



Publication of Shareholder Circular in Respect of Authority to Implement Potential Disposals of Shares in Founded Entity

August 26, 2020

PureTech Health plc (LSE: PRTC) ("PureTech" or the "Company"), a clinical-stage biotherapeutics company dedicated to discovering, developing and commercialising highly differentiated medicines for devastating diseases, today announces that it has sought and obtained approval from more than 50 per cent of its shareholders providing PureTech with the authority to make disposals, of any of its ownership interest in the common stock of its Founded Entity, Karuna Therapeutics, Inc. ("Karuna"), if and to the extent the Board considers it to be appropriate and in the best interests of its shareholders.

The previously announced disposals of Karuna common stock on 23 January 2020 and 26 May 2020, taken on an aggregated basis over the last 12 months under the class tests as set out in the UK Listing Rules, had the result that any further disposals of Karuna common stock would constitute a class 1 transaction for the Company, and as such, the Company would not have been permitted to implement any further disposals until after 22 January 2021 without the approval that has been obtained from shareholders.

While the Board's strategy is to continue to hold equity stakes in its Founded Entities, including Karuna, as these companies advance their pipelines through significant value-driving milestones, the Board sought and obtained the authority from its shareholders in order to preserve flexibility for PureTech to be able to achieve further realisations via disposals in the future in order to serve as a potential source of funding for its future strategy and shareholder returns. The Board believes that, in order to maintain maximum flexibility and to obtain the best terms if and when it considers appropriate to dispose of further shares of Karuna common stock, it needs to be able to transact those disposals such that the completion of those disposals would not be conditional upon obtaining additional approval from shareholders.

The approval was obtained from the Company's shareholders in accordance with a dispensation granted by the Financial Conduct Authority (the "FCA") pursuant to the modifications made to the Listing Rules as set out in the FCA's Statement of Policy published on 8 April 2020. Such dispensation removed the requirement for the Company to hold a general meeting of its shareholders because the Company has obtained written undertakings from shareholders holding more than 50 per cent of the Company's issued share capital confirming that they approve of the potential disposal(s) and would vote in favour of a resolution to approve any such disposal(s) at such a general meeting. The Company has received irrevocable undertakings from Shareholders to vote in favour of the resolution in respect of in aggregate 149,979,265 ordinary shares representing in aggregate approximately 52.5 per cent of the Company's issued share capital. Jefferies International Limited ("Jefferies") is acting as sponsor on behalf of the Company.

The approval granted a general authority for the Company to sell any of its ownership interest in the Karuna common stock as close as reasonably possible to the prevailing market price at the time of such disposal(s) on such terms as the Company considers appropriate and in the best interest of its shareholders. This authority may only be used by the Company to effect disposals executed from time to time through book build offering (conducted by a bank using "best efforts" to complete a sale as agent), directly through the open market by means of the order book of a relevant exchange and/or through block trades to one or more purchasers, provided that such transactions may be transacted with an investment bank with a view to onward distribution of the common stock to one or more investor(s). The authority shall apply until the end of the Company's 2021 annual general meeting or, if earlier, the close of business on the date within 12 months from the date of this announcement.

The circular setting out full details of the resolution approved by shareholders and the potential disposals is expected to be published on the Company's website today and posted to shareholders who have elected to receive hard copies of shareholder documentation later today. A copy of the circular has also been submitted to the Financial Conduct Authority and will be available for inspection at the National Storage Mechanism which is located at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. Following the publication of the circular, the Board may implement a disposal of Karuna common stock at any time on the terms set out in the resolution contained in the circular if the Board determines that it is appropriate and in the best interests of Shareholders to do so. As at the time of this announcement, no definitive or legally binding agreement relating to any disposal of Karuna common stock has been entered into by the Company with any transaction counterparty.

About PureTech Health

PureTech is a clinical-stage biotherapeutics company dedicated to discovering, developing and commercialising highly differentiated medicines for devastating diseases, including intractable cancers, lymphatic and gastrointestinal diseases, central nervous system disorders and inflammatory and immunological diseases, among others. The Company has created an extensive pipeline through the expertise of its experienced research and development team and its extensive network of scientists, clinicians and industry leaders. This pipeline, which is being advanced both internally and through PureTech's Founded Entities, is comprised of 24 products and product candidates, including two that have been cleared by the US Food and Drug Administration (FDA) and several other novel preclinical programmes. PureTech's pipeline includes innovative platforms and therapeutic candidates that were developed in collaboration with some of the world's leading experts. All of the underlying programmes and platforms that resulted in this pipeline of product candidates were initially identified or discovered and then advanced by the PureTech team through key validation points based on the Company's unique insights into the biology of the brain, immune and gut, or BIG, systems and the interface between those systems, referred to as the BIG Axis.

For more information, visit www.puretechhealth.com or connect with us on Twitter @puretechh.

Forward Looking Statement

This press release contains statements that are or may be forward-looking statements, including statements that relate to the company's future prospects, developments, and strategies. The forward looking statements are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results, performance and achievements to differ materially from current expectations, including, but not limited to, those risks and uncertainties described in the risk factors included in the regulatory filings for PureTech. These forward-looking statements are based on assumptions regarding the present and future business strategies of the company and the environment in which it will operate in the future. Each forward-looking statement speaks only as at the date of this press release. Except as required by law and regulatory requirements, neither the company nor any other party intends to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise unless required to do so by applicable law.

IMPORTANT NOTICE

Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of the Market Abuse Regulation 2014/596/EU ("MAR")) prior to its release as part of this announcement. The person responsible for arranging release of this information on behalf of the Company is Stephen Muniz.

In addition, market soundings (as defined in MAR) were taken in respect of the proposals with the result that certain persons became aware of inside information (as defined in MAR), as permitted by MAR. This inside information is set out in this announcement being made by the Company today. Therefore, those persons that received inside information in a market sounding are no longer in possession of such inside information relating to the Company and its securities.

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