Recursion

Global Environmental, Social and Governance Report 2023

2023 ESG REPORT

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A Letter from Our Co-Founder and CEO

2022 was a year of tremendous progress in service of our mission to **Decode Biology to Radically Improve Lives.** As a company focused on using cutting-edge technology to find solutions to some of the most complex and pressing problems in biotechnology, we have the opportunity to create massive positive impact in the world and build an incredible business to drive it.

Our progress in 2022 supports not only our efforts to bring new medicines to patients, but also our ultimate vision of creating a better, **more sustainable process for discovering many medicines** in the future. At our core, we believe technologies like genetic and molecular profiling, machine learning and automation – when combined – have the potential to increase the efficiency of the drug discovery and development process and create step-function shifts in the healthcare industry. At Recursion, we call this the **industrial revolution of drug discovery.** It's the path to bringing new, better medicines to patients at higher scale and lower prices. We believe this opportunity represents one of the most positively impactful applications of technology for society, and I'm proud to say Recursion is at the forefront of leading this revolution.

In our second annual environmental, social and governance (ESG) report that follows, we've provided details on how our work in 2022 is in direct support of our vision to create a more sustainable future – not only to benefit patients, but also our employees, partners, communities, and the broader healthcare and technology innovation ecosystems. I've summarized a few of the most prominent highlights from 2022.

We significantly advanced our pipeline and partnerships in efforts to bring new medicines to patients who need them. In 2022, we initiated five new clinical trials, received multiple regulatory designations designed to accelerate the development of potential future medicines, and created new maps of biology in areas of complex disease with our partners – all in service of bringing new medicines to patients in areas of large unmet need. You can read more about the significant strides we made to advance new medicines in our Commitment to Patients section.

We continued to build technologies and infrastructure that will create a more sustainable R&D model. We believe our Recursion Operating System (OS) is among the most comprehensive full-stack technology solutions in the biopharma industry, spanning target discovery through digital chemistry, lead optimization, translation 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. All of this work is in service of scaling, automating and standardizing our drug discovery engine to industrialize the process and improve R&D efficiency. You can read more about this approach in the Industrialization Is the Path to Sustainability section.

We continued to build a more sustainable company and community. We completed our baseline assessment of Scope 1 and 2 greenhouse gas (GHG) emissions and are beginning to evaluate reduction strategies that will put us on the path to achieve net-zero emissions by 2030. We also released the largest biological and chemical dataset of its kind – RxRx3 – in support of open-source science. And our work at Altitude Lab is continuing to build a community of diverse life science entrepreneurs in Utah. You can read more about these initiatives in our Social Impact and Environment sections.

Every bit of our progress and results is made possible by our brilliant, diverse team and fit-for-purpose culture, which you can read more about in Our People and Culture section.

I'm proud of the progress we made in 2022 and look forward to continuing to advance our ESG priorities and commitments in the years to come.

Thank you,

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

We have the opportunity to create **massive positive impact** in the world and build an incredible business to drive it.

About Recursion

Our Mission: Decode biology to radically improve lives

Recursion is a clinical-stage TechBio company leading the space by decoding biology to industrialize drug discovery. Our vision is to leverage technology to map and navigate biology and chemistry to discover and develop better medicines faster.

Success in decoding biology implies our ability to predict ways to navigate it, which may enable us to build a massive 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 also the lives of those who care for those patients and the lives of our employees and their families, as well as the communities in which we operate our company.

We're industrializing drug discovery and development in pursuit of changing lives forever.

Quick Facts*

Numbers

2013
FOUNDING YEAR

~500
TEAM MEMBERS

~40% biologists, chemists and drug developers

~35% data scientists, software programmers and engineers

~25% strategic operations

Headquarters

SLC
SALT LAKE CITY, UT

Additional Sites

USA
MILPITAS, CA

CAN
TORONTO, ONTARIO
MONTREAL, QUEBEC

Strategic Partners

Bayer
(fibrosis)

Roche and Genentech
(predominantly neuroscience)

Recursion OS

>21PB
PROPRIETARY BIOLOGICAL AND CHEMICAL DATA AND GROWING FAST

>3T
INFERRED BIOLOGICAL RELATIONSHIPS
to mine using our maps of biology and chemistry

Pipeline

5
CLINICAL PROGRAMS
Dozens of pre-clinical and discovery programs

*As of December 31, 2022

Founding Principles

Explore the Uncharted

Virtuous Cycles

Connected Data

Industrialize to Scale

Optimize for the Portfolio

Challenge Assumptions

Values

We Care, We Learn, We Deliver, We Act Boldly with Integrity, We Are One Recursion

Industrialization Is the Path to Sustainability

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 machine learning (ML) and artificial intelligence (AI) for society.

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 sector generally, has the promise to drive new medicines to patients at higher scale and lower prices. We are working hard to not only lead this space, but also define it.

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. 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.

EROOM'S LAW:
Drug discovery is becoming slower and more expensive over time

OPPORTUNITY

Recursion

MOORE'S LAW:
Computing power becomes faster and less expensive over time
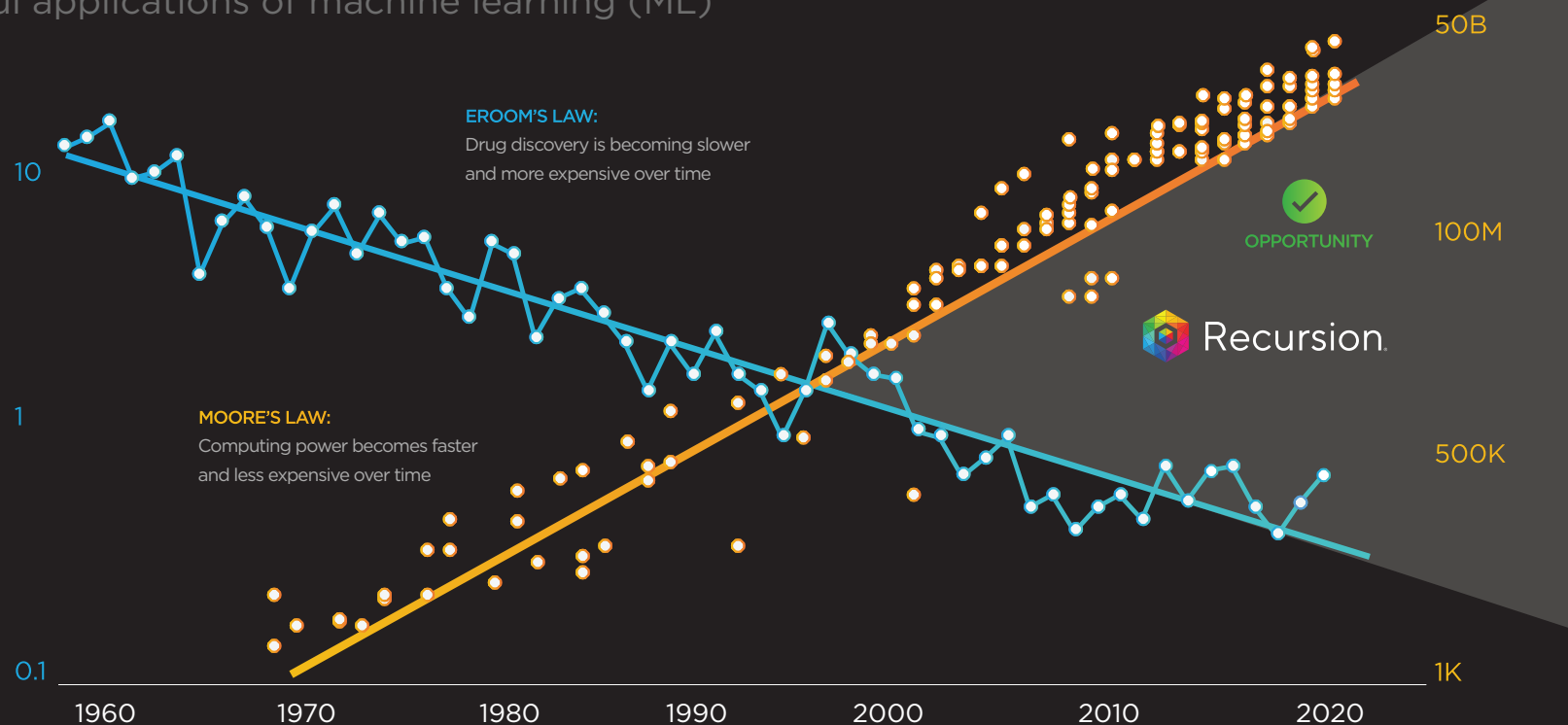
Adapted from Scannell, J et al (2012). Diagnosing the decline in pharmaceutical R&D efficiency. Nat Rev Drug Discov, 11, 191-200. Adapted from Roser, M et al. (2013). Technological Change. OurWorldInData.org.

— New Molecular Entities per $B spent (inflation adjusted)
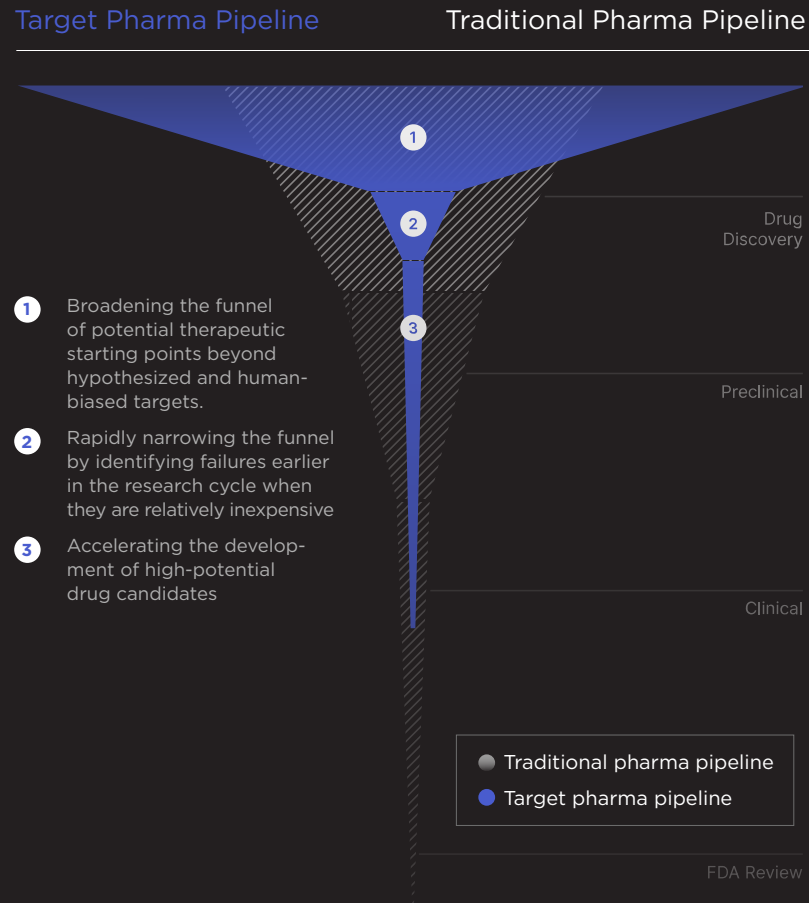— Compute Power (Transistors per Microprocessor)

INDUSTRIALIZATION IS THE PATH TO SUSTAINABILITY *CONTINUED*
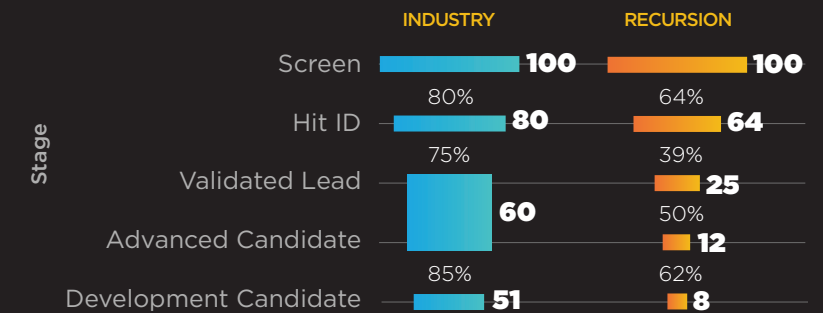
Creating a More Sustainable R&D Model

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, we believe that in its ideal state, a drug discovery funnel would morph from 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. Our goal is to leverage technology to reshape the typical drug discovery funnel toward its ideal state by moving failure as early as possible to rapidly narrowing the funnel into programs with the highest probability of success.
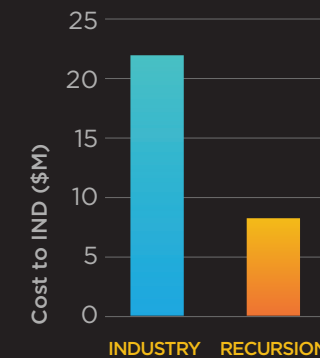
By leveraging our Recursion OS platform to explore more than 170 disease programs, we have shown quantifiable improvements in the time, cost and anticipated likelihoods of program success by stage when compared to the traditional drug discovery process. We believe that future iterations of the Recursion OS will enable even greater improvements minimizing the total dollar-weighted failure and maximizing the likelihood of success.

Target Pharma Pipeline   Traditional Pharma Pipeline

1 Broadening the funnel of potential therapeutic starting points beyond hypothesized and human-biased targets.

2 Rapidly narrowing the funnel by identifying failures earlier in the research cycle when they are relatively inexpensive

3 Accelerating the development of high-potential drug candidates

- ● Traditional pharma pipeline
- ● Target pharma pipeline

Drug Discovery

Preclinical

Clinical

FDA Review

Failing faster and earlier to...

Stage	INDUSTRY	RECURSION
Screen	100	100
Hit ID	80% / 80	64% / 64
Validated Lead	75%	39% / 25
Advanced Candidate	60	50% / 12
Development Candidate	85% / 51	62% / 8

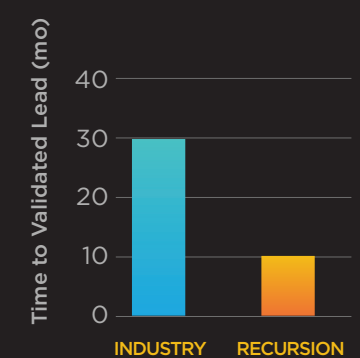### ...spend less   ...and go faster

Data shown are the averages of all our programs from 2017 through 2022.

Our Approach to ESG

ESG stewardship is both an integral part of our mission and essential to achieving it. We are proud of the progress we have made and are committed to further advancing our capabilities in the years to come.

Our reporting is guided by key ESG frameworks and standards, notably the Sustainability Accounting Standards Board (SASB) and the United Nations Sustainable Development Goals (UN SDGs).

ESG Progress Highlights

Patient Impact

5
CLINICAL TRIALS INITIATED
where the majority of our potential therapeutics could be first-in-class for the stated indication and are aimed at diseases with significant unmet medical need

2
DRUG DISCOVERY PARTNERSHIPS ADVANCED
in large, intractable areas of disease with Bayer in fibrosis and Roche and Genentech in neuroscience

Social and Community Impact

RxRx3 and MolRec™
OPEN-SOURCE DATASET RELEASE
the largest dataset of its kind and a publicly available web-based tool for exploring compound and gene relationships

15
HEALTHCARE STARTUPS SUPPORTED
since launching Altitude Lab, our incubator for diverse entrepreneurs

People and Culture

6
FOUNDING PRINCIPLES CODIFIED
that differentiate our approach, enable us to lead TechBio and form the foundation of the Recursion Mindset

Technical Mentorship
PILOT PROGRAM LAUNCHED
to enhance opportunities for underrepresented talent and increase gender diversity at every level across our technology organization

Environment

97%
CLOUD COMPUTING OPERATIONS
with net-zero carbon emissions

GHG Emissions
SCOPE 1 AND 2 MEASURED
to establish our baseline in pursuit of our goal to achieve net-zero emissions by 2030

Governance

Code of Conduct
FOR SUPPLIERS LAUNCHED
to enhance our supply chain management

SOC2
TYPE 2 ATTESTATION OBTAINED
providing assurance of our information security controls and commitment to protecting data

Recognition

Prime Rating
FOR ESG PERFORMANCE
from Institutional Shareholder Services (ISS) in 2022

A Rating
FOR ESG PERFORMANCE
in the MSCI ESG Ratings assessment in 2023

Top 10%
IN PHARMACEUTICAL CATEGORY
by Morningstar Sustain-alytics, where we ranked 98 out of over 850 companies as of October 2022
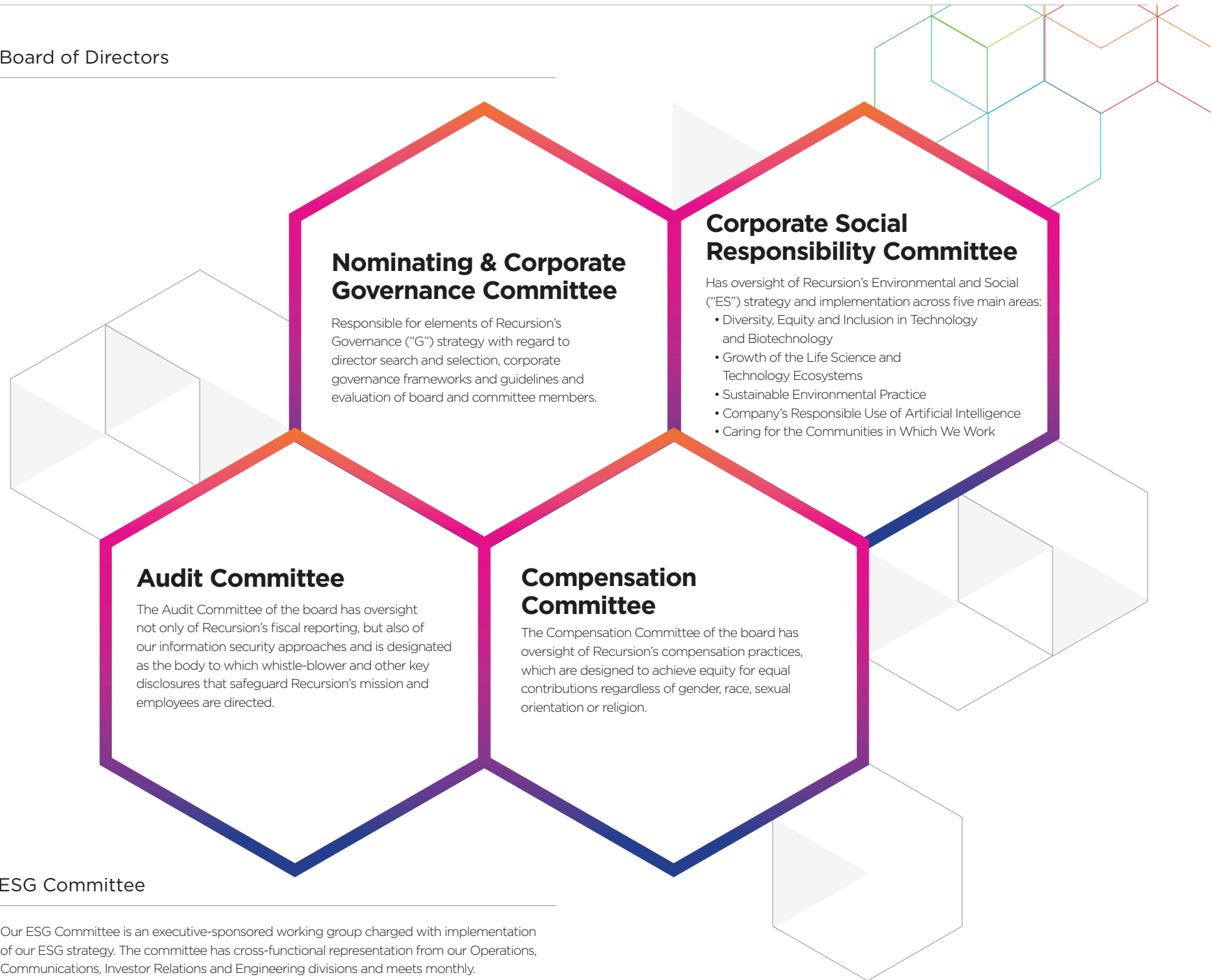
ESG Oversight

We believe in integrating our ESG strategy with our corporate strategy to benefit the long-term sustainability of Recursion. This starts with our board of directors, which is responsible for guidance and oversight of ESG within the organization.

ESG Factors in Compensation

To further align Recursion's mission with performance, we set annual goals that drive our company's strategy for the year. One hundred percent of employee annual cash performance bonuses are tied to company performance against goals. The design of our annual cash bonus structure is intentionally values-based and One-Recursion-oriented in that the same percentage of salary drives cash bonuses for all employees, including our CEO and members of executive management.

Board of Directors

Nominating & Corporate Governance Committee

Responsible for elements of Recursion's Governance ("G") strategy with regard to director search and selection, corporate governance frameworks and guidelines and evaluation of board and committee members.

Corporate Social Responsibility Committee

Has oversight of Recursion's Environmental and Social ("ES") strategy and implementation across five main areas:
- Diversity, Equity and Inclusion in Technology and Biotechnology
- Growth of the Life Science and Technology Ecosystems
- Sustainable Environmental Practice
- Company's Responsible Use of Artificial Intelligence
- Caring for the Communities in Which We Work

Audit Committee

The Audit Committee of the board has oversight not only of Recursion's fiscal reporting, but also of our information security approaches and is designated as the body to which whistle-blower and other key disclosures that safeguard Recursion's mission and employees are directed.

Compensation Committee

The Compensation Committee of the board has oversight of Recursion's compensation practices, which are designed to achieve equity for equal contributions regardless of gender, race, sexual orientation or religion.

ESG Committee

Our ESG Committee is an executive-sponsored working group charged with implementation of our ESG strategy. The committee has cross-functional representation from our Operations, Communications, Investor Relations and Engineering divisions and meets monthly.
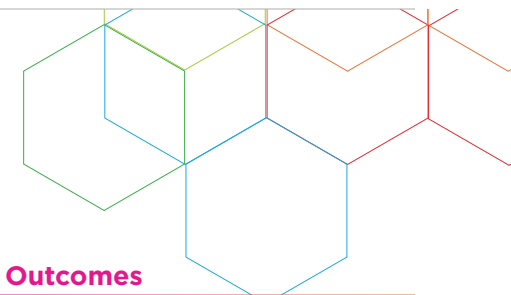
Stakeholder Engagement

Achieving our audacious mission of decoding biology to radically improve lives will not be possible without the support, guidance and commitment of all our stakeholders.

We care deeply about the work we do and the expansive impact we can have on humanity, and we take seriously our responsibility to engage regularly with our stakeholders to inform and drive various aspects of our business strategy. The table to the right provides more details on our stakeholder engagement.

Stakeholder Group	Methods of Engagement	Owners	Outcomes
Recursionauts	• Weekly All-Hands • Internal Communications • Surveys • Events	• Management Team • People Operations • Communications	• Achieving goals • Building culture • Improving benefits and employee services • Learning and development
Patients + Healthcare Providers	• Patient Speakers • Sponsorships • Grants • Therapeutic Advisory Board • Medical Conferences • Meetings	• Clinical Development • Medical Affairs • Regulatory Affairs	• Ethical and effective design of clinical studies and protocols • Medicines that meaningfully improve the things patients care about • Medicines that are valuable to society and patients alike
Investors	• Conferences • Meetings • Press Releases • Public Disclosures • Website and Social Media	• Investor Relations • Communications • Management Team	• Disclosure strategy • Information transparency • ESG strategy
Partners + Collaborators	• Meetings • Website • Conferences	• Business Development • Project Teams	• OS platform expansion and development • New disease areas • New assets and programs
Suppliers + Vendors	• Meetings • Service and Quality Agreements • Audits • External Committees • Strategic Partnerships	• Procurement and Supply Chain • Business Operations • Quality Assurance • Relevant Functional Areas	• Enabling company growth and goal achievement • Risk mitigation • Supply chain management
TechBio	• Trade Organizations • Conferences • Events • Recruitment Activities • Altitude Lab • Website and Social Media	• Management Team • Communications • Technology • Science • Clinical Development • Talent Acquisition	• Talent acquisition • Strengthen innovation ecosystem
Local Community	• Recursion Foundation • BioHive • Events • Donations • Volunteerism • Sponsorships	• Facilities Management • Sponsorship Committee • Management Team • People Operations • Business Operations • Communications	• Philanthropy strategy • Community partnerships • Sustainability strategy and environmental impact
Government	• Meetings • Company Educational Materials	• Regulatory Affairs • Management Team	• Compliance • Regulatory strategy • Strengthen innovation ecosystem

Commitment to Patients

Our Pipeline

At Recursion, we aim to radically improve the lives of patients and those who love them. We are proud of our progress in 2022 to advance potential new medicines to patients, including initiating five clinical trials.

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. We currently have four programs in 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.

Our Pipeline

THERAPEUTIC AREA	INDICATION	LATE DISCOVERY	PRECLINICAL	PHASE 1	PHASE 2	PHASE 3
Rare & Other						
	CEREBRAL CAVERNOUS MALFORMATION (CCM; est. 360K [1])					
	NEUROFIBROMATOSIS TYPE 2 (NF2; est. 33K [2])					
	CLOSTRIDIOIDES DIFFICILE INFECTION (est. 730K)					
Oncology						
	FAMILIAL ADENOMATOUS POLYPOSIS (APC; est. 50K)					
	AXIN1 or APC MUTANT CANCERS (AXIN1 or APC mutant cancers; est. 65K)					
	CANCER IMMUNOTHERAPY, TARGET DELTA (Multiple; 88K [3])					
	HR-PROFICIENT OVARIAN CANCER, RBM39 (HR-proficient ovarian cancer; 13K)					
	CANCER IMMUNOTHERAPY, TARGET ALPHA (Multiple; 72K [3])					
	MYC-DRIVEN ONCOLOGY (MYC; est. 54K [4])					

More than a dozen early discovery and research programs in oncology, neuroscience, inflammation and immunology, and rare disease

Our expansive therapeutic pipeline exemplifies the power of our Recursion OS. All populations defined above are US and EU5 incidence unless otherwise noted. EU5 is defined as France, Germany, Italy, Spain, and the UK. (1) Prevalence for hereditary and sporadic symptomatic population. (2) Annual US and EU5 incidence for all NF2-driven meningiomas. (3) Our program has the potential to address a number of indications in this space. (4) Our program has the potential to address a number of indications driven by MYC alterations, totaling 54,000 patients in the US and EU5 annually.

PIPELINE *CONTINUED*

In 2022, we made substantial progress to advance potential new medicines to patients who need them through our internal clinical and preclinical pipeline, as well as through our partnerships.

Advancing New Medicines to Patients

In 2022, we made substantial progress to advance potential new medicines to patients who need them through our internal clinical and preclinical pipeline, as well as through our partnerships.

Clinical Progress
REC-994 for the potential treatment of cerebral cavernous malformation (CCM)
In March 2022, we initiated a Phase 2, double-blind, placebo-controlled, safety, tolerability and exploratory efficacy study. Orphan Drug Designation has been granted in the US and EU. We expect to share top-line data in the second half of 2024.

REC-2282 for the potential treatment of neurofibromatosis type 2 (NF2)
In June 2022, we initiated an adaptive, Phase 2/3, randomized, multicenter study. 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 (FAP)
In September 2022, we initiated a Phase 2, double-blind, randomized, placebo-controlled study. 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
We expect to initiate a Phase 1b/2 study in select tumor types in early 2024.

REC-3964 for the potential treatment of Clostridioides difficile infection
In September 2022, we initiated a Phase 1 study in healthy volunteers. We expect to share safety and pharmacokinetics data in the second half of 2023.

Preclinical Progress
We continue 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.

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.

Roche and Genentech
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
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 new programs (for a total of eight 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.
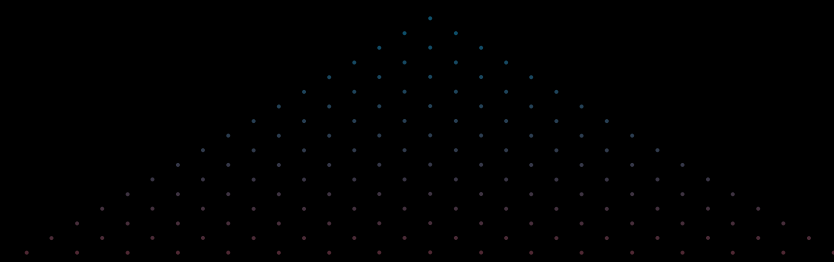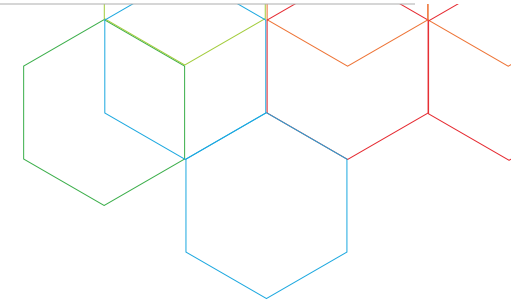
Patient Support

The challenge we care so deeply about solving is finding better medicines and making them more accessible to the people who need them. We do this by reducing barriers to participation in our clinical studies and supporting patient communities through education, sponsorships, and industry partnerships.

Patient Advocacy

We support the patient community by partnering with patient advocacy groups through sponsorships, scientific and patient presentations, patient experience testimonials and giving events. We aim to provide patient education and giving opportunities that are a direct response to an organization's greatest need.

Recursion partners with organizations that are aligned with our corporate strategy and goals, including:

Alliance for Artificial Intelligence in Healthcare **(AAIH)** strives to improve the drug discovery and development process through the use of artificial intelligence and machine learning. Our engagements have been focused on modernizing the FDA process to consider data derived from AI-enabled drug discovery. We have been corporate board members since 2020.

National Organization for Rare Diseases **(NORD)**, where we are focused on bringing awareness to rare disease indications, educating patients about the value of participation in clinical trials, and adding CCM and FAP to NORD's rare indication listing on their website. We have been corporate council members since 2021.

RareX, an organization looking to bring biotech, AI, and pharma companies together to optimize the opportunities to find cures for rare and ultra-rare diseases.

In addition, we partner with organizations that are specific to the indications in which we have active clinical programs, including:

- Children's Tumor Foundation in support of people living with NF2
- Alliance to Cure in support of people living with CCM
- Desmoid Tumor Foundation in support of people living with FAP

Step Challenge with the Children's Tumor Foundation
In February 2022, we hosted a companywide step challenge in support of the Children's Tumor Foundation (CTF) with more than 90% employee participation. The winning team had a donation provided in their name to the CTF specifically to support the organization's summer camp in Utah. This camp allows children and teenagers who are impacted by NF to experience summer camp in a medically safe environment. After returning to an in-person camp after two years of a virtual experience, the interest in scholarships to support camp participation was high. In 2022, CTF returned to an in-person camp after two years of a virtual experience at Camp Kostopulos (Camp K) in Salt Lake City, Utah. Recursion donated $10,000 to this scholarship fund, which supported 42 campers' attendance.

Photo right: Team at the 2022 Step Challenge with the Children's Tumor Foundation
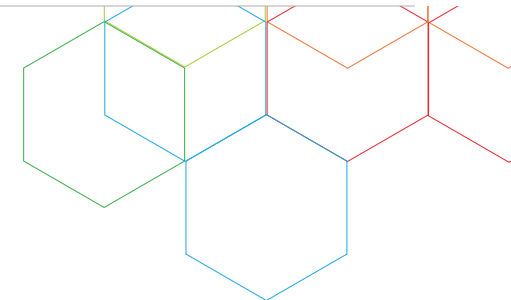
Care Packages with the Alliance to Cure
In December 2022, we created 150 care packages for CCM patients undergoing brain surgery at the request of the Alliance to Cure. The care packages were sent to the 15 CCM Centers of Excellence across the country and included items like ChapStick, puzzle books, comfy socks, and teddy bears. Our employees packed Alliance to Cure tote bags with the requested items and a custom employee-designed greeting card signed by employees.

In 2023, we plan to continue the efforts specific to our ongoing and upcoming clinical trials. This will include opportunities for Recursion to host patient advocates who can speak about the diagnostic journey, current standard of care, and value of clinical development programs for their indication. We will also focus on local engagement in the Salt Lake City area with Rare Utah, the Rare and Undiagnosed Network and other organizations.

PATIENT SUPPORT *CONTINUED*

Our vision is to conduct clinical research in a way that reduces barriers to participation for underrepresented groups and reflects our commitment to diversity and inclusion.

Clinical Trial Diversity

As part of our commitment to diversity, equity and inclusion (DEI), we established our DEI in Clinical Development Council in 2022 to amplify and support DEI efforts across our clinical development programs.

Our vision is to conduct clinical research in a way that reduces barriers to participation for underrepresented groups and reflects our commitment to diversity and inclusion. To achieve this, we support diverse clinical trial investigators and patient recruitment through education, outreach, and intent.

This committee includes a senior member of the Clinical Development team (to consider specifics pertaining to individual trials), a member of the Medical Affairs team (to consider working with patient advocacy groups), and a member from our People Impact department (to ensure the committee is aligned with Recursion's broader commitment to DEI).

The DEI in Clinical Development Council serves as an advisory body to Recursion Clinical Development leadership, providing data-driven guidance on programming and policies that advance inclusion, diversity and equity in clinical research. In 2022, we began to investigate opportunities to support physicians from underrepresented groups in considering

careers in clinical development and rare disease. Recursion intends to support career days at various historically black colleges and universities in collaboration with one of our patient advocacy partners, and we continue to consider other ways to engage nationally.

Recursion is also a member of the DEI corporate council group of RareX. This group's overarching goal is to develop a blueprint to identify, support and engage individuals, family members and caregivers impacted by rare disease (and those undiagnosed) with trusted partners to enhance diversity, equity and inclusion in care and research. The initial pilot project for this group was in collaboration with RareKC, a local rare disease organization in Kansas City.

In 2023, our work will continue to find opportunities to engage with underrepresented potential clinical trial participants, clinical trial sites, and clinical researchers through outreach, education, and sponsorships.

Access to Medicines

We believe that the best way to develop potential treatments is through well-designed, ethical clinical trials that determine the safety and effectiveness of investigational medicines. We understand that in some rare and specific circumstances, when enrollment into a clinical trial is not possible, physicians caring for patients with serious or life-threatening conditions or diseases may seek special access to investigational medicines. As a clinical-stage company, Recursion considers these individual Expanded Access requests for an investigational medicine outside of an ongoing clinical trial for the indication we are investigating.

Our full Expanded Access Policy is publicly available on our website and the Reagan-Udall Foundation website.

In addition to our Expanded Access program, we have long-term extension (LTE) studies for multiple programs. These studies give qualifying main study participants an opportunity to have continued access to investigational medicines through participation in the LTE studies.
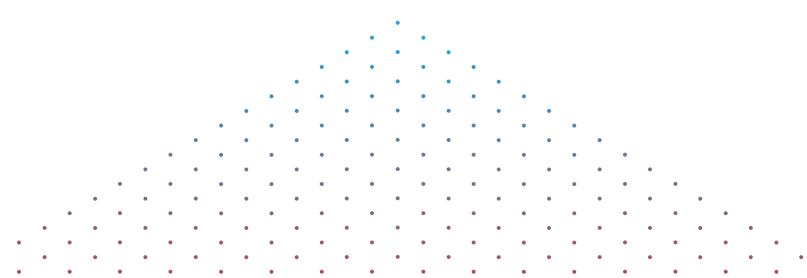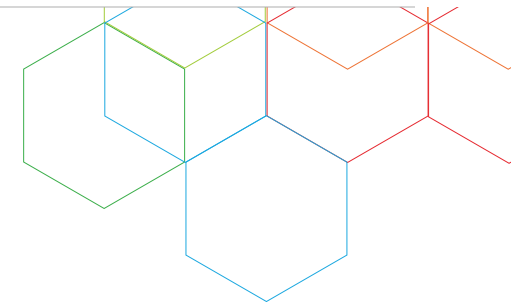
Ethical Clinical Research and Patient Safety

We are committed to maintaining the highest level of integrity and ethics across all clinical trials and investigational programs.

Clinical Trials

We adhere to the international codes, guidelines, and regulations where our trials are conducted and throughout the drug supply chain, including:

- International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH)
- 21 Code of Federal Regulations (CFR)
- Regulations and Directives of the European Parliament and of the Council
- Relevant Food and Drug Administration (FDA) and European Medicines Agency (EMA) Guidance documents
- Health Insurance Portability and Accountability Act of 1996 (HIPAA)
- European Global Data Protection Regulation (GDPR)

We maintain timely and transparent disclosure of clinical trial information and results. All company-sponsored Phase 2 and 3 clinical trials are posted on country-specific registries of clinical trials, such as clinicaltrials.gov. As part of our commitment to advancing science in the therapeutic areas in which we work, Recursion discloses results of these trials on public registries within 12 months following the trial completion date.

In order to keep patients informed, results of our clinical trials are made available to trial participants upon request. Additionally, Recursion aims to submit an abstract of the primary analysis of clinical trial results for publication regardless of trial outcome or regulatory approval status.

Our Clinical Trial Transparency policy is publicly available on our website.

Patient Safety

We are committed to designing and conducting ethical clinical research and assuring patient safety and well-being in our clinical trials.

We have a multilayered approach to assure the safety of study participants in our clinical programs. As safety data are collected, they are reviewed by both the medical monitor and the safety officer at Recursion. A multidisciplinary safety management team, which includes a representative from each of the medical functions involved with development of the compound as well as representatives from other functions, such as clinical pharmacology, toxicology, and regulatory affairs, also reviews safety data on a regular basis. This is independent of any review by the contract research organization (CRO).

In some Recursion clinical studies, an external independent review body, the Data Monitoring Committee (DMC), is charged with safety oversight of a clinical trial. This group is chartered and consists of experts in biostatistics, medicine, and clinical research. The DMC advises Recursion regarding the continuing safety of trial subjects and those yet to be recruited to the trial, as well as the continuing validity and scientific merit of the trial.

Furthermore, there are regulator-determined submissions, such as expedited reports of unexpected side effects as well as regular summaries of observed safety data, that Recursion prepares to remain compliant and maintain transparency.

In addition to monitoring safety data, we conduct ongoing clinical monitoring of our trials to review subject data and assure participant safety, data integrity, and protocol compliance. Our activities are intentional by design and collectively demonstrate our commitment to conduct clinical trials only if the anticipated benefits justify the risks.

Quality and Safety of Clinical Programs

Our drive to positively impact patients' lives and advance our mission motivates us to challenge orthodoxy, encourage critical thinking, and discover optimized processes to accelerate and scale the development of high-potential drug candidates by way of a steadfast commitment to quality, integrity, and compliance.

Our Quality Policy is centered around three principles that guide our decision-making to ensure quality, safety, and integrity in our clinical programs:

1. *Chart a novel path to better serve humanity.*
   We root every action in an unwavering commitment to patient safety, product quality, and data integrity.

2. *Challenge traditional approaches to uncover fundamental truths.*
   We seek to deeply understand the purpose, meaning, and objectives of regulations and guidance. We embrace regulations as our guidebook in developing high-impact quality processes.

3. *Innovation enables quality at scale.*
   We emphasize critical thinking to challenge assumed constraints and institutional norms and design quality processes that promote scalability and exceptional outcomes.

Quality Management

Our Quality Management System (QMS) brings people, processes, and systems together to facilitate excellence in drug development. It has been intentionally designed in a purposeful, principles-based way to assure quality and safety, promote continuous improvement, and maintain compliance in our clinical programs.

Policies, Procedures and Training

Our optimized quality processes are communicated in user-friendly policies and standard operating procedures maintained in our electronic Quality Management System (eQMS) and reviewed a minimum of every three years to assure they remain current, accurate, and compliant. Employees are provided training on these policies and procedures, commensurate with their role.

Our approach to training considers that our employees are our strongest asset. We conduct training for our people on timely and relevant topics to ensure all personnel executing on development activities remain current on industry and regulatory standards and understand how their role contributes to the drug development process. We also believe industry participation and professional certifications are important to Recursion's growth and encourage our employees to maintain active ties within the scientific community.

**Investigations and Corrective Action/Preventive Action (CAPA)**

We take a risk-based approach to managing incidents and quality issues. The impact of the issue on patient safety, data integrity, and product quality guide the intensity of our investigations and CAPAs. In our operating model, where we work closely with contract research organization (CRO) and contract manufacturing organization (CMO) partners, we collaborate to identify, investigate, and remediate issues and leverage our partners' quality systems to govern the process.

As a company that values a data-driven approach to drug development, we internally monitor investigation and CAPA data to identify trends and failure modes, feeding into our QMS for continuous improvement.
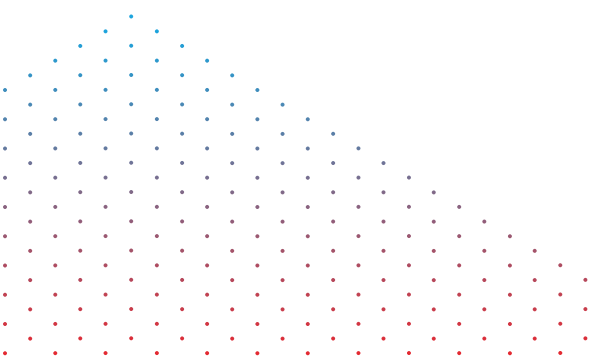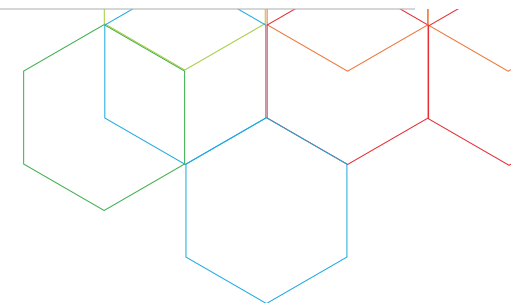
QUALITY AND SAFETY OF CLINICAL PROGRAMS *CONTINUED*
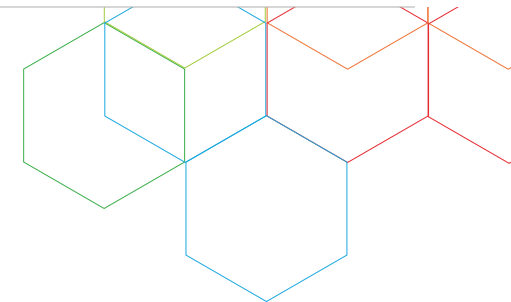
We are proud to be the sponsor of clinical trials and embrace our responsibility to provide sponsor oversight for our clinical programs and manufacturing operations.

Auditing

We leverage audits as one mechanism to assure quality in clinical trials and the manufacturing supply chain. Our audit program leverages a combination of (i) intelligence tools, regulatory information, records/data review, interviews, and physical observation to assess the safety and reliability of clinical programs and the clinical trial material supply chain; (ii) compliance with regulatory and ethical standards; and (iii) adherence to written agreements, procedures, protocols, and specifications. This multidimensional approach enables us to thoroughly, efficiently, and routinely evaluate our vendors, clinical investigators, and processes.

Partnering and Sponsor Oversight

We are proud to be the sponsor of clinical trials and embrace our responsibility to provide sponsor oversight for our clinical programs and manufacturing operations. We partner with CROs and CMOs to manage our clinical studies and manufacture and distribute our clinical trial materials, respectively.

We maintain ongoing oversight and monitoring of our vendors from the initial qualification audit and throughout the lifetime of our partnership through our Vendor Qualification and Oversight program. We periodically audit our vendors to assure they remain in good regulatory standing, have sufficient quality systems to ensure quality control and employee safety, and meet our high standards for safety and integrity.

Drug Quality and Safety

As a clinical-stage company, Recursion works closely with qualified, reputable, and specialized CMOs to manufacture, test, and package all clinical products. We assess our vendors to determine that they have suitable technical capabilities, appropriate quality controls, and sufficient safety training to satisfy requirements and meet our high standards of drug quality and safety through our vendor qualification and periodic auditing process.

We provide ongoing sponsor oversight and monitoring across our entire drug supply chain. We establish and adhere to quality assurance agreements (QAAs) with each CMO that define quality and operating standards, ensuring the quality, safety, and integrity of our clinical trial material (CTM) is maintained from inception to use in a clinical trial. We also provide final disposition for all CTM prior to distributing it to clinical trial sites. As an additional oversight measure, we have a person-in-plant during critical manufacturing events.

To assure quality and safety across our drug supply chain, we maintain a risk register and issue log for our clinical programs to monitor risks, deviations, investigations, temperature excursions, and product complaints. We use this information to inform continuous improvement of manufacturing processes and prompt appropriate Material Review Board (MRB) action. The MRB is a cross-functional team that evaluates quality and safety-related issues related to clinical trial material and determines what subsequent actions should be taken to mitigate or reduce the impact of the issue. Internal programs that may be triggered by an MRB include Temperature Excursion Management, Product Complaint and Product Recall Management, and Investigation/CAPA Management.

Ethical Use of Animals in Research

We maintain humane and ethical treatment of animals within our in-house research testing and in partnership with third parties.

In vivo studies are an important tool for providing an assessment of the efficacy and safety of a compound within the context of a complete, complex biological system. Similar to other steps within the drug discovery and development process, conventional *in vivo* studies are fraught with human bias and limited in the endpoints that they measure.

At Recursion, we use our own proprietary cage hardware and continuous, high-resolution video system to collect data on thousands of possible *in vivo* subjects simultaneously in our Digital Vivarium. Video data are automatically uploaded to the cloud, processed in near real time, and provided immediately back to our scientists for animals undergoing pharmacokinetic, efficacy and safety studies for our drug candidates. The system not only increases the speed to insight generation and repeatability of studies by optimizing study designs and identifying more sensitive, unbiased and automatable readouts to assess drug safety and disease, but also results in improved animal welfare.
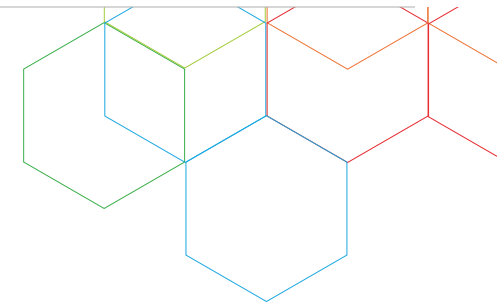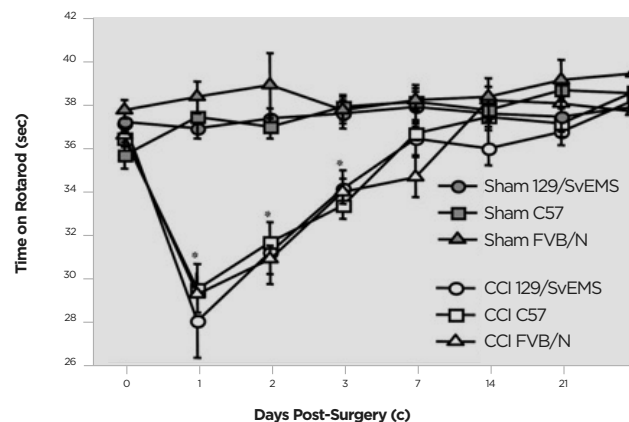
Traditional Animal Studies

Not continuous. Animals are studied only for small time frames.

Not relatable. Data cannot be compared to readouts from different animal studies.

Reliant on human intervention. Animals are not in their natural state and often under additional stress.

Single dimension. Studies are limited to measuring one endpoint.

Example:

In a **traditional rotarod test,** researchers measure how long an animal can remain on a rotating rod for less than 15 minutes each day.

Rotarod graph adapted from Curzon P., et al (2009). Methods of Behavior Analysis in Neuroscience, 8.
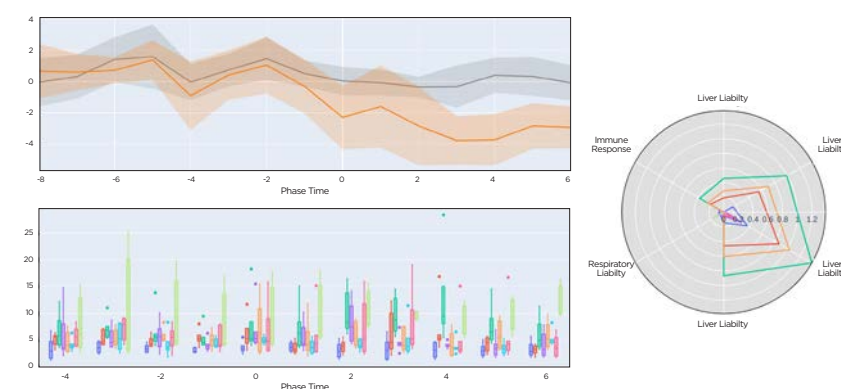
Recursion's Digital Animal Studies

Continuous monitoring. Animal health and behavior is measured continuously, including prior to the study beginning.

**Relatable.** We can compare our datasets with any other dataset generated in our cages.

Unbiased. Noninvasive measurements are captured from video monitoring and sensors.

High dimensional. Multiple measurements of animal health and behavior are captured simultaneously.
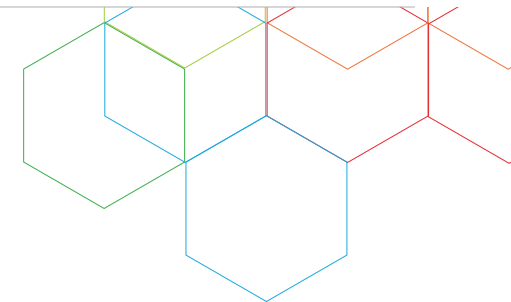
Examples:

Data from our **digital animal studies** are high dimensional, relatable and unbiased, providing a more complete picture of animal health and behavior.
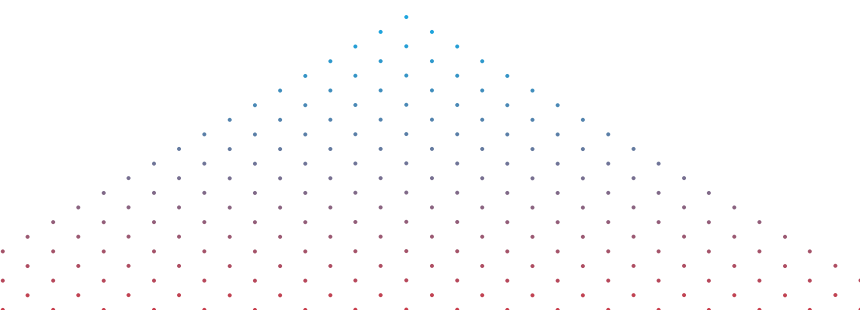
ETHICAL USE OF ANIMALS IN RESEARCH *CONTINUED*

Our Digital Vivarium provides whole-body, noninvasive real-time data, reducing the reliance on invasive and high-touch methods widely used in traditional *in vivo* studies.

Recursion Advantage: Improving Animal Welfare

Our Digital Vivarium provides whole-body, noninvasive real-time data, reducing the reliance on invasive and high-touch methods widely used in traditional *in vivo* studies. This reduces the stress on the animals and improves data quality by capturing normal animal behaviors, not those modified by fear or stress. As a result, we can make decisions faster based upon the results of critical animal studies and reduce the risk of causing unnecessary and potentially avoidable harm to animals by improving study design and detecting potentially harmful compounds faster. The speed and refinement provided by the Digital Vivarium also translates to a reduction in the number of animals used.

In 2022, our Digital Vivarium was assessed and accredited by the American Association for Accreditation of Laboratory Animal Care (AAALAC). AAALAC is a private, nonprofit organization that promotes the humane treatment of animals in science through voluntary accreditation and assessment programs. The full program is reassessed every three years.

With the use of our Digital Vivarium as our primary readout, we can reduce the number of animals needed by >2X in comparison to transitional endpoint parameters.

Recursion Advantage: Accelerating and Improving Study Readouts

The real-time, high-dimensional readouts we gather using our Digital Vivarium technology provide distinct scientific advantages over traditional methods, which ultimately allows us to advance potential medicines to patients faster and with higher confidence.

Disease Induction and Rescue: This category refers to the creation and detection of a disease model within an animal for the purposes of studying the efficacy of a potential therapeutic. Our Digital Vivarium technology allows us to study diseases that are often undetectable or unfeasible in traditional animal models, such as neurological or genetic diseases that are subtle in their disease signals. Because our technology can detect subtle differences between healthy and disease states, we can establish a disease model faster and with more accuracy while the animal is alive, rather than relying on histology measurements.

Digital Tolerability: This is a method for identifying which compound and at which concentration to use in an efficacy study. Traditionally, weight loss and clinical chemistry parameters are used as the best indicator of potentially tolerability issues. However, these measurements don't always correlate well with tolerability and can be difficult to assess in small animal models. In contrast, our digital biomarkers are more sensitive to overall animal health and behavior and allow us to identify potential issues that may be overlooked in traditional studies. In 2022, we conducted 21 digital tolerability studies in our Digital Vivarium.

Liability InVivomics: In preclinical studies, the primary reason for compound failure is toxicity. Liability InVivomics allows us to compare the signatures of animal health and behavior in our studies with that of known liabilities, such as liver or kidney toxicities. We can proactively identify problematic toxicity issues early in the research process and optimize our investigational compounds to address that specific issue.

Readouts: Industry Standards vs. Recursion

	Industry Standard		Recursion
DISEASE INDUCTION	1 year	VS.	~2 months
DIGITAL TOLERABILITY	1 week	VS.	Real time
LIABILITY INVIVOMICS	6-8 weeks	VS.	<1 week

Social Impact

Community Engagement

We're passionate about giving back and supporting our local communities where we live and work, because we believe a strong community foundation helps us build for the long term. To date, we have focused our community efforts in areas of impact that are aligned with our Values and our strengths, including diversity, equity and inclusion in technology and biotechnology; the growth and sustainability of our local life science and technology ecosystems; and the promotion of sustainable environmental practices. We believe that through these principles of community engagement, we can extend our mission of radically improving lives to those in our communities.

Promoting STEM Education

Discovery Gateway

In 2022, we initiated a partnership with Discovery Gateway Children's Museum, a Salt Lake City nonprofit with a mission to inspire children of all ages and abilities to imagine, discover, and connect with their world to make a difference. The museum is located within walking distance of our headquarters and shares our goals for community engagement, making the partnership a natural fit. Together, we are creating an external display case in our neighborhood that showcases Recursion's technology and approach to drug discovery.

The display will be unveiled in Q2 2023 and includes a detailed cell sculpture complete with ultraviolet lights for a lifelike effect, giving viewers the opportunity to look deep inside biology as we do at Recursion. The display also features a robotic arm from our automation lab and a microscope showing some of the same cell pictures our scientists use in our drug discovery efforts.

While the showcase represents the beginning of the Recursion and Discovery Gateway partnership, ongoing collaboration goals will include community STEM education events and alignment to uncover opportunities to engage local youth who are interested in science and technology.
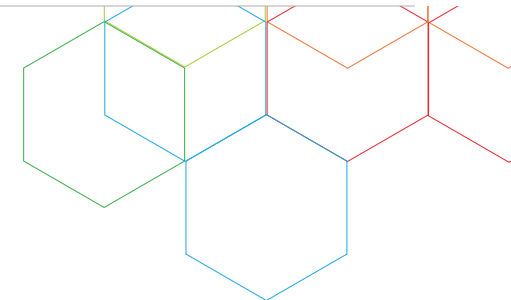
Human Innovation Day

In November 2022, we joined forces with the Salt Lake Economic Development Council and BioHive for the community's first-ever Human Innovation Day, an initiative to raise awareness about the variety of STEM career opportunities in Utah.

The event brought ~50 high school students to Recursion's headquarters for tours and speaker sessions featuring Salt Lake Mayor Mendenhall and members of Recursion's team. The event concluded in the afternoon at the BioHive Summit for presentations by local STEM leaders.

COMMUNITY ENGAGEMENT *CONTINUED*

"Having an affordable place to set up our lab and do our initial work is beyond measurable value. Also, the ability to connect with others in the same space for advice and shared experience is incredibly helpful."   - Joshua Schiffman, Co-Founder and CEO of Peel Therapeutics

Recursion Foundation

The Recursion Foundation was established in 2019 as a vehicle through which we could drive our charitable and philanthropic efforts over time. In late 2020, our board of directors committed to putting 1% of our equity into the Recursion Foundation to help demonstrate the strong commitment we have to social responsibility and to ensure a sustainable future for our work in this arena.

altitude ▲ lab

One of the primary initiatives of the Recursion Foundation is Altitude Lab, a healthcare incubator activating a community of diverse entrepreneurs in Utah. It was established in 2020 as a collaboration between Recursion and the University of Utah's PIVOT Center to build the economic backbone for Utah's healthcare sector by developing a new, diverse generation of founders.

Recursion and Altitude Lab share a belief that by strategically investing in diverse founders, we can create a more diverse innovation ecosystem to improve medical outcomes for increasingly diverse patients and fill large unmet needs in the current treatment landscape. Together we are creating an opportunity for Utah to become a top-tier healthcare innovation economy.

Altitude Lab provides both the physical infrastructure and a community of experts, investors and mentors to help founders navigate challenges unique to the healthcare industry. We seek to help these companies with technology development and fundraising by offering them access to laboratories and equipment that would otherwise be prohibitively expensive. Our goal is for these startups to grow in Utah, in order to create a more sustainable life science ecosystem.

In 2022, Altitude's startups secured over $38 million in seed funding, comprising 75% of all initial healthcare financings in Utah.

Altitude startups are already making significant progress in the pursuit of novel therapeutics, diagnostics and other technologies that will improve the lives of patients and create lasting impacts on our healthcare economy. Startups like Known Medicine, Teiko Bio, Aumenta Bio and Peel Therapeutics are tackling different challenges in cancer biology. Known Medicine is utilizing data science and three-dimensional tumor modeling to more intelligently target cancer, while Peel has leveraged evolutionary phenomena in other species to develop therapies for humans. Startups at Altitude Lab are also working to solve challenges in medicinal chemistry, drug delivery, patient monitoring, fibrosis, neurodegenerative, and other disease areas.

Learn more at www.altitudelab.org.

Key Facts

15
STARTUPS SUPPORTED SINCE ALTITUDE COMMENCED OPERATIONS

56%
OF FOUNDERS ARE FROM UNDERREPRESENTED BACKGROUNDS

84
EMPLOYEES HIRED BY ALTITUDE STARTUPS

73%
OF STARTUPS ARE LED BY AT LEAST ONE UNDERREPRESENTED FOUNDER

"By empowering our innovators, we are solving systemic gaps for diverse patients. Altitude leverages a growing network of investors, scientific thought leaders, and public officials to accelerate our startups so their innovations can reach patients faster."

- Chandana Haque, Executive Director of Altitude Lab

COMMUNITY ENGAGEMENT *CONTINUED*

biohive

BioHive

Recursion is a founding member of BioHive, the Utah life science collective composed of therapeutics, diagnostics, medical device, pharmaceuticals and health IT companies, along with the companies that support them and the public sector. BioHive represents a collective of more than 1,300 life sciences companies in Utah.
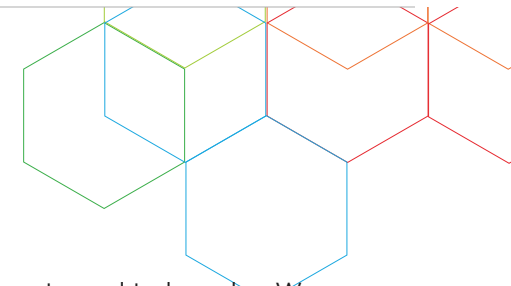
Key Facts

Recursion
FOUNDING MEMBER ALONGSIDE SEEK LABORATORIES

$13B
DIRECT AND INDIRECT GDP FROM UTAH'S LIFE SCIENCE INDUSTRY

1,300
COMPANIES REPRESENTED

$2M+
IN PUBLIC AND PRIVATE CONTRIBUTIONS TO DATE

130,000
PEOPLE EMPLOYED DIRECTLY AND INDIRECTLY BY UTAH'S LIFE SCIENCE INDUSTRY

Chris Gibson
BOARD CHAIR

OTHER BOARD MEMBERS INCLUDE:

- C-level executives from diagnostics, medical device, therapeutics, digital health and life-science startup companies
- Mayor of Salt Lake City
- Executive Director of the Governor's Office of Economic Opportunity
- Economic Development Corporation of Utah
- CEO of World Trade Center Utah
- Chief Innovation Officer of the University of Utah
- CEO of BioUtah

Advancing Women in STEM

In 2022, Recursion and BioHive partnered to launch a Women in STEM initiative focused on advancing women in STEM careers. This effort led to the formation of BioHive's Women In Technology and Science (WITS) committee led by Recursion's Vice President of Discovery Platform. WITS includes several senior women leaders from STEM industries and organizations in Utah.

WITS flagship initiative is an innovative Returnship Program aimed at supporting women returning to the STEM workplace after an extended absence. WITS has partnered with companies, organizations and state leaders to create a community and build the infrastructure to help adults return to STEM careers. Our goal is to provide short-term project-based work placements, retraining in education, skill updates, mentoring, coaching, and networking opportunities to maximize the value of and impact on women returning to STEM.

Recursion and WITS are also involved with the University of Utah's One Utah Initiative, which aims to partner with industries to build the scope and impact of data science and computational biology research and infrastructure in Utah. WITS is an active and engaged partner with individual Women in STEM efforts within BioHive's founding member organizations like Recursion to host regular STEM seminars. In addition, BioHive and WITS host several events around Salt Lake City in which our executives regularly participate and engage with folks dedicated to advancing women in Utah, including other STEM professionals, schoolkids, and community and state organizations.
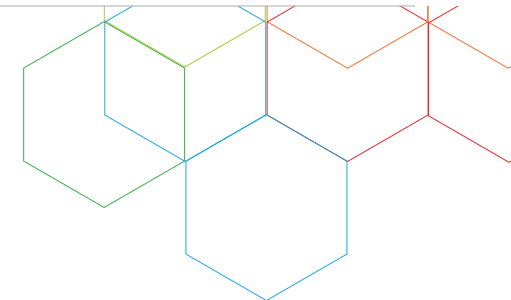
Open-Source Data Sharing

We believe in the benefits of open-source datasets and open science, and that by publicly releasing datasets, we drive value for us and society as a whole. We have released five open-source datasets since 2019, some of which are the largest of their kind in the world, under terms that allow for broad academic and noncommercial use. To date, our public dataset releases have been cited in over 30 research publications.
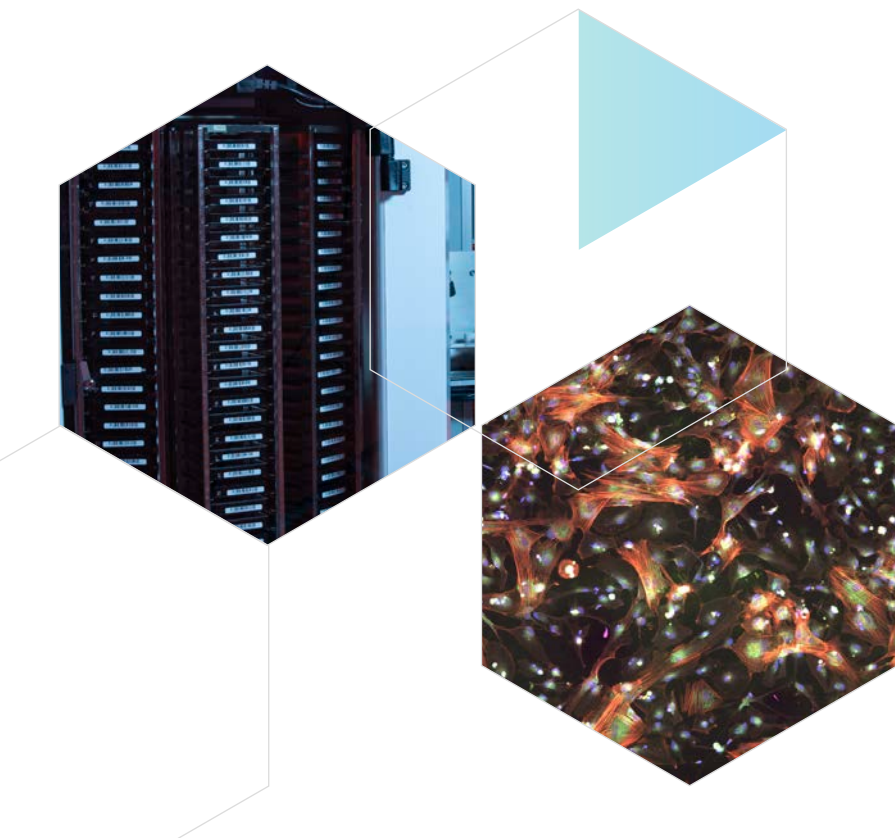
RxRx3

In January 2023, we released RxRx3, our largest public dataset to date and the largest open-source dataset of its kind, and MolRec™, a publicly available web-based tool for exploring compound and gene relationships. RxRx3 is 76 times larger than all previous datasets released by Recursion combined, yet it represents less than 1% of Recursion's total data universe. This cellular imaging dataset spans approximately 2.2 million images across the human genome and 1,600 commercially available compounds in a single cell type. As a public company using our proprietary data to drive internal research and develop new medicines, we have anonymized the majority of the genes in this dataset to balance our business interests with our commitment to open science. Our current aim is to continue to reveal parts of the RxRx3 dataset over time.

For more information on RxRx3, visit rxrx.ai/rxrx3.

RxRx3 Metrics

17,063
GENES PROFILED*
spanning CRISPR knockouts of most of the human genome

2.2M
IMAGES OF HUVEC CELLS
associated deep learning embeddings of each image also included

1,674
KNOWN CHEMICAL ENTITIES AT 8 CONCENTRATIONS EACH
FDA-approved and commercially available bioactive compounds at eight concentrations and tens of thousands of control images
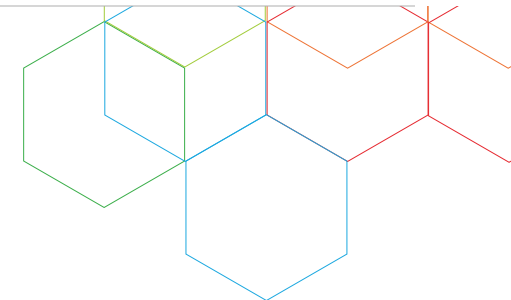
<1%
OF RECURSION'S TOTAL DATASET

*Approximately 16,000 of these genes are anonymized in the dataset, enabling people to explore and learn from this massive dataset while protecting Recursion's business interests. Recursion may de-anonymize genes in this dataset in the future.

OPEN-SOURCE DATA SHARING *CONTINUED*

Just as a regular map is a navigation tool in the physical world, Recursion's maps are designed to help scientists understand the topology and connectedness of human biology and chemistry to navigate the path to new medicines more efficiently.

MolRec™

MolRec™ is built upon the RxRx3 dataset and is a demonstration of one of the many interactive tools our scientists use to explore our proprietary maps of biology and chemistry. Just as a regular map is a navigation tool in the physical world, Recursion's maps are designed to help scientists understand the topology and connectedness of human biology and chemistry to navigate the path to new medicines more efficiently. The application can be used to uncover known and novel compound-compound as well as compound-gene relationships. It also provides information on a compound's potency and insight into its potential mechanism of action. Many of the insights found within MolRec™ have not been documented in scientific literature.

To begin exploring MolRec™, visit: rxrx.ai/molrec.
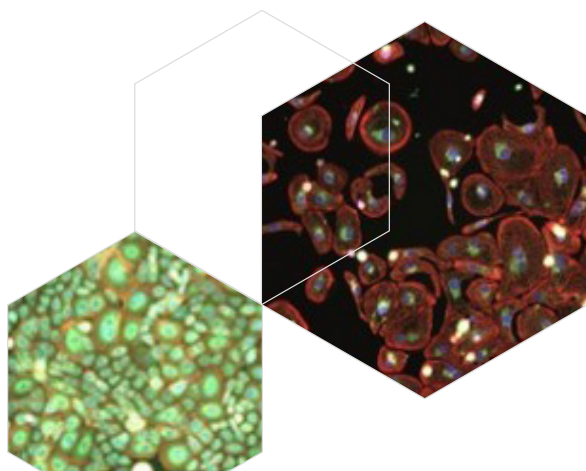
The Power of Dataset Releases

Progress in machine learning is punctuated by seminal dataset releases. Perhaps the most famous of these is ImageNet, which helped usher in the next generation of computer vision models. Fei-Fei Li, creator of ImageNet, set out with the goal to "map out the entire world of objects" so that the models would be trained on realistic data. Just as ImageNet mapped out the world of objects, RxRx3, and the broader RxRx.ai dataset family, is mapping out the biological and chemical space.

RxRx3 is one of the largest, if not the largest, collections of cellular screening data, and as far as we know, the largest generated consistently in a single process at a single site. Our goal is to enable the next generation of machine learning methodologies to foster research, methods development, and collaboration. Previous dataset releases have resulted in us hiring new talent and developing new machine learning models and methodologies. These releases also demonstrate the value of our data to the broader public.

Comparison with Other Computer Vision Datasets

DATASET	RELEASED	# OF SAMPLES
Bio/Chem Phenomic Maps (~100TB)		
RxRx3	2023	2.2M
JUMP-CP	2023	823,438
Autonomous Driving (~1–5 TB)		
Waymo Open Dataset	2018	~105,000
nuScenes	2018	1,000
Image/Object Recognition (10GB–~1 TB)		
ImageNet (21k)	2009	14M
COCO	2014	330,000

Our People and Culture

Recursion.

Overview

Culture, Values and Mindset

Our culture at Recursion is designed with intention to fuel our mission. We are a mission-first company. We believe culture drives delivery of the mission. Essential to decoding biology in our context is a mindset deeply committed 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 an incredible breadth of fields from multiple industries, and for all of them, Recursion is a new kind of company. Our people need to think fast, nimbly, and in complex layers and systems, while embracing failure and demonstrating high change velocity. 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 Founding Principles direct us in making scientific and technical decisions that further our mission. The Values define the day-to-day behaviors that further our mission. Together, they are the compass that points our people towards decoding biology.

Our People

Our people are mission-driven, humble, bright, generous of spirit and constructively dissatisfied with the status quo. Our people yearn for transformational industry change and making a positive impact on the world. Our people are also intentionally diverse across multiple dimensions. Together, these attributes allow us to build exceptionally high-performing teams that collaborate with urgency to deliver the mission. Our culture is brought to life by our people, living and leading with a Recursion Mindset.

Awards

6X
UTAH SHATTER AWARD RECIPIENT
By the Utah Women's Tech Council

World's Most Innovative
BIOTECH CATEGORY
By Fast Company in 2023

Edison Award Finalist
IN DIGITAL TRANSFORMATION
By the 2023 Edison Awards

Equality Leader
IN BUSINESS
By Equality Utah in 2022

Chris Gibson
MEDAL FOR SCIENCE AND TECHNOLOGY
By Utah Governor Cox in 2022

Tina Larson
WOMEN OF THE YEAR
By Utah Business in 2022

Katherine Matsumoto
30 WOMEN TO WATCH
By Utah Business in 2022

Maureen Makes
40 UNDER 40
By Utah Business in 2023

OVERVIEW *CONTINUED*

MISSION

Decoding Biology to Radically Improve Lives

PRINCIPLES

Explore the Uncharted
Virtuous Cycles
Connected Data
Industrialize to Scale
Optimize for the Portfolio
Challenge Assumptions

VALUES

We Care
We Deliver
We Learn
Act Boldly with Integrity
We are One Recursion

Recursion Founding Principles

We aim to uncover better ways to discover medicines, leading us to a set of Founding Principles that guide our collective work. Drug discovery at Recursion is enabled by continuous collaboration between drug hunters and tool builders who live by these principles to develop broadly applicable platforms and products through the active prosecution of novel drug programs. Our six Founding Principles differentiate our approach from nearly every other biopharma company, enable us to lead TechBio, and form the foundation of a mindset we teach and enrich at Recursion.

EXPLORE THE UNCHARTED OVER TARGETING THE KNOWN.

CREATE VIRTUOUS CYCLES OF ATOMS AND BITS.

BUILD CONNECTED DATA OVER COLLECTING DATA POINTS.

INDUSTRIALIZE TO SCALE EXPONENTIALLY THROUGH STANDARDIZATION AND AUTOMATION.

OPTIMIZE FOR THE PORTFOLIO TO ACCELERATE PROGRAMS AT SCALE.

CHALLENGE ASSUMPTIONS AND CONVENTION TO UNCOVER FUNDAMENTAL TRUTHS.

Recursion Values

Our Values are the core behaviors that define our culture and form a key pillar of our Recursion Mindset.

WE CARE

We care about the patients we aim to serve, their loved ones, each other, our work and our community. We approach our work with an owner's mindset. We believe clarity is kindness and lean into saying hard, important things. Because we ask so much of our team, this value also manifests in a commitment to taking care of our employees and their families.

WE DELIVER

We are ambitious, and this is reflected in the audacious goals we seek to deliver. We have a bias for action, choosing progress over perfection (unless perfection matters). We work hard, embracing a "sprint and recover-when-needed" mentality.

WE LEARN

We approach our work with curiosity and humility, fueled by a growth mindset. This value manifests in our dedication to teaching each other, career development and a culture of learning from failures and setbacks to advance the mission. Given the pace of progress and change at Recursion, we set the expectation that each of us should be growing as fast as the company.

WE ACT BOLDLY WITH INTEGRITY

Our mission requires us to respect but challenge convention and take bets. We believe sometimes the greatest risk is not changing. This is our most engrained core value, reflected in the ambition of our vision. We never compromise our integrity to achieve the mission, which means always doing the right thing, even when no one is looking.

WE ARE ONE RECURSION

Recursion first, departments second. We create an environment where each one of us has shared ownership in the successful pursuit of our ambitious mission. Our strength is in our differences and the ability to work together as one team.
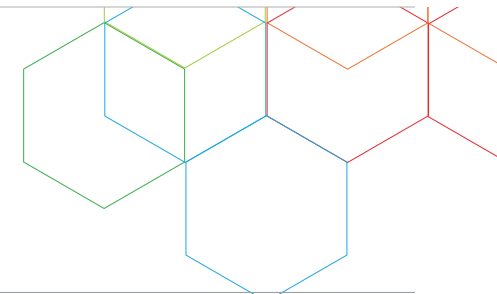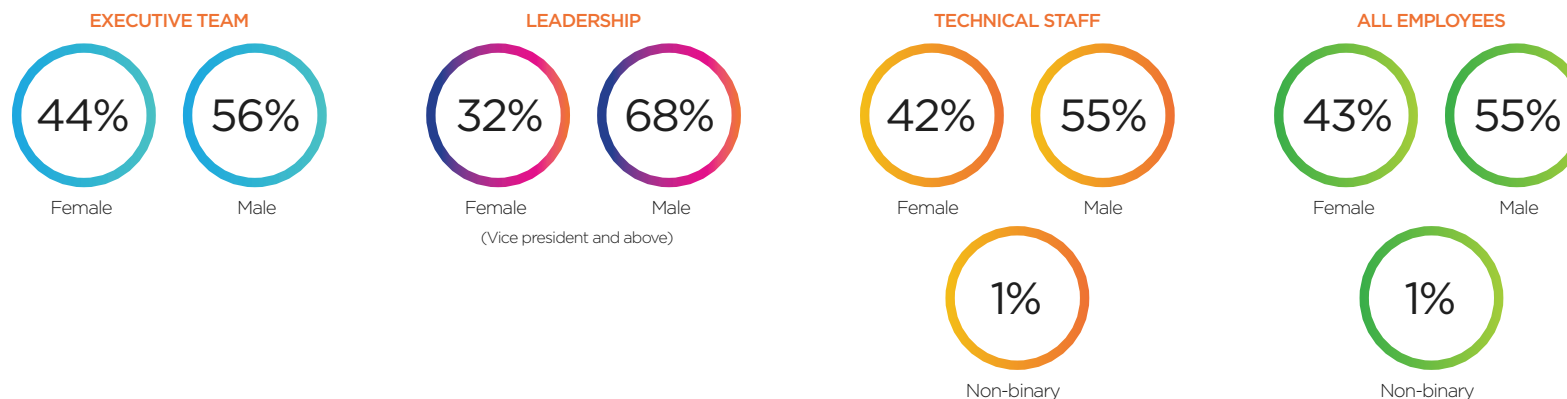
Diversity, Equity, Inclusion and Belonging

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 yield greater company success.

As a Utah-based company, we aspire to be a diversity, equity, inclusion and belonging (DEIB) role model and leader locally and beyond. Given the historic biases broadly seen in healthcare overall, we deeply believe it is a critical lever to deliver on our mission and serve humanity. It is also important to us to build bridges in a country that is increasingly divided. We have a framework to guide us to take caring, inclusive stands – when needed – that are aligned with our business, values and corporate social responsibility focus areas. We have no tolerance for hate.
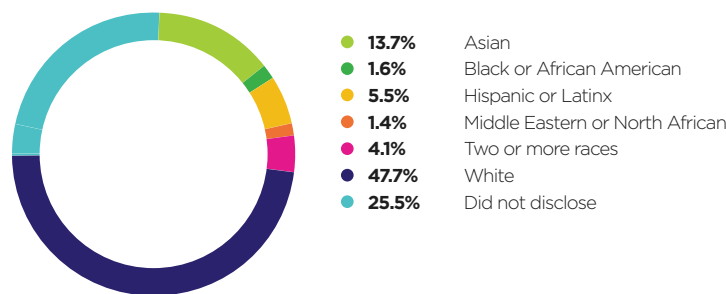
We intentionally work to build an inclusive and equitable culture to unlock the power of our diversity. In 2022, we were proud to be honored and awarded by Equality Utah as a Business Equality Leader, which demonstrates our commitment to DEIB. We held an action-oriented training workshop that was made available to the entire organization where we focused on LGBTQIA+ allyship and ways to use inclusive language. We have offered inclusion training and learning experiences annually since 2019.
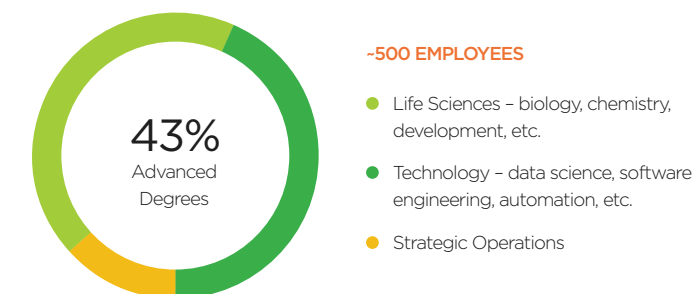
Gender Representation*

EXECUTIVE TEAM

44% Female   56% Male

LEADERSHIP

32% Female   68% Male
(Vice president and above)

TECHNICAL STAFF

42% Female   55% Male   1% Non-binary

ALL EMPLOYEES

43% Female   55% Male   1% Non-binary

Racial/Ethnic Data

- 13.7% Asian
- 1.6% Black or African American
- 5.5% Hispanic or Latinx
- 1.4% Middle Eastern or North African
- 4.1% Two or more races
- 47.7% White
- 25.5% Did not disclose

VOLUNTARILY COLLECTED

We work to capture employee racial and ethnic data while being sensitive to those who prefer not to share; we are doing this by communicating our why for collecting this data and how we will care for it. For the past two years, we have continued to make progress in capturing voluntary race and ethnicity data, with 75% of employees self-reporting.

Functional Breakdown

43% Advanced Degrees

~500 EMPLOYEES

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

*Percentages may not add up to 100 given employees who choose to not disclose their gender identity are excluded. Employee data as of December 31, 2022; executive team data as of March 1, 2023.

DIVERSITY, EQUITY, INCLUSION AND BELONGING *CONTINUED*
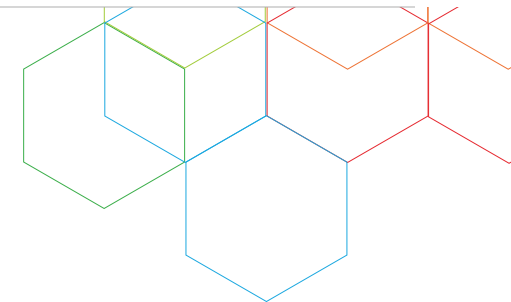
A competencies-based hiring process improves hiring quality and speed, while blocking bias and providing a positive candidate experience.

Building a Diverse Workforce

Building a high-performing, diverse workforce requires a deep investment in the entire recruitment, interview and selection process. We seek the most capable and qualified talent by maximizing diversity at the top of the recruiting funnel. At the earliest stages of the cycle, we proactively connect with underrepresented talent to build a diverse slate of potential candidates. Since 2019, we have held a deep commitment to hiring from a diverse slate of candidates and have set internal goals in this area. From there, we create an inclusive candidate experience buttressed by objective decision-making criteria designed to mitigate bias for all interviews. This fully integrated approach allows us to identify, assess and select the most qualified candidate independent of representation.

Inclusive and Objective Hiring Process

To drive objective, unbiased decisions in hiring, we employ a competencies-based interviewing process. Competencies are grounded in skills, capabilities and values required for a position. A competencies-based hiring process improves hiring quality and speed, while blocking bias and providing a positive candidate experience.

Other ways Recursion has integrated diversity, equity and inclusion into our hiring process include:

- We advise our recruiting agencies to honor our commitment to diversity, equity and inclusion.
- We use a language analytics editing software that helps us write more inclusive job postings and recruiting emails.
- We post on several job boards specifically designed to reach underrepresented candidates, such as the Society of Women Engineers, PharmaDiversity.com, Military2Career, iHispano and the Black Career Network.
- We hold inclusive interviewer trainings, timed to match our hiring sprints, to help our hiring managers understand and mitigate their biases.
- We strive for diverse teams of interviewers by taking steps to ensure full panel interviews have two or more female or non-binary interviewers to the extent possible.
- We anonymously collect candidate demographic data to ensure that our process is fair and equitable at every step of the recruiting process.

Parity Pledge

In 2017, Recursion signed the Parity Pledge, committing to interview and consider at least one qualified woman and person of color for every open role, vice president and above. In 2022, two employees were hired at the VP level, and both of those filled positions included a female candidate and one included a person of color at the full-panel interview stage.

DIVERSITY, EQUITY, INCLUSION AND BELONGING *CONTINUED*
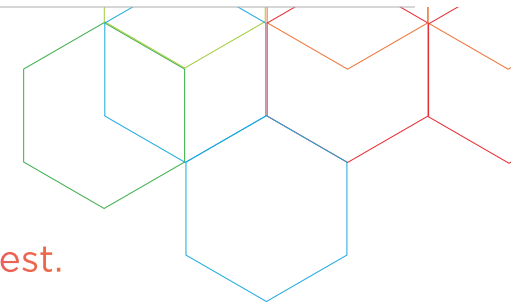
We have established a competitive minimum wage based on a belief that every Recursionaut delivers material value and deserves to be paid more than minimum living wage calculators would suggest.

Equitable Compensation

By design, we aim to equitably compensate all employees. We leverage a construct of clearly defined development stages (Developing, Skilled, Expert) within each level in our job architecture. This architecture allows us to build a robust market-based compensation structure for all roles, levels and development stages. This mapping then provides an objective means for doing cohort-based compensation analysis and adjustments in service of equitability.

Additionally, this compensation structure allows us to be principled, consistent and equitable with candidate offers. Since 2018, we have made it a practice to not ask candidates to disclose their current salary. We initiated this policy shortly after California bill AB168 was passed into law to bar employers from inquiring about a job candidate's salary history. Candidates' current salary and/or salary expectations have low relevance in our highly principled, highly equitable model. We have established a competitive minimum wage based on a belief that every Recursionaut delivers material value and deserves to be paid more than minimum living wage calculators would suggest. As a result, we have set an annual minimum base salary of $60,000 company-wide.

Pay Equity Analysis

We engage outside counsel to regularly conduct a pay equity analysis of our employee base pay. The analysis was designed to detect any evidence of systemic, class-based pay discrimination under applicable laws and determine whether pay was equitable. The analysis found no material systemic pay differences between genders across our workforce; in fact, for all roles at Recursion where men and women are performing similar work, women earn $1.00 for every $1.00 earned by their male counterparts. We target ±2.5% equivalency with this measure to take into account noise inherent in a company of our size.
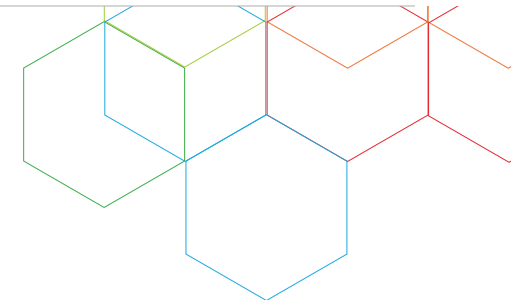
Salary

$60K
ANNUAL MINIMUM BASE SALARY

For full-time employees.

$1.00
FOR EVERY $1.00

For all roles at Recursion where men and women are performing similar work, women earn $1.00 for every $1.00 earned by their male counterparts.
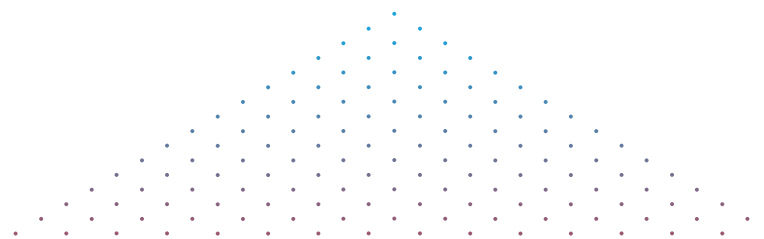
DIVERSITY, EQUITY, INCLUSION AND BELONGING *CONTINUED*

The Inclusion Council's initiatives included monthly campaigns to create awareness and celebrate underrepresented groups, such as Black History Month in February, LGBTQIA+ Pride Month in June, and National Hispanic Heritage Month in September.

Inclusion Council

To amplify Recursion's DEIB impact, we formed an Inclusion Council in early 2020 to work specifically in the area of creating an inclusive environment for all Recursionauts. The council's mission is to enable innovation by actively fostering an inclusive environment where people are free to think, have opportunities to grow personally and professionally, and are emboldened to share their ideas, unencumbered by any form of judgment or bias.

The Inclusion Council has seven members who rotate annually and are responsible for defining and structuring programming and educational resources for our employees. The council's charter is reviewed on a yearly basis.

In 2022, the Inclusion Council's initiatives included monthly campaigns to create awareness and celebrate underrepresented groups, such as Black History Month in February, LGBTQIA+ Pride Month in June, and National Hispanic Heritage Month in September. Each month, we held activities to foster learning, reflection, action, and celebration, such as book clubs, lunch and learns, donation drives for those impacted by the war in Ukraine, pro bono work for asylum seekers coming to the United States, and more.

During Pride Month, we provided desk flags to our employees to showcase their support of the LGBTQIA+ community. Many of our people's flags have remained visible and flown proudly all year long. It sets a visible tone of inclusion that visitors often notice. We're proud that our people carry the mantle of pride and inclusion in Pride Month and beyond.

Inclusion Training

We provide two training programs centered around DEIB. In the Behaviors of Inclusion workshop, employees learn the psychology of unconscious bias, its impact at work and how to mitigate its forces. The workshop also provides education on small habits that improve one-on-one interactions, gatherings, meetings, feedback and decisions to foster an inclusive environment. The Inclusive Interview Training is designed to help us create a more intentional candidate experience, create interview questions with minimum bias, and effectively make hiring decisions.

DIVERSITY, EQUITY, INCLUSION AND BELONGING *CONTINUED*
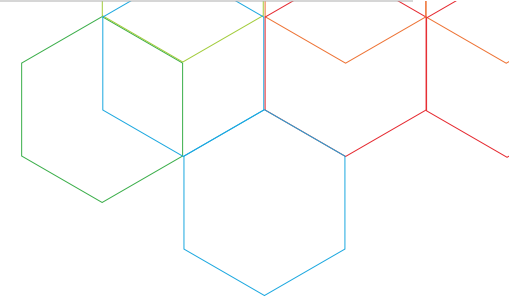
Improving DEIB in Our Technology Organization

In support of our commitment to achieve equal male/female representation company-wide by 2030, we are working to improve our representation across the company. In 2022, we created a program to make an impact within our technical departments (engineering, IT, automation and data science) that included asking for demographic information at the beginning of our recruitment process via our applicant tracking system and creating dashboards to review with our leaders regularly to ensure equal representation across all open roles.

In an effort to focus our resources on driving the most impactful changes, we set out to hear directly from underrepresented groups on what progress would mean to them. A key theme that emerged from employee listening was the need for a program that would set underrepresented team members up for success and increase gender diversity at every level, including in technical leadership roles. In response to that feedback, we launched Recursion's first-ever Technical Mentorship Pilot Program, open to the entire technical organization. In its first cycle, the program created 13 new mentorship relationships, with an emphasis on gender and racially diverse pairings. Eighty percent of participating mentees indicated that the program helped them make progress toward their goals, and their generous feedback will ensure future success.

Internship Program

Recursion's Internship Program was started to mentor early career talent that we ultimately hope will become the future of the company and the industry. In 2022, our internship program was our largest cohort to date, with 27 participants across our data science, engineering, IT, and automation teams, and 78% of our interns were from underrepresented backgrounds. Each intern was embedded into a team and assigned a mentor. Our program included various off-site events within the Salt Lake City area to create camaraderie and ended with a demo day where our interns presented their work and learnings to the business.

A key theme that emerged from employee listening was the need for a program that would set underrepresented team members up for success and increase gender diversity at every level, including in technical leadership roles.
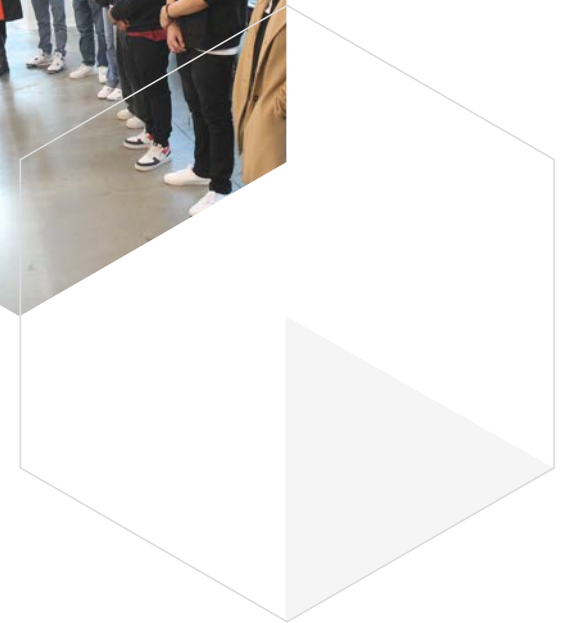
Employee Recruitment, Development and Training

We take an employee-centric and systems-based approach to building the employee experience at Recursion.

We are building a company that's doing something that's never been done. We expect our people to do the best work of their lives in a deeply cross-functional context. The employee experience must be in service of those outcomes. To that end, we create moments, norms, rituals, rubrics, tools, systems and more that drive belonging, growth and impact. Importantly, we invest in people managers who also play a pivotal role in bringing this employee experience to life. The bottom line is we treat it as a fit-for-purpose system designed to deliver our mission.

We are intentional about ensuring that our culture, values, and mindset are experienced across all of our sites while honoring local cultures and practices.

Recruitment and Onboarding

We employ a targeted approach to identify, attract and hire employees across highly technical scientific disciplines, including biology, chemistry, data science, machine learning, engineering, robotics, clinical development and more. Our efforts are spearheaded by an experienced internal recruiting team and supplemented by specialized external recruiting partners who act as subject matter experts to recruit in-demand talent.

In 2022, we continued our expansion into Canada as a way to access its brilliant and diverse talent networks across technology, biology and chemistry. There are currently over 25 Recursionauts based out of our Toronto and Montreal sites. We are intentional about ensuring that our culture, values, and mindset are experienced across all of our sites while honoring local cultures and practices. We also ensure that our Canadian employees receive equitable and generous benefits offerings, including a comprehensive health and wellness benefits plan, a rewarding retirement plan, flexible time-off policies, and more. We look forward to leveraging our presence in Toronto and Montreal as a way to partner with a multicultural community and participate in the local ecosystems where there are remarkable collaborations between industry, government and academia.

Upon employment, a comprehensive, 14-session Onboarding Learning Series is provided for each new employee, which is facilitated by leaders throughout the company and focused on accelerating their time to impact. Additionally, we host a two-day off-site event for new hires called Decoding Recursion, which is focused on accelerating a deep understanding of our Recursion Mindset through teaching our Values and Founding Principles. The Decoding Recursion experience is designed around storytelling and activities facilitated by senior leaders, including regular attendance by our co-founder and CEO. The experience aims to accelerate time to belonging and impact. Belonging is closely tied to psychological safety, which we believe is an essential element for high-performing collaborative work environments. People must feel safe to speak up. We also believe that the sooner employees feel belonging and deliver impact, the more we generate engagement, productivity and retention.
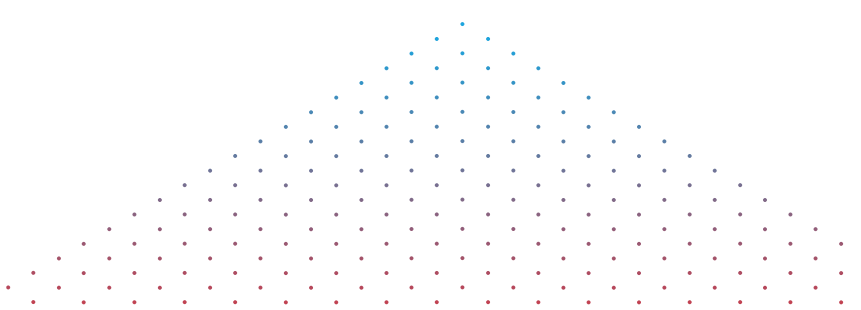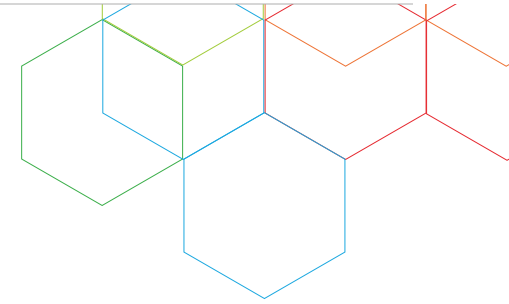
EMPLOYEE RECRUITMENT, DEVELOPMENT AND TRAINING *CONTINUED*
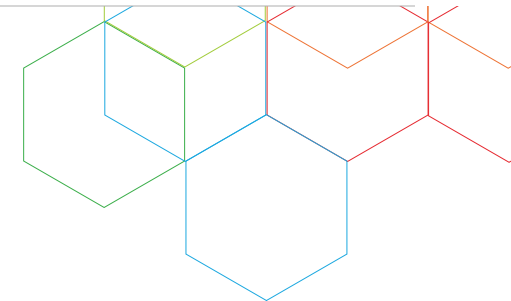
In early 2023, two of Recursion's senior leaders were promoted and joined our Executive Leadership Team.

Employee Development

Culturally, we instill an expectation that we should all be learning and growing as fast as Recursion. Given the pace of change at our company, this is a tall and exciting ask. Programmatically, our Goals & Grow System is the year-round system that creates employee accountability for delivering goals, learning and living and leading through our Values and Founding Principles. When we write our quarterly goals, self-reviews or manager reviews, we look through the following lenses: My Delivery, My Learning, My Impact on Others and My Recursion Mindset. From there, employees and managers are expected to create learning and development plans for their learning goals through stretch assignments, special projects, mentorship, and internal and external programs.

Training

Internally, we offer a variety of training and development programs. Regularly scheduled topics include introductory manager fundamentals, advanced manager fundamentals, adaptivity and resilience, behaviors of inclusion, and inclusive hiring. We also provide training for specific opportunities, challenges and technical needs. In 2022, this included events such as an improv workshop focused on building confidence and a storytelling workshop to help participants improve the effectiveness of their public speaking opportunities.

Coaching programs are offered through a world-class vendor that provides personalized, comprehensive coaching that drives whole-person growth and sustained organizational outcomes. Over 70 employees participated in 2022. Popular coaching topics included communication effectiveness, nutrition, and parenting strategies for working parents. Executive coaching is provided to senior director positions and above. Additionally, we also offer a specific parental leave coaching program for parents navigating the transition dynamics of work both pre- and post-leave.

Additional ways we foster development at Recursion include journal clubs, code review, paired programming and more. Our journal clubs consist of interdisciplinary discussions of recent publications in the realm of chemistry, data science, and more.

Internal Mobility

We are intentional about developing our talent from within through promotion and mobility of our internal team. The inherent complexity and evolution of the Recursion Operating System means there is value in the institutional knowledge that comes with tenure. We seek to harness that value. The results of the 2022 engagement survey support that employees believe that there are good career opportunities for them at Recursion. In early 2023, two of Recursion's senior leaders were promoted and joined our Executive Leadership Team.

2022 Learning & Development Metrics

$1,900
ANNUAL SPEND PER EMPLOYEE

28
ANNUAL TRAINING HOURS PER EMPLOYEE
(including our 13-hour Onboarding Learning Series)

Environment

We aim to ensure employees are seen, heard and celebrated through many practices. It is also important to us that employees have a broader context and deep understanding of our vision, ambition, priorities, progress and decisions. Here are some examples of how we do it:

The Ritual of Gatherings: Weekly All-Hands meetings involve employees at all levels of the company, with significant senior leader and executive involvement. We aim to use the time to accelerate our people towards the mission through creating alignment, clarity on what matters and a sense of belonging and connection to our bigger purpose. To achieve the purpose of All-Hands, we have a dynamic mix of intentional planning and real-time responding to news, announcements, celebrations and the pulse of the company and leadership.

The Systems of Appreciation and Connection: Kudos is our recognition and gratitude program in which employees can give each other points for demonstrating Founding Principles or core Values. In 2022, 80% of our workforce participated in Kudos, with over 9.5K Kudos messages sent. Donut is our tool for connecting Recursionauts from different functional areas for informal, 1:1 meetings. In 2022, nearly 200 Recursionauts participated in the program, making a total of 330 connections with new colleagues.

The Table We Share: When onsite at headquarters, we eat together at our onsite kitchen, lovingly and jokingly named "High-Throughput Feeding." By eating together and knowing one another, we create belonging and connections across functions and throughout the company. We aim to replicate this in all our sites while taking into account the size of the team and local challenges and opportunities. For example, we cater lunches to our office in Milpitas and have a kitchen and lunch table where team members can build community.

The Power of Flexibility: Depending on role and performance, many employees are afforded the flexibility of hybrid work. For hybrid roles, we ask that our people spend at least 40% of their time onsite. Our fully remote team members (<15% of employees) are encouraged to come to one of our sites regularly, often several times per quarter, to interact face to face with peers. Recursion covers all travel. We also aim to invite employees from other sites and who work remotely to attend off-site events and employee celebrations at our headquarters, and cover travel and lodging for both employees and a partner in certain circumstances.

Employee Engagement Surveys

Engagement is a measurable score that is a proven driver of performance and business results. We measure engagement using an industry standard index of five questions on an agreeability scale. As a company, we target a high but balanced engagement score of 75–85, so we can be confident in the health of our organization. The targeted cap acknowledges that some amount of friction is healthy as we move and change at a relentless pace. Overindexing on engagement above 85 could come at the cost of delivering for other stakeholders in the business, such as our partners, shareholders or the patients we aim to serve.

Our score in 2022, 79, is five points above the Tech, Science & Research benchmark* of ~200 organizations. In fact, of the 42 questions that we can benchmark, 31 of our scores are greater than or equal to the benchmark. Given the 2022 economic landscape and what has transpired in 2021 and 2020, this is a solid result and reflects cultural and executional health and strength. Reasonably high engagement drives more productivity, execution and results. Our scores were 86 and 83 in 2021 and 2020, respectively.

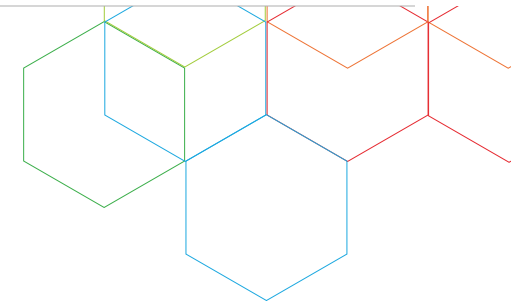### 2022 Recursion Engagement Index Scores vs Benchmark
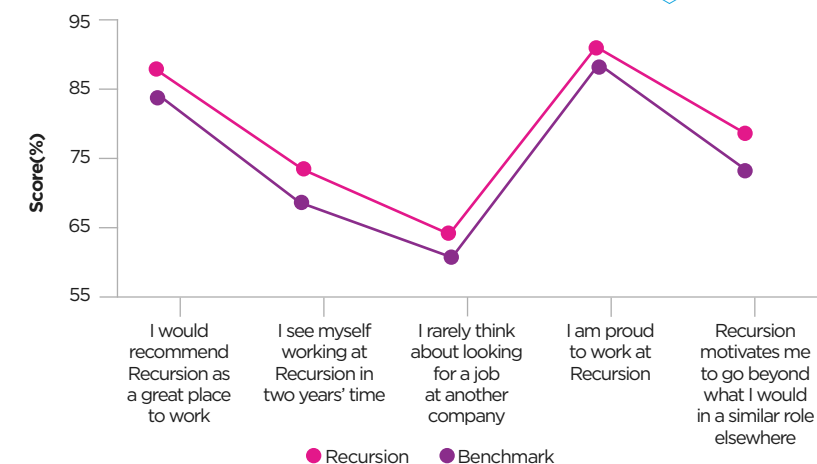
As a company, we target a high but balanced engagement score of 75–85, so we can be confident in the health of our organization.

79
2022 ENGAGEMENT SCORE

*Our benchmark is derived from over 20,000 survey responses from comparable companies during the 12 months ended June 30, 2022. Source: https://support.cultureamp.com/hc/en-us/articles/115002216849-Overview-of-Culture-Amp-benchmark-insights

EMPLOYEE RECRUITMENT, DEVELOPMENT AND TRAINING *CONTINUED*

Employee Turnover

We're proud of our turnover rates, which are below industry average. We believe these figures reflect our efficacy in hiring and retaining top talent, and the engagement of our team, which is directly tied to our strong culture. We invest in the growth and development of our team to empower them to do their best work and rise to meet our high expectations.

2022 Employee Turnover Metrics*

16.9%
LEADERSHIP
Vice president and above

15.1%
ALL EMPLOYEES

We invest in the growth and development of our team to empower them to do their best work and rise to meet our high expectations.

*Includes voluntary and involuntary turnover.

Case Study: Hack Week

A main cultural value embedded within our organization is One Recursion, which calls us to lead and act company first, department second, with our cross-functional teams being our primary orientation. We live this value during Hack Week, an annual company-wide week of solving challenges and working cross-functionally across the organization. We minimize all nonessential commitments (e.g., regular meetings) at the company for this week to help teams focus on innovating, exploring, learning, connecting and building. By not limiting participation to traditional "tech" employees, we foster company-wide innovation and collaboration by inviting everyone to join in the challenge. Employees self-select their project for the week.

Projects also result in tangible business value for Recursion. In 2022, all Hack Week projects were focused on ideas that directly supported company goals. Projects ranged from developing new, more effective methods for staining and imaging cells to centralizing knowledge and making enterprise policies and procedures easier to navigate to developing a new graph to visualize and explore our multi-modal maps of biology. Teams whose projects had the greatest impact of each of these on goals were selected as winners. Hack Week provides a unique opportunity to have accelerated impact, learn and explore, including in areas that individuals may not have been familiar with previously.

2022 Hack Week Metrics:

27
PROJECTS

185
PARTICIPANTS

Benefits

We believe healthcare and childcare are essential benefits where we aim to be exceptional.

We expect an exceptional commitment to the mission from our people, and therefore we commit to taking care of them and their families.

Physical

100%

HEALTH, DENTAL AND VISION

Insurance premiums are covered at 100% by Recursion for employees and eligible dependents, including domestic partners and children.

$600

LIFESTYLE SPENDING ACCOUNT

$600 a year towards fitness or wellness

Time Off

12–22

PARENTAL LEAVE

12-22 weeks for parental leave

Flexible

VACATION AND SICK LEAVE

Flexible vacation policy with two weeklong company closures and unlimited sick leave for employees and those in their care

Insurance

$50K

LIFE AND AD&D INSURANCE COVERAGE

Full-time employees are provided with $50,000 life and AD&D insurance coverage at no cost.

No Cost

SHORT- & LONG-TERM DISABILITY INSURANCE (STD & LTD)

All full-time employees are provided with STD and LTD coverage at no cost, which provides pay replacement in the event that they experience an illness and are unable to work.

Mental

MENTAL HEALTH SERVICES

Mental wellness platform available to all employees and eligible dependents, covered 100% by Recursion, including 12 coaching sessions, 12 therapy sessions per year and unlimited access to Modern Health's digital resource library. Additionally, an EAP (Employee Assistance Program) is offered.

Childcare

ONSITE CHILDCARE

Available for full day and drop-in usage; children's lunches and snacks served daily, provided in partnership with Bright Horizons.

Financial

4%

401(K) DOLLAR-FOR-DOLLAR MATCH

We have a 401(k) offering with a dollar-for-dollar match up to 4% of an employee's salary and an additional $1,500 company contribution annually for every employee. Our employee stock purchase plan allows our employees to have additional ownership in the company at a discounted rate to market.

Restricted Stock Units and Stock Options

Every single person currently and previously employed full-time by Recursion who met criteria for vesting has been awarded either stock options, RSUs or both.

Extras

*

OTHER BENEFITS

We offer employees the option to elect supplemental benefits for life insurance, pet insurance, disability, theft protection, legal services and more.

SLC

OFFICE BENEFITS AT OUR HEADQUARTERS IN SALT LAKE CITY

Indoor rock climbing wall

Lunch served daily

Indoor bike racks

Free transit passes to encourage more sustainable commuting

Environment

Greenhouse Gas Emissions

We are committed to reducing and offsetting our greenhouse gas (GHG) emissions across our operations to become a net-zero business by the year 2030.

Our ambitious goal:
Net-zero greenhouse gas emissions by 2030.

In 2022, we took the first step on our journey to net-zero by measuring our Scope 1 and Scope 2 GHG emissions. By establishing our baseline, we now have the ability to:

- Measure the reduction of CO_2 emissions from our internal operations
- Explore CO_2 reductions throughout our value chain with our partners
- Determine opportunities for expanded use of green power
- Implement greener biology and chemistry methodologies

Following the assessment of our primary emissions sources, we have already made strong progress in 2023 to reduce emissions in some of the highest-impact areas of our business. For example, we have taken steps to reduce emissions from our cloud computing operations and infrastructure by opting for renewable electricity sources and net-zero carbon data centers for a large sector of our business.

2022 Greenhouse Gas Inventory*

269.26
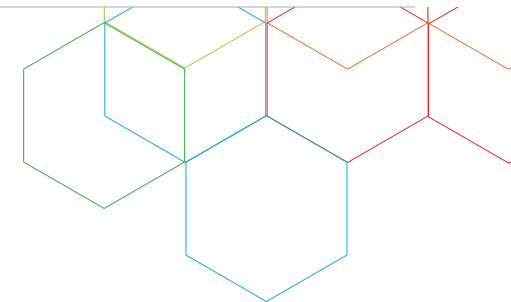SCOPE 1 (METRIC TONS CO2E)

980.32
SCOPE 2 (METRIC TONS CO2E)
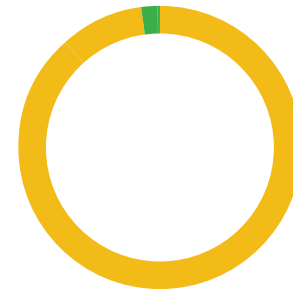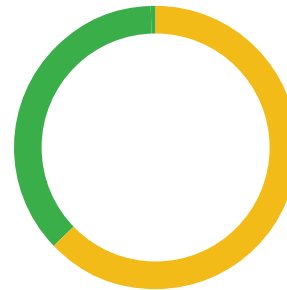
	63%	Salt Lake City, UT		98%	Salt Lake City, UT
	37%	Milpitas, CA		2%	Milpitas, CA

*All calculations were done in accordance with the GHG Protocol.
 Scope 2 emissions are market based.

Sustainable Facilities and Operations

Energy Management Policy

Recursion is committed to building a healthier and more sustainable future for our team, the patients we serve and the communities in which we live and work. We do so by incorporating energy and workstream efficiency planning in both office and laboratory settings. Recursion encourages energy efficiency and smart office technologies through a whole-building approach that enables agencies and organizations to improve the efficiency of an entire facility rather than specific laboratory or office components. We are committed to continuing to find new ways to uncover inefficiencies and boost the utilization of smart technology to improve sustainability, save resources and boost productivity.

Our full environmental policy can be found on our [website here](#).

Space and Occupancy Efficiency

We have several unoccupied mode settings and programming modes for automatic after-hours settings within our facilities. These include:

- Occupancy light sensors are utilized for all laboratory, office and shared spaces, which have been shown to reduce energy consumption by 40%.
- LED lighting is used throughout the entire space.
- Light-sensing fixtures are located near all exterior windows that dim lights when sufficient natural light is detected.
- Temperature and light settings for office space are set back after-hours.
  - Interior lights are programmed to automatically move to a default of "off."
  - Deadband temperature is increased from 5 degrees to 10 degrees.

We are currently monitoring electrical energy usage to determine areas where natural light could replace artificial light sources. We will look to perform energy audits to discover sources that may produce phantom loads and discover unoccupied spaces that could be limited even in operational hours, such as warehouses, storage areas, or storage closets.
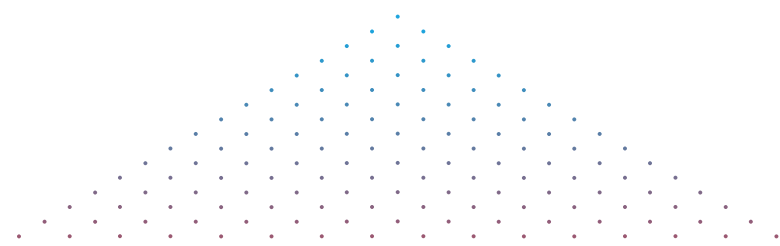
SUSTAINABLE FACILITIES AND OPERATIONS *CONTINUED*
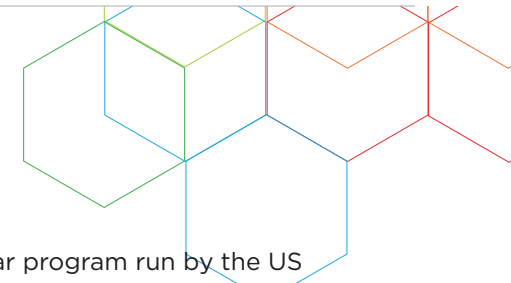
Air Quality Monitoring

Recursion continues to focus on monitoring and improving air quality by utilizing smart office solutions and upgrades to existing ventilation systems. These changes support workforce wellness and promote laboratory-safe environments.

In 2022, we incorporated additional HEPA air filtration in two of our large laboratories, which is now a standard in all of our new laboratory construction. The filtration will improve air quality for our people and the science that is created in that space.

HVAC Improvement Program
We continue to implement our office heating, ventilation and air conditioning (HVAC) improvement program to replace all original 20-year-old HVAC units present at our facilities.

In 2022, we replaced three more units, leaving three units to replace. The new equipment and the updated controls systems will allow for automated and standardized control of our HVAC systems.

Now that we can utilize information supplied in our Scope 1 and 2 emission report, we will begin to explore ways to optimize and automate our control system to gain efficiencies of unit control, distribution, and energy usage.

Laboratory Air Handling Systems
Routine monitoring of air quality and particulate counts (in both office and laboratory settings) is performed, including a process to capture data and respond appropriately when trends emerge. We drastically reduced the need for chilled water to cool the lab space during the warmer months and use of a heat recovery glycol loop to capture the

70-degree air leaving the space. Warm air leaving the lab in the winter is used to pre-heat the incoming air to the supply air handler, and cool air leaving the lab in the summer is used to pre-cool the incoming air to the supply air handler.

Instrumentation and Equipment Efficiency

Recursion strives to lessen the environmental impact associated with our cutting-edge technologies and instrumentation without sacrificing the speed with which we generate high-quality results. As such, Recursion has sought out ways to go green by adopting more energy-efficient lab equipment and practices.

An automatic fault detection and diagnostics system is in place to provide real-time updates on instrumentation performance and error notification. These include refrigeration and environmental monitoring systems to help maintain appropriate temperature and environmental settings. Equipment and instrumentation assessments are performed for electrical safety and energy/resource consumption, efficiency and optimization prior to purchase, and installation/relocation.

Building Certification and Selection

As we continue to expand our business and facilities, we take environmental considerations into account in selecting new sites. Environmental considerations include access to public transportation, environmental certifications, material transfers, parking, access, zoning, building type and more. Environmental certifications for Recursion are being investigated for existing and future locations.

We participate in the EnergyStar program run by the US Environmental Protection Agency (EPA). EnergyStar-certified buildings save energy, lower costs, and help protect the environment by generating fewer greenhouse gas emissions than typical buildings. To be certified as EnergyStar, a building must meet strict energy performance standards set by the EPA. We make every effort to select new equipment and replace obsolete equipment with EnergyStar-rated equipment where possible and prudent.

2022 Energy Metrics from Our Headquarters*

2,494,499
TOTAL ELECTRICAL CONSUMPTION (kWh)

4,989
kWh PER EMPLOYEE

26
kWh PER SQUARE FOOT

2022 Water Metrics

1,225,972
TOTAL GALLONS OF WATER CONSUMED

2,452
GALLONS OF WATER PER EMPLOYEE

*Our headquarters facility accounts for approximately 80% of our total footprint

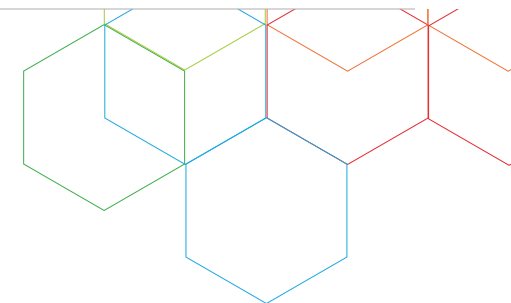# Environmental Footprint of Hybrid Cloud Computing

At the beginning of 2022, we set an internal goal to dramatically decrease our cloud carbon footprint, including achieving net zero emissions across our cloud footprint and significantly decreasing our gross carbon footprint.

To achieve our net zero goal, we first moved several large databases from a third-party cloud platform that did not offer full carbon offsetting into one that did. We completed that migration in the first quarter of 2022, which has meaningfully driven down net carbon emissions.

To further reduce emissions, we determined we were primarily operating in a region with high carbon intensity. As a result, we started to shift our services into a region with some of the lowest carbon intensity in the US. We made significant progress in 2022, and the migration is intended to be complete in 2023. We will continue to evaluate the efficiency of our computing practices to look for opportunities to continue to drive down our carbon footprint. Largely because of these efforts, nearly 100% of our cloud operations are now net-zero carbon.

Our supercomputer known as BioHive-1, which powers the critical work we do at Recursion, is run by an external third party that also incorporates energy efficient practices, such as leveraging renewable energy and using efficient cooling practices through a closed loop system to exclude net water usage.

2021 Carbon Emissions from Cloud Computing

263.5
GROSS EMISSIONS (MTCO2E)

24.4
NET EMISSIONS (MTCO2E)

70%
CLOUD COMPUTING OPERATIONS WITH NET-ZERO CARBON EMISSIONS

2022 Carbon Emissions from Cloud Computing

294.8
GROSS EMISSIONS (MTCO2E)

3
NET EMISSIONS (MTCO2E)

97%
CLOUD COMPUTING OPERATIONS WITH NET-ZERO CARBON EMISSIONS

In 2022, 100% of electricity consumed by BioHive-1 was generated from renewable sources.

Waste Management and Product Life Cycle Management

As part of our environmental commitment, we place heavy emphasis on responsible management of both hazardous and nonhazardous office and laboratory waste to ensure our practices scale safely as our testing and experimental needs increase.

Laboratory Waste Management Program

Recursion's in-house laboratory waste-stream experts enforce stringent and robust processing and treatment mechanisms to ensure we comply with local, state and federal regulations. We have identified processes for the various waste-stream types and have trainings and workflows readily identifiable for both hazardous and nonhazardous waste identification and management, including a detailed Hazardous Waste Policy. While nonhazardous waste disposal is handled by a third party, any solid or non-solid hazardous waste is either treated in house according to hazard class and waste-stream need or contracted out for treatment with a third-party vendor. Biological hazardous waste is treated in-house using validated autoclave equipment and procedures.

A list of waste streams and proper disposal processes is maintained by the Environmental Health and Safety (EH&S) officer and is updated as part of the new chemical and reagent onboarding processes. Signage is posted in the laboratory spaces, and appropriately labeled waste containers are readily available to ensure compliance with best disposal practices and regulations, and to protect laboratory personnel. Dedicated reviews of processes and corresponding working policies are put into place to minimize the quantities of hazardous waste generated.

We take measures to ensure that any discharges into wastewater do not pose an environmental risk. Effluent leaving the site as laboratory discharge is evaluated and disclosed to the city. We have also evaluated and submitted possible air pollutants and their concentrations leaving our facility to the city. All emissions fall well below regulatory thresholds. Recursion's facilities undergo an environmental assessment at least annually.

Lab Recycling

Noncontaminated packaging or other items that can be recycled are done so using the company recycling program and separated for pickup by a third-party vendor. Packaging and materials purchased from Corning brand laboratory supplies are separated and returned to Corning's recycling partner as part of an industry-wide effort to decrease lab waste.

WASTE MANAGEMENT AND PRODUCT LIFE CYCLE MANAGEMENT *CONTINUED*
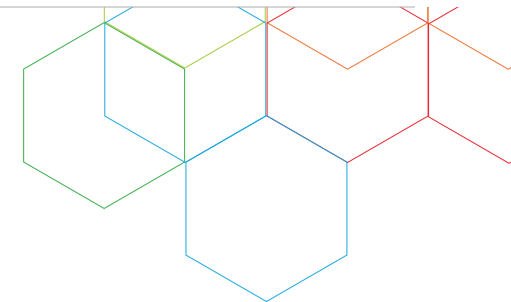
Employee Training

Recursion believes that safety is a key foundation of our culture, and that unified education and commitment across roles is fundamental to our mission. As such, laboratory employees and adjacent support groups are actively engaged in waste management practices. Required training and education opportunities covering waste streams and waste management are part of the onboarding process to ensure safety is at the forefront of the introduction to the lab space. Documented training covering the Chemical Hygiene Plan, new reagent onboarding and waste management are required for laboratory personnel. In-person training with the EH&S department is part of the New Employee Onboarding Program for all lab-facing employees. We also provide periodic refresher training as policies are updated.

Office Waste Management Programs

We collect and recycle appropriate materials generated in our office, including glass, plastics and paper products. Confidential paper materials are professionally shredded by an external vendor prior to being recycled, and cardboard is collected and stored for pickup and recycling. Batteries are collected after use and periodically sent to our third party for recycling. We also include containers at all of our printer stations where employees can bring in and deposit used household batteries to be properly recycled.

2022 Waste Metrics

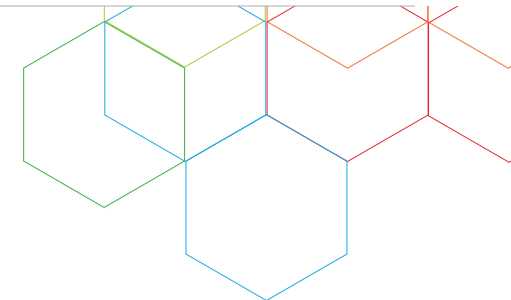|	
0.87 tons HAZARDOUS WASTE	**3.73 tons** MIXED RECYCLABLES
9.51 tons REGULATED NONHAZARDOUS WASTE	**0.7 tons** GLASS RECYCLED
4.33 tons FOOD COMPOSTED	**4.44 tons** TOTAL WASTE RECYCLED

While Recursion is considered a low-volume quantity waste generator, we still track waste metrics.

Environment, Health and Safety

We are committed to protecting our employees' health and well-being by providing a safe workplace.

Workplace Safety

We have dedicated standard operating procedures (SOPs) to manage occupational health and safety, safety training and injury, and illness and incident reporting. Recursion's Chemical Hygiene Plan (CHP) is the primary guide that protects laboratory personnel from potential hazards associated with the use of chemicals and manages risks. Every employee is responsible for ensuring these procedures and policies are followed, and compliance is mandatory for all employees working in the laboratory per requirements of the Occupational Safety and Health Administration (OSHA) standard on Hazardous Chemicals in Laboratories.

Our co-founder and CEO is also the director of public safety at the company and has the ultimate responsibility for chemical hygiene within the organization. Our director of site services and manager of EH&S oversee the day-to-day management of institutional chemical hygiene, including developing and implementing appropriate policies; monitoring procurement, use, and disposal of chemicals used in the lab; and ensuring employees know and follow chemical hygiene rules.

Employee Training

All new hires attend mandatory, site-specific training designed to provide education on the location-specific features, security concerns and emergency procedures.

Additional emergency training information is provided on the company intranet, via company-wide communication and through periodic in-person training events such as training seminars and emergency response drills.
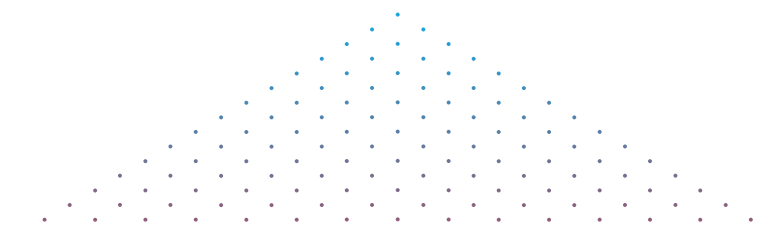
ENVIRONMENT, HEALTH AND SAFETY *CONTINUED*

Laboratory Safety Training

Mandatory trainings of our Chemical Hygiene and Biological Safety Plan are required for lab employees to keep aware of laboratory risks. All labs are secured by badge access, and only employees who have undergone lab safety training have access to the lab spaces. Key safety trainings are automatically assigned on an annual basis to all lab employees, and periodic in-person trainings are also held to stay current on best practice.

2023 will see the installation of a new laboratory alarm system that will allow employees to rapidly evacuate laboratory spaces in the event of a chemical spill, release, or other hazard that has the potential to impact employee health.

Safety Certifications

To ensure we operate under the highest levels of safety, we conduct a variety of safety checks and certifications on systems and equipment.

- Annual certifications are performed by external third parties to verify equipment (such as biosafety cabinets and chemical fume hoods) is functioning properly to ensure user safety.
- Autoclave validation is performed monthly, along with indicators added to each cycle, to ensure biological waste is treated appropriately.

- Oxygen sensors are placed near any area where compressed gasses and cryogenic liquids are used and verified on an annual basis to eliminate risks of exposure to low oxygen levels.
- Eyewash and safety shower systems undergo individual weekly checks and annual system testing.
- Regular preventative maintenance is performed on all onsite elevators, which are certified by the State of Utah every two years.
- Fire suppression systems, along with all other lifesaving systems (horns, strobes, smoke detectors, flow switches, risers and fire extinguishers) are tested annually.

2022 Health and Safety Metrics:

.2	.2	0
TOTAL RECORDABLE INCIDENT RATE (TRIR)	**DAYS AWAY RESTRICTED OR TRANSFERRED (DART) RATE**	**FATALITIES**
Recordable injuries per 100 full time employees during a one-year period	Injuries and illnesses resulting in lost time per 100 full time employees during a one-year period	
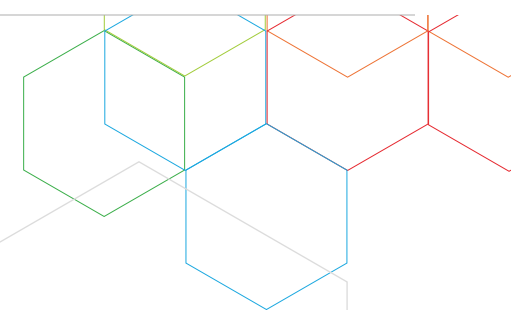
Governance and Responsible Business Practices

Board Independence and Diversity

Our board possesses a wide array of experience and skills to guide the company effectively.

The Nominating and Corporate Governance Committee considers diversity in expertise, gender, race and ethnicity as part of the holistic evaluation of candidate profiles, including broader evaluation of professional ethics and integrity, business acumen, proven achievement and competence in one's field relevant to the needs of guiding and governing Recursion's business.

Seven of eight directors are classified as independent according to Nasdaq listing standards, including our board chair and members of our Audit, Nominating and Corporate Governance, Compensation and Corporate Social Responsibility committees.

Board Metrics

8
BOARD SIZE

7/8
INDEPENDENT DIRECTORS

48
AVERAGE AGE

6 Years
AVERAGE TENURE

To learn more about our board, please refer to the Board of Directors section of the Investor Relations section of our website and our most recent proxy filing.

Board Diversity Matrix

TOTAL NUMBER OF DIRECTORS: 8	FEMALE	MALE	NON-BINARY	DID NOT DISCLOSE GENDER
Part 1: Gender Identity				
Directors	1	7	-	-
Part 2: Demographic Background				
African American or Black	1	-	-	-
Alaskan Native or Native American	-	-	-	-
Asian	-	2	-	-
Hispanic or Latinx	-	1	-	-
Native Hawaiian or Pacific Islander	-	-	-	-
White	-	4	-	-
Two or More Races or Ethnicities	-	-	-	-
LGBTQ+		1		

Business Ethics and Compliance
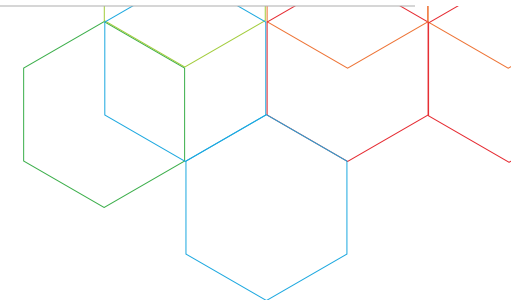
We uphold the highest levels of ethical conduct, guided by our Code of Business Conduct and Ethics, which helps promote a culture of integrity and accountability throughout the company. During the onboarding process, all new employees must sign an acknowledgment form confirming that they have read the Code and that they understand and agree to comply with its provisions.

Compliance Program and Policies

We maintain specific policies related to legal and ethical standards to ensure we operate with integrity internally and externally. These include Anti-Bribery and Anti-Corruption, Insider Trading, Whistleblower, Trade Secret and Confidentiality, External Communication and Investment policies.

Our Global Anti-Bribery and Anti-Corruption Policy is overseen by our head of legal and requires annual reviews to confirm adequacy and effective implementation, as well as annual certifications from all team members attesting that they have read and understand the policy and agree to comply with it. All third-party representatives are also required to comply with the policy.

To ensure all employees can raise concerns free from harassment, discrimination or retaliation, we have adopted a Whistleblower Policy for receiving, investigating and retaining complaints. Employees can use our confidential and secure web portal or reporting hotline, which are both available 24 hours per day, seven days per week, to anonymously report any concern, including known or suspected violations of law or policy.

Reported violations are promptly and thoroughly investigated. As a general matter, the board oversees investigations of potential violations by directors or executive officers, and the head of legal oversees investigations of potential violations by other employees. Once complaints are logged, the head of legal reports all material complaints promptly to the chairperson

of the Audit Committee of the board. The head of legal also provides the full Audit Committee with a quarterly report of all received complaints and their investigations.

We also maintain a specific Insider Trading Policy with written acknowledgment of the policy required by all employees.

Training

As part of our compliance program, we utilize a third-party platform to conduct annual employee training on topics such as anti-harassment, inappropriate conduct, intellectual property, responsible business communication, insider trading and data security. These trainings occur upon hire and annually thereafter. Our People team tracks completion percentages and follows up with any employees to ensure 100% participation.
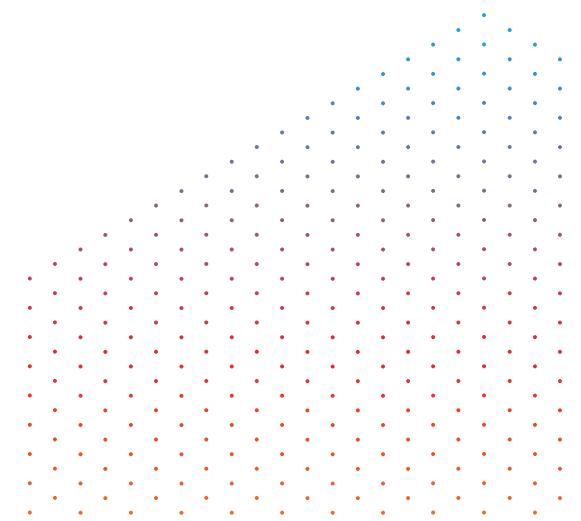
# Intellectual Property Protection and Competitive Behavior

We recognize the importance of intellectual property and protecting our own trade secrets and confidential information, while also respecting that of others.

We maintain a Trade Secret and Confidentiality Policy that details how employees should handle both Recursion's trade secrets and those of our partner companies, which includes a requirement of all employees to sign a confidentiality agreement during the interview process, during onboarding and upon exit. The legal department also provides regular training to employees under our compliance program and framework.

We seek to protect our proprietary and intellectual property position by, among other methods, filing patent applications in the United States and abroad 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.

For more information on our management of intellectual property, please review our latest Annual Report on the Investor Relations section of our website.
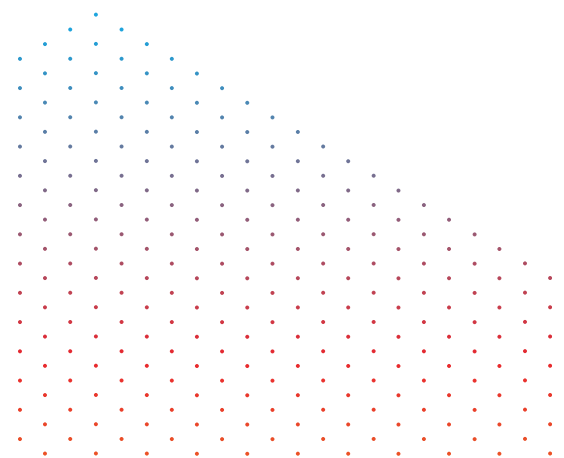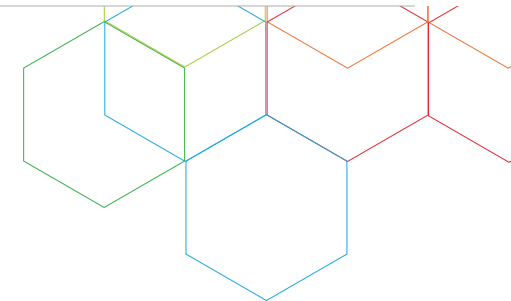
Risk Management and Business Continuity

As Recursion continues to grow and scale, we manage the risk exposure of the organization strategically and in an integrated manner to ensure we can accomplish our objectives. We also use insurance as a risk management tool and have robust business interruption insurance.

Risk and Compliance Committee

The Risk and Compliance committee was formed to identify and manage cross-enterprise risks and enhance risk response decisions holistically across the company's risk areas. Across nine key risk areas including intellectual property, information security and drug development risks, the committee is tasked with implementing and monitoring Recursion's risk management methodologies and processes. This includes the process to identify, measure, control or mitigate, treat, monitor, and report risk exposures.

The committee meets regularly to review progress against its scope and finalized objectives.

Business Continuity

In 2022, we formalized our disaster recovery and continuity plan for critical systems to identify intricacies and any potential fail points of the systems. We executed a tabletop exercise in response to simulated critical events to validate and update our plans to ensure continuity of our platform and operating system.

We take many factors into consideration to ensure we can keep our systems up and running during a potential incident or interruption. Most of our data is stored in the cloud, but we run periodic testing of hardware infrastructure as part of our business continuity framework.

In 2022, we formalized our disaster recovery and continuity plan for critical systems to identify intricacies and any potential fail points of the systems.

Supply Chain Management

We have relationships with more than 500 suppliers and partners who provide products and services that support our operations. We are committed to fostering procurement relationships that extend the positive impact of our business and manage potential risks.

In 2022, we launched our first Supplier Code of Conduct and plan to continue to monitor and track our supplier diversity footprint.

As we persist in integrating diversity into our procurement strategy, we will be defining supplier diversity and inclusion objectives to register our suppliers as being owned by women, people of color, people with disabilities, LGBTQ+ individuals and other underrepresented communities.

For more information on our policies and approach to ensuring quality and safety across our drug supply chain, please refer to the Quality and Safety of Clinical Programs section in this report.

In addition, we will strive to include at least one diverse supplier in 50% of every bid by the end of 2024.
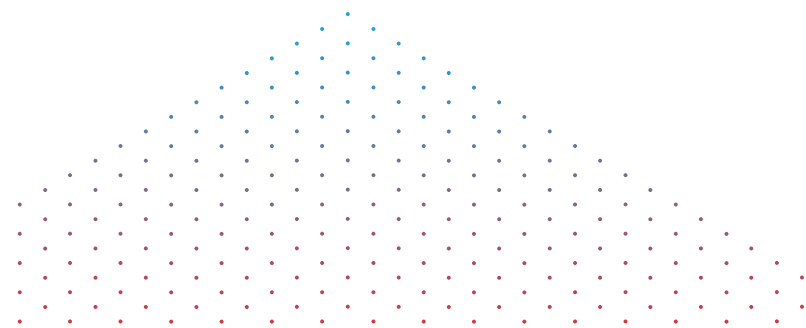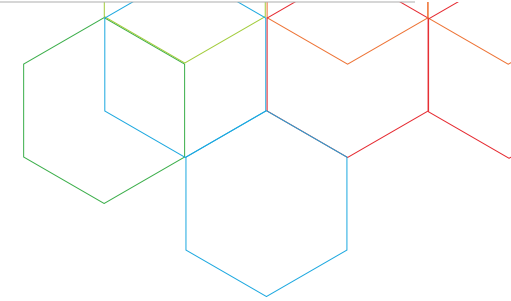
Data Security and Customer Privacy

Recursion maintains robust oversight and controls of cybersecurity and patient privacy systems.

Audit Committee

The Audit Committee of the board is responsible for the company's cybersecurity and other information technology risks and reviews these risks, controls, and procedures quarterly. Our chief information security officer provides a report on data security metrics and updates to the Audit Committee on a quarterly basis.
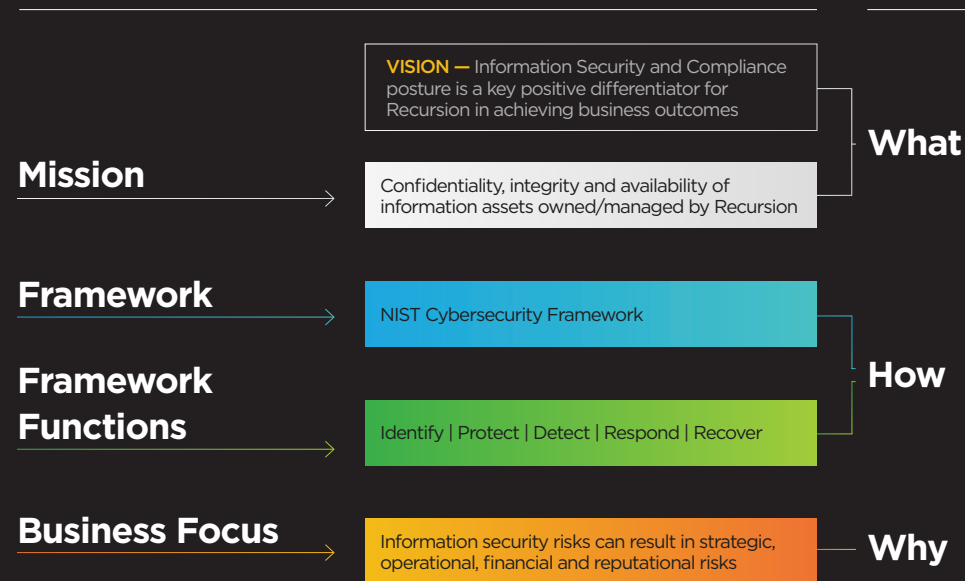
SOC2 Compliance

Recursion obtained a SOC2 Type 2 Attestation in December 2022 as part of our Information Security roadmap. We designed, built and operationalized controls around the Recursion OS and our technology infrastructure, system and vendors to manage risks and protect our critical data from cyber threats that target companies in the pharmaceutical, biotech and technology industries. This SOC2 Type 2 attestation provides assurance to our partners of the effectiveness of our information security controls and demonstrates our ongoing commitment to protecting data.
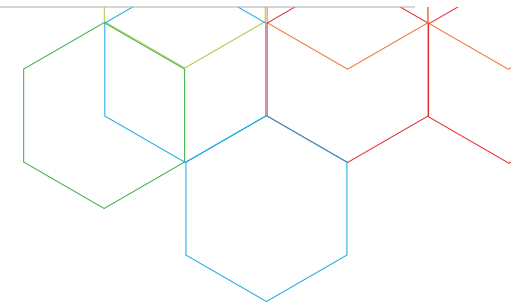
Information Security Program

We view a strong information security and compliance program as a key positive differentiator in achieving business outcomes. Our operating model to govern the function of information security follows the National Institute of Standards and Technology (NIST) Cybersecurity Framework. The NIST framework helps us assess information security posture, implement capabilities, and measure our progress.

Mission

VISION — Information Security and Compliance posture is a key positive differentiator for Recursion in achieving business outcomes

Confidentiality, integrity and availability of information assets owned/managed by Recursion

What

Framework

NIST Cybersecurity Framework

Framework Functions

Identify | Protect | Detect | Respond | Recover

How

Business Focus

Information security risks can result in strategic, operational, financial and reputational risks

Why

DATA SECURITY AND CUSTOMER PRIVACY *CONTINUED*

All new hires are required to go through information technology and security training conducted by the security director upon onboarding, which includes an overview of systems and proper usage, VPN solutions, phishing simulations, and physical security aspects vital to the ongoing security of Recursion operations. We conduct additional cybersecurity training for all employees annually.

A proactive information security program enables the organization to keep pace with the evolving information security risk landscape. Recursion has outlined a multiyear program roadmap in which we plan to bolster our existing program with clear policy and procedure implementations, risk identification and action planning, and continued third-party audits and testing of critical systems.

Key Elements of Our Information Security Program

Strategic Governance
DECISION-MAKING, EXECUTION, OVERSIGHT AND COMPLIANCE WITH REGULATORY OBLIGATIONS (E.G., SEC, SOX, GDPR, AND HIPAA REGULATIONS)

Framework
PROCESS AND TECHNICAL CAPABILITIES TO MATCH THE DESIRED OUTCOMES

Risk-Based Approach
IDENTIFICATION AND PRIORITIZATION OF TOP RISKS

Metrics and Reporting
PROGRESS MEASUREMENT AND REPORTING

Incident Management

We have several processes and procedures that guide incident management laid out in our Cybersecurity Incident Response Plan (SIRP). The SIRP outlines expected actions to be taken in the event of a suspected cybersecurity incident. The SIRP is designed to help Recursion respond appropriately to any cybersecurity event; comply promptly with its legal obligations; and mitigate the impact of a cybersecurity incident, including harm to individuals, business partners and Recursion's reputation and finances. The plan details event classification, escalation steps, detection and analysis, containment and recovery, and post-incident activities. We hold regular tabletop exercises with technical and executive teams to practice our response procedures and improve them as applicable.

All Recursion employees are empowered and expected to report any incidents of compromised systems or processes through the appropriate channels outlined via internal policy.
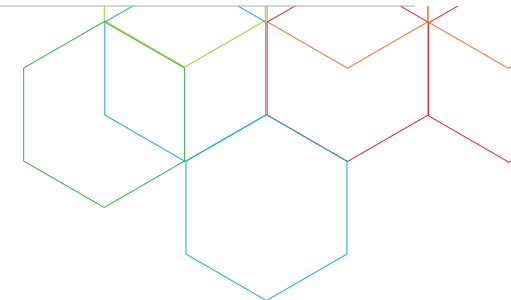
Privacy

Recursion complies with all applicable US state and federal laws and ex-US privacy laws. Our Privacy Policy sets out general privacy compliance guidelines and the process for obtaining required approvals. The policy applies to all Recursion personnel, regardless of location, position and whether they are permanent, temporary, contractors, consultants, interns or secondees. At Recursion, we expect all employees to be respectful and protective of personal information gathered in the course of business, treat it lawfully, explain the intended use of the information whenever possible, and limit requests to the minimum amount required for the business purpose. The Privacy Policy is maintained by our head of legal.

Metrics, Frameworks and Standards

SECTION HIGHLIGHTS

Performance Metrics

| People and Culture*	2022	2021
Employees	500	400
Gender Diversity – All Employees	43% women; 1% non-binary; 55% men	44% women; 1% non-binary; 54% men
Gender Diversity – Technical Staff	42% women; 1% non-binary; 55% men	43% women; 1% non-binary; 55% men
Gender Diversity - Leadership (VP+)	32% women, 68% men	41% women, 59% men
Gender Diversity - Executives	44% women, 56% men	44% women, 56% men
Racial and Ethnic Diversity - All Employees	13.7% Asian 1.6% Black or African American 5.5% Hispanic or Latinx 1.4% Middle Eastern or Northern African 4.1% Two or More Races 47.7% White 25.5% Did not Disclose	n/a
Turnover - All Employees	15.10%	11.24%
Turnover - Leadership (VP+)	16.90%	8.90%
Pay Equity (female to male ratio)	$1.00 for every $1.00	$0.99 for every $1.00
Employee Engagement Score	79%	86%

* Percentages may not add up to 100 given employees who choose to not disclose their gender identity are excluded. Employee data as of December 31, 2022; executive team data as of March 1, 2023.

Environment	2022	2021
Total Electrical Consumption	2,494,499 kWh	1,996,800 kWh
Electrical Consumption per Employee	4,989 kWh	4,992 kWh
Electrical Consumption per Square Foot	26 kWh	20 kWh
Total Water Consumption	1,225,972 gallons	957,440 gallons
Water Consumption per Employee	2,452 gallons	2,394 gallons
Cloud Computing Gross Carbon Emissions	294.8 MTCO2E	263.5 MTCO2E
Cloud Computing Net Carbon Emissions	3 MTCO2E	24.4 MTCO2E
Cloud Computing Operations with Net-Zero Carbon Emissions	97%	70%
Renewable Energy Fueling BioHive-1	100%	100%
Hazardous Waste Disposed	0.87 tons	0.94 tons
Regulated Nonhazardous Waste Disposed	9.51 tons	n/a
Total Waste Recycled	4.44 tons	1.91 tons
Scope 1 GHG Emissions	269.26 MTCO2E	n/a
Scope 2 GHG Emissions	980.32 MTCO2E	n/a

Health and Safety	2022	2021
Total Recordable Incident Rate[1]	0.2	0.5
Days Away Restricted or Transferred Rate[2]	0.2	0.25
Fatalities	0	0
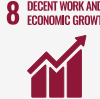
| Business	2022	2021
Clinical-Stage Programs	5	4
Dataset Size	>21 petabytes	>13 petabytes
Inferred Relationships	>3 trillion	200 billion
Locations	4	4
Transformational Partnerships	2	2

[1] Recordable injuries per 100 full-time employees during a one-year period
[2] Injuries and illnesses resulting in lost time per 100 full-time employees
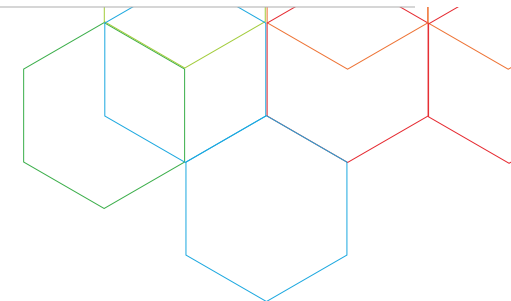
United Nations Sustainable Development Goals (SDGs)

In 2015, the United Nations developed 17 Sustainable Development Goals (SDGs) with the aim of achieving a more sustainable future for the world. Six SDGs in particular align to our ESG priorities and are outlined below. This table references sections of this report related to each goal.

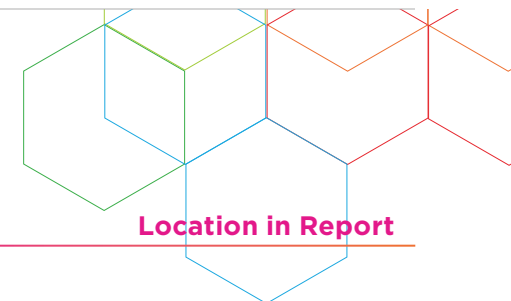| Goal	Description	Alignment to Recursion	Report Section
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	• Core mission: Decode biology to radically improve lives • Leveraging technology to build the world's largest biological dataset, enabling us to improve the scale and efficiency of drug discovery • Public data sharing: RxRx3 and MolRec • Initiating five clinical trials in 2022	Commitment to Patients
5 GENDER EQUALITY	Achieve gender equality and empower all women and girls	• DEI efforts and progress, including our Inclusion Council, diverse and inclusive hiring practices, Parity Pledge, commitment to equitable compensation, and several others. • Recruitment, retention and development of women leaders at all levels • Onsite childcare center to support working parents and address one of the greatest barriers in the pursuit of an equal and equitable society	Diversity, Equity, Inclusion and Belonging
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Fast-growing company capitalizing on technological innovations and employing high-tech and advanced-degree workers • Altitude Lab focused on advancing underrepresented entrepreneurs • BioHive focused on building our life sciences ecosystem	Employee Recruitment, Development and Training Community Engagement
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	• Industrialization of drug discovery through the continued interdisciplinary integration of broad technologies across biology, chemistry, automation, and computation • Commitment to investing in novel scientific innovations like Recursion's maps of biology and inferential search techniques • Majority (75%) of employees work in R&D and are balanced between life scientists and computational and technical experts, highlighting confluence of biology, chemistry, and technology to industrialize drug discovery	Employee Recruitment, Development and Training
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	• DEI efforts and progress, specifically those focused on promoting equity for underrepresented racial and ethnic minorities.	Diversity, Equity, Inclusion and Belonging
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts	• Commitment to achieving net-zero greenhouse gas emissions by 2030 • Investments in renewable energy sources and net-zero greenhouse gas datacenters	Environment
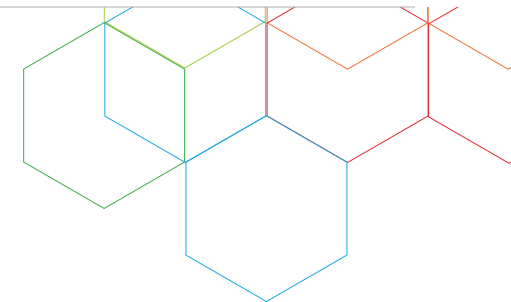
Sustainability Accounting Standards Board (SASB)

Biotechnology and Pharmaceuticals

Topic	Accounting Metric	SASB Code	Comments	Location in Report
Safety of Clinical Trial Participants	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	HC-BP-210a.1	Reference the Ethical Clinical Research and Patient Safety and Quality and Safety of Clinical Programs sections of this report.	
	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	HC-BP-210a.2	Recursion has not had any FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in VAI/OAI as of year-end 2022.	Ethical Clinical Research and Patient Safety Quality and Safety of Clinical Programs
	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	HC-BP-210a.3	Recursion does not have any legal proceedings associated with clinical trials in developing countries. Please refer to the Quality and Safety of Clinical Programs section of the report for more information about how Recursion ensures the safety and ethical design of clinical trials.	
Access to Medicines	Description of actions and initiatives to promote access to healthcare products for priority diseases and in priority countries as defined by the Access to Medicine Index	HC-BP-240a.1	Recursion does not have these data because we are a clinical-stage company.	Access to Medicines
	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	HC-BP-240a.2		
Affordability & Pricing	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	HC-BP-240b.1	Recursion does not have anything to report because we are a clinical-stage company.	Not Applicable to Recursion
	Percentage change in: (1) average list price and (2) average net price across US product portfolio compared to previous year	HC-BP-240b.2		
	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	HC-BP-240b.3		

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) *CONTINUED*

Biotechnology and Pharmaceuticals (continued)

Topic	Accounting Metric	SASB Code	Comments	Location in Report
Drug Safety	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	HC-BP-250a.1	Recursion does not have anything to report because we are a clinical-stage company.	Quality and Safety of Clinical Programs
	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	HC-BP-250a.2		
	Number of recalls issued, total units recalled	HC-BP-250a.3	Recursion has not had any recalls issued as of year-end 2022.	
	Total amount of product accepted for take-back, reuse, or disposal	HC-BP-250a.4	Recursion does not have anything to report because we are a clinical-stage company.	
	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	HC-BP-250a.5	Recursion has not had any FDA enforcement actions taken in response to violations of current Good Manufacturing Practices as of year-end 2022.	
Counterfeit Drugs	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	HC-BP-260a.1	Reference the Drug Quality and Safety section of this report.	Drug Quality and Safety
	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	HC-BP-260a.2		
	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	HC-BP-260a.3		
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	HC-BP-270a.1	Not applicable to Recursion.	
	Description of code of ethics governing promotion of off-label use of products	HC-BP-270a.2		
Employee Recruitment, Development & Retention	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	HC-BP-330a.1	We take an employee-centric and systems-based approach to building the employee experience at Recursion. We are building a company that's doing something that's never been done where we expect our people to do the best work of their lives in a deeply cross-functional context.	Employee Recruitment, Development, and Training
	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others	HC-BP-330a.2	Reference the Employee Recruitment, Development, and Training section of this report.	
Supply Chain Management	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for integrity of supply chain and ingredients	HC-BP-430a.1	Reference the Supply Chain Management section of this report.	Supply Chain Management
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	HC-BP-510a.1	Recursion has not had any monetary losses as a result of legal proceedings associated with corruption and bribery as of year-end 2022.	Business Ethics and Compliance
	Description of code of ethics governing interactions with healthcare professionals	HC-BP-510a.2	Reference the Business Ethics and Compliance section of this report.	

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) *CONTINUED*

SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS: Software & IT Services

Topic	Accounting Metric	SASB Code	Location in Report
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TC-SI-130a.1	Environmental Footprint of Hybrid Cloud Computing
	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	TC-SI-130a.2	
	Discussion of the integration of environmental considerations into strategic planning for data center needs	TC-SI-130a.3	
Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	TC-SI-220a.1	Data Security and Customer Privacy
	Number of users whose information is used for secondary purposes	TC-SI-220a.2	
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	TC-SI-220a.3	
	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	TC-SI-220a.4	
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	TC-SI-220a.5	
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information(PII), (3) number of users affected	TC-SI-230a.1	Data Security and Customer Privacy
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-SI-230a.2	
Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of employees who are (1) foreign nationals and (2) located offshore	TC-SI-330a.1	Diversity, Equity, Inclusion and Belonging
	Employee engagement as a percentage	TC-SI-330a.2	
	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-SI-330a.3	
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TC-SI-520a.1	Intellectual Property Protection and Competitive Behavior
Managing Systemic Risks from Technology Disruptions	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	TC-SI-550a.1	Risk Management and Business Continuity
	Description of business continuity risks related to disruptions of operations	TC-SI-550a.2	