25 August 2015

PureTech Health plc

Half-Yearly Report for the six months ended 30 June 2015

Maiden results: transformational period with significant fundraising, enhanced Board of Directors and well-positioned operating companies

PureTech Health plc ("PureTech" or the "Company", LSE: PRTC), a science-driven healthcare company seeking to solve some of the toughest health challenges in disruptive ways, today announces its half-yearly results for the six months ended 30 June 2015.

Operational Highlights

- PureTech raised gross proceeds of $196m in its initial public offerring on the Main Market of the London Stock Exchange (including full exercise of the overallotment option post period-end), having closed a private round for gross proceeds of $52.2m earlier in the period
- Elected two new members to the Board of Directors: Chris Viehbacher, former Chief Executive Officer of Sanofi, and Marjorie Scardino, former Chief Executive Officer of Pearson
- Appointed Joi Ito, MIT Media Lab's Director, as Chairman of the Board of Directors, succeeding Ben Shapiro, former Executive Vice President Merck Research Laboratories, who will remain on the Board

- Portfolio company highlights:
    - Vedanta Biosciences entered into a licensing agreement with Janssen Biotech for a non-refundable upfront payment and milestone payments of up to $339m plus tiered royalties to develop and commercialise one of Vedanta's microbiome product candidates VE202
    - Gelesis raised $22.3m, of which PureTech invested $3m
    - Tal Medical raised $14.5m, of which PureTech invested $5m
    - Akili Interactive Labs entered into a collaboration with leading Autism patient advocacy group, Autism Speaks, to run a clinical study in paediatric autism
    - The Sync Project announced a partnership with one of the world's leading colleges of contemporary music, Berklee College of Music
    - Gelesis completed the acquisition of Academica Life Sciences for $1.1m
    - Sonde Health launched to develop voice-based tools for the remote assessment and tracking of patient health

Financial Highlights

- Cash and short term investments at 30 June 2015 of $291.1m
- Total assets increased by $232.5m
- Operating loss of $11.6m ($4.9m in HY2014)

Post-period Highlights

- Gelesis expanded its ongoing weight loss study into the U.S. to serve as a pivotal trial following a non-signficant risk designation from the U.S. Food and Drug Administration (FDA), accelerating timelines for FDA submission by approximately one year
- Karuna Pharmaceuticals received a Translation Fund Award from the Wellcome Trust of up to $3.84m
- The Sync Project named Marko Ahtisaari, former Chief of Design at Nokia and entrepreneur, as Chief Executive Officer

Commenting on the Company's half year results, Daphne Zohar, Chief Executive Officer of PureTech, said: "*The first half-year of 2015 was a transformational period: we raised approximately $250 million, made significant appointments to the Board of Directors and enhanced the position of our portfolio of operating companies. We are extremely excited about the future prospects for the Company.*"

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This half-yearly results release may contain forward-looking statements. These statements reflect the Board's current view, are subject to a number of material risks and uncertainties and could change in the future. Factors that could cause or contribute to such changes include, but are not limited to, the general economic climate and market conditions, as well as specific factors relating to the financial or commercial prospects or performance of individual operating companies within the Company's businesses. Throughout this half-yearly results release, the Company's ownership interests in operating companies are calculated on a diluted basis, including issued and outstanding shares, warrants and (and written commitments to issue options) options to purchase shares, but excluding unallocated shares authorised to be issued pursuant to equity incentive plans and any shares issuable upon conversion of outstanding convertible promissory notes.

Interim Management Report

Summary

PureTech is a science-driven healthcare company, seeking to solve some of today's toughest health challenges through disruptive approaches. Based in Boston, Massachusetts, PureTech has a pipeline of 12 operating companies, seven of which are "growth stage" with external validation including strategic partnerships, outside funding, clinical proof-of-concept and/or peer review in prestigious scientific journals. PureTech is problem-focused and solution-agnostic, looking beyond traditional disciplines and approaching healthcare problems from a new perspective. Focusing on areas of significant unmet medical need, PureTech evaluates more than 650 ideas per year, prioritizing, selecting and testing what it believes to be the most scientifically and commercially promising concepts to advance. PureTech's leading team and board, along with an advisory network of more than 50 experts across multiple disciplines, gives PureTech access to potentially groundbreaking science and technological innovations.

The global annual public and industry expenditure on the study of health and disease increased from $209 billion in 2004 to $265 billion in 2011. The U.S. National Institutes of Health alone invests nearly $30 billion annually on research within the U.S. The Directors believe that PureTech has assembled the infrastructure, knowledge, personnel and approach to commercialise promising technologies from this international pool of scientific research. The Directors also believe that PureTech's cross disciplinary approach is particularly suited to addressing a healthcare environment where convergence of previously unrelated disciplines is becoming especially prominent, as is demonstrated by technology and other traditionally non-healthcare companies (such as Apple, Google, Nestlé, Qualcomm and Samsung) having become participants in the healthcare market in recent years.

On 24 June 2015, PureTech Health plc was admitted to the premium listing segment of the Official List of the UK Listing Authority and began trading on the Main Market of the London Stock Exchange for listed securities under the ticker "PRTC". The Directors believe that the IPO will: increase PureTech's public profile and status with existing and potential partners; diversify sources of funding to support PureTech's long-term growth; assist in the incentivisation and retention of key management and employees; and provide investors with an opportunity to gain exposure to PureTech's innovative companies and pipeline programs.

During the first half of 2015, PureTech also expanded its Board of Directors by electing two new members to the Board: Chris Viehbacher, former CEO of Sanofi, and Marjorie Scardino, former CEO of Pearson. They join PureTech's existing non-executive Board members, Mr. Joi Ito, PureTech Chairman and Director of the MIT Media Lab and board member of Sony, the MacArthur Foundation, The New York Times, the Knight Foundation and Mozilla; Dr. Robert Langer, PureTech Co-founder and David H. Koch Institute Professor at MIT; Dr. Ben Shapiro, former Executive Vice President Merck Research Laboratories; Dr. John LaMattina, former President of R&D at Pfizer Global Research and Development; and Dr. Raju Kucherlapati, Paul C. Cabot Professor in the Harvard Medical School Department of Genetics, co-founder of Millennium Pharmaceuticals and Abgenix, and Member of President Obama's Commission for the Study of Bioethical Issues. The Company also added a Senior VP of Communications and Investor Relations and a VP of Talent Acquisition to the management team.

PureTech and its operating companies have been positively engaging with potential industrial and financial partners, and have received numerous expressions of interest in their products. This interest has translated into several new relationships for PureTech's companies. In January 2015, Vedanta Biosciences entered into a collaboration agreement with Janssen Biotech, a subsidiary of Johnson & Johnson, out-licensing one of Vedanta's product candidates VE202 in a licensing deal valued at up to $339 million. Vedanta Biosciences continues to receive industry interest in its other microbiome candidates and technologies. In the same month, Akili also entered into a collaboration with Autism Speaks, a leading patient advocacy group, to run a clinical study in autism. In March 2015, both Gelesis and Tal closed financing rounds of $22.3 million and $14.5 million, respectively, including the conversion of promissory notes. In August 2015, Karuna received the Translation Fund Award from the Wellcome Trust comprising an unsecured convertible loan to Karuna of up to $3.84 million. Existing collaborations, such as Akili's collaboration with Pfizer and Entrega, Inc.'s ("Entrega") collaboration with Google X, also continue to be on track.

PureTech's operating companies have also made strong progress in their research and development programs. Following receipt of non-significant risk designation from the FDA for its on-going weight loss study, Gelesis expanded the study into the U.S. to serve as a pivotal study in the U.S thereby accelerating timelines for FDA submission by approximately one year. Gelesis also completed its $1.1 million acquisition of Academica Life Sciences S.r.l. providing for the expansion of certain of its intellectual property rights. In

terms of near-term clinical milestones, Akili remains on track for the announcement of the results of its proof of concept ADHD study data later this year, and Tal remains on track for the read-out of its depression proof of concept data in the first half of 2016.

PureTech has also continued to develop its five project phase operating companies and 10 concept stage initiatives. For example, the Sync Project, Inc., a PureTech operating company that is building a platform to scientifically measure and harness music to improve health, announced a partnership with Berklee College of Music's Institute for Creative Entrepreneurship which will center on collaboration on original research. Berklee College of Music is one of the world's leading colleges of contemporary music. The Sync Project also hired Marko Ahtisaari, former top designer at Nokia and entrepreneur, as CEO. In addition, PureTech formed Sonde Health, Inc., an operating company that is developing voice-based tools for the remote assessment and tracking of patient health.

Also in the first half of 2015, PureTech, its management and its operating companies have been recognized in the industry through publications, awards, and media coverage. A few of these are highlighted below:

- PureTech and its operating companies have been featured in publications, including: The Wall Street Journal, The Financial Times, The Boston Globe, Reuters, National Public Radio, Fast Company, The Atlantic, The Economist, Scientific American, Nature Biotechnology, and Nature Medicine;
- PureTech's Entrega Bio was named a 2015 Global Game Changer by The Boston Globe; PureTech's Vedanta Biosciences and Tal Medical were recognized as potential "next biotech breakthroughs" by the Boston Globe;
- PureTech launched a recurring column in Nature Biotechnology. The first article, "Defining Digital Medicine," ranked first in online and mainstream media attention among articles of a similar age in the publication. Also published was an article "A regulatory framework emerges for digital medicine";
- PureTech Co-Founder and Non-Executive Director, Dr. Robert Langer was awarded the 2015 Queen Elizabeth Prize for Engineering and was awarded the Scheele Award for his extraordinary achievement in Pharmaceutical Sciences. Dr. Langer was also honoured with CEO Daphne Zohar and Independent Non-Executive Director Dr. Raju Kucherlapati among the top 100 biotech visionaries by Scientific American. PureTech Vice President Dr. Bernat Olle was honoured with the prestigious Princess of Girona Award from the King of Spain.

To access the latest news coverage, please visit the news page on PureTech's web site.

The Directors are pleased by these and other advancements across the Group, in particular, the continued positive engagement with potential strategic and financial partners to fund and/or co-develop existing or new technologies.

PureTech and Operating Company Review

Overview

During the first half of 2015, PureTech raised gross proceeds of approximately $250 million through its successful IPO (including the exercise in full of the over-allotment option post period end) and a prior round of private financing. PureTech deployed $9.2 million of capital into the Company's businesses, with the expectation to ramp up deployment in a milestone-driven manner in the second half of 2015 going into 2016.

PureTech currently has a 75 per cent average shareholding in its twelve operating companies on a diluted basis, and plans to continue to invest in and support its most promising companies. Additionally, PureTech has ten concept-phase initiatives which the Company is actively pursuing and has obtained options to a number of promising technologies. These concept-phase initiatives have the potential to develop into the Group's future operating companies. Below we provide an overview of existing operating companies, including key financings completed and other significant updates.

Operating Companies

Growth stage operating company	Ownership Interest as of 30 June 2015 (direct and indirect)	Overview
Vedanta Biosciences	86.9%	A preclinical stage company developing a microbiome immune system drug-discovery platform and drug candidates for the treatment of immune-mediated diseases, with a partnership with Janssen Biotech
Gelesis	22.6%	A clinical stage company developing products that seek to induce weight loss and improve glycaemic control through an orally administered capsule whose contents are released and expand in the GI tract as they absorb water
Akili	59.8%	A clinical stage company developing technology and products for the screening, diagnosis and treatment of neurological disorders such as ADHD, autism and depression through computer software, with a collaboration with Pfizer and an investment from Shire
Tal Medical	55.0%	A clinical stage medical device company developing an innovative, noninvasive neurostimulation treatment for psychiatric disorders including depression and bipolar disorder
Karuna	81.4%	A clinical stage company developing an innovative combination therapy for the treatment of schizophrenia with an investment from the Wellcome Trust
Entrega	68.6%	A preclinical stage company developing a drug delivery platform for the oral administration of proteins, peptides and other difficult-to-deliver payloads, including magnetic nanoparticles, with a collaboration with Google X
Follica Incorporated	59.3%	A clinical stage company developing products to generate new human hair follicles and hair

Project phase operating company	Ownership interest (direct and indirect)	Overview
The Sync Project	98.2%	Developing a platform and products that seek to explore and leverage the health potential of music by utilising a platform that takes in physiological data from sensors and correlates that data with musical data components (e.g. beat and rhythm)
Sonde Health	96.4%	Developing voice-based tools for the passive assessment and tracking of patient health
CommenSe, Inc.	100.0%	Developing commensal organism-based products for the improvement of human health in, for example, early childhood

Project phase operating company	Ownership interest (direct and indirect)	Overview
Knode, Inc.	82.0%	Developing a technology platform to identify experts in healthcare and other research-based disciplines based on the content they have produced
Appeering, Inc.	100.0%	Identifying healthcare expert networks and reviewing their conversations and content on social media

Operational Highlights

Vedanta Biosciences

Vedanta Biosciences is developing an innovative class of drugs based on research into the human microbiome (the population of micro-organisms that inhabit the human body). In January 2015, Vedanta Biosciences entered into a collaboration, license and option agreement with Janssen Biotech to develop and commercialise a microbiome product candidate VE202. The agreement included a non-refundable upfront payment and development and commercialisation milestone payments of up to $339 million plus tiered royalties from the high single digits to the low teens. The non-refundable upfront payment is being used to support further development of Vedanta Bioscience's platform and other product candidates.

Gelesis

Gelesis is a clinical stage biotechnology company focused on the development of innovative products to induce weight loss and potentially improve glycaemic control in overweight and obese patients, including those that are pre-diabetic and those that have type 2 diabetes. Its lead product candidate is Gelesis100, which is based on Gelesis' proprietary hydrogel technology that works mechanically (rather than chemically) and exclusively in the GI tract. Gelesis has completed a three month proof-of-concept study of Gelesis100 that demonstrated statistically significant weight loss in overweight and obese patients, including pre-diabetic patients. In March 2015, Gelesis closed a $22.3 million financing, including the conversion of promissory notes, with PureTech investing $3 million in the financing. The funding will help support further development of Gelesis' lead product, Gelesis100, as well as Gelesis200.

Tal

Tal is a clinical stage medical device company developing an innovative, noninvasive treatment for depression and other psychiatric disorders based on a proprietary low field magnetic stimulation (LFMS) technology, delivered through a small table-top device. LFMS utilises a rapidly-oscillating magnetic field, which the Directors believe has the ability to affect brain neurocircuitry that plays a role in depression. In two randomised controlled studies, a single 20-minute LFMS treatment has demonstrated rapid onset of action in depression patients, without any observed major side effects. In March 2015, Tal closed a financing round of $14.5 million, including the conversion of promissory notes, with PureTech investing $5 million in the financing. The funding will help support further research and development of Tal's LFMS technology in both depression and bipolar disorder.

Post-period Highlights

Gelesis

In July 2015, Gelesis received non-significant risk designation from the U.S. Food and Drug Administration (FDA) for its ongoing study, GLOW (Gelesis Loss of Weight). As a result of this designation, Gelesis can now recruit U.S. patients into the GLOW study. Gelesis anticipates recruiting at least an additional 168 patients from the U.S. and expanding the study to at least 336 patients. The expanded study can serve as the pivotal study for FDA approval, with the submission for FDA approval of Gelesis100 now scheduled for the first half of 2017, rather than the first half of 2018.

Karuna

Karuna is a clinical stage company developing an innovative therapy, KarXT, for the potential treatment of schizophrenia. KarXT targets the muscarinic system through a proprietary combination of xanomeline, an in-licensed small molecule drug, and a muscarinic antagonist (trospium chloride) that does not cross the blood-brain barrier. Xanomeline has already demonstrated human efficacy proof-of-concept. The Directors believe that combining xanomeline with trospium chloride may reduce the side effects typically seen with xanomeline. In August 2015, Karuna received a Translation Fund Award from the Wellcome Trust comprising an unsecured convertible loan of up to $3.84 million. The funding will help support Karuna's safety proof of concept study in 2016.

Summary and Outlook

PureTech has enjoyed a transformational period: the Company has raised gross proceeds of approximately $250 million, significantly expanded its Board of Directors and is driving its operating companies forward toward commercialization. This fundraising and the position of the operating companies set the stage for the next chapter in the development of the Company.

Operating Company Overview and Valuation

PureTech currently has a 75 per cent average shareholding in its operating companies on a diluted basis. PureTech's operating companies are fully consolidated in PureTech's consolidated financial statements prepared in accordance with IFRS. As a result, the consolidated statements of financial position incorporated within PureTech's consolidated financial statements do not include current valuations of the Group's operating companies. Because of this and given the Company's limited revenue thus far given that its products are still in clinical development, the Directors believe that the Group's consolidated financial statements do not currently provide a meaningful standalone basis for assessing the value or performance of PureTech.

As a result, at the close of each annual financial period, the Directors plan to estimate, and formally approve, the value of all growth stage operating companies in the Group, which is used to derive the Aggregate Value of Growth Stage Operating Company Holdings ("Aggregate Holdings"). The Aggregate Holdings was $222.4 million as of 31 December 2014 based on the PureTech's holdings in its seven growth stage companies. The Aggregate Holdings value does not include PureTech's five project phase companies, its 10 concept phase initiatives or the amount of cash and short term investments held at the parent company level. The Directors believe that the performance of the Group can be assessed by reference to the movement in the valuation of its growth stage operating companies over time. Further details about the Aggregate Holdings and the Group valuation methodology are disclosed in the consolidated financial information in the prospectus prepared in connection with the offer of ordinary shares of the Company on the Main Market of the London Stock Exchange (the "Prospectus").

FINANCIAL REVIEW

Condensed Consolidated Statement of Loss and Other Comprehensive Loss

For the six months ended:	30 June 2015 (unaudited)	30 June 2014 (unaudited)
	$'000	$'000
Revenue	10,989	1,140
Operating expenses(1):		
General and administrative expenses(2)	(15,890)	(4,123)
Research and development expenses	(6,705)	(1,935)
Operating loss	(11,606)	(4,918)
Net finance costs	(3,869)	(27,919)
Loss before taxes	(15,475)	(32,837)
Income taxes	(1,759)	-
Loss for the period	(17,234)	(32,837)

Other comprehensive income (loss), net of tax	(268)	(3)
Total comprehensive loss for the period	(17,502)	(32,840)
Comprehensive loss attributable to:		
Owners of the Company	(9,595)	(16,401)
Non-controlling interest	(7,907)	(16,439)
Total comprehensive income/ (loss) for the period	(17,502)	(32,840)

(1) Operating expenses include non-cash share-based compensation charges of $4.3 million in H12015 and $0.3 million in H12014.
(2) General and administrative expenses include $3.4 million of IPO related expenses in H12015.

Revenue increased by $9.8 million to $10.9 million during the first half of 2015 (HY14: $1.1 million). This increase is primarily attributable to a $10.0 million non-refundable payment Vedanta Biosciences received as part of its collaboration with Janssen Biotech to develop and commercialise VE202, a microbiome product candidate.

Operating expenses, comprised of general and administrative and research and development expenses, increased by $16.5 million to $22.6 million during the first half of 2015 (HY14: $6.1 million) reflecting the significant expansion of activities at Growth Stage Operating Companies, parent company IPO preparation costs and business development efforts to identify new technologies and start-up investments in operating companies. Non-cash share based compensation accounted for $4.0 million of the increase in operating expenses. The number of persons employed by the Group increased by 22 or 56% to 61 during the first half of 2015 (HY14: 39), with an 83% increase in the number of R&D personnel to 33 (HY14: 18) and a 33% increase in the number of G&A personnel to 28 (HY14: 21). The Directors expect the number of persons employed by the group to further increase in the second half of 2015. The drivers of the increase in general and administrative expenses and research and development expenses are highlighted below.

General and administrative expenses increased $11.8 million to $15.9 million during the first half of 2015 (HY14: $4.1 million). The increase is primarily attributable to:

$5.8 million related to personnel expenses, of which $4.1 million represents non-cash share based compensation and $1.2 million of incentive compensation, primarily related to the June 2015 PureTech Health plc IPO;

$3.4 million to professional services associated with the June 2015 PureTech Health plc IPO, which were not otherwise offset against the net proceeds of the offering and with the Gelesis' filing of a registration statement on Form S-1 with the SEC relating to a proposed initial public offering of its common stock on the NASDAQ Global Market. Gelesis will consider general market conditions at the time if the company decides to proceeds with the initial public offering; and

$2.6 million for all other G&A expenses supporting program expansion and advancement at the operating companies and PureTech Health plc's public company costs.

Research and development expenses increased $4.8 million to $6.7 million during the first half of 2015 (HY14: $1.9 million). The increase is mainly due to:

$1.4 million related to Gelesis clinical studies and support costs;

$1.2 million related to personnel expenses at operating companies supporting advancement in research and development programs;

$1.2 million of non-personnel expenses invested in Akili, Tal, Entrega and The Sync Project programs; and

$1.0 million sublicense fee to the University of Tokyo in relation to the $10.0 million payment received by Vedanta Biosciences from Janssen Biotech

Operating loss increased by $6.7 million to $11.6 million during the first half of 2015 (HY14: $4.9 million) reflecting the factors above and the overall growth of the Group and its accelerating research and development activities across its Growth Stage Operating Companies.

The Group's net finance costs decreased by $24 million to $3.9 million during the first half of 2015 (HY14: $27.9 million). This decrease results from a $23.4 million decline in finance costs to $4.5 million and a $0.6 million increase in finance income. The decline in finance costs is primarily due to lower IAS 39 fair value non-cash accounting charges in 2015 related to the fair value of subsidiary preferred stock, warrant and convertible note derivatives.

The Group incurred a loss before taxes of $15.5 million during the first half of 2015 (HY14: $32.8 million). The $17.3 million decrease in the first half of 2015 results from a $6.7 million increase in operating loss offset by a decline of $24 million in net finance costs. The loss before income taxes pre IAS 39 fair value accounting adjustments was $13.8 million during the first half of 2015 (HY14: $5.3 million).

The Group recorded a provision for income taxes of $1.8 million during the first half of 2015 (FY14: nil). The provision for income taxes primarily relates to U.S. federal and state income taxes on the $10.0 million of revenue recognised by Vedanta Biosciences, net of available net operating losses.

Other comprehensive loss results from foreign currency translation differences in an Italian subsidiary of Gelesis, whose functional currency is the Euro. The Group incurred other comprehensive loss of $0.3 million during the first half of 2015 (FY14: de minimis).

As a result of the factors discussed above, total comprehensive loss for the first half of 2015 decreased by $15.3 million to $17.5 million (HY14: $32.8 million).

Loss and other comprehensive loss for the half year are attributable to the Company and to the non-controlling interest shareholders according to their proportionate share of interest in the Group's operating companies. Changes in the non-controlling interest reflect the allocation of the company loss for the period to non-controlling interest shareholders, as well as adjustments for changes in ownership during the respective period. Loss and other comprehensive loss for the first half of 2015 attributable to the Company were $9.6 million (HY14: $16.4 million) and $7.9 million (HY14: $16.4 million) to non-controlling interest shareholders.

Condensed Consolidated Statements of Financial Position

Total assets increased significantly by $232.5 million during the first half of 2015 to $303.5 million (FY14: $71.0 million) primarily as a result of PureTech's June 2015 IPO which resulted in net proceeds of $159.0 million, a pre-IPO private equity financing resulting in net proceeds of $52.2 million and $24.5 million of subsidiary equity financings. As a result of these financings, cash, cash equivalents and short term investments increased by $228.5 million during the first half of 2015.

Non-current assets increased by $3.0 million during the first half of 2015, primarily as a result of $1.9 million of manufacturing equipment purchased by Gelesis and leasehold improvements related to PureTech Health plc's new offices located in Boston, Massachusetts, and the $1.1 million acquisition of intellectual property from Academica Life Science S.r.l.

Current liabilities increased by $25.1 million during the first half of 2015 to $118.8 million (FY14: $93.7 million) resulting primarily from a $19.5 million net increase in subsidiary securities and related derivative liabilities. This increase results mainly from equity financings offset by conversions of convertible notes into equity of Tal and Gelesis during the first half of 2015 and IAS 39 fair value accounting adjustments.

Cash, cash equivalents and short term investments

Mainly as a result of PureTech Health plc and subsidiary equity offerings totalling net proceeds of $235.8 million (comprising PureTech's $211.5 million equity financings during the 2015 half year and $24.3 million of subsidiary equity financings), cash, cash equivalents and short-term investments increased to $291.1 million at 30 June 2015 compared to $62.6 million at 31 December 2014. Subsequent to 30 June 2015, the Group received additional IPO proceeds of $24.1 million upon the exercise in full of the IPO underwriter's over-allotment option.

The other principal constituents of the movements in cash during the half year periods presented are as follows:

	30 June	
	2015	2014
	$'000	$'000
Net cash outflow from operating activities	(2,054)	(3,325)
Net cash (outflow)/ inflow from investing activities	(73,044)	50
Net cash inflow from financing activities	234,387	6,226
Effect of exchange rates on cash and cash equivalents	54	(8)
Movement during the half year	159,343	2,943

The Group's net cash used in operating activities was $2.1 million for first half of 2015 (HY14: $3.3 million). This net outflow was due to net operating losses of $17.2 million during the first half of 2015 (HY14: $32.8 million) offset from the movements in non-cash items of $8.2 million and changes in operating assets and liabilities of $6.9 million.

The Group had a net cash outflow from investing activities of $73.0 million during the first half of 2015 (HY14: $0.05 million net inflow) resulting from $69.6 million of net purchases of short term investments and $3.4 million for leasehold improvements, purchases of equipment and intangible assets during the first half of 2015.

The net cash inflow from financing activities during the first half of 2015 was $235.8 million from equity financings discussed above offset by $1.4 million of deferred subsidiary IPO costs, net subsidiary debt repayments and subsidiary dividends.

As a result of the movements above, cash and cash equivalents at 30 June 2015 increased by $159.3 million (HY14: $2.9 million) to $221.3 million (HY14: $10.1 million). In addition, at 30 June 2015, short term investments amounted to $69.8 million (HY14: $0.7 million), which are invested in U.S. Treasury instruments.

Principal Risks and Uncertainties

The principal risks and uncertainties surrounding the Group's business are set out in detail in Part II - Risk Factors of the Prospectus.

Those risks can be summarised as follows:

- *Clinical Trials Risk:* Clinical studies are typically expensive, complex and time consuming and generally have a high rate of failure. All of the growth stage operating companies are subject to such clinical trial risks, including those with near term clinical trial data read outs (e.g. Akili and Tal) from trials designed to validate their product candidates' safety and efficacy.

- *Growth Risk:* The Group currently has 12 operating companies and constantly seeks new opportunities to identify and develop promising technologies. There is no guarantee that the Group can maintain its historical operating company growth rate, select promising technologies for its themed initiatives which are capable of achieving accelerated development, or continue to manage future growth through new themes.

- *Key Personnel:* The industries in which the Group operates are specialised and the Group therefore requires highly qualified management, clinical and scientific personnel. The Group currently has a highly qualified and experienced team, and may not be successful if it cannot retain its current personnel and attract new qualified and experienced personnel.

- *Competition:* The Group has competitors in the UK, the U.S. and internationally, both in relation to identifying and developing early stage technologies as well as in the discovery and development of product candidates. The Company's competitors include universities and other research institutions as well as established pharmaceutical companies and biotechnology companies. The degree of competition in the market sectors where the Group is seeking to develop its products could materially adversely affect the Group's operating companies, prospects, financial condition and results of operations.

- *Concentration of Value:* A large proportion of the overall value of the Group may at any time reside in a small proportion of the Group's various businesses. Accordingly, there is a risk that if one or more of the clinical trials or intellectual property rights relevant to a valuable business were impaired this would have a material adverse impact on the overall value of the Group.

- *Intellectual Property:* The Group's operating companies are highly dependent upon intellectual property. The failure of any of Group' operating companies to obtain patent protection for its intellectual property would have a material adverse impact on the value of such operating company.

- *Product Liability:* If serious adverse side effects are identified for any of the Group's operating companies' product candidates, the Group may need to abandon or limit its development of that product candidate, which may delay or prevent marketing approval, or, if approval is already received for the product candidate, require them to be taken off the market, require them to include safety warnings or otherwise limit or prevent their sales.

- *Regulation:* The Group cannot commercialise a product candidate whose sale requires regulatory approval until the appropriate regulatory authorities have reviewed and approved it and its marketing. Even if the product candidate meets endpoints in the clinical studies by, inter alia, demonstrating safety and efficacy, such regulatory agencies may not complete their review processes in a timely manner, or the Group may not be able to obtain regulatory approval.

- *Sector Exposure:* Intellectual property commercialisation is a relatively new business sector and consequently there is a relatively small number of companies with comparable business models, and even fewer that are specialised in healthcare. Accordingly, any event which detrimentally affects the companies in this comparator group may adversely affect the value of the Group and the value of the Ordinary Shares.

- *Lock-up Expiration:* A substantial number of the Ordinary Shares remain subject to lock-up restrictions prohibiting their sale. However, sales of substantial numbers of Ordinary Shares following any relaxation of the lock-up restrictions or time expiration of the lock-up periods or sales by shareholders could adversely affect the prevailing market price of the Ordinary Shares.

A copy of the Prospectus is available, subject to certain restrictions, on the Company's website at www.puretechhealth.com under "Investors-IPO Documents".

Independent review report to PureTech Health plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 which comprises the condensed consolidated statement of loss and other comprehensive loss, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, condensed consolidated statements of cash flows (together, the "consolidated interim financial statements") and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The company has not previously produced a half-yearly report containing a condensed set of consolidated interim financial statements. As a consequence, the review procedures set out above have not been performed in respect of the comparative period for the six months ended 30 June 2014.

The company has not previously produced an annual report containing a set of consolidated financial statements. As such, the information presented as at 31 December 2014 has not been extracted from a set of financial statements that have previously been subject to an audit by an independent auditor.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 are not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Charles le Strange Meakin
for and on behalf of KPMG LLP

Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

21 August 2015

Condensed Consolidated Statement of Loss and Other Comprehensive Loss

For the six months ended:	Note	30 June 2015 (unaudited) $'000	30 June 2014 (unaudited) $'000
Revenue		10,989	1,140
Operating expenses:			
General and administrative expenses		(15,890)	(4,123)
Research and development expenses		(6,705)	(1,935)
Operating loss		(11,606)	(4,918)
Finance income		609	25
Finance costs - contractual		(2,802)	(372)
Finance costs - IAS 39 fair value accounting		(1,676)	(27,572)
Net finance costs	5	(3,869)	(27,919)
Loss before taxes pre IAS 39 fair value accounting		(13,799)	(5,265)
Finance costs - IAS 39 fair value accounting		(1,676)	(27,572)
Loss before taxes		(15,475)	(32,837)
Income taxes	6	(1,759)	-
Loss for the period		(17,234)	(32,837)
Other comprehensive loss:			
Items that are or may be re-classified as profit or loss			
Foreign currency translation differences		(268)	(3)
Total other comprehensive loss		(268)	(3)
Taxes		-	-
Other comprehensive loss, net of tax		(268)	(3)
Total comprehensive loss for the period		(17,502)	(32,840)
Loss attributable to:			
Owners of the Company		(9,327)	(16,398)
Non-controlling interests	12	(7,907)	(16,439)
		(17,234)	(32,837)
Comprehensive loss attributable to:			
Owners of the Company		(9,595)	(16,401)
Non-controlling interest	12	(7,907)	(16,439)
		(17,502)	(32,840)
Loss per share			
Basic loss per share	3	(0.06)	(0.26)
Diluted loss per share	3	(0.06)	(0.26)

Condensed Consolidated Statement of Financial Position

As of the period ended:	Note	30 June 2015 (unaudited)	31 December 2014 (unaudited)
		$'000	$'000
Assets			
Non-current assets			
Property and equipment, net	8	3,163	1,227
Available for sale investments		77	78
Intangible assets, net	7	4,016	2,999
Other non-current assets		14	5
Total non-current assets		7,270	4,309
Current assets			
Trade and other receivables		1,147	1,750
Prepaid expenses and other current assets		3,464	1,836
Other financial assets		472	472
Short-term investments		69,836	701
Cash and cash equivalents		221,303	61,960
Total current assets		296,222	66,719
Total assets		**303,492**	**71,028**
Equity and liabilities			
Equity			
Share capital		4,219	2,362
Merger reserve		138,506	86,755
Share premium		157,893	-
Translation reserve		(99)	169
Other reserve		7,475	3,139
Accumulated deficit		(80,591)	(70,421)
Equity attributable to owners of the Company	9	227,403	22,004
Non-controlling interests	12	(43,674)	(45,317)
Total equity		**183,729**	**(23,313)**
Non-current liabilities			
Deferred revenue		373	561
Other long-term liabilities		571	107
Total non-current liabilities		944	668
Current liabilities			
Deferred revenue		2,797	3,293
Trade and other payables		10,834	4,731
Other current liabilities		377	288
Subsidiary:			
Notes payable	10	3,329	6,948
Derivative liability	13	53,881	52,794
Warrant liability	13	14,538	14,125
Preferred shares	11	33,063	11,494
Total current liabilities		118,819	93,673
Total liabilities		**119,763**	**94,341**
Total equity and liabilities		**303,492**	**71,028**

See accompanying notes to the condensed consolidated interim financial statements.

Condensed Consolidated Statement of Changes in Equity

	Share Capital									
	Shares	Amount	Share Premium	Merger reserve	Translation reserve	Other reserve	Accumulated deficit	Total Parent equity	Non-controlling interests (see Note 11)	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2014	**63,658,930**	**1,273**	-	**31,238**	**111**	**1,558**	**(35,064)**	**(884)**	**(7,143)**	**(8,027)**
Net loss	-	-	-	-	-	-	(16,398)	(16,398)	(16,439)	(32,837)
Foreign currency exchange	-	-	-	-	(3)	-	-	(3)	-	(3)
Total comprehensive loss for the six months ended 30 June 2014	-	-	-	-	(3)	-	(16,398)	(16,401)	(16,439)	(32,840)
Conversion of convertible notes	-	-	-	-	-	-	320	320	-	320
New funds into non-controlling interests		-	-	-	-	-	-	-	889	889
Gain arising from change in NCI	-	-	-	-	-	-	1,194	1,194	(1,194)	-
Amount re-classified to realised gain included in earnings	-	-	-	-	-	(143)	-	(143)	-	(143)
Dividends	-	-	-	-	-	-	(96)	(96)	-	(96)
Equity-settled share-based payments	-	-	-	-	-	315	-	315	-	315
Balance at 30 June 2014	**63,658,930**	**1,273**	-	**31,238**	**108**	**1,730**	**(50,044)**	**(15,695)**	**(23,887)**	**(39,582)**
Balance at 1 January 2014	**63,658,930**	**1,273**	-	**31,238**	**111**	**1,558**	**(35,064)**	**(884)**	**(7,143)**	**(8,027)**
Net loss	-	-	-	-	-	-	(41,643)	(41,643)	(34,300)	(75,943)
Foreign currency exchange	-	-	-	-	58	-	-	58	-	58
Total comprehensive loss for the period	-	-	-	-	58	-	(41,643)	(41,585)	(34,300)	(75,885)
Issuance of shares (net of issuance costs of $414,000)	37,402,400	748	-	55,093	-	-	-	55,841	-	55,841
Conversion of convertible notes	331,560	7	-	493	-	-	390	890	-	890
Issuance of shares for services	175,730	4	-	261	-	-	-	265	-	265
Conversion of partnership and profits interests	16,065,690	321	-	(321)	-	-	-	-	-	-
Issuance of shares as equity incentives	464,657	9	-	(9)	-	-	-	-	-	-
New funds into non-controlling interests	-	-	-	-	-	-	-	-	1,031	1,031
Gain arising from change in NCI	-	-	-	-	-	-	5,992	5,992	(5,992)	-
Amount re-classified to realised gain included in earnings	-	-	-	-	-	(143)	-	(143)	-	(143)
Dividends	-	-	-	-	-	-	(96)	(96)	-	(96)
Equity-settled share-based payments	-	-	-	-	-	1,724	-	1,724	1,087	2,811
Balance at 31 December 2014	**118,098,967**	**2,362**	-	**86,755**	**169**	**3,139**	**(70,421)**	**22,004**	**(45,317)**	**(23,313)**
Net loss	-	-	-	-	-	-	(9,327)	(9,327)	(7,907)	(17,234)
Foreign currency exchange	-	-	-	-	(268)	-	-	(268)	-	(268)
Total comprehensive loss for the period	-	-	-	-	(268)	-	(9,327)	(9,595)	(7,907)	(17,502)
Issuance of shares	24,006,500	480	-	51,751	-	-	-	52,231	-	52,231
Issuance of IPO Shares (net of issuance costs of $11.8M)	67,599,621	1,352	157,918	-	-	-	-	159,270	-	159,270

	Share Capital									
	Shares	Amount	Share Premium	Merger reserve	Translation reserve	Other reserve	Accumulated deficit	Total Parent equity	Non-controlling interests (see Note 11)	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
New funds into non-controlling interests	-	-	-	-	-	-	-	-	8,661	8,661
Loss arising from change in NCI	-	-	-	-	-	-	(889)	(889)	889	-
Issuance of shares as equity incentives	1,248,017	25	(25)	-	-	-	-	-	-	-
Conversion of convertible notes	-	-	-	-	-	-	88	88	-	88
Dividends	-	-	-	-	-	-	(42)	(42)	-	(42)
Equity-settled share-based payments	-	-	-	-	-	4,336	-	4,336	-	4,336
Balance at 30 June 2015	**210,953,105**	**4,219**	**157,893**	**138,506**	**(99)**	**7,475**	**(80,591)**	**227,403**	**(43,674)**	**183,729**

See accompanying notes to the condensed consolidated interim financial statements.

Condensed Consolidated Statements of Cash Flows

For the six months ended:	Note	30 June 2015 (unaudited) $'000	30 June 2014 (unaudited) $'000
Cash flows from operating activities:			
Net operating loss		(17,234)	(32,837)
Adjustments to reconcile net operating loss to net cash used in operating activities:			
Non-cash items:			
Depreciation and amortisation		283	222
Equity-settled share-based payment expense	4	4,336	315
(Gain)/loss on foreign currency transactions		(291)	15
Finance costs	5	3,869	27,919
Changes in operating assets and liabilities:			
Accounts receivable, net		570	792
Other financial assets		(9)	(4)
Prepaid expenses and other current assets		(155)	(232)
Deferred revenues		(639)	283
Other long-term liabilities		464	1
Accounts payable and accrued expenses		6,752	201
Net cash used in operating activities		**(2,054)**	**(3,325)**
Cash flows from investing activities:			
Purchase of property and equipment		(2,247)	(67)
Purchases of intangible assets	7	(1,155)	-
Proceeds from sale of available-for-sale investments		-	185
Purchase of short-term investments		(100,895)	(1,768)
Proceeds from maturity of short-term investments		31,253	1,700
Net cash provided (used in)/by investing activities		**(73,044)**	**50**
Cash flows from financing activities:			
Proceeds from issuance of subsidiary convertible notes		200	5,994
Repayments of long-term debt		(307)	(10)
Proceeds from the issuance of shares, net of issuance costs	9	211,501	-
Proceeds from issuance of share capital and warrants in subsidiaries	12,11	24,271	338
Subsidiary deferred initial public offering costs		(1,236)	-
Dividends paid		(42)	(96)
Net cash provided by financing activities		**234,387**	**6,226**
Effect of exchange rates on cash and cash equivalents		54	(8)
Net increase in cash and cash equivalents		159,343	2,943
Cash and cash equivalents at beginning of period		61,960	7,171
Cash and cash equivalents at end of period		221,303	10,114

See accompanying notes to the condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1. General information

a.) Reporting entity

PureTech is comprised of PureTech Health plc and its subsidiaries (together, "the Group" or the "Company"). The Company is publicly listed on the Main Market of the London Stock Exchange. PureTech Health plc is a scientifically driven research and development company that conceptualises, sources, validates and commercialises unexpected and potentially disruptive approaches to advance the needs of human health. The Company has a theme-driven approach to creating and developing its initiatives, proposing innovative solutions rooted in academic research and developing them together with a creative group of cross disciplinary experts. The Company structures its themed initiatives as independent operating companies, to enable those initiatives to reach their full potential and attract and incentivise skilled personnel, investors and partners. The Group provides a combination of experienced management and administrative support to its operating companies in which it typically holds a significant ownership interest. Cash contributed by PureTech Health plc to its subsidiaries is used to fund research and to create a management structure and operations.

The Group seeks third party validation of its operating companies and concept-phase initiatives through strategic collaboration, industry partnerships and grants. Use of partnerships, grants and external debt and equity investments in its operating companies enables the Group to distribute development and financial risk, while preserving its significant equity ownership and control of operating companies.

The Company was formed on 8 May 2015. On 18 June 2015, PureTech Health plc completed a reorganisation of the corporate structure of the group of companies controlled by its predecessor PureTech Health, LLC ("PureTech LLC") pursuant to which PureTech Health plc became the holding company of the Group. Preceding this reorganisation, on 18 June 2015 each outstanding PureTech LLC preferred share was converted into one Series 1 Common Share of PureTech LLC. Thereafter, pursuant to an agreement entered into between the Company, PureTech LLC and each of the members of PureTech LLC who had signed a joint signature page, issued and outstanding PureTech LLC Common Shares were exchanged as follows: (i) each Series 1 Common Share was exchanged for ten Ordinary Shares; (ii) each Series 2 Common Share was exchanged for Ordinary Shares in the Company on the basis of an exchange ratio calculated by reference to ten Ordinary Shares for each Series 2 Common Share, adjusted for the currency exchange rate of £1:$1.5648 and to take account of the Series 2 Common Share floor price of $4.31 per share associated with each Series 2 Common Share so exchanged, with each such number of Ordinary Shares to be issued by the Company being rounded down to the nearest whole number; and (iii) each Series 3 Common Share was exchanged for Ordinary Shares in the Company on the basis of an exchange ratio calculated by reference to ten Ordinary Shares for each Series 3 Common Share, adjusted for the currency exchange rate of £1:$1.5648 and to take account of the Series 3 Common Share floor price of $11.45 per share associated with each Series 3 Common Share so exchanged, with each such number of Ordinary Shares to be issued by the Company being rounded down to the nearest whole number.

On 24 June 2015 the Company's entire issued ordinary share capital of 227,248,008 ordinary shares of one pence each was admitted to the premium listing segment of the Official List of the UK Listing Authority and to trading on the Main Market of the London Stock Exchange for listed securities.

b.) Basis of preparation

These interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial information included in the Prospectus as at and for the year ended 31 December 2014.

The merger of PureTech Health plc and PureTech LLC was performed so that existing shareholders of PureTech LLC obtained ownership in PureTech Health plc in order to facilitate listing on the premium listing segment of the Official List of the UK Listing Authority and admission to the main market of the London Stock Exchange. Ownership before and after the merger remained the same. As a result, this has been accounted for under the principles of reverse acquisition accounting. Share capital movements

are shown as occurred prior to the merger but in denominations consistent with post-merger share capital. In addition the merger reserve records amounts previously recorded as share premium net of differences arising between share capital on the restructured basis and the former basis.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date when such control ceases. The financial information of the subsidiaries is prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests (''NCI'') are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. If there is an obligation to deliver cash or other assets, the investment is classified as subsidiary preferred stock. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

This financial information presented in these half-yearly results has been prepared under the historical cost convention. The reporting currency adopted by the Company is U.S. dollar ('$') as this is the functional currency of the majority of the entities in the group. In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The Company has prepared trading and cash flow forecasts for the Group covering the period to 31 December 2016. After making enquiries and considering the impact of risks and opportunities on expected cash flows, the Directors have a reasonable expectation that the Group has adequate cash to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the half-yearly results.

The financial information contained in this half-yearly report does not constitute full statutory accounts as defined in section 434 of the Companies Act 2006. The condensed consolidated financial statements are not audited and the results for the six months ended 30 June 2015 are not necessarily indicative of results for future operating periods.

Although PureTech Health plc has not yet had to prepare statutory accounts (its first accounting reference date will be 31 December 2015), it has prepared consolidated financial information for the year ended 31 December 2014 for the purposes of preparing its Prospectus. This information has been extracted and included for comparative purposes in this Half-Yearly report.

These interim financial statements are unaudited and were approved by the Board of Directors and authorised for issue on 21 August 2015.

c.) Use of judgments and estimates

In preparing this consolidated financial information, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

Significant estimates are made by the Group when determining the appropriate methodology for valuing the subsidiary businesses for disclosure purposes and then in deriving the estimated fair value including making certain estimates of the future earnings potential of the businesses and determining the appropriate discount rate. Significant judgment is applied in determining the valuation of share-based payments, derivative instruments and warrants and in determining the value and point of capitalisation of intangible assets. Significant judgment is also applied in determining where control over subsidiaries exists. Information about these critical judgments and estimates is included in the following notes.

d.) Accounting policies

The accounting policies applied by the Group in these half-yearly results are the same as those applied by the Group in its consolidated financial information for the year ended 31 December 2014 included in

the Prospectus and which will form the basis of the 2015 Annual Report and Accounts. No new standards that have become effective in the period have had a material effect on the Group's financial statements.

2. Segment information

2.1 Basis for segmentation

The Directors are the Group's strategic decision-makers. The Group's operating segments are reported based on the financial information provided to the Directors at least quarterly for the purposes of allocating resources and assessing performance. The Directors monitor the results of two operating segments. Each operating segment is considered a distinct unit by the Directors. The Group's operating segments, which are also reportable segments, are outlined below. Substantially all of the revenue and profit generating activities of the Group are generated within the U.S. and accordingly, no geographical disclosures are provided.

2.1.1 **Growth stage operating companies** - subsidiaries in this segment are those whose activities focus on actively developing products to solve major healthcare problems in varied markets.

2.1.2 **Project phase and sourcing companies** – subsidiaries in this segment are those whose activities are focused on financing, sourcing and creating new operating companies and newly created operating companies whose technologies are in the process of validation.

2.2 Information about reportable segments

	30 June 2015 (unaudited)			
	Growth stage operating companies	Project phase & sourcing companies	Parent company & other	Consolidated
	$'000	$'000	$'000	$'000
Consolidated Statement of Loss and Other Comprehensive Loss				
Revenue	10,082	907	-	10,989
Loss from continuing operations, before taxes	(6,605)	(218)	(8,652)	(15,475)
Consolidated Statement of Financial Position				
Total assets	47,936	5,546	250,010	303,492
Total liabilities	(118,088)	(6,448)	4,773	(119,763)
Net (liabilities)/assets	(70,152)	(902)	254,783	183,729

	31 December 2014 (unaudited)			
	Growth stage operating companies	Project phase & sourcing companies	Parent company & other	Consolidated
	$'000	$'000	$'000	$'000
Consolidated Statement of Financial Position				
Total assets	15,710	1,421	53,897	71,028
Total liabilities	(95,749)	(2,067)	3,475	(94,341)
Net (liabilities)/assets	(80,039)	(646)	57,372	(23,313)

	30 June 2014 (unaudited)			
	Growth stage operating companies	Project phase & sourcing companies	Parent company & other	Consolidated
	$'000	$'000	$'000	$'000
Consolidated Statement of Loss and Other Comprehensive Loss				
Revenue	120	1,020	-	1,140
Loss from continuing operations, before taxes	(32,138)	(223)	(476)	(32,837)

The activity between the parent company and the reporting segments has been eliminated in consolidation. These elimination amounts are included in the parent company and other amounts shown above.

2.3 Growth stage operating company valuation

At the close of each annual financial period, the Directors estimate, and formally approve, the value of all growth stage operating companies in the Group, which is used to derive the Aggregate Value of Growth Stage Operating Company Holdings ("Aggregate Holdings"). The Aggregate Holdings is a sum-of-the-parts valuation of all the growth stage companies in the Group.

The Aggregate Holdings was $222.4 million as at 31 December 2014 and takes into account the value implied by the following: (i) the closing by Vedanta Biosciences of a licensing agreement with Janssen Biotech for a non-refundable upfront payment and milestone payments of up to $339 million plus tiered royalties to develop and commercialise its microbiome product candidate VE202 in early January 2015, (ii) the closing of a $14.5 million financing of which PureTech invested $5 million, by

Tal Medical in March 2015 and (iii) the closing of a $22.3 million financing, of which PureTech invested $3 million, by Gelesis in March 2015. The Directors believe there has been no significant change in the Aggregate Holdings value since 31 December 2014 through 30 June 2015 outside of those items described in the immediately preceding sentence. Further details about the Aggregate Holdings and the Group valuation methodology are disclosed in the consolidated financial information included in the Prospectus.

Notwithstanding the fact that the valuation methodologies applied are based on the AICPA Guidelines and while the Board considers the methodologies and assumptions adopted in each valuation are supportable, reasonable and robust, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investment existed and the differences could be significant. The AICPA Guidelines do not represent, but are consistent with, valuation principles adopted under, IFRS. The operating company valuations are not presented as alternative measures to, and should be read in conjunction with, the Group's consolidated financial information.

In addition to the Aggregate Holdings Value, the Directors believe that PureTech's established partner network and significant pipeline of future opportunities to form and develop new subsidiary companies will enable it to create and realise further value for shareholders. The Directors believe that PureTech has created significant brand value and name recognition providing access to new deal opportunities and potential partners for its subsidiaries, together with a suite of operational standards, processes and know how that enable the Group to apply its business model and create shareholder value in a capital efficient manner.

3. Earnings per share

The calculation of basic and diluted earnings per share has been calculated by dividing the loss for the period attributable to ordinary shareholders of $9.3 million (HY14: $16.4m), by the weighted average number of ordinary shares outstanding of 146,105,740 (HY14: 63,658,930) during the six-month period ended 30 June 2015:

Loss attributable to ordinary shareholders:

For the six months ended:	30 June 2015 (unaudited)		30 June 2014 (unaudited)	
	Basic $'000	Diluted $'000	Basic $'000	Diluted $'000
Loss for the period, attributable to the owners of the Company	(9,327)	(9,327)	(16,398)	(16,398)
Loss attributable to ordinary shareholders	(9,327)	(9,327)	(16,398)	(16,398)

Weighted average number of ordinary shares:

For the six months ended:	30 June 2015 (unaudited)		30 June 2014 (unaudited)	
	Basic $'000	Diluted $'000	Basic $'000	Diluted $'000
Issued ordinary shares on 1 January	118,098,967	118,098,967	63,658,930	63,658,930
Effect of shares issued	28,006,773	28,006,773	-	-
Weighted average ordinary shares	146,105,740	146,105,740	63,658,930	63,658,930

The following potentially dilutive securities (which are ordinary shares issued pursuant to the PureTech LLC Incentive Compensation arrangements detailed in note 4) have been excluded (on a weighted average basis for the period) from the computation of diluted weighted-average shares outstanding as they are subject to vesting conditions:

	30 June 2015	30 June 2014
Weighted average unvested equity incentive shares	13,316,511	-

Loss per share:

For the six months ended:	30 June 2015 (unaudited)		30 June 2014 (unaudited)	
	Basic $'000	Diluted $'000	Basic $'000	Diluted $'000
Loss per share	(0.06)	(0.06)	(0.26)	(0.26)

4. Share-based payments

The share-based payments expense for the period was $4.3 million (HY14: $315,000) comprising charges related to the PureTech Health plc incentive stock issuances and subsidiary plans, as disclosed in the Prospectus.

The Performance Share Plan ("PSP")

In June 2015, the Company adopted the PSP. Under the PSP, awards over Ordinary Shares may be made to the Directors, senior managers and employees of, and other individuals providing services to the Company and its operating companies up to a maximum authorised amount of 22,724,800 ordinary shares. As of the six months ended 30 June 2015, no awards have been granted under this plan. Refer to complete details of the plan within the Prospectus.

PureTech LLC Incentive Compensation

In May 2015 and August 2014, PureTech LLC's Directors approved the issuance of shares to management, the directors and advisors of PureTech LLC, subject to vesting restrictions. For the six months ended 30 June 2015 and 30 June 2014, there were 18,007,537 shares and nil shares granted respectively, of which 16,294,863 shares remain unvested as at 30 June 2015. The fair value of the shares awarded was estimated as of the date of grant. The Company recorded an expense of $2.7 million and nil for the six months ended 30 June 2015 and 30 June 2014.

Subsidiaries plans

Certain subsidiaries of the Group have adopted stock option plans. A summary of unaudited stock option activity in these subsidiaries for the six months ended 30 June 2015 and 2014, respectively, is presented in the following table:

	Gelesis	Akili	Karuna	Tal	Vedanta Biosciences	Knode	Entrega	Total
Outstanding as of 1 January 2014	1,114,049	643,000	541,927	290,000	-	-	687,500	3,276,476
Granted during the year	489,131	-	-	1,203,397	550,000	194,063	-	2,436,591
Exercised during the year	-	(5,000)	-	-	-	-	-	(5,000)
Forfeited during the year	-	-	-	(263,597)	-	-	(25,000)	(288,597)
Outstanding as of 31 December 2014	1,603,180	638,000	541,927	1,229,800	550,000	194,063	662,500	5,419,470
Granted during the period	97,700	-	-	232,500	-	-	-	330,200
Exercised during the year	-	-	-	-	-	-	-	-
Forfeited during the year	-	-	(45,000)	-	-	-	-	(45,000)
Outstanding as of 30 June 2015	1,700,880	638,000	496,927	1,462,300	550,000	194,063	662,500	5,704,670

	Gelesis	Akili	Karuna	Tal	Vedanta Biosciences	Knode	Entrega	Total
Outstanding as of 1 January 2014	1,114,049	643,000	541,927	290,000	-	-	687,500	3,276,476
Granted during the year	-	-	-	-	550,000	194,063	-	744,063
Exercised during the year	-	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-	-
Outstanding as of 30 June 2014	1,114,049	643,000	541,927	290,000	550,000	194,063	687,500	4,020,539

Gelesis fair value measurements

The fair value of the stock options awarded under the Gelesis 2006 Stock Incentive Plan (the "Gelesis Plan") was estimated at the grant date using the Black-Scholes option valuation model, taking into account the terms and conditions upon which options are granted, with the following weighted-average assumptions:

For the six months ended:	**30 June 2015 (unaudited)**	**30 June 2014 (unaudited)** [(1)]
Expected volatility	72.4%	n/a
Expected term (in years)	8.3	n/a
Risk-free interest rate	2.2%	n/a
Expected dividend yield	0%	n/a
Weighted average share price at grant date	$9.76	n/a
Weighted average exercise price	$7.13	n/a

No stock options were granted during the six months ended 30 June 2014.

Gelesis used an average historical share price volatility based on an analysis of reported data for a peer group of comparable companies which were selected based upon industry similarities. As there is not sufficient historical share exercise data to calculate the expected term of the options, Gelesis elected to use the "simplified" method for all options granted at the money-to-value share option grants. Under this approach, the weighted average expected life is presumed to be the average of the vesting term and the contractual term of the option.

The Company recorded stock compensation expense related to the Gelesis Plan of $1.6 million and $0.3 million for the six months ended 30 June 2015 and 30 June 2014.

Share-based payment expense

The following table provides the classification of the Group's consolidated share-based payment expense as reflected in the condensed consolidated statement of loss and other comprehensive loss (in thousands):

	Six months ended 30 June 2015 (unaudited) $'000	Six months ended 30 June 2014 (unaudited) $'000
General and administrative	4,044	15
Research and development	292	300
Total	**4,336**	**315**

There was no income tax benefit recognised for share-based payment arrangements during the periods present due to operating losses.

5. Financial costs

The following table shows the breakdown of finance income and costs:

For the six months ended:	30 June 2015 (unaudited) $'000	30 June 2014 (unaudited) $'000
Finance income		
Realised gain on available for sale investments	-	8
Interest income on bank deposits	609	17
Total finance income	609	25
Finance costs		
Interest expense on other borrowings	392	212
Other expenses and fees	250	-
Non-cash interest expense on convertible notes	361	160
Loss on extinguishment of subsidiary notes payable	1,799	-
Total finance costs contractual	2,802	372
Loss from change in fair value of warrant liability	413	7,018
Loss on fair value measurement of derivative liability	1,263	20,554
Total finance costs	4,478	27,944
Finance costs, net	3,869	27,919

During the six months ended 30 June 2015, Gelesis recognised a loss on extinguishment of $1.8 million upon the conversion of outstanding convertible notes into preferred shares in conjunction with its March 2015 private financing, as further described in note 11. Refer to note 13 for further details of warrant and derivative mark to market charge.

6. Tax expense

Tax expense is recognised based on management's best estimate of the weighted-average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period.

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2015 was 10% (six months ended 30 June 2014: 1%). The change in effective tax rate was caused mainly by the following factors:

- Vedanta Biosciences generated taxable income for the six months ended 30 June 2015 resulting in a year to date current tax expense of $1.7 million.

7. Intangible assets

Academica Life Sciences

In February 2015, Gelesis S.r.l, a wholly-owned subsidiary of Gelesis, completed the acquisition of Academica Life Sciences S.r.l (Academica) for $1.1 million. Gelesis concluded that the purchase of Academica represents the purchase of intellectual property which meets the definition of an intangible asset. Gelesis has recorded the initial cost of the acquisition of $1.1 million as an intangible asset which will be amortised over the remaining useful life of the intellectual property on a straight line basis.

8. Property and equipment

During the six months ended 30 June 2015, the Company entered into an office lease agreement for office space in Boston, Massachusetts. The Company capitalised leasehold improvements in the amount of $1.1 million associated with the build out of the office space which represents the majority of the $1.9 million increase in property and equipment from 30 June 2014 to 30 June 2015.

9. Equity

In January 2015, the Company completed a private financing round with Invesco Asset Management Limited as the lead investor and issued 24,006,500 ordinary shares resulting in cash proceeds of $52.2 million.

On 24 June 2015 the Company's entire issued ordinary share capital of 227,248,008 ordinary shares of one pence each were admitted to the premium listing segment of the Official List of the UK Listing Authority and to trading on the Main Market of the London Stock Exchange for listed securities. The IPO was for 67,599,621 new ordinary shares issued by the Company at 160 pence per ordinary share. This resulted in approximately $159 million of net proceeds from the IPO (net of issue cost of approximately $11.8 million) reflected in the share premium balance as of 30 June 2015.

The Group may, at its absolute discretion, pay an incentive fee to the IPO underwriter equal to 1.25% of the IPO proceeds, £1,554,791 ($2,444,925), 90 days after admission to the London Stock Exchange. The Group has not yet made a determination on the payment of this incentive fee.

The IPO also included an over-allotment option equivalent to 15% of the total number of new ordinary shares, or 10,139,943. The stabilisation manager gave notice to exercise in full its over-allotment option after the reporting period on 2 July 2015. As a result, the Company issued 10,139,943 Shares at the offer price of 160 pence per share achieving further net proceeds for the Company of £15.7 million, or approximately USD $24.1 million. The total number of issued ordinary shares and voting rights in the Company after issuing the over-allotment shares is 237,387,951.

Movements below explain the movements in share capital taking into account the reorganisation. Each movement in share capital reflects the number of shares and nominal value of the shares as if the reorganisation had been in place at that date and the shares were those of PureTech Health plc.

Equity	Note	30 June 2015 (unaudited) $'000	31 December 2014 (unaudited) $'000
Share capital, £0.01 par value, issued and fully paid 227,248,008 and 118,098,967 as of 30 June 2015, and 31 December 2014 respectively		4,219	2,362
Share premium		157,893	-
Merger reserve		138,506	86,755
Translation reserve		(99)	169
Other reserves		7,475	3,139
Accumulated deficit		(80,591)	(70,421)
Equity attributable to owners of the Group		227,403	22,004
Non-controlling interests	12	(43,674)	(45,317)
Total equity		183,729	(23,313)

At 30 June 2015 outstanding ordinary shares were 210,953,105 and exclude 16,294,863 unvested ordinary shares issued pursuant to PureTech LLC Incentive Compensation arrangements detailed in note 4.

10. Notes payable

In conjunction with its March 2015 private financing, Gelesis converted $3.9 million of convertible notes plus accrued interest into preferred shares. During the same month, Tal, also in conjunction with its private financing, converted $0.5 million of convertible notes plus accrued interest into preferred shares. These conversions resulted in the recognition of $0.9 million of related derivatives. Vedanta Biosciences repaid $0.3 million of convertible notes payable 31 May 2015. The decrease in the notes payable balance from 31 December 2014 to 30 June 2015 is primarily driven by these transactions.

11. Subsidiary preferred shares

Certain of the Group's subsidiaries have outstanding preferred shares which have been classified as a liability as the subsidiaries have a contractual obligation to deliver cash or other assets to the holders under certain future events. The preferred shares do not contain mandatory dividend rights and are not mandatorily redeemable. The preferred shares are convertible into common stock of the subsidiary at the option of the holder and mandatorily convertible into common stock of the subsidiary upon a subsidiary qualified financing or upon the vote of the holders of a majority of the subsidiary preferred shares. The conversion feature has been accounted for as a derivative liability at fair value with the residual proceeds allocated to the subsidiary preferred share at issuance. The preferred shares are entitled to a vote with holders of common stock on an as-converted basis. The holders of the preferred shares are entitled to a liquidation preference amount in the event of a liquidation or a deemed liquidation event of the respective subsidiary.

The following summarises the subsidiary preferred share balance:

	30 June 2015 $'000	31 December 2014 $'000
Subsidiary preferred shares	**33,063**	**11,494**

In the event of any voluntary or involuntary liquidation, dissolution or winding-up of a subsidiary, the holders of subsidiary preferred shares then outstanding shall be entitled to be paid out of the assets of the subsidiary available for distribution to stockholders and before any payment shall be made to holders of common stock. A merger, acquisition, sale of voting control or other transaction of a subsidiary in which the shareholders of the subsidiary do not own a majority of the outstanding shares of the surviving company shall be deemed to be a liquidation event. Additionally, a sale,

lease, transfer or other disposition of all or substantially all of the assets of the subsidiary shall also be deemed a liquidation event.

The minimum liquidation preference that would be payable to the subsidiary preferred holders upon a liquidation event of the subsidiaries, is as follows:

	30 June 2015	31 December 2014
	$'000	$'000
Akili	4,613	4,613
Follica	2,020	2,020
Gelesis	35,569	14,451
Total	**42,202**	**21,084**

For the six months ended 30 June 2015, the Group recognised the following changes in subsidiary preferred shares:

In March 2015, Gelesis closed an $18.0 million private equity financing with Invesco Asset Management Limited as the lead investor. PureTech invested $3.0 million in the financing. Also, in conjunction with this transaction, preferred shares were issued upon conversion of $4.3 million of outstanding convertible notes.

12. Non-controlling interest

The following summarises the changes in the equity classified non-controlling ownership interest in subsidiaries by reportable segment:

	Growth stage operating companies	Project phase & sourcing companies	Parent company & other	Consolidated
	$'000	$'000	$'000	$'000
Non-controlling interest as of 31 December 2014	**(45,322)**	**5**	**-**	**(45,317)**
New funds into non-controlling interest	8,661	-	-	8,661
Share of comprehensive loss	(7,908)	1	-	(7,907)
Effect of change in Group's ownership interest	889	-	-	889
Non-controlling interest as of 30 June 2015	**(43,680)**	**6**	**-**	**(43,674)**

A portion of the non-controlling ownership interests in Tal and Karuna are held in preferred shares which entitles the holders to a liquidation preference amount in the event of a liquidation or a deemed liquidation event of the respective subsidiary. The minimum liquidation preference that would be payable to the non-controlling interest holders upon a liquidation event of the subsidiaries is as follows:

	30 June 2015	31 December 2014
	$'000	$'000
Karuna	313	313
Tal	11,430	1,160
Total	11,743	1,473

For the six months ended 30 June 2015, the Group recognised the following changes in ownership in subsidiaries:

In March 2015, Tal closed a $14.5 million private equity financing with Invesco Asset Management Limited as the lead investor. PureTech invested $5.0 million in the financing. Also, in conjunction with this transaction, preferred shares were issued upon conversion of outstanding convertible notes.

13. Financial instruments

All of the Group's financial assets and liabilities, with the exception of the derivative and warrant liabilities, are measured at amortised cost. The derivative and warrant liabilities are carried at fair value with changes recognised in through finance costs, net in the consolidated statement of loss and other comprehensive loss.

A summary of the changes in the Group's embedded derivative liabilities and warrant liabilities measured at fair value using significant unobservable inputs (Level 3) as of and for the year ended 31 December 2014 and the six months ended 30 June 2015 is as follows:

	Derivative liability - preferred stock conversion	Derivative liability - convertible notes	Warrant liability
	$'000	$'000	$'000
Balance as of 31 December 2013	2,075	504	2,548
Value of derivatives at issuance	4,159	2,675	145
Change in fair value	45,487	(414)	11,432
Settlement of derivatives	-	(1,692)	-
Balance as of 31 December 2014	51,721	1,073	14,125
Value of derivatives at issuance	752	40	-
Change in fair value	1,254	9	413
Settlement of derivatives	-	(968)	-
Balance as of 30 June 2015	53,727	154	14,538

The change in the fair value of derivatives and warrants is recorded in finance costs, net in the consolidated statement of loss and other comprehensive loss.

At each measurement date, the fair value of the conversion rights embedded in the preferred shares was determined using with and without framework which consisted of a three-step process. First, the value of each company within the Group was determined using a discounted cash flow model, guideline transaction method, or through a recent arm's length financing round. Second, the value of the subject preferred shares was determined using either an option pricing allocation model or a probability weighted expected return model, where the conversion rights of the preferred shareholders were included and then excluded. Third, the fair value of conversion rights was calculated as the difference of value between the concluded values of preferred shares with and without the conversion rights.

Quantitative information about the significant unobservable inputs used in the fair value measurement of the Group's embedded derivative liability related to the subsidiary preferred shares designated as Level 3 as follows:

Option Pricing Model Inputs

	Range of Values		
Measurement Date	**Expiration Date**	**Volatility**	**Risk-Free Rate**
4/30/2011	1 year	70.0%	0.22%
12/31/2011	1 year	71.0%	0.12%
6/30/2012	1 year	70.0%	0.21%
12/31/2012	0.75 - 5.0 years	0.67% - 0.85%	0.12% - 0.72%
12/31/2013	5 years	75.0%	1.75%
2/28/2014	3.5 years	60.0%	0.94%
3/31/2014	5 years	75.0%	1.73%
12/31/2014	2.0 - 5.0 years	60.0%	0.67% - 1.65%
6/30/2015	1.5 – 4.5 years	35.0% - 65.0%	0.48% - 1.53%

Probability Weighted Expected Return Method Inputs

	Range of Values	
Measurement Date	Time to Anticipated Exit Event	Probability of IPO / M&A / Dissolution Sale
8/1/2013	1.25 - 1.34 years	30.0% / 55.0% / 15.0%
12/31/2013	1.25 years	30.0% / 55.0% / 15.0%
3/31/2014	1.0 year	40.0% / 45.0% / 15.0%
12/31/2014	0.33 years	70.0% / 25.0% / 5.0%
6/30/2015	0.38 – 0.50 years	70.0% / 30.0% / 0.0%

Quantitative information about the significant unobservable inputs used in the fair value measurement of the Group's embedded derivative liability related to the convertible notes designated as Level 3 is as follows:

Significant Unobservable Inputs	**At Issuance**	**12/31/2012**	**12/31/2013**	**12/31/2014**	**6/30/2015**
Time to next qualified equity financing	1.00 - 2.03 years	0.50 - 1.02 years	0.25 - 1.01 years	0.16 - 0.25 years	1.00 – 1.50 years
Implied discount rate	11.3% - 2,459.0%	18.3% - 34.8%	12.1% - 34.8%	18.3% - 34.8%	13.3% - 29.8%
Probabilities of a qualified financing	50% / 50% - 100% / 0%	50% / 50% - 70% / 30%	50% / 50% - 85% / 15%	50% / 50% - 90% / 10%	50% - 75%

The following weighted average assumptions were used to determine the fair value of the warrants at 30 June 2015:

	Series A-1 Warrants	Series A-3 Warrants	Series A-4 (contingent) Warrants
Expected term	5.80 – 8.54 years	7.00 years	8.10 years
Expected volatility	60.1% - 65.0%	73.0%	77.0%
Expected dividend yield	—	—	—
Risk free interest rate	1.9% - 2.2%	2.1%	2.1%
Estimated fair value of the convertible preferred stock	$1.19 – $12.41	$12.41	$12.41
Exercise price of warrants	$0.14 - $4.44	$0.04	$0.04

The fair value of these embedded derivative liabilities may differ significantly in the future from the carrying value as of 30 June 2015, and, accordingly, adjustments may be recorded in the consolidated statement of loss and other comprehensive loss at that time.

14. Related party transactions

14.1 Transactions with key management personnel

14.1.1 Key management personnel compensation

Key management includes directors and members of the executive management team of the Group. The compensation of key management personnel of the Group was as follows:

For the six months ended:	30 June 2015 $ 000	30 June 2014 $ 000
Short-term employee benefits	1,342	715
Share-based payments	666	-
Total	**2,008**	**715**

Wages and employee benefits include salaries, health care and other non-cash benefits. Share-based payments are subject to vesting terms over future periods.

14.1.2 Convertible debt issued to key management personnel

Certain members of the Group have issued convertible notes to employees, key management personnel and directors. Issuances to related parties by subsidiary are presented below.

Subsidiary	Investor	Relationship	Interest Rate	30 June 2015 $ 000	30 June 2014 $ 000	Total
Vedanta Biosciences						
	Bennett Shapiro	Director	10%	-	50	50
Akili						
	Bennett Shapiro	Director	10%	-	50	50
Total				-	**100**	**100**

14.1.3 Directors' and Senior Managers' shareholdings and share incentive awards

The Directors and senior managers hold beneficial interests in shares in the following operating companies and sourcing companies as at 30 June 2015:

	Company name (share class)	Number of shares held as at 30 June 2015	Number of options held as at 30 June 2015	Ownership interest[1]
Directors				
Mr. Joichi Ito.....	Akili (Series A-2 preferred)	26,627	—	0.3%
Ms. Daphne Zohar[2] ..	Gelesis (common)	18,944	634,234	5.2%
Dame Marjorie Scardino	—	—	—	—
Dr. Bennett Shapiro[4]	Akili (Series A-2 preferred)[3]	33,088	—	0.3%
	Gelesis (common)	24,010	10,841	0.5%
	Gelesis (Series A-1 preferred)[5]	82,574	—	0.5%
	Tal (Series A-2 preferred)[3]	14,451	—	0.1%
	Vedanta Biosciences (common)	—	25,000	0.5%
Dr. Robert Langer	Entrega (common)	—	250,000	5.0%
Dr. Raju Kucherlapati.	Enlight (Class B common)	30,000	—	3.0%
Dr. John LaMattina[4] .	Akili (Series A-2 preferred)	37,372	—	0.4%
	Gelesis (common)[4]	54,120	63,052	1.3%
	Gelesis (Series A-1 preferred)[4][5]	174,621	—	1.3%
	Tal (Series A-2 preferred)	114,411	—	1.2%
	Vedanta Biosciences (common)	25,000	—	0.5%
Mr. Christopher Viehbacher	—	—	—	—
Mr. Stephen Muniz....	—	—	—	—
Senior Managers				
Dr. Eric Elenko	—	—	—	—
Mr. David Steinberg ..	—	—	—	—

Notes:

(1) Ownership interests are as at 30 June 2015 calculated on a diluted basis, including issued and outstanding shares, warrants and options (and written commitments to issue options) to purchase shares, but excluding unallocated shares authorised to be issued pursuant to equity incentive plans, and any shares of common stock issuable upon conversion of outstanding convertible promissory notes. Unallocated shares authorised to be issued pursuant to equity incentive plans are further discussed in the Group's Prospectus.

(2) Common stock and options held by Yishai Zohar, the husband of Ms. Zohar. Ms. Zohar does not have any direct interest in the share capital of Gelesis. Ms. Zohar recuses herself from any and all material decisions with regard to Gelesis.

(3) Shares held though Dr. Bennett M. Shapiro and Ms. Fredericka F. Shapiro, JTWROS. 174,621 shares of common stock and 174,621 shares of Series A-1 preferred stock in Gelesis held by Dr. John and Ms. Mary LaMattina. 12,642 shares in Gelesis held individually by Dr. LaMattina.

(4) In addition, the following Directors hold convertible notes issued by operating companies: (i) Dr. Bennett Shapiro holds convertible notes issued by Vedanta Biosciences in the aggregate principal amount of $50,000 and (ii) Dr. John LaMattina holds convertible notes issued by Appeering in the aggregate principal amount of $50,000, for further details refer to the Group's Prospectus.

(5) The Gelesis Series A-1 preferred stock coverts to common stock at a ratio of 3.526 shares of Series A-1 preferred stock to one share of common stock.

Directors and senior managers hold 32,866,216 shares and 14% voting rights of the Company as of 30 June 2015.

15. Subsequent events

As discussed above in note 9, as a result of the exercise of the stabilisation manager's over-allotment option, the Company issued 10,139,943 Shares at the offer price of 160 pence per share achieving further net proceeds for the Company £15.7 million, or approximately USD $24.1 million.

In August 2015, Karuna, a PureTech operating company developing a novel, clinical stage treatment for schizophrenia, received a Translation Fund Award from the Wellcome Trust comprising an unsecured convertible loan to Karuna of up to $3.84 million to further develop its lead program, KarXT, a potentially innovative therapy for the treatment of schizophrenia.

Statement of Directors' Responsibilities

The Directors confirm to the best of their knowledge that:

a.) the condensed set of financial statements have been prepared in accordance with IAS 34 as adopted by the European Union; and

b.) the interim management report includes a fair review of the information required by the FCA's Disclosure and Transparency Rules (4.2.7 R and 4.2.8 R)

By order of the Board

Joichi Ito	Daphne Zohar
Chairman	Chief Executive Officer

21 August 2015

Further information for shareholders:

Company Registration Number
9582467

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5th Floor
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http://www.puretechhealth.com

Board of Directors
Mr. Joichi Ito (Non-Executive Chairman)
Ms. Daphne Zohar (Chief Executive Officer)
Dame Marjorie Scardino (Senior Independent Director)
Dr. Bennett Shapiro (Non-Executive Director)
Dr. Robert Langer (Non-Executive Director)
Dr. Raju Kucherlapati (Independent Non-Executive Director)
Dr. John LaMattina (Independent Non-Executive Director)
Mr. Christopher Viehbacher (Independent Non-Executive Director)
Mr. Stephen Muniz (Executive Vice President, Legal, Finance and Operations)

Company Secretary
Mr. Stephen Muniz