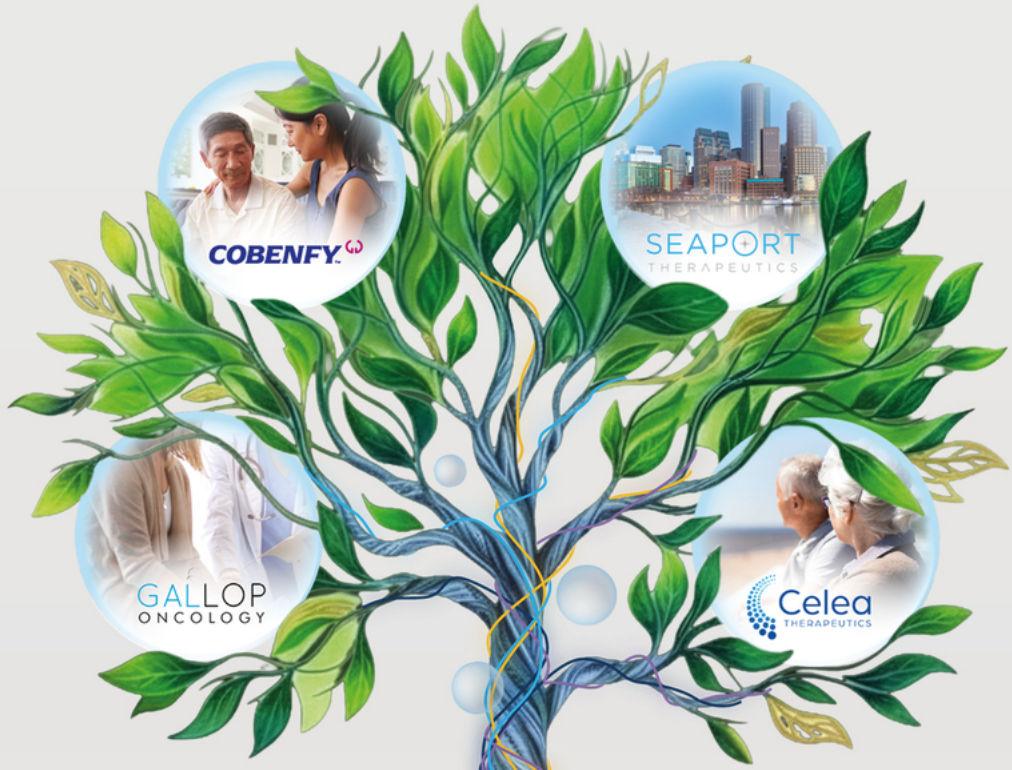


PURETECH

GIVING LIFE TO SCIENCE®

PURETECH HEALTH PLC – ANNUAL REPORT AND ACCOUNTS 2025

BOSTON MA
Headquarters

PRTC
LSE

GIVING LIFE TO SCIENCE®

PureTech Health plc ("PureTech Health", "PureTech" or "the Company"), together with its subsidiaries (the "Group"), is a hub-and-spoke biotherapeutics company dedicated to giving life to science and transforming innovation into value.

We do this through a capital- and structurally-efficient model focused on opportunities with validated pharmacology and untapped potential to address significant patient needs. We then scale these innovations through Founded Entities[1] with the backing of external capital to accelerate their path to patients while creating sustainable value for shareholders.

Today, our Portfolio[2] includes multiple Founded Entities and clinical-stage programs across areas of significant patient need. By combining scientific innovation with a capital-efficient structure that attracts external investment, our model enables us to advance multiple therapeutic opportunities while managing risk and preserving capital.

Our model is proven, with a strong track record that includes a nearly 80% clinical trial success rate[3] and the creation of dozens of therapeutic candidates, including three that have received U.S. Food and Drug Administration approval. This foundation enables PureTech to continue translating breakthrough science into meaningful patient impact and long-term shareholder value.

Highlights of the Year – 2025

$277.1m[4]

PureTech Level Cash, Cash Equivalents and Short-term Investments as of Year End

2024: $366.8m
2023: $326.0m
2022: $339.5m
2021: $418.9m
2020: $349.4m

$277.3m[4]

Consolidated Cash, Cash Equivalents and Short-term Investments as of Year End

Includes cash held at the PureTech level and at Controlled Founded Entities

2024: $367.3m
2023: $327.1m
2022: $350.1m
2021: $465.7m
2020: $403.9m

1 Reference to Founded Entities represent key companies founded by PureTech in which PureTech maintains an equity interest and/or, in certain cases, is eligible to receive sublicense income, milestone payments, or royalties on product sales. As of December 31, 2025, these entities include Celea Therapeutics, Gallop Oncology, and Seaport Therapeutics. The term also includes our non-dilutive economics in Cobenfy™ (invented by PureTech and now marketed by Bristol Myers Squibb).

2 References to Portfolio refer to the full scope of PureTech's activities, including its Founded Entities, Legacy Holdings, and undisclosed innovation programs, whether or not such programs are currently housed within a Founded Entity.

3 This percentage includes number of successful trials out of all trials run for all therapeutic candidates advanced through at least Phase 1 by PureTech or its historical Founded Entities from 2009 onward.

4 PureTech level cash, cash equivalents and short-term investments excludes cash and cash equivalents at non-wholly owned subsidiary of $0.2m. PureTech level cash, cash equivalents and short-term investments is a non-IFRS measure. For more information in relation to the PureTech level cash, cash equivalents and short-term investments and Consolidated cash, cash equivalents and short-term investments measures used in this Annual Report, please see page 68 of the Financial Review. The balance shown for each year may include short-term investments for any positions that PureTech holds as of each year end.

Strengthening Our Foundation for Sustainable Value Creation

With a refreshed strategic focus, we have sharpened our hub-and-spoke model to more effectively advance differentiated programs through our Founded Entities, while cultivating the next wave of innovation with increased discipline.

Sharon Barber-Lui
Interim Chair of the Board of Directors

2025 marked a defining year for PureTech, as we sharpened our strategic focus, strengthened our leadership, and positioned the Company for a new phase of disciplined value creation. Building on more than two decades of translating breakthrough science into value, we have taken important steps to align our model, portfolio, and governance with the opportunities ahead.

At the core of this progress is a renewed clarity around our differentiated hub-and-spoke model. By advancing programs through our Founded Entities, we are enhancing capital efficiency, reducing risk concentration, and accelerating paths to value realization. This approach reflects a more disciplined approach to portfolio management while preserving the scientific ambition that has long defined PureTech.

A key milestone in the year was the appointment of Robert Lyne as Chief Executive Officer in December 2025, following his tenure as Interim CEO. After a thorough and deliberate process, the Board unanimously concluded that Rob is the right leader to guide PureTech through this next phase. His deep understanding of our model, combined with a strong track record of aligning scientific innovation with disciplined execution, positions the Company to deliver on its strategic priorities with clarity and focus.

Our Model for Durable Value Creation

Under Rob's leadership, we are sharpening operational execution across the portfolio while maintaining our capital-efficient approach. During the year, we continued to advance key programs and support our Founded Entities in attracting external capital, reinforcing the strength and scalability of our model. These efforts underscore our ability to translate scientific insight into meaningful progress for patients while creating long-term value for shareholders.

To further align our capital markets presence with our investor base and strategic priorities, the Board has decided to concentrate trading on the London Stock Exchange and voluntarily delist our American Depositary Shares from Nasdaq. As a London-listed company with operations in Boston, PureTech offers UK and global investors access to the world's leading biotechnology hub. This decision simplifies our structure, reduces cost and administrative complexity, and strengthens our engagement with the UK investment community.

Consistent with this focus, the Board is also progressing a search for up to two additional independent non-executive directors with relevant UK capital markets expertise. This will further enhance our governance and support deeper engagement with our shareholders. We look forward to providing an update in due course.

On behalf of the Board, I would like to thank our shareholders for their continued support. PureTech enters this next chapter with renewed clarity of purpose and confidence in the strengths that define the Company. We are well positioned to translate our differentiated model into sustained progress to unlock value across our portfolio, deliver impact for patients, and generate long-term returns for our investors.

Sharon Barber-Lui
Interim Chair of the Board of Directors

April 29, 2026

Moving Forward with Focus

We are building on the strengths of our model and portfolio while moving forward with greater focus and discipline.

Robert Lyne
Chief Executive Officer and Director

PureTech was founded to create innovative therapeutic candidates, advance them through critical stages of validation, and leverage external capital to enable long-term value creation for both patients and shareholders. Through this model, we have delivered meaningful clinical progress, regulatory success, and substantial cash generation while continuing to build a diversified pipeline of future opportunities.

It is a privilege to lead PureTech at this important moment in the Company's evolution. Having served as Interim Chief Executive Officer and previously as Chief Portfolio Officer, I have seen firsthand the depth of innovation within our Portfolio and the strength of the team advancing it. As we look ahead, our focus is clear: sharpen execution, strengthen capital discipline, and ensure that PureTech's distinctive model continues to translate breakthrough science into meaningful value for both patients and shareholders.

At the core of PureTech's strategy is a simple principle: advance programs through the most critical value-creating stages with disciplined capital deployment, then leverage external investment to support later-stage development. This hub-and-spoke model has successfully generated both approved therapies for patients and significant cashflows to support our ongoing business. Going forward, we will be focusing our activities on areas where we have had greatest success, namely therapeutic candidates with validated pharmacology. By combing this refined approach with increased operational and financial discipline, I am confident that we can continue to bring new treatments for patients to market whilst increasing returns to shareholders via a variety of means.

In recent years, PureTech advanced several programs through later stages of development before transitioning them to Founded Entities. While this approach allowed the Company to retain larger equity ownership in later-stage programs, it also required greater capital investment and operational infrastructure at the PureTech hub, concentrating both resources and execution within the parent organization.

Going forward, we intend to establish and capitalize these entities earlier in the development lifecycle, once programs have reached key clinical value inflection points. As return on capital is typically higher earlier in the lifecycle, this approach should increase the overall financial performance of the Portfolio whilst maintaining diversifications. This shift represents a return to many of the founding principles of our model. By transitioning programs into externally funded Founded Entities earlier, PureTech can retain meaningful long-term upside while operating with greater capital efficiency and maintaining a leaner organizational structure.

External investment also provides important third-party validation of our programs, which have collectively secured over $4 billion in third-party funding since 2018, while retaining non-dilutive economics for PureTech and creating opportunities for greater visibility into the value of our Portfolio.

Unlocking value across our Portfolio

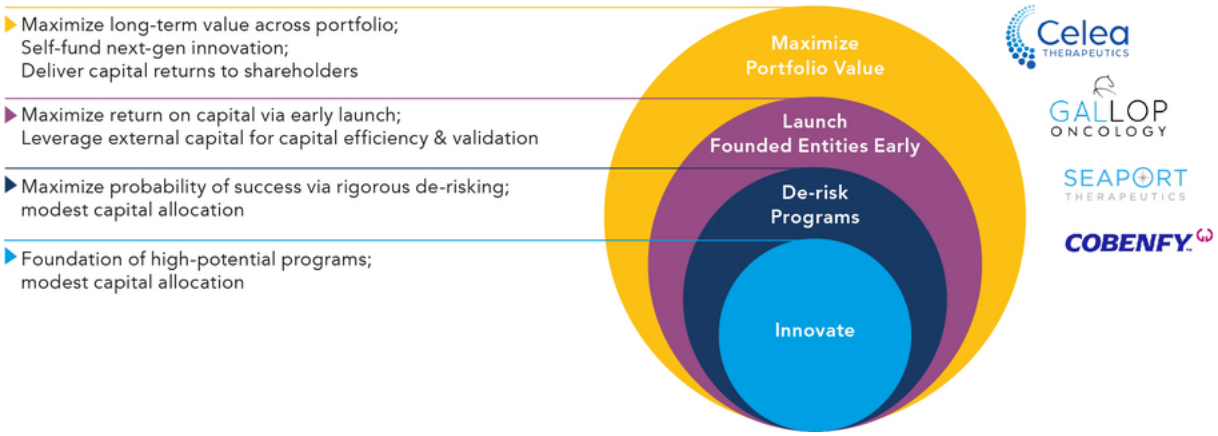
PureTech's portfolio includes economics in Cobenfy™, Seaport Therapeutics (Seaport), Celea Therapeutics (Celea), and Gallop Oncology (Gallop) (see pages 9-19 for details), and I am pleased with the progress made in 2025 and the beginning of 2026. Notably, Celea's deupirfenidone is now Phase-3 ready in idiopathic pulmonary fibrosis; Gallop's LYT-200 demonstrated positive Phase 1b data, and the team is preparing to discuss a potentially registration-enabling trial in relapsed/refractory high-risk myelodysplastic syndrome with FDA; and Seaport progressed two clinical trials for neuropsychiatric conditions and filed a registration statement for a potential initial public offering on Nasdaq.

We also maintain an interest in Legacy Holdings[1], which represent historical Founded Entities. While there may be potential upside from these programs, they are not a current focus of our capital allocation, nor do we currently expect them to have a material impact on the overall value of PureTech moving forward.

Our Founded Entities are structured to generate long-term, multifold value through a combination of equity ownership and non-dilutive economics, including milestone and royalty rights. This structure has historically enabled PureTech to self-fund the advancement of our portfolio through key catalysts without relying on traditional dilutive capital raises at the parent company level.

Letter from the Chief Executive Officer continued

Refining our model to enhance capital efficiency



Following the completion of Celea's financing, we expect to reduce our operational burn significantly compared to our historical run rate, with a lower and more predictable cost base going forward. This will be driven in part by the transition of the Celea team and related development activities into the externally funded Founded Entity, reducing operating costs at the PureTech hub. I'm pleased to note that Celea has secured sufficient non-binding commitments from external investors, in addition to participation from PureTech, such that the fundraising is substantially complete, subject to continued negotiations. Whilst mindful of macro factors, Celea is targeting to close the financing by early in the third quarter of 2026. The financing is intended to support the Phase 3 SURPASS-IPF trial, which Celea expects to commence in close proximity to closing the financing.

More broadly, our refreshed strategy of establishing Founded Entities earlier in the development lifecycle will allow PureTech to maintain a lean operating structure while preserving exposure to the long-term upside of our programs.

Together, these changes strengthen our capital discipline and enhance our flexibility to allocate capital thoughtfully, including evaluating opportunities to deliver additional shareholder returns beyond the $150 million returned to date. As part of this approach – and to ensure shareholders benefit from our operational and financial success – we will look to return an increased proportion of future cash generation to shareholders beyond those needed to run our lean operating model, particularly in the event of any outsized returns.

Scaling the next wave of innovation

PureTech's innovation engine is the foundation of our future Founded Entities and long-term value creation.

Our track record demonstrates the potential of this model. Cobenfy™ began as a PureTech invention and ultimately resulted in the first novel mechanism approved for schizophrenia in decades. From an initial investment of $18.5 million, PureTech has realized approximately $1.1 billion in cash to date, while retaining long-term economic upside.

This outcome exemplifies the capital-efficient value creation we intend to reproduce, and I'm pleased to say that our Innovation Team, led by Dr. Eric Elenko, President and Co-founder of PureTech, has continued to progress their work with this goal in mind.

Over the next three years, we plan to generate up to two new development candidates. Each program would have the potential to become a new Founded Entity supported by external capital for clinical development, thus contributing to the next wave of growth for PureTech.

This strategy enables us to advance multiple promising opportunities through the most critical, value-driving milestones with modest spend before leveraging external investors to fund later development. It also provides multiple "shots on goal," diversifies risk across our Portfolio, and enables us to progress more potential therapies toward patients.

Crucially, this model allows us to generate reproducible value creation without incurring the costs and overhead necessary to scale into a fully integrated commercial organization. We believe our greatest strength within the biotechnology ecosystem lies in serving as a highly productive innovation engine – identifying breakthrough opportunities, advancing them through key inflection points, and building Founded Entities capable of realizing their full potential.

Commitment to shareholders

A central tenet of this refreshed strategy is to provide a clearer, more measurable and more predictable path to shareholder value. We are committed to improving transparency around our portfolio, including greater visibility into the value of our ownership positions, capital allocation priorities, and progress towards key value-inflection milestones. In the coming year, we will continue strengthening our engagement with shareholders to ensure that the benefits of PureTech's model and portfolio are more clearly understood.

At the same time, we will remain thoughtful stewards of capital. Where appropriate, we will evaluate opportunities to return capital to shareholders while maintaining the flexibility to reinvest in high-conviction innovation.

Building value together

None of this progress would be possible without the people who make PureTech what it is today. I am deeply grateful to our team for their scientific rigor, entrepreneurial creativity, and resilience – qualities that continue to define this organization – as well as to our Board of Directors for their continued guidance as we lead the Company into this next chapter.

I would also like to thank our shareholders for their continued support and engagement. Your confidence in our strategy enables us to pursue meaningful innovation while building long-term value.

To the broader clinical community – including patients, caregivers, clinicians, and advocates – thank you for the trust you place in the work we do. Our commitment remains steadfast: to advance transformative therapies that have the potential to improve patients' lives.

It is a privilege to lead PureTech at this pivotal moment, and we remain firmly committed to driving sustained progress and value creation in the years ahead.

Robert Lyne
Chief Executive Officer and Director

April 29, 2026

1 Legacy Holdings represent our interests in historical Founded Entities. We retain potential upside from these positions but do not expect them to be material value drivers for PureTech and only expect to allocate modest, if any, capital to these entities. To the extent we believe that these holdings could produce material value to PureTech or receive material investment from PureTech, we would move them into the Founded Entities category. As of December 31, 2025, Legacy Holdings include, among others, Sonde Health, Entrega, and Vedanta Biosciences.

Driving Innovation and Delivering Impact

We focus on identifying opportunities with validated pharmacology and applying the right approach to unlock their full potential.

Eric Elenko, Ph.D.
President and Co-founder

At PureTech, we focus on a distinct category of opportunity: therapies with validated pharmacology that have not reached their full potential.

These are medicines where human efficacy has already been demonstrated, but where prior development was constrained by specific challenges. By identifying and addressing those limitations, we aim to unlock differentiated therapeutic opportunities with a higher probability of success and a more capital-efficient path to value creation.

Our unique approach to innovation is grounded in what we refer to as our LIFE model – Launching Innovation From Existing pharmacology. Refined over two decades, this framework reflects a systematic and repeatable way of creating new innovation.

We begin by targeting areas of significant patient need and then look to identify therapies with the potential to have meaningful impact. Our search for these opportunities is intentionally broad and disciplined, spanning discontinued industry programs, academic discoveries, previously tested drug candidates, and even approved medicines. By continuously evaluating this landscape, we identify programs where prior data suggest meaningful pharmacological activity, but where earlier development strategies left important questions unresolved. In taking this broad, agnostic approach to sourcing, we are able to direct resources toward the most compelling opportunities without undue continuation bias.

Critically, the opportunity set is not static. Periods of industry consolidation, shifts in capital availability, and corporate portfolio prioritization often result in promising therapeutics being overlooked. Because our model is designed to systematically evaluate these dynamics, it remains resilient across industry cycles and allows us to identify potential value even during periods of broader sector realignment.

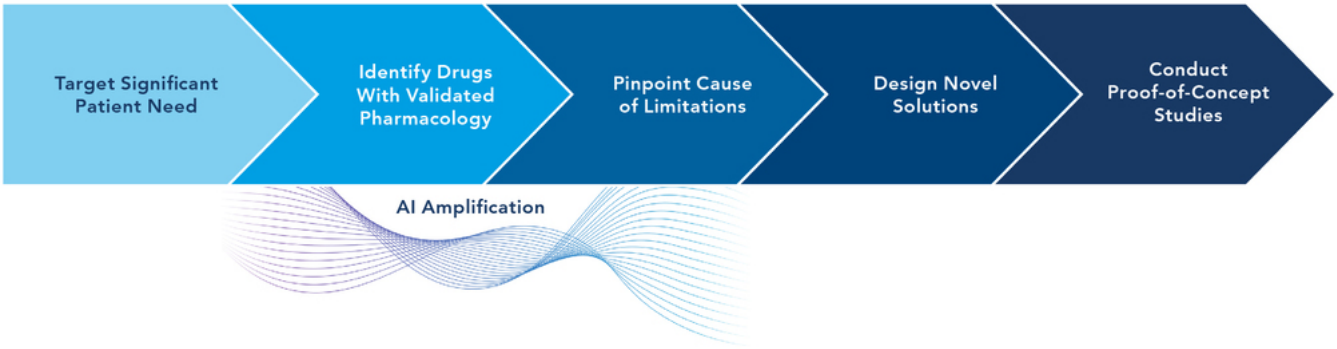
In many cases, the therapies we pursue were initially limited by tolerability, dosing constraints or pharmacokinetics that prevented them from being fully realized in development. We address these limitations through a bespoke approach to each opportunity that generates new intellectual property, drawing on a range of capabilities. Previous solutions have included combining a second drug with the drug of interest, as we did when inventing Cobenfy™ (see page 19), or applying medicinal chemistry, which was our approach with the Glyph platform (see page 17).

By conducting a continual therapeutic search and allocating capital selectively, we ensure that we only advance the most promising programs while discontinuing those that do not meet our predefined thresholds for impact and return. This approach mitigates binary risk while allowing us to capture both the clinical and financial value created by successful innovation.

Once identified, programs progress through a structured internal evaluation process designed to assess both scientific and commercial potential. Because the starting point is often a known drug, and the characteristics required for success can be clearly defined, we design capital-efficient preclinical go/no-go experiments that determine whether a program should advance or be deprioritized.

Launching Innovation From Existing pharmacology

Deploying Our LIFE Model to Systematically Unlock Therapeutic Potential



Each year we will aim to progress up to three concept-stage programs through defined scientific milestones. Our investment at this stage is modest, and experiments are designed to generate decisive data – often through focused "killer experiments." Only after these milestones are met do we commit to nominating a development candidate, ensuring that capital is deployed selectively and supported by robust data with a credible path forward.

Programs that demonstrate sufficient promise may then be advanced under a Founded Entity. These companies are built around specific programs and are supported by dedicated third-party capital, allowing development to scale while maintaining a focused and lean operating structure at the PureTech hub.

The strength of this approach is reflected in our track record. PureTech has achieved a clinical trial success rate of nearly 80 percent[1], with three programs from our portfolio having received U.S. FDA approval. Our Founded Entities have also secured over $4 billion in third-party funding since 2018, providing important external validation of both the scientific rigor and commercial potential of our programs.

The LIFE model continues to generate new opportunities. We currently have several promising programs progressing through our concept-stage evaluation process, reflecting the ongoing productivity of our model. Over the next three years, we expect to nominate up to two new development candidates that could serve as the foundation for future Founded Entities and potential third-party financing.

To support this next phase of innovation, we are focusing on the areas that have consistently delivered the strongest clinical and financial results. In particular, we will prioritize small molecules and traditional biologics (e.g., antibodies) with validated pharmacology that can be efficiently de-risked and financed through focused experimentation, with the intention of advancing these programs into clinical development through externally funded Founded Entities.

We will continue to concentrate on therapeutic areas where PureTech has built deep expertise, such as central nervous system disorders, while remaining open to compelling opportunities across the broader biomedical landscape.

At the same time, we are enhancing the front end of our innovation engine through the integration of artificial intelligence (AI). These capabilities build on the model that has guided PureTech's innovation process and produced programs such as Karuna's Cobenfy, Celea's deupirfenidone, and Seaport's pipeline of medicines for neuropsychiatric disorders, well before the emergence of modern AI tools. AI allows us to interrogate decades of dense clinical data at a scale and speed that would otherwise require a large team of analysts. What continues to differentiate PureTech is the ability to identify the innovative step that unlocks a therapy's potential and design focused, capital-efficient experiments to prove it. AI can accelerate discovery, but the solutions themselves remain bespoke – shaped by scientific judgment, experience, and disciplined execution.

Innovation in medicine is rarely the result of a single breakthrough moment. More often, it emerges from disciplined experimentation, careful scientific judgment, and the willingness to revisit ideas others may have overlooked. This philosophy has guided PureTech since its founding, and it will continue to shape how we identify and advance the next generation of transformative therapies.

Ultimately, the purpose of this work is to deliver meaningful outcomes for patients. A therapy only has value if it can be tolerated, effectively delivered and provide clinically meaningful benefit. As we refine and enhance our model, we remain focused on advancing medicines that can make a meaningful difference in patients' lives while strengthening long-term shareholder value.

Eric Elenko, Ph.D.
President and Co-founder

April 29, 2026

1 The percentage includes number of successful trials out of all trials run for all therapeutic candidates advanced through at least Phase 1 by PureTech or its historical Founded Entities from 2009 onward.

Strategic Principles to Deliver Shareholder Value

PureTech has entered a new chapter. Following clinical and regulatory progress and the start of operational refinements in 2025, we are now executing against a clear set of priorities including securing external funding for our wholly owned Founded Entities, streamlining spend, and accelerating our innovation engine.

To guide these efforts, we apply a consistent set of strategic principles that inform how we evaluate opportunities, allocate capital, and deliver value.

In a sector defined by high technical and regulatory risk, these principles serve as a practical framework for decision-making. They are designed to increase our probability of success, reinforce the strength of our differentiated model, and ensure that the value we create is realized for the benefit of our shareholders.

PRINCIPLE 1: RETURN-OPTIMIZED INVESTMENT

We deploy capital into opportunities where risk is mitigated and upside is high.

When making decisions for new or incremental capital deployment across our portfolio, we prioritize opportunities with an asymmetric risk-return profile where the probability of success is increased, and the potential upside is significant. This principle is foundational to both our innovation engine and our Founded Entities:

Our Innovation Engine: designed for de-risking

— **Clinically de-risked:** Targeting molecules with clinically validated pharmacology, where the mechanism has demonstrated human proof of concept.
— **Data-driven:** Our "killer experiment" approach is designed to rapidly validate or invalidate key hypotheses.
— **Capital efficient:** Modest, staged investment limits downside while preserving upside.

Our Founded Entities: designed for scalable upside

— **Diversified exposure:** Multiple programs progressing in parallel reduces reliance on any single asset.
— **Multiple mechanisms to capture value:**
  – Equity ownership with opportunistic monetization at value inflection points.
  – Long-term, non-dilutive economics (e.g., royalties and milestones).

PRINCIPLE 2: DISCIPLINED MODEL

We structure our operations to maximize capital efficiency and avoid unnecessary concentration of risk.

We operate a capital-efficient hub-and-spoke model designed to maximize returns while minimizing structural and operational burden. We deploy capital where we believe it can have the greatest impact, carefully judging competing opportunities within our Portfolio and innovation engine as well as evaluating the right time to seek external funding to scale programs and reduce capital intensity at the PureTech hub.

This disciplined approach enables PureTech to compound returns over time, with Founded Entity monetization events supporting reinvestment and potential capital returns, depending on the opportunity set and market conditions.

Key Operating Tenets	Impact
— Streamlined overhead with minimal G&A and lean operations	— Preserves capital for high-return opportunities
— Early-stage formation of Founded Entities in partnership with external capital	— Reduces capital requirements at the PureTech hub and mitigates traditionally lumpy biotech spend
— Selective investment into existing Founded Entities	— Maintains exposure to upside while preserving Portfolio balance
— Continued, measured spend on innovation	— Enables portfolio renewal while maintaining flexibility to pivot resources

PRINCIPLE 3: SHAREHOLDER ALIGNMENT

We prioritize ensuring that the value we create is clearly understood so it can be appropriately reflected in our market valuation.

We align our strategy, execution, and capital allocation decisions with the risk-mitigation and return-maximization priorities of our shareholders.

The value created through Principles 1 and 2 must be both recognized and delivered. We therefore prioritize clear articulation of our strategy, consistency in how we communicate our model, and transparency around the key drivers of value within the business so that our intrinsic value can be appropriately reflected in our market valuations. We will look to return a greater proportion of future cash generation to shareholders, particularly in the event of any outsized returns from our Portfolio, whilst maintaining appropriate operational runway.

A Diversified Portfolio Positioned for Significant Upside

PureTech's value is derived from a diversified Portfolio[1], including Founded Entities[2] and programs spanning clinical development through commercialization. This structure enables multiple, independent opportunities for value creation, supported by external capital and disciplined portfolio management. Our Portfolio represent the culmination of our scientific expertise and form the foundation of long-term shareholder value.

Once a Founded Entity is established, we pursue returns through two primary mechanisms:

1. strategic monetization of equity holdings at key value inflection points, and

2. non-dilutive participation in future success, including royalties and milestone payments.

Together, these components create a capital-efficient model designed to generate both near-term and long-term value.

The table below highlights our key components of value. Certain Legacy Holdings[3] have been deprioritized, as they are not a current focus of our capital allocation, nor do we expect them to have a material impact on the overall value of PureTech moving forward.

	PureTech Economics		Clinical Maturity
	Equity[5]	Non-dilutive	
Celea Therapeutics	100%	Undisclosed	Phase 3 ready
Gallop Oncology	100%	Undisclosed	Phase 1b completed
Seaport Therapeutics $733M post-money valuation following Series B financing[4]	35.0%	3-5% tiered royalties on Glyph product net sales + modest regulatory and commercial milestones	Phase 2b ongoing
Karuna Therapeutics/ Cobenfy™	Acquired by BMS (March 2024)	2% royalty on annual Cobenfy sales above $2B + regulatory & commercial milestones	Commercial
New Innovation	Potential future Founded Entities		
Balance Sheet	~$277M PureTech level cash, cash equivalents and short-term investments as of December 31, 2025[6]		N/A

1 References to Portfolio refer to the full scope of PureTech's activities, including its Founded Entities, Legacy Holdings, and both disclosed and undisclosed innovation programs, whether or not such programs are currently housed within a Founded Entity.

2 Reference to Founded Entities represent key companies founded by PureTech in which PureTech maintains an equity interest and/or, in certain cases, is eligible to receive sublicense income, milestone payments, or royalties on product sales. As of December 31, 2025, these entities include Celea Therapeutics, Gallop Oncology, and Seaport Therapeutics. The term also includes our non-dilutive economics in Cobenfy™ (invented by PureTech and now marketed by Bristol Myers Squibb).

3 Legacy Holdings represent our interests in historical Founded Entities. We retain potential upside from these positions but do not expect them to be material value drivers for PureTech and only expect to allocate modest, if any, capital to these entities. To the extent we believe that these holdings could produce material value to PureTech or receive material investment from PureTech, we would move them into the Founded Entities category. As of December 31, 2025, Legacy Holdings include, among others, Sonde Health, Entrega, and Vedanta Biosciences.

4 Fully-diluted post-money valuation as of close of Series B on October 18, 2024.

5 Relevant ownership interests were calculated on a partially diluted basis (as opposed to a voting basis) as of December 31, 2025, including outstanding shares and stock options, but excluding unallocated shares authorized to be issued pursuant to equity incentive plans. PureTech controls Celea Therapeutics and Gallop Oncology, Inc.

6 This represents a non-IFRS number and is comprised of Cash, cash equivalents and short-term investments held at PureTech Health plc and our following wholly-owned subsidiaries: PureTech LYT, Inc., PureTech LYT 100, Inc., Alivio Therapeutics, Inc., PureTech Management, Inc., PureTech Health LLC, PureTech Securities Corp., PureTech Securities II Corp. For a reconciliation of this number to the IFRS equivalent number, please refer to the "Non-IFRS Financial Information" section of this report.

Celea Therapeutics

PureTech Equity Ownership: 100%

Celea Therapeutics (Celea) is a clinical-stage biopharmaceutical company dedicated to delivering transformative treatments for people with serious respiratory diseases. Its lead program, deupirfenidone (LYT-100), is a Phase 3-ready therapeutic candidate with the potential to establish a new standard of care (SOC) for the treatment of idiopathic pulmonary fibrosis (IPF) and other fibrotic lung diseases.

Patient Need

- IPF is a rare, progressive, and fatal lung disease affecting more than 233,000 people in the U.S. and EU5.[1-7] Patients experience irreversible scarring of lung tissue that leads to a steady and ultimately fatal decline in lung function. Median survival following diagnosis is estimated to be two to five years, and currently there is no cure.[8]
- There are three FDA-approved therapies for the treatment of IPF. Historically, the uptake of and adherence to approved treatments has been limited by a tradeoff between modest efficacy and tolerability, and only ~25% of people with IPF in the U.S. had ever received approved anti-fibrotic treatment as of 2019.[9]
- There remains a critical need for therapies that can meaningfully slow or stabilize lung function while maintaining tolerability, enabling broader adoption and continuation of treatment.

Early Development & PureTech Innovation

- Deupirfenidone is a deuterated form of pirfenidone. Pirfenidone is one of the three existing FDA-approved therapies. PureTech acquired deupirfenidone in July 2019 from Auspex Pharmaceuticals, Inc. (Auspex; now a wholly owned subsidiary of Teva Pharmaceuticals) based on insights gained internally and via unpublished findings through our network of collaborators. The deuteration technology was pioneered by Auspex, who achieved the first-ever FDA approval for a deuterated drug with Austedo®.
- PureTech has since applied its own innovation framework to the program, conducting critical de-risking studies to define the optimal path forward into late-stage development. PureTech has demonstrated that strategically replacing hydrogen atoms with deuterium at the site of metabolism enhances the beneficial pharmacology and clinically-validated efficacy of pirfenidone while maintaining a favorable tolerability profile. Deupirfenidone may overcome the tolerability ceiling that limits current therapies and enable stabilization of lung function. Based on this work, PureTech has generated proprietary intellectual property around deupirfenidone.

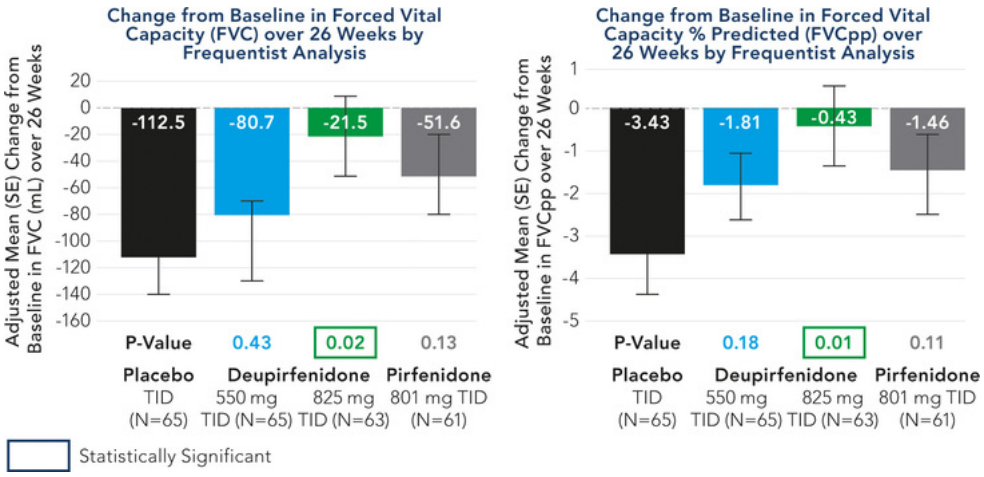
Milestones Achieved and Development Status

- PureTech successfully completed the Phase 2b ELEVATE IPF trial, which was a global, randomized, double-blind, active- and placebo-controlled, dose-ranging trial designed to evaluate the efficacy, tolerability, safety, and dosing regimen of deupirfenidone (LYT-100) in patients with IPF compared to placebo. 257 participants were randomized in a ratio of 1:1:1:1 to receive either 550 mg of deupirfenidone, 825 mg of deupirfenidone, 801 mg of pirfenidone or placebo three times a day (TID) for 26 weeks. Participants who completed the trial had the option to enroll in an open-label extension (OLE), which is ongoing. Results from the Phase 2b ELEVATE IPF trial and open-label extension position deupirfenidone as a Phase 3-ready asset with the potential to redefine the treatment paradigm in IPF and included:
  - **Primary and key secondary endpoints achieved:** Deupirfenidone demonstrated a 98.5% and 99.6% posterior probability of superiority vs. placebo in slowing forced vital capacity (FVC) and forced vital capacity percent predicted (FVCpp) decline, respectively, at 26 weeks based on the prespecified Bayesian analysis.
  - **Statistically significant and clinically meaningful preservation of lung function:** Deupirfenidone 825 mg TID as a monotherapy significantly slowed lung function decline versus placebo at 26 weeks as measured by mean Forced Vital Capacity (FVC) (-21.5 mL vs. -112.5 mL, respectively; adjusted difference 91 mL; p=0.02). A secondary analysis of FVC percent predicted (FVCpp) also showed a statistically significant benefit (p=0.01). (Figure 1)

Milestones Achieved and Development Status continued

Figure 1

Deupirfenidone Demonstrated Potential to Serve as a New Standard-of-Care Treatment for IPF

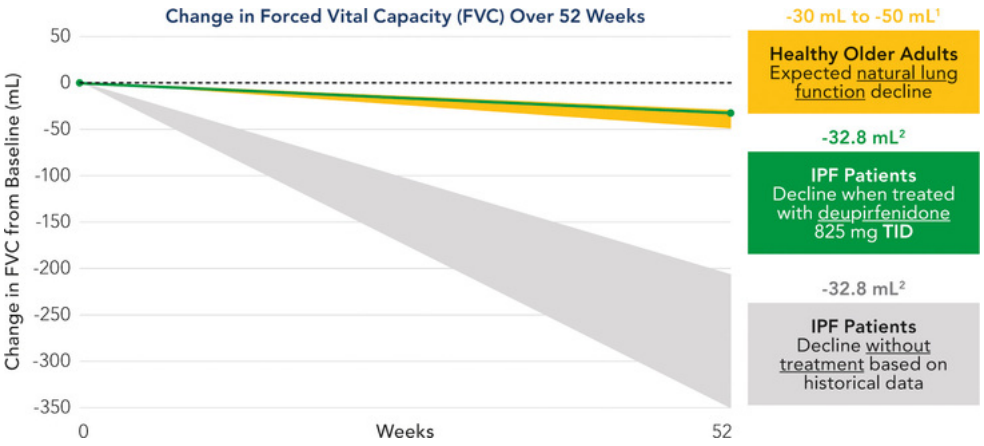


Note: Efficacy analyses used a random coefficient regression model with absolute FVC or FVCpp including baseline as response variable and week, treatment and interaction between week and treatment as fixed effect. The analyses were performed based on the predefined Full Analysis Set. p values are two-sided and have not been corrected for multiplicity. Change from baseline FVC is not adjusted for patient characteristics such as height, age, race, or sex.

– **Lung function decline approached the range expected with healthy aging:** In the deupirfenidone 825 mg TID arm, the rate of FVC decline over 26 weeks (-21.5 mL) approached the normal physiological decline expected in healthy older adults (approximately -15.0 mL to -25.0 mL).[10,11] Data from the ongoing Phase 2b ELEVATE IPF open-label extension (OLE) show that this treatment effect was maintained out to at least 52 weeks, with participants experiencing a decline in FVC of -32.8 mL. This is also similar to the expected natural decline in lung function in healthy older adults over that time (approximately -30.0 mL to -50.0 mL).[4] (Figure 2)

Figure 2

Initial Open Label Extension Data Demonstrate Strong and Durable Efficacy with Deupirfenidone 825 mg TID over at Least 52 Weeks



1 Per Valenzuela. Boehringer Ingelheim. ERS 2024 and Luoto. Eur Respir J. 2019.

2 Integrated analysis of double-blind and preliminary open-label extension data from Phase 2b ELEVATE IPF trial as of May 9, 2025, using a random coefficient regression model with absolute FVC including baseline as response variable and week, treatment and interaction between week and treatment as fixed effect.

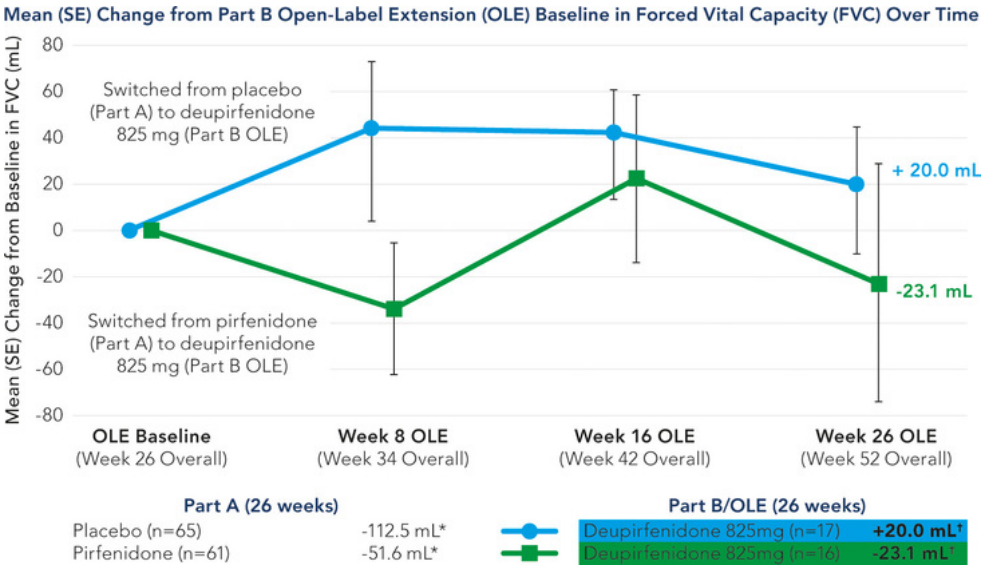
3 Per placebo arm 48-week decline in pirfenidone CAPACITY 004 and CAPACITY 006 trials (Noble. Lanct. 2011.) and 52-week decline in nintedanib INPULSIS-1 and INPULSIS-2 trials (Richeldi. N Engl J Med. 2014)

– **Potential benefit in patients transitioning from standard of care:** Participants who completed 26 weeks of placebo or pirfenidone treatment in the randomized portion of the trial and then switched to deupirfenidone for an additional 26 weeks in the OLE achieved stabilization of lung function. Those who switched from placebo to deupirfenidone 825 mg TID (n=17) had a mean change in FVC of +20.0 mL, while those who switched from pirfenidone to deupirfenidone 825 mg TID (n=16) had a mean change in FVC of -23.1 mL.[12] (Figure 3)

Founded Entities continued

Milestones Achieved and Development Status continued

Figure 3
Lung Function Stabilized in Patients who Switched from Placebo or Pirfenidone to Deupirfenidone 825 mg TID



*Part A analysis is based on pre-defined Full Analysis Set using a random coefficient regression model with absolute FVC as a response, including baseline. Baseline is defined as the last available measurement performed before the first study drug administration in Part A. Adjusted mean (SE) by frequentist analysis is estimated based on a random coefficient regression model with absolute FVC over time, including baseline, as a response, and fixed effects for treatment (placebo, pirfenidone), visit (week), and treatment by visit interaction, as well as participant-level random effects for the intercept and slope.

† Part B analysis is based on switch patients (those who completed 26 weeks of placebo or pirfenidone in Part A and then initiated deupirfenidone 825 mg TID in Part B). Patients were re-baselined to the last available FVC measurement obtained prior to the first administration of deupirfenidone 825 mg TID in Part B. Observed mean (SE) values are presented over time as of May 9, 2025.

- **Delay in disease progression:** Time to IPF progression, defined as an absolute decline in FVCpp of ≥5% or death through 26 weeks, was significantly delayed in patients receiving deupirfenidone 825 mg TID compared with placebo (HR 0.439; p=0.0023).
- **Greater drug exposure without sacrificing tolerability:** Pharmacokinetic data show that deupirfenidone 825 mg TID results in an approximately 50% greater drug exposure compared to pirfenidone 801 mg TID (the highest FDA-approved dose). Importantly, the overall incidence of adverse events (AEs) with deupirfenidone 825 mg TID was similar to that of pirfenidone 801 mg TID (85.9% vs. 84.1%, respectively), and AEs were generally mild to moderate. The percentage of patients who remained on deupirfenidone 825 mg TID for 26 weeks (78.1%) was similar to the percentage of patients remaining on placebo (80.0%). Taken together, these data suggest that the higher exposure and improved efficacy observed with deupirfenidone 825 mg TID were achieved without sacrificing tolerability.

— Additional milestones achieved include the following:

- In the April 2026 post-period, PureTech announced the publication of results from the Phase 2b ELEVATE IPF trial of deupirfenidone in The American Journal of Respiratory and Critical Care Medicine.
- In the February 2026 post-period, PureTech announced that the FDA and European Commission had granted Orphan Drug Designation to deupirfenidone for the treatment of IPF. This is an important validation of the program's potential and a meaningful catalyst, as this designation provides both financial and commercial advantages for the development of deupirfenidone.
- In December 2025, PureTech announced the successful completion of the End-of-Phase 2 meeting with the FDA regarding the development of deupirfenidone for the treatment of IPF. The pivotal Phase 3 SURPASS-IPF trial will be a global, randomized, double-blind, head-to-head trial comparing deupirfenidone 825 mg TID to pirfenidone 801 mg TID in adults with IPF who are not on background therapy. The primary efficacy endpoint is the change from baseline in absolute forced vital capacity (FVC) at week 52, which will assess the superiority of deupirfenidone compared with pirfenidone. Based on FDA feedback, PureTech believes that the results from the Phase 3 trial, if successful, and supported by the totality of data from the overall deupirfenidone development program, could complete the data package required to support potential registration of deupirfenidone
- In September 2025, PureTech presented new data from the OLE at the European Respiratory Society (ERS) Congress (Figure 3).
- In May 2025, PureTech presented initial data from the ongoing OLE (at the American Thoracic Society (ATS) International Conference (Figure 2).

Founded Entities continued

Expected Milestones

Celea Therapeutics has secured sufficient non-binding commitments from external investors, in addition to participation from PureTech, such that the fundraising is substantially complete, subject to continued negotiations. While mindful of macro factors, Celea is targeting to close the financing by early in the third quarter of 2026. The financing is intended to support the Phase 3 SURPASS-IPF trial, which Celea expects to commence in close proximity to closing the financing.

Intellectual Property

— Deupirfenidone is protected by a broad and layered IP portfolio. As of December 31, 2025, there are 12 families of intellectual property within this patent portfolio, including eleven families of patent filings that are owned by PureTech and one (1) family that is owned by Teva Pharmaceuticals and exclusively licensed to PureTech, which intellectual property covers deuterated pirfenidone compounds, compositions, and formulations, as well as therapeutic uses therefore, including coverage of deupirfenidone (LYT-100) and its use to treat idiopathic pulmonary fibrosis and other interstitial lung diseases. This intellectual property portfolio comprises six (6) issued U.S. patents which are expected to expire in 2028, one (1) issued patent which is expected to expire in 2035, 13 pending U.S. patent applications, which if issued, are expected to expire 2039 through 2046, two (2) international PCT applications, 41 pending foreign applications and 25 issued patents in foreign jurisdictions.

1 Raghu, Ganesh, et al. "Incidence and prevalence of idiopathic pulmonary fibrosis in US adults 18–64 years old." European Respiratory Journal 48.1 (2016): 179-186

2 Raghu, Ganesh, et al. "Idiopathic pulmonary fibrosis in US Medicare beneficiaries aged 65 years and older: incidence, prevalence, and survival, 2001–11." The lancet Respiratory medicine 2.7 (2014): 566-572

3 Kreuter, Michael, et al. "Epidemiology, healthcare utilization, and related costs among patients with IPF: results from a German claims database analysis." Respiratory Research 23.1 (2022): 62

4 Snell, N., et al. "P272 Epidemiology of idiopathic pulmonary fibrosis in the UK: findings from the British lung foundation's 'respiratory health of the nation' project." (2016): A236-A236

5 French guidelines PNDS

6 Rodríguez-Nieto, Maria Jesus, et al. "Economic burden of idiopathic pulmonary fibrosis in Spain: a prospective real-world data study (OASIS study)." PharmacoEconomics 41.8 (2023): 999-1010.

7 Iommi, Marica, et al. "Occurrence of idiopathic pulmonary fibrosis in Italy: latest evidence from Real-World data." International Journal of Environmental Research and Public Health 19.5 (2022): 2510.

8 Fisher, M., Nathan, S. D., Hill, C., Marshall, J., Dejonckheere, F., Thuresson, P., & Maher, T. M. (2017). Predicting life expectancy for pirfenidone in idiopathic pulmonary fibrosis. Journal of Managed Care & Specialty Pharmacy, 23(3-b Suppl), S17–S24. https://doi.org/10.18553/jmcp.2017.23.3-b.s17

9 Dempsey TM, Payne S, Sangaralingham L, Yao X, Shah ND, Limper AH. Adoption of the Antifibrotic Medications Pirfenidone and Nintedanib for Patients with Idiopathic Pulmonary Fibrosis. Ann Am Thorac Soc. 2021 Jul;18(7):1121-1128

10 FVC decline at 6 months was estimated assuming linear decline over time.

11 Valenzuela, C., Bonella, F., Moor, C., Weimann, G., Miede, C., Stowasser, S., & Maher, T. (2024, September). Decline in forced vital capacity (FVC) in subjects with idiopathic pulmonary fibrosis (IPF) and progressive pulmonary fibrosis (PPF) compared with healthy references [Poster presentation]. European Respiratory Society International Congress, Vienna, Austria; and Luoto, J., Pihlsgård, M., Wollmer, P., & Elmståhl, S. (2019). Relative and absolute lung function change in a general population aged 60–102 years. European Respiratory Journal, 53(3), 1701812. https://doi.org/10.1183/13993003.01812-2017

12 Part B analysis is based on switch patients (those who completed 26 weeks of placebo or pirfenidone in Part A and then were re-randomized to receive deupirfenidone 825 mg TID in Part B). Patients were re-baselined to the last available FVC measurement obtained prior to the first administration of deupirfenidone 825 mg TID in Part B. Observed mean (SE) values are presented over time as of May 9, 2025.

Gallop Oncology

PureTech Equity Ownership: 100%

Gallop Oncology (Gallop) is a clinical-stage biopharmaceutical company committed to transforming treatment paradigms for myeloid malignancies. To the company's knowledge, its lead candidate, LYT-200, is the most advanced therapeutic targeting galectin-9, an important oncogenic driver and potent immunosuppressor, offering a differentiated strategy to address some of the most challenging cancers. LYT-200 has generated compelling clinical efficacy data while maintaining favorable tolerability in both relapsed/refractory (R/R) high-risk (HR) myelodysplastic syndrome (MDS) and R/R acute myeloid leukemia (AML).

Patient Need

R/R HR-MDS

— Myelodysplastic syndromes are a group of serious blood cancers in which the bone marrow does not produce enough healthy blood cells.[1,2] This can lead to anemia, infections, and bleeding complications.[1,2] MDS affects approximately 60,000–170,000 people in the U.S., with approximately 30–40% of patients diagnosed with the more aggressive form of the disease known as HR-MDS.[1,3] HR-MDS is associated with poor outcomes, with patients typically surviving less than two years after diagnosis.[3,4] Additionally, approximately 30% of patients with HR-MDS progress to AML.[2,3]

— The current standard frontline treatments for HR-MDS are hypomethylating agents (HMA), such as azacitidine and decitabine. However, most patients do not respond to these therapies or eventually stop benefiting from them.[1,5] Once the disease becomes R/R, meaning it returns or does not respond to treatment in the first place, outcomes are especially poor, with patients often surviving only a few months.[5,6]

— Treatment options for patients with R/R HR-MDS are very limited, and there has been only one new therapy approved specifically for this setting in the past two decades, and it targets only a small subset of patients (~3–5%) with a specific genetic mutation.[5] As a result, there remains a significant need for new treatment approaches that can improve outcomes for these patients.

R/R AML

— AML is an aggressive blood cancer characterized by the rapid growth of abnormal myeloid blast cells in the bone marrow and blood. It is the most common form of acute leukemia in adults, with a five-year survival rate of less than 30%. Despite available therapies, many patients relapse or fail to respond, and outcomes are especially poor in the R/R setting. Around 450,000 people globally are living with AML.[7]

— AML is an area of urgent medical need where new therapies with improved safety, efficacy, and durability of responses are critical. Importantly, the incidence of AML is increasing, and the market is expected to grow to $6 billion annually by 2030,[8] underscoring the scale of the opportunity to bring forward therapies that are not only more effective but also applicable across a broader segment of patients.

Early Development & PureTech Innovation

— PureTech invented LYT-200 in conjunction with partners at New York University. The program began in 2017 after PureTech leveraged its industry-leading network of scientists and became aware of foundational insights around targeting galectin-9 before its publication in *Nature Medicine*. Galectin-9 promotes multiple immunosuppressive pathways, and blocking galectin-9 results in tumor cell death as well as induction of anti-tumor immunity in the context of hematological malignancies. High levels of galectin-9 expression in tumor tissue, on leukemia cells as well as in patients' blood are generally linked to more advanced disease and worse outcomes.

— LYT-200 is a fully human IgG4 monoclonal antibody and, to our knowledge, the most advanced clinical program targeting galectin-9. Galectin-9 inhibition provides a dual mechanism of action: directly killing cancer cells, while also restoring anti-tumor immune function. This mutation-agnostic approach supports potential use of LYT-200 as both a monotherapy and in combination with other anti-cancer therapies, depending on the cancer type, treatment setting, and line of treatment. By addressing both tumor-intrinsic and immune-mediated pathways, Gallop's strategy is differentiated from existing therapies and is designed to drive meaningful responses and improve clinical outcomes while maintaining safety.

Milestones Achieved and Developmental Status

— In the April 2026-post period, PureTech announced positive topline data from the completed Phase 1b clinical trial of LYT-200, which evaluated LYT-200 both as a monotherapy and in combination regimens in two heavily pretreated patient populations. The study included dose escalation of monotherapy LYT-200, followed by dose escalation of LYT-200 in combination with an HMA (azacitidine or decitabine) in patients with R/R HR-MDS and with venetoclax (VEN) and an HMA in R/R AML. This announcement followed the initial topline results that were announced in December 2025 and presented at the American Society of Hematology Annual Meeting. Based on these results, Gallop has selected a recommended Phase 2 dose and intends to engage with the FDA to discuss the design of a subsequent trial that could potentially support registration of LYT-200 in R/R HR-MDS.

- **Topline safety:** LYT-200 demonstrated a favorable and consistent safety profile across all cohorts and dose levels studied (N=101), with no dose-limiting toxicities, infusion-related reactions, LYT-200 dose reductions, or LYT-200-related serious adverse events (AEs), discontinuations, or deaths. Importantly, no overlapping or additive toxicities were observed when LYT-200 was combined with an HMA or VEN/HMA.
- **Topline efficacy:** Treatment with LYT-200 in combination with an HMA in R/R HR-MDS patients and VEN/HMA in R/R AML patients demonstrated robust antileukemic activity, including complete responses, bridging to transplant, and durable clinical benefit. The data also provided important insights into the contribution of LYT-200 within combination regimens.

R/R HR-MDS

Across all efficacy-evaluable[9] patients (n=11), the recommended Phase 2 dose (LYT-200 12mg/kg in combination with an HMA) demonstrated:

- 27.3% complete response rate
- 9.1% partial response rate
- 9.1% marrow complete response rate
- 45.5% overall response rate
- 18% conversion to transplant rate

Due to the number of patients alive at the time of study completion (>50%), the upper bound of overall survival could not be calculated; therefore, the median overall survival for this cohort of 6.4 months is not considered fully mature.

Efficacy-evaluable patients had a median of 3 prior lines of therapy (range: 1-5), and all (100%) had previously been treated with an HMA. Additionally, all patients had high-risk cytogenetics, which – coupled with prior exposure to treatment – suggests biologically aggressive, treatment-refractory disease with elevated risk of progression and poor clinical outcomes. Taken together, these attributes underscore the potential mutation-agnostic mechanism of LYT-200 and its potential for broad clinical use.

R/R AML

Across all efficacy-evaluable[9] patients (n=26), LYT-200 12mg/kg in combination with VEN/HMA demonstrated:

- 30.8% composite complete response rate[10]; responders included patients with mutations associated with VEN resistance
- 7.7% partial response rate
- 42.3% overall response rate
- 19.2% conversion to transplant rate

Due to the number of patients alive at the time of study completion (50%), the upper bound of overall survival could not be calculated; therefore, the median overall survival for this cohort of 8.2 months is not considered fully mature.

Efficacy-evaluable patients had a median of 2 prior lines of therapy (range: 1-9), and 84.6% had previously been treated with VEN/HMA.

— In January 2025, the FDA granted Fast Track Designation to LYT-200 for the treatment of AML. Fast Track Designation is a process designed to streamline the development and accelerate the assessment of drugs that target serious conditions with unmet medical need. LYT-200 was also granted Orphan Drug Designation in 2024, which allows for incentives under the Orphan Drug Act, including tax credits for some clinical trials and eligibility for seven years of market exclusivity in the U.S., if the drug is approved for AML.

Founded Entities continued

Expected milestones	— Gallop has selected a recommended Phase 2 dose and intends to engage with the U.S. FDA to discuss the design of a subsequent trial that could potentially support registration of LYT-200 in R/R HR-MDS. — Gallop intends to pursue third-party capital to support a potentially registration-enabling trial in R/R HR-MDS, with the round targeted to close in the first quarter of 2027.
Intellectual property	The intellectual property portfolio for LYT-200 provides broad intellectual property coverage for antibody-based immunotherapy technologies. As of December 31, 2025, there are 15 families of intellectual property within this patent portfolio, including eight (8) families of patent filings that are co-owned with and/or exclusively licensed from New York University which cover antibodies that target galectin-9, including LYT-200, and methods of using these antibodies in various immuno-oncology technologies and other therapeutic methods. In addition, the intellectual property portfolio includes six (6) families of company-owned patent applications covering the use of anti-galectin-9 antibodies in the diagnosis and treatment of various cancers, including solid tumors and hematological cancers, and one family of patent applications co-owned with BeiGene directed to combination therapies for the treatment of solid tumors. This intellectual property portfolio comprises five (5) issued U.S. patents which are expected to expire in 2038, 12 pending U.S. patent applications, which if issued, are expected to expire 2037 through 2046, two (2) international PCT applications, 76 pending foreign applications and 41 issued patents in foreign jurisdictions.

1 American Cancer Society. (2023). What Is Myelodysplastic Syndrome? Retrieved from https://www.cancer.org

2 National Comprehensive Cancer Network. (2024). NCCN Clinical Practice Guidelines in Oncology: Myelodysplastic Syndromes (Version 2.2024). Retrieved from https://www.nccn.org

3 Greenberg, P. L., Tuechler, H., Schanz, J., Sanz, G., Garcia-Manero, G., Solé, F., Bennett, J. M., Bowen, D., Fenaux, P., Dreyfus, F., Kantarjian, H., Kuendgen, A., Levis, A., Malcovati, L., Cazzola, M., & Haase, D. (2012). Revised International Prognostic Scoring System for myelodysplastic syndromes. Blood, 120(12), 2454–2465. https://doi.org/10.1182/blood-2012-03-420489

4 Ma, X. (2012). Epidemiology of myelodysplastic syndromes. The American Journal of Medicine, 125(7 Suppl), S2–S5. https://doi.org/10.1016/j.amjmed.2012.04.014

5 Garcia-Manero, G., Fenaux, P., Al-Kali, A., Baer, M. R., Sekeres, M. A., Roboz, G. J., et al. (2016). Rigosertib versus best supportive care for patients with high-risk myelodysplastic syndromes after failure of hypomethylating drugs (ONTIME): A randomised, controlled, phase 3 trial. *Lancet Oncology, 17*(4), 496–508. https://doi.org/10.1016/S1470-2045(16)00009-7

6 Prébet, T., Gore, S. D., Esterni, B., Gardin, C., Itzykson, R., Thepot, S., Quesnel, B., Dreyfus, F., Beyne-Rauzy, O., Vey, N., Recher, C., Adès, L., Fenaux, P., & Groupe Francophone des Myélodysplasies. (2011). Outcome of patients with higher-risk myelodysplastic syndromes after azacitidine treatment failure. Journal of Clinical Oncology, 29(24), 3322–3327. https://doi.org/10.1200/JCO.2011.35.8135

7 Acute Myeloid Leukemia - Cancer Stat Facts. (n.d.). National Cancer Institute

8 Grand View Research, Acute Myeloid Leukemia Treatment Market Size, Share & Trends Analysis Report By Disease, By Treatment (Chemotherapy, Targeted Therapy, Immunotherapy), By Route of Administration, By End Use, By Region, And Segment Forecasts, 2025 Ð 2030

9 Efficacy evaluable is defined in the protocol as all patients who received a minimum one full cycle of LYT-200 (four doses) and had a minimum of one on-study disease assessment. The intent-to-treat population for the R/R HR-MDS cohort was n=12 and for the R/R AML cohort was n=33.

10 Complete response + complete response with incomplete hematological recovery

Seaport Therapeutics

SEAPORT THERAPEUTICS

PureTech Equity Ownership: 35.0%[1]

PureTech Non-dilutive Economics: 3-5% tiered royalties on Glyph product net sales plus modest regulatory and commercial milestone payments

Seaport Therapeutics (Seaport) is a clinical-stage therapeutics company focused on inventing and developing new medicines for patients with depression, anxiety, and other debilitating neuropsychiatric disorders. All of the product candidates in its pipeline are based on its Glyph™ platform, which was initially advanced at PureTech and is now exclusively licensed to Seaport. Seaport applies Glyph to create novel product candidates for its pipeline, resulting in new intellectual property, including composition of matter patents.

Seaport's pipeline includes its lead product candidate, GlyphAllo™ (SPT-300 or Glyph Allopregnanolone), a Glyphed oral prodrug of allopregnanolone, which is currently being evaluated in the Phase 2b BUOY-1 trial in patients with major depressive disorder (MDD) with or without anxious distress; GlyphAgo™ (SPT-320 or Glyph Agomelatine), a Glyphed oral prodrug of agomelatine, being advanced for the potential treatment of generalized anxiety disorder (GAD), which demonstrated positive topline data from its ongoing Phase 1 proof-of-concept trial in healthy adults; Glyph2BLSD™ (SPT-348 or Glyph 2-bromo-LSD), a Glyphed oral prodrug of the non-hallucinogenic LSD analog 2-bromo-LSD, which is being advanced in preclinical studies for the treatment of depressive disorders, including treatment-resistant depression, post-traumatic stress disorder, and headache disorders. In addition to its three lead candidates, Seaport has robust discovery programs and multiple pipeline programs underway.

Patient Need

— As of 2021, approximately 332 million people worldwide were affected by depression[2] and approximately 21 million adults in the U.S. were affected by MDD.[3] Quality of life can be severely impacted, and the societal economic burden of MDD in the U.S. alone was estimated at over $300 billion in 2019.[4] Currently approved drugs for MDD often have significant limitations, including modest efficacy, slow onset of action, and unfavorable side effects, and approximately 4 in 10 people with MDD did not receive treatment as of 2021.[3]

— Anxiety disorders are even more prevalent than MDD, and approximately 359 million people worldwide were affected as of 2021.[5] Of these, approximately 100 million adults suffer from GAD, including more than seven million adults in the U.S.[6] There have been no new therapies approved for GAD in almost two decades, and the medicines currently used for GAD have modest efficacy, slow onset, and/or unfavorable side effects.

Early Development & PureTech Innovation

— With intersecting interests in enabling promising neuropsychiatric drugs to reach their full potential and the emerging science around the lymphatic system, we identified a breakthrough platform being developed at Monash University that had the potential to selectively transport therapeutic molecules through the lymphatic system. PureTech exclusively licensed the technology platform, now known as Glyph, and continued to refine it, before housing it and several therapeutics candidates in its Founded Entity, Seaport.

— Glyph uses the lymphatic system to enable and enhance the oral administration of drugs. With the Glyph platform, drugs are absorbed like dietary fats through the intestinal lymphatic system and transported into circulation. The Glyph platform has the potential to be widely applied to many therapeutic molecules that have high first-pass metabolism otherwise leading to low bioavailability and/or side effects, including liver enzyme elevations or hepatotoxicity. For each program, Seaport uses its Glyph platform to create unique sets of prodrugs with differentiated profiles and evaluate these prodrugs as potential candidates to advance into preclinical and clinical studies.

Founded Entities continued

Milestones Achieved and Developmental Status

— In the April 2026 post-period, Seaport publicly filed a Registration Statement on Form S-1 with the U.S. Securities and Exchange Commission (SEC) relating to a proposed initial public offering of shares of its common stock. The timing, number of shares to be offered and the price range for the offering had not yet been determined as of the date of this report. The offering is subject to market and other conditions, and there can be no assurance as to whether or when the offering may be completed, or as to the actual size or terms of the offering.
— In September 2025, Seaport announced that the first participant had been dosed in the Phase 1 proof-of-concept clinical trial of GlyphAgo (SPT-320). In the April 2026 post-period, Seaport announced positive topline data from the single-ascending dose (SAD) and crossover portions of the ongoing trial. The results demonstrated that GlyphAgo exceeded the program's target of a 2-fold increase in bioavailability compared to unmodified agomelatine, achieving therapeutic levels of agomelatine at substantially lower doses that reduce liver exposure and are projected to reduce or eliminate the need for liver function testing. In the head-to-head crossover portion of the trial, GlyphAgo demonstrated a 6.8-fold increase in bioavailability of agomelatine compared to unmodified orally administered agomelatine.
— In the March 2026 post-period, Seaport announced the publication of first-in-human clinical and preclinical data for GlyphAllo in Science Translational Medicine. The paper traces the program's pathway from discovery through initial proof-of-concept, further supporting clinical validation of Seaport's proprietary Glyph™ platform.
— In July 2025, Seaport announced that the first patient had been dosed in the Phase 2b BUOY-1 trial of GlyphAllo (SPT-300) in patients with MDD with or without anxious distress. The trial is currently ongoing.
— In February 2025, Seaport announced the publication of new data showcasing the Glyph platform's unique ability to enhance drug transport through the lymphatic system for increased therapeutic exposure. The paper, published in *Molecular Pharmaceutics*, is the first to show the impact of changing the drug attachment point of a lymph-directed prodrug on lymphatic drug transport and targeted drug exposure.

Expected milestones

— Seaport anticipates topline data from the Phase 2b BUOY-1 trial of GlyphAllo in patients with MDD with or without anxious distress in the first half of 2027.

— Seaport plans to initiate a Phase 2a proof-of-pharmacology trial designed to evaluate the potential sleep benefit of GlyphAgo in patients with GAD and sleep disturbance, with topline data expected in early 2028.

— Seaport also plans to initiate, in parallel, a Phase 2b trial evaluating the efficacy and safety of GlyphAgo in patients with GAD, with topline data expected by the end of 2028.

1 PureTech's ownership interest in Seaport Therapeutics is presented on a partially diluted basis (as opposed to a voting basis) as of December 31, 2025, including outstanding shares and stock options, but excluding unallocated shares authorized to be issued pursuant to equity incentive plans.

2 World Health Organization, *Depressive disorder (depression)*, fact sheet, updated August 29, 2025.

3 National Institute of Mental Health, *Major Depression*, statistics page, accessed April 14, 2026.

4 Greenberg PE, Fournier AA, Sisitsky T, et al., *The economic burden of adults with major depressive disorder in the United States (2019–2020)*, Journal of Clinical Psychiatry, 2023.

5 World Health Organization, *Anxiety disorders*, fact sheet, updated September 8, 2025.

6 Ruscio AM, Hallion LS, Lim CCW, et al. Cross-sectional Comparison of the Epidemiology of DSM-5 Generalized Anxiety Disorder Across the Globe. JAMA Psychiatry. 2017;74(5):465–475. doi:10.1001/jamapsychiatry.2017.0056

Founded Entities continued

Karuna Therapeutics/Cobenfy™[1]

A wholly owned subsidiary of Bristol Myers Squibb (NYSE: BMY)

PureTech Non-dilutive Economics: 2% royalty on annual Cobenfy sales above $2 billion in addition to milestone payments under its agreements with Royalty Pharma and Bristol Myers Squibb upon the achievements of certain regulatory approvals and Cobenfy sales milestones.

Karuna Therapeutics (Karuna) was a PureTech Founded Entity through which Cobenfy™ (xanomeline and trospium chloride; formerly known as KarXT) was invented and advanced. Cobenfy was approved by the U.S. Food and Drug Administration on September 26, 2024, for the treatment of schizophrenia in adults. It is the first new mechanism approved to treat schizophrenia in decades.

Patient Need

- Schizophrenia affects approximately 21 million people worldwide and remains a serious, chronic mental health condition that affects how a person thinks, behaves, and feels.[2]
- Prior to the approval of Cobenfy, the treatment landscape had seen limited innovation for decades, with available therapies predominantly targeting dopamine receptors and often constrained by suboptimal efficacy and burdensome side effects. As a result, an estimated 60–70% of patients remained inadequately managed on existing treatments. This gap highlighted a clear need for novel, non-dopaminergic approaches capable of improving outcomes for patients.

Early Development & PureTech Innovation

- Cobenfy exemplifies PureTech's model: identifying validated pharmacology constrained by solvable limitations and applying targeted innovation to unlock its full therapeutic potential.
- PureTech identified xanomeline, a muscarinic receptor agonist previously developed by Eli Lilly, which had demonstrated compelling efficacy in both schizophrenia and Alzheimer's disease. Despite this validated pharmacology, its development had been halted due to dose-limiting side effects, particularly related to gastrointestinal issues.
- To address this, the team at PureTech invented and patented a novel combination approach, pairing xanomeline with trospium, a peripherally restricted muscarinic antagonist that does not cross the blood-brain barrier. This design enabled selective activation of the beneficial muscarinic receptors in the brain while mitigating systemic side effects, effectively unlocking the therapeutic potential of xanomeline.
- PureTech advanced this innovation through early clinical development, including key human tolerability proof-of-concept studies, establishing the foundation for further clinical advancement by its Founded Entity, Karuna. In March of 2024, Bristol Myers Squibb announced the completion of its acquisition of Karuna for a total equity value of approximately $14 billion.

Current Developmental Status and Expected Milestones

- Under Bristol Myers Squibb, Cobenfy continues to be evaluated across additional indications, including in the Phase 3 ADEPT program for the treatment of psychosis associated with Alzheimer's disease. For additional details and updates, please refer to Bristol Myers Squibb's disclosures.
- PureTech continues to hold rights to receive a 2% royalty on annual Cobenfy sales above $2 billion in addition to milestone payments under its agreements with Royalty Pharma and Bristol Myers Squibb upon the achievements of certain regulatory approvals and Cobenfy sales milestones.[3]

1 Certain third-party trademarks are included here; PureTech does not claim any rights to any third-party trademarks. COBENFY™ (xanomeline and trospium chloride) is indicated for the treatment of schizophrenia in adults. For Important Safety Information, see U.S. Full Prescribing Information, including Patient Information on COBENFY.com. Following the acquisition of Karuna, KarXT is now under the stewardship of Bristol Myers Squibb and is marketed as Cobenfy.

2 Schizophrenia Resources | COBENFY™ (xanomeline and trospium chloride). (2024). Cobenfy.com. https://www.cobenfy.com/living-with-schizophrenia

3 As of March 22, 2023, PureTech has sold its right to receive a 3% royalty from Karuna to Royalty Pharma on net sales up to $2 billion annually, after which threshold PureTech will receive 67% of the royalty payments and Royalty Pharma will receive 33%. Additionally, under its license agreement with Karuna/BMS, PureTech retains the right to receive milestone payments upon the achievement of certain regulatory approvals.

Key Performance Indicators – 2025

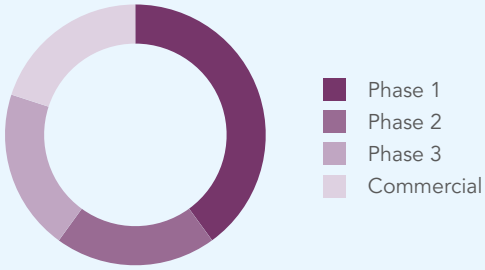
The key performance indicators (KPIs) below measure our performance against our strategy. As PureTech's strategy has evolved, new KPIs have replaced older metrics that are no longer representative of our progress. Looking ahead, as PureTech's Portfolio matures and our operations evolve, we will continue to refine our KPI framework to best reflect the key drivers of performance, capital efficiency, and value creation, providing a clear, year-over-year view of execution and progress.

Portfolio Strength and Diversification

Strategic Portfolio Diversification by Clinical Stage[1]

Our hub-and-spoke model supports a diversified portfolio across multiple stages of development. This balanced distribution helps mitigate binary clinical risk while creating multiple opportunities for value inflection as programs advance over time.

Programs are categorized according to their most advanced disclosed stage of clinical development as of December 31, 2025. In certain cases, programs may be designated as "Phase X ready" where regulatory alignment on the design of the next clinical trial has been achieved, even if the trial has not yet commenced. As such, Celea's deupirfenidone is represented as Phase 3 ready.



Phase 1: 2
Gallop's LYT-200, Seaport's GlyphAgo™

Phase 2: 1
Seaport's GlyphAllo™

Phase 3 / Phase 3 Ready: 1
Celea's deupirfenidone

Commercial: 1
Cobenfy™

0

Clinical Trial Readouts Across Founded Entities

Meaningful clinical progress was achieved across PureTech's portfolio throughout 2025. Though no trials reached formal data readouts during the period, initial results were shared from the ongoing Phase 2b open-label extension with deupirfenidone in patients with idiopathic pulmonary fibrosis. Additionally, initial topline data from the Phase 1b trial of LYT-200 in patients with relapsed/refractory high-risk myelodysplastic syndrome and relapsed/refractory acute myeloid leukemia were announced and simultaneously presented at the American Society of Hematology.

2024: 1
2023: 5
2022: 6
2021: 6
2020: 5

2

Clinical Trial Initiations Across Founded Entities

In 2025, Seaport initiated two clinical trials, the Phase 2b BUOY-1 study of GlyphAllo™ (SPT-300) in major depressive disorder with or without anxious distress, and the Phase 1 study of GlyphAgo™ (SPT-320) in healthy volunteers for the potential treatment of generalized anxiety disorder.

2024: 1
2023: 5
2022: 6
2021: 6
2020: 5

Key Performance Indicators continued

Innovation Engine

1

New Concept-Stage Programs Initiated

Our innovation engine applies a disciplined process to identify therapeutic opportunities aligned with PureTech's innovation framework. Each year, we aim to successfully identify and sufficiently de-risk up to three high-potential opportunities that can advance into concept-stage programs, forming the foundation for future development candidates and potential Founded Entities.

For the purposes of this KPI, a concept-stage program refers to a potential therapeutic opportunity that has been prioritized for structured internal diligence based on its alignment with PureTech's innovation framework and the potential to advance toward development candidate nomination. (See pages 6-7 for details on our innovation engine.)

0

New Development Candidates Nominated

Our innovation engine is designed to advance high-potential concept-stage programs through focused de-risking toward development candidate nomination. Once nominated, these programs have met key scientific and strategic criteria and may form the foundation for potential Founded Entities and future third-party financing.

Each year, we aim to progress our most promising concept-stage programs with the goal of advancing up to two development candidates over a three-year period.

Value Creation

N/A

Third Party Capital Secured for Founded Entities[2]

Capital raised by our Founded Entities consists of both non-dilutive (e.g., grants) and external equity financing. Leveraging external funding for Founded Entities provides three distinctive strategic advantages: it validates program potential through third-party conviction, optimizes capital efficiency, and diversifies investment risk for PureTech. Because Founded Entities raise capital based on programmatic milestones rather than on a fixed annual schedule, financing activity may vary year to year; however, the ability to attract external funding when needed remains an important measure of the strength and capital efficiency of our model.

2024: ~88% (Total of $397.5m)
2023: ~97% (Total of $578.4m)
2022: ~98% (Total of $1.28b)
2021: ~97% (Total of $731.9m)
2020: ~99.6% (Total of $247.8m)

$2.8m

Gross Proceeds Generated from Portfolio

Our portfolio serves as a strategic source of capital that supports PureTech's self-funded model. Proceeds generated from our Founded Entities, including Legacy Holdings[3], help offset the inherent R&D variability typical of the biotech industry while enabling continued investment in innovation and portfolio growth. This model strengthens our financial flexibility and supports a disciplined approach to capital allocation, including the potential to return capital to shareholders over time. In June 2025, PureTech completed the divestment of its remaining equity holdings in Vor, with gross cash proceeds of approximately $2.8 million before expenses.

2024: $327.4m
2023: $133.3m
2022: $115.4m
2021: $218.1m
2020: $350.6m

1 Includes publicly disclosed therapeutic candidates across our Founded Entitites. Therapeutic candidates that are not yet nominated or not disclosed by PureTech or our Founded Entities are excluded from this metric.

2 Reference to Founded Entities represent companies founded by PureTech in which PureTech maintains an equity interest and/or, in certain cases, is eligible to receive sublicense income, milestone payments, or royalties on product sales. As of December 31, 2025, these entities include, among others, Celea Therapeutics, Gallop Oncology, and Seaport Therapeutics. The term also includes our non-dilutive economics in Cobenfy™ (invented by PureTech and now marketed by Bristol Myers Squibb).

3 Legacy Holdings represent our interests in historical Founded Entities. We retain potential upside from these positions but do not expect them to be material value drivers for PureTech and only expect to allocate modest, if any, capital to these entities. To the extent we believe that these holdings could produce material value to PureTech or receive material investment from PureTech, we would move them into the Founded Entities category. As of December 31, 2025, Legacy Holdings include, among others, Sonde Health, Entrega, and Vedanta Biosciences.

This Strategic Report is delivered in accordance with a resolution of the Board, and has been signed on behalf of the Board by

Robert Lyne
Chief Executive Officer and Director

April 29, 2026

Building and maintaining a sustainable business

ESG report

Patients

We are committed to giving life to new classes of medicine to change the lives of patients with devastating diseases.

People

Our dedicated and talented workforce is vital to achieving success in all that we do.

Planet

We aim to deliver high standards of environmental leadership to protect natural and human capital.

Governance

Our work would not be possible without trust – it is a core value on which our success depends, and the foundation of our relationship with our stakeholders.

ESG report

At PureTech, our commitment to sustainability, through strong Environmental, Social and Governance (ESG) practices, remains steadfast. Our core priority is innovating to create new classes of medicine which transform the lives of patients, and we recognize that ESG plays an important role in supporting our achievement of this goal.

"As PureTech advances the next generation of therapies, we remain steadfast in our belief that a successful business must be a responsible one. Our strategy is built on the belief that scientific progress and social responsibility are naturally complementary. For us, a sustainable business model is the bedrock of long-term innovation, allowing us to remain focused on what matters most: delivering transformative medicines through ethical and intentional leadership. We translate this intention into action by continuously optimizing our operations to ensure that our physical footprint remains lean and our resources are directed toward our highest-impact scientific work."

Kiran Mazumdar-Shaw: Chair of the ESG Committee

Our ESG strategy has been designed to ensure that we operate our business sustainably and ethically, while facilitating innovation through a positive, collaborative culture and the development of our people.

We integrate the views of our key stakeholders – our employees and external partners – in the continuous development of our ESG efforts. This collaboration is central to driving progress against our ESG objectives.

Our governance structure supports our ESG program via our cross-functional ESG Committee, which is chaired by Ms. Kiran Mazumdar-Shaw, an independent non-executive director of PureTech Board, and supported by one management member and a dedicated internal ESG working group. The Committee provides guidance and oversight, championing major initiatives across environmental sustainability, social responsibility, ethics and transparency. This structure ensures our reporting remains aligned with evolving standards such as the Task Force on Climate-related Financial Disclosures (TCFD) framework and the Streamlined Energy and Carbon Reporting (SECR). Sustainability is integral to our purpose; through collaboration and accountability, we create shared, lasting value.

This is our sixth annual sustainability report detailing our ESG strategy, performance and ongoing progress. The report, in line with our overarching approach to sustainability, was developed based on business priorities and feedback from our stakeholders. Throughout the report, we outline our long-standing commitment to Patients, People and Planet and the actions we have taken in 2025 to embed responsible business practices in all that we do.

The data provided in this report cover the period from January 1, 2025, through December 31, 2025, unless otherwise stated. Ongoing initiatives as well as information deemed significant from our previous reports have also been included in this report to provide context.

Our ESG Standards

This report has been prepared in accordance with additional frameworks and standards including:

— The United Nations Sustainable Development Goals (SDGs), see pages 28-29.

— The Streamlined Energy and Carbon Reporting (SECR) requirements, see pages 40-42.

— The Sustainability Accounting Standards Board (SASB) standards for Biotechnology & Pharmaceuticals, see pages 50-52.

— The Task Force on Climate-related Financial Disclosures (TCFD) framework, see pages 53-57.

In 2025, we continued to align our reporting with best practice frameworks, reinforcing our commitment to rigorous and transparent disclosures. Our cross-functional ESG working group closely monitored emerging regulations and engaged with industry partners to stay ahead of evolving stakeholder expectations and to ensure our ESG reporting and implementation remains best in class.

Our Approach

At PureTech, we remain committed to developing transformative therapies for those who need it most. We identify disease areas with high unmet needs and leverage our expertise to create potentially life-changing treatments.

As we continue on our scientific mission, we must ensure our work reflects responsibility and sustainability across ESG issues. To achieve this, we challenge ourselves to elevate standards, amplify underserved voices, and promote conscientious progress. Our ESG approach will continue to support our mission to create potentially life-changing treatments for patients, to build a healthier, more equitable world.

PureTech engages with various third party ESG Risk Ratings bodies to evaluate our exposure to material industry-specific ESG risks. While we acknowledge these efforts are only one part of enhancing our approach to ESG, the assessment process and its results have served to enhance our ESG program with a goal to better understand ESG best practices each year. In 2025, we continued to actively engage with and secure positive ratings from Sustainalytics, ISS, CDP, FTSE Russell, and S&P Global. This reflects our commitment and continuous efforts to contribute to a sustainable future.

Our ESG assessment

Each year, we identify and address the ESG topics that are most important to our stakeholders and that have the largest strategic impact on our business. This is led by our ESG Committee, which helps set, and oversee, our ESG commitments and sustainability priorities. We ensure our strategy reflects a balance between the most material ESG issues to our business and our stakeholders; and the refinement of our approach matches the evolving ESG landscape. The process involves the following six steps:

1.	Engage with ESG stakeholders to guide our ESG next steps
2.	Review the latest ESG trends and key material topics relevant to our business
3.	Evaluate the current regulatory landscape
4.	Prioritize issues and assess our reporting framework
5.	Integrate findings into our business operations and strategy
6.	Report our progress on an ongoing basis, including through our annual ESG reporting

Our ESG Framework – Patients, People and Planet

PureTech's ESG Framework is built around three strategic areas of focus to achieve a positive social impact: Patients, People and Planet. Our approach is underpinned by our robust governance framework (see pages 45-57), which helps us to deliver our mission, strategy and purpose in a consistent and responsible way.

PATIENTS

We are committed to unlocking new classes of medicines with proven efficacy to address areas of significant unmet medical need.

Our goal is to achieve this through the innovative, safe and ethical discovery, development and commercialization of highly differentiated medicines.

See pages 30-33 for more.

2025 Highlights

— Conducted peer review and market analysis to identify areas of improvement, including assessment of emission target setting

— Monitored and assessed the evolving ESG regulatory landscape to ensure continued alignment with relevant frameworks. This included the Corporate Sustainability Reporting Directive (CSRD), Corporate Sustainability Due Diligence Directive (CSDDD), The Taskforce on Nature-related Financial Disclosures (TNFD), The High-level Expert Group on the Net Zero Emissions Commitments of Non-State Entities (HLEG), and the International Sustainability Standards Board (ISSB). While these do not currently impose direct compliance requirements on PureTech, we continue to evaluate if and when reporting against these frameworks will become impactful for our ESG initiatives

— Received positive ESG ratings from CDP, FTSE Russell, ISS, Sustainalytics, and S&P Global

The UN SDGs

80% of clinical trials have been successful[1]

3 therapeutics taken from inception at PureTech to FDA approvals

Including the landmark approval of Cobenfy™[2]

Addressing millions

of patients across many therapeutic areas (see pages 10-19)

Our ESG framework continued

PEOPLE

Our dedicated and talented workforce is vital to achieving success in all that we do. We believe that diverse perspectives fuel bold ideas and lead to transformative innovation. Our commitment to diversity, equity, and inclusion (DEI) is not only a value but also a strategic advantage that drives performance, fosters collaboration, and accelerates growth.

See pages 34-38 for more.

The UN SDGs

43% gender diversity on Leadership level

Continue to exceed FTSE Women Leaders 40% women in leadership recommendation[3]

50% gender diversity on the Board level[4]

Continue to exceed FTSE Women Leaders 40% women on Board recommendation[3]

PLANET

We aim to deliver high standards of environmental leadership to protect natural and human capital.

While our environmental footprint remains comparatively small, we recognize our responsibility in measuring and managing our impact to contribute to effective climate solutions.

See pages 39-44 for more.

The UN SDGs

14% less energy consumed at the Boston HQ compared to the 2030 Challenge baseline[5]

66% fewer GHG emissions generated at the Boston HQ compared to the 2030 Challenge baseline[5]

1 The percentage includes number of successful trials out of all trials run for all therapeutic candidates advanced through at least Phase 1 by PureTech or its Founded Entities from 2009 onward.

2 Certain third-party trademarks are included. PureTech does not claim any rights to any third-party trademarks.

COBENFY™ (xanomeline and trospium chloride) is indicated for the treatment of schizophrenia in adults. For Important Safety Information, see U.S. Full Prescribing Information, including Patient Information on COBENFY.com. Following the acquisition of Karuna Therapeutics, KarXT is now under the stewardship of Bristol Myers Squibb and is marketed as Cobenfy.

3 FTSE Women Leaders Review has set 40% women on both Board and in leadership (defined as the Executive Committee and Direct Reports combined) target.

4 Board composition as of December 31, 2025.

5 This data is as of December 2024 and was provided by the building's landlord, Related Beal. The delivery of December 2025 data has been delayed due to a change in the BERDO reporting timeline; this information is expected to be provided to PureTech in May 2026. Consequently, these figures will be published on the Sustainability page of the PureTech website as soon as they become available.

Supporting the UN Sustainable Development Goals

The United Nations' 17 SDGs, adopted by UN Member States in 2015, provide a global blueprint for dignity, peace and prosperity for people and planet. The goals are an urgent call to action for businesses to address key global challenges by 2030.

The following are eight SDGs our ESG efforts are aligned with, and we continue to be committed to delivering against each of the SDGs identified.

Goal 3: Ensure healthy lives and promote well-being for all ages

As a hub-and-spoke biotherapeutics company dedicated to giving life to science, contributing to good health and well-being reflects our mission to change the lives of patients with devastating diseases (see pages 10-19).

We believe that delivering good health requires equitable access to safe, effective, quality and sustainable medicines for all.

Goal 5: Achieve gender equality and empower all women and girls

We are committed to improving the diversity of our workforce by building an inclusive culture (see pages 34-38). We also demonstrate our commitment to equality through the inclusion of diverse patient population needs through our unique approach to drug development.

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

We support our staff by ensuring excellent working conditions and offering a comprehensive benefits package to all employees across our operations (see page 37). We also drive economic growth and productivity through our business activities and by partnering with local universities to provide internship opportunities (see page 36).

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Innovation sits at the heart of what we do at PureTech, and our success is a result of our differentiated innovation engine (see pages 6-7).

Goal 10: Reduce inequality within and among countries

We have implemented a series of policies and practices to support equal opportunity and treatment of all our staff. We have a zero-tolerance policy on discrimination in all its forms and expect our value chain partners to do the same (see page 35).

Goal 12: Ensure sustainable consumption and production patterns

We engage with an external sustainable environmental solutions provider to monitor and manage waste with a particular focus on hazardous medical waste management. The majority of our biologically and chemically hazardous waste is disposed of through incineration or for waste to energy (see page 43).

As we look ahead, we remain committed to leveraging the power of partnerships across the private, public and nonprofit sectors to deliver on our social mission and drive progress on the SDGs most closely connected to our business.

Goal 13: Take urgent action to combat climate change and its impacts

At PureTech, we monitor and report our scope 1, 2 and 3 emissions and we recognize that the ability to manage the potential impacts of climate change on our business and strategic plans are among the factors that are integral to the long-term success of our business. To take this a step further, we undertook a detailed analysis to identify any climate-related risks with the potential to have a strategic impact on our business moving forward. The analysis can be found in our Task Force on Climate-Related Financial Disclosures (TCFD) report (see pages 53-57 for our 2025 TCFD disclosures).

Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

At PureTech, we recognize the importance of building partnerships and collaborations to drive progress on the SDGs.

For People: We partner with local organizations in the world's number 1 biotech hub to source a top tier sustainable and diverse pipeline of talent to deliver on our mission for patients (see pages 34-38 for more details).

For Patients: We collaborate with patient resource groups, such as Pulmonary Fibrosis Foundation (PFF) to advance awareness, education and clinical research initiatives for one of the therapeutic areas in which we are advancing medicines (see pages 30-33 for more details). By lending our scientific expertise, we help broaden the reach and impact of these groups in building understanding and driving funding for additional research.

PATIENTS

As pioneers of the hub-and-spoke biotherapeutics model, we are dedicated to giving life to science and transforming innovation into value. In 2025, our Portfolio continued to develop through the expertise of our dedicated team and in collaboration with our extensive network of scientists, clinicians, and industry leaders. For details on our programs, please see pages 10-19. To accomplish this goal consistently and ethically, we focus our sustainability efforts on three key areas that enable patient support:

Commitment #1:

Addressing unmet medical needs

Commitment #2:

Ensuring patient safety

Commitment #3:

Accelerating our innovation engine to unlock new medicines

Commitment #1: Addressing unmet medical needs

Our team remains dedicated to providing therapeutics for unmet medical needs. We leverage the substantial groundwork laid by the biopharmaceutical industry, which has dedicated decades to discovering novel modalities and proving efficacy in patients. Despite these advancements, barriers have prevented important new medicines from reaching their full potential. Our innovation approach is designed to systematically evaluate this landscape of untapped opportunity and unlock the clinical benefits for patients. We target small molecules and traditional biologics that have demonstrated human efficacy but have fallen short of meeting patients needs. Through these cutting-edge innovation efforts, we are addressing critical gaps while creating long-term value for both patients and shareholders (see pages 6-7 for more on our innovation model).

Demonstrated track record of inventing groundbreaking treatments: Cobenfy™ [1]

During 2025, Cobenfy™ (formerly KarXT), which was invented at PureTech, advanced through the early stages of its commercial launch by Bristol Myers Squibb. (See page 19 for more on our case study with Cobenfy.)

Cobenfy was invented at PureTech to address a tolerability challenge that had held back a potential new class of medicines for the treatment of neuropsychiatric conditions, such as schizophrenia.

The FDA approval of Cobenfy is a testament to our unique innovation engine that creates and develops treatments to target unmet patient needs. We apply this approach across our Portfolio and will continue to leverage this successful drug development model as we enter our next phase of innovation to offer a positive impact for patients.

Making progress in the fight against idiopathic pulmonary fibrosis (IPF)

Our Founded Entity, Celea Therapeutics, is continuing to advance deupirfenidone (LYT-100) for the potential treatment of IPF. We are excited for the potentially significant impact we can offer patients in need with this program. In 2025, we announced robust data from the ongoing open-label extension study of the Phase 2b ELEVATE trial, which highlight the potential for deupirfenidone to become the new standard-of-care treatment for IPF. (See pages 10-13 for details on Celea Therapeutics.)

IPF is a fatal disease with clear patient need; historically only 25% of IPF patients have ever started treatment[2]

There are three FDA-approved agents to treat IPF, but historically, tolerability challenges have outweighed suboptimal efficacy for most patients

Deupirfenidone demonstrated strong, consistent, & durable efficacy with favorable tolerability in the Phase 2b ELEVATE trial

Deupirfenidone may also address multiple underserved fibrotic conditions, including progressive fibrosing interstitial lung diseases.

Our initiatives:

We undertake efforts to drive awareness of programs within our Portfolio that are 100% owned by PureTech (see page 9 for our Portfolio overview). Our initiatives create inclusive resources to engage both patients and caregivers in clinical trials.

Rare Diseases Day

In February 2025, we celebrated Rare Disease Day by participating in Cycle for Survival, the official rare cancer fundraising program for Memorial Sloan Kettering Cancer Center (MSK). This event supports research for rare cancers and brings together patients, clinicians, and supporters. PureTech sponsored a bike for this event and have raised over $1000. Additionally, a list of local and virtual opportunities to mark this important awareness moment was shared companywide.

Rare Disease Day is an international observance to help raise awareness for the 6,000+ rare diseases that impact over 300 million people globally, and to advocate for equitable access to diagnosis, treatment, care and social opportunities.

Patient Advocacy Partnerships

PureTech is a sponsor of the Pulmonary Fibrosis Foundation's (PFF) Corporate Committee to fulfill a responsibility to the pulmonary fibrosis community. Through this committee, members work together towards solutions to issues that impact patients, supporting the advancement of research, and contributing to the education needs of the patient and medical community.

In June 2025, we continued to sponsor PFF annual fundraiser, Broadway Belts! The event raised nearly $560,000 in 2025 to support the PFF's programs and have raised over $3 million to date.

1 Note: Certain third-party trademarks are included here; PureTech does not claim any rights to any third-party trademarks.
COBENFY™ (xanomeline and trospium chloride) is indicated for the treatment of schizophrenia in adults. For Important Safety Information, see U.S. Full Prescribing Information, including Patient Information on COBENFY.com. Following the acquisition of Karuna, KarXT is now under the stewardship of Bristol Myers Squibb and is marketed as Cobenfy.

2 Dempsey TM, Payne S, Sangaralingham L, Yao X, Shah ND, Limper AH. Adoption of the Antifibrotic Medications Pirfenidone and Nintedanib for Patients with Idiopathic Pulmonary Fibrosis. Ann Am Thorac Soc. 2021 Jul;18(7):1121-1128.

Patients

IPF Awareness Month

In September 2025, we continued our efforts to promote Pulmonary Fibrosis Awareness Month to raise awareness of IPF and to serve as inspiration for our employees. We participated in an awareness walk, hosted a webinar, and made a donation of $10,000 to the PFF. On PFF National Walk Day, our team came together to raise awareness and funds for those affected by this devastating disease. We are proud to support organizations like PFF, which is dedicated to accelerating new treatment development for people living with IPF.

Commitment #2: Ensuring patient safety

Patient safety remains our top priority and informs all aspects of our work. To ensure clinical trial integrity, our team works with external partners to adhere to strict procedures, processes and guidelines. Responsible development practices and diligent oversight guide our efforts to develop innovative medicines that have the potential to transform patient lives.

Delivering Safe Clinical Trials

While we anticipate that all future clinical trials will be conducted by our Founded Entities as a result of our refined strategy (see page 8 for details), we maintained our rigorous clinical trial protocols in 2025 to ensure all clinical trials were conducted according to the highest standards of ethics and safety. All our trials follow the standards of the International Conference on Harmonization (ICH) Good Clinical Practice guidelines and the World Medical Association (WMA) Declaration of Helsinki on the Ethical Principles for Medical Research Involving Human Subjects.

To ensure compliance and rigor in our approach, we seek approval from Independent Ethics Committees and local regulatory authorities on all investigative medicine trials. In addition, our employees who are engaged with clinical trials, either as clinical staff or their designees, are responsible for ensuring full compliance with best clinical practice.

When sponsoring an Investigational New Drug (IND) application, we acknowledge our responsibility to both participants and the regulatory agencies who put their trust in us to act responsibly. We have a robust governance framework in place to ensure patient oversight which includes effective policies and protocols such as our Safety Management Plans and Medical Monitoring Plans, which helps us to monitor, review and act on any incidents. All protocols are compliant with ICH E6 (R3) per FDA regulations and most of our studies have Independent Data Safety Monitoring Committees.

Clinical trial participants are made fully aware of all risks involved prior to participating in a clinical trial. To confirm this, we ensure that every patient has provided informed consent of their willingness to participate through a signed voluntary commitment. Our informed consent requirements are set out in the PureTech Clinical Research Policy.

We also rely on the use of human biological specimens to develop our innovative therapies through clinical trials, which require informed consent. Our Human Biological Specimens Policy specifies our commitment to respecting both donors and the specimens they provide and that collecting, obtaining, storing and using human biological samples must be obtained through consent.

Our President is responsible for ensuring that PureTech follows all US and applicable international regulatory requirements and standards and applicable bioethics principles. In 2025, there were no FDA sponsored inspections related to clinical trial management and pharmacovigilance that resulted in PureTech receiving Voluntary Action Indicated (VAI) and Official Action Indicated (OAI) from the FDA.

Bioethics: R&D

Our ethical and quality management frameworks allow us to maintain the highest level of investigational product safety in compliance with relevant regulations at every phase. This includes our robust policies relating to Good Manufacturing Practices (GMP) and regulatory inspections to embed ethics into our processes.

In 2025, we spent $56.6 million on research and development projects to develop new and innovative therapeutics (see page 74 for details on R&D expenses).

Environmental factors remain integral in our innovation process and further information on our waste data can be found on page 43. We also strive to implement green chemistry and eco-design principles. For example, optimizing large-scale drug substance processes to replace more hazardous solvents that negatively impact the environment.

Bioethics: Animal Research

Animal research continues to play a vital and irreplaceable role in progressing drug discovery, as it assists scientists in addressing biological uncertainties.

PureTech conducts animal testing only when necessary to further the development of therapeutics. This is mandated by regulatory bodies before human trials of new medications can proceed to ensure the safety of clinical trial participants.

We follow the guidelines outlined under the USDA Animal Welfare Act and are dedicated to the humane and ethical treatment of animals. Studies involving animals are evaluated and approved by the Executive Team and are carried out at external qualified and certified vendors that fulfil our standards and anticipated practices for animal care, welfare and handling.

Whenever we contemplate animal testing, we are devoted to applying the replacement, reduction and refinement of animal studies (3Rs):

— **Replace**
We use alternative methods to animal testing wherever possible.
— **Reduce**
We use the minimum number of animals in trials.
— **Refine**
We minimize pain, suffering and distress, and improve the welfare of animals used in trials.

Bioethics: Quality Management

We have a robust Quality Management System (QMS) in place to oversee our raw material suppliers. Our QMS consists of various Standard Operating Procedures (SOPs) which describe our controlled processes that result in consistent quality control as per PureTech's quality system. SOPs include, but are not limited to:

— Clinical Quality Audit Management
— Clinical Quality Event Management
— GMP/GLP Vendor Selection and Qualification
— GMP/GLP Vendor Audit Procedure
— Clinical Operations Safety Monitoring & Management (via Safety Vigilance Distribution tool)
— Nonconformance Procedure for GMP Activities

To ensure our QMS is robust and up to date, a risk assessment protocol is built into our procedures for vendor audits, vendor oversight, and data integrity for Chemistry, Manufacturing, and Controls (CMC). This allows us to quickly determine vendor risks and accelerate new vendor onboarding to meet business demands.

Ensuring Drug Efficacy and Safety

Currently, none of the programs that are 100% owned by PureTech are on the market. In 2025, PureTech received no FDA warning letters. As we have no commercial products, no product delays occured due to a lack of regulatory approval and no product recalls took place.

We will continue to practice our clinical protocols diligently to ensure ongoing safety and compliance across clinical trials within the programs we own 100%.

Commitment #3: Accelerating our innovation engine to unlock new medicines

Innovation has been the bedrock of progress in global health and a key component in the successful development of our portfolio.

Our strong innovation engine - centered on three guiding principles - has generated a robust portfolio to date, enabling us to continue to fulfill our unyielding commitment to delivering potentially life-changing new therapies for patients in need.

— Target areas with significant patient need to offer transformative patient benefit
— Develop solutions driven by validated efficacy
— Advance therapeutics through rigorous and de-risked paths to unlock new classes of medicine

We will continue to leverage this model, our scientific insight and our network of scientists, clinicians and industry leaders to unlock new medicines and deliver highly innovative therapeutics for patients.

PEOPLE

"Our strong industry track record is a direct reflection of our people; their expertise and passion are the ultimate differentiators in our mission to create life-changing medicines. Our exceptional team serves as the foundation of both our corporate and ESG strategies, fostering a collaborative and inclusive environment where innovation can truly excel. I am incredibly proud of our collective accomplishments and remain inspired by my colleagues' unwavering dedication to delivering a lasting, positive impact for patients."

Robert Lyne, CEO

The unwavering dedication and hard work of our people allows us to deliver cutting-edge, innovative therapeutics that benefit patients' lives and bring long-term value for our stakeholders.

It is our firm belief that an inclusive and supportive working environment is fundamental to creating a collaborative, safe space where our colleagues can grow and excel to continue to fuel our innovations. To achieve this, we are committed to delivering on the following four pillars.

Our employees are predominantly located near our headquarters in Boston, MA, with three individuals based in London. As of December 31, 2025, we had a total of 61 employees. 43% of our employees work in R&D roles.

Commitment #1:

Building a diverse, equitable and inclusive workplace

Commitment #2:

Promoting employee development to attract and retain the best talent

Commitment #3:

Maintaining a robust Health & Safety (HS) and Employee Health and Safety (EHS) program

Commitment #4:

Strengthening engagement and collaboration between people, communities and partners

Commitment #1: Building a diverse, equitable and inclusive workplace

Diversity, Equity and Inclusion

While our recruitment efforts and appointments are based on merit, we believe that diverse perspectives fuel bold ideas and lead to transformative innovation. Our commitment to diversity, equity, and inclusion is not merely a value, but also a strategic advantage that drives performance, fosters collaboration, and accelerates growth. That is why we ensure our colleagues are treated with utmost fairness, kindness, and respect.

Under PureTech's Equal Employment Opportunity Policy, we are strictly committed to treating all employees and qualified applicants equally regardless of their race, color, religion, gender or gender identity, sexual orientation, nationality, ancestry, age, physical or mental disability, veteran or military service, or any other status protected by law.

Gender Diversity

It is a deep source of pride that we champion gender diversity and equality in the medical industry, as well as in our workplace.

We are strongly committed to promoting diverse teams across both our leadership and employee level, to ensure an equitable environment in the business. We consistently take steps forward in integrating diversity at a leadership level, as we believe that a diverse board and senior management team leads to stronger performance, retention of exceptional talent and greater shareholder value.

	Total employees		Senior management[3] and their direct reports		Board	
Gender	2024	**2025**	2024	**2025**	2024	**2025**
Total	56	**61**	21	**25**	7	**7**
Female	54%	**57%**	38%	**30%**	43%	**50%**
	30	**34**	9	**7**	3	**3**
Male	46%	**43 %**	62%	**70%**	57%	**57%**
	26	**27**	15	**18**	4	**4**

Cultural Diversity

It is important to us that alongside our efforts to champion gender equality, we promote and celebrate cultural diversity within our firm and the communities we serve.

In 2025, our employee-led Cultural and Social Committee continued its work to support the enhancement of cultural diversity in our workplace. Established in 2021, this collaborative committee dedicates itself to creating programs that celebrate diversity, promote equality, and foster respect and inclusion.

Examples of the Committee's initiatives in 2025 included:

Celebrating Black History Month

In February 2025, we celebrated Black History Month to honor achievements by Black Americans and a time for recognizing their central role in U.S. history. The 2025 theme, African Americans and Labor, focused on the ways that work of all kinds intersect with the collective experiences of Black people. Throughout the month, we highlighted Black individuals who made a profound contribution to the scientific community.

Marking International Women's Day

In March 2025, we celebrated International Women's Day, a global day dedicated to recognizing the social, economic, cultural, and political achievements of women while calling for action to accelerate gender equality. To mark the occasion, we shared educational materials and event resources companywide, highlighting ways in which colleagues can get involved in supporting this mission. We are proud to play our part in this important global initiative by commemorating women's achievements, raising awareness about discrimination, and encouraging action to drive gender parity.

Promoting Social and Economic Change Globally

In March 2025, we donated $5,000 to the American India Foundation (AIF), a leading nonprofit organization dedicated to catalyzing social and economic change in India while strengthening the bridge between the United States and India. AIF programs focus on crucial areas such as education, public health, and livelihood, directly impacting the lives of marginalized populations across the country. AIF has collectively transformed the lives of nearly 19 million people across 35 states and union territories in India.

3 This references senior management who we deem to be our Management Team. See page 84 for the current listing of our Management Team.

Our ESG framework continued

People

Commemorating Juneteenth

In June 2025, we honored Juneteenth, the day dedicated to commemorating the emancipation of slavery in the US. To learn more about the legacy of this historical event, we provided resources to employees highlighting the context, events and significance of Juneteenth.

Commitment #2: Promoting employee development to attract and retain the best talent

Human capital is vital to a successful business operation to support the identification of new opportunities, and innovations. We depend on our people, their scientific knowledge, skills and commitment to thrive. As such, the personal development, retention and recruitment of industry-leading talent is one of our top priorities at PureTech. This priority is linked to our core business strategy by ensuring we have a strong workforce which remains at the forefront of our industry in developing new therapeutic candidates.

Recruitment and Retention

As our programs advance and our business rapidly evolves, the PureTech team has evolved with it over the course of years.

	2023	2024	2025
Total number of employees	90	56	61
Year-over-year growth (%)	(18%)	(37%)	9%
Employee turnover (%)	44.1%	28.0%	5.1%

We source our talent through our outstanding network of world leading scientists. We also source emerging talent from local top tier universities in Boston – the heart of the world's biotech hub – as well as through partnerships with local university cooperative education programs. Our engagement in cooperative education programs offers students real-world experience aligned with their academic pursuits. Additionally, active participation in life science career fairs enables us to identify and attract skilled candidates, ensuring we have a strong dynamic team working towards our innovative initiatives.

Beyond this, we are passionate about providing opportunities to those hoping to pursue a career in life sciences. We continue to be a participant of Project Onramp, which aims to bridge the opportunity gap for promising underserved students via paid summer internships. In 2025, we welcomed total of 2 interns across institutions.

Training and Development

We uphold the value of human capital development at PureTech, encouraging managers and employees to discuss job performance and goals on an informal, day-to-day basis while also conducting formal performance evaluations annually. We encourage ongoing communication and feedback between employees and their supervisors, with progress monitored through an online portal. This enables employees and managers to have clear visibility over their goals throughout the year, which in turn facilitates ongoing constructive feedback and development. In 2025, 100% of our employees received performance appraisals.

For PureTech, career development goes beyond providing opportunities for promotions. We believe an effective career development program entails providing opportunities to enhance employees' competitive capabilities, broaden their expertise and deepen their knowledge. Proactive support of employee career development and training opportunities supports our business goals and our ability to research and develop promising therapeutic candidates. To achieve this, we offer an extensive range of training and also fund participation in development programs on a case-by-case basis. Some of the development trainings include:

IT training:

— Mandatory annual cybersecurity training for all employees, with follow- on assignment to be completed

HR training:

— Mandatory training at onboarding covering PureTech practices and policies
— Special training based on job function; e.g., employees who perform GxP work are assigned matrices by the Quality Assurance department
— Leadership coaching for managers

Employee Benefits

The physical, financial, social and emotional well-being of our employees is paramount to us at PureTech. To support this, we provide a range of benefits for our employees.

An enrollment session is held annually with our benefits administrator, Baystate Benefit Services, to help our employees understand how they can make best use of the benefits available to them. Our benefits model is US orientated, since this is where the majority of our employees are based. We provide an extensive benefits package, including:

— Premium health plan with an option to choose from PPO or HMO plan
— Health Reimbursement Account (HRA)
— Generous Paid Time Off and a firm-wide paid winter shutdown
— Pre-tax parking and transit benefits
— Dental plan
— Benefits continuation (COBRA)
— Gym membership in addition to an onsite gym facility
— Vision plan
— Paid parental leave (Up to 18 weeks)
— Entertainment discounts
— Short-term and long-term disability plan
— Onsite nursing and wellness room
— Employee led Social & Cultural Committee
— 401(k) retirement plan with 3% non-elective contribution by the company
— Life insurance
— Performance share plan
— Onsite free snacks & drinks
— Medical FSA
— One-on-one financial coaching
— Flexible working plans
— Technology reimbursement program
— 24/7 unlimited assistance by ComPsych on resources and information on life's challenges

While we are fundamentally aware of the importance of a range of benefits and employee supports, we also believe this must be accompanied by attractive remuneration. We provide appropriate market-based compensation and incentives in alignment with the goals of the organization and its shareholders. Moreover, PureTech's performance share plan provides employees with stock option grants upon joining the organization, as well as ongoing annual equity as part of the annual compensation review process.

As of 2025, our company has not had any employees who are covered by collective bargaining agreements or are affiliated with trade or labor unions. While we currently operate without such arrangements, we respect the rights of our employees and support their freedom of association and collective bargaining.

Commitment #3: Maintaining a robust Health and Safety (HS) and Employee Health and Safety (EHS) program

It is our unyielding commitment to provide a healthy and safe working environment for our employees that supports their physical and mental wellbeing. We continue to prioritize the health and safety of our team, alongside implementing comprehensive and regularly updated action plans to ensure business continuity. Our comprehensive employee safety programs are two pronged: HS program and EHS program.

HS Governance

The HS program ensures workplace safety and health issues for all employees through regular internal communication channels such as manager-employee meetings, bulletin boards, memoranda and other written communications. The topics covered under the HS program includes workplace injuries, communicable illness in the workplace, reasonable accommodation for qualified individuals with disabilities, security, workplace violence prevention, privacy expectations, and emergency closings. Employee safety is of utmost importance to the business and any violation of our safety standards may result in disciplinary action.

Our ESG framework continued

People

EHS Governance

The EHS program ensures adherence to all EHS-related activities including employee safety training, lab safety protocols and emergency action planning for all lab staff. While PureTech did not have active lab activities in 2025, we continue to maintain a robust program.

Our EHS activities are overseen by an Emergency Coordinator and Safety Officer per the requirements of OSHA, with support from an external EHS expert who is certified through the National Registry of Certified Microbiologists (NRCM) and is a Certified Biosafety Professional (CBSP) and Registered Biosafety Professional (RBP) through the American Biological Safety Association (ABSA).

As well as overseeing day-to-day activities, the EHS team reviews EHS protocols on an annual basis, or when emerging reasons demand a process review, such as a lab incident, new project, or the introduction of a new piece of equipment.

We also provide a mandatory safety training program for all our staff and conduct regular internal audits to maintain industry-leading health and safety standards.

Reporting on Incidents

PureTech has not had any HS incidents in the last 3 years.

Commitment #4: Strengthening engagement and collaboration between people, communities and partners

Stakeholder engagement and collaboration is the foundation of innovation and key to unlocking new solutions that profoundly transform the lives of patients.

A positive and interconnected company culture supports this essential engagement and collaboration which drives our business. We are proud of our efforts to promote a cohesive company culture among our stakeholders, while ensuring we make a meaningful difference to the communities closest to us.

Employee Engagement

We are proud of our series of initiatives to promote employee engagement, which are met with resounding enthusiasm and appreciation from our colleagues:

Employee Intranet, a Connection Hub

— Our Employee Intranet features important company information and employee resources in one easily accessible portal, including company news, new hire highlights, upcoming company events, employee directory, a social gallery and an opportunity to provide feedback.

Employee Value Recognition

— Employees are encouraged to utilize the Employee Value Recognition section of the Employee Intranet platform, where employees can nominate their colleagues for their hard work and recognize the ways in which they uphold PureTech's core values. All submitted value recognitions are then shared and celebrated at the following companywide town hall.

Employee-led Cultural and Social Committee

— Our dedicated Cultural and Social Committee, run by our employees, plan and host DEI-related programs and events, with the aim of fostering engagement and cementing a sense of community and belonging for our people.

Open-door Policy

— We have an open-door policy to encourage employee feedback and to better understand our employees' needs, concerns, and satisfaction rate.

Community Engagement

As a longstanding member of Boston's thriving biotech hub, we are committed to giving back to our community in as many ways as we can, to help make a difference. In 2025, we contributed to several community initiatives and charitable events, which included:

Cradles to Crayons Backpack-A-Thon

— In August 2025, we participated in the annual Backpack-A-Thon event hosted by Cradles to Crayons, a Boston-based non-profit that helps provide clothing and necessary supplies to families in need. This annual event provides critical school supplies to local children in need while delivering a unique opportunity for corporate teamwork, purpose, and community impact. These efforts are part of the Ready for Learning initiative, which will provide 75,000 local students with the essentials they need to start the school year prepared and confident.

The Greater Boston Food Bank – Hunger Free Holidays Campaign

— In November 2025, we participated in a fundraiser for the Hunger Free Holidays campaign hosted by the Greater Boston Food Bank, to raise awareness and funds during the holiday season for the 1 in 3 people who are facing food insecurity. We were proud to match employee donations for a total of approximately $1,100 in support of this cause.

PLANET

The growing pressures on our planet's natural resources, biodiversity and environment require determined action from all corners of society. While PureTech's impact on the environment is small relative to many other companies, we do not ignore our responsibility to future generations.

The deep interconnection between planetary and human health continues to reveal itself through trends like shifting disease vectors, extreme weather events, changing pollen patterns, and disrupted access to clean air and water. As climate change progresses, we have an increased understanding of how environmental factors directly impact public health outcomes. At PureTech, we recognize our responsibility to account for and mitigate the detrimental effects our operations may have on communities already burdened by issues like pollution, biodiversity loss, water scarcity, and the mounting health consequences of climate change. By comprehensively analyzing our environmental footprint, we aim to benefit both people and planet.

While our impacts on the environment are limited as a result of the current scale of our operations and phase of our business, we remain committed to monitoring and reducing the environmental footprint that results from our operations. This means continuing to be aware of biodiversity and natural capital impacts and keeping up to speed with the latest regulations and reporting requirements. In addition, we are taking action by addressing the following key areas:

Commitment #1:

Transparent GHG emissions disclosures

Commitment #2:

Strengthen our waste management process

Commitment #3:

Sustainable facility operations

Planet

Commitment #1: Transparent GHG emissions disclosures

The impact of climate change directly impacts human health. We understand it is the responsibility of everyone, including businesses, to mobilize and fight the worst impacts and keep the world aligned with a 1.5°C pathway. As a biotherapeutics company with no approved therapeutics on the market, our current day-to-day impact on the environment is limited.

While our footprint is currently limited, we are committed to transparently reporting on our GHG emissions. We intend to set a climate-related target when our operations are sufficiently advanced to ensure any such target is meaningful. At this stage, we believe that our operations continue to have a minimal environmental impact (see pages 53-57 for details of our TCFD report), and we remain committed to monitoring this impact as we scale.

Streamlined Energy & Carbon Reporting

The section below, prepared by Verco, includes our sixth year of reporting under the Streamlined Energy & Carbon Reporting ('SECR') requirements. Verco is a B Corp certified, leading sustainability and carbon consultancy with a 30-year track record supporting its clients to understand policy risks and delivering compliance services. Verco draws upon its considerable expertise and experience to ensure that the requirements of the SECR regulation are met.

The reporting period covered in this SECR report is the same as the Company's financial year, January 1, 2025, to December 31, 2025.

Reporting Boundary and Emissions Sources

We have reported on all emission sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('Regulations').

An operational control approach has been used to define the reporting boundary. This is the basis for determining the Scope 1, 2 and 3 emissions for which the Company is responsible.

The emissions sources reported for the year ending December 31, 2025 are:

— **Scope 1:** Natural gas combustion at the premises;

— **Scope 2:** Purchased electricity for our own use;

— **Scope 3:** Business travel undertaken in employee-owned cars/short term hire cars, waste, water, business travel (flights, rail, hotel stays, taxi), electricity T&D and all well-to-tank emissions associated with the relevant sources. Please note that Scope 3, aside from fuel used in employee-owned/hire cars, is voluntary disclosure going beyond the Regulation requirements.

Mandatory emission sources "Other fuel used on site" and "Company-owned vehicles" have been omitted from reporting as they are not applicable to PureTech Health. While listed on the London Stock Exchange, PureTech operates in the United States. Therefore, all carbon dioxide emissions and energy consumption figures pertain to the Company's global operations and occur offshore.

Methodology

The following methodology was applied by Verco in the preparation of this report:

— All calculations were undertaken with reference to the guidance given in The Greenhouse Gas Protocol ('GHG Protocol') published by the WBCSD and the WRI, and the Environmental Reporting Guidelines published by the UK government.

— Appropriate emission factors from the following sources were applied to data provided by the Company to calculate GHG emissions, expressed in tonnes of CO_2 equivalent (tCO_2e)

  – UK Department for Environment, Food and Rural Affairs ('DEFRA 2025')

  – Emissions & Generation Resource Integration Database ('eGRID', 2023)

  – Green-e Residual Mix Emission Rates ('Green-e', 2025)

  – United States Environmental Protection Agency ('US EPA', 2025) were applied to data provided by the Company to calculate GHG emissions, expressed in tonnes of CO_2 equivalent (tCO_2e).

— As best practice, the emission factor sourced from USEPA (2025) for Natural Gas is the average of "methane – fossil" and "Nitrous Oxide" greenhouse gases to account for emissions from fossil fuel sources.

— In relations to Scope 2 electricity consumption, both location-based and market-based emissions have been calculated and are presented in this report.

— Appropriate energy conversion factors, sourced from DEFRA (2025), were applied to data provided by the Company to calculate energy usage, expressed in kilowatt-hours (kWh).

— Where data or information was unavailable reasonable assumptions have been made.

Absolute Emissions

The total Scope 1, 2 and 3 GHG emissions from the Company's operations ending in December 31, 2025 were:

— 155.3 tonnes of CO_2 equivalent (tCO_2e) when using a 'location-based' calculation methodology for Scope 2 emissions;
— 155.8 tonnes of CO_2 equivalent (tCO_2e) when using a 'market-based' calculation methodology for Scope 2 emissions.

Total Energy Use

	Electricity (kWh)	Gas (kWh)	Petrol (kWh)	Total Energy Use (kWh)
2025	**248,570**	**19,694**	**88,620**	**356,884**
2024	245,017	17,496	75,259	337,772
2023	222,667	21,272	138,784	382,723
2022	1626053	46059	0	1672112
2021	519,694	85,577	73,856	679,127

Note: Employee-owned cars (kWh) being consumption from petrol and hybrid cars used to travel from regular place of work to head office, occasional meetings, site visits, etc. For FY2025, both premises floor area of the Company and FTE have increased compared to FY2024. Floor area used by our deconsolidated entity, Seaport Therapeutics, for part of FY2024 was subtracted from that year's totals; this area was added back to our FY2025 calculation following their relocation.

Intensity Ratios

As well as reporting absolute emissions, intensity ratios for the Company's emissions have been calculated. The Company's GHG emissions intensity is expressed as tonnes of CO_2 equivalent per m^2 of floor area and tonnes of CO_2 equivalent per full time equivalent employee ('FTE'). These were selected as the most appropriate metric for the Company. These metrics are also consistent with previous years.

The intensity ratios considering all Scope 1, 2 and 3 emissions are as follows:

— 0.03 tCO_2e per m^2 of total floor area and 2.55 tCO_2e per FTE (location-based method)
— 0.03 tCO_2e per m^2 of total floor area and 2.55 tCO_2e per FTE (market-based method)

The intensity ratios for FY2025 have been calculated using a total floor area of 4,645 m^2 and a total number of 61 full-time employees.

Baselines and Progress

The Company's total emissions, both location-based and market-based, have increased year on year by 11.02%.

Absolute emissions rose across all sources due to our transatlantic operational footprint, leading to a 18.24% increase in Scope 3 emissions. However, the total year-on-year emissions growth slowed compared to FY2024 and the intensity ratio remained comparable to FY2024.

Total energy use (kWh) has increased by 5.7% year-on-year.

Our ESG framework continued

Planet

Total Energy Use

GHG emissions	2025 tCO_2e	2025 tCO_2e/FTE	2025 tCO_2e/m^2	2024 tCO_2e	2024 tCO_2e/FTE	2024 tCO_2e/m^2	2023 tCO_2e	2023 tCO_2e/FTE	2023 tCO_2e/m^2	2022 tCO_2e	2022 tCO_2e/FTE	2022 tCO_2e/m^2
Scope 1[5]	**3.6**	**0.06**	**0**	3.2	0.06	0	3.9	0.04	0	10.6	0.05	0.001
Scope 2 (location-based)[6]	**61.2**	**1**	**0.01**	60.1	1.07	0.01	54.6	0.61	0.01	401.2	2.06	0.05
Scope 2 (market-based)[7]	**61.7**	**1.01**	**0.01**	60.5	1.08	0.01	54.9	0.61	0.01	402.6	2.06	0.05
Scope 3[8]	**89.4**	**1.47**	**0.02**	75.6	1.35	0.02	108	1.2	0.02	251.9	–	–
Total GHG emissions (using location-based Scope 2)	**154.2**	**2.54**	**0.03**	138.9	2.48	0.03	166.4	1.85	0.03	663.7	–	–
Total GHG emissions (using market-based Scope 2)	**154.7**	**2.55**	**0.03**	139.3	2.49	0.03	166.7	1.85	0.03	665	–	–

4 Total floor area: 4,573 m^2 (FY2024) and 5,018 m^2 (FY2023). Total number of full-time employees: 56 (FY2024) and 90 (FY2023).

5 Scope 1 being emissions from the Company's combustion of natural gas.

6 Scope 2 (location-based) being emissions from electricity purchased for the Company's own use.

7 Scope 2 (market-based) being emissions from electricity purchased for the Company's own use.

8 Scope 3 being fuel and electricity used in personal/hire cars for business use, business travel, water, waste, well-to-tank emissions, and T&D emissions associated with electricity. Two new emission sources, Scope 3 long haul flights for business travel and taxis for business travel, have been included in the FY2025 reporting boundary.

Understanding the Indirect Environmental Impacts of our Business Activities

While our direct environmental footprint as a clinical-stage biotherapeutics company is relatively modest, PureTech recognizes the broader influence we can have through our strategic investment decisions. Guided by our comprehensive ESG framework, we consider environmental and social impacts when assessing potential partner companies, in addition to governance and ethical practices.

We prioritize business partners that demonstrate accountability through ambitious goals, transparent reporting and full compliance with all applicable regulations related to topics from emissions to waste, energy usage to diversity, equity and inclusion.

While our own operations may have minimal ecological impact directly, the companies we choose to fund create ripples across industries and communities worldwide. By selecting partners based on ESG initiatives, we amplify our positive influence. Our investment decisions shape a rising tide that lifts environmental stewardship, social progress and ethical business practices.

Commitment #2:
Strengthen our waste management process

At PureTech, we are committed to reducing our operational waste, recycling and reusing where possible and ensuring the safe disposal of hazardous material. We partner with Veolia Environment for the management of our hazardous medical waste. Veolia's Voluntary Protection Programs ('VPP') are rated by OSHA and all staff are HAZWOPER certified. In 2025, PureTech produced 1,032lbs (468kg) of biologically and chemically hazardous waste due to the closure of our lab operation, which initiated in 2023 and was completed in 2025. The majority of this waste is disposed of through incineration or for waste to energy. Full details of waste generated, and treatment methods are shown in the tables below.

PureTech hazardous waste emissions (weight in lbs)

	Hazardous	Non Hazardous	Regulated Medical Waste	Total
2025	**425**	**282**	**325**	**1,032**
2024	1,813	735	1,252	3,800
2023	1,739	2,094	3,989	7,822
2022	780	334	3343	4457
2021	1,061	649	6,661	8,371

PurPureTech hazardous waste treatment methods (weight in lbs)

	Fuel Blending	Incineration	Treatment/ Stabilization	Waste to energy	Landfill	Recycle	Total
2025	**190**	**355**	**0**	**475**	**0**	**12**	**1,032**
2024	1,126	1,282	—	1,380	—	12	3,800
2023	1,573	4,246	29	1,680	45	249	7,822
2022	360	217	0	3830	0	50	4457
2021	858	78	133	5,776	231	1,296	8,372

PureTech will continue to monitor these output levels as part of a commitment to keep hazardous waste to a minimum.

Our ESG framework continued

Planet

Commitment #3: Sustainable facility operations

PureTech's headquarters at Innovation Square, 6 Tide Street in Boston, is a brownfield redevelopment site offering many environmental benefits.

Innovation Square consolidates PureTech's laboratory and business operation functions in one building, reducing the need for employees to commute between multiple locations.

The building is in close proximity to public transportation and is equipped with ample bicycle storage – twice the amount required by LEED for the building's size – to encourage green commuting. The building also has on-site shower and changing facilities for cleanliness and hygiene.

Drivers of electric vehicles (EVs) have access to four charging points in the parking area. Employees are also encouraged to take public transportation to work via a travel subsidy, while an office shuttle bus runs to and from the major Boston train stations.

The building is certified LEED Silver. The fit-out incorporates a range of elements to encourage efficient resource use including:

— A roof featuring reflective materials to reduce the building's heat island effect.
— Water use reduction of up to 39% through features such as low-flow toilets.
— Water-efficient landscaping using hardy and drought tolerant plants to reduce irrigation by 50% over a midsummer baseline case.
— Design and model expected to use 35% less energy than the LEED baseline across heating, cooling, lighting, hot water production and other operational functions.
— Designed to generate 47% fewer greenhouse gas (GHG) emissions than the AIA 2030 Challenge baseline, equivalent to an annual reduction of 2,500 metric tonnes of CO_2e.
— Use of low-emitting flooring, paints and sealants in the construction in compliance with the US SCAQMD Rule #1168 to reduce VOC emissions.
— No chlorofluoro-carbon-based refrigerants (CFCs) were used in building heating, ventilation, air conditioning and refrigeration systems.
— PureTech's kitchen area is stocked with reusable utensils, plates, cups and glasses to minimize the use of disposable items. Every conference room has recycling bins for paper and other waste, as do all kitchens.

Note: All data in this section is taken from the Article 37 Green Building Report and LEED checklist developed by WSP for the building's landlords, Related Beal.

GOVERNANCE

Our work would not be possible without trust – it is a core value on which our success depends, and the foundation of our relationship with our stakeholders. We prioritize meeting our stakeholders' expectations by being responsible corporate citizens and holding ourselves to the highest ethical standards of compliance and transparency. PureTech's governance framework is described in detail in pages 58-121of this report in line with the UK Corporate Governance Code. Our approach to Governance, which underpins our focus on Patients, People and Planet, centers on the following key areas:

Commitment #1:

Establish and maintain strong ESG governance

Commitment #2:

Uphold high business ethics standard

Commitment #3:

Strengthen supply chain standards

Our ESG framework continued

Governance

Commitment #1: Establish and maintain strong ESG governance

ESG Governance

PureTech recognizes the importance of good governance in delivering positive ESG outcomes, in line with the long-term objectives of the business. The Board maintains direct oversight and is ultimately responsible for our performance. Our ESG strategy is driven by the ESG Committee, which reports directly to the Board, and guides our approach and provides the important framework to deliver on this strategy in a consistent manner. (See page 54 in our TCFD Report for the governance diagram)

The ESG committee is composed of an independent non-Executive Director and supported by at least one C-Suite Officer, and reports directly to the Board. The work of the ESG Committee is supported by a dedicated internal working group, that is responsible for the implementation of strategy and welcomes active engagement with shareholders and other stakeholders on matters relating to ESG and corporate stewardship.

Our ESG Committee was founded in 2020 and is chaired by the independent non-Executive Director, Kiran Mazumdar-Shaw. The ESG committee is responsible for managing, reviewing and advancing our ESG progress and enhancing disclosure and transparency through our annual ESG reporting process. The ESG Committee meets with the Board on a quarterly basis (or as the need arises) to assess and monitor ESG risks and provide updates on progress regarding the implementation of our ESG strategy.

Our TCFD Report, on pages 53-57, provides extensive detail on the role and responsibilities of the Board and our Management Team in the oversight and implementation of our ESG and climate-related strategy.

Sustainability-linked remuneration

As of 2025, we have not incorporated any sustainability target into our remuneration policies. The incorporation of ESG metrics into executive remuneration has grown significantly in recent years, and it can constitute an important tool to improve the alignment between executive pay and the strategic priorities of the business. However, and in line with institutional investor and market best practice guidance, non-financial and ESG-related metrics, much like any performance metric, must be quantifiable, stretching and clearly linked to the strategy of the business.

Given the size and nature of our business, the Remuneration Committee continues to deem the introduction of ESG metrics in executive remuneration to not be appropriate at this time. The Committee will keep this topic under review. Regardless of the inclusion of specific ESG metrics within the remuneration policy, the Board is satisfied that our ESG performance will support positive outcomes for the business across a number of measures, so that progress on ESG initiatives will have an impact on remuneration outcomes overall.

Finally, our commitment to measuring, monitoring and improving our climate-related performance remains in place as we continue to track our climate-related risks according to the TCFD guidelines (see pages 53-57 for the TCFD Report).

Board Diversity

The Board and Management continue to recognize the benefits of diversity, and the requirements set out in the FCA Diversity Policy, as well as the expectations set out in the FTSE Women's Leaders Review and the Parker Review. While PureTech is not featured in FTSE Women's Leaders Review or Parker Review for 2025, we continue to benchmark against the goals set forth by both Reviews. We take pride in the diversity of our Board and are proud to continue to benchmark against and exceed the targets set by FTSE Women's Leaders Review and Parker Review:

— 50% gender diversity at Board level[9];
— 17% ethnic diversity at Board level[9]

Our commitment to championing diversity of gender and ethnicity in particular has been longstanding. While the Parker Review called for the appointment of at least one non-Executive Director from an ethnic minority background by 2021 – "One by 2021" – we had already achieved this target in 2019. As of the end of 2025, one out of our six directors was from an ethnic minority background.

For details on our gender diversity initiatives, please see page 35.

Commitment #2: Uphold high business ethics standard

Business Ethics

For PureTech, being an ethical business means operating with transparency to ensure just and inclusive behaviors throughout our organization and across our day-to-day interactions.

We are committed to acting with transparency, integrity, professionalism and excellence to uphold deep levels of trust with our stakeholders. This requires careful observance of all applicable laws and regulations, as well as regard for the highest standards of conduct and personal integrity.

It is mandatory for all PureTech employees to abide by our Code of Business Conduct and Ethics, which reminds and guides employees through the principles and requirements that govern our business and behavior.

9 Board composition as of December 31, 2025.

Anti-Bribery and Corruption

PureTech has written policies and reporting procedures in place on its zero-tolerance approach to bribery and corruption that have been reviewed and approved by the Board of Directors. These policies are detailed in our Code of Business Conduct and Ethics, and our Anti-bribery Policy outlines the expectations we have for all employees when it comes to anti-bribery and corruption.

We take a zero-tolerance approach to bribery and corruption in all its forms. Specific principles related to anti-bribery and corruption are outlined in our Professional Practices Policy, while third-party risk is governed by our Anti-Bribery Third-Party Guidelines. PureTech is bound by UK laws, including the Bribery Act 2010, and has implemented policies and procedures accordingly.

Employees are required to review and consent to PureTech's corruption, anti-trust violations, and conflicts of interest policy during the onboarding process and reinstate their commitment on an annual basis.

The terms of our Whistleblowing Policy have been formally set out in the Employee Handbook and published on our intranet. To prevent bribery and corruption, our Whistleblowing Policy encourages our staff to confidentially report any ethical concerns, wrongdoings, breaches, or improper conduct by or on behalf of the Company without fear of reprisal. This includes an external hotline to allow employees to report suspected issues, allegations and concerns anonymously. Appropriate individuals, depending on the nature of the specific issue at hand, investigate all allegations of misconduct and communicate findings to the proper personnel inside the Company, which often includes the CEO, to ensure that all concerns are addressed. The results of these investigations are reported to the Audit Committee.

The Audit Committee is satisfied that the Policy has been designed in a manner that encourages staff to report suspected wrongdoing as soon as possible and provides guidance on how to raise any concerns. In 2025, PureTech was not involved in and suffered no monetary losses due to legal proceedings related to corruption and bribery.

Code of Ethics for Healthcare Professionals

PureTech maintains a policy to ensure that interactions and business relationships with healthcare professionals (HCPs) are conducted in accordance with applicable regulations and ethical standards. The policy states, among other things, that (a) HCPs will be selected solely on the basis of their qualifications and (b) payments will be made at fair market value taking into account purchasing history or volume or prospective ability to drive sales. The policy provides the roadmap for engagement of HCPs and regulates interactions between PureTech and HCPs.

Anti-Harassment and Grievance Mechanism

PureTech is committed to providing a work environment that is free of harassment based on sex, race or any other personal characteristic protected under federal or state law. PureTech does not tolerate any forms of harassment or offensive conduct, including sexual harassment or any other form of harassment, as is clearly outlined in our Harassment Policy. The policy states our position towards any behavior that impacts an individual's self-esteem at work and provides examples of prohibited behavior.

All PureTech employees are required to complete mandatory anti-harassment training to ensure that all employees are able to recognize and identify behaviors that may cause harm to their colleagues.

The training highlights the importance of creating an environment that encourages respect for all people and also provides an overview of our grievance reporting structure and how inappropriate conduct is handled. To ensure continuous compliance and awareness, we send periodic reminders to encourage our employees to undertake refresher training relating to anti-corruption. We also ensure that all new employees complete training during onboarding.

PureTech is committed to maintaining its reputation for honesty, fairness, respect, responsibility, integrity, trust and sound business judgment. As part of this commitment to ethical and legal conduct, we strongly encourage all employees to ask questions and report any concerns.

PureTech's Compliance HelpLine allows employees to report suspected issues, allegations and concerns anonymously either through our internal or external helplines. It is a violation of PureTech's policy to retaliate against anyone raising a question or reporting a good faith concern.

Human Rights and Modern Slavery

We are committed to being a responsible corporate citizen by supporting the protection and advancement of human rights for our people, patients and the communities in which we operate. We fully support the Children's Rights and Business Principles set out by the UN Declaration of the Rights of the Child and their protection.

In light of the size of our business and the nature of our business, PureTech is exempt from producing a Modern Slavery statement. However, we do not have cause to believe that any breaches in Modern Slavery are occurring within our business or supply chain.

Governance

Following are our most material human rights impacts and their relevance to the International Bill of Human Rights topics:

Patient	
Patient safety	Right to health Pg 32-33
Addressing unmet needs	Right to enjoy the benefits of science Pg 31-32
Accelerating our innovation engine to unlock new medicines	Right to enjoy the benefits of science Pg 33

People	
Diversity and inclusion	Right to equality between men and women Pg 35-36
Employee Development, Retention and recruitment	Right to just and favorable conditions at work Pg 36-37
Health and safety	Right to health Pg 37-38
Collaboration and growth	Right to an adequate standard of living Pg 38

Planet	
GHG emissions	Freedom to undertake scientific research and creative activity Pg 40-42
Waste management	Right to an adequate standard of living Pg 43
Sustainable facility operations	Right to just and favorable conditions at work Pg 44

Business Continuity

Business continuity is essential to the ongoing success of our business. It demonstrates the strength and resilience of our organization, and our ability to adapt to any unexpected challenges without delays in clinical trials or loss of vital information.

We continue to progress the implementation of the Business Continuity Plan (BCP) to provide for recovery of critical business functions in case of any unplanned events. As we prepare our BCP, and to ensure that we have identified any potential weaknesses in our process, an external vulnerability and verification analysis was carried out by an external third-party which allows us to identify and improve any potential weaknesses in our processes. We will continue to evaluate and prioritize risks and uncertainties that may impact our operation and will implement formal BCP in due course.

Some of the tools currently in place to enhance our cyber security include, but are not limited to:

— VulScan: Identifies security vulnerabilities in our network to ensure business continuity. The tool provides up-to-date information on the degrees of risk for each vulnerability and provides appropriate mitigation strategies.
— Crowdstrike: Used for endpoint protection and to secure the most critical areas of enterprise risk.
— Microsoft Intune: Used for device management and compliance for all computers and mobile devices.
— KnowBe4: Used for cybersecurity training for all employees and simulated phishing for enhanced training.

We believe a robust IT infrastructure and the development of a BCP are essential to secure and improve the resilience of the business. In light of the accelerated digital transformation and associated security risks that the pandemic and geopolitical issues have brought about in recent years, cybersecurity remains a key area of focus of our leadership. Given its material risks to the business, it also represents a key component of our BCP.

Data Privacy and Security

PureTech is committed to upholding and protecting the privacy of our business members and our stakeholders. Our Information Security Acceptable Use Policy outlines the acceptable use of computer equipment, systems, and software at PureTech, and maintains a balance between our established culture of openness, trust and integrity whilst ensuring the safety and security of our stakeholders, systems, and information.

All employees are required to complete a cybersecurity training to increase employees' awareness and understanding of cybersecurity risk.

Additionally, to ensure all clinical trial participant privacy and confidentiality of Protected Health Information (PHI) are protected during the conduct of a clinical trial sponsored by PureTech, all employees who are involved in our clinical trial operations are required to follow our PHI Standard Operating Procedure (SOP). (See pages 32-33 for more on patient safety).

Commitment #3: Strengthen supply chain standards

Supply Chain

Given the nature of our business operations, we have a small-scale supply chain, which is mainly comprised of material suppliers for the development of the programs we own 100% (see page 9 for our Portfolio). As a result, our environmental and social impacts are minimal at the current scale and phase of our business. Nevertheless, we are committed to ensuring that all aspects of our business operations, including relationships with our suppliers, are sustainable, ethical and responsible.

To achieve this, we have a robust Quality Management System (QMS) in place to oversee our material suppliers. This consists of several key SOPs which describe the controlled processes we follow regarding qualification, evaluation, change management, and training, to name a few areas, and ensure consistent conformance to our high standards. More details on our SOPs are included in the Patients Section of this Report under Ethical R&D (see pages 32-33).

To determine vendor risks and accelerate new vendor onboarding, risk assessment processes are built into all our procedures for vendor audits and data integrity for Chemistry, Manufacturing, and Controls (CMC). In 2025, approximately 40% of our Tier I suppliers who provide materials for our clinical development participate in Rx-360 International Pharmaceutical Supply Chain Consortium equivalent audit programs.

Our Commitment to ESG

PureTech takes pride in its commitment to its community (its people), the community it serves (its patients) and the community that it participates within (the world at large). Our team is dedicated to furthering our mission of changing the lives of patients with devastating diseases, and we are aware that this can only be achieved through a sustainable business.

We believe that our environmental, social, and governance initiatives are crucial to achieving our goals, and we are committed to making continuous advancements across these areas.

By reporting our ESG metrics, we can better track our progress and identify areas for improvement, helping us to further direct PureTech towards a brighter future.

Stakeholder Stewardship

PureTech remains committed to being a good corporate citizen and our ESG program is one way of delivering on this commitment. Our stakeholders' feedback is vital to us in order to improve our sustainability performance and disclosure. Accordingly, we welcome your comments, questions, or suggestions on how we can enhance our ESG efforts in the future by emailing us at: esg@puretechhealth.com.

Our ESG framework continued

Governance

Appendix

PureTech continues to utilize the Sustainability Accounting Standards Board (SASB) sector guidance for our ESG disclosures this year. At the same time, we are monitoring the International Sustainability Standards Board (ISSB) as it works to establish a global baseline for sustainability reporting standards. We will also monitor the applicability of GRI, Taskforce on Nature-related Financial Disclosure (TNFD) and Corporate Sustainability Reporting Directive (CSRD) standards as these frameworks mature.

SASB Index

We continually monitor updates to the Biotechnology & Pharmaceuticals Sustainability Accounting Standard published by the Sustainability Accounting Standards Board (SASB). Below are our disclosures against the most recent updated version (amended by the ISSB in December 2023).

Topic	Accounting Metric	Category	Unit of measure	SASB Code	Disclosure Location/ Rationale For Omission
Safety of Clinical Trial Participants	Discussion, by region, of management process for ensuring quality and patient safety during clinical trials	Discussion and Analysis	–	HC-BP- 210a.1	Deliver safe clinical trials, page 32
	Number of Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) entity voluntary remediation and (2) regulatory or administrative actions taken against the entity	Quantitative	Number	HC-BP- 210a.2	Deliver safe clinical trials, page 32
	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	Quantitative	Reporting currency	HC-BP- 210a.3	N/A There have not been any legal proceedings
Access to Medicines	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	Discussion and Analysis	N/A	HC-BP- 240a.1	N/A PureTech does not currently have any commercial products within the programs we own 100%.
	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	Discussion and Analysis	N/A	HC-BP- 240a.2	N/A PureTech does not currently have any commercial products within the programs we own 100%.
Affordability & Pricing	Percentage change in: (1) average list price and (2) average net price across US product portfolio compared to previous year	Quantitative	Percentage (%)	HC-BP- 240b.2	N/A PureTech does not currently have any commercial products within the programs we own 100%.
	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	Quantitative	Percentage (%)	HC-BP- 240b.3	N/A PureTech does not currently have any commercial products within the programs we own 100%.

Topic	Accounting Metric	Category	Unit of measure	SASB Code	Disclosure Location/ Rationale For Omission
Drug Safety	Products listed in public medical product safety or adverse event alert databases	Discussion and Analysis	N/A	HC-BP- 250a.1	N/A PureTech does not currently have any commercial products within the programs we own 100%.
	Number of fatalities associated with products	Quantitative	Number	HC-BP- 250a.2	N/A PureTech does not currently have any commercial products within the programs we own 100%.
	(1) Number of recalls issued; (2) total units recalled	Quantitative	Number	HC-BP- 250a.3	N/A PureTech does not currently have any commercial products within the programs we own 100%.
	Total amount of product accepted for takeback, reuse, or disposal	Quantitative	Number	HC-BP- 250a.4	N/A PureTech does not currently have any commercial products within the programs we own 100%.
	Number of enforcement actions taken in response to violations of Good Manufacturing Practices (CGMP) or equivalent standards, by type	Quantitative	Number	HC-BP- 250a.5	N/A PureTech does not currently have any commercial products within the programs we own 100%.
Counterfeit Drugs	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	Discussion and Analysis	N/A	HC-BP- 260a.1	N/A PureTech does not currently have any commercial products within the programs we own 100%.
	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	Discussion and Analysis	N/A	HC-BP- 260a.2	N/A PureTech does not currently have any commercial products within the programs we own 100%.
	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	Quantitative	Number	HC-BP- 260a.3	N/A PureTech does not currently have any commercial products within the programs we own 100%.

Governance

Topic	Accounting Metric	Category	Unit of measure	SASB Code	Disclosure Location/ Rationale For Omission
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Quantitative	Reporting currency	HC-BP- 270a.1	N/A PureTech does not currently have any commercial products within the programs we own 100%.
	Description of code of ethics governing promotion of off-label use of products	Discussion and Analysis	N/A	HC-BP- 270a.2	N/A PureTech does not currently have any commercial products within the programs we own 100%.
Employee Recruitment, Development & Retention	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	Discussion and Analysis	N/A	HC-BP- 330a.1	Commitment 2: Promoting employee development to attract and retain the best talent, pages 36-37
	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/ senior managers, (b) midlevel managers, (c) professionals, and (d) all others	Quantitative	Rate	HC-BP- 330a.2	Commitment 2: Promoting employee development to attract and retain the best talent, pages 36-37
Supply Chain Management	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for integrity of supply chain and ingredients	Quantitative	Rate	HC-BP- 430a.1	Supply chain, page 49
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	Quantitative	Reporting currency	HC-BP- 510a.1	Business Ethics, anti-bribery and corruption, pages 46-47
	Description of code of ethics governing interactions with health care professionals	Discussion and Analysis	N/A	HC-BP- 510a.2	Code of ethics for healthcare professionals, page 47

TCFD REPORT

Overview

In this section, we present PureTech's fourth formal climate related financial disclosures that are partially consistent with all four themes and eleven recommended disclosures from Section C of the Annex entitled 'Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures', published in October 2021 by the TCFD, outlining PureTech's continued efforts to adopt, measure, manage and mitigate its climate and sustainability-related impacts. We believe that our ability to manage any potential climate-related impacts on our business and strategic direction is integral to our success.

As a biotherapeutics company, we operate in an inherently high-risk environment. The overall aim of our risk management effort is to achieve an effective balancing of risk and reward. Risks are formally identified by the Board and appropriate processes are put in place to monitor and mitigate them on an ongoing basis (see details on risk management on pages 59-64). Due to the size, scale and nature of our operations (see "Strategy"), we have concluded that PureTech is unlikely to face any material climate-related physical or transition risks in the short to medium term.

Materiality is defined by whether an event will have an adverse effect on PureTech's financial condition, development, or results of operations. Where appropriate, we use short-, medium- and long-term horizons to assess the climate related impact to our operation. For short-term time horizon we use 2-4 years, for medium-term time horizon 5-6 years, and for long-term time horizon over 7 years.

While our impact on the environment is minimal, we are committed to mitigating climate-related risks in line with emerging climate science as our business continues to expand. To achieve this, we focus on managing energy consumption across our operations, optimizing employee commuting, and managing third-party deliveries.

We also measure our ESG-related performance and have embedded effective procedures and processes within our risk management framework. Our risk management metrics are set forth on pages 59-64 of our 2025 Annual Report and Accounts and are reviewed by the Executive team and the Board to ensure we are taking appropriate action.

Our process and the actions outlined below refer to PureTech's approach as of December 31, 2025.

TFCD Report

Governance

Our Board of Directors is tasked with risk identification and with implementing procedures and strategies for risk mitigation and management, including climate-related risks. This is discussed during periodic meetings to identify any key or emerging risks facing PureTech.

The Board utilizes its risk management framework to guide our overall strategy, business planning, corporate policies, actions, and objectives. These are implemented by our management team with oversight and advice from the Board. This process includes monitoring any emerging or ongoing climate or environmental-related risks, as recommended by the ESG Committee. More information on the roles and responsibilities of the Board, including detail on our risk management framework can be found on pages 85-89 of our 2025 Annual Report and Accounts.

PureTech's ESG Committee is chaired by the independent Non-Executive Director Kiran Mazumdar-Shaw with the responsibility to effectively manage, review and advance ESG issues on an ongoing basis. Ms. Mazumdar-Shaw is an avid climate advocate and leads ESG initiatives across the companies she serves. PureTech's ESG Committee process includes assessing and overseeing PureTech's climate-related risks and opportunities, as well as considering how these should inform business planning and strategic focus into the future. The ESG committee considers climate-related risks on at least an annual basis or more often as the need arises. All findings are reported to the Board.

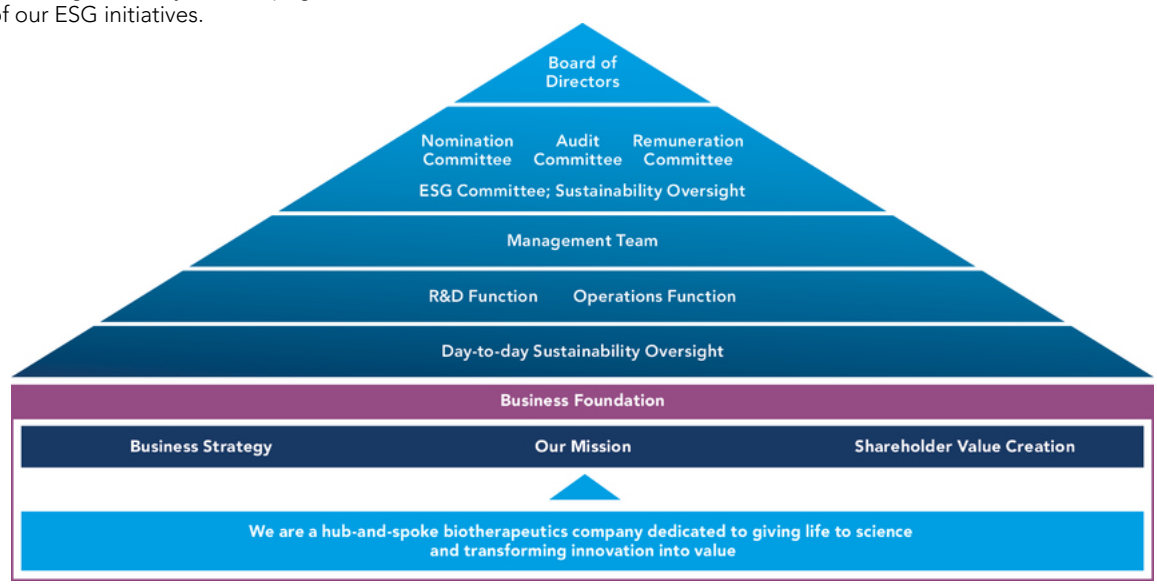
The ESG Committee is composed of a non-Executive Director and supported by at least one C-Suite Officer, and a dedicated internal working group of cross-functional leaders to drive internal action and implementation, reporting directly to the Board. The ESG Committee is supported by several third- party experts to guide our approach. The Committee periodically reports its activities to the Board during scheduled meetings or via updates throughout the year. See pages 24-57 for the progress of our ESG initiatives.

Strategy

To identify physical and transitional climate-related risks and opportunities that may impact our business, PureTech conducts detailed analysis with third-party organizations.

This analysis has led us to conclude that PureTech is unlikely to face any material climate-related risk and opportunities in the short, medium to long term, particularly due to the scope and scale of our operations. Looking ahead, we will continue to conduct broad-based risk assessments and monitor the following climate-related risks and opportunities and their potential financial impacts identified through our risk management on an ongoing basis (for their short, medium and long-term risk):

- **Transitional and Market risks:** Associated with higher operating costs due to the introduction of carbon pricing/ taxation schemes or other supply-chain cost increases
- **Physical and Market risks:** Associated with supply chain or operational disruption leading to increased costs from the increased severity of extreme weather events, or long-term changes to weather patterns
- **Transitional and Reputational risks:** Associated with any potential impacts to reputation if PureTech falls short of stakeholder expectations regarding climate-related performance or impact management
- **Transitional and Legal and Reputational risks:** Associated with the increased cost of compliance/non-compliance with new climate regulations and reporting
- **Market opportunities:** Associated with reducing operating costs through energy-efficient improvements
- **Transitional and Reputational opportunities:** Associated with being early-adopters of enhanced disclosure measures or low-carbon technologies



As we continue our operation as a good corporate citizen, we have taken steps to improve upon the managing risks, should they arise. For example, we are making progressing in implemeting a Business Continuity Plan (BCP) to ensure that our physical operations and supply chains have effective measures in place to mitigate any potential climate-related risks. As part of the transitional planning, we intend to have a formal BCP in place in the short-term horizon (see page 48 for more information on our BCP). For further information on the Company's risk assessment, monitoring and mitigation efforts, please see pages 59-64.

Risk Management

While climate-related risks are not currently identified as a principal risk for PureTech, we will continue to monitor our climate-related risk profile as internal and external circumstances change.

Risks are formally identified by the Board and appropriate processes are in place to monitor and mitigate them on an ongoing basis (see "Governance"). On an annual basis, our auditors perform a risk assessment to consider the potential impacts of climate change on our business, financial statements and the audit. This included making enquiries of management to understand the extent of the potential material impact of climate change risk on our financial statements (see page 124). In addition, we are committed to introducing climate risk tools and processes that identify, manage and act on any material climate-related risks should the needs arise. Our ESG committee, with the counsel of third-party ESG experts, considers climate-related risks and strategic priorities on an annual basis, or more regularly, as the need arises.

As part of our climate-related monitoring program, PureTech employs external consultants to audit and report on our climate-related metrics, including the following assessments which are more fully discussed in our 2025 ESG Report on pages 24-57:

— **Streamlined Energy and Carbon Reporting (SECR)** prepared by Verco
— **Green Building Report and LEED Checklist** prepared by WSP in conjunction with Related Beal, the landlord of our headquarters facility
— **Water Consumption Reporting** prepared by Casella Waste Systems (via Related Beal)
— **Hazardous Waste Reporting** prepared by Veolia Environment S.A.

These findings inform the ESG Committee's climate risk analysis strategy to identify and act on any physical and transition risks considered material to the Company.

Metrics and Targets

PureTech employs the services of a B Corp certified specialist adviser Verco, to quantify and verify the GHG emissions associated with its operations. We report our Scope 1 and 2 emissions as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('Regulations') and the Streamlined Energy and Carbon Reporting (SECR) guidelines. We also voluntarily report our Scope 3 emissions categories that are relevant to our business.

An operational control approach has been used to define the reporting boundary. This is the basis for determining the Scope 1, 2 and 3 emissions for which the Company is responsible.

The emissions sources reported for the year ending December 31, 2025 are:

— **Scope 1:** Natural gas combustion on site;
— **Scope 2:** Purchased electricity for our own use;
— **Scope 3:** Business travel undertaken in employee-owned cars/short term hire cars, waste, water, business travel (flights, rail, hotel stays), electricity T&D and all well-to-tank emissions associated with the relevant sources. Please note that Scope 3 is voluntary disclosure going beyond the Regulation requirements.

Our current emissions profile, as well as other environmental-related measures adopted, can be found in our 2025 ESG Report on pages 39-44. PureTech considers whether additional environmental metrics should be developed and reported on throughout the year.

Given (a) the nature of our industry, business operations and therapeutic mission and (b) we have not identified any material climate-related risks to our business, PureTech has not set any emissions-related targets to date. We do plan on introducing climate-related targets when our operations have sufficiently scaled and deem this necessary.

Next steps

We remain committed to operating as a good corporate citizen, and to managing the climate-related impacts of our operations and environmental matters. We intend to continue to (1) enhance climate-related risks and opportunities management, (2) identify and address areas of improvement year-on-year, and (3) set GHG emissions targets and measure performance and progress annually in the medium-term time horizon.

TFCD Report

Mapping PureTech ESG Program Against the TCFD Disclosure Recommendations

TCFD Recommendations			PureTech Alignment	Disclosure Location/Rationale For Omission
Governance	a.	Describe the board's oversight of climate-related risks and opportunities.	Consistent	Climate-related risks are monitored and assessed by the ESG Committee. ESG Committee reports its findings directly to the Board. See the Governance section of the TCFD report for details (page 54).
	b.	Describe management's role in assessing and managing climate-related risks and opportunities.	Consistent	Climate-related risks are monitored and assessed by the ESG Committee. The ESG Committee is comprised of one NED and supported by at least one C-Suite Officer. See the Governance section of the TCFD report for details (page 54).
Strategy	a.	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Consistent	PureTech conducts detailed analysis to identify physical and transitional climate-related risks. This analysis have led us to conclude that PureTech is unlikely to face any material climate-related risk and opportunities in the short, medium to long term, particularly due to the scope and scale of our operations and hence no risk and opportunities have been outlined. See the Strategy section of the TCFD report for details (page 54) .
	b.	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Consistent	See above summary to Strategy (a).
	c.	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Consistent	As a clinical-stage biotherapeutics company with no approved therapeutics on the market, our current day- to-day impact on the environment is limited and hence this recommended disclosure is not material to our operation, but we will continue to keep this under review. See Planet; Commitment 1 – Transparent GHG emissions disclosures section of the ESG report for details (pages 40-42).

TCFD Recommendations			PureTech Alignment	Disclosure Location/Rationale For Omission
Risk management	a.	Describe the organization's processes for identifying and assessing climate-related risks.	Consistent	See the Governance section of the TCFD report for details (page 54) on the function and responsibility of the ESG Committee, and the Risk Management section of the TCFD report for details (page 55) on the risk assessment process.
	b.	Describe the organization's processes for managing climate-related risks.	Consistent	Risks are formally identified by the Board and appropriate processes are in place to monitor and mitigate them on an ongoing basis. Climate-related risks are not currently identified as a principal risk for PureTech. See Risk Management section for details (page 55).
	c.	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Consistent	While climate-related risks are not currently identified as a principal risk for PureTech, an overview of how risks are managed, should they arise, are outlined in the Risk Management section (page 55).

TCFD Recommendations			PureTech Alignment	Disclosure Location/Rationale For Omission
Metrics and Targets	a.	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partially consistent	Climate-related risks and opportunities assessment is conducted by the ESG Committee with metrics outlined across the Governance, Risk Management, and Metrics and Targets sections of the TCFD report (pages 54-55. The findings are reported directly to the Board. However, the underlying metrics for climate-related assessment are not fully aligned with the business strategy and risk management as they are charged by different parties. We will consider aligning these metrics in the long-term time horizon.
	b.	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Consistent	See the Metrics and Targets section of the TCFD report (page 55) for the overview of our emissions disclosure and the Planet section of our ESG report for details (pages 39-44).
	c.	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Consistent	Given (a) the nature of our industry, business operations and therapeutic mission and (b) we have not identified any material climate-related risks to our business, PureTech has not set any climate-related targets to date. We plan on continuing to assess this on an annual basis. See Metrics and Targets section of the TCFD report for details (page 55).

Governance

Our world class Board of Directors provides strong governance

Risk management

The execution of the Group's strategy is subject to a range of risks and uncertainties. As a clinical-stage biotherapeutics company, the Group operates in an inherently high-risk environment. The Group's strategic approach seeks to aid the Group's risk management efforts to achieve an effective balancing of risk and reward. Risk assessment, evaluation and mitigation are integral parts of the Group's management process. The Group, however, also recognizes that ultimately no strategy provides an assurance against loss.

Risks are formally identified by the Board and appropriate internal controls are put in place and tailored to the specific risks to monitor and mitigate them on an ongoing basis. If multiple or an emerging risk event occurs, it is possible that the overall effect of such events would compound the overall effect on the Group. The principal risks that the Board has identified as the key business risks facing the Group are set out in the table below along with the impact and mitigation management plan with respect to each risk. These risks are only a high-level summary of the principal risks affecting our business; any number of these or other risks could have a material adverse effect on the Group or its financial condition, development, results of operations, subsidiary companies and/or future prospects. Further information on the risks facing the Group can be found on pages 185 to 223 which also includes a description of circumstances under which principal and other risks and uncertainties might arise in the course of our business and their potential impact.

Risk	Impact*	Management Plans/Actions
1 Risks related to science and technology failure		
The science and technology being developed or commercialized by some of our businesses may fail and/or our businesses may not be able to develop their intellectual property into commercially viable therapeutics or technologies. There is also a risk that certain of the businesses may fail or not succeed as anticipated, resulting in significant decline of our value.	The failure of any of our businesses could decrease our value. A failure of one of the major businesses could also impact the reputation of PureTech as a developer of high value technologies and possibly make additional fundraising by PureTech or any Founded Entity more difficult or unavailable on acceptable terms at all.	Prior to additional steps in the development of any technology, extensive due diligence is carried out that covers all the major business risks, including technological feasibility, competition and technology advances, market size, strategy, adoption and intellectual property protection. A capital efficient approach is employed, which requires the achievement of a level of proof of concept prior to the commitment of substantial capital is committed. Capital deployment is generally tranched to ensure the funding of programs only to their next value milestone. Members of our Board or our management team serve on the board of directors of several of the businesses so as to continue to guide each business's strategy and to oversee proper execution thereof. We use our extensive network of advisors to ensure that each business has appropriate domain expertise as it develops and executes on its strategy and the R&D Committee of our Board reviews each program at each stage of development and advises our Board on further actions. Additionally, we have a diversified model with numerous assets such that the failure of any one of our businesses or therapeutic candidates would not result in a failure of all of our businesses.

Risk management continued

Risk	Impact*	Management Plans/Actions
2 Risks related to clinical trial failure		
Clinical trials and other tests to assess the commercial viability of a therapeutic candidate are typically expensive, complex and time-consuming, and have uncertain outcomes. Conditions in which clinical trials are conducted differ, and results achieved in one set of conditions could be different from the results achieved in different conditions or with different subject populations. If our therapeutic candidates fail to achieve successful outcomes in their respective clinical trials, the therapeutics will not receive regulatory approval and in such event cannot be commercialized. In addition, if we fail to complete or experience delays in completing clinical tests for any of our therapeutic candidates, we may not be able to obtain regulatory approval or commercialize our therapeutic candidates on a timely basis, or at all.	A critical failure of a clinical trial may result in termination of the program and a significant decrease in our value. Significant delays in a clinical trial to support the appropriate regulatory approvals could impact the amount of capital required for the business to become fully sustainable on a cash flow basis.	We have a diversified model to limit the impact of clinical trial outcomes on our ability to operate as a going concern. We have dedicated internal resources to establish and monitor each of the clinical programs for the purpose of maximising successful outcomes. We also engage outside experts to help create well-designed clinical programs that provide valuable information and mitigate the risk of failure. Significant scientific due diligence and preclinical experiments are conducted prior to a clinical trial to evaluate the odds of the success of the trial. In the event of the outsourcing of these trials, care and attention are given to assure the quality of the vendors used to perform the work.
3 Risks related to regulatory approval		
The pharmaceutical industry is highly regulated. Regulatory authorities across the world enforce a range of laws and regulations governing the testing, approval, manufacturing, labelling and marketing of pharmaceutical therapeutics. Stringent standards are imposed which relate to the quality, safety and efficacy of these therapeutics. These requirements are a major determinant of the commercial viability of developing a drug substance or medical device given the time, expertise and expense which must be invested. We may not obtain regulatory approval for our therapeutic candidates. Moreover, approval in one territory offers no guarantee that regulatory approval will be obtained in any other territory. Even if therapeutics are approved, subsequent regulatory difficulties may arise, or the conditions relating to the approval may be more onerous or restrictive than we anticipate.	The failure of one of our therapeutics to obtain any required regulatory approval, or conditions imposed in connection with any such approval, may result in a significant decrease in our value.	We manage our regulatory risk by employing highly experienced clinical managers and regulatory affairs professionals who, where appropriate, will commission advice from external advisors and consult with the regulatory authorities on the design of our preclinical and clinical programs. These experts ensure that high-quality protocols and other documentation are submitted during the regulatory process, and that well-reputed contract research organizations with global capabilities are retained to manage the trials. We also engage with experts, including on our R&D Committee, to help design clinical trials to help provide valuable information and maximize the likelihood of regulatory approval. Additionally, we have a diversified model with numerous assets such that the failure to receive regulatory approval or subsequent regulatory difficulties with respect to any one therapeutic would not adversely impact all of our therapeutics and businesses.

Risk management continued

Risk	Impact*	Management Plans/Actions
4 Risks related to therapeutic safety		
There is a risk of adverse reactions with all drugs and medical devices. If any of our therapeutics are found to cause adverse reactions or unacceptable side effects, then therapeutic development may be delayed, additional expenses may be incurred if further studies are required, and, in extreme circumstances, it may prove necessary to suspend or terminate development. This may occur even after regulatory approval has been obtained, in which case additional trials may be required, the approval may be suspended or withdrawn or require product labels to include additional safety warnings. Adverse events or unforeseen side effects may also potentially lead to product liability claims against us as the developer of the therapeutics and sponsor of the relevant clinical trials. These risks are also applicable to our Founded Entities and any trials they conduct or therapeutic candidates they develop.	Adverse reactions or unacceptable side effects may result in a smaller market for our therapeutics, or even cause the therapeutics to fail to meet regulatory requirements necessary for sale of the therapeutic. This, as well as any claims for injury or harm resulting from our therapeutics, may result in a significant decrease in our value.	Safety is our top priority in the design of our therapeutics. We conduct extensive preclinical and clinical trials which test for and identify any adverse side effects. Despite these steps and precautions, we cannot fully avoid the possibility of unforeseen side effects. To mitigate the risk further we have insurance in place to cover product liability claims which may arise during the conduct of clinical trials.
5 Risks related to Programs or Founded Entities		
We may be unable to achieving funding for our Founded Entities or our various therapeutic Programs if potential sources of financing, including venture capital groups, industry partners, and others, do not believe such entities or programs can become profitable or otherwise form the basis for investment or if broader market conditions are unfavourable for raising capital at the point in time at which such capital is needed. Conditions for raising capital differ materially on a case-by-case basis and there is no guarantee that our ability to raise capital in one circumstance or from one partner will translate to other circumstances or partners. Raising capital at appropriate times in the development cycle of therapeutic candidates is crucial to their clinical progression, and a failure to raise capital at the necessary time could impair our ability to progress such candidates.	The failure to obtain funding for any of our Founded Entities or therapeutic candidates could result in the need to spend additional resources to progress these assets internally or could otherwise require us to delay or cease development activities with respect to specific therapeutic candidates or Founded Entities.	We maintain relationships with key potential funding partners for our various Programs and Founded Entities and dedicate significant resources and time to such relationships. We seek to employ repeatable approaches that allow for pattern recognition and streamlined investment decisions for third parties. We also perform key experiments and other work early in the development process for any therapeutic candidate to de-risk development activities and promote third party investment.

Risk management continued

Risk	Impact*	Management Plans/Actions
6 Risks related to therapeutic profitability and competition		
We may be unable to sell our therapeutics profitably if reimbursement from third-party payers – such as private health insurers and government health authorities – is restricted or not available. If, for example, it proves difficult to build a sufficiently strong economic case based on the burden of illness and population impact. Third-party payers are increasingly attempting to curtail healthcare costs by challenging the prices that are charged for pharmaceutical therapeutics and denying or limiting coverage and the level of reimbursement. Moreover, even if the therapeutics can be sold profitably, they may not be adopted by patients and the medical community. Alternatively, our competitors – many of whom have considerably greater financial and human resources – may develop safer or more effective therapeutics or be able to compete more effectively in the markets targeted by us. New companies may enter these markets and novel therapeutics and technologies may become available which are more commercially successful than those being developed by us. These risks are also applicable to our Founded Entities and could result in a decrease in their value.	The failure to obtain reimbursement from third party payers, and competition from other therapeutics, could significantly decrease the amount of revenue we may receive from therapeutic sales for certain therapeutics. This may result in a significant decrease in our value.	We engage reimbursement experts to conduct pricing and reimbursement studies for our therapeutics to ensure that a viable path to reimbursement, or direct user payment, is available. We also closely monitor the competitive landscape for our therapeutics and therapeutic candidates and adapt our business plans accordingly. Not all therapeutics that we are developing will rely on reimbursement. Also, while we cannot control outcomes, we seek to design studies to generate data that will help support potential reimbursement.
7 Risks related to intellectual property protection		
We may not be able to obtain patent protection for some of our therapeutics or maintain the secrecy of their trade secrets and know-how. If we are unsuccessful in doing so, others may market competitive therapeutics at significantly lower prices. Alternatively, we may be sued for infringement of third-party patent rights. If these actions are successful, then we would have to pay substantial damages and potentially remove our therapeutics from the market. We license certain intellectual property rights from third parties. If we fail to comply with our obligations under these agreements, it may enable the other party to terminate the agreement. This could impair our freedom to operate and potentially lead to third parties preventing us from selling certain of our therapeutics.	The failure to obtain patent protection and maintain the secrecy of key information may significantly decrease the amount of revenue we may receive from therapeutic sales. Any infringement litigation against us may result in the payment of substantial damages by us and result in a significant decrease in our value.	We spend significant resources in the prosecution of our patent applications and maintenance of our patents, and we have in-house patent counsel and patent group to help with these activities. We also work with experienced external attorneys and law firms to help with the protection, maintenance and enforcement of our patents. Third party patent filings are monitored to ensure the Group continues to have freedom to operate. Confidential information (both our own and information belonging to third parties) is protected through use of confidential disclosure agreements with third parties, and suitable provisions relating to confidentiality and intellectual property exist in our employment and advisory contracts. Licenses are monitored for compliance with their terms.

Risk	Impact*	Management Plans/Actions
8 Risks related to enterprise profitability		
We expect to continue to incur substantial expenditure in further research and development activities. There is no guarantee that we will become operationally profitable, and, even if we do so, we may be unable to sustain operational profitability.	The strategic aim of the business is to generate profits for our shareholders through the commercialization of technologies through therapeutic sales, strategic partnerships and sales of businesses or parts thereof. The timing and size of these potential inflows are uncertain. Should revenues from our activities not be achieved, or in the event that they are achieved but at values significantly less than the amount of capital invested, then it would be difficult to sustain our business.	We retain significant cash in order to support funding of our Founded Entities and our Wholly-Owned Programs. We have close relationships with a wide group of investors and strategic partners to ensure we can continue to access the capital markets and additional monetization and funding for our businesses. Additionally, our Founded Entities are able to raise money directly from third party investors and strategic partners.
9 Risks related to hiring and retaining qualified employees and key personnel		
We operate in complex and specialized business domains and require highly qualified and experienced management to implement our strategy successfully. We and many of our businesses are located in the United States which is a very competitive employment market. Moreover, the rapid development which is envisaged by us may place unsupportable demands on our current managers and employees, particularly if we cannot attract sufficient new employees. There is also the risk that we may lose key personnel.	The failure to attract highly effective personnel or the loss of key personnel would have an adverse impact on our ability to continue to grow and may negatively affect our competitive advantage.	The Board regularly seeks external expertise to assess the competitiveness of the compensation packages of its senior management. Senior management continually monitors and assesses compensation levels to ensure we remain competitive in the employment market. We maintain an extensive recruiting network through our Board members, advisors and scientific community involvement. We also employ an executive as a full-time in-house recruiter and retain outside recruiters when necessary or advisable. Additionally, we are proactive in our retention efforts and include incentive-based compensation in the form of equity awards and annual bonuses, as well as a competitive benefits package. We have a number of employee engagement efforts to strengthen our PureTech community.

Risk management continued

Risk	Impact*	Management Plans/Actions
10 Risks related to business, economic or public health disruptions		
Business, economic, financial or geopolitical disruptions or global health concerns could seriously harm our development efforts and increase our costs and expenses.	Broad-based business, economic, financial or geopolitical disruptions could adversely affect our ongoing or planned research and development activities. Global health concerns, such as a further pandemic, or geopolitical events, like the ongoing consequences of the armed conflicts, could also result in social, economic, and labor instability in the countries in which we operate or the third parties with whom we engage. We consider the risk to be increasing since the prior year and note further risks associated with the banking system and global financial stability. We cannot presently predict the scope and severity of any potential business shutdowns or disruptions, but if we or any of the third parties with whom we engage, including the suppliers, clinical trial sites, regulators, providers of financial services and other third parties with whom we conduct business, were to experience shutdowns or other business disruptions, our ability to conduct our business in the manner and on the timelines presently planned could be materially and negatively impacted. It is also possible that global health concerns or geopolitical events such as these ones could disproportionately impact the hospitals and clinical sites in which we conduct any of our current and/or future clinical trials, which could have a material adverse effect on our business and our results of operation and financial impact.	We regularly review the business, economic, financial and geopolitical environment in which we operate. It is possible that we may see further impact as a result of current geopolitical tensions. We monitor the position of our suppliers, clinical trial sites, regulators, providers of financial services and other third parties with whom we conduct business. We develop and execute contingency plans to address risks where appropriate.

Viability

PureTech Health plc Viability Statement

In accordance with the UK Corporate Governance Code (Governance Code) published in July 2018, the Directors have assessed the prospects of the Company with respect to the December 31, 2025 financial position. Based on current projections, the Directors believe that the Company has sufficient available funding to extend operations at least through the end of 2028. This period is deemed appropriate having assessed the financial health as of December 31, 2025. We expect our Wholly-Owned programs[3] to significantly progress during this period and our core Founded Entities[1] to reach significant development milestones over the period of the assessment. As we advance our Wholly-Owned programs and Founded Entities, our future decisions will be driven by the data of our programs and access to capital from external sources to fund these programs. Our current projections are consistent with our disciplined R&D approach to advance our Wholly-Owned programs and making prudent investment decisions in our Founded Entities through the development process and only committing resources to further development where specific thresholds for advancement are met, including access to sources of external funding.

The Directors have evaluated our cash and cash equivalents and short-term investment of $277.3 million as of December 31, 2025. The Directors have determined that these amounts are sufficient for the advancement of our Wholly-Owned programs in the near term, to support our existing Founded Entities, should they require it, and our strategy around creating and supporting new Founded Entities. Additionally, the Directors have determined that these amounts are also sufficient to provide reasonable returns for our shareholders and to fund the Company's operating costs at least through the end of 2028. The Directors' review has considered all of the principal and emerging risks identified and focused on the pathway to regulatory approval of each therapeutic candidate being developed within our Wholly-Owned programs as well as those of our Founded Entities. The Directors reviewed the near-term liquidity and considered funding plans of our Wholly-Owned programs and Founded Entities in our assessment of long-term cash flow projections. It should be noted that the majority of funding has been allocated to support the Company's strategy around our Wholly-Owned programs and existing Founded Entities, alongside the advancement of research and development of new programs which could become Founded Entities themselves.

The Directors confirm that they have a reasonable expectation that we will continue to operate and meet our obligations as they become due over the period of the assessment. In making this statement, the Directors carried out a robust assessment of the principal and emerging risks, including those that would threaten our business model, future performance, solvency or liquidity and evaluated plausible scenarios that included these risks.

This assessment was made in consideration of our strong financial position, current strategy, and management of principal and emerging risks. The following facts support the Directors' view of the viability:

- We have a cash, cash equivalents and short-term investments position of $277.3 million as of December 31, 2025.
- Our cash, cash equivalents and short-term investments are highly liquid and readily available.
- We have control over the spending and strategic direction of our Wholly-Owned programs and Controlled Founded Entities.
- We do not intend to fully fund our deupirfenidone (LYT-100) program's Phase 3 trial or LYT 200's Phase 2 trial on our own.
- Our business model is structured so that we are not reliant on the successful outcomes of any one therapeutic or technology within the Wholly-Owned programs, or any Founded Entities.

In addition, the fact that our Wholly-Owned programs and Founded Entities are currently in the research and development stage means that these therapeutics, technologies and entities are not reliant on cash inflows from product sales or services during the period of this assessment. This also means that we are not highly susceptible to conditions in one or more market sectors in this time frame. The utilization of existing cash, cash equivalents and short-term investments to advance these therapeutics, technologies and entities is within our control, and the spending and investment decisions are largely discretionary. Therefore, there is management control on reducing discretionary spending if unforeseen liquidity risks arise. Although engaging with collaboration partners is highly valuable from a validation and, in some cases, funding perspective, we are not solely reliant on cash flows from such sources over the period of assessment.

Further, the Directors have considered milestone and royalty funding based on existing arrangements, milestone payments from the Royalty Purchase Agreement with Royalty Pharma, the ability of the Wholly-Owned programs and the Controlled Founded Entity[2] to enter into new collaboration agreements, all of which could be expected to generate cash in-flows but were not included in the assessment.

Viability continued

The Directors note that our ownership stakes in the Founded Entities are expected to be illiquid in nature, until each Founded entity is publicly traded on the capital markets or until a different liquidity event occurs. While we anticipate holding these ownership stakes through the achievement of significant milestones or other events, we will continue to be diligent in exploring monetization opportunities after key value accretion has occurred similar to the execution of the sale of 167,579 common shares of Karuna for an aggregate proceeds of $33.3 million in 2023, the sale of 886,885 common shares of Karuna for an aggregate proceeds of $292.7 million in 2024, and the sale of 12,527,476 common shares of Akili for an aggregate proceeds of $5.4 million in 2024, and the sale of 2,671,800 shares of Vor for an aggregate proceeds of $2.8 million in 2025. We also expect that certain of these Founded Entities may not be successful, and this could result in a loss of the amounts previously invested. For example, Gelesis was listed on the New York Stock Exchange as of December 31, 2022 and was delisted from the New York Stock Exchange in April 2023. On October 30, 2023, Gelesis ceased operations and filed a voluntary petition for relief under the United States bankruptcy code. However, even if certain Founded Entities are not successful, our liquidity is expected to remain sufficient to achieve the remaining milestone events, fund operational costs and provide returns for our shareholders over the period of assessment.

The Directors have concluded, based on our strong financial position and readily available cash, cash equivalents and short-term investments, that we are highly likely to be able to fund our infrastructure requirements, advance our Wholly-Owned programs in the near term, and contribute amounts necessary for the Founded Entities to reach significant development milestones over the period of the assessment. Therefore, there is a reasonable expectation that we have adequate resources and will continue to operate and meet our obligations over the period of the assessment.

1 Founded Entities are comprised of the entities which the Company incorporated and announced the incorporation as a Founded Entity externally. It includes certain of the Company's wholly-owned subsidiaries which have been announced by the Company as Founded Entities, Controlled Founded Entities[2] and deconsolidated Founded Entities. As of December 31, 2025, deconsolidated Founded Entities included Gelesis, Inc., Sonde Health, Inc., Vedanta Biosciences, Inc., and Seaport Therapeutics, Inc.

2 Controlled Founded Entities are comprised of the Company's consolidated operational subsidiaries that currently have already raised third-party dilutive capital. As of December 31, 2025, Entrega was the only entity under this definition.

3 Wholly-Owned programs are comprised of the Company's current and future therapeutic candidates and technologies that are developed by the Company's wholly-owned subsidiaries, whether they were announced as a Founded Entity or not, and will be advanced through with either the Company's funding or non-dilutive sources of financing. As of December 31, 2025, Wholly-Owned programs were developed by the wholly-owned subsidiaries including PureTech LYT, Inc., PureTech LYT 100, Inc., and Gallop Oncology, Inc., and included primarily the programs deupirfenidone (LYT-100, also referred to as "Celea Therapeutics") and LYT-200.

Financial Review

Reporting Framework

You should read the following discussion and analysis together with our Consolidated Financial Statements, including the notes thereto, set forth elsewhere in this report. Some of the information contained in this discussion and analysis or set forth elsewhere in this report, including information with respect to our plans and strategy for our business and financing our business, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including the risks set forth on pages 59 to 64 and in the Additional Information section from pages 185 to 223, our actual results could differ materially from the results described in or implied by these forward-looking statements.

Our audited Consolidated Financial Statements as of December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023, have been prepared in accordance with UK-adopted International Financial Reporting Standards ("IFRS"). The Consolidated Financial Statements also comply fully with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

The following discussion contains references to the Consolidated Financial Statements of PureTech Health plc (the "Parent") and its consolidated subsidiaries, together "the Group". These financial statements consolidate PureTech Health plc's subsidiaries and include the Group's interest in associates by way of equity method, as well as investments held at fair value. Subsidiaries are those entities over which the Group maintains control. Associates are those entities in which the Group does not have control for financial accounting purposes but maintains significant influence over financial and operating policies. Where the Group has neither control nor significant influence for financial accounting purposes, or when the investment in associates is not in instruments that would be considered equity for accounting purposes, we recognize our holdings in such entity as an investment at fair value with changes in fair value being recorded in the Consolidated Statement of Comprehensive Income/(Loss). For purposes of our Consolidated Financial Statements, each of our Founded Entities[1] are considered to be either a "subsidiary", an "associate" or an "investment held at fair value" depending on whether the Group controls or maintains significant influence over the financial and operating policies of the respective entity at the respective period end date, and depending on the form of the investment. For additional information regarding the accounting treatment of these entities, see Note 1. Material Accounting Policies to our Consolidated Financial Statements included in this report. For additional information regarding our operating structure, see "Basis of Presentation and Consolidation" below.

Business Background and Results Overview

The business background is discussed above from pages 1 to 21, which describes the business development of our overall portfolio, including our Wholly-Owned programs[3] and Founded Entities.

Our ability to achieve profitability will depend on the successful monetization of our Founded Entities or Wholly-Owned programs or other revenue generating activities. Such monetization will largely depend on the successful development and eventual commercialization of one or more therapeutic candidates of our Founded Entities, which may or may not occur.

Monetization includes the sale of our equity interest in our Founded Entities, the receipt of, or the sale of rights to, royalties, entering into strategic partnerships, and other related business development activities.

We have deconsolidated a number of our Founded Entities, specifically Seaport Therapeutics, Inc. ("Seaport") in 2024, Vedanta Biosciences, Inc. ("Vedanta") in 2023, Sonde Health Inc. ("Sonde") in 2022, Karuna Therapeutics, Inc. ("Karuna"), Vor Biopharma Inc. ("Vor") and Gelesis, Inc. ("Gelesis") in 2019, and Akili Interactive Labs, Inc. ("Akili") in 2018.

Any deconsolidation affects our financials in the following manner:

— our ownership interest does not provide us with a controlling financial interest;
— we no longer control the Founded Entity's assets and liabilities, and as a result, we derecognize the assets, liabilities and non-controlling interests related to the Founded Entity from our financial statements;
— we record our retained investment in the Founded Entity at fair value; and
— the resulting amount of any gain or loss is recognized.

Whilst we do not plan to fully fund our deupirfenidone (LYT-100) or LYT-200 programs, we anticipate that we will invest in the respective Founded Entities that house those programs, Celea Therapeutics and Gallop Oncology, in conjunction with external investors. We also anticipate we will be providing a certain level of funding for these programs in 2026 and, to the extent we are able to secure external sources of cash for these programs, potentially also in future years. Consequently, we anticipate our expenses will increase in the short term as we continue to advance our Wholly-Owned programs. However, we anticipate a decrease in our expenses in the mid and long term in connection with execution of our current strategy of housing these Wholly-Owned programs in Founded Entities and accessing external sources of funding at the Founded Entity level, which, over time, could lead to the deconsolidation of the Founded Entities. The increase in our expenses and capital requirements in the near term will involve:

— continued research and development efforts to advance our clinical programs through development; and
— addition of clinical, scientific, operational, financial and management information systems and maintaining appropriate levels of personnel to execute on our strategic initiatives.

1 Founded Entities are comprised of the entities which the Company incorporated and announced the incorporation as a Founded Entity externally. It includes certain of the Company's wholly-owned subsidiaries which have been announced by the Company as Founded Entities, Controlled Founded Entities[2] and deconsolidated Founded Entities. As of December 31, 2025, deconsolidated Founded Entities included Gelesis, Inc., Sonde Health, Inc., Vedanta Biosciences, Inc., and Seaport Therapeutics, Inc.

2 Controlled Founded Entities are comprised of the Company's consolidated operational subsidiaries that currently have already raised third-party dilutive capital. As of December 31, 2025, Controlled Founded Entities included only Entrega. Inc.

3 Wholly-Owned programs are comprised of the Company's current and future therapeutic candidates and technologies that are developed by the Company's wholly-owned subsidiaries, whether they were announced as a Founded Entity or not, and will be advanced through with either the Company's funding or non-dilutive sources of financing. As of December 31 ,2025, Wholly-Owned programs were developed by the wholly-owned subsidiaries including PureTech LYT, Inc., PureTech LYT 100, Inc. and Gallop Oncology, Inc. and included primarily the programs deupirfenidone (also referred as "Celea" or "Celea Therapeutics"), and LYT-200.

In addition, with respect to our Founded Entities' programs, we anticipate that we will continue to fund a small portion of development costs by strategically participating in such companies' financings when we believe participation in such financings is in the best interests of our shareholders. The form of any such participation may include investment in public or private financings, collaboration, partnership arrangements, and/or licensing arrangements, among others. Our management and strategic decision makers (or our Directors), consider the future funding needs of our Founded Entities and evaluate rigorously the needs and opportunities for returns with respect to each of these Founded Entities routinely and on a case-by-case basis.

As a result, we may need access to additional funding, whether through monetizations or other mechanisms, in the future at the PureTech level, following the period described below in the Funding Requirements section, to support our continuing operations and pursue our strategic objectives, including participating in financing activities at the Founded Entity level and pursuing early-stage innovation and development of new assets. We expect to finance our operations through a combination of monetization of our interests in our Founded Entities, collaborations with third parties, or other sources. We may be unable to access additional funds or enter into such other agreements or arrangements when needed on favorable terms, or at all. If we are unable to raise capital or enter into such agreements, as and when needed, we may have to delay, scale back or discontinue our continuing operations and pursuit of our strategic objectives, including participating in financing activities at the Founded Entity level and pursuing early-stage innovation and development of new assets. Further, if we are unable to obtain external funding for our deupirfenidone and LYT-200 programs, we may have to delay, scale back or discontinue the development and commercialization of one or more of these Wholly-Owned programs.

Measuring Performance

The Financial Review discusses our operating and financial performance, our cash flows and liquidity as well as our financial position and our resources. The results of current period are compared with the results of the comparative period in the prior year.

Reported Performance

Reported performance considers all factors that have affected the results of our business, as reflected in our Consolidated Financial Statements.

Core Performance

Core performance measures are alternative performance measures, which are adjusted and non-IFRS measures. These measures cannot be derived directly from our Consolidated Financial Statements. We believe that these non-IFRS performance measures, when provided in combination with reported performance, will provide investors, analysts and other stakeholders with helpful complementary information to better understand our financial performance and our financial position from period to period. The measures are also used by management for planning and reporting purposes. The measures are not substitutable for IFRS financial information and should not be considered superior to financial information presented in accordance with IFRS Accounting Standards.

Cash flow and liquidity	
PureTech Level cash, cash equivalents and short-term investments	**Measure type:** Core performance **Definition:** Cash and cash equivalents and short-term investments held at PureTech Health plc and our wholly-owned subsidiaries. **Why we use it:** PureTech Level cash, cash equivalents and short-term investments is a measure that provides valuable additional information with respect to cash, cash equivalents and short-term investments available to fund the Wholly-Owned programs and make certain investments in Founded Entities.

Recent Developments (subsequent to December 31, 2025)

The Group has evaluated subsequent events after December 31, 2025 up to the date of issuance, April 29, 2026, of the Consolidated Financial Statements, and has not identified any recordable or disclosable events not otherwise reported in these Consolidated Financial Statements or notes thereto.

Financial Highlights

The following is the reconciliation of the amounts appearing in our Consolidated Statement of Financial Position to the non-IFRS alternative performance measure described above:

(in thousands)	December 31, 2025	December 31, 2024
Cash and cash equivalents	**$ 252,470**	$ 280,641
Short-term investments	**24,829**	86,666
Consolidated cash, cash equivalents and short-term investments	**277,299**	367,307
Less: cash and cash equivalents held at non-wholly owned subsidiaries	**(237)**	(493)
PureTech Level cash, cash equivalents and short-term investments	**$ 277,062**	$ 366,813

Basis of Presentation and Consolidation

Our Consolidated Financial Information consolidates the financial information of PureTech Health plc, as well as its subsidiaries, and includes our interest in associates and investments held at fair value and is reported in reportable segments as described below.

Basis for Segmentation

Our Directors are our strategic decision-makers. Our operating segments are determined based on the financial information provided to our Directors periodically for the purposes of allocating resources and assessing performance. We have determined each of our Wholly-Owned programs represents an operating segment, and we have aggregated each of these operating segments into one reportable segment, the Wholly-Owned segment. Each of our Controlled Founded Entities represents an operating segment. We aggregate each Controlled Founded Entity operating segment into one reportable segment, the Controlled Founded Entities segment. The aggregation is based on the high level of operational and financial similarities of the operating segments. For our entities that do not meet the definition of an operating segment, we present this information in the Parent Company and Other column in our segment footnote to reconcile the information in the segment footnote to our Consolidated Financial Statements. Substantially all of our revenue and profit generating activities are generated within the United States and, accordingly, no geographical disclosures are provided.

Following is the description of our reportable segments:

Wholly-Owned Segment

The Wholly-Owned segment is advancing Wholly-Owned programs which are focused on treatments for patients with devastating diseases. The Wholly-Owned segment is comprised of the technologies that are wholly-owned and will be advanced through with either the Group's funding or non-dilutive sources of financing. The operational management of the Wholly-Owned segment is conducted by the PureTech Health team, which is responsible for the strategy, business development, and research and development.

Controlled Founded Entities Segment

The Controlled Founded Entities segment is comprised of the Group's consolidated operational subsidiaries as of December 31, 2025 that either have, or have plans to hire, independent management teams and currently have already raised third-party dilutive capital. These subsidiaries have active research and development programs and have an equity or debt investment partner, who will provide additional industry knowledge and access to networks, as well as additional funding to continue the pursued growth of the entity.

The Group's entities that were determined not to meet the definition of an operating segment are included in the Parent Company and Other column to reconcile the segment information to the Consolidated Financial Statements. This column captures activities not directly attributable to the Group's operating segments and includes the activities of the Parent, corporate support functions, certain research and development support functions that are not directly attributable to a strategic business segment as well as the elimination of intercompany transactions. This column also captures the operating results for our deconsolidated entities through the date of deconsolidation (e.g. Seaport in 2024, and Vedanta in 2023), and accounting for our holdings in Founded Entities for which control has been lost, which primarily represent: the activity associated with deconsolidating an entity we no longer control, the gain or loss on our investments accounted for at fair value (e.g. our ownership stakes in Seaport, Sonde, and Vedanta) and our net income or loss of associates accounted for using the equity method.

Changes within Reportable Segments

There was no change to the reportable segments in 2025 or 2024, except for the changes to the composition of the reportable segments as described below.

In August 2025, we announced a new Founded Entity, Celea Therapeutics ("Celea") to advance our deupirfenidone (LYT-100) program if external funding is secured. The financial results of this program, which is currently housed within PureTech LYT 100, Inc., were included in the Wholly-Owned segment as of and for the year ended December 31, 2025. Upon raising dilutive third-party financing, the financial results of this program will be included in the Controlled Founded Entities segment or Parent and Other column depending on if we maintain control over this entity.

In January 2024, we launched two new Founded Entities (Seaport Therapeutics "Seaport" and Gallop Oncology "Gallop") to advance certain programs from the Wholly-Owned segment. The financial results of these programs were included in the Wholly-Owned segment as of and for the year ended December 31, 2023.

Seaport was deconsolidated on October 18, 2024 upon completion of its Series B preferred share financing. The financial results of Seaport through the date of deconsolidation are included within the Parent Company and Other column as of December 31, 2024.

As Gallop has not raised dilutive third-party financing as of December 31, 2025, the financial results of Gallop were included in the Wholly-Owned segment as of and for the year ended December 31, 2025 and 2024.

As of December 31, 2024, Alivio, a wholly-owned subsidiary of the Group, was dormant and did not meet the definition of operating segment. The financial results of this entity were removed from the Wholly-Owned segment and are included in the Parent Company and Other column. The corresponding information for 2023 has been restated to include Alivio in the Parent Company and Other column so that the segment disclosures are presented on a comparable basis.

The table below summarizes the entities that comprised each of our segments as of December 31, 2025:

	Ownership Percentage
Wholly-Owned Segment	
PureTech LYT, Inc.	100.0 %
PureTech LYT 100, Inc.	100.0 %
Gallop Oncology, Inc. (Indirectly Held through PureTech LYT, Inc.)	100.0 %
Controlled Founded Entities Segment	
Entrega, Inc.	77.3 %
Parent Company and Other[1]	
Alivio Therapeutics, Inc.[2]	100.0 %
Follica, LLC[2]	85.4 %
Gelesis, Inc.[3]	— %
Seaport Therapeutics, Inc.[4]	42.9 %
Sonde Health, Inc.[5]	40.2 %
Vedanta Biosciences, Inc.[6]	5.1 %
PureTech Health plc	100.0 %
PureTech Health LLC	100.0 %
PureTech Securities Corporation	100.0 %
PureTech Securities II Corporation	100.0 %
PureTech Management, Inc.	100.0 %

1 Includes dormant, inactive and shell entities as well as Founded Entities that were deconsolidated prior to 2025.

2 This entity was considered inactive as of December 31, 2025.

3 Gelesis filed for bankruptcy in October 2023.

4 Seaport Therapeutics, Inc. was deconsolidated on October 18, 2024.

5 Sonde Health, Inc. was deconsolidated on May 25, 2022. It was considered inactive as of December 31, 2025.

6 Vedanta Biosciences, Inc. was deconsolidated on March 1, 2023.

Components of Our Results of Operations

Revenue

To date, we have not generated any revenue from product sales and we do not expect to generate any meaningful revenue from product sales in the near future. We derive our revenue from the following:

Contract revenue

We generate revenue primarily from licenses, services and collaboration agreements, including amounts that are recognized related to upfront payments, milestone payments, royalties and amounts due to us for research and development services. In the future, revenue may include additional milestone payments and royalties on any net product sales under our licensing agreements. We expect that any revenue we generate will fluctuate from period to period as a result of the timing and amount of license, research and development services and milestone and other payments.

Grant Revenue

Grant revenue is derived from grant awards we receive from governmental agencies and non-profit organizations for certain qualified research and development expenses. We recognize grants from governmental agencies and non-profit organizations as grant revenue in the Consolidated Statement of Comprehensive Income/(Loss), gross of the expenditures that were related to obtaining the grant, when there is reasonable assurance that we will comply with the conditions within the grant agreement and there is reasonable assurance that payments under the grants will be received. We evaluate the conditions of each grant as of each reporting date to ensure that we have reasonable assurance of meeting the conditions of each grant arrangement, and it is expected that the grant payment will be received as a result of meeting the necessary conditions.

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research activities, including our discovery efforts, and the development of our wholly-owned and our Controlled Founded Entities' therapeutic candidates, which include:

- employee-related expenses, including salaries, related benefits and equity-based compensation;
- expenses incurred in connection with the preclinical and clinical development of our wholly-owned and our Controlled Founded Entities' therapeutic candidates, including our agreements with contract research organizations;
- expenses incurred under agreements with consultants who supplement our internal capabilities;
- the cost of lab supplies and acquiring, developing and manufacturing preclinical study materials and clinical trial materials;
- costs related to compliance with regulatory requirements; and
- facilities, depreciation and other expenses, which include direct and allocated expenses for rent and maintenance of facilities, insurance and other operating costs.

We expense all research costs in the periods in which they are incurred and development costs are capitalized only if certain criteria are met. For the periods presented, we have not capitalized any development costs since we have not met the necessary criteria required for capitalization.

Research and development activities are central to our business model. Whilst we do not plan to fully fund our deupirfenidone (LYT-100) or LYT-200 programs, we anticipate providing certain level of funding in 2026 while we seek external sources of funding. Consequently, we anticipate that our research and development expenses will increase in the short term as we continue to advance these Wholly-Owned programs. However, we anticipate a decrease in our research and development expenses in the mid and long term in connection with execution of our current strategy of housing these Wholly-Owned programs in Founded Entities and accessing external sources of funding at the Founded Entity level, which, over time, could lead to the deconsolidation of the Founded Entities. The successful development of and external funding for our wholly-owned and our Founded Entities' therapeutic candidates are highly uncertain. As such, at this time, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the remainder of the development of these therapeutic candidates through our funding or in conjunction with our external partners. We do not anticipate fully-funding either the programs at the Founded Entities or the Wholly-Owned programs and in the absence of access to adequate funding from external sources, we may have to delay, scale back or discontinue one or more of these therapeutic candidates. We are also unable to predict when, if ever, material net cash inflows will commence from our wholly-owned or our Founded Entities' therapeutic candidates. This is due to the numerous risks and uncertainties associated with developing therapeutics, including the uncertainty of:

- progressing research and development of our Wholly-Owned programs and Founded Entities and continuing to progress our various technology platforms and other potential therapeutic candidates based on previous human efficacy and clinically validated biology within our Wholly-Owned programs and Founded Entities;
- establishing an appropriate safety profile with investigational new drug application;
- the success of our Founded Entities and their need for additional capital;
- identifying new therapeutic candidates to add to our existing Wholly-Owned programs or Founded Entities;
- successful enrollment in, and the initiation and completion of, clinical trials;
- the timing, receipt and terms of any marketing approvals from applicable regulatory authorities;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- addressing any competing technological and market developments, as well as any changes in governmental regulations;
- negotiating favorable terms in any collaboration, licensing or other arrangements into which we may enter and performing our obligations under such arrangements;
- maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how, as well as obtaining and maintaining regulatory exclusivity for our wholly-owned and our Founded Entities' therapeutic candidates;
- continued acceptable safety profile of our therapeutics, if any, following approval; and
- attracting, hiring and retaining qualified personnel.

A change in the outcome of any of these variables with respect to the development of a therapeutic candidate could mean a significant change in the costs and timing associated with the development of that therapeutic candidate. For example, the FDA, the EMA, or another comparable foreign regulatory authority may require us to conduct clinical trials beyond those that we anticipate will be required for the completion of clinical development of a therapeutic candidate, or we may experience significant trial delays due to patient enrollment or other reasons, in which case we would be required to expend significant additional financial resources and time on the completion of clinical development. In addition, we may obtain unexpected results from our clinical trials, and we may elect to discontinue, delay or modify clinical trials of some therapeutic candidates or focus on others. Identifying potential therapeutic candidates and conducting preclinical testing and clinical trials is a time-consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve product sales. In addition, our wholly-owned and our Founded Entities' therapeutic candidates, if approved, may not achieve commercial success.

General and Administrative Expenses
General and administrative expenses consist primarily of salaries and other related costs, including stock-based compensation, for personnel in our executive, finance, corporate and business development and administrative functions. General and administrative expenses also include professional fees for legal, patent, accounting, auditing, tax and consulting services, travel expenses and facility-related expenses, which include direct depreciation costs and allocated expenses for rent and maintenance of facilities and other operating costs.

We expect that our general and administrative expenses in support of our research and development efforts will decrease in the short term while we seek funding from external sources for the Wholly-Owned programs as we execute on our plans for a disciplined approach to maintain a lean operating model. We anticipate a further decrease in our general and administrative expenses in the mid and long term in connection with execution of our current strategy as we do not intend to fully fund our deupirfenidone (LYT-100) program's Phase 3 trial or LYT-200's Phase 2 trial on our own, and as we seek to fund future development of the clinical programs within our Wholly-Owned programs with external sources of funding at the Founded Entity level, which, over time, could lead to the deconsolidation of the Founded Entities that house these programs.

Total Other Income/(Expense)
Gain on Deconsolidation of Subsidiary
Upon losing control over a subsidiary, the assets and liabilities are derecognized along with any related non-controlling interest ("NCI"). Any interest retained in the former subsidiary is measured at fair value when control is lost. Any resulting gain or loss is recognized as profit or loss in the Consolidated Statement of Comprehensive Income/(Loss).

Gain/(Loss) on Investments Held at Fair Value
Investments held at fair value include both unlisted and listed securities held by us, which include investments in Seaport, Vedanta, and other insignificant investments. We account for investments in convertible preferred shares in accordance with IFRS 9 as investments held at fair value when the preferred shares do not provide their holders with access to returns associated with a residual equity interest. Under IFRS 9, the preferred share investments are categorized as debt instruments that are presented at fair value through profit and loss because the amounts receivable do not represent solely payments of principal and interest.

Realized Gain/(Loss) on Sale of Investments
Realized gain/(loss) on sale of investments held at fair value relates to realized differences in the per share disposal price of a listed security as compared to the per share exchange quoted price at the time of disposal. The amounts in 2023, 2024 and 2025 are not significant.

Gain/(Loss) on Investments in Notes from Associates
Gain/(loss) on investments in notes from associates relates to our investment in the notes from Gelesis and Vedanta. We account for these notes in accordance with IFRS 9 as investments held at fair value, with changes in fair value recognized through the Consolidated Statement of Comprehensive Income/(Loss). The loss in 2023 is primarily attributable to a decrease in the fair value of our notes from Gelesis as Gelesis ceased operations and filed a voluntary petition for relief under the provisions of Chapter 7 of Title 11 of the United States Bankruptcy Code in October 2023. In 2024, the Bankruptcy Court approved an executed agreement for a third party to acquire the remaining net assets of Gelesis for $15.0 million. As the only senior secured creditor, we expect to receive a majority of the proceeds from the sale after deduction of Bankruptcy Court related legal and administrative costs. We recorded a gain of $11.4 million 2024, for the changes in the fair value of these notes. The 2025 loss of $3.6 million was primarily due to the decrease in the fair value of our notes from Vedanta prior to their conversion into preferred shares in connection with Vedanta's recapitalization in August 2025.

Other Income (Expense)
Other income (expense) consists primarily of gains and losses on financial instruments.

Finance Income/(Costs)
Finance costs consist of loan interest expense, interest expense due to accretion of and adjustment to the sale of future royalties liability as well as the changes in the fair value of certain liabilities associated with financing transactions, mainly subsidiary preferred share liability in respect of preferred shares issued by our non-wholly owned subsidiaries to third parties. Finance income consists of interest income on funds invested in money market funds and U.S. treasuries.

Share of Net Income (Loss) of Associates Accounted for Using the Equity Method, Gain on Dilution of Ownership Interest and Impairment of Investments in Associates
Associates (or equity accounted investees) are accounted for using the equity method and are initially recognized at cost, or if recognized upon deconsolidation, they are initially recorded at fair value at the date of deconsolidation. The Consolidated Financial Statements include our share of the total comprehensive income/(loss) of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases. When the share of losses exceeds the net investment in the investee, including the investment considered long-term interests, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that we have incurred legal or constructive obligations or made payments on behalf of an investee.

We compare the recoverable amount of the investment to its carrying amount on a go-forward basis and determine the need for impairment.

When our share in the equity of the investee changes as a result of equity transactions in the investee (related to financing events of the investee), we calculate a gain or loss on such change in ownership and related share in the investee's equity.

In 2023, we recorded our share of the net loss of Gelesis which reduced the carrying amount of our investment in Gelesis to $0. On October 30, 2023, Gelesis ceased operations and our significant influence in Gelesis ceased. In 2024, we recorded our share of the net losses of Sonde which reduced the carrying amount of our investment in Sonde to $0. In 2025, we recorded our share of the net losses of Seaport which reduced the carrying amount of our investment in Seaport to $0.

Income Tax
The amount of taxes currently payable or refundable is accrued, and deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. Deferred tax assets are also recognized for realizable loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using substantively enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. Net deferred tax assets are not recorded if we do not assess their realization as probable. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in our financial statements in the period that includes the substantive enactment date or the change in tax status.

Financial Review continued

Results of Operations

The following table, which has been derived from our financial statements for the years ended December 31, 2025, 2024, and 2023, included herein, summarizes our results of operations for the periods indicated, together with the changes in those items:

	Year ended December 31,				
(in thousands)	**2025**	2024	2023	Change (2024 to 2025)	Change (2023 to 2024)
Contract revenue	**$ 4,659**	$ 4,315	$ 750	$ 344	$ 3,565
Grant revenue	**—**	513	2,580	(513)	(2,067)
Total revenue	**4,659**	4,828	3,330	(169)	1,498
Operating expenses:					
General and administrative expenses	**(46,618)**	(71,469)	(53,295)	24,852	(18,175)
Research and development expenses	**(56,567)**	(69,454)	(96,235)	12,887	26,781
Operating income/(loss)	**(98,527)**	(136,095)	(146,199)	37,569	10,104
Other income/(expense):					
Gain/(loss) on deconsolidation of subsidiary	**—**	151,808	61,787	(151,808)	90,021
Gain/(loss) on investments held at fair value	**38,485**	(2,398)	77,945	40,883	(80,344)
Realized gain/(loss) on sale of investments	**375**	151	(122)	225	273
Gain/(loss) on investments in notes from associates	**(3,628)**	13,131	(27,630)	(16,759)	40,761
Other income/(expense)	**1,331**	961	(908)	370	1,869
Other income/(expense)	**36,564**	163,652	111,072	(127,089)	52,580
Net finance income/(costs)	**(32,735)**	4,773	5,078	(37,508)	(306)
Share of net income/(loss) of associates accounted for using the equity method	**(17,928)**	(8,754)	(6,055)	(9,174)	(2,699)
Gain/(loss) on dilution of ownership interest in associates	**1,699**	199	—	1,500	199
Income/(loss) before income taxes	**(110,927)**	23,774	(36,103)	(134,701)	59,878
Taxation	**842**	4,008	(30,525)	(3,166)	34,532
Net income/(loss) including non-controlling interest	**(110,084)**	27,782	(66,628)	(137,867)	94,410
Less income/(loss) attributable to non-controlling interests	**(345)**	(25,728)	(931)	25,383	(24,797)
Net income/(loss) attributable to the Owners of the Group	**$ (109,739)**	$ 53,510	$ (65,697)	$ (163,249)	$ 119,207

Comparison of the Years Ended December 31, 2025 and December 31, 2024

Total Revenue

	Year ended December 31,		
(in thousands)	**2025**	2024	Change
Total Contract Revenue	**$ 4,659**	$ 4,315	$ 344
Total Grant Revenue	**—**	513	(513)
Total Revenue	**$ 4,659**	$ 4,828	$ (169)

Our total revenue was $4.7 million for the year ended December 31, 2025, a decrease of $0.2 million, or 4% compared to the year ended December 31, 2024. The decrease in revenue is primarily due to a decrease in grant revenue of $0.5 million related to completed grants in 2024, partially offset by an increase in the recognition of royalty revenue from sales of Cobenfy (formerly KarXT), approved by the U.S. Food and Drug Administration in September 2024, pursuant to a patent license agreement between PureTech and Karuna. The royalty revenue recognized for the year ended December 31, 2025 was paid to Royalty Pharma in accordance with the Royalty Purchase Agreement. See Note 18. Sale of Future Royalties Liability.

General and Administrative Expenses

Our general and administrative expenses were $46.6 million for the year ended December 31, 2025, a decrease of $24.9 million, or 35% compared to the year ended December 31, 2024. The decrease is primarily driven by workforce reductions, particularly decrease in workforce related expenses such as payroll, share-based compensation, and recruiting expenses resulting from the deconsolidation of Seaport.

Research and Development Expenses

The following table shows the research and development expenses by program.

	Year ended December 31,		
(in thousands)	**2025**	2024	Change
Deupirfenidone (LYT-100) program external costs	**$ (31,027)**	$ (29,942)	$ (1,084)
LYT-200 program external costs	**(13,341)**	(10,464)	(2,877)
LYT-300* program external costs	**—**	(1,157)	1,157
Wholly owned PureTech platform and other non-clinical programs external costs	**—**	(6,514)	6,514
Controlled Founded Entities programs	**—**	(3,904)	3,904
Other research program external costs	**(380)**	(355)	(25)
Payroll costs	**(10,824)**	(15,023)	4,199
Facilities and other expenses	**(996)**	(2,095)	1,100
Total Research and Development Expenses:	**$ (56,567)**	$ (69,454)	$ 12,887

*Now Known as GlyphAllo (SPT-300)

Our research and development expenses were $56.6 million for the year ended December 31, 2025, a decrease of $12.9 million, or 19% compared to the year ended December 31, 2024.

The decrease in research and development expenses in 2025 is driven by the following changes in program costs:

— Increase in deupirfenidone program costs of $1.1 million is due to costs incurred in preparation for the upcoming phase III study partially offset by the reduction in clinical operating expenses due to the completion of phase II study and data readout in December 2024.
— Increase in LYT-200 program costs of $2.9 million was driven by increase in clinical operating expenses for the ongoing AML phase I study and preparation for the potential phase II study.
— Decrease in LYT-300 program costs of $1.2 million and decrease in wholly owned PureTech platform and other non-clinical programs costs of $6.5 million are due to the development of LYT-300 program and Glyph platform, now owned by Seaport, our Founded Entity, which was deconsolidated in October, 2024. As a result, there were no costs recorded for the LYT-300 program or Glyph platform for the year ended December 31, 2025.
— The Controlled Founded Entities program costs in 2024 pertain entirely to Seaport's LYT-300 program during the period of consolidation and until its deconsolidation in October 2024.
— Decrease in payroll costs of $4.2 million is driven by an overall yearly average reduction in headcount, primarily driven by the deconsolidation of Seaport in October 2024.
— Decrease in facilities and other expenses of $1.1 million is primarily driven by lower consulting spend in 2025 and lower depreciation expense resulting from the lower fixed asset balance in 2025.

Total Other Income/(Expense)

Total other income was $36.6 million for the year ended December 31, 2025 compared to $163.7 million for the year ended December 31, 2024, a decrease of $127.1 million, or 78%. The decrease is primarily attributable to the one time gain of $151.8 million recognized in 2024 on the deconsolidation of Seaport as well as the increase of $16.8 million in the loss on changes in the fair value of notes from associates: A loss of $3.6 million for the year ended December 31, 2025 attributed to the decrease in the fair value of the Vedanta convertible debt compared to a gain of $13.1 million for the year ended December 31, 2024 primarily attributed to the increase in the fair value of the Gelesis notes. These decreases are partially offset by an increase of $40.9 million in gain on investments held at fair value for the year ended December 31, 2025 attributed to the increase in the fair value of investment in Seaport.

Net Finance Income/(Costs)

Net finance cost was $32.7 million for the year ended December 31, 2025, compared to an income of $4.8 million for the year ended December 31, 2024, a decrease of net finance income of $37.5 million or 786%. The decrease in net finance income is primarily attributed to a $35.9 million increase in non-cash interest expense related to the sale of future royalties liability resulting from a change in forecast for Cobenfy sales. The decrease is further attributed to a $9.6 million decrease in interest income resulting from lower interest rate and lower cash and cash equivalents and short-term investments balances for the year ended December 31, 2025. The decreases are partially offset by the decrease in the loss from increase in fair value of subsidiary preferred share liability with the deconsolidation of Seaport in October, 2024.

Share of Net Income/(loss) of Associates Accounted for Using the Equity Method

For the year ended December 31, 2025, the share in net loss of associates reported under the equity method was $17.9 million as compared to the share in net loss of associates of $8.8 million for the year ended December 31, 2024, an increase in loss of $9.2 million or 105%. The increase in loss was primarily attributable to the Group's share of net loss from Seaport accounted for under the equity method upon deconsolidation in October, 2024.

Taxation

For the year ended December 31, 2025, the income tax benefit was $0.8 million, compared to an income tax benefit of $4.0 million for the year ended December 31, 2024, a decrease in income tax benefit of $3.2 million or 79%.

The income tax benefit recognized during the year ended December 31, 2025 was primarily due to the capital loss generated on the sale of the Vor Biopharma investment and general business tax credits, partially offset by the recognition of a reserve for uncertain tax positions related to a state audit and the effect of prior year return to provision adjustments. The income tax benefit recognized during the year ended December 31, 2024 was primarily attributable to the recognition of a deferred tax asset, generated in 2024 from the sale of the Group's investment in Akili common stock that was used to offset income generated from the sale of the Group's investment in Karuna common shares, partially offset with state income tax expense.

Comparison of the Years Ended December 31, 2024 and 2023

For the comparison of 2024 to 2023, refer to the financial review section of the Group's Annual Report and Accounts for the year ended December 31, 2024.

Significant Accounting Policies and Significant Judgments and Estimates

Our financial review is based on our financial statements, which we have prepared in accordance with UK-adopted International Financial Reporting Standards. The Consolidated Financial Statements also comply fully with IFRS Accounting Standards as issued by the IASB. In the preparation of these financial statements, we are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions or conditions.

Our estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revisions and future periods if the revision affects both current and future periods.

While our significant accounting policies are described in more detail in the notes to our Consolidated Financial Statements appearing at the end of this report, we believe the following accounting policies to be most critical to the judgments and estimates used in the preparation of our financial statements. See Note 1. Material Accounting Policies to our Consolidated Financial Statements for a further detailed description of our material accounting policies.

Financial instruments

We account for our financial instruments according to IFRS 9. In accordance with IFRS 9, we carry certain financial assets and financial liabilities at fair value, with changes in fair value through profit and loss ("FVTPL"). Valuation of these financial instruments includes determining the appropriate valuation methodology and making certain estimates such as the future expected returns on the financial instrument in different scenarios, appropriate discount rate, volatility, and term to exit.

In accordance with IFRS 9, when issuing preferred shares in our subsidiaries, we determine the classification of financial instruments in terms of liability or equity. Such determination involves judgement. These judgements include an assessment of whether the financial instruments include any embedded derivative features, whether they include contractual obligations upon us to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party at any point in the future prior to liquidation, and whether that obligation will be settled by exchanging a fixed amount of cash or other financial assets for a fixed number of the Group's equity instruments.

Consolidation

The Consolidated Financial Statements include the financial statements of the Group and the entities it controls. Based on the applicable accounting rules, we control an investee when we are exposed, or have rights, to variable returns from our involvement with the investee and have the ability to affect those returns through our power over the investee. Therefore, an assessment is required to determine whether we have (i) power over the investee; (ii) exposure, or rights, to variable returns from our involvement with the investee; and (iii) the ability to use our power over the investee to affect the amount of our returns. Judgement is required to perform such assessment, and it requires that we consider, among others, activities that most significantly affect the returns of the investee, our voting shares, representation on the board, rights to appoint board members and management, shareholders agreements, de facto power and other contributing factors.

Sale of Future Royalties Liability

We account for the sale of future royalties liability as a financial liability, as we continue to hold the rights under the royalty bearing licensing agreement and have a contractual obligation to deliver cash to an investor for a portion of the royalty we receive. This liability is tied to the future royalties we may receive from product sales. We have no obligation to pay any amounts to the counterparty if we do not receive any royalties in the future. Interest on the sale of future royalties liability is recognized using the effective interest rate over the life of the related royalty stream.

The sale of future royalties liability and the related interest expense are based on our current estimates of future royalties expected to be paid over the life of the arrangement. Forecasts are updated periodically as new data is obtained. Any increases, decreases or a shift in timing of estimated cash flows require us to re-calculate the amortized cost of the sale of future royalties liability as the present value of the estimated future contractual cash flows that are discounted at the liability's original effective interest rate. The adjustment is recognized immediately in profit or loss as income or expense.

In determining the appropriate accounting treatment for the Royalty Purchase Agreement during 2023, management applied significant judgement.

Investments in Associates

When we do not control an investee but maintain significant influence over the financial and operating policies of the investee, the investee is an associate. Significant influence is presumed to exist when we hold 20% or more of the voting power of an entity, unless it can be clearly demonstrated that this is not the case. We evaluate if we maintain significant influence over associates by assessing if we have the power to participate in the financial and operating policy decisions of the associate.

Associates are accounted for using the equity method (equity accounted investees) and are initially recognized at cost, or if recognized upon deconsolidation, they are initially recorded at fair value at the date of deconsolidation. The Consolidated Financial Statements include our share of the total comprehensive income or loss of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases. When our share of losses exceeds the net investment in an equity accounted investee, including investments considered to be long-term interests ("LTI"), the carrying amount is reduced to $0 and recognition of further losses is discontinued except to the extent that we have incurred legal or constructive obligations or made payments on behalf of an investee. To the extent we hold interests in associates that are not providing access to returns underlying ownership interests, the instrument held by us is accounted for in accordance with IFRS 9.

Judgement is required in order to determine whether we have significant influence over financial and operating policies of investees. This judgement includes, among others, an assessment whether we have representation on the board of the investee, whether we participate in the policy-making processes of the investee, whether there is any interchange of managerial personnel, whether there is any essential technical information provided to the investee, and if there are any transactions between us and the investee.

Judgement is also required to determine which instruments we hold in the investee form part of the investments in associates, which is accounted for under IAS 28 and scoped out of IFRS 9, and which instruments are separate financial instruments that fall under the scope of IFRS 9. This judgement includes an assessment of the characteristics of the financial instrument of the investee held by us and whether such financial instrument provides access to returns underlying an ownership interest.

Where the Group has other investments in an equity accounted investee that are not accounted for under IAS 28, judgement is required in determining if such investments constitute long-term interests for the purposes of IAS 28. This determination is based on the individual facts and circumstances and characteristics of each investment, but is driven, among other factors, by the intention and likelihood to settle the instrument through redemption or repayment in the foreseeable future, and whether or not the investment is likely to be converted to common stock or other equity instruments.

Recent Accounting Pronouncements

For information on recent accounting pronouncements, see Note 2. New Standards and Interpretations to our Consolidated Financial Statements.

Cash Flow and Liquidity

Our cash flows may fluctuate and are difficult to forecast and will depend on many factors, including:

- the expenses incurred in the development of wholly-owned and Controlled Founded Entities' therapeutic candidates;
- the revenue, if any, generated by wholly-owned and Controlled-Founded Entities' therapeutic candidates;
- the revenue, if any, generated from licensing and royalty agreements with Founded Entities;
- the financing requirements of the Wholly-Owned programs and our Founded Entities; and
- the investing activities including the monetization, through sale, of shares held in our public Founded Entities.

As of December 31, 2025, we had cash and cash equivalents of $252.5 million and short-term investments of $24.8 million. As of December 31, 2025, we had PureTech Level cash, cash equivalents and short-term investments of $277.1 million. PureTech Level cash, cash equivalents and short-term investments is a non-IFRS measure (for a definition of PureTech Level cash, cash equivalents and short-term investments and a reconciliation with the IFRS number, see the section Measuring Performance earlier in this Financial Review). In June 2025, we received total proceeds of $2.8 million before income tax for disposition of our holding of 2,671,800 shares of Vor common stock. In March 2024, we received total proceeds of $292.7 million before income tax in exchange for our holding of 886,885 shares of Karuna common stock as a result of the completion of Karuna acquisition by Bristol Myers Squibb ("BMS").

Cash Flows

The following table summarizes our cash flows for each of the periods presented:

	Year ended December 31,		
(in thousands)	**2025**	2024	2023
Net cash provided by (used in) operating activities	**$ (85,131)**	$ (134,369)	$ (105,917)
Net cash provided by (used in) investing activities	**63,288**	240,888	68,991
Net cash provided by (used in) financing activities	**(6,328)**	(16,958)	78,141
Net increase (decrease) in cash and cash equivalents	**$ (28,171)**	$ 89,560	$ 41,215

Operating Activities
Net cash used in operating activities was $85.1 million for the year ended December 31, 2025, as compared to $134.4 million for the year ended December 31, 2024, resulting in a decrease of $49.2 million in net cash used in operating activities. The decrease in cash outflows is primarily attributable to a decrease of $37.6 million in operating loss primarily driven by the deconsolidation of Seaport in October 2024, a decrease of $32.4 million in tax payments, and a change in working capital of $7.1 million, partially offset by a decrease of $14.6 million in share-based compensation expense and a net decrease in interest receipts and increase in interest payments of $13.2 million.

Investing Activities
Net cash provided by investing activities was $63.3 million for the year ended December 31, 2025, as compared to net cash provided by investing activities of $240.9 million for the year ended December 31, 2024, resulting in a decrease of $177.6 million in cash provided by investing activities. The decrease in net cash inflow was primarily attributable to a decrease in proceeds from sale of investments held at fair value of $295.4 million, partially offset by an increase in cash inflows from short-term investment activities (purchases, net of redemptions) amounting to $12.8 million in 2025 as well as one time cash outflows in 2024, including $91.6 million due to the derecognition of Seaport cash balance upon deconsolidation of Seaport in October 2024, and $14.4 million due to the investment in Seaport preferred shares in 2024.

Financing Activities
Net cash used in financing activities was $6.3 million for the year ended December 31, 2025, as compared to $17.0 million for the year ended December 31, 2024, resulting in a decrease of $10.6 million in net cash used in financing activities. The decrease in cash outflow was primarily attributable to a $105.5 million decrease in share repurchase activities, primarily in connection with the Tender Offer in 2024, partially offset by one time cash inflows in 2024 including $68.1 million in cash proceeds from the issuance of the subsidiary preferred shares in 2024 and a $25.0 million cash inflow from Royalty Pharma under Royalty Purchase Agreement in 2024.

Funding Requirements
We have incurred operating losses since inception. Based on our current plans, we believe our existing financial assets as of December 31, 2025, will be sufficient to fund our operations and capital expenditure requirements at least through the end of 2028. We expect to incur substantial additional expenditures in the near term to support our ongoing and future activities. We anticipate to continue to incur net operating losses for the foreseeable future to support our existing Founded Entities and our strategy around creating and supporting other Founded Entities, should they require it, to reach significant development milestones over the period of the assessment in conjunction with our external partners. We also expect to incur significant costs to advance our Wholly-Owned programs, although we do not intend to fully fund our deupirfenidone (LYT-100) program's Phase 3 trial or LYT-200 program's Phase 2 trial, on our own, to continue research and development efforts, to discover and progress new therapeutic candidates and to fund the Group's operating costs at least through the end of 2028. Our ability to fund our therapeutic development and clinical operations as well as ability to fund our existing and future Founded Entities will depend on the amount and timing of cash received from financings at the Founded Entity level, monetization of shares of public Founded Entities, the receipt of, or the sale of rights to, royalties, entering into strategic partnerships, and other potential business development activities. Our future capital requirements will depend on many factors, including:

— the costs, timing and outcomes of clinical trials and regulatory reviews associated with our wholly-owned therapeutic candidates;
— the costs of preparing, filing and prosecuting patent applications and maintaining, enforcing and defending intellectual property related claims;
— the emergence of competing technologies and products and other adverse marketing developments;
— the effect on our therapeutic and product development activities of actions taken by the U.S. Food and Drug Administration ("FDA"), the European Medicines Agency ("EMA") or other regulatory authorities;
— the number and types of future therapeutics we develop and support with the goal of commercialization;
— the costs, timing and outcomes of identifying, evaluating, and investing in technologies and drug candidates to develop as Wholly-Owned programs or as Founded Entities; and
— the success of our Founded Entities and their need for additional capital.

A change in the outcome of any of these or other variables with respect to the development of any of our wholly-owned therapeutic candidates could significantly change the costs and timing associated with the development of that therapeutic candidate.

Further, our operating plans may change, and we may need additional funds to meet operational needs and capital requirements for clinical trials and other research and development activities. We currently have no credit facility or other committed sources of capital beyond our existing financial assets. Because of the numerous risks and uncertainties associated with the development and commercialization of our wholly-owned therapeutic candidates, we have only a general estimate of the amounts of increased capital outlays and operating expenditures associated with our current and anticipated therapeutic development programs and these may change in the future.

Financial Position

Summary Financial Position

(in thousands)	As of December 31, 2025	2024	Change
Investments held at fair value	**$ 217,426**	$ 191,426	$ 26,000
Other non-current assets	**12,266**	24,953	(12,687)
Non-current assets	**229,692**	216,379	13,312
Cash and cash equivalents, and short-term investments	**277,299**	367,307	(90,008)
Other current assets	**27,720**	18,949	8,771
Current assets	**305,018**	386,256	(81,237)
Total assets	**534,710**	602,635	(67,925)
Lease liability	**11,087**	14,671	(3,584)
Sale of future royalties liability, non-current	**170,422**	136,782	33,640
Other non-current liabilities	**1,217**	1,861	(643)
Non-current liabilities	**182,726**	153,314	29,412
Trade and other payables	**23,185**	27,020	(3,835)
Notes payable	**4,916**	4,111	804
Preferred share liability	**169**	169	—
Sale of future royalties liability, current	**13,247**	6,435	6,813
Other current liabilities	**4,792**	3,654	1,138
Current liabilities	**46,309**	41,388	4,921
Total liabilities	**229,034**	194,702	34,333
Net assets	**305,676**	407,933	(102,257)
Total equity	**$ 305,676**	$ 407,933	$ (102,257)

Investments Held at Fair Value

Investments held at fair value increased by $26.0 million to $217.4 million as of December 31, 2025. As of December 31, 2025, Investments held at fair value consisted primarily of our preferred share investment in Seaport and Vedanta. The increase in value is primarily related to the convertible preferred shares of Seaport, partially offset by equity method losses applied to the long-term interest ("LTI") as well as the decrease in fair value in Vedanta preferred shares and the disposition of Vor common stock.

Cash, Cash Equivalents, and Short-Term Investments

Consolidated cash, cash equivalents and short-term investments decreased by $90.0 million to $277.3 million as of December 31, 2025. The decrease is primarily attributed to our operating loss of $98.5 million, partially offset by $2.8 million in proceeds from the disposition of Vor shares.

Non-current liabilities

Non-current liabilities increased by $29.4 million to $182.7 million as of December 31, 2025. The increase is primarily attributed to an increase in the sale of future royalties liability driven by a change in forecast for Cobenfy sales and the accretion of non-cash interest expense on the liability.

Quantitative and Qualitative Disclosures about Financial Risks

Interest Rate Sensitivity

As of December 31, 2025, we had cash and cash equivalents of $252.5 million and short-term investments of $24.8 million, while we had PureTech Level cash, cash equivalents and short-term investments of $277.1 million. PureTech Level cash, cash equivalents and short-term investments is a non-IFRS measure (for a definition of PureTech Level cash, cash equivalents and short-term investments and a reconciliation with the IFRS number, see the section Measuring Performance earlier in this Financial review). Our exposure to interest rate sensitivity is impacted by changes in the underlying U.K. and U.S. bank interest rates. We have not entered into investments for trading or speculative purposes. Due to the conservative nature of our investment portfolio, which is predicated on capital preservation and investments in short duration, high-quality U.S. Treasury Bills and related money market accounts, we do not believe a change in interest rates would have a material effect on the fair market value of our portfolio, and therefore, we do not expect our operating results or cash flows to be significantly affected by changes in market interest rates.

Foreign Currency Exchange Risk

We maintain our Consolidated Financial Statements in our functional currency, which is the U.S. dollar. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at rates of exchange prevailing at the balance sheet dates. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the date of the transaction. Exchange gains or losses arising from foreign currency transactions are included in the determination of net income (loss) for the respective periods. Such foreign currency gains or losses were not material for all reported periods.

Controlled Founded Entity Investments

We maintain investments in certain Controlled Founded Entities. Our investments in Controlled Founded Entities are eliminated as intercompany transactions upon financial consolidation. We are exposed to a subsidiary preferred share liability owing to the terms of existing preferred shares and the ownership of Controlled Founded Entities preferred shares by third parties. The liability of preferred shares is maintained at fair value through profit and loss. We view our exposure to third-party subsidiary preferred share liability as low as of December 31, 2025 as the liability is not significant. Please refer to Note 17. Subsidiary Preferred Shares to our Consolidated Financial Statements for further information regarding our exposure to Controlled Founded Entity investments.

Deconsolidated Founded Entity Investments

We maintain certain debt or equity holdings in Founded Entities which have been deconsolidated. These holdings are deemed either as investments carried at fair value under IFRS 9 with changes in fair value recorded through profit and loss or as associates accounted for under IAS 28 using the equity method. Our exposure to investments held at fair value and investments in notes from associates was $217.4 million and $11.4 million, respectively, as of December 31, 2025, and we may or may not be able to realize the value in the future. Accordingly, we view the risk as high. Our exposure to investments in associates is limited to the carrying amount of the investment. We are not exposed to further contractual obligations or contingent liabilities beyond the value of initial investment. As of December 31, 2025, the carrying amount of investments in associates was $0.0 million. Accordingly, we view this risk as low.

Equity Price Risk

As of December 31, 2024, we held 2,671,800 common shares of Vor with a fair value of $3.0 million. These common shares were sold in 2025. As of December 31, 2025, we held immaterial investments in listed entities on an active exchange. As such, we view the exposure to equity price risk as low.

Liquidity Risk

We do not believe we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. While we believe our cash and cash equivalents and short-term investments do not contain excessive risk, we cannot provide absolute assurance that in the future, our investments will not be subject to adverse changes or decline in value based on market conditions.

Credit Risk

We maintain an investment portfolio in accordance with our investment policy. The primary objectives of our investment policy are to preserve principal, maintain proper liquidity and meet operating needs. Although our investments are subject to credit risk, our investment policy specifies credit quality standards for our investments and limits the amount of credit exposure from any single issue, issuer or type of investment. We do not own derivative financial instruments. Accordingly, we do not believe that there is any material market risk exposure with respect to derivative or other financial instruments.

Credit risk is also the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. We are potentially subject to concentrations of credit risk in accounts receivable. Concentrations of credit risk with respect to receivables is owed to the limited number of companies comprising our receivable base. However, our exposure to credit losses is currently low due to the immateriality of the outstanding receivable balance, a small number of counterparties and the high credit quality or healthy financial conditions of these counterparties.

Foreign Private Issuer Status

Owing to our U.S. listing on the Nasdaq Global Market, we report under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as a non-U.S. company with foreign private issuer status. As long as we qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

— the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
— sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time;
— the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events; and
— Regulation FD, which regulates selective disclosures of material information by issuers.

Chair's overview

"We believe that good corporate governance is essential for building a successful and sustainable business."

Dear Shareholder,

I am pleased to introduce our Corporate Governance Report. This Report sets out our governance framework and the work of the Board and its committees.

As a Board, we are responsible for ensuring there is an effective governance framework in place. This includes setting the Company's strategic objectives, ensuring the right leadership and resources are in place to achieve these objectives, monitoring performance, ensuring that sufficient internal controls and protections are in place and reporting to shareholders. An effective governance framework is also designed to ensure accountability, fairness and transparency in the Company's relationships with all of its stakeholders, whether shareholders, employees, partners, the government or the wider patient community. We believe that good corporate governance is essential for building a successful and sustainable business.

The Board is committed to the highest standards of corporate governance and undertakes to maintain a sound framework for our control and management. In this Report, we provide details of that framework.

The key constituents necessary to deliver a robust structure are in place and, accordingly, this report includes a description of how the Company has applied the principles and provisions of the Governance Code and how it intends to apply those principles in the future.

Since July 8, 2025, I am excited to serve as Interim Chair to continue the strong governance practices at PureTech. Under my leadership, the Board has been focused on exploring every avenue for maximising shareholder value.

This year the Nomination Committee, working in conjunction with the rest of the Board and the Company's management, continued to explore adding one or more new non-executive directors to strengthen the Board's skillsets and reinforce the strong governance that has been a hallmark of the Company's Board and broader operations. As part of this process, the Board is actively engaged in searching for potential non-executive director candidates, with a view to making an appointment when the right candidate has been identified.

The Board looks forward to being able to discuss these matters with our shareholders in connection with our AGM or indeed at any other time during the year.

Sharon Barber-Lui
Interim Chair

April 29, 2026

Board of Directors

(alphabetically)*

PureTech Health is led by a seasoned and accomplished Board of Directors and management team with extensive experience in maximising shareholder value, discovering scientific breakthroughs, and delivering therapeutics to market.

Sharon Barber-Lui
Interim Chair, Non-Executive Director

Sharon Barber-Lui has served as a member of our Board since March 2022 and became the Chair of the Audit Committee in April 2022, the Chair of the Nomination Committee in April 2025 and assumed the role of interim Chair in July 2025. She is also a member of the Transaction Committee. Ms. Barber-Lui has been the Chief Financial Officer and Senior Vice President, North America at Teva Pharmaceutical Industries Ltd. since July 2023. Prior to joining Teva, Ms. Barber-Lui worked as Senior Vice President of Global Finance at EQRx and at Merck for over twenty years in roles of advancing responsibility, including most recently as the Head of Portfolio Market Strategy, Operations and Business Analytics from 2019 through 2021 and Chief Financial Officer from 2014 through 2018 for Merck's U.S. oncology business. Prior to that Ms. Barber-Lui held a number of other roles with Merck including Treasurer of U.S. Region, Head of U.S. Treasury Operations, and Head of Legal Entity Integration and Global Treasury Services, among others. Ms. Barber-Lui began her career as an accountant for KPMG LLP, and she received her bachelor's degree as well as her M.B.A. from Lehigh University. Ms. Barber-Lui is a member of the American Institute of Certified Public Accountants. She is also the recipient of Merck & Co. Inc.'s Top Talent Designation, Women's Leadership Recognition and Oncology Women's Leader Recognition.

Michele Holcomb, Ph.D.
Independent Non-Executive Director

Michele Holcomb, Ph.D. has served as a member of our Board since September 2024 and is a member of the Audit Committee and Remuneration Committee. She is also a member of the Transaction Committee. Dr. Holcomb is also a member of the board of directors of Compugen Ltd. (Nasdaq: CGEN), and is a member of the board of directors and chair of the Nominating and ESG (NESG) committee of Kimball Electronics Inc (Nasdaq: KE). Dr. Holcomb previously worked as Executive Vice President, Chief Strategy and Business Development Officer at Cardinal Health from January 2017 until September 2022. Prior to joining Cardinal Health, Dr. Holcomb was the Chief Operating Officer of Global R&D and SVP of Strategy, Portfolio, Search and Partnerships at Teva Pharmaceuticals. She also spent 15 years at McKinsey & Company and was a Partner of the Global Pharmaceutical Practice. She also serves on the board of the Abigail Wexner Research Institute at Nationwide Children's Hospital in Columbus, the BalletMet of Columbus, where she chairs the long-range planning committee and the Liberty Science Center in New Jersey. Dr. Holcomb received a B.S. in chemistry from Stanford University and a Ph.D. in chemistry from the University of California, Berkeley, and previously worked as an R&D chemist at Ciba-Geigy and Syntex Pharmaceuticals. Dr. Holcomb is also a member of the editorial advisory board of Pharmaceutical Executive and has lectured on healthcare strategy at Kellogg (Northwestern), Columbia and Fuqua (Duke) business schools.

* The biography for executive director Robert Lyne can be found on page 84.

Board of Directors continued

John LaMattina, Ph.D.
Senior Independent Director

John LaMattina, Ph.D., has served as a member of our Board since 2009, and assumed the role of Senior Independent Director in April 2025. He is also the Chair of the Remuneration Committee, and a member of the Audit, Transaction, and R&D Committees. Dr. LaMattina previously worked at Pfizer in different roles from 1977 to 2007, including vice president of U.S. Discovery Operations in 1993, senior vice president of worldwide discovery operations in 1998, senior vice president of worldwide development in 1999 and president of global research and development from 2003 to 2007. Dr. LaMattina serves on the board of directors of Ligand Pharmaceuticals. Dr. LaMattina previously served on the boards of Vedanta Biosciences, Inc. until February 2026, Immunome Inc. until October 2023 and Zafgen, Inc. until April 2020. He is also a trustee associate of Boston College. During Dr. LaMattina's leadership tenure, Pfizer discovered and/or developed a number of important new medicines including Tarceva, Chantix, Zoloft, Selzentry and Lyrica, along with a number of other medicines currently in late stage development for cancer, rheumatoid arthritis and pain. He is the author of numerous scientific publications and U.S. patents. Dr. LaMattina received the 1998 Boston College Alumni Award of Excellence in Science and the 2004 American Diabetes Association Award for Leadership and Commitment in the Fight Against Diabetes. He was awarded an Honorary Doctor of Science degree from the University of New Hampshire in 2007. In 2010, he was the recipient of the American Chemical Society's Earle B. Barnes Award for Leadership in Chemical Research Management. He is the author of "Devalued and Distrusted—Can the Pharmaceutical Industry Restore its Broken Image," "Drug Truths: Dispelling the Myths About Pharma R&D," "Pharma and Profits: Balancing Innovation, Medicine, and Drug Prices" and an author of the Drug Truths blog at Forbes.com. Dr. LaMattina received a B.S. in Chemistry from Boston College and received a Ph.D. in Organic Chemistry from the University of New Hampshire. He then moved on to Princeton University as a National Institutes of Health postdoctoral fellow in the laboratory of professor E. C. Taylor.

Robert Langer, Sc.D.
Co-Founder and Non-Executive Director

Robert S. Langer, Sc.D., is a co-founder, member of PureTech's R&D Committee and has served as a member of the board of directors since our founding. Dr. Langer has served as the David H. Koch Institute professor at MIT since 2005. He served as a member of the FDA's science board from 1995 to 2002 and as its chairman from 1999 to 2002. Dr. Langer serves on the board of directors of Seer Bio. Dr. Langer previously served on the boards of Moderna, Inc., which he co-founded, until August 2024, Abpro Korea until February 2024 and Frequency Therapeutics, Inc. until November 2023. Dr. Langer has received over 250 major awards, including the 2006 U.S. National Medal of Science, the Charles Stark Draper Prize in 2002 and the 2012 Priestley Medal. He is also the first engineer to receive the Gairdner Foundation International Award. Dr. Langer has received the Dickson Prize for Science, Heinz Award, Harvey Prize, John Fritz Award, General Motors Kettering Prize for Cancer Research, Dan David Prize in Materials Science, Breakthough Prize in Life Sciences, National Medal of Science, National Medal of Technology and Innovation, Kyoto Prize, Wolf Prize, Albany Medical Center Prize in Medicine and Biomedical Research and the Lemelson-MIT prize. In 2006, he was inducted into the National Inventors Hall of Fame. In January 2015, Dr. Langer was awarded the 2015 Queen Elizabeth Prize for Engineering. Dr. Langer received his bachelor's degree in Chemical Engineering from Cornell University and his Sc.D. in Chemical Engineering from MIT.

Kiran Mazumdar-Shaw
Independent Non-Executive Director

Kiran Mazumdar-Shaw has served as a member of our Board since September 2020. Ms. Mazumdar-Shaw has been the executive chairperson of Biocon Limited, which she founded in 1978, since April 2020, and she served as managing director of Biocon Limited from 1995 to 2020. Ms. Mazumdar-Shaw holds key positions in various industry, educational, government and professional bodies globally. She served as a full-term member of the board of trustees of Massachusetts Institute of Technology until June 2023. She has been elected as a member of the prestigious U.S.-based National Academy of Engineering. She also serves as a director on the board of United Breweries Limited, and non-executive director on the board of Narayana Health. Ms. Mazumdar-Shaw previously served as the lead independent member of the board of Infosys Ltd until March 2023. Ms. Mazumdar-Shaw has received two of India's highest civilian honors, the Padma Shri in 1989 and the Padma Bhushan in 2005. She was also honored with the Order of Australia, Australia's highest civilian honor in January 2020. In 2016, she was conferred with the highest French distinction – Knight of the Legion of Honour – and in 2014 received the Othmer Gold Medal in 2014 from the U.S.-based Chemical Heritage Foundation for her pioneering efforts in biotechnology. Ms. Mazumdar-Shaw has been ranked as one of the world's top 20 inspirational leaders in the field of biopharmaceuticals by The Medicine Maker Power List 2020, and she was the winner of EY World Entrepreneur of the Year™ 2020 Award. She was the first woman business leader from India to sign the Giving Pledge, an initiative of the Gates Foundation, committing to give the majority of her wealth to philanthropic causes. She received a bachelor's degree in science, Zoology Hons., from Bangalore University and a master's degree in malting and brewing from Ballarat College, Melbourne University. She has been awarded several honorary degrees from other universities globally.

H. Robert Horvitz, Ph.D.**
Board Advisor, R&D Committee Chair

H. Robert Horvitz, Ph.D., is a board observer and Chair of the R&D Committee at PureTech. He received the Nobel Prize in Physiology or Medicine and is the David H. Koch Professor of Biology at Massachusetts Institute of Technology, an investigator of the Howard Hughes Medical Institute, neurobiologist (Neurology) at Massachusetts General Hospital, a member of the MIT McGovern Institute for Brain Research and the MIT Koch Institute for Integrative Cancer Research. He is cofounder of multiple life science companies, including Epizyme (EPZM), Mitobridge (acquired by Astellas) and Idun Pharmaceuticals (acquired by Pfizer) and was a member of the Scientific Advisory Board of the Novartis Institutes for BioMedical Research.

Dr. Horvitz was a member of the board of trustees of the Massachusetts General Hospital. He also previously served as Chairman of the Board of Trustees of the Society for Science and the Public and as President of the Genetics Society of America. Dr. Horvitz is a member of the U.S. National Academy of Sciences, the U.S. National Academy of Medicine and the American Philosophical Society and is a foreign member of the Royal Society of London. He is a fellow of the American Academy of Arts and Sciences and of the American Academy of Microbiology.

Dr. Horvitz received the U.S. National Academies of Science Award in Molecular Biology; the Charles A. Dana Award for Pioneering Achievements in Health; the Ciba-Drew Award for Biomedical Science; the General Motors Cancer Research Foundation Alfred P. Sloan, Jr. Prize; the Gairdner Foundation International Award; the March of Dimes Prize in Developmental Biology; the Genetics Society of America Medal; the Bristol-Myers Squibb Award for Distinguished Achievement in Neuroscience; the Wiley Prize in the Biomedical Sciences; the Peter Gruber Foundation Genetics Prize; the American Cancer Society Medal of Honor; the Alfred G. Knudson Award of the National Cancer Institute; and the UK Genetics Society Mendel Medal. He has received honorary doctoral degrees from the University of Rome, Cambridge University, Pennsylvania State University and the University of Miami.

** Dr. Horvitz is not a member of the PureTech Board. As a Board Observer, Dr. Horvitz attends the majority of Board meetings. Dr. Horvitz is also the Chair of PureTech's R&D Committee

Management Team

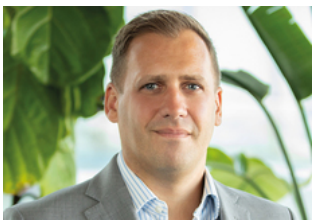
(alphabetically)*

Eric Elenko, Ph.D.
Co-Founder and President

Eric Elenko, Ph.D., has served as our president since his appointment by the Board in April 2024. Prior to his current role, Dr. Elenko served as chief innovation officer since June 2015 and held various other positions at PureTech prior thereto. While at PureTech, Dr. Elenko has led the development of a number of programs, including Akili Interactive Labs, Inc., Gelesis, Inc., Karuna Therapeutics, Inc. (acquired by Bristol Myers Squibb for $14.0 billion) and Sonde Health, Inc. Dr. Elenko is a founder and serves on the board of directors of Seaport Therapeutics. Inc. and Sonde Health, Inc. Prior to joining PureTech, Dr. Elenko was a consultant with McKinsey & Company from February 2002 to September 2005, where he advised senior executives of both Fortune 500 and specialty pharmaceutical companies on a range of issues such as product licensing, mergers and acquisitions, research and development strategy and marketing. Dr. Elenko received a B.A. in Biology from Swarthmore College and his Ph.D. in Biomedical Sciences from University of California, San Diego.

Michael Inbar, CPA, MBA
Chief Accounting Officer

Michael Inbar, CPA, MBA, is the chief accounting officer at PureTech where he leads all aspects of accounting, compliance, and finance operations. Prior to joining PureTech in 2023, Mr. Inbar was the chief financial officer of Acronis Inc., a private multinational software company, and interim chief financial officer at Wallarm, Inc., a private cyber-security company. He has held several leadership roles in other technology and biotechnology companies, including Solid Biosciences, Inc., Syros Pharmaceuticals, Inc., and GlassHouse Technologies, Inc. Mr. Inbar started his career in public accounting and spent 11 years in the audit and assurance practice, mostly with EY. Mr. Inbar has over 20 years of experience in accounting and finance, with expertise in scaling up businesses to support organic growth or acquisitions, debt and equity fundraising, and building high performing finance teams to support companies' objectives and success.



Robert Lyne
Chief Executive Officer and Member of the Board of Directors

Robert Lyne, has served as our chief executive officer and a member of the Board since his appointment in December 2025. Prior to his permanent appointment, Mr. Lyne served as interim CEO beginning in July 2025. Before assuming his current role, Mr. Lyne was chief portfolio officer, a position he held since joining PureTech in January 2024. He also serves on the board of directors of Seaport Therapeutics, Inc. Prior to joining PureTech, Mr. Lyne was the Chief Executive Officer at Arix Bioscience plc, a transatlantic venture capital company focused on investing in innovative biotechnology companies. He began his career as a lawyer at international law firm Bird & Bird LLP in London before moving to Touchstone Innovations, a London listed biotech and technology investor, which was acquired in 2017. He has worked on over 80 venture capital financings in Europe and North America as well as multiple trade exits and IPOs. As an experienced UK plc executive, Mr. Lyne has broad experience formulating and implementing corporate strategy. Mr. Lyne has a BA from the University of Oxford and an LLB from Oxford Brookes University.

Charles (Chip) Sherwood, J.D.
General Counsel and Company Secretary

Charles Sherwood, J.D., is the general counsel and company secretary at PureTech, where he leads the company's corporate legal function, including corporate governance and compliance. Mr. Sherwood previously served on the board of directors of Vedanta Biosciences, Inc. until February 2026. Prior to joining PureTech in August 2021, he was the Vice President, Corporate Legal Counsel at Anika Therapeutics, a small-cap NASDAQ-listed biotechnology company. During his time at Anika, Charles built and led the legal department, where he served as a strategic advisor to management and the Board and developed extensive subject matter expertise involving strategic transactions, intellectual property, product and brand marketing, financing and other financial matters and securities compliance and other compliance matters. Mr. Sherwood received a B.A. in economics from Middlebury College and a J.D. from Vanderbilt University Law School. He is admitted to the Massachusetts Bar.

The Board

Roles and responsibilities of the Board

The Board is responsible to shareholders for our overall management as a whole. The main roles of the Board are:

— creating value for shareholders;
— providing business and scientific leadership;
— approving our strategic objectives;
— ensuring that the necessary financial and human resources are in place to meet strategic objectives;
— overseeing our system of risk management; and
— setting the values and standards for both our business conduct and governance matters.

The Directors are also responsible for ensuring that obligations to shareholders and other stakeholders are understood and met and that communication with shareholders is maintained. The responsibility of the Directors is collective, taking into account their respective roles as Executive Directors and Non-Executive Directors. All Directors are equally accountable to the Company's shareholders for the proper stewardship of its affairs and our long-term success.

The Board reviews strategic issues on a regular basis. During the past year the Board has played an active role on a variety of strategic initiatives of the Company. Members served as subject matter experts, advised on asset evaluation strategy and reviewed potential transactions. In addition, several members served on an independent transactions committee, led by the interim Chair. As a result, certain members have devoted substantial time and effort to the Company, above and beyond what would typically be expected of Non-Executive Directors.

The Board has also exercised control over our performance by agreeing on budgetary and operational targets and monitoring performance against those targets. The Board has overall responsibility for our system of internal controls and risk management. Any decisions made by the Board on policies and strategy to be adopted by us or changes to current policies and strategy are made following presentations by the Executive Director and other members of management, and only after a detailed process of review and challenge by the Board. Once made, the Executive Director and other members of management are fully empowered to implement those decisions.

Except for a formal schedule of matters which are reserved for decision and approval by the Board, the Board has delegated our day-to-day management to the Chief Executive Officer who is supported by other members of the senior management team. The schedule of matters reserved for Board decision and approval are those significant to us as a whole due to their strategic, financial or reputational implications.

The Company's schedule of matters reserved for the Board includes the following matters:

— approval and monitoring of our strategic aims and objectives;
— approval of the annual operating and capital expenditure budget;
— changes to our capital structure, the issue of any of our securities and material borrowings;
— approval of the annual report and half-year results statement, accounting policies and practices or any matter having a material impact on our future financial performance;
— ensuring a sound system of internal control and risk management;
— approving Board appointments and removals, and approving policies relating to directors' remuneration;
— strategic acquisitions;
— major disposals of our assets or subsidiaries;
— approval of all circulars, prospectuses and other documents issued to shareholders governed by the Financial Conduct Authority's (FCA) Listing Rules, Disclosure Guidance and Transparency Rules or the City Code on Takeovers and Mergers;
— approval of terms of reference and membership of Board committees;
— considering and, where appropriate, approving directors' conflicts of interest; and
— approval, subject to shareholder approval, of the appointment and remuneration of the auditors.

The schedule of matters reserved to the Board is available on request from the Company Secretary or within the Investors section of our website at www.puretechhealth.com.

The Board delegates specific responsibilities to certain committees that assist the Board in carrying out its functions and ensure independent oversight of internal control and risk management. The three principal Board committees (Audit, Remuneration and Nomination) play an essential role in supporting the Board in fulfilling its responsibilities and ensuring that we maintain the highest standards of corporate governance. Each committee has its own terms of reference which set out the specific matters for which delegated authority has been given by the Board.

The terms of reference for each of the committees are fully compliant with the provisions of the Governance Code. All of these are available on request from the Company Secretary or within the Investors section of our website at www.puretechhealth.com.

Board size and composition

As of December 31, 2025, there were six Directors on the Board: the Non-Executive interim Chair, one Executive Director and four Non-Executive Directors. The biographies of these Directors are provided on pages 82 to 83. Mr. Robert Lyne joined the Board as an Executive Director on December 18, 2025, in conjunction with his appointment as permanent CEO. The former CEO, Dr. Bharatt Chowrira, stepped down from his roles as CEO and a member of the Board on July 16, 2025. Ms. Sharon Barber-Lui assumed the role of interim Chair of the Board on July 8, 2025 in conjunction with the former Chair, Dr. Raju Kucherlapati, stepping down from the Board. There were no other changes to the composition of the Board during 2025.

The Company's policy relating to the terms of appointment and the remuneration of both Executive and Non-Executive Directors is detailed in the Directors' Remuneration Report on pages 102 to 121.

The size and composition of the Board is regularly reviewed by the Nomination Committee to ensure there is an appropriate and diverse mix of skills and experience on the Board.

The Board may appoint any person to serve as a Director, either to fill a vacancy or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the following AGM and then shall be eligible for election by the shareholders. In accordance with the Governance Code, all of the Directors will be offering themselves for election at the AGM to be held on June 10, 2026, full details of which are set out in the notice of meeting accompanying this Annual Report.

Non-Executive Directors

The Company's Non-Executive Directors are Ms. Sharon Barber-Lui (interim Chair), Dr. Michele Holcomb, Dr. John LaMattina, Dr. Robert Langer, and Ms. Kiran Mazumdar-Shaw.

The Non-Executive Directors provide us with a wide range of skills and experience. Each Non-Executive Director has significant senior level experience as well as an extensive network in each of their own fields, an innovative mindset and independent judgement on issues of strategy, performance and risk, and is well placed to constructively challenge and scrutinize the performance of management. In addition, certain of our Non-Executive Directors also serve as members of one or more boards of directors of our Founded Entities and are key drivers for our Portfolio.

Senior Independent Director

The Company's Senior Independent Director is Dr. John LaMattina, who was appointed to the role in April 2025. A key responsibility of the Senior Independent Director is to be available to shareholders in the event that they may feel it inappropriate to relay views through the Chair or Chief Executive Officer. In addition, the Senior Independent Director is to serve as an intermediary between the rest of the Board and the interim Chair where necessary. Further, the Senior Independent Director will lead the Board in its deliberations on any matters on which the interim Chair is conflicted. In early 2025, the Board considered the position of Senior Independent Director, and determined that the functions of the role would be best fulfilled by Dr. LaMattina.

The roles of Chair and Chief Executive Officer

The Company's interim Chair is Ms. Sharon Barber-Lui. She assumed the role of interim Chair of the Board on July 8, 2025, following Dr. Raju Kucherlapati stepping down from his role as a member and Chair of the Board. The Nomination Committee considered Ms. Barber-Lui's skills, knowledge and expertise, in their decision to appoint her to the role of interim Chair. There is and will remain a clear division of responsibilities between the Chair and the Chief Executive Officer. Until a permanent replacement is appointed as Chair by the Board, Ms. Barber-Lui is serving as interim Chair. There is and will remain a clear division of responsibilities between the Chair and the Chief Executive Officer.

The Chair is responsible for the leadership and conduct of the Board and for ensuring effective communication with shareholders.

The Chair facilitates the full and effective contribution of Non-Executive Directors at Board and Committee meetings, ensures that they are kept well informed and ensures a constructive relationship between the Executive Directors and Non-Executive Directors. The Chair also ensures that the Board committees carry out their duties, including reporting back to the Board either orally or in writing following their meetings at the next Board meeting.

The role of the Chief Executive Officer, Mr. Robert Lyne, is to lead the execution of the Company's strategy and the executive management of PureTech. He is responsible, among other things, for the development and implementation of strategy and processes which enable us to meet the requirements of shareholders, for delivering the operating plans and budgets for our businesses, for monitoring business performance against key performance indicators (KPIs) and reporting on these to the Board and for providing the appropriate environment to recruit, engage, retain and develop the high-quality personnel needed to deliver our strategy.

Independence

The Governance Code requires that at least 50 percent of the Board of a UK premium listed company, excluding the Chair, consists of Non-Executive Directors determined by the Board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the Directors' judgement. The Board regards Dr. Holcomb, Dr. LaMattina and Ms. Mazumdar-Shaw as Independent Non-Executive Directors for the purposes of the Governance Code. In reaching this determination, the Board duly considered (i) their directorships and links with other Directors through their involvement in other subsidiary companies; (ii) their equity interests in PureTech and/or the Founded Entities, including equity grants of restricted stock units made to Non-Executive Directors by the Company under its Performance Share Plan; and (iii) in respect of Dr. LaMattina, the length of his tenure as a Director of the Company since its IPO in 2015. The Board is satisfied that the judgement, experience and challenging approach adopted by each of these Directors should ensure that they each make a significant contribution to the work of the Board and its committees. Therefore, the Board has determined that Dr. Holcomb, Dr. LaMattina, and Ms. Mazumdar-Shaw are of independent character and judgement, notwithstanding the circumstances described at (i), (ii) and (iii) above.

During 2025, the Board, with assistance from the Company's management, welcomed Mr. Lyne to the Board in conjunction with his appointment as permanent CEO in December 2025. The Committee continues to evaluate potentially adding one or more independent non-executive directors to strengthen the Board's skillsets and reinforce the strong governance that has been a hallmark of the Company's Board and broader operations. The Nomination Committee and the Company intend to conduct a thorough and expeditious process to identify the best candidates. Progress updates will be provided in due course.

Board support, indemnity and insurance

The Company Secretary, Mr. Charles Sherwood, is responsible to the Board for ensuring Board procedures are followed, applicable rules and regulations are complied with and that the Board is advised on governance and relevant regulatory matters. All Directors have access to the impartial advice and services of the Company Secretary.

There is also an agreed procedure for Directors to take independent professional advice at the Company's expense. In accordance with the Company's Articles of Association and a contractual Deed of Indemnity, the Directors have been granted an indemnity issued by the Company to the extent permitted by law in respect of liabilities incurred to third parties as a result of their office. The indemnity would not provide any coverage where a Director is proved to have acted fraudulently or with wilful misconduct. The Company has also arranged appropriate insurance cover in respect of legal action against its Directors and officers.

Board meetings and decisions

The Board meets regularly during the year, as well as on an ad hoc basis as required by business need. The Board had nine scheduled meetings in 2025, and details on attendance are set forth in the table below:

Director	Number of Board Meetings Attended
Raju Kucherlapati*	6/6
Sharon Barber-Lui	8/9
Michele Holcomb	9/9
John LaMattina	9/9
Robert Langer	5/9
Kiran Mazumdar-Shaw	7/9
Robert Lyne**	N/A
Bharatt Chowrira***	7/7

* Dr. Kucherlapati stepped down from the Company's Board in July 2025.

** Mr. Lyne joined the Board in December 2025, after which no Board meetings were held in 2025. Mr. Lyne did attend Board meetings as a member of management prior to his appointment to the Board.

*** Dr. Chowrira stepped down from the Company's Board in July 2025.

While each current director was able to attend the majority of meetings in 2025, in the event of any unavoidable absence, the impacted Director would review with management the topics and materials to be discussed at the meeting, and provide appropriate feedback to be conveyed at such meeting, as was the case with respect to the meetings any director was unable to attend. Director absences in 2025 generally related to scheduling conflicts with other obligations or, in certain circumstances, minor illnesses. The Board is satisfied that each director was able to participate appropriately even if unable to attend all meetings.

The Board also acted by unanimous written consent seven times in 2025. On occasion it was more expedient for the Board to approve matters, especially administrative matters, by unanimous written consent rather than to convene a meeting for the purpose. Directors were, however, provided with an opportunity to discuss any concerns they had with the written resolution before its issue for signature.

At each quarterly meeting of the Board, there was a closed session held in which only the Chair and the other Non-Executive Directors participated. In certain meetings held to discuss a specific topic or topics, a closed session was not held due to limited time allocated for such meeting or the nature of the topic being considered.

The schedule of Board and Committee meetings each year is, so far as is possible, determined before the commencement of that year and all Directors or, if applicable, all Committee members, are expected to attend each meeting.

Supplementary meetings of the Board and/or the Committees are held as and when necessary. Each member of the Board receives in advance of each scheduled meeting detailed Board packages, which include an agenda based upon matters to be addressed and appropriate presentation and background materials. If a Director is unable to attend a meeting due to exceptional circumstances, he or she will nonetheless receive the meeting materials and discuss the materials with the Chief Executive Officer.

The Interim Chair, Chief Executive Officer and senior management team work together to ensure that the Directors receive relevant information to enable them to discharge their duties and that such information is accurate, timely and clear. This information includes quarterly management accounts containing analysis of performance against budget as well as a summary of the operational performance of each of our businesses against its goals. Additional information is provided as appropriate for the topics being addressed at the meeting. At each meeting, the Board receives presentations from the Chief Executive Officer and, by invitation, other members of senior management as required. This ensures that all Directors are in a position to effectively monitor our overall performance, and to contribute to the development and implementation of its strategy.

Company Board meetings are held either in our offices in Boston, Massachusetts, U.S., or by videoconference. This practice began during the onset of the COVID-19 pandemic for the safety of the Board and has continued in recent years. The venue of Board meetings varies depending on the schedules and health of our directors. The Board endeavours to hold at least two in-person meetings during the year, as they give members of the Company's senior management team, as well as the senior management of the Founded Entities, the opportunity to formally present to the Board on new technology development and business strategies.

Certain Directors also serve on the boards of directors of our Founded Entities. These Founded Entity boards of directors meet regularly during the year, as well as on an ad hoc basis as required by business need. This service enables the Directors to have deep understanding of the businesses and contribute significantly to the strategy and oversight of these businesses.

Directors' conflicts of interest

Each Director has a statutory duty under the Companies Act 2006 (the CA 2006) to avoid a situation in which he or she has or can have a direct or indirect interest that conflicts or may potentially conflict with the interests of the Company. This duty is in addition to the continuing duty that a Director owes to the Company to disclose to the Board any transaction or arrangement under consideration by the Company in which he or she is interested. The Company's Articles of Association permit the Board to authorize conflicts or potential conflicts of interest. The Board has established procedures for managing and, where appropriate, authorizing any such conflicts or potential conflicts of interest. In deciding whether to authorize any conflict, the Directors must have regard to their general duties under the CA 2006 and their overriding obligation to act in a way they consider, in good faith, will be most likely to promote the Company's success. In addition, the Directors are able to impose limits or conditions when giving authorization to a conflict or potential conflict of interest if they think this is appropriate. The authorization of any conflict matter, and the terms of any authorization, may be reviewed by the Board at any time. The Board believes that the procedures established to deal with conflicts of interest are operating effectively.

Induction, awareness and development

In preparation for the Company's initial public offering (IPO), and upon joining the Board subsequent to the IPO, Directors received an induction briefing from the Company's legal advisors on their duties and responsibilities as Directors of a publicly quoted company. The Directors also received presentations from the Company's corporate brokers prior to the IPO. In addition, in order to ensure that the Directors continue to further their understanding of the challenges facing our Portfolio, the Board periodically receives the presentations and reports covering the business and operations of each of our Founded Entities as well as its Wholly-Owned Programs.

We have put in place a comprehensive induction plan for any new Directors. This program is tailored to the needs of each individual Director and agreed with him or her so that he or she can gain a better understanding of us and our businesses. In addition, the Company facilitates sessions as appropriate with our advisors, as well as appropriate governance specialists, to ensure that any new Directors are fully aware of, and understand, their responsibilities and obligations of a publicly quoted company and of the governance framework within which they must operate.

Board effectiveness and performance evaluation

The Board periodically reviews its effectiveness and performance. The Board seeks the assistance of an independent third-party provider at least once every three years in its evaluation in compliance with the Governance Code, which it will do in 2026, and will otherwise carry out an internally facilitated Board evaluation led by the Senior Independent Director, assisted by the Nomination Committee and the Company Secretary, covering the effectiveness of the Board as a whole, its individual Directors and its Committees. For 2025, internal evaluation of the Board demonstrated that the Board and its Committees fulfil their substantive responsibilities, operate effectively and demonstrate a clear structure and division of responsibilities between the Board and its Committees. The increased quality of Board materials and presentations and advances in the process for evaluating strategic transactions were favourably viewed. The Board is committed to performing a formal evaluation with an external service provider in 2026 and will perform internal evaluations in future years to ensure the effectiveness of the Board and ensure alignment with the interests of stakeholders.

In addition to the above, the Non-Executive Directors, led by the Senior Independent Director with assistance from the Nomination Committee, will periodically appraise the Interim Chair's performance, following which the Senior Independent Director will provide any feedback to the Interim Chair. The performance of each of the Directors on the Board and the performance of the committees of the Board will be reviewed by the Interim Chair as deemed necessary. No non-Executive Director will participate in the review of their own individual performance. The performance of Executive Directors will be reviewed by the Board on an ongoing basis, as deemed necessary, in the absence of the Executive Director under review.

Committees of the Board

The Board has three principal committees: the Nomination Committee, the Audit Committee and the Remuneration Committee. The composition of the three principal committees of the Board and the attendance of the members throughout the year is set out in the respective committee reports contained in this Annual Report. The terms of reference of each committee are available on request from the Company Secretary and within the Investors section of our website at www.puretechhealth.com.

In addition to the principal committees there are two other committees, the Transaction and R&D Committees, on which non-executive directors participate.

Transaction Committee

Since 2023, the Board has maintained a standing Transaction Committee. The committee meets ad hoc and more formally when actively evaluating a transaction. During 2025, the Transaction Committee met formally fourteen times, in consideration of financing activities across our Portfolio and a number of other matters the Board assessed and evaluated. The current Transaction Committee members are Ms. Barber-Lui, Dr. Holcomb, and Dr. LaMattina.

R&D Committee

The R&D Committee meets quarterly to discuss continued progress of ongoing Wholly-Owned Programs and evaluate opportunities for new programs. During 2025, the R&D Committee met formally four times. The current R&D Committee members are Dr. LaMattina and Dr. Langer.

Internal Control

The Board fully recognizes the importance of the guidance contained in the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. Our internal controls were in place during the whole of 2025 and we are satisfied that we have adequate controls and that our internal control over financial reporting was effective for the year ended December 31, 2025.

The Board is responsible for establishing and monitoring internal control systems and for reviewing the effectiveness of these systems. As part of its planning for 2026 and in preparation for requirements of Provision 29 of the Governance Code becoming effective, the Board plans to implement a process to identify and define the Group's material controls using a risk-based approach, though the Company is currently subject to the requirements of Section 404 of the Sarbanes Oxley Act of 2002. The Board views the effective operation of a rigorous system of internal control as critical to our success; however, it recognizes that such systems are designed to manage rather than eliminate risk of failure and can provide only reasonable and not absolute assurance against material misstatement or loss. The key elements of our internal control system, all of which have been in place during the financial year and up to the date these financial statements were approved, are as follows:

Control environment and procedures

We have a clear organizational structure with defined responsibilities and accountabilities. It adopts the highest values surrounding quality, integrity and ethics, and these values are communicated clearly throughout the whole organization. Detailed written policies and procedures have been established covering key operating and compliance risk areas. These policies and procedures are reviewed and the effectiveness of the systems of internal control is assessed periodically by the Board.

Identification and evaluation of risks

The Board actively identifies and evaluates the risks inherent in the business and ensures that appropriate controls and procedures are in place to manage these risks. The Board obtains an update regarding our Portfolio on a regular basis, and reviews our performance and the performance of our Portfolio on a quarterly basis. However, the performance and structuring of business units may be reviewed more frequently if deemed appropriate.

The key risks and uncertainties we face, as well as the relevant mitigations, are set out on pages 59 to 64 and in the Additional Information section from pages 185 to 223.

Information and financial reporting systems

We evaluate and manage significant risks associated with the process for preparing consolidated accounts by having in place systems and internal controls that ensure adequate accounting records are maintained and transactions are recorded accurately and fairly to permit the preparation of financial statements in accordance with IFRS Accounting Standards. The Board approves the annual operating budgets and regularly receives details of actual performance measured against the budget.

Principal risks and uncertainties

Our operations and the implementation of our objectives and strategy are subject to a number of key risks and uncertainties. Principal and emerging risks are formally reviewed by the Board at least annually and appropriate procedures are put in place to monitor and, to the extent possible, mitigate these risks.

A summary of the key risks affecting us and the steps taken to manage these risks are set out on pages 59 to 64 and in the Additional Information section from pages 185 to 223.

Political expenditure

It is the Board's policy not to incur political expenditure or otherwise make cash contributions to political parties and it has no intention of changing that policy.

2026 Annual General Meeting

The Notice of the AGM, which will be held at 4:00 p.m. British Summer Time (BST) (11:00 a.m. Eastern Daylight Time (EDT)) on Wednesday June 10, 2026 at the Company's corporate headquarters at 6 Tide Street, Suite 400, in Boston, Massachusetts, 02210, U.S., is enclosed with this report. Details of the resolutions and the explanatory notes thereto are included with the Notice. To ensure compliance with the Governance Code, the Board proposes separate resolutions for each issue and proxy forms allow shareholders who are unable to attend the AGM to vote for or against or to withhold their vote on each resolution. In addition, to encourage shareholders to participate in the AGM process, the Company proposes to offer electronic proxy voting through the Registrar's website and through the CREST service. The results of all proxy voting will be published on our website after the AGM.

Our website at www.puretechhealth.com is the primary source of information on us. The website includes an overview of our activities, details of our businesses, and details of all of our recent announcements.

Relations with Stakeholders – Section 172 Statement

The Board recognizes its duties under Section 172 of the Companies Act 2006 and continuously has regard to how the Company's activities and decisions will impact investors, employees, those with whom it has a business relationship, the community and environment and its reputation for high standards of business conduct. In weighing all of the relevant factors, the Board, acting in good faith and fairly between members, makes decisions and takes actions that it considers will best lead to the long-term success of the Company. In accordance with Section 172, it is the responsibility of the Board as a whole to ensure that a satisfactory dialogue takes place and that the Board considers the potential impact on the Company's key stakeholders when making decisions.

The Board is committed to understanding and engaging with shareholders and other key stakeholder groups of the Company in order to maximize value and promote long-term Company success in line with our strategic objectives, as well as to promote and ensure fairness between our stakeholders. The Board believes that appropriate steps and considerations have been taken during the year so that each Director has an understanding of the various key stakeholders of the Company. The Board recognizes its responsibility to contemplate all such stakeholder needs and concerns as part of its discussions, decision-making, and in the course of taking actions and will continue to make stakeholder engagement a top priority in the coming years.

During the year, the Board assessed its current activities between the Board and its stakeholders, which demonstrated that the Board actively engages with its stakeholders and takes their various objectives into consideration when making decisions.

Stakeholder	How we engage	Key matters identified	Further information
Investors	– Our shareholders are the owners and investors in our business. We make significant efforts to engage with our shareholders and understand their objectives. We engage with our shareholders through a number of mechanisms to ensure that shareholder views are brought into the boardroom and considered in our decision-making. – The Board's primary shareholder contact is through the Chief Executive Officer. The Interim Chair, the Senior Independent Director and other Directors, as appropriate, make themselves available for contact with major shareholders and other stakeholders in order to understand their issues and concerns. – Stakeholder engagement will often take place by the Executive Directors and senior management through investor meetings and investor roadshows, including participation at healthcare conferences and participating in fireside chats at those events, with the Board receiving regular updates by way of analysis reports on stakeholder views. – Meetings were held throughout the year with institutional shareholders. Key shareholder publications including the annual report, the full year and half year results announcements and press releases and the information for investors are available on the Company's website: www.puretechhealth.com.	– Our Board keeps its Strategy and Business Model under regular review. During the past year, the Board has engaged to carefully consider its strategy for future growth and development, in particular devoting attention to the future prospects of its business model and its listing venues and the risks and opportunities this would give to the Company's stakeholders. – The company carefully manages its expenditure and anticipates future capital needs through careful capital management and capital allocation to its Wholly-Owned Programs and clinical trials as well as opportunities to secure financing from third parties, for example we monetized PureTech's royalty in Bristol Myers Squibbs' Cobenfy® for up to $500 million, with $100 million in cash paid up front. Our Board also carefully considers opportunities for disposal of shares in our Founded Entities, which have generated over $815 million in non-dilutive proceeds to advance our pipeline and growth since 2020. – The Board seeks to ensure appropriate board structure and the Nomination Committee continues to actively evaluate seasoned candidates with extensive experience suitable for a Company of PureTech's size. – The Board recognizes the importance of Diversity, Equity and Inclusion and is delighted to have a diverse group of leaders at both the Board and Management levels.	– Governance Section of ARA (Pages 58 to 121) – ESG Report (Pages 22 to 57) – Remuneration Report (Pages 102 to 121) – A Diversified Portfolio Positioned for Significant Upside (Page 9)

Relations with Stakeholders – Section 172 Statement continued

Stakeholder	How we engage	Key matters identified	Further information
Our People	– Our employees are crucial to the success of our business and many key decisions made by our Board have an impact on them. It is important to understand the employee perspective and ensure that we maintain an engaged workforce, as we believe that this will lead to better business results. We engage with our employees in various ways to ensure that their voice is heard in the management of our business including: – The conduct of regular town hall meetings, email briefings to employees on key events as well as communication through the company intranet site and an engagement survey – The implementation of regular appraisals and personal development programs	– The Board recognizes the importance of an incentivized and engaged workforce, especially in the highly competitive biotechnology cluster of the greater Boston area. While the Board recognized the three methods suggested in the Code for workforce engagement, the Board opted for a more informal approach given the Company's number of employees. The Board is responsive to the views of employees, and regularly seeks feedback from the Executive Directors on the overall culture of the Company which is aligned to the purpose, values and strategy of the organization. The Executive Director provides insights based on the feedback from routine employee engagement, such as through surveys and Town Hall Meetings. – The Board aims to attract and retain high performing employees. This is attained through a combination of competitive remuneration and benefit packages and an established personal management and development program. This program is implemented with a view to development of the individual in an inclusive environment where employees from diverse backgrounds can thrive. – We are proud to be a company dedicated to giving life to new classes of medicine to improve the lives of patients with devastating diseases and believe we have established a business where our employees are proud to work.	– ESG Report (Pages 22 to 57) – Remuneration Report (Pages 102 to 121) – Strategic Report (Pages 4 to 21)
Community & Environment	– We are committed to supporting the communities in which we operate and the wider public. To that end, we have developed various mechanisms for engagement including: – Internships/partnerships with local universities and programs – Charitable giving – Building Certifications – Therapeutic Focus	– We are committed to improving our practices to ensure our business operates on a sustainable basis. In particular, we have created an ESG committee chaired by one of our Non-Executive Directors to guide our sustainability initiatives. Our business operates with low carbon emissions, and we are committed to delivering long-term environmental sustainability. – We partner with local universities and programs to offer paid internship and externship programs, generally within technical fields in our development organization. – The company engages with local community and supports charitable causes. In particular, in 2025, PureTech made charitable contributions to the Pulmonary Fibrosis Foundation, Cradles to Crayons and The Greater Boston Food Bank.	– ESG Report (Pages 22 to 57)
Suppliers/ Business Partners	– Our business model creates value through partnerships and relationships with various key collaborators, and we continually evaluate how to strengthen relationships and arrangements with these institutions and individuals. Our engagement in 2025 included: – Quality updates and quality audits – Meetings with key surgeons to understand/identify potential indications and applications for therapeutics	– We aim to build clear and reliable supply arrangements with our contract manufacturers for clinical product supply, in particular with an emphasis on quality, especially in relation to a clinical environment. – We seek partnerships with other life sciences organizations to secure non-dilutive funding, access to development opportunities and access to materials for our clinical trials.	– A Diversified Portfolio Positioned for Significant Upside (Page 9) – Gallop Oncology (Page 14) – Seaport Therapeutics (Page 17)

Directors' Report for the year ended December 31, 2025

The Directors present their report and the audited consolidated financial statements for the financial year ended December 31, 2025.

Certain disclosure requirements for inclusion in this report have been incorporated by way of cross reference to the Strategic Report, the Directors' Remuneration Report and the ESG Report which should be read in conjunction with this report.

The Company was incorporated on May 8, 2015 as a public company limited by shares in the UK and has a registered office situated at 13th Floor, One Angel Court, London, EC2R 7HJ, United Kingdom. The Company 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 on June 24, 2015. The Company's American Depository Shares, each representing 10 ordinary shares, began trading on the Nasdaq Global Market on November 16, 2020.

Directors

The membership of the Board can be found below, and biographical details of the directors can be found on pages 82 to 83 and are deemed to be incorporated into this report.

Descriptions of the terms of the directors' service contracts are set forth on page 110 and page 121 of this report.

All current directors shall retire from office and will offer themselves for reappointment by the members at the Company's upcoming AGM.

Details of the interests of directors in the share capital of the Company as of December 31, 2025 are set out in the Annual Report on Remuneration on page 116 and Note 26 to the financial statements, located on page 175. There have been no changes in such interests from December 31, 2025 to March 15, 2026, except as specifically set forth in those sections.

Results and dividends

We generated a loss for the year ended December 31, 2025 of $110.1 million (2024: Gain of $27.8 million).

The Directors do not recommend the payment of a dividend for the year ended December 31, 2025 (2024: nil).

Share capital

As of December 31, 2025, the ordinary issued share capital of the Company stood at 257,927,489 shares of £0.01 each, including shares issuable upon conversion of outstanding ADSs, with 16,243,451 shares held in treasury by the Company. Details on share capital are set out in Note 16 to the financial statements, page 163.

The Company's issued ordinary share capital comprises a single class of ordinary shares. Details on movements in issued share capital can be found in Note 16 to the financial statements, page 163.

Rights of ordinary shares

All of the Company's issued ordinary shares are fully paid up and rank pari passu in all respects and there are no special rights with regard to control of the Company. There are no restrictions on the transfer of ordinary shares or on the exercise of voting rights attached to them, which are governed by the Articles of Association and relevant UK legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or in voting rights.

Substantial shareholders

As of April10, 2026, the Company had been advised that the shareholders listed below hold interests of 3 percent or more in its ordinary share capital (other than interests of the Directors which are detailed on page 118 of the Directors' Remuneration Report). Other than as shown, so far as the Company (and its Directors) are aware, no other person holds or is beneficially interested in a disclosable interest in the Company.

Shareholder	%
Invesco Asset Management Limited	16.85
Citigroup as principal	6.36
Lansdowne Partners International Limited	5.71
Tang Capital Management, LLC	4.78
Briarwood Chase Management LLC	4.42
Recordati SPA Pharmaceutical Company	3.93
Baillie Gifford & Co	3.55

Powers of the Directors

Subject to the Company's Articles of Association, UK legislation and any directions given by special resolution, the business of the Company is managed by the Board of Directors. Details of the matters reserved for the Board can be found in the Corporate Governance Report on page 85.

Articles of Association
The Articles of Association of the Company can only be amended by special resolution at a general meeting of the shareholders. No amendments are proposed at the 2026 AGM.

The following have served as Directors of the Company during the 2025 financial year.

Shareholder		Age (as of December 31, 2025)
Ms. Sharon Barber-Lui	Interim Chair, Independent Non-Executive Director	52
Mr. Robert Lyne	Chief Executive Officer	42
Dr. Michele Holcomb	Independent Non-Executive Director	57
Dr. Robert Langer	Non-Executive Director	77
Dr. John LaMattina	Senior Independent Non-Executive Director	75
Ms. Kiran Mazumdar-Shaw	Independent Non-Executive Director	72
Dr. Bharatt Chowrira	Former Chief Executive Officer (departed the Board in July 2025)	60
Dr. Raju Kucherlapati	Former Chair, Independent Non-Executive Director (departed the Board in July 2025)	82

Directors' liabilities (Directors' indemnities)
As at the date of this report, the Company has granted qualifying third party indemnities to each of its Directors against any liability that attaches to them in defending proceedings brought against them, to the extent permitted by the Companies Act. In addition, Directors and officers of the Company and its controlled-Founded Entities have been and continue to be covered by Directors' and officers' liability insurance.

See further description of indemnity and insurance on page 87.

Political donations
No political contributions/donations for political purposes were made by the Company or any of our affiliate companies to any political party, politician, elected official or candidate for public office during the financial year ended December 31, 2025 (2024: nil).

Significant agreements
There are no agreements between the Company or any of our affiliate companies and any of its employees or any Director which provide for compensation to be paid to an employee or a Director for loss of office as a consequence of a takeover of the Company.

Compliance with the UK Corporate Governance Code
The Directors are committed to a high standard of corporate governance and compliance with the best practice of the UK Corporate Governance Code (Governance Code) published in January 2024. The Governance Code is available at the Financial Reporting Council website at www.frc.org.uk.

The Directors consider that the Company has, throughout the year ended December 31, 2025, applied the main principles and complied with the provisions set out in the Governance Code with the following exceptions:

— Dr. Raju Kucherlapati resigned as a Director of the Company in July 2025. Following his resignation and that of Dr. Chowrira, the Board convened to discuss the urgent appointment of an interim Chair of the Board and an interim Chief Executive Officer. The Board subsequently appointed Ms. Barber-Lui as interim Chair of the Board. As a result, the Company was not in compliance with Provision 24 of the Governance Code, as Ms. Barber-Lui was acting as the Board Chair and the Chair of the Audit Committee. The Board determined that she continued to be independent for the purposes of serving as the Chair of the Audit Committee and that this was an appropriate approach despite holding both roles due to (i) her recent and relevant experience and longstanding service on the Board and Audit Committee and (ii) the interim nature of her role as Chair of the Board.

— In addition, Dr. Kucherlapati had served on the Company's Remuneration Committee. As a result of his departure, the membership of the Remuneration Committee consisted of two people as of December 31, 2025, and the Company was not aligned to Provision 32. Dr. Michele Holcomb was appointed as the third member of the Remuneration Committee effective April 1, 2026.

— Following the departure of Dr. Kucherlapati and Dr. Chowrira, the Board determined to take key decisions, including those around the remuneration of Mr. Lyne as interim Chief Executive Officer and subsequently as Chief Executive Offer and a member of the Board at the full Board level as opposed to through the Nomination and Remuneration Committees. This was done to ensure alignment amongst the entirety of the Board given the importance of the decisions and because the Board had only 5 members at the time. Members of the Nomination and Remuneration Committees participated in the discussions and were instrumental to the processes, including providing specific advice and recommendations in conversations with the full Board. As a result of this decision, the Nomination Committee did not meet during the year, and the Company was not aligned with provisions 17 and 33 of the Governance Code despite the Board determining that this was the appropriate approach in the circumstances. Moving forward, the Board intends to utilize formalized meeting cadence and committee processes for the Nomination Committee and Remuneration Committee to ensure alignment with the Governance Code. In 2026, Ms. Barber-Lui was appointed as Chair of the Nomination Committee, and the Board is committed to the Nomination Committee leading the process for appointments and succession planning. Similarly, the Board is committed to the Remuneration Committee leading the process for director and executive remuneration.

— Dr. Raju Kucherlapati, the former Chair, served as Senior Independent Director during the year while acting as Chair, which is not aligned with provision 12 of the Governance Code. The Company has since remedied this position by the appointment of Dr. John LaMattina to the role of Senior Independent Director in April 2025.

Further explanation as to how the provisions set out in the Governance Code have been applied by the Company is provided in this Report, the Report of the Nomination Committee and the Report of the Audit Committee.

Financial instruments

The financial risk management and internal control processes and policies, and exposure to the risks associated with financial instruments can be found in Note 18 to the financial statements and the Corporate Governance section of the Annual Report on page 100.

Sustainable development and environmental matters

Details of the Company's policies and performance, as well as disclosures concerning GHG emissions, are provided in the ESG Report on pages 22 to 57.

Related party transactions

Details of related party transactions can be found in Note 26 of the financial statements on pages 174 to 175.

Tender Offer

On June 24, 2024, the Company completed a $100 million Tender Offer, resulting in the delivery and cancellation of 31,540,670 ordinary shares. The Company is pleased with the support shown for the 2024 tender offer, which illustrated the successful execution of the Company's business model to generate excess cash and our commitment to ongoing evaluations of capital return activities for our shareholders.

Share buyback

At the 2024 AGM and the 2025 AGM, shareholders gave the Company authority to purchase shares from the market up to an amount equal to 10% of the Company's issued share capital at that time. The authority granted from the 2024 AGM expired as of the end of the 2025 AGM, and the authority from the 2025 AGM expires as of the earlier of the end of the 2026 AGM or close of business on 16 September 2026. During 2025, no ordinary shares were purchased by the company and held as treasury shares. Such treasury shares would not receive dividend rights and may not exercise voting rights.

Future business developments

Information on the Company and its Wholly-Owned Programs and Founded Entities' future developments can be found in the Strategic Report on pages 10 to 21.

Risk and internal controls

The principal risks we face are set out on pages 59 to 64 and in the Additional Information section from pages 185 to 223. The Audit Committee's assessment of internal controls is laid out on page 101.

Subsequent Events

Information related to events occurring after December 31, 2025, can be found in footnote 28 to the consolidated financial statements.

Research and Development

Information on our research and development activities can be found in the Strategic Report on pages 9 to 19.

Going concern

As of December 31, 2025, the directors had a reasonable expectation that we had adequate resources to continue in operational existence for a period of at least twelve months from the date the financial statements are issued.

Annual General Meeting

The Notice of the AGM, which will be held at 4:00 pm BST (11:00 am EDT) on June 10, 2026, at the Company's corporate headquarters at 6 Tide Street, Suite 400, in Boston, Massachusetts, 02210, U.S. is enclosed with this report. Details of the resolutions and the explanatory notes thereto are included with the Notice. To ensure compliance with the Governance Code, the Board proposes separate resolutions for each issue and proxy forms allow shareholders who are unable to attend the AGM to vote for or against or to withhold their vote on each resolution. In addition, to encourage shareholders to participate in the AGM process, the Company proposes to offer electronic proxy voting through the Registrar's website and through the CREST service. The results of all proxy voting will be published on our website after the AGM.

The Notice of the Meeting, together with an explanation of the items of business, will be contained in a circular to shareholders to be dated April 29, 2026.

Pension schemes

Information on the Company's 401K Plan can be found in the Annual Report on Remuneration on page 106.

Disclosure of information under UK Listing Rule 6.6.1

For the purposes of UKLR 6.6.1, the information required to be disclosed can be found in the sections of the Annual Report and Financial Statements listed in the table below.

Listing Rule Requirement	Location in Annual Report
A statement of the amount of interest capitalized during the period under review and details of any related tax relief.	N/A
Information required in relation to the publication of unaudited financial information.	N/A
Details of any long-term incentive schemes.	Directors' Remuneration Report, page 102
Details of any arrangements under which a Director has waived emoluments, or agreed to waive any future emoluments, from the Company.	N/A
Details of any non-pre-emptive issues of equity for cash.	N/A
Details of any non-pre-emptive issues of equity for cash by any unlisted major subsidiary undertaking.	Directors' Report, page 92
Details of parent participation in a placing by a listed subsidiary.	N/A
Details of any contract of significance in which a Director is or was materially interested.	N/A
Details of any contract of significance between the Company (or one of its subsidiaries) and a controlling shareholder.	N/A
Details of any provision of services by a controlling shareholder.	N/A
Details of waiver of dividends or future dividends by a shareholder.	N/A
Where a shareholder has agreed to waive dividends, details of such waiver, together with those relating to dividends which are payable during the period under review.	N/A
Board statements in respect of relationship agreement with the controlling shareholder.	N/A

Whistleblowing, anti-bribery and corruption

We seek at all times to conduct our business with the highest standards of integrity and honesty. We also have an anti-bribery and corruption policy which prohibits our employees from engaging in bribery or any other form of corruption. In addition, we have a whistleblowing policy under which staff are encouraged to report to the Chief Executive Officer or the President any alleged wrongdoing, breach of a legal obligation or improper conduct by or on the part of us or any of our officers, Directors, employees, consultants or advisors. In the event of a communication to the Executive Directors or others, including via the Company's Whistleblower hotline, pursuant to these policies, this information will be shared with the Audit Committee who will evaluate the claims and in turn report to the rest of the Board.

Disclosure of information to auditor

In the case of each Director in office at the date the Directors' report is approved::

— so far as the Director is aware, there is no relevant audit information of which the Group's and Company's Auditor is unaware; and
— the Director has taken all steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Group's and Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the CA 2006.

Statement of Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

— select suitable accounting policies and then apply them consistently;
— state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
— make judgements and accounting estimates that are reasonable and prudent; and
— prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. Directors' confirmations The directors consider that the Annual Report and Accounts and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's and company's position and performance, business model and strategy. Each of the directors, whose names and functions are listed in the Strategic Report confirm that, to the best of their knowledge:

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

The directors consider that the Annual Report and Accounts and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's and company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed in the Strategic Report confirm that, to the best of their knowledge:

— the group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the group;
— the company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the company; and
— the Strategic Report includes a fair review of the development and performance of the business and the position of the group and company, together with a description of the principal risks and uncertainties that it faces.

Robert Lyne
Chief Executive Officer and Director
April 29, 2026

Report of the Nomination Committee

Ms. Sharon Barber-Lui
Chair, Nomination Committee

Committee responsibilities

The Nomination Committee assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any Committees of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors or Committee members as the need may arise. The Nomination Committee is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and Committees of the Board, retirements and appointments of additional and replacement Directors and Committee members, and makes appropriate recommendations to the Board on such matters. A full copy of the Committee's Terms of Reference is available on request from the Company Secretary and within the Investor's section on Company's website at www.puretechhealth.com.

Committee membership

The Nomination Committee consists of Ms. Sharon Barber-Lui, who was appointed as the committee's Chair effective April 1, 2026, Dr. Robert Langer, and Ms. Kiran Mazumdar-Shaw with Dr. Langer and Ms. Mazumdar-Shaw having served on the Committee throughout 2025. During 2025, Dr. Raju Kucherlapati served as the committee's Chair prior to stepping down from the Board in July 2025. The biographies of the current Nomination Committee members can be found on pages 82 to 83.

The Governance Code requires that a majority of the members of a nomination committee should be independent Non-Executive Directors.

In making their determination for the year 2025, the Board regarded Dr. Langer and Ms. Mazumdar-Shaw as meeting the independence criteria set out in the Governance Code as it is applied to their service on the Nomination Committee. In reaching this determination, the Board duly considered (i) their directorships and links with other Directors through their involvement in other Founded Entities; (ii) their equity interests in PureTech Health and/or the Founded Entities. The Board also duly considered the extent to which these matters may impact their service on the Nomination Committee. After such consideration, the Board has determined Dr. Langer and Ms. Mazumdar-Shaw to be independent in character and judgement and free from relationships or circumstances which might affect, or appear to affect, the Directors' judgement in their service on the Nomination Committee. While the Board has not deemed Dr. Langer independent for the purposes of overall Board composition, he is independent in the context of his service on the Nomination Committee. The Board duly considered (i) his involvement in other Founded Entities and (ii) the exceptional circumstance that Dr. Langer is a founding Director of the Company.

The Nomination Committee meets as required to initiate the selection process of, and make recommendations to, the Board with regard to the appointment of new Directors. During 2025, the Nomination Committee did not meet formally, however its members were closely involved in the transition and appointment processes that led to appointments of Ms. Barber-Lui as Interim Chair of the Board on July 8, 2025 and Mr. Lyne as interim, and subsequently permanent, CEO and Director on December 18, 2025, which decisions were made by the full Board of Directors, with specific feedback and advice sought from the members of the Nomination Committee, given their importance to the Company. Going forward, the Committee will develop a regular meeting cadence to ensure it is functioning with the appropriate level of activity to be in compliance with the Governance Code. Additionally during the year members continued to review the structure, size and composition of the Board, in conjunction with the full Board, in light of the requirements of the Governance Code. Based on that review, the Board appointed Ms. Barber-Lui as Chair of the Nomination Committee on April 1, 2026.

Following the appointment of Ms. Barber-Lui as Chair, the Committee has continued to conduct thorough search activities and internal evaluation of the Board and its Committees, including working, in collaboration with the Board, on the process of identifying a new non-executive director(s). The Company will provide additional updates in due course.

Diversity policy

Diversity within the Company's Board and the Management Team is essential in maximizing its effectiveness, as it enriches debates, business planning and problem-solving. The Company approaches diversity in its widest sense so as to recruit and develop the best talent available, based on merit and assessed against objective criteria of skills, knowledge, independence and experience as well as other criteria such as gender, age and ethnicity. This approach is also applied to ensuring diversity within the Board and the Remuneration, Audit and Nomination committees. The Company will adhere to a strategy of recruiting individuals who meet these criteria as it searches for additional independent Non-Executive Directors to the Board, as discussed below. The Committee's primary objective is to ensure that the Company maintains the strongest possible leadership across both the Board and the Management Team.

Information regarding the Company's diversity efforts can be found in the ESG Report on pages 22 to 57.

Board and Committee evaluation

Information regarding the evaluation of the Board and its Committees can be found on page 88.

Report of the Audit Committee

Ms. Sharon Barber-Lui
Chair, Audit Committee

Committee responsibilities

The Audit Committee monitors the integrity of our financial statements and reviews all proposed annual and half-yearly results announcements to be made by us with consideration being given to any significant financial reporting judgements contained in them. The Committee also advises the Board on whether it believes the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The Committee also considers internal controls and has complied with the provisions of the Competition and Markets Authority Order. Additionally we are in compliance with legal requirements, including the provisions of the, FCA's Listing Rules, Disclosure Guidance and Transparency Rules, and reviews any recommendations from the Group's Auditor regarding improvements to internal controls and the adequacy of resources within our finance function. A full copy of the Committee's Terms of Reference is available on request from the Company Secretary and within the Investor's section on the Company's website at www.puretechhealth.com.

Committee membership

The Committee consists of three independent Non-Executive Directors, Ms. Sharon Barber-Lui, Dr. Michele Holcomb and Dr. John LaMattina, with Ms. Barber-Lui serving as Chair of the Committee.

The Governance Code requires that the audit committee be comprised of independent Non-Executive Directors, with the chair of the Board refraining from serving on the Committee. In making the independence determination for the Chair, Ms. Barber-Lui, the Board considered her (i) recent and relevant financial expertise and service on the Board (ii) relevant leadership positions within the sector and (iii) the interim nature of her role as Chair of the Board. The Board deemed this to be recent and relevant financial experience, qualifying Ms. Barber-Lui to serve on the Committee.

Ms. Barber-Lui has served as Chair of the Committee since April 26, 2022. Ms. Barber-Lui has experience as a Chartered Accountant and has held numerous senior executive positions in her career. The Board has deemed this to be recent and relevant financial experience, qualifying her to be Chair of the Committee. Ms. Barber-Lui has accounting experience, is currently the Chief Financial Officer and Senior Vice President, North America at Teva Pharmaceutical Industries Ltd., a publicly-traded Israeli company (NYSE and TASE: TEVA), and has held a number of senior finance and executive leadership positions in her career. The Board has deemed this to be recent and relevant financial experience qualifying her to be Chair of the Committee.

Both Dr. LaMattina and Dr. Holcomb have also been deemed to have recent and relevant financial experience qualifying them to serve on the Committee. The Board based this determination based on (i) their numerous senior leadership positions and (ii) their competence in the sector in which the company operates. The biographies of the Committee members can be found on pages 82 to 83.

The Committee met four times during the year, with Ms. Barber-Lui and Dr. Holcomb both attending all four meetings, and Dr. LaMattina attending three meetings. In 2025, the Chief Executive Officers, first Dr. Chowrira and later Mr. Lyne, were invited to and attended all of the meetings during their respective tenures as CEO during the year. The Auditor was invited to and attended three of the meetings. When appropriate, the Committee met with the Auditor without any members of the executive management team being present.

Activities during the year

During the year, the Committee also undertook the normal recurring items, the most important of which are noted below.

Significant issues considered in relation to the financial statements

The Committee considered, in conjunction with management and the external auditor, the significant areas of estimation, judgement and possible error in preparing the financial statements and disclosures, discussed how these were addressed and approved the conclusions of this work. The principal areas of focus in this regard were the valuation of investments in subsidiaries, as well as the valuation of the investment in the subsidiary companies within the Parent Company financial statements.

Valuation of investment in subsidiary companies

An area of judgement in our financial statements and, therefore audit risk, relates to the valuation of investment in subsidiary companies which at year end had a carrying value totaling $470.5 million (2024 – $462.7 million). The main driver of the year-over-year change in risk is a result of the carrying amount of the net assets of the parent company exceeding the implied market capitalisation at various points throughout the year that constituted an impairment trigger. As of December 31, 2025, an impairment assessment of the investment in subsidiaries was conducted using the fair value less costs to sell method. The carrying amount of the investment in subsidiaries was approximately 13.5% lower than the implied market capitalization. After applying an estimated control premium, it was determined that the investment in subsidiaries was not impaired as of December 31, 2025. The Committee believes that the application of a control premium and the level of premium applied are reasonable and thus concluded that the investment in subsidiaries was appropriately recorded.

Valuation of financial instruments

An area of judgement in our financial statements and, therefore audit risk, relates to the valuation of investments held at fair value that do not have a quoted active market price which at year end had a carrying value totaling $217.4 million (2024 – $191.4 million). The main driver of the year-over-year change was activities related to an increase in the value of our investments in Seaport, partially offset by a decrease in the value of our investments in Vedanta. We considered the underlying economics of the valuations and sought external expertise in determining the appropriate valuation of the financial investments. These valuations rely, in large part, on the capital structure, values of recent transactions and market movement. These values also determine the amount of gain (loss) on the financial instruments. The Committee believes that we considered the pertinent terms and underlying economics of each of the financial instruments, as well as the advice of external experts, and as such concluded that the financial Instruments were appropriately recorded.

Regulatory compliance

Ensuring compliance for FCA regulated businesses also represents an important control risk from the perspective of the Committee. We engage with outside counsel and other advisors on a regular basis to ensure compliance with legal requirements.

Review of Annual Report and Accounts and Half-yearly Report

The Committee carried out a thorough review of our 2025 Annual Report and Accounts and our 2025 Half-yearly Report resulting in the recommendation of both for approval by the Board. In carrying out its review, the Committee gave particular consideration to whether the Annual Report, taken as a whole, was fair, balanced and understandable, concluding that it was. It did this primarily through consideration of the reporting of our business model and strategy, the competitive landscape in which it operates, the significant risks it faces, the progress made against its strategic objectives and the progress made by, and changes in fair value of, its Founded Entities during the year.

Going concern

At least annually, the Committee considers the going concern principle on which the financial statements are prepared. As a business which seeks to fund the development of its Wholly-Owned Programs, as well as support its Founded Entities with further capital, the business model is currently inherently cash consuming.

As of December 31, 2025, we had sufficient funding to extend operations at least through the end of 2028 based on the Company's strategic operating plan.

Therefore, while an inability of the Wholly-Owned Programs and Founded Entities to raise funds through equity financings with outside investors, strategic arrangements, licensing deals or debt facilities may require us to modify our level of capital deployment into our Wholly-Owned Programs and Founded Entities or to more actively seek to monetize one or more Founded Entities, it would not threaten our ability to continue as a going concern.

Compliance

The Committee has had a role in supporting our compliance with the Governance Code, which applies to us for the 2025 financial year. The Board has included a statement regarding our longer-term viability on page 65. The Committee worked with management and assessed that there is a robust process in place to support the statement made by the Board.

Similarly, the Committee worked with management to ensure that the current processes underpinning its oversight of internal controls provide appropriate support for the Board's statement on the effectiveness of risk management and internal controls.

Risk and internal controls

The principal risks we face are set out on pages 59 to 64 and in the Additional Information section from pages 185 to 223.

The Committee has directed that management engage in a continuous process to review internal controls around financial reporting and safeguarding of assets. Management has engaged external advisors to complete internal control testing on behalf of management for the 2025 financial year and the results were presented to the Committee.

Based on the above, we have satisfied ourselves that we have adequate controls and that our internal control over financial reporting is effective for the year ended December 31, 2025. As part of its planning for 2026 and in preparation for requirements of Provision 29 of the Governance Code becoming effective, the Board plans to implement a process to identify and define the Group's material controls using a risk-based approach.

We have a formal whistleblowing policy. The Committee is satisfied that the policy has been designed to encourage staff to report suspected wrongdoing as soon as possible, to provide staff with guidance on how to raise those concerns, and to ensure staff that they should be able to raise genuine concerns without fear of reprisals, even if they turn out to be mistaken.

Internal audit

We do not maintain a separate internal audit function. This is principally due to our size, where close control over operations is exercised by a small number of executives. In assessing the need for an internal audit function, the Committee considered the risk assessment performed by management to identify key areas of assurance and the whole system of internal financial and operational controls. The Company achieves internal assurance by performing the risk assessment of the key areas of assurance and maintaining related key internal controls, as well as engaging external advisors to perform internal control testing, as described above.

External audit

We have engaged PricewaterhouseCoopers LLP (UK) as our Auditor since 2023. The current audit partner is Sam Taylor who has been our audit partner since June 2023.

The effectiveness of the external audit process is dependent on appropriate risk identification. In November 2025, the Committee discussed the Auditor's audit plan for 2025. This included a summary of the proposed audit scope and a summary of what the Auditor considered to be the most significant financial reporting risks facing us together with the Auditor's proposed audit approach to these significant risk areas. The main area of audit focus for the year was the valuation of financial instruments.

Appointment and independence

The Committee advises the Board on the appointment of the external Auditor and on its remuneration both for audit and non-audit work, and discusses the nature, scope and results of the audit with the external Auditor. The Committee keeps under review the cost-effectiveness and the independence and objectivity of the external Auditor. Controls in place to ensure this include monitoring the independence and effectiveness of the audit, a policy on the engagement of the external Auditor to supply non-audit services, and a review of the scope of the audit and fee and performance of the external Auditor.

Non-audit work

The Committee approves all fees paid to the Auditor for non-audit work.

Where appropriate, the Committee sanctions the use of PricewaterhouseCoopers LLP for non-audit services in accordance with our non-audit services policy. With the exception of fees paid in connection with access to the firm's accounting research and disclosure database and fees in respect of the auditors' review of the Group's interim financial statements, there were no non-audit fees received by PwC in 2025. The non-audit fees policy is compliant with ethical Standards for Auditors.

In 2025, PwC received total fees of $2.6 million (2024: $2.8 million). Fees paid to PwC are set out in note 9 to the financial statements.

The Committee is satisfied with the independence of PricewaterhouseCoopers.

Sharon Barber-Lui
Chair of Audit Committee
April 29, 2026

Directors' Remuneration Report
for the year ended December 31, 2025

Dr. John LaMattina
Chair, Remuneration Committee

The Directors' Remuneration Report is split into three sections, namely:

— This Annual Statement: summarizing and explaining the major decisions on Directors' remuneration in the year;
— A summary of the Directors' Remuneration Policy: setting out the framework for remuneration for our Directors on pages 106 to 109; and
— The Annual Report on Remuneration: setting out the implementation of the Remuneration Policy in the year ended December 31, 2025 and the continued implementation for the year ending December 31, 2026 on pages 110 to 121.

The current Directors' Remuneration Policy was approved at the June 2024 AGM, and such approval is effective for three years from that date. The Directors' Remuneration Report (excluding that part of the report containing the Directors' Remuneration Policy on pages 106 to 109) is subject to a shareholder vote at this year's AGM. The vote to approve the Directors' Remuneration Report is advisory only and does not affect the actual historical remuneration paid to any individual Director.

Committee responsibilities

The Remuneration Committee's primary purpose is to assist the Board in determining the Company's remuneration policies. The Remuneration Committee has the responsibility for setting the remuneration policy for all Executive Directors and the Chair of the Company, with the objective of attracting, retaining and motivating executive management. In determining such policy, the Remuneration Committee takes into account all factors which it deems necessary including regulatory requirements, the views of shareholders and stakeholders, the risk appetite of the Company, and alignment to the Company's long-term goals and strategic plan. The Remuneration Committee is also responsible for determining the total individual remuneration package of each Executive Director, including share awards, as well as recommending and monitoring the level and structure of remuneration for senior management, and reviewing the design of all share incentive plans and determining awards under such plans. In carrying out its duties, the Remuneration Committee has regard to current information for remuneration in other companies of comparable scale and complexity and can appoint remuneration consultants to assist in such process. A full copy of the Remuneration Committee's Terms of Reference is available on request from the Company Secretary and within the Investors section of the Company's website at www.puretechhealth.com.

Committee membership

The Remuneration Committee consists of Dr. LaMattina and Ms. Mazumdar-Shaw, with Dr. LaMattina serving as Chair of the Committee. During the year, Dr. Kucherlapti was also a member of the Committee prior to his departure from the Board in July 2025. The biographies of the Committee members can be found on pages 82 to 83. The Committee met once during the year, with Dr. LaMattina and Ms. Mazumdar-Shaw each in attendance. Dr. Kucherlapati was unable to participate in the meeting, but provided feedback on the materials in advance. During the year, a number of additional informal meetings were also held to discuss relevant remuneration matters, which also included the Interim Chair, Chief Executive Officer, President, and General Counsel. The Committee also acted by unanimous written consent four times during the year. In addition to the informal meetings, certain key decisions related to the appointment of the interim Chair and the interim and subsequently permanent Chief Executive Officer were made by the Board of Directors as a whole, after seeking advice and recommendations from the Committee members. During 2025, no Executive Director was permitted to participate in discussions or decisions about their personal remuneration. In 2026, the Committee has met twice as part of the annual compensation review and has acted by written consent once.

Our Remuneration Policy

The success of PureTech depends on the motivation and retention of our highly skilled workforce with significant expertise across a range of science and technology disciplines, as well as our highly-experienced management team and seasoned Directors. PureTech's Remuneration Policy is therefore an important part of our business strategy. Our guiding principle is to provide market competitive remuneration packages, including with respect to cash compensation in the form of base salary, annual bonuses and benefits as well as share-based compensation, benchmarked against data generated from our local markets to enable us to put together and retain a top tier team.

The Directors' Remuneration Policy was approved by shareholders at the 2024 AGM with 64.5% support. In last year's Directors' Remuneration Report, we explained the actions taken by the Remuneration Committee to address certain investor concerns with the Policy. This included an extensive shareholder engagement process in 2024 to set out the context for our chosen approach. It was reassuring that many of our larger shareholders understood and recognised the commercial realities within which PureTech operates. The Committee is, however, aware of the ongoing challenges in convincing all shareholders of the merits of our policies and incentives, and we note that the advisory resolution on the Directors' Remuneration Report at the 2025 AGM was supported by only 72.5% of those voting. Further outreach with major investors was undertaken after the 2025 AGM to understand their views, with the Company writing to shareholders representing approximately two-thirds of the issued share capital to offer engagement with the Board. Meetings were held with shareholders holding nearly 50% of the issued share capital, and the Board would like to thank those shareholders who engaged with the Company during this process. Whilst there was a range of investor views on the Company's remuneration practices, there was widespread acknowledgement of the difficulties of operating as a US-based company within the confines of standard remuneration principles as applied to UK companies. The Committee has given further detailed thoughts to these matters during the period of management change in the second half of 2025 and in the context of year-end remuneration decisions. We have taken initial steps to address some of the concerns raised by certain shareholders, for example in respect of the package agreed for the new Chief Executive Officer, as explained further below. We will continue to consider the evolution of Directors' remuneration as we review the Remuneration Policy ahead of seeking shareholder approval for a new Policy no later than the AGM in 2027, as required by the UK regulations. As part of this process, we will again consult and engage with shareholders to understand specific issues of concern.

The Committee remains comfortable that our remuneration packages are consistent with the principles of the UK Corporate Governance Code and best practice. The key aims of our Remuneration Policy and the Code principles to which they relate are as follows:

— promote our long-term success;
— attract, retain and motivate high caliber senior management and focus them on the delivery of our long-term strategic and business objectives;
— be simple and understandable, both externally and internally;
— achieve consistency of approach across senior management to the extent appropriate and informed by relevant market benchmarks; and
— encourage widespread equity ownership across the executive team to ensure a long-term focus and alignment of interest with shareholders.

A summary of the Directors' Remuneration Policy as approved in 2024 is set out on pages 106 to 109. The Policy includes malus and clawback provisions which enable the Committee to recover remuneration in certain specific circumstances. Any issue must be identified within three years of vesting or payment: this is viewed as a sufficiently long-term period during which any matter of serious concern would be likely to emerge. No malus or clawback provisions were invoked during 2025.

Performance and reward in 2025

We announced the appointment of Robert Lyne as the permanent Chief Executive Officer on December 18, 2025, following his original appointment as interim CEO in July 2025. Each of these decisions was made the by full Board of Directors given their importance, in each case with significant guidance from the Remuneration Committee and in consultation with Korn Ferry, our independent remuneration consultants. Mr. Lyne's remuneration package is consistent with Directors' Remuneration Policy approved in 2024.

In agreeing a CEO package, the Committee was keen to recognise his extensive experience of the sector and of UK capital markets, while also taking into account pay levels at other UK companies of a similar size in the biotech and pharmaceutical sectors. At the same time, it was agreed that it would not be appropriate to simply replicate the package in place for his predecessors as CEO noting, among other things, some of the issues that have been raised by PureTech shareholders in recent years relating to executive pay. As such, his basic salary and the size of his equity grants in 2025 (awarded during his period of service as interim CEO) have been positioned at materially lower levels than that of the former CEO.

As permanent CEO, Mr. Lyne received a basic salary of £490,000 in 2025, which took effect from November 1, 2025, prior to which he received a base salary of £327,600 in line with his previous role as Chief Portfolio Officer. His pension contribution rate of 7.5% of basic salary is consistent with the amount available to the minimal number of other UK employees, and he receives a market standard benefits package. He is eligible for an annual bonus up to 100% of basic salary, subject to the satisfaction of performance targets as agreed by the Committee. He also receives equity awards as a mix of performance shares and time-based restricted shares, in line with the Directors' Remuneration Policy. For 2025, during his period of service as interim CEO, this included the grant of performance shares at a level of 200% of salary, and restricted shares of a further 200% of salary, in each case based on his salary as Chief Portfolio Officer (£327,600). These awards were significantly lower than the awards granted to the former CEO. Full details of the grant made during the year are set out on page 110. Mr. Lyne is also required to build a holding in PureTech shares up to a level of 400% of basic salary as CEO, consistent with the Remuneration Policy.

For Group performance during the year, PureTech delivered strong execution and the achievement of key strategic and financial goals, which has been reflected in the annual bonus outcome for the CEO and the wider executive team. The Company delivered substantial growth and generated momentum to support future growth in the coming years as our balance sheet, Founded Entities equity and royalty stakes, and Wholly-Owned Programs position PureTech with the strength to build substantial value for shareholders in the current environment. This growth is due in large part to (i) significant development and advancement of our Portfolio and activities initiated or progressed to potentially bring these innovative therapies to market, (ii) key support provided to the Founded Entities as their businesses progress and, in certain cases, execution of key transactions or financings, and (iii) completion of various strategic sourcing and strategic planning initiatives with the forward looking goal to enhance shareholder value. This increase in value, together with management's operational performance at PureTech and across our Portfolio, resulted in the Remuneration Committee approving an outcome of 50% of the maximum potential bonus. In line with our standard approach, the Committee then reviewed the overall performance of the Company and the individual performance of the CEO before determining the final bonus payout. The Committee considered operational performance, the evolution of the business strategy over the course of the year and the individual contribution of the Chief Executive Officer during a period of change for the business. See further details of our performance highlights in 2025 on pages 1 to 5. Following this exercise, the Committee determined that a bonus equal to 50% of base salary (representing 50% of the maximum bonus payable under the Remuneration Policy) was to be awarded to the CEO.

The CEO joined PureTech in 2024 (as Chief Portfolio Officer) and did not therefore participate in the PSP award granted in 2023, which vests based on performance measured up to the end of 2025. However, former Executive Directors (and other members of the management team) retain interests in this award. When considering the level of performance achievement, the Committee noted that PureTech's performance over the last three financial years was very strong in terms of the achievement of strategic objectives despite such performance not translating to growth in the Company's share price. Overall, the share price declined from an average price of 253 pence during the last three months of 2022 to an average price of 128 pence during the last three months of 2025. Strong strategic performance over the three-year performance period resulted in PSP awards granted to the executive management team in 2023 vesting at a level of 36.7 percent after the end of the 2025 financial year. The Committee considered holistic business performance over the period, as well as the individual contribution of the Executive Director in that time, and determined that no discretion should be exercised in respect of the vesting outcome. Full details of the performance outcome and payments to the former Executive Directors (who retain interests in the plan) can be found later in this report.

The Committee believes the Remuneration Policy operated as intended during the year and that remuneration outcomes are appropriate, taking into account outcomes throughout the business, company and individual performance and the stakeholder experience.

The year ahead

For 2026, the following key decisions have been made in relation to how the Policy will be implemented:

— Base salary for the Chief Executive Officer was increased by 3.0 percent, which is consistent with the low end of the general range of increases for the workforce of between 3.0 and 5.0 percent. The Committee is comfortable that this level of increase is appropriate in the context of the need to retain top talent as part of the continued advancement of the Company's Portfolio.
— The annual bonus target and maximum will remain at 50 percent and 100 percent of base salary respectively for the Chief Executive Officer.
— The grant of PSP awards in 2026 will be at the level of up to 600 percent of base salary for the Chief Executive Officer, in line with the limits as set out in the Policy, with half of the awards granted as performance shares and half as time-vesting restricted shares. The Committee intends to evaluate the relative level of grant on an annual basis. Mr. Lyne's 2025 PSP awards, as noted above, were granted at the level of 400 percent of base salary for his then role as interim CEO, a reduction of one third from the grant made to the previous CEO in 2025.
— For the performance share element, a mix of performance measures linked to absolute TSR, relative TSR and key strategic metrics which are tied to business progress over the three-year performance period will be retained. For the 2026 award, the weightings will be based 50 percent on TSR and 50 percent on strategic metrics, the same approach first adopted in 2024.

Non-Executive Director compensation

Currently, Non-Executive Directors receive a mixture of cash and ordinary shares in PureTech. Full details of these payments are set out on page 112 of the Directors' Remuneration Report.

For 2026, the equity portion of fees for Non-Executive Directors remains at a maximum of $150,000. Levels of base cash compensation for each Non-Executive Director will remain at $75,000 or $125,000 for the Chair (including interim Chair), with additional cash compensation tied to director service on the principal committees, and the Transaction and R&D Committees.

We retain the flexibility to grant a portion of the equity part of the fees for Non-Executive Directors in the form of equity in subsidiary entities in which PureTech has a controlling interest, including Founded Entities. This provides a cash-efficient way for Director pay to become competitive, while enabling Directors to be directly aligned with the success of subsidiary companies as well as with PureTech as a whole. In some cases individual Directors have been instrumental in Board deliberations on subsidiary company matters (including those relating to our Founded Entities) and this is one way in which this can be recognized.

Remuneration for other Colleagues

In addition to matters relating to Executive Director remuneration, the Committee also reviews the compensation policies for the wider employee base, with a particular focus on the use of equity compensation throughout the whole organization. As a U.S.-based company with the vast majority of employees located in the U.S., this approach is critical to ensuring competitiveness against other U.S. companies operating in the same sector.

Closing comments

The Committee is comfortable that the operation of the Policy for 2025 has demonstrated a robust link between performance and reward given the successes recorded during the year, and in the context of a year of management and business change. The Committee believes the Remuneration Policy, and the proposed operation of the Policy for 2026, is appropriate and continues to strike a suitable balance between UK investor expectations and the realities of operating in a competitive U.S. market for our executive team.

The Committee looks forward to shareholders' support at the 2026 Annual General Meeting for the advisory resolution covering this Annual Statement and the Annual Report on Remuneration.

Summary of the Directors' Remuneration Policy

This Directors' Remuneration Policy was approved by a binding shareholder vote at the Company's 2024 AGM, and such approval is effective for three years from that date. A summary of the Policy is set out below. The full Policy is set out in our Annual Report and Accounts 2023, which can be found on our website: https://news.puretechhealth.com/financials-filings/reports.

Policy table

Element	How component supports corporate strategy	Operation	Maximum	Performance targets and recovery provisions
Base Salary	To recognize the market value of the employee and the role.	Normally reviewed annually. Salaries are benchmarked periodically primarily against biotech, pharmaceutical and specialty finance companies listed in the U.S. and UK. The committee also considers UK-listed general industry companies of similar size to PureTech as a secondary point of reference.	There is no prescribed maximum base salary or annual salary increase. The Committee is guided by the general increase for the broader employee population but may decide to award a lower increase for Executive Directors or indeed exceed this to recognize, for example, an increase in the scale, scope or responsibility of the role and/or to take account relevant market movements. Current salary levels are set out in the Annual Report on Remuneration.	Not applicable.
Pension	To provide a market competitive level of contribution to pension.	The company operates a 401k Plan for its U.S. Executive Directors. The operation of the Plan is in line with the operation for all other employees.	Under the 401k Plan, Company contributions for U.S. Executive Directors are capped at the lower of 3 percent of base salary or the maximum permitted by the U.S. IRS ($10,800 for 2026).	Not applicable.
Benefits	To provide a market competitive level of benefits.	Includes: housing allowance, transportation allowance, private medical and dental cover, disability, life insurance. Additional benefits may also be provided in certain circumstances, such as those provided to all employees.	Cost paid by the company.	Not applicable.
Annual Bonus Plan (ABP)	To drive and reward annual performance of individuals, teams and PureTech.	Based on performance during the relevant financial year. Paid in cash. The Committee has discretion to adjust payout levels if it considers the formulaic outcome inappropriate taking into account the underlying financial performance of the Company, share price performance, the investment return to shareholders during the year, and such other factors as it considers appropriate.	Up to 100 percent of base salary.	The Performance period is normally one year. Payments are normally based on a scorecard of strategic and/or financial measures. Up to 0 percent of salary payable for threshold performance, 50 percent of base salary normally payable for the achievement of 'target' performance and 100 percent of base salary payable for the achievement of stretch performance. Recovery and withholding provisions are in place.

Summary of the Directors' Remuneration Policy continued

Element	How component supports corporate strategy	Operation	Maximum	Performance targets and recovery provisions
Long-Term Incentives	To drive and reward our sustained performance, promote the retention of the leaders of the business and to align executive interests with those of shareholders.	The Company can make long-term incentive awards of either performance shares or time-vesting restricted shares. For performance shares, vesting is dependent on the satisfaction of performance targets and continued service. Performance and vesting periods are normally three years. For time-vesting restricted shares, vesting is dependent on continued service and Remuneration Committee confirmation that Company and individual performance has been satisfactory over the vesting period. Vesting normally takes place in three equal annual tranches over a three-year period following grant. All awards will be subject to a two-year post-vesting holding period during which vested shares cannot be sold other than to settle tax. This post-vesting period continues post-cessation of employment. The Committee also has the discretion to adjust vesting levels of performance-related awards to override formulaic outcomes, taking into account similar factors as apply in relation to annual bonus awards, but by reference to the performance period.	For the Chief Executive Officer, 600 percent of base salary. This will normally be split 300 percent of base salary in performance shares and 300 percent of base salary in time-vesting restricted shares. For other Executive Directors, 300 percent of base salary. This will normally be split 150 percent of salary in performance shares and 150 percent in time-vesting restricted shares. Participants may benefit from the value of dividends paid over the vesting period to the extent that awards vest. This benefit is delivered in the form of cash or additional shares at the time that awards vest.	For performance shares, the performance period is normally three years. Up to 25 percent of a performance share award vests at threshold performance (0 percent vests below this), increasing to 100 percent pro-rata for maximum performance. Normally at least half of any performance share award will be measured against TSR targets with the remainder measured against relevant financial or strategic measures. Performance conditions are agreed by the Committee on an annual basis. For time-vesting restricted shares, there are no performance conditions other than the requirement for the Remuneration Committee to confirm a satisfactory level of Company and individual performance over the vesting period. Recovery and withholding provisions are in place for both performance and time-vesting restricted shares.
Share Ownership/ Holding Period	Further aligns executives with investors, while encouraging employee share ownership.	The Committee requires that Executive Directors who participate in a long-term incentive plan operated by the Company retain half of the net shares vesting under any long-term incentive plan until a shareholding requirement is met.	Minimum of 400 percent of base salary for the Chief Executive Officer and a minimum of 200 percent of base salary for the other Executive Directors.	None.

Summary of the Directors' Remuneration Policy continued

Element	How component supports corporate strategy	Operation	Maximum	Performance targets and recovery provisions
Post-Cessation Holding Period	Aligns executives with investors and promotes long-term decision making	Executive Directors must hold shares for two years after the date of termination of their employment.	Lower of (i) 400 percent of base salary for the Chief Executive Officer and 200 percent of base salary for the other Executive Directors and (ii) the Executive Director's shareholding at the date that notice is served.	None.
Non-Executive Directors	To provide fee levels and structure reflecting time commitments and responsibilities of each role, in line with those provided by similarly-sized companies and companies operating in our sector.	Remuneration provided to Non-Executive Directors is operated in line with the terms set out in the Articles of Association. Cash fees, normally paid on a quarterly basis, are comprised of the following elements: — Base fee. — Additional fees. A portion of the compensation to Non-Executive Directors is in the form of PureTech Health plc ordinary shares.Additional remuneration is payable for additional services to PureTech such as the Chairship of a Committee or membership on a Committee. Additional remuneration is also payable for services provided beyond those services traditionally provided as a director , including membership of the Transaction and R&D Committees. Taxable benefits may be provided and may be grossed up where appropriate.	Any remuneration provided to a Non-Executive Director will be in line with the limits set out in the Articles of Association. The fee levels of the Non-Executive Directors are reviewed on an annual basis. Subject to the limits set out in the Articles of Association, fees may be increased to reflect changes in responsibility or time commitment, and/or to maintain fees at appropriate levels relative to other companies operating in the sector.	None.

Notes:

1 Following the appointment of Mr. Robert Lyne as the Company's first non-U.S. Executive Director, and as permitted by the terms of the Directors' Remuneration Policy, we have instituted an alternative pension arrangement, as the 401k Plan is not an appropriate pension arrangement. This is explained further on page 110.

2 For those below Board level, a lower annual bonus opportunity and equity award size may apply. In general, these differences arise from the development of remuneration arrangements that are market competitive for the various categories of individuals, together with the fact that remuneration of the Executive Directors and senior executives places significant emphasis on performance-related pay.

3 The choice of the performance metrics for the annual bonus scheme reflects the Committee's belief that incentive compensation should be appropriately challenging and linked to the delivery of the Company's strategy. Further information on the choice of performance measures and targets is set out in the Annual Report on Remuneration.

4 The performance conditions applicable to the performance shares (see Annual Report on Remuneration) are selected by the Remuneration Committee on the basis that they reward the delivery of long-term returns to shareholders and are consistent with the Company's objective of delivering superior levels of long-term value to shareholders while providing the Company with tools to successfully recruit and retain employees in the U.S.

5 For the avoidance of doubt, the Company reserves the right to honour any commitments entered into in the past with current or former Directors (such as the vesting/exercise of share awards) notwithstanding that these may not be in line with this Remuneration Policy. Details of any payments to former Directors will be set out in the Annual Report on Remuneration as they arise.

Recovery and withholding provisions

Recovery and withholding provisions (''clawback and malus'') may be operated at the discretion of the Remuneration Committee in respect of awards granted under the Performance Share Plan and in certain circumstances under the Annual Bonus Plan (including where there has been a material misstatement of accounts, or in the event of fraud, gross misconduct or conduct having a materially detrimental effect on the Company's reputation).

The issue giving rise to the recovery and withholding must be discovered within three years of vesting or payment and there is flexibility to recover overpayments by withholding future incentive payments and recovering the amount directly from the employee.

In compliance with U.S. Securities and Exchange Commission reporting and Nasdaq listing standards, effective as of November 8, 2023, the Committee adopted a Policy for Recovery of Erroneously Awarded Compensation. This policy requires that the Remuneration Committee clawback excess incentive compensation from executive officers following a required accounting restatement where, based on the restated financials, executives would have missed the portion of the award tied to a specific financial performance metrics.

The policy covers restatements involving the financial measures within the Performance Share Plan and Annual Bonus Plan and is intended to apply in addition to and in concert with the Company's existing clawback and malus provisions.

Service contracts

Executive Directors' service contracts do not provide for liquidated damages, longer periods of notice on a change of control of the Company or additional compensation on an Executive Director's cessation of employment with us, except as discussed below.

The Committee's Policy is to offer service contracts for Executive Directors with notice periods of no more than 12 months, and typically between 60 to 180 days.

Service contracts provide for severance pay following termination in the case that employment is terminated by the Company without 'cause', or by the employee for 'good reason'. In this case severance pay as set out in the contract is no greater than 12-months' base salary and is aligned to the duration of any restrictive covenants placed on the employee. Service contracts may also provide for the continuation of benefits but for no longer than a 12-month period post termination.

Service contracts also provide for the payment of international tax in non-U.S. jurisdictions if applicable to the Executive Director. They also can provide for garden leave and, if required by applicable law, the recovery and withholding of incentive payments.

Service contracts are available for inspection at the company's registered office.

Consideration of shareholder views following the 2025 AGM

The Board remains committed to engaging openly and constructively with shareholders as it continues to develop the Company's approach to governance, remuneration and reporting. The Company will seek to engage directly with major shareholders and their representative bodies should any material changes be proposed to the Remuneration Policy or its implementation. A summary of the engagement on remuneration matters which has taken place since the Policy was approved in 2024 is included in the Annual Statement from the Chair of the Remuneration Committee.

Annual Report on Remuneration

Implementation of the Remuneration Policy for the year ending December 31, 2025

Base salary

The Committee reviewed the base salary level of the Chief Executive Officer in early 2026. As part of this review, the Committee awarded an increase of 3.0 percent. This increase was in line with the low end of the general range of increases for the workforce of between 3.0 and 5.0 percent. The Committee is comfortable that this level of increase is appropriate in the context of the need to retain top talent as part of the continued advancement of the Company's Portfolio.

	2025 Base salary[1]	2026 Base salary
Robert Lyne Chief Executive Officer	£490,000	£504,700

1 Mr. Lyne's base salary for 2025 increased upon execution of his new employment agreements to reflect his appointments as interim CEO in July 2025 and then permanent CEO in December 2025. Due to the timing of his appointments during the year, in 2025 he received a blended base salary totaling £354,667, or $467,734 based on an exchange rate of GBP 1: USD 1.3188, the average exchange rate in 2025.

Pension

The Chief Executive Officer will continue to receive pension contributions at a rate of 7.5 percent of base salary, consistent with the amount available to the minimal number of other UK employees.

Benefits

Benefits provided will continue to include, as appropriate, car allowance, private medical and life insurance. Benefits payments in 2026 to the Chief Executive Officer are expected to generally be in-line with those provided in 2025.

Annual bonus

For 2026, the operation of the annual bonus plan will be similar to the plan's operation in 2025. The maximum annual bonus will continue to be 100 percent of base salary for the Executive Director with a target annual bonus to be 50 percent of base salary. The 2026 annual bonus will be based on operational goals, strategic business development goals (across our Portfolio), as well as financial and capital markets based goals. The performance metrics and targets will be disclosed in the FY2026 Annual Report and Accounts given that they are considered commercially sensitive at the current time.

Long-term incentives

Awards under the PSP will be made to the Chief Executive Officer in 2026. He is eligible to receive long-term incentive awards in line with the limits as set out in the Policy, split equally between performance shares and time-vesting restricted shares. The Committee intends to evaluate the relative size of the respective long-term incentive grants on an annual basis prior to finalizing the grants.

The performance share awards will be subject to the performance conditions described below, measured over the three-year period ended 31 December 2028. As a clinical-stage therapeutics company, the Company believes that TSR is an appropriate and objective measure of the Company's performance. In addition, measuring TSR on both an absolute and relative basis rewards our management team for absolute value creation for our shareholders whilst also incentivizing outperformance of the market. To provide a balance to the TSR performance conditions that is more directly based on Management's long-term strategic performance, TSR is complemented by measures linked to strategic delivery. There will be a robust assessment of the achievement of the strategic targets over the three-year period with full disclosure in the Directors' Remuneration Report following the end of the performance period.

Further detail of the performance conditions is set out below:

— 30 percent based on the achievement of absolute TSR targets.
— 20 percent based on the achievement of a relative TSR performance condition, 10 percent each against two benchmarks (explained below).
— 50 percent based on the achievement of strategic targets.

The minimum performance target for the absolute TSR portion of the performance share award will be TSR equal to 7 percent per annum, whilst the maximum target will be TSR equal to 15 percent per annum.

Relative TSR will be measured against the constituent companies of the FTSE 250 Index (excluding Investment Trusts) and the MSCI Europe Health Care Index (each benchmark applying to 10 percent of the performance share award, respectively). The minimum performance target will be achievement of TSR equal to the median company in the Index and the maximum performance target will be achievement of upper quartile TSR performance. 25 percent of each element of the TSR targets will vest for threshold performance.

Strategic measures will be based on the achievement of milestones and other qualitative measures of performance over the performance period. Strategic targets will be set at the outset based on development of Wholly-Owned Programs, financial achievements, including monetization of Founded Entities, product pipeline growth, operational excellence, strategic development or transaction related goals and other shareholder value enhancing metrics in line with our strategic plan. Full disclosure of the measures, weightings and strategic targets will be made retrospectively.

Any performance shares which vest will be subject to a two-year post-vesting holding period.

The restricted shares to be granted to the Executive Director will vest subject to continued employment and a Remuneration Committee assessment that Company and individual performance has been satisfactory. In line with normal practice in the United States, vesting will take place in three equal annual tranches over three years. For each tranche, there will be a two-year post-vesting holding period.

Non-Executive Directors
Fees for our Board of Directors have been reviewed for 2026. The level of cash compensation is not being increased for 2026.

At the 2024 AGM, the Board increased the equity component of compensation from $50,000 to $150,000. At least $50,000 of this amount will continue to be paid in PureTech Health ordinary shares.

	FY2026
Chair fee (including interim Chair)	$125,000
Basic fee	$75,000
Equity-based Component	$150,000
Additional fees:	
Chair of a committee	$10,000
Membership of the Transaction Committee	$25,000
Membership of the R&D Committee	$25,000
Membership of the Nominating, Governance, and Audit Committees	$5,000
Membership of a subsidiary board	$0 to $10,000

As our Board of Directors consists of leading experts with the experience of successfully developing technologies and bringing them to market, this gives rise to the possibility that the intellectual property we seek to acquire has been developed by one of our Non-Executive Directors and/or that our Non-Executive Directors provide technical or otherwise specialized advisory services to the Company above and beyond the services typically provided by a Non-Executive Director. In such exceptional circumstances, our Remuneration Policy provides us with the flexibility to remunerate them with equity in the relevant subsidiary company as we would any other inventor of the intellectual property or provider of technical advisory services. This practice is in line with other companies in the life sciences sector. If the Company is unable to offer market-competitive remuneration in these circumstances, it risks forfeiting opportunities to obtain intellectual property developed by our Non-Executive Directors and/or foregoing valuable advisory services. The Company believes foregoing such intellectual property and/or advisory services would not be in the long-term interest of our shareholders. Accordingly, subsidiary equity grants may be made to Non-Executive Directors upon the occurrence of the exceptional circumstances set out above.

Remuneration for the year ended December 31, 2025

Single total figure of remuneration for each Director (audited)

The table below sets out remuneration paid in relation to the 2025 financial year. There was no exercise of share options by Executive Directors or Non-Executive Directors in the 2025 financial year.

	2025 Remuneration									
	Year	Basic Salary/Fees	Benefits[1]	Annual Bonus Plan	Performance Share Plan (Vested)	Pension	Time-based Restricted Share Award[2]	Total Remuneration	Total Variable	Total Fixed
Executive Directors										
Robert Lyne[2]	2025	$26,929	$764	$13,465	—	$2,020	—	$43,178	$13,465	$29,713
Bharatt Chowrira[3,4]	2025	$488,929	$17,430	—	—	$10,500	—	$516,859	—	$516,859
Non-Executive Directors										
Sharon Barber-Lui	2025	$284,034[5]	—	—	—	—	—	$284,034	—	$284,034
Michele Holcomb	2025	$255,000[5]	—	—	—	—	—	$255,000	—	$255,000
Raju Kucherlapati	2025	$98,575	—	—	—	—	—	$98,575	—	$98,575
John LaMattina	2025	$290,000[5]	—	—	—	—	—	$290,000	—	$290,000
Robert Langer	2025	$270,000[5]	—	—	—	—	—	$270,000	—	$270,000
Kiran Mazumdar-Shaw	2025	$235,000[5]	—	—	—	—	—	$235,000	—	$235,000
TOTAL	2025	$1,948,467	$18,194	$13,465	—	$12,520	$—	$1,992,646	$13,465	$1,979,181

1 Benefits comprises the following elements: private medical, disability and dental coverage, car allowance and parking.

2 The salary disclosed reflects Mr. Lyne's salary during the period of 2025 in which he served as a Director following his appointment on December 18, 2025 through December 31, 2025. His total salary for the year ended December 31, 2025 was $467,734, reflecting the amounts he earned as Chief Portfolio Officer, interim Chief Executive Officer, and Chief Executive Officer. Mr. Lyne's bonus was paid in early 2026, and the amount disclosed reflects the bonus applicable to the portion of the year during which he served as an Executive Director. Mr. Lyne's total bonus for 2025 was $238,652, which is equal to 50% of the blended rate of his salary throughout the year in the various roles he held. Mr. Lyne was granted a time-based restricted stock award on December 4, 2025, prior to his becoming an Executive Director, valued at $871,285, which amount represented 200% of Mr. Lyne's base salary at the time of the grant, and was determined based on a closing price of 121.47 pence and an exchange rate of GBP 1: USD 1.2673, the 3-day averages immediately prior to the grant of the award. Further details of the grant to Mr. Lyne are available in the subsequent tables included in this report.

3 The shares underlying the vested 2022 Performance Share Plan awards were valued based on a share price of 144.67 pence and an exchange rate of GBP 1: USD 1.2634, the 3-day average closing price and the 3-day average exchange rate immediately prior to the date of issuance of the vested award to Dr. Chowrira. The amount of these values attributable to share price appreciation is $nil for the Executive Director.

4 Remuneration paid to Dr. Chowrira in 2025 covers the period prior to him stepping down from his roles as the Chief Executive Officer and an Executive Director.

5 These amounts include the grants of share-based remuneration in November 2025 in the form of time-vesting restricted stock units with a face value of $150,000.

6 Dr. Kucherlapati stepped down from the Board in July 2025.

The table below sets out remuneration paid in relation to the 2024 financial year. There was no exercise of share options by Executive Directors or Non-Executive Directors in the 2024 financial year.

	2024 Remuneration									
	Year	Basic Salary/Fees	Benefits[1]	Annual Bonus Plan	Performance Share Plan (Vested)	Pension	Time-based Restricted Share Award[2]	Total Remuneration	Total Variable	Total Fixed
Executive Directors										
Robert Lyne[3]	2024	—	—	—	—	—	—	—	—	—
Bharatt Chowrira	2024	$781,008	$31,031	$544,000	$395,166[4]	$10,350	$2,550,000	$4,311,555	$3,489,166	$822,839
Daphne Zohar[5]	2024	200,665	10,615	—	—	6,020	—	217,300	—	217,300
Non-Executive Directors										
Sharon Barber-Lui	2024	$260,000[6]	—	—	—	—	—	$260,000	—	$260,000
Michele Holcomb	2024	$123,653[7]	—	—	—	—	—	$123,653	—	$123,653
Raju Kucherlapati	2024	$343,641[6]	—	—	—	—	—	$343,641	—	$343,641
John LaMattina	2024	$290,000[6]	—	—	—	—	—	$290,000	—	$290,000
Robert Langer	2024	$270,000[6]	—	—	—	—	—	$270,000	—	$270,000
Kiran Mazumdar-Shaw	2024	$235,000[6]	—	—	—	—	—	$235,000	—	$235,000
TOTAL	2024	$2,503,967	$41,646	$544,000	$395,166	$16,370	$2,550,000	$6,051,149	$3,489,166	$2,561,983

1 Benefits comprises the following elements: private medical, disability and dental coverage and parking.

2 The shares underlying the unvested 2024 time-based restricted share award represent 300% of base salary, and were valued based on a closing price of 199.93 pence and an exchange rate of GBP 1: USD 1.2673, the 3-day averages immediately prior to the grant of the award.

3 Mr. Lyne joined the Board in December 2025.

4 The shares underlying the vested 2022 Performance Share Plan awards were valued based on a share price of 144.67 pence and an exchange rate of GBP 1: USD 1.2634, the 3-day average closing price and the 3-day average exchange rate immediately prior to the date of issuance of the vested award to Dr. Chowrira. The amount of these values attributable to share price appreciation is $nil for the Executive Director.

5 Remuneration paid to Ms. Zohar in 2024 covers the period prior to her resignation from the CEO role and as a Director.

6 These amounts include the grants of share-based remuneration in June 2024 in the form of time-vesting restricted stock units with a face value of $150,000.

7 The 2024 grant of share-based number of shares awarded to Dr. Holcomb was pro-rated following her appointment as of September 23, 2024, and is valued based on the closing price of 157.27 pence and an exchange rate of GBP 1 : USD 1.2961, the 3-day averages immediately prior to the grant of the award on November 8, 2024.

Annual bonus outcome for 2025 (audited)

For the 2025 annual bonus, targets were set for a balanced scorecard at the beginning of the year and were not altered when Mr. Lyne became our interim Chief Executive Officer or an Executive Director and Chief Executive Officer. The 2025 targets were focused on (i) development goals designed to incentivize the team to continue development of the Company's Programs, generate valuable clinical data in support of the Company's Wholly-Owned Programs, create innovative Programs, publish key results and achieve patent protection for the Company's Wholly-Owned Programs; and (ii) strategic goals designed to incentivize the team to complete important deals, execute strategic partnerships, monetize Founded Entity holdings or otherwise strengthen the Company's balance sheet, strengthen the Company's investor base and provide support for Founded Entity transactions and financings. For 2025, the Committee reframed and crystallized its methodology for bonus calculation, focusing on outcomes as a percentage of maximum rather than a percentage of target. This was done to simplify the bonus methodology, ensure greater consistency with standard practice for UK-listed companies, and allow for a simplified year-over-year comparison of executive performance. There is no change to the maximum potential bonus payout, which remains at 100 percent of base salary, in line with the Directors' Remuneration Policy. The table below sets out the performance assessment and associated bonus outcomes:

Target Goals – Achievement (audited)

Performance Measures Category (Percentage of Maximum)	Achievement	Percentage of Maximum Bonus Attained
Program Development (58%)	The Program Development Goals were 33.3 percent achieved in 2025. A description of performance in 2025 is set out below: The Company made significant progress to advance towards initiation of the Phase 3 trial for LYT-100 in IPF, including receiving FDA and European Commission Orphan Drug Designation, identifying key partners, completing key feasibility work, aligning with FDA on a Phase 3 trial design, and completing smaller studies necessary to support progression of LYT-100 into Phase 3. The Company also completed enrollment and presented initial topline data from LYT-200 Phase 1b study at the American Society of Hematology (ASH) Annual Meeting and received FDA Fast Track Designation for LYT-200 in AML.	33.3 %
Strategic Goals (42%)	The Strategic Goals were 16.7 percent achieved in 2025. A description of performance in 2025 is set out below: The Company pivoted business strategy in 2025 to address certain systemic valuation challenges going forward with significant shareholder support, as evidenced through substantial positive engagement with shareholders in numerous meetings throughout 2025, including engagement stemming from our 2025 AGM. This pivot included recommitting to the hub-and-spoke model as well as deepening our ties with the UK capital markets. The Company also extensively evaluated certain strategic transactions, and completed substantial work to progress the potential spin-outs of Celea Therapeutics and Gallop Oncology.	16.7 %
Total based on Pre-Specified Targets		50.0 %

In reviewing achievements against the goals, the Remuneration Committee took into account the business and management changes during the course of the year and the evolution of the Company's strategic priorities, and assessed the goals accordingly. In line with its standard approach, the Committee also considered the overall performance of the Company as well as the individual performance of the CEO. The Committee determined that a bonus payout of 50 percent of base salary, representing Company achievement of 50 percent of its total goals for 2025, as summarised in the table above, was appropriate.

For 2025, no discretion was exercised by the Committee related to the annual bonus performance outcome or any other aspect of compensation.

Long-term incentive awards vesting in respect of the year (audited)

The 2023 PSP awards to the then Executive Directors, Dr. Chowrira and Ms. Zohar, granted on May 22, 2023 were subject to three-year performance conditions covering the period from January 1, 2023 to December 31, 2025. Following an assessment of the performance conditions, the Remuneration Committee determined that the awards will vest at 36.7 percent of the maximum. The 2024 awards of RSUs to Non-Executive Directors granted on June 27, 2024 (except for Dr. Holcomb, who was granted the noted RSUs on November 8, 2024), vested immediately prior to the 2025 AGM.

	Scheme	Basis of award granted	Shares awarded	Shares vested	Shares lapsed	Value of vested awards
Sharon Barber-Lui	PSP 2024	$150,000	59,202	59,202	—	$102,530[1]
Raju Kucherlapati	PSP 2024	$150,000	59,202	59,202	—	$102,530[1]
Michele Holcomb	PSP 2024	$101,914	50,000	50,000	—	$86,594[2]
John LaMattina	PSP 2024	$150,000	59,202	59,202	—	$102,530[1]
Robert Langer	PSP 2024	$150,000	59,202	59,202	—	$102,363[3]
Kiran Mazumdar-Shaw	PSP 2024	$150,000	59,202	59,202	—	$102,363[3]

1 Represents the value of the 59,202 shares on July 1, 2025, and an exchange rate of GBP 1 : USD 1.3745 at the date of issuance to the Non-executive Directors.
2 Represents the value of the 50,000 shares on July 1, 2025, and an exchange rate of GBP 1 : USD 1.3745 at the date of issuance to the Non-executive Director.
3 Represents the value of the 59,202 shares on July 2, 2025, and an exchange rate of GBP 1 : USD 1.3636 at the date of issuance to the Non-executive Directors.

The outcome of the performance condition relating to the performance-based awards granted to the Executive Directors is set out below (audited):

Measure and weighting	Scheme	Basis of award granted	Shares awarded	Shares vested
Absolute TSR (40%)	7% p.a.	15% p.a.	(20%) p.a.	0%
Total return against FTSE 250 Index (10%)	At or above median	Upper quartile	3rd percentile	0%
Total return against MSCI Euro Healthcare Index (10%)	At or above median	Upper quartile	0th percentile	0%
Strategic measures (40%)		See description below	36.7%	36.7 %

The strategic measures over the three-year period were met at 91.7% overall and were focused on (i) financial goals (40 percent), (ii) clinical development goals (50 percent), and (iii) other achievements (10 percent). The clinical development achievements included, among other things, the successful initiation, enrollment and completion of the Phase 2 clinical study for LYT-100 and the completion and topline data readout of the LYT-100 IPF phase 2 study, with the LYT-100 IPF phase 2 study additionally achieving its primary endpoint with a favourable safety profile and superior efficacy at the higher dose of LYT-100, receiving orphan drug designation for both LYT-100 and LYT-200 and fast track designation for LYT-200, and the advancement of other product candidates within our Wholly-Owned Programs and at the Company's Founded Entities. The financial achievements included, among other things, obtaining approximately $815 million for PureTech by monetizing Founded Entity equity, most notably Karuna in light of its sale to Bristol Myers Squibb, the execution of several partnership agreements which brought in non-dilutive funding and the completion of certain investor-related activities. The other achievements include the monetization of PureTech's royalty in Karuna Therapeutics' KarXT for up to $500 million, with $100 million in cash paid up front, operation of the Company's Wholly-Owned Programs within projected timelines and budgets, conducting significant and robust activities to strengthen the Company's intellectual property portfolio, building out a world-class development organization, the in-licensing and creation of new programs, and the publication of validating data in top tier peer-reviewed academic journals.

The Remuneration Committee considered the outcome in the context of overall business performance over the three-year performance period and is satisfied that the level of vesting is appropriate given the achievements over the period.

Long-term incentive awards granted during the year (audited)

The following long-term incentive awards were granted to the Chief Executive Officer during 2025, with such awards being granted while Mr. Lyne was the interim Chief Executive Officer based on a salary of £327,600:

	Scheme	Basis of award granted	Shares awarded (as conditional award of shares)	Share price at date of grant[1]	Face value of award[2]	% of face value vesting at threshold performance	Vesting determined by performance over
Robert Lyne (performance share award)	PSP 2025	200% of salary	539,407	121.47 pence	$871,285	25%	Three financial years to December 31, 2027
Robert Lyne (restricted share award)	PSP 2025	200% of salary	539,407	121.47 pence	$871,285	100%	n/a

1 The share price at the date of grant is based on the 3-day average closing price immediately prior to the grant of the award on December 4, 2025.

2 Share awards have been valued based on an exchange rate of GBP 1: USD 1.3298, which was the 3-day average exchange rate immediately prior to the grant of the award.

The PSP awards granted in 2025 are identical in structure to the 2024 PSP awards (albeit at materially lower grant levels than the 2024 awards to the former Chief Executive Officer). The awards are split between performance-based awards and restricted share awards. The performance-based awards are subject to (i) achievement of absolute TSR targets (30 percent of the awards), (ii) achievement of TSR targets as compared to TSR performance of the constituent companies in the FTSE 250 Index (excluding Investment Trusts) and the MSCI Europe Health Care Index (20 percent of the awards, 10 percent against each benchmark) and (iii) achievement of targets based on strategic measures (50 percent of the awards), measured over the three year period to December 31, 2027.

The minimum performance target for the absolute TSR portion of the award is TSR equal to 7 percent per annum, whilst the maximum target is TSR equal to 15 percent per annum. The minimum performance target for the relative TSR portion of the award is TSR equal to the median of the index, whilst the maximum target will be TSR equal to the upper quartile of the index. Strategic measures are based on the achievement of project milestones and other qualitative measures of performance. Strategic targets have been set based on financial achievements, including monetization of Founded Entities, clinical development progress, product pipeline growth, operational excellence and other shareholder value enhancing metrics in line with our strategic plan. The Committee believes that this combination of measures and the agreed weightings are appropriate. TSR measures the success of our management team in identifying and developing new therapeutics whilst strategic targets help incentivize our management team through the stages which ultimately result in successful therapeutics.

Full disclosure of the strategic targets will be made retrospectively.

The vesting of the restricted share awards are dependent on continued service and Committee confirmation that Company and individual performance has been satisfactory over the vesting period. Vesting takes place in three equal annual tranches over a three-year period following grant.

In addition, each Non-Executive Director was granted share-based remuneration on November 19, 2025, in the form of 93,944 time-vesting restricted stock units. The equity awards granted to our Non-Executive Directors vest in their entirety immediately prior to Company's 2026 AGM, provided that the Non-Executive Directors continue their service through such date. This share-based element is part of the annual fee for Non-Executive Directors and is not subject to performance (audited).

Non-Executive Directors	Shares awarded	Face value of award	Vesting date
Sharon Barber-Lui	93,944[1]	$150,000	June 9, 2026
Michele Holcomb	93,944[1]	$150,000	June 9, 2026
John LaMattina	93,944[1]	$150,000	June 9, 2026
Robert Langer	93,944[1]	$150,000	June 9, 2026
Kiran Mazumdar-Shaw	93,944[1]	$150,000	June 9, 2026

1 The number of shares awarded to directors then serving as of November 19, 2025 was based on the closing price of 121.73 pence and an exchange rate of GBP 1 : USD 1.3116, the 3-day averages immediately prior to the grant of the award.

Payments for Loss of Office (audited)

There were no payments for Loss of Office during 2025.

Payments to past Directors (audited)

Ms. Daphne Zohar resigned from her roles as the Company's Chief Executive Officer and a member of the Company's Board of Directors on April 9, 2024 in connection with the founding of Seaport Therapeutics, Inc. (Seaport). Following her resignation, Ms. Zohar has continued to serve as a Senior Advisor to the Company. As of result of her continued service during 2025, Ms. Zohar's 2023 PSP award of 1,678,971 shares vested as of December 31, 2025. Based on performance during the period, the Board determined that 36.7% of the award vested, and in March 2026 Ms. Zohar received 615,622 ordinary shares pursuant to this award, valued at $1,021,767 based on the 3-day average share price and exchange rate (GBP 1: USD 1.3421) immediately prior to the issuance of the award. These shares are subject to the applicable holding period. No additional PSP awards to Ms. Zohar are currently outstanding.

Ms. Zohar received payments totaling $200,000 for her service as a senior advisor and board observer from April 9, 2024 through April 8, 2026. Ms. Zohar resigned from her role as a Board Observer on August 9, 2025, but continued to serve as a senior advisor through the expiration of her advisor agreement in April 2026.

Dr. Bharatt Chowrira stepped down from his roles as the Company's Chief Executive Officer and a member of the Company's Board of Directors on July 16, 2025. Dr. Chowrira was paid base salary, benefits and pension as Chief Executive Officer of the Company through July 16, 2025, as disclosed in the single total figure table. After stepping down from his role, Dr. Chowrira continued to provide consulting services to the Company and will receive his base salary and benefits up to the end of his twelve-month contractual severance term. He also received an annual incentive payment in respect of the financial year ending December 31, 2025 of $240,771, which was prorated for his time on the Board during 2025. During this period of his continued consulting services, Dr. Chowrira's outstanding 2023 PSP award of 670,590 shares vested on December 31, 2025. Based on performance during the period, the Board determined that 36.7% of the award vested, and in March 2026 Dr. Chowrira received 245,883 ordinary shares pursuant to this award, valued at $408,099 based on the 3-day average share price and exchange rate (GBP 1: USD 1.3421) immediately prior to the issuance of the award. These shares are subject to the applicable holding period.

Dr. Chowrira did not receive any payments for loss of office.

The post-employment shareholding policy will apply to Dr. Chowrira, requiring a shareholding worth 400 percent of base salary to be retained for two years following the cessation of his employment.

Directors' shareholdings (audited)

Executive Directors are required to maintain share ownership equal to a minimum of 400 percent of base salary for the Chief Executive Officer and a minimum of 200 percent of base salary for any other Executive Directors. Post-employment shareholding requirements apply, requiring the retention of a minimum share ownership based on a multiple of their salary for a two year period.

The table below sets out current Directors' shareholdings which are beneficially owned, subject to a performance condition, subject to a service condition and interests of connected persons.

	Directors' Share Interests						
	Shares Owned Outright	Vested But Unexercised Options	Options Subject To Service	Vested But Unissued RSUs	RSUs Subject To Performance Conditions	RSUs Subject To Service Conditions	Total
Director				12/31/2025			
Robert Lyne[1]	114,612	—	—	31,661[2]	792,699[3]	697,715[4]	1,636,687
Sharon Barber-Lui[5]	163,081	—	—	—	—	93,944[6]	257,025
Michele Holcomb[7]	79,239	—	—	—	—	93,944[6]	173,183
John LaMattina[8]	1,382,432	—	—	—	—	93,944[6]	1,476,376
Robert Langer[9]	2,820,056	—	—	—	—	93,944[6]	2,914,000
Kiran Mazumbar-Shaw	109,021	—	—	—	—	93,944[6]	202,965
Bharatt Chowrira[10]	1,275,843	1,950,000	—	—	1,677,028	670,959	5,573,830
Raju Kucherlapati[11]	2,568,852	—	—	—	—	—	2,568,852

1 Mr. Lyne joined the Board in December 2025. A portion of Mr. Lyne's shareholding in the Company includes 81,051 shares purchased in the market in September 2025.

2 Does not include 31,661 shares which RSUs subject to service conditions which vested in February 2026 pursuant to the time-based RSU award granted to Mr. Lyne in March 2024.

3 Includes the following PSP awards, which are subject to performance conditions: 253,292 (2024) and 539,407 (2025).

4 Includes the following PSP award shares, which are subject to service conditions: 158,308 (2024) and 539,407 (2025).

5 A portion of Ms. Barber-Lui's shareholding in the Company includes 65,260 shares purchased in the market in September 2025.

6 Denotes RSUs, which are subject to continued service, that were granted in November 2025 and vest immediately prior to the 2026 Annual General Meeting.

7 A portion of Dr. Holcomb's shareholding in the Company includes 29,239 shares purchased in the market in September 2025.

8 A portion of Dr. LaMattina's shareholding in the Company is indirect. As of December 31, 2025, an aggregate of 1,382,432 ordinary shares are split between (i) 1,303,076 shares held by the John L LaMattina Revocable Trust and (ii) 79,356 shares held by the LaMattina Charitable Trust. During 2025, Dr. LaMattina's ownership increased by an aggregate of 58,302 ordinary shares during the year. This change includes increases of 59,100 shares purchased in the market in September 2025 and 59,202 shares issued following the vesting of his 2024 PSP award, and a decrease by 60,000 ordinary shares as a result of certain charitable donations.

9 A portion of Dr. Langer's shareholding in the Company is indirect, while the remaining balance is directly held by Dr. Langer. As of December 31, 2025, an aggregate of 2,820,056 ordinary shares are split between shares held by Dr. Langer directly, shares held jointly with his spouse, and those held by a family trust. Dr. Langer's direct ownership increased by 59,202 ordinary shares issued following the vesting of his 2024 PSP award.

10 Dr. Chowrira's shareholdings reflect his holdings as of July 16, 2025, the date he stepped down from the Board.

11 Dr. Kucherlapati's shareholdings reflect his holdings as of July 8, 2025, the date he stepped down from the Board.

Directors' service contracts (unaudited)

Detail of the service contracts of current Directors is set out below:

Executive Directors	Notice period	Contract date	Maximum potential termination payment	Potential payment on change of control/liquidation
Robert Lyne	6 months	December 18, 2025	12 months' salary	Nil

Contracts for the above Executive Directors will continue until terminated by notice either by the Company or the Executive Director.

Non-Executive Directors	Notice period	Contract date	Contract expiration date
Sharon Barber-Lui	30 days	March 24, 2025	March 24, 2028
Michele Holcomb	30 days	September 23, 2024	September 23, 2027
John LaMattina	30 days	June 5, 2024	June 5, 2027
Robert Langer	30 days	June 5, 2024	June 5, 2027
Kiran Mazumdar-Shaw	30 days	September 28, 2023	September 28, 2026

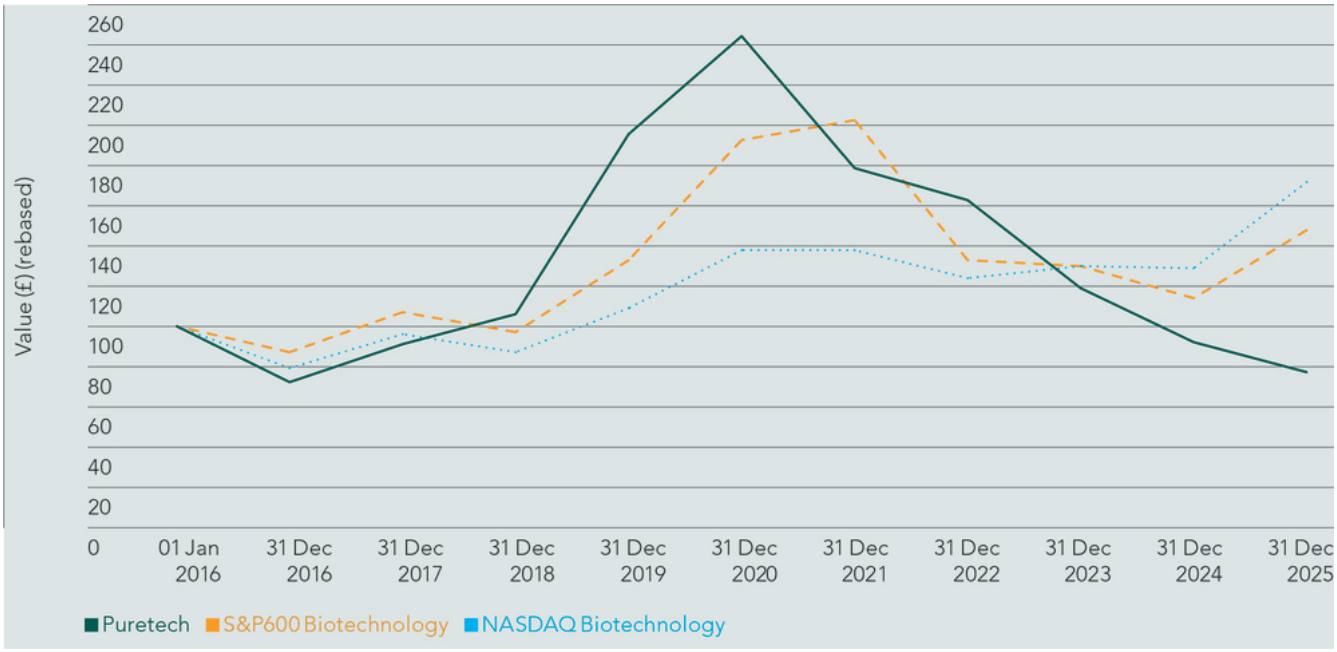
The Company and the Non-Executive Directors listed above intend to enter into new contracts prior to their expiration.

TSR performance graph (unaudited)

The graph below shows the value, by December 31, 2025, of £100 invested in PureTech on January 1, 2016, compared with the value of £100 invested in the Nasdaq Biotechnology and S&P600 Biotechnology indices on the same date. The Committee considers these to be relevant indices for TSR comparison as they are broad-based measures of the performance of the biotechnology industry to which the company belongs.

The other points plotted are the values at intervening financial year-ends.

Total shareholder return
Source: LSEG Workspace



Chief Executive Officer's Remuneration History (unaudited)

Year	Incumbent	Role	Single figure of total remuneration	Annual bonus pay-out against maximum	PSP Vesting against maximum opportunity
2015	Daphne Zohar	Chief Executive Officer	$955,599	100%	n/a
2016	Daphne Zohar	Chief Executive Officer	$747,634	38.75%	n/a
2017	Daphne Zohar	Chief Executive Officer	$821,898	50%	n/a
2018	Daphne Zohar	Chief Executive Officer	$2,139,870	65%	50%
2019	Daphne Zohar	Chief Executive Officer	$5,783,682	100%	100%
2020	Daphne Zohar	Chief Executive Officer	$7,194,841	100%	100%
2021	Daphne Zohar	Chief Executive Officer	$2,472,800	75%	95.8%
2022	Daphne Zohar	Chief Executive Officer	$1,487,964	45%	24.2%
2023	Daphne Zohar	Chief Executive Officer	$4,739,027	100%	35.3%
2024	Bharatt Chowrira	Chief Executive Officer	$4,311,555	64%	35.3%
2025	Bharatt Chowrira	Chief Executive Officer	$516,859	n/a	n/a
2025	Robert Lyne	Chief Executive Officer	$1,292,113[1]	50%	n/a

1 The figure represents the amounts paid to Mr. Lyne during the period in which he was interim Chief Executive Officer, from July 16, 2025 through December 17, 2025, and the period during which Mr. Lyne was Chief Executive Officer and an Executive Director, from December 18, 2025 through December 31, 2025. Mr. Lyne's single-figure remuneration for 2025 includes $871,285, or 200% of base salary at the time of issuance, the value underlying the unvested 2025 time-based restricted share award. This award was valued based on a closing price of 121.47 pence and an exchange rate of GBP 1: USD 1.3298, the 3-day averages immediately prior to the grant of the award.

Percentage change in remuneration of Directors and employees (unaudited)

The table below shows the change in the Directors' remuneration compared to the change in remuneration of all of our full-time employees who were employed throughout the same periods:

	2024 to 2025			2023 to 2024			2022 to 2023			2021 to 2022			2020 to 2021		
	Base salary/ fees	Bene- fits	Annual bonus	Base salary/ fees[1]	Bene- fits	Annual bonus	Base salary/ fees	Bene- fits	Annual bonus	Base salary/ fees	Bene- fits	Annual bonus	Base salary/ fees	Bene- fits	Annual bonus
Robert Lyne (CEO)[2]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sharon Barber-Lui[3]	9.2.%	—	—	92.6%	—	—	17.3%	—	—	—	—	—	—	—	—
Michele Holcomb[4]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
John LaMattina	—	—	—	111%	—	—	(5%)	—	—	0%	—	—	16%	—	—
Robert Langer	—	—	—	86.2%	—	—	0%	—	—	0%	—	—	16%	—	—
Kiran Mazumdar-Shaw	—	—	—	74.1%	—	—	0%	—	—	0%	—	—	635%	—	—
Employees[5]	6%	13%	(31%)	5%	2%	33%	9%	12%	77%	12%	6%	(22%)	9%	7%	1%

1 Fee amounts for Non-Executive Directors in 2023 include grants of share-based remuneration in the form of time-vesting restricted stock units with a face value of $50,000, while 2024 amounts include grants of share-based remuneration in the form of time-vesting restricted stock units with a face value of $150,000.

2 Joined the Board effective December 2025.

3 Joined the Board effective March 2022.

4 Joined the Board effective September 2024.

5 Does not include employees of Founded Entities.

Relative importance of spend on pay (unaudited)

The following table sets out the percentage change in overall spend on pay and distributions to shareholders in 2025 compared to 2024:

	2025	2024	% change
Staff costs[1]	$32,981,241	$32,522,471	1.4%
Distributions to Shareholders	$—	$104,703,497[2]	(100%)

1 Excludes Non-Controlled Founded Entities.

2 Represents the value of the 31,540,670 ordinary shares repurchased pursuant to the terms of the Company's $100 million tender offer, and 1,903,990 ordinary shares repurchased under the Company's share repurchase programme during 2024.

Details of the Remuneration Committee, advisors to the Committee and their fees

The Remuneration Committee consists of Dr. LaMattina, Ms. Mazumdar-Shaw and Dr. Holcomb, with Dr. LaMattina serving as the Chair of the Committee. Dr. Kucherlapati was also a member of the Committee until stepping down from the Board in July 2025, while Dr. Holcomb joined the Committee effective April 1, 2026. In 2025, the Committee received independent remuneration advice from Korn Ferry (UK) Limited, who was appointed by and is accountable to the Committee. A separate practice within Korn Ferry provides certain other candidate placement services to the Company. The terms of engagement between the Committee and Korn Ferry are available from the Company Secretary on request. The Committee also consults with Executive Directors. However, no Director is permitted to participate in discussions or decisions about their personal remuneration. During the year, fees in respect of remuneration advice from Korn Ferry amounted to £16,154, including for work performed in setting the remuneration package for Mr. Lyne's appointment as our Chief Executive Officer and an Executive Director. Korn Ferry is a founder member of the Remuneration Consultants' Group and complies with its Code of Conduct which sets out guidelines to ensure that its advice is independent and free of undue influence.

Statement of voting at general meeting (unaudited)

The table below sets out the proxy results of the vote on our Remuneration Report at our 2025 AGM:

Resolutions	For	%	Against	%	Withheld	Total votes cast
To approve the Directors' Remuneration Report	87,191,034	72.49%	33,087,512	27.51%	41,060,576	120,278,546

The table below sets out the proxy results of the vote on our Remuneration Policy at our 2024 AGM:

Resolutions	For	%	Against	%	Withheld	Total votes cast
To approve the Directors' Remuneration Policy	83,722,702	64.46%	46,157,643	35.54%	51,044,946	129,880,345

2026 AGM

The Company's AGM will be held at 4:00 pm BST (11:00 am EDT) on June 10, 2026 at the Company's headquarters at 6 Tide Street, Suite 400, Boston, Massachusetts, 02210. Information regarding the voting outcome will be disclosed in next year's Annual Report on Remuneration.

This report has been prepared by the Remuneration Committee and has been approved by the Board. It complies with the UK Companies Act 2006 and related regulations. This report will be put to shareholders for approval at the forthcoming AGM.

On behalf of the Board of Directors

Charles Sherwood, J.D.
Company Secretary
April 29, 2026

Independent auditors' report to the members of PureTech Health plc

Report on the audit of the financial statements

Opinion

In our opinion:

— PureTech Health plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2025 and of the group's loss and the group's cash flows for the year then ended;
— the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
— the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
— the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise:

— the Consolidated Statement of Financial Position as at 31 December 2025;
— the Parent Company Statement of Financial Position as at 31 December 2025;
— the Consolidated Statement of Comprehensive Income/(Loss) for the year then ended;
— the Consolidated Statement of Changes in Equity for the year then ended;
— the Parent Company Statement of Changes in Equity for the year then ended;
— the Consolidated Statement of Cash Flows for the year then ended; and
— the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 1 to the financial statements, the group, in addition to applying UK-adopted international accounting standards, has also applied international financial reporting standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

In our opinion, the group financial statements have been properly prepared in accordance with IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 9, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

— Pure Tech Health plc is a public limited company incorporated under the laws of England and Wales, and is listed on the FTSE Main Market. As such, the group and parent company financial statements are subject to an audit in accordance with the requirements of the Companies Act 2006.
— We identified 25 entities, which when grouped together represent one component, collectively and hereafter referred to as PureTech Health. This component, in our view, required a full scope audit based on its contribution to adjusted loss before tax. In addition, we determined that audit procedures over certain accounts or balances were required at a further component (Seaport Therapeutics, Inc) to provide sufficient overall group coverage of particular financial statement line items. Further, we performed a full scope audit under ISA (UK) requirements for the PureTech Health plc parent company.
— All work in relation to the components for the group audit was performed by our PwC US (overseas supporting firm) colleagues in Boston, under our direction and supervision. The audit procedures over the parent company were performed by PwC UK, in addition to incremental ISA (UK) procedures as required for the group audit.

Key audit matters

— Valuation of the Company's investment in convertible preferred shares of Seaport (group)
— Valuation of the investment in subsidiary (parent)

Materiality

— Overall group materiality: $5,300,000 (2024: $6,000,000) based on professional judgement.
— Overall company materiality: $4,960,000 (2024: $4,890,000) based on 1% of total assets.
— Performance materiality: $3,975,000 (2024: $4,500,000) (group) and $3,720,000 (2024: $3,667,500) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Independent auditors' report to the members of PureTech Health plc continued

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation of the Company's investment in convertible preferred shares of Seaport (group)	
As described in Notes 5, 8 and 19 to the consolidated financial statements, the Company has an investment in Seaport Therapeutics, Inc. ("Seaport") through its ownership of Seaport's Series A-1, A-2 and B convertible preferred shares (the "Preferred Shares") measured at a fair value of $236 million as of December 31, 2025. The fair value of the Preferred Shares is determined by management using a valuation model that utilizes both the market backsolve and probability-weighted expected return method. The valuation of this investment is categorized as Level 3 in the fair value hierarchy due to the use of significant unobservable inputs, which have a significant effect on the valuation. The significant assumptions used by management in the valuation include the equity value of Seaport and the probability of Seaport entering into an initial public offering. The principal considerations for our determination that performing procedures relating to the valuation of the Company's investment in the Preferred Shares of Seaport is a key audit matter are (i) the significant judgment by management when developing the fair value estimate of the Preferred Shares; (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence related to management's significant assumptions related to the equity value of Seaport and the probability of Seaport entering into an initial public offering; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.	Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the valuation of the Preferred Shares of Seaport, including controls over the method, significant assumptions and underlying data. These procedures also included, among others (i) testing management's process for determining the fair value of the Preferred Shares; (ii) evaluating the appropriateness of the valuation method, (iii) testing the completeness and accuracy of the underlying data used in the valuation method; and (iv) evaluating the reasonableness of the significant assumptions used by management related to the equity value of Seaport and the probability of Seaport entering into an initial public offering considering the consistency with internal and external market data. PwC Valuation experts were used to assist in evaluating (i) the appropriateness of the market backsolve and probability-weighted expected return method and (ii) the reasonableness of the equity value assumption.
Valuation of the investment in subsidiary companies (parent)	
As described in Note 2 to the parent company financial statements, the company holds an investment in its subsidiary undertaking ($470.5 million). The recoverability of the investment is assessed as a key audit matter due to the significant level of judgement involved in the impairment assessment. In accordance with IAS 36 Impairment of Assets, the asset undergoes impairment testing when a triggering event or change in circumstances indicates that the carrying amount may not be recoverable. Management determined that as the carrying amount of the net assets of the parent company exceeded the implied market capitalisation at various points throughout the year that this constituted an impairment trigger and have therefore performed an impairment assessment. The assessment was performed using the fair value less costs to sell approach, which involved adjusting the implied market capitalisation, based on the year end share price, for estimates relating to a control premium and the expected costs to sell. As a result of the impairment assessment management determined that no impairment was required.	We evaluated management's impairment trigger and impairment assessments and confirmed that they were performed in accordance with the requirements of IAS 36 Impairment of Assets. We recalculated the implied market capitalisation and independently agreed the year end share price used by management. We assessed the control premium and expected costs to sell applied by management for reasonableness in comparison to other recent similar sized transactions in the sector. We also engaged with our PwC Valuations experts for assistance with assessing the reasonableness of the control premium used by management, in light of these recent transactions. Based on the results of the procedures described above, we conclude that the carrying amount of the investment in subsidiary is appropriate. We have also assessed the related disclosures in the company only financial statements and consider them to be reasonable.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

The group's accounting process is structured around a group finance function located in Boston, Massachusetts, who maintain accounting records and controls for the group.

In establishing the overall group audit strategy and plan, we determined whether for each component within the group we required an audit of its complete financial information ('full scope audit'), or whether specific audit procedures to address a certain risk characteristic or financial statement line items would be sufficient. One component, PureTech Health, has been considered to be individually financially significant and therefore requiring a full scope audit. In addition, we determined that audit procedures over certain accounts or balances were required at a further component (Seaport Therapeutics Inc) to provide sufficient overall group coverage of particular financial statement line items. We performed a detailed review of the workingpapers of our overseas supporting firm, and maintained regular communications during the planning, execution and completion phases of their audit. We directed the work of the overseas supporting firm, engaged in site visits, reviewed their approach and findings and participated in the closing meetings.

Further we performed a full scope audit of the PureTech Health plc parent company.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's and company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's and company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements – company
Overall materiality	$5,300,000 (2024: $6,000,000).	$4,960,000 (2024: $4,890,000).
How we determined it	Professional judgement	1% of total assets
Rationale for benchmark applied	Based on the volatility of earnings experienced by the company in recent years, we have concluded that pre-tax income or loss for the current year alone is not the most meaningful benchmark for determining overall materiality. Thus, we have also considered adjusted income or loss before tax and operating loss as alternative benchmarks. We used our professional judgement to determine an overall materiality level of $5.3 million	As the primary value of the parent company is the investments held, an asset based metric is the most appropriate benchmark for setting materiality.

Independent auditors' report to the members of PureTech Health plc continued

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was $5,400,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to $3,975,000 (2024: $4,500,000) for the group financial statements and $3,720,000 (2024: $3,667,500) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $265,000 (group audit) (2024: $300,000) and $248,000 (company audit) (2024: $244,500) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining from management their assessment which supports the Board's conclusions with respect to going concern basis of preparation of the financial statements;
- Testing the mathematical integrity of the cash flow forecasts and the models and reconciled these to the Board approved budgets;
- Identifying and assessing management's alternate downside scenarios, and considering whether the assumptions in the downside scenario were reasonable and appropriate;
- Considering additional mitigating actions, in particular assessing the reasonableness of potential mitigating actions based on historical execution and feasibility;
- Assessing the completeness of the going concern disclosures; and
- Assessing the reliability of cash flow forecasts by comparing actual performance to forecasts, specifically performing lookback testing over the budgeted results of 2025.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

— The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
— The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
— The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
— The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
— The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

— The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
— The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
— The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the Annual Report and the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK Companies Act 2006 and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to misappropriation of cash. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

— Identifying and testing of journal entries based on our risk assessment criteria, in particular any journals with unusual account combinations which credit cash;
— Evaluation of controls designed to prevent and detect irregularities;
— Reviewing board minutes throughout the financial year and post year end to identify any unusual items such as suspicious activity, non-compliance, breaches of laws or potential litigation;
— Review of financial statements disclosures for compliance with UK Companies Act 2006;
— Assessing compliance with the tax legislation through our audit work over the payroll, VAT and corporation tax;
— Performing enquiries of the Directors, management and legal counsel and inspection of regulatory and legal correspondence; and
— Incorporating unpredictability into our audit plan.

Independent auditors' report to the members of PureTech Health plc continued

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

— we have not obtained all the information and explanations we require for our audit; or
— adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
— certain disclosures of directors' remuneration specified by law are not made; or
— the company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the company for the financial year ended 31 December 2023. Our uninterrupted engagement covers three financial years.

Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Sam Taylor (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
29 April 2026

Consolidated Statement of Comprehensive Income/(Loss)

For the years ended December 31

	Note	2025 $000s	2024 $000s	2023 $000s
Contract revenue	3	**4,659**	4,315	750
Grant revenue	3	**—**	513	2,580
Total revenue		**4,659**	4,828	3,330
Operating expenses:				
General and administrative expenses	9	**(46,618)**	(71,469)	(53,295)
Research and development expenses	9	**(56,567)**	(69,454)	(96,235)
Operating income/(loss)		**(98,527)**	(136,095)	(146,199)
Other income/(expense):				
Gain/(loss) on deconsolidation of subsidiary	8	**—**	151,808	61,787
Gain/(loss) on investments held at fair value	5	**38,485**	(2,398)	77,945
Realized gain/(loss) on sale of investments	5	**375**	151	(122)
Gain/(loss) on investments in notes from associates	7	**(3,628)**	13,131	(27,630)
Other income/(expense)		**1,331**	961	(908)
Other income/(expense)		**36,564**	163,652	111,072
Finance income/(costs):				
Finance income	11	**13,048**	22,669	16,012
Finance costs – contractual	11	**(1,876)**	(1,731)	(3,424)
Finance income/(costs) – fair value accounting	11	**—**	(8,108)	2,650
Finance costs – non-cash interest expense related to sale of future royalties	11, 18	**(43,908)**	(8,058)	(10,159)
Net finance income/(costs)		**(32,735)**	4,773	5,078
Share of net income/(loss) of associates accounted for using the equity method	6	**(17,928)**	(8,754)	(6,055)
Gain/(loss) on dilution of ownership interest in associates	6	**1,699**	199	—
Income/(loss) before taxes		**(110,927)**	23,774	(36,103)
Tax benefit/(expense)	27	**842**	4,008	(30,525)
Income/(loss) for the year		**(110,084)**	27,782	(66,628)
Other comprehensive income/(loss):				
Items that are or may be reclassified as profit or loss				
Equity-accounted associates – share of other comprehensive income/(loss)		**—**	—	92
Total other comprehensive income/(loss)		**—**	—	92
Total comprehensive income/(loss) for the year		**(110,084)**	27,782	(66,535)
Income/(loss) attributable to:				
Owners of the Group		**(109,739)**	53,510	(65,697)
Non-controlling interests		**(345)**	(25,728)	(931)
		(110,084)	27,782	(66,628)
Comprehensive income/(loss) attributable to:				
Owners of the Group		**(109,739)**	53,510	(65,604)
Non-controlling interests		**(345)**	(25,728)	(931)
		(110,084)	27,782	(66,535)
		$	$	$
Earnings/(loss) per share:				
Basic earnings/(loss) per share	12	**(0.46)**	0.21	(0.24)
Diluted earnings/(loss) per share	12	**(0.46)**	0.21	(0.24)

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Financial Position

As of December 31,

	Note	2025 $000s	2024 $000s
Assets			
Non-current assets			
Property and equipment, net	13	**5,202**	7,069
Right of use asset, net	23	**6,297**	8,061
Intangible assets, net	14	**601**	601
Investments held at fair value	5	**217,426**	191,426
Investment in associates – equity method	6	**—**	2,397
Investment in notes from associates, non-current	7	**—**	6,350
Other non-current assets		**165**	475
Total non-current assets		**229,692**	216,379
Current assets			
Trade and other receivables	24	**1,758**	1,522
Income tax receivable		**6,372**	—
Prepaid expenses		**6,576**	4,404
Other financial assets	15	**1,596**	1,642
Investment in notes from associates, current	7	**11,417**	11,381
Short-term investments	24	**24,829**	86,666
Cash and cash equivalents	24	**252,470**	280,641
Total current assets		**305,018**	386,256
Total assets		**534,710**	602,635
Equity and liabilities			
Equity			
Share capital		**4,860**	4,860
Share premium		**290,262**	290,262
Treasury stock		**(41,154)**	(46,864)
Merger reserve		**138,506**	138,506
Translation reserve		**182**	182
Other reserve	16	**(3,352)**	(4,726)
Retained earnings/(Accumulated deficit)		**(77,231)**	32,486
Equity attributable to the owners of the Group		**312,073**	414,707
Non-controlling interests	21	**(6,397)**	(6,774)
Total equity		**305,676**	407,933
Non-current liabilities			
Sale of future royalties liability, non-current	18	**170,422**	136,782
Lease liability, non-current	23	**11,087**	14,671
Liability for share-based awards	10	**1,217**	1,861
Total non-current liabilities		**182,726**	153,314
Current liabilities			
Lease liability, current	23	**3,584**	3,579
Trade and other payables	22	**23,185**	27,020
Sale of future royalties liability, current	18	**13,247**	6,435
Tax liability, current	27	**1,208**	75
Notes payable	20	**4,916**	4,111
Preferred share liability	17, 19	**169**	169
Total current liabilities		**46,309**	41,388
Total liabilities		**229,034**	194,702
Total equity and liabilities		**534,710**	602,635

Please refer to the accompanying Notes to the consolidated financial information. Registered number: 09582467.
The Consolidated Financial Statements were approved by the Board of Directors and authorized for issuance on April 29, 2026 and signed on its behalf by:

Robert Lyne
Chief Executive Officer
April 29, 2026

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the years ended December 31

	Note	Share Capital Shares	Share Capital Amount $000s	Share Capital Share premium $000s	Treasury Shares Shares	Treasury Shares Amount $000s	Merger reserve $000s	Translation reserve $000s	Other reserve $000s	Retained earnings/ (accumulated deficit) $000s	Total Parent equity $000s	Non-controlling interests $000s	Total Equity $000s
Balance January 1, 2023		**289,161,653**	**5,455**	**289,624**	**(10,595,347)**	**(26,492)**	**138,506**	**89**	**(14,478)**	**149,516**	**542,220**	**5,369**	**547,589**
Net income/(loss)		—	—	—	—	—	—	—	—	(65,697)	(65,697)	(931)	(66,628)
Other comprehensive income/(loss), net		—	—	—	—	—	—	92	—	—	92	—	92
Total comprehensive income/(loss)		**—**	**—**	**—**	**—**	**—**	**—**	**92**	**—**	**(65,697)**	**(65,604)**	**(931)**	**(66,535)**
Deconsolidation of Subsidiary	8	—	—	—	—	—	—	—	—	—	—	(9,085)	(9,085)
Exercise of stock options	10	306,506	6	638	239,226	530	—	—	(22)	—	1,153	—	1,153
Purchase of Treasury stock	16	—	—	—	(7,683,526)	(19,650)	—	—	—	—	(19,650)	—	(19,650)
Equity-settled share-based awards	10	—	—	—	—	—	—	—	3,348	—	3,348	277	3,625
Expiration of share options in subsidiary	10	—	—	—	—	—	—	—	1,458	—	1,458	(1,458)	—
Settlement of restricted stock units		—	—	—	425,219	986	—	—	156	—	1,142	—	1,142
Other		—	—	—	—	—	—	—	—	—	—	(6)	(6)
Balance December 31, 2023		**289,468,159**	**5,461**	**290,262**	**(17,614,428)**	**(44,626)**	**138,506**	**182**	**(9,538)**	**83,820**	**464,066**	**(5,835)**	**458,232**
Net income/(loss)		—	—	—	—	—	—	—	—	53,510	53,510	(25,728)	27,782
Total comprehensive income/(loss)		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**53,510**	**53,510**	**(25,728)**	**27,782**
Deconsolidation of Subsidiary	8	—	—	—	—	—	—	—	—	—	—	7,430	7,430
Exercise of stock options	10	—	—	—	412,729	1,041	—	—	(146)	—	895	—	895
Repurchase and cancellation of ordinary shares from Tender Offer	16	(31,540,670)	(600)	—	—	—	—	—	600	(104,844)	(104,844)	—	(104,844)
Purchase of Treasury stock	16	—	—	—	(1,903,990)	(4,791)	—	—	—	—	(4,791)	—	(4,791)
Equity-settled share-based awards expense	10	—	—	—	—	—	—	—	4,569	—	4,569	17,372	21,941
Settlement of restricted stock units	10	—	—	—	599,512	1,512	—	—	(211)	—	1,301	—	1,301
Expiration of share options in subsidiary		—	—	—	—	—	—	—	1	—	1	(1)	—
Other		—	—	—	—	—	—	—	—	—	—	(12)	(12)
Balance December 31, 2024		**257,927,489**	**4,860**	**290,262**	**(18,506,177)**	**(46,864)**	**138,506**	**182**	**(4,726)**	**32,486**	**414,707**	**(6,774)**	**407,933**
Net income/(loss)		—	—	—	—	—	—	—	—	(109,739)	(109,739)	(345)	(110,084)
Total comprehensive income/(loss)		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(109,739)**	**(109,739)**	**(345)**	**(110,084)**
Exercise of stock options	10	—	—	—	65,000	164	—	—	(58)	—	106	—	106
Equity-settled share-based awards expense	10	—	—	—	—	—	—	—	6,338	—	6,338	758	7,095
Settlement of restricted stock units	10	—	—	—	2,197,726	5,544	—	—	(4,942)	—	603	—	603
Expiration of share options in subsidiary		—	—	—	—	—	—	—	36	—	36	(36)	—
Other		—	—	—	—	1	—	—	—	22	23	—	23
Balance December 31, 2025		**257,927,489**	**4,860**	**290,262**	**(16,243,451)**	**(41,154)**	**138,506**	**182**	**(3,352)**	**(77,231)**	**312,073**	**(6,397)**	**305,676**

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the years ended December 31

	Note	2025 $000s	2024 $000s	2023 $000s
Cash flows from operating activities:				
Income/(loss) for the year		**(110,084)**	27,782	(66,628)
Adjustments to reconcile income/(loss) for the period to net cash used in operating activities:				
Non-cash items:				
Depreciation and amortization		**3,348**	3,571	4,933
Share-based compensation expense	10	**8,222**	22,850	4,415
(Gain)/loss on investment held at fair value	5	**(38,485)**	2,398	(77,945)
Realized (gain)/loss on sale of investments	5	**(375)**	(151)	265
Gain on dilution of ownership interest in associates	6	**(1,699)**	(199)	—
Gain on deconsolidation of subsidiary	8	**—**	(151,808)	(61,787)
Share of net (gain)/loss of associates accounted for using the equity method	6	**17,928**	8,754	6,055
(Gain)/loss on investments in notes from associates	7	**3,628**	(13,131)	27,630
(Gain)/loss on disposal of assets		**(93)**	14	318
Impairment of fixed assets		**112**	226	1,260
Income taxes expense/(benefit)	27	**(842)**	(4,008)	30,525
Finance (income)/costs, net	11	**32,735**	(4,773)	(5,078)
Changes in operating assets and liabilities:				
Trade and other receivables		**(236)**	629	9,750
Prepaid expenses and other financial assets		**(1,862)**	(1,262)	2,834
Deferred revenue		**—**	—	(283)
Trade and other payables	22	**(1,025)**	(9,695)	3,844
Other		**—**	92	1,374
Income taxes paid		**(5,503)**	(37,913)	(150)
Interest received		**13,621**	23,547	14,454
Interest paid		**(4,521)**	(1,295)	(1,701)
Net cash provided by (used in) operating activities		**(85,131)**	(134,369)	(105,917)
Cash flows from investing activities:				
Purchase of property and equipment	13	**(6)**	(11)	(70)
Proceeds from sale of property and equipment		**269**	255	865
Purchases of intangible assets		**—**	—	(175)
Investment in preferred shares held at fair value	5, 17	**(888)**	(14,400)	—
Sale of investments held at fair value	5	**2,753**	298,109	33,309
Investment in convertible notes from associates	7	**(150)**	—	(16,850)
Short-term note to associate		**—**	(660)	—
Repayment of short-term note from associate		**—**	660	—
Cash derecognized upon loss of control over subsidiary	8	**—**	(91,570)	(13,784)
Purchases of short-term investments		**(84,049)**	(308,942)	(178,860)
Proceeds from maturity of short-term investments		**145,310**	357,447	244,556
Other		**50**	—	—
Net cash provided by (used in) investing activities		**63,288**	240,888	68,991
Cash flows from financing activities:				
Receipts from Royalty Purchase Agreement	18	**—**	25,000	100,000
Issuance of subsidiary preferred shares	17	**—**	68,100	—
Payment of lease liability	23	**(3,579)**	(3,394)	(3,338)
Exercise of stock options		**106**	895	1,153
Repurchase of ordinary shares from Tender Offer, including associated costs	16	**(2,053)**	(102,768)	—
Payments of withholding taxes in connection with stock-based awards		**(801)**	—	—
Purchase of treasury stock	16	**—**	(4,791)	(19,650)
Other		**—**	—	(23)
Net cash provided by (used in) financing activities		**(6,328)**	(16,958)	78,141
Net increase (decrease) in cash and cash equivalents		**(28,171)**	89,560	41,215
Cash and cash equivalents at beginning of year		**280,641**	191,081	149,866
Cash and cash equivalents at end of year		**252,470**	280,641	191,081
Supplemental disclosure of non-cash investment and financing activities:				
Purchase of intangible assets not yet paid in cash		**—**	—	25
Cost associated with Tender Offer not yet paid in cash		**—**	2,076	—
Settlement of restricted stock units through issuance of equity		**1,404**	1,301	1,142
Conversion of note receivable from associate into preferred shares		**2,836**	—	—

The accompanying notes are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

(Amounts in thousands, except share and per share data, or exercise price and conversion price)

1. Material Accounting Policies

Description of Business

PureTech Health plc (the "Parent") is a public company incorporated, domiciled and registered in the United Kingdom ("UK"). The registered number is 09582467 and the registered address is 13th Floor, One Angel Court, London, EC2R 7HJ, United Kingdom.

The Parent and its subsidiaries are together referred to as the "Group". The Parent company financial statements present financial information about the Parent as a separate entity and not about its Group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these group financial statements.

Basis of Presentation

The consolidated financial statements of the Group (the "Consolidated Financial Statements") are presented as of December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023. The Consolidated Financial Statements have been approved by the Directors on April 29, 2026, and are prepared in accordance with UK-adopted International Financial Reporting Standards. The Consolidated Financial Statements also comply fully with IFRS Accounting Standards as issued by the IASB. UK-adopted IFRS Accounting Standards differ in certain respects from IFRS Accounting Standards as issued by the IASB. However, the differences have no impact for the periods presented.

For presentation of the Consolidated Statement of Comprehensive Income/(Loss), the Group uses a classification based on the function of expenses, rather than based on their nature, as it is more representative of the format used for internal reporting and management purposes and is consistent with international practice.

Certain amounts in the Consolidated Financial Statements and accompanying notes may not add due to rounding. All percentages have been calculated using unrounded amounts.

Basis of Measurement

The Consolidated Financial Statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investments held at fair value, investments in notes from associates and preferred share liabilities.

Use of Judgments and Estimates

In preparing the Consolidated Financial Statements, 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 these estimates. Estimates and underlying assumptions are reviewed on an on-going basis.

Significant estimation is applied in determining the following:

— Financial instruments (see Note 19. Financial Instruments): In accordance with IFRS 9, Financial Instruments ("IFRS 9"), the Group carries certain financial assets and financial liabilities at fair value, with changes in fair value through profit and loss ("FVTPL"). Valuation of the aforementioned financial instruments includes determining the appropriate valuation methodology and making certain estimates such as the equity value of an entity and the probability of entering into an initial public offering.

Significant judgement is also applied in determining the following:

— Whether financial instruments should be classified as liability or equity (see Note 17. Subsidiary Preferred Shares). The judgement includes an assessment of whether the financial instruments include contractual obligations of the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party, and whether those obligations could be settled by the Group exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments. Further information about these critical judgments and estimates is included below under Financial Instruments.
— Whether the power to control investees exists (see Note 5. Investments Held at Fair Value, Note 6. Investments in Associates and Note 8. Gain/(loss) on Deconsolidation of Subsidiary and accounting policy with regard to Subsidiaries below). The judgement includes an assessment of whether the Group has (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of its own returns. The Group considers among others its voting shares, shareholder agreements, ability to appoint board members, representation on the board, rights to appoint management, de facto control, and investee dependence on the Group. If the power to control the investee exists, it consolidates the financial statements of such investee in the Consolidated Financial Statements of the Group. Upon issuance of new shares in an investee and/or a change in any shareholders or governance agreements, the Group reassesses its ability to control the investee based on the revised voting interest, revised board composition and revised subsidiary governance and management structure. When such new circumstances result in the Group losing its power to control the investee, the investee is deconsolidated.
— Whether the Group has significant influence over financial and operating policies of investees in order to determine if the Group should account for its investment as an associate based on IAS 28 *Investments in Associates and Joint Ventures* ("IAS 28") or a financial instrument based on IFRS 9 (refer to Note 5. Investments Held at Fair Value and Note 6. Investments in Associates). This judgement includes, among others, an assessment whether the Group has representation on the board of directors of the investee, whether the Group participates in the policy making processes of the investee, whether there is any interchange of managerial personnel, whether there is any essential technical information provided to the investee and if there are any transactions between the Group and the investee.

1. Material Accounting Policies continued

— Upon determining that the Group does have significant influence over the financial and operating policies of an investee, if the Group holds more than a single instrument issued by its equity-accounted investee, judgement is required to determine whether the additional instrument forms part of the investment in the associate, which is accounted for under IAS 28 and scoped out of IFRS 9, or it is a separate financial instrument that falls in the scope of IFRS 9. This judgement includes an assessment of the characteristics of the financial instrument of the investee held by the Group and whether such financial instrument provides access to returns underlying an ownership interest.
— When the Group has other investments in an equity accounted investee that are not accounted for under IAS 28, judgement is required in determining if such investments constitute long-term interests ("LTI") for the purposes of IAS 28. This determination is based on the individual facts and circumstances and characteristics of each investment, but is driven, among other factors, by the intention and likelihood to settle the instrument through redemption or repayment in the foreseeable future, and whether or not the investment is likely to be converted to common stock or other equity instruments. After considering the individual facts and circumstances of the Group's investment in its associate's preferred stock in the manner described above, including the long-term nature of such investment, the ability of the Group to convert its preferred stock investment to an investment in common shares and the likelihood of such conversion, the Group concluded that such investment was considered a long-term interest.
— In determining the appropriate accounting treatment for the Royalty Purchase Agreement during 2023, management applied significant judgement (refer to Note 18. Sale of Future Royalties Liability).

As of December 31, 2025, the Group had cash and cash equivalents of $252,470 and short-term investments of $24,829. Considering the Group's financial position as of December 31, 2025, and its principal risks and opportunities, the Group prepared a going concern analysis covering a period of at least the twelve-month period from the date of signing the Consolidated Financial Statements ("the going concern period") utilizing realistic scenarios and applying a severe but plausible downside scenario. Even under the downside scenario, the analysis demonstrates the Group continues to maintain sufficient liquidity headroom and continues to comply with all financial obligations. The Board of Directors believe the Group and the Parent is adequately resourced to continue in operational existence for at least the twelve-month period from the date of signing the Consolidated Financial Statements. Accordingly, the Board of Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements and the PureTech Health plc Financial Statements.

Basis of consolidation

The Consolidated Financial Statements as of December 31, 2025 and 2024, and for each of the years ended December 31, 2025, 2024 and 2023, comprise PureTech Health plc and its consolidated subsidiaries. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.

Subsidiaries

As used in these financial statements, the term subsidiaries refers to entities that are controlled by the Group. Under applicable accounting rules, the Group controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights, board representation, shareholders' agreements, ability to appoint board of directors and management, de facto control and other related factors. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests ("NCI") in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

A list of all current and former subsidiaries organized with respect to classification as of December 31, 2025, and the Group's total voting percentage, based on outstanding voting common and preferred shares as of December 31, 2025, 2024 and 2023, is outlined below. All current subsidiaries are domiciled within the United States and conduct business activities solely within the United States.

Notes to the Consolidated Financial Statements continued

1. Material Accounting Policies continued

	Voting percentage at December 31, through the holdings in					
	2025		2024		2023	
Subsidiary	**Common**	**Preferred**	Common	Preferred	Common	Preferred
Subsidiary operating companies						
Gallop Oncology, Inc. (Indirectly Held through PureTech LYT) [1, 2]	**100.0**	**—**	100.0	—	N/A	N/A
Entrega, Inc. (indirectly held through Enlight)[2]	**—**	**77.3**	—	77.3	—	77.3
PureTech LYT, Inc. (formerly Ariya Therapeutics, Inc.)[2]	**—**	**100.0**	—	100.0	—	100.0
PureTech LYT 100, Inc.[2]	**—**	**100.0**	—	100.0	—	100.0
PureTech Management, Inc.[3]	**100.0**	**—**	100.0	—	100.0	—
PureTech Health LLC[3]	**100.0**	**—**	100.0	—	100.0	—
Deconsolidated former subsidiary operating companies						
Sonde Health, Inc.[2, 4, 6]	**—**	**40.2**	—	40.2	—	40.2
Akili Interactive Labs, Inc.[2, 5, 6]	**—**	**—**	—	—	14.6	—
Gelesis, Inc. [2, 8]	**—**	**—**	—	—	—	—
Seaport Therapeutics, Inc. [1, 2, 4, 6]	**0.8**	**42.1**	0.8	42.1	N/A	N/A
SPTX, Inc. (held Indirectly through Seaport) [1, 2, 4, 6]	**0.8**	**42.1**	0.8	42.1	N/A	N/A
Karuna Therapeutics, Inc.[2, 5, 6]	**—**	**—**	—	—	2.3	—
Vedanta Biosciences, Inc.[2, 4, 6]	**0.2**	**4.8**	—	46.9	—	47.0
Vedanta Biosciences Securities Corp. (indirectly held through Vedanta)[2, 4, 6]	**0.2**	**4.8**	—	46.9	—	47.0
Vor Biopharma Inc.[2, 5, 6]	**—**	**—**	2.1	—	3.9	—
Non-trading holding companies						
Endra Holdings, LLC (held indirectly through Enlight)[2]	**86.0**	**—**	86.0	—	86.0	—
Ensof Holdings, LLC (held indirectly through Enlight)[2, 7]	**—**	**—**	—	—	86.0	—
PureTech Securities Corp.[2]	**100.0**	**—**	100.0	—	100.0	—
PureTech Securities II Corp.[2]	**100.0**	**—**	100.0	—	100.0	—
Inactive subsidiaries						
Alivio Therapeutics, Inc.[2]	**—**	**100.0**	—	100.0	—	100.0
Appeering, Inc.[2, 7]	**—**	**—**	—	—	—	100.0
Commense Inc.[2, 7]	**—**	**—**	—	—	—	99.1
Enlight Biosciences, LLC[2]	**86.0**	**—**	86.0	—	86.0	—
Ensof Biosystems, Inc. (held indirectly through Enlight)[2, 7]	**—**	**—**	—	—	57.7	28.3
Follica, LLC [2]	**28.7**	**56.7**	28.7	56.7	28.7	56.7
Knode Inc. (indirectly held through Enlight)[2, 7]	**—**	**—**	—	—	—	86.0
Libra Biosciences, Inc.[2, 7]	**—**	**—**	—	—	—	100.0
Mandara Sciences, LLC[2, 7]	**—**	**—**	—	—	98.3	—
Tal Medical, LLC.[2, 7]	**—**	**—**	—	—	—	100.0

1 In January 2024, the Group launched two new Founded Entities (Seaport Therapeutics and Gallop Oncology) to advance certain programs from the Wholly-Owned programs segment.
2 Registered address is Corporation Trust Center, 1209 Orange St., Wilmington, DE 19801, USA.
3 Registered address is 2711 Centerville Rd., Suite 400, Wilmington, DE 19808, USA.
4 On October 18, 2024, the Group lost control over Seaport. On March 1, 2023, the Group lost control over Vedanta. On May 25, 2022, the Group lost control over Sonde. Seaport, Vedanta and Sonde were deconsolidated from the Group's financial statements, resulting in only the profits and losses generated by these entities through the deconsolidation date being included in the Group's Consolidated Statement of Comprehensive Income/(Loss). See Notes 8. Gain/(loss) on Deconsolidation of Subsidiary, 5. Investments Held at Fair Value and 6. Investments in Associates for further details about the accounting for the investments in these entities subsequent to deconsolidation.
5 The Group's investments in Akili and Karuna were disposed of in 2024. The Group's investments in Vor were disposed of in 2025.
6 See Notes 5. Investments Held at Fair Value for additional discussion on the Group's investment held in these entities.
7 Inactive subsidiary dissolved in November 2024.
8 On October 30, 2023, Gelesis ceased operations and filed a voluntary petition for relief under the United States bankruptcy code.

Change in Subsidiary Ownership and Loss of Control

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Where the Group loses control of a subsidiary, the assets and liabilities are derecognized along with any related non-controlling interest. Any interest retained in the former subsidiary is measured at fair value when control is lost. Any resulting gain or loss is recognized as profit or loss in the Consolidated Statement of Comprehensive Income/(Loss).

Notes to the Consolidated Financial Statements continued

1. Material Accounting Policies continued

Associates
As used in the Consolidated Financial Statements, the term associates are those entities in which the Group has no control but maintains significant influence over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of an entity, unless it can be clearly demonstrated that this is not the case. The Group evaluates if it maintains significant influence over associates by assessing if the Group has the power to participate in the financial and operating policy decisions of the associate.

Application of the Equity Method to Associates
Associates are accounted for using the equity method (equity accounted investees) and are initially recognized at cost, or if recognized upon deconsolidation, they are initially recorded at fair value at the date of deconsolidation. The Consolidated Financial Statements include the Group's share of the total comprehensive income or loss of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases.

To the extent the Group holds interests in associates that are not providing access to returns underlying ownership interests, the instrument is accounted for in accordance with IFRS 9 as investments held at fair value.

When the Group's share of losses exceeds its equity method investment in the investee, losses are applied against long-term interests, which are investments accounted for under IFRS 9. Investments are determined to be long-term interests when they are long-term in nature and in substance they form part of the Group's net investment in that associate. This determination is impacted by many factors, among others, whether settlement by the investee through redemption or repayment is planned or likely in the foreseeable future, whether the investment can be converted and/or is likely to be converted to common stock or other equity instrument and other factors regarding the nature of the investment. Whilst this assessment is dependent on many specific facts and circumstances of each investment, typically conversion features whereby the investment is likely to convert to common stock or other equity instruments would point to the investment being a long-term interest. Similarly, where the investment is not planned or likely to be settled through redemption or repayment in the foreseeable future, this would indicate that the investment is a long-term interest. When the net investment in the associate, which includes the Group's investments in other long-term interests, is reduced to nil, recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

The Group has adopted the amendments to IAS 28 that addresses the dual application of IAS 28 and IFRS 9 when equity method losses are applied against long-term interests. The amendments provide the annual sequence in which both standards are to be applied in such a case. The Group has applied the equity method losses to the long-term interests presented as part of Investments held at fair value subsequent to remeasuring such investments to their fair value at the balance sheet date.

Sale of Future Royalties Liability
The Group accounts for the sale of future royalties liability as a financial liability, as it continues to hold the rights under the royalty bearing licensing agreement and has a contractual obligation to deliver cash to an investor for a portion of the royalty it receives. Interest on the sale of future royalties liability is recognized using the effective interest rate over the life of the related royalty stream.

The sale of future royalties liability and the related interest expense are based on the Group's current estimates of future royalties expected to be paid over the life of the arrangement. Forecasts are updated periodically as new data is obtained. Any increases, decreases or a shift in timing of estimated cash flows require the Group to re-calculate the amortized cost of the sale of future royalties liability as the present value of the estimated future contractual cash flows that are discounted at the liability's original effective interest rate. The adjustment is recognized immediately in profit or loss as income or expense.

Financial Instruments
Classification
The Group classifies its financial assets in the following measurement categories:

— Those to be measured subsequently at fair value either through other comprehensive income "FVOCI", or through profit or loss "FVTPL", and
— Those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are recorded in profit or loss.

Measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets that are carried at FVTPL are expensed.

Impairment
The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Financial Assets
The Group's financial assets consist of cash and cash equivalents, investments in debt securities, trade and other receivables, investments in notes from associates, restricted cash deposits and investments in equity securities. The Group's financial assets are virtually all classified into the following categories: investments held at fair value, investments in notes from associates, trade and other receivables, short-term investments and cash and cash equivalents. The Group determines the classification of financial assets at initial recognition depending on the purpose for which the financial assets were acquired.

1. Material Accounting Policies continued

Investments held at fair value are investments in equity instruments. Such investments consist of the Group's minority interest holdings where the Group has no significant influence or preferred share investments that are not providing access to returns underlying ownership interests and are categorized as debt instruments that are presented at fair value through profit and loss because the amounts receivable do not represent solely payments of principal and interest. These financial assets are initially measured at fair value and subsequently re-measured at fair value at each reporting date. The Group has elected to record the changes in fair values for the financial assets falling under this category through profit and loss. Please refer to Note 5. Investments Held at Fair Value.

Changes in the fair value of financial assets at FVTPL are recognized in other income/(expense) in the Consolidated Statement of Comprehensive Income/(Loss) as applicable.

The investments in notes from associates, since their contractual terms do not consist solely of cash flow payments of principal and interest on the principal amount outstanding, are initially and subsequently measured at fair value, with changes in fair value recognized through profit and loss.

Cash and cash equivalents consist of demand deposits with banks and other financial institutions and highly liquid instruments with original maturities of three months or less at the date of purchase. Cash and cash equivalents are carried at cost, which approximates their fair value.

Short-term investments consist of short-term US treasury bills that are held to maturity. The contractual terms consist solely of payment of the principal and interest and the Group's business model is to hold the treasury bills to maturity. As such, such short-term investments are recorded at amortized cost. As of the balance sheet date, amortized cost approximated the fair value of such short-term investments.

Trade and other receivables are non-derivative financial assets with fixed and determinable payments that are not quoted on active markets. These financial assets are carried at the amounts expected to be received less any expected lifetime losses. Such losses are determined taking into account previous experience, credit rating and economic stability of counterparty and economic conditions. When a trade receivable is determined to be uncollectible, it is written off against the available provision. As of the balance sheet date, the Group did not record any such expected lifetime losses related to the outstanding trade and other receivable balances. Trade and other receivables are included in current assets, unless maturities are greater than 12 months after the end of the reporting period.

Financial Liabilities

The Group’s financial liabilities primarily consist of trade and other payables, and preferred shares.

The majority of the Group’s subsidiaries have preferred shares and certain notes payable with embedded derivatives, which are classified as current liabilities. When the Group has preferred shares and notes with embedded derivatives that qualify for bifurcation, the Group has elected to account for the entire instrument as FVTPL after determining under IFRS 9 that the instrument qualifies to be accounted for under such FVTPL method.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Equity Instruments Issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions, in accordance with IAS 32:

1 They include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavorable to the Group; and
2 Where the instrument will or may be settled in the Group’s own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group’s own equity instruments or is a derivative that will be settled by the Group exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the financial instrument is classified as a financial liability. Where the instrument so classified takes the legal form of the Group’s own shares, the amounts presented in the Group's shareholders' equity exclude amounts in relation to those shares.

Changes in the fair value of liabilities at FVTPL are recognized in net finance income/(costs) in the Consolidated Statement of Comprehensive Income/(Loss) as applicable.

IFRS 15, Revenue from Contracts with Customers

The standard establishes a five-step principle-based approach for revenue recognition and is based on the concept of recognizing an amount that reflects the consideration for performance obligations only when they are satisfied, and the control of goods or services is transferred.

The majority of the Group’s contract revenue is generated from licenses and services, some of which are part of collaboration arrangements.

Management reviewed contracts where the Group received consideration in order to determine whether or not they should be accounted for in accordance with IFRS 15. To date, the Group has entered into transactions that generate revenue and meet the scope of either IFRS 15 or IAS 20 Accounting for Government Grants. Contract revenue is recognized at either a point-in-time or over time, depending on the nature of the performance obligations.

1. Material Accounting Policies continued

The Group accounts for agreements that meet the definition of IFRS 15 by applying the following five step model:

— Identify the contract(s) with a customer – A contract with a customer exists when (i) the Group enters into an enforceable contract with a customer that defines each party's rights regarding the goods or services to be transferred and identifies the payment terms related to those goods or services, (ii) the contract has commercial substance and, (iii) the Group determines that collection of substantially all consideration for goods or services that are transferred is probable based on the customer's intent and ability to pay the promised consideration.
— Identify the performance obligations in the contract – Performance obligations promised in a contract are identified based on the goods or services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the good or service either on its own or together with other resources that are readily available from third parties or from the Group, and are distinct in the context of the contract, whereby the transfer of the goods or services is separately identifiable from other promises in the contract.
— Determine the transaction price – The transaction price is determined based on the consideration to which the Group will be entitled in exchange for transferring goods or services to the customer. To the extent the transaction price includes variable consideration, the Group estimates the amount of variable consideration that should be included in the transaction price utilizing either the expected value method or the most likely amount method depending on the nature of the variable consideration. Variable consideration is included in the transaction price if, in the Group's judgement, it is probable that a significant future reversal of cumulative revenue under the contract will not occur.
— Allocate the transaction price to the performance obligations in the contract – If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price basis.
— Recognize revenue when (or as) the Group satisfies a performance obligation – The Group satisfies performance obligations either over time or at a point in time as discussed in further detail below. Revenue is recognized at the time the related performance obligation is satisfied by transferring a promised good or service to a customer.

Revenue generated from services agreements (typically where licenses and related services were combined into one performance obligation) is determined to be recognized over time when it can be determined that the services meet one of the following: (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; (b) the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

It was determined that the Group has contracts that meet criteria (a), since the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Therefore, revenue is recognized over time using the input method based on costs incurred to date as compared to total contract costs. The Group believes that in research and development service type agreements using costs incurred to date represents the most faithful depiction of the entity's performance towards complete satisfaction of a performance obligation.

Revenue from licenses that are not part of a combined performance obligation are recognized at a point in time. Such licenses relate to intellectual property that has significant stand-alone functionality and as such represent a right to use the entity's intellectual property as it exists at the point in time at which the license is granted.

Royalty revenue received in respect of licensing agreements when the license of intellectual property is the predominant item in the arrangement is recognized as the related third-party sales in the licensee occur.

Amounts that are receivable or have been received per contractual terms but have not been recognized as revenue since performance has not yet occurred or has not yet been completed are recorded as deferred revenue. The Group classifies as non-current deferred revenue amounts received for which performance is expected to occur beyond one year or one operating cycle.

Grant Revenue

The Group recognizes grants from governmental agencies as grant revenue in the Consolidated Statement of Comprehensive Income/(Loss), gross of the expenditures that were related to obtaining the grant, when there is reasonable assurance that the Group will comply with the conditions within the grant agreement and there is reasonable assurance that payments under the grants will be received. The Group evaluates the conditions of each grant as of each reporting date to ensure that the Group has reasonable assurance of meeting the conditions of each grant arrangement and that it is expected that the grant payment will be received as a result of meeting the necessary conditions.

The Group submits qualifying expenses for reimbursement after the Group has incurred the research and development expense. The Group records an unbilled receivable upon incurring such expenses. In cases in which the grant revenue is received prior to the expenses being incurred or recognized, the amounts received are deferred until the related expense is incurred and/or recognized. Grant revenue is recognized in the Consolidated Statement of Comprehensive Income/(Loss) at the time in which the Group recognizes the related reimbursable expense for which the grant is intended to compensate.

Functional and Presentation Currency

The Consolidated Financial Statements are presented in United States dollars ("US dollars"). The functional currency of all members of the Group is the U.S. dollar. The Group's share in foreign exchange differences in associates were reported in other comprehensive income/(loss).

Notes to the Consolidated Financial Statements continued

1. Material Accounting Policies continued

Foreign Currency
Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on remeasurement are recognized in the Consolidated Statement of Comprehensive Income/(Loss). Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Share Capital
Ordinary shares are classified as equity. The Group's equity is comprised of share capital, share premium, merger reserve, other reserve, translation reserve, and retained earnings/accumulated deficit.

Treasury Shares
Treasury shares acquired as a result of repurchasing shares are recognized at cost and are deducted from shareholders' equity. No gain or loss is recognized in profit and loss for the purchase, sale, re-issue or cancellation of the Group's own equity shares. The nominal value related to shares that are repurchased and cancelled are reduced from share capital and transferred to a capital redemption reserve.

Property and Equipment
Property and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Assets under construction represent leasehold improvements and machinery and equipment to be used in operations or research and development activities. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Depreciation is calculated using the straight-line method over the estimated useful life of the related asset:

Laboratory and manufacturing equipment	2-8 years
Furniture and fixtures	7 years
Computer equipment and software	1-5 years
Leasehold improvements	5-10 years, or the remaining term of the lease, if shorter

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Intangible Assets
Intangible assets, which include purchased patents and licenses with finite useful lives, are carried at historical cost less accumulated amortization, if amortization has commenced. Intangible assets with finite lives are amortized from the time they are available for their intended use. Amortization is calculated using the straight-line method to allocate the costs of patents and licenses over their estimated useful lives.

Research and development intangible assets, which are still under development and have accordingly not yet obtained marketing approval, are presented as In-Process Research and Development (IPR&D). The cost of IPR&D represents upfront payments as well as additional contingent payments based on development, regulatory and sales milestones related to certain license agreement where the Group licenses IP from a third party. These milestones are capitalized as the milestone is triggered. See Note 25. Commitments and Contingencies. IPR&D is not amortized since it is not yet available for its intended use, but it is evaluated for potential impairment on an annual basis or more frequently when facts and circumstances warrant.

Impairment of Non-Financial Assets
The Group reviews the carrying amounts of its property and equipment and intangible assets at each reporting date to determine whether there are indicators of impairment. If any such indicators of impairment exist, then an asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use.

The Group's IPR&D intangible assets are not yet available for their intended use. As such, they are tested for impairment at least annually.

An impairment loss is recognized when an asset's carrying amount exceeds its recoverable amount. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are largely independent cash flows. If a non-financial asset instrument is impaired, an impairment loss is recognized in the Consolidated Statement of Comprehensive Income/(Loss).

Investments in associates are considered impaired if, and only if, objective evidence indicates that one or more events, which occurred after the initial recognition, have had an impact on the future cash flows from the net investment and that impact can be reliably estimated. If an impairment exists, the Group measures an impairment by comparing the carrying value of the net investment in the associate to its recoverable amount and recording any excess as an impairment loss.

Employee Benefits
Short-Term Employee Benefits
Short-term employee benefit obligations are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation due to past service provided by the employee, and the obligation can be estimated reliably.

Defined Contribution Plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the periods during which related services are rendered by employees.

1. Material Accounting Policies continued

Share-based Payments

Share-based payment arrangements, in which the Group receives goods or services as consideration for its own equity instruments, are accounted for as equity-settled share-based payment transactions (except certain restricted stock units – see below) in accordance with IFRS 2. The grant date fair value of employee share-based payment awards is recognized as an expense with a corresponding increase in equity over the requisite service period related to the awards. The amount recognized as an expense is adjusted to reflect the actual number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with market conditions, the grant date fair value is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Certain restricted stock units are treated as liability settled awards as the Group has a historical practice of settling these awards in cash. Such awards are remeasured at every reporting date until settlement date and are recognized as compensation expense over the requisite service period. Differences in remeasurement are recognized in profit and loss. The cumulative cost that will ultimately be recognized in respect of these awards will equal to the amount at settlement.

The fair value of the awards is measured using option pricing models and other appropriate models, which take into account the terms and conditions of the awards granted.

Development Costs

Expenditures on research activities are recognized as incurred in the Consolidated Statement of Comprehensive Income/(Loss). In accordance with IAS 38, development costs are capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, the Group can demonstrate its ability to use or sell the intangible asset, the Group intends to and has sufficient resources to complete development and to use or sell the asset, and it is able to measure reliably the expenditure attributable to the intangible asset during its development. The point at which technical feasibility is determined to have been reached is, generally, when regulatory approval has been received where applicable. Management determines that commercial viability has been reached when a clear market and pricing point have been identified, which may coincide with achieving meaningful recurring sales. Otherwise, the development expenditure is recognized as incurred in the Consolidated Statement of Comprehensive Income/(Loss). As of the balance sheet date, the Group has not capitalized any development costs.

Provisions

A provision is recognized in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation due to a past event that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Leases

The Group's leases are virtually all leases of real estate for use in operations. The Group includes options that are reasonably certain to be exercised as part of the determination of the lease term. The group determines if an arrangement is a lease at inception of the contract in accordance with guidance detailed in IFRS 16. Right-of-use ("ROU") assets represent the Group's right to use an underlying asset for the lease term and lease liabilities represent the Group's obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at commencement date based on the present value of the lease payments over the lease term. As most of the Group's leases do not provide an implicit rate, the Group used its estimated incremental borrowing rate, based on information available at commencement date, in determining the present value of future payments.

The Group has elected to account for lease payments as an expense on a straight-line basis over the life of the lease for:

— Leases with a term of 12 months or less and containing no purchase options; and
— Leases where the underlying asset has a value of less than $5,000.

The right-of-use asset is depreciated on a straight-line basis and the related lease liability gives rise to an interest charge.

Finance Income and Finance Costs

Finance income consists of interest income on funds invested in money market funds and U.S. treasuries. Finance income is recognized as it is earned. Finance costs consist mainly of loan, notes and lease liability interest expenses, interest expense due to accretion of and adjustment to sale of future royalties liability as well as the changes in the fair value of financial liabilities carried at FVTPL (such changes can consist of finance income when the fair value of such financial liabilities decrease).

Taxation

Tax on the profit or loss for the year comprises current and deferred income tax. In accordance with IAS 12, tax is recognized in the Consolidated Statement of Comprehensive Income/(Loss) except to the extent that it relates to items recognized directly in equity.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets with respect to investments in associates are recognized only to the extent that it is probable the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Notes to the Consolidated Financial Statements continued

1. Material Accounting Policies continued

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Fair Value Measurements

The Group's accounting policies require that certain financial assets and certain financial liabilities be measured at their fair value.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

— Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
— Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
— Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The carrying amount of cash and cash equivalents, accounts receivable, restricted cash, deposits, accounts payable, accrued expenses and other current liabilities in the Group's Consolidated Statement of Financial Position approximates their fair value because of the short maturities of these instruments.

Operating Segments

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM reviews discrete financial information for the operating segments in order to assess their performance and is responsible for making decisions about resources allocated to the segments. The CODM has been identified as the Group's Board of Directors.

2. New Standards and Interpretations

The Group has applied the IFRS Interpretations Committee ("Committee")'s agenda decision published by the International Accounting Standards Board in July 2024, for the first time for its reporting period ended December 31, 2025. This Committee agenda decision clarifies certain requirements for disclosure of revenue and expenses for reporting segments under IFRS 8, Operating Segments. The adoption of this Committee agenda decision did not have any impact on the amounts recognized or disclosed in prior and current periods.

In April 2024, IFRS 18, *Presentation and Disclosure in Financial Statements* was issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1 *Presentation of Financial Statements,* impacts the presentation of primary financial statements and notes, including the statement of earnings where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Group is currently assessing the impact of the new standard.

In May 2024, Amendments to IFRS 9 and IFRS 7, Targeted Improvements to Financial Instruments Standards, was issued to clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The standard is effective for annual reporting periods beginning on or after January 1, 2026, including interim financial statements, and requires prospective application. The Group does not expect these amendments to have a material impact on the Group's Consolidated Financial Statements.

On July 18, 2024, IASB issued five standards as a result of IASB's annual improvements project. IASB uses the annual improvements process to make necessary, but non-urgent, amendments to IFRS Accounting Standards that will not be included as part of another major project. The amended standards are: IFRS 1 – First-time Adoption of International Financial Reporting Standards, IFRS 7 and its accompanying Guidance on implementing IFRS 7, IFRS 9, IFRS 10 – Consolidated Financial Statements and IAS 7 – Statement of Cash Flows. The effective date for adoption of these amendments is annual reporting periods beginning on or after January 1, 2026, and early adoption is permitted. The Group does not expect these amendments to have a material impact on the Group's Consolidated Financial Statements.

Notes to the Consolidated Financial Statements continued

3. Revenue

Revenue recorded in the Consolidated Statement of Comprehensive Income/(Loss) consists of the following:

For the years ended December 31,	**2025 $**	2024 $	2023 $
Contract revenue	**4,659**	4,315	750
Grant revenue	**—**	513	2,580
Total revenue	**4,659**	4,828	3,330

All amounts recorded in contract revenue were generated in the United States.

During the years ended December 31, 2025, and 2024 the Group recognized $4,659 and $315, respectively in royalty revenue pursuant to a license agreement executed in 2011 with Karuna Therapeutics, Inc. ("Karuna"). Under the terms of the license agreement, Karuna and its acquirer Bristol Myers Squibb ("BMS") pays the Group a royalty that amounts to 3% of annual net sales of Cobenfy.

During the year ended December 31, 2024, the Group achieved and received a $4,000 milestone payment from BMS following the approval by the U.S. Food and Drug Administration ("FDA") to market KarXT as Cobenfy, pursuant to the license agreement discussed above. This milestone payment was recognized as contract revenue during the year ended December 31, 2024.

The Group's contract related to contract revenue for the year ended December 31, 2023 was determined to have a single performance obligation which consisted of a deliverable of research and development services. For such contract, revenue was recognized over time based on the input method which the Group believes is a faithful depiction of the transfer of goods and services. Progress was measured based on costs incurred to date as compared to total projected costs. Payments for such contract were primarily made up-front on a periodic basis.

Disaggregated Revenue

The Group disaggregates contract revenue in a manner that depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The Group disaggregates revenue based on contract revenue or grant revenue, and further disaggregates contract revenue based on the transfer of control of the underlying performance obligations.

Timing of contract revenue recognition for the years ended December 31,	**2025 $**	2024 $	2023 $
Transferred at a point in time	**4,659**	4,315	—
Transferred over time	**—**	—	750
	4,659	4,315	750

Customers over 10% of revenue	**2025 $**	2024 $	2023 $
Customer A	**—**	—	750
Customer B	**4,659**	4,315	—
	4,659	4,315	750

Accounts receivable represent rights to consideration in exchange for services that have been transferred by the Group, when payment is unconditional and only the passage of time is required before payment is due. Accounts receivable do not bear interest and are recorded at the invoiced amount. Accounts receivable are included within trade and other receivables on the Consolidated Statement of Financial Position. The accounts receivable related to contract revenue were $1,517 and $868 as of December 31, 2025 and 2024, respectively.

4. Segment Information

Basis for Segmentation

The Directors are the Group's chief operating decision-makers. The Group's operating segments are determined based on the financial information provided to the Board of Directors periodically for the purposes of allocating resources and assessing performance. The Group has determined each of its Wholly-Owned programs represents an operating segment and the Group has aggregated each of these operating segments into one reportable segment, the Wholly-Owned segment. Each of the Group's Controlled Founded Entities represents an operating segment. The Group aggregates each Controlled Founded Entity operating segment into one reportable segment, the Controlled Founded Entities segment. The aggregation is based on the high level of operational and financial similarities of the operating segments. For the Group's entities that do not meet the definition of an operating segment, the Group presents this information in the Parent Company and Other column in its segment footnote to reconcile the information in this footnote to the Consolidated Financial Statements. Substantially all of the Group's revenue and profit generating activities are generated within the United States and, accordingly, no geographical disclosures are provided.

Following is the description of the Group's reportable segments:

Wholly-Owned Segment

The Wholly-Owned segment is advancing Wholly-Owned programs which are focused on treatments for patients with devastating diseases. The Wholly-Owned segment is comprised of the technologies that are wholly-owned and will be advanced through with either the Group's funding or non-dilutive sources of financing. The operational management of the Wholly-Owned segment is conducted by the PureTech Health team, which is responsible for the strategy, business development, and research and development.

Controlled Founded Entities Segment

The Controlled Founded Entities segment is comprised of the Group's consolidated operational subsidiaries as of December 31, 2025 that either have, or have plans to hire, independent management teams and currently have already raised third-party dilutive capital. These subsidiaries have active research and development programs and have an equity or debt investment partner, who will provide additional industry knowledge and access to networks, as well as additional funding to continue the pursued growth of the entity.

The Group's entities that were determined not to meet the definition of an operating segment are included in the Parent Company and Other column to reconcile the information in this footnote to the Consolidated Financial Statements. This column captures activities not directly attributable to the Group's operating segments and includes the activities of the Parent, corporate support functions, certain research and development support functions that are not directly attributable to a strategic business segment as well as the elimination of intercompany transactions. This column also captures the operating results for the deconsolidated entities through the date of deconsolidation (e.g. Seaport in 2024, and Vedanta in 2023) and accounting for the Group's holdings in Founded Entities for which control has been lost, which primarily represent: the activity associated with deconsolidating an entity when the Group no longer controls the entity, the gain or loss on the Group's investments accounted for at fair value (e.g. the Group's ownership stakes in Seaport, Vedanta, and Sonde) and the Group's net income or loss of associates accounted for using the equity method.

The term "Founded Entities" refers to entities which the Group incorporated and announced the incorporation as a Founded Entity externally. It includes certain of the Group's wholly-owned subsidiaries which have been announced by the Group as Founded Entities, Controlled Founded Entities and deconsolidated Founded Entities.

Changes within the Reportable Segments

There was no change to the reportable segments in 2025 or 2024, except for the changes to the composition of the reportable segments as described below.

In August 2025, the Group announced a new Founded Entity, Celea Therapeutics ("Celea") to advance our deupirfenidone (LYT-100) program if external funding is secured. The financial results of this program, which is currently housed within PureTech LYT 100, Inc. were included in the Wholly-Owned segment as of and for the year ended December 31, 2025. Upon raising dilutive third-party financing, the financial results of this program will be included in the Controlled Founded Entities segment or Parent and Other column depending on if the Group maintains control over this entity.

In January 2024, the Group launched two new Founded Entities (Seaport Therapeutics "Seaport" and Gallop Oncology "Gallop") to advance certain programs from the Wholly-Owned segment. The financial results of these programs were included in the Wholly-Owned segment as of and for the year ended December 31, 2023.

Seaport was deconsolidated on October 18, 2024 upon the completion of its Series B preferred share financing. The financial results of Seaport through the date of deconsolidation are included within the Parent Company and Other column as of December 31, 2024. It is impracticable for the Group to recast its segment results for the year ended December 31, 2023 as the cost to develop the information would be excessive. However, as Seaport is a pre-commercial, clinical-stage biopharmaceutical company, it primarily performs research and development activities. Seaport incurred direct research and development expenses of $8,843 for the year ended December 31, 2023, which are included in the Wholly-Owned segment. Seaport incurred direct research and development expenses of $5,061 for the year ended December 31, 2024, prior to its deconsolidation from the Group's Consolidated Financial Statements.

As Gallop has not raised dilutive third-party financing as of December 31, 2025, the financial results of Gallop were included in the Wholly-Owned segment as of and for the years ended December 31, 2025 and 2024.

As of December 31, 2024, Alivio was dormant and did not meet the definition of operating segment. Therefore, the financial results of Alivio were removed from the Wholly-Owned segment and are included in the Parent Company and Other column. The corresponding information for 2023 has been restated to include Alivio in the Parent Company and Other column so that the segment disclosures are presented on a comparable basis.

Notes to the Consolidated Financial Statements continued

4. Segment Information continued

The Group's Board of Directors reviews segment performance and allocates resources based upon revenue, operating loss as well as the funds available for each segment. The Board of Directors does not review any other information for purposes of assessing segment performance or allocating resources.

	For the year ended December 31, 2025			
	Wholly-Owned Segment $	Controlled Founded Entities Segment $	Parent Company and Other $	Consolidated $
Contract revenue	—	—	**4,659**	**4,659**
Total revenue	**—**	**—**	**4,659**	**4,659**
General and administrative expenses	**(11,401)**	**(120)**	**(35,097)**	**(46,618)**
Research and development expenses	**(55,900)**	**(701)**	**34**	**(56,567)**
Total operating expenses	**(67,301)**	**(821)**	**(35,063)**	**(103,185)**
Operating income/(loss)	**(67,301)**	**(821)**	**(30,405)**	**(98,527)**
Income/(expenses) not allocated to segments				
Other income/(expense):				
Gain/(loss) on investment held at fair value				**38,485**
Realized gain/(loss) on sale of investments				**375**
Gain/(loss) on investment in notes from associates				**(3,628)**
Other income/(expense)				**1,331**
Total other income/(expense)				**36,564**
Net finance income/(costs)				**(32,735)**
Share of net income/(loss) of associates accounted for using the equity method				**(17,928)**
Gain on dilution of ownership interest in associate				**1,699**
Income/(loss) before taxes				**(110,927)**
	As of December 31, 2025			
Available Funds				
Cash and cash equivalents	**6,361**	**116**	**245,993**	**252,470**
Short-term Investments	**—**	**—**	**24,829**	**24,829**
Consolidated cash, cash equivalents and short-term investments	**6,361**	**116**	**270,822**	**277,299**

Notes to the Consolidated Financial Statements continued

4. Segment Information continued

	For the year ended December 31, 2024			
	Wholly-Owned Segment $	Controlled Founded Entities Segment $	Parent Company and Other $	Consolidated $
Contract revenue	—	—	4,315	4,315
Grant revenue	513	—	—	513
Total revenue	513	—	4,315	4,828
General and administrative expenses	(8,888)	(173)	(62,408)	(71,469)
Research and development expenses	(56,849)	(672)	(11,933)	(69,454)
Total operating expenses	(65,737)	(845)	(74,341)	(140,923)
Operating income/(loss)	(65,224)	(845)	(70,026)	(136,095)
Income/(expenses) not allocated to segments				
Other income/(expense):				
Gain on deconsolidation				151,808
Gain/(loss) on investment held at fair value				(2,398)
Realized gain/(loss) on sale of investments				151
Gain/(loss) on investment in notes from associates				13,131
Other income/(expense)				961
Total other income/(expense)				163,652
Net finance income/(costs)				4,773
Share of net income/(loss) of associates accounted for using the equity method				(8,754)
Gain on dilution of ownership interest in associate				199
Income/(loss) before taxes				23,774
	As of December 31, 2024			
Available Funds				
Cash and cash equivalents	9,062	432	271,148	280,641
Short-term Investments	—	—	86,666	86,666
Consolidated cash, cash equivalents and short-term investments	9,062	432	357,814	367,307

	For the year ended December 31, 2023			
	Wholly-Owned Segment $	Controlled Founded Entities Segment $	Parent Company and Other $	Consolidated $
Contract revenue	—	750	—	750
Grant revenue	270	—	2,310	2,580
Total revenue	270	750	2,310	3,330
General and administrative expenses	(13,203)	(562)	(39,530)	(53,295)
Research and development expenses	(87,069)	(672)	(8,494)	(96,235)
Total operating expenses	(100,272)	(1,233)	(48,024)	(149,530)
Operating income/(loss)	(100,002)	(483)	(45,714)	(146,199)
Income/(expenses) not allocated to segments				
Other income/(expense):				
Gain on deconsolidation				61,787
Gain/(loss) on investment held at fair value				77,945
Realized gain/(loss) on sale of investments				(122)
Gain/(loss) on investment in notes from associates				(27,630)
Other income/(expense)				(908)
Total other income/(expense)				111,072
Net finance income/(costs)				5,078
Share of net income/(loss) of associates accounted for using the equity method				(6,055)
Income/(loss) before taxes				(36,103)

5. Investments Held at Fair Value

Investments held at fair value include both unlisted and listed securities held by the Group. These investments, which include interests in Seaport, Vedanta and Sonde along with other insignificant investments as of December 31, 2025, are initially measured at fair value, and are subsequently re-measured at fair value at each reporting date with changes in fair value recorded through profit and loss. See Note 19. Financial Instruments for information regarding the valuation of these instruments. Activities related to such investments during the periods are shown below:

Investments held at fair value	Balance under IFRS 9 $	Equity method loss recorded against LTI $	Carrying Amount $
Balance as of January 1, 2024	**317,841**		**317,841**
Sale of Karuna shares	(292,672)		(292,672)
Investment in Seaport preferred shares - Seaport deconsolidation	179,248		179,248
Sale of Akili shares	(5,437)		(5,437)
Gain realized on sale of Karuna shares	151		151
Gain/(loss) – changes in fair value through profit and loss	(2,398)		(2,398)
Equity method losses recorded against LTI, net		(5,307)	(5,307)
Balance as of December 31, 2024	**196,733**	**(5,307)**	**191,426**
Sale of Vor Shares	(2,753)		(2,753)
Gain realized on sale of Vor shares	375		375
Investment in Vedanta preferred shares	888		888
Conversion of Vedanta note to preferred shares	2,836		2,836
Gain/(loss) – changes in fair value through profit and loss	38,485		38,485
Equity method losses recorded against LTI, net		(13,831)	(13,831)
Balance as of December 31, 2025	**236,564**	**(19,138)**	**217,426**

Seaport

On October 18, 2024, Seaport Therapeutics, Inc. ("Seaport") completed a Series B preferred share financing, which resulted in the Group's voting interest being below 50% and the Group losing control over Seaport Board of Directors. Consequently, the Group no longer had the power to direct the relevant Seaport activities. As a result, Seaport was deconsolidated on this date and its results of operations are included in the Consolidated Financial Statements through the date of deconsolidation. See Note 8. Gain/(loss) on Deconsolidation of Subsidiary. Following deconsolidation, the Group still has significant influence in Seaport through its voting interest in Seaport and its remaining representation on Seaport's Board of Directors. Upon deconsolidation, the Group owns 950,000 of common stock, 40,000,000 of Series A-1 preferred stock, 8,421,052 of Series A-2 preferred stock, and 3,031,578 of Series B preferred stock. The common shares are subject to IAS 28 Investments in Associates and Joint Ventures due to the significant influence the Group retained and are accounted for under the equity method. See Note 6. Investments in Associates. The Group's preferred shares do not provide their shareholders with access to returns associated with a residual equity interest and as such, are accounted for under IFRS 9 as investments held at fair value with changes in fair value recorded in profit and loss. Under IFRS 9, the preferred share investments are categorized as debt instruments that are presented at fair value through profit and loss because the amounts receivable do not represent solely payments of principal and interest. As of December 31, 2025 and 2024, these preferred shares had a fair value of $236,003 and $177,288, respectively.

The fair value of the preferred shares is determined by management using a valuation model that utilizes both the market backsolve and probability-weighted expected return methods. The valuation of the investment is categorized as Level 3 in the fair value hierarchy due to the use of significant unobservable inputs, which have a significant effect on the valuation. The significant assumptions in the valuation include the estimated equity value of Seaport and the probability of Seaport entering into an initial public offering. See Note 19. Financial Instruments for valuation of these preferred shares.

During the year ended December 31, 2025 and 2024, the Group recognized a gain of $58,715 and a loss of $1,960 for the changes in the fair value of the investment in Seaport that was included in gain/(loss) on investments held at fair value within the Consolidated Statement of Comprehensive Income/(Loss). For the year ended December 31, 2025, the increase in fair value of $58,715 was reduced by $19,138, which represented the excess equity method losses from the Group's investment in Seaport common stock. The recognition of the $19,138 loss against the investment in Seaport's Preferred A-1, A-2 and B shares occurred because the Group's share of equity method losses from applying the equity method of accounting to its investment in Seaport's common shares was greater than its equity method investment balance and because the Group's investment in Seaport's Preferred A-1, A-2 and B shares represents a long-term interest ("LTI"). The $19,138 loss was included in share of net income/(loss) of associates accounted for using the equity method within the Consolidated Statement of Comprehensive Income/(Loss) as it represented a portion of the Group's share of equity method losses from applying the equity method of accounting.

5. Investments Held at Fair Value continued

Vedanta

2023

On March 1, 2023, Vedanta issued convertible debt to a syndicate of investors. The Group did not participate in this round of financing. As part of the issuance of the debt, the convertible debt holders were granted representation on Vedanta's Board of Directors and the Group lost control over the Vedanta Board of Directors and the power to direct the relevant Vedanta activities. Consequently, Vedanta was deconsolidated on March 1, 2023 and its results of operations were included in the Consolidated Financial Statements through the date of deconsolidation. See Note 8. Gain/(loss) on Deconsolidation of Subsidiary.

Following Vedanta's deconsolidation, the Group had significant influence over Vedanta through its voting interest in Vedanta and its remaining representation on Vedanta's Board of Directors.

2025

On August 5, 2025, Vedanta completed a recapitalization of its capital structure. Vedanta issued new Series A convertible preferred shares to investors. The Group invested $888 in exchange for 1,477,692 shares of Series A convertible preferred stock. In addition, as part of the recapitalization, the Group's secured convertible promissory note in the principal amount of $5,000 was converted into 10,129,586 shares of Vedanta Series A-1 convertible preferred shares and the Group's existing investment in Vedanta's convertible preferred shares was converted into 577,851 shares of Vedanta common stock. Following Vedanta's recapitalization, the Group's ownership interest was reduced to 5.1% and, thus, the Group no longer has significant influence over Vedanta's relevant activities.

The Group's investments in Vedanta convertible preferred shares prior to or after the 2025 recapitalization do not provide it with access to returns associated with a residual equity interest, and, as such, are accounted for under IFRS 9 as investments held at fair value with changes in fair value recorded in profit and loss. Under IFRS 9, the preferred share investments are categorized as debt instruments that are presented at fair value through profit and loss because the amounts receivable do not represent solely payments of principal and interest. The Group's investments in Vedanta common stock is accounted for at fair value under IFRS 9 as investments held at fair value with changes in fair value recorded in profit and loss.

During the years ended December 31, 2025, 2024 and 2023, the Group recognized losses of $14,335, $2,990, and $6,303, respectively, for the changes in the fair value of the investment in Vedanta that were included in gain/(loss) on investments held at fair value within the Consolidated Statement of Comprehensive Income/(Loss). The fair value of the Group's investment in Vedanta was $553 and $11,163 as of December 31, 2025 and 2024, respectively.

Sonde

On May 25, 2022, Sonde completed a Series B preferred share financing, which resulted in the Group losing control over Sonde and the deconsolidation of Sonde.

Following deconsolidation, the Group still has significant influence in Sonde through its 48.2% voting interest in Sonde and its remaining representation on Sonde's Board of Directors. The Group holds Preferred A-1, A-2 and B shares. The Preferred A-1 shares have the same terms as common stock and provide their shareholders with access to returns associated with a residual equity ownership in Sonde. Consequently, the investment in Preferred A-1 shares is accounted for under the equity method. See Note 6. Investments in Associates. The convertible Preferred A-2 and B shares do not provide their shareholders with access to returns associated with a residual equity interest and as such, are accounted for under IFRS 9 as investments held at fair value with changes in fair value recorded in profit and loss. Under IFRS 9, the A-2 and B preferred share investments are categorized as debt instruments that are presented at fair value through profit and loss because the amounts receivable do not represent solely payments of principal and interest.

The Group's investment in Sonde's Preferred A-2 and B shares represents a LTI. When the Group's share of equity method losses from applying the equity method of accounting to its investment in Sonde's Preferred A-1 shares is greater than its equity method investment balance, the additional loss is applied to the LTI. In accordance with IAS 28, IFRS 9 should be applied independently ignoring any prior equity method loss absorption. The prior year excess equity method losses absorbed by the LTI should be reversed if the LTI's fair value decreases.

During the year ended December 31, 2023, the Group recognized a loss of $994 for the changes in the fair value of the investment in Sonde that was included in gain/(loss) on investments held at fair value within the Consolidated Statement of Comprehensive Income/(Loss).

As of December 31, 2024, the fair value of the Group's investment in Sonde Preferred A-2 and B shares was $5,307 prior to applying the excess equity method losses from the investment in Sonde Preferred A-1 shares. After the excess equity method losses were applied, the balance of the investment in Sonde Preferred A-2 and B shares was $0. During the year ended December 31, 2024, the Group recognized a loss of $5,102 for the changes in the fair value of its investment in Sonde's Preferred A-2 and B shares that was included in gain/(loss) on investments held at fair value within the Consolidated Statement of Comprehensive Income/(Loss). In addition, the Group also recognized a loss of $5,307 on its investment in Sonde's Preferred A-2 and B shares because the Group's share of equity method losses was greater than its equity method investment balance. The additional loss was included in share of net income/(loss) of associates accounted for using the equity method within the Consolidated Statement of Comprehensive Income/(Loss).

5. Investments Held at Fair Value continued

As of December 31, 2025, the fair value of the Group's investment in Sonde Preferred A-2 and B shares was $0, a fair value reduction of $5,307 from December 31, 2024. Due to the decrease in the fair value of Sonde's Preferred A-2 and B shares under IFRS 9, during the year ended December 31, 2025, the Group recognized the decrease in fair value within gain/(loss) on investments held at fair value in the Consolidated Statement of Comprehensive Income/(Loss) and reversed $5,307 of equity method loss that had reduced the fair value of Sonde's Preferred A-2 and B shares in the prior year. The reversal of $5,307 was included in the Group's share of net income/(loss) of associates accounted for using the equity method within the Consolidated Statement of Comprehensive Income/(Loss).

Vor

Vor was deconsolidated in February 2019 after its initial public offering.

As of December 31, 2024, the Group held 2,671,800 shares of Vor common stock with fair value of $2,966. On June 26, 2025, the Group sold its remaining shares of Vor common stock at $1.03 per share for aggregate proceeds of $2,753 before income tax. As a result of this transaction, the Group recognized a gain of $375 which was included in realized gain/(loss) on sale of investments within the Consolidated Statement of Comprehensive Income/(Loss). Therefore, the Group no longer holds any ownership interest in Vor.

During the years ended December 31, 2025, 2024 and 2023, the Group recognized losses of $588, $3,046, and $11,756, respectively, for the changes in the fair value of the investment that were included in gain/(loss) on investments held at fair value within the Consolidated Statement of Comprehensive Income/(Loss).

Karuna

Karuna was deconsolidated in March 2019. During 2019, Karuna completed its initial public offering and the Group lost its significant influence in Karuna. The shares held in Karuna were accounted for as an investment held at fair value under IFRS 9.

2023

During the twelve months ended December 31, 2023, the Group sold 167,579 shares of Karuna common stock with aggregate proceeds of $33,309, net of transaction fees. As of December 31, 2023, the Group held 886,885 shares, or 2.3%, of the total outstanding Karuna common stock with a fair value of $280,708.

2024

In March 2024, Karuna common shares were acquired by Bristol Myers Squibb for $330 per share in accordance with the terms of a definitive merger agreement signed in December 2023. As a result of this transaction, the Group received total proceeds of $292,672 before income tax in exchange for its holding of 886,885 shares of Karuna common stock. As a result, the Group no longer holds any ownership interest in Karuna.

During the years ended December 31, 2024 and 2023, the Group recognized gains of $11,813 and $107,079, respectively, for the changes in the fair value of the Karuna investment that were included in gain/(loss) on investments held at fair value within the Consolidated Statement of Comprehensive Income/(Loss).

Akili

Akili was deconsolidated in 2018. At the time of deconsolidation, the Group did not hold common shares in Akili and the preferred shares it held did not have equity-like features. Therefore, the preferred shares held by the Group fell under the guidance of IFRS 9 and were treated as a financial asset held at fair value and changes to the fair value of the preferred shares were recorded through the Consolidated Statement of Comprehensive Income/(Loss), in accordance with IFRS 9.

On July 2, 2024, Akili was acquired by Virtual Therapeutics, and the Group received total proceeds of $5,437 before income taxes in exchange for its holding of 12,527,476 shares of Akili common stock. As a result, the Group no longer holds any ownership interest in Akili.

During the years ended December 31, 2024 and 2023, the Group recognized losses of $985, and $8,681, respectively, for the changes in the fair value of the investment in Akili that were included in gain/(loss) on investments held at fair value within the Consolidated Statement of Comprehensive Income/(Loss).

Gelesis

Gelesis was deconsolidated in July 2019. On January 13, 2022, Gelesis completed its business combination with Capstar Special Purpose Acquisition Corp ("Capstar"). Gelesis became a wholly-owned subsidiary of Capstar and Capstar changed its name to Gelesis Holdings, Inc., which began trading on the New York Stock Exchange under the ticker symbol "GLS" on January 14, 2022. As the Group had significant influence over Gelesis, the investment in Gelesis common shares was accounted for under the equity method. Please refer to Note 6. Investments in Associates for information regarding the Group's investment in Gelesis as an associate.

In February and May 2023, as part of Gelesis' issuance of senior secured promissory notes to the Group, Gelesis also issued to the Group (i) warrants to purchase 23,688,047 shares of Gelesis common stock with an exercise price of $0.2744 per share (ii) warrants to purchase 192,307,692 shares of Gelesis common stock with an exercise price of $0.0182 per share and (iii) warrants to purchase 43,133,803 shares of Gelesis common stock with an exercise price of $0.0142 per share. These warrants expire five years after issuance and are collectively referred to as the Gelesis 2023 Warrants.

The Gelesis 2023 Warrants were recorded at their initial fair value of $1,121 and then subsequently re-measured to fair value with changes in fair value recorded through profit and loss.

As Gelesis ceased operations in October 2023, the fair value of the Gelesis 2023 Warrants was written down to $0 as of December 31, 2023. During the year ended December 31, 2023, the Group recognized a loss of $1,264 related to the change in the fair value of these warrants that was included in gain/(loss) on investments held at fair value within the Consolidated Statement of Comprehensive Income/(Loss).

6. Investments in Associates

Gelesis (Boston, MA)

Gelesis was founded by the Group and was deconsolidated from the Group's financial statements as of July 1, 2019. On January 13, 2022, Gelesis completed its business combination with Capstar Special Purpose Acquisition Corp ("Capstar"). Gelesis became a wholly-owned subsidiary of Capstar and Capstar changed its name to Gelesis Holdings, Inc., which began trading on the New York Stock Exchange under the ticker symbol "GLS" on January 14, 2022. As the Group had significant influence over Gelesis through its voting interest in Gelesis and representation on Gelesis' Board of Directors, the investment in Gelesis common shares was accounted for under the equity method as prescribed by IAS 28, *Investments in Associates and Joint Ventures*.

During the year ended December 31, 2023, the Group entered into agreements with Gelesis to purchase senior secured convertible promissory notes and warrants for shares of Gelesis common stock (see Note 7. Investment in Notes from Associates). The warrants to purchase shares of Gelesis common stock represented potential voting rights to the Group and it was therefore necessary to consider whether they were substantive. If these potential voting rights were substantive and the Group had the practical ability to exercise the rights and take control of greater than 50% of Gelesis common stock, the Group would be required to consolidate Gelesis under the accounting standards.

In February 2023, the Group obtained warrants to purchase 23,688,047 shares of Gelesis common stock (the "February Warrants") at an exercise price of $0.2744 per share. The exercise of the February Warrants was subject to the approval of the Gelesis stockholders until May 1, 2023. On May 1, 2023, stockholder approval was no longer required for the Group to exercise the February Warrants. The potential voting rights associated with the February Warrants were not substantive as the exercise price of the February Warrants was at a significant premium to the fair value of the Gelesis common stock.

In May 2023, the Group obtained warrants to purchase 235,441,495 shares of Gelesis common stock (the "May Warrants"). The May Warrants were exercisable at the option of the Group and had an exercise price of either $0.0182 or $0.0142. The May Warrants were substantive as the Group would have benefited from exercising such warrants since their exercise price was at the money or at an insignificant premium over the fair value of the Gelesis common stock. However, that benefit from exercising the May Warrants only existed for a short period of time because in June 2023, the potential voting rights associated with the May Warrants were impacted by the terms and conditions of a merger agreement that the Group signed with Gelesis on June 12, 2023 (the "Merger Agreement") and were no longer substantive.

On October 12, 2023, the Group terminated the Merger Agreement with Gelesis as certain closing conditions were not satisfied. In October 2023, Gelesis ceased operations and filed a voluntary petition for relief under the provisions of Chapter 7 of Title 11 of the United States Bankruptcy Code. A Chapter 7 trustee has been appointed by the Bankruptcy Court who has control over the assets and liabilities of Gelesis, effectively eliminating the authority and powers of the Board of Directors of Gelesis and its executive officers to act on behalf of Gelesis. The assets of Gelesis are in liquidation and Gelesis no longer has any officers or employees. The Group ceased accounting for Gelesis as an equity method investment as it no longer has significant influence over Gelesis.

During the year ended December 31, 2023, the Group recorded $4,910 as its share in the losses of Gelesis, and the Group's balance in this equity method investment was reduced to $0.

Sonde (Boston, MA)

Following the deconsolidation of Sonde in May 2022, the Group has significant influence in Sonde through its voting interest in Sonde and its remaining representation on Sonde's Board of Directors. The Group's voting interest at the date of deconsolidation was 48.2% and remained at 40.2% subsequently. The Group holds Preferred A-1, A-2 and B shares. The Preferred A-1 shares, in substance, have the same terms as common stock and as such, provide their shareholders with access to returns associated with a residual equity ownership in Sonde. Consequently, the investment in Preferred A-1 shares is accounted for under the equity method. The Preferred A-2 and B shares, however, do not provide their shareholders with access to returns associated with a residual equity interest and as such, are accounted for under IFRS 9, as investments held at fair value.

During the years ended December 31, 2025, 2024, and 2023, the Group recorded income of $5,307, loss of $8,492 and loss of $1,052, respectively, related to Sonde's equity method of accounting.

As of December 31, 2023, the equity method investment in Sonde had a balance of $3,185. The Group's share in Sonde's losses in 2024 exceeded the Group's equity method investment in Sonde. As a result, the Group's equity method investment in Sonde was reduced to $0 as of December 31, 2024. Since the Group's investment in Sonde's Preferred A-2 and B shares represents a long-term interest, the Group recognized additional equity method losses, totaling $5,307, against its investment in Sonde's Preferred A-2 and B shares (See Note 5. Investments Held at Fair Value), reducing the balance of the preferred share investment to $0 as of December 31, 2024.

During the year ended December 31, 2025, the Group recorded income of $5,307 within its share of net income/(loss) of associates accounted for using the equity method in the Consolidated Statement of Comprehensive Income/(Loss). This amount represents the reversal of previously recognized equity method losses that were applied against the Group's Sonde's Preferred A-2 and B investment. Due to the decrease in the fair value of Sonde's Preferred A-2 and B shares under IFRS 9, during the year ended December 31, 2025, the Group reversed the excess equity method losses that had been applied in prior periods to reduce the fair value of the Group's investment in Sonde's Preferred A-2 and B shares. See Note 5. Investments Held at Fair Value.

Since the Group did not incur legal or constructive obligations or made payments on behalf of Sonde, the Group stopped recognizing additional equity method losses since 2024. As of December 31, 2025 and 2024, unrecognized equity method losses amounted to $1,651 and $14,447.

Notes to the Consolidated Financial Statements continued

6. Investments in Associates continued

Seaport (Boston, MA)

On October 18, 2024, Seaport completed a Series B preferred share financing. As a result of this financing, the Group's voting interest was reduced below 50%, and the Group no longer controls Seaport's Board of Directors. Consequently, the Group lost control over Seaport, and as such, ceased to consolidate Seaport on the date the round of financing was completed. See Note 8. Gain/(loss) on Deconsolidation of Subsidiary.

Following deconsolidation, the Group still has significant influence in Seaport through its voting interest and its remaining representation on Seaport's Board of Directors. The Group's voting interest as of the date of deconsolidation was 43.0% and remained at 42.9% subsequently. The Group holds both common shares and preferred shares in Seaport. The common shares are subject to IAS 28 *Investments in Associates and Joint Ventures* due to the Group's retained significant influence and are accounted for under the equity method. The preferred shares do not provide their shareholders with access to returns associated with a residual equity interest and as such, are accounted for under IFRS 9 as investments held at fair value.

The fair value of the common shares on the date of deconsolidation amounted to $2,461, which was the initial value of the equity method investment in Seaport. When applying the equity method, the Group records its share of the losses in Seaport based on its common share equity interest in Seaport, which was 12.4% and 13.1% as of December 31, 2025 and 2024, respectively.

During the year ended December 31, 2024, the Group recorded a loss of $262 related to Seaport's equity method of accounting and a gain of $199 for the dilution of ownership interest. As of December 31, 2024, the Seaport equity method investment had a balance of $2,397.

During the year ended December 31, 2025, the Group's share in Seaport's losses amounted to $23,234 which exceeded the balance of Group's equity method investment in Seaport. The Group recorded a loss of $4,096 related to Seaport's equity method of accounting and a gain of $1,699 for the dilution of ownership interest. As a result, the Group's equity method investment in Seaport was reduced to $0 as of December 31, 2025. Since the Group's investment in Seaport Preferred A-1, A-2 and B shares represents a long-term interest, the Group recognized additional equity method losses, totaling $19,138 against the fair value of Seaport Preferred A-1, A-2, and B shares. See Note 5. Investments Held at Fair Value.

The following table provides summarized financial information for Seaport, the Group's material associate for the years ended December 31, 2025 and December 31, 2024. The information disclosed reflects the amounts presented in the financial statements of Seaport and not the Group's share of those amounts. The amounts have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and modifications for differences in accounting policies.

	As of December 31, 2025	As of December 31, 2024
Summarized statement of financial position	**$**	$
Current assets	**222,944**	310,151
Non-current assets	**25,688**	5,632
Current liabilities	**(12,633)**	(11,149)
Non-current liabilities	**(564,576)**	(460,996)
Equity awards issued to third parties	**(12,425)**	(2,042)
Other	**(301)**	—
Net assets/(liabilities)	**(341,302)**	(158,405)
Reconciliation to carrying amounts:		
Opening net assets/(liabilities)	**(158,405)**	(156,414)
Profit/(loss) for the period	**(182,897)**	(1,991)
Closing net assets/(liabilities)	**(341,302)**	(158,405)
Group's share in %	**12.4 %**	13.1 %
Group's share of net assets (net deficit)	**(42,300)**	(20,764)
Unrecognized goodwill and intangibles	**23,162**	23,162
Equity method losses recorded against long-term interests	**(19,138)**	—
Carrying amount of Investment in associates	**—**	2,397

	For the year ended December 31,	
Statement of comprehensive income/(loss)	2025	2024
Profit/(loss) from continuing operations (100%)	**(182,897)**	(1,991)
Profit/(loss) for the year	**(182,897)**	(1,991)
Total comprehensive income/(loss)	**(182,897)**	(1,991)
Group's share in gain (net losses)	**(23,234)**	(262)

6. Investments in Associates continued

The following table summarizes the activities related to the investment in associates balance for the years ended December 31, 2025 and 2024.

Investment in Associates	$
Balance as of January 1, 2024	**3,185**
Investment in Seaport – deconsolidation	2,461
Gain on dilution of interest in associates	199
Share in gain/(loss) of associates	(8,754)
Share of losses recorded against long-term Interests (LTIs)	5,307
Balance as of December 31, 2024	**2,397**
Gain on dilution of interest in associates	1,699
Share in net gain/(loss) of associates – limited to net investment amount	(17,928)
Share of losses recorded against long-term Interests (LTIs)	13,831
Balance as of December 31, 2025	**—**

7. Investment in Notes from Associates

Sonde

In July 2025, Sonde closed a bridge financing in the form of convertible promissory notes with its existing investors for total proceeds of $1,200, of which the Group invested $150. The notes are categorized as debt instruments that are presented at fair value through profit and loss because the amounts receivable do not represent solely payments of principal and interest. As of December 31, 2025, the Group wrote down the convertible note to $0 and recognized a loss of $150 for the year ended December 31, 2025, which was included in gain/(loss) on investments in notes from associates in the Consolidated Statement of Comprehensive Income/(Loss).

Gelesis

On July 27, 2022, the Group, as a lender, entered into an unsecured promissory note (the "Junior Note") with Gelesis, as a borrower, in the amount of $15,000. The Junior Note bears an annual interest rate of 15% per annum. The maturity date of the Junior Note is the earlier of December 31, 2023 or five business days following the consummation of a qualified financing by Gelesis. Based on the terms of the Junior Note, due to the option to convert to a variable amount of shares at the time of default, the Junior Note is required to be measured at fair value with changes in fair value recorded through profit and loss.

During the year ended December 31, 2023, the Group entered into multiple agreements with Gelesis to purchase senior secured convertible promissory notes (the "Senior Notes") and warrants for share of Gelesis common stock for a total consideration of $11,850. The Senior Notes are secured by a first-priority lien on substantially all assets of Gelesis and the guarantors (other than the equity interests in, and assets held by Gelesis s.r.l., a subsidiary of Gelesis, and certain other exceptions). The initial fair value of the Senior Notes and warrants was determined to be $10,729 and $1,121, respectively. The Senior Notes represent debt instruments that are presented at fair value through profit and loss as the amounts receivable do not represent solely payments of principal and interest as the Senior Notes are convertible into Gelesis common stock.

In October 2023, Gelesis ceased operations and filed a voluntary petition for relief under the provisions of Chapter 7 of Title 11 of the United States Bankruptcy Code. Therefore, the Group determined that the fair value of the Junior Note and the Senior Notes with the warrants was $0 as of December 31, 2023.

In June 2024, the Bankruptcy Court approved an executed agreement for a third party to acquire the remaining net assets of Gelesis for $15,000. As the only senior secured creditor, the Group is expected to receive a majority of the proceeds from this sale after deduction of Bankruptcy Court related legal and administrative costs. As of December 31, 2025 and 2024, these notes were determined to have a fair value of $11,417 and $11,381, respectively.

For the years ended December 31, 2025, 2024 and 2023, the Group recorded a gain of $36, a gain of $11,381 and a loss of $27,230, respectively, for the changes in the fair value of these notes, which were included in gain/(loss) on investments in notes from associates in the Consolidated Statement of Comprehensive Income/(Loss).

7. Investment in Notes from Associates continued

Vedanta

On April 24, 2023, Vedanta closed the second tranche of its convertible debt for additional proceeds of $18,000, of which $5,000 were invested by the Group. The convertible debt carried an interest rate of 9% per annum. The debt had various conversion triggers, and the conversion price was established at the lower of 80% of the equity price of the last financing round, or a certain pre-money valuation cap established in the agreement. If the convertible debt was not earlier converted or repaid, the entire outstanding amount of the convertible debt should be due and payable upon the earliest to occur of (a) the later of (x) November 1, 2025 and (y) the date which was sixty (60) days after all amounts owed under, or in connection with, the loan Vedanta received from a certain investor had been paid in full, or (b) the consummation of a Deemed Liquidation Event (as defined in Vedanta's Amended and Restated Certificate of Incorporation).

On August 5, 2025, Vedanta completed a recapitalization of its capital structure. See Note 5. Investments Held at Fair Value. The secured convertible promissory note held by the Group in the principal amount of $5,000 with a fair value of $2,836 was converted into 10,129,586 shares of Series A-1 preferred stock. As a result, the convertible promissory note is no longer outstanding as of December 31, 2025.

Due to the terms of the convertible debt, the investment in such convertible debt was measured at fair value with changes in the fair value recorded through profit and loss. As of December 31, 2024, the Vedanta convertible debt was determined to have a fair value of $6,350. During the years ended December 31, 2025, 2024 and 2023, the Group recorded a loss of $3,514, a gain of $1,750 and a loss of $400, respectively, for the changes in the fair value of the Vedanta convertible debt, which were included in gain/(loss) on investments in notes from associates in the Consolidated Statement of Comprehensive Income/(Loss).

The following is the activity in respect of investments in notes from associates during the period. The fair value of the notes from associates of $11,417 and $17,731 as of December 31, 2025 and December 31, 2024, respectively, is determined using unobservable Level 3 inputs. See Note 19. Financial Instruments for additional information.

Investment in notes from associates	$
Balance as of January 1, 2024	**4,600**
Changes in the fair value of the notes	13,131
Balance as of December 31, 2024	**17,731**
Investment in Sonde convertible note	150
Conversion of Vedanta note to preferred shares	(2,836)
Changes in the fair value of the notes	(3,628)
Balance as of December 31, 2025	**11,417**
Investment in notes from associates, current	11,417
Investment in notes from associates, non-current	—

8. Gain/(loss) on Deconsolidation of Subsidiary

Upon the Group losing control over a subsidiary, the assets and liabilities of the subsidiary are derecognized along with any related non-controlling interest. Any interest that the Group retains in the former subsidiary is measured at fair value when control is lost. Any resulting gain or loss is included in gain/(loss) on deconsolidation of subsidiary in the Consolidated Statement of Comprehensive Income/(Loss).

Vedanta

On March 1, 2023, Vedanta issued convertible debt to a syndicate of investors. The Group did not participate in this round of financing. As part of the issuance of the debt, the convertible debt holders were granted representation on Vedanta's Board of Directors, and the Group lost control over the Vedanta Board of Directors, which is the governance body that has the power to direct the relevant activities of Vedanta. Consequently, Vedanta was deconsolidated on March 1, 2023 from the Group's Consolidated Financial Statements. The results of Vedanta's operations are included in the Group's Consolidated Financial Statements through the date of deconsolidation.

Following Vedanta's deconsolidation, the Group had significant influence over Vedanta through its voting interest in Vedanta and its remaining representation on Vedanta's Board of Directors. The convertible preferred shares in Vedanta the Group holds do not provide their holders with access to returns associated with a residual equity interest, and as such, are accounted for under IFRS 9, Financial Instruments, as investments held at fair value with changes in fair value recorded in profit and loss. Under IFRS 9, the Group's preferred share investment is categorized as a debt instrument that is presented at fair value through profit and loss because the amounts receivable do not represent solely payments of principal and interest.

Upon deconsolidation, the Group derecognized the assets, liabilities and non-controlling interest in respect of Vedanta and recorded its aforementioned investment in Vedanta at fair value. The deconsolidation resulted in a gain of $61,787. As of the date of deconsolidation, the investment in Vedanta convertible preferred shares held at fair value amounted to $20,456.

As of December 31, 2025 and December 31, 2024, the Group's investment in Vedanta convertible preferred shares was held at fair value of $553 and $11,163, respectively, and categorized as Level 3 in the fair value hierarchy.

Seaport

On October 18, 2024, Seaport completed a Series B preferred share financing and amended its Voting Agreement to grant the Series B preferred stockholders' representation on Seaport's Board of Directors. As a result of the Series B preferred share financing and the amendments to the Voting Agreement, the Group's voting interest was reduced below 50%, and the Group no longer controls Seaport's Board of Directors, which is the governance body that has the power to direct the relevant activities of Seaport. Therefore, the Group concluded that it lost control over Seaport, and Seaport was deconsolidated on October 18, 2024 from the Group's Consolidated Financial Statements. The results of Seaport's operations are included in the Group's Consolidated Financial Statements through the date of deconsolidation.

Following deconsolidation, the Group has significant influence over Seaport through its voting interest in Seaport and its remaining representation on Seaport's Board of Directors. The Group holds Preferred A-1, A-2 and B shares in addition to common shares. The common shares are accounted for under the equity method as prescribed by IAS 28, *Investments in Associates and Joint Ventures.* The Preferred A-1, A-2 and B shares do not provide their shareholders with access to returns associated with a residual equity interest, and, as such, are accounted for under IFRS 9, Financial Instruments, as investments held at fair value with changes in fair value recorded in profit and loss. Under IFRS 9, the A-1, A-2 and B preferred share investments are categorized as debt instruments that are presented at fair value through profit and loss because the amounts receivable do not represent solely payments of principal and interest.

Upon deconsolidation, the Group derecognized the assets, liabilities and non-controlling interest in respect of Seaport and recorded its aforementioned investment in Seaport at fair value. The deconsolidation resulted in a gain of $151,808.

As of December 31, 2025 and December 31, 2024, the Group's investment in Seaport's convertible preferred shares was held at fair value of $236,003 and $177,288, respectively, and categorized as Level 3 in the fair value hierarchy. The significant unobservable inputs used in the fair value measurement of the Group's investment in the convertible preferred shares of Seaport and the sensitivity of the fair value measurement to changes to these significant unobservable inputs are disclosed in Note 19. Financial Instruments.

8. Gain/(loss) on Deconsolidation of Subsidiary continued

The following table summarizes the assets, liabilities and non-controlling interest of Seaport and Vedanta derecognized from the Group in the years ended December 31, 2024 and 2023, respectively.

	2024 $	2023 $
Assets, Liabilities and non-controlling interests in deconsolidated subsidiary	Seaport	Vedanta
Cash and cash equivalents	(91,570)	(13,784)
Trade and other receivables	(220)	(702)
Prepaid assets	(1,309)	(3,516)
Property and equipment, net	(175)	(8,092)
Right of use asset, net	—	(2,477)
Trade and other payables	6,102	15,078
Trade and other payables due to PureTech	3,370	139
Deferred revenue	—	1,902
Lease liabilities (including current portion)	—	4,146
Long-term loan (including current portion)	—	15,446
Subsidiary preferred shares and warrants	76,208	24,568
Other assets and liabilities, net	(475)	(462)
Sub-total (net assets)/liabilities	(8,070)	32,246
Derecognize carrying value of non-controlling interest	(7,430)	9,085
Recognize investment retained in deconsolidated subsidiary at fair value*	167,308	20,456
Calculated gain on deconsolidation	151,808	61,787

* Recognized investment in 2024 includes preferred shares held at fair value of $164,848 and common stock accounted for under the equity method with a fair value of $2,461.

Notes to the Consolidated Financial Statements continued

9. Operating Expenses

Total operating expenses were as follows:

For the years ended December 31,	2025 $	2024 $	2023 $
General and administrative	**46,618**	71,469	53,295
Research and development	**56,567**	69,454	96,235
Total operating expenses	**103,185**	140,923	149,530

The average number of persons employed by the Group during the year, analyzed by category, was as follows:

For the years ended December 31,	2025	2024	2023
General and administrative	**35**	39	40
Research and development	**27**	41	56
Total	**62**	80	96

The aggregate payroll costs of these persons were as follows:

For the years ended December 31,	2025 $	2024 $	2023 $
General and administrative	**22,616**	40,559	24,586
Research and development	**10,824**	15,023	21,102
Total	**33,440**	55,581	45,688

Detailed operating expenses were as follows:

For the years ended December 31,	2025 $	2024 $	2023 $
Salaries and wages	**22,475**	29,032	37,084
Healthcare and other benefits	**1,707**	2,203	2,599
Payroll taxes	**1,035**	1,496	1,590
Share-based payments	**8,222**	22,850	4,415
Total payroll costs	**33,440**	55,581	45,688
Amortization	**1,764**	1,764	1,979
Depreciation	**1,585**	1,807	2,955
Total amortization and depreciation expenses	**3,348**	3,571	4,933
Other general and administrative expenses	**20,653**	27,491	25,180
Other research and development expenses	**45,743**	54,280	73,729
Total other operating expenses	**66,397**	81,771	98,909
Total operating expenses	**103,185**	140,923	149,530

Please refer to Note 10 Share-based Payments for further disclosures related to share-based payments and Note 26. Related Parties Transactions for management's remuneration disclosures.

Auditor's remuneration:

For the years ended December 31,	2025 $	2024 $	2023 $
Audit of these financial statements	**2,272**	2,377	2,241
Audit of the financial statements of associate**	**—**	150	—
Audit-related assurance services*	**300**	316	445
Non-audit related services	**6**	6	9
Total	**2,578**	2,848	2,695

* The amounts represent assurance service relating to SOX controls work for purposes of the ICFR audit of Form 20-F

** The amount represents audit fee in respect of financial statements of Seaport for the stub period after deconsolidation in 2024.

Notes to the Consolidated Financial Statements continued

10. Share-based Payments

Share-based payments include stock options and restricted stock units ("RSUs"). Expense for stock options and time-based RSUs is recognized based on the grant date fair value of these awards. Performance-based RSUs to executives are treated as liability awards and the related expense is recognized based on reporting date fair value up until settlement date.

Share-based Payment Expense

The Group's share-based payment expense for the years ended December 31, 2025, 2024 and 2023, was $8,222, $22,850, and $4,415, respectively. The following table provides the classification of the Group's consolidated share-based payment expense as reflected in the Consolidated Statement of Income/(Loss):

Year ended December 31,	**2025 $**	2024 $	2023 $
General and administrative	**6,893**	21,993	3,185
Research and development	**1,329**	857	1,230
Total	**8,222**	22,850	4,415

The Performance Share Plan

In June 2015, the Group adopted the Performance Stock Plan (the "2015 PSP"). Under the 2015 PSP and subsequent amendments, awards of ordinary shares may be made to the Directors, senior managers and employees, and other individuals providing services to the Group up to a maximum authorized amount of 10% of the total ordinary shares outstanding.

In June 2023, the Group adopted a new Performance Stock Plan (the "2023 PSP") that has the same terms as the 2015 PSP but instituted for all new awards a limit of 10% of the total ordinary shares outstanding over a five-year period.

The awards granted under these plans have various vesting terms over a period of service between one and four years, provided the recipient remains continuously engaged as a service provider. The options awards expire 10 years from the grant date.

The share-based awards granted under these plans are generally equity-settled (see cash settlements below). As of December 31, 2025, the Group has issued 32,199,101 units of share-based awards under these plans.

RSUs

During the twelve months ended December 31, 2025 and 2024, the Group granted the following RSUs to certain non-executive Directors, executives and employees:

Year ended December 31,	**2025**	2024
Time-based RSUs	**4,855,916**	4,388,116
Performance-based RSUs	**1,494,919**	1,822,151
Total RSUs	**6,350,835**	6,210,267

RSU activity for the years ended December 31, 2025, 2024 and 2023 is detailed as follows:

	Number of Shares/Units	Weighted Average Grant Date Fair Value (GBP) (*)
Outstanding (Non-vested) at January 1, 2023	**6,090,780**	**1.74**
RSUs Granted in Period	3,679,669	1.28
Vested	(716,029)	2.00
Forfeited	(1,880,274)	1.94
Outstanding (Non-vested) at December 31, 2023	**7,174,146**	**1.10**
RSUs Granted in Period	6,210,267	1.63
Vested	(1,347,729)	1.71
Forfeited	(3,057,962)	1.75
Outstanding (Non-vested) at December 31, 2024	**8,978,722**	**1.29**
RSUs Granted in Period	6,350,835	1.14
Vested	(3,184,023)	1.62
Forfeited	(2,757,344)	1.39
Outstanding (Non-vested) at December 31, 2025	**9,388,190**	**1.20**

* For liability awards - based on fair value at reporting date or settlement date.

Each RSU entitles the holder to one ordinary share on vesting and the RSU awards are generally based on a vesting schedule over a one to three-year requisite service period in which the Group recognizes compensation expense for the RSUs. Following vesting, each recipient will be required to make a payment of one pence per ordinary share on settlement of the RSUs.

RSUs granted to the non-executive directors and employees are time-based and equity-settled. The grant date fair value on such RSUs is recognized over the vesting term.

Notes to the Consolidated Financial Statements continued

10. Share-based Payments continued

RSUs granted to executives are performance-based and vesting of such RSUs is subject to the satisfaction of both performance and market conditions. The performance condition is based on the achievement of the Group's strategic targets. The market conditions are based on the achievement of the absolute total shareholder return ("TSR"), TSR as compared to the FTSE 250 Index, and TSR as compared to the MSCI Europe Health Care Index. The RSU award performance criteria have changed over time as the criteria are continually evaluated by the Group's Remuneration Committee.

The Group recognizes the estimated fair value of performance-based awards with non-market conditions as share-based compensation expense over the performance period based upon its determination of whether it is probable that the performance targets will be achieved. The Group assesses the probability of achieving the performance targets at each reporting period. Cumulative adjustments, if any, are recorded to reflect subsequent changes in the estimated outcome of performance-related conditions.

The fair value of the performance-based awards with market conditions is based on the Monte Carlo simulation analysis utilizing a Geometric Brownian Motion process with 100,000 simulations to value those shares. The model considers share price volatility, risk-free rate and other covariance of comparable public companies and other market data to predict distribution of relative share performance.

The RSUs to executives are treated as liability awards as the Group has a historical practice of settling these awards in cash, and as such adjusted to fair value at every reporting date until settlement with changes in fair value recorded in earnings as share-based compensation expense.

The Group recorded $5,713, $4,388, and $827, respectively, for the years ended December 31, 2025, 2024 and 2023 in respect of all restricted stock units, of which $1,127, $909, and $402, respectively, were in respect of liability settled share-based awards.

As of December 31, 2025, the carrying amount of the RSU liability awards was $3,044 with $1,827 current and $1,217 non-current, out of which $1,827 related to awards that have met all their performance and market conditions and were settled in March 2026. As of December 31, 2024, the carrying amount of the RSU liability awards was $3,736 with $1,875 current and $1,861 non-current, out of which $1,875 related to awards that met all their performance and market conditions and were settled in February 2025.

Stock Options

Stock option activity for the years ended December 31, 2025, 2024 and 2023, is detailed as follows:

	Number of Options	Wtd Average Exercise Price (GBP)	Wtd Average of remaining contractual term (in years)	Wtd Average Stock Price at Exercise (GBP)
Outstanding at January 1, 2023	**17,793,881**	**2.31**	**8.03**	
Granted	3,120,975	2.22		
Exercised	(534,034)	1.71		2.46
Forfeited and expired	(3,424,232)	2.40		
Options Exercisable at December 31, 2023	**9,065,830**	**2.19**	**6.01**	
Outstanding at December 31, 2023	**16,956,590**	**2.29**	**7.20**	
Granted	2,665,875	1.87		
Exercised	(412,729)	1.73		2.20
Forfeited and expired	(4,725,746)	2.24		
Options Exercisable at December 31, 2024	**9,534,400**	**2.33**	**4.45**	
Outstanding at December 31, 2024	**14,483,990**	**2.25**	**5.87**	
Granted	381,000	1.24		
Exercised	(65,000)	1.20		1.39
Forfeited and expired	(2,388,931)	2.41		
Options Exercisable at December 31, 2025	**9,690,271**	**2.28**	**4.87**	
Outstanding at December 31, 2025	**12,411,059**	**2.19**	**5.62**	

The fair value of the stock options awarded by the Group was estimated on the grant date using the Black-Scholes option valuation model, considering the terms and conditions upon which options were granted, with the following weighted-average assumptions:

At December 31,	**2025**	2024	2023
Expected volatility	**45.18 %**	44.76 %	43.69 %
Expected term (in years)	**6.16**	6.16	6.16
Risk-free interest rate	**3.81 %**	4.31 %	4.04 %
Expected dividend yield	**—**	—	—
Exercise price (GBP)	**1.24**	1.87	2.22
Underlying stock price (GBP)	**1.24**	1.87	2.22

Expected volatility is based on the Group's historical volatility results.

These assumptions resulted in an estimated weighted-average grant-date fair value per share of stock options granted during the years ended December 31, 2025, 2024 and 2023 of $0.80, $1.18 and $1.37, respectively.

10. Share-based Payments continued

The Group incurred share-based payment expense for the stock options of $1,751, $1,092 and $3,310 for the years ended December 31, 2025, 2024 and 2023, respectively.

For shares outstanding as of December 31, 2025, the range of exercise prices is detailed as follows:

Range of Exercise Prices (GBP)	Options Outstanding	Wtd Average Exercise Price (GBP)	Wtd Average of remaining contractual term (in years)
0.01	89,845	—	3.75
1.00 to 2.00	5,627,230	1.62	5.73
2.00 to 3.00	4,100,484	2.25	6.49
3.00 to 4.00	2,593,500	3.40	4.07
Total	**12,411,059**	**2.19**	**5.62**

Subsidiary Plans

For the years ended December 31, 2025, 2024 and 2023, the subsidiaries incurred share-based payment expense of $758, $17,372 and $277, respectively.

For the year ended December 31, 2025, Gallop recognized share-based payment expense of $758. The share-based payment expense for the year ended December 31, 2025 is related to 6,309,087 shares of restricted stock issued to Gallop executives under the Gallop 2025 Stock Option and Grant Plan (the "Gallop Plan") approved by the Gallop Board of Directors in September 2025. These awards vest over 25 months and have weighted average grant date fair value of $0.46. As of December 31, 2025, all of these awards were unvested and outstanding.

The share-based payment expense for the year ended December 31, 2024 is primarily related to awards granted under the Seaport 2024 Equity Incentive Plan (the "Seaport Plan") approved by the Seaport Board of Directors in 2024. Seaport was deconsolidated from the Group's Consolidated Financial Statements as of October 18, 2024. See Note 8. Gain/(loss) on Deconsolidation of Subsidiary.

The options granted under the Seaport Plan are equity settled and expire 10 years from the grant date. Typically, the awards vest in four years but vesting conditions can vary based on the discretion of Seaport's Board of Directors. The estimated grant date fair value of the equity awards is recognized as an expense over the awards' vesting periods. See tables below for Seaport option-related activities.

Before its deconsolidation on October 18, 2024, Seaport granted 7,200,000 shares of restricted stock awards and restricted stock units to certain officers and directors, of which 6,227,778 shares were fully vested as of the deconsolidation date. The fair value of these awards was measured on the date of grant at the estimated fair value of the Seaport common stock using the market backsolve and probability adjusted expected return model. See Note 19. Financial Instruments. The weighted average fair value of these awards was $0.97. As the substantial majority of these awards were fully vested as of the deconsolidation date, the stock-based compensation expense for these awards was recognized in the Group's Consolidated Statement of Comprehensive Income/(Loss) for the year ended December 31, 2024.

Seaport also granted options to its employees, officers and directors in 2024. The fair value of the stock options awarded by Seaport was estimated on the grant date using the Black-Scholes option valuation model. The weighted average fair value of these awards was $0.92 and the weighted average exercise prices for the options was $1.28.

A summary of stock option activity by number of shares in these subsidiaries is presented in the following table:

	Outstanding as of January 1, 2025	**Granted During the Year**	**Exercised During the Year**	**Expired During the Year**	**Forfeited During the Year**	**Deconsolidation During the Year**	**Outstanding as of December 31, 2025**
Entrega	**334,500**	**—**	**—**	**(87,500)**	**—**	**—**	**247,000**

	Outstanding as of January 1, 2024	Granted During the Year	Exercised During the Year	Expired During the Year	Forfeited During the Year	Deconsolidation During the Year	Outstanding as of December 31, 2024
Entrega	344,500	—	—	(5,000)	(5,000)	—	334,500
Seaport	—	22,429,780	—	—	(29,018)	(22,400,762)	—

	Outstanding as of January 1, 2023	Granted During the Year	Exercised During the Year	Expired During the Year	Forfeited During the Year	Deconsolidation During the Year	Outstanding as of December 31, 2023
Entrega	344,500	—	—	—	—	—	344,500
Follica	2,776,120	—	—	(2,170,547)	(605,573)	—	—
Vedanta	1,824,576	—	—	(1,313)	(29,607)	(1,793,656)	—

Notes to the Consolidated Financial Statements continued

10. Share-based Payments continued

The weighted-average exercise prices, remaining contractual life and exercise price range for the options outstanding and exercisable as of December 31, 2025, were as follows:

Outstanding and exercisable at December 31, 2025	Number of options	Weighted-average exercise price $	Weighted-average contractual life outstanding	Exercise Price Range $
Entrega	**247,000**	**1.85**	**2.41**	**0.02-2.36**

11. Finance Income/(Costs), net

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

For the years ended December 31,	2025 $	2024 $	2023 $
Finance income			
Interest income from financial assets	**13,048**	22,669	16,012
Total finance income	**13,048**	22,669	16,012
Finance costs			
Contractual interest expense on notes payable	**(804)**	(684)	(1,422)
Interest expense on other borrowings	**—**	—	(363)
Interest expense on lease liability	**(1,065)**	(1,295)	(1,544)
Gain on forgiveness of debt	**—**	273	—
Gain/(loss) on foreign currency exchange	**(6)**	(25)	(94)
Total finance costs – contractual	**(1,876)**	(1,731)	(3,424)
Gain/(loss) from changes in fair value of warrant liability	**—**	—	33
Gain/(loss) from changes in fair value of preferred shares	**—**	(8,108)	2,617
Total finance income/(costs) – fair value accounting	**—**	(8,108)	2,650
Total finance costs - non-cash interest expense related to sale of future royalties	**(43,908)**	(8,058)	(10,159)
Finance income/(costs), net	**(32,735)**	4,773	5,078

12. Earnings/(Loss) per Share

Basic earnings/(loss) per share is calculated by dividing the Group's net income or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding, net of treasury shares.

Diluted earnings/(loss) per share is calculated by dividing the Group's net income or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding, net of treasury shares, plus the weighted average number of ordinary shares that would be issued at conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive effects arise from equity-settled shares from the Group's share-based plans.

For the years ended December 31, 2025 and 2023, the Group incurred a net loss, and therefore, all outstanding potential securities were considered anti-dilutive. The amount of potential securities that were excluded from the diluted calculation in 2025 and 2023 amounted to 1,117,792 and 1,509,900 shares, respectively.

Earnings/(Loss) Attributable to Owners of the Group:

	2025		2024		2023	
	Basic $	**Diluted $**	Basic $	Diluted $	Basic $	Diluted $
Income/(loss) for the year, attributable to the owners of the Group	**(109,739)**	**(109,739)**	53,510	53,510	(65,697)	(65,697)

Weighted-Average Number of Ordinary Shares:

	2025		2024		2023	
	Basic	**Diluted**	Basic	Diluted	Basic	Diluted
Issued ordinary shares at January 1,	**239,421,312**	**239,421,312**	271,853,731	271,853,731	278,566,306	278,566,306
Effect of shares issued & treasury shares purchased	**1,366,273**	**1,366,273**	(17,397,423)	(17,397,423)	(2,263,773)	(2,263,773)
Effect of dilutive shares	**—**	**—**	—	1,571,612	—	—
Weighted average number of ordinary shares at December 31,	**240,787,585**	**240,787,585**	254,456,308	256,027,920	276,302,533	276,302,533

Earnings/(Loss) per Share:

	2025		2024		2023	
	Basic $	**Diluted $**	Basic $	Diluted $	Basic $	Diluted $
Basic and diluted earnings/(loss) per share	**(0.46)**	**(0.46)**	0.21	0.21	(0.24)	(0.24)

Notes to the Consolidated Financial Statements continued

13. Property and Equipment

Cost	Laboratory and Manufacturing Equipment $	Furniture and Fixtures $	Computer Equipment and Software $	Leasehold Improvements $	Construction in process $	Total $
Balance as of January 1, 2024	**5,363**	**1,072**	**917**	**15,165**	**1**	**22,518**
Additions, net of transfers	246	—	11	—	—	256
Disposals	(2,215)	—	(387)	—	(1)	(2,602)
Deconsolidation of subsidiaries	(246)	—	(11)	—	—	(256)
Balance as of December 31, 2024	**3,148**	**1,072**	**530**	**15,165**	**—**	**19,916**
Additions, net of transfers	—	6	—	—	—	6
Disposals	(1,313)	—	(266)	—	—	(1,578)
Balance as of December 31, 2025	**1,836**	**1,078**	**264**	**15,165**	**—**	**18,343**

Accumulated depreciation and impairment loss	Laboratory and Manufacturing Equipment $	Furniture and Fixtures $	Computer Equipment and Software $	Leasehold Improvements $	Construction in process $	Total $
Balance as of January 1, 2024	**(4,142)**	**(698)**	**(894)**	**(7,248)**	**—**	**(12,982)**
Depreciation	(139)	(153)	(13)	(1,503)	—	(1,807)
Disposals/Impairment	1,485	—	376	—	—	1,861
Deconsolidation of subsidiaries	81	—	—	—	—	81
Balance as of December 31, 2024	**(2,715)**	**(851)**	**(530)**	**(8,751)**	**—**	**(12,847)**
Depreciation	—	(154)	—	(1,431)	—	(1,585)
Disposals/Impairment	1,025	—	266	—	—	1,291
Balance as of December 31, 2025	**(1,691)**	**(1,005)**	**(264)**	**(10,181)**	**—**	**(13,141)**

Property and Equipment, net	Laboratory and Manufacturing Equipment $	Furniture and Fixtures $	Computer Equipment and Software $	Leasehold Improvements $	Construction in process $	Total $
Balance as of December 31, 2024	433	221	—	6,414	—	7,069
Balance as of December 31, 2025	**145**	**74**	**—**	**4,983**	**—**	**5,202**

Depreciation of property and equipment is included in the general and administrative expenses and research and development expenses in the Consolidated Statement of Comprehensive Income/(Loss). The Group recorded depreciation expense of $1,585, $1,807 and $2,955 for the years ended December 31, 2025, 2024 and 2023, respectively.

Notes to the Consolidated Financial Statements continued

14. Intangible Assets

Intangible assets consist of licenses of intellectual property acquired by the Group through various agreements with third parties and are recorded at the value of the consideration transferred. Information regarding the cost and activities of intangible assets is as follows:

Cost	Licenses $
Balance as of January 1, 2024	**906**
Write-off	(80)
Deconsolidation of subsidiary	(225)
Balance as of December 31, 2024	**601**
Balance as of December 31, 2025	**601**

All the intangible asset licenses represent in-process-research-and-development assets that are currently still being developed and not ready for their intended use. As such, these assets are not amortized but tested for impairment annually.

During the year ended December 31, 2024, the Group wrote off one of its research intangible assets for which research was ceased in the amount of $80.

During the year ended December 31, 2024, Seaport Therapeutics, Inc. was deconsolidated and as such, $225 in net intangible assets were derecognized.

The Group tested all intangible assets for impairment as of the balance sheet date and concluded that none of such assets were impaired.

15. Other Financial Assets

Other financial assets consist primarily of restricted cash reserved as collateral against a letter of credit with a bank that is issued for the benefit of a landlord in lieu of a security deposit for office space leased by the Group. The restricted cash was $1,596 and $1,642 as of December 31, 2025 and 2024, respectively.

16. Equity

Total equity for the Group as of December 31, 2025, and 2024, was as follows:

Equity	December 31, 2025 $	December 31, 2024 $
Share capital, £0.01 par value, issued and paid 257,927,489, as of December 31, 2025 and 2024	**4,860**	4,860
Share premium	**290,262**	290,262
Treasury shares, 16,243,451 and 18,506,177 as of December 31, 2025 and 2024, respectively	**(41,154)**	(46,864)
Merger reserve	**138,506**	138,506
Translation reserve	**182**	182
Other reserves	**(3,352)**	(4,726)
Retained earnings/(accumulated deficit)	**(77,231)**	32,486
Equity attributable to owners of the Group	**312,073**	414,707
Non-controlling interests	**(6,397)**	(6,774)
Total equity	**305,676**	407,933

Shareholders are entitled to vote on all matters submitted to shareholders for a vote. Each ordinary share is entitled to one vote and is entitled to receive dividends when and if declared by the Group's Directors.

On June 18, 2015, the Group acquired the entire issued share capital of PureTech LLC in return for 159,648,387 ordinary shares. This was accounted for as a common control transaction at cost. It was deemed that the share capital was issued in line with movements in share capital as shown prior to the transaction taking place. In addition, the merger reserve records amounts previously recorded as share premium.

Other reserves comprise the cumulative credit to share-based payment reserves corresponding to share-based payment expenses recognized through Consolidated Statement of Comprehensive Income/(Loss), settlements of vested stock awards as well as other additions that flow directly through equity such as the excess or deficit from changes in ownership of subsidiaries while control is maintained by the Group.

On May 9, 2022, the Group announced the commencement of a $50,000 share repurchase program (the "Program") of its ordinary shares of one pence each. The Group executed the Program in two equal tranches. It entered into an irrevocable non-discretionary instruction with Jefferies International Limited ("Jefferies") in relation to the purchase by Jefferies of the ordinary shares for an aggregate consideration (excluding expenses) of no greater than $25,000 for each tranche and the simultaneous on-sale of such ordinary shares by Jefferies to the Group, subject to certain volume and price restrictions.

In February 2024, the Group completed the Program and has repurchased an aggregate of 20,182,863 ordinary shares under the Program. These shares have been held as treasury shares and are being used to settle the vesting of restricted stock units or exercise of stock options.

In March 2024, the Group announced a proposed capital return of $100,000 to its shareholders by way of a tender offer (the "Tender Offer"). The proposed Tender Offer was approved by shareholders at the Annual General Meeting of Stockholders held on June 6, 2024, to acquire a maximum number of 33,500,000 ordinary shares (including ordinary shares represented by American Depository Shares (''ADSs'')) for a fixed price of 250 pence per ordinary share (equivalent to £25.00 per ADS) for a maximum aggregate amount of $100,000 excluding expenses.

The Tender Offer was completed on June 24, 2024. The Group repurchased 31,540,670 ordinary shares under the Tender Offer. Following such repurchase, the Group cancelled these shares repurchased. As a result of the cancellation, the nominal value of $600 related to the cancelled shares was reduced from share capital and transferred to a capital redemption reserve, increasing the capital redemption reserve balance to $600 which was included within other reserves in the Consolidated Statement of Changes in Equity.

As of December 31, 2025 and December 31, 2024, the Group's issued share capital was 257,927,489 shares, including 16,243,451 shares and 18,506,177 shares repurchased under the share repurchase program, and were held by the Group in treasury, respectively. The Group does not have a limited amount of authorized share capital.

17. Subsidiary Preferred Shares

Preferred shares issued by subsidiaries often contain redemption and conversion features that are assessed under IFRS 9 in conjunction with the host preferred share instrument. This balance represents subsidiary preferred shares issued to third parties.

The subsidiary preferred shares are redeemable upon the occurrence of a contingent event, other than full liquidation of the subsidiaries, that is not considered to be within the control of the subsidiaries. Therefore, these subsidiary preferred shares are classified as liabilities. These liabilities are measured at fair value through profit and loss. The preferred shares are convertible into ordinary shares of the subsidiaries at the option of the holders and are mandatorily convertible into ordinary shares under certain circumstances. Under certain scenarios, the number of ordinary shares receivable on conversion will change and therefore, the number of shares that will be issued is not fixed. As such, the conversion feature is considered to be an embedded derivative that normally would require bifurcation. However, since the subsidiary preferred share liability is measured at fair value through profit and loss, as mentioned above, no bifurcation is required.

The preferred shares are entitled to vote with holders of common shares on an as converted basis.

In April 2024, Seaport closed a Series A-2 preferred share financing with aggregate proceeds of $100,100 of which $68,100 was from outside investors and $32,000 was from the Group. The $68,100 received from the outside investors was recorded as a subsidiary preferred share liability within the Group's balance sheet. In October 2024, Seaport closed a Series B preferred share financing with aggregate proceeds of $226,000 of which $211,600 was from outside investors and $14,400 was from the Group. As a result of the Series B preferred share financing, the Group lost control of Seaport, and the Group derecognized the assets, liabilities and non-controlling interest in respect of Seaport from its Consolidated Financial Statements. See Note 8. Gain/(loss) on Deconsolidation of Subsidiary. As such, the balance of subsidiary preferred share liability in Seaport was reduced to $0 upon deconsolidation.

The fair value of all subsidiary preferred shares as of December 31, 2025 and December 31, 2024 was $169.

As is customary, in the event of any voluntary or involuntary liquidation, dissolution or winding up of a subsidiary, the holders of outstanding subsidiary preferred shares shall be entitled to be paid out of the assets of the subsidiary available for distribution to shareholders and before any payment shall be made to holders of ordinary shares. A merger, acquisition, sale of voting control or other transaction of a subsidiary in which the shareholders of the subsidiary immediately before the transaction 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.

As of December 31, 2025 and December 31, 2024, the minimum liquidation preference reflecting the amounts that would be payable to the subsidiary preferred holders upon a liquidation event of the subsidiaries, is as follows:

Balance as of December 31,	**2025 $**	2024 $
Entrega	**2,216**	2,216
Follica	**6,405**	6,405
Total minimum liquidation preference	**8,621**	8,621

For the years ended December 31, 2025 and 2024, the Group recognized the following changes in the value of subsidiary preferred shares:

	2025 $	2024 $
Balance as of January 1,	**169**	**169**
Issuance of Seaport preferred shares – financing cash flow	—	68,100
Increase in value of preferred shares measured at fair value – finance income	—	8,108
Deconsolidation of subsidiary - (Seaport)	—	(76,208)
Balance as of December 31,	**169**	**169**

18. Sale of Future Royalties Liability

On March 4, 2011, the Group entered into a license agreement (the "License Agreement") with Karuna, according to which the Group granted Karuna an exclusive license to research, develop and sell KarXT in exchange for a royalty on annual net sales, development and regulatory milestones and a fixed portion of sublicensing income, if any.

On March 22, 2023, the Group signed an agreement with Royalty Pharma (the "Royalty Purchase Agreement"), according to which the Group sold Royalty Pharma a partial right to receive royalty payments from Karuna in respect of net sales of KarXT, if and when received. According to the Royalty Purchase Agreement, all royalties due to the Group under the License Agreement will be paid to Royalty Pharma up to an annual royalties threshold of $60,000, while all royalties above such annual threshold in a given year will be split 33% to Royalty Pharma and 67% to the Group. Under the terms of the Royalty Purchase Agreement, the Group received a non-refundable initial payment of $100,000 at the execution of the Royalty Purchase Agreement and is eligible to receive additional payments in the aggregate of up to an additional $400,000 based on the achievement of certain regulatory and commercial milestones.

The Group continues to hold the rights under the License Agreement and has a contractual obligation to deliver cash to Royalty Pharma for a portion of the royalties it receives. Therefore, the Group will continue to account for any royalties and milestones due to the Group under the License Agreement as revenue in its Consolidated Statement of Comprehensive Income/(Loss) and record the proceeds from the Royalty Purchase Agreement as a financial liability on its Consolidated Statement of Financial Position. In determining the appropriate accounting treatment for the Royalty Purchase Agreement, management applied significant judgment.

The acquisition of Karuna by Bristol Myers Squibb ("BMS"), which closed on March 18, 2024, had no impact on the Group's rights or obligations under the License Agreement or the Royalty Purchase Agreement, each of which remains in full force and effect.

In order to determine the amortized cost of the sale of future royalties liability, management is required to estimate the total amount of future receipts from and payments to Royalty Pharma under the Royalty Purchase Agreement over the life of the agreement. The $100,000 liability, recorded at execution of the Royalty Purchase Agreement, is accreted to the total of these receipts and payments as interest expense over the life of the Royalty Purchase Agreement. These estimates contain assumptions that impact both the amortized cost of the liability and the interest expense that are recognized in each reporting period.

Additional proceeds received from Royalty Pharma increase the Group's financial liability. As royalty payments are made to Royalty Pharma, the balance of the liability is effectively repaid over the life of the Royalty Purchase Agreement. The estimated timing and amount of royalty payments to and proceeds from Royalty Pharma are likely to change over the life of the Royalty Purchase Agreement. A significant increase or decrease in estimated royalty payments, or a significant shift in the timing of cash flows, will materially impact the sale of future royalties liability, interest expense and the time period for repayment. The Group periodically assesses the expected payments to, or proceeds from, Royalty Pharma. Any such changes in amount or timing of cash flows requires the Group to re-calculate the amortized cost of the sale of future royalties liability as the present value of the estimated future cash flows from the Royalty Purchase Agreement that are discounted at the liability's original effective interest rate. The adjustment is recognized immediately in profit or loss as income or expense.

On October 1, 2024, the Group received $25,000 from Royalty Pharma upon the FDA's approval for BMS to market KarXT as Cobenfy. The Group paid Royalty Pharma $3,456 in 2025 for the royalties received from BMS for the sales of Cobenfy from the fourth quarter of 2024 through the third quarter of 2025. For the year ended December 31, 2025, the Group recognized $4,659 royalty revenue from BMS' sale of Cobenfy. The royalties for the fourth quarter of 2025 was paid to Royalty Pharma in February 2026.

The following shows the activity in respect of the sale of future royalties liability:

	Sale of future royalties liability $
Balance as of January 1, 2024	**110,159**
Payment from Royalty Pharma – regulatory milestone	25,000
Non-cash interest expense recognized	8,058
Balance as of December 31, 2024	**143,217**
Payments to Royalty Pharma	(3,456)
Non-cash interest expense recognized	43,908
Balance as of December 31, 2025	**183,669**
Sale of future royalties liability, current	13,247
Sale of future royalties liability, non-current	170,422

19. Financial Instruments

The Group's financial instruments consist of financial assets in the form of convertible notes, investment in shares, and financial liabilities, including notes and preferred shares. Many of these financial instruments are presented at fair value, with changes in fair value recorded through profit and loss.

Fair Value Process

For financial instruments measured at fair value under IFRS 9, the change in the fair value is reflected through profit and loss. Using the guidance in IFRS 13, the total business enterprise value and allocable equity of each entity being valued can be determined using a market backsolve approach through a recent arm's length financing round (or a future probable arm's length transaction), market/asset probability-weighted expected return method ("PWERM") approach, discounted cash flow approach, or hybrid approaches. The approaches, in order of strongest fair value evidence, are detailed as follows:

Valuation Method	Description
Market – Backsolve	The market backsolve approach benchmarks the original issue price (OIP) of the company's latest funding transaction as current value.
Market/Asset – PWERM	Under a PWERM, the company value is based upon the probability-weighted present value of expected future investment returns, considering each of the possible future outcomes available to the enterprise. Possible future outcomes can include IPO scenarios, potential SPAC transactions, merger and acquisition transactions as well as other similar exit transactions of the investee.
Income Based – DCF	The income approach is used to estimate fair value based on the income streams, such as cash flows or earnings, that an asset or business can be expected to generate.

At each measurement date, investments held at fair value (that are not publicly traded) as well as the fair value of subsidiary preferred share liability, including embedded conversion rights that are not bifurcated, were determined using the following allocation methods: option pricing model ("OPM"), PWERM, or hybrid allocation framework. The methods are detailed as follows:

Allocation Method	Description
OPM	The OPM model treats preferred stock as call options on the enterprise's equity value, with exercise prices based on the liquidation preferences of the preferred stock.
PWERM	Under a PWERM, share value is based upon the probability-weighted present value of expected future investment returns, considering each of the possible future outcomes available to the enterprise, as well as the rights of each share class.
Hybrid	The hybrid method is a combination of the PWERM and OPM. Under the hybrid method, multiple liquidity scenarios are weighted based on the probability of the scenario's occurrence, similar to the PWERM, while also utilizing the OPM to estimate the allocation of value in one or more of the scenarios.

Valuation policies and procedures are regularly monitored by the Group. Fair value measurements, including those categorized within Level 3, are prepared and reviewed for reasonableness and compliance with the fair value measurements guidance under IFRS accounting standards. The Group measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Fair Value Hierarchy Level	Description
Level 1	Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
Level 2	Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3	Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation.

Whilst the Group considers the methodologies and assumptions adopted in fair value measurements as supportable and reasonable, 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.

Notes to the Consolidated Financial Statements continued

19. Financial Instruments continued

Subsidiary Preferred Share Liability

As of December 31, 2025 and December 31, 2024, the fair value of subsidiary preferred share liability was $169 and $169, respectively. See Note 17. Subsidiary Preferred Shares for the changes in the Group's subsidiary preferred share liability measured at fair value, which are categorized as Level 3 in the fair value hierarchy. The changes in fair value of subsidiary preferred share liability are recorded in finance income/(costs) – fair value accounting in the Consolidated Statement of Comprehensive Income/(Loss).

Investments Held at Fair Value

The Group has immaterial investments in listed entities on an active exchange, and as such, the fair value of these investments as of December 31, 2025 was calculated utilizing the quoted common share price, which is categorized as Level 1 in the fair value hierarchy.

Seaport, Vedanta and Sonde

As of December 31, 2025, the Group accounted for the following investments under IFRS 9 as investments held at fair value with changes in fair value through profit and loss: Seaport preferred shares, Vedanta preferred shares, and Sonde preferred A-2 and B shares. The valuations of the aforementioned investments are categorized as Level 3 in the fair value hierarchy due to the use of significant unobservable inputs to value such assets. During the year ended December 31, 2025, the Group recorded such investments at fair value and recognized a gain of $39,074 for the changes in fair value of the investments.

The following table summarizes the changes in all the Group's investments held at fair value categorized as Level 3 in the fair value hierarchy:

Level 3 Investments held at fair value	Balance under IFRS 9 $	Equity method loss recorded against LTI $	Carrying Amount $
Balance as of January 1, 2024	**24,872**	**—**	**24,872**
Deconsolidation of Seaport - new investment in Seaport preferred shares	179,248	—	179,248
Gain/(loss) on changes in fair value	(10,361)	—	(10,361)
Equity method loss recorded against LTI	—	(5,307)	(5,307)
Balance as of December 31, 2024	**193,758**	**(5,307)**	**188,452**
Investment in Vedanta preferred shares	888	—	888
Conversion of Vedanta note to preferred shares	2,836	—	2,836
Gain/(loss) on changes in fair value	39,074	—	39,074
Equity method loss recorded against LTI, net	—	(13,831)	(13,831)
Balance as of December 31, 2025	**236,557**	**(19,138)**	**217,419**

The changes in fair value of investments held at fair value are recorded in gain/(loss) on investments held at fair value in the Consolidated Statement of Comprehensive Income/(Loss).

As of December 31, 2025, the Group's material investment held at fair value categorized as Level 3 in the fair value hierarchy included the preferred shares of Seaport with fair value of $236,003. The significant unobservable inputs used at December 31, 2025 in the fair value measurement of this investment and the sensitivity of the fair value measurement to changes in these significant unobservable inputs are summarized in the table below.

As of December 31, 2025	Investment Measured through Market Backsolve & PWERM		
Unobservable Inputs	Input Value	Sensitivity Range	Fair Value Increase/ (Decrease) $
Equity Value	689,748	-10%	(24,667)
		+10%	24,634
Probability of entering into an initial public offering ("IPO")*	50%	-10%	(5,270)
		+10%	5,270

*Assumed the IPO event occurs on June 30, 2026.

The unobservable inputs outlined within the table above were used to determine the fair value of our investment in the convertible preferred shares of a private company as of December 31, 2025. Whilst the Group considers the methodologies and assumptions used in the fair value measurement to be supportable and reasonable based on a number of factors, including stage of development for underlying programs and market conditions, because of the inherent uncertainties associated with the valuation, the estimated value may differ significantly from the values that would have been used had a ready market for the investment existed. The fair value measurement of our investment in the convertible preferred shares will be updated at each reporting date.

19. Financial Instruments continued

Investments in Notes from Associates

As of December 31, 2025 and 2024, the investment in notes from associates was $11,417 and $17,731, respectively. The balance as of December 31, 2025 represents the fair value of convertible promissory notes issued by Gelesis with a principal value of $26,850. The balance as of December 31, 2024 represents the fair value of the aforementioned convertible debt issued by Gelesis as well as the convertible promissory note issued by Vedanta with a principal value of $5,000. The Vedanta convertible note was converted into shares of Vedanta Series A-1 preferred stock in August 2025. See Note 5. Investments Held at Fair Value. As a result, the Vedanta convertible promissory note is no longer outstanding.

During the year ended December 31, 2025, the Group recorded a loss of $3,628 for the changes in fair value of the notes from associates in the gain/(loss) on investments in notes from associates within the Consolidated Statement of Comprehensive Income/(Loss). The loss was primarily driven by a decrease of $3,514 in the fair value of the Vedanta convertible note prior to its conversion.

In October 2023, Gelesis ceased operations and filed a voluntary petition for relief under the provisions of Chapter 7 of Title 11 of the United States Bankruptcy Code. Therefore, the Group determined the fair value of the convertible promissory notes issued by Gelesis to be $0 as of December 31, 2023. In June 2024, the Bankruptcy Court approved an executed agreement for a third party to acquire the remaining net assets of Gelesis for $15,000. As the only senior secured creditor, the Group is expected to receive a majority of the proceeds from this sale after deduction of legal and administrative costs incurred by the Bankruptcy Court. As of December 31, 2025 and 2024, these notes were determined to have a fair value of $11,417 and $11,381, respectively.

The convertible debt issued by Vedanta was valued at the conversion date using a probability-weighted backsolve approach.

Fair Value Measurement and Classification

The fair value of financial instruments by category as of December 31, 2025 and 2024:

	2025					
	Carrying Amount		Fair Value			
	Financial Assets $	Financial Liabilities $	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets[1]:						
Money Markets[2]	**97,447**	**—**	**97,447**	**—**	**—**	**97,447**
Investment in notes from associates	**11,417**	**—**	**—**	**—**	**11,417**	**11,417**
Investments held at fair value[3]	**217,426**	**—**	**7**	**—**	**217,419**	**217,426**
Total financial assets	**326,290**	**—**	**97,454**	**—**	**228,836**	**326,290**
Financial liabilities:						
Subsidiary preferred shares	**—**	**169**	**—**	**—**	**169**	**169**
Share-based liability awards	**—**	**3,044**	**—**	**—**	**3,044**	**3,044**
Total financial liabilities	**—**	**3,213**	**—**	**—**	**3,213**	**3,213**

1. Excluded from the table above are short-term investments of $24,829 and cash equivalent of $124,538 that are classified at amortized cost as of December 31, 2025. The cost of these short-term investments and cash equivalent approximates current fair value.
2. Included within cash and cash equivalents.
3. The carrying amount of $217,419 reflects the fair value of $236,557 as of December 31, 2025, net of $19,138 in equity method loss allocated to the long-term interest.

	2024					
	Carrying Amount		Fair Value			
	Financial Assets $	Financial Liabilities $	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets[1]:						
Money Markets[2]	181,716	—	181,716	—	—	181,716
Investment in notes from associates	17,731	—	—	—	17,731	17,731
Investments held at fair value[3]	191,426	—	2,974	—	188,452	191,426
Total financial assets	390,873	—	184,690	—	206,183	390,873
Financial liabilities:						
Subsidiary preferred shares	—	169	—	—	169	169
Share-based liability awards	—	3,736	—	—	3,736	3,736
Total financial liabilities	—	3,905	—	—	3,905	3,905

1. Excluded from the table above are short-term investments of $86,666 and cash equivalent of $62,179 that are classified at amortized cost as of December 31, 2024. The cost of these short-term investments and cash equivalent approximates current fair value.
2. Included within cash and cash equivalents.
3. The carrying amount of $188,452 reflects the fair value of $193,758 as of December 31, 2024, net of $5,307 in equity method loss allocated to the long-term interest.

20. Subsidiary Notes Payable

The subsidiary notes payable was comprised of loans as of December 31, 2025 and 2024 with a balance of $4,916 and $4,111, respectively. It also included convertible notes of $260 as of December 31, 2023. These instruments do not contain embedded derivatives, and therefore, are held at amortized cost.

Loans

In October 2010, Follica entered into a loan and security agreement with Lighthouse Capital Partners VI, L.P. The loan is secured by Follica's assets, including Follica's intellectual property and bears interest at a rate of 5.0% in the interest only period and 12.0% in the repayment period.

Convertible Notes

The activities of the convertible notes were as follows:

	Knode $	Appeering $	Total $
Balance as of January 1, 2023	**99**	**149**	**248**
Accrued interest on convertible notes - finance costs	5	8	13
Balance as of December 31, 2023	**104**	**156**	**260**
Accrued interest on convertible notes - finance costs	5	7	12
Forgiveness of debt – entity dissolution – finance income	(109)	(164)	(273)
Balance as of December 31, 2024	**—**	**—**	**—**

In November 2024, the Group dissolved Knode and Appeering as they were no longer operational entities. As a result, the principal and interest on these notes outstanding were written off in full as of the dissolution date.

21. Non-Controlling Interest

As of December 31, 2025 and 2024, non-controlling interests included Entrega and Follica. Ownership interests of the non-controlling interests in these entities as of December 31, 2025 were 11.7%, and 19.9%, respectively. There was no change from December 31, 2024, in the ownership interests of the non-controlling interests in these two entities. Non-controlling interests include the amounts recorded for subsidiary stock awards. See Note 10 Share-based Payments.

For the year ended December 31, 2024, Seaport issued 950,000 shares of fully vested common stock to the Group and 3,450,000 shares of common stock to certain officers and directors, of which 2,455,555 shares were fully vested before Seaport's deconsolidation from the Group's Consolidated Financial Statements on October 18, 2024. Ownership interest of non-controlling interests was 61.3% immediately before Seaport's deconsolidation.

During the year ended December 31, 2023, Vedanta Biosciences, Inc was deconsolidated. See Note 8. Gain/(loss) on Deconsolidation of Subsidiary.

Notes to the Consolidated Financial Statements continued

21. Non-Controlling Interest continued

The following table summarizes the changes in the non-controlling ownership interest in subsidiaries:

	Non-Controlling Interest $
Balance as of January 1, 2023	**5,369**
Share of comprehensive income/(loss)	(931)
Equity settled share-based payments	277
Expiration of share options in subsidiary	(1,458)
Deconsolidation of subsidiary (Vedanta)	(9,085)
Other	(6)
Balance as of December 31, 2023	**(5,835)**
Share of comprehensive income/(loss)	(25,728)
Equity settled share-based payments	17,372
Deconsolidation of subsidiary (Seaport)	7,430
Other	(13)
Balance as of December 31, 2024	**(6,774)**
Share of comprehensive income/(loss)	(345)
Equity settled share-based payments - See Note 10. Share-based Payments	758
Expiration of share options in subsidiary	(36)
Balance as of December 31, 2025	**(6,397)**

22. Trade and Other Payables

Information regarding Trade and other payables was as follows:

Balance as of December 31,	**2025 $**	2024 $
Trade payables	**3,070**	5,522
Accrued expenses	**18,273**	18,705
Liability for share-based awards, short-term	**1,827**	1,875
Other	**15**	917
Total trade and other payables	**23,185**	27,020

23. Leases and subleases

The activity related to the Group's right of use asset and lease liability for the years ended December 31, 2025 and 2024 is as follows:

	Right of use asset, net	
	2025 $	2024 $
Balance as of January 1,	**8,061**	9,825
Depreciation	**(1,764)**	(1,764)
Balance as of December 31,	**6,297**	8,061

Notes to the Consolidated Financial Statements continued

23. Leases and subleases continued

	Total lease liability	
	2025 $	2024 $
Balance as of January 1,	**18,250**	21,644
Cash paid for rent - principal - financing cash flow	**(3,579)**	(3,394)
Cash paid for rent - interest - operating cash flow	**(1,065)**	(1,295)
Interest expense	**1,065**	1,295
Balance as of December 31,	**14,671**	18,250

Depreciation of the right-of-use assets, which virtually all consist of leased real estate, is included in the general and administrative expenses and research and development expenses line items in the Consolidated Statement of Comprehensive Income/(Loss). The Group recorded depreciation expense of $1,764, $1,764 and $1,979 for the years ended December 31, 2025, 2024 and 2023, respectively.

The following table details the short-term and long-term portion of the lease liability as of December 31, 2025 and 2024:

	Total lease liability	
	2025 $	2024 $
Short-term portion of lease liability	**3,584**	3,579
Long-term portion of lease liability	**11,087**	14,671
Total lease liability	**14,671**	18,250

The following table details the future maturities of the lease liability, showing the undiscounted lease payments to be paid after the reporting date:

	2025 $
Less than one year	4,419
One to two years	4,551
Two to three years	4,687
Three to four years	2,796
Four to five years	—
More than five years	—
Total undiscounted lease maturities	**16,452**
Interest	1,781
Total lease liability	**14,671**

During the year ended December 31, 2019, the Group entered into a lease agreement for certain premises consisting of 50,858 rentable square feet of space located at 6 Tide Street, Boston, Massachusetts. The lease commenced on April 26, 2019 for an initial term consisting of ten years and three months, and there is an option to extend the lease for two consecutive periods of five years each. The Group assessed at the lease commencement date whether it was reasonably certain to exercise the extension options, and deemed such options were not reasonably certain to be exercised. The Group will reassess whether it is reasonably certain to exercise the options only if there is a significant event or significant change in circumstances within its control.

On June 26, 2019, the Group executed a sublease agreement with Gelesis. The lease is for 9,446 rentable square feet located on the sixth floor of the Group's former office at 501 Boylston Street, Boston, Massachusetts. The sublease expired on August 31, 2025, and was determined to be a finance lease. Gelesis ceased operations and filed for bankruptcy on October 30, 2023. As a result, the Group wrote off its receivable in the lease of $1,266 in 2023.

On January 23, 2023, the Group executed a sublease agreement with Allonnia, LLC ("Allonnia"). The sublease was initially for approximately 11,000 rentable square feet located on the third floor of the 6 Tide Street building where the Group's offices are currently located. Allonnia obtained possession of the premises on February 17, 2023 with a rent commencement date of May 17, 2023. The annual lease fee was $1,111 per year. The lease term was for two years from the rent commencement date, and Allonnia had the option to extend the sublease. In February 2024, Allonnia extended the lease term through May 31, 2026. The annual lease fee increased to $1,279 per year. In May 2025, Allonnia extended the lease term through June 26, 2027. The average annual lease fee increased to $1,384 per year. The sublease was determined to be an operating lease, and as such, the total lease payments under the sublease agreement are recognized over the lease term on a straight-line basis.

Rental income recognized by the Group during the year ended December 31, 2025, 2024, and 2023 was $1,238, $1,053, and $781 respectively, which was included in the other income/(expense) line item in the Consolidated Statement of Comprehensive Income/(Loss).

24. Capital and Financial Risk Management

Capital Risk Management

The Group's capital and financial risk management policy is to maintain a strong capital base to support its strategic priorities, maintain investor, creditor and market confidence as well as sustain the future development of the business. The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. To maintain or adjust the capital structure, the Group may issue new shares or incur new debt. The Group has no material externally imposed capital requirements. The Group's share capital is set out in Note 16. Equity.

Management continuously monitors the level of capital deployed and available for deployment in the Wholly-Owned programs segment and at Founded Entities. The Directors seek to maintain a balance between the higher returns that might be possible with higher levels of deployed capital and the advantages and security afforded by a sound capital position.

The Group's Directors have overall responsibility for the establishment and oversight of the Group's capital and risk management framework. The Group is exposed to certain risks through its normal course of operations. The Group's main objective in using financial instruments is to promote the development and commercialization of intellectual property through the raising and investing of funds for this purpose. The nature, amount and timing of investments are determined by planned future investment activity. Due to the nature of activities and with the aim to maintain the investors' funds as secure and protected, the Group's policy is to hold any excess funds in highly liquid and readily available financial instruments and maintain minimal exposure to other financial risks.

The Group has exposure to the following risks arising from financial instruments:

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash and cash equivalents, short-term investments, and trade and other receivables. The Group held the following balances:

Balance as of December 31,	2025 $	2024 $
Cash and cash equivalents	**252,470**	280,641
Short-term investments	**24,829**	86,666
Trade and other receivables	**1,758**	1,522
Total	**279,057**	368,828

The Group invests its excess cash in U.S. Treasury Bills (presented as short-term investments), and money market accounts, which the Group believes are of high credit quality. Further, the Group's cash and cash equivalents and short-term investments are held at diverse, investment-grade financial institutions.

The Group assesses the credit quality of customers on an ongoing basis. The credit quality of financial assets is assessed by historical and recent payment history, counterparty financial position, and reference to credit ratings (if available) or to historical information about counterparty default rates. The Group does not have expected credit losses due to the high credit quality or healthy financial conditions of these counterparties. As of December 31, 2025 and 2024, none of the trade and other receivables were impaired.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group actively manages its liquidity risk by closely monitoring the maturity of its financial assets and liabilities and projected cash flows from operations, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Due to the nature of these financial liabilities, the funds are available on demand to provide optimal financial flexibility.

The table below summarizes the maturity profile of the Group's financial liabilities, including subsidiary preferred shares that have customary liquidation preferences, as of December 31, 2025 and 2024, based on contractual undiscounted payments:

	2025				
Balance as of December 31,	Carrying Amount $	Within Three Months $	Three to Twelve Months $	One to Five Years $	Total $ (*)
Subsidiary notes payable (Note 20)	**4,916**	**4,916**	**—**	**—**	**4,916**
Trade and other payables (Note 22)	**23,185**	**23,185**	**—**	**—**	**23,185**
Tax liability (Note 27)	**1,208**	**—**	**1,208**	**—**	**1,208**
Subsidiary preferred shares (Note 17)[1]	**169**	**169**	**—**	**—**	**169**
Total	**29,477**	**28,269**	**1,208**	**—**	**29,477**

Notes to the Consolidated Financial Statements continued

24. Capital and Financial Risk Management continued

	2024				
Balance as of December 31,	Carrying Amount $	Within Three Months $	Three to Twelve Months $	One to Five Years $	Total $ (*)
Subsidiary notes payable (Note 20)	4,111	4,111	—	—	4,111
Trade and other payables (Note 22)	27,020	27,020	—	—	27,020
Tax liability (Note 27)	75	75	—	—	75
Subsidiary preferred shares (Note 17)[1]	169	169	—	—	169
Total	31,375	31,375	—	—	31,375

1 Redeemable only upon a liquidation or deemed liquidation event, as defined in the applicable shareholder documents.

* Does not include payments in respect of lease obligations nor payments on sale of future royalties liability. For the contractual future payments related to lease obligations, see Note 23. Leases and subleases. For contractual future payments related to sale of future royalties, see Note 18. Sale of Future Royalties Liability.

Interest Rate Sensitivity

As of December 31, 2025, the Group had cash and cash equivalents of $252,470, and short-term investments of $24,829. The Group's exposure to interest rate sensitivity is impacted by changes in the underlying U.K. and U.S. bank interest rates. The Group has not entered into investments for trading or speculative purposes. Due to the conservative nature of the Group's investment portfolio, which is predicated on capital preservation and investments in short duration, high-quality U.S. Treasury Bills and related money market accounts, a change in interest rates would not have a material effect on the fair market value of the Group's portfolio, and therefore, the Group does not expect operating results or cash flows to be significantly affected by changes in market interest rates.

Controlled Founded Entity Investments

The Group maintains investments in certain Controlled Founded Entities. The Group's investments in Controlled Founded Entities are eliminated as intercompany transactions upon financial consolidation. The Group is, however, exposed to a subsidiary preferred share liability owing to the terms of existing preferred shares and the ownership of Controlled Founded Entities preferred shares by third parties. As discussed in Note 17. Subsidiary Preferred Shares, certain of the Group's subsidiaries have issued preferred shares that include the right to receive a payment in the event of any voluntary or involuntary liquidation, dissolution or winding up of a subsidiary, including in the event of "deemed liquidation" as defined in the incorporation documents of the entities, which shall be paid out of the assets of the subsidiary available for distribution to shareholders, and before any payment shall be made to holders of ordinary shares. The liability of preferred shares is maintained at fair value through profit and loss and was insignificant as of December 31, 2025. The Group's cash position supports the business activities of the Controlled Founded Entities. Accordingly, the Group views exposure to the third party subsidiary preferred share liability as low.

Deconsolidated Founded Entity Investments

The Group maintains certain debt or equity holdings in Founded Entities that are deconsolidated. These holdings are deemed either as investments carried at fair value under IFRS 9 with changes in fair value recorded through profit and loss or as associates accounted for under IAS 28 using the equity method. The Group's exposure to investments held at fair value and investments in notes from associates was $217,426 and $11,417, respectively, as of December 31, 2025, and the Group may or may not be able to realize the value in the future. Accordingly, the Group views the risk as high. The Group's exposure to investments in associates is limited to the carrying amount of the investment in an associate. The Group is not exposed to further contractual obligations or contingent liabilities beyond the value of the initial investments. As of December 31, 2025, the investments in associates include Sonde and Seaport, and the carrying amounts of the investments under the equity method were $0. Accordingly, the Group views the risk as low.

Equity Price Risk

As of December 31, 2024, the Group held 2,671,800 common shares of Vor with a fair value of $2,966. These common shares were sold in 2025. As of December 31, 2025, the Group held immaterial investments in listed entities on an active exchange. As such, the Group views the exposure to equity price risk as low.

Foreign Exchange Risk

The Group maintains Consolidated Financial Statements in the Group's functional currency, which is the U.S. dollar. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at exchange rates prevailing at the balance sheet dates. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the date of the transaction. Exchange gains or losses arising from foreign currency transactions are included in the determination of net income/(loss) for the respective periods. Such foreign currency gains or losses were not material for all reported periods.

The Group does not currently engage in currency hedging activities since its foreign currency risk is limited, but the Group may begin to do so in the future if and when its foreign currency risk exposure changes.

Notes to the Consolidated Financial Statements continued

25. Commitments and Contingencies

The Group is a party to certain licensing agreements where the Group is licensing IP from third parties. In consideration for such licenses, the Group has made upfront payments and may be required to make additional contingent payments based on developmental and sales milestones and/or royalties on future sales. As of December 31, 2025, certain milestone events have not yet occurred, and therefore, the Group does not have a present obligation to make the related payments in respect of the licenses. Such milestones are dependent on events that are outside of the control of the Group, and many of these milestone events are remote of occurring. Payments in respect of developmental milestones that are dependent on events that are outside the control of the Group but are reasonably possible to occur amounted to approximately $7,121 and $7,121, respectively, as of December 31, 2025 and December 31, 2024. These milestone amounts represent an aggregate of multiple milestone payments depending on different milestone events in multiple agreements. The probability that all such milestone events will occur in the aggregate is remote. Payments made to license IP represent the acquisition cost of intangible assets.

The Group is a party to arrangements with contract manufacturing and contract research organizations, whereby the counterparty provides the Group with research and/or manufacturing services. As of December 31, 2025 and December 31, 2024, the noncancellable commitments in respect of such contracts amounted to approximately $4,308 and $8,395, respectively.

In March 2024, a complaint was filed in Massachusetts District Court against the Group alleging breach of contract with respect to certain payments alleged to be owed to a previous employee of a Group's subsidiary based on purported terms of a contract between such individual and the Group. As of December 31, 2024, the Group recognized a provision of $900, which represented management's best estimate of the expected settlement related to the financial obligation associated with the lawsuit, considering the likelihood of settlement. During the year ended December 31, 2025, a settlement was reached, and payments in the amounts of $850 and $89 were made in June 2025 and July 2025, respectively.

The Group is involved from time-to-time in various legal proceedings arising in the normal course of business. Although the outcomes of these legal proceedings are inherently difficult to predict, the Group does not expect the resolution of such legal proceedings to have a material adverse effect on its financial position or results of operations. The Group did not book any provisions and did not identify any contingent liabilities requiring disclosure for any legal proceedings in the years ended December 31, 2025 and 2024.

26. Related Parties Transactions

Related Party Subleases

During 2019, the Group executed a sublease agreement with a related party, Gelesis. During 2023, the sublease receivable was written down to $0 as Gelesis ceased operations and filed for bankruptcy. The Group recorded $23 of interest income with respect to the sublease during the year ended December 31, 2023, which is presented within finance income in the Consolidated Statement of Comprehensive Income/(Loss).

Key Management Personnel Compensation

Key management includes executive directors and members of the executive management team of the Group (not including non-executive directors and not including subsidiary directors). The key management personnel compensation of the Group was as follows for the years ended December 31:

For the years ended December 31,	**2025 $**	2024 $	2023 $
Short-term employee benefits	**3,918**	5,166	9,714
Post-employment benefits	**76**	61	41
Termination benefits	**408**	395	417
Share-based payment expense	**2,174**	2,540	599
Total	**6,576**	8,161	10,772

Short-term employee benefits include salaries, health care and other non-cash benefits. Post-employment benefits include 401K contributions from the Group. Termination benefits include severance pay. Share-based payments are generally subject to vesting terms over future periods. See Note 10 Share-based Payments. As of December 31, 2025 and 2024, the payable due to the key management employees was $1,613, and $1,509, respectively.

In addition, the Group incurred remuneration expense for non-executive directors in the amounts of $673, $670 and $475 for the years ended December 31, 2025, 2024 and 2023, respectively. Also, the Group incurred $574, $501 and $373 of share-based compensation expense for such non-executive directors for the years ended December 31, 2025, 2024 and 2023, respectively.

During 2025, the Group entered into an agreement with a contract research, development, and manufacturing organization whose board chairperson is also a non-executive director of the Group. As of December 31, 2025, $210 was included in the Consolidated Statement of Financial Position as an accounts payable to this related party, of which $58 was expensed during the year in connection with this related party agreement.

During the years ended December 31, 2025, 2024 and 2023, the Group incurred $46, $34, and $46 respectively, of expenses from other related parties.

Convertible Notes Issued to Directors

During the year ended December 31, 2024, the Group dissolved an inactive subsidiary, which held a convertible note issued to a related party. As a result of the entity's dissolution, the convertible note's outstanding balance on the day of dissolution was written down to $0 and a gain of $108 was recorded and included in finance income/ (costs) within the Consolidated Statement of Comprehensive Income/(Loss).

Notes to the Consolidated Financial Statements continued

26. Related Parties Transactions continued

Directors' and Senior Managers' Shareholdings and Share Incentive Awards

The Directors and senior managers hold beneficial interests in shares in the following businesses as of December 31, 2025:

	Business name (share class)	Number of shares held as of December 31, 2025	Number of options held as of December 31, 2025	Number of RSUs held as of December 31, 2025	Ownership interest[1]
Directors:					
Dr Robert Langer	Entrega (Common)	**250,000**	**82,500**	**—**	**4.35 %**
Dr John LaMattina	Vedanta Biosciences (Common)	**2,500**	**427,416**	**—**	**0.15 %**
	Seaport Therapeutics (Preferred B)[2]	**21,052**	**—**	**—**	**0.01 %**
Michele Holcomb	Seaport Therapeutics (Preferred B)	**21,052**	**—**	**—**	**0.01 %**
Sharon Barber-Lui	Seaport Therapeutics (Preferred B)	**21,052**	**—**	**—**	**0.01 %**
Kiran Mazumdar-Shaw	Seaport Therapeutics (Preferred B)[3]	**21,052**	**—**	**—**	**0.01 %**
Senior Managers:					
Eric Elenko	Seaport Therapeutics (Common)	**950,000**	**—**	**—**	**0.63 %**

1 Ownership interests as of December 31, 2025 are calculated on a diluted basis, including issued and outstanding shares, warrants and options (and written commitments to issue options) but excluding unallocated shares authorized to be issued pursuant to equity incentive plans.

2 Dr. John and Ms. Mary LaMattina hold 21,052 Series B preferred shares of Seaport Therapeutics.

3 Shares owned through Glentec International.

Directors and senior managers hold 7,522,370 ordinary shares and 3.1% voting rights of the Group as of December 31, 2025. This amount excludes options to purchase 422,221 ordinary shares. This amount also excludes 2,535,651 shares, which are issuable based on the terms of performance-based RSU awards granted to certain senior managers covering the financial years from 2023 to 2027, and 2,180,815 shares of time-based RSUs to senior managers, which vest primarily over 3 years. Such shares will be issued to such senior managers in future periods provided that performance and/or service conditions are met, and certain of the shares will be withheld for payment of customary withholding taxes. This amount also excludes 469,720 shares, which are issuable to non-executive directors immediately prior to the Group's 2026 Annual General Meeting of Stockholders, based on the terms of the RSU awards granted to non-executive directors in 2025.

During the year ended December 31, 2024, certain officers and directors participated in the Tender Offer. See Note 16. Equity for details on the program. Consequently, the Group repurchased a total of 767,533 ordinary shares at 250 pence per ordinary share from these related parties.

Other

See Note 7. Investment in Notes from Associates for details on the notes issued by Gelesis, Sonde, and Vedanta to the Group.

As of December 31, 2025, and 2024 the Group had receivables outstanding from Seaport in the amounts of $7, and $408, respectively.

27. Taxation

Tax on the profit or loss for the year comprises current and deferred income tax. Tax is recognized in the Consolidated Statement of Comprehensive Income/(Loss) except to the extent that it relates to items recognized directly in equity.

For the years ended December 31, 2025, 2024 and 2023, the Group filed a consolidated U.S. federal income tax return that included all subsidiaries in which the Group owned greater than 80% of the vote and value. For the years ended December 31, 2025, 2024 and 2023, the Group filed certain consolidated state income tax returns which included all subsidiaries in which the Group owned greater than 50% of the vote and value. The remaining subsidiaries file separate U.S. tax returns.

Notes to the Consolidated Financial Statements continued

27. Taxation continued

Amounts recognized in Consolidated Statement of Comprehensive Income/(Loss):

For the year ended December 31,	**2025 $**	2024 $	2023 $
Income/(loss) for the year	**(110,084)**	27,782	(66,628)
Income tax expense/(benefit)	**(842)**	(4,008)	30,525
Income/(loss) before taxes	**(110,927)**	23,774	(36,103)

Recognized Income Tax Expense/(Benefit):

For the year ended December 31,	**2025 $**	2024 $	2023 $
Federal - current	**874**	35,310	(2,246)
State - current	**1,018**	13,144	(46)
Total current income tax expense/(benefit)	**1,892**	48,454	(2,292)
Federal - deferred	**(2,734)**	(46,442)	29,294
State - deferred	**—**	(6,020)	3,523
Total deferred income tax expense/(benefit)	**(2,734)**	(52,462)	32,817
Total income tax expense/(benefit), recognized	**(842)**	(4,008)	30,525

The income tax expense/(benefit) was $(842), $(4,008) and $30,525 for the tax years ended December 31, 2025, 2024 and 2023, respectively.

The income tax benefit recognized in 2025 was primarily due to capital loss generated on the sale of the Vor Biopharma investment and general business tax credits, partially offset by the recognition of a reserve for uncertain tax positions related to a state audit.

The income tax benefit recognized in 2024 was primarily attributable to the recognition of a deferred tax asset, which was generated in 2024 from the sale of the Group's investment in Akili common stock. This deferred tax asset was used to offset income generated from the sale of the Group's investment in Karuna common shares, partially offset with state income tax expense.

Reconciliation of Effective Tax Rate

The Group is primarily subject to taxation in the U.S. A reconciliation of the U.S. federal statutory tax rate to the effective tax rate is as follows:

	2025		2024		2023	
For the year ended December 31,	**$**	**%**	$	%	$	%
US federal statutory rate	**(23,295)**	**21.00**	4,994	21.00	(7,573)	21.00
State taxes, net of federal effect	**(5,664)**	**5.11**	1,026	4.32	(3,974)	11.01
Tax credits	**(1,772)**	**1.60**	(2,517)	(10.59)	(9,167)	25.39
Stock-based compensation	**777**	**(0.70)**	2,123	8.93	589	(1.63)
Finance income/(costs) – fair value accounting	**769**	**(0.69)**	1,640	6.90	(556)	1.54
Loss with respect to associate for which no deferred tax asset is recognized	**639**	**(0.58)**	210	0.88	249	(0.69)
Revaluation of deferred due to rate change	**(271)**	**0.24**	(3,419)	(14.38)	—	—
Nondeductible compensation	**505**	**(0.46)**	1,534	6.45	872	(2.42)
Recognition of deferred tax assets and tax benefits not previously recognized	**(962)**	**0.87**	(12,396)	(52.14)	(433)	1.20
Unrecognized deferred tax asset	**—**	**—**	—	—	83,984	(232.63)
Deconsolidation of subsidiary	**—**	**—**	3,863	16.25	(17,506)	48.49
Cancellation of Debt Income	**—**	**—**	(987)	(4.15)	—	—
Current year losses and credits for which no deferred tax asset is recognized	**27,288**	**(24.60)**	—	—	—	—
Uncertain tax positions	**1,208**	**(1.09)**	—	—	—	—
Other	**(66)**	**0.06**	755	3.16	1,321	(3.65)
Worthless stock deduction	**—**	**—**	(833)	(3.50)	(17,281)	47.87
	(842)	**0.76**	(4,008)	(16.86)	30,525	(84.52)

The Group is also subject to taxation in the UK, but to date, no taxable income has been generated in the UK. Changes in corporate tax rates can change both the current tax expense (benefit) as well as the deferred tax expense (benefit).

Notes to the Consolidated Financial Statements continued

27. Taxation continued

Deferred Tax Assets and Liabilities

Deferred tax assets have been recognized in the U.S. jurisdiction in respect of the following items:

For the year ended December 31,	2025 $	2024 $
Operating tax losses	**33,810**	2,621
Tax credits	**272**	238
Share-based payments	**5,989**	6,206
Capitalized research & development expenditures	**40,696**	48,904
Lease liability	**3,912**	4,851
Sale of future royalties	**53,321**	42,406
Deferred tax assets	**137,999**	105,226
Investments held at fair value	**(31,289)**	(23,565)
Right of use assets	**(1,679)**	(2,143)
Property and equipment, net	**(796)**	(1,235)
Investment in associates	**—**	(637)
Other temporary differences	**(2,198)**	(1,900)
Deferred tax liabilities	**(35,962)**	(29,480)
Deferred tax assets (liabilities), net	**102,037**	75,746
Deferred tax assets (liabilities), net, not recognized	**102,037**	75,746

As of December 31, 2025, the Group does not have sufficient taxable temporary differences; has a history of losses; and does not believe it is probable future profits will be available to support the recognition of its deferred tax assets. The unrecognized deferred tax assets of $102,037 are primarily related to capitalized research & development expenditures, net operating loss carryforwards and deferred tax asset related to the sale of future royalties to Royalty Pharma.

Unrecognized Deferred Tax Assets

Deferred tax assets have not been recognized in respect of the following carryforward losses, credits and temporary differences, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	2025 $		2024 $	
For the year ended December 31,	**Gross Amount**	**Tax Effected**	Gross Amount	Tax Effected
Deductible temporary difference	**254,843**	**67,955**	274,227	72,887
Tax losses*	**123,691**	**33,810**	7,815	2,621
Tax credits	**272**	**272**	238	238
Total	**378,806**	**102,037**	282,280	75,746

* The gross amount in the table above represents federal tax losses; tax-effected amounts reflect both federal and state net operating losses. See the footnote disclosure below for details on gross state tax net operating losses carryforwards.

Tax Losses and Tax Credits Carryforwards

Tax losses and tax credits for which no deferred tax asset was recognized are presented below:

	2025 $		2024 $	
Balance as of December 31,	**Gross Amount**	**Tax Effected**	Gross Amount	Tax Effected
Tax losses expiring:				
Within 10 years	**2,382**	**593**	1,537	416
More than 10 years	**2,440**	**7,604**	3,285	729
Available Indefinitely	**118,870**	**25,613**	2,993	1,476
Total*	**123,691**	**33,810**	7,815	2,621
Tax credits expiring:				
Within 10 years	**91**	**91**	44	44
More than 10 years	**181**	**181**	194	194
Available indefinitely	**—**	**—**	—	—
Total	**272**	**272**	238	238

* The gross amount in the table above represents federal tax losses; tax-effected amounts reflect both federal and state net operating losses. See the footnote disclosure below for details on gross state tax net operating losses carryforwards.

27. Taxation continued

The Group had U.S. federal net operating losses carry forwards ("NOLs") of $123,691, $7,815 and $13,681 as of December 31, 2025, 2024 and 2023, respectively, which are available to offset future taxable income. These NOLs expire through 2037 with the exception of $118,870, which is not subject to expiration, and can be utilized up to 80% of annual taxable income. The Group had U.S. federal research and development tax credits of approximately $272, $238 and $1,396 as of December 31, 2025, 2024 and 2023, respectively, which are available to offset future taxes that expire at various dates through 2044. A portion of these federal NOLs and credits can only be used to offset the profits from the Group's subsidiaries who file separate federal tax returns. These NOLs and credits are subject to review and possible adjustment by the Internal Revenue Service.

The Group had state net operating losses carry forwards ("NOLs") of approximately $376,066, $125,322 and $111,446 for the years ended December 31, 2025, 2024 and 2023, respectively, which are available to offset future taxable income. These NOLs expire at various dates beginning in 2030. These NOLs are subject to review and possible adjustment by state taxing authority.

Utilization of the NOLs and research and development credit carryforwards may be subject to a substantial annual limitation under Section 382 of the Internal Revenue Code of 1986 due to ownership change limitations that have occurred previously or that could occur in the future. These ownership changes may limit the amount of NOL and research and development credit carryforwards that can be utilized annually to offset future taxable income and tax, respectively. The Group has performed a Section 382 analysis through December 31, 2025. The results of this analysis concluded that certain net operating losses were subject to limitation under Section 382 of the Internal Revenue Code. None of the Group's net operating losses, which are subject to a Section 382 limitation, has been recognized in the financial statements.

Tax Balances

The tax related balances presented in the Consolidated Statement of Financial Position are as follows:

For the year ended December 31,	**2025 $**	2024 $
Income tax receivable – current	6,372	—
Tax liability – current	**(1,208)**	(75)

Uncertain Tax Positions

The Group has recorded an uncertain tax position reserve of approximately $1,208 as of December 31, 2025, inclusive of interest and penalties, related to a state audit. U.S. corporations are routinely subject to audit by federal and state tax authorities in the normal course of business.

28. Subsequent Events

The Group has evaluated subsequent events after December 31, 2025, up to the date of issuance, April 29, 2026, of the Consolidated Financial Statements, and has not identified any recordable or disclosable events not otherwise reported in these Consolidated Financial Statements or notes thereto.

Parent Company Statement of Financial Position

For the years ended December 31

	Note	2025 $000s	2024 $000s
Assets			
Non-current assets			
Investment in subsidiary	2	**470,476**	462,734
Total non-current assets		**470,476**	462,734
Current assets			
Cash and cash equivalents		**25,976**	26,323
Total current assets		**25,976**	26,323
Total assets		**496,451**	489,057
Equity and liabilities			
Equity			
Share capital	3	**4,860**	4,860
Share premium	3	**290,262**	290,262
Treasury stock	3	**(41,154)**	(46,864)
Merger reserve	3	**138,506**	138,506
Other reserve	3	**27,745**	26,407
Retained earnings	3	**41,972**	44,574
Total equity		**462,191**	457,746
Current liabilities			
Trade and other payables		**1,465**	3,661
Intercompany payables	4	**32,795**	27,650
Total current liabilities		**34,260**	31,311
Total equity and liabilities		**496,451**	489,057

Please refer to the accompanying notes to the PureTech Health plc financial information ("Notes"). Registered number: 09582467.

As permitted by Section 408 of the Companies Act 2006, the Parent Company's profit and loss account is not presented. The Parent Company's net loss for the year was $2,624 (2024: net income of $107,421).

The PureTech Health plc financial statements were approved by the Board of Directors and authorized for issuance on April 29, 2026 and signed on its behalf by:

Robert Lyne
Chief Executive Officer
April 29, 2026

The accompanying Notes are an integral part of these financial statements.

Parent Company Statement of Changes in Equity

For the years ended December 31

	Share Capital			Treasury Shares					
	Shares	Amount $000s	Share Premium $000s	Shares	Amount $000s	Merger Reserve $000s	Other Reserve $000s	Retained earnings/ (Accumulated deficit) $000s	Total equity $000s
Balance January 1, 2024	**289,468,159**	**5,461**	**290,262**	**(17,614,428)**	**(44,626)**	**138,506**	**21,596**	**41,997**	**453,196**
Exercise of stock options	—	—	—	412,729	1,041	—	(146)	—	895
Equity-settled share-based payments	—	—	—	—	—	—	4,569	—	4,569
Settlement of restricted stock units	—	—	—	599,512	1,512	—	(211)	—	1,301
Repurchase and cancellation of ordinary shares from Tender Offer	(31,540,670)	(600)	—	—	—	—	600	(104,844)	(104,844)
Purchase of treasury stock	—	—	—	(1,903,990)	(4,791)	—	—	—	(4,791)
Net Income/(loss)	—	—	—	—	—	—	—	107,421	107,421
Balance December 31, 2024	**257,927,489**	**4,860**	**290,262**	**(18,506,177)**	**(46,864)**	**138,506**	**26,407**	**44,574**	**457,746**
Exercise of stock options	—	—	—	65,000	164	—	(58)	—	106
Equity-settled share-based payments	—	—	—	—	—	—	6,338	—	6,338
Settlement of restricted stock units	—	—	—	2,197,726	5,544	—	(4,942)	—	603
Other	—	—	—	—	1	—	—	22	23
Net income/(loss)	—	—	—	—	—	—	—	(2,624)	(2,624)
Balance December 31, 2025	**257,927,489**	**4,860**	**290,262**	**(16,243,451)**	**(41,154)**	**138,506**	**27,745**	**41,972**	**462,191**

The accompanying Notes are an integral part of these financial statements.

Notes to the Financial Statements

(amounts in thousands, except share and per share data)

1. Material accounting policies

Basis of Preparation and Measurement

The financial statements of PureTech Health plc (the "Parent") are presented as of December 31, 2025 and 2024, and for the years ended December 31, 2025 and 2024, and have been prepared under the historical cost convention in accordance with FRS 101 'Reduced Disclosure Framework' and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. As permitted by FRS 101, the Parent has taken advantage of the disclosure exemptions available under that standard in relation to:

- a cash flow statement

A summary of the material accounting policies that have been applied consistently throughout the year is set out below.

Certain amounts in the Parent Company Financial Statements and accompanying notes may not add due to rounding. All percentages have been calculated using unrounded amounts.

Functional and Presentation Currency

The functional currency of the Parent is United States ("U.S.") Dollars and the financial statements are presented in U.S. Dollars.

Investments

Investments are stated at historical cost less any provision for impairment in value, and are held for long-term investment purposes. Provisions are based upon an assessment of events or changes in circumstances that indicate that an impairment has occurred, such as the performance and/or prospects (including the financial prospects) of the investee company being significantly below the expectations on which the investment was based, a significant adverse change in the markets in which the investee company operates, or a deterioration in general market conditions.

Impairment

If there is an indication that an asset might be impaired, the Parent would perform an impairment review. An asset is impaired if the recoverable amount, being the higher of fair value less cost to sell and value in use, is less than its carrying amount. Value in use is measured based on future discounted cash flows attributable to the asset. In such cases, the carrying value of the asset is reduced to its recoverable amount with a corresponding charge recognized in the profit and loss statement.

Dividend Income

Dividend received from the Parent's subsidiary is recorded as dividend income in the profit and loss statement.

Financial Instruments

Currently the Parent does not have derivative financial instruments. Financial assets and financial liabilities are recognized and cease to be recognized on the basis of when the related titles pass to or from the Parent.

Share-Based Payments

Share-based payment awards granted in subsidiaries to employees, Board of Directors and consultants to be settled in Parent's equity instruments are accounted for as equity-settled share-based payment transactions in accordance with IFRS 2. Restricted stock units granted in subsidiaries to the executives are accounted for as share-based liability awards in accordance with IFRS 2 as they can be cash-settled at PureTech's discretion and have a history of being cash-settled. The grant date fair value of equity-settled share-based payment awards and the settlement date fair value of the share-based liability awards are recognized as an increase to the investment in subsidiary with a corresponding increase in equity. For equity-settled restricted stock units, the grant date fair value is the grant date share price. For share-based liability awards, the fair value at each reporting date is measured using the Monte Carlo simulation analysis considering share price volatility, risk-free rate, and other covariance of comparable public companies and other market data to predict distribution of relative share performance. For stock options, the fair value is measured using an option pricing model, which takes into account the terms and conditions of the options granted. When the subsidiary settles the equity awards other than by the Parent's equity, the settlement is recorded as a decrease in equity against a corresponding decrease to the investment account.

Significant Accounting Estimates and Judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

There is a significant estimate for the Parent in determining the recoverable amount of the investment in its subsidiary. The related sensitivities are detailed in note 2 of the Parent financial statements.

2. Investment in subsidiary

	$
Balance at January 1, 2023	**452,374**
Equity-settled share-based payments granted to employees and service providers in subsidiaries	4,489
Balance at December 31, 2023	**456,864**
Equity-settled share-based payments granted to employees and service providers in subsidiaries	5,870
Balance at December 31, 2024	**462,734**
Equity-settled share-based payments granted to employees and service providers in subsidiaries	7,742
Balance at December 31, 2025	**470,476**

PureTech consists of the Parent and its subsidiaries (together, the "Group"). Investment in subsidiary represents the Parent's investment in PureTech LLC as a result of the reverse acquisition immediately prior to the Parent's initial public offering ("IPO") on the London Stock Exchange in June 2015. PureTech LLC operates in the U.S. as a US-focused scientifically-driven research and development company that conceptualizes, sources, validates and commercializes different approaches to advance the needs of human health. For a summary of the Parent's major indirect subsidiaries, please refer to Note 1. Material Accounting Policies, of the Consolidated Financial Statements of the Group.

The Parent recognizes in its investment in its operating subsidiary PureTech LLC, share-based payments granted to employees, executives, non-executive directors and service providers in its subsidiary. The increases in investment in subsidiary in 2023, 2024 and 2025, respectively, are due to such share-based payments results from the expenses related to the grant of equity-settled share-based awards, as well as settlement of share-based payments through equity by the Parent.

As of December 31, 2025, the Parent performed an impairment assessment on its investment in subsidiary using the fair value less cost to sell approach. The fair value less cost to sell was calculated using the Parent's publicly traded stock price, adjusted for a reasonable control premium and estimated selling costs, based on market norms. The carrying amount of its investment in subsidiary was 13.5% lower than the implied market capitalization. After applying an estimated control premium, the Parent determined that the investment in its subsidiary was not impaired as of December 31, 2025.

A sensitivity analysis indicates that a 1% stock price variation would affect the investment's fair value by $4,716, while a 1% change in the control premium would alter the value by $4,068. The impairment assessment follows FRS 102, reflecting key management judgement regarding a reasonable control premium and estimated associated selling costs.

Notes to the Financial Statements continued

3. Share capital and reserves

PureTech Health plc was incorporated with the Companies House under the Companies Act 2006 as a public company on May 8, 2015.

On June 24, 2015, the Group authorized 227,248,008 of ordinary share capital at one pence apiece. These ordinary shares were admitted to the premium listing segment of the United Kingdom's Listing Authority and traded on the Main Market of the London Stock Exchange for listed securities. In conjunction with the authorization of the ordinary shares, the Parent completed an IPO on the London Stock Exchange, in which it issued 67,599,621 ordinary shares at a public offering price of 160 pence per ordinary share, in consideration for $159,270, net of issuance costs of $11,730.

Additionally, the IPO included an over-allotment option equivalent to 15% of the total number of new ordinary shares. The stabilization manager provided notice to exercise in full its over-allotment option on July 2, 2015. As a result, the Parent issued 10,139,943 ordinary shares at the offer price of 160 pence per ordinary share, which resulted in net proceeds of $24,200, net of issuance costs of $800.

On March 12, 2018, the Group raised approximately $100,000, before issuance costs and other expenses, by way of a placing of 45,000,000 placing shares.

During the years ended December 31, 2025 and 2024, other reserves increased by $1,338 and $4,811, respectively, primarily due to equity-settled share-based payments granted to employees, the Board of Directors and service providers in subsidiaries. See Note 2. Investment in subsidiary above.

Treasury stock and Tender Offer

On May 9, 2022, the Group announced the commencement of a $50,000 share repurchase program (the "Program") of its ordinary shares of one pence each. The Group executed the Program in two equal tranches. It entered into an irrevocable non-discretionary instruction with Jefferies International Limited ("Jefferies") in relation to the purchase by Jefferies of the ordinary shares for an aggregate consideration (excluding expenses) of no greater than $25,000 for each tranche and the simultaneous on-sale of such ordinary shares by Jefferies to the Group, subject to certain volume and price restrictions.

In February 2024, the Group completed the Program and has repurchased an aggregate of 20,182,863 ordinary shares under the Program. These shares have been held as treasury shares and are being used to settle the vesting of restricted stock units or exercise of stock options.

In March 2024, the Group announced a proposed capital return of $100,000 to its shareholders by way of a tender offer (the "Tender Offer"). The proposed Tender Offer was approved by shareholders at the Annual General Meeting of Stockholders held on June 6, 2024, to acquire a maximum number of 33,500,000 ordinary shares (including ordinary shares represented by American Depository Shares ("ADSs")) for a fixed price of 250 pence per ordinary share (equivalent to £25.00 per ADS) for a maximum aggregate amount of $100,000 excluding expenses.

The Tender Offer was completed on June 24, 2024. The Group repurchased 31,540,670 ordinary shares under the Tender Offer. Following such repurchase, the Group cancelled these shares repurchased. As a result of the cancellation, the nominal value of $600 related to the cancelled shares was reduced from share capital and transferred to a capital redemption reserve, increasing the capital redemption reserve balance to $600 which was included in other reserve in the Parent Company Statement of Changes in Equity.

As of December 31, 2025 and 2024, the Group's issued share capital was 257,927,489 shares, including 16,243,451 shares and 18,506,177 shares repurchased under the share repurchase program, and were held by the Group in treasury, respectively. All issued share capital is fully paid.

4. Intercompany payables

As of December 31, 2025 and 2024, the Parent had a balance due to its operating subsidiary PureTech LLC of $32,795 and $27,650, respectively, which is related to IPO costs and operating expenses. These intercompany payables do not bear any interest and are repayable upon demand.

5. Directors' remuneration, employee information and share-based payments

The remuneration of the executive Directors of the Parent company is disclosed in Note 26. Related Parties Transactions, of the Group's Consolidated Financial Statements. Full details of Directors' remuneration can be found in the audited sections of the Directors' Remuneration Report. Full detail of the share-based payment charge and the related disclosures can be found in Note 10 Share-based Payments, of the Group's Consolidated Financial Statements.

The Parent had no employees during 2025 or 2024.

History and Development of the Company

We were incorporated and registered under the laws of England and Wales with the Registrar of Companies of England and Wales, United Kingdom in May 2015 as "PureTech Health plc." Our predecessor entity, PureTech Health LLC (the "Predecessor Entity"), commenced formal operations and began engaging in initial sourcing activities in 2004, raising its first financing round greater than $5 million in the same year. The Predecessor Entity was acquired by PureTech Health plc on June 18, 2015 in a reorganization completed in connection with our initial public offering on the London Stock Exchange. The Predecessor Entity is now a wholly-owned subsidiary of PureTech Health plc. Our registered office is situated at 13th Floor, One Angel Court, London, EC2R 7HJ, United Kingdom, and our telephone number is +(1) 617 482 2333. Our U.S. operations are conducted by our wholly-owned subsidiary PureTech Health LLC, a Delaware limited liability company. Our ordinary shares have traded on the main market of the London Stock Exchange since June 2015, and our ADSs have traded on the Nasdaq Global Market since November 2020. Our agent for service of process in the United States is PureTech Health LLC located at 6 Tide Street, Suite 400, Boston, Massachusetts 02210 where our corporate headquarters and laboratories are located. Our website address is http://www.puretechhealth.com. The reference to our website is an inactive textual reference only, and information contained in, or that can be accessed through our website or any other website cited in this annual report is not part of hereof.

Risk Factor Annex

Our business faces significant risks. You should carefully consider all of the information set forth in this Annual Report and Accounts, including the following risk factors which we face and which are faced by our industry. These risks are not listed in any particular order of priority and are intended to supplement the risks identified elsewhere. Our business, financial condition or results of operations could be materially and adversely affected if any of these risks occur.

This Annual Report and Accounts and our associated Annual Report on Form 20-F also contain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain important factors including the risks described below and elsewhere. All statements contained in this Annual Report and Accounts and our associated Annual Report on Form 20-F, other than statements of historical fact, including statements regarding our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management, are forward-looking statements. The words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "would," "could," "should," "continue" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. The forward-looking statements in this Annual Report and Accounts and associated Annual Report on Form 20-F include, among other things, statements about:

- our ability to realize value from our Founded Entities, which may be impacted if we reduce our ownership to a minority interest or otherwise cede control to other investors through contractual agreements or otherwise;
- the success, cost and timing of our clinical development within our Wholly-Owned Programs and our Founded Entities, including the progress of, and results from, our Wholly-Owned Programs ' and our Founded Entities' preclinical and clinical trials of deupirfenidone (LYT-100), LYT-200, or other therapeutic candidates, and our technology platforms and other potential therapeutic candidates within our Wholly-Owned Programs and therapeutic candidates being developed by our Founded Entities;
- our ability to obtain and maintain regulatory clearance, certification, authorization, or approval of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities, and any related restrictions, limitations or warnings in the label of any of the therapeutic candidates, if cleared, certified, authorized, or approved;
- our ability to compete with companies currently marketing or engaged in the development of treatments for indications within our Wholly-Owned Programs or our Founded Entities are designed to target;
- our plans to pursue research and development of other future therapeutic candidates;
- the potential advantages of the therapeutic candidates within our Wholly-Owned Programs and the therapeutic candidates developed by our Founded Entities;
- the rate and degree of market acceptance and clinical utility of our therapeutic candidates;
- the success of our collaborations and partnerships with third parties;
- our estimates regarding the potential market opportunity for the therapeutic candidates within our Wholly-Owned Programs and the therapeutic candidates being developed by our Founded Entities;
- our sales, marketing and distribution capabilities and strategy;
- our ability to establish and maintain arrangements for manufacture of the therapeutic candidates within our Wholly-Owned Programs and therapeutic candidates being developed by our Founded Entities;
- our intellectual property position;
- our expectations related to the use of capital;
- our estimates regarding expenses, future revenues, capital requirements and needs for additional financing;
- the impact of government laws and regulations; and
- our competitive position.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements, which speak only as of the date made. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. You should refer to the below for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may undertake. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Except as may be required by law, we have no plans to update our forward-looking statements to reflect events or circumstances after the date of this annual report on Form 20-F. We qualify all of our forward-looking statements by these cautionary statements.

This Annual Report and Accounts and our associated Annual Report on Form 20-F include statistical and other industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. Additionally, certain information we may disclose (either herein or elsewhere) is informed by the expectations of various stakeholders or third-party frameworks and, as such, may not necessarily be material for purposes of our filings under U.S. federal securities laws, even if we use "material" or similar language in discussing such matters.

Risks Related to our Financial Position and Need for Additional Capital

We are a clinical-stage biotherapeutics company and have incurred significant operating losses since our inception. We may continue to incur significant operating losses for the foreseeable future.

Investment in biotechnology, including therapeutic development and medical device development, is highly speculative because it entails substantial upfront capital expenditures and significant risk that any potential therapeutic candidate will be unable to demonstrate effectiveness or an acceptable safety profile, gain regulatory approval or certification (where applicable) and become commercially viable. To date, only three of our Founded Entities' therapeutic candidates, Karuna Therapeutics, Inc.'s (now a wholly owned subsidiary of Bristol Myers Squibb, Inc.) Cobenfy® received U.S. Food and Drug Administration, or FDA, approval, and both Gelesis, Inc.'s Plenity® and Akili Interactive Labs, Inc.'s EndeavorRx® have received marketing authorization from the FDA and have been CE Marked in the European Union, or EU. All of the therapeutic candidates in our Wholly-Owned Programs and the majority of our Founded Entities' therapeutic candidates may require substantial additional development time, including extensive clinical research, and resources before we would be able to apply for or receive regulatory clearances, certifications or approvals and begin generating revenue from therapeutic sales.

Since our inception, we have invested most of our resources in developing our technology and therapeutic candidates, building our intellectual property portfolio, developing our supply chain, conducting business planning, raising capital and providing general and administrative support for these operations, including with respect to our Founded Entities. We are not operationally profitable and have incurred operating losses in each year since our inception. Our operating losses for the years ended December 31, 2023, 2024 and 2025 were $146.2 million, $136.1 million and $98.5 million, respectively. We have no therapeutics developed in our Wholly-Owned Programs approved for commercial sale and have not generated any revenues from therapeutic sales, and we and our Founded Entities have financed operations solely through the sale of equity securities, revenue from strategic alliances and government funding and, with respect to certain of our Founded Entities, debt financings. We continue to incur significant research and development, or R&D, and other expenses related to ongoing operations and expect to incur losses for the foreseeable future. We anticipate continued losses for the foreseeable future.

Due to risks and uncertainties associated with the development of drugs, biologics and medical devices, we are unable to predict the timing or amount of our expenses, or when we will be able to generate any meaningful revenue or achieve or maintain profitability, if ever. In addition, our expenses could increase beyond our current expectations if we are required by the FDA, the European Medicines Agency, or the EMA, or other comparable foreign regulatory authorities and notified bodies in the EU to perform preclinical studies or clinical trials in addition to those that we currently anticipate, or if there are any delays in any of our or our future collaborators' clinical trials or the development of our existing therapeutic candidates and any other therapeutic candidates that we may identify. Even if our existing therapeutic candidates or any future therapeutic candidates that we may identify are approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved therapeutic and ongoing compliance efforts.

Risk Factor Annex continued

As of December 31, 2025, we had never generated revenue from the therapeutic candidates within our Wholly-Owned Programs, and we may never be operationally profitable.

We may never be able to develop or commercialize marketable therapeutics or achieve operational profitability. Revenue from the sale of any therapeutic candidate for which regulatory clearance, certification, authorization or approval is obtained will be dependent, in part, upon the size of the markets in the territories for which we gain regulatory clearance, certification, authorization or approval, the accepted price for the therapeutic, the ability to obtain reimbursement at any price and whether we own the commercial rights for that territory. Our growth strategy depends on our ability to generate revenue. In addition, if the number of addressable patients is not as anticipated, the indication or intended use cleared, certified, authorized or approved by regulatory authorities or notified bodies is narrower than expected, or the reasonably accepted population for treatment is narrowed by competition, physician choice or treatment guidelines, we may not generate significant revenue from sales of such therapeutics, even if cleared, certified, authorized or approved. Even if we are able to generate revenue from the sale of any cleared, certified, authorized or approved therapeutics, we may not become operationally profitable and may need to obtain additional funding to continue operations. Even if we achieve operational profitability in the future, we may not be able to sustain profitability in subsequent periods.

If we are unable to achieve sustained profitability, it would depress the value of our company and could impair our ability to raise capital, expand our business, diversify our R&D pipeline, market the therapeutic candidates within our Wholly-Owned Programs , if cleared or approved, and pursue or continue our operations. Our prior losses, combined with expected future losses, have had and may continue to have an adverse effect on our shareholders' equity and working capital.

We may require substantial additional funding to achieve our business goals. If we are unable to obtain this funding when needed and on acceptable terms, we could be forced to delay, limit or terminate certain of our therapeutic development efforts. Certain of our Founded Entities will similarly require substantial additional funding to achieve their business goals.

Across our Wholly-Owned Programs and our Founded Entities, we established the underlying platforms that have resulted in the development of 29 therapeutics and therapeutic candidates, including three (Cobenfy, Plenity and EndeavorRx) that have commercial approval, with Cobenfy receiving U.S. FDA approval, and both Plenity and EndeavorRx receiving both U.S. FDA approval and European marketing authorization. Developing biotherapeutics is expensive and time-consuming, and with respect to the therapeutic candidates within our Wholly-Owned Programs , we expect to require substantial additional capital to conduct research, preclinical studies and clinical trials for our current and future programs, establish pilot scale and commercial scale manufacturing processes and facilities, seek regulatory approvals for the therapeutic candidates within our Wholly-Owned Programs and launch and commercialize any therapeutics for which we receive regulatory approval, including building our own commercial sales, marketing and distribution organization. With respect to our Founded Entities' programs, we anticipate that we will continue to fund a small portion of development costs by strategically participating in such companies' financings when doing so would be in the interests of our shareholders. We expect to finance our future cash needs through a combination of public and private equity offerings, debt financings, strategic partnerships, sales of assets and alliances and licensing arrangements, among others. We, and indirectly, our shareholders, may bear the cost of issuing and servicing any such securities and of entering into and maintaining any such strategic partnerships or other arrangements. Because any decision by us to issue debt or equity securities in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of any future financing transactions. Our management and strategic decision makers have not made decisions regarding the future allocation of certain of our resources among our Founded Entities, but evaluate the needs and opportunities with respect to each of these Founded Entities routinely and on a case-by-case basis. In connection with any collaboration agreements relating to our Wholly-Owned Programs , we are also responsible for the payments to third parties of expenses that may include milestone payments, license maintenance fees and royalties, including in the case of certain of our agreements with academic institutions or other companies from whom intellectual property rights underlying their respective programs have been in-licensed or acquired. Because the outcome of any preclinical or clinical development and regulatory approval process is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development, regulatory approval or certification process and potential commercialization of our Wholly-Owned Programs and any future therapeutic candidates we may identify.

As of December 31, 2025, we had cash, cash equivalents and short-term investments of $277.1 million at the PureTech Health plc level. Based on current projections, the Directors believe that the company has sufficient available funding to extend operations at least through the end of 2028. However, our operating plan may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned, through public or private equity or debt financings, sales of assets or programs, other sources, such as strategic collaborations or license and development agreements, or a combination of these approaches. Even if we believe we have sufficient funds for our current or future operating plans, we may opportunistically seek additional capital if market conditions are favorable or if we have specific strategic considerations. Our spending will vary based on new and ongoing therapeutic development and corporate activities.

Our future funding requirements, both short-term and long-term, will depend on many factors, including, but not limited to:

- the time and cost necessary to complete ongoing, planned and future unplanned clinical trials (such term to include clinical studies in these Risk Factors where context requires and the item being studied or subject of a potential study may be regulated as a medical device in the EU), including our ongoing clinical trials for certain of our therapeutic candidates, and potential future clinical trials for certain of our therapeutic candidates;
- the outcome, timing and cost of meeting regulatory requirements established by the FDA, the EMA and other comparable foreign regulatory authorities;
- the progress, timing, scope and costs of our preclinical studies, clinical trials and other related activities for our ongoing and planned clinical trials, and potential future clinical trials;
- the costs of obtaining clinical and commercial supplies of raw materials and drug products for the therapeutic candidates within our Wholly-Owned Programs , as applicable, and any other therapeutic candidates we may identify and develop;
- our ability to successfully identify and negotiate acceptable terms for third-party supply and contract manufacturing agreements with contract manufacturing organizations, or CMOs;
- the costs of commercialization activities for any of the therapeutic candidates within our Wholly-Owned Programs that receive marketing approval, including the costs and timing of establishing therapeutic sales, marketing, distribution and manufacturing capabilities, or entering into strategic collaborations with third parties to leverage or access these capabilities;
- the amount and timing of sales and other revenues from the therapeutic candidates within our Wholly-Owned Programs , if approved, including the sales price and the availability of coverage and adequate third-party reimbursement;
- the cash requirements of our Founded Entities and our ability and willingness to provide them with financing;
- the cash requirements of any future acquisitions or discovery of therapeutic candidates;
- the time and cost necessary to respond to technological and market developments, including other therapeutics that may compete with one or more of our Wholly-Owned Programs or those of our Founded Entities;
- the costs of acquiring, licensing or investing in intellectual property rights, therapeutics, therapeutic candidates and businesses;
- our ability to attract, hire and retain qualified personnel as we expand R&D and establish a commercial infrastructure;
- the costs of maintaining, expanding and protecting our intellectual property portfolio;
- the costs of operating as a public company in the United Kingdom, or UK, and the United States, or US, and maintaining listings on both the London Stock Exchange, or the LSE, and The Nasdaq Global Market, or Nasdaq; and
- costs associated with any adverse market conditions or other macroeconomic factors.

We cannot be certain that additional funding will be available on acceptable terms, or at all. If adequate funds are not available to us on a timely basis, we may be required to delay, limit or terminate one or more research or development programs or the potential commercialization of any approved therapeutics or be unable to expand operations or otherwise capitalize on business opportunities, as desired, which could materially affect our business, prospects, financial condition and results of operations.

Risk Factor Annex continued

Raising additional capital may cause dilution to our existing shareholders, restrict our operations or require us to relinquish rights to current therapeutic candidates or to any future therapeutic candidates on unfavorable terms.

To the extent that we or our Founded Entities raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a shareholder. The incurrence of additional indebtedness would result in increased fixed payment obligations and could involve additional restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. Additionally, any future collaborations we enter into with third parties may provide capital in the near term, but limit our potential cash flow and revenue in the future. If we raise additional funds through strategic partnerships and alliances and licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or therapeutic candidates, or grant licenses or other rights on unfavorable terms. Any such additional fundraising efforts for us may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize therapeutic candidates that we may identify and pursue. Moreover, such financing may result in dilution to shareholders, imposition of debt covenants and repayment obligations, or other restrictions that may affect our business.

In addition, if any of our Founded Entities raises funds through the issuance of equity securities, our shareholders' indirect equity interest in such Founded Entity could be substantially diminished. If any of our Founded Entities raises additional funds through collaboration and licensing arrangements, it may be necessary to relinquish some rights to our technologies or these therapeutic candidates or grant licenses on terms that are not favorable to us.

If we engage in acquisitions or strategic partnerships, this may increase our capital requirements, dilute our shareholders, cause us to incur debt or assume contingent liabilities and subject us to other risks.

We may engage in various acquisitions and strategic partnerships in the future, including licensing or acquiring complementary therapeutics, intellectual property rights, technologies or businesses. Any acquisition or strategic partnership may entail numerous risks, including:

- increased operating expenses and cash requirements;
- the assumption of indebtedness or contingent liabilities;
- the issuance of our equity securities which would result in dilution to our shareholders;
- assimilation of operations, intellectual property, therapeutics and therapeutic candidates of an acquired company, including difficulties associated with integrating new personnel;
- the diversion of our management's attention from our existing therapeutic programs and initiatives in pursuing such an acquisition or strategic partnership;
- retention of key employees, the loss of key personnel and uncertainties in our ability to maintain key business relationships;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing therapeutics or therapeutic candidates and regulatory approvals; and
- our inability to generate revenue from acquired intellectual property, technology and/or therapeutics sufficient to meet our objectives or even to offset the associated transaction and maintenance costs.

In addition, if we undertake such a transaction, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortization expense.

Risks Related to Our Founded Entities

Our ability to realize value from our Founded Entities may be impacted if we reduce our ownership or otherwise cede control to other investors through contractual agreements or otherwise.

We do not have a majority interest in our Non-Controlled Founded Entities. Our interests may be further reduced as such companies raise capital from third-party investors. In addition, we may agree to contractual arrangements for the funding of further developments by one or more of our Founded Entities. As a result, with respect to our Non-Controlled Founded Entities, we may not be able to exercise control over the affairs of such Founded Entity, including that Founded Entity's governance arrangements and access to management and financial information. We are also party to agreements with certain of our Founded Entities that contain provisions which could force us to exit from that Founded Entity at a time and/or price determined by other investor(s) (for example, by the exercise of drag-along rights). If we were forced to exit out of a Founded Entity, this could have a material adverse effect on our business, financial condition or results of operations and prospects. In addition, if the affairs of one or more Founded Entities in which we hold a minority stake were to be conducted in a manner detrimental to our interests or intentions, our business, reputation and prospects may be adversely affected.

As certain of our Founded Entities have completed equity financings, they have entered into certain agreements with the investors participating in such financings, including us. We are party to voting agreements with Entrega, Inc., or Entrega Sonde Health, Inc., or Sonde and Seaport Therapeutics, Inc. or Seaport; investors' rights agreements with Akili, Vedanta, Entrega, Sonde, and Seaport , and stockholders' agreements with Gelesis, Akili, Vedanta, Entrega, and Sonde, pursuant to which we are subject to certain restrictions on the transfer or sale of shares (e.g., pre-emptive rights or drag-along, tag-along rights or lock up agreements), and we may not be able freely to transfer our interest in such Founded Entities or procure the sale of the entire issued share capital of such Founded Entities, similar to other investors who are party to these agreements. In addition, many of our Founded Entities have employee share plans which further dilute our interest in such business. If the affairs of one or more of our Founded Entities were to be conducted or impacted in a manner detrimental to our interests or intentions the value we are able to realize from such entity may be diminished. For example, in October 2023, Gelesis ceased operations and filed a voluntary petition for Chapter 7 bankruptcy liquidation. If we were unable to realize our interest in a Founded Entity or suffer dilution of our shareholding, this could have a material adverse effect on our business, financial condition or results of operation and prospects.

Our overall value may be dominated by a single or limited number of our Founded Entities.

A large proportion of our overall value may at any time reside in a small proportion of our Founded Entities. Accordingly, there is a risk that if one or more of the intellectual property or commercial rights relevant to a valuable business were impaired, this would have a material adverse impact on our overall value. Furthermore, a large proportion of our overall revenue may at any time be the subject of one, or a small number of, licensed technologies. Should the relevant licenses be terminated or expire this would be likely to have a material adverse effect on the revenue received by us. Any material adverse impact on the value of the business of a Founded Entity could, in the situations described above, or otherwise, have a material adverse effect on our business, financial condition, trading performance and/or prospects.

We have limited information about and limited control or influence over our Non-Controlled Founded Entities.

While we maintain ownership of equity interests in our Non-Controlled Founded Entities, we do not maintain voting control or direct management and development efforts for these entities. Each of these entities are independently managed, and we do not control the clinical and regulatory development of these Non-Controlled Founded Entities' therapeutic candidates. Any failure by our Non-Controlled Founded Entities to adhere to regulatory requirements, initiate preclinical studies and clinical trials on schedule or to obtain clearances or approvals for their therapeutic candidates could have an adverse effect on our business, financial condition, results of operation and prospects. The information included in this report about our Non-Controlled Founded Entities is based on (i) our knowledge, which may in some cases be limited, (ii) information that is publicly available, including the public filings of SEC reporting companies, such as Vor, and (iii) information provided to us by our Non-Controlled Founded Entities. Where a date is provided, the information included in this report about our Non-Controlled Founded Entities is as of that date and you should not assume that it is accurate as of any other date. As such, there may be developments at our Non-Controlled Founded Entities of which we are unaware that could have an adverse effect on our business, financial condition, results of operation and prospects. For example, on July 2, 2024, Akili Interactive Labs, Inc., merged with privately-held Virtual Therapeutics and ceased trading as a public company.

Our Founded Entities are difficult to value given that many of their therapeutic candidates are in the development stage.

Investments in early-stage companies, particularly privately held entities, are inherently difficult to value since sales, cash flow and tangible asset values are very limited, which makes the valuation highly dependent on expectations of future development, and any future significant revenues would only arise in the medium to longer terms and are uncertain. Equally, investments in companies just commencing the commercial stage are also difficult to value since sales, cash flow and tangible assets are limited, they have only commenced initial receipts of revenues and valuations are still dependent on expectations of future development. There can be no guarantee that our valuation of our Founded Entities will be considered to be correct in light of the early stage of development for many of these entities and their future performance. As a result, we may not realize the full value of our ownership in such Founded Entities which could adversely affect our business and results of operations. For example, on November 15, 2019, resTORbio, Inc., or resTORbio, announced that its lead therapeutic candidate, RTB101, did not meet its primary endpoint in its Phase 3 study and ceased further development leading to a decline in resTORbio's stock price from $9.27 to $1.09 and our sale of 7,680,700 common shares of resTORbio. As a result of the foregoing, we recognized a total cash loss of approximately $10 million from our initial investment through sale of shares.

Certain of our and our Founded Entities' therapeutics and therapeutic candidates represent novel therapeutic approaches and negative perception of any therapeutic or therapeutic candidate that we or they develop could adversely affect our ability to conduct our business, obtain and maintain regulatory clearance, authorization or approvals or identify alternate regulatory pathways to market for such therapeutic candidate.

Certain of our and our Founded Entities' therapeutic candidates are considered relatively new and novel therapeutic approaches. Our and their success will depend upon physicians who specialize in the treatment of diseases targeted by our and their therapeutic candidates, prescribing potential treatments that involve the use of our and their therapeutic candidates, if approved, in lieu of, or in addition to, existing treatments with which they are more familiar and for which greater clinical data may be available. Access will also depend on consumer acceptance and adoption of therapeutics that are commercialized. In addition, responses by the U.S., state or foreign governments to negative public perception or ethical concerns may result in new legislation or regulations that could limit our or our Founded Entities' ability to develop or commercialize any therapeutic candidates, obtain or maintain regulatory approval, identify alternate regulatory pathways to market or otherwise achieve profitability. More restrictive statutory regimes, government regulations or negative public opinion would have an adverse effect on our business, financial condition, results of operations and prospects and may delay or impair the development and commercialization of our or our Founded Entities' therapeutic candidates or demand for any therapeutics we or they may develop.

For example, in the United States and the EU, no therapeutics to date have been approved specifically demonstrating an impact on the microbiome as part of their therapeutic effect. Vedanta is developing a pipeline of microbiome-derived modulators for immune and infectious disease. Microbiome therapies may not be successfully developed or commercialized or gain the acceptance of the public or the medical community. Additionally, adverse events, or AEs, in non-investigational new drug application, or IND, human clinical studies and clinical trials of Vedanta's therapeutic candidates or in clinical trials of other companies developing similar therapeutics and the resulting publicity, similarly to the AEs publicized with respect to Seres Therapeutics, Inc.'s SER-287 Phase 2 clinical trial, as well as any other AEs in the field of the microbiome, could result in a decrease in demand for any therapeutic that Vedanta may develop. Finally, the FDA, the EMA or other comparable foreign regulatory authorities may lack experience in evaluating the safety and efficacy of therapeutic candidates based on microbiome therapeutics, which could result in a longer than expected regulatory review process, increase expected development costs and delay or prevent potential commercialization of therapeutic candidates.

Risks Related to the Clinical Development, Regulatory Review and Approval of our and our Founded Entities' Therapeutic Candidates

Risks Related to Clinical Development

The therapeutic candidates within our Wholly-Owned Programs and most of our Founded Entities' therapeutic candidates are in preclinical or clinical development, which is a lengthy and expensive process with uncertain outcomes and the potential for substantial delays. We cannot give any assurance that any of our and our Founded Entities' therapeutic candidates will receive regulatory clearance, authorization or approval, which is necessary before they can be commercialized.

Before obtaining marketing clearance, certification, authorization or approval from regulatory authorities or notified bodies for the sale of our or our Founded Entities' therapeutic candidates, we or our Founded Entities must conduct extensive clinical trials to demonstrate the safety and efficacy, or with respect to biologics, safety, purity and potency, of the therapeutic candidates in humans. To date, we have focused substantially all of our efforts and financial resources on identifying, acquiring, and developing therapeutic candidates, including conducting lead optimization, preclinical studies and clinical trials, and providing general and administrative support for these operations. To date, only three of our Founded Entities' products, Karuna's Cobenfy, Gelesis' Plenity and Akili's EndeavorRx, have received commercial approvals, with Cobenfy receiving FDA approval, and both Plenity and EndeavorRx receiving FDA market authorization and European marketing authorization, and we cannot be certain that any of our internal or our Founded Entities' other therapeutic candidates will receive regulatory clearance, certification, authorization or approval, the timing of such clearance, certification, authorization or approval, if received, or that clinical trials will progress as planned. Our or our Founded Entities' inability to successfully complete preclinical and clinical development could result in additional costs to us and negatively impact our ability to generate revenue. Our future success is dependent on our and our Founded Entities' ability to successfully develop, obtain regulatory clearance, certification, authorization or approval for, and then successfully commercialize therapeutic candidates. We and our Founded Entities, with the exceptions of Karuna, Gelesis and Akili, currently have no drugs or biologics approved or devices cleared, certified, authorized or approved for sale and have not generated any revenue from sales of drugs, biologics or devices. We cannot guarantee that we or our Founded Entities will be able in the future to develop or successfully commercialize any of our or their therapeutic candidates.

Other than Karuna's Cobenfy, Gelesis' Plenity and Akili's EndeavorRx, all of our Wholly-Owned Programs and our Founded Entities' therapeutic candidates require additional development; management of preclinical, clinical, and manufacturing activities; and/or regulatory clearances, certification, authorization or approvals. In addition, we or our Founded Entities may need to obtain adequate manufacturing supply; build a commercial organization; commence marketing efforts; and obtain coverage and reimbursement before we generate any significant revenue from commercial therapeutic sales, if ever. Many of the therapeutic candidates in our Wholly-Owned Programs and our Founded Entities' therapeutic candidates are in early-stage research or translational phases of development, and the risk of failure for these programs is high. We cannot be certain that any of the therapeutic candidates in our Wholly-Owned Programs or our Founded Entities' therapeutic candidates will be successful in clinical trials or receive regulatory approval, authorization or clearance. Further, our Wholly-Owned Programs or our Founded Entities' therapeutic candidates may not receive regulatory clearance, certification, authorization or approval even if we believe they are successful in clinical trials. If we or our Founded Entities do not receive regulatory clearance, certification, authorization or approval for our or their therapeutic candidates, we may not be able to continue operations, which may result in dissolution, out-licensing the technology or pursuing an alternative strategy.

Risk Factor Annex continued

Preclinical development is uncertain. Our preclinical programs may experience delays or may never advance to clinical trials, which would adversely affect our ability to obtain regulatory clearance, authorization or approvals or commercialize these programs on a timely basis or at all, which would have an adverse effect on our business.

Certain of our Wholly-Owned Programs are in the preclinical stage, and their risk of failure is high. Before we can commence clinical trials for a therapeutic candidate, we must complete extensive preclinical testing and studies that support our planned INDs, in the United States, or similar applications in other jurisdictions. We cannot be certain of the timely completion or outcome of our preclinical testing and studies and cannot predict if the FDA or other regulatory authorities will accept our proposed clinical programs or if the outcome of our preclinical testing and studies will ultimately support the further development of our programs. As a result, we cannot be sure that we will be able to submit INDs or similar applications for our preclinical programs on the timelines we expect, if at all, and we cannot be sure that submission of INDs or similar applications will result in the FDA or other regulatory authorities allowing clinical trials to begin.

Clinical trials of our or our Founded Entities' therapeutic candidates may be delayed, and certain programs may never advance in the clinic or may be more costly to conduct than we anticipate, any of which can affect our ability to fund our company and would have a material adverse impact on our platform or our business.

Clinical testing is expensive, time-consuming, and subject to uncertainty. We cannot guarantee that any of our ongoing and planned clinical trials will be conducted as planned or completed on schedule, if at all. Moreover, even if these trials are initiated or conducted on a timely basis, issues may arise that could result in the suspension or termination of such clinical trials. A failure of one or more clinical trials can occur at any stage of testing, and our clinical trials may not be successful. Events that may prevent successful or timely initiation or completion of clinical trials include:

- inability to generate sufficient preclinical, toxicology, or other in vivo or in vitro data to support the initiation or continuation of clinical trials;
- delays in confirming target engagement, patient selection or other relevant biomarkers to be utilized in preclinical and clinical therapeutic candidate development;
- delays in reaching a consensus with regulatory agencies as to the design or implementation of our clinical studies;
- delays in reaching agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and clinical trial sites;
- delays in identifying, recruiting and training suitable clinical investigators;
- delays in obtaining required Institutional Review Board, or IRB, or other reviewing bodies approval or positive opinion at each clinical trial site;
- imposition of a temporary or permanent clinical hold by regulatory agencies for a number of reasons, including after review of an IND or amendment, clinical trial application, or CTA, or amendment, investigational device exemption, or IDE, or supplement, or equivalent application or amendment; as a result of a new safety finding that presents unreasonable risk to clinical trial participants; or a negative finding from an inspection of our clinical trial operations or study sites;
- developments in trials for other therapeutic candidates with the same targets or related modalities as our or our Founded Entities' therapeutic candidates conducted by competitors that raise regulatory or safety concerns about risk to patients of the treatment, or if the FDA or similar foreign authorities find that the investigational protocol or plan is clearly deficient to meet its stated objectives;
- difficulties in securing access to materials for the comparator arm of certain of our clinical trials;
- delays in identifying, recruiting and enrolling suitable patients to participate in clinical trials, and delays caused by patients withdrawing from clinical trials or failing to return for post-treatment follow-up;
- difficulties in finding a sufficient number of trial sites, or trial sites deviating from trial protocol or dropping out of a trial;
- difficulty collaborating with patient groups and investigators;
- failure by CROs, other third parties, or us to adhere to clinical trial requirements;
- failure by CROs, other third parties, or us to perform in accordance with the FDA's or any other regulatory authority's current good clinical practices, or GCP, requirements, or regulatory guidelines in other countries;
- occurrence of AEs or undesirable side effects or other unexpected characteristics associated with the therapeutic candidate that are viewed to outweigh its potential benefits;
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols;
- changes in the standard of care on which a clinical development plan was based, which may require new or additional trials;
- the cost of clinical trials of any therapeutic candidates that we may identify and pursue being greater than we anticipate;
- clinical trials of any therapeutic candidates that we may identify and pursue producing negative or inconclusive results, which may result in our deciding, or regulators requiring us, to conduct additional clinical trials or abandon therapeutic development programs;
- transfer of manufacturing processes to larger-scale facilities operated by a CMO, or by us, and delays or failures by our CMOs or us to make any necessary changes to such manufacturing process;
- delays in manufacturing, testing, releasing, validating, or importing/exporting sufficient stable quantities of therapeutic candidates that we may identify for use in clinical trials or the inability to do any of the foregoing; and
- factors we may not be able to control, such as current or potential pandemics or other events that may limit patients, principal investigators or staff or clinical site availability, result in clinical trial protocol deviations, or impact supply of our or our Founded Entities' therapeutic candidates.

Any inability to successfully initiate or complete clinical trials could result in additional costs to us or impair our ability to generate revenue. In addition, if we make manufacturing or formulation changes to our Wholly-Owned Programs , we may be required to or we may elect to conduct additional preclinical studies or clinical trials to bridge data obtained from our modified therapeutic candidates to data obtained from preclinical and clinical research conducted using earlier versions. Clinical trial delays could also shorten any periods during which our therapeutics have patent protection and may allow our competitors to bring therapeutics to market before we do, which could impair our ability to successfully commercialize therapeutic candidates and may harm our business and results of operations.

We could also encounter delays if a clinical trial is suspended or terminated by us, by the data safety monitoring board, or DSMB, or by the FDA or other comparable foreign regulatory authorities, or if the IRBs of the institutions in which such trials are being conducted suspend or terminate the participation of their clinical investigators and sites subject to their review. Such authorities may suspend or terminate a clinical trial due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other comparable foreign regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a therapeutic candidate, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial.

Moreover, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive compensation in connection with such services. Under certain circumstances, we may be required to report some of these relationships to the FDA or comparable foreign regulatory authorities. The FDA or comparable foreign regulatory authority may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected interpretation of the study. The FDA or comparable foreign regulatory authority may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA or comparable foreign regulatory authority, as the case may be, and may ultimately lead to the denial of marketing approval of one or more of our Wholly-Owned Programs or our Founded Entities' therapeutic candidates.

Delays in the initiation, conduct or completion of any clinical trial of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates will increase our costs, slow down the therapeutic candidate development and approval process and delay or potentially jeopardize our ability to commence therapeutic sales and generate revenue. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates. In the event we identify any additional therapeutic candidates to pursue, we cannot be sure that submission of an IDE, IND, CTA, or equivalent application, as applicable, will result in the FDA or comparable foreign regulatory authority allowing clinical trials to begin in a timely manner, if at all. Any of these events could have a material adverse effect on our business, prospects, financial condition and results of operations.

In addition, the FDA's and other regulatory authorities' policies with respect to clinical trials may change and additional government regulations may be enacted. For instance, the regulatory landscape related to clinical trials in the EU recently evolved. The EU Clinical Trials Regulation, or CTR, which was adopted in April 2014 and repeals the EU Clinical Trials Directive, became applicable on January 31, 2022. While the EU Clinical Trials Directive required a separate clinical trial application, or CTA, to be submitted in each member state in which the clinical trial takes place, to both the competent national health authority and an independent ethics committee, the CTR introduces a centralized process and only requires the submission of a single application for multicenter trials. The CTR allows sponsors to make a single submission to both the competent authority and an ethics committee in each member state, leading to a single decision per member state. The assessment procedure of the CTA has been harmonized as well, including a joint assessment by all member states concerned, and a separate assessment by each member state with respect to specific requirements related to its own territory, including ethics rules. Each member state's decision is communicated to the sponsor via the centralized EU portal. Once the CTA is approved, clinical study development may proceed. The CTR transition period ended on January 31, 2025, and all clinical trials (and related applications) are now fully subject to the provisions of the CTR. Compliance with the CTR requirements by us and our third-party service providers, such as CROs, may impact our developments plans.

The UK regulatory framework in relation to clinical trials is derived from pre-existing EU legislation (as implemented into UK law, through secondary legislation), and after Brexit, EU laws on clinical trials (including the (EU) CTR) have not been directly applicable in Great Britain (i.e., the UK excluding Northern Ireland). In April 2025, the UK government adopted the Medicines for Human Use (Clinical Trials) Amendment Regulations. .The amendment, which will take full effect from April 2026, aims to provide a more flexible regime to make it easier to conduct clinical trials in the UK, increase the transparency of clinical trials conducted in the UK and make clinical trials more patient-centered. It also aims to bring the UK regulatory framework in relation to clinical trials into closer alignment with the (EU) CTR. Under the terms of the Northern Ireland Protocol, provisions of the (EU) CTR which relate to the manufacture and import of investigational medicinal products and auxiliary medicinal products currently apply in Northern Ireland. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies governing clinical trials, our development plans may also be impacted.

The results of early-stage clinical trials and preclinical studies may not be predictive of future results. Initial data in clinical trials may not be indicative of results obtained when these trials are completed or in later stage trials.

The results of preclinical studies may not be predictive of the results of clinical trials, and the results of any early-stage clinical trials we commence may not be predictive of the results of the later-stage clinical trials. The results of preclinical studies and clinical trials in one set of patients or disease indications, or from preclinical studies or clinical trials that we did not lead, may not be predictive of those obtained in another. In some instances, there can be significant variability in safety or efficacy results between different clinical trials of the same therapeutic candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the dosing regimen and other clinical trial protocols and the rate of dropout among clinical trial participants. In addition, preclinical and clinical data are often susceptible to various interpretations and analyses, and many companies that have believed their therapeutic candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval. A number of companies in the pharmaceutical, biopharmaceutical and biotechnology industries have suffered significant setbacks in clinical development even after achieving promising results in earlier studies, and any such setbacks in our clinical development could have a material adverse effect on our business and operating results. Even if early-stage clinical trials are successful, we may need to conduct additional clinical trials of our Wholly-Owned Programs in additional patient populations or under different treatment conditions before we are able to seek approvals or clearances from the FDA or other comparable foreign regulatory authorities to market and sell these therapeutic candidates. Our failure to obtain marketing authorization for the therapeutic candidates within our Wholly-Owned Programs would substantially harm our business, prospects, financial condition and results of operations.

If we encounter difficulties enrolling patients in clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

Identifying and qualifying trial participants to participate in clinical studies is critical to our success. The timing of our clinical studies depends on the speed at which we can recruit trial participants to participate in testing the therapeutic candidates within our Wholly-Owned Programs . Delays in enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of the therapeutic candidates within our Wholly-Owned Programs . If trial participants are unwilling to participate in our studies because of negative publicity from AEs in our trials or other trials of similar therapeutics, or those related to specific therapeutic area, or for other reasons, including competitive clinical studies for similar patient populations, the timeline for recruiting trial participants, conducting studies, and obtaining regulatory approval of potential therapeutics may be delayed.. Any delays could result in increased costs, delays in advancing our therapeutic candidate development, delays in testing the effectiveness of the therapeutic candidates within our Wholly-Owned Programs , or termination of the clinical studies altogether.

We may not be able to identify, recruit and enroll a sufficient number of trial participants, or those with required or desired characteristics to achieve diversity in a study, to complete our clinical studies in a timely manner. Patient and subject enrollment is affected by factors including:

- the size and nature of a patient population;
- the patient eligibility criteria defined in the applicable clinical trial protocols, which may limit the patient populations eligible for clinical trials to a greater extent than competing clinical trials for the same indication;
- the size of the study population required for analysis of the trial's primary endpoints;
- the severity of the disease under investigation;
- the proximity of patients to a trial site;
- the inclusion and exclusion criteria for the trial in question;
- the design of the trial protocol;
- the ability to recruit clinical trial investigators with the appropriate competencies and experience;
- the availability and efficacy of approved medications or therapies for the disease or condition under investigation;
- clinicians' and patients' perceptions as to the potential advantages and side effects of the therapeutic candidate being studied in relation to other available therapies and therapeutic candidates;
- the ability to obtain and maintain patient consents; and
- the risk that patients enrolled in clinical trials will not complete such trials, for any reason.

Furthermore, our or our collaborators' ability to successfully initiate, enroll and conduct a clinical trial outside the United States is subject to numerous additional risks, including:

- difficulty in establishing or managing relationships with CROs and physicians;
- differing standards for the conduct of clinical trials;
- differing standards of care for patients with a particular disease;
- an inability to locate qualified local consultants, physicians and partners; and
- the potential burden of complying with a variety of foreign laws, medical standards and regulatory requirements, including the regulation of pharmaceutical and biotechnology therapeutics and treatments.

If we have difficulty enrolling sufficient numbers of patients to conduct clinical trials as planned, we may need to delay or terminate clinical trials, either of which would have an adverse effect on our business.

Risk Factor Annex continued

Use of the therapeutic candidates within our Wholly-Owned Programs or the therapeutic candidates being developed by our Founded Entities could be associated with side effects, AEs or other properties or safety risks, which could delay or halt their clinical development, prevent their regulatory clearance, authorization or approval, cause us to suspend or discontinue clinical trials, abandon a therapeutic candidate, limit their commercial potential, if cleared, authorized or approved, or result in other significant negative consequences that could severely harm our business, prospects, operating results and financial condition.

As is the case with pharmaceuticals generally, it is likely that there may be side effects and AEs associated with our and our Founded Entities' drug or biologic therapeutic candidates' use. Similarly, investigational devices may also be subject to side effects and AEs. Results of our clinical trials or those being conducted by Founded Entities could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics. Undesirable side effects caused by these therapeutic candidates could cause us, our Founded Entities or regulatory authorities to interrupt, delay or halt clinical trials and could result in more restrictive labeling or the delay or denial of regulatory clearance, certification, authorization or approval by the FDA, the EMA or other comparable foreign regulatory authorities, or notified bodies (when applicable). The side effects related to the therapeutic candidate could affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

Moreover, if therapeutic candidates within our Wholly-Owned Programs are associated with undesirable side effects in preclinical studies or clinical trials or have characteristics that are unexpected, we may elect to abandon their development or limit their development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective, which may limit the commercial expectations for the therapeutic candidate if approved. We may also be required to modify or terminate our study plans based on findings in our preclinical studies or clinical trials. Many therapeutic candidates that initially show promise in early-stage testing may later be found to cause side effects that prevent further development. As we work to advance existing therapeutic candidates and to identify new therapeutic candidates, we cannot be certain that later testing or trials of therapeutic candidates that initially showed promise in early testing will not be found to cause similar or different unacceptable side effects that prevent their further development.

It is possible that as we test the therapeutic candidates within our Wholly-Owned Programs in larger, longer and more extensive clinical trials, or as the use of these therapeutic candidates becomes more widespread if they receive regulatory clearance or approval, illnesses, injuries, discomforts and other AEs that were observed in earlier trials, as well as conditions that did not occur or went undetected in previous trials, will be reported by subjects. If such side effects become known later in development or upon approval, if any, such findings may harm our business, financial condition and prospects significantly. Additionally, adverse developments in clinical trials of pharmaceutical, biopharmaceutical or biotechnology therapeutics conducted by others may cause the FDA or other regulatory oversight bodies to suspend or terminate our clinical trials or to change the requirements for approval of any of our Wholly-Owned Programs .

In addition to side effects caused by the therapeutic candidate, the administration process or related procedures also can cause adverse side effects. If any such AEs occur, our clinical trials could be suspended or terminated. If we are unable to demonstrate that any AEs were not caused by the therapeutic candidate, the FDA, the European Commission, the EMA, or other regulatory authorities or bodies could order us to cease further development of, or deny clearance, certification or approval of, a therapeutic candidate for any or all targeted indications. Even if we can demonstrate that all future serious adverse events, or SAEs, are not therapeutic-related, such occurrences could affect patient recruitment or the ability of enrolled patients to complete the trial. Moreover, if we elect, or are required, to not initiate, delay, suspend or terminate any future clinical trial of any of our Wholly-Owned Programs , the commercial prospects of such therapeutic candidates may be harmed and our ability to generate therapeutic revenues from any of these therapeutic candidates may be delayed or eliminated. Any of these occurrences may harm our ability to develop other therapeutic candidates, and may harm our business, financial condition and prospects significantly.

Additionally, if any of the therapeutic candidates within our Wholly-Owned Programs or those of our Founded Entities receives marketing authorization, the FDA could impose contraindications or a boxed warning in the labeling of the therapeutic. For any of our drug or biologic therapeutic candidates receiving marketing authorization, the FDA could require us to adopt a risk evaluation and mitigation strategy, or REMS, and could apply elements to assure safe use to ensure that the benefits of the therapeutic outweigh its risks, which may include, among other things, a Medication Guide outlining the risks of the therapeutic for distribution to patients, a requirement that clinicians or health care settings to become certified prior to prescribing and to participate in additional REMS activities, such as training, patient counseling, and monitoring, and a communication plan to health care practitioners. Furthermore, if we or others later identify undesirable side effects caused by the therapeutic candidates within our Wholly-Owned Programs or those of our Founded Entities , once approved, cleared, certified, or authorized, several potentially significant negative consequences could result, including:

- regulatory authorities may suspend or withdraw approvals of such therapeutic candidate, or seek an injunction against its manufacture or distribution;
- regulatory authorities may require additional warnings in the labeling, including boxed warnings, or issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about the therapeutic;
- we or our Founded Entities may be required by the FDA to implement a REMS for a marketed drug or biologic or similar risk mitigation measures by foreign regulatory authorities;
- we or our Founded Entities may be required to change the way a therapeutic candidate is administered or conduct additional clinical trials;
- we or our Founded Entities may be subject to fines, injunctions or the imposition of civil or criminal penalties;
- we or our Founded Entities could be sued and held liable for harm caused to patients; and
- our or our Founded Entities' reputations may suffer.

Any of these occurrences could prevent us or our Founded Entities from achieving or maintaining market acceptance of the particular therapeutic candidate, if approved, authorized, cleared, or certified, and may harm our business, financial condition and prospects significantly.

Risks Related to Regulatory Review and Approval

Our clinical trials may fail to demonstrate substantial evidence of the safety and effectiveness of therapeutic candidates that we may identify and pursue for their intended uses, which would prevent, delay or limit the scope of regulatory clearance, certification, authorization or approval and potential commercialization.

Before obtaining regulatory approvals for the commercial sale of any of our drug or biological therapeutic candidates, we must demonstrate through lengthy, complex and expensive preclinical studies and clinical trials that the applicable therapeutic candidate is both safe and effective for use in each target indication, and in the case of our Wholly-Owned Programs and Founded Entities' therapeutic candidates regulated as biological therapeutics in the United States, that the therapeutic candidate is safe, pure and potent for use in its targeted indication. Each therapeutic candidate must demonstrate an adequate risk versus benefit profile in its intended patient population and for its intended use. Similarly, before obtaining regulatory clearances, certifications, authorization or approvals for the commercial sale of any of the device therapeutic candidates of our Founded Entities, our Founded Entities may be required to demonstrate through lengthy, complex and expensive preclinical studies and clinical trials that the applicable therapeutic candidate meets the regulatory standard of clearance, certification, authorization or approval—for example, substantial equivalence to a predicate medical device or a reasonable assurance of safety or effectiveness, as applicable—for its intended use.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical development process. Most therapeutic candidates that begin clinical trials are never approved by regulatory authorities or notified bodies for commercialization. We may be unable to design and execute a clinical trial to support marketing authorization or certification.

Risk Factor Annex continued

We cannot be certain that our clinical trials will be successful. Additionally, any safety concerns observed in any one of our clinical trials in our targeted indications could limit the prospects for regulatory clearances, certification, authorization or approval of our therapeutic candidates in those and other indications, which could have a material adverse effect on our business, financial condition and results of operations. In addition, even if such clinical trials are successfully completed, we cannot guarantee that the FDA, the EMA or comparable foreign regulatory authorities or notified bodies (when applicable) will interpret the results as we do, and more trials could be required before we submit our therapeutic candidates for clearance, certification or approval. Even if we believe that our and our Founded Entities' clinical trials and preclinical studies demonstrate the safety and efficacy of our and their therapeutic candidates, only the FDA and other comparable regulatory agencies may ultimately make such determination. No regulatory agency has made any such determination that any of our Wholly-Owned Programs or those of our Founded Entities are safe or effective for use for any indication.

Additionally, we may utilize an "open-label" trial design for some of our future clinical trials. An open-label trial is one where both the patient and investigator know whether the patient is receiving the test article or either an existing approved drug or placebo. Open-label trials are subject to various limitations that may exaggerate any therapeutic effect as patients in open-label studies are aware that they are receiving treatment. Open-label trials may be subject to a "patient bias" where patients perceive their symptoms to have improved merely due to their awareness of receiving an experimental treatment. Patients selected for early clinical studies often include the most severe sufferers and their symptoms may have been bound to improve notwithstanding the new treatment. In addition, open-label trials may be subject to an "investigator bias" where those assessing and reviewing the physiological outcomes of the clinical trials are aware of which patients have received treatment and may interpret the information of the treated group more favorably given this knowledge. The opportunity for bias in clinical trials as a result of open-label design may not be adequately handled and may cause any of our trials that utilize such design to fail or to be considered inadequate and additional trials may be necessary to support future marketing applications. Moreover, results acceptable to support approval in one jurisdiction may be deemed inadequate by another regulatory authority to support regulatory approval in that other jurisdiction. To the extent that the results of the trials are not satisfactory to the FDA, the EMA or comparable foreign regulatory authorities for support of a marketing application, we may be required to expend significant resources, which may not be available to us, to conduct additional trials in support of potential approval of our Wholly-Owned Programs . Even if regulatory approval is secured for a therapeutic candidate, the terms of such approval may limit the scope and use of the specific therapeutic candidate, which may also limit its commercial potential.

Even if we complete the necessary preclinical studies and clinical trials, the marketing approval and certification process is expensive, time-consuming and uncertain and may prevent us from obtaining clearance, certification, authorization or approvals for the potential commercialization of therapeutic candidates.

Any therapeutic candidate we may develop and the activities associated with their development and potential commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, certification, advertising, promotion, sale and distribution, are subject to comprehensive regulation by the FDA and other comparable foreign regulatory authorities. Failure to obtain marketing authorization or certification for a therapeutic candidate will prevent us from commercializing the therapeutic candidate in a given jurisdiction. For example, although Karuna, Gelesis and Akili have received commercial approvals, with Cobenfy receiving FDA approval, and both Plenity and EndeavorRx receiving marketing authorization from the FDA and being CE marked in the EU, we and our Founded Entities have not received clearance, certification, authorization or approval to market any of our or their other therapeutic candidates from regulatory authorities in any jurisdiction and it is possible that none of the other therapeutic candidates we and our Founded Entities may seek to develop in the future will ever obtain regulatory clearance, authorization or approval. We have no experience in filing and supporting the applications necessary to gain marketing clearance, certification, authorization or approval and expect to rely on third-party CROs or regulatory consultants to assist us in this process. Securing regulatory clearance, certification, authorization or approval requires the submission of extensive preclinical and clinical data and supporting information to the various regulatory authorities for each therapeutic indication to establish the therapeutic candidate's safety, purity, efficacy and potency. Securing regulatory clearance, authorization or approval also requires the submission of information about the therapeutic manufacturing process to, and inspection of manufacturing facilities by, the relevant regulatory authority. Any therapeutic candidates we or our Founded Entities develop may not be effective, may be only moderately effective, or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining marketing clearance, certification, authorization or approval or prevent or limit commercial use, if cleared, certified, authorized or approved.

The process of obtaining marketing clearance, certification, authorization or approval, both in the United States and abroad, is expensive, may take many years if additional clinical trials are required, if clearance, certification, authorization or approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the therapeutic candidates involved. Changes in marketing authorization policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted therapeutic application, may cause delays in the clearance, authorization, approval or rejection of an application. The FDA, comparable authorities and notified bodies in other countries have substantial discretion in the approval and certification process and may refuse to accept any application or may decide that our data are insufficient for clearance, authorization or approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit, or prevent marketing approval or certification of a therapeutic candidate. Any marketing approval or certification we ultimately obtain may be limited or subject to restrictions or post-market commitments that render the cleared, certified, authorized or approved therapeutic not commercially viable.

If we experience delays in obtaining clearance, certification, authorization or approval or if we fail to obtain clearance, certification, authorization or approval of any therapeutic candidates we may develop, the commercial prospects for those therapeutic candidates may be harmed, and our ability to generate revenues will be materially impaired.

We have conducted, and may continue to conduct in the future, clinical trials for therapeutic candidates outside the United States, and the FDA, the EMA and comparable foreign regulatory authorities may not accept data from such trials.

We have conducted clinical trials outside of the United States in the past, and may in the future choose to conduct one or more clinical trials outside the United States, including in Europe. For example, we have conducted clinical trials in Australia and are conducting or may conduct clinical trials in additional locations outside the United States, including without limitation Argentina, Australia, Brazil, Bulgaria, Chile, Colombia, Czech Republic, Finland, Georgia, Greece, India, Malaysia, Mexico, Moldova, Philippines, Poland, Romania, Spain, South Africa, South Korea, Thailand, Ukraine, and the United Kingdom. The acceptance of study data from clinical trials conducted outside the United States or another jurisdiction by the FDA, the EMA or any comparable foreign regulatory authority may be subject to certain conditions or may not be accepted at all. For example, in cases where data from foreign clinical trials are intended to serve as the sole basis for approval of a drug or biologic in the United States, the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the U.S. population and U.S. medical practice; (ii) the trials were performed by clinical investigators of recognized competence and pursuant to GCP regulations; and (iii) if necessary, the FDA is able to validate the data through an on-site inspection or other appropriate means. In addition, even where the foreign study data are not intended to serve as the sole basis for approval, if the study was not otherwise subject to an IND, the FDA will not accept the data as support for an application for marketing approval unless the study was conducted in accordance with GCP requirements and unless the FDA is able to validate the data from the study through an onsite inspection if deemed necessary. Many foreign regulatory authorities have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA, the EMA or any comparable foreign regulatory authority will accept data from trials conducted outside of the United States or the applicable jurisdiction. If the FDA, the EMA or any comparable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which would be costly and time-consuming and delay aspects of our business plan, and which may result in therapeutic candidates that we may develop not receiving approval, authorization or clearance for commercialization in the applicable jurisdiction.

Risk Factor Annex continued

If we are unable to obtain regulatory clearance, certification, authorization or approval in one or more jurisdictions for any therapeutic candidates that we may identify and develop, our business could be substantially harmed.

We cannot commercialize a therapeutic until the appropriate regulatory authorities or notified bodies have reviewed and cleared, certified, authorized or approved the therapeutic candidate. Clearance, certification, authorization or approval by the FDA, the EMA and comparable foreign regulatory authorities and notified bodies is lengthy and unpredictable, and depends upon numerous factors, including substantial discretion of the regulatory authorities and notified bodies. Clearance, certification, authorization or approval policies, regulations, or the type and amount of preclinical or clinical data necessary to gain clearance, authorization or approval may change during the course of a therapeutic candidate's development and may vary among jurisdictions, which may cause delays in the clearance, certification, authorization or approval or the decision not to clear, certify, authorize or approve an application. Karuna, Gelesis and Akili have obtained commercial approvals, with Cobenfy receiving FDA approval, and Plenity and EndeavorRx both receiving marketing authorization from the FDA and being CE marked in the EU, but we and our Founded Entities have not obtained regulatory clearance, authorization or approval for any other therapeutic candidates, and it is possible that our current therapeutic candidates and any other therapeutic candidates which we and our Founded Entities may seek to develop in the future will not ever obtain regulatory clearance, certification, authorization or approval. We cannot be certain that any of our Wholly-Owned Programs or our Founded Entities' therapeutic candidates will receive regulatory clearance, certification, authorization or approval or be successfully commercialized even if we or our Founded Entities receive regulatory clearance, certification, authorization or approval.

Obtaining marketing clearance, certification, authorization or approval is an extensive, lengthy, expensive and inherently uncertain process, and regulatory authorities and notified bodies may delay, limit or deny clearance , certification, authorization or approval of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates for many reasons, including but not limited to:

- the inability to demonstrate to the satisfaction of the FDA, the EMA or comparable foreign regulatory authorities that the applicable therapeutic candidate is safe, pure, potent or effective as a treatment for our targeted indications or otherwise meets the applicable regulatory standards for clearance, authorization or approval;
- the FDA, the EMA or comparable foreign regulatory authorities may disagree with the design, endpoints or implementation of our or our Founded Entities' clinical trials;
- the population studied in the clinical program may not be sufficiently broad or representative to assure safety or efficacy in the full population for which we or our Founded Entities seek clearance, authorization or approval;
- the FDA, the EMA or comparable foreign regulatory authorities may require additional preclinical studies or clinical trials beyond those that we or our Founded Entities currently anticipate;
- the FDA, the EMA or comparable foreign regulatory authorities may disagree with our or our Founded Entities' interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of therapeutic candidates that we may identify and pursue may not be sufficient to support the submission of an NDA, biologics license application, or BLA, or other submission for regulatory clearance, authorization or approval in the United States or elsewhere;
- as applicable, we or our Founded Entities may be unable to demonstrate to the FDA, the EMA or comparable foreign regulatory authorities that a therapeutic candidate's risk-benefit ratio for its proposed indication is acceptable;
- the FDA, the EMA or comparable foreign regulatory authorities may identify deficiencies in the manufacturing processes, test procedures and specifications, or facilities of third-party manufacturers with which we or our Founded Entities contract for clinical and commercial supplies; and
- the clearance, certification, authorization or approval policies or regulations of the FDA, the EMA or comparable foreign regulatory authorities may change in a manner that renders the clinical trial design or data insufficient for clearance or approval.

The lengthy approval process, as well as the unpredictability of the results of clinical trials and evolving regulatory requirements, may result in our or our Founded Entities' failure to obtain regulatory clearance, certification, authorization or approval to market therapeutic candidates that we or our Founded Entities may pursue in the United States or elsewhere, which would significantly harm our or our Founded Entities' business, prospects, financial condition and results of operations.

Furthermore, clearance, authorization or approval by the FDA in the United States, if obtained, does not ensure approval or certification by regulatory authorities or notified bodies in other countries or jurisdictions. To market any therapeutics outside of the United States, we or our Founded Entities must establish and comply with numerous and varying regulatory requirements of other countries regarding safety and effectiveness. Clinical trials conducted in one country may not be accepted by regulatory authorities or notified bodies in other countries, and regulatory approval or certification in one country does not mean that regulatory approval or certification will be obtained in any other country. Approval and certification processes vary among countries and can involve additional therapeutic testing and validation and additional or different administrative review periods from those in the United States, including additional preclinical studies or clinical trials, as clinical trials conducted in one jurisdiction may not be accepted by regulatory authorities or notified bodies in other jurisdictions. In many jurisdictions outside the United States, a therapeutic candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that we intend to charge for our therapeutics is also subject to approval. Seeking foreign regulatory approval or certification could result in difficulties and costs for us or our Founded Entities and require additional preclinical studies or clinical trials which could be costly and time-consuming. Regulatory requirements can vary widely from country to country and could delay or prevent the introduction of our or our Founded Entities' therapeutics in those countries. The foreign regulatory approval and certification process involves all of the risks associated with FDA approval. We do not have any therapeutics approved for sale in international markets, though two of our Founded Entities, Akili and Gelesis, do. If we or our Founded Entities fail to comply with regulatory requirements in international markets or to obtain and maintain required approvals, or if regulatory approvals or certifications in international markets are delayed, our target market will be reduced and our ability to realize the full market potential of our therapeutics will be harmed.

If the FDA does not conclude that our therapeutic candidates satisfy the requirements for the Section 505(b)(2) regulatory approval pathway, or if the requirements for such therapeutic candidates under Section 505(b)(2) are not as we expect, the approval pathway for those therapeutic candidates will likely take significantly longer, cost significantly more and entail significantly greater complications and risks than anticipated, and in either case may not be successful.

We plan to develop one or more therapeutic candidates for which we may plan to seek approval under the 505(b)(2) regulatory pathway. The Drug Price Competition and Patent Term Restoration Act of 1984, also known as the Hatch-Waxman Act, added Section 505(b)(2) to the FDCA. Section 505(b)(2) permits the filing of an NDA where at least some of the information required for approval comes from studies that were not conducted by or for the applicant and for which the applicant has not obtained a right of reference. Section 505(b)(2), if applicable to us under the FDCA, would allow an NDA we submit to the FDA to rely in part on data in the public domain or the FDA's prior conclusions regarding the safety and effectiveness of approved compounds, which could expedite the development program for our future therapeutic candidates by potentially decreasing the amount of nonclinical and/or clinical data that we would need to generate in order to obtain FDA approval.

If the FDA does not allow us to pursue the Section 505(b)(2) regulatory pathway as anticipated, we may need to conduct additional nonclinical studies and/or clinical trials, provide additional data and information, and meet additional standards for regulatory approval. If this were to occur, the time and financial resources required to obtain FDA approval for such therapeutic candidates, and complications and risks associated with such therapeutic candidates, would likely substantially increase. Moreover, inability to pursue the Section 505(b)(2) regulatory pathway could result in new competitive products reaching the market more quickly than any therapeutic candidates we developed, which could adversely impact our competitive position and prospects. Even if we are allowed to pursue the Section 505(b)(2) regulatory pathway, we cannot assure you that any therapeutic candidates we develop will receive the requisite approval for commercialization.

In addition, notwithstanding the approval of a number of products by the FDA under Section 505(b)(2), certain pharmaceutical companies and others have objected to the FDA's interpretation of Section 505(b)(2). If the FDA's interpretation of Section 505(b)(2) is successfully challenged, the FDA may change its 505(b)(2) policies and practices, which could delay or even prevent the FDA from approving any NDA that we submit under Section 505(b)(2). In addition, the pharmaceutical industry is highly competitive, and Section 505(b)(2) NDAs are subject to certain requirements designed to protect the patent rights of sponsors of previously approved drugs that are referenced in a Section 505(b)(2) NDA. These requirements may give rise to patent litigation and mandatory delays in approval of our NDAs for up to 30 months or longer depending on the outcome of any litigation. It is not uncommon for a manufacturer of an approved product to file a citizen petition with the FDA seeking to delay approval of, or impose additional approval requirements for, pending. competing products. If successful, such petitions can significantly delay, or even prevent, the approval of a new product. Even if the FDA ultimately denies such a petition, the FDA may substantially delay approval while it considers and responds to the petition. In addition, even if we are able to utilize the Section 505(b)(2) regulatory pathway, there is no guarantee this would ultimately lead to streamlined product development or earlier approval.

Risk Factor Annex continued

Interim, "top-line," and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available or as additional analyses are conducted, and as the data are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publish interim, "top-line," or preliminary data from our clinical studies, which is based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the interim, top-line, or preliminary results that we report may differ from future results of the same studies or trials, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Data from interim analyses of clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Preliminary or "top-line" data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, interim, "top-line," and preliminary data should be viewed with caution until the final data are available. Material adverse changes between preliminary, "top-line," or interim data and final data could significantly harm our business prospects.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular therapeutic candidate or therapeutic and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure. Any information we determine not to disclose may ultimately be deemed significant by you or others with respect to future decisions, conclusions, views, activities or otherwise regarding a particular therapeutic candidate or our business.

The complexity of a combination therapeutic that includes a drug or biologic and a medical device presents additional, unique development and regulatory challenges, which may adversely impact our or our Founded Entities' development plans and our or our Founded Entities' ability to obtain regulatory clearance, authorization or approval of our Wholly-Owned Programs or our Founded Entities' therapeutic candidates.

We or our Founded Entities may decide to pursue marketing authorization of a combination therapeutic. A combination therapeutic may include, amongst other possibilities, any drug, device, or biologic that is intended for use with another individually specified drug, device, or biologic, where both are required to achieve the intended use, indication, or effect.

Developing and obtaining regulatory clearance, authorization or approval in the United States for combination therapeutics pose unique challenges because such therapeutic candidates involve components that are regulated by the FDA under different types of regulatory requirements, and in the United States by different FDA centers. As a result, such therapeutics raise regulatory, policy and review management challenges. For example, because divisions from both FDA's Center for Drug Evaluation and Research or Center for Biologics Evaluation and Research and FDA's Center for Devices and Radiological Health must review submissions concerning therapeutic candidates that are combination therapeutics comprised of drug or biologics and devices, respectively, the regulatory review and clearance, authorization or approval process for these therapeutics may be more complex than would otherwise be required for single-agent therapeutics. In addition, differences in regulatory pathways for each component of a combination therapeutic can impact the regulatory processes for all aspects of therapeutic development and management, including clinical investigation, marketing applications, manufacturing and quality control, adverse event reporting, promotion and advertising, user fees and post-clearance, authorization or approval modifications. Similarly, if applicable, the device components of a combination therapeutic candidate will require any necessary clearances, certifications or approvals or other marketing authorizations in other jurisdictions, which may prove challenging to obtain.

The EU regulates medical devices and medicinal products separately, through different legislative instruments, and the applicable requirements will vary depending on the type of drug-device combination product. For instance, drug-delivery products intended to administer a medicinal product where the medicinal product and the device form a single integral product are regulated as medicinal products in the EU. In such a case, the marketing authorization application must include – where available – the results of the assessment of the conformity of the device part with the EU Medical Devices Regulation contained in the manufacturer's EU declaration of conformity of the device or the relevant certificate issued by a notified body. If the marketing authorization application does not include the results of the conformity assessment and where for the conformity assessment of the device, if used separately, the involvement of a notified body is required, the EMA or the EU member state competent authority must require the applicant to provide a notified body opinion on the conformity of the device. By contrast, in case of drug-delivery products intended to administer a medicinal product where the device and the medicinal product do not form a single integral product (but are e.g., co-packaged), the medicinal product is regulated in accordance with the rules for medicinal products described above while the device part is regulated as a medical device and will have to comply with all the requirements set forth by the Medical Devices Regulation.

Certain modifications to our Founded Entities' device therapeutics may require new 510(k) clearance or other marketing authorizations or certifications and may require our Founded Entities to recall or cease marketing their therapeutics.

Akili and Gelesis received de novo classification for EndeavorRx and Plenity, respectively, from the FDA. Once a medical device is permitted to be legally marketed in the United States pursuant to a 510(k) clearance, de novo classification, or a premarket approval, or PMA, a manufacturer may be required to notify the FDA of certain modifications to the device. Manufacturers determine in the first instance whether a change to a medical device requires a new premarket submission, but the FDA may review any manufacturer's decision. The FDA may not agree with our Founded Entities' decisions regarding whether new clearances, authorizations or approvals are necessary. They may make modifications or add additional features in the future that they believe do not require a new 510(k) clearance, de novo marketing authorization, or approval of a PMA or PMA amendments or supplements. If the FDA disagrees with their determinations and requires them to submit new 510(k) notifications, requests for de novo classification, or PMAs (or PMA supplements or amendments) for modifications to their previously cleared or authorized therapeutics for which they have concluded that new clearances, authorization or approvals are unnecessary, they may be required to cease marketing or to recall the modified therapeutic until they obtain clearance, authorization or approval, and they may be subject to significant regulatory fines or penalties.

In the EU, devices lawfully placed on the market pursuant to the EU Medical Devices Directive prior to May 26, 2021 may generally continue to be made available on the market or put into service, provided that the requirements of the transitional provisions are fulfilled. In particular, no substantial change must be made to the device as such a modification would trigger the obligation to obtain a new certification under the EU Medical Devices Regulation and therefore to have a notified body conducting a new conformity assessment of the devices. Once our devices will be certified under the EU Medical Devices Regulation, we must inform the notified body that carried out the conformity assessment of the medical devices that we market or sell in the EU and the EEA of any planned substantial changes to our quality system or substantial changes to our medical devices that could affect compliance with the general safety and performance requirements laid down in Annex I to the EU Medical Devices Regulation or cause a substantial change to the intended use for which the device has been CE marked. The notified body will then assess the planned changes and verify whether they affect the products' ongoing conformity with the EU Medical Devices Regulation. If the assessment is favorable, the notified body will issue a new certificate of conformity or an addendum to the existing certificate attesting compliance with the general safety and performance requirements and quality system requirements laid down in the Annexes to the EU Medical Devices Regulation. The notified body may disagree with our proposed changes and product introductions or modifications could be delayed or canceled, which could adversely affect our ability to grow our business.

We may not elect or be able to take advantage of any expedited development or regulatory review and approval processes available to therapeutic candidates granted breakthrough therapy or fast track designation by the FDA.

We intend to evaluate and continue ongoing discussions with the FDA on regulatory strategies that could enable us or our Founded Entities to take advantage of expedited development pathways for certain of our Wholly-Owned Programs or our Founded Entities' therapeutic candidates in the future, although we cannot be certain that our Wholly-Owned Programs or our Founded Entities' therapeutic candidates will qualify for any expedited development pathways or that regulatory authorities will grant, or allow us or our Founded Entities to maintain, the relevant qualifying designations. Examples of expedited development pathways that we could pursue include breakthrough therapy and fast track designation.

The fast track program is intended to expedite or facilitate the process for reviewing therapeutic candidates that meet certain criteria. Specifically, drugs and biologics are eligible for fast track designation if they are intended, alone or in combination with one or more drugs or biologics, to treat serious or life-threatening diseases or conditions and demonstrate the potential to address unmet medical needs for such diseases or conditions. Fast track designation applies to the combination of the therapeutic candidate and the specific indication for which it is being studied. The sponsor of a fast track therapeutic candidate has opportunities for more frequent interactions with the applicable FDA review team during product development and, once a BLA or NDA is submitted, the application may be eligible for priority review. An NDA or BLA submitted for a Fast Track therapeutic candidate may also be eligible for rolling review, where the FDA may consider for review sections of the NDA or BLA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the NDA or BLA, the FDA agrees to accept sections of the application and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the application.

A "breakthrough therapy" is defined as a drug or biologic that is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening disease or condition, where preliminary clinical evidence indicates that the drug or biologic may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For therapeutic candidates that have been designated as breakthrough therapies, increased interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Drugs and biologics designated as breakthrough therapies also receive the same benefits associated with fast track designation, including eligibility for rolling review of a submitted NDA or BLA, if the relevant criteria are met.

Even if we believe a particular therapeutic candidate is eligible for breakthrough therapy or fast track designation, we cannot assure you that the FDA would decide to grant it. Breakthrough therapy designation and fast track designation do not change the standards for approval, and there is no assurance that such designation or eligibility will result in expedited review or approval. Thus, even if we or our Founded Entities do receive breakthrough therapy, fast track designation, or other comparable designation, we or our Founded Entities may not experience a faster development process, review or approval compared to conventional FDA procedures. In addition, the FDA may withdraw either breakthrough therapy or fast track designation if it believes that the therapeutic no longer meets the qualifying criteria. Our business may be harmed if we are unable to avail ourselves of these or any other expedited development and regulatory pathways.

We may not be able to obtain or maintain orphan drug designation or exclusivity for our therapeutic candidates.

Regulatory authorities in some jurisdictions, including the United States, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug as an orphan drug if it is intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals in the United States, or if the disease or condition affects more than 200,000 individuals in the United States and there is no reasonable expectation that the cost of developing the drug for the type of disease or condition will be recovered from sales of the product in the United States. The criteria for designating an "orphan medicinal product" in the EU are similar in principle to those in the United States. A medicinal product can be designated as an orphan if its sponsor can establish that: (1) the product is intended for the diagnosis, prevention or treatment of a life threatening or chronically debilitating condition (2) either (a) such condition affects not more than five in 10,000 persons in the EU when the application is made, or (b) the product, without the benefits derived from the orphan status, would not generate sufficient return in the EU to justify the necessary investment; and (3) there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized for marketing in the EU or, if such method exists, the product will be of significant benefit to those affected by that condition.

Orphan drug designation entitles a party to financial incentives, such as tax advantages and user fee waivers. Additionally, if a product that has orphan designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications to market the same drug for the same approved use or indication within the rare disease or condition for seven years, except in certain circumstances, such as a showing of clinical superiority (i.e., another product is safer, more effective or makes a major contribution to patient care) over the product with orphan exclusivity within the relevant indication or use, or where the manufacturer is unable to assure sufficient product quantity. Competitors, however, may receive approval of different products for the same indications or uses for which the orphan product has exclusivity, or obtain approval for the same product but for a different indication or use than that for which the orphan product has exclusivity. In the EU, orphan designation must be requested before submitting a marketing authorization application, or MAA. An EU orphan designation entitles a party to incentives such as reduction of fees or fee waivers, protocol assistance, and access to the centralized procedure. Upon grant of a marketing authorization, orphan medicinal products are entitled to ten years of market exclusivity for the approved indication, which means that the competent authorities cannot accept another MAA, or grant a marketing authorization, or accept an application to extend a marketing authorization for a similar medicinal product for the same indication for a period of ten years. The period of market exclusivity is extended by two years for orphan medicinal products that have also complied with an agreed pediatric investigation plan, or PIP. No extension to any supplementary protection certificate can be granted on the basis of pediatric studies for orphan indications.

We have obtained orphan drug designation in the United States for LYT-200 for the treatment of pancreatic cancer and for the treatment of acute myeloid leukemia, have obtained orphan drug designations in the United States and in the EU for deupirfenidone for the treatment of idiopathic pulmonary fibrosis, and we may also seek orphan drug designation for other of our therapeutic candidates in the future. We may not be the first to obtain regulatory approval of any therapeutic candidate for its orphan-designated disease or condition and may therefore not obtain orphan drug exclusivity. In addition, exclusive marketing rights in the United States may be limited if we seek approval for an disease or condition broader than the orphan-designated disease or condition or may be lost if the FDA later determines that the request for orphan designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs relating to the approved indication or use of patients with the rare disease or condition. In the EU, the orphan exclusivity period may be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for which it received orphan drug destination, including where it is shown that the product is sufficiently profitable not to justify maintenance of market exclusivity or where the prevalence of the condition has increased above the threshold. Additionally, a marketing authorization may be granted to a similar product for the same indication at any time if (i) the second applicant can establish that its product, although similar, is safer, more effective or otherwise clinically superior; (ii) the applicant consents to a second orphan medicinal product application; or (iii) the applicant cannot supply enough orphan medicinal product.

Orphan drug designation does not ensure that we will receive marketing exclusivity in a particular market, and we cannot assure you that any future application for orphan drug designation with respect to any other therapeutic candidate will be granted. Orphan drug designation neither shortens the development time or regulatory review time of a drug, nor gives the drug any advantage in the regulatory review or approval process.

If we or our Founded Entities are unable to successfully validate, develop and obtain regulatory clearance, certification, authorization or approval for companion diagnostic tests for any future drug candidates that require or would commercially benefit from such tests, or experience significant delays in doing so, we or our Founded Entities may not realize the full commercial potential of these drug candidates.

In connection with the clinical development of the therapeutic candidates within our Wholly-Owned Programs or Founded Entities' therapeutic candidates for certain indications, we or our Founded Entities may work with collaborators to develop or obtain access to in vitro companion diagnostic tests to identify patient subsets within a disease category who may derive selective and meaningful benefit from our drug candidates. To be successful, we, our Founded Entities or our collaborators will need to address a number of scientific, technical, regulatory and logistical challenges. The FDA and comparable foreign regulatory authorities regulate in vitro companion diagnostics as medical devices and, under that regulatory framework, will likely require the conduct of clinical trials to demonstrate the safety and effectiveness of any diagnostics we or our Founded Entities may develop, which we expect will require separate regulatory clearance, certification, authorization or approval prior to commercialization. In addition, if safe and effective use of a therapeutic product depends on an in vitro companion diagnostic, the FDA generally will require approval, authorization or clearance of that diagnostic, known as a companion diagnostic, before or at the same time that the FDA approves the therapeutic product.

In addition, the FDA has historically required approval of a PMA application for companion diagnostics associated with cancer medications. However, in

December 2025, the FDA proposed reclassifying certain nucleic acid-based in vitro tests intended as diagnostics for oncology therapeutics from Class III into Class II. If such reclassification proposals become finalized, any companion diagnostics that are the subject of the down-classification may no longer require approval of a PMA application, but rather may be marketed pursuant to the generally less burdensome 510(k) clearance process. However, there is no assurance that any companion diagnostic required for therapeutic candidates within our Wholly-Owned Programs or those of our Founded Entities will benefit from the reclassification, or that the reclassification, even if it does occur, will result in a shorter timeline to development or marketing of the companion diagnostic.

We or our Founded Entities may rely on third parties for the design, development and manufacture of companion diagnostic tests for our Wholly-Owned Programs ' or our Founded Entities' therapeutic candidates that may require such tests. If we or our Founded Entities enter into such collaborative agreements, we will be dependent on the sustained cooperation and effort of our future collaborators in developing and obtaining approval for these companion diagnostics. It may be necessary to resolve issues such as selectivity/specificity, analytical validation, reproducibility, or clinical validation of companion diagnostics during the development and regulatory clearance, certification, authorization or approval processes. Moreover, even if data from preclinical studies and early clinical trials appear to support development of a companion diagnostic for a therapeutic candidate, data generated in later clinical trials may fail to support the analytical and clinical validation of the companion diagnostic. We, our Founded Entities and our future collaborators may encounter difficulties in developing, obtaining regulatory clearance, certification, authorization or approval for, manufacturing and commercializing companion diagnostics similar to those we face with respect to the therapeutic candidates within our Wholly-Owned Programs themselves, including issues with achieving regulatory clearance, certification, authorization or approval, production of sufficient quantities at commercial scale and with appropriate quality standards, and in gaining market acceptance. If we or our Founded Entities are unable to successfully develop companion diagnostics for these therapeutic candidates, or experience delays in doing so, the development of these therapeutic candidates may be adversely affected, these therapeutic candidates may not obtain marketing approval, and we may not realize the full commercial potential of any of these therapeutic candidates that obtain marketing approval. As a result, our business, results of operations and financial condition could be materially harmed. In addition, a diagnostic company with whom we or our Founded Entities contract may decide to discontinue selling or manufacturing the companion diagnostic test that we anticipate using in connection with development and commercialization of our Wholly-Owned Programs or our Founded Entities' therapeutic candidates or our relationship with such diagnostic company may otherwise terminate. We or our Founded Entities may not be able to enter into arrangements with another diagnostic company to obtain supplies of an alternative diagnostic test for use in connection with the development and commercialization of our Wholly-Owned Programs or our Founded Entities' therapeutic candidates or do so on commercially reasonable terms, which could adversely affect and/or delay the development or commercialization of our or our Founded Entities' therapeutic candidates.

For any cleared, certified, authorized or approved therapeutic, we or our Founded Entities will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense and we or our Founded Entities may be subject to penalties if we or our Founded Entities fail to comply with regulatory requirements or experience unanticipated problems with the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates.

Karuna's Cobenfy, Gelesis' Plenity and Akili's EndeavorRx are, and any of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates that are cleared, certified, authorized or approved will be, subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies, and submission of safety, efficacy and other post-market information, including both federal and state requirements in the United States and requirements of comparable foreign regulatory authorities.

Manufacturers and manufacturers' facilities are required to comply with extensive requirements imposed by the FDA, the EMA and other comparable foreign regulatory authorities, including ensuring that quality control and manufacturing procedures conform to current good manufacturing practices, or cGMP, or similar foreign regulations. As such, we and our CMOs are subject to continual review and inspections to assess compliance with cGMP, or similar foreign requirements and adherence to commitments made in any marketing authorization, and any future 510(k), de novo classification, certification, PMA, NDA, BLA, MAA, or equivalent application. We and our CMOs are also subject to requirements pertaining to the registration of our manufacturing facilities and the listing of our and our Founded Entities' therapeutics and therapeutic candidates with the FDA; continued complaint, adverse event and malfunction reporting; corrections and removals reporting; and labeling and promotional requirements. Accordingly, we and others with whom we work must continue to expend time, money, and effort in all areas of regulatory compliance, including manufacturing, production and quality control. Karuna's, Gelesis' and Akili's marketing approvals, authorizations and certifications for Cobenfy, Plenity and EndeavorRx, respectively, are and any regulatory clearances, certification, authorization or approvals that we may receive for the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates will be, subject to limitations on the cleared, certified, authorized or approved indicated uses for which the therapeutic may be marketed and promoted or to the conditions of approval. Any regulatory clearances, certifications, authorizations or approvals that we may receive for the therapeutic candidates within our Wholly-Owned Programs may contain requirements for potentially costly post-marketing testing, such as Phase 4 clinical trials and surveillance to monitor the safety and efficacy of a drug therapeutic. We are required to report certain adverse reactions and production problems, if any, to the FDA and other comparable foreign regulatory authorities. Any new legislation addressing drug or medical safety issues could result in delays in therapeutic development or commercialization, or increased costs to assure compliance.

The FDA and other agencies, including the U.S. Department of Justice, and for certain therapeutics, the Federal Trade Commission, closely regulate and monitor the marketing, labeling, advertising and promotion of therapeutics to ensure that they are manufactured, marketed and distributed only for the cleared, certified, authorized or approved indications and in accordance with the provisions of the cleared, certified, authorized or approved labeling. We are, and will be, required to comply with requirements concerning advertising and promotion for the therapeutic candidates within our Wholly-Owned Programs , if cleared, certified, authorized or approved. For example, promotional communications with respect to prescription drugs and medical devices are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the therapeutic's label or labeling. We may not promote our therapeutics for indications or uses for which they do not have approval, certification, authorization or clearance.

The holder of a cleared 510(k), de novo classification, certification or an approved NDA, BLA, PMA, MAA or equivalent marketing authorization must submit new or supplemental applications and obtain clearance, authorization or approval for certain changes to the approved therapeutic, therapeutic labeling, or manufacturing process. For example, any modification to Plenity or EndeavorRx that could significantly affect its safety or effectiveness or that would constitute a major change in its intended use could require a new 510(k) clearance, de novo classification, certification or approval of PMA application. Delays in obtaining required clearances, certifications or approvals would harm our ability to introduce new or enhanced therapeutic in a timely manner, which in turn would harm our or our Founded Entities' future growth. Failure to submit a new or supplemental application and to obtain approval or certification for certain changes prior to marketing the modified therapeutic may require a recall or to stop selling or distributing the marketed therapeutic as modified, and may lead to significant enforcement actions.

Subject to the transitional provisions and in order to sell our products in EU member states, our products must comply with the general safety and performance requirements set forth in the new EU Medical Device Regulation (EU) 2017/745, which repeals and replaces the EU Medical Devices Directive. Compliance with these requirements is a prerequisite to be able to affix the European Conformity, or "CE", mark to our products, without which they cannot be marketed or sold in the EU. All medical devices placed on the market in the EU must meet the general safety and performance requirements laid down in Annex I to the EU Medical Devices Regulation (EU) 2017/745 including the requirement that a medical device must be designed and manufactured in such a way that, during normal conditions of use, it is suitable for its intended purpose. Medical devices must be safe and effective and must not compromise the clinical condition or safety of patients, or the safety and health of users and – where applicable – other persons, provided that any risks which may be associated with their use constitute acceptable risks when weighed against the benefits to the patient and are compatible with a high level of protection of health and safety, taking into account the generally acknowledged state of the art. To demonstrate compliance with the general safety and performance requirements, we or our Founded Entities must undergo a conformity assessment procedure, which varies according to the type of medical device and its (risk) classification. Except for low risk medical devices (Class I), where the manufacturer can self-assess the conformity of its products with the general safety and performance requirements (except for any parts which relate to sterility, metrology or reuse aspects), a conformity assessment procedure requires the intervention of a notified body. The notified body would typically audit and examine the technical file and the quality system for the manufacture, design and final inspection of our devices. If satisfied that the relevant product conforms to the relevant general safety and performance requirements, the notified body issues a certificate of conformity, which the manufacturer uses as a basis for its own declaration of conformity. The manufacturer may then apply the CE mark to the device, which allows the device to be placed on the market throughout the EU. If we fail to comply with applicable laws and regulations, we would be unable to affix the CE mark to our products, which would prevent us from selling them within the EU. In June 2020, Gelesis received a certification for Plenity as a class III medical device indicated for weight loss in overweight and obese adults with a Body Mass Index of 25-40 kg/m2, when used in conjunction with diet and exercise. Also in June 2020, Akili received a certification for EndeavorRx as a prescription-only digital therapeutic software intended for the treatment of attention and inhibitory control deficits in paediatric patients with ADHD.

Risk Factor Annex continued

We or our Founded Entities could also be required to conduct post-marketing clinical trials to verify the safety and efficacy of our or our Founded Entities' therapeutics in general or in specific patient subsets. If original marketing approval of a drug or biologic was obtained via an accelerated approval pathway, we or our Founded Entities could be required to conduct a successful post-marketing clinical trial to confirm clinical benefit for our or our Founded Entities' therapeutics. An unsuccessful post-marketing study or failure to complete such a study could result in the withdrawal of marketing clearance, certification, authorization or approval.

If a regulatory agency discovers previously unknown problems with a therapeutic, such as AEs of unanticipated severity or frequency, or problems with the facility where the therapeutic is manufactured, or disagrees with the promotion, marketing or labeling of a therapeutic, such regulatory agency may impose restrictions on that therapeutic or us, including requiring withdrawal of the therapeutic from the market. If we or our Founded Entities fail to comply with applicable regulatory requirements, a regulatory agency or enforcement authority may, among other things:

- issue warning letters that would result in adverse publicity;
- impose civil or criminal penalties;
- suspend or withdraw regulatory approvals or certifications;
- suspend any of our or our Founded Entities' ongoing clinical trials;
- refuse to approve pending applications or supplements to approved applications submitted by us or our Founded Entities;
- impose restrictions on our operations, including closing our CMOs' facilities;
- seize or detain therapeutics; or
- require a recall.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response, and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenue from our therapeutics. If regulatory sanctions are applied or if regulatory clearance, authorization or approval is withdrawn, the value of our company and our operating results will be adversely affected.

The FDA's and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory clearance, certification, authorization or approval of the therapeutic candidates within our Wholly-Owned Program or our Founded Entities' therapeutic candidates.

In addition, the FDA has historically required approval of a PMA application for companion diagnostics associated with cancer medications. However, in January 2024, the FDA announced its intention to initiate the process to reclassify into Class II most in vitro diagnostic tests that are currently regulated as Class III medical devices, including certain companion diagnostic in-vitro diagnostics. If such reclassification efforts occur, any companion diagnostics that are the subject of the down-classification may no longer require approval of a PMA application, but rather may be marketed pursuant to the generally less burdensome 510(k) clearance process. However, there is no assurance that any companion diagnostic required for therapeutic candidates within our Wholly-Owned Programs or those of our Founded Entities will benefit from the reclassification, or that the reclassification, even if it does occur, will result in a shorter timeline to development or marketing of the companion diagnostic.

We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If these legislative or administrative actions impose constraints on the FDA's ability to engage in oversight and implementation activities in the normal course, our business may be negatively impacted. Outside of the United States, for instance, the EU pharmaceutical legislation has been undergoing a complete review process, in the context of the Pharmaceutical Strategy for Europe initiative, launched by the European Commission in November 2020. The European Commission's proposal for revision of several legislative instruments related to medicinal products was published on April 26, 2023. The proposed changes were since discussed and negotiated by the European Parliament and the Council of the EU as part of the EU ordinary legislative process. A provisional agreement has been reached by the European Parliament and Council of the EU on the proposed revisions on December 11, 2025. The Proposed revisions (affecting the duration of regulatory data protection and market protection, including for orphan medicinal products, revising the eligibility for expedited pathways, etc.) remain to be formally adopted by the two institutions, currently anticipated in Q1-Q2 2026. The proposed changes are not expected to enter into application before 2028 and may, have a significant impact on the biopharmaceutical industry in the long term.

The FDA and other regulatory agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses.

If, for any of our Wholly-Owned Programs that are cleared or approved, we are found to have improperly promoted off-label uses of those therapeutics, we may become subject to significant liability. The FDA and other regulatory agencies strictly regulate the promotional claims that may be made about prescription therapeutics, if cleared, authorized or approved. In particular, while the FDA permits the dissemination of truthful and non-misleading information about a cleared, authorized or approved therapeutic, a manufacturer may not promote a therapeutic for uses that are not cleared, authorized or approved by the FDA or such other regulatory agencies as reflected in the therapeutic's cleared, authorized or approved labeling. If we are found to have promoted such off-label uses, we may become subject to significant liability. The federal government has levied large civil and criminal fines against companies for alleged improper promotion of off-label use and has enjoined several companies from engaging in off-label promotion. The FDA has also requested that companies enter into consent decrees, corporate integrity agreements or permanent injunctions under which specified promotional conduct must be changed or curtailed. If we cannot successfully manage the promotion of the therapeutic candidates within our Wholly-Owned Programs , if cleared, authorized or approved, we could become subject to significant liability, which would materially adversely affect our business and financial condition.

Certain of our therapeutic candidates may be regulated as controlled substances, the making, use, sale, importation, exportation, and distribution of which are subject to significant regulation by the U.S. Drug Enforcement Administration, or DEA, and other regulatory agencies.

We expect that certain of our therapeutic candidates, if approved, will be regulated as controlled substances, which are subject to state, federal, and foreign laws and regulations regarding their manufacture, use, sale, importation, exportation, and distribution. Among other things, controlled substances are regulated under the federal Controlled Substances Act of 1970, or CSA, and regulations of the DEA.

The DEA regulates controlled substances as Schedule I, II, III, IV or V substances. Schedule I substances by definition have no established medicinal use and may not be marketed or sold in the United States. A pharmaceutical product may be listed as Schedule II, III, IV or V, with Schedule II substances considered to present the highest risk of abuse and Schedule V substances the lowest relative risk of abuse among such substances. Certain of our other therapeutic candidates contain Schedule IV substances, which subjects such therapeutic candidates to additional restrictions regarding their manufacture, shipment, storage, sale and use, depending on the scheduling of the active ingredients, and may limit the commercial potential of any of our therapeutic candidates, if approved.

Various states also independently regulate controlled substances. Though state controlled substances laws often mirror federal law, because the states are separate jurisdictions, they may separately schedule drugs as well. While some states automatically schedule a drug when the DEA does so, in other states there must be rulemaking or a legislative action. State scheduling may delay commercial sale of any controlled substance drug product for which we obtain federal regulatory approval and adverse scheduling could impair the commercial attractiveness of such product. We or our collaborators must also obtain separate state registrations in order to be able to obtain, handle and distribute controlled substances for clinical trials or commercial sale, and failure to meet applicable regulatory requirements could lead to enforcement and sanctions from the states in addition to those from the DEA or otherwise arising under federal law.

For any of our products or therapeutic candidates classified as controlled substances, we and our suppliers, manufacturers, contractors, customers and distributors are required to obtain and maintain applicable registrations from state, federal and foreign law enforcement and regulatory agencies and comply with state, federal and foreign laws and regulations regarding the manufacture, use, sale, importation, exportation and distribution of controlled substances. There is a risk that DEA regulations may limit the supply of the compounds used in clinical trials for our therapeutic candidates, and, in the future, the ability to produce and distribute our products in the volume needed to meet commercial demand. Regulations associated with controlled substances govern manufacturing, labeling, packaging, testing, dispensing, production and procurement quotas, recordkeeping, reporting, handling, shipment and disposal. These regulations increase the personnel needs and the expense associated with development and commercialization of therapeutic candidates including controlled substances. The DEA, and some states, conduct periodic inspections of registered establishments that handle controlled substances. Failure to obtain and maintain required registrations or comply with any applicable regulations could delay or preclude us from developing and commercializing our therapeutic candidates containing controlled substances and subject us to enforcement action. The DEA may seek civil penalties, refuse to renew necessary registrations or initiate proceedings to revoke those registrations. In some circumstances, violations could lead to criminal proceedings. Because of their restrictive nature, these regulations could limit commercialization of any of our products or therapeutic candidates that are classified as controlled substances.

The EU legislation does not establish different classes of narcotic or psychotropic substances. However, the United Nations, or UN, Single Convention on Narcotic Drugs of 1961 and the UN Convention on Psychotropic Substances of 1971, or the UN Conventions, codify internationally applicable control measures to ensure the availability of narcotic drugs and psychotropic substances for medical and scientific purposes. The individual EU member states are all signatories to these UN Conventions. All signatories have a dual obligation to ensure that these substances are available for medical purposes and to protect populations against abuse and dependence. The UN Conventions regulate narcotic drugs and psychotropic substances as Schedule I, II, III, IV substances with Schedule II substances presenting the lowest relative risk of abuse among such substances and Schedule I and IV substances considered to present the highest risk of abuse.

The UN Conventions require signatories to require all persons manufacturing, trading (including exporting and importing) or distributing controlled substances to obtain a license from the relevant authority. Each individual export or import of a controlled substance must also be subject to an authorization. The obligations provided in the UN Conventions and additional requirements are implemented at national level and requirements may vary from one member state to another. In order to develop and commercialize our products in the EU, we need to comply with the national requirements related to controlled substances which is costly and may affect our development plans in the EU.

Risks Related to Manufacturing our Therapeutic Candidates or Those of our Founded Entities

Certain of the therapeutic candidates being developed by us or our Founded Entities rely or may rely on third-party manufacturers outside of the United States.

Certain of our therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates are currently or may in the future be manufactured outside of the United States. In certain years, the U.S. government has initiated substantial changes in U.S. trade policy and U.S. trade agreements, including the initiation of tariffs on certain foreign goods. In response to these tariffs, certain foreign governments, including Canada, China and Mexico, have instituted or are considering imposing tariffs on certain U.S. goods. If the U.S. imposes additional tariffs on a broader range of imports from certain countries, and in response those countries take further retaliatory trade measures. These actions could impose additional costs on our business.

Certain of the therapeutic candidates being developed by us or our Founded Entities are novel, complex and difficult to manufacture. We could experience manufacturing problems that result in delays in our development or commercialization programs or otherwise harm our business.

The manufacturing processes our CMOs use to produce our and our Founded Entities' therapeutic candidates are complex and in certain cases novel. Several factors could cause production interruptions, including inability to develop novel manufacturing processes, equipment malfunctions, facility contamination, raw material shortages or contamination, natural disasters, disruption in utility services, human error or disruptions in the operations of our suppliers, including acquisition of the supplier by a third party or declaration of bankruptcy. For example, Vedanta has its own proprietary cGMP manufacturing facilities for certain therapeutic candidates, including VE202, VE303, VE800 and VE416. Creating defined consortia of live microbial therapeutics for these therapeutic candidates is inherently complex, and therefore can be vulnerable to delays. The expertise required to manufacture these therapeutic candidates is unique to Vedanta, and as a result, it would be difficult and time consuming to find an alternative CMO. In addition, manufacturing of clinical supply for certain of our therapeutic candidates is dependent on third party CMOs, and manufacturing such therapeutic candidates is inherently complex.

Some of our and our Founded Entities' therapeutic candidates include biologics, some of which have physical and chemical properties that cannot be fully characterized. As a result, assays of the finished product may not be sufficient to ensure that the therapeutic candidate is consistent from lot-to-lot or will perform in the intended manner. Accordingly, our CMOs must employ multiple steps to control the manufacturing process to assure that the process is reproducible and the therapeutic candidate is made strictly and consistently in compliance with the process. Problems with the manufacturing process, even minor deviations from the normal process, could result in therapeutic defects or manufacturing failures that result in lot failures, therapeutic recalls, product liability claims or insufficient inventory to conduct clinical trials or supply commercial markets. We or our Founded Entities may encounter problems achieving adequate quantities and quality of clinical-grade materials that meet the FDA, the EMA or other applicable standards or specifications with consistent and acceptable production yields and costs.

In addition, the FDA and other foreign regulatory authorities may require us or our Founded Entities to submit samples of any lot of any approved therapeutic together with the protocols showing the results of applicable tests at any time. Under some circumstances, the FDA or other foreign regulatory authorities may require that we or our Founded Entities not distribute a lot until the agency authorizes its release. Slight deviations in the manufacturing process, including those affecting quality attributes and stability, may result in unacceptable changes in the therapeutic that could result in lot failures or therapeutic recalls. Lot failures or therapeutic recalls could cause us or our Founded Entities to delay therapeutic launches or clinical trials, which could be costly to us and otherwise harm our business, financial condition, results of operations and prospects.

Risk Factor Annex continued

Our CMOs also may encounter problems hiring and retaining the experienced scientific, quality assurance, quality-control and manufacturing personnel needed to operate our manufacturing processes, which could result in delays in production or difficulties in maintaining compliance with applicable regulatory requirements.

Any problems in our CMOs' manufacturing process or facilities could result in delays in planned clinical trials and increased costs, and could make us a less attractive collaborator for potential partners, including larger biotechnology companies and academic research institutions, which could limit access to additional attractive development programs. Problems in our manufacturing process could restrict our ability to meet potential future market demand for therapeutics.

We do not currently have nor do we plan to acquire the infrastructure or capability internally to manufacture our clinical drug supplies for use in the conduct of our clinical trials, and we lack the resources and the capability to manufacture the therapeutic candidates within our Wholly-Owned Programs on a clinical or commercial scale. Instead, we rely on our third-party manufacturing partners for the production of the active pharmaceutical ingredient, or API, and drug formulation. The facilities used by our third-party manufacturers to manufacture our therapeutic candidates that we may develop must be successfully inspected by the applicable regulatory authorities, including the FDA, after we submit any NDA or BLA to the FDA.

We are currently completely dependent on our third-party manufacturers for the production of certain of our therapeutic candidates in accordance with cGMPs or similar foreign requirements, which include, among other things, quality control, quality assurance and the maintenance of records and documentation.

Although we have entered into agreements for the manufacture of clinical supplies for such therapeutic candidates, our third-party manufacturers may not perform as agreed, may be unable to comply with these cGMP or similar foreign requirements and with FDA, state and foreign regulatory requirements or may terminate its agreement with us. If any of our third-party manufacturers cannot successfully manufacture material that conforms to our specifications and the applicable regulatory authorities' strict regulatory requirements, pass regulatory inspection or maintain a compliance status acceptable to the FDA or state or foreign regulatory authorities, our NDAs, BLAs or MAAs will not be approved. In addition, although we are ultimately responsible for ensuring therapeutic quality, we have no direct day-to-day control over our third-party manufacturers' ability to maintain adequate quality control, quality assurance and qualified personnel. If our third-party manufacturers are unable to satisfy the regulatory requirements for the manufacture of our therapeutics, if approved, or if our suppliers or third-party manufacturers decide they no longer want to manufacture our therapeutics, we will need to find alternative manufacturing facilities, which would be time-consuming and significantly impact our ability to develop, obtain regulatory approval for or market our therapeutics, if approved. If we are required to change contract manufacturers for any reason, we will be required to show that the new manufacturer maintains facilities and procedures that comply with quality standards and with all applicable regulations. We will also need to verify, such as through a manufacturing comparability study, that any new manufacturing process or procedure will produce our therapeutic candidate according to specifications previously submitted to the FDA or another regulatory authority. We might be unable to identify manufacturers for long-term clinical and commercial supply on acceptable terms or at all. Manufacturers are subject to ongoing periodic announced and unannounced inspection by the FDA and other governmental authorities to ensure compliance with government regulations. As a result, our third-party manufacturers may be subject to increased scrutiny.

If we were to experience an unexpected loss of supply for clinical development or commercialization, we could experience delays in our ongoing or planned clinical trials as our third-party manufacturers would need to manufacture additional quantities of our clinical and commercial supply and we may not be able to provide sufficient lead time to enable our third-party manufacturers to schedule a manufacturing slot, or to produce the necessary replacement quantities. This could result in delays in progressing our clinical development activities and achieving regulatory approval for our therapeutics, which could materially harm our business.

The manufacture of pharmaceutical therapeutics is complex and requires significant expertise and capital investment, including the development of advanced manufacturing techniques and process controls. We and our contract manufacturers must comply with cGMP or similar foreign regulations and guidelines. Manufacturers of pharmaceutical therapeutics often encounter difficulties in production, particularly in scaling up and validating initial production. These problems include difficulties with production costs and yields, quality control, including stability of the product, quality assurance testing, operator error, shortages of qualified personnel, as well as compliance with strictly enforced federal, state and foreign regulations. Furthermore, if microbial, viral or other contaminations are discovered in our therapeutics or in the manufacturing facilities in which our therapeutic candidate are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. We cannot assure you that any stability or other issues relating to the manufacture of any of our therapeutic candidates will not occur in the future. Additionally, our manufacturers may experience manufacturing difficulties due to resource constraints or as a result of labor disputes or unstable political environments. If our manufacturers were to encounter any of these difficulties, or otherwise fail to comply with their contractual obligations, our ability to provide any therapeutic candidates to patients in clinical trials would be jeopardized. Any delay or interruption in the supply of clinical trial supplies could delay the completion of clinical trials, increase the costs associated with maintaining clinical trial programs and, depending upon the period of delay, require us to commence new clinical trials at additional expense or terminate clinical trials completely.

Any adverse developments affecting clinical or potential commercial manufacturing of our therapeutic candidates may result in shipment delays, inventory shortages, lot failures, therapeutic withdrawals or recalls, or other interruptions in the supply of our therapeutic candidates. We may also have to take inventory write-offs and incur other charges and expenses for therapeutic candidates that fail to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives. Accordingly, failures or difficulties faced at any level of our supply chain could materially adversely affect our business and delay or impede the development and commercialization of any of our therapeutic candidates and could have a material adverse effect on our business, prospects, financial condition and results of operations.

Our or our Founded Entities' therapeutic candidates must be manufactured in accordance with federal, state and international regulations, and we or our Founded Entities could be forced to recall our or our Founded Entities' medical devices and therapeutic candidates or terminate production if we or our Founded Entities fail to comply with these regulations.

The methods used in, and the facilities used for, the manufacture of medical device therapeutics and therapeutic candidates of our Founded Entities, including Gelesis, Akili, Follica and Sonde, must comply with the FDA's cGMPs for medical devices, known as the Quality Management System Regulation, or QMSR, which is a complex regulatory scheme that covers the procedures and documentation of, among other requirements, the design, testing, validation, verification, complaint handling, production, process controls, quality assurance, labeling, supplier evaluation, packaging, handling, storage, distribution, installation, servicing and shipping of medical devices. Furthermore, we and our Founded Entities are required to verify that our suppliers maintain facilities, procedures and operations that comply with our quality standards and applicable regulatory requirements. The FDA enforces the QMSR through, among other oversight methods, periodic announced or unannounced inspections of medical device manufacturing facilities, which may include the facilities of subcontractors, suppliers or CMOs. Our and our Founded Entities' therapeutics and therapeutic candidates are also subject to similar state regulations and various laws and regulations of foreign countries governing manufacturing.

Our or our Founded Entities' third-party manufacturers may not take the necessary steps to comply with applicable regulations or our or our Founded Entities' specifications, which could cause delays in the delivery of our therapeutic candidates. In addition, failure to comply with applicable FDA or comparable foreign requirements or later discovery of previously unknown problems with our or our Founded Entities' therapeutics or therapeutic candidates or manufacturing processes could result in, among other things: warning letters or untitled letters; civil penalties; suspension or withdrawal of approvals or clearances; seizures or recalls of our or our Founded Entities' therapeutics; total or partial suspension of production or distribution; administrative or judicially imposed sanctions; the FDA's or foreign regulatory authorities' refusal to grant pending or future clearances, certifications, authorizations, or approvals for our or our Founded Entities' therapeutic candidates; clinical holds; refusal to permit the import or export of our or our Founded Entities' therapeutics or therapeutic candidates; and criminal prosecution of us or our employees. Any of these actions could significantly and negatively impact supply of our or our Founded Entities' therapeutics or therapeutic candidates. If any of these events occurs, our reputation could be harmed, we could be exposed to product liability claims and we or our Founded Entities could lose customers and suffer reduced revenue and increased costs.

Risks Related to Commercialization

If, in the future, we are unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market any therapeutic candidates we may develop, we may not be successful in commercializing those therapeutic candidates if and when they are approved.

We do not have a sales or marketing infrastructure or the capabilities for sale, marketing, or distribution of pharmaceutical therapeutics. To achieve commercial success for any approved therapeutic for which we retain sales and marketing responsibilities, we must either develop a sales and marketing organization or outsource these functions to third parties. In the future, we may choose to build a focused sales, marketing, and commercial support infrastructure to market and sell the therapeutic candidates within our Wholly-Owned Programs , if and when they are approved. We may also elect to enter into collaborations or strategic partnerships with third parties to engage in commercialization activities with respect to selected therapeutic candidates, indications or geographic territories, including territories outside the United States, although there is no guarantee we will be able to enter into these arrangements even if the intent is to do so.

There are risks involved with both establishing our own commercial capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force or reimbursement specialists is expensive and time consuming and could delay any therapeutic launch. If the commercial launch of a therapeutic candidate for which we recruit a sales force and establish marketing and other commercialization capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition commercialization personnel.

Factors that may inhibit our efforts to commercialize any approved therapeutic on our own include:

- the inability to recruit and retain adequate numbers of effective sales, marketing, reimbursement, customer service, medical affairs, and other support personnel;
- the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to prescribe any future approved therapeutics;
- the inability of reimbursement professionals to negotiate arrangements for formulary access, reimbursement, and other acceptance by payors;
- the inability to price therapeutics at a sufficient price point to ensure an adequate and attractive level of profitability;
- restricted or closed distribution channels that make it difficult to distribute our therapeutics to segments of the patient population;
- the lack of complementary therapeutics to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive therapeutic lines; and
- unforeseen costs and expenses associated with creating an independent commercialization organization.

If we enter into arrangements with third parties to perform sales, marketing, commercial support, and distribution services, our therapeutic revenue or the profitability of therapeutic revenue may be lower than if we were to market and sell any therapeutics we may develop internally. In addition, we may not be successful in entering into arrangements with third parties to commercialize the therapeutic candidates within our Wholly-Owned Programs or may be unable to do so on terms that are favorable to us or them. We may have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our therapeutics effectively or may expose us to legal and regulatory risk by not adhering to regulatory requirements and restrictions governing the sale and promotion of prescription drug therapeutics, including those restricting off-label promotion. If we do not establish commercialization capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing the therapeutic candidates within our Wholly-Owned Programs , if approved.

Even if any current or future therapeutic candidate of ours receives regulatory clearance or approval, it may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success, in which case we may not generate significant revenues or become profitable.

We have never commercialized a therapeutic, and even if any current or future therapeutic candidate of ours is approved by the appropriate regulatory authorities for marketing and sale, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. Physicians may be reluctant to take their patients off their current medications and switch their treatment regimen. Further, patients often acclimate to the treatment regime that they are currently taking and do not want to switch unless their physicians recommend switching therapeutics or they are required to switch due to lack of coverage and adequate reimbursement. In addition, even if we are able to demonstrate our Wholly-Owned Programs ' safety and efficacy to the FDA and other regulators, safety or efficacy concerns in the medical community may hinder market acceptance.

Efforts to educate the medical community and third-party payors on the benefits of the therapeutic candidates within our Wholly-Owned Programs may require significant resources, including management time and financial resources, and may not be successful. The degree of market acceptance of the therapeutic candidates within our Wholly-Owned Programs , if approved for commercial sale, will depend on a number of factors, including:

- the efficacy and safety of the therapeutic;
- the potential advantages of the therapeutic compared to competitive therapies;
- the prevalence and severity of any side effects;
- whether the therapeutic is designated under physician treatment guidelines as a first-, second- or third-line therapy;
- our ability, or the ability of any future collaborators, to offer the therapeutic for sale at competitive prices;
- the therapeutic's convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try, and of physicians to prescribe, the therapeutic;
- limitations or warnings, including distribution or use restrictions contained in the therapeutic's approved labelling;
- the strength of sales, marketing and distribution support;
- changes in the standard of care for the targeted indications for the therapeutic; and
- availability and adequacy of coverage and reimbursement from government payors, managed care plans and other third-party payors.

Sales of medical therapeutics also depend on the willingness of physicians to prescribe the treatment, which is likely to be based on a determination by these physicians that the therapeutics are safe, therapeutically effective and cost effective. In addition, the inclusion or exclusion of therapeutics from treatment guidelines established by various physician groups and the viewpoints of influential physicians can affect the willingness of other physicians to prescribe the treatment. We cannot predict whether physicians, physicians' organizations, hospitals, other healthcare providers, government agencies or private insurers will determine that our therapeutic is safe, therapeutically effective and cost effective as compared with competing treatments. If any therapeutic candidates we develop do not achieve an adequate level of acceptance, we may not generate significant therapeutic revenue, and we may not become profitable.

Risk Factor Annex continued

Any failure by any current or future therapeutic candidate of ours that obtains regulatory approval to achieve market acceptance or commercial success would adversely affect our business prospects. In addition, any negative perception of one of our Founded Entities or any therapeutic candidates marketed or commercialized by them may adversely affect our reputation in the marketplace or among industry participants and our business prospects.

The incidence and prevalence for target patient populations of our therapeutic candidates have not been established with precision. If the market opportunities for our therapeutic candidates are smaller than we estimate, or if any approval that we obtain is based on a narrower definition of the patient population, our revenue and ability to achieve profitability may be materially adversely affected.

The precise incidence and prevalence for all the conditions we aim to address with our therapeutic candidates are unknown and cannot be precisely determined. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our therapeutic candidates, are based on beliefs and estimates. These estimates have been derived from a variety of sources, including the scientific literature, surveys of clinics, patient foundations or market research, and may prove to be incorrect. Further, new trials may change the estimated incidence or prevalence of these diseases.

The total addressable market across all of our therapeutic candidates will ultimately depend upon, among other things, the diagnosis criteria included in the final label for each of our therapeutic candidates approved for sale for these indications, acceptance by the medical community and patient access, drug pricing and reimbursement. The number of patients in the United States and other major markets and elsewhere may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our products or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our results of operations and our business. Further, even if we obtain significant market share for our therapeutic candidates, if the potential target populations are very small, we may never achieve profitability despite obtaining such significant market share.

The insurance coverage and reimbursement status of newly-approved therapeutics is uncertain. The therapeutic candidates within our Wholly-Owned Programs may become subject to unfavorable pricing regulations, third-party coverage and reimbursement practices, or healthcare reform initiatives, which would harm our business. Failure to obtain or maintain coverage and adequate reimbursement for new or current therapeutics could limit our ability to market those therapeutics and decrease our ability to generate revenue.

The regulations that govern marketing approvals, pricing, coverage, and reimbursement for new drugs and other medical therapeutics vary widely from country to country. In the United States, healthcare reform legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a therapeutic before it can be marketed. In many countries, the pricing review period begins after marketing or therapeutic licensing approval is granted. In some foreign markets, pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for a therapeutic in a particular country, but then be subject to price regulations that delay our commercial launch of the therapeutic, possibly for lengthy time periods, and negatively impact the revenue we are able to generate from the sale of the therapeutic in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more therapeutics or therapeutic candidates, even if any therapeutic candidates we may develop obtain marketing approval.

Our ability to successfully commercialize our therapeutics and therapeutic candidates also will depend in part on the extent to which coverage and adequate reimbursement for these therapeutics and related treatments will be available from government health administration authorities, private health insurers, and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. The availability of coverage and extent of reimbursement by governmental and private payors is essential for most patients to be able to afford treatments such as gene therapy therapeutics. Sales of these or other therapeutic candidates that we may identify will depend substantially, both domestically and abroad, on the extent to which the costs of the therapeutic candidates within our Wholly-Owned Programs will be paid by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations, or reimbursed by government health administration authorities, private health coverage insurers and other third-party payors. If coverage and adequate reimbursement is not available, or is available only to limited levels, we may not be able to successfully commercialize our therapeutics or therapeutic candidates. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize a sufficient return on our investment. A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. In many countries, the prices of medical therapeutics are subject to varying price control mechanisms as part of national health systems. In general, the prices of medicines under such systems are substantially lower than in the United States. Other countries allow companies to fix their own prices for medicines, but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for the therapeutic candidates within our Wholly-Owned Programs . Accordingly, in markets outside the United States, the reimbursement for therapeutics may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenues and profits.

There is also significant uncertainty related to the insurance coverage and reimbursement of newly approved therapeutics and coverage may be more limited than the purposes for which the medicine is approved by the FDA or comparable foreign regulatory authorities. In the United States, the principal decisions about reimbursement for new medicines are typically made by the Centers for Medicare & Medicaid Services, or CMS, an agency within the U.S. Department of Health and Human Services. CMS decides whether and to what extent a new medicine will be covered and reimbursed under Medicare and private payors tend to follow CMS to a substantial degree. No uniform policy of coverage and reimbursement for therapeutics exists among third-party payors and coverage and reimbursement levels for therapeutics can differ significantly from payor to payor. As a result, the coverage determination process is often a time consuming and costly process that may require us to provide scientific and clinical support for the use of our therapeutics to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. It is difficult to predict what CMS will decide with respect to reimbursement for fundamentally novel therapeutics such as ours, as there is no body of established practices and precedents for these new therapeutics. Reimbursement agencies in Europe may be more conservative than CMS. For example, a number of cancer drugs have been approved for reimbursement in the United States and have not been approved for reimbursement in certain European countries. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale, and distribution. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for any approved therapeutics we may develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize therapeutic candidates, and our overall financial condition. As noted above, in the United States we plan to have various programs to help patients afford our therapeutics, including patient assistance programs and co-pay coupon programs for eligible patients.

Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Our inability to promptly obtain coverage and profitable reimbursement rates third-party payors for any approved therapeutics that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize therapeutics and our overall financial condition.

Increasingly, third-party payors are requiring that pharmaceutical companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical therapeutics. We cannot be sure that reimbursement will be available for any therapeutic candidate that we commercialize and, if reimbursement is available, the level of reimbursement. Reimbursement may impact the demand for, or the price of, any therapeutic or therapeutic candidate for which we obtain marketing approval. In order to obtain reimbursement, physicians may need to show that patients have superior treatment outcomes with our therapeutics compared to standard of care drugs, including lower-priced generic versions of standard of care drugs. We expect to experience pricing pressures in connection with the sale of any of the therapeutic candidates within our Wholly-Owned Programs , due to the trend toward managed healthcare, the increasing influence of health maintenance organizations and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the entry of new therapeutics. Additionally, we may develop companion diagnostic tests for use with our Wholly-Owned Programs or our Founded Entities' therapeutic candidates. We, or our Founded Entities or our collaborators may be required to obtain coverage and reimbursement for these tests separate and apart from the coverage and reimbursement we seek for our Wholly-Owned Programs or our Founded Entities' therapeutic candidates, once approved. Even if we or our Founded Entities obtain regulatory approval or clearance for such companion diagnostics, there is significant uncertainty regarding our ability to obtain coverage and adequate reimbursement for the same reasons applicable to our Wholly-Owned Programs or our Founded Entities' therapeutic candidates. Medicare reimbursement methodologies, whether under Part A, Part B, or clinical laboratory fee schedule may be amended from time to time, and we cannot predict what effect any change to these methodologies would have on any therapeutic candidate or companion diagnostic for which we receive approval.

Risks Related to Compliance with Healthcare Laws

If we fail to comply with healthcare laws, we could face substantial penalties and our business, operations and financial conditions could be adversely affected.

Healthcare providers, physicians and third-party payors in the United States and elsewhere play a primary role in the recommendation and prescription of pharmaceutical therapeutics. Arrangements with healthcare providers, third-party payors and customers can expose pharmaceutical manufacturers to broadly applicable fraud and abuse and other healthcare laws and regulations, including, without limitation, the federal Anti-Kickback Statute and the federal False Claims Act, or the FCA, which may constrain the business or financial arrangements and relationships through which such companies sell, market and distribute pharmaceutical therapeutics. In particular, the promotion, sales and marketing of healthcare items and services, as well as certain business arrangements in the healthcare industry, are subject to extensive laws designed to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of ownership, pricing, discounting, marketing and promotion, structuring and commission(s), certain customer incentive programs and other business arrangements generally. Activities subject to these laws also involve the improper use of information obtained in the course of patient recruitment for clinical trials. The applicable federal and state healthcare laws and regulations laws that may affect our ability to operate include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Violations are subject to civil and criminal fines and penalties for each violation, plus up to three times the remuneration involved, imprisonment of up to ten years, and exclusion from government healthcare programs. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers, on the one hand, and prescribers, purchasers and formulary managers, on the other;
- federal civil and criminal false claims laws and civil monetary penalty laws, including the False Claims Act, which impose criminal and civil penalties, including through civil "qui tam" or "whistleblower" actions, against individuals or entities for, among other things, knowingly presenting, or causing to be presented, claims for payment or approval from Medicare, Medicaid, or other federal health care programs that are false or fraudulent; knowingly making or causing a false statement material to a false or fraudulent claim or an obligation to pay money to the federal government; or knowingly concealing or knowingly and improperly avoiding or decreasing such an obligation. Manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims. The government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA. The FCA also permits a private individual acting as a "whistleblower" to bring actions on behalf of the federal government alleging violations of the FCA and to share in any monetary recovery;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created additional federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private) and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity can be found guilty of violating HIPAA without actual knowledge of the statute or specific intent to violate it;
- the federal civil monetary penalties laws, which impose civil fines for, among other things, the offering or transfer or remuneration to a Medicare or state healthcare program beneficiary if the person knows or should know it is likely to influence the beneficiary's selection of a particular provider, practitioner, or supplier of services reimbursable by Medicare or a state healthcare program, unless an exception applies;
- the federal Physician Payments Sunshine Act, created under the ACA, and its implementing regulations, which require manufacturers of drugs, devices, biologicals and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to the U.S. Department of Health and Human Services, or HHS, under the Open Payments Program, information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain non-physician providers (physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anaesthetists, anaesthesiologist assistants and certified nurse midwives), and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members;
- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers;
- federal price reporting laws, which require manufacturers to calculate and report complex pricing metrics to government programs, where such reported prices may be used in the calculation of reimbursement and/or discounts on approved therapeutics; and
- analogous state and foreign laws and regulations, such as state and foreign anti-kickback, false claims, consumer protection and unfair competition laws which may apply to pharmaceutical business practices, including but not limited to, research, distribution, sales and marketing arrangements as well as submitting claims involving healthcare items or services reimbursed by any third-party payer, including commercial insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government that otherwise restricts payments that may be made to healthcare providers and other potential referral sources; state laws that require drug manufacturers to file reports with states regarding pricing and marketing information, such as the tracking and reporting of gifts, compensations and other remuneration and items of value provided to healthcare professionals and entities; and state and local laws requiring the registration of pharmaceutical sales representatives.

Because of the breadth of these laws and the narrowness of the statutory exceptions and regulatory safe harbors available, it is possible that some of our business activities, including compensation of physicians with stock or stock options, could, despite efforts to comply, be subject to challenge under one or more of such laws. Additionally, FDA or foreign regulators may not agree that we have mitigated any risk of bias in our clinical trials due to payments or equity interests provided to investigators or institutions which could limit a regulator's acceptance of those clinical trial data in support of a marketing application. Moreover, efforts to ensure that our business arrangements will comply with applicable healthcare laws may involve substantial costs. It is possible that governmental and enforcement authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law interpreting applicable fraud and abuse or other healthcare laws and regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant civil, criminal and administrative penalties, damages, disgorgement, monetary fines, exclusion from participation in Medicare, Medicaid and other federal healthcare programs, integrity and oversight agreements to resolve allegations of non-compliance, contractual damages, reputational harm, diminished profits and future earnings, and curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. In addition, the approval and commercialization of any of the therapeutic candidates within our Wholly-Owned Programs outside the United States will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws.

Failure to comply with data protection laws and regulations could lead to government enforcement actions (which could include civil or criminal penalties), private litigation, and/or adverse publicity and could negatively affect our operating results and business.

We and any potential collaborators may be subject to federal, state, and foreign data protection laws and regulations (i.e., laws and regulations that address privacy and data security). In the United States, numerous federal and state laws and regulations, including federal health information privacy laws, state data breach notification laws, state health information privacy laws, and federal and state consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), that govern the collection, use, disclosure and protection of health-related and other personal information could apply to our operations or the operations of our collaborators. In addition, we may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under HIPAA, as amended. Depending on the facts and circumstances, we could be subject to civil, criminal, and administrative penalties if we knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA-covered entity in a manner that is not authorized or permitted by HIPAA.

As our operations and business grow, we may become subject to or affected by new or additional data protection laws and regulations and face increased scrutiny or attention from regulatory authorities. In the United States, certain states have adopted data privacy and security laws and regulations, which govern the privacy, processing and protection of health-related and other personal information. Such laws and regulations will be subject to interpretation by various courts and other governmental authorities, thus creating potentially complex compliance issues for us and our future customers and strategic partners. For example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act, or collectively, the CCPA, requires covered businesses that process the personal information of California residents to, among other things: (i) provide certain disclosures to California residents regarding the business's collection, use, and disclosure of their personal information; (ii) receive and respond to requests from California residents to access, delete, and correct their personal information, or to opt out of certain disclosures of their personal information; and (iii) enter into specific contractual provisions with service providers that process California resident personal information on the business's behalf. Additional compliance investment and potential business process changes may also be required. Similar laws have passed in other states and are continuing to be proposed at the state and federal level, reflecting a trend toward more stringent privacy legislation in the United States. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. In the event that we are subject to or affected by HIPAA, the CCPA or other domestic privacy and data protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition.

Further, in the event we decide to conduct clinical trials or continue to enroll subjects in our ongoing or future clinical trials in the European Economic Area, or EEA, or the United Kingdom, UK, we may be subject to additional privacy restrictions. The EU General Data Protection Regulation 2016/679, or GDPR, and the UK General Data Protection Regulation and the Data Protection Act 2018, or the UK GDPR, could impose comprehensive data privacy compliance obligations in relation to our collection and use of personal data, including a principle of accountability and the obligation to demonstrate compliance through policies, procedures, training and audit, as well as regulating cross-border transfers of personal data out of the EEA and the UK. In relation to data transfers from the EEA to the United States, the EU-US Data Privacy Framework, or DPF, was approved by the European Commission in July 2023 as an effective EU GDPR data transfer mechanism to U.S. entities self-certified under the DPF. The UK Extension to the DPF followed in October 2023, as an effective UK GDPR data transfer mechanism to U.S. entities self-certified under the UK Extension to the DPF. In relation to such cross border transfers of personal data, we expect the existing legal complexity and uncertainty regarding international personal data transfers to continue. As the regulatory guidance and enforcement landscape in relation to data transfers continue to develop, we could suffer additional costs, complaints and/or regulatory investigations or fines; we may have to stop using certain tools and vendors and make other operational changes; we may have to implement alternative data transfer mechanisms under the GDPR and/ or take additional compliance and operational measures; and/or it could otherwise affect the manner in which we operate our business and could adversely affect our business, operations and financial condition. Companies that must comply with the GDPR and UK GDPR face increased compliance obligations and risk, including more robust regulatory enforcement of data protection requirements and potential fines for noncompliance of up to €20 million under the GDPR and £17.5 million under the UK GDPR or 4% of the annual global revenues of the noncompliant undertaking, whichever is greater. The existence of parallel regimes under the GDPR and UK GDPR, and divergence in respect of implementing or supplementary laws across the EEA and UK in certain areas, means that we could be subject to potentially overlapping or divergent enforcement actions for certain actual or perceived violations.

Failure to comply with these laws and regulations could result in government enforcement actions (which could include civil, criminal and administrative penalties), private litigation, and/or adverse publicity and could negatively affect our operating results and business. Moreover, clinical trial subjects, employees and other individuals about whom we or our potential collaborators obtain personal information, as well as the providers who share this information with us, may limit our ability to collect, use and disclose the information. Claims that we have violated individuals' privacy rights, failed to comply with data protection laws, or breached our contractual obligations, even if we are not found liable, could be expensive and time-consuming to defend and could result in adverse publicity that could harm our business.

Healthcare legislative measures aimed at reducing healthcare costs may have a material adverse effect on our business and results of operations.

The United States and many foreign jurisdictions have enacted or proposed legislative and regulatory changes affecting the healthcare system that could prevent or delay marketing approval of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates or any future therapeutic candidates, restrict or regulate post-approval activities and affect our or our Founded Entities' ability to profitably sell any therapeutic for which we or our Founded Entities obtain marketing approval. Changes in regulations, statutes or the interpretation of existing regulations could impact our or our Founded Entities' business in the future by requiring, for example: (i) changes to our manufacturing arrangements; (ii) additions or modifications to therapeutic labeling; (iii) the recall or discontinuation of our therapeutics; or (iv) additional record-keeping requirements. If any such changes were to be imposed, they could adversely affect the operation of our business.

In the United States, there have been and continue to be a number of legislative initiatives and judicial challenges to contain healthcare costs. For example, in March 2010, the Affordable Care Act, or the ACA, was passed, which substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacted the U.S. pharmaceutical industry. The ACA, among other things, subjects biological therapeutics to potential competition by lower-cost biosimilars, addresses a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected, increases the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extends the rebate program to individuals enrolled in Medicaid managed care organizations, and establishes annual fees and taxes on manufacturers of certain branded prescription drugs. Since the enactment of the ACA, there have been numerous judicial, administrative, executive, and legislative challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA.

Payment methodologies may be subject to changes in healthcare legislation and regulatory challenges. For example, in order for a drug therapeutic to receive federal reimbursement under the Medicaid or Medicare Part B programs or to be sold directly to U.S. government agencies, the manufacturer must extend discounts to entities eligible to participate in the 340B drug pricing program. In December 2018, the CMS published a final rule permitting further collections and payments to and from certain ACA qualified health plans and health insurance issuers under the ACA risk adjustment program in response to the outcome of the federal district court litigation regarding the method CMS uses to determine this risk adjustment. Since then, the ACA risk adjustment program payment parameters have been updated annually.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, resulted in aggregate reductions of Medicare payments to providers, which went into effect in 2013, and, due to subsequent legislative amendments, will remain in effect through 2032, with the exception of a temporary suspension from May 1, 2020 through March 31, 2022, unless additional Congressional action is taken. The American Taxpayer Relief Act of 2012 further reduced Medicare payments to several types of providers, including hospitals and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. In addition, in March 2021, Congress enacted the American Rescue Plan Act of 2021, which, among other things, eliminated the statutory cap on drug manufacturers' Medicaid Drug Rebate Program rebate liability, effective January 1, 2024.

There has been increasing legislative and enforcement interest in the United States with respect to drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. On August 16, 2022, the Inflation Reduction Act of 2022, or IRA, was signed into law. Among other things, the IRA requires manufacturers of certain drugs to engage in price negotiations with Medicare, imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation (first due in 2023), and replaces the Part D coverage gap discount program with a new manufacturer discounting program (which began in 2025). The IRA permits the Secretary of the Department of Health and Human Services to implement many of these provisions through guidance, as opposed to regulation, for the initial years. CMS has published the negotiated prices for the initial ten drugs, which went into effect in 2026, and the subsequent 15 drugs, which will first be effective in 2027, as well as the next set of 15 drugs that will be subject to negotiation, although the Medicare drug price negotiation program is currently subject to legal challenges. For that and other reasons, it is currently unclear how the IRA will be effectuated.

In addition, the One Big Beautiful Bill Act, which was enacted in July 2025, imposes significant reductions in the funding of the Medicaid program. Such reductions are expected to decrease the number of persons enrolled in Medicaid and reduce the services covered by Medicaid, which could adversely affect our ability to generate revenue, attain profitability or commercialize seralutinib.

Furthermore, the Trump administration is pursuing a two-fold strategy to reduce drug costs in the U.S. While it is unclear whether and how the Trump proposals will be implemented, the Trump policies are likely to have a negative impact on the pharmaceutical industry and on our ability to receive adequate revenues for seralutinib. On the one hand, President Trump has threatened to impose significant tariffs on pharmaceutical manufacturers that do not adopt pricing policies such as most favored nation pricing, which would tie the price for drugs in the U.S. to the lowest price in a group of other countries. In response, multiple manufacturers have reportedly entered into confidential pricing agreements with the federal government. On the other hand, the Trump administration is pursuing traditional regulatory pathways to impose drug pricing policies, and published two proposed regulations in December 2025, referred to as Globe and Guard. If finalized, these regulations would implement mandatory payment models under which manufacturers of eligible drugs would be required to pay rebates to the federal government on a portion of the units of their drugs that are reimbursed by Medicare, with the rebate amount based on most favored nation pricing. Imposing a rebate in the U.S. that is based on drug prices outside the U.S. would mark a drastic and unprecedented shift in the U.S. pharmaceutical market, and while the impact of the Globe and Guard proposed regulations, if finalized, cannot yet be determined, it is likely to be significant. Even regulatory proposals or executive actions that are ultimately deemed unlawful could negatively impact the U.S. pharmaceutical sector and our business. In addition, pharmaceutical pricing and marketing has long been the subject of considerable discussion in Congress and among policymakers, and it is possible that Congress could enact additional laws that negatively affect the pharmaceutical industry.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological therapeutic pricing, including price or patient reimbursement constraints, discounts, restrictions on certain therapeutic access and marketing cost disclosure, drug price reporting and other transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. Some states have enacted legislation creating so-called prescription drug affordability boards, which ultimately may attempt to impose price limits on certain drugs in these states. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical therapeutics and which suppliers will be included in their prescription drug and other healthcare programs. Furthermore, there has been increased interest by third-party payors and governmental authorities in reference pricing systems and publication of discounts and list prices.

There have been, and likely will continue to be, legislative and regulatory proposals at the foreign, federal and state levels directed at containing or lowering the cost of healthcare. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our therapeutic. Such reforms could have an adverse effect on anticipated revenue from therapeutic candidates that we may successfully develop and for which we may obtain regulatory approval and may affect our overall financial condition and ability to develop therapeutic candidates. We cannot predict the initiatives that may be adopted in the future. The continuing efforts of the government, insurance companies, managed care organizations and other payors of healthcare services to contain or reduce costs of healthcare and/or impose price controls may adversely affect:

- the demand for the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates, if approved;
- our ability to receive or set a price that we believe is fair for our therapeutics;
- our ability to generate revenue and achieve or maintain profitability;
- the amount of taxes that we are required to pay; and
- the availability of capital.

Other healthcare reform measures may be adopted in the future, and may result in additional reductions in Medicare and other healthcare funding, more rigorous coverage criteria, lower reimbursement, and new payment methodologies. This could lower the price that we receive for any approved therapeutic. Any denial in coverage or reduction in reimbursement from Medicare or other government-funded programs may result in a similar denial or reduction in payments from private payors, which may prevent us from being able to generate sufficient revenue, attain profitability or commercialize the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates, if approved. Litigation and legislative efforts to change or repeal the ACA are likely to continue, with unpredictable and uncertain results.

In the EU, similar developments may affect our ability to profitably commercialize our therapeutic candidates, if approved. On December 13, 2021, Regulation No 2021/2282 on Health Technology Assessment, or HTA, amending Directive 2011/24/EU, was adopted. The Regulation entered into force in January 2022 and has been applicable since January 2025, with phased implementation based on the type of product, i.e. oncology and advanced therapy medicinal products as of 2025, certain high-risk medical devices as of 2026, orphan medicinal products as of 2028, and all other medicinal products by 2030. The Regulation intends to boost cooperation among EU member states in assessing health technologies, including new medicinal products as well as certain high-risk medical devices, and provide the basis for cooperation at the EU level for joint clinical assessments in these areas. It will permit EU member states to use common HTA tools, methodologies, and procedures across the EU, working together in four main areas, including joint clinical assessment of the innovative health technologies with the highest potential impact for patients, joint scientific consultations whereby developers can seek advice from HTA authorities, identification of emerging health technologies to identify promising technologies early, and continuing voluntary cooperation in other areas. Individual EU member states will continue to be responsible for assessing non-clinical (e.g., economic, social, ethical) aspects of health technology, and making decisions on pricing and reimbursement.

Risk Factor Annex continued

Risks Related to Competition

We face significant competition in an environment of rapid technological and scientific change, and there is a possibility that our competitors may achieve regulatory approval before us or develop therapies that are safer, more advanced or more effective than ours, which may negatively impact our ability to successfully market or commercialize any therapeutic candidates we may develop and ultimately harm our financial condition.

The development and commercialization of new drug therapeutics is highly competitive. We may face competition with respect to any therapeutic candidates that we seek to develop or commercialize in the future from major pharmaceutical companies, specialty pharmaceutical companies, and biotechnology companies worldwide. Potential competitors also include academic institutions, government agencies, and other public and private research organizations that conduct research, seek patent protection, and establish collaborative arrangements for research, development, manufacturing, and commercialization.

There are a number of major pharmaceutical and biotechnology companies that are currently pursuing the development and commercialization of potential medicines targeting similar treatment areas as we are. If any of our competitors receive FDA or foreign regulatory authorities approval before we do, the therapeutic candidates within our Wholly-Owned Programs would not be the first treatment on the market, and our market share may be limited. In addition to competition from other companies targeting our target indications, any therapeutics we may develop may also face competition from other types of therapies.

Many of our current or potential competitors, either alone or with their strategic partners, have:

— greater financial, technical, and human resources than we have at every stage of the discovery, development, manufacture, and commercialization of therapeutics;

— more extensive resources for preclinical testing, conducting clinical trials, obtaining regulatory approvals, and in manufacturing, marketing, and selling drug therapeutics;

— therapeutics that have been approved or are in late stages of development; and

— collaborative arrangements in our target markets with leading companies and research institutions.

Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize therapeutics that are safer, more effective, have fewer or less severe side effects, are more convenient, or are less expensive than any therapeutics that we may develop. Furthermore, currently approved therapeutics could be discovered to have application for treatment of our targeted disease indications or similar indications, which could give such therapeutics significant regulatory and market timing advantages over the therapeutic candidates within our Wholly-Owned Programs . Our competitors may also obtain FDA, EMA or other comparable foreign regulatory approval for their therapeutics more rapidly than we may obtain approval for ours and may obtain orphan therapeutic exclusivity from the FDA for indications that we are targeting, which could result in our competitors establishing a strong market position before we are able to enter the market. Additionally, therapeutics or technologies developed by our competitors may render our potential therapeutic candidates uneconomical or obsolete and we may not be successful in marketing any therapeutic candidates we may develop against competitors.

In addition, we could face litigation or other proceedings with respect to the scope, ownership, validity and/or enforceability of our patents relating to our competitors' therapeutics and our competitors may allege that our therapeutics infringe, misappropriate or otherwise violate their intellectual property. The availability of our competitors' therapeutics could limit the demand, and the price we are able to charge, for any therapeutics that we may develop and commercialize.

The therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates for which we or our Founded Entities intend to seek approval as biologic therapeutics may face competition sooner than anticipated.

If we or our Founded Entities are successful in achieving regulatory approval to commercialize any biologic therapeutic candidate we or our Founded Entities develop alone or with collaborators, it may face competition from biosimilar therapeutics. In the United States, certain of the therapeutic candidates within our Wholly-Owned Programs and our Founded Entities' therapeutic candidates are regulated by the FDA as biologic therapeutics subject to approval under the BLA pathway. The Biologics Price Competition and Innovation Act of 2009, or BPCIA, created an abbreviated pathway for the approval of biosimilar and interchangeable biologic therapeutics following the approval of an original BLA. The abbreviated regulatory pathway establishes legal authority for the FDA to review and approve biosimilar biologics, including the possible designation of a biosimilar as "interchangeable" based on its similarity to an existing brand therapeutic. Under the BPCIA, an application for a biosimilar therapeutic may not be submitted until four years following the date that the reference therapeutic was first licensed by the FDA. In addition, the approval of a biosimilar therapeutic may not be made effective by the FDA until 12 years after the reference therapeutic was first licensed by the FDA. During this 12-year period of exclusivity, another company may still market a competing version of the reference therapeutic if the FDA approves a full BLA for the competing therapeutic containing the sponsor's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of their therapeutic. In the EU, upon receiving a marketing authorization, new biological entities generally receive eight years of data exclusivity and an additional two years of market exclusivity. If granted, data exclusivity prevents regulatory authorities in the EU from referencing the innovator's data to assess a biosimilar application. During the additional two-year period of market exclusivity, a biosimilar marketing authorization can be submitted, and the innovator's data may be referenced, but no biosimilar product can be marketed until the expiration of the market exclusivity.

We believe that any of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates that are approved as a biological therapeutic under a BLA should qualify for the 12-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to congressional action or otherwise, or that the FDA will not consider such therapeutic candidates to be reference therapeutics for competing therapeutics, potentially creating the opportunity for generic competition sooner than anticipated. Other aspects of the BPCIA, some of which may impact the BPCIA exclusivity provisions, have also been the subject of recent litigation. Moreover, the extent to which a biosimilar therapeutic, once approved, will be substituted for any one of our, our Founded Entities' or our collaborators' reference therapeutics in a way that is similar to traditional generic substitution for non-biologic therapeutics is not yet clear, and will depend on a number of marketplace and regulatory factors that are still developing. If competitors are able to obtain marketing approval for biosimilars referencing any therapeutics that we or our Founded Entities develop alone or with collaborators that may be approved, such therapeutics may become subject to competition from such biosimilars, with the attendant competitive pressure and potential adverse consequences.

Risks Related to Reliance on Third Parties

We are currently party to and may seek to enter into additional collaborations, licenses and other similar arrangements and may not be successful in maintaining existing arrangements or entering into new ones, and even if we are, we may not realize the benefits of such relationships, which could cause us to expend significant resources and give rise to substantial business risk with no assurance of financial return.

We are currently parties to license and collaboration agreements with a number of universities and pharmaceutical companies and expect to enter into additional agreements as part of our business strategy. Establishing strategic collaborations is difficult and time-consuming. Our discussions with potential collaborators may not lead to the establishment of collaborations on favorable terms, if at all. Potential collaborators may reject collaborations based upon their assessment of our financial, regulatory or intellectual property position. Even if we successfully establish new collaborations, these relationships may never result in the successful development or commercialization of therapeutic candidates or the generation of sales revenue. The success of our current and any future collaboration arrangements will depend heavily on the efforts and activities of our collaborators. Collaborations are subject to numerous risks, which may include risks that:

— collaborators may have significant discretion in determining the efforts and resources that they will apply to collaborations;
— collaborators may not pursue development and commercialization of the therapeutic candidates within our Wholly-Owned Programs or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in their strategic focus due to their acquisition of competitive therapeutics or their internal development of competitive therapeutics, availability of funding or other external factors, such as a business combination that diverts resources or creates competing priorities;
— collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial, abandon a therapeutic candidate, repeat or conduct new clinical trials or require a new formulation of a therapeutic candidate for clinical testing;
— collaborators could independently develop, or develop with third parties, therapeutics that compete directly or indirectly with our therapeutics or therapeutic candidates;
— a collaborator with marketing, manufacturing and distribution rights to one or more therapeutics may not commit sufficient resources to or otherwise not perform satisfactorily in carrying out these activities;
— we could grant exclusive rights to our collaborators that would prevent us from collaborating with others;
— collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;
— disputes may arise between us and a collaborator that cause the delay or termination of the research, development or commercialization of our current or future therapeutic candidates or that results in costly litigation or arbitration that diverts management attention and resources;
— collaborations may be terminated, which may result in a need for additional capital to pursue further development or commercialization of the applicable current or future therapeutic candidates;
— collaborators may own or co-own intellectual property covering therapeutics that result from our collaboration with them, and in such cases, we would not have the exclusive right to develop or commercialize such intellectual property;
— disputes may arise with respect to the ownership of any intellectual property developed pursuant to our collaborations; and
— a collaborator's sales and marketing activities or other operations may not be in compliance with applicable laws resulting in civil or criminal proceedings.

Additionally, we may seek to enter into additional collaborations, joint ventures, licenses and other similar arrangements for the development or commercialization of the therapeutic candidates within our Wholly-Owned Programs , due to capital costs required to develop or commercialize the therapeutic candidate or manufacturing constraints. We may not be successful in our efforts to establish such collaborations for the therapeutic candidates within our Wholly-Owned Programs because our R&D pipeline may be insufficient, the therapeutic candidates within our Wholly-Owned Programs may be deemed to be at too early of a stage of development for collaborative effort or third parties may not view the therapeutic candidates within our Wholly-Owned Programs as having the requisite potential to demonstrate safety and efficacy or significant commercial opportunity, or collaborators may pursue existing or other development-stage therapeutics or alternative technologies in preference to those being developed in collaboration with us. In addition, we face significant competition in seeking appropriate strategic partners, and the negotiation process can be time consuming and complex. Further, any future collaboration agreements may restrict us from entering into additional agreements with potential collaborators. We cannot be certain that, following a strategic transaction or license, we will achieve an economic benefit that justifies such transaction.

Even if we are successful in our efforts to establish such collaborations, the terms that we agree upon may not be favorable to us, and we may not be able to maintain such collaborations if, for example, development or approval of a therapeutic candidate is delayed, the safety of a therapeutic candidate is questioned or sales of an approved therapeutic candidate are unsatisfactory. Additionally, if we enter into R&D collaborations during the early phases of therapeutic development, success will in part depend on the performance of research collaborators. We will not directly control the amount or timing of resources devoted by research collaborators to activities related to therapeutic candidates. Research collaborators may not commit sufficient resources to our R&D programs. If any research collaborator fails to commit sufficient resources, the preclinical or clinical development programs related to the collaboration could be delayed or terminated.

In addition, any potential future collaborations may be terminable by our strategic partners, and we may not be able to adequately protect our rights under these agreements. Furthermore, strategic partners may negotiate for certain rights to control decisions regarding the development and commercialization of the therapeutic candidates within our Wholly-Owned Programs , if approved, and may not conduct those activities in the same manner as we do. Any termination of collaborations we enter into in the future, or any delay in entering into collaborations related to the therapeutic candidates within our Wholly-Owned Programs , could delay the development and commercialization of the therapeutic candidates within our Wholly-Owned Programs and reduce their competitiveness if they reach the market, which could have a material adverse effect on our business, financial condition and results of operations.

We anticipate relying upon strategic collaborations for marketing and commercializing our existing therapeutic candidates, and we may rely even more on strategic collaborations for R&D of other therapeutic candidates or discoveries. We may sell therapeutic offerings through strategic partnerships with pharmaceutical and biotechnology companies. If we are unable to establish or manage such strategic collaborations on terms favorable to us in the future, our R&D efforts and potential to generate revenue may be limited. If we fail to make required milestone or royalty payments to collaborators or to observe other obligations in agreements with them, the collaborators may have the right to terminate or stop performance of those agreements.

Even if we successfully establish new collaborations, these relationships may never result in the successful development or commercialization of therapeutic candidates or the generation of sales revenue. To the extent that we enter into collaborative arrangements, the related therapeutic revenues are likely to be lower than if we directly marketed and sold therapeutics. Such collaborators may also consider alternative therapeutic candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for any future therapeutic candidate.

Management of our relationships with collaborators will require:

— significant time and effort from our management team;
— coordination of our marketing and R&D programs with the marketing and R&D priorities of our collaborators; and
— effective allocation of our resources to multiple projects.

Risk Factor Annex continued

We rely on third parties to assist in conducting our clinical trials and some aspects of our research and preclinical testing, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials, research, or testing.

We currently rely and expect to continue to rely on third parties, such as CROs, clinical data management organizations, medical institutions, and clinical investigators, to conduct some aspects of research and preclinical testing and clinical trials. Any of these third parties may terminate their engagements with us or be unable to fulfill their contractual obligations. If any of our relationships with these third parties terminate, we may not be able to enter into arrangements with alternative third parties on commercially reasonable terms, or at all. If we need to enter into alternative arrangements, it would delay therapeutic development activities.

Further, although our reliance on these third parties for clinical development activities limits our control over these activities, we remain responsible for ensuring that each of our trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards. For example, notwithstanding the obligations of a CRO for a trial of one of the therapeutic candidates within our Wholly-Owned Programs , we remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA and comparable foreign regulatory authorities require us to comply with requirements, commonly referred to as GCPs, for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. The FDA and comparable foreign regulatory authorities enforce these GCPs through periodic inspections of trial sponsors, principal investigators, clinical trial sites and IRBs. If we or our third-party contractors fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving the therapeutic candidates within our Wholly-Owned Programs , which would delay the regulatory approval process. We cannot be certain that, upon inspection, the FDA or comparable foreign regulatory authorities will determine that any of our clinical trials comply with GCPs. We are also required to register certain clinical trials and post the results of completed clinical trials on databases including a government-sponsored database, ClinicalTrials.gov, within certain timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Furthermore, the third parties conducting clinical trials on our behalf are not our employees, and except for remedies available to us under our agreements with such contractors, we cannot control whether or not they devote sufficient time, skill and resources to our ongoing development programs. These contractors may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials or other drug or medical device development activities, which could impede their ability to devote appropriate time to our clinical programs. If these third parties, including clinical investigators, do not successfully carry out their contractual duties, meet expected deadlines or conduct our clinical trials in accordance with regulatory requirements or our stated protocols, we may not be able to obtain, or may be delayed in obtaining, regulatory approvals for the therapeutic candidates within our Wholly-Owned Programs . If that occurs, we will not be able to, or may be delayed in our efforts to, successfully commercialize the therapeutic candidates within our Wholly-Owned Programs . In such an event, our financial results and the commercial prospects for any therapeutic candidates that we seek to develop could be harmed, our costs could increase and our ability to generate revenues could be delayed, impaired or foreclosed.

Our or our Founded Entities' use of third parties to manufacture the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates and other therapeutic candidates that we or our Founded Entities may develop for preclinical studies and clinical trials may increase the risk that we or our Founded Entities will not have sufficient quantities of our or our Founded Entities' therapeutic candidates, therapeutics, or necessary quantities of such materials on time or at an acceptable cost.

With respect to certain of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates, we and certain of our Founded Entities do not currently have, nor do we plan to acquire, the infrastructure or capability internally to manufacture drug supplies for our ongoing clinical trials or any future clinical trials that we or our Founded Entities may conduct, and we and our Founded Entities lack the resources to manufacture any therapeutic candidates on a commercial scale. We rely, and expect to continue to rely, on third-party manufacturers to produce our and certain of our Founded Entities' therapeutic candidates or other therapeutic candidates that we or our Founded Entities may identify for clinical trials, as well as for commercial manufacture if any therapeutic candidates receive marketing authorization. Any significant delay or discontinuity in the supply of a therapeutic candidate, or the raw material components thereof, for an ongoing clinical trial due to the need to replace a third-party manufacturer could considerably delay the clinical development and potential regulatory authorization of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates, which could harm our business and results of operations.

We or our Founded Entities may be unable to identify and appropriately qualify third-party manufacturers or establish agreements with third-party manufacturers or do so on acceptable terms. Even if we or our Founded Entities are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- reliance on the third party for sourcing of raw materials, components, and such other goods as may be required for execution of its manufacturing processes and the oversight by the third party of its suppliers;
- reliance on the third party for regulatory compliance and quality assurance for the manufacturing activities each performs;
- the possible breach of the manufacturing agreement by the third party;
- the possible misappropriation of proprietary information, including trade secrets and know-how; and
- the possible termination or non-renewal of the agreement by the third party at a time that is costly or inconvenient for us or our Founded Entities.

Furthermore, all of our CMOs are engaged with other companies to supply and/or manufacture materials or therapeutics for such companies, which exposes our manufacturers to regulatory risks for the production of such materials and therapeutics. The facilities used by our contract manufacturers to manufacture our drug, or medical device therapeutic candidates are subject to review by the FDA pursuant to inspections that will be conducted after we submit an NDA, BLA, PMA application or other marketing application to the FDA. We do not control the manufacturing process of, and are to some extent dependent on, our contract manufacturing partners for compliance with the regulatory requirements, known as cGMP requirements for manufacture of drug, biologic and device therapeutics. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or others, we will not be able to secure or maintain regulatory authorization for the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates manufactured at these manufacturing facilities. We are subject to similar requirements in foreign jurisdictions. In addition, we have no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or another comparable foreign regulatory agency does not approve these facilities for the manufacture of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates or if any agency withdraws its approval in the future, we or our Founded Entities may need to find alternative manufacturing facilities, which would negatively impact our or our Founded Entities' ability to develop, obtain regulatory authorization or certification for or market the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates, if cleared, certified or approved.

The therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates may compete with other therapeutic candidates and marketed therapeutics for access to manufacturing facilities. Any performance failure on the part of our or our Founded Entities' existing or future manufacturers could delay clinical development, marketing approval, certification or commercialization. Our and certain of our Founded Entities' current and anticipated future dependence upon others for the manufacturing of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates may adversely affect our future profit margins and our ability to commercialize any therapeutic candidates that receive marketing clearance or approval on a timely and competitive basis.

If the contract manufacturing facilities on which we and certain of our Founded Entities' rely do not continue to meet regulatory requirements or are unable to meet our or our Founded Entities' supply demands, our business will be harmed.

All entities involved in the preparation of therapeutic candidates for clinical trials or commercial sale, including our and certain of our Founded Entities' existing CMOs for the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates, are subject to extensive regulation. Components of a finished drug or biologic therapeutic approved for commercial sale or used in late-stage clinical trials must be manufactured in accordance with cGMP, or similar regulatory requirements outside the United States. These regulations govern manufacturing processes and procedures, including recordkeeping, and the implementation and operation of quality systems to control and assure the quality of investigational therapeutics and therapeutics approved for sale. Similarly, medical devices must be manufactured in accordance with QMSR and similar foreign requirements. Poor control of production processes can lead to the introduction of contaminants or to inadvertent changes in the properties or stability of Karuna's Cobenfy, Gelesis' Plenity, Akili's EndeavorRx, our Founded Entities' other therapeutic candidates or the therapeutic candidates within our Wholly-Owned Programs . Our or our Founded Entities' failure, or the failure of third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us or our Founded Entities, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals or certification, license revocation, suspension of production, seizures or recalls of therapeutic candidates or marketed drugs or devices, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect clinical or commercial supplies of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates.

We and/or our CMOs must supply all necessary documentation, as applicable, in support of a marketing application, such as an NDA, BLA, PMA or MAA, on a timely basis and must adhere to regulations enforced by the FDA and other regulatory agencies through their facilities inspection program. Some of our CMOs have never produced a commercially approved pharmaceutical therapeutic and therefore have not obtained the requisite regulatory authority approvals to do so. The facilities and quality systems of some or all of our third-party contractors must pass a pre-approval inspection for compliance with the applicable regulations as a condition of regulatory approval of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates or any of our other potential therapeutics. In addition, the regulatory authorities may, at any time, audit or inspect a manufacturing facility involved with the preparation of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates or our other potential therapeutics or the associated quality systems for compliance with the regulations applicable to the activities being conducted. Although we oversee the CMOs, we cannot control the manufacturing process of, and are completely dependent on, our CMO partners for compliance with the regulatory requirements. If these facilities do not pass a pre-approval plant inspection, regulatory approval of the therapeutics may not be granted or may be substantially delayed until any violations are corrected to the satisfaction of the regulatory authority, if ever.

The regulatory authorities or notified bodies (when applicable) also may, at any time following clearance, certification or approval of a therapeutic for sale, audit the manufacturing facilities of our third-party contractors. If any such inspection or audit identifies a failure to comply with applicable regulations or if a violation of our therapeutic specifications or applicable regulations occurs independent of such an inspection or audit, we or the relevant regulatory authority may require remedial measures that may be costly and/or time consuming for us or a third party to implement, and that may include the temporary or permanent suspension of a clinical study or commercial sales or the temporary or permanent closure of a facility. Any such remedial measures imposed upon us or third parties with whom we contract could materially harm our business.

Additionally, if supply from one approved manufacturer is interrupted, an alternative manufacturer would need to be qualified. For drug and biologic therapeutics, as applicable, an NDA, BLA supplement or MAA variation, or equivalent foreign regulatory filing, is also required, which could result in further delay. Similarly, for medical devices, a new marketing application or supplement may be required. The regulatory agencies may also require additional studies if a new manufacturer is relied upon for commercial production. Switching manufacturers may involve substantial costs and is likely to result in a delay in our desired clinical and commercial timelines.

These factors could cause us or our Founded Entities to incur higher costs and could cause the delay or termination of clinical trials, regulatory submissions, required approvals, or commercialization of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates. Furthermore, if our or our Founded Entities' suppliers fail to meet contractual requirements and we or our Founded Entities are unable to secure one or more replacement suppliers capable of production at a substantially equivalent cost, our or our Founded Entities' clinical trials may be delayed or we or our Founded Entities could lose potential revenue.

Risks Related to Our Intellectual Property

Risks Related to Our Intellectual Property Protection

If we or our Founded Entities are unable to obtain and maintain sufficient intellectual property protection for our or our Founded Entities' existing therapeutic candidates or any other therapeutic candidates that we or they may identify, or if the scope of the intellectual property protection we or they currently have or obtain in the future is not sufficiently broad, our competitors could develop and commercialize therapeutic candidates similar or identical to ours, and our ability to successfully commercialize our existing therapeutic candidates and any other therapeutic candidates that we or they may pursue may be impaired.

As is the case with other pharmaceutical and biopharmaceutical companies, our success depends in large part on our ability to obtain and maintain protection of the intellectual property we may own solely and jointly with others, particularly patents, in the United States and other countries with respect to our Wholly-Owned Programs or our Founded Entities' therapeutic candidates and technology. We and our Founded Entities seek to protect our proprietary position by filing patent applications in the United States and abroad related to our and our Founded Entities' existing therapeutic candidates, our various proprietary technologies, and any other therapeutic candidates or technologies that we or they may identify.

Obtaining, maintaining and enforcing pharmaceutical and biopharmaceutical patents is costly, time consuming and complex, and we may not be able to file or prosecute all necessary or desirable patent applications, or maintain, enforce or license patents that may issue from such patent applications, at a reasonable cost or in a timely manner. It is also possible that we could fail to identify patentable aspects of our R&D output before it is too late to obtain patent protection. Although we take reasonable measures, we have systems in place to remind us of filing and prosecution deadlines, and we employ outside firms and rely on outside counsel to monitor patent deadlines, we may miss or fail to meet a patent deadline, including in a foreign country, which could negatively impact our patent rights and harm our competitive position, business, and prospects. We may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the rights to patents licensed to third parties. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal, technological and factual questions and has in recent years been the subject of much litigation. The standards that the U.S. Patent and Trademark Office, or the USPTO, and its foreign counterparts use to grant patents are not always applied predictably or uniformly. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States, or vice versa. There is no assurance that all potentially relevant prior art relating to our patents and patent applications has been found, which can prevent a patent from issuing from a pending application or later invalidate or narrow the scope of an issued patent. For example, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing or, in some cases, not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued that protect our Wholly-Owned Programs or our Founded Entities' therapeutic candidates, in whole or in part, or which effectively prevent others from commercializing competitive therapeutic candidates. Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative therapeutic candidates in a non-infringing manner.

Risk Factor Annex continued

In addition, the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical therapeutic candidates to ours, or limit the duration of the patent protection of our Wholly-Owned Programs or our Founded Entities' therapeutic candidates. For example, we may be subject to a third-party pre-issuance submission of prior art to the USPTO, or become involved in opposition, derivation, re-examination, inter partes review, post-grant review or interference proceedings challenging our owned or licensed patent rights. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our Wholly-Owned Programs or our Founded Entities' therapeutic candidates and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize drugs without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, regardless of the outcome, it could dissuade companies from collaborating with us to license, develop or commercialize current or future therapeutic candidates.

Furthermore, our and our Founded Entities' intellectual property rights may be subject to a reservation of rights by one or more third parties. We are party to a license agreement with New York University related to certain intellectual property underlying our LYT-200 therapeutic candidate, which is subject to certain rights of the government, including march-in rights, to such intellectual property due to the fact that the research was funded at least in part by the U.S. government. We are also party to other license agreements for intellectual property underlying certain of our therapeutic candidates and programs. Additionally, our Founded Entities Akili, Follica, Vedanta, Sonde and Vor, are party to license agreements with academic institutions pursuant to which such Founded Entities have in-licensed certain intellectual property underlying various of their therapeutic candidates. While these license agreements are exclusive, they contain provisions pursuant to which the government has certain rights, including march-in rights, to such patents and technologies due to the fact that the research was funded at least in part by the U.S. government. When new technologies are developed with government funding, the government generally obtains certain rights in any resulting patents, including a non-exclusive license authorizing the government to use the invention or to have others use the invention on its behalf. These rights may permit the government to disclose our information to third parties and to exercise march-in rights to use or allow third parties to use our technology. The government can exercise its march-in rights if it determines that action is necessary because we fail to achieve practical application of the government-funded technology, because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to U.S. industry. In addition, our rights in such inventions may be subject to certain requirements to manufacture therapeutics embodying such inventions in the United States. Any exercise by the government of such rights or by any third party of its reserved rights could harm our competitive position, business, financial condition, results of operations, and prospects.

If our or our Founded Entities' trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Our or our Founded Entities' registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We and our Founded Entities may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential collaborators or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we and our Founded Entities are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. We and our Founded Entities may license our trademarks and trade names to third parties, such as distributors. Though these license agreements may provide guidelines for how our or our Founded Entities' trademarks and trade names may be used, a breach of these agreements or misuse of our trademarks and tradenames by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names. Our or our Founded Entities' efforts to enforce or protect our proprietary rights related to trademarks, trade names, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our competitive position, business, financial condition, results of operations and prospects.

We may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting and defending patents on the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect or enforce intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we and our Founded Entities may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing therapeutics made using our inventions in and into the United States or other jurisdictions. Competitors may use our and our Founded Entities' technologies in jurisdictions where we have not obtained patent protection to develop their own therapeutics and may also export infringing therapeutics to territories where we have patent protection, but enforcement is not as strong as that in the United States. These therapeutics may compete with our or our Founded Entities' therapeutics and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets, and other intellectual property protection, particularly those relating to biotechnology and pharmaceutical therapeutics, which could make it difficult for us to stop the infringement of our or our Founded Entities' patents or marketing of competing therapeutics in violation of our proprietary rights generally. Proceedings to enforce our or our Founded Entities' patent rights in foreign jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our or our Founded Entities' patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing, and could provoke third parties to assert claims against us or our Founded Entities. We may not prevail in any lawsuits that we or our Founded Entities initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

In some jurisdictions including European Union countries, compulsory licensing laws compel patent owners to grant licenses to third parties. In addition, some countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we, our Founded Entities or any of our licensors are forced to grant a license to third parties under patents relevant to our or our Founded Entities' business, or if we, our Founded Entities or our licensors are prevented from enforcing patent rights against third parties, our competitive position may be substantially impaired in such jurisdictions.

Our or our Founded Entities' proprietary rights may not adequately protect our technologies and therapeutic candidates, and do not necessarily address all potential threats to our competitive advantage.

The degree of future protection afforded by our or our Founded Entities' intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our or our Founded Entities' business, or permit us to maintain our competitive advantage. The following examples are illustrative:

- others may be able to make therapeutics that are the same as or similar to the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates but that are not covered by the claims of the patents that we or our Founded Entities own or have exclusively licensed;
- others, including inventors or developers of our or our Founded Entities' owned or in-licensed patented technologies who may become involved with competitors, may independently develop similar technologies that function as alternatives or replacements for any of our or our Founded Entities' technologies without infringing our intellectual property rights;
- we, our Founded Entities or our licensors or our other collaboration partners might not have been the first to conceive and reduce to practice the inventions covered by the patents or patent applications that we or our Founded Entities own or license or will own or license;
- we, our Founded Entities or our licensors or our other collaboration partners might not have been the first to file patent applications covering certain of the patents or patent applications that we or they own or have obtained a license, or will own or will have obtained a license;
- we, our Founded Entities or our licensors may fail to meet obligations to the U.S. government with respect to in-licensed patents and patent applications funded by U.S. government grants, leading to the loss of patent rights;
- it is possible that our or our Founded Entities' pending patent applications will not result in issued patents;

— it is possible that there are prior public disclosures that could invalidate our, our Founded Entities' or our licensors' patents;
— issued patents that we or our Founded Entities own or exclusively license may not provide us with any competitive advantage, or may be held invalid or unenforceable, as a result of legal challenges by our competitors;
— our or our Founded Entities' competitors might conduct R&D activities in countries where we do not have patent rights, or in countries where R&D safe harbor laws exist, and then use the information learned from such activities to develop competitive therapeutics for sale in our major commercial markets;
— ownership, validity or enforceability of our, our Founded Entities' or our licensors' patents or patent applications may be challenged by third parties; and
— the patents of third parties or pending or future applications of third parties, if issued, may have an adverse effect on our business.

Risks Related to Our License Arrangements

The failure to maintain our licenses and realize their benefits may harm our business.

We have acquired and in-licensed certain of our technologies from third parties. We may in the future acquire, in-license or invest in additional technology that we believe would be beneficial to our business. We are subject to a number of risks associated with our acquisition, in-license or investment in technology, including the following:

— diversion of financial and managerial resources from existing operations;
— failure to successfully negotiate a proposed acquisition, in-license or investment in a timely manner and at a price or on terms and conditions favorable to us;
— failure to successfully combine and integrate a potential acquisition into our existing business to fully realize the benefits of such acquisition;
— the impact of regulatory reviews on a proposed acquisition, in-license or investment; and
— the outcome of any legal proceedings that may be instituted with respect to the proposed acquisition, in-license or investment.

If we fail to properly evaluate potential acquisitions, in-licenses, investments or other transactions associated with the creation of new R&D programs or the maintenance of existing ones, we might not achieve the anticipated benefits of any such transaction, we might incur costs in excess of what we anticipate, and management resources and attention might be diverted from other necessary or valuable activities.

Our or our Founded Entities' rights to develop and commercialize our Wholly-Owned Programs or our Founded Entities' therapeutic candidates are subject in part to the terms and conditions of licenses granted to us and our Founded Entities by others, and the patent protection, prosecution and enforcement for some of our Wholly-Owned Programs or our Founded Entities' therapeutic candidates may be dependent on our and our Founded Entities' licensors.

We and our Founded Entities currently are reliant upon licenses of certain intellectual property rights and proprietary technologies from third parties that are important or necessary to the development of our and our Founded Entities' proprietary technologies, including technologies related to our Wholly-Owned Programs and our Founded Entities' therapeutic candidates. These licenses, and other licenses we and they may enter into in the future, may not provide adequate rights to use such intellectual property and proprietary technologies in all relevant fields of use or in all territories in which we or our Founded Entities may wish to develop or commercialize technology and therapeutic candidates in the future. Licenses to additional third-party proprietary technology or intellectual property rights that may be required for our or our Founded Entities' development programs may not be available in the future or may not be available on commercially reasonable terms. In that event, we or our Founded Entities may be required to expend significant time and resources to redesign our proprietary technology or therapeutic candidates or to develop or license replacement technology, which may not be feasible on a technical or commercial basis. If we and our Founded Entities are unable to do so, we may not be able to develop and commercialize technology and therapeutic candidates in fields of use and territories for which we are not granted rights pursuant to such licenses, which could harm our competitive position, business, financial condition, results of operations and prospects significantly.

In some circumstances, we and our Founded Entities may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain and enforce the patents, covering technology that we or our Founded Entities license from third parties. In addition, some of our or our Founded Entities' agreements with our licensors require us to obtain consent from the licensor before we can enforce patent rights, and our licensor may withhold such consent or may not provide it on a timely basis. Therefore, we cannot be certain that our licensors or collaborators will prosecute, maintain, enforce and defend such intellectual property rights in a manner consistent with the best interests of our business, including by taking reasonable measures to protect the confidentiality of know-how and trade secrets, or by paying all applicable prosecution and maintenance fees related to intellectual property registrations for any of our Wholly-Owned Programs or our Founded Entities' therapeutic candidates and proprietary technologies. We and our Founded Entities also cannot be certain that our licensors have drafted or prosecuted the patents and patent applications licensed to us in compliance with applicable laws and regulations, which may affect the validity and enforceability of such patents or any patents that may issue from such applications. This could cause us to lose rights in any applicable intellectual property that we in-license, and as a result our ability to develop and commercialize therapeutic candidates may be adversely affected and we may be unable to prevent competitors from making, using and selling competing therapeutics.

In addition, our or our Founded Entities' licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights. In addition, while we cannot currently determine the amount of the royalty obligations we would be required to pay on sales of future therapeutics, if any, the amounts may be significant. The amount of our and our Founded Entities' future royalty obligations will depend on the technology and intellectual property we and our Founded Entities use in therapeutic candidates that we successfully develop and commercialize, if any. Therefore, even if we or our Founded Entities successfully develop and commercialize therapeutic candidates, we may be unable to achieve or maintain profitability. In addition, we or our Founded Entities may seek to obtain additional licenses from our licensors and, in connection with obtaining such licenses, we may agree to amend our existing licenses in a manner that may be more favorable to the licensors, including by agreeing to terms that could enable third parties (potentially including our competitors) to receive licenses to a portion of the intellectual property rights that are subject to our or our Founded Entities' existing licenses. Any of these events could have a material adverse effect on our or our Founded Entities' competitive position, business, financial conditions, results of operations, and prospects.

If we or our Founded Entities fail to comply with our obligations in the agreements under which we license intellectual property rights from third parties or these agreements are terminated or we or our Founded Entities otherwise experience disruptions to our business relationships with our licensors, we could lose intellectual property rights that are important to our business.

We are party to various agreements that we depend on to develop our Wholly-Owned Programs or our Founded Entities' therapeutic candidates and various proprietary technologies, and our rights to use currently licensed intellectual property, or intellectual property to be licensed in the future, are or will be subject to the continuation of and our and our Founded Entities' compliance with the terms of these agreements. For example, under certain of our and our Founded Entities' license agreements we and our Founded Entities are required to use commercially reasonable efforts to develop and commercialize therapeutic candidates covered by the licensed intellectual property rights, maintain the licensed intellectual property rights, and achieve certain development milestones, each of which could result in termination in the event we or our Founded Entities fail to comply.

In spite of our efforts, our or our Founded Entities' licensors might conclude that we have materially breached our obligations under such license agreements and might therefore terminate the license agreements, thereby removing or limiting our or our Founded Entities' ability to develop and commercialize therapeutics and technology covered by these license agreements.

Moreover, disputes may arise regarding intellectual property subject to a licensing agreement, including:

— the scope of rights granted under the license agreement and other interpretation-related issues;
— the extent to which our Wholly-Owned Programs or our Founded Entities' therapeutic candidates, technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
— the sublicensing of patent and other rights under our or our Founded Entities' collaborative development relationships;
— our and our Founded Entities' diligence obligations under the license agreement and what activities satisfy those diligence obligations;
— the inventorship and ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our and our Founded Entities' licensors and us and our Founded Entities and our partners; and
— the priority of invention of patented technology.

Risk Factor Annex continued

In addition, certain provisions in our and our Founded Entities' license agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the agreement, either of which could have a material adverse effect on our or our Founded Entities' business, financial condition, results of operations and prospects. Moreover, if disputes over intellectual property that we or our Founded Entities have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected therapeutic candidates, which could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

Third-party claims of intellectual property infringement may prevent or delay our development and commercialization efforts.

Our commercial success depends in part on our avoiding infringement of the patents and proprietary rights of third parties. However, our research, development and commercialization activities may be subject to claims that we infringe or otherwise violate patents or other intellectual property rights owned or controlled by third parties. There is a substantial amount of litigation, both within and outside the United States, involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries, including patent infringement lawsuits, interferences, derivation, oppositions, inter partes review and post-grant review before the USPTO, and corresponding foreign patent offices. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are pursuing development candidates. Our competitors in both the United States and abroad, many of which have substantially greater resources and have made substantial investments in patent portfolios and competing technologies, may have applied for or obtained or may in the future apply for or obtain, patents that will prevent, limit or otherwise interfere with our ability to make, use and sell, if approved, the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates. In addition, many companies in the biotechnology and pharmaceutical industries have employed intellectual property litigation as a means to gain an advantage over their competitors. As the biotechnology and pharmaceutical industries expand and more patents are issued, and as we gain greater visibility and market exposure as a public company, the risk increases that our existing therapeutic candidates and any other therapeutic candidates that we or our Founded Entities may identify may be subject to claims of infringement of the patent rights of third parties.

There may be other third-party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our or our Founded Entities' existing therapeutic candidates and any other therapeutic candidates that we or they may identify. Because patent applications can take many years to issue, there may be currently pending patent applications which may later result in issued patents that our or our Founded Entities' existing therapeutic candidates and any other therapeutic candidates that we or they may identify may infringe. In addition, third parties may obtain patents in the future and claim that use of our or our Founded Entities' technologies infringes upon these patents. If any third-party patents were held by a court of competent jurisdiction to cover the manufacturing process of our or our Founded Entities' existing therapeutic candidates and any other therapeutic candidates that we or they may identify, any molecules formed during the manufacturing process, or any final therapeutic itself, the holders of any such patents may be able to block our ability to commercialize such therapeutic candidate unless we obtained a license under the applicable patents, or until such patents expire. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our Wholly-Owned Programs or our Founded Entities' therapeutic candidates. Furthermore, the scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history and can involve other factors such as expert opinion. Our analysis of these issues, including interpreting the relevance or the scope of claims in a patent or a pending application, determining applicability of such claims to our proprietary technologies or therapeutic candidates, predicting whether a third party's pending patent application will issue with claims of relevant scope, and determining the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect, which may negatively impact our or our Founded Entities' ability to develop and market the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates. We do not always conduct independent reviews of pending patent applications of and patents issued to third parties.

Similarly, if any third-party patents were held by a court of competent jurisdiction to cover aspects of our or our Founded Entities' formulations, processes for manufacture or methods of use, including any combination therapies, the holders of any such patents may be able to block our or our Founded Entities' ability to develop and commercialize the applicable therapeutic candidate unless we obtained a license or until such patent expires. In either case, such a license may not be available on commercially reasonable terms or at all, or it may be non-exclusive, which could result in our competitors gaining access to the same intellectual property.

Parties making claims against us or our Founded Entities may obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our or our Founded Entities' existing therapeutic candidates and any other therapeutic candidates that we may identify. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of management and employee resources from our business. In the event of a successful claim of infringement against us or our Founded Entities, we or our Founded Entities may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, pay royalties, redesign our infringing therapeutics or obtain one or more licenses from third parties, which may be impossible or require substantial time and monetary expenditure.

Parties making claims against us or our Founded Entities may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or administrative proceedings, there is a risk that some of our confidential information could be compromised by disclosure. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have material adverse effect on our ability to raise additional funds or otherwise have a material adverse effect on our business, results of operations, financial condition and prospects.

Risks Related to Our Patents

Patent terms may be inadequate to protect our competitive position on therapeutic candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional or international patent application filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our Wholly-Owned Programs or our Founded Entities' therapeutic candidates are obtained, once the patent life has expired, we or our Founded Entities may be open to competition from competitive therapeutics, including generics or biosimilars. Given the amount of time required for the development, testing and regulatory review of new therapeutic candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our or our Founded Entities' owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing therapeutics similar or identical to ours.

If we or our Founded Entities are not able to obtain patent term extension or non-patent exclusivity in the United States under the Hatch-Waxman Act and in foreign countries under similar legislation, thereby potentially extending the marketing exclusivity term of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates, our business may be materially harmed.

Depending upon the timing, duration and specifics of FDA marketing approval of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates, one or more of the U.S. patents covering each of such therapeutic candidates or the use thereof may be eligible for up to five years of patent term extension under the Hatch-Waxman Act. The Hatch-Waxman Act allows a maximum of one patent to be extended per new drug application, or NDA, for an FDA approved therapeutic as compensation for the patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of therapeutic approval and only those claims covering such approved drug therapeutic, a method for using it or a method for manufacturing it may be extended. Patent term extension also may be available in certain foreign countries upon regulatory approval of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates. Nevertheless, we or our Founded Entities may not be granted patent term extension either in the United States or in any foreign country because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the term of extension, as well as the scope of patent protection during any such extension, afforded by the governmental authority could be less than we request.

If we or our Founded Entities are unable to obtain patent term extension or restoration, or the term of any such extension is less than our request, the period during which we will have the right to exclusively market our therapeutic may be shortened and our competitors may obtain approval of competing therapeutics following our patent expiration sooner, and our revenue could be reduced, possibly materially.

Further, for certain of our and our Founded Entities' licensed patents, we and our Founded Entities do not have the right to control prosecution, including filing with the USPTO, a petition for patent term extension under the Hatch-Waxman Act. Thus, if one of our or our Founded Entities' licensed patents is eligible for patent term extension under the Hatch-Waxman Act, we may not be able to control whether a petition to obtain a patent term extension is filed with, or whether a patent term extension is obtained from, the USPTO.

Risk Factor Annex continued

Also, there are detailed rules and requirements regarding the patents that may be submitted to the FDA for listing in the Approved Drug Products with Therapeutic Equivalence Evaluations, or the Orange Book. We or our Founded Entities may be unable to obtain patents covering the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates that contain one or more claims that satisfy the requirements for listing in the Orange Book. Even if we or our Founded Entities submit a patent for listing in the Orange Book, the FDA may decline to list the patent, or a manufacturer of generic drugs may challenge the listing. If or when one of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates is approved and a patent covering that therapeutic candidate is not listed in the Orange Book, a manufacturer of generic drugs would not have to provide advance notice to us of any abbreviated new drug application, or ANDA, filed with the FDA to obtain permission to sell a generic version of such therapeutic candidate.

Issued patents covering our Wholly-Owned Programs or our Founded Entities' therapeutic candidates could be found invalid or unenforceable if challenged in courts or patent offices.

If we, our Founded Entities or one of our licensing partners initiated legal proceedings against a third party to enforce a patent covering one or more of our Wholly-Owned Programs or our Founded Entities' therapeutic candidates, the defendant could counterclaim that the patent covering the relevant therapeutic candidate is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including subject matter eligibility, novelty, nonobviousness, written description or enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post grant review, and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in revocation or amendment to our or our Founded Entities' patents in such a way that they no longer cover our Wholly-Owned Programs or our Founded Entities' therapeutic candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our Wholly-Owned Programs or our Founded Entities' therapeutic candidates. Such a loss of patent protection could have a material adverse impact on our business.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our and our Founded Entities' ability to protect our therapeutics.

Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. Assuming that other requirements for patentability are met, prior to March 2013, in the United States, the first to invent the claimed invention was entitled to a patent, while outside the United States, the first to file a patent application was entitled to the patent. After March 2013, under the Leahy-Smith America Invents Act, or the America Invents Act, enacted in September 2011, the United States transitioned to a first inventor to file system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. A third party that files a patent application in the USPTO after March 2013, but before us could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by such third party. This will require us and our Founded Entities to be cognizant of the time from invention to filing of a patent application and be diligent in filing patent applications, but circumstances could prevent us from promptly filing patent applications on our inventions. Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that we, our Founded Entities or our licensors were the first to either (i) file any patent application related to our Wholly-Owned Programs or our Founded Entities' therapeutic candidates or (ii) invent any of the inventions claimed in our, our Founded Entities or our licensor's patents or patent applications.

The America Invents Act also includes a number of significant changes that affect the way patent applications are prosecuted and also may affect patent litigation. These include allowing third party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including post-grant review, inter partes review, and derivation proceedings. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in U.S. federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Therefore, the America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our or our Founded Entities' owned or in-licensed patent applications and the enforcement or defense of our or our Founded Entities' owned or in-licensed issued patents, all of which could have a material adverse effect on our competitive position, business, financial condition, results of operations, and prospects.

In addition, the patent positions of companies in the development and commercialization of pharmaceuticals are particularly uncertain. Recent U.S. Supreme Court and Federal Circuit rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. This combination of events has created uncertainty with respect to the validity and enforceability of patents, once obtained. Depending on future actions by the U.S. Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could have a material adverse effect on our existing patent portfolio and our ability to protect and enforce our intellectual property in the future.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or applications will be due to be paid to the USPTO and various governmental patent agencies outside of the United States in several stages over the lifetime of the patents and/or applications. We and our Founded Entities have systems in place to remind us to pay these fees, and we and our Founded Entities employ outside firms and rely on outside counsel to pay these fees due to the USPTO and non-U.S. patent agencies. However, we and our Founded Entities cannot guarantee that our licensors have similar systems and procedures in place to pay such fees. In addition, the USPTO and various non-U.S. governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply, and in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to enter the market and this circumstance would have a material adverse effect on our business.

Risk Factor Annex continued

Risks Related to Confidentiality

If we are unable to protect the confidentiality of our trade secrets, the value of our technology could be materially adversely affected and our business would be harmed.

We and our Founded Entities consider proprietary trade secrets, confidential know-how and unpatented know-how to be important to our business. We and our Founded Entities may rely on trade secrets and confidential know-how to protect our technology, especially where patent protection is believed by us to be of limited value. However, trade secrets and confidential know-how are difficult to protect, and we have limited control over the protection of trade secrets and confidential know-how used by our licensors, collaborators and suppliers. Because we have relied in the past on third parties to manufacture the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates, because we may continue to do so in the future, and because we expect to collaborate with third parties on the development of our current therapeutic candidates and any future therapeutic candidates we develop, we may, at times, share trade secrets with them. We also conduct joint R&D programs that may require us to share trade secrets under the terms of our R&D partnerships or similar agreements. Under such circumstances, trade secrets and confidential know-how can be difficult to maintain as confidential.

We and our Founded Entities seek to protect our confidential proprietary information, in part, by confidentiality agreements and invention assignment agreements with our employees, consultants, scientific advisors, contractors and collaborators. These agreements are designed to protect our proprietary information. However, we cannot be certain that such agreements have been entered into with all relevant parties, and we cannot be certain that our and our Founded Entities' trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. For example, any of these parties may breach the agreements and disclose proprietary information, including trade secrets, and we may not be able to obtain adequate remedies for such breaches. We and our Founded Entities also seek to preserve the integrity and confidentiality of our confidential proprietary information by maintaining physical security of our premises and physical and electronic security of our information technology systems, but it is possible that these security measures could be breached. If any of our or our Founded Entities' confidential proprietary information were to be lawfully obtained or independently developed by a competitor, we or our Founded Entities would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position.

Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our or our Founded Entities' therapeutics that we consider proprietary. We or our Founded Entities may not be able to obtain adequate remedies in the event of such unauthorized use. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. Trade secrets will also over time be disseminated within the industry through independent development, the publication of journal articles and the movement of personnel skilled in the art from company to company or academic to industry scientific positions. Though our or our Founded Entities' agreements with third parties typically restrict the ability of our advisors, employees, collaborators, licensors, suppliers, third-party contractors and consultants to publish data potentially relating to our trade secrets, our agreements may contain certain limited publication rights. In addition, if any of our or our Founded Entities' trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position. Despite employing the contractual and other security precautions described above, the need to share trade secrets increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements. If any of these events occurs or if we otherwise lose protection for our trade secrets, the value of such information may be greatly reduced and our competitive position, business, financial condition, results of operations, and prospects would be harmed.

We or our Founded Entities may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties or that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

As is common in the biotechnology and pharmaceutical industries, we and our Founded Entities employ individuals who were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we and our Founded Entities try to ensure that our employees, consultants and independent contractors do not use the proprietary information or know-how of others in their work for us, we or our Founded Entities may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of any of our employee's former employer or other third parties. Litigation may be necessary to defend against these claims. If we or our Founded Entities fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel, which could adversely impact our business. Even if we or our Founded Entities are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

Risks Related to Challenges or Lawsuits Related to Intellectual Property

We may become involved in lawsuits to protect or enforce our or our Founded Entities' patents or other intellectual property, which could be expensive, time consuming and unsuccessful.

Competitors may infringe our or our Founded Entities' patents or other intellectual property. Our and our Founded Entities' ability to enforce our patent or other intellectual property rights depends on our ability to detect infringement. It may be difficult to detect infringers who do not advertise the components or methods that are used in connection with their therapeutics and services. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor's or potential competitor's therapeutic or service. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded if we were to prevail may not be commercially meaningful. If we were to initiate legal proceedings against a third party to enforce a patent covering one or more of our Wholly-Owned Programs or our Founded Entities' therapeutic candidates, the defendant could counterclaim that the patent covering our or our Founded Entities' therapeutic candidate is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including subject matter eligibility, novelty, nonobviousness, written description or enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. The outcome following legal assertions of invalidity and unenforceability is unpredictable. Interference or derivation proceedings provoked by third parties or brought by us or declared by the USPTO may be necessary to determine the priority of inventions with respect to our or our Founded Entities' patents or patent applications. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms or at all, or if a non-exclusive license is offered and our competitors gain access to the same technology. Our defense of litigation or interference or derivation proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. In addition, the uncertainties associated with litigation could have a material adverse effect on our ability to raise the funds necessary to continue clinical trials, continue research programs, license necessary technology from third parties, or enter into development partnerships that would help us bring therapeutic candidates to market. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our or our Founded Entities' confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions, or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could adversely impact the price of our ADSs. Furthermore, any of the foregoing could have a material adverse effect on our financial condition, results of operations, and prospects.

Risk Factor Annex continued

We and our Founded Entities may be subject to claims challenging the inventorship of our patents and other intellectual property.

Our and our Founded Entities' agreements with employees and our personnel policies provide that any inventions conceived by an individual in the course of rendering services to us shall be our exclusive property. Although our policy is to have all such individuals complete these agreements, we may not obtain these agreements in all circumstances, and individuals with whom we have these agreements may not comply with their terms. The assignment of intellectual property may not be automatic upon the creation of an invention and despite such agreement, such inventions may become assigned to third parties. In the event of unauthorized use or disclosure of our trade secrets or proprietary information, these agreements, even if obtained, may not provide meaningful protection, particularly for our trade secrets or other confidential information.

We, our Founded Entities or our licensors may be subject to claims that former employees, collaborators or other third parties have an interest in our owned or in-licensed patents, trade secrets, or other intellectual property as an inventor or co-inventor. For example, we, our Founded Entities or our licensors may have inventorship disputes arising from conflicting obligations of employees, consultants or others who are involved in developing our Wholly-Owned Programs or our Founded Entities' therapeutic candidates. Litigation may be necessary to defend against these and other claims challenging inventorship of our, our Founded Entities' or our licensors' ownership of our owned or in-licensed patents, trade secrets or other intellectual property. If we, our Founded Entities or our licensors fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property that is important to our Wholly-Owned Programs or our Founded Entities' therapeutic candidates. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

Risks Related to Our Business and Industry

We attempt to distribute our scientific, execution and financing risks across a variety of therapeutic areas, indications, programs and modalities that are driven by our proven innovation and drug development strategy. However, our assessment of, and approach to, risk may not be comprehensive or effectively avoid delays or failures in one or more of our programs. Failures in one or more of our programs could adversely impact other programs and have a material adverse impact on our business, results of operations and ability to fund our business.

While we aim to distribute our scientific, execution and financing risks across programs, there may be foreseen and unforeseen risks across the therapeutic candidates within our Wholly-Owned Programs and programs being developed by our Founded Entities in whole or in part. In addition, if any one or more of our clinical programs encounter safety, tolerability, or efficacy problems, developmental delays, regulatory issues, or other problems, our business could be significantly harmed. As our and certain of our Founded Entities' therapeutic candidates progress through clinical development, we or others may determine that certain of our risk allocation decisions were incorrect or insufficient, that individual programs or our science in general has technology or biology risks that were unknown or underappreciated, or that we have allocated resources across our programs in such a way that did not maximize potential value creation. All of these risks may relate to our current and future programs sharing similar science and infrastructure, and in the event material decisions in any of these areas turn out to have been incorrect or under-optimized, we may experience a material adverse impact on our business and ability to fund our operations.

Our business is highly dependent on the clinical advancement of our programs and our success in identifying potential therapeutic candidates. Delay or failure to advance our programs could adversely impact our business.

Over time, our and our Founded Entities' preclinical and clinical work led us to identify potential synergies across target therapeutic indications, generating a broad portfolio of therapeutic candidates across multiple programs. Even if a particular program is successful in any phase of development, such program could fail at a later phase of development, and other programs within the same therapeutic area may still fail at any phase of development including at phases where earlier programs in that therapeutic area were successful. This may be a result of technical challenges unique to that program or due to biology risk, which is unique to every program. As we progress our programs through clinical development, there may be new technical challenges that arise that cause an entire program or a group of programs within an area of focus to fail.

Our future success depends on our ability to retain key employees, directors, consultants and advisors and to attract, retain and motivate qualified personnel.

Our ability to compete in the highly competitive biotechnology industry depends upon our ability to attract and retain highly qualified managerial, scientific and medical personnel. We are highly dependent on the management, R&D, clinical, financial and business development expertise of our executive officers, our directors, as well as the other members of our scientific and clinical teams, including Robert Lyne, our chief executive officer, and Eric Elenko, our President. The loss of the services of any of our executive officers and other key personnel, and our inability to find suitable replacements could result in delays in therapeutic development and our financial condition and results of operations could be materially adversely affected.

Furthermore, each of our executive officers may terminate their employment with us at any time. Recruiting and retaining qualified scientific and clinical personnel and, if we progress the development of the therapeutic candidates within our Wholly-Owned Programs toward scaling up for commercialization, sales and marketing personnel, will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval for and commercialize the therapeutic candidates within our Wholly-Owned Programs . Competition to hire qualified personnel in our industry is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. Furthermore, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or that they have divulged proprietary or other confidential information, or that their former employers own their research output. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions.

In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

We will need to expand our organization and we may experience difficulties in managing this growth, which could disrupt our operations.

As we mature, we expect to expand our full-time employee base and to hire more consultants and contractors. Our management may need to divert a disproportionate amount of its attention away from our day-to-day activities and devote a substantial amount of time toward managing these growth activities. We may not be able to effectively manage the expansion of our operations, which may result in weaknesses in our infrastructure, operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our expected growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of additional therapeutic candidates. If our management is unable to effectively manage our growth, our expenses may increase more than expected, our ability to generate and/or grow revenues could be reduced, and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize therapeutic candidates and compete effectively will depend, in part, on our ability to effectively manage any future growth.

Because we are developing multiple programs and therapeutic candidates and are pursuing a variety of target indications and treatment modalities, we may expend our limited resources to pursue a particular therapeutic candidate and fail to capitalize on development opportunities or therapeutic candidates that may be more profitable or for which there is a greater likelihood of success.

Because we have limited financial and personnel resources, we may forgo or delay pursuit of opportunities with potential target indications or therapeutic candidates that later prove to have greater commercial potential than our current and planned development programs and therapeutic candidates. Our resource allocation decisions may cause us to fail to capitalize on viable commercial therapeutics or profitable market opportunities. Our spending on current and future research and development programs and other future therapeutic candidates for specific indications may not yield any commercially viable future therapeutic candidates. If we do not accurately evaluate the commercial potential or target market for a particular therapeutic candidate, we may be required to relinquish valuable rights to that therapeutic candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such future therapeutic candidates.

Risk Factor Annex continued

Additionally, we may pursue additional in-licenses or acquisitions of development-stage assets or programs, which entails additional risk to us. Identifying, selecting and acquiring promising therapeutic candidates requires substantial technical, financial and human resources expertise. Efforts to do so may not result in the actual acquisition or license of a successful therapeutic candidate, potentially resulting in a diversion of our management's time and the expenditure of our resources with no resulting benefit. For example, if we are unable to identify programs that ultimately result in approved therapeutics, we may spend material amounts of our capital and other resources evaluating, acquiring and developing therapeutics that ultimately do not provide a return on our investment.

Product liability lawsuits against us could cause us to incur substantial liabilities and could limit commercialization of any therapeutic candidates that we may develop.

We face an inherent risk of product liability exposure related to the testing of therapeutic candidates in human clinical trials and will face an even greater risk if we commercially sell any therapeutics that we may develop. If we cannot successfully defend ourselves against claims that the therapeutic candidates within our Wholly-Owned Programs or medicines caused injuries, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any therapeutic candidates or medicines that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue; and
- the inability to commercialize the therapeutic candidates within our Wholly-Owned Programs .

Although we maintain product liability insurance, including coverage for clinical trials that we sponsor, it may not be adequate to cover all liabilities that we may incur. We anticipate that we will need to increase our insurance coverage as we commence additional clinical trials and if we successfully commercialize any therapeutic candidates. The market for insurance coverage is increasingly expensive, and the costs of insurance coverage will increase as our clinical programs increase in size. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

Litigation against us could be costly and time-consuming to defend and could result in additional liabilities.

In March 2024, a complaint was filed against us by a third-party alleging breach of contract with respect to certain payments alleged to be owed to such third party by us. During the year ended December 31, 2025, a settlement was reached, and payments were made in June and July 2025. We may from time to time be subject to additional legal proceedings and claims that arise in the ordinary course of business or otherwise, such as claims brought by third parties in connection with commercial disputes and employment claims made by our current or former employees. Claims may also be asserted by or on behalf of a variety of other parties, including government agencies, patients, or stockholders. We could also be subject to securities class action litigation. In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because biotechnology companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

Any litigation involving us may result in substantial costs, operationally restrict our business, and may divert management's attention and resources, which may seriously harm our business, overall financial condition, and results of operations. Insurance may not cover existing or future claims, be sufficient to fully compensate us for one or more of such claims, or continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, thereby adversely impacting our results of operations.

The increasing use of social media platforms presents new risks and challenges.

Social media is increasingly being used to communicate about our and our Founded Entities' clinical development programs and the diseases our therapeutics are being developed to treat, and we intend to utilize appropriate social media in connection with our commercialization efforts following approval of the therapeutic candidates within our Wholly-Owned Programs . Social media practices in the biopharmaceutical industry continue to evolve and regulations relating to such use are not always clear. This evolution creates uncertainty and risk of noncompliance with regulations applicable to our business. For example, patients may use social media channels to comment on their experience in an ongoing blinded clinical study or to report an alleged adverse event. When such disclosures occur, there is a risk that we fail to monitor and comply with applicable adverse event reporting obligations or we may not be able to defend our business or the public's legitimate interests in the face of the political and market pressures generated by social media due to restrictions on what we may say about the therapeutic candidates within our Wholly-Owned Programs .

There is also a risk of inappropriate disclosure of sensitive information or negative or inaccurate posts or comments about us on any social networking website. If any of these events were to occur or we otherwise fail to comply with applicable regulations, we could incur liability, face regulatory actions or incur other harm to our business.

Our and our Founded Entities' employees, independent contractors, consultants, commercial partners and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk of fraud, misconduct or other illegal activity by our employees, independent contractors, consultants, commercial partners and vendors as well as the employees, independent contractors, consultants, commercial partners and vendors of our Founded Entities. Misconduct by these parties could include intentional, reckless and negligent conduct that fails to: comply with the laws of the FDA and comparable foreign regulatory authorities; provide true, complete and accurate information to the FDA and comparable foreign regulatory authorities; comply with manufacturing standards we have established; comply with healthcare fraud and abuse laws in the United States and similar foreign fraudulent misconduct laws; or report financial information or data accurately or to disclose unauthorized activities. If we or our Founded Entities obtain FDA or comparable foreign regulatory authorities approval, or notified bodies certification, of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates and begin commercializing those therapeutics in the United States and abroad, our potential exposure under such laws will increase significantly, and our costs associated with compliance with such laws are also likely to increase. In particular, research, sales, marketing, education and other business arrangements in the healthcare industry are subject to extensive laws designed to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, educating, marketing and promotion, sales and commission, certain customer incentive programs and other business arrangements generally. Activities subject to these laws also involve the improper use of information obtained in the course of patient recruitment for clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter misconduct by employees and third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions.

Employee litigation and unfavorable publicity could negatively affect our future business.

Our employees may, from time to time, bring lawsuits against us regarding injury, creating a hostile work place, discrimination, wage and hour disputes, sexual harassment, or other employment issues. In recent years, there has been an increase in the number of discrimination and harassment claims generally. Coupled with the expansion of social media platforms and similar devices that allow individuals access to a broad audience, these claims have had a significant negative impact on some businesses. Certain companies that have faced employment- or harassment-related lawsuits have had to terminate management or other key personnel, and have suffered reputational harm that has negatively impacted their business. If we were to face any employment-related claims, our business could be negatively affected.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could harm our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste therapeutics. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations.

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or therapeutic efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Risk Factor Annex continued

Cyberattacks or other failures in our telecommunications or information technology systems, or those of our collaborators, contract research organizations, third-party logistics providers, distributors or other contractors or consultants, could result in information theft, data corruption and significant disruption of our business operations.

We collect and maintain information in digital form that is necessary to conduct our business, and we are increasingly dependent on information technology, or IT, systems and infrastructure to operate our business. In the ordinary course of our business, we collect, store, and transmit large amounts of confidential information, including intellectual property, proprietary business information, clinical trial data, and personal information (collectively, "Confidential Information") of clinical trial participants, employees, and contractors. It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such Confidential Information.

As use of digital technologies has increased, cyber incidents, including third parties gaining access to employee accounts using stolen or inferred credentials, computer malware (e.g., ransomware), viruses, misconfigurations, "bugs" or other vulnerabilities, malicious code spamming, phishing attacks or other means, and deliberate attacks and attempts to gain unauthorized access to computer systems and networks, have increased in frequency and sophistication. These threats pose a risk to the security of our, our collaborators', our CROs', third-party logistics providers', distributors' and other contractors' and consultants' systems and networks, and the confidentiality, availability and integrity of our data. Further, any integration of artificial intelligence in our or any third party's operations, products or services is expected to pose new or unknown cybersecurity risks and challenges. Cyberattacks are expected to accelerate on a global basis in frequency and magnitude as threat actors are becoming increasingly sophisticated in using techniques and tools – including artificial intelligence – that circumvent security controls, evade detection and remove forensic evidence. As a result, we may be unable to detect, investigate, remediate or recover from future attacks or incidents, or to avoid a material adverse impact to our IT systems, Confidential Information or business. There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in preventing cyberattacks or successfully mitigating their effects. Similarly, there can be no assurance that our collaborators, CROs, third-party logistics providers, distributors and other contractors and consultants will be successful in protecting our clinical and other data that is stored on their systems.

We and certain of our service providers are from time to time subject to cyberattacks and security incident. Although to our knowledge we have not experienced any significant system failure, accident or material security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of development programs and business operations.

Any cyberattack, data breach or destruction or loss of data could result in a violation of applicable U.S. and international privacy, data protection and other laws, and subject us to litigation and governmental investigations and proceedings by federal, state and local regulatory entities in the United States and by international regulatory entities, resulting in exposure to material civil and/or criminal liability. A security incident could also expose us to risks and could cause management distraction and the obligation to devote significant financial and other resources to mitigate such problems, which would increase our future information security costs, including through organizational changes, deploying additional personnel, reinforcing administrative, physical and technical safeguards, further training of employees, changing third-party vendor control practices, and engaging third-party subject matter experts and consultants and reduce the demand for our technology and services. Any security compromise affecting us, our collaborators, CROs, third-party logistics providers, distributors, and other contractors and consultants, or our industry, whether real or perceived, could harm our reputation, erode confidence in the effectiveness of our security measures and lead to regulatory scrutiny.

Further, our general liability insurance and corporate risk program may not cover all potential claims to which we are exposed and may not be adequate to indemnify us for all liability that maybe imposed; and could have a material adverse effect on our business and prospects. For example, the loss of clinical trial data from completed or ongoing clinical trials for any of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates could result in delays in our development and regulatory approval efforts and significantly increase our costs to recover or reproduce the data.

Our business may be affected by the evolving regulatory framework for AI Technologies

We use artificial intelligence ("AI"), machine learning, and automated decision-making technologies, (collectively, "AI Technologies") throughout our business, and are making investments in this area. We expect that increased investment will be required in the future to continuously improve our use of AI Technologies. As with many technological innovations, there are significant risks involved in developing, maintaining and deploying these technologies, including that AI-generated content, analyses, or recommendations we utilize could be deficient, that our competitors may more quickly or effectively adopt AI capabilities, or that our use of AI or other emerging technologies increases regulatory, cybersecurity and other significant risks. There can be no assurance that the usage of or our investments in such technologies will always enhance our products or services or be beneficial to our business, including our efficiency or profitability.

In particular, if the models underlying our AI Technologies are: incorrectly designed or implemented; trained or reliant on incomplete, inadequate, inaccurate, biased or otherwise poor quality data, or on data to which we do not have sufficient rights or in relation to which we and/or the providers of such data have not implemented sufficient legal compliance measures; used without sufficient oversight and governance to ensure their responsible use; and/or adversely impacted by unforeseen defects, technical challenges, cybersecurity threats or material performance issues, the performance of our products, services and business, as well as our reputation, could suffer or we could incur liability resulting from the violation of laws or contracts to which we are a party or civil claims.

We are in varying stages of development in relation to our products and internal business processes involving AI Technologies. The continuous development, maintenance and operation of our AI Technologies is expensive and complex, and may involve unforeseen difficulties including material performance problems, undetected defects or errors. For instance, the models underlying AI Technologies can experience decay (also known as "model drift") in which its performance and accuracy decreases over time without further human intervention to correct such decay.

We may not be successful in our ongoing development and maintenance of these technologies in the face of novel and evolving technical, reputational and market factors. Our efforts to develop proprietary AI models could increase our operating costs. Our ability to develop proprietary AI models may be limited by our access to processing infrastructure or training data, and we may be dependent on third-party providers for such resources.

The regulatory framework for AI Technologies is rapidly evolving as many federal, state, and foreign government bodies and agencies have introduced or are currently considering additional laws and regulations. Additionally, existing laws and regulations may be interpreted in ways that would affect the operation of our AI Technologies. As a result, implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact future laws, regulations, standards, or market perception of their requirements may have on our business and may not always be able to anticipate how to respond to these laws or regulations. Failure to appropriately respond to this evolving landscape may result in reputational, competitive and business harm as well as litigation and regulatory action and fines, penalties and expenses related thereto.

It is possible that new laws and regulations will be adopted in the United States and in other non-U.S. jurisdictions, or that existing laws and regulations, including competition and antitrust laws, may be interpreted in ways that would limit our ability to use AI Technologies for our business, or require us to change the way we use AI Technologies in a manner that negatively affects the performance of our products, services, and business and the way in which we use AI Technologies. We may need to expend resources to adjust our products or services in certain jurisdictions if the laws, regulations, or decisions are not consistent across jurisdictions. Further, the cost to comply with such laws, regulations, or decisions and/or guidance interpreting existing laws, could be significant and would increase our operating expenses (such as by imposing additional reporting obligations regarding our use of AI Technologies). Such an increase in operating expenses, as well as any actual or perceived failure to comply with such laws and regulations, could adversely affect our business, financial condition and results of operations.

Focus on environmental sustainability and social initiatives could increase our costs, harm our reputation and adversely impact our financial results.

There has been public focus by investors, patients, environmental activists, the media, governmental and nongovernmental organizations and other stakeholders on a variety of environmental, social and other sustainability matters. We may experience pressure to make commitments relating to sustainability matters that affect us, including the design and implementation of specific risk mitigation strategic initiatives relating to sustainability. Expectations regarding the management of environmental, social and governance ("ESG") initiatives continue to evolve. While we may from time to time engage in various initiatives (including but not limited to voluntary disclosures, policies or goals) to improve our ESG profile or respond to stakeholder expectations, we cannot guarantee that these initiatives will have the desired effect. If we do not, or are not perceived to, adequately address ESG matters affecting our business or set and meet relevant sustainability goals, our reputation and financial results may suffer. In addition, even if we are effective at addressing such concerns, we may experience increased costs as a result of executing upon our sustainability goals that may not be offset by any benefit to our reputation, which could have an adverse impact on our business and financial condition.

In addition, this emphasis on environmental, social and other sustainability matters has resulted and may result in the adoption of new laws, rules and regulations, including new reporting requirements. If we fail to comply with such laws, rules, regulations or reporting requirements, our reputation and business could be adversely impacted.

We may acquire businesses, or therapeutics or therapeutic candidates, or form strategic alliances, in the future, and we may not realize the benefits of such acquisitions.

We acquire or in-license businesses or therapeutics from other companies or create joint ventures with third parties that we believe will complement or augment our existing business. If we acquire businesses with promising markets or technologies, we may not be able to realize the benefit of acquiring such businesses if we are unable to successfully integrate them with our existing operations and company culture or retain key personnel from the acquired company. We may encounter numerous difficulties in developing, manufacturing and marketing any new therapeutics or therapeutic candidates resulting from a strategic alliance or acquisition that delay or prevent us from realizing their expected benefits or enhancing our business. We cannot assure you that, following any such acquisition or license, we will achieve the expected synergies to justify the transaction. Failure to successfully identify, complete, manage and integrate acquisitions could materially and adversely affect our business, financial condition and results of operations and could cause the price of our securities to decline.

Disruptions and changes in funding or staffing for the FDA, the SEC and other government agencies could hinder their ability to hire and retain key leadership and other personnel, prevent new therapeutics and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA, foreign regulatory authorities and notified bodies to review and approve or certify new therapeutics or take action with respect to other regulatory matters can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept payment of user fees, and statutory, regulatory, and policy changes. In addition, government funding of the SEC and other government agencies on which our operations may rely, including those that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. The priorities of the FDA and foreign regulatory authorities may also influence the ability of the FDA and foreign regulatory authorities to take action on regulatory matters, for example the FDA's and foreign regulatory authorities' budget and funding levels and ability to hire and retain key personnel.

Disruptions at the FDA and foreign regulatory authorities may also slow the time necessary for new drugs to be reviewed and/or approved, or for other actions to be taken, by relevant government agencies, which would adversely affect our business. For example, in recent years, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA and the SEC, have had to furlough critical FDA, SEC and other government employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Similarly, a prolonged government shutdown could prevent the timely review of our patent applications by the USPTO, which could delay the issuance of any U.S. patents to which we might otherwise be entitled. Further, in our operations as a public company, future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

In addition, current U.S. Presidential administration has issued certain policies and Executive Orders directed towards reducing the employee headcount and costs associated with U.S. administrative agencies, including the FDA , which have led to substantial personnel changes, and it remains unclear the degree to which these efforts may limit or otherwise adversely affect the FDA's ability to conduct routine activities. If a prolonged government shutdown occurs, or if funding shortages, staffing limitations or similar factors hinder or prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, such events could significantly impact the ability of the FDA or other such regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Future shutdowns or other disruptions could also affect other government agencies such as the SEC, which may also impact our business by delaying review of our public filings, to the extent such review is necessary, and our ability to access the public markets.

Furthermore, in the EU, notified bodies must be officially designated to certify products and services in accordance with the EU Medical Devices Regulation. Their designation process, which is significantly stricter under the new Regulation, has experienced considerable delays due to the COVID-19 pandemic . Despite a recent increase in designations, the current number of notified bodies designated under the new Regulation remains significantly lower than the number of notified bodies designated under the previous regime. The current designated notified bodies are therefore facing a backlog of requests as a consequence of which review times have lengthened. This situation may impact the way we are conducting our business in the EU and the EEA and the ability of our notified body to timely review and process our regulatory submissions and perform its audits.

We or the third parties upon whom we depend may be adversely affected by a natural disaster and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Natural disasters could severely disrupt our operations, and have a material adverse effect on our business, results of operations, financial condition and prospects. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as the manufacturing facilities of our third-party CMOs, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place currently are limited and are unlikely to prove adequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, could have a material adverse effect on our business, financial condition, results of operations and prospects.

We will continue to incur increased costs as a result of operating as a U.S.-listed public company, and our management will be required to devote substantial time to new compliance initiatives.

As a U.S. public company, and particularly now that we are no longer an emerging growth company, we have incurred and will continue to incur significant legal, accounting and other expenses that we did not incur as a public company listed only on the LSE. In addition, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and rules subsequently implemented by the SEC and Nasdaq have imposed various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel continue to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance.

We continue to evaluate these rules and regulations and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Risks Related to Our International Operations

Our international operations may expose us to business, regulatory, political, operational, financial, pricing and reimbursement and economic risks associated with doing business outside of the United States.

As a company based in the United Kingdom, our business is subject to risks associated with being organized outside of the United States. While the majority of our operations are in the United States and our functional currency is the U.S. dollar, our future results could be harmed by a variety of international factors, including:

- economic weakness, including rising inflation and interest rates, or political instability in particular non-U.S. economies and markets;
- differing and changing regulatory requirements;
- difficulties in compliance with different, complex and changing laws, regulations and court systems of multiple jurisdictions and compliance with a wide variety of foreign laws, treaties and regulations;
- changes in a specific country's or region's political or economic environment, including, but not limited to, the implications of one or more of the following occurring the decision of the United Kingdom:
- future activities subject to the terms of the Trade and Cooperation Agreement between the United Kingdom and the European Union effective May 1, 2021, which has not impacted our results to-date;
- a second referendum on Scottish independence from the United Kingdom; and/or
- a snap general election; and
- negative consequences from changes in tax laws.

In addition, our business strategy incorporates potential international expansion to target patient populations outside the United States. If we or our Founded Entities receive regulatory approval for and commercialize any of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates in patient populations outside the United States, we may hire sales representatives and conduct physician and patient association outreach activities outside of the United States. Doing business internationally involves a number of risks, including, but not limited to:

- multiple, conflicting, and changing laws and regulations such as privacy regulations, tax laws, export and import restrictions, employment laws, regulatory requirements, and other governmental approvals, permits, and licenses;
- failure by us to obtain and maintain regulatory approvals for the use of our therapeutics in various countries;
- additional potentially relevant third-party patent rights;
- complexities and difficulties in obtaining protection and enforcing our intellectual property;
- difficulties in staffing and managing foreign operations;
- complexities associated with managing multiple payor reimbursement regimes, government payors, or patient self-pay systems;
- limits in our ability to penetrate international markets;
- financial risks, such as longer payment cycles, difficulty collecting accounts receivable, the impact of local and regional financial crises on demand and payment for our therapeutics, and exposure to foreign currency exchange rate fluctuations;
- natural disasters, political and economic instability, including wars, terrorism, and political unrest, outbreak of disease, boycotts, curtailment of trade, and other business restrictions;
- certain expenses including, among others, expenses for travel, translation, and insurance; and
- regulatory and compliance risks that relate to maintaining accurate information and control over sales and activities that may fall within the purview of the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, its books and records provisions, or its anti-bribery provisions.

Any of these factors could significantly harm our potential international expansion and operations and, consequently, our results of operations.

Unfavorable global economic conditions could adversely affect our business, financial condition or results of operations.

Our ability to invest in and expand our business and meet our financial obligations, to attract and retain third-party contractors and collaboration partners and to raise additional capital depends on our operating and financial performance, which, in turn, is subject to numerous factors, including the prevailing economic and political conditions and financial, business and other factors beyond our control, such as the rate of unemployment, the number of uninsured persons in the United States, political influences and inflationary pressures. For example, an overall decrease in or loss of insurance coverage among individuals in the United States as a result of unemployment, underemployment or the repeal of certain provisions of the ACA, may decrease the demand for healthcare services and pharmaceuticals. If fewer patients are seeking medical care because they do not have insurance coverage, we and our Founded Entities may experience difficulties in any eventual commercialization of the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates and our business, results of operations, financial condition and cash flows could be adversely affected.

In addition, our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets upon which pharmaceutical and biopharmaceutical companies such as us are dependent for sources of capital. The global economy, including credit and financial markets, has recently experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, fluctuating interest and inflation rates, tariffs and trade wars, declines in consumer confidence, declines in economic growth, increases in unemployment rates and uncertainty about economic stability. A severe or prolonged economic downturn could result in a variety of risks to our business, including a reduced ability to raise additional capital when needed on acceptable terms, if at all, and weakened demand for the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates. A weak or declining economy could also strain our suppliers, possibly resulting in supply disruption. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business. Additionally, we maintain the majority of our cash and cash equivalents in accounts with major U.S. and multi-national financial institutions, and our deposits at certain of these institutions exceed insured limits. Market conditions can impact the viability of these institutions. In the event of failure of any of the financial institutions where we maintain our cash and cash equivalents, there can be no assurance that we would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect our business and financial position.

We are subject to the U.K. Bribery Act 2010, or the Bribery Act, the U.S. Foreign Corrupt Practices Act of 1977 (as amended) ("FCPA") and other anti-corruption laws, as well as export control laws, import and customs laws, trade and economic sanctions laws and other laws governing our operations.

Our operations are subject to anti-corruption laws, including the Bribery Act, the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. §201, the U.S. Travel Act, and other anti-corruption laws that apply in countries where we do business. These laws generally prohibit us and our employees and intermediaries acting on our behalf from corruptly authorizing, promising, offering, or providing, directly or indirectly, anything of value, to government officials or other persons to obtain or retain business or gain some other business advantage. The Bribery Act also prohibits: (i) "commercial" bribery of private parties, in addition to bribery involving domestic or foreign officials; (ii) the acceptance of bribes, as well as the giving of bribes, and (iii) "facilitation payments", meaning generally low level payments designed to secure or expedite routine governmental actions or other conduct to which persons are already under obligations to perform. The Bribery Act also creates an offence applicable corporate entities for failure to prevent bribery by our employees, officers, directors and other third parties acting on our behalf, to which the only defence is to maintain "adequate procedures" designed to prevent such acts of bribery.

In the future, we and our strategic partners may operate in jurisdictions that pose a heightened risk of potential Bribery Act or FCPA violations, and we may participate in collaborations and relationships with third parties whose conduct could potentially subject us to liability under the Bribery Act, FCPA or other anti-corruption laws, even if we do not explicitly authorize or have actual knowledge of such activities. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted.

We are also subject to other laws and regulations governing our international operations, including regulations administered by the governments of the United Kingdom and the United States, and authorities in the European Union and its member states, including applicable export control regulations, economic sanctions and embargoes on certain countries, regions, and persons, import and customs requirements and currency exchange regulations, collectively referred to as the Trade Control laws. Compliance with Trade Control Laws regarding the import and export of our products may create delays in the introduction of our products in international markets, and, in some cases, prevent the export of our products to some countries altogether.

We have policies and procedures designed to promote compliance with anti-corruption laws and Trade Control laws. However, there is no assurance that we will be completely effective in ensuring our compliance with all applicable anti-corruption laws, including the Bribery Act, the FCPA or other legal requirements, including Trade Control laws. If we are not in compliance with the Bribery Act, the FCPA and other anti-corruption laws or Trade Control laws, we may be subject to criminal and civil penalties, disgorgement, suspension or debarment from government contracts as well as other sanctions and remedial measures, and may also result in collateral litigation. These consequences could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of the Bribery Act, the FCPA, other anti-corruption laws or Trade Control laws by United Kingdom, United States or other authorities could also have an adverse impact on our reputation, our business, results of operations and financial condition. In addition, responding to any enforcement action may result in a significant diversion of management's attention and resources and significant defense costs and other professional fees.

Risk Factor Annex continued

The United Kingdom's withdrawal from the European Union may have a negative effect on our business.

Since the end of the Brexit transition period on January 1, 2021, and the implementation of the Windsor Framework on January 1, 2025, the UK has not generally been directly subject to EU laws with respect to medicinal products As a result of the Northern Ireland Protocol, different rules applied in Northern Ireland than in Great Britain; broadly, Northern Ireland continued to follow the EU regulatory regime. However, on January 1, 2025, an arrangement called the "Windsor Agreement" came into effect and reintegrated Northern Ireland under the regulatory authority of the MHRA with respect to medicinal products. The Windsor Framework removes EU licensing processes, and EU labelling and serialization requirements in relation to Northern Ireland, and introduces a UK-wide licensing process for medicinal products. There could be additional uncertainty and risk around what these changes mean to our business. It is currently unclear to what extent the UK Government will seek to align its regulations with the EU. The EU laws that have been transposed into UK law through secondary legislation remain applicable in Great Britain, but new legislation such as the (EU) CTR is not generally applicable in Great Britain. Whilst the EU-UK Trade and Cooperation Agreement, or TCA, includes the mutual recognition of Good Manufacturing Practice, or GMP, inspections of manufacturing facilities for medicinal products and GMP documents issued, it does not contain wholesale mutual recognition of UK and EU pharmaceutical regulations and product standards. There may be divergent local requirements in the UK from the EU in the future, which may impact clinical and development activities that occur in the UK in the future. Similarly, clinical trial submissions in the UK cannot be bundled with those of EU member states within the EMA Clinical Trial Information System, or CTIS, adding further complexity, cost and potential risk to future clinical and development activity in the UK.

Exchange rate fluctuations may materially affect our results of operations and financial condition.

Although we are based in the United Kingdom, our financial statements are denominated in U.S dollars and many of our business activities are carried out with partners outside the U.S. and United Kingdom and these transactions may be denominated in another currency. As a result, our business and the price of our ADSs may be affected by fluctuations in foreign exchange rates not only between the pound sterling and the U.S. dollar, but also the currencies of other countries, which may have a significant impact on our results of operations and cash flows from period to period. Currently, we do not have any exchange rate hedging arrangements in place.

Risks Related to Our Equity Securities and ADSs

The market price of our ADSs has been and will likely continue to be highly volatile, and you could lose all or part of your investment.

The market price of our ADSs has been and will likely continue to be volatile. The stock market in general, and the market for biopharmaceutical companies in particular, has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, you may not be able to sell your ADSs at or above the purchase price. The market price for our ADSs may be influenced by many factors, including:

- adverse results or delays in our preclinical studies or clinical trials;
- reports of AEs or other negative results in clinical trials of third parties' therapeutic candidates that target the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates' target indications;
- an inability for us to obtain additional funding on reasonable terms or at all;
- any delay in submitting an IND, BLA or NDA for the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates and any adverse development or perceived adverse development with respect to the FDA's review of that IND, BLA or NDA;
- failure to develop successfully and commercialize the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates;
- announcements we make regarding our current therapeutic candidates, acquisition of potential new therapeutic candidates and companies and/or in-licensing;
- failure to maintain our or our Founded Entities' existing license arrangements or enter into new licensing and collaboration agreements;
- failure by us, our Founded Entities or our licensors to prosecute, maintain or enforce our intellectual property rights;
- changes in laws or regulations applicable to future therapeutics;
- inability to obtain adequate clinical or commercial supply for the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates or the inability to do so at acceptable prices;
- adverse regulatory decisions, including failure to reach agreement with applicable regulatory authorities on the design or scope of our planned clinical trials;
- failure to obtain and maintain regulatory exclusivity for the therapeutic candidates within our Wholly-Owned Programs or our Founded Entities' therapeutic candidates;
- regulatory approval or commercialization of new therapeutics or other methods of treating our target disease indications by our competitors;
- failure to meet or exceed financial projections we may provide to the public or to the investment community;
- publication of research reports or comments by securities or industry analysts;
- the perception of the pharmaceutical and biotechnology industries by the public, legislatures, regulators and the investment community;
- announcements of significant acquisitions, strategic partnerships, joint ventures or capital commitments by us, our Founded Entities our strategic collaboration partners or our competitors;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our or our Founded Entities' ability to obtain patent protection for our technologies;
- additions or departures of our key scientific or management personnel;
- significant lawsuits, including patent or shareholder litigation, against us;
- changes in the market valuations of similar companies;
- adverse developments relating to any of the above or additional factors with respect to our Founded Entities;
- sales or potential sales of substantial amounts of our ADSs; and
- trading volume of our ADSs.

In addition, companies trading in the stock market in general, and Nasdaq, in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our ADSs, regardless of our actual operating performance. Since our ADSs were initially sold in November 2020 at a price of $33.00 per ADS, our ADS price has fluctuated significantly. If the market price of our ADSs does not exceed the price at which you acquired them, you may not realize any return on your investment in us and may lose some or all of your investment.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our ADS price and trading volume could decline.

The trading market for our ADSs and ordinary shares depends in part on the research and reports that securities or industry analysts publish about us or our business. If no or few securities or industry analysts cover our company, the trading price for our ADSs and ordinary shares would be negatively impacted. If one or more of the analysts who covers us downgrades our equity securities or publishes incorrect or unfavorable research about our business, the price of our ordinary shares and ADSs would likely decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, or downgrades our securities, demand for our ordinary shares and ADSs could decrease, which could cause the price of our ordinary shares and ADSs or their trading volume to decline.

Future sales, or the possibility of future sales, of a substantial number of our securities could adversely affect the price of the shares and dilute shareholders.

Sales of a substantial number of our ADSs in the public market could occur at any time, subject to certain restrictions described below. If our existing shareholders sell, or indicate an intent to sell, substantial amounts of our securities in the public market, the trading price of the ADSs could decline significantly and could decline below the original purchase price. As of March 31, 2025, we had 240,189,449 outstanding ordinary shares. Ordinary shares subject to outstanding options under our equity incentive plans and the ordinary shares reserved for future issuance under our equity incentive plans will become eligible for sale in the public market in the future, subject to certain legal and contractual limitations.

Holders of ADSs are not treated as holders of our ordinary shares.

If you purchase an ADS, you will become a holder of ADSs with underlying ordinary shares in a company incorporated under English law. Holders of ADSs are not treated as holders of our ordinary shares, unless they withdraw the ordinary shares underlying their ADSs in accordance with the deposit agreement and applicable laws and regulations. The depositary is the holder of the ordinary shares underlying the ADSs. Holders of ADSs therefore do not have any rights as holders of our ordinary shares, other than the rights that they have pursuant to the deposit agreement. See "Description of Securities Other Than Equity Securities" in our Annual Report on Form 20-F.

Risk Factor Annex continued

Holders of ADSs may be subject to limitations on the transfer of their ADSs and the withdrawal of the underlying ordinary shares.

ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason, subject to the right of ADS holders to cancel their ADSs and withdraw the underlying ordinary shares. Temporary delays in the cancellation of your ADSs and withdrawal of the underlying ordinary shares may arise because the depositary has closed its transfer books or we have closed our transfer books, the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting or we are paying a dividend on our ordinary shares. In addition, ADS holders may not be able to cancel their ADSs and withdraw the underlying ordinary shares when they owe money for fees, taxes and similar charges and when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities. See "Description of Securities Other Than Equity Securities" in our Annual Report on Form 20-F.

ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing the ADSs representing our ordinary shares provides that, to the fullest extent permitted by law, holders and beneficial owners of ADSs irrevocably waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to the ADSs or the deposit agreement.

If this jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the deposit agreement with a jury trial. If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the U.S. Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement, by a federal or state court in the City of New York, which has non-exclusive jurisdiction over matters arising under the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before entering into the deposit agreement.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and/or the depositary. If a lawsuit is brought against us and/or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action, depending on, among other things, the nature of the claims, the judge or justice hearing such claims, and the venue of the hearing.

No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depositary of compliance with the U.S. federal securities laws and the rules and regulations promulgated thereunder.

One of our principal shareholders has a significant holding in the company which may give them influence in certain matters requiring approval by shareholders, including approval of significant corporate transactions in certain circumstances.

As of April 10, 2026, Invesco Asset Management Limited, or Invesco, held approximately 16.85 percent of our ordinary shares. Accordingly, Invesco may, as a practical matter, be able to influence certain matters requiring approval by shareholders, including approval of significant corporate transactions in certain circumstances. Such concentration of ownership may also have the effect of delaying or preventing any future proposed change in control of the company. The trading price of the ordinary shares could be adversely affected if potential new investors are disinclined to invest in the company because they perceive disadvantages to a large shareholding being concentrated in the hands of a single shareholder. The interests of Invesco and the investors that acquire ADSs may not be aligned. Invesco may make acquisitions of, or investments in, other businesses in the same sectors as us or our Founded Entities. These businesses may be, or may become, competitors of us or our Founded Entities. In addition, funds or other entities managed or advised by Invesco may be in direct competition with us or our Founded Entities on potential acquisitions of, or investments in, certain businesses. In addition, Invesco holds equity interests in certain of our Founded Entities where they may exert direct influence.

You will not have the same voting rights as the holders of our ordinary shares and may not receive voting materials in time to be able to exercise your right to vote.

Except as described in our Annual Report on Form 20-F and the deposit agreement, holders of the ADSs will not be able to exercise voting rights attaching to the ordinary shares represented by the ADSs. Under the terms of the deposit agreement, holders of the ADSs may instruct the depositary to vote the ordinary shares underlying their ADSs. Otherwise, holders of ADSs will not be able to exercise their right to vote unless they withdraw the ordinary shares underlying their ADSs to vote them in person or by proxy in accordance with applicable laws and regulations and our Articles of Association. Even so, ADS holders may not know about a meeting far enough in advance to withdraw those ordinary shares. If we ask for the instructions of holders of the ADSs, the depositary, upon timely notice from us, will notify ADS holders of the upcoming vote and arrange to deliver our voting materials to them. Upon our request, the depositary will mail to holders a shareholder meeting notice that contains, among other things, a statement as to the manner in which voting instructions may be given. We cannot guarantee that ADS holders will receive the voting materials in time to ensure that they can instruct the depositary to vote the ordinary shares underlying their ADSs. A shareholder is only entitled to participate in, and vote at, the meeting of shareholders, provided that it holds our ordinary shares as of the record date set for such meeting and otherwise complies with our Articles of Association. In addition, the depositary's liability to ADS holders for failing to execute voting instructions or for the manner of executing voting instructions is limited by the deposit agreement. As a result, holders of ADSs may not be able to exercise their right to give voting instructions or to vote in person or by proxy and they may not have any recourse against the depositary or us if their ordinary shares are not voted as they have requested or if their shares cannot be voted.

You may not receive distributions on our ordinary shares represented by the ADSs or any value for them if it is illegal or impractical to make them available to holders of ADSs.

The depositary for the ADSs has agreed to pay to you any cash dividends or other distributions it or the custodian receives on our ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of our ordinary shares your ADSs represent. However, in accordance with the limitations set forth in the deposit agreement, it may be unlawful or impractical to make a distribution available to holders of ADSs. We have no obligation to take any other action to permit distribution on the ADSs, ordinary shares, rights or anything else to holders of the ADSs. This means that you may not receive the distributions we make on our ordinary shares or any value from them if it is unlawful or impractical to make them available to you. These restrictions may have an adverse effect on the value of your ADSs.

Because we do not have immediate plans to pay any cash dividends on our ADSs, capital appreciation, if any, may be your sole source of gains and you may never receive a return on your investment.

Under current English law, a company's accumulated realized profits must exceed its accumulated realized losses (on a non-consolidated basis) before dividends can be declared and paid. Therefore, we must have sufficient distributable profits before declaring and paying a dividend. We have not paid dividends in the past on our ordinary shares. We have not announced any immediate plans to pay any cash dividends. As a result, capital appreciation, if any, on our ADSs will be your sole source of gains for the foreseeable future, and you would suffer a loss on your investment if you were unable to sell your ADSs at or above the price that you initially paid for them. Investors seeking cash dividends should not purchase our ADSs.

Risk Factor Annex continued

Risks Related to Our Corporate Status

We are not regulated as an "investment company" under the Investment Company Act of 1940, as amended, or the 1940 Act, and if we were deemed an "investment company" under the 1940 Act, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

The 1940 Act and the rules thereunder contain detailed parameters for the organization and operation of investment companies. Among other things, the 1940 Act and the rules thereunder limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities and impose certain governance requirements. We have not been and do not intend to become regulated as an investment company, and we intend to conduct our activities so that we will not be deemed to be an investment company under the 1940 Act. In order to ensure that we are not deemed to be an investment company, we may be limited in the assets that we may continue to own and, further, may need to dispose of or acquire certain assets at such times or on such terms as may be less favorable to us than in the absence of such requirement. If anything were to happen which would cause us to be deemed to be an investment company under the 1940 Act (such as significant changes in the value of our Founded Entities or a change in circumstance that results in a reclassification of our interests in our Founded Entities for purposes of the 1940 Act), the requirements imposed by the 1940 Act could make it impractical for us to continue our business as currently conducted, which would materially adversely affect our business, results of operations and financial condition. In addition, if we were to become inadvertently subject to the 1940 Act, any violation of the 1940 Act could subject us to material adverse consequences, including potentially significant regulatory penalties and the possibility that certain of our contracts could be deemed unenforceable.

AAs a foreign private issuer, we are exempt from a number of rules under the U.S. securities laws and are permitted to file less information with the SEC than a U.S. company. This may limit the information available to holders of ADSs or our ordinary shares.

We are a "foreign private issuer," as defined in the SEC's rules and regulations and, consequently, we are not subject to all of the disclosure requirements applicable to U.S. domestic public companies. For example, we are exempt from certain rules under the Exchange Act that regulate disclosure obligations and procedural requirements related to the solicitation of proxies, consents or authorizations applicable to a security registered under the Exchange Act, including the U.S. proxy rules under Section 14 of the Exchange Act. In addition, our officers and directors are exempt from the "short-swing" profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchases and sales of our securities. Moreover, while we currently make annual and semi-annual filings with respect to our listing on the LSE, we will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. domestic issuers and will not be required to file quarterly reports on Form 10-Q or current reports on Form 8-K under the Exchange Act. In addition, "foreign private issuers" are exempt from Regulation FD, which prohibits selective disclosures of material information. Accordingly, there will be less publicly available information concerning our company than there would be if we were not a foreign private issuer.

As a foreign private issuer, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from Nasdaq corporate governance listing standards. These practices may afford less protection to shareholders than they would enjoy if we complied fully with corporate governance listing standards.

As a foreign private issuer listed on Nasdaq, we are subject to corporate governance listing standards. However, rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the United Kingdom, which is our home country, may differ significantly from corporate governance listing standards. For example, neither the corporate laws of the United Kingdom nor our articles of association require a majority of our directors to be independent and we could include non-independent directors as members of our nomination and remuneration committee, though a majority is required, and our independent directors would not necessarily hold regularly scheduled meetings at which only independent directors are present. Currently, we follow home country practice to the maximum extent possible. Therefore, our shareholders may be afforded less protection than they otherwise would have under corporate governance listing standards applicable to U.S. domestic issuers. See "Governance" of this Annual Report and Accounts and "Item 16G —Corporate Governance" of our Annual Report on Form 20-F.

We may lose our foreign private issuer status in the future, which could result in significant additional cost and expense.

While we currently qualify as a foreign private issuer, the determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter and, accordingly, the next determination will be made with respect to us on June 30, 2026.

In the future, we would lose our foreign private issuer status if we to fail to meet the requirements necessary to maintain our foreign private issuer status as of the relevant determination date. For example, if more than 50 percent of our securities are held by U.S. residents and more than 50 percent of the members of our executive committee or members of our board of directors are residents or citizens of the United States, we could lose our foreign private issuer status.

The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly more than costs we incur as a foreign private issuer. If we are not a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive in certain respects than the forms available to a foreign private issuer. We would be required under current SEC rules to prepare our financial statements in accordance with U.S. GAAP, rather than IFRS, and modify certain of our policies to comply with corporate governance practices associated with U.S. domestic issuers. Such conversion of our financial statements to U.S. GAAP will involve significant time and cost. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers such as the ones described above and exemptions from procedural requirements related to the solicitation of proxies. Additionally, in June 2025, the SEC issued a concept release soliciting public comments on potential changes to the definition of a foreign private issuer. If the SEC amends the conditions to being a foreign private issuer and we cannot meet the new conditions, or if the SEC substantially reduces the accommodations accorded to foreign private issuers, then even if we maintain our status as a foreign private issuer, we may be subject to more stringent requirements. Either of those outcomes could significantly increase our compliance costs and require substantial changes to our practices, since we will not be able to rely on the exemptions available to foreign private issuers discussed above.

Risks Related to Our Internal Controls

Failure to maintain effective internal control over financial reporting could have a material adverse effect on our business, financial condition, results of operations, and stock price and may adversely affect investor confidence in our company and, as a result, the value of our ADSs and your investment. Section 404 of the Sarbanes-Oxley Act requires us to evaluate the effectiveness of our internal controls over financial reporting as of the end of each fiscal year, including a management report assessing the effectiveness of our internal controls over financial reporting, and a report issued by our independent registered public accounting firm on that assessment. Our ability to comply with the annual internal control reporting requirements will depend on the effectiveness of our financial reporting and data systems and controls across our company. We expect these systems and controls to require additional investment as we become increasingly more complex and our business grows. To effectively manage this complexity, we will need to continue to maintain and revise our operational, financial and management controls, and our reporting systems and procedures. Certain weaknesses or deficiencies or failures to implement required new or improved controls, or difficulties encountered in the implementation or operation of these controls, could harm our operating results and cause us to fail to meet our financial reporting obligations, or result in material misstatements in our financial statements, which could adversely affect our business and reduce the value of our ADSs. We have in the past and may in the future identify a material weakness in our internal control over financial reporting. If we discover additional material weaknesses in our internal control over financial reporting in the future, we may not successfully remediate any such material weakness on a timely basis or at all. Any failure to remediate any significant deficiencies or material weaknesses identified by us or to implement required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations.

If we fail to maintain effective internal control over financial reporting, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which could cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets or lead to a decline in the trading price of our securities. We may also be required to restate our financial statements from prior periods. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations, litigation from shareholders and civil or criminal sanctions, which could have a material adverse effect on our business.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We are subject to certain reporting requirements of the Exchange Act. Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management, recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements or insufficient disclosures due to error or fraud may occur and not be detected.

Risks Related to Tax Matters

We are treated as a U.S. domestic corporation for U.S. federal income tax purposes.

We are treated as a U.S. domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Internal Revenue Code of 1986, as amended, or the Code. As a result, we are subject to U.S. income tax on our worldwide income and any dividends paid by us (or deemed to be paid by us for U.S. federal income tax purposes) to Non-U.S. Holders (as defined in the discussion under "Taxation in the United States" in our Annual Report on Form 20-F) will generally be subject to U.S. federal income tax withholding at a 30 percent rate or such lower rate as provided in an applicable treaty. Furthermore, PureTech Health plc is also resident for tax purposes in the U.K. and subject to U.K. corporation tax on its worldwide income and gains. Consequently, we may be liable for both U.S. and U.K. income tax, which could have a material adverse effect on our financial condition and results of operations.

This discussion of certain U.S. federal income tax risks is subject in its entirety to the summaries set forth in "Certain United Kingdom Tax Considerations" and "Taxation in the United States" in our Annual Report on Form 20-F.

Our ability to use our U.S. net operating losses and certain other tax attributes to offset future U.S. taxable income and income tax liabilities may be subject to certain limitations.

As of December 31, 2025, we had U.S. federal and state net operating loss carryforwards, or NOLs, of approximately $123.7 million and $376.1 million, respectively, which, subject to the following discussion, are generally available to be carried forward to offset our future taxable income, if any, until such NOLs are used or expire. Our federal NOLs generated in taxable years beginning after December 31, 2017 are not subject to expiration, but may generally only be used to offset 80% of taxable income in years beginning after December 31, 2020. As of December 31, 2025, we also had U.S. federal research and development and other tax credit carryforwards of approximately $0.3 million, available to reduce our future income tax liabilities, if any. These NOLs and tax credit carryforwards could expire unused, to the extent subject to expiration, and be unavailable to offset future taxable income or income tax liabilities.

In general, under Sections 382 and 383 of the Code, a corporation that undergoes an "ownership change," generally defined as a greater than 50 percentage point change (by value) in its equity ownership by certain shareholders or groups of shareholders over a rolling three year period, is subject to limitations on its ability to utilize its pre-change U.S. federal NOLs and tax credit carryforwards to offset future taxable income and income tax liabilities. Similar rules may apply under state law. Our existing federal NOLs and tax credits may be subject to limitation arising from previous ownership changes. Future changes in our stock ownership, some of which are outside of our control, could result in ownership changes under Sections 382 or 383 of the Code, and our ability to utilize our federal NOLs or tax credit carryforwards could be further limited.

Additionally, we may not be able to utilize the NOLs or tax credit carryforwards of our Founded Entities that have been deconsolidated or that will deconsolidate in the future. Furthermore, our ability to utilize NOLs of companies that we have acquired or may acquire in the future may be subject to similar limitations.

For these reasons, even if we attain profitability, we may not be able to realize a tax benefit from the use of our NOLs or tax credit carryforwards.

We may be unable to use net operating loss and tax credit carryforwards and certain built-in losses to reduce future U.K. tax liabilities.

As a U.K. incorporated and tax resident entity, PureTech Health plc is subject to U.K. corporate taxation on its tax-adjusted trading profits. Due to the nature of our business, PureTech Health plc has generated losses since inception and therefore we have not paid any U.K. corporation tax. Subject to numerous utilization criteria and restrictions (including those that limit the percentage of profits that can be reduced by carried forward losses and those that can restrict the use of carried forward losses where there is a change of ownership of more than half the ordinary shares of the company and a major change in the nature, conduct or scale of the trade), we expect these to be eligible for carry forward and utilization against future U.K. operating profits.

Future changes to tax laws could materially adversely affect our company and reduce net returns to our shareholders.

The tax treatment of the company is subject to changes in tax laws, regulations and treaties, or the interpretation thereof, tax policy initiatives and reforms under consideration and the practices of tax authorities in jurisdictions in which we operate, as well as tax policy initiatives and reforms related to the Organisation for Economic Co-Operation and Development's, or OECD, Base Erosion and Profit Shifting, or BEPS, Project, the European Commission's state aid investigations and other initiatives. Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) dividends paid. We are unable to predict what tax reform may be proposed or enacted in the future or what effect such changes would have on our business, but such changes, to the extent they are brought into tax legislation, regulations, policies or practices, could affect our financial position and overall or effective tax rates in the future in countries where we have operations, reduce post-tax returns to our shareholders, and increase the complexity, burden and cost of tax compliance.

Tax authorities may disagree with our positions and conclusions regarding certain tax positions, resulting in unanticipated costs, taxes or non-realization of expected benefits.

A tax authority may disagree with tax positions that we have taken, which could result in increased tax liabilities. For example, HM Revenue & Customs, or HMRC, the Internal Revenue Service or another tax authority could challenge our allocation of income by tax jurisdiction and the amounts paid between certain of our Founded Entities pursuant to our intercompany arrangements and transfer pricing policies, including amounts paid with respect to our intellectual property development. Similarly, a tax authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection, often referred to as a "permanent establishment" under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions. A tax authority may take the position that material income tax liabilities, interest and penalties are payable by us, in which case, we expect that we might contest such assessment. Contesting such an assessment may be lengthy and costly and if we were unsuccessful in disputing the assessment, the implications could increase our anticipated effective tax rate, where applicable.

Shareholder protections found in provisions under the U.K. City Code on Takeovers and Mergers, or the Takeover Code, will not apply if our securities are no longer admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man and our place of management and control is considered to change to outside the United Kingdom.

We are registered as a public limited company incorporated in England and Wales and have our ordinary shares admitted to trading on a regulated market in the United Kingdom (being the main market of the LSE). Accordingly, we are currently subject to the Takeover Code and, as a result, our shareholders are entitled to the benefit of certain takeover offer protections provided under the Takeover Code. The Takeover Code provides a framework within which takeovers of companies are regulated and conducted. If, at the time of a takeover offer, we have de-listed from the main market of the LSE (and do not maintain a listing of securities on any other regulated market or a multilateral trading facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man) and the Panel on Takeovers and Mergers determine that we do not have our place of central management and control in the United Kingdom, then the Takeover Code may not apply to us and our shareholders would not be entitled to the benefit of the various protections that the Takeover Code affords. In particular, we would not be subject to the rules regarding mandatory takeover bids. The following is a brief summary of some of the most important rules of the Takeover Code:

- when any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares already held by that person and an interest in shares held or acquired by persons acting in concert with him or her) carry 30 percent or more of the voting rights of a company that is subject to the Takeover Code, that person is generally required to make a mandatory offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights in that company to acquire the balance of their interests in the company;
- when any person who, together with persons acting in concert with him or her, is interested in shares representing not less than 30 percent but does not hold more than 50 percent of the voting rights of a company that is subject to the Takeover Code, and such person, or any person acting in concert with him or her, acquires an additional interest in shares which increases the percentage of shares carrying voting rights in which he or she is interested, then such person is generally required to make a mandatory offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company;

Risk Factor Annex continued

- a mandatory offer triggered in the circumstances described in the two paragraphs above must be in cash (or be accompanied by a cash alternative) and at not less than the highest price paid within the preceding 12 months to acquire any interest in shares in the company by the person required to make the offer or any person acting in concert with him or her;
- in relation to a voluntary offer (i.e. any offer which is not a mandatory offer), when interests in shares representing 10 percent or more of the shares of a class have been acquired for cash by an offeror (i.e., a bidder) and any person acting in concert with it in the offer period and the previous 12 months, the offer must be in cash or include a cash alternative for all shareholders of that class at not less than the highest price paid for any interest in shares of that class by the offeror and by any person acting in concert with it in that period. Further, if an offeror acquires for cash any interest in shares during the offer period, a cash alternative must be made available at not less than the highest price paid for any interest in the shares of that class;
- if the offeror acquires an interest in shares in an offeree company (i.e., a target) at a price higher than the value of the offer, the offer must be increased to not less than the highest price paid for the interest in shares so acquired;
- the offeree company must obtain competent advice as to whether the terms of any offer are fair and reasonable and the substance of such advice must be made known to all the shareholders, together with the opinion of the board of directors of the offeree company;
- special or favorable deals for selected shareholders are not permitted, except in certain circumstances where independent shareholder approval is given and the arrangements are regarded as fair and reasonable in the opinion of the financial adviser to the offeree;
- all shareholders must be given the same information;
- each document published in connection with an offer by or on behalf of the offeror or offeree must state that the directors of the offeror or the offeree, as the case may be, accept responsibility for the information contained therein;
- profit forecasts, quantified financial benefits statements and asset valuations must be made to specified standards and must be reported on by professional advisers;
- misleading, inaccurate or unsubstantiated statements made in documents or to the media must be publicly corrected immediately;
- actions during the course of an offer by the offeree company, which might frustrate the offer are generally prohibited unless shareholders approve these plans. Frustrating actions would include, for example, lengthening the notice period for directors under their service contract or agreeing to sell off material parts of the target group;
- stringent and detailed requirements are laid down for the disclosure of dealings in relevant securities during an offer, including the prompt disclosure of positions and dealing in relevant securities by the parties to an offer and any person who is interested (directly or indirectly) in 1 percent or more of any class of relevant securities; and employees of both the offeror and the offeree company and the trustees of the offeree company's pension scheme must be informed about an offer. In addition, the offeree company's employee representatives and pension scheme trustees have the right to have a separate opinion on the effects of the offer on employment appended to the offeree board of directors' circular or published on a website.

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