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PureTech Health plc

Operating Company Gelesis Closes $31.5 Million Growth Financing

PureTech Health plc ("PureTech", LSE: PRTC), a cross-disciplinary healthcare company developing novel medicines to tackle fundamental healthcare needs in disruptive ways, is pleased to note that its operating company, Gelesis, today announced the successful completion of a $31.5 million growth financing round.

New institutional investors, including Cormorant Asset Management, joined current investors Invesco Asset Management, PureTech and Priztker/Vlock Family Office in this financing round. Proceeds of the financing will be used to complete a six-month U.S. Food and Drug Administration (FDA) pivotal trial of Gelesis100 in overweight and obese patients with topline data available in the first half of 2017, support commercial readiness activities and complete first-in-human studies of Gelesis200 for patients with prediabetes and type 2 diabetes.

Michael MacLean, Chief Financial Officer of PureTech said: "Gelesis has the potential to address a medical need that affects over a billion people. The company has accelerated its timelines by around one year since the PureTech IPO. We are pleased to welcome these new investors at this exciting stage as Gelesis moves towards a pivotal trial readout and readies for potential commercialization."

The full text of the announcement from Gelesis is as follows:

Gelesis Closes $31.5 Million Growth Financing

Proceeds to enable completion of a U.S. FDA pivotal trial for a weight loss indication and commercialization readiness activities, as well as initiation of human studies for a second product focused on glycaemic control

BOSTON, Massachusetts, December 18, 2015 -- Gelesis, a clinical stage biotechnology company focused on the development of first-in-class products to safely induce weight loss and improve glycaemic control, announced today that it has closed a $31.5 million growth financing round. New institutional investors, including Cormorant Asset Management, joined current investors Invesco Asset Management, PureTech and the Priztker/Vlock Family Office in this financing round. The financing brings the total capital raised since inception to over $90 million.

Gelesis plans to use the proceeds from the financing to enable completion of a six-month U.S. Food and Drug Administration (FDA) pivotal trial of Gelesis100 with topline data expected to be available in the first half of 2017, as well as to support commercial readiness activities in preparation for a potential launch.

Gelesis100 is a first-in-class, orally administered capsule containing small hydrogel particles designed to employ multiple mechanisms of action along the gastrointestinal tract to safely induce weight loss and improve glycaemic control in overweight and obese patients.

In a multicenter, double-blind, placebo-controlled proof-of-concept study, Gelesis100 showed statistically significant weight loss in overweight and obese subjects, with particularly dramatic weight loss in

prediabetics. In July 2015, Gelesis announced the expansion of the Gelesis100 GLOW study to multiple U.S. sites, allowing it to serve as a U.S. pivotal trial. The expansion of the GLOW study accelerated the clinical timeline by approximately one year, and Gelesis anticipates enrolling patients in U.S. sites in 2016 and filing for FDA approval in the first half of 2017.

Funds will also be used for the expected completion of first-in-human studies of its glycaemic control product, Gelesis200, with anticipated read-out of a three-month proof-of-concept study expected in the second half of 2016. Gelesis200 was created with the same proprietary technology platform as Gelesis100 and its properties are optimized to improve glycaemic control in patients with prediabetes and type 2 diabetes who may or may not require weight loss.

"We appreciate the support of Gelesis' new and existing investors as we aim to bring novel therapies to the market to address the obesity and diabetes epidemics," said Yishai Zohar, Co-founder and Chief Executive Officer of Gelesis. "We look forward to completing our U.S. pivotal trial of Gelesis100 and, if approved, we believe it has the potential to address the significant unmet need for an orally dosed, safe and efficacious therapy to induce weight loss and improve glycaemic control."

About Gelesis

Gelesis is a clinical stage biotechnology company focused on the development of novel therapies to induce weight loss and improve glycaemic control in overweight and obese patients, including those with prediabetes and diabetes. Gelesis100, one of the company's product candidates and a first-in-class therapeutic, is currently being evaluated in a six-month pivotal study. Gelesis is also developing Gelesis200, created from the same proprietary technology platform as Gelesis100, as a product optimized to improve glycaemic control in prediabetics and type 2 diabetics who may or may not require weight loss.

The Gelesis executive and advisory team includes leading experts in obesity and its related comorbidities, clinical research and development, and advanced biomaterials, including Caroline Apovian, M.D., Professor of Medicine and Pediatrics at Boston University School of Medicine; Louis J. Aronne, M.D., FACP, Director of the Comprehensive Weight Control Program at New York-Presbyterian Hospital/Weill Cornell Medical Center; Arne Astrup, M.D., Head of Department of Nutrition, Exercise and Sports at University of Copenhagen; Ken Fujioka, M.D., Director of the Nutrition and Metabolic Research Center and the Center for Weight Management at the Scripps Clinic; Allan Geliebter, Ph.D., Senior Attending Psychologist, St. Luke's-Roosevelt Hospital; James Hill, Ph.D., Professor of Medicine & Pediatrics, University of Colorado; Lee M. Kaplan, MD, Ph.D., Director of the Obesity, Metabolism & Nutrition Institute, Bennett Shapiro, M.D., Co-founder and Non-Executive Director at PureTech and former Executive Vice President of Research for Merck; and Angelo Tremblay, Ph,D., professor, Department of Kinesiology at Laval University.

Gelesis investors include Cormorant Asset Management, PureTech Health PLC (LSE: PRTC), Invesco Asset Management, the Priztker/Vlock Family Office, and other prominent biotech and finance investors.

About PureTech Health

PureTech Health (PureTech Health plc, PRTC.L) is a cross-disciplinary healthcare company, developing innovative products that could potentially improve the lives of billions of patients. PureTech has a pipeline of 12 operating companies, seven of which are "growth stage" with external validation including strategic partnerships, outside funding, proof-of-concept and/or peer review in prestigious scientific journals. PureTech also has a pipeline of ten “concept phase” initiatives resulting from review of more than 650 ideas annually. PureTech is focused on areas including immune and inflammatory disorders; cognitive and psychiatric disorders; diabetes and obesity; oncology; and infectious diseases, and has over 110 patents and patent applications. PureTech's leading team and board, along with an advisory network of more than 50 expert founder-scientists and advisors across multiple disciplines, gives PureTech access to potentially ground-breaking science and technological innovation. For more information, visit www.puretechhealth.com and connect with us on Twitter.

Ownership Information

Of the $31.5 million raised in this financing, Invesco contributed approximately $14.0 million for the purchase of 1,128,122 preferred shares. Invesco is a substantial shareholder of PureTech pursuant to the Listing Rules, and thus this transaction is a smaller related party transaction falling within the scope of Listing Rule 11.1.10R. PureTech contributed approximately $7.0 million and PureTech's percentage ownership of Gelesis remains substantially the same as it was prior to the financing, at 22.5% on a diluted basis[1]. With this financing round and the acceleration of the US trial commencement, PureTech believes that its ownership adjusted value has increased by more than $7.0 million from the previously reported balance[2].

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.

[1] 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.

[2] Ownership adjusted value represents PureTech’s interest in the equity value of Gelesis = (Business Enterprise Value – Debt + Cash) x PureTech’s percentage ownership plus PureTech’s royalty interest in Gelesis.

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