



PureTech's Affiliate Karuna Announces \$68 Million Series B Financing

March 18, 2019

Financing led ARCH Venture Partners, with participation from Fidelity Management & Research Company, Eventide Asset Management, Pivotal bioVenture Partners, Partner Fund Management, Wellcome Trust, Sands Capital, Alexandria Venture Investments, and founder PureTech Health

Proceeds will support clinical development of lead product candidate, KarXT, into additional indications and expansion of the pipeline

PureTech Health plc (LSE: PRTC) ("PureTech Health"), an advanced biopharmaceutical company developing novel medicines for dysfunctions of the Brain-Immune-Gut (BIG) axis, today announced that its affiliate Karuna Therapeutics, Inc. ("Karuna," formerly Karuna Pharmaceuticals), has completed a \$68 million Series B financing round, including the issuance of \$5 million in shares upon conversion of debt into equity. Proceeds from the financing will be used to advance the development of KarXT into several new indications, including geriatric psychosis and pain; to progress new formulations of KarXT; expand the pipeline; and to continue to build company infrastructure. KarXT, Karuna's lead product candidate, is currently being evaluated in a Phase 2 clinical trial as a potential treatment for acute psychosis in patients with schizophrenia.

Eric Elenko, PhD, chief innovation officer at PureTech Health, said: "We are pleased to have the participation of this top tier group of new and existing investors in Karuna as the company continues to progress KarXT through a Phase 2 study in schizophrenia and looks to expand into new indications, including geriatric psychosis and pain where there is tremendous patient need."

The full text announcement from Karuna is as follows:

Karuna Announces \$68 Million Series B Financing

Proceeds will be used to advance clinical development of lead product candidate, KarXT, for additional indications beyond the ongoing Phase 2 clinical trial in schizophrenia and for expansion of the pipeline

BOSTON, March 18, 2019 —[Karuna Therapeutics, Inc.](#) ("Karuna," formerly Karuna Pharmaceuticals), focused on targeting muscarinic cholinergic receptors for the treatment of neuropsychiatric disorders including psychosis in schizophrenia, psychosis in Alzheimer's disease, and pain, today announced the completion of a \$68 million Series B financing round, including the issuance of \$5 million in shares upon conversion of debt into equity.

The financing was led by ARCH Venture Partners, with participation from Fidelity Management & Research Company, Eventide Asset Management, Pivotal bioVenture Partners, Partner Fund Management, Wellcome Trust, Sands Capital, Alexandria Venture Investments, and founder PureTech Health. Heather Preston, M.D., managing director of Pivotal bioVenture Partners, has joined the board of directors of Karuna.

KarXT, Karuna's lead product candidate, is currently being evaluated in a Phase 2 clinical trial as a potential treatment for acute psychosis in patients with schizophrenia. Proceeds from the financing will be used to advance the development of KarXT into several new indications, including geriatric psychosis and pain, progress new formulations of KarXT, expand the pipeline, and continue to build company infrastructure.

"Patients living with schizophrenia often must choose among treatment options that only partly address their disabling psychotic and cognitive symptoms, often with undesirable side effects. Karuna's mission is to deliver a more effective and better-tolerated treatment for this large and underserved patient population. We believe this financing will enable us to deliver multiple milestones across our product-focused pipeline while expanding the capabilities and potential of our muscarinic receptor platform," said Steve Paul, M.D., chief executive officer and chairman of the board of Karuna.

"Karuna has continued to make strong progress advancing its pipeline, including ongoing enrollment in their Phase 2 clinical trial for the treatment of acute psychosis in patients with schizophrenia, and we are encouraged by the data supporting this novel approach to addressing a core symptom of a variety of disabling and all-too-common central nervous system disorders," said Robert Nelsen, co-founder and managing director of ARCH Venture Partners. "As an investor focused on companies with innovative approaches to meeting patient needs, we are pleased to support the next stage of Karuna's development."

About KarXT

[KarXT](#) (Karuna-Xanomeline-Trospium), Karuna's lead product candidate for the treatment of psychosis in schizophrenia, consists of xanomeline, a novel muscarinic acetylcholine receptor agonist that has demonstrated efficacy in placebo-controlled human trials in schizophrenia and Alzheimer's disease, and trospium chloride, an FDA-approved and well-established muscarinic receptor antagonist that has been shown not to enter the central nervous system (CNS). KarXT is designed to preferentially target M1/M4 muscarinic receptors in the brain while inhibiting their stimulation in peripheral tissues to significantly improve tolerability. Karuna has completed two Phase 1 clinical trials which demonstrated a clinically meaningful reduction in side effects compared to xanomeline and demonstrated that KarXT is well tolerated in healthy volunteers. A proprietary co-formulation of xanomeline and trospium in a single capsule was used in the second Phase 1 clinical trial and is now being evaluated in an ongoing Phase 2 clinical trial in patients with schizophrenia experiencing acute psychosis. Top-line data from this trial are anticipated by the end of 2019. A Phase 1b experimental pain trial in healthy volunteers and clinical work towards geriatric psychosis are expected to begin later this year.

About Karuna Therapeutics

Karuna is a clinical-stage drug development company focused on targeting muscarinic cholinergic receptors for the treatment of neuropsychiatric

disorders including psychosis in schizophrenia, psychosis in Alzheimer's disease, and pain. Karuna's lead product candidate, [KarXT](#), (Karuna-Xanomeline-Tropium) is being evaluated in a Phase 2 clinical trial in patients with schizophrenia experiencing acute psychosis, with top-line results anticipated at the end of 2019. Karuna, which was founded by [PureTech Health](#) (LSE: PRTC), has a worldwide exclusive license for xanomeline and has a patent portfolio more broadly covering selective muscarinic targeting enabled by the KarXT approach. For more information, visit karunatx.com.

About PureTech Health

PureTech Health (LSE: PRTC) is an advanced biopharmaceutical company developing BIG medicines for dysfunctions of the Brain-Immune-Gut axis. The Company has gained deep insights into the connection between these systems and the resulting role in diseases that have proven resistant to established therapeutic approaches. By harnessing this emerging field of human biology, PureTech Health is developing new categories of medicines with the potential to have great impact on people with serious diseases.

PureTech Health is advancing a rich pipeline of innovative therapies with an unbiased, non-binary, and capital efficient R&D model across its affiliates and its internal labs. PureTech's affiliates include seven clinical-stage platforms with two product candidates that have been filed with the US Food and Drug Administration (FDA) for review and other novel pre-clinical programmes. The PureTech Health pipeline includes ground-breaking platforms and therapeutic candidates that were developed in collaboration with some of the world's leading experts.

PureTech's internal research and development is centred on tissue-selective immunomodulation for the treatment of oncology, autoimmune, and CNS-related disorders, with a near-term focus on targeting newly-discovered, foundational immunosuppressive mechanisms in oncology and novel approaches that harness the lymphatic infrastructure.

For more information, visit www.puretechhealth.com or connect with us on Twitter [@puretechh](https://twitter.com/puretechh).

Ownership Information

PureTech's percentage ownership of Karuna Therapeutics following the financing is approximately 41.0% on a diluted basis. This calculation of PureTech's holding includes issued and outstanding shares as well as options and warrants to purchase shares, but excludes unallocated shares authorised to be issued pursuant to equity incentive plans.

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 Health plc. 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.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014