms of this Lease; (ii) Tenant shall deliver to Landlord, promptly after execution, an executed copy of all documentation effectuating the Transfer; (iii) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has received or will receive from such Transferee; and (iv) Tenant shall remain fully liable for the performance of all of the terms and conditions of this Lease. 14.8 Miscellaneous. Tenant shall not be entitled to, and hereby waives, all claims to any Transfer Premium payable by such Transferee in connection with such Transfer. No Transfer shall relieve Tenant of any liability under this Lease, including any liability which accrued prior to such Transfer. Landlord may consent to subsequent Transfers or amendments or modifications to this Lease with Transferees, without notifying Tenant or anyone else liable under this Lease and without obtaining their consent, and such action shall not relieve Tenant of any liability under this Lease. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If Tenant has received any Transfer Premium as part of such Transfer which is found by such audit to have been understated by more than three percent (3%), Tenant shall pay the reasonable cost of such audit. 14.9 No Merger. No merger shall result from Tenant's sublease of the Premises under this Article 14, Tenant's surrender of this Lease or the termination of this Lease in any other manner. In any of such events, Landlord may terminate any or all subtenancies or succeed to the interest of Tenant as sublandlord under any or all subtenancies. 14.10 Attorneys' Fees. Tenant shall pay Landlord's reasonable attorneys' fees incurred in connection with Tenant's request for consent under this Article 14. 14.11 Transfer Fee. Tenant shall pay Landlord a fee of $1,500.00 for each proposed Transfer, as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord (or Landlord's property manager) within thirty (30) days after written request by Landlord, provided that Tenant's reimbursement for Landlord's fees pursuant to this sentence shall not exceed $5,000.00 in connection with any one Transfer. 14.12 Landlord's Consent. Notwithstanding anything to the contrary herein, Landlord shall not unreasonably withhold, condition or delay its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply: 14.12.1 The Transferee is engaged in a business which is not consistent with Landlord's development plan for the Project; 14.12.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease; 14.12.3 The Transferee is either a governmental agency or instrumentality thereof; 14.12.4 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested; 14.12.5 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease; 14.12.6 Intentionally Omitted; 14.12.7 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (i) occupies space in the Project at the time of the request for consent, or (ii) is negotiating with Landlord (which for purposes of this Item (i) and (ii) below shall be evidenced by the transmittal of one or more letters of intent or proposals or lease documents by such Transferee to Landlord or Landlord to such Transferee) to lease space in the Project at such time, or (iii) has actively negotiated with Landlord to lease space within the Project during the six (6) month period immediately preceding the Transfer Notice. "Actively negotiated" means, at least, written correspondence and negotiation for the lease of space within the Project, but excluding, without more, the mere delivery of leasing or property information relating to the Project); provided, however, that Landlord shall not unreasonably withhold, condition or delay its consent to an assignment of this Lease or a sublease of the Premises to a proposed assignee or Subtenant under the foregoing portion of this subsection (g) if Landlord is not willing and able to accommodate the space needs of such assignee or Subtenant within the Project, and Tenant is able to do so by such assignment or sublease. 14.12.8 The Transferee does not intend to occupy the portion of the Premises assigned or sublet and conduct its business therefrom for a substantial portion of the term of the Transfer; or 14.12.9 The portion of the Premises to be sublet or assigned is irregular in shape with inadequate means of ingress and/or egress. Notwithstanding anything to the contrary contained herein, in no event shall Tenant enter into any Transfer or allow possession, use, occupancy or utilization (collectively "use") of the or of the Premises which (i) provides for a rental or other payment for such Transfer in excess of the Rent payable under this Lease (on a per rentable square foot basis, in the case of a sublease of less than all of the Premises), or (ii) provides for payments based on the revenues or profits derived from the business of any Transferee (or any other party using or occupying the Premises or any portion thereof), or (iii) would cause Landlord to violate any agreement, or cause Landlord to lose the benefit of any agreement, binding on Landlord with regard to other tenants in the Project, or (iv) would cause Landlord to be subject to any unfavorable boycott, anti-terrorism or other governmental rule or regulation to which Landlord was not previously subject, or (v) would cause any of Landlord's representations or warranties set forth in Article 29 below to be untrue, or (vi) would cause Landlord to be in violation of any law, ordinance or governmental rule or regulation binding on Landlord, or (vii) would cause any portion of the Project to become subject to any "Blocked Person" list or other law, ordinance or governmental rule or regulation prohibiting certain persons from occupying space in the Project. 14.13 Transfer Notice. If Tenant desires to enter into a Transfer, Tenant shall give Landlord a notice (the "Transfer Notice") which shall: (i) state the proposed effective date of the Transfer (the "Transfer Date"), which shall not be less than thirty (30) days after the date of the Transfer Notice; (ii) describe the portion of the Premises proposed to be transferred (the "Transfer Premises"); (iii) state all of the terms and conditions of the proposed Transfer, including the identity of the proposed Transferee, the ownership and management structure of the Transferee, the nature of the Transferee's business and proposed use of the Transfer Premises, and the terms and conditions upon which the proposed Transfer is to be made; and (iv) be executed by the proposed Transferee and Tenant. Landlord shall have the right to require Tenant to provide Landlord with such additional information as Landlord may reasonably require to determine whether Landlord will consent to the proposed Transfer. 14.14 Landlord's Options. Within thirty (30) days after Landlord's receipt of the Transfer Notice, Landlord may elect by written notice to Tenant to do any one of the following: 14.14.1 Consent to the proposed Transfer; 14.14.2 Recapture the Transfer Premises and terminate this Lease with respect to the Transfer Premises as of the Transfer Date; or 14.14.3 Terminate this Lease with respect to the Transfer Premises as of a date selected by Landlord which is not earlier than thirty (30) days nor later than sixty (60) days after Landlord's receipt of the Transfer Notice. If Landlord fails to timely elect one of the options described in Item 14.14.2 or 14.14.3 above, Landlord shall be deemed to have elected the option described in Item 14.14.1 above. 14.15 Transfer Premium. If Landlord consents to a Transfer, Tenant shall pay to Landlord fifty percent (50%) of any Transfer Premium (as defined below) received by Tenant from such Transferee. "Transfer Premium" shall mean all rent, additional rent or other consideration payable by such Transferee in excess of the Rent payable by Tenant under this Lease on a per rentable square foot basis, in the case of a sublease of less than all of the Premises, after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, (ii) any free rent and other monetary concessions granted in connection with the Transfer, and (iii) any brokerage commissions in connection with the Transfer. Transfer Premium shall also include, but not be limited to, key money and bonus money paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for, or any other consideration paid in connection with, the sale, assignment or other disposition of any interest in Tenant or assets of Tenant's business. 14.16 Intentionally Omitted. 14.17 Effect of Transfer. If Landlord consents to a Transfer, the following shall apply: (i) such Transferee shall undertake to perform and be bound by all of the applicable terms of this Lease; (ii) Tenant shall deliver to Landlord, promptly after execution, an executed copy of all documentation effectuating the Transfer; (iii) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has received or will receive from such Transferee; and (iv) Tenant shall remain fully liable for the performance of all of the terms and conditions of this Lease. 14.18 Miscellaneous. Tenant shall not be entitled to, and hereby waives, all claims to any Transfer Premium payable by such Transferee in connection with such Transfer. No Transfer shall relieve Tenant of any liability under this Lease, including any liability which accrued prior to such Transfer. Landlord may consent to subsequent Transfers or amendments or modifications to this Lease with Transferees, without notifying Tenant or anyone else liable under this Lease and without obtaining their consent, and such action shall not relieve Tenant of any liability under this Lease. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If Tenant has received any Transfer Premium as part of such Transfer which is found by such audit to have been understated by more than three percent (3%), Tenant shall pay the reasonable cost of such audit. 14.19 No Merger. No merger shall result from Tenant's sublease of the Premises under this Article 14, Tenant's surrender of this Lease or the termination of this Lease in any other manner. In any of such events, Landlord may terminate any or all subtenancies or succeed to the interest of Tenant as sublandlord under any or all subtenancies. 14.20 Attorneys' Fees. Tenant shall pay Landlord's reasonable attorneys' fees incurred in connection with Tenant's request for consent under this Article 14. 14.21 Transfer Fee. Tenant shall pay Landlord a fee of $1,500.00 for each proposed Transfer, as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord (or Landlord's property manager) within thirty (30) days after written request by Landlord, provided that Tenant's reimbursement for Landlord's fees pursuant to this sentence shall not exceed $5,000.00 in connection with any one Transfer. 14.22 Landlord's Consent. Notwithstanding anything to the contrary herein, Landlord shall not unreasonably withhold, condition or delay its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply: 14.22.1 The Transferee is engaged in a business which is not consistent with Landlord's development plan for the Project; 14.22.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease; 14.22.3 The Transferee is either a governmental agency or instrumentality thereof; 14.22.4 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested; 14.22.5 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease; 14.22.6 Intentionally Omitted; 14.22.7 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (i) occupies space in the Project at the time of the request for consent, or (ii) is negotiating with Landlord (which for purposes of this Item (i) and (ii) below shall be evidenced by the transmittal of one or more letters of intent or proposals or lease documents by such Transferee to Landlord or Landlord to such Transferee) to lease space in the Project at such time, or (iii) has actively negotiated with Landlord to lease space within the Project during the six (6) month period immediately preceding the Transfer Notice. "Actively negotiated" means, at least, written correspondence and negotiation for the lease of space within the Project, but excluding, without more, the mere delivery of leasing or property information relating to the Project); provided, however, that Landlord shall not unreasonably withhold, condition or delay its consent to an assignment of this Lease or a sublease of the Premises to a proposed assignee or Subtenant under the foregoing portion of this subsection (g) if Landlord is not willing and able to accommodate the space needs of such assignee or Subtenant within the Project, and Tenant is able to do so by such assignment or sublease. 14.22.8 The Transferee does not intend to occupy the portion of the Premises assigned or sublet and conduct its business therefrom for a substantial portion of the term of the Transfer; or 14.22.9 The portion of the Premises to be sublet or assigned is irregular in shape with inadequate means of ingress and/or egress. Notwithstanding anything to the contrary contained herein, in no event shall Tenant enter into any Transfer or allow possession, use, occupancy or utilization (collectively "use") of the or of the Premises which (i) provides for a rental or other payment for such Transfer in excess of the Rent payable under this Lease (on a per rentable square foot basis, in the case of a sublease of less than all of the Premises), or (ii) provides for payments based on the revenues or profits derived from the business of any Transferee (or any other party using or occupying the Premises or any portion thereof), or (iii) would cause Landlord to violate any agreement, or cause Landlord to lose the benefit of any agreement, binding on Landlord with regard to other tenants in the Project, or (iv) would cause Landlord to be subject to any unfavorable boycott, anti-terrorism or other governmental rule or regulation to which Landlord was not previously subject, or (v) would cause any of Landlord's representations or warranties set forth in Article 29 below to be untrue, or (vi) would cause Landlord to be in violation of any law, ordinance or governmental rule or regulation binding on Landlord, or (vii) would cause any portion of the Project to become subject to any "Blocked Person" list or other law, ordinance or governmental rule or regulation prohibiting certain persons from occupying space in the Project. 14.23 Transfer Notice. If Tenant desires to enter into a Transfer, Tenant shall give Landlord a notice (the "Transfer Notice") which shall: (i) state the proposed effective date of the Transfer (the "Transfer Date"), which shall not be less than thirty (30) days after the date of the Transfer Notice; (ii) describe the portion of the Premises proposed to be transferred (the "Transfer Premises"); (iii) state all of the terms and conditions of the proposed Transfer, including the identity of the proposed Transferee, the ownership and management structure of the Transferee, the nature of the Transferee's business and proposed use of the Transfer Premises, and the terms and conditions upon which the proposed Transfer is to be made; and (iv) be executed by the proposed Transferee and Tenant. Landlord shall have the right to require Tenant to provide Landlord with such additional information as Landlord may reasonably require to determine whether Landlord will consent to the proposed Transfer. 14.24 Landlord's Options. Within thirty (30) days after Landlord's receipt of the Transfer Notice, Landlord may elect by written notice to Tenant to do any one of the following: 14.24.1 Consent to the proposed Transfer; 14.24.2 Recapture the Transfer Premises and terminate this Lease with respect to the Transfer Premises as of the Transfer Date; or 14.24.3 Terminate this Lease with respect to the Transfer Premises as of a date selected by Landlord which is not earlier than thirty (30) days nor later than sixty (60) days after Landlord's receipt of the Transfer Notice. If Landlord fails to timely elect one of the options described in Item 14.24.2 or 14.24.3 above, Landlord shall be deemed to have elected the option described in Item 14.24.1 above. 14.25 Transfer Premium. If Landlord consents to a Transfer, Tenant shall pay to Landlord fifty percent (50%) of any Transfer Premium (as defined below) received by Tenant from such Transferee. "Transfer Premium" shall mean all rent, additional rent or other consideration payable by such Transferee in excess of the Rent payable by Tenant under this Lease on a per rentable square foot basis, in the case of a sublease of less than all of the Premises, after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, (ii) any free rent and other monetary concessions granted in connection with the Transfer, and (iii) any brokerage commissions in connection with the Transfer. Transfer Premium shall also include, but not be limited to, key money and bonus money paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for, or any other consideration paid in connection with, the sale, assignment or other disposition of any interest in Tenant or assets of Tenant's business. 14.26 Intentionally Omitted. 14.27 Effect of Transfer. If Landlord consents to a Transfer, the following shall apply: (i) such Transferee shall undertake to perform and be bound by all of the applicable terms of this Lease; (ii) Tenant shall deliver to Landlord, promptly after execution, an executed copy of all documentation effectuating the Transfer; (iii) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has received or will receive from such Transferee; and (iv) Tenant shall remain fully liable for the performance of all of the terms and conditions of this Lease. 14.28 Miscellaneous. Tenant shall not be entitled to, and hereby waives, all claims to any Transfer Premium payable by such Transferee in connection with such Transfer. No Transfer shall relieve Tenant of any liability under this Lease, including any liability which accrued prior to such Transfer. Landlord may consent to subsequent Transfers or amendments or modifications to this Lease with Transferees, without notifying Tenant or anyone else liable under this Lease and without obtaining their consent, and such action shall not relieve Tenant of any liability under this Lease. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If Tenant has received any Transfer Premium as part of such Transfer which is found by such audit to have been understated by more than three percent (3%), Tenant shall pay the reasonable cost of such audit. 14.29 No Merger. No merger shall result from Tenant's sublease of the Premises under this Article 14, Tenant's surrender of this Lease or the termination of this Lease in any other manner. In any of such events, Landlord may terminate any or all subtenancies or succeed to the interest of Tenant as sublandlord under any or all subtenancies. 14.30 Attorneys' Fees. Tenant shall pay Landlord's reasonable attorneys' fees incurred in connection with Tenant's request for consent under this Article 14. 14.31 Transfer Fee. Tenant shall pay Landlord a fee of $1,500.00 for each proposed Transfer, as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord (or Landlord's property manager) within thirty (30) days after written request by Landlord, provided that Tenant's reimbursement for Landlord's fees pursuant to this sentence shall not exceed $5,000.00 in connection with any one Transfer. 14.32 Landlord's Consent. Notwithstanding anything to the contrary herein, Landlord shall not unreasonably withhold, condition or delay its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply: 14.32.1 The Transferee is engaged in a business which is not consistent with Landlord's development plan for the Project; 14.32.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease; 14.32.3 The Transferee is either a governmental agency or instrumentality thereof; 14.32.4 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested; 14.32.5 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease; 14.32.6 Intentionally Omitted; 14.32.7 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (i) occupies space in the Project at the time of the request for consent, or (ii) is negotiating with Landlord (which for purposes of this Item (i) and (ii) below shall be evidenced by the transmittal of one or more letters of intent or proposals or lease documents by such Transferee to Landlord or Landlord to such Transferee) to lease space in the Project at such time, or (iii) has actively negotiated with Landlord to lease space within the Project during the six (6) month period immediately preceding the Transfer Notice. "Actively negotiated" means, at least, written correspondence and negotiation for the lease of space within the Project, but excluding, without more, the mere delivery of leasing or property information relating to the Project); provided, however, that Landlord shall not unreasonably withhold, condition or delay its consent to an assignment of this Lease or a sublease of the Premises to a proposed assignee or Subtenant under the foregoing portion of this subsection (g) if Landlord is not willing and able to accommodate the space needs of such assignee or Subtenant within the Project, and Tenant is able to do so by such assignment or sublease. 14.32.8 The Transferee does not intend to occupy the portion of the Premises assigned or sublet and conduct its business therefrom for a substantial portion of the term of the Transfer; or 14.32.9 The portion of the Premises to be sublet or assigned is irregular in shape with inadequate means of ingress and/or egress. Notwithstanding anything to the contrary contained herein, in no event shall Tenant enter into any Transfer or allow possession, use, occupancy or utilization (collectively "use") of the or of the Premises which (i) provides for a rental or other payment for such Transfer in excess of the Rent payable under this Lease (on a per rentable square foot basis, in the case of a sublease of less than all of the Premises), or (ii) provides for payments based on the revenues or profits derived from the business of any Transferee (or any other party using or occupying the Premises or any portion thereof), or (iii) would cause Landlord to violate any agreement, or cause Landlord to lose the benefit of any agreement, binding on Landlord with regard to other tenants in the Project, or (iv) would cause Landlord to be subject to any unfavorable boycott, anti-terrorism or other governmental rule or regulation to which Landlord was not previously subject, or (v) would cause any of Landlord's representations or warranties set forth in Article 29 below to be untrue, or (vi) would cause Landlord to be in violation of any law, ordinance or governmental rule or regulation binding on Landlord, or (vii) would cause any portion of the Project to become subject to any "Blocked Person" list or other law, ordinance or governmental rule or regulation prohibiting certain persons from occupying space in the Project. 14.33 Transfer Notice. If Tenant desires to enter into a Transfer, Tenant shall give Landlord a notice (the "Transfer Notice") which shall: (i) state the proposed effective date of the Transfer (the "Transfer Date"), which shall not be less than thirty (30) days after the date of the Transfer Notice; (ii) describe the portion of the Premises proposed to be transferred (the "Transfer Premises"); (iii) state all of the terms and conditions of the proposed Transfer, including the identity of the proposed Transferee, the ownership and management structure of the Transferee, the nature of the Transferee's business and proposed use of the Transfer Premises, and the terms and conditions upon which the proposed Transfer is to be made; and (iv) be executed by the proposed Transferee and Tenant. Landlord shall have the right to require Tenant to provide Landlord with such additional information as Landlord may reasonably require to determine whether Landlord will consent to the proposed Transfer. 14.34 Landlord's Options. Within thirty (30) days after Landlord's receipt of the Transfer Notice, Landlord may elect by written notice to Tenant to do any one of the following: 14.34.1 Consent to the proposed Transfer; 14.34.2 Recapture the Transfer Premises and terminate this Lease with respect to the Transfer Premises as of the Transfer Date; or 14.34.3 Terminate this Lease with respect to the Transfer Premises as of a date selected by Landlord which is not earlier than thirty (30) days nor later than sixty (60) days after Landlord's receipt of the Transfer Notice. If Landlord fails to timely elect one of the options described in Item 14.34.2 or 14.34.3 above, Landlord shall be deemed to have elected the option described in Item 14.34.1 above. 14.35 Transfer Premium. If Landlord consents to a Transfer, Tenant shall pay to Landlord fifty percent (50%) of any Transfer Premium (as defined below) received by Tenant from such Transferee. "Transfer Premium" shall mean all rent, additional rent or other consideration payable by such Transferee in excess of the Rent payable by Tenant under this Lease on a per rentable square foot basis, in the case of a sublease of less than all of the Premises, after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, (ii) any free rent and other monetary concessions granted in connection with the Transfer, and (iii) any brokerage commissions in connection with the Transfer. Transfer Premium shall also include, but not be limited to, key money and bonus money paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for, or any other consideration paid in connection with, the sale, assignment or other disposition of any interest in Tenant or assets of Tenant's business. 14.36 Intentionally Omitted. 14.37 Effect of Transfer. If Landlord consents to a Transfer, the following shall apply: (i) such Transferee shall undertake to perform and be bound by all of the applicable terms of this Lease; (ii) Tenant shall deliver to Landlord, promptly after execution, an executed copy of all documentation effectuating the Transfer; (iii) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has received or will receive from such Transferee; and (iv) Tenant shall remain fully liable for the performance of all of the terms and conditions of this Lease. 14.38 Miscellaneous. Tenant shall not be entitled to, and hereby waives, all claims to any Transfer Premium payable by such Transferee in connection with such Transfer. No Transfer shall relieve Tenant of any liability under this Lease, including any liability which accrued prior to such Transfer. Landlord may consent to subsequent Transfers or amendments or modifications to this Lease with Transferees, without notifying Tenant or anyone else liable under this Lease and without obtaining their consent, and such action shall not relieve Tenant of any liability under this Lease. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If Tenant has received any Transfer Premium as part of such Transfer which is found by such audit to have been understated by more than three percent (3%), Tenant shall pay the reasonable cost of such audit. 14.39 No Merger. No merger shall result from Tenant's sublease of the Premises under this Article 14, Tenant's surrender of this Lease or the termination of this Lease in any other manner. In any of such events, Landlord may terminate any or all subtenancies or succeed to the interest of Tenant as sublandlord under any or all subtenancies. 14.40 Attorneys' Fees. Tenant shall pay Landlord's reasonable attorneys' fees incurred in connection with Tenant's request for consent under this Article 14. 14.41 Transfer Fee. Tenant shall pay Landlord a fee of $1,500.00 for each proposed Transfer, as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord (or Landlord's property manager) within thirty (30) days after written request by Landlord, provided that Tenant's reimbursement for Landlord's fees pursuant to this sentence shall not exceed $5,000.00 in connection with any one Transfer. 14.42 Landlord's Consent. Notwithstanding anything to the contrary herein, Landlord shall not unreasonably withhold, condition or delay its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply: 14.42.1 The Transferee is engaged in a business which is not consistent with Landlord's development plan for the Project; 14.42.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease; 14.42.3 The Transferee is either a governmental agency or instrumentality thereof; 14.42.4 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested; 14.42.5 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease; 14.42.6 Intentionally Omitted; 14.42.7 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (i) occupies space in the Project at the time of the request for consent, or (ii) is negotiating with Landlord (which for purposes of this Item (i) and (ii) below shall be evidenced by the transmittal of one or more letters of intent or proposals or lease documents by such Transferee to Landlord or Landlord to such Transferee) to lease space in the Project at such time, or (iii) has actively negotiated with Landlord to lease space within the Project during the six (6) month period immediately preceding the Transfer Notice. "Actively negotiated" means, at least, written correspondence and negotiation for the lease of space within the Project, but excluding, without more, the mere delivery of leasing or property information relating to the Project); provided, however, that Landlord shall not unreasonably withhold, condition or delay its consent to an assignment of this Lease or a sublease of the Premises to a proposed assignee or Subtenant under the foregoing portion of this subsection (g) if Landlord is not willing and able to accommodate the space needs of such assignee or Subtenant within the Project, and Tenant is able to do so by such assignment or sublease. 14.42.8 The Transferee does not intend to occupy the portion of the Premises assigned or sublet and conduct its business therefrom for a substantial portion of the term of the Transfer; or 14.42.9 The portion of the Premises to be sublet or assigned is irregular in shape with inadequate means of ingress and/or egress. Notwithstanding anything to the contrary contained herein, in no event shall Tenant enter into any Transfer or allow possession, use, occupancy or utilization (collectively "use") of the or of the Premises which (i) provides for a rental or other payment for such Transfer in excess of the Rent payable under this Lease (on a per rentable square foot basis, in the case of a sublease of less than all of the Premises), or (ii) provides for payments based on the revenues or profits derived from the business of any Transferee (or any other party using or occupying the Premises or any portion thereof), or (iii) would cause Landlord to violate any agreement, or cause Landlord to lose the benefit of any agreement, binding on Landlord with regard to other tenants in the Project, or (iv) would cause Landlord to be subject to any unfavorable boycott, anti-terrorism or other governmental rule or regulation to which Landlord was not previously subject, or (v) would cause any of Landlord's representations or warranties set forth in Article 29 below to be untrue, or (vi) would cause Landlord to be in violation of any law, ordinance or governmental rule or regulation binding on Landlord, or (vii) would cause any portion of the Project to become subject to any "Blocked Person" list or other law, ordinance or governmental rule or regulation prohibiting certain persons from occupying space in the Project. 14.43 Transfer Notice. If Tenant desires to enter into a Transfer, Tenant shall give Landlord a notice (the "Transfer Notice") which shall: (i) state the proposed effective date of the Transfer (the "Transfer Date"), which shall not be less than thirty (30) days after the date of the Transfer Notice; (ii) describe the portion of the Premises proposed to be transferred (the "Transfer Premises"); (iii) state all of the terms and conditions of the proposed Transfer, including the identity of the proposed Transferee, the ownership and management structure of the Transferee, the nature of the Transferee's business and proposed use of the Transfer Premises, and the terms and conditions upon which the proposed Transfer is to be made; and (iv) be executed by the proposed Transferee and Tenant. Landlord shall have the right to require Tenant to provide Landlord with such additional information as Landlord may reasonably require to determine whether Landlord will consent to the proposed Transfer. 14.44 Landlord's Options. Within thirty (30) days after Landlord's receipt of the Transfer Notice, Landlord may elect by written notice to Tenant to do any one of the following: 14.44.1 Consent to the proposed Transfer; 14.44.2 Recapture the Transfer Premises and terminate this Lease with respect to the Transfer Premises as of the Transfer Date; or 14.44.3 Terminate this Lease with respect to the Transfer Premises as of a date selected by Landlord which is not earlier than thirty (30) days nor later than sixty (60) days after Landlord's receipt of the Transfer Notice. If Landlord fails to timely elect one of the options described in Item 14.44.2 or 14.44.3 above, Landlord shall be deemed to have elected the option described in Item 14.44.1 above. 14.45 Transfer Premium. If Landlord consents to a Transfer, Tenant shall pay to Landlord fifty percent (50%) of any Transfer Premium (as defined below) received by Tenant from such Transferee. "Transfer Premium" shall mean all rent, additional rent or other consideration payable by such Transferee in excess of the Rent payable by Tenant under this Lease on a per rentable square foot basis, in the case of a sublease of less than all of the Premises, after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, (ii) any free rent and other monetary concessions granted in connection with the Transfer, and (iii) any brokerage commissions in connection with the Transfer. Transfer Premium shall also include, but not be limited to, key money and bonus money paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for, or any other consideration paid in connection with

8 56837\388601\266887144.v7 use based in whole or in part on the income or profits derived by any person from the Premises (other than an amount based on a fixed percentage or percentages of gross receipts or sales), and Tenant agrees that all Transfers of any part of the Premises shall provide that the person having an interest in the use of the Premises shall not enter into any lease or sublease which provides for a rental or other payment for such use based in whole or in part on the income or profits derived by any person from the Premises (other than an amount based on a fixed percentage or percentages of gross receipts or sales), or (b) would cause any portion of the amounts payable by Landlord hereunder to not constitute "rents from real property" within the meaning of Section 512(b)(3) of the Internal Revenue Code of 1986, and any such purported Transfer shall be absolutely void and ineffective as a conveyance of

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any right or interest in the possession, use, occupancy or utilization of any part of the Premises. If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may enter into such Transfer of the Subject Space upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice (i) such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, or (ii) which would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in Tenant's original Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture, if any, under Section 14.4 of this Lease). 14.3 Transfer Premium. If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium," as that term is defined in this Section 14.3, received by Tenant from such Transferee in any particular calendar month, which amount shall be paid to Landlord immediately following Tenant's receipt of the same. "Transfer Premium" shall mean all rent, additional rent or other consideration (including, without limitation, key money, bonus money or other cash consideration) in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, and (ii) any market-rate brokerage commissions incurred in connection with the Transfer (collectively, the "Subleasing Costs"), provided, however, that in the case of any such sublease or assignment, Landlord determines that the foregoing Transfer Premium formula may result in the receipt by Landlord of amounts that the Landlord may not be permitted to receive pursuant to any requirements, obligation or understanding applicable to Landlord, the parties agree to enter into an amendment to this Lease which revises the "Transfer Premium" formula in a manner that (x) is mutually agreed to by the parties and (y) does not result in any material increase in the expected costs or benefits to either party under this Section 14.3. 14.4 Landlord's Options as to Subject Space. Notwithstanding anything to the contrary contained in this Article 14, Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after receipt of any Transfer Notice, to recapture the Subject Space for the remainder of the Lease Term. Such recapture notice shall cancel and terminate this Lease with respect to the Subject Space as of the date stated in the Transfer Notice as the effective date of the proposed Transfer (or at Landlord's option, shall cause the Transfer to be made to Landlord or its agent, in which case the parties shall execute the Transfer documentation promptly thereafter); provided, however, Tenant may within ten (10) business days after receipt of Landlord's notice of intent to recapture the Subject Space, withdraw its request for consent to the Transfer. If the Subject Space is less than all or substantially all of the Premises, in that event, Landlord's election to terminate this Lease as to the Subject Space shall be null and void and of no force and effect. In the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, the Base Rent and Tenant's Share of increases in Direct Expenses reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner to, both Sublet Envelope ID: 2AE71E9E-E8E5-45D8-82DE-3BD3E80FA987

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4.56837\388601\266887144.v7 recapture the Subject Space under this Section 14.4, then, provided Landlord has consented to the proposed Transfer, Tenant shall be entitled to proceed to transfer the Subject Space to the proposed Transferee, subject to provisions of this Article 14. 14.5 Effect of Transfer. If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of this Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space; provided, however, if Tenant provides to Landlord reasonably satisfactory evidence that the Transferee satisfies the Release Criteria (as defined in Section 14.8), then Landlord shall release Tenant from any liability first arising under this Lease after the effective date of the Transfer. In no event shall any Transferee assign, sublease or otherwise encumber its interest in this Lease or further sublet any portion of the Subject Space, or otherwise suffer or permit any portion of the Subject Space to be used or occupied by others, except in accordance with this Section 14. Landlord or its authorized representatives shall have the right, at all reasonable times during normal business hours, but not more than once for each Transfer, to audit the books, records and papers of Tenant relating to any Transfer. Landlord agrees to and shall keep and maintain the books, records, and papers of Tenant strictly confidential and shall not disclose such confidential information to any person or entity other than Landlord's financial or legal consultants or Landlord's mortgagee. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency and if understated by more than five percent (5%), Tenant shall pay Landlord's reasonable costs of such audit. 14.6 Non-Transfers. Notwithstanding anything to the contrary contained in this Article 14 and so long as any such Permitted Non-Transferee (as defined herein) is a subsidiary of Tenant (or which the obligations under this Lease, any of the following transfers shall not be deemed a Transfer under this Article 14 (each of which are hereinafter referred to as a "Permitted Non-Transfer" and any such assignee or sublessee pursuant to a Permitted Non- Transfer hereinafter referred to as a "Permitted Non-Transferee"): (i) an assignment of Tenant's interest in this Lease, or a subletting of all or a portion of the Premises, to an affiliate of Tenant (i.e., an entity which is controlled by, controls or is under common control with Tenant) or any parent of Tenant; (ii) an assignment of Tenant's interest in this Lease to an entity which acquires all or substantially all of the assets of Tenant; (iii) an assignment of Tenant's interest in this Lease to an entity which is the resulting entity of a stock acquisition, merger or consolidation of Tenant during the Lease Term; (iv) any sale of stock for capital raising purposes in which Tenant is the surviving corporation, or the sale of stock or other equity interests in Tenant on a public stock exchange (e.g., NYSE or NASDAQ), whether in connection with an initial public offering or thereafter; (v) any merger effected exclusively to change the domicile of Tenant; or (vi) any assignment of Tenant's interest in this Lease in connection with any financing or refinancing of Tenant's business, whether such financing or refinancing takes the form of debt or the investments in Tenant publicly or privately traded equity or any other form, including, without limitation, any transaction whereby an equity investor directly or indirectly provides financing or refinancing for Tenant and/or purchases ownership interests of Tenant, Tenant or any affiliate of Tenant. Each Permitted Non-Transferee shall have a valuation immediately following such transaction that is (A) not materially less than the valuation of Tenant immediately prior to each Permitted Non-Transfer, and (B) is otherwise reasonably sufficient to satisfy the financial obligations under this Lease or otherwise, as the case may be, for each Permitted Non-Transferee. Tenant shall notify Landlord of any Same and promptly supply Landlord with any commercially reasonable documents or information reasonably requested by Landlord regarding such Permitted Non-Transfer or such Permitted Non-Transferee. No Permitted Non-Transfer shall relieve Tenant and any guarantor of this Lease from any liability under this Lease including, without limitation, in connection with the Subject Space; provided, however, if Tenant provides to Landlord reasonably satisfactory evidence that the Permitted Non-Transferee satisfies the Release Criteria, then Landlord shall release Tenant from any liability first arising under this Lease after the effective date of the Transfer. Any assignee of Tenant's entire interest in this Lease who is a Permitted Non-Transferee may also be referred to herein as a "Non- DocuSign Envelope ID: 2AF71C8E-63E9-45D8-84DE-19D3F80FA89A

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5.56837\38860\1266887144.v7 Transferee Assignee." As used in this Section 14.7, "control" shall mean the ownership, directly or indirectly, of at least fifty- one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of the corporate (51%) of the voting interest in any person or entity. 5.5 Release Criteria. For the purposes of this Article 14, a Transferee or Permitted Non-Transferee shall be deemed to satisfy the Release Criteria if Tenant provides to Landlord reasonably satisfactory evidence that (i) the Transferee or Permitted Non-Transferee has at least five (5) years life science experience; and (ii) the Transferee or Permitted Non-Transferee has not less than One Hundred Fifty Million and No/100 Dollars ($150,000,000.00) of liquid assets; and (iii) the Transferee or Permitted Non-Transferee has a debt to equity ratio of less than 2.5 (including lease liabilities); and (iv) the Transferee or Permitted Non-Transferee has Market Cap (as defined below) of not less than One Billion and No/000 Dollars ($1,000,000,000.00). The criteria set forth in clauses (i), (ii), (iii) and (iv) of this Section 14.5 constitute the "Release Criteria". For purposes hereof, "Market Cap" means, for a publicly traded company, its market capitalization (i.e., the total dollar value of its outstanding shares multiplied by current share price), and for a privately held company, its market capitalization where the share price is derived from a bona fide capital raising transaction or a third-party valuation performed by an independent third-party valuation firm in compliance with the standards required by Internal Revenue Code 409A. 6. Rental Abatement. Although Base Rent shall continue to be due at all times as provided in this Lease, for the period commencing May 1, 2022 and continuing through May 31, 2022 (the "Rental Abatement Period"), so long as Tenant is not in default under the Lease (as required notice having been given and any applicable cure period having expired), Tenant may abate one hundred percent (100%) of its monthly installment of Base Rent payable under the Lease, but only the Base Rent that relates to the eleven thousand nine hundred three (11,903) square feet of Floor Area identified as the "Supplementary Premises" in the Sixth Amendment as such Floor Area was modified by the Seventh Amendment and the ninety-one thousand four hundred ninety four (91,494) square feet of Floor Area identified as the "Expansion Premises" in the Sixth Amendment. The difference between monthly installments of Base Rent payable under the Lease and the amounts payable by Tenant as set forth in this Paragraph 5 shall be "Abated Rental." The provisions of this Paragraph 5 do not amend Tenant's other obligations under the Lease including, but not limited to, the payment of Base Rent for other portions of the Premises and any and all Additional Rent or any other charges Tenant is obligated to pay to Landlord, in advance on or before the first day of each calendar month (collectively, Tenant's Other Obligations"). Nothing contained in this Amendment shall be construed to relieve Tenant of Tenant's obligations to pay Tenant's Other Obligations. 7. Extension of Term. The Lease Term is hereby extended for an additional one (1) month commencing on March 1, 2032 and expiring on March 31, 2032 (the "Extension Period"). The Base Rent during the Extension Period shall be at the same rate as the calendar month immediately preceding the Extension Period. 7. Estoppel. Tenant and Landlord each hereby affirms by execution of this Amendment that to the best of such party's knowledge the Lease is in full force and effect and such party does not have any presently existing claims against the other party or any offsets against amounts due under the Lease. To the best of each party's knowledge, neither it nor the other party under the Lease has committed any breach of the Lease or defaults of the other party under the Lease and there are no existing circumstances which with the passage of time, notice or both would give rise to a default under the Lease. 8. Full Force and Effect. Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed references to the Lease as modified by this Amendment. 9. Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts and the signature pages combined to constitute one document. Electronic signatures shall have the same force and effect as original signatures. IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written. "LANDLORD": VESTAR GATEWAY, LLC, a Delaware limited liability company By: SLC Gateway Retail, LLC, a Delaware limited liability company, its Sole Member DocuSign Envelope ID: 2AF71CBE-83E9-45D8-84DE-18D3F80FA89A

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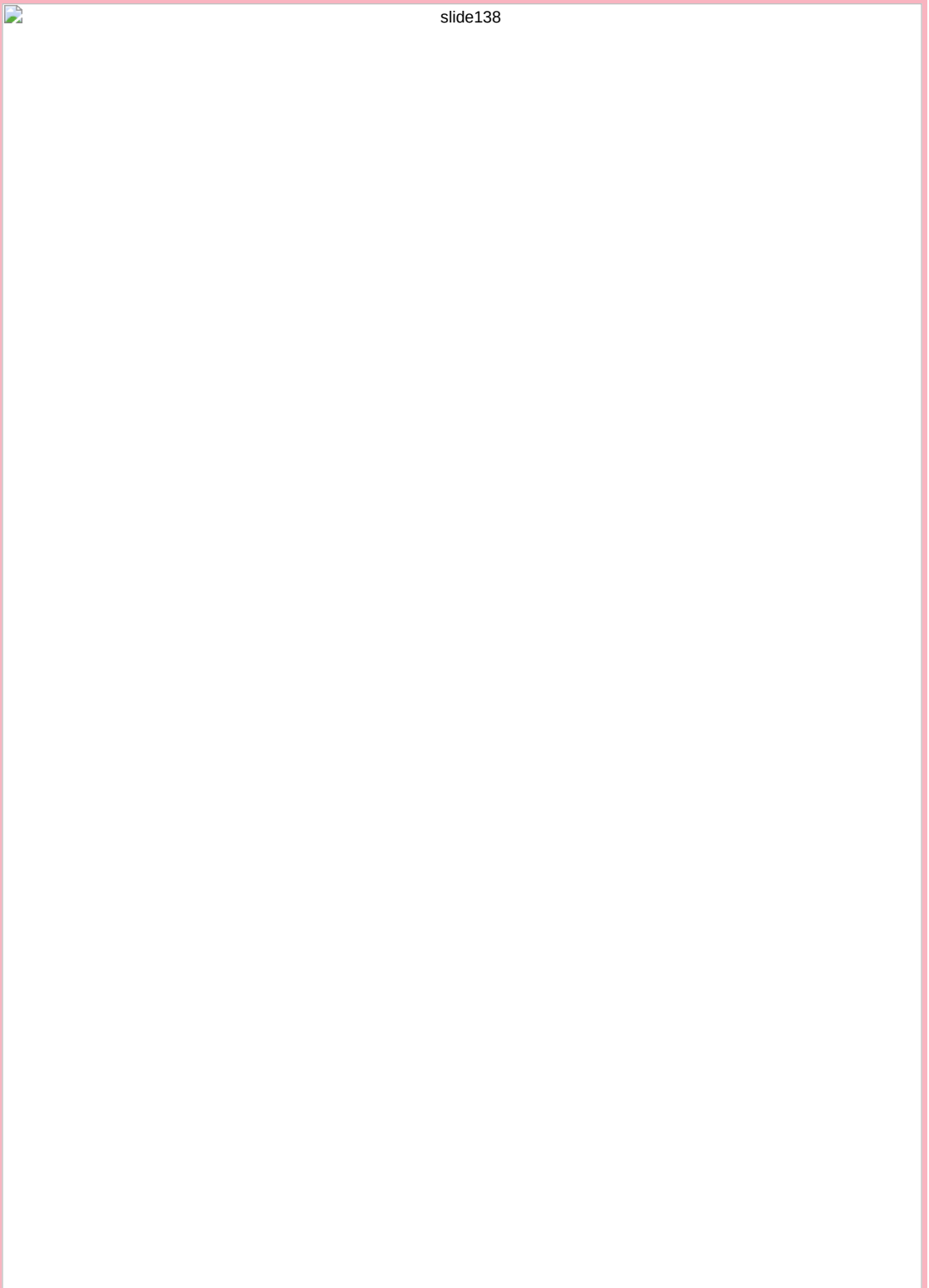
6 56837\388601\266887144.v7 By: VGSLM, LLC, a Delaware limited liability company, its Managing Member By: Name: Title: Manager TENANT: RECURSION PHARMACEUTICALS, INC., a Delaware corporation By: Name: Its: DocuSign Envelope ID: 2AE7D1C8E-63E9-45D8-84DE-1BD3580DFA89A President & COO Tina Larson David Langhel



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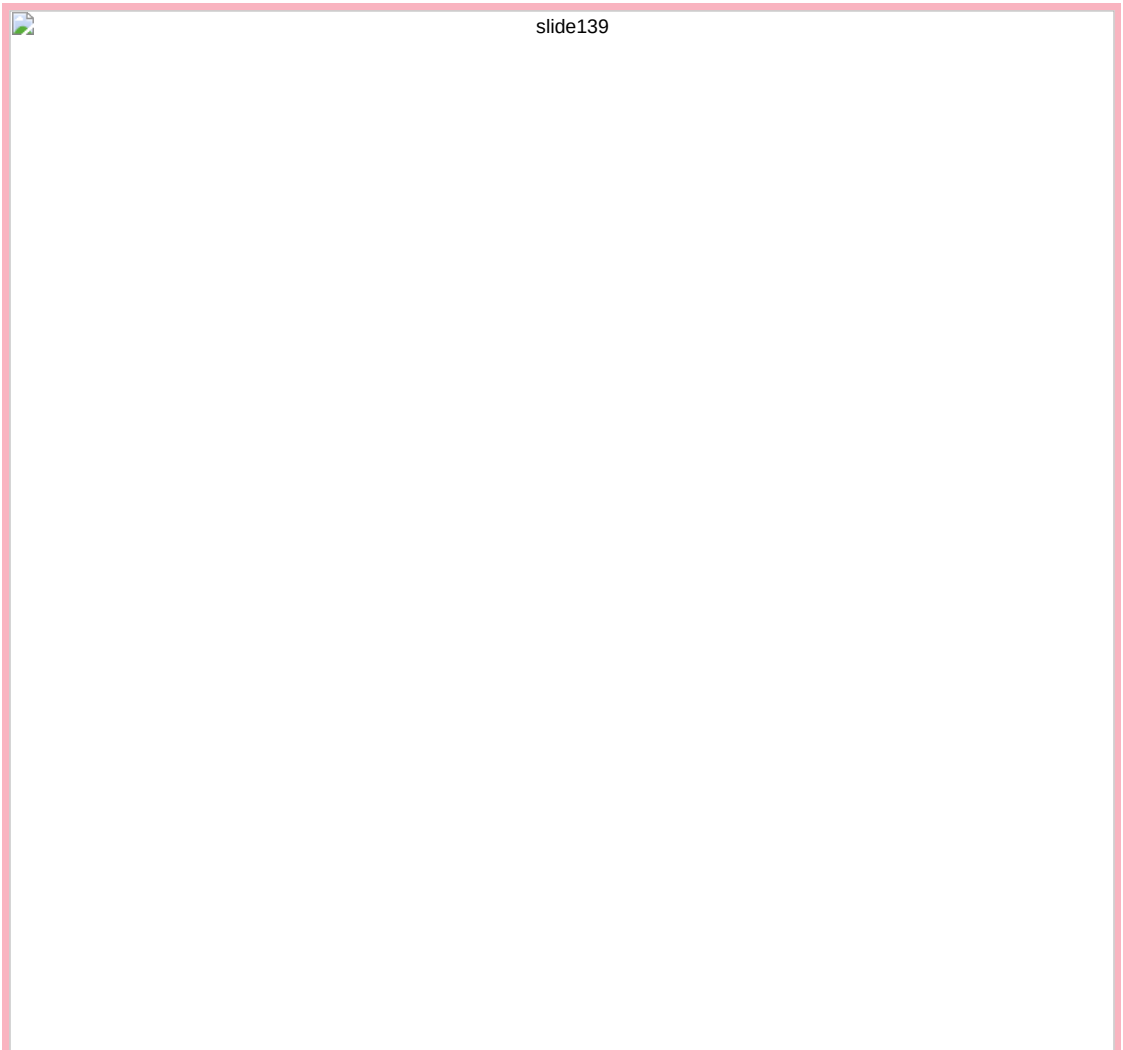
1\68387\38860\v267163838.v2 NINTH AMENDMENT TO OFFICE LEASE THIS NINTH AMENDMENT TO OFFICE LEASE (this "Amendment") is made and entered into as of the 13th day of May, 2022 (the "Amendment Effective Date"), by and between VESTAR GATEWAY, LLC, a Delaware limited liability company ("Landlord") and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant"). RECITALS: A. Landlord and Tenant have previously executed and delivered that certain Office Lease dated November 13, 2017 (the "Original Lease"), as amended by that certain First Amendment to Lease dated September 25, 2018 (the "First Amendment"), as amended by that certain Second Amendment to Office Lease dated November 13, 2019 (the "Second Amendment"), as amended by that certain Third Amendment to Office Lease dated January 22, 2021 (the "Third Amendment"), as amended by that certain Fourth Amendment to Office Lease dated February 25, 2021 (the "Fourth Amendment"), as amended by that certain Fifth Amendment to Office Lease dated May 15, 2021 (the "Fifth Amendment"), as amended by that certain Sixth Amendment to Office Lease dated October 18, 2021 (the "Sixth Amendment"), as amended by that certain Seventh Amendment to Office Lease dated April 12, 2022 (the "Seventh Amendment"), and as amended by that certain Eighth Amendment to Office Lease dated May 2, 2022 (the "Eighth Amendment" and together with the Original Lease, First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, and Seventh Amendment, the "Lease") with respect to certain Premises more particularly described therein. B. Landlord and Tenant have agreed to modify the Lease, subject to and in accordance with the further terms, covenants and provisions of this Amendment. NOW, THEREFORE, in consideration of the execution and delivery of the Lease, the foregoing Recitals, the mutual agreements, covenants and promises contained in this Amendment and other good and valuable considerations, the receipt, sufficiency and validity of which are hereby acknowledged, Landlord and Tenant agree as follows: 1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease unless the context expressly requires otherwise. 2. Commencement Date of Expansion Premises Building and Supplementary Premises. The Commencement Date as such relates to the Expansion Premises Building (as defined in the Third Amendment) and the Supplementary Premises (as defined in the Sixth Amendment and modified in the Seventh Amendment) is May 1, 2022. 3. Extension of Term. Paragraph 6 of the Eighth Amendment is hereby deleted and replaced with the following: Extension of Term. The Lease Term is hereby extended for an additional one (1) month commencing on May 1, 2032 and expiring on May 31, 2032 (the "Extension Period"). The Base Rent during the Extension Period shall be at the same rate as the calendar month immediately preceding the Extension Period. 4. Full Force and Effect. Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed references to the Lease as modified by this Amendment. 5. Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts and the signature pages combined to constitute one document. Electronic signatures shall have the same force and effect as original signatures. [Remainder of page intentionally blank] DocuSign Envelope ID: 3BF751C6-FC2C-4406-938E-E49541DFEBFC



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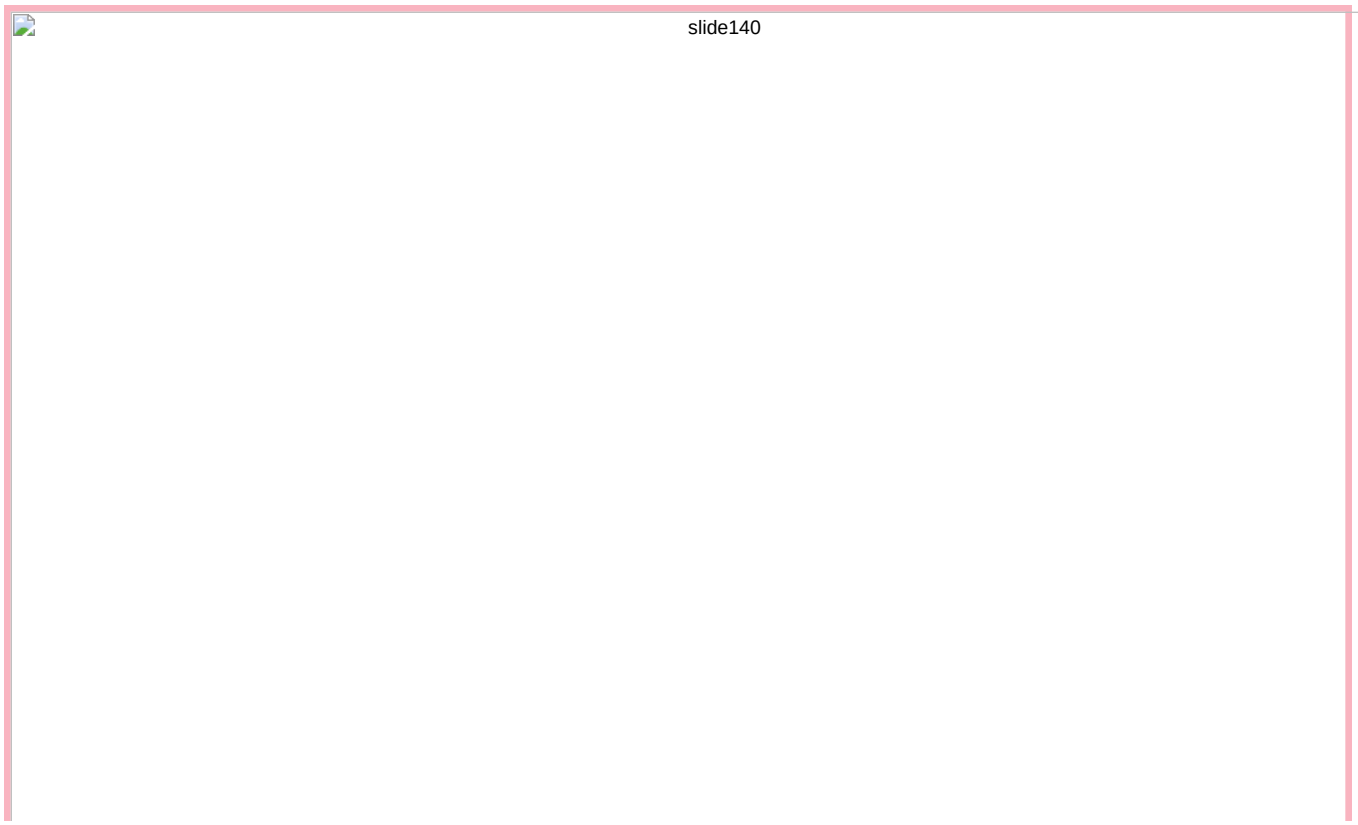
2.56837\388601\267163283.v2 IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written. LANDLORD: VESTAR GATEWAY, LLC, a Delaware limited liability company By: SLC Gateway Retail, LLC, a Delaware limited liability company, its Sole Member By: VESLM, LLC, a Delaware limited liability company, its Managing Member By: Name: Title: Manager TENANT: RECURSION PHARMACEUTICALS, INC., a Delaware corporation By: Name: Its: DocuSign Envelope ID: 3BF7513C-5C2C-2406-938E-E4054DEEBEC Tina Larson President & COO David Larchar



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DocuSign Envelope ID: 05FCBF65-0411-409F-A2A1-42F25A018E50 TENTH AMENDMENT TO OFFICE LEASE TIflS TENTH AMENDMENT TO OFFICE LEASE (this "Amendment") is made and entered into as of the 24al day of December, 2024 (the "Amendment Effective Date") by and between VESTAR GATEWAY, LLC, a Delaware limited liability company ("Landlord") and REGURSION PHARMACEUTICALS INC., a Delaware corporation ("Tenant"). RECITALS: A. Landlord and Tenant have previously executed and delivered that certain Office Lease dated November 13, 2017 (the "Original Lease"), as amended by that certain First Amendment to Lease dated September 25, 2018 (the "First Amendment"), as amended by that certain Second Amendment to Office Lease dated November 13, 2019 (the "Second Amendment"), as amended by that certain Third Amendment to Office Lease dated January 22, 2021 (the "Third Amendment"), as amended by that certain Fourth Amendment to Office Lease dated February 25, 2021 (the "Fourth Amendment"), as amended by that certain Fifth Amendment to Office Lease dated May 15, 2021 (the "Fifth Amendment"), as amended by that certain Sixth Amendment to Office Lease dated October 19, 2021 (the "Sixth Amendment"), as amended by that certain Seventh Amendment to Office Lease dated April 12, 2022 (the "Seventh Amendment"), as amended by that certain Eighth Amendment to Office Lease dated May 1, 2022 (the "Ei th Amendment"), and as amended by that certain Ninth Amendment to Office Lease dated May 13, 2022 (the "Ninth Amendment" and together with the Original Lease, First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, Seventh Amendment and Eighth Amendment, the "Lease") with respect to certain Premises more particularly described therein. B. Landlord and Tenant have agreed to modify the Lease, subject to and in accordance with the further terms, covenants and provisions of this Amendment. NOW, THEREFORE, in consideration of the execudon and delivery of the Lease, the foregoing Recitals, the mutual agreements, covenants and promises contained m this Amendment and other good and valuable considerations, the receipt, sufficiency and validity of which are hereby acknowledged, Landlord and Tenant agree as follows: 1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease unless the context expressly requires otherwise. 2. Following Allowance. Paragraph 3 of the Sixth Amendment is deleted and replaced with the 8. Allowance. If the Lease is in full force and effect and if Tenant is not in breach or default of any of the terms, conditions, covenants and provisions of this Lease, Tenant shall be entitled to a one-time "Suoolementarv Premises Allowance" in the amount of Seventy and No/100 Dollars ($70.00) gross square foot for partial reimbursement of the cost (or costs) of the Supplementary Premises (collectively, the "Supplementary Premises Work"). The terms and conditions relating to the payment of Supplementary Premises Allowance is set forth in the Supplementary Premises Allowance Disbursement Schedule attached as Exhibit "B" to this Amendment. 3. Full Force and Effect. Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed references to the Lease as modified by this Amendment. 4. Counte arts- Electronic Si atures. This Amendment may be executed in one or more counterparts and the signature pages combined to constitute one document. Electronic signatures shall have the same force and effect as original signatures. 5. Estoppel. Tenant hereby affirms by execution of this Amendment that to the best of Tenant's knowledge the Lease is in full force and effect and Tenant does not have any presently existing claims against Landlord or any offsets against any amounts due under the Lease. to the best of Tenant's knowledge, there are no defaults of Landlord under the Lease and there are no existing circumstances which with the passage of time, notice or both, would give rise to a default under the Lease. 6. lotices. Landlord's address for notices under the Lease shall be amended to be: Vestar Gateway, LLC c/o Vestar 2415 East Camelback Road, Suite 100 Phoenix, Arizona 85016 Attention: President - Management Services With a copy to: Kirkland & Ellis LLP 14959 North Scottsdale Road, Suite 500 Scottsdale, Arizona Attention: David L. Lipsky, Esq. E8837C8B8B012B95223B8... Vd DocuSign Envelope ID: 0C88E182-287C-4788-AC2D-D87EB8021D50

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DocuSign Envelope ID: 05FCBF65-0411-409F-A2A1-42F25A018E50 IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written. LANDLORD: VESTAR GATEWAY, LLC, a Delaware limited liability company By: SLC Gateway Retail, LLC, a Delaware limited liability company, its Sole Member By: VGSLM, LLC, a Delaware limited liability company, its Managing Member By: Name: David Arceri Title: Managing TENANT: REQUISITION ENTERTAINMENT, INC., a Delaware corporation DocuSigned by: By: Name: Presidents Title: 0C85E3B54B7e24B5A9C2B5B5YEBB0B0B5

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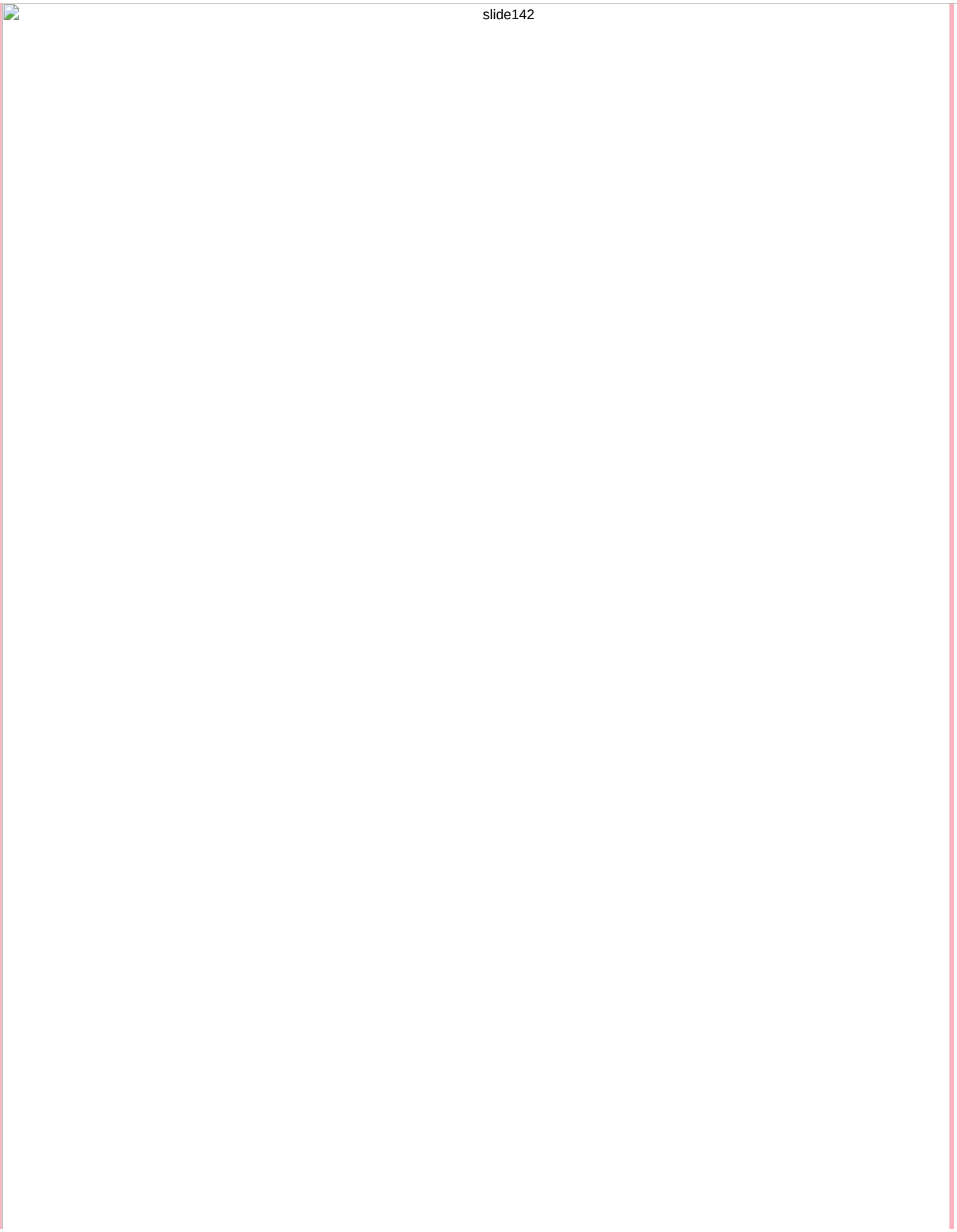

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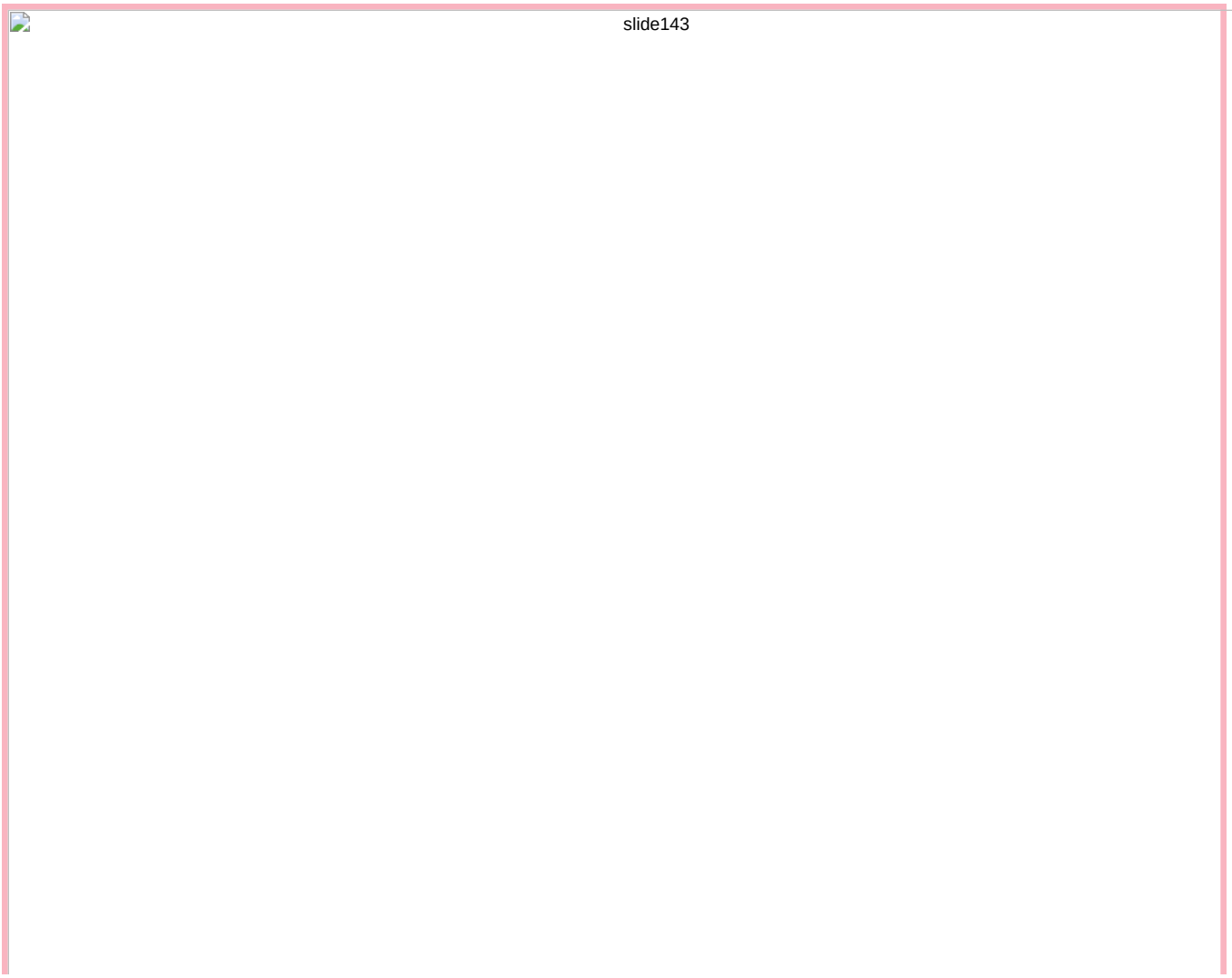
DocuSign Envelope ID: 05EGBE65-0411-409F-A2A1-42E25A018E50 EXHIBIT "B-I" SUPPLEMENTARY PREMISES DISBURSEMENT SCHEDULE 1. Disbursement of Su lementar Premises Allowance. During the construction of the Tenants Work, Landlord shall make monthly disbursements of the Supplementary Premises Allowance for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows: 1. 1 Monthl Disbursements. On or before the twentieth (201h) day of each calendar month during the constmction of the Tenant's Work (the "Su lemen Premises Allowance Submittal Date") (or such other date as Landlord or Tenant may designate), Tenant shall deliver to Landlord: (i) request for payment of the Contractor's (as that term is defined in Section 4. 1 of Exhibit B-I to the Third Amendment) approved by Tenant showing the schedule, by trades, of the percentage of completion of the Tenant's Work in the Supplementary Premises; (ii) invoices from all of Tenants's Agents, as that term is defined in Section 4. 1.2 of Exhibit B-I to the Third Amendment for labor rendered and materials delivered to the Supplementary Premises; (iii) such invoice is for the Contractor, the Contractor will need to provide an application for payment [AIA fonn G702 1992 or equivalent] signed by the Architect/Space Planner, as such tenn is defined in Section 3. 1 of Exhibit B-I to the Third Amendment; and (iv) breakdown sheet [AIA form G703 1992 or equivalent] of all unpaid lienes from the Tenant's approving such invoices and requesting payment from the Supplementary Premises Allowance; (v) executed mechanics lien releases, which lien releases shall be conditional with respect to the then requested payment amounts and unconditional with respect to payment amounts previously disbursed by Landlord or Tenant's from all of Tenant's Agents; and (vi) all other infonnation reasonably requested by Landlord. Tenant's request for payment shall be deemed Tenant's acceptance and approval of the work furnished and/or the materials supplied as set forth in Tenant's payment request. On or before the date occurring thirty (30) days after the Supplementary Premises Allowance Submittal Date and assuming Landlord receives all of the information described in Items (i) through (vi) above, Landlord shall deliver a check to Tenant in payment of the lesser of: (A) the amounts so requested by Tenant, as set forth in this Paragraph 1. 1 above, less a ten percent (10%) retention (the aggregate amount of such retentions shall be known as the "Final Su lemen Premises TI Allowance Reimbursement"), and (B) the balance of any remaining available portion of the Supplementary Premises Allowance (not including the Final Supplementary Premises TI Allowance Reimbursement), provided that Landlord does not dispute any requests for payments due to any unsatisfactory work, to any other reasons provided in this Lease. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request. 1. 2 Final Su lementar Premises TI Allowance Reimbursement. Subject to the provisions of this Tenant Work Letter, a check for the Final Supplementary Premises TI Allowance Reimbursement payable to Tenant shall be delivered by Landlord to Tenant following the completion of construction of the Supplementary Premises, provided that (i) Tenant delivers to Landlord (a) properly executed, unconditional final mechanics lien releases from all of Tenants's Agents, showing the amounts paid in compliance with applicable laws, (b) Contractor's application and certificate for payment (AIA form G702 1992 or equivalent) signed by the Architect/Space Planner, (c) breakdown sheet (AIA form G703 1992 or equivalent), (d) original stamped building permit plans, (e) copy of the building permit, (f) original stamped building permit inspection card with all final sign offs, (g) fall size bond copies and a CD R disk containing electronic files of the "as built" drawings of the Supplementary Premises Tenant Improvements in both "dwg" and "pdf fonnats, from the Architect^Space Planner for architectural drawings, and from the Contractor for all other trades, (h) air balance reports, (i) excess energy use calculations, (j) copy warranty letters from Tenants's Agents, (k) manufacturer's warranties and operating instructions, (l) final punch list completed and signed off by Tenant and the Architect/Space Planner, (m) letters of compliance from the Engineers stating that the Engineers have inspected the Supplementary Premises and that they comply with the Engineers drawings and specifications, (n) a copy of the recorded Notice of Completion, and (o) a final list of all contractors/vendors/consultants retained by Tenant in connection with the Tenant's Work and any other improvements in the Supplementary Premises, including, but not limited to, the Contractor, other contractors, subcontractors and the remaining Tenants's Agents, the Architect/Space Planner, the Engineers, systems furniture vendors/installers, data/telephone cabling/communication vendors/installers, etc., which final list shall set forth the full legal name, address, contact name with telephone/fax/e mail addresses and the total fees paid by Tenant for goods and services to each of such contractors/vendors/consultants (collectively, the "Final Su lement Premises Close Out Package"), and (ii) Landlord has inspected the Supplementary Premises and reasonably determined that no substandard work exists which adversely affects the mechanical, electrical, plumbing, heating, ventilating and air conditioning, life-safety or other systems of the Building, the structural integrity of the Building, the 56987a988b01b2695249881e1d DocuSign Envelope ID: 0E98E1B1-B987-4726-AC2D-D87EEB1021C6.



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structure or exterior appearance of the Building, or any other tenant's use of such other tenant's leased premises in the Building. 1. 3 Other Terms. Landlord shall only be obligated to make disbursements from the Supplementary Premises Allowance to the extent costs are incurred by Tenant for Tenant's Work. All Tenant's Work Items for which the Supplementary Premises Allowance has been made available shall be deemed Landlord's property under the terms of Section B. 5 of this Lease. Tenant shall have no claim to any Supplementary Premises Allowance not expended by Tenant on or before June 30, 2023 and any such sums shall be the sole property of Landlord. 56837\388601\269524838. v4 DocuSign Envelope ID: 0C86E184-287C-4786-AC2D-D67EBB02105C

Exhibit 21.1

List of Subsidiaries

The following is a list of subsidiaries of Recursion Pharmaceuticals Inc. as of December 31, 2022 December 31, 2023.

Name of Subsidiary*	**Jurisdiction of Incorporation**
Recursion Pharmaceuticals Canada, Inc.	Canada
Valence Discovery Inc.	Canada
Valence Discovery USA, Inc.	Delaware
Cyclica Therapeutics Inc.	Canada
Cyclica Ltd.	United Kingdom
Cyclica Inc.	Delaware
Giro Health Inc.	Delaware
1414517 B.C. Unlimited Liability Company	Canada
CereXis, Inc.	Delaware

*Inclusion on the list above is not an admission that any of the above entities, individually or in the aggregate, constitutes a significant subsidiary within the meaning of Rule 1-02(w) of Regulation S-X and Item 601(b)(21)(ii) of Regulation S-K S-K.

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Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1)

1) Registration Statement (Form S-3 No. 333-272281) of Recursion Pharmaceuticals, Inc.,

2) Registration Statement (Form S-3 No. 333-264845) of Recursion Pharmaceuticals, Inc.,

3) Registration Statement (Form S-8 No. 333-272282) pertaining to the assumption of the Cyclica Inc. Second Amended and Restated Stock Option Plan, by Recursion Pharmaceuticals, Inc.,

(2) 4) Registration Statement (Form S-8 No. 333-272027) pertaining to the assumption of the Valence Discovery Inc. Stock Option Plan dated April 17, 2018 as amended and restated on November 16, 2021, by Recursion Pharmaceuticals, Inc.,

5) Registration Statement (Form S-8 No. 333-271719) pertaining to the 2021 Equity Incentive Plan and 2021 Employee Stock Purchase Plan, of Recursion Pharmaceuticals, Inc.,

6) Registration Statement (Form S-8 No. 333-264847) pertaining to the 2021 Equity Incentive Plan and 2021 Employee Stock Purchase Plan of Recursion Pharmaceuticals, Inc., and

(3) 7) Registration Statement (Form S-8 No. 333-255315) pertaining to the 2021 Equity Incentive Plan, 2021 Employee Stock Purchase Plan, and the 2016 Equity Incentive Plan of Recursion Pharmaceuticals, Inc.;

of our reports dated February 27, 2023February 29, 2024, 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 this Annual Report (Form 10-K) of Recursion Pharmaceuticals, Inc. for the year ended December 31, 2022December 31, 2023.

/s/ Ernst & Young LLP

Salt Lake City, UT Utah
February 27, 2023 29, 2024

Exhibit 31.1

Exhibit 31.1

Certification of Principal Executive Officer
Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended

I, Christopher Gibson, certify that:

1. I have reviewed this Annual Report on Form 10-K of Recursion Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

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3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Christopher Gibson
Christopher Gibson, Chief Executive Officer (principal executive officer)

Date: February 27, 2023 February 29, 2024

Exhibit 31.2

Certification of Principal Financial Officer
Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended

I, Michael Secora, certify that:

1. I have reviewed this Annual Report on Form 10-K of Recursion Pharmaceuticals, Inc.;

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2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael Secora
Michael Secora, Chief Financial Officer (principal financial officer)

Date: February 27, 2023 February 29, 2024

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Exhibit 32.1

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