UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report
For the transition period from to

Commission file number 001-39670

PURETECH HEALTH PLC

(Exact name of registrant as specified in its charter)

N/A
(Translation of Registrant's name into English)

England and Wales
(Jurisdiction of incorporation or organization)
6 Tide Street, Suite 400
Boston, Massachusetts 02210
United States
(Address of principal executive offices)
Bharatt Chowrira
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c/o PureTech Health LLC
6 Tide Street, Suite 400
Boston, Massachusetts 02210
United States
(Name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol(s)	**Name of each exchange on which registered:**
American Depositary Shares, each representing 10 ordinary shares, par value £0.01 per share	PRTC	The Nasdaq Global Market
Ordinary shares, par value £0.01 per share*	*	The Nasdaq Global Market*

* Listed not for trading, but only in connection with the registration of the American Depositary Shares on The Nasdaq Global Market.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None.
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None.

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: Ordinary Shares: 239,421,312 outstanding as of December 31, 2024.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files): Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒	Non-accelerated filer	☐	Emerging growth company	☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐	International Financial Reporting Standards as issued by the International Accounting Standards Board ☒	Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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Special Note Regarding Forward-Looking Statements

This annual report on Form 20-F contains forward-looking statements that involve substantial risks and uncertainties. All statements contained in this report, other than statements of historical fact, including statements regarding our and our Founded Entities' 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 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 Founded Entities, including the progress of, and results from, our Wholly-Owned Programs' and Founded Entities' preclinical and clinical trials of deupirfenidone (LYT-100) and LYT-200, 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 being 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 Item 3.D - "Risk Factors" of this annual report on Form 20-F 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.

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.

SUMMARY OF RISK FACTORS

The risk factors described below are a summary of the principal risk factors associated with our business. These are not the only risks we face. You should carefully consider these risk factors, together with the risk factors incorporated by reference into Item 3.D – "Risk Factors". of this annual report on Form 20-F and the other reports and documents filed by us with the SEC.

- As of December 31, 2024, we had never generated revenue from the therapeutic candidates within our Wholly-Owned Programs, and we may never be operationally profitable.
- 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.
- 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 have limited information about and limited control or influence over our Non-Controlled Founded Entities.
- 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.
- 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.
- 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.
- If we encounter difficulties enrolling patients in clinical trials, our clinical development activities could be delayed or otherwise adversely affected.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- If we fail to comply with healthcare laws, we could face substantial penalties and our business, operations and financial conditions could be adversely affected.
- 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.
- 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 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.
- 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.
- We may not be able to protect our intellectual property rights throughout the world.
- 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 failure to maintain our licenses and realize their benefits may harm our business.
- 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.

- Patent terms may be inadequate to protect our competitive position on therapeutic candidates for an adequate amount of time.
- Issued patents covering our Wholly-Owned Programs or our Founded Entities' therapeutics candidates could be found invalid or unenforceable if challenged in courts or patent offices.
- 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 may be subject to claims challenging the inventorship of our patents and other intellectual property.
- 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.
- 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.
- Our future success depends on our ability to retain key employees, directors, consultants and advisors and to attract, retain and motivate qualified personnel.
- 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.
- Holders of ADSs are not treated as holders of our ordinary shares.
- 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.
- If we are unable to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, shareholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our ADSs.

EXPLANATORY NOTE

Pursuant to Rule 12b-23(a) of the Securities Exchange Act of 1934, as amended, the information required in this annual report on Form 20-F for the fiscal year ended December 31, 2024 (this "annual report on Form 20-F") of PureTech Health plc (the "Company") set out below is being incorporated by reference from PureTech's "Annual Report and Accounts 2024", portions of which are included as exhibit 15.1 to this annual report on Form 20-F. Only the information set out below with specific reference to items and pages of PureTech's "Annual Report and Accounts 2024" is deemed to be filed as part of this annual report on Form 20-F. Other information contained within PureTech's "Annual Report and Accounts 2024" that is not specified, including graphs and tabular data, is not included in this annual report on Form 20-F and is not deemed to be filed as part of this annual report on Form 20-F. Photographs are also not included. References herein to PureTech's websites are textual references only and information on or accessible through such websites does not form part of and is not incorporated into this annual report on Form 20-F.

References below to major headings include all information under such major headings, including subheadings, unless such reference is a reference to a subheading, in which case such reference includes only the information contained under such subheading. Unless the context otherwise requires, "PureTech" and "PureTech Health" refer to the Company, which is comprised of PureTech and its subsidiaries (together, the "Group").

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS.

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [Reserved]

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

The information (including tabular data) set forth or referenced under the heading “Risk Factor Annex" on pages 182 to 219 of PureTech’s “Annual Report and Accounts 2024” included as exhibit 15.1 to this annual report on Form 20-F is incorporated by reference.

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

The information set forth under the heading "History and Development of the Company" on page 181 of PureTech's "Annual Report and Accounts 2024" included as exhibit 15.1 to this annual report on Form 20-F is incorporated by reference.

For a description of our principal capital expenditures and divestitures for the three years ended December 31, 2024 and for those currently in progress, see Item 5. "Operating and Financial Review and Prospects—A. Operating Results".

The United States Securities and Exchange Commission (the "SEC") maintains an internet website that contains reports, proxy and information statements, and other information regarding issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov. We also maintain an Internet website at www.puretechhealth.com. The information contained on, or that may be accessed through, our website is not part of, and is not incorporated into, annual report on Form 20-F.

B. BUSINESS OVERVIEW

The information (including graphs and tabular data) set forth under the following headings is incorporated by reference herein: "Highlights of the Year—2024" (for the years of 2022, 2023 and 2024) on page 1, "Our Diversified Hub-and-Spoke Model" on page 10, "Programs" on pages 11 to 13, "ESG Report— Patients-Ensuring Drug Efficacy and Safety" on page 33, "Risk Management—Risks related to regulatory approval" on page 61 and "Risk Management—Risks related to intellectual property protection" on page 63, "Financial Review—Revenue" on page 70, in each case of PureTech's "Annual Report and Accounts 2024" included as exhibit 15.1 to this annual report on Form 20-F; and "Consolidated Statement of Comprehensive Income/(Loss)," "Notes to the Consolidated Financial Statements—Note 3. Revenue" and "Notes to the Consolidated Financial Statements—Note 4. Segment Information," in each case of our audited consolidated financial statements included elsewhere in this annual report on Form 20-F. Seasonality does not materially impact the Company's main business.

Competition

The biotechnology and pharmaceutical industries utilize rapidly advancing technologies and are characterized by intense competition. There is also a strong emphasis on intellectual property and proprietary products. Our pipeline builds on validated biology of known therapeutics while applying unique inventive steps that improve the clinical pharmacology. We further de-risk programs with key experiments at an early stage to validate the underlying value proposition. We believe that our technology, drug discovery and development expertise and capabilities enable such strong pipeline creation and provide us with a competitive advantage. However, we will continue to face competition from different sources including major pharmaceutical companies, biotechnology companies, academic institutions, government agencies, and public and private research institutions. In addition, there are many companies that have approved therapeutics for some of our target indications. For any products that we eventually commercialize, we will not only compete with existing therapies but also compete with new therapies that may become available in the future.

In addition to the competition we will face from the parties described above, we face competition for certain of the product candidates we are developing internally as well as the products we are advancing through our Founded Entities.

LYT-100

In the field of idiopathic pulmonary fibrosis (IPF), there are two approved drugs, pirfenidone (Esbriet), marketed by Roche, and nintedanib (Ofev), marketed by Boehringer Ingelheim. These drugs have unfavorable tolerability profiles, leading to sustained unmet need for novel therapies. In May 2022, a generic version of pirfenidone was approved in the US. Generic pirfenidone is also starting to be prescribed in some EU countries. Other potential competitive product candidates in various stages of development include, but are not limited to: United Therapeutics' treprostinil in Phase 3 clinical trials, Boehringer Ingelheim's BI1015550 in Phase 3 development, BMS' BMS-986278 in Phase 3 clinical development, Avalyn's AP01 which is expected to enter a Phase 2 or 3 trial , Pliant Therapeutics' PLN-74809 in Phase 2 clinical development, and Horizon Therapeutics' HZN-825 in Phase 2 clinical development.

LYT-200

We are aware of one current drug product candidate targeting galectin-9, FibroGen's FG-3165, which FibroGen has disclosed that they are anticipating submitting an Investigational New Drug Application, or IND, for in the first quarter of 2024. Additionally, if we are successful in developing LYT-200 as an immuno-oncology (IO) treatment we would expect to compete with currently approved IO therapies and those that may be developed in the future. Current marketed IO products include CTLA-4, such as BMS' Yervoy, and PD-1/PD-L1, such as BMS' Opdivo, Merck's Keytruda and Genentech's Tecentriq, and T cell engager immunotherapies, such as Amgen's Blincyto. In addition, there are other academic groups and/or companies that may be involved in pre-clinical research centered around galectin-9 as a therapeutic target.

Government Regulation

Government authorities in the United States, at the federal, state and local level, and in other countries and jurisdictions, including the European Union, or EU, extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing, post-approval monitoring and reporting, and import and export of drugs, biological products and medical devices. The processes for obtaining regulatory approvals in the United States and in foreign countries and jurisdictions, along with subsequent compliance with applicable statutes and regulations, require the expenditure of substantial time and financial resources.

U.S. Regulation of Drugs and Biologics

In the United States, the FDA regulates drugs under the FDCA, and its implementing regulations, and biologics under the FDCA and the Public Health Service Act and its implementing regulations. FDA approval is required before any new unapproved drug or dosage form, including a new use of a previously approved drug, can be marketed in the United States. Drugs and biologics are also subject to other federal, state, and local statutes and regulations. The process required by the FDA before such product candidates may be marketed in the United States generally involves the following:

- completion of extensive preclinical laboratory tests and preclinical animal studies, certain of which must be performed in accordance with Good Laboratory Practice, or GLP, regulations and other applicable regulations;
- submission to the FDA of an IND, which must become effective before human clinical studies may begin;
- approval by an independent institutional review board, or IRB, or ethics committee representing each clinical site before each clinical study may be initiated;
- performance of adequate and well-controlled human clinical studies in accordance with Good Clinical Practice, or GCP, requirements to establish the safety and efficacy, or with respect to biologics, the safety, purity and potency of the product candidate for each proposed indication;
- preparation of and submission to the FDA of a new drug application, or NDA, or biologics license application, or BLA, after completion of all pivotal clinical studies;
- potential review of the product application by an FDA advisory committee, where appropriate and if applicable;
- a determination by the FDA within 60 days of its receipt of an NDA or BLA to file the application for review;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facilities where the proposed product drug substance is produced to assess compliance with current Good Manufacturing Practices, or cGMP, and potential audits of selected clinical trial sites to ensure compliance with GCP; and
- FDA review and approval of an NDA or BLA prior to any commercial marketing or sale of the drug in the United States.

An IND is a request for allowance from the FDA to administer an investigational drug product to humans. The central focus of an IND submission is on the general investigational plan and the protocol or protocols for preclinical studies and clinical trials. The IND also includes results of animal and in vitro studies assessing the toxicology, pharmacokinetics, pharmacology and pharmacodynamics of the product, chemistry, manufacturing and controls, or CMC, information, and any available human data or literature to support the use of the investigational product. An IND must become effective before human clinical trials may begin. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day period, raises safety concerns or questions about the proposed clinical trial. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or questions before the clinical trial can begin. Submission of an IND therefore may or may not result in FDA authorization to begin a clinical trial.

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with GCP, which includes, among other things, the requirement that all research subjects provide their informed consent for their participation in any clinical study. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any subsequent protocol amendments. While the IND is active, progress reports summarizing the results of the clinical trials and nonclinical studies performed since the last progress report, among other information, must be submitted at least annually to the FDA, and written IND safety reports must be submitted to the FDA and investigators for serious and unexpected suspected adverse events, findings from other studies suggesting a significant risk to humans exposed to the drug, findings from animal or in vitro testing suggesting a significant risk to humans exposed to the drug, and any clinically important increased rate of a serious suspected adverse reaction compared to that listed in the protocol or investigator brochure.

Furthermore, an independent IRB for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site, and must monitor the study until completed. Regulatory authorities, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk or that the trial is unlikely to meet its stated objectives. Some studies also include oversight by an independent group of qualified experts organized by the clinical study sponsor, known as a data safety monitoring board, which provides authorization for whether or not a study may move forward at designated check points based on access to certain data from the study and may halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy. There are also requirements governing the reporting of ongoing preclinical studies and clinical trials and clinical study results to public registries.

The clinical investigation of a drug is generally divided into three phases. Although the phases are usually conducted sequentially, they may overlap or be combined.

- Phase 1. The investigational product is initially introduced into healthy human subjects or patients with the target disease or condition. These studies are generally designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness.
- Phase 2. The investigational product is administered to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks.
- Phase 3. The investigational product is administered to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval.

In some cases, the FDA may condition approval of an NDA or BLA for a product candidate on the sponsor's agreement to conduct additional clinical studies after approval. In other cases, a sponsor may voluntarily conduct additional clinical studies after approval to gain more information about the drug within the approved indication. Such post-approval studies are often referred to as Phase

4 clinical studies. Concurrent with clinical trials, companies may complete additional animal studies and develop additional information about the biological characteristics of the product candidate, and must finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, must develop methods for testing the identity, strength, quality and purity of the final product, or for biologics, the safety, purity and potency.

Special Protocol Assessment

The special protocol assessment, or SPA, process is designed to facilitate the FDA's review and approval of certain drugs and biologics by allowing the FDA to evaluate the proposed design of certain preclinical studies and clinical trials, including among others, trials that are intended to form the primary basis for determining a product candidate's efficacy. Upon specific request by a clinical trial sponsor, the FDA aims to evaluate the protocol and respond to a sponsor's questions regarding, among other things, entry, criteria, dose selection, endpoints, trial conduct and data analyses, within 45 days of receipt of the request. The FDA ultimately assesses whether the protocol design and planned analysis of the trial are acceptable to support regulatory approval of the product candidate with respect to effectiveness of the indication studied. All agreements and disagreements between the FDA and the sponsor regarding an SPA must be clearly documented in an SPA letter or the minutes of a meeting between the sponsor and the FDA.

Even if the FDA agrees to the design, execution and analyses proposed in protocols reviewed under the SPA process, the FDA may rescind or alter its agreement where the FDA determines that a substantial scientific issue essential to determining the safety or efficacy of the product candidate has been identified after the trial has begun, which can include, but is not limited to, the following circumstances:

- identification of data that would call into question the clinical relevance of previously agreed-upon efficacy endpoints;
- identification of safety concerns related to the product or its pharmacological class;
- paradigm shifts in disease diagnosis or management recognized by the scientific community and the FDA; or
- the relevant data, assumptions, or information provided by the sponsor in the SPA submission are found to be false statements or misstatements, or are found to omit relevant facts, such that the clinical relevance of critical components of trial design is called into question, or appropriate safety monitoring and human subject protection are affected.

A documented SPA may be modified, and such modification will be deemed binding on the FDA review division, except under the circumstances described above, if the FDA and the sponsor agree in writing to modify the protocol and such modification is intended to improve the study. If the sponsor fails to follow the protocol that was agreed upon with FDA consistent with the SPA agreement, or makes substantive changes in the protocol without the FDA's agreement, then FDA will consider the results from the study as a BLA or NDA review issue. The FDA will not be bound by an SPA agreement where the sponsor fails to conduct the trial in accordance with the agreed SPA.

NDA and BLA Review Process

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of product development, including, among other things, the results from nonclinical studies and clinical trials are submitted to the FDA as part of an NDA or BLA requesting approval to market the product for one or more indications. The NDA or BLA must include all relevant data available from pertinent preclinical studies and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's CMC and proposed labeling, among other things. Data can come from company-sponsored clinical studies intended to test the safety and effectiveness of the product, or from a number of alternative sources, including studies initiated and sponsored by investigators. The submission of an NDA or BLA requires payment of a substantial application user fee to the FDA, unless a waiver or exemption applies.

In addition, under the Pediatric Research Equity Act, or PREA, an NDA or BLA or supplement to an NDA or BLA must contain data to assess the safety and effectiveness of the biological product candidate for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA requires that a sponsor who is planning to submit a marketing application for a drug or biological product that includes a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration submit an initial pediatric study plan within sixty days after an end-of-Phase 2 meeting or as may be agreed between the sponsor and FDA. Unless otherwise required by regulation, PREA does not apply to any product candidate for an indication for which orphan designation has been granted.

Within 60 days following submission of the application, the FDA reviews the submitted BLA or NDA to determine if the application is substantially complete before the FDA accepts it for filing. The FDA may refuse to file any NDA or BLA that it deems incomplete or not properly reviewable at the time of submission and may request additional information. In this event, the NDA or BLA must be resubmitted with the additional information. Once an NDA or BLA has been accepted for filing, the FDA's goal is to review applications for original biologics or new-molecular-entity drugs within ten months after the filing date, or, if the application qualifies for priority review, six months after the filing date. In both standard and priority reviews, the review process may also be extended for a three-month period for the FDA to review additional information that is deemed a major amendment to an application.

The FDA reviews an NDA to determine, among other things, whether a product is safe and effective for its intended use and whether its manufacturing is sufficient to assure and preserve the product's identity, strength, quality and purity. The FDA reviews a BLA to determine, among other things, whether a product is safe, pure and potent and the facility in which it is manufactured, processed, packed or held meets standards designed to assure the product's continued safety, purity and potency. When reviewing an NDA or BLA, the FDA may convene an advisory committee to provide clinical insight on application review questions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving an NDA or BLA, the FDA will typically inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with

cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA or BLA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP.

After the FDA evaluates the NDA or BLA and conducts inspections of manufacturing facilities where the investigational product and/or its drug substance will be produced, the FDA may issue an approval letter or a Complete Response letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A Complete Response letter will describe all of the deficiencies that the FDA has identified in the NDA or BLA, except that where the FDA determines that the data supporting the application are inadequate to support approval, the FDA may issue the Complete Response letter without first conducting required inspections, testing submitted product lots and/or reviewing proposed labeling. In issuing the Complete Response letter, the FDA may recommend actions that the applicant might take to place a resubmitted NDA or BLA in condition for approval, including requests for additional clinical studies, or other information supporting the application. Notwithstanding the submission of any additional information or data, the FDA may delay or refuse approval of an NDA or BLA if applicable regulatory criteria are not satisfied.

If the FDA approves a BLA or NDA, such approval will be granted for particular indications and may entail limitations on the indicated uses for which such product may be marketed. For example, the FDA may approve the NDA or BLA with a Risk Evaluation and Mitigation Strategy, or REMS, to ensure the benefits of the product outweigh its risks. A REMS is a safety strategy to manage a known or potential serious risk associated with a product and to enable patients to have continued access to such medicines by managing their safe use, and could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. The FDA also may condition approval on, among other things, changes to proposed labeling or the development of adequate controls and specifications. Once approved, the FDA may withdraw the product approval if compliance with pre- and post-marketing requirements is not maintained or if problems occur after the product reaches the marketplace. The FDA may require one or more post-market studies and surveillance to further assess and monitor the product's safety and effectiveness after commercialization, and may limit further marketing of the product based on the results of these post-marketing studies.

Regulation of Combination Products in the United States

Certain therapeutic products are comprised of multiple components, such as drug or biologic components and device components, that would normally be subject to different regulatory frameworks by the FDA and frequently regulated by different centers at the FDA. These products are known as combination products. Under the FDCA, the FDA is charged with assigning a center with primary jurisdiction, or a lead center, for review of a combination product. The determination of which center will be the lead center is based on the "primary mode of action" of the combination product. Thus, if the primary mode of action of a drug-device combination product is attributable to the drug product, the FDA center responsible for premarket review of the drug product would have primary jurisdiction for the combination product. The FDA has also established the Office of Combination Products to address issues surrounding combination products and provide more certainty to the regulatory review process. That office serves as a focal point for combination product issues for agency reviewers and industry. It is also responsible for developing guidance and regulations to clarify the regulation of combination products, and for assignment of the FDA center that has primary jurisdiction for review of combination products where the jurisdiction is unclear or in dispute. A combination product with a primary mode of action attributable to the drug or biologic component generally would be reviewed and approved pursuant to the drug approval processes set forth in the FDCA. In reviewing the NDA or BLA for such a product, however, FDA reviewers would consult with their counterparts in the FDA's Center for Devices and Radiological Health to ensure that the device component of the combination product met applicable requirements regarding safety, effectiveness, durability and performance. In addition, under FDA regulations, combination products are subject to cGMP requirements applicable to both drugs and devices, including the Quality System Regulation, or QSR, currently applicable to medical devices.

Expedited Development and Review Programs for Drugs and Biologics

The FDA offers a number of expedited development and review programs for qualifying product candidates. The fast track program is intended to expedite or facilitate the process for reviewing product candidates that meet certain criteria. Specifically, product candidates are eligible for fast track designation if they are intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. Fast track designation applies to the combination of the product candidate and the specific indication for which it is being studied. The sponsor of a fast track product candidate has opportunities for more frequent interactions with the review team during product development and, once an NDA or BLA is submitted, the application may be eligible for priority review. A fast track product 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 NDA or BLA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the NDA or BLA.

A product candidate intended to treat a serious or life-threatening disease or condition may also be eligible for breakthrough therapy designation to expedite its development and review. A product candidate can receive breakthrough therapy designation if preliminary clinical evidence indicates that the product candidate, alone or in combination with one or more other drugs or biologics, may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the fast track program features, as well as more intensive FDA interaction and guidance beginning as early as Phase 1 and an organizational commitment to expedite the development and review of the product candidate, including involvement of senior managers.

Any marketing application for a drug or biologic submitted to the FDA for approval, including a product candidate with a fast track designation and/or breakthrough therapy designation, may be eligible for other types of FDA programs intended to expedite the FDA review and approval process, such as priority review. An NDA or BLA is eligible for priority review if the product candidate has the potential to provide a significant improvement in the treatment, diagnosis or prevention of a serious disease or condition. For new-molecular-entity NDAs and original BLAs, priority review designation means the FDA's goal is to take action on the marketing application within six months of the 60-day filing date (as compared to ten months under standard review).

Additionally, depending on the designs of the applicable clinical trials, product candidates studied for their safety and effectiveness in treating serious or life-threatening diseases or conditions may receive accelerated approval upon a determination that the product candidate has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of accelerated approval, the FDA will generally require the sponsor to perform adequate and well-controlled confirmatory clinical studies to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit and may require such confirmatory studies be underway prior to granting accelerated approval. Products receiving accelerated approval may be subject to expedited withdrawal procedures if the sponsor fails to conduct the required confirmatory studies in a timely manner or if such studies fail to verify the predicted clinical benefit. In addition, the FDA currently requires as a condition for accelerated approval pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the product.

Fast track designation, breakthrough therapy designation, priority review, and accelerated approval do not change the standards for approval but may expedite the development or approval process. Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened. We may explore some of these opportunities for our product candidates as appropriate.

Rare Pediatric Disease Priority Review Voucher Program

In 2012, the U.S. Congress authorized the FDA to award priority review vouchers to Sponsors of certain rare pediatric disease product applications. This program is designed to encourage development of new drug and biological products for prevention and treatment of certain rare pediatric diseases. Specifically, under this program, a sponsor who receives an approval for a drug or biologic for a “rare pediatric disease” may qualify for a voucher that can be redeemed to receive priority review of a subsequent marketing application for a different product. The Sponsor of a rare pediatric disease drug product receiving a priority review voucher may transfer (including by sale) the voucher to another sponsor. The voucher may be further transferred any number of times before the voucher is used, as long as the Sponsor making the transfer has not yet submitted the application. The FDA may also revoke any priority review voucher if the rare pediatric disease drug for which the voucher was awarded is not marketed in the U.S. within one year following the date of approval.

For purposes of this program, a “rare pediatric disease” is a (a) serious or life-threatening disease in which the serious or life-threatening manifestations primarily affect individuals aged from birth to 18 years, including age groups often called neonates, infants, children, and adolescents; and (b) rare diseases or conditions within the meaning of the Orphan Drug Act. Under the current statutory sunset provisions, after December 20, 2024, FDA may only award a voucher for an approved rare pediatric disease product application if the Sponsor has rare pediatric disease designation for the drug, and that designation was granted by December 20, 2024. After September 30, 2026, FDA may not award any Rare Pediatric Disease Priority Review Voucher.

Orphan Drug Designation

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biologic intended to treat a rare disease or condition, which is a disease or condition that affects fewer than 200,000 individuals in the United States, or more than 200,000 individuals in the United States for which there is no reasonable expectation that the cost of developing and making available in the United States a drug or biologic for this type of disease or condition will be recovered from sales in the United States for that drug or biologic. Orphan drug designation must be requested before submitting an NDA or BLA. After the FDA grants orphan drug designation, the generic identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. The orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review or approval process.

If a product that has orphan drug 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 exclusive approval (or exclusivity), which means that the FDA may not approve any other applications, including a full NDA or BLA, to market the same drug or biologic for the same disease or condition for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or if the FDA finds that the holder of the orphan drug exclusivity has not shown that it can assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug or biologic was designated. Orphan drug exclusivity does not prevent the FDA from approving a different drug or biologic for the same disease or condition, or the same drug or biologic for a different disease or condition. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the NDA or BLA application user fee.

A designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the disease or condition for which it received orphan designation. In addition, exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition.

Post-Approval Requirements for Drugs and Biologics

Any products manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to record-keeping, reporting of adverse experiences, periodic reporting, product sampling and distribution, and advertising and promotion of the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing user fee requirements, under which the FDA assesses an annual program fee for each product identified in an approved NDA or BLA. Drug and biologic manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMPs, which impose certain procedural and documentation requirements upon NDA or BLA holders and any third-party manufacturers. Changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMPs and impose reporting requirements upon us and any third-party manufacturers that

we may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMPs and other aspects of regulatory compliance.

The FDA may withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical studies to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of a product, complete withdrawal of the product from the market or product recalls;
- fines, warning letters or holds on post-approval clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of existing product approvals;
- product seizure or detention, or refusal of the FDA to permit the import or export of products;
- consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs;
- mandated modification of promotional materials and labeling and the issuance of corrective information;
- the issuance of safety alerts, Dear Healthcare Provider letters, press releases and other communications containing warnings or other safety information about the product; or
- injunctions or the imposition of civil or criminal penalties.

The FDA closely regulates the marketing, labeling, advertising and promotion of biologics. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the FDA and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. Failure to comply with these requirements can result in, among other things, adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties. Physicians may prescribe legally available products for uses that are not described in the product's labeling and that differ from those approved by the FDA. Such off-label uses are common across medical specialties. Physicians may believe that such off-label uses are the best treatment for many patients in varied circumstances. The FDA does not regulate the behavior of physicians in their choice of treatments. The FDA does, however, restrict manufacturer's communications on the subject of off-label use of their products.

Hatch-Waxman Act and Drug Product Exclusivity

Section 505 of the FDCA describes three types of marketing applications that may be submitted to the FDA to request marketing authorization for a new drug. A Section 505(b)(1) NDA is an application that contains full reports of investigations of safety and efficacy. A 505(b)(2) NDA is an application that contains full reports of investigations of safety and efficacy but where at least some of the information required for approval comes from investigations that were not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted. This regulatory pathway enables the applicant to rely, in part, on the FDA's prior findings of safety and efficacy for an existing product, or published literature, in support of its application. Section 505(j) of the FDCA establishes an abbreviated approval process for a generic version of approved drug products through the submission of an Abbreviated New Drug Application, or ANDA. An ANDA provides for marketing of a generic drug product that has the same active ingredients, dosage form, strength, route of administration, labeling, performance characteristics and intended use, among other things, to a previously approved product. ANDAs are termed "abbreviated" because they are generally not required to include preclinical (animal) and clinical (human) data to establish safety and efficacy. Instead, generic applicants must scientifically demonstrate that their product is bioequivalent to, or performs in the same manner as, the innovator drug through in vitro, in vivo, or other testing. The generic version must deliver the same amount of active ingredients into a subject's bloodstream in the same amount of time as the innovator drug and can often be substituted by pharmacists under prescriptions written for the reference listed drug. In seeking approval for a drug through an NDA, applicants are required to list with the FDA each patent with claims that cover the applicant's drug or a method of using the drug. Upon approval of a drug, each of the patents listed in the application for the drug is then published in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book. Drugs listed in the Orange Book can, in turn, be cited by potential competitors in support of approval of an ANDA or 505(b)(2) NDA.

Upon submission of an ANDA or a 505(b)(2) NDA, an applicant must certify to the FDA that: (1) no patent information on the drug product that is the subject of the application has been submitted to the FDA; (2) such patent has expired; (3) the date on which such patent expires; or (4) such patent is invalid or will not be infringed upon by the manufacture, use or sale of the drug product for which the application is submitted. Generally, the ANDA or 505(b)(2) NDA cannot be approved until all listed patents have expired, except where the ANDA or 505(b)(2) NDA applicant challenges a listed patent through the last type of certification, also known as a paragraph IV certification. If the applicant does not challenge the listed patents or indicates that it is not seeking approval of a patented method of use, the ANDA or 505(b)(2) NDA application will not be approved until all of the listed patents claiming the referenced product have expired. If the ANDA or 505(b)(2) NDA applicant has provided a Paragraph IV certification to the FDA, the applicant must send notice of the Paragraph IV certification to the NDA and patent holders once the application has been accepted for filing by the FDA. The NDA and patent holders may then initiate a patent infringement lawsuit in response to the notice of the paragraph IV certification. If the paragraph IV certification is challenged by an NDA holder or the patent owner(s) asserts a patent challenge to the paragraph IV certification, the FDA may not approve that application until the earlier of 30 months from the receipt of the notice of the paragraph IV certification, the expiration of the patent, when the infringement case concerning each such patent was favorably decided in the applicant's favor or settled, or such shorter or longer period as may be ordered by a court. This prohibition is generally referred to as the 30-month stay. In instances where an ANDA or 505(b)(2) NDA applicant files a paragraph IV certification, the NDA holder or patent owner(s) regularly take action to trigger the 30-month stay, recognizing that the related patent litigation may take many months or years to resolve. Thus, approval of an ANDA or 505(b)(2) NDA could be delayed for a significant period of time depending on the patent certification the applicant makes and the reference drug sponsor's decision to initiate patent litigation.

The Hatch-Waxman Act also establishes periods of non-patent regulatory exclusivity for certain approved drug products, during which the FDA cannot approve (or in some cases accept) an ANDA or 505(b)(2) application that relies on the branded reference drug. For example, the holder of an NDA, including a 505(b)(2) NDA, may obtain five years of non-patent data exclusivity upon approval of a new drug containing new chemical entities that have not been previously approved by the FDA. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the therapeutic activity of the drug substance. During the exclusivity period, the FDA may not accept for review an ANDA or a 505(b)(2) NDA submitted by another company that contains the previously approved active moiety. However, an ANDA or 505(b)(2) NDA may be submitted after four years if it contains a certification of patent invalidity or non-infringement. The Hatch-Waxman Act also provides three years of non-patent exclusivity to the holder of an NDA (including a 505(b)(2) NDA) for a particular condition of approval, or change to a marketed product, such as a new formulation for a previously approved product, if one or more new clinical studies (other than bioavailability or bioequivalence studies) was essential to the approval of the application and was conducted/sponsored by the applicant. This three-year exclusivity period protects against FDA approval of ANDAs and 505(b)(2) NDAs for the condition of the new drug's approval. As a general matter, the three year exclusivity does not prohibit the FDA from approving ANDAs or 505(b)(2) NDAs for generic versions of the original, unmodified drug product. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA; however, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to all of the preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and efficacy.

Biosimilars and Reference Product Exclusivity

The Biologics Price Competition and Innovation Act of 2009, or BPCIA, created an abbreviated approval pathway for biological products that are highly similar, or “biosimilar,” to or interchangeable with an FDA-approved reference biological product. Biosimilarity, which requires that there be no clinically meaningful differences between the biological product and the reference product in terms of safety, purity, and potency, is generally shown through analytical studies, animal studies, and a clinical study or studies. Interchangeability requires that a product is biosimilar to the reference product and the product must demonstrate that it can be expected to produce the same clinical results as the reference product in any given patient and, for products that are administered multiple times to an individual, the biologic and the reference biologic may be alternated or switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic. A product shown to be biosimilar or interchangeable with an FDA-approved reference biological product may rely in part on the FDA’s previous determination of safety and effectiveness for the reference product for approval, which can potentially reduce the cost and time required to obtain approval to market the product.

Under the BPCIA, an application for a biosimilar product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing that applicant’s own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of its product. The BPCIA also created certain exclusivity periods for biosimilars approved as interchangeable products.

Both drugs and biological products can also obtain pediatric market exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods and patent terms. This six-month exclusivity, which runs from the end of any existing periods of regulatory exclusivity or patent term, may be granted based on the voluntary completion of a pediatric study in accordance with an FDA-issued “Written Request” for such a study.

U.S. Drug Enforcement Administration Regulation

We are developing certain product candidates that utilize, or may utilize controlled substances regulated by the U.S. Drug Enforcement Administration, DEA. The Controlled Substances Act of 1970, or CSA, establishes registration, security, recordkeeping, reporting, storage, distribution and other requirements administered by the DEA. The DEA is concerned with the control of handlers of controlled substances, and with the equipment and raw materials used in their manufacture and packaging, in order to prevent loss and diversion into illicit channels of commerce. 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.

Annual registration is required for any facility that manufactures, distributes, dispenses, imports or exports any controlled substance. The registration is specific to the particular location, activity and controlled substance schedule. For example, separate registrations are needed for import and manufacturing, and each registration will specify which schedules of controlled substances are authorized. The DEA typically inspects a facility to review its security measures prior to issuing a registration. Security requirements vary by controlled substance schedule, with the most stringent requirements applying to Schedule I and Schedule II substances. Required security measures include background checks on employees and physical control of inventory through measures such as cages, surveillance cameras and inventory reconciliations. Records must be maintained for the handling of all controlled substances, and periodic reports made to the DEA. Reports must also be made for thefts or losses of any controlled substance, and authorization must be obtained to destroy any controlled substance. In addition, special authorization and notification requirements apply to imports and exports.

To meet its responsibilities, the DEA conducts periodic inspections of registered establishments that handle controlled substances. Failure to maintain compliance with applicable requirements, particularly as manifested in loss or diversion, can result in enforcement action. The DEA may seek civil penalties, refuse to renew necessary registrations, or initiate proceedings to revoke those registrations. In certain circumstances, violations could eventuate in criminal proceedings. Individual states also regulate controlled substances, and we and our contract manufacturers are also subject to state regulation on distribution of these products.

U.S. Regulation of Medical Devices

The FDA regulates the development, design, non-clinical and clinical research, manufacturing, safety, efficacy, labeling, packaging, storage, installation, servicing, recordkeeping, premarket clearance or approval, adverse event reporting, advertising, promotion, marketing and distribution, and import and export of medical devices to ensure that medical devices distributed domestically are safe and effective for their intended uses and otherwise meet the requirements of the FDCA.

U.S. Medical Device Classification:

Unless an exemption applies, each medical device commercially distributed in the United States requires either FDA clearance of a 510(k) premarket notification, or approval of a premarket approval, or PMA, application. Under the FDCA, medical devices are classified into one of three classes—Class I, Class II or Class III—depending on the degree of risk associated with each medical device and the extent of manufacturer and regulatory control needed to ensure its safety and effectiveness. Class I includes devices with the lowest risk to the patient and are those for which safety and effectiveness can be assured by adherence to the FDA's General Controls for medical devices, which include compliance with the applicable portions of the QSR, facility registration and product listing, reporting of adverse medical events, and truthful and non-misleading labeling, advertising, and promotional materials. Class II devices are subject to the FDA's General Controls, and special controls as deemed necessary by the FDA to ensure the safety and effectiveness of the device. These special controls can include performance standards, post-market surveillance, patient registries and FDA guidance documents.

While most Class I devices are exempt from the 510(k) premarket notification requirement, manufacturers of most Class II devices are required to submit to the FDA a premarket notification under Section 510(k) of the FDCA requesting permission to commercially distribute the device. The FDA's permission to commercially distribute a device subject to a 510(k) premarket notification is generally known as 510(k) clearance. Devices deemed by the FDA to pose the greatest risks, such as life-sustaining, life-supporting or some implantable devices, or devices that have a new intended use, or use advanced technology that is not substantially equivalent to that of a legally marketed device, are placed in Class III, requiring approval of a PMA. Some pre-amendment devices are unclassified, but are subject to FDA's premarket notification and clearance process in order to be commercially distributed.

510(k) Clearance Marketing Pathway

To obtain 510(k) clearance, a manufacturer must submit to the FDA a premarket notification demonstrating that the proposed device is "substantially equivalent" to a predicate device already on the market. A predicate device is a legally marketed device that is not subject to premarket approval, i.e., a device that was legally marketed prior to May 28, 1976 (pre-amendments device) and for which a PMA is not required, a device that has been reclassified from Class III to Class II or I, or a device that was found substantially equivalent through the 510(k) process. The FDA's 510(k) clearance process usually takes from three to twelve months, but may take longer. The FDA may require additional information, including clinical data, to make a determination regarding substantial equivalence.

If the FDA agrees that the device is substantially equivalent to a predicate device currently on the market, it will grant 510(k) clearance to commercially market the device. If the FDA determines that the device is "not substantially equivalent" to a previously cleared device, the device is automatically designated as a Class III device. The device sponsor must then fulfill more rigorous PMA requirements, or can request a risk-based classification determination for the device in accordance with the "de novo" process, which is a route to market for novel medical devices that are low to moderate risk and are not substantially equivalent to a predicate device.

After a device receives 510(k) clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change or modification in its intended use, will require a new 510(k) clearance or, depending on the modification, PMA approval or de novo reclassification. The FDA requires each manufacturer to determine whether the proposed change requires submission of a 510(k), de novo request or a PMA in the first instance, but the FDA can review any such decision and disagree with a manufacturer's determination. If the FDA disagrees with a manufacturer's determination, the FDA can require the manufacturer to cease marketing and/or request the recall of the modified device until 510(k) marketing clearance or PMA approval is obtained or a de novo request is granted. Also, in these circumstances, the manufacturer may be subject to significant regulatory fines or penalties.

PMA Approval Pathway

Class III devices require PMA approval before they can be marketed, although some pre-amendment Class III devices for which FDA has not yet required a PMA are cleared through the 510(k) process. The PMA process is more demanding than the 510(k) premarket notification process. In a PMA, the manufacturer must demonstrate that the device is safe and effective, and the PMA must be supported by extensive data, including data from pre-clinical studies and human clinical trials. The PMA must also contain a full description of the device and its components, a full description of the methods, facilities, and controls used for manufacturing, and proposed labeling. Following receipt of a PMA, the FDA determines whether the application is sufficiently complete to permit a substantive review. If FDA accepts the application for review, it has 180 days under the FDCA to complete its review of a PMA, although in practice, the FDA's review often takes significantly longer, and can take up to several years. An advisory panel of experts from outside the FDA may be convened to review and evaluate the application and provide recommendations to the FDA as to the approvability of the device. The FDA may or may not accept the panel's recommendation. In addition, the FDA will generally conduct a pre-approval inspection of the applicant or its third-party manufacturers' or suppliers' manufacturing facility or facilities to ensure compliance with the QSR.

The FDA will approve the new device for commercial distribution if it determines that the data and information in the PMA constitute valid scientific evidence and that there is reasonable assurance that the device is safe and effective for its intended use(s). The FDA may approve a PMA with post-approval conditions intended to ensure the safety and effectiveness of the device, or on some form of post-market surveillance when deemed necessary to protect the public health. or to provide additional safety and efficacy data for the device in a larger population or for a longer period of use. In such cases, the manufacturer might be required to follow certain patient groups for a number of years and to make periodic reports to the FDA on the clinical status of those patients. Failure to comply with the conditions of approval can result in material adverse enforcement action, including withdrawal of the approval.

Certain changes to an approved device, such as changes in manufacturing facilities, methods, or quality control procedures, or changes in the design performance specifications, which affect the safety or effectiveness of the device, require submission of a PMA supplement. PMA supplements often require submission of the same type of information as a PMA, except that the supplement is limited to information needed to support any changes from the device covered by the original PMA and may not require as extensive clinical data or the convening of an advisory panel.

De novo classification process

Medical device types that the FDA has not previously classified as Class I, II, or III are automatically classified into Class III regardless of the level of risk they pose. The Food and Drug Administration Modernization Act of 1997 established a route to market for low-to-moderate risk medical devices that are automatically placed into Class III due to the absence of a predicate device, called the "Request for Evaluation of Automatic Class III Designation," or the de novo classification procedure. This procedure allows a manufacturer whose novel device is automatically classified into Class III to request down-classification of its medical device into Class I or Class II on the basis that the device presents low or moderate risk, rather than requiring the submission and approval of a PMA application. Manufacturers may request de novo classification directly without first submitting a 510(k) pre-market notification to the FDA and receiving a not-substantially-equivalent determination.

The FDA is required to classify a medical device within 120 days following receipt of a de novo request, although, in practice, the process may take significantly longer. If the manufacturer seeks reclassification into Class II, the manufacturer must include a draft proposal for special controls that are necessary to provide a reasonable assurance of the safety and effectiveness of the medical device. If FDA grants the de novo request, the device may be legally marketed in the United States. However, the FDA may reject the request if the FDA identifies a legally marketed predicate device that would be appropriate for a 510(k) notification, determines that the device is not low-to-moderate risk, or determines that general controls would be inadequate to control the risks and/or special controls cannot be developed. After a device receives de novo classification, any modification that could significantly affect its safety or efficacy, or that would constitute a major change or modification in its intended use, will require a new 510(k) clearance or, depending on the modification, another de novo request or even PMA approval.

Clinical Trials for Medical Devices

Clinical trials are almost always required to support a PMA or a de novo request, and are sometimes required to support 510(k) submissions. All clinical investigations of devices to determine safety and effectiveness must be conducted in accordance with the FDA's investigational device exemption, or IDE, regulations which govern investigational device labeling, prohibit promotion of the investigational device, and specify an array of recordkeeping, reporting and monitoring responsibilities of study sponsors and study investigators. If the device presents a "significant risk" to human health, as defined by the FDA, the FDA requires the device sponsor to submit an IDE application to the FDA, which must become effective prior to commencing human clinical trials. If the device under evaluation does not present a significant risk to human health, then the device sponsor is not required to submit an IDE application to the FDA before initiating human clinical trials, but must still comply with abbreviated IDE requirements when conducting such trials. A significant risk device is one that presents a potential for serious risk to the health, safety or welfare of a patient and either is implanted, used in supporting or sustaining human life, substantially important in diagnosing, curing, mitigating or treating disease or otherwise preventing impairment of human health, or otherwise presents a potential for serious risk to a subject. An IDE application must be supported by appropriate data, such as animal and laboratory test results, showing that it is safe to test the device in humans and that the testing protocol is scientifically sound. The IDE will automatically become effective 30 days after receipt by the FDA unless the FDA notifies the company that the investigation may not begin. If the FDA determines that there are deficiencies or other concerns with an IDE for which it requires modification, the FDA may permit a clinical trial to proceed under a conditional approval.

Regardless of the degree of risk presented by the medical device, clinical studies must be approved by, and conducted under the oversight of, an IRB for each clinical site. The IRB is responsible for the initial and continuing review of the IDE, and may pose additional requirements for the conduct of the study. If an IDE application is approved by the FDA and one or more IRBs, human clinical trials may begin at a specific number of investigational sites with a specific number of patients, as approved by the FDA. An IDE supplement must be submitted to, and approved by, the FDA before a sponsor or investigator may make a change to the investigational plan that may affect its scientific soundness, study plan or the rights, safety or welfare of human subjects.

During a study, the sponsor is required to comply with the applicable FDA requirements, including, for example, trial monitoring, selecting clinical investigators and providing them with the investigational plan, ensuring IRB review, adverse event reporting, record keeping and prohibitions on the promotion of investigational devices or on making safety or effectiveness claims for them. The clinical investigators in the clinical study are also subject to FDA's regulations and must obtain patient informed consent, rigorously follow the investigational plan and study protocol, control the disposition of the investigational device, and comply with all reporting and recordkeeping requirements. Additionally, after a trial begins, we, the FDA or the IRB could suspend or terminate a clinical trial at any time for various reasons, including a belief that the risks to study subjects outweigh the anticipated benefits.

Post-market Regulation

After a device is cleared or approved for marketing, numerous and pervasive regulatory requirements continue to apply. These include:

- establishment registration and device listing with the FDA;
- QSR requirements, which require manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the design and manufacturing process;
- labeling regulations and FDA prohibitions against the promotion of investigational products, or the promotion of "off-label" uses of cleared or approved products;
- requirements related to promotional activities;
- clearance or approval of product modifications to cleared devices or devices authorized through the de novo classification process that could significantly affect safety or effectiveness, or that would constitute a major change in intended use of such devices, or approval of certain modifications to PMA-approved devices;
- medical device reporting regulations, which require that a manufacturer report to the FDA if a device it markets may have caused or contributed to a death or serious injury, or has malfunctioned and the device or a similar device that it markets would be likely to cause or contribute to a death or serious injury, if the malfunction were to recur;
- correction, removal and recall reporting regulations, which require that manufacturers report to the FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health;
- the FDA's recall authority, whereby the agency can order device manufacturers to recall from the market a product that is in violation of governing laws and regulations; and
- post-market surveillance activities and regulations, which apply when deemed by the FDA to be necessary to protect the public health or to provide additional safety and effectiveness data for the device.

Manufacturing processes for medical devices are currently required to comply with the applicable portions of the QSR, which currently cover the methods and the facilities and controls for the design, manufacture, testing, production, processes, controls, quality assurance, labeling, packaging, distribution, installation and servicing of finished devices intended for human use. The QSR also requires, among other things, maintenance of a device master file, device history file, and complaint files. Medical device manufacturers are subject to periodic scheduled or unscheduled inspections by the FDA. Failure to maintain compliance with the QSR requirements could result in the shutdown of, or restrictions on, manufacturing operations and the recall or seizure of marketed products. The discovery of previously unknown problems with marketed medical devices, including unanticipated adverse events or adverse events of increasing severity or frequency, whether resulting from the use of the device within the scope of its clearance or off-label by a physician in the practice of medicine, could result in restrictions on the device, including the removal of the product from the market or voluntary or mandatory device recalls.

In addition, in February 2024, the FDA issued a final rule to amend and replace the QSR, which sets forth the FDA's current good manufacturing practice requirements for medical devices, to align more closely with the International Organization for Standardization standards. Specifically, this final rule, which the FDA expects to go into effect on February 2, 2026, establishes the Quality Management System Regulation, or QMSR, which, among other things, incorporates by reference the quality management system requirements of ISO 13485:2016. Until such time as the QMSR becomes effective, manufacturers of medical devices are still required to comply with the current QSR.

The FDA has broad regulatory compliance and enforcement powers. If the FDA determines that a manufacturer has failed to comply with applicable regulatory requirements, it can take a variety of compliance or enforcement actions, which may result in a variety of sanctions, including: warning letters, untitled letters, fines, injunctions, consent decrees and civil penalties; recalls, withdrawals, or administrative detention or product seizures; operating restrictions or partial suspension or total shutdown of production; refusing or delaying requests for 510(k) marketing clearance or PMA approvals of new products or modified products; withdrawing 510(k) clearances or PMA approvals that have already been granted; refusal to grant export approvals for; or criminal prosecution.

FDA Regulation of Companion Diagnostics

If safe and effective use of a drug or biologic depends on an in vitro diagnostic test, then the FDA generally will require approval or clearance of that diagnostic, known as a companion diagnostic, at the same time that the FDA approves the therapeutic product. In August 2014, the FDA issued final guidance clarifying the requirements that will apply to approval of therapeutic products and in vitro companion diagnostics. According to the guidance, if the FDA determines that a companion diagnostic device is essential to the safe and effective use of a novel therapeutic product or indication, FDA generally will not approve the therapeutic product or new therapeutic product indication if the companion diagnostic device is not approved or cleared for that indication. Approval or clearance of the companion diagnostic device will ensure that the device has been adequately evaluated and has adequate performance characteristics in the intended population.

Foreign Regulation

To market any product outside of the United States, we would need to comply with numerous and varying regulatory requirements of other countries regarding safety and efficacy and governing, among other things, clinical trials, marketing authorization, commercial sales and distribution of our products. The foreign regulatory approval process includes all of the risks associated with FDA approval set forth above, as well as additional country-specific regulation. Because biologically sourced raw materials are subject to unique contamination risks, their use may be restricted in some countries.

Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. Approval by one regulatory authority does not ensure approval by regulatory authorities in other jurisdictions. The approval process varies from country to country, can involve additional testing beyond that required by FDA, and may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing, promotion, and reimbursement vary greatly from country to country.

Regulation of medicinal products in the European Union

Non-clinical Studies and Clinical Trials

Similar to the United States, the various phases of preclinical and clinical research in the EU are subject to significant regulatory controls.

Non-clinical studies are performed to demonstrate the health or environmental safety of new chemical or biological substances. Non-clinical studies (pharmaco-toxicological) must be conducted in compliance with the GLP principles, as set forth in EU Directive 2004/10/EC (unless otherwise justified for certain particular medicinal products, e.g., radio-pharmaceutical precursors for radio-labeling purposes). In particular, non-clinical studies, both in vitro and in vivo, must be planned, performed, monitored, recorded, reported and archived in accordance with the GLP principles, which define a set of rules and criteria for a quality system for the organizational process and the conditions for non-clinical studies. These GLP standards reflect the Organization for Economic Co-operation and Development requirements.

Clinical trials of medicinal products in the EU must be conducted in accordance with EU and national regulations and the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use, or ICH, guidelines on Good Clinical Practices, or GCP, as well as the applicable regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki. If the sponsor of the clinical trial is not established within the EU, it must appoint an EU entity to act as its legal representative. The sponsor must take out a clinical trial insurance policy, and in most EU member states, the sponsor is liable to provide 'no fault' compensation to any study subject injured in the clinical trial.

The regulatory landscape related to clinical trials in the EU has been subject to recent changes. 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. Unlike directives, the CTR is directly applicable in all EU member states without the need for member states to further implement it into national law. The CTR notably harmonizes the assessment and supervision processes for clinical trials throughout the EU via a Clinical Trials Information System, which contains a centralized EU portal and database.

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, much like the FDA and IRB respectively, the CTR introduces a centralized process and only requires the submission of a single application for multi-center 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 CTA must include, among other things, a copy of the trial protocol and an investigational medicinal product dossier containing information about the manufacture and quality of the medicinal product under investigation. 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.

Medicines used in clinical trials must be manufactured in accordance with Good Manufacturing Practice, or GMP. Other national and EU-wide regulatory requirements may also apply.

Marketing Authorization

In order to market our product candidates in the EU and many other foreign jurisdictions, we must obtain separate regulatory approvals. More concretely, in the EU, medicinal products can only be commercialized after obtaining a marketing authorization, or MA. To obtain regulatory approval of a product candidate under EU regulatory systems, we must submit a MA application, or MAA. The process for doing this depends, among other things, on the nature of the medicinal product. There are two main types of MA.

- "Centralized MAs" are issued by the European Commission through the centralized procedure, based on the opinion of the Committee for Medicinal Products for Human Use, or CHMP, of the European Medicines Agency, or EMA, and are valid throughout the entire territory of the EU. The centralized procedure is mandatory for certain types of products, such as (i) medicinal products derived from biotechnological processes, (ii) designated orphan medicinal products, (iii) advanced-therapy medicinal products, or ATMPs (i.e. gene-therapy, somatic cell-therapy or tissue-engineered medicines) and (iv) medicinal products containing a new active substance indicated for the treatment of HIV/AIDS, cancer, neurodegenerative diseases, diabetes, or autoimmune diseases and other immune dysfunctions and viral diseases. The centralized procedure is optional for products containing a new active substance not yet authorized in the EU, or for products that constitute a significant therapeutic, scientific or technical innovation or which are in the interest of public health in the EU. Under the centralized procedure the maximum timeframe for the evaluation of a MAA by the EMA is 210 days, excluding clock stops. In exceptional cases, the CHMP might perform an accelerated review of a MAA in no more than 150 days (not including clock stops).
- "National MAs" are issued by the competent authorities of the EU member states, only cover their respective territory, and are available for products not falling within the mandatory scope of the centralized procedure. Where a product has already been authorized for marketing in an EU member state, this national MA can be recognized in other member states through the mutual recognition procedure. If the product has not received a national MA in any member state at the time of application, it can be approved simultaneously in various member states through the decentralized procedure. Under the decentralized procedure an identical dossier is submitted to the competent authorities of each of the member states in which the MA is sought, one of which is selected by the applicant as the reference member state, or RMS. The competent authority of the RMS

prepares a draft assessment report, a draft summary of the product characteristics, or SmPC, and a draft of the labeling and package leaflet, which are sent to the other Member States (referred to as the concerned member states, or CMSs) for their approval. If the CMSs raise no objections, based on a potential serious risk to public health, to the assessment, SmPC, labeling, or packaging proposed by the RMS, the product is subsequently granted a national MA in all the member states (i.e., in the RMS and the CMSs).

Under the above described procedures, before granting the MA, the EMA or the competent authorities of the EU member states make an assessment of the risk-benefit balance of the product on the basis of scientific criteria concerning its quality, safety and efficacy. MAs have an initial duration of five years. After these five years, the authorization may be renewed on the basis of a reevaluation of the risk-benefit balance.

Furthermore, MA may also be granted "under exceptional circumstances" when the applicant can show that it is unable to provide comprehensive data on the efficacy and safety under normal conditions of use even after the product has been authorized and subject to specific procedures being introduced. This may arise in particular when the intended indications are very rare and, in the present state of scientific knowledge, it is not possible to provide comprehensive information, or when generating data may be contrary to generally accepted ethical principles. This MA is reserved to medicinal products to be approved for severe diseases or unmet medical needs and the applicant does not hold the complete data set legally required for the grant of a MA. The applicant does not have to provide the missing data and will never have to. Although the MA "under exceptional circumstances" is granted definitively, the risk-benefit balance of the medicinal product is reviewed annually and the MA is withdrawn in case the risk-benefit ratio is no longer favorable.

Data and Marketing Exclusivity

In the EU, innovative medicinal products (including both small molecules and biological medicinal products) generally receive eight years of data exclusivity and an additional two years of market exclusivity upon MA. The data exclusivity period, if granted, prevents generic or biosimilar applicants from referencing the innovator's pre-clinical and clinical trial data contained in the dossier of the reference product when applying for a generic or biosimilar MA, for a period of eight years from the date on which the reference product was first authorized in the EU. During the additional two-year period of market exclusivity, a generic or biosimilar MA can be submitted, and the innovator's data may be referenced, but no generic or biosimilar product can be marketed until the expiration of the market exclusivity period. The overall ten-year period can be extended to a maximum of 11 years if, during the first eight years of those ten years, the MA holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are determined to bring a significant clinical benefit in comparison with currently approved therapies. However, there is no guarantee that a product will be considered by the EU's regulatory authorities to be a new chemical or biological entity, and products may not qualify for data exclusivity.

In the EU, there is a special regime for biosimilars, or biological medicinal products that are similar to a reference medicinal product but that do not meet the definition of a generic medicinal product, for example, because of differences in raw materials or manufacturing processes. For such products, the results of appropriate preclinical or clinical trials must be provided, and guidelines from the EMA detail the type of quantity of supplementary data to be provided for different types of biological product. There are no such guidelines for complex biological products, such as gene or cell therapy medicinal products, and so it is unlikely that biosimilars of those products will currently be approved in the EU. However, guidance from the EMA states that they will be considered in the future in light of the scientific knowledge and regulatory experience gained at the time.

Orphan Medicinal Products

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 life-threatening or chronically debilitating conditions, (2) either (a) such condition affects no more than 5 in 10,000 persons in the EU when the application is made, or (b) where it is unlikely that the marketing of the medicine would generate sufficient return in the EU to justify the necessary investment in its development, and (3) there exists no satisfactory method of diagnosis, prevention or treatment of the condition that have been authorized in the EU or, if such a method exists, the product in question would be of significant benefit to those affected by the condition.

Orphan designation must be requested before submitting an MAA. In the 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 MA, 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 MA, or accept an application to extend a MA 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.

This period may be reduced to six years if, at the end of the fifth year, it is established that the orphan designation criteria are no longer met, 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, MA may only be granted to a "similar medicinal product" for the same indication at any time, if (i) the holder of the MA for the original orphan medicinal product consents to a second orphan medicinal product application, (ii) the holder of the MA for the original orphan medicinal product cannot supply sufficient quantities of the orphan medicinal product, or (iii) the second applicant can establish that its medicinal product, although similar, is safer, more effective or otherwise clinically superior to the authorized orphan medicinal product. A "similar medicinal product" is defined as a medicinal product containing a similar active substance or substances as contained in an authorized orphan medicinal product, and which is intended for the same therapeutic indication. Orphan designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process.

European Pediatric Development

In the EU, MAAs for new medicinal products have to include the results of studies conducted in the pediatric population, in compliance with a PIP, with the EMA's Pediatric Committee, or PDCO. The PIP sets out the timing and measures proposed to generate data to support a pediatric indication of the product candidate for which MA is being sought. The PDCO can grant a

deferral of the obligation to implement some or all of the measures of the PIP until there are sufficient data to demonstrate the efficacy and safety of the product in adults. Further, the obligation to provide pediatric clinical trial data can be waived by the PDCO when this data is not needed or appropriate because the product is likely to be ineffective or unsafe in children, the disease or condition for which the product is intended occurs only in adult populations, or when the product does not represent a significant therapeutic benefit over existing treatments for pediatric patients. Once the MA is obtained in all the EU member states and study results are included in the product information, even where such results are negative, the product is eligible for six months' supplementary protection certificate extension (if any is in effect at the time of approval) or, in the case of orphan medicinal products, a two year extension of the orphan market exclusivity is granted.

Controlled Substances

Controlled substances are not regulated at EU level and 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. Before the relevant authority can issue an export authorization for a particular shipment, the exporter must provide the authority with a copy of the import authorization issued by the relevant authority of the importing country. Implementation of the obligations provided in the UN Conventions and additional requirements are regulated at national level and requirements may vary from one member state to another.

Post-Approval requirements

Similar to the United States, both MA holders and manufacturers of medicinal products are subject to comprehensive regulatory oversight by the EMA, the European Commission and/or the competent regulatory authorities of the member states. The holder of a MA must establish and maintain a pharmacovigilance system and appoint an individual qualified person for pharmacovigilance, or QPPV, who is responsible for the establishment and maintenance oversight of that system, and oversees the safety profiles of medicinal products and any emerging safety concerns. Key obligations include expedited reporting of suspected serious adverse reactions and submission of periodic safety update reports, or PSURs.

All new MAA must include a risk management plan, or RMP, describing the risk management system that the company will put in place and documenting measures to prevent or minimize the risks associated with the product. The regulatory authorities may also impose specific obligations as a condition of the MA. Such risk-minimization measures or post-authorization obligations may include additional safety monitoring, more frequent submission of PSURs, or the conduct of additional clinical trials or post-authorization safety studies.

The advertising and promotion of medicinal products is also subject to laws concerning promotion of medicinal products, interactions with physicians, misleading and comparative advertising and unfair commercial practices. All advertising and promotional activities for the product must be consistent with the approved summary of product characteristics, and therefore all off-label promotion is prohibited. Direct-to-consumer advertising of prescription medicines is also prohibited in the EU. Although general requirements for advertising and promotion of medicinal products are established under EU directives, the details are governed by regulations in each member state and can differ from one country to another.

Much like the Anti-Kickback Statue prohibition in the United States, the provision of benefits or advantages to physicians to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of medicinal products is also prohibited in the EU. The provision of benefits or advantages to induce or reward improper performance generally is usually governed by national EU member states anti-bribery laws. Infringement of these laws could result in substantial fines and imprisonment.

Payments made to physicians in certain EU member states must be publicly disclosed. Moreover, agreements with physicians often must be the subject of prior notification and/or approval by the physician's employer, his or her competent professional organization and/or the regulatory authorities of the individual EU member states. These requirements are provided in national laws, industry codes or professional codes of conduct, applicable in the EU member states.

Failure to comply with EU and member state laws that apply to the conduct of clinical trials, manufacturing approval, MA of medicinal products and marketing of such products, both before and after grant of the MA, manufacturing of pharmaceutical products, statutory health insurance, bribery and anti-corruption or with other applicable regulatory requirements may result in administrative, civil or criminal penalties. These penalties could include delays or refusal to authorize the conduct of clinical trials, or to grant MA, product withdrawals and recalls, product seizures, suspension, withdrawal or variation of the MA, total or partial suspension of production, distribution, manufacturing or clinical trials, operating restrictions, injunctions, suspension of licenses, fines and criminal penalties.

The aforementioned EU rules are generally applicable in the European Economic Area, or EEA, which consists of the 27 EU member states plus Norway, Liechtenstein and Iceland.

Regulation of Combination Products in the European Union

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. EU guidance has been published to help manufacturers select the right regulatory framework.

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. The EMA is responsible for evaluating the quality, safety and efficacy of MAAs submitted through the centralized procedure, including the safety and performance of the medical device in relation to its use with the medicinal product. The EMA or the EU member state national competent authority will assess the product in accordance with the rules for medicinal products described above but the device part must comply with Regulation (EU) No 2017/745, or the EU Medical Devices Regulation (including the general safety and performance requirements provided in Annex I). MAA 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 MAA 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 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 EU Medical Devices Regulation.

The characteristics of non-integral devices used for the administration of medicinal products may impact the quality, safety and efficacy profile of the medicinal products. To the extent that administration devices are co-packaged with the medicinal product or, in exceptional cases, where the use of a specific type of administration device is specifically provided for in the product information of the medicinal product, additional information may need to be provided in the MAA for the medicinal product on the characteristics of the medical device(s) that may impact on the quality, safety and/or efficacy of the medicinal product.

The requirements regarding quality documentation for medicinal products when used with a medical device, including single integral products, co-packaged and referenced products, are outlined in the EMA guideline of July 22, 2021, which became applicable as of January 1, 2022.

The aforementioned EU rules are generally applicable in the EEA

Regulation of Medical Devices in the European Union

In the EU, until May 25, 2021, medical devices were regulated by the Council Directive 93/42/EEC, or the EU Medical Devices Directive which has been repealed and replaced by the EU Medical Devices Regulation. Our Founded Entities' medical devices current certificates have been granted under the EU Medical Devices Directive whose regime is described below. In accordance with the EU Medical Devices Regulation's recently extended transitional provisions, both (i) devices lawfully placed on the market pursuant to the EU Medical Devices Directive prior to May 26, 2021, and (ii) legacy devices lawfully placed on the EU market after May 26, 2021 in accordance with the EU Medical Devices Regulation transitional provisions may generally continue to be made available on the market or put into service, provided that the requirements of the transitional provisions are fulfilled. However, even in this case, manufacturers must comply with a number of new or reinforced requirements set forth in the EU Medical Devices Regulation with regard to registration of economic operators and of devices, post-market surveillance and vigilance requirements. Pursuing marketing of medical devices in the EU will notably require that our devices be certified under the new regime set forth in the EU Medical Devices Regulation.

In the EU, there is currently no premarket government review of medical devices. However, the EU requires that, all medical devices placed on the market in the EU must meet the safety and performance requirements laid down in Annex I to the Medical Devices Regulation, 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. The European Commission has adopted various standards applicable to medical devices. These include standards governing common requirements, such as sterilization and safety of medical electrical equipment and product standards for certain types of medical devices. There are also harmonized standards relating to design and manufacture. While not mandatory, compliance with these standards is viewed as the easiest way to satisfy the essential requirements as a practical matter as it creates a rebuttable presumption that the device satisfies that general safety and performance requirement.

Compliance with the general safety and performance requirements of the Medical Devices Regulation is a prerequisite for European conformity marking, or CE mark, without which medical devices cannot be marketed or sold in the EU. To demonstrate compliance with the general safety and performance requirements laid down in Annex I to the EU Medical Devices Regulation, medical device manufacturers must undergo a conformity assessment procedure, which varies according to the type of medical device and its (risk) classification. As a general rule, demonstration of conformity of medical devices and their manufacturers with the general safety and performance must be based, among other things, on the evaluation of clinical data supporting the safety and performance of the products during normal conditions of use. Specifically, a manufacturer must demonstrate that the device achieves its intended performance during normal conditions of use, that the known and foreseeable risks, and any adverse events, are minimized and acceptable when weighed against the benefits of its intended performance, and that any claims made about the performance and safety of the device are supported by suitable evidence. Except for low-risk medical devices (Class I non-sterile, non-measuring devices), 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 or metrology), a conformity assessment procedure requires the intervention of a notified body. Notified bodies are independent organizations designated by EU member states to assess the conformity of devices before being placed on the market. A notified body would typically audit and examine a product's technical

dossiers and the manufacturer's quality system (the notified body must presume that quality systems which implement the relevant harmonized standards – which is ISO 13485:2016 for Medical Devices Quality Management Systems – conform to these requirements). 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 European Conformity, or CE mark, to the device, which allows the device to be placed on the market throughout the EU.

Throughout the term of the certificate of conformity, the manufacturer will be subject to periodic surveillance audits to verify continued compliance with the applicable requirements. In particular, there will be a new audit by the notified body before it will renew the relevant certificate(s).

The EU Medical Devices Regulation requires that before placing a device, other than a custom-made device, on the market, manufacturers (as well as other economic operators such as authorized representatives and importers) must register by submitting identification information to the electronic system (Eudamed), unless they have already registered. The information to be submitted by manufacturers (and authorized representatives) also includes the name, address and contact details of the person or persons responsible for regulatory compliance. The new Regulation also requires that before placing a device, other than a custom-made device, on the market, manufacturers must assign a unique identifier to the device and provide it along with other core data to the unique device identifier, or UDI, database. These new requirements aim at ensuring better identification and traceability of the devices. Each device – and as applicable, each package – will have a UDI composed of two parts: a device identifier, or UDI-DI, specific to a device, and a production identifier, or UDI-PI, to identify the unit producing the device. Manufacturers are also notably responsible for entering the necessary data on Eudamed, which includes the UDI database, and for keeping it up to date. Certain obligations for registration in Eudamed are expected to become applicable in Q1 2026 (as Eudamed is not yet fully functional). Until Eudamed is fully functional, the corresponding provisions of the EU Medical Devices Directive continue to apply for the purpose of meeting the obligations laid down in the provisions regarding exchange of information, including, and in particular, information regarding registration of devices and economic operators.

All manufacturers placing medical devices on the market in the EU must comply with the EU medical device vigilance system which has been reinforced by the EU Medical Devices Regulation. Under this system, serious incidents and Field Safety Corrective Actions, or FSCAs, must be reported to the relevant authorities of the EU member states. These reports will have to be submitted through Eudamed – once functional – and aim to ensure that, in addition to reporting to the relevant authorities of the EU member states, other actors such as the economic operators in the supply chain will also be informed. Until Eudamed is fully functional, the corresponding provisions of the EU Medical Devices Directive continue to apply. Manufacturers are required to take FSCAs, which are defined as any corrective action for technical or medical reasons to prevent or reduce a risk of a serious incident associated with the use of a medical device that is made available on the market. A serious incident is any malfunction or deterioration in the characteristics or performance of a device on the market (e.g., inadequacy in the information supplied by the manufacturer, undesirable side-effect), which, directly or indirectly, might lead to either the death or serious deterioration of the health of a patient, user, or other persons, or to a serious public health threat. An FSCA may include the recall, modification, exchange, destruction or retrofitting of the device. FSCAs must be communicated by the manufacturer or its legal representative to its customers and/or to the end users of the device through Field Safety Notices. For similar serious incidents that occur with the same device or device type and for which the root cause has been identified or a FSCA implemented or where the incidents are common and well documented, manufacturers may provide periodic summary reports instead of individual serious incident reports.

The advertising and promotion of medical devices are subject to some general principles set forth in EU legislation. According to the EU Medical Devices Regulation, only devices that are CE marked may be marketed and advertised in the EU in accordance with their intended purpose. Directive 2006/114/EC concerning misleading and comparative advertising and Directive 2005/29/EC on unfair commercial practices, while not specific to the advertising of medical devices, also apply to the advertising thereof and contain general rules (for example, requiring that advertisements are evidenced, balanced and not misleading). Specific requirements are defined at a national level. EU member states' laws related to the advertising and promotion of medical devices, which vary between jurisdictions, may limit or restrict the advertising and promotion of products to the general public and may impose limitations on promotional activities with healthcare professionals.

In the EU, regulatory authorities have the power to carry out announced and, if necessary, unannounced inspections of companies, suppliers and/or sub-contractors and, where necessary, the facilities of professional users. Failure to comply with regulatory requirements (as applicable) could require time and resources to respond to the regulatory authorities' observations and to implement corrective and preventive actions, as appropriate. Regulatory authorities have broad compliance and enforcement powers and, if such issues cannot be resolved to their satisfaction, can take a variety of actions, including untitled or warning letters, fines, consent decrees, injunctions or civil or criminal penalties.

The aforementioned EU rules are generally applicable in the EEA.

Regulation of In Vitro Diagnostic Medical Devices in the European Union

The EU regulatory landscape concerning in vitro diagnostic medical devices, or IVD MDs, recently evolved. On April 5, 2017 Regulation (EU) 2017/746 of the European Parliament and of the Council on IVD MDs and repealing Directive 98/79/EC and Commission Decision 2010/227/EU, or the IVDR, was adopted to establish a modernized and more robust EU legislative framework, with the aim of ensuring better protection of public health and patient safety. This aims at reducing the risk of discrepancies in interpretation across the different European markets.

The IVDR became applicable on May 26, 2022. Following subsequent legislative changes, European institutions adopted a "progressive" roll-out of the IVDR to prevent disruption in the supply of in vitro diagnostic medical devices. Therefore, the IVDR applies since May 26, 2022. but there is a tiered system extending the grace period for many devices (depending on their risk classification) before they have to be fully compliant with the regulation. However, even in this case, manufacturers must comply with a number of new or reinforced requirements set forth in the EU IVDR. The IVDR among other things:

- strengthens the rules on placing devices on the market and reinforce surveillance once they are available;

- establishes explicit provisions on manufacturers' responsibilities for the follow-up of the quality, performance and safety of devices placed on the market;
- establishes explicit provisions on importers' and distributors' obligations and responsibilities;
- imposes an obligation to identify a responsible person who is ultimately responsible for all aspects of compliance with the requirements of the new regulation;
- improves the traceability of medical devices throughout the supply chain to the end-user or patient through the introduction of a unique identification number, to increase the ability of manufacturers and regulatory authorities to trace specific devices through the supply chain and to facilitate the prompt and efficient recall of medical devices that have been found to present a safety risk;
- sets up a central database (Eudamed) to provide patients, healthcare professionals and the public with comprehensive information on products available in the EU; and
- strengthens rules for the assessment of certain high-risk devices that may have to undergo an additional check by experts before they are placed on the market.

The aforementioned EU rules are generally applicable in the EEA.

Regulation of Companion Diagnostics in the European Union

In the EU, IVD MDs were regulated by the EU IVDD, which regulated the placing on the market, the CE marking, the essential requirements, the conformity assessment procedures, the registration obligations for manufactures and devices as well as the vigilance procedure. IVD MDs had to comply with the requirements provided for in the EU IVDD, and with further requirements implemented at national level (as the case may be).

The regulation of companion diagnostics is subject to further requirements since the IVDR became applicable on May 26, 2022 but there is a tiered system extending the grace period for many devices (depending on their risk classification) before they have to be fully compliant with the Regulation. The IVDR introduced a new classification system for companion diagnostics which are now specifically defined as diagnostic tests that support the safe and effective use of a specific medicinal product, by identifying patients that are suitable or unsuitable for treatment. Companion diagnostics will have to undergo a conformity assessment by a notified body. Before it can issue an EU certificate, the notified body must seek a scientific opinion from the EMA on the suitability of the companion diagnostic to the medicinal product concerned if the medicinal product falls exclusively within the scope of the centralized procedure for the authorization of medicines, or the medicinal product is already authorized through the centralized procedure, or a MAA for the medicinal product has been submitted through the centralized procedure. For other substances, the notified body can seek the opinion from a national competent authorities or the EMA.

Brexit and the Regulatory Framework in the United Kingdom

Since the end of the Brexit transition period on January 1, 2021, and the implementation of the Windsor Framework on January 1, 2025, the United Kingdom, or UK, has not generally been directly subject to EU laws with respect to medicinal products.

Since January 1, 2021, the Medicines and Healthcare products Regulatory Agency, or MHRA, has been the UK's standalone medicines and medical devices regulator. As a result of the Northern Ireland Protocol, different rules applied in Northern Ireland than in GB; broadly, Northern Ireland continued to follow the EU regulatory regime. However, on January 1, 2025, a new 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.

It remains unclear as 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, or GB (England, Scotland and Wales); however, new legislation such as the (EU) CTR is not applicable in GB. Whilst the EU-UK Trade and Cooperation Agreement, or TCA, includes the mutual recognition of 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.

The UK regulatory framework in relation to clinical trials is derived from pre-existing EU legislation (as implemented into UK law, through secondary legislation). The extent to which the regulation of clinical trials in the UK will mirror the (EU) CTR in the long term is not yet certain, however, on December 12, 2024, the UK government introduced a legislative proposal - the Medicines for Human Use (Clinical Trials) Amendment Regulations 2024 - that, if implemented, will replace the current regulatory framework for clinical trials in the UK. The legislative proposal 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. The UK government has provided the legislative proposal to the UK Parliament for its review and approval. Once the legislative proposal is approved (with or without amendment), it will be adopted into UK law which is expected in early 2026.

MAs in the UK are governed by the UK's Human Medicines Regulations 2012. All existing EU MAs for centrally authorized products were automatically converted or grandfathered into UK MAs, effective in GB (only), free of charge on January 1, 2021, unless the MA holder opted out. Under the terms of the Windsor Framework, these MAs became valid for the whole of the UK from January 1, 2025. In order to use the centralized procedure to obtain a MA that will be valid throughout the EEA, companies must be established in the EEA. Therefore, since Brexit, companies established in the UK can no longer use the EU centralized procedure and instead an EEA entity must hold any centralized MAs. In order to obtain a UK MA to commercialize products in the UK, an applicant must be established in the UK and must follow one of the UK national authorization procedures or one of the remaining post-Brexit international cooperation procedures. Applications are governed by the UK's Human Medicines Regulations 2012, and are made electronically through the MHRA Submissions Portal. The MHRA has introduced changes to national licensing procedures, including procedures to prioritize access to new medicines that will benefit patients, including a 150-day assessment and a rolling review procedure. In addition, an international recognition procedure, or IRP, has applied since January 1, 2024, whereby the MHRA will have regard to decisions on the approval of MAs made by the EMA and certain other regulators when determining an application for a new UK MA. Pursuant to the IRP, the MHRA will take into account the expertise and decision-making of trusted regulatory partners (i.e. the regulators in Australia, Canada, Switzerland, Singapore, Japan, the U.S. and the EU). The MHRA will conduct a targeted assessment of IRP applications but retain the authority to reject applications if the evidence

provided is considered insufficiently robust. The IRP allows medicinal products approved by such trusted regulatory partners that meet certain criteria to undergo a fast-tracked MHRA review to obtain and/or update an MA in the UK. Applications should be decided within a maximum of 60 days if there are no major objections identified that cannot be resolved within such 60-day period and the approval from the trusted regulatory partner selected has been granted within the previous 2 years or if there are such major objections identified or such approval has not been granted within the previous 2 years within 110 days. Applicants can submit initial MAAs to the IRP but the procedure can also be used throughout the lifecycle of a product for post-authorization procedures including line extensions, variations and renewals. In the UK, the initial duration of an MA is five years and following renewal will be valid for an unlimited period unless the MHRA decides on justified grounds relating to pharmacovigilance, to proceed with only one additional 5-year renewal. Any authorization which is not followed by the actual placing of the medicinal product on the market in the UK within 3 years shall cease to be in force.

There is no pre-MA orphan designation in the UK. The MHRA reviews applications from companies for orphan designation in parallel to the corresponding MAA. The criteria are essentially the same, but have been tailored for the market, i.e., the prevalence of the condition in the UK, rather than the EU, must not be more than five in 10,000. Should an orphan designation be granted, the period of market exclusivity will be set from the date of first approval of the product in the UK.

With respect to medical devices (including IVD MDs), the TCA does not specifically refer to them but does provide for cooperation and exchange of information in the area of product safety and compliance, including market surveillance, enforcement activities and measures, standardization related activities, exchanges of officials, and coordinated product recalls (or other similar actions). For medical devices that are locally manufactured but use components from other countries, the “rules of origin” criteria will need to be reviewed. The rules for placing medical devices on the Northern Ireland market will differ from those in GB.

All medical devices must be registered with the MHRA, and since January 1, 2022, manufacturers based outside the UK have been required to appoint a UK responsible person that has a registered place of business in the UK to register devices with the MHRA.

Furthermore, on December 16, 2024, the UK government published an amendment to the UK’s Medical Devices Regulations 2002, or UK MDR, to clarify and strengthen the post-market surveillance requirements for medical devices in Great Britain. This amendment will come into force on June 16, 2025 and aims to facilitate greater traceability of incidents and trends enabling the MHRA to act swiftly when needed to address safety issues and support the entire health system in better protecting patients. In addition, the MHRA launched a consultation between November 14, 2024 and January 5, 2025 on proposals to update the pre-market requirements for medical devices in GB, covering four topics, namely: (1) a new international reliance scheme to enable swifter market access for certain devices that have already been approved in a comparable regulator country; (2) the new UKCA mark and, in particular, proposals to remove the requirement to place such UKCA marking on devices; (3) conformity assessment procedures for in vitro diagnostic devices; and (4) maintaining in UK law certain pieces of “assimilated” EU law which are due to sunset in 2025. This consultation builds on the MHRA’s previous consultation between September and November 2021, and the UK government’s response to that consultation which was published on June 26, 2022. The MHRA has stated that it will incorporate feedback to its recent consultation into new legislation on pre-market requirements for medical devices in GB. The new legislation is expected to be implemented in 2026 and aims to enable greater international collaboration and practices, with more patient-centered, proportionate requirements for medical devices which are responsive to technological advances. Under the UK MDR, in order to be lawfully placed on the GB market, class I (non-sterile, non-measuring or non-re-useable) medical devices need to be “UKCA” self-certified, and other medical devices need to be “UKCA” certified by a UK approved body. However, certain medical devices in compliance with: (1) the EU Medical Devices Directive can continue to be placed on the GB market until the sooner of certificate expiration or June 30, 2028; or (2) the EU Medical Devices Regulation can continue to be placed on the GB market until the sooner of certificate expiration or June 30, 2030.

Similarly, under the UK MDR, in order to be lawfully placed on the GB market, class A (non-sterile) IVD MDs need to be “UKCA” self certified, and other IVDs need to be “UKCA” certified by a UK approved body. However, certain IVD MDs in compliance with either the EU IVDD or IVDR can continue to be placed on the GB market until the sooner of certificate expiration or June 30, 2030.

Under the terms of the Northern Ireland Protocol, Northern Ireland follows EU rules on medical devices and devices marketed in Northern Ireland require assessment according to the EU regulatory regime. Such assessment may be conducted by an EU notified body, in which case a CE mark is required before placing the device on the market in the EU or Northern Ireland. Alternatively, if a UK notified body conducts such assessment, a ‘UKNI’ mark and a CE mark are applied and the device may only be placed on the market in Northern Ireland and not the EU.

Under the UK’s Misuse of Drugs Act 1971, class A drugs are considered to be the most potentially harmful, and have the highest level of control exerted over them. Similarly, Schedule 1 of the UK’s Misuse of Drugs Regulations 2001 lists those drugs to which the most restrictive controls apply: they are considered to have no legitimate or medicinal use, and can only be imported, exported, produced, supplied and the like under a license issued by the UK government’s Home Office.

Rest of the World Regulation

For other countries outside of the EU, the UK and the United States, such as countries in Eastern Europe, Latin America or Asia, the requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary from country to country. Additionally, the clinical trials must be conducted in accordance with GCP requirements and the applicable regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki.

If we fail to comply with applicable foreign regulatory requirements, we may be subject to, among other things, fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

Additional Laws and Regulations Governing International Operations

Our operations are subject to global anti-corruption laws, including the UK Bribery Act 2020 (“Bribery Act”), the US Foreign Corrupt Practices Act ("FCPA"), and other applicable laws which generally prohibit us, 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 that persons are already under obligations to perform. The Bribery Act also creates an offense applicable to corporate entities for failure to prevent bribery by our employees, officers, directors, and other third parties acting on our behalf, to which the only defense is to maintain “adequate procedures” designed to prevent such acts of bribery.

Compliance with global anti-corruption laws presents particular challenges in the pharmaceutical industry, because, in many countries, hospitals are operated by the government, and doctors and other hospital employees are considered foreign officials. We have policies and procedures designed to promote compliance with anti-corruption laws and may need to dedicate additional resources as our operations expand around the world.

Various laws, regulations and executive orders also restrict the use and dissemination outside of the United States, or the sharing with certain non-U.S. nationals, of information classified for national security purposes, as well as certain products and technical data relating to those products. If we expand our presence outside of the United States, it will require us to dedicate additional resources to comply with these laws, and these laws may preclude us from developing, manufacturing, or selling certain products and product candidates outside of the United States, which could limit our growth potential and increase our development costs.

The failure to comply with laws governing international business practices may result in investigations, substantial civil and criminal fines and penalties, collateral litigation, suspension or debarment from government contracting, and other sanctions.

Healthcare Laws and Regulation

Manufacturing, sales, promotion and other activities following product approval are also subject to regulation by numerous regulatory authorities in the United States in addition to the FDA, including the Centers for Medicare & Medicaid Services, or CMS, the Office of Inspector General and Office for Civil Rights, other divisions of the Department of Health and Human Services, or HHS, the Department of Justice, the Drug Enforcement Administration, the Consumer Product Safety Commission, the Federal Trade Commission, the Occupational Safety & Health Administration, the Environmental Protection Agency and state and local governments.

Healthcare providers and third-party payors play a primary role in the recommendation and prescription of drug products and other medical items and services. Arrangements with providers, consultants, third-party payors and customers are subject to broadly applicable fraud and abuse, anti-kickback, false claims laws, reporting of payments to physicians and teaching hospitals and patient privacy laws and regulations and other healthcare laws and regulations that may constrain our business and/or financial arrangements. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the federal Anti-Kickback Statute, which makes it illegal for any person, including a prescription drug manufacturer (or a party acting on its behalf), to knowingly and willfully solicit, receive, offer or pay any remuneration (including any kickback, bribe or certain rebate), directly or indirectly, overtly or covertly, in cash or in kind, or in return for, that is intended to induce or reward referrals, including the purchase, recommendation, order or prescription of a particular drug, for which payment may be made under a federal healthcare program, such as Medicare or Medicaid. A person or entity need not have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it in order to have committed a violation;
- the federal civil and criminal false claims laws, including the civil False Claims Act, or FCA, which prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment or approval that are false, fictitious or fraudulent; knowingly making, using or causing to be made or used, a false statement or record material to a false or fraudulent claim or obligation to pay or transmit money or property to the federal government; or knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay money to the federal government. 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 and 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 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 health care program, unless an exception applies;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which imposes civil and criminal liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services; similar to the federal Anti-Kickback Statute, 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;
- the federal transparency requirements known as the federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies to report annually to CMS information related to payments and other transfers of value made by that entity to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain non-physician practitioners such as physician assistants and nurse practitioners, and teaching hospitals, as well as ownership and investment interests held by the physicians described above 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 products;
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, which may apply to healthcare items or services that are reimbursed by non-governmental third-party payors, including private insurers; and

- some state laws require pharmaceutical companies to comply with the industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring manufacturers to report information related to payments to physicians and other healthcare providers, marketing expenditures, and pricing information. Certain state and local laws require the registration of pharmaceutical sales and medical representatives.

Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, in the event we obtain regulatory approval for any one of our products, it is possible that some of our business activities could be subject to challenge and may not comply under one or more of such laws, regulations, and guidance. Law enforcement authorities are increasingly focused on enforcing fraud and abuse laws, and it is possible that some of our practices may be challenged under these laws. Violations of these laws can subject us to administrative, civil and criminal penalties, damages, fines, disgorgement, the exclusion from participation in federal and state healthcare programs, individual imprisonment, reputational harm, and the curtailment or restructuring of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws. Efforts to ensure that our current and future business arrangements with third parties, and our business generally, will comply with applicable healthcare laws and regulations will involve substantial costs.

Moreover, analogous state and foreign laws and regulations may be broader in scope than the provisions described above and may apply regardless of payor. These laws and regulations may differ from one another in significant ways, thus further complicating compliance efforts. For instance, in the EU, many EU member states have adopted specific anti-gift statutes that further limit commercial practices for medicinal products and MDs, in particular vis-à-vis healthcare professionals and organizations. Additionally, there has been a recent trend of increased regulation of payments and transfers of value provided to healthcare professionals or entities and many EU member states have adopted national "Sunshine Acts" which impose reporting and transparency requirements (often on an annual basis), similar to the requirements in the United States, on pharmaceutical companies. Certain countries also mandate implementation of commercial compliance programs, or require disclosure of marketing expenditures and pricing information.

Coverage and Reimbursement

In the United States and markets in other countries, patients who are prescribed treatments for their conditions and providers performing the prescribed services generally rely on third-party payors to reimburse all or part of the associated healthcare costs. Thus, even if a product candidate is approved, sales of the product will depend, in part, on the extent to which third-party payors, including government health programs in the United States such as Medicare and Medicaid, commercial health insurers and managed care organizations, provide coverage, and establish adequate reimbursement levels for, the product. In the United States, no uniform policy of coverage and reimbursement for drug and other medical products exists among third-party payors. Although CMS determines 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, coverage and reimbursement for drug and other medical products can differ significantly from payor to payor. The process for determining whether a third-party payor will provide coverage for a product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the product once coverage is approved. Third-party payors are increasingly challenging the prices charged, examining the medical necessity, and reviewing the cost-effectiveness of medical products and services and imposing controls to manage costs. Third-party payors may limit coverage to specific products on an approved list, also known as a formulary, which might not include all of the approved products for a particular indication.

In order to secure coverage and reimbursement for any product that might be approved for sale, a company may need to conduct expensive pharmacoeconomic or other studies in order to demonstrate the medical necessity and cost-effectiveness of the product, in addition to the costs required to obtain FDA or other comparable regulatory approvals. Additionally, companies may also need to provide discounts to purchasers, private health plans or government healthcare programs. Nonetheless, product candidates may not be considered medically necessary or cost effective. A decision by a third-party payor not to cover a product could reduce physician utilization once the product is approved and have a material adverse effect on sales, our operations and financial condition. Additionally, a third-party payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. Further, one payor's determination to provide coverage for a product does not assure that other payors will also provide coverage and reimbursement for the product, and the level of coverage and reimbursement can differ significantly from payor to payor. Factors payors consider in determining reimbursement are based on whether the product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

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. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any product candidate that we commercialize and, if reimbursement is available, the level of reimbursement. In addition, many pharmaceutical manufacturers must calculate and report certain price reporting metrics to the government, such as average sales price, or ASP, and best price. Penalties may apply in some cases when such metrics are not submitted accurately and timely. Further, these prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs.

In addition, in many foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing and reimbursement vary widely from country to country. In the EU, governments influence the price of pharmaceutical products through their pricing and reimbursement rules and control of national health care systems that fund a large part of the cost of those products to consumers. Member states are free to restrict the range of pharmaceutical

products for which their national health insurance systems provide reimbursement, and to control the prices and reimbursement levels of pharmaceutical products for human use. Some jurisdictions operate positive and negative list systems under which products may only be marketed once a reimbursement price has been agreed to by the government. Member states may approve a specific price or level of reimbursement for the pharmaceutical product, or alternatively adopt a system of direct or indirect controls on the profitability of the company responsible for placing the pharmaceutical product on the market, including volume-based arrangements, caps and reference pricing mechanisms. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost-effectiveness of a particular product candidate to currently available therapies. Other member states allow companies to fix their own prices for medicines, but monitor and control company profits. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our products. The downward pressure on health care costs has become very intense. As a result, increasingly high barriers are being erected to the entry of new products. In addition, in some countries, cross-border imports from low-priced markets exert a commercial pressure on pricing within a country.

The containment of healthcare costs has become a priority of federal, state and foreign governments, and the prices of products have been a focus in this effort. Governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit a company's revenue generated from the sale of any approved products. Coverage policies and third-party payor reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which a company or its collaborators receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Healthcare Reform

In the United States and some foreign jurisdictions, there have been, and likely will continue to be, a number of legislative and regulatory changes and proposed changes regarding the healthcare system directed at broadening the availability of healthcare, improving the quality of healthcare, and containing or lowering the cost of healthcare. For example, in March 2010, the U.S. Congress enacted the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively the ACA which, among other things, included changes to the coverage and payment for products under government health care programs. The ACA included provisions of importance to our potential product candidates that:

- created an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic products, apportioned among these entities according to their market share in certain government healthcare programs;
- expanded eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing a manufacturer's Medicaid rebate liability;
- expanded manufacturers' rebate liability under the Medicaid Drug Rebate Program by increasing the minimum rebate for both branded and generic drugs and revising the definition of "average manufacturer price," or AMP, for calculating and reporting Medicaid drug rebates on outpatient prescription drug prices;
- addressed 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;
- expanded the types of entities eligible for the 340B drug discount program; and
- created a Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

Since its enactment, 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.

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, included aggregate reductions of Medicare payments to providers, which went into effect in April 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2032 unless additional Congressional action is taken. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. More recently, on March 11, 2021, the American Rescue Plan Act of 2021 was signed into law, which eliminated the statutory Medicaid drug rebate cap, beginning January 1, 2024. The rebate was previously capped at 100% of a drug's average manufacturer price.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, CMS may develop new payment and delivery models, such as bundled payment models. In addition, recently there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their commercial products, which has resulted in several Congressional inquiries and proposed and enacted state and federal legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for pharmaceutical products. On August 16, 2022, the Inflation Reduction Act of 2022, or IRA, was into law. Among other things, the IRA requires manufacturers of certain drugs to engage in price negotiations with Medicare (beginning in 2026), 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 will first be effective in 2026, and the list of the subsequent 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.

Individual states in the United States have also become increasingly active in passing legislation and implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product 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 products 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. It is difficult to predict the future legislative landscape in healthcare and the effect on our business, results of operations, financial condition and prospects. However, we expect that additional state and federal healthcare reform measures will be adopted in the future.

On May 30, 2018, the Right to Try Act was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new drug products that have completed a Phase 1 clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no obligation for a drug manufacturer to make its drug products available to eligible patients as a result of the Right to Try Act. Drug manufacturers who provide their investigational product under the Right to Try Act are required to submit to FDA an annual summary of the use of their drug.

Outside the United States, ensuring coverage and adequate payment for a product also involves challenges. Pricing of prescription pharmaceuticals is subject to government control in many countries. In the EU, pricing negotiations with government authorities can extend well beyond the receipt of regulatory approval for a product and may require a clinical trial that compares the cost-effectiveness of a product to other available therapies. The conduct of such a clinical trial could be expensive and result in delays in commercialization.

Health Technology Assessment, or HTA, of medicinal products in the EU is an essential element of the pricing and reimbursement decision-making process in a number of EU member states. The outcome of HTA has a direct impact on the pricing and reimbursement status granted to the medicinal product. A negative HTA by a leading and recognized HTA body concerning a medicinal product could undermine the prospects to obtain reimbursement for such product not only in the EU member state in which the negative assessment was issued, but also in other EU member states

In 2011, Directive 2011/24/EU was adopted at the EU level. This Directive establishes a voluntary network of national authorities or bodies responsible for HTA in the individual EU member states. The network facilitates and supports the exchange of scientific information concerning HTAs. Further to this, on December 13, 2021, Regulation No 2021/2282 on 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 technologies, and making decisions on pricing and reimbursement.

Data Privacy and Security Laws

Numerous state, federal and foreign laws, regulations and standards govern the collection, use, access to, confidentiality and security of health-related and other personal information, and could apply now or in the future to our operations or the operations of our partners. In the United States, numerous federal and state laws and regulations, including data breach notification laws, health information privacy and security laws and consumer protection laws and regulations govern the collection, use, disclosure, and protection of health-related and other personal information. In addition, certain foreign laws govern the privacy and security of personal data, including health-related data. Privacy and security laws, regulations, and other obligations are constantly evolving, may conflict with each other to complicate compliance efforts, and can result in investigations, proceedings, or actions that lead to significant civil and/or criminal penalties and restrictions on data processing.

Foreign Private Issuer Status

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.

C. ORGANIZATIONAL STRUCTURE

The information (including tabular data) set forth or referenced under the heading “Highlights of the Year—2024" on page 1 and "Our Diversified Hub-and-Spoke Model” on page 10 of PureTech’s “Annual Report and Accounts 2024” included as exhibit 15.1 to this annual report on Form 20-F is incorporated by reference and "Notes to the Consolidated Financial Statements—Note 1. Material Accounting Policies" in each case of our audited consolidated financial statements included elsewhere in this annual report on Form 20-F.

D. PROPERTY, PLANTS AND EQUIPMENT

The information (including tabular data) set forth or referenced under the headings “Notes to the Consolidated Financial Statements—Note 13. Property and Equipment” and “Notes to the Consolidated Financial Statements—Note 23. Leases and subleases” in each case of our audited consolidated financial statements included elsewhere in this annual report on Form 20-F.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis, including those portions incorporated herein by reference, together with our consolidated financial statements, including the notes thereto, included elsewhere in this annual report on Form 20-F. Some of the information contained in this discussion and analysis or incorporated herein, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Risk Factors" section incorporated herein by reference, 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 and for the years ended December 31, 2024, 2023 and 2022 have been prepared in accordance with IFRSs as issued by the International Accounting Standards Board ("IASB").

The following discussion contains references to the consolidated financial statements of PureTech Health plc and its consolidated subsidiaries, or the Company. These financial statements consolidate the Company's subsidiaries and include the Company's interest in associates and investments held at fair value. Subsidiaries are those entities over which the Company maintains control. Associates are those entities in which the Company does not have control for financial accounting purposes but maintains significant influence over the financial and operating policies. Where we have neither control nor significant influence for financial accounting purposes, we recognize our holding in such entity as an investment at fair value. For purposes of our consolidated financial statements, each of our Founded Entities are considered to be either a "subsidiary" or an "associate" depending on whether PureTech Health plc controls or maintains significant influence over the financial and operating policies of the respective entity at the respective period end date. For additional information regarding the accounting treatment of these entities, see Note 1. Material Accounting Policies of our consolidated financial statements included elsewhere in this annual report on Form 20-F.

A. OPERATING RESULTS

The information (including tabular data) set forth or referenced under the heading "Key Performance Indicators—2024" on page 67 of PureTech's "Annual Report and Accounts 2024" included as exhibit 15.1 to this annual report on Form 20-F is incorporated by reference.

2024 Compared with 2023

The information (including tabular data) set forth or referenced under the heading "Financial Review" on pages 68 to 80 of PureTech's "Annual Report and Accounts 2024" included as exhibit 15.1 to this annual report on Form 20-F is incorporated by reference.

2023 Compared with 2022

This information is set forth under Item 5. A. "Operating Results" of PureTech's annual report on Form 20-F for the year ended December 31, 2023.

The information (including tabular data) set forth or referenced under the heading "Risk Management" on pages 60 to 64 of PureTech's "Annual Report and Accounts 2024" included as exhibit 15.1 to this annual report on Form 20-F is incorporated by reference.

B. LIQUIDITY AND CAPITAL RESOURCES

The information (including tabular data) set forth or referenced under the following headings is incorporated by reference herein: "Viability" on pages 65 to 66 and "Financial Review—Cash Flow and Liquidity" on page 69 of PureTech's "Annual Report and Accounts 2024" included as exhibit 15.1 to this annual report on Form 20-F and "Notes to the Consolidated Financial Statements—Note 20. Subsidiary Notes Payable", "Notes to the Consolidated Financial Statements—Note 23. Leases and subleases", "Notes to the Consolidated Financial Statements—Note 24. Capital and Financial Risk Management" and "Notes to the Consolidated Financial Statements—Note 25. Commitments and Contingencies", in each case of our consolidated financial statements included elsewhere in this annual report on Form 20-F.

Under various license and collaboration agreements we are required to make milestone payments upon successful completion and achievement of certain intellectual property, clinical, regulatory and sales milestones. We will also be required to make royalty payments in connection with the sale of products developed under these agreements, if and when such sales occur. As of December 31, 2024, these milestone events have not yet occurred and therefore the Company does not have a present obligation to make the related payments in respect of the licenses. We believe that the occurrence of many of these milestones is remote at this time. As of December 31, 2024 payments in respect of developmental milestones that are dependent on events that are outside the control of the Company but are reasonably possible to occur amounted to approximately $7.1 million. 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. We are not able to predict when and if such milestone events will occur. Payments made to license IP represent the acquisition cost of intangible assets. For more information, see "Note 14. Intangible Assets" to our audited consolidated financial statements included elsewhere in this annual report on Form 20-F.

We present the preferred shares issued by our subsidiaries to third parties as liabilities in our Consolidated Statement of Financial Position. Such preferred shares are redeemable only upon liquidation or deemed liquidation (as defined in the subsidiaries' incorporation documents) of the respective subsidiaries. We are unable to predict when and if such liquidation or deemed liquidation events will occur, and therefore when and if such shares will be redeemed, if at all.

As of December 31, 2024, our off-balance sheet arrangements consist of outstanding standby letters of credit. We have no other off-balance sheet arrangements that have had, or are reasonably likely to have, a material current or future effect on our consolidated financial statements or changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources. See “Notes to the Consolidated Financial Statements—Note 15. Other Financial Assets” included in our audited consolidated financial statements included elsewhere in this annual report on Form 20-F.

We consider the Group's working capital to be sufficient for its present requirements.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

The information (including tabular data) set forth or referenced under the following headings is incorporated by reference herein: "Overview - Giving Life To Science" on page 1 and “ESG Report - Patients—Bioethics: R&D” on page 32 of PureTech’s “Annual Report and Accounts 2024” included as exhibit 15.1 to this annual report on Form 20-F and "Notes to the Consolidated Financial Statements - Note 4. Segment Information" of our consolidated financial statements included elsewhere in this annual report on Form 20-F.

D. TREND INFORMATION

Other than as disclosed elsewhere in this annual report on Form 20-F, we are not aware of any trends, uncertainties, demands, commitments or events for the period from January 1, 2024 to the present time that are reasonably likely to have a material adverse effect on our net revenue, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial condition.

E. CRITICAL ACCOUNTING ESTIMATES

The information (including tabular data) set forth or referenced under the following headings is incorporated by reference herein "Notes to the Consolidated Financial Statements – Note 1. – Material Accounting Policies" of our consolidated financial statements included elsewhere in this annual report on Form 20-F.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

The information (including tabular data) set forth under the heading “Board of Directors” on pages 82 to 84, “Management team” on page 85 and "Directors’ Report for the year ended December 31, 2024” on pages 93 to 97 in each case of PureTech’s “Annual Report and Accounts 2024" included as exhibit 15.1 to this annual report on Form 20-F is incorporated by reference.

B. COMPENSATION

The information (including graphs and tabular data) set forth under the following headings is incorporated by reference herein: “Directors’ Report for the year ended December 31, 2024” on pages 93 to 97, “Directors’ Remuneration Report for the year ended December 31, 2024” on pages 102 to 109, "Directors’ Remuneration Policy” on pages 106 to 109, “Annual Report on Remuneration” on pages 110 to 120, in each case of PureTech’s “Annual Report and Accounts 2024” included as exhibit 15.1 to this annual report on Form 20-F and “Notes to the Consolidated Financial Statements—Note 10. Share-based Payments” of our audited consolidated financial statements included elsewhere in this annual report. References to the term audited within the "Annual Report on Remuneration" are not incorporated by reference within this Form 20-F.

C. BOARD PRACTICES

The information (including graphs and tabular data) set forth under the headings "Board of Directors" on pages 82 to 84 “The Board” on pages 86 to 90, “Report of the Nomination Committee” on page 98, “Report of the Audit Committee” on pages 99 to 101, and "Directors' Remuneration Report for the year ended December 31, 2024" on pages 102 to 109 in each case of PureTech’s “Annual Report and Accounts 2024” included as exhibit 15.1 to this annual report on Form 20-F is incorporated by reference.

D. EMPLOYEES

The information (including tabular data) set forth under the heading “ESG Report— People” on pages 34 to 39 of PureTech’s “Annual Report and Accounts 2024” included as exhibit 15.1 to this annual report on Form 20-F is incorporated by reference.

E. SHARE OWNERSHIP

The information (including graphs and tabular data) set forth under the headings “Directors’ Report for the year ended December 31, 2024” on pages 93 to 97 and “Annual Report on Remuneration” on pages 110 to 120, in each case of PureTech’s “Annual Report and Accounts 2024” included as exhibit 15.1 to this annual report on Form 20-F is incorporated by reference. For information regarding the share ownership of our directors and executive officers, see Item 7.A - "Major Shareholders". References to the term audited within the "Annual Report on Remuneration" are not incorporated by reference within this Form 20-F.

F. DISCLOSURE OF REGISTRANT'S ACTION TO RECOVER ERRONEOUSLY AWARDED COMPENSATION

None.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of by:

- each of our directors;
- each of our executive officers; and
- each person, or group of affiliated persons, who is known by us to beneficially own more than 3 percent of our outstanding ordinary shares.

The column entitled "Percentage of Shares Beneficially Owned" is based on a total of 240,189,449 ordinary shares outstanding as of March 31, 2025.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC and includes voting or investment power with respect to our ordinary shares. Ordinary shares subject to options that are currently exercisable or exercisable within 60 days after March 31, 2025 are considered outstanding and beneficially owned by the person holding the options for the purpose of calculating the percentage ownership of that person but not for the purpose of calculating the percentage ownership of any other person. Except as otherwise noted, the persons and entities in this table have sole voting and investment power with respect to all of the ordinary shares beneficially owned by them, subject to community property laws, where applicable. Except as otherwise set forth below, the address of the beneficial owner is c/o PureTech Health, 6 Tide Street, Suite 400, Boston, Massachusetts 02210. The information in the table below is based on information known to us or ascertained by us from public filings made by the shareholders. We have also set forth below information known to us regarding any significant change in the percentage ownership of our ordinary shares by any major shareholders during the past three years. The major shareholders listed below do not have voting rights with respect to their ordinary shares that are different from the voting rights of other holders of our ordinary shares.

NAME OF BENEFICIAL OWNER	PERCENTAGE OF SHARES BENEFICIALLY OWNED
3 Percent Shareholders	
Invesco Ltd.[1]	17.1 %
Baillie Gifford & Co[2]	6.3 %
Lansdowne Partners Limited[3]	6.0 %
Citigroup Inc. [4]	5.1 %
Recordati S.p.A [5]	4.0 %
Vanguard Group, Inc. [6]	4.0 %
Fidelity International Limited [7]	3.4 %
Daphne Zohar[8]	3.2 %
Executive Officers and Directors	
Bharatt Chowrira, Ph.D., J.D.[9]	1.3 %
Sharon Barber-Lui[10]	*
Michele Holcomb, Ph.D.	— %
Raju Kucherlapati, Ph.D.[11]	1.0 %
John LaMattina, Ph.D.[12]	*
Robert Langer, Sc.D.[13]	1.2 %
Kiran Mazumdar-Shaw[14]	*

* Represents beneficial ownership of less than 1 percent of our outstanding ordinary shares.

We are not aware that the Company is directly owned or controlled by another corporation, any foreign government or any other natural or legal person(s) severally or jointly. We are not aware of any arrangement, the operation of which may result in a change of control of the Company.

The number of record holders in the United States is not representative of the number of beneficial holders nor is it representative of where such beneficial holders are resident since many of these ordinary shares were held by brokers or other nominees. As of March 31, 2025, assuming that all of our ordinary shares represented by ADSs are held by residents of the United States, we estimate that approximately 30% of our outstanding ordinary shares were held in the United States by approximately 52 holders of record.

[1] Consists of 41,011,890 shares beneficially held. The address for Invesco Ltd. is c/o Invesco Ltd.,1331 Spring Street NW, Suite 2500, Atlanta, GA 30309.
[2] Consists of 15,123,383 shares beneficially held. The address for Baillie Gifford & Co. is c/o Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, United Kingdom.
[3] Consists of 14,442,261 shares beneficially held. The address for Lansdowne Partners Limited is c/o 15 Davies Street, London W1K 3AG, United Kingdom.
[4] Consists of 12,340,665 shares beneficially held. The address for Citigroup Inc. is 388 Greenwich Street, New York, NY 10013.
[5] Consists of 9,554,140 shares beneficially held. The address for Recordati S.p.A. is c/o Via Civitali, 1, 20148 Milano, Italy.
[6] Consists of 9,478,214 shares beneficially held. The address for Vanguard Group, Inc. is 455 Devon Park Dr Valley Forge, PA, 19482.
[7] Consists of 8,201,046 shares beneficially held. The address for Fidelity International Ltd. is c/o Fidelity International Ltd., Pembroke Hall, 42 Crow Lane Hamilton, Pembroke, HM19 Bermuda.
[8] Consists of an aggregate of 7,723,014 shares beneficially held.
[9] Consists of an aggregate of 1,108,004 shares beneficially held, and 1,950,000 vested but unexercised options.
[10] Consists of an aggregate of 38,629 shares beneficially held.
[11] Consists of an aggregate of 2,509,650 shares beneficially held.
[12] Consists of an aggregate of 1,324,130 shares beneficially held, split between (i) 1,184,774 shares held by the John L LaMattina Revocable Trust and (ii) 139,256 shares held by the LaMattina Charitable Trust.
[13] Consists of an aggregate of 2,760,854 shares beneficially held, split between (i) 2,332,578 shares held by the Dr. Langer directly, (ii) 419,867 shares held by the Langer Family 2020 Trust, and (iii) 8,409 shares held by Dr. Langer and Laura Langer jointly.
[14] Consists of an aggregate of 49,819 shares beneficially held.

The information (including graphs and tabular data) set forth under the headings “Directors’ Report for the year ended December 31, 2024—Substantial Shareholders” on page 93 and “Annual Report on Remuneration” on pages 110 to 120, in each case of PureTech’s “Annual Report and Accounts 2024” included as exhibit 15.1 to this annual report on Form 20-F is incorporated by reference.

Change in Ownership of Major Shareholders

To our knowledge, other than as disclosed in the table above, our other filings with the SEC, public disclosure, including without limitation Schedule 13 filings, and this annual report, there has been no significant change in the percentage ownership held by any major shareholder since January 1, 2022.

B. RELATED PARTY TRANSACTIONS

The information (including graphs and tabular data) set forth under the following headings is incorporated by reference herein: headings “Directors’ Report for the year ended December 31, 2024—Related party transactions” on page 95, “Highlights of the Year – 2024” on page 1, "Our Diversified Hub-and-Spoke Model" on page 10 and "Programs" on pages 14 to 21, in each case of PureTech’s “Annual Report and Accounts 2024” included as exhibit 15.1 to this annual report on Form 20-F and “Notes to the Consolidated Financial Statements—Note 26. Related Parties Transactions” of our audited consolidated financial statements included elsewhere in this annual report. For information regarding transactions with our Founded Entities, see Item 10.C - "Material Contracts."

C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

Consolidated Financial Statements

Please see the information below under the heading Item 18—"Financial Statements."

Dividend Distribution Policy

We have never declared or paid any dividends on our ordinary shares, though we may consider doing so in the future depending on the progression of our business. Under English law, we may only pay dividends if our accumulated realized profits, which have not been previously distributed or capitalized, exceed our accumulated realized losses, so far as such losses have not been previously written off in a reduction or reorganization of capital. Therefore, we must have sufficient distributable profits before issuing a dividend. Distributable profits are determined at the holding company level and not on a consolidated basis. Subject to such restrictions and to any restrictions set out in the Articles of Association, declaration and payment of cash dividends in the future, if any, will be at the discretion of our Board of Directors (the "Board") (and in the case of final dividends, must be approved by our shareholders), and will depend upon such factors as results of operations, capital requirements, contractual restrictions, our overall financial condition or applicable laws and any other factors deemed relevant by the Board.

Legal Proceedings

As of December 31, 2024, we were not party to any material legal matters or claims, except as noted below. In the future, we may become party to legal matters and claims arising in the ordinary course of business, the resolution of which we do not anticipate would have a material adverse impact on our financial position, results of operations or cash flows. In March 2024, a complaint was filed against the Company alleging breach of contract with respect to certain payments alleged to be owed to a previous employee of a Company subsidiary based on purported terms of a contract between such individual and the Company. In April 2024, we filed an answer to the complaint denying all substantive claims. Since that date, the parties have filed certain discovery-related requests and responses, undertaken general discussions, and engaged in mediation. While we strongly believe in the merits of our position and intend to defend it vigorously, the ultimate outcome of this matter remains uncertain and will take time to resolve as the discussions between the parties remain ongoing. We will continue to evaluate this matter on an ongoing basis as the situation progresses.

B. SIGNIFICANT CHANGES

Except as otherwise disclosed in this annual report on Form 20-F and in the "Notes to the Consolidated Financial Statements—Note 28. Subsequent Events", no significant change has occurred since the date of the most recent financial statements included elsewhere in this annual report on Form 20-F.

ITEM 9. THE OFFER AND LISTING

A. OFFER AND LISTING DETAILS

Our American Depositary Shares ("ADSs") have been listed on The Nasdaq Global Market under the symbol “PRTC” since November 16, 2020. Prior to that date, there was no public trading market for our ADSs. Our ordinary shares have been trading on the main market of the London Stock Exchange since June 2015 under the ticker code “PRTC.” Prior to that date, there was no public trading market for our ordinary shares.

B. PLAN OF DISTRIBUTION

Not applicable.

C. MARKETS

Our ADSs have been listed on the Nasdaq Global Market under the symbol “PRTC” since November 16, 2020 and our ordinary shares have been listed on the main market of the London Stock Exchange since June 2015.

D. SELLING SHAREHOLDERS

Not applicable.

E. DILUTION

Not applicable.

F. EXPENSES OF THE ISSUE

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

Objects

Section 31 of the Companies Act 2006 provides that the objects of a company are unrestricted unless any restrictions are set out in the articles. There are no such restrictions in our Articles of Association ("Articles") and our objects are therefore unrestricted.

A copy of our Articles is attached as Exhibit 1.1 to this annual report on Form 20-F. The information called for by this Item is set forth in Exhibit 2.3 to our annual report on Form 20-F for the year ended December 31, 2024.

C. MATERIAL CONTRACTS

Except as otherwise set forth below or as otherwise disclosed in this report, we are not currently, and have not been in the last two years, party to any material contract, other than contracts entered into in the ordinary course of business.

The Company asked shareholders to approve a resolution to adopt a new PureTech Health plc Performance Share Plan, or PSP, at the Company's Annual General Meeting ("AGM") on June 13, 2023, to help better manage the potential dilution from equity incentives, a critically important part of our overall compensation program. The new PSP proposal passed with support from 96.8% of the shares voted at the AGM. Following the AGM, a new forward-looking limit of 10% of the issued share capital over the next 5 years was instituted for all new awards. Any forfeitures, cancellations, or withholdings from shares granted under the prior extinguished limit of the prior PSP are not eligible to be re-granted at any time under the new limit contained in the new PSP. As part of the change and the implementation of the new PSP, the Company removed the separate "5% in 10 years" dilution limit applicable to awards granted to senior employees such as Executive Directors, to ensure we have full flexibility in operating the new PSP going forward.

On August 10, 2018, we entered into a Lease Agreement with RBK I Tenant, LLC for certain premises of approximately 50,858 rentable square feet of space at 6 Tide Street, Boston, MA 02210. 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 for two consecutive periods of five years each.

We have executed agreements with the members of the Board substantially in the form of our Form of Deed of Indemnity.

We entered into an Asset Purchase Agreement by and between Auspex Pharmaceuticals, Inc. and PureTech Health LLC, dated July 15, 2019, pursuant to which Auspex assigned and transferred all patent claims, inventory, technology, contracts and related rights relating to LYT-100 to us. As consideration, we paid an upfront payment, which we do not deem material. In addition, Auspex is eligible to receive milestone payments of approximately $84 million in the aggregate depending upon specified developmental, regulatory and commercial achievements. In addition, for ten years following the first commercial sale of any commercialized product containing LYT-100, Auspex is eligible to receive low to middle single-digit royalties on the worldwide net sales of such product.

We entered into a Royalty Agreement with Follica, Incorporated, dated July 23, 2013, pursuant to which Follica agreed to pay us a two percent royalty on net sales by Follica or its sublicensees of (i) products involving skin disruption using any mechanical, energy or chemical based approaches, applying compounds to the skin, or any other approaches to the treatment of hair follicles or other dermatological disorders commercialized by Follica, (ii) processes involving such products, or (iii) services which use or incorporate any such product or process. In the event that Follica sublicenses the rights to any of these products, processes or services, Follica will be obligated to pay us low teen royalties on any income received from the sublicensee. Either party may terminate this agreement upon an uncured material breach by the other party. To date, we have not received any royalty payments pursuant to this agreement. We do not direct or control the development and commercialization of the intellectual property licensed pursuant to this agreement.

We entered into an Exclusive Patent License Agreement with Karuna, dated March 4, 2011, pursuant to which we granted Karuna an exclusive license to patent rights relating to combinations of a muscarinic activator with a muscarinic inhibitor for the treatment of central nervous system disorders. Karuna agreed to make milestone payments to us of up to an aggregate of $10 million upon the achievement of specified development and regulatory milestones. In addition, for the term of this agreement Karuna is obligated to pay us low single-digit running royalties on the worldwide net sales of any commercialized product covered by the licenses granted under this agreement. In the event that Karuna sublicenses any of the patent rights granted under this agreement, Karuna will be obligated to pay us royalties within the range of 15 percent to 25 percent on any income received from the sublicensee, excluding royalties. Karuna may terminate this agreement for any reason with proper prior notice to us, provided that it would lose its rights to the underlying patents as a result. Either party may terminate this agreement upon an uncured material breach by the other party. We do not direct or control the development and commercialization of the intellectual property licensed pursuant to this agreement. The acquisition of Karuna by Bristol Meyers Squibb (NYSE: BMY), which closed on March 18, 2024 (the "Karuna Acquisition"), had no impact on our rights or obligations under the Exclusive Patent License Agreement with Karuna, which remains in full force and effect.

We entered into a Research and License Agreement with New York University, or NYU, on March 6, 2017, pursuant to which NYU granted to us an exclusive worldwide license to patents relating to certain therapeutic candidates, including LYT-200. In connection with this agreement, we are required to pay an annual license fee in addition to milestone payments upon the achievement of certain clinical and commercial milestones, both of which we deem immaterial. Additionally, for the term of this agreement, we are obligated to make low single digit royalty payments on the net sales of any commercialized product covered by the license granted under the agreement. In the event that we sublicense any of the patent rights granted under the Research and License Agreement, we will be obligated to pay NYU a low teen percentage of any royalties received by such

sublicensee, provided that such payments are capped at a low single digit of net sales of any commercialized product by such sublicensee.

Gelesis Promissory Note and Convertible Notes

On July 25, 2022, GLS issued a short term promissory note in the aggregate principal amount of $15.0 million (the “Promissory Note”) to us for a cash purchase price of $15.0 million as part of a series of promissory notes issued by GLS. On July 27, 2022, the Promissory Note was amended and restated to revise certain provisions contained therein.

On February 21, 2023, we entered into a Note and Warrant Purchase Agreement (the “NPA”) with GLS, Gelesis (together with GLS, the “Notes Issuers”), Gelesis 2012, Inc. and Gelesis, LLC, as guarantors of the Convertible Notes, pursuant to which, for a cash purchase price of $5.0 million, (i) the Notes Issuers issued a short term secured convertible note in the aggregate principal amount of $5.0 million (the “Convertible Notes” and such initial issuance, the “Initial Notes”) to us and (ii) GLS issued warrants to purchase 23,688,047 shares of common stock of GLS (the “Warrants”) to us. The Convertible Notes are guaranteed by the domestic subsidiaries of Gelesis and are secured by a first-priority lien on any and all assets of GLS, including without limitation, intellectual property, regulatory filings and product approvals, clearances and marks worldwide (other than the equity interests in Gelesis S.r.l. and assets held by Gelesis S.r.l.) and a pledge of the 100% of the equity interests of Gelesis and the domestic subsidiaries of the Notes Issuers. The Convertible Notes bear interest at a rate of 12% per annum, and were originally scheduled to mature on July 31, 2023, unless earlier converted or extended as described below. The Convertible Notes are not convertible, and the Warrants are not exercisable, until GLS receives stockholder approval of the issuance of the shares of common stock underlying the Convertible Note and the Warrants (the “Stockholder Approval”) in accordance with the terms thereof. Upon receipt of Stockholder Approval, (i) the Convertible Notes shall be convertible at our option into a number of shares of common stock equal to (x) the outstanding principal amount of such Note plus accrued and unpaid interest divided by (y) the Conversion Price (as defined in the Convertible Note) and (ii) the Warrants will become exercisable for a purchase price of $0.2744 per share.

In addition, pursuant to the NPA, we agreed, upon the request of the Notes Issuers, to purchase from the Notes Issuers an additional $5.0 million principal amount of the Convertible Notes (the “Additional Notes”), and to purchase from GLS additional Warrants, representing warrant coverage of 170% of the principal amount of the Additional Notes, subject to certain conditions.

On May 1, 2023, (i) the Notes Issuers issued to us, for a cash purchase price of $2.0 million, an Additional Note in the aggregate principal amount of $2.0 million, and (ii) GLS issued to us a warrant to purchase 192,307,692 shares of Common Stock of GLS.

On May 26, 2023, (i) the Notes Issuers issued to us, for a cash purchase price of $0.35 million, an Additional Note in the aggregate principal amount of $0.35 million, and (ii) GLS used to us a warrant to purchase 43,133,803 shares of Common Stock of GLS.

On June 12, 2023, the Notes Issuers issued to us, for a cash purchase price of $3.0 million, an Additional Note in the aggregate principal amount of $3.0 million.

On June 28, 2023, we entered into Amendment No. 3 to the NPA with the Notes Issuers and certain of its subsidiaries, which extended the maturity date of the Convertible Notes issued pursuant to the NPA to March 31, 2024, unless earlier converted or redeemed.

On September 20, 2023, the Notes Issuers issued to us, for a cash purchase price of $1.5 million, an Additional Note in the aggregate principal amount of $1.5 million.

The aggregate principal amount of Convertible Notes issued under the NPA was $11.85 million.

Gelesis Merger Agreement

On June 12, 2023, PureTech Health LLC and Caviar Merger Sub LLC, a Delaware limited liability company and a wholly-owned subsidiary of PureTech Health LLC (“Merger Sub”), entered into an agreement (hereinafter the "Merger Agreement"), with GLS pursuant to which GLS was to merge with and into Merger Sub, with Merger Sub continuing as the surviving company (the “Surviving Company”, and such merger, the “Merger”). If the Merger had been completed, we would have acquired all issued and outstanding shares of common stock of GLS not otherwise held by us, and GLS would have become our indirect wholly-owned subsidiary. In connection with the execution and delivery of the Merger Agreement, PureTech Health LLC entered into a Voting and Support Agreement (the “Voting and Support Agreement”) with GLS.

Subject to the terms and conditions of the Merger Agreement, at the effective time of the Merger (the “Effective Time”), each share of common stock of GLS issued and outstanding immediately prior to the Effective Time would have been cancelled and converted into the right to receive $0.05664 per share in cash, without interest.

On October 12, 2023, we delivered a notice of termination to GLS in accordance with the Merger Agreement, terminating the Merger Agreement pursuant to Section 8.2(a) of the Merger Agreement. As a result of the termination of the Merger Agreement, the Voting and Support Agreement was terminated in accordance with its terms.

Gelesis Bankruptcy Filing

On October 30, 2023, GLS, together with its U. S. subsidiaries, Gelesis, Inc., and Gelesis, LLC, ceased operations and filed a voluntary petition for relief under the provisions of Chapter 7 of Title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware Case No. 23-11787. Subsequently, the Chapter 7 Trustee of GLS entered into a sale of substantially all assets to an affiliate of Theras Group S.r.l., T-Investments S.r.l., and Andromeda Energy S.r.l. for a purchase price of $15.0 million. The transaction closed on July 16, 2024 pursuant to a Section 363 sale process in the U.S. Bankruptcy Court for the District of Delaware. As of December 31, 2024, a plan of distribution for the proceeds from this sale of substantially all assets has not been filed by the Chapter 7 Trustee of GLS.

Royalty Pharma Royalty Purchase Agreement

On March 22, 2023, we entered into a Royalty Purchase Agreement (the "Royalty Pharma Agreement") with Royalty Pharma Investments 2019 ICAV ("Royalty Pharma"), pursuant to which Royalty Pharma acquired an interest in our royalty in Karuna's KarXT for aggregate payments to us of up to $500.0 million. Pursuant to the Royalty Pharma Agreement, Royalty Pharma will receive 100% of the royalty payments that we had a right to receive from Karuna until Royalty Pharma receives $60.0 million in such royalty payments during a calendar year, after which Royalty Pharma will receive 33% and we will receive 67% of such royalty payments for such calendar year. We received an upfront payment of $100.0 million from Royalty Pharma upon closing and are eligible to receive up to $400.0 million in additional payments upon the achievement of certain regulatory and commercial milestones related to KarXT. The Karuna Acquisition had no impact on our rights or obligations under the Royalty Pharma Agreement with Karuna, which remains in full force and effect.

Vedanta Note Purchase Agreement

On April 24, 2023, we entered into a Secured Convertible Promissory Note Purchase Agreement with Vedanta and other investors pursuant to which we purchased a secured convertible promissory note (the "Vedanta Note") from Vedanta in the principal amount of $5.0 million. The Vedanta Note bears interest at an annual rate of 9.0% and matures on the later of (i) November 1, 2025 and (ii) the date which is 60 days after all amounts owed under or in connection with Vedanta's loan and security agreement with K2 HealthVentures LLC (if then in effect and outstanding) have been paid in full. The Vedanta Note is mandatorily convertible in a qualified equity financing and a qualified public offering into shares of Vedanta's preferred stock or common stock, respectively. In addition, the Vedanta Note allows for optional conversion immediately prior to a non-qualified equity financing and for a pay-out in the case of a change of control transaction.

Seaport Therapeutics Asset Transfer Agreement and Transition Services Agreement

On April 8, 2024, in connection with the launch of our Founded Entity, Seaport Therapeutics, Inc. ("Seaport"), which we founded on April 1, 2024, we entered into an Asset Transfer Agreement, by and among Seaport, PureTech Health LLC ("PureTech Health") and PureTech LYT, Inc. ("PureTech LYT") pursuant to which PureTech Health and PureTech LYT agreed to transfer and assign to Seaport all assets, rights and properties existing as of the closing date (the "Seaport Closing Date") related to the Glyph Technology or Products (as defined in the Asset Transfer Agreement) (together, the "Transferred Assets") subject to the conditions set forth therein. In consideration of the asset transfer, Seaport issued to PureTech LYT shares of Seaport Series A-1 Preferred Stock and shares of Seaport common stock on the Seaport Closing Date. Following the Seaport Closing Date, PureTech is entitled to receive certain tiered royalty payments in respect of annual net sales of Glyph Products at specified rates ranging from 3% to 5% during the Royalty Term (as defined in the Asset Transfer Agreement). In addition, PureTech is entitled to receive from Seaport certain milestone payments upon achievement of certain specified milestones, certain sublicense income, and certain other amounts as set forth in the Asset Transfer Agreement. Seaport has the exclusive right to develop products utilizing the Glyph technology for CNS applications and may also develop products for non-CNS applications. PureTech retains certain rights to develop products utilizing the Glyph technology for non-CNS applications to the extent Seaport is not developing products in such applications.

In connection with entry into the Asset Transfer Agreement, we entered into a Transition Services Agreement with Seaport pursuant to which we will provide to Seaport certain services relating to the orderly transition and continued operation of the Transferred Assets on a transitional basis for one year following the Seaport Closing Date (unless extended by mutual agreement of the parties or the earlier termination of all services provided under the Transition Services Agreement) in consideration of Seaport's payment of all fees associated with the transitioned services. Subsequently, the term of the Transition Services Agreement was extended to 18 months following the Seaport Closing Date.

Seaport Stock Purchase Agreements

On April 8, 2024, in connection with the launch of Seaport, we entered into a Series A-2 Preferred Stock Purchase Agreement with Seaport and other investors party thereto pursuant to which we agreed to purchase an aggregate of 8,421,052 shares of Seaport's Series A-2 Preferred Stock at a purchase price of $3.80 per share and agreed to purchase, if requested by Seaport, up to a specified amount of Series B Preferred Stock in Seaport's next qualified preferred stock financing.

On October 18, 2024, we entered into a Series B Preferred Stock Purchase Agreement with Seaport and other investors party thereto pursuant to which we agreed to purchase an aggregate of 3,031,578 shares of Seaport's Series B Preferred Stock at a purchase price of $4.75 per share.

Voting and Investors' Rights Agreements

We are party to voting and investors' rights agreements with certain of our Founded Entities as described below:

- Pursuant to an Amended and Restated Investors' Rights Agreement, as amended, between Vedanta and certain of its investors, dated March 1, 2023, we are entitled to designate a total of four directors to Vedanta's board of directors, including (i) two directors for so long as PureTech Health LLC continues to hold a majority of Vedanta's Series A-1 preferred stock, and (ii) two directors for so long as PureTech Health LLC continues to hold a majority of Vedanta's Series B preferred stock. The execution of this agreement replaced and terminated the previous Amended and Restated Investors' Rights Agreement dated July 15, 2021, which had provided us with equivalent rights.
- Pursuant to an Amended and Restated Voting Agreement between Sonde and certain of its investors, dated May 25, 2022, we are entitled to designate one director to Sonde's board of directors for so long as PureTech Health LLC and its affiliates continue to hold at least 1,000,000 shares of Sonde's Series A-2 preferred stock. The execution of this agreement replaced and terminated the previous Voting Agreement dated April 9, 2019, which had provided us with equivalent rights.
- Pursuant to a Voting Agreement between Entrega and certain of its investors, dated December 18, 2017, we are entitled to designate four directors to Entrega's board of directors.
- Pursuant to an Amended and Restated Voting Agreement between Seaport and certain investors, dated October 18, 2024, we are entitled to designate two directors to Seaport's board of directors so long as we and our affiliates beneficially own an aggregate of at least 10,000,000 shares of the Series A-1 Preferred Stock of Seaport. The agreement also provides for drag-along rights with respect to certain sales of Seaport's capital stock. The execution of this agreement replaced and terminated the previous Voting Agreement dated April 8, 2024, which had provided us with similar rights.

Agreements with Founded Entities Restricting Sale of Shares in Connection with an Underwritten Offering

We are party to agreements containing market stand-off provisions with certain of our Founded Entities that restrict our ability to sell shares of such Founded Entities for 180 days (or for a period of time as specified below) after their initial public offerings or initial public listing through a business combination, or an underwritten offering, as follows:

- Amended and Restated Investors' Rights Agreement between Vedanta, as amended, and the investor parties named therein, dated March 1, 2023, the execution of which replaced and terminated the previous Amended and Restated Investors' Rights Agreement dated July 15, 2021, which had contained an equivalent restriction;
- Investors' Rights Agreement between Entrega and the investor parties named therein, dated December 18, 2017;
- Amended and Restated Investors' Rights Agreement between Sonde and the investor parties named therein, dated May 25, 2022, the execution of which replaced and terminated the previous Investors' Rights Agreement dated April 9, 2019, which had contained an equivalent restriction;
- Amended and Restated Investors' Rights Agreement between Vor and the investor parties named therein, dated June 30, 2020, which terminated as of Vor's initial public offering, except for the registration rights granted thereunder;
- Amended and Restated Registration and Stockholders Rights Agreement dated January 13, 2022 between CPSR and the stockholder parties named therein, the execution of which terminated the Ninth Amended and Restated Stockholders Agreement between Gelesis and the stockholder parties named therein, dated December 5, 2019, which had contained an equivalent restriction; and
- The Backstop Agreement between CPSR and us, among others, dated December 30, 2021, which provides that certain shares acquired thereunder are subject to a 180-day market stand off provision.

Other Shareholder Rights Agreements

We have certain registration rights provisions in agreements with our Founded Entities as follows:

- Amended and Restated Investors' Rights Agreement between Vedanta, as amended, and the investor parties named therein, dated March 1, 2023, the execution of which replaced and terminated the previous Amended and Restated Investors' Rights Agreement dated July 15, 2021, which had provided us with similar rights;
- Investors' Rights Agreement between Entrega and the investor parties named therein, dated December 18, 2017;
- Amended and Restated Investors' Rights Agreement between Sonde and the investor parties named therein, dated May 25, 2022, the execution of which replaced and terminated the previous Investors' Rights Agreement dated April 9, 2019, which had provided us with similar rights ;
- Amended and Restated Registration and Stockholders Rights Agreement dated January 13, 2022 between CPSR and the stockholder parties named therein, the execution of which terminated the Ninth Amended and Restated Stockholders Agreement between Gelesis and the stockholder parties named therein, dated December 5, 2019,which had provided us with similar rights;
- The Backstop Agreement between CPSR and us, among others, dated December 30, 2021;
- Subscription Agreement between CPSR and the investor parties thereto dated July 19, 2021;
- Amended and Restated Investors' Rights Agreement between Vor and the investor parties named therein, dated June 30, 2020; and
- Amended and Restated Investors' Rights Agreement between Seaport and the investor parties thereto, dated October 18, 2024, the execution of which replaced and terminated the previous Amended and Restated Investors' Rights Agreement dated April 8, 2024, which had provided us with similar rights. The Amended and Restated Investors' Rights Agreement grants us a preemptive right to purchase our pro rata share of new securities that Seaport may propose to sell and issue, subject to certain exceptions. We also have the right, following the completion of an initial public offering, to demand that Seaport file a registration statement or request that our shares be covered by a registration statement that Seaport is filing in certain circumstances. The agreement also provides us with certain information and inspection rights, which rights terminate upon an initial public offering or certain liquidation events.

We have certain preemptive rights of first refusal with respect to transfers of shares by other holders pursuant to the following agreements:

- Fifth Amended and Restated Right of First Refusal and Co-Sale Agreement, dated July 19, 2019, by and among Follica, Incorporated and the investors and key holders party thereto;
- Amended and Restated Right of First Refusal and Co-Sale Agreement, dated May 25, 2022, by and between Sonde Health, Inc. and the investors and key holders party thereto, the execution of which replaced and terminated the previous Right of First Refusal and Co-Sale Agreement dated April 9, 2019, which had provided us with similar rights;
- Right of First Refusal and Co-Sale Agreement, dated December 18, 2017, by and between Entrega, Inc. and the investors and key holders party thereto; and
- Amended and Restated Right of First Refusal and Co-Sale Agreement, dated October 18, 2024, by and between Seaport Therapeutics, Inc. and the investors and key holders party thereto, the execution of which replaced and terminated the previous Right of First Refusal and Co-Sale Agreement dated April 8, 2024, which had provided us with similar rights. The Amended and Restated Right of First Refusal and Co-Sale Agreement grants us and certain other investors the right of first refusal to purchase and co-sale rights with respect to certain transfers.

D. EXCHANGE CONTROLS

Other than certain economic sanctions which may be in place from time to time, there are currently no UK laws, decrees or other regulations restricting the import or export of capital or affecting the remittance of dividends or other payment to holders of ordinary shares who are non-residents of the United Kingdom. Similarly, other than certain economic sanctions which may be in force from time to time, there are no limitations relating only to nonresidents of the United Kingdom under English law or the Company's articles of association on the right to be a holder of, and to vote in respect of, the ordinary shares.

E. TAXATION

Certain United Kingdom Tax Considerations

The following is a general summary of certain U.K. tax considerations relating to the ownership and disposal of an ordinary share or ADS and does not address all possible tax consequences relating to an investment in an ordinary share or ADS. It is based on U.K. tax law and generally published HM Revenue & Customs, or HMRC, practice (which may not be binding on HMRC) as of the date of this annual report on Form 20-F, both of which are subject to change, possibly with retrospective effect.

Save as provided otherwise, this summary applies only to a person who is the absolute beneficial owner of an ordinary share or ADS and who is resident (and, in the case of an individual, domiciled) in the United Kingdom for tax purposes and who is not resident for tax purposes in any other jurisdiction and does not have a permanent establishment or fixed base in any other jurisdiction with which the holding of an ordinary share or ADS is connected ("U.K. Holders"). A person (a) who is not resident (or, if resident, is not domiciled) in the United Kingdom for tax purposes, including an individual and company who trades in the United Kingdom through a branch, agency or permanent establishment in the United Kingdom to which an ordinary share or ADS is attributable, or (b) who is resident or otherwise subject to tax in a jurisdiction outside the United Kingdom, is recommended to seek the advice of professional advisors in relation to their taxation obligations.

This summary is for general information only and is not intended to be, nor should it be considered to be, legal or tax advice to any particular investor. It does not address all of the tax considerations that may be relevant to specific investors in light of their particular circumstances or to investors subject to special treatment under U.K. tax law. In particular:

- this summary only applies to an absolute beneficial owner of an ordinary share or ADS and any dividend paid in respect of the ordinary share where the dividend is regarded for U.K. tax purposes as that person's own income (and not the income of some other person);
- this summary: (a) only addresses the principal U.K. tax consequences for an investor who holds an ordinary share or ADS as a capital asset, (b) does not address the tax consequences that may be relevant to certain special classes of investor such as a dealer, broker or trader in shares or securities and any other person who holds an ordinary share or ADS otherwise than as an investment, (c) does not address the tax consequences for a holder that is a financial institution, insurance company, collective investment scheme, pension scheme, charity or tax-exempt organization, (d) assumes that a holder is not an officer or employee of the company (nor of any related company) and has not (and is not deemed to have) acquired the an ordinary share or ADS by virtue of an office or employment, and (e) assumes that a holder does not control or hold (and is not deemed to control or hold), either alone or together with one or more associated or connected persons, directly or indirectly (including through the holding of an ordinary share or ADS), an interest of 10 percent or more in the issued share capital (or in any class thereof), voting power, rights to profits or capital of the company, and is not otherwise connected with the company.

This summary further assumes that a holder of an ordinary share or ADS is the beneficial owner of the underlying ordinary share for U.K. direct tax purposes.

POTENTIAL INVESTORS IN THE ORDINARY SHARES OR ADSs SHOULD SATISFY THEMSELVES PRIOR TO INVESTING AS TO THE OVERALL TAX CONSEQUENCES, INCLUDING, SPECIFICALLY, THE CONSEQUENCES UNDER U.K. TAX LAW AND HMRC PRACTICE OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE ORDINARY SHARES OR ADSs, IN THEIR OWN PARTICULAR CIRCUMSTANCES BY CONSULTING THEIR TAX ADVISERS.

Taxation of Dividends

Withholding Tax

A dividend payment in respect of an ordinary share may be made without withholding or deduction for or on account of U.K. tax.

Income Tax

A dividend received by individual U.K. Holders may, depending on his or her particular circumstances, be subject to U.K. income tax on the gross amount of the dividend paid.

An individual holder of an ordinary share or ADS who is not a U.K. Holder will not be chargeable to U.K. income tax on a dividend paid by the company, unless such holder carries on (whether solely or in partnership) a trade, profession or vocation in the United Kingdom through a permanent establishment in the United Kingdom to which the ordinary share or ADS is attributable. In these circumstances, such holder may, depending on his or her individual circumstances, be chargeable to U.K. income tax on a dividend received from the company.

All dividends received by a UK Holder from the Company or from other sources will form part of the UK Holder's total income for UK income tax purposes and will constitute the top slice of that income. The rate of U.K. income tax that is chargeable on dividends received in the tax year 2022/2023 by (i) an additional rate taxpayer is 39.35 percent, (ii) a higher rate taxpayer is 33.75 percent, and (iii) a basic rate taxpayer is 8.75 percent. A nil rate of income tax will apply to the first £2,000 of taxable dividend income received by an individual U.K. Holder in a tax year. Note that from April 6, 2023 the dividend allowance will be reduced to £1,000, and that from April 6, 2024 the dividend allowance is expected to be reduced again to £500.

Corporation Tax

A U.K. Holder within the charge to U.K. corporation tax may be entitled to exemption from U.K. corporation tax in respect of dividend payments, provided the dividends qualify for exemption (which is likely) and certain conditions are met (including anti-avoidance conditions). If the conditions for the exemption are not satisfied, or such U.K. Holder elects for an otherwise exempt dividend to be taxable, U.K. corporation tax will be chargeable on the gross amount of a dividend. If potential investors are in any doubt as to their position, they should consult their own professional advisers.

A corporate holder of an ordinary share or ADS that is not a U.K. Holder will not be subject to U.K. corporation tax on a dividend received from the company, unless it carries on a trade in the United Kingdom through a permanent establishment to which the ordinary share or ADS is attributable. In these circumstances, such holder may, depending on its individual circumstances and if the exemption from U.K. corporation tax discussed above does not apply, be chargeable to U.K. corporation tax on dividends received from the company.

Taxation of Disposals

U.K. Holders

A disposal or deemed disposal of an ordinary share or ADS by an individual U.K. Holder may, depending on his or her individual circumstances, give rise to a chargeable gain or to an allowable loss for the purpose of U.K. capital gains tax. The principal factors that will determine the capital gains tax position on a disposal of an ordinary share or ADS are the extent to which the holder realizes any other capital gains in the tax year in which the disposal is made, the extent to which the holder has incurred capital losses in that or any earlier tax year and the level of the annual exemption for tax-free gains in that tax year (the "annual exemption"). The annual exemption for the 2023/2024 tax year is £12,300. Note that from April 6, 2023 the annual exemption will be reduced to £6,000, and that from April 6, 2024 the annual exemption is expected to be reduced again to £3,000. If, after all allowable deductions, an individual U.K. Holder's total taxable income for the year exceeds the basic rate income tax limit, a taxable capital gain accruing on a disposal of an ordinary share or an ADS is taxed at the rate of 20 percent. In other cases, a taxable capital gain accruing on a disposal of an ordinary share or ADS may be taxed at the rate of 10 percent save to the extent that any capital gains exceed the unused basic rate tax band. In that case, the rate currently applicable to the excess would be 20 percent.

An individual U.K. Holder who ceases to be resident in the United Kingdom (or who fails to be regarded as resident in a territory outside the United Kingdom for the purposes of double taxation relief) for a period of five tax years or less than five years and who disposes of an ordinary share or ADS during that period of temporary non-residence may be liable to U.K. capital gains tax on a chargeable gain accruing on such disposal on his or her return to the United Kingdom (or upon ceasing to be regarded as resident outside the United Kingdom for the purposes of double taxation relief) (subject to available exemptions or reliefs).

A disposal (or deemed disposal) of an ordinary share or ADS by a corporate U.K. Holder may give rise to a chargeable gain or an allowable loss for the purpose of U.K. corporation tax. Any gain or loss in respect of currency fluctuations over the period of holding an ordinary share or an ADS are also brought into account on a disposal.

Non-U.K. Holders

An individual holder who is not a U.K. Holder should not normally be liable to U.K. capital gains tax on capital gains realized on the disposal of an ordinary share or ADS unless such holder carries on (whether solely or in partnership) a trade, profession or vocation in the United Kingdom through a permanent establishment in the United Kingdom to which the ordinary share or ADS is attributable. In these circumstances, such holder may, depending on his or her individual circumstances, be chargeable to U.K. capital gains tax on chargeable gains arising from a disposal of his or her ordinary share or ADS.

A corporate holder of an ordinary share or ADS that is not a U.K. Holder will not be liable for U.K. corporation tax on chargeable gains realized on the disposal of an ordinary share or ADS unless: (i) it carries on a trade in the United Kingdom through a permanent establishment to which the ordinary share or ADS is attributable; or (ii) the corporate holder is disposing of an interest in a company and that disposal is of an asset that derives 75 percent or more of its gross asset value from UK land and that holder has a substantial indirect interest in UK land (broadly at least 25 percent at any time during the previous two years). In these circumstances, a disposal (or deemed disposal) of an ordinary share or ADS by such holder may give rise to a chargeable gain or an allowable loss for the purposes of U.K. corporation tax.

Inheritance Tax

If, for the purposes of the Double Taxation Relief (Taxes on Estates of Deceased Persons and on Gifts) Treaty United States of America Order 1979 (S1 1979/1454) between the United States and the United Kingdom, an individual holder is domiciled at the time of their death or at the time of a transfer made during their lifetime in the United States and is not a national of the United Kingdom, any ordinary share or ADS beneficially owned by that holder should not generally be subject to U.K. inheritance tax, provided that any applicable U.S. federal gift or estate tax liability is paid, except where (i) the ordinary share or ADS is part of the business property of a U.K. permanent establishment or pertain to a U.K. fixed base used for the performance of independent personal services; or (ii) the ordinary share or ADS is comprised in a settlement unless, at the time the settlement was made, the settlor was domiciled in the United States and not a national of the U.K. (in which case no charge to U.K. inheritance tax should apply).

Stamp Duty and Stamp Duty Reserve Tax

The stamp duty and stamp duty reserve tax, or SDRT, treatment of the issue, transfer and agreement to transfer an ordinary share outside a depositary receipt system or a clearance service are discussed in the paragraphs under "General" below. The stamp duty and SDRT treatment of such transactions in relation to such systems are discussed in the paragraphs under "Depositary Receipt Systems and Clearance Services" below. The discussion below relates to the holders of our ordinary shares or ADSs wherever resident, however it should be noted that special rules may apply to certain persons such as market makers, brokers, dealers or intermediaries.

General

Issue of Ordinary Shares or ADSs

The issue of an ordinary share or ADS does not give rise to a SDRT liability, according to the HM Revenue & Customs practice and recent case law and is not subject to stamp duty.

Transfer of Ordinary Shares

A transfer of an ordinary share will generally be subject to stamp duty at the rate of 0.5 percent of the consideration given for the transfer (rounded up to the next £5). An exemption from stamp duty is available on an instrument transferring an ordinary share where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000. The purchaser normally pays the stamp duty.

An unconditional agreement to transfer an ordinary share will normally give rise to a charge to SDRT at the rate of 0.5 percent of the amount or value of the consideration payable for the transfer. SDRT is, in general, payable by the purchaser. If a duly stamped transfer completing an agreement to transfer is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT already paid is generally repayable, normally with interest, and any SDRT charge yet to be paid is cancelled.

Transfer of ADSs

No stamp duty will, in practice, be payable on a written instrument transferring an ADS or on an unconditional agreement to transfer an ADS provided the instrument of transfer or the unconditional agreement to transfer is executed and remains at all times outside the UK. Where these conditions are not met, the transfer of, or agreement to transfer, an ADS could, depending on the circumstances, attract a charge to U.K. stamp duty at the rate of 0.5 percent of the value of the consideration. No SDRT will be payable in respect of an agreement to transfer an ADS.

Depositary Receipt Systems and Clearance Services

Based on current HM Revenue & Customs practice and recent case law in respect of the European Council Directives 69/335/EC and 2009/7/EC, or the Capital Duties Directives, no SDRT is generally payable when shares are issued or transferred to a clearance service or depositary receipt system as an integral part of a raising of capital. HM Revenue & Customs has confirmed that it will continue not to apply the 1.5 percent stamp duty and SDRT charge on the issue of shares (and transfers integral to the raising of capital) into overseas clearance systems and depository receipt issuers once the U.K. leaves the EU. In addition, a recent Court of Justice of the European Union judgment (Air Berlin plc v HM Revenue & Customs (2017)) held on the relevant facts that the Capital Duties Directives preclude the taxation of a transfer of legal title to shares for the sole purpose of listing those shares on a stock exchange which does not impact the beneficial ownership of the shares, but, as yet, the U.K. domestic law and HM Revenue & Customs' published practice remain unchanged and, accordingly, we anticipate that amounts on account of SDRT will continue to be collected by the depositary receipt issuer or clearance service. Holders of ordinary shares should consult their own independent professional advisers before incurring or reimbursing the costs of such a 1.5 percent SDRT charge.

Where an ordinary share or ADS is otherwise transferred (i) to, or to a nominee or an agent for, a person whose business is or includes the provision of clearance services or (ii) to, or to a nominee or an agent for a person whose business is or includes issuing depositary receipts, stamp duty or SDRT will generally be payable at the higher rate of 1.5 percent of the amount or value of the consideration given or, in certain circumstances, the value of the shares.

There is an exception from the 1.5 percent charge on the transfer to, or to a nominee or agent for, a clearance service where the clearance service has made and maintained an election under section 97A(1) of the Finance Act 1986, which has been approved by HM Revenue & Customs. It is understood that HM Revenue & Customs regards the facilities of DTC as a clearance service for these purposes and we are not aware of any section 97A election having been made by the DTC.

Any liability for stamp duty or SDRT in respect of a transfer into a clearance service or depositary receipt system, or in respect of a transfer within such a service, which does arise will strictly be accountable by the clearance service or depositary receipt system operator or their nominee, as the case may be, but will, in practice, be borne by the participants in the clearance service or depositary receipt system.

Repurchase of Ordinary Shares

U.K. stamp duty will generally be due at a rate of 0.5% of the consideration paid (rounded up to the next £5.00) on a repurchase by the company of its ordinary shares.

Taxation in the United States

The following discussion is a summary of the material U.S. federal income tax consequences to U.S. Holders and Non-U.S. Holders, each as defined below, of the acquisition, ownership and disposition of our ordinary shares or ADSs, but does not purport to be a comprehensive discussion of all the tax considerations that may be relevant to a decision to purchase our ordinary shares or ADSs. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws, are not discussed. This discussion is based on current provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury Regulations promulgated thereunder, published rulings and administrative pronouncements of the U.S. Internal Revenue Service (the "IRS"), and judicial decisions, in each case as available on the date of this annual report on Form 20-F. All of the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below. We have not, and will not, seek a ruling from the IRS with regard to the U.S. federal income tax treatment of an investment in our ordinary shares or ADSs, and there can be no assurance the IRS or a court will agree with the discussion below. This discussion is limited to U.S. Holders and Non-U.S. Holders of our ordinary shares or ADSs. This discussion addresses only the U.S. federal income tax considerations for holders that our ordinary shares or ADSs as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax matters that may be relevant to a particular holder, including the impact of the Medicare contribution tax on net investment income and the alternative minimum tax. Each prospective investor should consult a professional tax advisor with respect to the tax consequences of the acquisition, ownership or disposition of our ordinary shares or ADSs. In addition, this discussion does not address tax considerations applicable to a holder of our ordinary shares or ADSs that may be subject to special tax rules including, without limitation, the following:

- U.S. expatriates and former citizens or long-term residents of the United States;
- banks or other financial institutions;
- insurance companies;
- dealers or traders in securities, currencies, or notional principal contracts;
- tax-exempt entities, including an “individual retirement account” or “Roth IRA” retirement plan;
- regulated investment companies or real estate investment trusts;
- “qualified foreign pension funds,” or entities wholly owned by a “qualified foreign pension fund”;
- persons who have elected to mark securities to market;
- tax-exempt organizations or governmental organizations;
- persons that hold our ordinary shares as part of a hedge, straddle, conversion, constructive sale or similar transaction involving more than one position;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- persons who acquired our ordinary shares or ADSs as compensation for the performance of services;
- “qualified foreign pension funds” as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds;
- holders that own (or are deemed to own) 10 percent or more of our ordinary shares or ADSs, by vote or value; and
- U.S. Holders that have a “functional currency” other than the U.S. dollar.

If an entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes holds our ordinary shares or ADSs, the tax treatment of a partner in the partnership will generally depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. A partner in a partnership or other pass-through entity that hold our ordinary shares or ADSs should consult his, her or its tax advisor regarding the tax consequences of acquiring, holding and disposing of our ordinary shares or ADSs through a partnership or other pass-through entity, as applicable.

For the purposes of this discussion, a “U.S. Holder” is a beneficial owner of our ordinary shares or ADSs that is (or is treated as), for U.S. federal income tax purposes:

- an individual who is either a citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state of the United States or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if (1) a court within the United States is able to exercise primary supervision over its administration and one or more "United States persons" (within the meaning of Section 7701(a)(3) of the Code) have the authority to control all of the substantial decisions of such trust or (2) such trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person for U.S. federal income tax purposes.

For purposes of this discussion, a "Non-U.S. Holder" is a beneficial owner of our ordinary shares or ADSs that is not a U.S. Holder.

THIS DISCUSSION IS NOT TAX ADVICE. PERSONS CONSIDERING AN INVESTMENT IN ORDINARY SHARES OR ADSs SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES APPLICABLE TO THEM RELATING TO THE ACQUISITION, OWNERSHIP AND DISPOSITION OF OUR ORDINARY SHARES OR ADSs, INCLUDING THE APPLICABILITY OF U.S. FEDERAL, STATE AND LOCAL TAX LAWS, ANY NON-U.S. TAX LAWS AND ANY INCOME TAX TREATY.

Ownership of ADSs

For U.S. federal income tax purposes, a holder of ADSs generally will be treated as the owner of the ordinary shares represented by such ADSs. Gain or loss will generally not be recognized on account of exchanges of ordinary shares for ADSs, or of ADSs for ordinary shares. References to ordinary shares in the discussion below are deemed to include ADSs, unless context otherwise requires.

Treatment of the Company as a Domestic Corporation for U.S. Federal Income Tax Purposes

Even though we are incorporated under the laws of England and Wales, due to the circumstances of its formation and the application of Section 7874 of the Code, the Company is treated as a U.S. domestic corporation for U.S. federal income tax purposes. This has implications for all shareholders; we are subject to U.S. federal income tax as if we were a U.S. corporation, and distributions made by us are generally treated as U.S.-source as described below and generally subject to U.S. dividend withholding tax to the extent treated as a dividend, as described below.

U.S. Holders

Distributions

As described in the section entitled "Dividend Distribution Policy," we have never declared or paid any dividends on our ordinary shares or ADSs, though we may consider doing so in the future depending on the progression of our business. If we do make distributions of cash or property on our ordinary shares or ADSs (or engage in any transactions treated as distributions for U.S. federal income tax purposes), such distributions will be treated as U.S.-source dividends includible in the gross income of a U.S. Holder as ordinary income to the extent of our current and accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent the amount of a distribution exceeds tour current and accumulated earnings and profits, the distribution will be treated first as a non-taxable return of capital to the extent of a U.S. Holder's adjusted tax basis in the ordinary shares or ADSs and thereafter as gain from the sale of such ordinary shares or ADSs. Subject to applicable limitations and requirements, dividends received on the ordinary shares or ADSs generally should be eligible for the "dividends received deduction" available to corporate shareholders. A dividend paid by us to a non-corporate U.S. Holder generally will be eligible for preferential rates if certain holding period requirements are met.

The U.S. dollar value of any distribution made by us in foreign currency will be calculated by reference to the exchange rate in effect on the date of the U.S. Holder's actual or constructive receipt of such distribution, regardless of whether the foreign currency is in fact converted into U.S. dollars. If the foreign currency is converted into U.S. dollars on such date of receipt, the U.S. Holder generally will not recognize foreign currency gain or loss on such conversion. If the foreign currency is not converted into U.S. dollars on the date of receipt, such U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any gain or loss on a subsequent conversion or other taxable disposition of the foreign currency generally will be U.S.-source ordinary income or loss to such U.S. Holder.

Sale or Other Taxable Disposition

A U.S. Holder will recognize gain or loss for U.S. federal income tax purposes upon a sale or other taxable disposition of its ordinary shares or ADSs in an amount equal to the difference between the amount realized from such sale or disposition and the U.S. Holder's adjusted tax basis in the ordinary shares or ADSs. A U.S. Holder's adjusted tax basis in the ordinary shares or ADSs generally will be the U.S. Holder's cost for such ordinary shares or ADSs. Any such gain or loss generally will be U.S.-source capital gain or loss and will be long-term capital gain or loss if, on the date of sale or disposition, such U.S. Holder held the ordinary shares or ADSs for more than one year. Long-term capital gains derived by non-corporate U.S. Holders are eligible for taxation at reduced rates. The deductibility of capital losses is subject to significant limitations.

Information Reporting And Backup Withholding

Payments of distributions on or proceeds arising from the sale or other taxable disposition of ordinary shares or ADSs generally will be subject to information reporting, and they may be subject to backup withholding, if a U.S. Holder (i) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on IRS Form W-9), (ii) furnishes an incorrect U.S. taxpayer identification number, (iii) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding, or (iv) fails to certify under penalty of perjury that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Non-U.S. Holders

Distributions

As described in the section entitled "Dividend Distribution Policy," we have never declared or paid any dividends on our ordinary shares or ADSs, though we may consider doing so in the future depending on the progression of our business. If we do make distributions of cash or property on our ordinary shares or ADSs (or engage in any transactions treated as distributions for U.S. federal income tax purposes), such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its ordinary shares or ADSs, but not below zero. Any excess will be treated as capital gain and will be treated as described below under "—Sale or Other Taxable Disposition."

Subject to the discussion below on effectively connected income, dividends paid to a Non-U.S. Holder will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

A Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our ordinary shares or ADSs unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our ordinary shares or ADSs constitutes U.S. real property interests ("USRPI") by reason of our status as a U.S. real property holding corporation ("USRPHC") for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

A Non-U.S. Holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on gain realized upon the sale or other taxable disposition of our ordinary shares or ADSs, which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition of our ordinary shares or ADSs by a Non-U.S. Holder will not be subject to U.S. federal income tax if our ordinary shares or ADSs is "regularly traded," as defined by applicable U.S. Treasury Regulations, on an established securities market and such Non-U.S. Holder owned, actually and constructively, 5% or less of our ordinary shares or ADSs throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Payments of dividends on our ordinary shares or ADSs will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E, or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on our ordinary shares or ADSs paid to the Non-U.S. Holder, regardless of whether such distributions constitute dividends or whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our ordinary shares or ADSs within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person or the holder otherwise establishes an exemption. Proceeds of a disposition of our ordinary shares or ADSs conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or "FATCA") on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed U.S. Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, our ordinary shares or ADSs paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and

reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable U.S. Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our ordinary shares or ADSs. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, proposed U.S. Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed U.S. Treasury Regulations until final U.S. Treasury Regulations are issued.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

We are subject to the informational requirements of the Exchange Act. Accordingly, we are required to make certain filings with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains a website at http://www.sec.gov from which filings may be accessed.

We also make available on our website, free of charge, our annual reports on Form 20-F and the text of our reports on Form 6-K, including any amendments to these reports, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Our website address is www.puretechhealth.com. The information contained on our website is not incorporated by reference into this annual report on Form 20-F.

I. SUBSIDIARY INFORMATION

Not applicable.

J. ANNUAL REPORT TO SECURITY HOLDERS

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information (including graphs and tabular data) set forth under the following headings is incorporated by reference herein: “Quantitative and Qualitative Disclosures about Financial Risks” on page 79 of PureTech’s “Annual Report and Accounts 2024” included as exhibit 15.1 to this annual report on Form 20-F and in “Financial Statements—Notes to the Consolidated Financial Statements—Note 24. Capital and Financial Risk Management” in the audited consolidated financial statements included elsewhere in this annual report on Form 20-F.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. DEBT SECURITIES

Not applicable.

B. WARRANTS AND RIGHTS

Not applicable.

C. OTHER SECURITIES

Not applicable.

D. AMERICAN DEPOSITARY SHARES

Our ADSs are registered with Citibank, N.A., as depositary . Each ADS represents ten ordinary shares (or a right to receive ten ordinary shares) deposited with Citibank, N.A. (London), as custodian for the depositary in the United Kingdom. Citibank's depositary offices are located at 388 Greenwich Street, New York, New York, 10013. ADSs represent ownership interests in securities that are on deposit with the depositary bank. ADSs may be represented by certificates that are commonly known as "American Depositary Receipts" or "ADRs." The depositary bank typically appoints a custodian to safekeep the securities on deposit. In this case, the custodian is Citibank, N.A.—London Branch, located at Citigroup Centre Canary Wharf, London E14 5LB D.

A deposit agreement among us, the depositary, ADS holders and beneficial owners of ADSs issued thereunder sets out ADS holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADSs. A copy of the deposit agreement is incorporated by reference as exhibit 2.1 to this annual report on Form 20-F.

Fees and Charges

As an ADS holder, you will be required to pay the following fees under the terms of the deposit agreement:

SERVICE	FEES
• Issuance of ADSs (e.g., an issuance of ADS upon a deposit of ordinary shares, upon a change in the ADS(s)-to-ordinary share(s) ratio, or for any other reason), excluding ADS issuances as a result of distributions of ordinary shares)	Up to U.S.$0.05 per ADS issued
• Cancellation of ADSs (e.g., a cancellation of ADSs for delivery of deposited property, upon a change in the ADS(s)-to-ordinary share(s) ratio, or for any other reason)	Up to U.S.$0.05 per ADS cancelled
• Distribution of cash dividends or other cash distributions (e.g., upon a sale of rights and other entitlements)	Up to U.S.$0.05 per ADS held
• Distribution of ADSs pursuant to (i) share dividends or other free share distributions, or (ii) exercise of rights to purchase additional ADSs	Up to U.S.$0.05 per ADS held
• Distribution of securities other than ADSs or rights to purchase additional ADSs (e.g., upon a spin-off)	Up to U.S.$0.05 per ADS held
• ADS Services	Up to U.S.$0.05 per ADS held on the applicable record date(s) established by the depositary bank
• Registration of ADS transfers (e.g., upon a registration of the transfer of registered ownership of ADSs, upon a transfer of ADSs into DTC and vice versa, or for any other reason)	Up to U.S.$0.05 per ADS (or fraction thereof) transferred
• Conversion of ADSs of one series for ADSs of another series (e.g., upon conversion of partial entitlement ADSs for full entitlement ADSs, or upon conversion of restricted ADSs (each as defined in the deposit agreement) into freely transferable ADSs, and vice versa).	Up to U.S.$0.05 per ADS (or fraction thereof) converted

As an ADS holder you will also be responsible to pay certain charges such as:

- taxes (including applicable interest and penalties) and other governmental charges;
- the registration fees as may from time to time be in effect for the registration of ordinary shares on the share register and applicable to transfers of ordinary shares to or from the name of the custodian, the depositary bank or any nominees upon the making of deposits and withdrawals, respectively;
- certain cable, telex and facsimile transmission and delivery expenses;
- the fees, expenses, spreads, taxes and other charges of the depositary bank and/or service providers (which may be a division, branch or affiliate of the depositary bank) in the conversion of foreign currency;
- the reasonable and customary out-of-pocket expenses incurred by the depositary bank in connection with compliance with exchange control regulations and other regulatory requirements applicable to ordinary shares, ADSs and ADRs; and
- the fees, charges, costs and expenses incurred by the depositary bank, the custodian, or any nominee in connection with the ADR program.

ADS fees and charges for (i) the issuance of ADSs, and (ii) the cancellation of ADSs are charged to the person for whom the ADSs are issued (in the case of ADS issuances) and to the person for whom ADSs are cancelled (in the case of ADS cancellations). In the case of ADSs issued by the depositary bank into DTC, the ADS issuance and cancellation fees and charges may be deducted from distributions made through DTC, and may be charged to the DTC participant(s) receiving the ADSs being issued or the DTC participant(s) holding the ADSs being cancelled, as the case may be, on behalf of the beneficial owner(s) and will be charged by the DTC participant(s) to the account of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participants as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are charged to the holders as of the applicable ADS record date. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, holders as of the ADS record date will be invoiced for the amount of the ADS fees and charges and such ADS fees and charges may be deducted from distributions made to holders of ADSs. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC participants in accordance with the procedures and practices prescribed by DTC and the DTC participants in turn charge the amount of such ADS fees and charges to the beneficial owners for whom they hold ADSs. In the case of (i) registration of ADS transfers, the ADS transfer fee will be payable by the ADS Holder whose ADSs are being transferred or by the person to whom the ADSs are transferred, and (ii) conversion of ADSs of one series for ADSs of another series, the ADS conversion fee will be payable by the Holder whose ADSs are converted or by the person to whom the converted ADSs are delivered.

In the event of refusal to pay the depositary bank fees, the depositary bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary bank fees from any distribution to be made to the ADS holder. Certain depositary fees and charges (such as the ADS services fee) may become payable shortly after the purchase of ADSs. Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary bank. You will receive prior notice of such changes. The depositary bank may reimburse us for certain expenses incurred by us in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary bank agree from time to time.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

Disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act, are designed to ensure that information required to be disclosed by us in the reports that are filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the management of the Group, including our Chief Executive Officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Because of its inherent limitations, disclosure controls and procedures can provide only reasonable assurance of achieving their control objectives. Our management, with the participation of our Chief Executive Officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of December 31, 2024. Based on such evaluation, our Chief Executive Officer and principal financial officer have concluded that, as of December 31, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.

B. Management's Annual Report on Internal Control Over Financial Reporting

In accordance with the requirements of section 404 of Sarbanes-Oxley, the following report is provided by management in respect of the Group's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)):

- Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Group. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- Management, including our Chief Executive Officer and principal financial officer, conducted an evaluation of the effectiveness of Group's internal control over financial reporting based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- Based on their assessment under these criteria, our management has concluded that as of December 31, 2024, the Group's internal control over financial reporting was effective.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

C. Attestation Report of the Registered Public Accounting Firm

The effectiveness of the Group's internal control over financial reporting as of December 31, 2024 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears under Item 18 - "Financial Statements".

D. Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) that occurred during the period covered by this annual report on Form 20-F that have materially affected, or are reasonably likely to materially affect, the Group's internal control over financial reporting.

ITEM 16. RESERVED

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that Sharon Barber-Lui, independent director (under the standards set forth in Nasdaq Stock Market Rule 5605(a)(2) and Rule 10A-3 under the Exchange Act) and member of our audit committee, is an audit committee financial expert as defined in Item 16A of Form 20-F under the Exchange Act.

ITEM 16B. CODE OF ETHICS

Our Board of Directors has adopted a written Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A current copy of the code is posted on the investor relations section of our website, which is located at www.puretechhealth.com.The information contained on, or that can be accessed through, our website is not and shall not be deemed to be part of this annual report on Form 20-F. Our Code of Business Conduct and Ethics is intended to meet the definition of "code of ethics" under Item 16B of Form 20-F under the Exchange Act. We will disclose on our website any amendment to, or waiver from, a provision of our Code of Business Conduct and Ethics that applies to our directors or executive officers to the extent required under the rules of the SEC or Nasdaq. We granted no waivers under our Code of Business Conduct and Ethics in 2024.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees billed to us for professional services rendered by PricewaterhouseCoopers LLP in 2023 and 2024 and KPMG LLP (our former independent registered public accounting firm) in the interim period through May 31, 2023.

PwC:

For the years ending December 31,	**2024 $000s**	2023 $000s
Audit fees	**2,843**	2,686
Audit-related fees	**—**	—
Tax fees	**—**	—
All other fees*	**6**	9
Total	**2,848**	2,695

*"All other fees" represents non-audit fees in connection with access to the PricewaterhouseCoopers LLP on-line accounting research and disclosure database.

KPMG:

For the years ending December 31,	**2024 $000s**	2023 $000s	2022 $000s
Audit fees	**—**	**—**	3,099
Audit-related fees	**—**	**—**	—
Tax fees	**—**	**—**	—
All other fees	**—**	**—**	—
Total	**—**	**—**	3,099

The information set forth or referenced under the heading "Report of the Audit Committee" on pages 99 to 101 of PureTech's "Annual Report and Accounts 2024" included as exhibit 15.1 to this annual report on Form 20-F is incorporated by reference.

The Audit Committee evaluates the qualifications, independence and performance of the independent auditor as well as pre-approves and reviews the audit and non-audit services to be performed by the independent auditor. In accordance with this policy, all services performed by and fees paid to KPMG LLP and PricewaterhouseCoopers LLP were approved by the Audit Committee.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1, 2024 through January 31, 2024[1]	1,586,857	$2.48	1,586,857	$773,805
February 1, 2024 through February 29, 2024[1]	317,133	$2.44	317,133	—
June 24, 2024[2]	31,540,670	$3.17	31,540,670	—
Total	**33,444,660**	**$3.13**	**33,444,660**	

1. On May 9, 2022, the Company announced the commencement of a $50 million share repurchase program (the "Program") of its ordinary shares. The Company executed the Program in two equal tranches, the first of which was completed on October 26, 2022, and the second which was completed on February 7, 2024. In respect of each of the two tranches, the Company entered into an irrevocable non-discretionary instruction with Jefferies International Limited ("Jefferies") in relation to the purchase by Jefferies of the Company's ordinary shares for an aggregate consideration (excluding expenses) of no greater than $25 million and the simultaneous on-sale of such ordinary shares by Jefferies to the Company. Jefferies makes its trading decisions in relation to the ordinary shares independently of, and uninfluenced by, the Company. Between May 9, 2022, and February 7, 2024, the Company repurchased an aggregate of 20,182,863 ordinary shares under the Share Buyback Program, which represents approximately 7% of the Company's issued share capital at the time the program commenced. Any purchase of ordinary shares under the Program was carried out on the London Stock Exchange and any other UK recognized investment exchange which may have been agreed, in accordance with pre-set parameters and in accordance with, and subject to limits, including those limits related to daily volume and price, prescribed by the Company's general authority to repurchase ordinary shares granted by its shareholders at its most recent annual general meeting on June 13, 2023, Chapter 12 of the Financial Conduct Authority's UK Listing Rules, Article 5(1) of Regulation (EU) No. 596/2014 (as incorporated into UK domestic law by the European Union (Withdrawal) Act 2018) and Commission Delegated Regulation (EU) 2016/1052 (as incorporated into UK domestic law by the European Union (Withdrawal) Act 2018). All ordinary shares repurchased under the Program were then held in treasury.
2. On May 18, 2024, the Board of Directors approved a tender offer to purchase up to an aggregate of $100 million of ordinary shares (including ordinary shares represented by ADSs), subject to shareholder approval, certain limitations and legal requirements ("Tender Offer"). The Tender Offer commenced on May 20, 2024 and expired at 5:00 P.M., New York City time, on June 18, 2024 with respect to ADSs and 1:00 p.m., London time, on June 20, 2024 with respect to ordinary shares. Jefferies implemented the Tender Offer by acquiring, as principal, the successfully tendered ordinary share (including ordinary shares represented by ADSs) at a fixed price of 250 pence per ordinary share (equivalent to £25.00 per ADS) (the "Tender Price"), with such purchases being market purchases. Immediately following completion of the Tender Offer, Jefferies exercised its right to sell such ordinary share (including ordinary shares represented by ADSs) to the Company, at the Tender Price. On June 24, 2024, a total of 31,540,670 ordinary shares (including ordinary shares represented by ADSs) were repurchased by the Company in connection with the Tender Offer, representing approximately 12% of the issued ordinary share capital of the Company. All ordinary shares repurchased in connection with the Tender Offer have been cancelled.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

We qualify as a foreign private issuer (as such term is defined in Rule 3b-4 under the Exchange Act). The Listing Rules of the Nasdaq Stock Market include certain accommodations in the corporate governance requirements that allow foreign private issuers to follow "home country" corporate governance practices in lieu of the otherwise applicable corporate governance standards of the Nasdaq Stock Market. We rely on the certain exemptions for foreign private issuers and follow United Kingdom corporate governance practices in lieu of the Nasdaq corporate governance rules.
A summary of the significant ways in which the Company's corporate governance practices differ from those followed by U.S. domestic companies under the Nasdaq corporate governance rules is set forth below.

The information (including tabular data) set forth or referenced under the headings "Directors' Report for the year ended 31 December 2024—Compliance with the UK Corporate Governance Code" (first paragraph only) on page 94 of PureTech's "Annual Report and Accounts 2024" included as exhibit 15.1 to this annual report on Form 20-F is incorporated by reference.

The Sarbanes-Oxley Act of 2002, as well as related rules subsequently implemented by the SEC, requires foreign private issuers, including our company, to comply with various corporate governance practices. In addition, Nasdaq rules provide that foreign private issuers may follow home country practice in lieu of the Nasdaq corporate governance standards, subject to certain exceptions and except to the extent that such exemptions would be contrary to U.S. federal securities laws. The home country practices followed by our company in lieu of Nasdaq rules are described below:

- We do not follow Nasdaq's quorum requirements applicable to meetings of shareholders. Such quorum requirements are not required under U.K. law. In accordance with generally accepted business practice, our articles of association provide alternative quorum requirements that are generally applicable to meetings of shareholders.
- We do not follow Nasdaq's requirements that independent directors have regularly scheduled meetings at which only independent directors are present. Under U.K. law the independent directors may choose to meet in executive session at their discretion.
- We do not follow Nasdaq's requirements to seek shareholder approval for the implementation of certain equity compensation plans, the issuances of ordinary shares under such plans, or in connection with certain private placements of equity securities. In accordance with U.K. law, we are not required to seek shareholder approval to allot ordinary shares in connection with applicable employee equity compensation plans. We will follow U.K. law with respect to any requirement to obtain shareholder approval prior to any private placements of equity securities.
- We do not follow Nasdaq's requirements with respect to review and approval of related party transactions. We will follow U.K. law with respect to any requirements regarding review and approval of related party transactions.

Other than as discussed above, we intend to comply with the rules generally applicable to U.S. domestic companies listed on Nasdaq. We may in the future, however, decide to use other foreign private issuer exemptions with respect to some or all of the

other Nasdaq rules. Following our home country governance practices may provide less protection than is accorded to investors under Nasdaq rules applicable to domestic issuers.

We intend to take all actions necessary for us to maintain compliance as a foreign private issuer under the applicable corporate governance requirements of the Sarbanes-Oxley Act of 2002, the rules adopted by the SEC and Nasdaq's listing standards.

Because we are a foreign private issuer, our directors and senior management are not subject to short-swing profit and insider trading reporting obligations under Section 16 of the Exchange Act. They are, however, subject to the obligations to report changes in share ownership under Section 13 of the Exchange Act and related SEC rules.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

Our Board of Directors has adopted a Securities Dealing Code, which applies to all of our directors, officers, employees and other covered persons, governing the purchase, sale, and other dispositions of our securities. We believe our Securities Dealing Code is reasonably designed to promote compliance with insider trading laws, rules and regulations, and listing standards applicable to us. A copy of our Securities Dealing Code is filed as Exhibit 11.1 to this annual report on Form 20-F.

ITEM 16K. CYBERSECURITY DISCLOSURE

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information.

We design and assess our program based on the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF). This does not imply that we meet any particular technical standards, specifications, or requirements, only that we use the NIST CSF as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

Our cybersecurity risk management program is integrated into our overall risk management program, and shares common methodologies, reporting channels and governance processes that apply across the risk management program to other legal, compliance, strategic, operational, and financial risk areas.

Key elements of our cybersecurity risk management program include but are not limited to the following:

- risk assessments designed to help identify material risks from cybersecurity threats to our critical systems and information;
- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security processes;
- cybersecurity awareness training of our employees, including incident response personnel, and senior management, including phishing training courses designed to educate users on detecting malicious emails;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents;
- use of a Digital Forensics and Incident Response team provided by our external IT service provider as needed; and
- an internal risk management process for key service providers based on our assessment of their criticality to our operations and respective risk profile.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, results of operations, or financial condition. We face risks from cybersecurity threat that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial conditions. For more information, see the section titled “Risk Factor—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.”

Cybersecurity Governance

Our Board considers cybersecurity risk as part of its risk oversight function and has delegated to the Audit Committee (Committee) oversight of cybersecurity and other information technology risks. The Committee oversees management’s implementation of our cybersecurity risk management program.

The Committee receives reports at least annually from management on our cybersecurity risks. In addition, management updates the Committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential.

Our management team, including our Vice President of IT who serves as our Information Security Officer, has a combined 30+ years of risk management experience and is responsible for assessing and managing our material risks from cybersecurity threats. Our Vice President of IT brings 20+ years of experience, including serving as lead of all aspects of IT strategy at similar Boston-area biopharma companies. Based on the Vice President of IT’s extensive background, he counsels the management team on IT risks and leads the overall function. The team has primary responsibility for our overall cybersecurity risk management program and supervises both our internal cybersecurity personnel and our retained external cybersecurity consultants. Our management team’s experience includes experience managing IT programs as well as various certifications, such as the Information Systems Security Professional certification, and Certified Cloud Security Professionalism certification.

Our management team takes steps to stay informed about and monitor efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in our information technology environment.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable

ITEM 18. FINANCIAL STATEMENTS

See pages F-1 through F-55 of this annual report on Form 20-F.

Seaport Therapeutics, Inc. was deemed a significant equity investee under Rule 3-09 of Regulation S-X for the period from October 18, 2024 (the date when it deconsolidated from PureTech) through December 31, 2024. As such, the financial statements and related notes of Seaport Therapeutics, Inc. required by Rule 3-09 of Regulation S-X are provided as Exhibit 99.1 to this annual report.

ITEM 19. EXHIBITS

The Exhibits listed in the below Exhibit Index are filed as Exhibits to this annual report on Form 20-F.

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT	INCORPORATION BY REFERENCE			
		Schedule/Form	File Number	Exhibit	File Date
1.1	Articles of Association of the Registrant	20FR12B	001-39670	3.1	10/27/2020
2.1	Deposit Agreement dated as of November 11, 2020, by and among the Registrant, Citibank N.A. and the holders of beneficial holders of American Depository Shares thereunder	20-F	001-39670	2.1	4/15/2021
2.2	Form of American Depository Receipt (included in Exhibit 2.1)				
2.3	Description of Registrant's Securities	20-F	001-39670	2.3	4/26/2022
4.1#	2015 Performance Share Plan	20FR12B	001-39670	10.1	10/27/2020
4.2#	2023 Performance Share Plan	20-F	001-39670	4.2	4/25/2024
4.3#	Form of Incentive Stock Option Deed of Agreement under the Performance Share Plan	20FR12B	001-39670	10.2	10/27/2020
4.4#	Form of Nonstatutory Stock Option Deed of Agreement under the Performance Share Plan	20FR12B	001-39670	10.3	10/27/2020
4.5#	Form of Restricted Share Units Agreement under the Performance Share Plan	20FR12B	001-39670	10.4	10/27/2020
4.6	Lease Agreement, dated as of August 10, 2018, by and between the Registrant and RBK I TENANT, LLC	20FR12B	001-39670	10.5	10/27/2020
4.7#	Form of Deed of Indemnity between the Registrant and each of its directors and executive officers	20FR12B	001-39670	10.6	10/27/2020
4.8†	Asset Purchase Agreement, dated July 15, 2019, by and between Auspex Pharmaceuticals, Inc. and PureTech Health LLC	20FR12B	001-39670	10.7	10/27/2020
4.9†	Royalty Agreement, dated as of July 23, 2013, by and between PureTech Ventures LLC and Follica, Incorporated	20FR12B	001-39670	10.8	10/27/2020
4.10	Royalty and Sublicense Income Agreement, dated as of December 18, 2009, as amended on June 28, 2012, by and between PureTech Ventures LLC, Gelesis, Inc. and Gelesis LP	20FR12B	001-39670	10.9	10/27/2020
4.11†	Exclusive Patent License Agreement, dated as of March 4, 2011, as amended on February 1, 2013 and February 25, 2015, by and between PureTech Ventures LLC and Karuna Pharmaceuticals, Inc.	20FR12B	001-39670	10.10	10/27/2020
4.12†	Ninth Amended and Restated Registration Rights Agreement, dated December 5, 2019, between Gelesis, Inc. and the stockholders party thereto	20FR12B	001-39670	10.12	10/27/2020
4.13†	Fifth Amended and Restated Right of First Refusal and Co-Sale Agreement, dated July 19, 2019, by and among Follica, Incorporated and the investors and key holders party thereto	20FR12B	001-39670	10.18	10/27/2020
4.14†	Amended and Restated Investors' Rights Agreement, dated June 30, 2020, by and between Vor Biopharma Inc. and the investors party thereto	20FR12B	001-39670	10.21	10/27/2020
4.15†	Amended and Restated Voting Agreement, dated May 25, 2022, by and among Sonde Health, Inc. and the stockholders party thereto	20-F	001-39670	4.15	4/25/2024
4.16†	Amended and Restated Investors' Rights Agreement, dated May 25, 2022, by and among Sonde Health, Inc. and the investors party thereto	20-F	001-39670	4.16	4/25/2024
4.17†	Amended and Restated Right of First Refusal and Co-Sale Agreement, dated May 25, 2022, by and among Sonde Health, Inc. and the investors and key holders party thereto	20-F	001-39670	4.17	4/25/2024
4.18†	Voting Agreement, dated December 18, 2017, between Entrega, Inc. and the stockholders party thereto	20FR12B	001-39670	10.26	10/27/2020
4.19†	Investors' Rights Agreement, dated December 18, 2017, by and between Entrega, Inc. and the investors party thereto	20FR12B	001-39670	10.27	10/27/2020

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT	INCORPORATION BY REFERENCE			
		Schedule/Form	File Number	Exhibit	File Date
4.20†	Right of First Refusal and Co-Sale Agreement, dated December 18, 2017, by and between Entrega, Inc. and the investors and key holders party thereto	20FR12B	001-39670	10.28	10/27/2020
4.21†	Research and License Agreement, dated March 6, 2017, as amended on April 23, 2018, August 6, 2018, May 31, 2019, and July 22, 2020 between PureTech LYT, Inc. and New York University	20FR12B	001-39670	10.29	10/27/2020
4.22+	Amended and Restated Registration and Stockholder Rights Agreement, dated January 13, 2022, by and among Gelesis Holdings, Inc. and the stockholders party thereto	8-K	001-39362	10.2	1/20/2022
4.23†	Amended and Restated Investors' Rights Agreement, dated March 1, 2023 by and among Vedanta Biosciences, Inc. and the investors and noteholders party thereto	20-F	001-39670	4.25	4/25/2024
4.24	Form of Subscription Agreement	S-4	333-258693	10.2	8/10/2021
4.25	Form of Promissory Note of Gelesis Holdings, Inc.	8-K	001-39362	10.1	7/29/2022
4.26+	Note and Warrant Purchase Agreement, dated as of February 21, 2023, by and among Gelesis Holdings, Inc., Gelesis, Inc., Gelesis 2012, Inc., Gelesis LLC and PureTech Health LLC	8-K	001-39362	10.1	2/23/2023
4.27†+	Royalty Purchase Agreement, dated as of March 22, 2023, by and between PureTech Health LLC and Royalty Pharma Investments 2019 ICAV	20-F	001-39670	4.36	04/25/2024
4.28*	Form of Secured Subordinated Convertible Promissory Note of Vedanta Biosciences, Inc.	20-F	001-39670	4.37	4/25/2024
4.29+	Asset Transfer Agreement, dated April 8, 2024, by and among Seaport Therapeutics Inc., PureTech Health LLC, and PureTech LYT Inc.	20-F	001-39670	4.38	4/25/2024
8.1	Subsidiaries of PureTech Health plc	20FR12B	001-39670	21.1	10/27/2020
11.1*	Securities Dealing Code				
12.1*	Certification by the Principal Executive and Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
13.1**	Certification of Principal Executive and Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
15.1***	Annual Report and Accounts 2024				
97.1	Policy for Recovery of Erroneously Awarded Compensation	20-F	001-39670	97.1	4/25/2024
99.1*	Seaport Therapeutics, Inc. and subsidiaries Consolidated Financial Statements for the period from October 18, 2024 through December 31, 2024				

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT	INCORPORATION BY REFERENCE			
		Schedule/Form	File Number	Exhibit	File Date
101.INS*	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104*	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				

* Filed herewith.

** Furnished herewith.

*** Certain of the information included within Exhibit 15.1, which is provided pursuant to Rule 12b-23(a) of the Securities Exchange Act of 1934, as amended, is incorporated by reference in this annual report on Form 20-F, as specified elsewhere in this annual report on Form 20-F. With the exception of the items and pages so specified, the "Annual Report and Accounts 2024" is not deemed to be filed as part of this annual report on Form 20-F.

Indicates a management contract or any compensatory plan, contract or arrangement.

† Portions of this exhibit (indicated by asterisks) have been omitted because either (A) they are both (i) not material and (ii) would likely cause competitive harm if publicly disclosed., or (B) they are both (i) not material and (ii) the type of information that the Registrant customarily and actually treats as private or confidential, as applicable. The Registrant agrees to furnish an unredacted copy of this exhibit to the Securities and Exchange Commission upon request.

+ Schedules and exhibits to this exhibit omitted. The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: April 30, 2025

PURETECH HEALTH PLC

By: /s/ Bharatt Chowrira

Name: Bharatt Chowrira

Title: Chief Executive Officer

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of PureTech Health plc

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statement of financial position of PureTech Health plc and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income/(loss), of changes in equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO..

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control Over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of the Company's investment in the Convertible Preferred Shares of Seaport Therapeutics, Inc.

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 $177 million as of December 31, 2024. 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, the probability of Seaport entering into an initial public offering and achieving a certain clinical trial development milestone and the time to liquidity.

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 critical 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, the probability of Seaport entering into an initial public offering and achieving a certain clinical trial development milestone, and the time to liquidity; 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, the probability of Seaport entering into an initial public offering and achieving a certain clinical trial development milestone, and the time to liquidity. Evaluating management's assumptions related to the probability of Seaport entering into an initial public offering and achieving a certain clinical trial development milestone, and the time to liquidity involved evaluating whether the assumptions used by management were reasonable considering the consistency with internal and external market data. Professionals with specialized skill and knowledge 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.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
April 30, 2025

We have served as the Company's auditor since 2023.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors

PureTech Health PLC

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of comprehensive income / (loss), changes in equity, and cash flows of PureTech Health PLC and subsidiaries (the Company) for the year ended December 31, 2022 and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the results of its operations and its cash flows for the year ended December 31, 2022, in conformity with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and international accounting standards in conformity with the requirements of the UK-adopted IFRSs.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ KPMG LLP
KPMG LLP

We served as the Company's auditor from 2015 to 2022.

London, United Kingdom
27 April 2023 except for Note 4, to which the date is 25 April 2024 and 30 April 2025.

Consolidated Statement of Comprehensive Income/(Loss)

For the years ended December 31

	Note	**2024 $000s**	2023 $000s	2022 $000s
Contract revenue	3	**4,315**	750	2,090
Grant revenue	3	**513**	2,580	13,528
Total revenue		**4,828**	3,330	15,618
Operating expenses:				
General and administrative expenses	9	**(71,469)**	(53,295)	(60,991)
Research and development expenses	9	**(69,454)**	(96,235)	(152,433)
Operating income/(loss)		**(136,095)**	(146,199)	(197,807)
Other income/(expense):				
Gain/(loss) on deconsolidation of subsidiary	8	**151,808**	61,787	27,251
Gain/(loss) on investments held at fair value	5	**(2,398)**	77,945	(32,060)
Realized gain/(loss) on sale of investments	5	**151**	(122)	(29,303)
Gain/(loss) on investments in notes from associates	7	**13,131**	(27,630)	—
Other income/(expense)		**961**	(908)	8,131
Other income/(expense)		**163,652**	111,072	(25,981)
Finance income/(costs):				
Finance income	11	**22,669**	16,012	5,799
Finance costs – contractual	11	**(1,731)**	(3,424)	(3,939)
Finance income/(costs) – fair value accounting	11	**(8,108)**	2,650	137,063
Finance costs – non cash interest expense related to sale of future royalties	18	**(8,058)**	(10,159)	—
Net finance income/(costs)		**4,773**	5,078	138,924
Share of net income/(loss) of associates accounted for using the equity method	6	**(8,754)**	(6,055)	(27,749)
Gain/(loss) on dilution of ownership interest in associates	6	**199**	—	28,220
Impairment of investment in associates	6	**—**	—	(8,390)
Income/(loss) before taxes		**23,774**	(36,103)	(92,783)
Tax benefit/(expense)	27	**4,008**	(30,525)	55,719
Income/(loss) for the year		**27,782**	(66,628)	(37,065)
Other comprehensive income/(loss):				
Items that are or may be reclassified as profit or loss				
Equity-accounted associate – share of other comprehensive income (loss)		**—**	92	(166)
Reclassification of foreign currency differences on dilution of interest		**—**	—	(213)
Total other comprehensive income/(loss)		**—**	92	(379)
Total comprehensive income/(loss) for the year		**27,782**	(66,535)	(37,444)
Income/(loss) attributable to:				
Owners of the Group		**53,510**	(65,697)	(50,354)
Non-controlling interests		**(25,728)**	(931)	13,290
		27,782	(66,628)	(37,065)
Comprehensive income/(loss) attributable to:				
Owners of the Group		**53,510**	(65,604)	(50,733)
Non-controlling interests		**(25,728)**	(931)	13,290
		27,782	(66,535)	(37,444)
		$	$	$
Earnings/(loss) per share:				
Basic earnings/(loss) per share	12	**0.21**	(0.24)	(0.18)
Diluted earnings/(loss) per share	12	**0.21**	(0.24)	(0.18)

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Financial Position

As of December 31,

	Note	2024 $000s	2023 $000s
Assets			
Non-current assets			
Property and equipment, net	13	**7,069**	9,536
Right of use asset, net	23	**8,061**	9,825
Intangible assets, net	14	**601**	906
Investments held at fair value	5	**191,426**	317,841
Investment in associates – equity method	6	**2,397**	3,185
Investments in notes from associates, non-current	7	**6,350**	4,600
Other non-current assets		**475**	878
Total non-current assets		**216,379**	346,771
Current assets			
Trade and other receivables	24	**1,522**	2,376
Income tax receivable		**—**	11,746
Prepaid expenses		**4,404**	4,309
Other financial assets	15	**1,642**	1,628
Investment in notes from associate, current	7	**11,381**	—
Short-term investments	24	**86,666**	136,062
Cash and cash equivalents	24	**280,641**	191,081
Total current assets		**386,256**	347,201
Total assets		**602,635**	693,973
Equity and liabilities			
Equity			
Share capital	16	**4,860**	5,461
Share premium	16	**290,262**	290,262
Treasury stock	16	**(46,864)**	(44,626)
Merger reserve	16	**138,506**	138,506
Translation reserve	16	**182**	182
Other reserve	16	**(4,726)**	(9,538)
Retained earnings/(Accumulated deficit)	16	**32,486**	83,820
Equity attributable to the owners of the Group		**414,707**	464,066
Non-controlling interests	21	**(6,774)**	(5,835)
Total equity		**407,933**	458,232
Non-current liabilities			
Sale of future royalties liability, non-current	18	**136,782**	110,159
Deferred tax liability		**—**	52,462
Lease liability, non-current	23	**14,671**	18,250
Liability for share-based awards	10	**1,861**	3,501
Total non-current liabilities		**153,314**	184,371
Current liabilities			
Lease liability, current	23	**3,579**	3,394
Trade and other payables	22	**27,020**	44,107
Sale of future royalties liability, current	18	**6,435**	—
Taxes payable		**75**	—
Notes payable	20	**4,111**	3,699
Preferred share liability	17	**169**	169
Total current liabilities		**41,388**	51,370
Total liabilities		**194,702**	235,741
Total equity and liabilities		**602,635**	693,973

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 30, 2025 and signed on its behalf by:



Bharatt Chowrira
Chief Executive Officer
April 30, 2025

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the years ended December 31

		Share Capital			Treasury Shares								
	Note	Shares	Amount $000s	Share premium $000s	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, 2022		287,796,585	5,444	289,303	—	—	138,506	469	(40,077)	199,871	593,515	(9,368)	584,147
Net income/(loss)		—	—	—	—	—	—	—	—	(50,354)	(50,354)	13,290	(37,065)
Other comprehensive income/(loss), net		—	—	—	—	—	—	(379)	—	—	(379)	—	(379)
Total comprehensive income/(loss) for the year		**—**	**—**	**—**	**—**	**—**	**—**	**(379)**	**—**	**(50,354)**	**(50,733)**	**13,290**	**(37,444)**
Deconsolidation of Subsidiary		—	—	—	—	—	—	—	—	—	—	11,904	11,904
Exercise of stock options	10	577,022	11	321	—	—	—	—	—	—	332	—	332
Purchase of Treasury stock	16	—	—	—	(10,595,347)	(26,492)	—	—	—	—	(26,492)	—	(26,492)
Revaluation of deferred tax assets related to share-based awards		—	—	—	—	—	—	—	45	—	45	—	45
Equity-settled share-based awards	10	—	—	—	—	—	—	—	8,856	—	8,856	4,711	13,567
Settlement of restricted stock units	10	788,046	—	—	—	—	—	—	1,528	—	1,528	—	1,528
NCI exercise of share options in subsidiaries	10	—	—	—	—	—	—	—	15,171	—	15,171	(15,164)	7
Other		—	—	—	—	—	—	—	—	—	—	(4)	(4)
Balance December 31, 2022		**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) for the year		—	—	—	—	—	—	92	—	—	92	—	92
Total comprehensive income/(loss) for the year		**—**	**—**	**—**	**—**	**—**	**—**	**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
Settlement of restricted stock units	10	—	—	—	425,219	986	—	—	156	—	1,142	—	1,142
Expiration of share options in subsidiary		—	—	—	—	—	—	—	1,458	—	1,458	(1,458)	—
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**

	Note	Share Capital			Treasury Shares		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
		Shares	Amount $000s	Share premium $000s	Shares	Amount $000s							
Balance January 1, 2024		**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) for the year		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**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**

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the years ended December 31

	Note	**2024 $000s**	2023 $000s	2022 $000s
Cash flows from operating activities				
Income/(loss) for the year		**27,782**	(66,628)	(37,065)
Adjustments to reconcile income/(loss) for the period to net cash used in operating activities:				
Non-cash items:				
Depreciation and amortization		**3,571**	4,933	8,893
Share-based compensation expense	10	**22,850**	4,415	14,698
(Gain)/loss on investment held at fair value	5	**2,398**	(77,945)	32,060
Realized (gain)/loss on sale of investments	5	**(151)**	265	29,303
Gain on dilution of ownership interest in associate	6	**(199)**	—	(28,220)
Impairment of investment in associates	6	**—**	—	8,390
Gain on deconsolidation of subsidiary	8	**(151,808)**	(61,787)	(27,251)
Share of net (gain)/ loss of associates accounted for using the equity method	6	**8,754**	6,055	27,749
(Gain)/loss on investments in notes from associates	7	**(13,131)**	27,630	—
Fair value gain on other financial instruments	19	**—**	—	(8,163)
(Gain)/loss on disposal of assets		**14**	318	138
Impairment of fixed assets		**226**	1,260	
Income taxes expense (benefit)	27	**(4,008)**	30,525	(55,719)
Finance (income)/costs, net	11	**(4,773)**	(5,078)	(138,924)
Changes in operating assets and liabilities:				
Trade and other receivables		**629**	9,750	(7,734)
Prepaid expenses and other financial assets		**(1,262)**	2,834	(862)
Deferred revenue		**—**	(283)	2,123
Trade and other payables	22	**(9,695)**	3,844	22,033
Other		**92**	1,374	359
Income taxes paid		**(37,913)**	(150)	(20,696)
Interest received		**23,547**	14,454	3,460
Interest paid		**(1,295)**	(1,701)	(3,366)
Net cash used in operating activities		**(134,369)**	(105,917)	(178,792)
Cash flows from investing activities:				
Purchase of property and equipment	13	**(11)**	(70)	(2,176)
Proceeds from sale of property and equipment		**255**	865	—
Purchases of intangible assets	14	**—**	(175)	—
Investment in associates	17	**(14,400)**	—	(19,961)
Purchase of investments held at fair value	5	**—**	—	(5,000)
Sale of investments held at fair value	5	**298,109**	33,309	118,710
Short-term note to associate		**(660)**	—	—
Repayment of short-term note from associate		**660**	—	15,000
Purchase of convertible note from associate		**—**	(16,850)	(15,000)
Cash derecognized upon loss of control over subsidiary	8	**(91,570)**	(13,784)	(479)
Purchases of short-term investments		**(308,942)**	(178,860)	(248,733)
Proceeds from maturity of short-term investments		**357,447**	244,556	50,000
Receipt of payment of sublease		**—**	—	415
Net cash provided by (used in) investing activities		**240,888**	68,991	(107,223)
Cash flows from financing activities:				
Receipts from Royalty Purchase Agreement	18	**25,000**	100,000	—
Issuance of subsidiary preferred Shares	17	**68,100**	—	—
Issuance of Subsidiary Convertible Note		**—**	—	393
Payment of lease liability	23	**(3,394)**	(3,338)	(4,025)
Exercise of stock options		**895**	1,153	332
NCI exercise of stock options in subsidiary		**—**	—	7
Repurchase of ordinary shares from Tender Offer	16	**(102,768)**	—	—
Purchase of treasury stock	16	**(4,791)**	(19,650)	(26,492)
Other		**—**	(23)	(41)
Net cash provided by (used in) financing activities		**(16,958)**	78,141	(29,827)
Net increase (decrease) in cash and cash equivalents		**89,560**	41,215	(315,842)
Cash and cash equivalents at beginning of year		**191,081**	149,866	465,708
Cash and cash equivalents at end of period		**280,641**	191,081	149,866
Supplemental disclosure of non-cash investment and financing activities:				
Purchase of intangible assets not yet paid in cash	14	**—**	25	—
Cost associated with Tender Offer not yet paid in cash		**2,076**	—	—
Settlement of restricted stock units through issuance of equity		**1,301**	1,142	1,528

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 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, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022. The Consolidated Financial Statements have been approved by the Directors on April 30, 2025, and are prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

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 liabilities classified as fair value through the profit or loss.

Use of Judgments and Estimates

In preparing the Consolidated Financial Statements, management has made judgements, 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, volatility, and term to liquidity.

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 judgements 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, investee dependence on the Group, etc. 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.
- 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, 2024, the Group had cash and cash equivalents of $280,641 and short-term investments of $86,666. Considering the Group's financial position as of December 31, 2024, 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, 2024 and 2023, and for each of the years ended December 31, 2024, 2023 and 2022, 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, 2024, and the Group's total voting percentage, based on outstanding voting common and preferred shares as of December 31, 2024, 2023 and 2022, is outlined below. All current subsidiaries are domiciled within the United States and conduct business activities solely within the United States.

	Voting percentage at December 31, through the holdings in					
	2024		2023		2022	
Subsidiary	**Common**	**Preferred**	Common	Preferred	Common	Preferred
Subsidiary operating companies						
Gallop Oncology, Inc. (Indirectly Held through PureTech LYT)[2, 5]	**100.0**	**—**	N/A	N/A	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, 6, 8]	**—**	**—**	14.6	—	14.7	—
Gelesis, Inc.[1,2]	**—**	**—**	—	—	22.8	—
Seaport Therapeutics, Inc.[2, 4, 5, 6]	**0.8**	**42.1**	N/A	N/A	N/A	N/A
SPTX, Inc. (held Indirectly through Seaport)[2, 4, 5, 6]	**0.8**	**42.1**	N/A	N/A	N/A	N/A
Karuna Therapeutics, Inc.[2,6, 8]	**—**	**—**	2.3	—	3.1	—
Vedanta Biosciences, Inc.[2, 4, 6]	**—**	**46.9**	—	47.0	—	47.0
Vedanta Biosciences Securities Corp. (indirectly held through Vedanta)[2, 4, 6]	**—**	**46.9**	—	47.0	—	47.0
Vor Biopharma Inc.[2, 6]	**2.1**	**—**	3.9	—	4.1	—
Nontrading 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	—	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	—	100.0
Commense Inc.[2, 7]	**—**	**—**	—	99.1	—	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	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	—	86.0
Libra Biosciences, Inc.[2, 7]	**—**	**—**	—	100.0	—	100.0
Mandara Sciences, LLC[2, 7]	**—**	**—**	98.3	—	98.3	—
Tal Medical, LLC.[2, 7]	**—**	**—**	—	100.0	—	100.0

1 On October 30, 2023, Gelesis ceased operations and filed a voluntary petition for relief under the United States bankruptcy code. See Note 6. Investments in Associates for details.

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, Notes 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 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.

6 See Notes 5. Investments Held at Fair Value for additional discussion on the Group's investment held in Seaport, Vedanta, Sonde, Akili, Karuna and Vor during 2024.

7 Inactive subsidiary dissolved in November 2024.

8 The Group's investments in Akili and Karuna were disposed of in 2024.

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).

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 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.

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 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 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.

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).

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. See Note 6. Investments in Associates for impairment recorded in respect of an investment in associate during the year ended December 31, 2022.

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.

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 starting in 2021. 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 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 leases real estate for use in operations. These leases have lease terms of approximately 10 years. 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's leases are virtually all leases of real estate.

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.

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 Amendments to IAS 1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current* for the first time for its reporting period ended December 31, 2024. This amendment did not have any impact on the amounts recognized 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 is currently assessing the impact of the new standard.

In July 2024, the International Accounting Standards Board published the IFRS Interpretations Committee ("Committee")'s agenda decision clarifying certain requirements for disclosure of revenue and expenses for reporting segments under IFRS 8, *Operating Segments*. Committee agenda decisions do not have an effective date as entities are afforded a sufficient amount of time to implement them. The Group is currently assessing the impact of the Committee agenda decision and plans to apply the new requirements in its annual financial statements for the year ending December 31, 2025.

Certain other new accounting standards, interpretations, and amendments to existing standards have been published that are effective for annual periods commencing on or after January 1, 2025 and have not been early adopted by the Group in preparing the Consolidated Financial Statements. These standards, amendments or interpretations are not expected to have a material impact on the Group in the prior, current, or future periods.

3. Revenue

Revenue recorded in the Consolidated Statement of Comprehensive Income/(Loss) consists of the following:

For the years ended December 31,	**2024 $**	2023 $	2022 $
Contract revenue	**4,315**	750	2,090
Grant revenue	**513**	2,580	13,528
Total revenue	**4,828**	3,330	15,618

All amounts recorded in contract revenue were generated in the United States.

During the year ended December 31, 2024, the Group achieved and received a $4,000 milestone payment from Bristol Myers Squibb ("BMS"), the acquirer of Karuna Therapeutics, Inc. ("Karuna"), the Group's Founded Entity, following the approval by the U.S. Food and Drug Administration ("FDA") to market KarXT as Cobenfy, pursuant to a license agreement between PureTech and Karuna in 2011.

During the year ended December 31, 2024, the Group recognized $315 in royalty revenue pursuant to the license agreement discussed above. Under the terms of the license agreement, BMS pays the Group a royalty that amounts to 3% of annual net sales of Cobenfy. Both the milestone payment and the royalties were recognized as contract revenue during the year ended December 31, 2024.

Substantially all of the Group's contracts related to contract revenue for the years ended December 31, 2023 and 2022 were determined to have a single performance obligation which consists of a combined deliverable of license of intellectual property and research and development services. Therefore, for such contracts, revenue is recognized over time based on the input method which the Group believes is a faithful depiction of the transfer of goods and services. Progress is measured based on costs

incurred to date as compared to total projected costs. Payments for such contracts are primarily made up-front on a periodic basis. For the Year ended December 31, 2022, contract revenue also includes royalties received from an associate in the amount of $509.

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,	**2024 $**	2023 $	2022 $
Transferred at a point in time – Licensing Income	**4,315**	—	527
Transferred over time	**—**	750	1,563
	4,315	750	2,090

Customers over 10% of revenue	**2024 $**	2023 $	2022 $
Customer A	**—**	750	1,500
Customer B	**—**	—	509
Customer C	**4,315**	—	—
	4,315	750	2,009

Accounts receivable represent rights to consideration in exchange for products or 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 receivable on the Consolidated Statement of Financial Position. The accounts receivable related to contract revenue were $868 and $555 as of December 31, 2024 and 2023, 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 Programs 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 Programs

The Wholly-Owned Programs segment is advancing Wholly-Owned Programs which are focused on treatments for patients with devastating diseases. The Wholly-Owned Programs 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 Programs segment is conducted by the PureTech Health team, which is responsible for the strategy, business development, and research and development.

Controlled Founded Entities

The Controlled Founded Entities segment is comprised of the Group's consolidated operational subsidiaries as of December 31, 2024 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, Vedanta in 2023, and Sonde in 2022) 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 Vor, Vedanta, Sonde and Seaport) 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.

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 Programs segment. The financial results of these programs were included in the Wholly-Owned Programs 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 years ended December 31, 2023 and 2022 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 Program 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 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 Programs segment and are included in the Parent Company and Other column. The corresponding information for 2023 and 2022 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 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.

	2024			
	Wholly-Owned Programs $	Controlled Founded Entities $	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 expense	(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 of subsidiary				151,808
Gain/(loss) on investment held at fair value				(2,398)
Realized gain 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

	2023			
	Wholly-Owned Programs $	Controlled Founded Entities $	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 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 associate accounted for using the equity method				(6,055)
Income/(loss) before taxes				(36,103)
		As of December 31, 2023		
Available Funds				
Cash and cash equivalents	1,895	675	188,511	191,081
Short-term Investments	—	—	136,062	136,062
Consolidated cash, cash equivalents and short-term investments	1,895	675	324,573	327,143

	For the year ended December 31, 2022			
	Wholly-Owned Programs $	Controlled Founded Entities $	Parent Company & Other $	Consolidated $
Contract revenue	—	1,500	590	2,090
Grant revenue	521	—	13,007	13,528
Total revenue	521	1,500	13,597	15,618
General and administrative expenses	(7,737)	(419)	(52,835)	(60,991)
Research and development expenses	(109,201)	(1,051)	(42,182)	(152,433)
Total operating expense	(116,938)	(1,470)	(95,018)	(213,425)
Operating income/(loss)	(116,417)	30	(81,420)	(197,807)
Income/expenses not allocated to segments				
Other income/(expense):				
Gain on deconsolidation				27,251
Gain/(loss) on investment held at fair value				(32,060)
Realized loss on sale of investments				(29,303)
Other income/(expense)				8,131
Total other income/(expense)				(25,981)
Net finance income/(costs)				138,924
Share of net income/(loss) of associate accounted for using the equity method				(27,749)
Gain on dilution of ownership interest in associate				28,220
Impairment of investment in associate				(8,390)
Income/(loss) before taxes				(92,783)

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, Vor and other insignificant investments as of December 31, 2024 are initially measured at fair value, and are subsequently re-measured at fair value at each reporting date with changes in the 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 as of January 1, 2023	**251,892**
Investment in Vedanta preferred shares – Vedanta deconsolidation	20,456
Investment in Gelesis 2023 Warrants	1,121
Sale of Karuna shares	(33,309)
Loss realised on sale of investments	(265)
Gain – changes in fair value through profit and loss	77,945
Balance as of December 31, 2023 and January 1, 2024	**317,841**
Sale of Karuna shares	(292,672)
Investment in Seaport preferred shares - Seaport deconsolidation	179,248
Sale of Akili Shares	(5,437)
Gain realised on sale of Karuna shares	151
Loss – changes in fair value through profit and loss	(2,398)
Balance as of December 31, 2024 before allocation of equity method loss to long-term interest ("LTI")	**196,733**
Equity method loss recorded against LTI	(5,307)
Balance as of December 31, 2024	**191,426**

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 and the power to direct the relevant Vedanta activities. Consequently, Vedanta was deconsolidated on March 1, 2023 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 Vedanta's deconsolidation, the Group has significant influence over Vedanta through its voting interest in Vedanta and its remaining representation on Vedanta's Board of Directors. However, the Group only holds convertible preferred shares in Vedanta that do not provide their holders 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.

During the years ended December 31, 2024 and December 31, 2023, the Group recognized losses of $2,990 and $6,303 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 $11,163 and $14,153 as of December 31, 2024 and 2023, respectively.

Karuna

Karuna was deconsolidated in March 2019. During 2019, Karuna completed its IPO 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.

2022

On August 8, 2022, the Group sold 125,000 shares of Karuna common stock. In addition, the Group wrote a series of call options entitling the holders thereof to purchase up to 477,100 Karuna common stock at a set price, which were exercised in full in August and September 2022. Aggregate proceeds to the Group from all aforementioned transactions amounted to $115,457, net of transaction fees. As a result of the aforementioned sales, the Group recognized a loss of $29,303, attributable to the exercise of the aforementioned call options, in realized gain/(loss) on sale of investment within the Consolidated Statement of Comprehensive Income/(Loss).

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, the Group's common shares in Karuna were acquired by Bristol Myers Squibb ("BMS") 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.

During the years ended December 31, 2024, 2023, and 2022 the Group recognized gains of $11,813, $107,079, and $134,952, 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).

Vor

Vor was deconsolidated in February 2019. On February 9, 2021, Vor closed its initial public offering. Subsequent to the closing, the Group held 3,207,200 shares of Vor common stock, representing 8.6% of Vor common stock.

In August and December 2022, the Group sold an aggregate of 535,400 shares of Vor common stock for aggregate proceeds of $3,253.

During the years ended December 31, 2024, 2023 and 2022, the Group recognized losses of $3,046, $11,756, and $16,247, 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). The fair value of the Group's investment in Vor was $2,966 and $6,012 as of December 31, 2024 and 2023, respectively.

Gelesis

Gelesis was deconsolidated in July 2019. The common stock held in Gelesis was accounted for under the equity method, while the preferred shares and warrants held by the Group fell under the guidance of IFRS 9 and were treated as financial assets held at fair value, with changes to the fair value of the instruments recorded through the Consolidated Statement of Comprehensive Income/(Loss). Please refer to Note 6. Investments in Associates for information regarding the Group's investment in Gelesis as an associate.

2022

On January 13, 2022, Gelesis completed its business combination with Capstar Special Purpose Acquisition Corp ("Capstar"). As part of the business combination, all shares in Gelesis, common and preferred, including the shares held by the Group, were exchanged for common shares of the merged entity and unvested common shares that will vest upon the stock price of the new combined entity reaching certain target prices (hereinafter "Gelesis Earn-out Shares"). In addition, the Group invested $15,000 in the class A common shares of Capstar as part of the Private Investment in Public Equity ("PIPE") transaction that took place immediately prior to the closing of the business combination and an additional $4,961, as part of the Backstop Agreement signed with Capstar on December 30, 2021 (See Note 6. Investments in Associates). Pursuant to the business combination, 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. The exchange of the preferred stock (including warrants) for common stock (including common stock warrants) represents an additional investment in Gelesis equity investment. The Group recorded the changes in fair value of the preferred stock and warrants through the date of the exchange upon which the preferred shares and warrants were derecognized and recorded as an additional investment in Gelesis equity interest.

As part of the aforementioned exchange, the Group received 4,526,622 Gelesis Earn-out Shares, which were valued on the date of the exchange at $14,214. The Group accounted for such Gelesis Earn-out Shares under IFRS 9 as investments held at fair value with changes in fair value recorded through profit and loss.

2023

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 at an exercise price of $0.0182 per share and (iii) warrants to purchase 43,133,803 shares of Gelesis common stock at 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 through the profit and loss.

As Gelesis ceased operations in October 2023, the fair value of the Gelesis 2023 Warrants was $0 as of December 31, 2024 and 2023, respectively, and no gain or loss was recognized in 2024. During the years ended December 31, 2023 and 2022, the Group recognized losses of $1,264 and $18,476, respectively, related to the change in the fair value of these instruments that was included in gain/(loss) on investments held at fair value within the Consolidated Statement of Comprehensive Income/(Loss).

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. Therefore, the results of operations of Sonde are included in the Consolidated Financial Statements through the date of deconsolidation. See 8. Gain/(loss) on Deconsolidation of Subsidiary.

Following deconsolidation, the Group had 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. 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.

During the years ended December 31, 2024, 2023 and 2022, the Group recognized a loss of $5,102, a loss of $994, and a gain of $235, respectively, for the changes in the fair value of the investment in Sonde that were included in gain/(loss) on investments held at fair value within the Consolidated Statement of Comprehensive Income/(Loss). For the year ended December 31, 2024, the Group's recognized an additional loss of $5,307 on its investment in Sonde's Preferred A-2 and B shares. The recognition of the additional loss occurs because 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, was greater than its equity method investment balance and because the Group's investment in Sonde's Preferred A-2 and B shares represents a long-term interest. The additional loss of $5,307 is included in share of net income / (loss) of associates accounted for using the equity method within the Consolidated Statement of Comprehensive Income/(Loss). The fair value of the Group's investment in Sonde's Preferred A-2 and B shares was $0 and $10,408 as of December 31, 2024 and 2023, respectively.

Akili

Akili was deconsolidated in 2018. At 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.

2022

On August 19, 2022, Akili Interactive merged with Social Capital Suvretta Holdings Corp. I, a special purpose acquisition company. The combined company's securities began trading on August 22, 2022 on the Nasdaq Stock Market under the ticker symbol "AKLI". As part of this transaction, the Akili Interactive shares held by the Group were exchanged for the common stock of the combined company's securities as well as unvested common stock ("Akili Earnout Shares") that will vest when the share price exceeds certain thresholds. In addition, as part of a PIPE transaction that took place concurrently with the closing of the transaction, the Group purchased 500,000 shares for a total consideration of $5,000. Following the closing of the aforementioned transactions, the Group held 12,527,476 shares of the combined entity and 1,433,914 Akili Earn-out Shares, with a total fair value of $15,102 as of December 31, 2022.

2024

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 interests in Akili.

During the years ended December 31, 2024, 2023 and 2022, the Group recognized losses of $985, $8,681, and $131,419, 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).

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. The Group also has an investment held at fair value in Seaport through its ownership of Seaport's Series A-1, A-2 and B convertible preferred shares. 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 October 18, 2024, the closing date of the Series B preferred share financing, the Group owns 3,031,578 of Series B preferred stock, 8,421,052 of Series A-2 preferred stock, and 40,000,000 of Series A-1 preferred stock. These preferred shares had a fair value of $179,248 and $177,288 as of October 18, 2024 and December 31, 2024, 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, the probability of Seaport entering into an initial public offering and achieving a certain clinical trial development milestone, and the estimated time to liquidity.

During the year ended December 31, 2024, the Group recognized a loss of $1,960 for the changes in the fair value of the investment in Seaport that were 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 raised funding through preferred shares financings as well as issuances of warrants and loans. As of July 1, 2019, Gelesis was deconsolidated from the Group's financial statements. Upon deconsolidation, the preferred shares and warrants held by the Group fell under the guidance of IFRS 9 *Financial Instruments* and were treated as financial assets held at fair value and the investment in common shares of Gelesis was subject to IAS 28 *Investment in Associates* as the Group had significant influence over Gelesis.

Backstop agreement – 2022 and 2021

On December 30, 2021, the Group signed an agreement (the "Backstop Agreement") with Capstar and had committed to acquire Capstar class A common shares at $10 per share immediately prior to the closing of the business combination between Gelesis and Capstar, in case, the Available Funds, as defined in the agreement, were less than $15,000. According to the Backstop Agreement, if the Group had to acquire any shares under the agreement, the Group would receive an additional 1,322,500 class A common shares of Capstar at no additional consideration.

The Group determined that such agreement meets the definition of a derivative under IFRS 9 and as such, should be recorded at fair value with changes in fair value recorded through profit and loss. The derivative was initially recorded at fair value adjusted to defer the day 1 gain equal to the difference between the fair value of $11,200 and transaction price of zero on the effective date of the Backstop Agreement and as such, was initially recorded at zero. The deferred gain was amortized over the period from the effective date until the settlement date, January 13, 2022. During the years ended December 31, 2022 and 2021, the Group recognized income of $10,400 and $800, respectively, for the amortization of the deferred gain. During the year ended December 31, 2022, the Group recognized a loss of $2,776 in respect of the decrease in the fair value of the derivative until the settlement date, resulting in a net gain of $7,624 recorded during the year ended December 31, 2022 in respect of the Backstop Agreement. The gain was included in other Income/(expense) in the Consolidated Statement of Comprehensive Income/(Loss). The fair value of the derivative on the settlement date in the amount of $8,424 represents an additional investment in Gelesis as part of the SPAC transaction described below.

On January 13, 2022, as part of the conclusion of the aforementioned Backstop Agreement, the Group acquired 496,145 class A common shares of Capstar for $4,961 and received an additional 1,322,500 class A common shares of Capstar for no additional consideration.

2022

Share exchange – Capstar

On January 13, 2022, Gelesis completed its business combination with Capstar. As part of the business combination, all shares in Gelesis, common and preferred, including the shares held by the Group, were exchanged for common shares of the merged entity and unvested common shares that will vest upon the stock price of the new combined entity reaching certain target prices (the "Gelesis Earn-out Shares"). In addition, the Group invested $15,000 in the class A common shares of Capstar as part of the PIPE transaction that took place immediately prior to the closing of the business combination and an additional $4,961, as part of the Backstop Agreement described above. Pursuant to the business combination, 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. Following the closing of the business combination, the PIPE transaction, the settlement of the aforementioned Backstop Agreement with Capstar, and the exchange of all preferred shares in Gelesis to common shares in the new combined entity, the Group holds 16,727,582 common shares of Gelesis Holdings Inc., which was equal to approximately 23.2% of Gelesis Holdings Inc's outstanding common shares at the time of the exchange. Due to the Group's significant equity holding and voting interest in Gelesis, the Group continued to maintain significant influence in Gelesis and as such, continued to account for its Gelesis equity investment under the equity method.

Gelesis was deemed to be the acquirer in Gelesis Holdings Inc. and the financial assets and financial liabilities in Capstar were deemed to be acquired by Gelesis in consideration for the shares held by Capstar legacy shareholders. As such, the Group did not revalue the retained investment in Gelesis but rather treated the exchange as a dilution of its equity interest in Gelesis from 42.0% as of December 31, 2021 to 22.8% as of January 13, 2022 (including warrants that provide its holders access to returns associated with equity holders). After considering the aforementioned additional investments, the exchange of the preferred stock, previously accounted for as an investment held at fair value, to common stock (and representing an additional equity investment in Gelesis), the earn-out shares received in Gelesis (see Note 5. Investments Held at Fair Value) and the offset of previously unrecognized equity method losses, the net gain recorded on the dilution of interest amounted to $28,255.

Impairment

Following Gelesis' decline in its market price in 2022 and its lack of liquidity, the Group recorded an impairment loss of $8,390 as of December 31, 2022 in respect of its investment in Gelesis. The recoverable amount of the investment in Gelesis was $4,910 as of December 31, 2022, which was determined based on fair value less costs to sell (which were estimated to be insignificant). Fair value was determined based on level 1 of the fair value hierarchy as Gelesis shares were traded on an active market as of December 31, 2022.

The impairment loss was presented separately in the Consolidated Statement of Comprehensive Income/(loss) for the year ended December 31, 2022 in the line item impairment of investment in associates.

2023

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 in 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 zero as of December 31, 2024 and 2023, respectively.

Sonde (Boston, MA)

On May 25, 2022, Sonde completed a Series B preferred share financing. As a result of the aforementioned financing, the Group's voting interest was reduced below 50% and the Group lost its control over Sonde, and as such, ceased to consolidate Sonde on the date the round of financing was completed. See Note 8. Gain/(loss) on Deconsolidation of Subsidiary.

Following deconsolidation, 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.

The fair value of the Preferred A-1 shares on the date of deconsolidation amounted to $7,716, which is the initial value of the equity method investment in Sonde.

During the years ended December 31, 2024, 2023, and 2022, the Group recorded a loss of $8,492, $1,052 and $3,443, 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 is 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 loses, 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. 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 in 2024. As of December 31, 2024, unrecognized equity method losses amounted to $14,447.

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 in Seaport and its remaining representation on Seaport's Board of Directors. The Group's voting interest as of the date of deconsolidation and as of December 31, 2024 was 43.0% and 42.9%, respectively. The Group holds both common shares and preferred shares in Seaport. The common shares are subject to IAS 28 *Investment 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 is 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 13.1% as of December 31, 2024. 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.

The following table provides summarized financial information for Seaport, the Group’s material associate for the year ended 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.

Summarized statement of financial position	As of December 31, 2024 $
Current assets	**310,151**
Non-current assets	**5,632**
Current liabilities	**(11,149)**
Non-current liabilities	**(460,996)**
Equity awards issued to third parties	**(2,042)**
Net assets / (liabilities)	**(158,405)**
Reconciliation to carrying amounts:	
Opening net assets/(liabilities)	**(156,414)**
Profit/(loss) for the period	**(1,991)**
Other comprehensive income / (loss)	**—**
Dividends paid	**—**
Closing net assets / (liabilities)	**(158,405)**
Group's share in %	**13.1 %**
Group's share of net assets (net deficit)	**(20,764)**
Unrecognized goodwill and intangibles	**23,162**
Carrying amount of Investment in associates	**2,397**

Statement of comprehensive income/(loss)	2024
Revenue	**—**
Profit /(loss) from continuing operations (100%)	**(1,991)**
Profit /(loss) for the year	**(1,991)**
Other comprehensive income / (loss)	**—**
Total comprehensive income/ (loss)	**(1,991)**
Dividends received from associate	**—**
Group's share in gain (net losses)	**(262)**

The following table summarizes the activities related to the investment in associates balance for the years ended December 31, 2024 and 2023.

Investment in Associates	$
Balance as of January 1, 2023	**9,147**
Share in net loss of associates	(6,055)
Share in other comprehensive loss of associates	92
Balance as of December 31, 2023 and January 1, 2024	**3,185**
Investment in Seaport - deconsolidation	2,461
Gain on dilution of interest in associate	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**

7. Investment in Notes from Associates

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 solely represent 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 in 2025. As of December 31, 2024 , these notes were determined to have a fair value of $11,381.

For the years ended December 31, 2024 and 2023, the Group recorded 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).

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 carries an interest rate of 9% per annum. The debt has various conversion triggers, and the conversion price is 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 is not earlier converted or repaid, the entire outstanding amount of the convertible debt shall be due and payable upon the earliest to occur of (a) the later of (x) November 1, 2025 and (y) the date which is sixty (60) days after all amounts owed under, or in connection with, the loan Vedanta received from a certain investor have been paid in full, or (b) the consummation of a Deemed Liquidation Event (as defined in Vedanta's Amended and Restated Certificate of Incorporation).

Due to the terms of the convertible debt, the investment in such convertible debt is measured at fair value with changes in the fair value recorded through profit and loss. As of December 31, 2024 and 2023, the Vedanta convertible debt was determined to have a fair value of $6,350 and $4,600, respectively. During the year ended December 31, 2024 and December 31, 2023 Group recorded 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 $17,731 and $4,600 as of December 31, 2024 and 2023, 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, 2023	**16,501**
Investment In Gelesis Notes	10,729
Investment in Vedanta convertible debt	5,000
Changes in the fair value of the notes	(27,630)
Balance as of December 31, 2023 and January 1, 2024	**4,600**
Changes in the fair value of the notes	13,131
Balance as of December 31, 2024	**17,731**

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).

Sonde

On May 25, 2022, Sonde completed a Series B preferred share financing and amended its Voting Agreement to grant the Series B preferred stockholders representation on Sonde's Board of Directors. As a result of the Series B preferred share financing and the amendment to the Voting Agreement, the Group's voting interest was reduced below 50%, and the Group no longer controls Sonde's Board of Directors, which is the governance body that has the power to direct the relevant activities of Sonde. Consequently, the Group concluded that it lost control over Sonde, and therefore, Sonde was deconsolidated on May 25, 2022 from the Group's Consolidated Financial Statements. The results of Sonde's operations are included in the Group's Consolidated Financial Statements through the date of deconsolidation.

Following deconsolidation, the Group has significant influence over Sonde through its 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. 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 investments in Preferred A-2 and B shares 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 Sonde and recorded its aforementioned investment in Sonde at fair value. The deconsolidation resulted in a gain of $27,251. As of the date of deconsolidation, the investment in Sonde convertible preferred shares amounted to $18,848.

As of December 31, 2024 and 2023, the Group's investment in Sonde's convertible preferred shares held at fair value was $0 and $10,408, respectively, and categorized as Level 3 in the fair value hierarchy.

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 deconsolidation, the Group has significant influence over Vedanta through its voting interest in Vedanta and its remaining representation on Vedanta's Board of Directors. The Group only holds convertible preferred shares in Vedanta that 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 does 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, 2024 and 2023, the Group's investment in Vedanta convertible preferred shares is held at fair value of $11,163 and $14,153, 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 Vedanta and the sensitivity of the fair value measurement to changes in these significant unobservable inputs are disclosed in Note 19. Financial Instruments.

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, 2024, the Group's investment in Seaport's convertible preferred shares is held at fair value of $177,288 and is 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.

The following table summarizes the assets, liabilities and non-controlling interest of Seaport, Vedanta and Sonde derecognized from the Group in the years ended December 31, 2024, 2023 and 2022, respectively.

	2024 **$**	2023 $	2022 $
Assets, Liabilities and non-controlling interests in deconsolidated subsidiary	Seaport	Vedanta	Sonde
Cash and cash equivalents	(91,570)	(13,784)	(479)
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	1,407
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 notes payable	—	—	3,403
Subsidiary preferred shares and warrants	76,208	24,568	15,853
Other assets and liabilities, net	(475)	(462)	123
Sub-total (net assets)/liabilities	**(8,070)**	**32,246**	**20,307**
Derecognize carrying value of non-controlling interest	(7,430)	9,085	(11,904)
Recognize investment retained in deconsolidated subsidiary at fair value*	167,308	20,456	18,848
Calculated gain on deconsolidation	**151,808**	**61,787**	**27,251**

* 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.

9. Operating Expenses

Total operating expenses were as follows:

For the years ended December 31,	2024 $	2023 $	2022 $
General and administrative	**71,469**	53,295	60,991
Research and development	**69,454**	96,235	152,433
Total operating expenses	**140,923**	149,530	213,425

The average number of persons employed by the Group during the year, analyzed by category, was as follows:

For the years ended December 31,	2024	2023	2022
General and administrative	**39**	40	57
Research and development	**41**	56	144
Total	**80**	96	201

The aggregate payroll costs of these persons were as follows:

For the years ended December 31,	2024 $	2023 $	2022 $
General and administrative	**40,559**	24,586	25,322
Research and development	**15,023**	21,102	36,321
Total	**55,581**	45,688	61,643

Detailed operating expenses were as follows:

For the years ended December 31,	2024 $	2023 $	2022 $
Salaries and wages	**29,032**	37,084	41,750
Healthcare and other benefits	**2,203**	2,599	2,908
Payroll taxes	**1,496**	1,590	2,286
Share-based payments	**22,850**	4,415	14,699
Total payroll costs	**55,581**	45,688	61,643
Amortization	**1,764**	1,979	3,048
Depreciation	**1,807**	2,955	5,845
Total amortization and depreciation expenses	**3,571**	4,933	8,893
Other general and administrative expenses	**27,491**	25,180	31,600
Other research and development expenses	**54,280**	73,729	111,288
Total other operating expenses	**81,771**	98,909	142,888
Total operating expenses	**140,923**	149,530	213,425

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.

10. Share-based Payments

Share-based payments includes 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, 2024, 2023 and 2022, was $22,850, $4,415, and $14,699, 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,	**2024 $**	2023 $	2022 $
General and administrative	**21,993**	3,185	8,862
Research and development	**857**	1,230	5,837
Total	**22,850**	4,415	14,699

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, 2024, the Group had issued 29,940,832 units of share-based awards under these plans.

RSUs

During the twelve months ended December 31, 2024 and 2023, the Group granted the following RSUs to certain non-executive Directors, executives and employees:

Twelve months ended December 31,	**2024**	2023
Time based RSUs	**4,388,116**	102,732
Performance based RSUs	**1,822,151**	3,576,937
Total RSUs	**6,210,267**	3,679,669

RSU activity for the years ended December 31, 2024, 2023 and 2022 is detailed as follows:

	Number of Shares/Units	Weighted Average Grant Date Fair Value (GBP) (*)
Outstanding (Non-vested) at January 1, 2022	**3,632,715**	**1.91**
RSUs Granted in Period	4,309,883	1.76
Vested	(696,398)	2.80
Forfeited	(1,155,420)	2.67
Outstanding (Non-vested) at December 31, 2022 and 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 and January 1, 2024	**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**

* 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.

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 stock based compensation expense.

The Group recorded $4,388, $827, and $1,637, respectively, for the years ended December 31, 2024, 2023 and 2022 in respect of all restricted stock units, of which $909, $402, and $1,131, respectively, were in respect of liability settled share-based awards.

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 have met all their performance and market conditions and were settled in February, 2025. As of December 31, 2023, the carrying amount of the RSU liability awards was $4,782 with $1,281 current and $3,501 non- current, out of which $1,281 related to awards that met all their performance and market conditions and were settled in March and May of 2024.

Stock Options

Stock option activity for the years ended December 31, 2024, 2023 and 2022, 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, 2022	**13,414,118**	**2.58**	**8.29**	
Granted	8,881,000	2.04		
Exercised	(577,022)	0.50		2.43
Forfeited and expired	(3,924,215)	2.89		
Options Exercisable at December 31, 2022 and January 1, 2023	**6,185,216**	**2.03**	**6.21**	
Outstanding at December 31, 2022 and 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 and January 1, 2024	**9,065,830**	**2.19**	**6.01**	
Outstanding at December 31, 2023 and January 1, 2024	**16,956,590**	**2.29**	**7.20**	
Granted	2,665,875	1.87		
Exercised	(412,729)	1.73		2.2
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**	

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,	**2024**	2023	2022
Expected volatility	**44.76 %**	43.69 %	41.70 %
Expected terms (in years)	**6.16**	6.16	6.11
Risk-free interest rate	**4.31 %**	4.04 %	2.13 %
Expected dividend yield	**—**	—	—
Exercise price (GBP)	**1.87**	2.22	2.04
Underlying stock price (GBP)	**1.87**	2.22	2.04

Expected volatility is based 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, 2024, 2023 and 2022 of $1.18 ,$1.37 and $1.15, respectively.

The Group incurred share-based payment expense for the stock options of $1,092, $3,310 and $8,351 for the years ended December 31, 2024, 2023 and 2022, respectively.

For shares outstanding as of December 31, 2024, 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	—	4.75
1.00 to 2.00	6,133,522	1.63	6.03
2.00 to 3.00	4,823,373	2.25	6.39
3.00 to 4.00	3,437,250	3.41	4.87
Total	**14,483,990**	**2.25**	**5.87**

Subsidiary Plans

For the years ended December 31, 2024, 2023 and 2022, the subsidiaries incurred share-based payment expense of $17,372, $277 and $4,711, respectively.

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 is 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.

A summary of stock option activity by number of shares in these subsidiaries is presented in the following table:

	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)	—

	Outstanding as of January 1, 2022	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, 2022
Entrega	349,500	45,000	—	(50,000)	—	—	344,500
Follica	2,686,120	90,000	—	—	—	—	2,776,120
Sonde	2,049,004	—	—	—	—	(2,049,004)	—
Vedanta	1,991,637	490,506	(400,000)	(65,235)	(192,332)	—	1,824,576

The weighted-average exercise prices and remaining contractual life for the options outstanding as of December 31, 2024, were as follows:

Outstanding at December 31, 2024	**Number of options**	**Weighted-average exercise price $**	**Weighted-average contractual life outstanding**
Entrega	**334,500**	**1.96**	**2.78**

There were no grants in 2023 under any of the subsidiary option plans. The weighted average exercise prices for the options granted for the years ended December 31, 2024 and 2022, were as follows:

For the years ended December 31,	**2024 $**	2023 $	2022 $
Seaport	**1.28**	—	—
Entrega	**—**	—	0.02
Follica	**—**	—	1.86
Vedanta	**—**	—	14.94

The weighted average exercise prices for options forfeited during the year ended December 31, 2024, were as follows:

Forfeited during the year ended December 31, 2024	**Number of options**	**Weighted-average exercise price $**
Entrega	**5,000**	**0.02**
Seaport	**29,018**	**0.97**

The weighted average exercise prices for options exercisable as of December 31, 2024, were as follows:

Exercisable at December 31, 2024	**Number of Options**	**Weighted-average exercise price $**	**Exercise Price Range $**
Entrega	**334,500**	**1.96**	**0.02-2.36**

There were no subsidiary options exercised during the year ended December 31, 2024.

11. Finance Income/(Costs), net

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

For the years ended December 31,	**2024 $**	2023 $	2022 $
Finance income			
Interest income from financial assets	**22,669**	16,012	5,799
Total finance income	**22,669**	16,012	5,799
Finance costs			
Contractual interest expense on notes payable	**(684)**	(1,422)	(212)
Interest expense on other borrowings	**—**	(363)	(1,759)
Interest expense on lease liability	**(1,295)**	(1,544)	(1,982)
Gain on forgiveness of debt	**273**	—	—
Gain/(loss) on foreign currency exchange	**(25)**	(94)	14
Total finance costs – contractual	**(1,731)**	(3,424)	(3,939)
Gain/(loss) from changes in fair value of warrant liability	**—**	33	6,740
Gain/(loss) from changes in fair value of preferred shares	**(8,108)**	2,617	130,825
Gain/(loss) from changes in fair value of convertible debt	**—**	—	(502)
Total finance income/(costs) – fair value accounting	**(8,108)**	2,650	137,063
Total finance costs - non cash interest expense related to sale of future royalties	**(8,058)**	(10,159)	—
Finance income/(costs), net	**4,773**	5,078	138,924

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, 2023 and 2022, 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 amounted to 1,509,900 and 3,134,131 shares, respectively.

Earnings/(Loss) Attributable to Owners of the Group:

	2024		2023		2022	
	Basic $	**Diluted $**	Basic $	Diluted $	Basic $	Diluted $
Income/(loss) for the year, attributable to the owners of the Group	**53,510**	**53,510**	(65,697)	(65,697)	(50,354)	(50,354)

Weighted-Average Number of Ordinary Shares:

	2024		2023		2022	
	Basic	**Diluted**	Basic	Diluted	Basic	Diluted
Issued ordinary shares at January 1,	**271,853,731**	**271,853,731**	278,566,306	278,566,306	287,796,585	287,796,585
Effect of shares issued & treasury shares purchased	**(17,397,423)**	**(17,397,423)**	(2,263,773)	(2,263,773)	(3,037,150)	(3,037,150)
Effect of dilutive shares	**—**	**1,571,612**	—	—	—	—
Weighted average number of ordinary shares at December 31,	**254,456,308**	**256,027,920**	276,302,533	276,302,533	284,759,435	284,759,435

Earnings/(Loss) per Share:

	2024		2023		2022	
	Basic $	**Diluted $**	Basic $	Diluted $	Basic $	Diluted $
Basic and diluted earnings/(loss) per share	**0.21**	**0.21**	(0.24)	(0.24)	(0.18)	(0.18)

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, 2023	**13,341**	**1,510**	**1,419**	**23,964**	**2,803**	**43,037**
Additions, net of transfers	—	—	—	—	87	87
Disposals	(2,886)	—	(137)	—	—	(3,023)
Deconsolidation of subsidiaries	(5,092)	(438)	(365)	(8,799)	(2,871)	(17,565)
Reclassifications	—	—	—	—	(18)	(18)
Balance as of December 31, 2023	**5,363**	**1,072**	**917**	**15,165**	**1**	**22,518**
Additions, net of transfers	246	—	11	—	—	256
Disposals/Impairment	(2,215)	—	(387)	—	(1)	(2,602)
Deconsolidation of subsidiaries	(246)	—	(11)	—	—	(256)
Reclassifications	—	—	—	—	—	—
Balance as of December 31, 2024	**3,148**	**1,072**	**530**	**15,165**	**—**	**19,916**

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, 2023	**(7,711)**	**(875)**	**(1,244)**	**(10,250)**	**—**	**(20,080)**
Depreciation	(892)	(162)	(45)	(1,856)	—	(2,955)
Disposals	543	—	38	—	—	581
Deconsolidation of subsidiaries	3,917	339	357	4,858	—	9,472
Balance as of December 31, 2023	**(4,142)**	**(698)**	**(894)**	**(7,248)**	**—**	**(12,982)**
Depreciation	(139)	(153)	(13)	(1,503)	—	(1,807)
Disposals	1,485	—	376	—	—	1,861
Deconsolidation of subsidiaries	81	—	—	—	—	81
Balance as of December 31, 2024	**(2,715)**	**(851)**	**(530)**	**(8,751)**	**—**	**(12,847)**

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, 2023	1,221	375	23	7,917	1	9,536
Balance as of December 31, 2024	**433**	**221**	**—**	**6,414**	**—**	**7,069**

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 $1,807, $2,955 and $5,845 for the years ended December 31, 2024, 2023 and 2022, respectively.

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 accumulated amortization of intangible assets is as follows:

Cost	Licenses $
Balance as of January 1, 2023	**831**
Additions	200
Write-off	(105)
Deconsolidation of subsidiary	(19)
Balance as of December 31, 2023	**906**
Write-off	(80)
Deconsolidation of subsidiary	(225)
Balance as of December 31, 2024	**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.

During the year ended December 31, 2023, the Group wrote off two of its research intangible assets for which research was ceased in the amount of $105.

During the year ended December 31, 2023, Vedanta, Inc. was deconsolidated and as such, $19 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 $1,642 and $1,628 as of December 31, 2024 and 2023, respectively.

16. Equity

Total equity for the Group as of December 31, 2024, and 2023, was as follows:

Equity	**December 31, 2024 $**	December 31, 2023 $
Share capital, £0.01 par value, issued and paid 257,927,489 and 289,468,159 as of December 31, 2024 and 2023, respectively	**4,860**	5,461
Share premium	**290,262**	290,262
Treasury shares, 18,506,177 and 17,614,428 as of December 31, 2024 and 2023, respectively	**(46,864)**	(44,626)
Merger Reserve	**138,506**	138,506
Translation reserve	**182**	182
Other reserves	**(4,726)**	(9,538)
Retained earnings/(accumulated deficit)	**32,486**	83,820
Equity attributable to owners of the Group	**414,707**	464,066
Non-controlling interests	**(6,774)**	(5,835)
Total equity	**407,933**	458,232

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, 2024 and December 31, 2023, the Group's issued share capital was 257,927,489 shares and 289,468,159 shares, respectively, including 18,506,177 shares and 17,614,428 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 is reduced to $0 upon deconsolidation.

The fair value of all subsidiary preferred shares as of December 31, 2024 and December 31, 2023, is as follows:

Balance as of December 31, 2024 and December 31, 2023	2024 $	2023 $
Entrega	**169**	169
Total subsidiary preferred share balance	**169**	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, 2024 and December 31, 2023, 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, 2024 and December 31, 2023	2024 $	2023 $
Entrega	**2,216**	2,216
Follica	**6,405**	6,405
Total minimum liquidation preference	**8,621**	8,621

For the years ended December 31, 2024 and 2023, the Group recognized the following changes in the value of subsidiary preferred shares:

	$
Balance as of January 1, 2023	**27,339**
Decrease in value of preferred shares measured at fair value – finance costs (income)	(2,617)
Deconsolidation of subsidiary - (Vedanta)	(24,554)
Balance as of December 31, 2023 and January 1, 2024	**169**
Issuance of Seaport A-2 preferred shares - financing cash flow	68,100
Increase in value of preferred shares measured at fair value – finance costs (income)	8,108
Deconsolidation of subsidiary – (Seaport)	(76,208)
Balance as of December 31, 2024	**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 made by 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 judgement.

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 $315 in the first quarter of 2025 for the royalties received from BMS for the sale of Cobenfy in the fourth quarter of 2024.

The following shows the activity in respect of the sale of future royalties liability:

	Sale of future royalties liability $
Balance as of January 1, 2023	**—**
Amounts received at closing	100,000
Non cash interest expense recognized	10,159
Balance as of December 31, 2023 and 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**
Sale of future royalties liability, current	6,435
Sale of future royalties liability, non-current	136,782

19. Financial Instruments

The Group's financial instruments consist of financial assets in the form of notes, convertible notes and investment in shares, and financial liabilities, including 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.

Subsidiary Preferred Share Liability

As of December 31, 2024 and 2023, 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 is recorded in finance income/(costs) – fair value accounting in the Consolidated Statement of Comprehensive Income/(Loss).

Investments Held at Fair Value

Vor Valuation

Vor (Nasdaq: VOR) and additional immaterial investments are listed entities on an active exchange, and as such, the fair value as of December 31, 2024 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, 2024, the Group accounts for the following investments under IFRS 9 as investments held at fair value with changes in fair value through profit and loss: Seaport preferred A-1, A-2, and B shares, Vedanta preferred A-1, B, C, and D shares, Sonde preferred A-2 and B shares and other immaterial investment. 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, 2024, the Group recorded such investments at fair value and recognized a loss of $10,361 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:

Balance as of January 1, 2023	**12,593**
Deconsolidation of Vedanta - new investment in Vedanta preferred shares	20,456
Investment in Gelesis 2023 Warrants	1,121
Gain/(loss) on changes in fair value	(9,299)
Balance as of December 31, 2023 and January 1, 2024	**24,872**
Deconsolidation of Seaport - new investment in Seaport preferred shares	179,248
Gain/(loss) on changes in fair value	(10,361)
Balance as of December 31, 2024	**193,758**
Equity method loss recorded against LTI	(5,307)
Balance as of December 31, 2024 after allocation of equity method loss to LTI	**188,452**

The changes in fair value of investments held at fair value is recorded in gain/(loss) on investments held at fair value in the Consolidated Statement of Comprehensive Income/(Loss).

As of December 31, 2024, the Group's material investments held at fair value categorized as Level 3 in the fair value hierarchy include the preferred shares of Seaport, and Vedanta, with fair value of $177,288, and $11,163, respectively. The significant unobservable inputs used at December 31, 2024 in the fair value measurement of these investments and the sensitivity of the fair value measurements for these investments to changes of these significant unobservable inputs are summarized in the tables below.

As of December 31, 2024		Investment (Seaport) Measured through Market Backsolve & PWERM	
Unobservable Inputs (Seaport)	Input Value	Sensitivity Range	**Fair Value Increase/(Decrease) $**
Equity Value	538,635	-10 %	(22,099)
		+10%	21,716
Time to Liquidity	0.5	-3 months	5,753
		+3 months	(4,247)
Probability of achieving a certain clinical trial development milestone	80 %	-10 %	(7,871)
		+10%	7,871
Probability of entering into an initial public offering	25% and 20%	-10 %	(4,754)
		+10%	4,754

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, 2024. Whilst the Group considers the methodologies and assumptions used in the fair value measurement to be supportable and reasonable, 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.

As of December 31, 2024	Investment (Vedanta) Measured through Market Backsolve that Leverages a Monte Carlo Simulation		
Unobservable Inputs (Vedanta)	Input Value	Sensitivity Range	Fair Value Increase/(Decrease) $
Equity Value	30,845	-5 %	(1,617)
		+5%	1,515
Time to Liquidity	0.27	-3 Months	n.a.
		+3 Months	5,238
Volatility	155 %	-10 %	(2,976)
		+10%	518

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, 2024. Whilst the Group considers the methodologies and assumptions used in the fair value measurement to be supportable and reasonable, 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.

Investments in Notes from Associates

As of December 31, 2024 and 2023, the investment in notes from associates was $17,731 and $4,600, respectively. The balance represents the fair value of convertible promissory notes with a principal value of $26,850 issued by Gelesis and convertible debt with a principal value of $5,000 issued by Vedanta.

During the year-ended December 31, 2024, the Group recorded a gain of $13,131 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 gain was driven by an increase of $11,381 in the fair value of the Gelesis convertible promissory notes and an increase of $1,750 in the fair value of the Vedanta convertible note.

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 at 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 in 2025. As of December 31, 2024, these notes were determined to have a fair value of $11,381.

The convertible debt issued by Vedanta was valued using a market backsolve approach that leverages a Monte Carlo simulation. The significant unobservable inputs categorized as Level 3 in the fair value hierarchy used at December 31, 2024, in the fair value measurement of the convertible debt are the same as the inputs disclosed above for Vedanta preferred shares.

Fair Value Measurement and Classification

The fair value of financial instruments by category as of December 31, 2024 and 2023:

	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	**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.

	2023					
	Carrying Amount		Fair Value			
	Financial Assets $	Financial Liabilities $	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets[1]:						
Money Markets[2]	156,705	—	156,705	—	—	156,705
Note from associate	4,600	—	—	—	4,600	4,600
Investments held at fair value	317,841	—	292,970	—	24,872	317,841
Total financial assets	479,146	—	449,675	—	29,472	479,146
Financial liabilities:						
Subsidiary preferred shares	—	169	—	—	169	169
Share-based liability awards	—	4,782	—	—	4,782	4,782
Total financial liabilities	—	4,951	—	—	4,951	4,951

1 Excluded from the table above are short-term investments of $136,062 that are classified at amortized cost as of December 31, 2023. The cost of these short-term investments approximates current fair value.
2 Included within cash and cash equivalents.

20. Subsidiary Notes Payable

The subsidiary notes payable is comprised of loans and convertible notes. These instruments do not contain embedded derivatives, and therefore, are held at amortized cost. As of December 31, 2024 and December 31, 2023, the balance of notes payable consists of the following:

Balance as of December 31,	**2024 $**	2023 $
Loans	**4,111**	3,439
Convertible notes	**—**	260
Total subsidiary notes payable	**4,111**	3,699

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 $	Sonde $	Total $
January 1, 2022	94	141	2,461	2,696
Gross principal - issuance of notes - financing activity	—	—	393	393
Accrued interest on convertible notes - finance costs	5	8	48	60
Changes in fair value - finance costs	—	—	502	502
Deconsolidation	—	—	(3,403)	(3,403)
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 and January 1, 2024	**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, 2024 and 2023, non-controlling interests included Entrega and Follica. Ownership interests of the non-controlling interests in these entities as of December 31, 2024 were 11.7%, and 19.9%, respectively. There was no change from December 31, 2023 in the ownership interests of the non-controlling interests in these two entities. As of December 31, 2022, non-controlling interests included Entrega, Follica, and Vedanta. Ownership interests of the non-controlling interests in these entities were 11.7%, 19.9%, and 12.2%, respectively. 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. During the year ended December 31, 2022, Sonde Health, Inc was deconsolidated. See Note 8. Gain/(loss) on Deconsolidation of Subsidiary.

On February 15, 2022, option holders in Vedanta exercised options into shares of common stock, increasing the NCI interest held from 3.7% to 12.2%. The exercise of the options resulted in an increase in the NCI share in Vedanta shareholder's deficit of $15,164.

The following table summarizes the changes in the non-controlling ownership interest in subsidiaries:

	Non-Controlling Interest $
Balance as of January 1, 2022	(9,368)
Share of comprehensive income (loss)	13,290
Deconsolidation of subsidiary (Sonde)	11,904
NCI exercise of share-based awards in subsidiaries - change in NCI interest	(15,164)
Equity settled share-based payments	4,711
Other	(4)
Balance as of December 31, 2022 and January 1, 2023	**5,369**
Share of comprehensive income (loss)	(931)
Deconsolidation of subsidiary (Vedanta)	(9,085)
Equity settled share-based payments	277
Expiration of share options in subsidiary	(1,458)
Other	(6)
Balance as of December 31, 2023 and January 1, 2024	**(5,835)**
Share of comprehensive income (loss)	(25,728)
Equity settled share-based payments - See Note 10. Share-based Payments	17,372
Deconsolidation of subsidiary (Seaport)	7,430
Other	(13)
Balance as of December 31, 2024	**(6,774)**

22. Trade and Other Payables

Information regarding Trade and other payables was as follows:

Balance as of December 31,	**2024** **$**	2023 $
Trade payables	**5,522**	14,637
Accrued expenses	**18,705**	28,187
Liability for share-based awards- short term	**1,875**	1,281
Other	**917**	3
Total trade and other payables	**27,020**	44,107

Trade and other payables decreased by $17,088 to $27,020 as of December 31, 2024. The decrease reflected lower operating expenses primarily from the reduced clinical trials related activities as well as the deconsolidation of Seaport for the year ended December 31, 2024.

23. Leases and subleases

The activity related to the Group's right of use asset and lease liability for the years ended December 31, 2024 and 2023 is as follows:

	Right of use asset, net	
	2024 $	2023 $
Balance as of January 1,	**9,825**	14,281
Additions	**—**	—
Depreciation	**(1,764)**	(1,979)
Deconsolidated	**—**	(2,477)
Balance as of December 31,	**8,061**	9,825

	Total lease liability	
	2024 $	2023 $
Balance as of January 1,	**21,644**	29,128
Additions	**—**	—
Cash paid for rent - principal - financing cash flow	**(3,394)**	(3,338)
Cash paid for rent - interest	**(1,295)**	(1,544)
Interest expense	**1,295**	1,544
Deconsolidated	**—**	(4,146)
Balance as of December 31,	**18,250**	21,644

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 Statement of Comprehensive Income/(Loss). The Group recorded depreciation expense of $1,764, $1,979 and $3,047 for the years ended December 31, 2024, 2023 and 2022, respectively.

The following table details the short-term and long-term portion of the lease liability as of December 31, 2024 and 2023:

	Total lease liability	
	2024 $	2023 $
Short-term portion of lease liability	**3,579**	3,394
Long-term portion of lease liability	**14,671**	18,250
Total lease liability	**18,250**	21,644

The following table details the future maturities of the lease liability, showing the undiscounted lease payments to be paid after the reporting date:

	2024 $
Less than one year	**4,644**
One to two years	**4,419**
Two to three years	**4,551**
Three to four years	**4,687**
Four to five years	**2,796**
More than five years	**—**
Total undiscounted lease maturities	**21,096**
Interest	**2,846**
Total lease liability	**18,250**

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 was set to expire 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 is 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 lease term is two years from the rent commencement date, and Allonnia has the option to extend the sublease for an additional year at the same terms. The annual lease fee is $1,111 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. In February 2024, Allonnia exercised the option and extended the lease term through May 31, 2026. The annual lease fee increased to $1,279 per year.

Rental income recognized by the Group during the year ended December 31, 2024 and 2023 was $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	**2024** **$**	2023 $
Cash and cash equivalents	**280,641**	191,081
Short-term investments	**86,666**	136,062
Trade and other receivables	**1,522**	2,376
Total	**368,828**	329,518

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, 2024 and 2023, 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, 2024 and 2023, based on contractual undiscounted payments:

	2024				
Balance as of December 31	**Carrying Amount $**	**Within Three Months $**	**Three to Twelve Months $**	**One to Five Years $**	**Total $ (*)**
Subsidiary notes payable	**4,111**	**4,111**	**—**	**—**	**4,111**
Trade and other payables	**27,020**	**27,020**	**—**	**—**	**27,020**
Taxes Payable	**75**	**75**	**—**	**—**	**75**
Subsidiary preferred shares (Note 17)[1]	**169**	**169**	**—**	**—**	**169**
Total	**31,375**	**31,375**	**—**	**—**	**31,375**

	2023				
Balance as of December 31	Carrying Amount $	Within Three Months $	Three to Twelve Months $	One to Five Years $	Total $ (*)
Subsidiary notes payable	3,699	3,699	—	—	3,699
Trade and other payables	44,107	44,107	—	—	44,107
Subsidiary preferred shares (Note 17)[1]	169	169	—	—	169
Total	47,975	47,975	—	—	47,975

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, 2024, the Group had cash and cash equivalents of $280,641, and short-term investments of $86,666. 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, 2024. 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 $191,426 and $17,731, respectively, as of December 31, 2024, 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, 2024, the investments in associates include Sonde and Seaport, and the carrying amounts of the investments under the equity method were $0 and $2,397, respectively. Accordingly, the Group does not view this risk as high.

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. As of December 31, 2023, the Group held 886,885 common shares of Karuna, 2,671,800 common shares of Vor, and 12,527,476 common shares of Akili with fair value of $280,708, $6,012, and $6,112, respectively. The common shares of Karuna and Akili were disposed of in 2024 as part of the Karuna's acquisition by BMS in March 2024 and Akili's acquisition by Virtual Therapeutics in July 2024.

The investment in Vor is exposed to fluctuations in the market price of Vor's common shares. 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.

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 royalty on future sales. As of December 31, 2024, 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 $7,371, respectively, as of December 31, 2024 and December 31, 2023. 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, 2024 and December 31, 2023, the noncancellable commitments in respect of such contracts amounted to approximately $8,395 and $16,422, 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 represents management's best estimate of the expected settlement related to the financial obligation associated with the lawsuit, considering the likelihood of settlement. The final settlement amount could vary depending on the outcome of the ongoing negotiations or litigation. The timing for resolution remains uncertain.

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 other than already included above for the years ended December 31, 2024 and 2023.

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 zero as Gelesis ceased operations and filed for bankruptcy.

The Group recorded $0, $23 and $89 of interest income with respect to the sublease during the years ended December 31, 2024, 2023, and 2022 respectively, which is presented within finance income in the Consolidated Statement of Comprehensive Income/(Loss).

Related Party Royalties

The Group received $509 in royalties from Gelesis on its product sales for the year ended December 31, 2022 and recorded such royalty receipt as royalty revenue which was included in contract revenue in the Consolidated Statement of Comprehensive Income/(Loss) for the year ended December 31, 2022. The Group did not record any royalty revenue from Gelesis for the years ended December 31, 2024, and 2023.

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:

As of December 31	2024 $	2023 $	2022 $
Short-term employee benefits	**5,166**	9,714	4,162
Post-employment benefits	**61**	41	55
Termination benefits	**395**	417	152
Share-based payment expense	**2,540**	599	2,741
Total	**8,161**	10,772	7,109

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, 2024, and 2023 the payable due to the key management employees was $1,509, and $4,732, respectively.

In addition the Group paid remuneration to non-executive directors in the amounts of $670, $475, and $655 for the years ended December 31, 2024, 2023 and 2022, respectively. Also, the Group incurred $501, $373 and $365, of stock based compensation expense for such non-executive directors for the years ended December 31, 2024, 2023, and 2022 respectively.

During the years ended December 31, 2024, 2023 and 2022, the Group incurred $34, $46 and $51, respectively, of expenses paid to 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). As of December 31, 2023, the outstanding related party notes payable was $104, including principal and interest.

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, 2024:

	Business name (share class)	Number of shares held as of December 31, 2024	Number of options held as of December 31, 2024	Number of RSUs held as of December 31, 2024	Ownership interest[1]
Directors:					
Dr Robert Langer	Entrega (Common)	**250,000**	**82,500**	**—**	**4.29 %**
Dr Raju Kucherlapati	Enlight (Class B Common)	**—**	**30,000**	**—**	**3.00 %**
	Seaport Therapeutics (Preferred B)	**21,052**	**—**	**—**	**0.01 %**
Dr John LaMattina	Vedanta Biosciences (Common)	**25,000**	**15,000**	**—**	**0.25 %**
	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 %**
Senior Managers:					
Eric Elenko	Seaport Therapeutics (Common)	**950,000**	**—**	**—**	**0.64 %**

1 Ownership interests as of December 31, 2024 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 and any shares issuable upon conversion of outstanding convertible promissory notes.

2 Dr. John and Ms. Mary LaMattina hold 21,052 Series B preferred shares of Seaport Therapeutics.

Directors and senior managers hold 10,294,322 ordinary shares and 4.3% voting rights of the Group as of December 31, 2024. This amount excludes options to purchase 2,155,915 ordinary shares. This amount also excludes 3,517,248 shares, which are issuable based on the terms of performance based RSU awards granted to certain senior managers covering the financial years 2024, 2023 and 2022, 1,822,151 shares of time based RSUs to senior managers, which vest over 3 years, and 346,010 shares, which are issuable to directors immediately prior to the Group's 2025 Annual General Meeting of Stockholders, based on the terms of the RSU awards granted to non-executive directors in 2024. Such shares will be issued to such senior managers and non-executive directors 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.

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 and Vedanta to the Group.

As of December 31, 2024, the Group has a receivable from Seaport in the amount of $408.

See Note 6. Investments in Associates for details on the execution and termination of the Merger Agreement with Gelesis in 2023.

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, 2024, 2023 and 2022, the Group filed a consolidated U.S. federal income tax return which included all subsidiaries in which the Group owned greater than 80% of the vote and value. For the years ended December 31, 2024, 2023 and 2022, 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.

Amounts recognized in Consolidated Statement of Comprehensive Income/(Loss):

For the year ended December 31	**2024** **$**	2023 $	2022 $
Income/(loss) for the year	**27,782**	(66,628)	(37,065)
Income tax expense/(benefit)	**(4,008)**	30,525	(55,719)
Income/(loss) before taxes	**23,774**	(36,103)	(92,783)

Recognized Income Tax Expense/(Benefit):

For the year ended December 31	**2024** **$**	2023 $	2022 $
Federal - current	**35,310**	(2,246)	13,065
State - current	**13,144**	(46)	1,336
Total current income tax expense/(benefit)	**48,454**	(2,292)	14,401
Federal - deferred	**(46,442)**	29,294	(48,240)
State - deferred	**(6,020)**	3,523	(21,880)
Total deferred income tax expense/(benefit)	**(52,462)**	32,817	(70,120)
Total income tax expense/(benefit), recognized	**(4,008)**	30,525	(55,719)

The income tax expense/(benefit) was $(4,008), $30,525 and $(55,719) for the tax years ended December 31, 2024, 2023 and 2022, respectively. The income tax benefit recognized in 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. The income tax expense recognized in 2023 was primarily due to income from the sale of future royalties to Royalty Pharma and the recognition of deferred tax liabilities.

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:

	2024		2023		2022	
For the year ended December 31	**$**	**%**	$	%	$	%
US federal statutory rate	**4,994**	**21.00**	(7,573)	21.00	(19,486)	21.00
State taxes, net of federal effect	**1,026**	**4.32**	(3,974)	11.01	(8,043)	8.67
Tax credits	**(2,517)**	**(10.59)**	(9,167)	25.39	(6,876)	7.41
Stock-based compensation	**2,123**	**8.93**	589	(1.63)	788	(0.85)
Finance income/(costs) – fair value accounting	**1,640**	**6.90**	(556)	1.54	(28,783)	31.02
Loss with respect to associate for which no deferred tax asset is recognized	**210**	**0.88**	249	(0.69)	1,413	(1.52)
Revaluation of deferred due to rate change	**(3,419)**	**(14.38)**	—	—	(8,856)	9.54
Nondeductible compensation	**1,534**	**6.45**	872	(2.42)	300	(0.32)
Recognition of deferred tax assets and tax benefits not previously recognized	**(12,396)**	**(52.14)**	(433)	1.20	(184)	0.20
Unrecognized deferred tax asset	**—**	**—**	83,984	(232.63)	17,287	(18.63)
Deconsolidation of subsidiary	**3,863**	**16.25**	(17,506)	48.49	(3,572)	3.85
Cancellation of Debt Income	**(987)**	**(4.15)**	—	—	—	—
Other	**755**	**3.16**	1,321	(3.65)	293	(0.32)
Worthless stock deduction	**(833)**	**(3.50)**	(17,281)	47.87	—	—
	(4,008)	**(16.86)**	30,525	(84.52)	(55,719)	60.05

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).

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	2024 $	2023 $
Operating tax losses	**2,621**	3,849
Tax credits	**238**	2,425
Share-based payments	**6,206**	5,210
Capitalized research & development expenditures	**48,904**	39,422
Lease liability	**4,851**	5,133
Sale of future royalties	**42,406**	35,920
Other temporary differences	**—**	1,770
Deferred tax assets	**105,226**	93,729
Investments held at fair value	**(23,565)**	(53,411)
Right of use assets	**(2,143)**	(2,330)
Property and equipment, net	**(1,235)**	(1,637)
Investment in associates	**(637)**	(755)
Other temporary differences	**(1,900)**	—
Deferred tax liabilities	**(29,480)**	(58,133)
Deferred tax assets (liabilities), net	**75,746**	35,596
Deferred tax liabilities, net, recognized	**—**	(52,462)
Deferred tax assets (liabilities), net, not recognized	**75,746**	88,058

As of December 31, 2024, 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 $75,746 are primarily related to capitalized research & development expenditures 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.

	2024 $		2023 $	
For the year ended December 31	**Gross Amount**	**Tax Effected**	Gross Amount	Tax Effected
Deductible temporary difference	**274,227**	**72,887**	353,323	83,741
Tax losses	**7,815**	**2,621**	13,681	3,849
Tax credits	**238**	**238**	468	468
Total	**282,280**	**75,746**	367,472	88,058

Tax Losses and Tax Credits Carryforwards

Tax losses and tax credits for which no deferred tax asset was recognized are presented below:

	2024 $		2023 $	
Balance as of December 31	**Gross Amount**	**Tax Effected**	Gross Amount	Tax Effected
Tax losses expiring:				
Within 10 years	**1,537**	**416**	4,741	1,284
More than 10 years	**3,285**	**729**	6,635	1,455
Available Indefinitely	**2,993**	**1,476**	2,305	1,110
Total	**7,815**	**2,621**	13,681	3,849
Tax credits expiring:				
Within 10 years	**44**	**44**	43	43
More than 10 years	**194**	**194**	425	425
Available indefinitely	**—**	**—**	—	—
Total	**238**	**238**	468	468

The Group had U.S. federal net operating losses carry forwards (“NOLs”) of $7,815, $13,681 and $219,466 as of December 31, 2024, 2023 and 2022, respectively, which are available to offset future taxable income. These NOLs expire through 2037 with the exception of $2,993 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 $238, $1,396 and $4,500 as of December 31, 2024, 2023 and 2022, respectively, which are available to offset future taxes that expire at various dates through 2037. The Group also had Federal Orphan Drug credits of approximately $0 and $930 as of December 31, 2024, and 2023. 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 $125,322, $111,446 and $71,700 for the years ended December 31, 2024, 2023 and 2022, respectively, which are available to offset future taxable income. These NOLs expire at various dates beginning in 2030. The Group had Massachusetts research and development tax credits of approximately $0, $98 and $600 for the years ended December 31, 2024, 2023 and 2022, respectively. These NOLs and credits 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, 2024. 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 Statement of Financial Position are as follows:

For the year ended December 31	**2024** **$**	2023 $
Income tax receivable – current	**—**	11,746
Income tax payable – current	**(75)**	—

Uncertain Tax Positions

The Group has no uncertain tax positions as of December 31, 2024. 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, 2024, up to the date of issuance, April 30, 2025, 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.

Exhibit 2.3

Description of Securities

The following description of the securities registered under Section 12 of the Securities Exchange Act of 1934 of PureTech Health plc ("PureTech," "us," "our," "we" or the "Company") is a summary of the rights of our American Depository Shares and certain provisions of our articles of association in effect as of December 31, 2021 (the "Articles"). This summary does not purport to be complete and is qualified in its entirety by the provisions of our Articles previously filed with the Securities and Exchange Commission and incorporated by reference as an exhibit to the Annual Report on Form 20-F of which this Exhibit 2.3 is a part, as well as to the applicable provisions of the laws and regulations of England and Wales. We encourage you to read our Articles and applicable legislation on England and Wales carefully.

Ordinary Shares

The holders of our ordinary shares, par value £0.01 per share, are entitled to receive dividends in proportion to the number of ordinary shares held by them and according to the amount paid up on such ordinary shares during any portion or portions of the period in respect of which the dividend is paid. Holders of ordinary shares are entitled, in proportion to the number of ordinary shares held by them and to the amounts paid up thereon, to share in any surplus in the event of our winding up. The holders of ordinary shares are entitled to receive notice of, attend either in person or by proxy or, being a corporation, by a duly authorized representative, and vote at general meetings of shareholders.

Share Register

We are required by the Companies Act 2006 to keep a register of our shareholders. Under English law, the ordinary shares are deemed to be issued when the name of the shareholder is entered in our share register. The share register therefore is prima facie evidence of the identity of our shareholders, and the shares that they hold. The share register generally provides limited, or no, information regarding the ultimate beneficial owners of our ordinary shares. Our share register is maintained by our registrar, Computershare Investor Services PLC.

Under the Companies Act 2006, we must enter an allotment of shares in our share register as soon as practicable and in any event within two months of the allotment. We are also required by the Companies Act 2006 to register a transfer of shares (or give the transferee notice of and reasons for refusal) as soon as practicable and in any event within two months of receiving notice of the transfer.

We, any of our shareholders or any other affected person may apply to the court for rectification of the share register if:

- the name of any person is wrongly entered in or omitted from our register of members; or
- there is a failure or unnecessary delay in amending the register of members to show the date a member ceased to be a member.

Objects

Section 31 of the Companies Act 2006 provides that the objects of a company are unrestricted unless any restrictions are set out in the articles. There are no such restrictions in the Articles and our objects are therefore unrestricted.

Voting Rights

Subject to any rights or restrictions attached to any shares, on a show of hands:

- every shareholder who is entitled to vote on the resolution and who is present in person has one vote;
- every proxy present who has be duly appointed by one or more shareholders entitled to vote on the resolution(s) has one vote;
- a proxy has one vote for and one vote against the resolution(s) if he has been duly appointed by more than one shareholder entitled to vote on the resolution and either (i) is instructed by one or more of those shareholders to vote for the resolution and by one or more others to vote against it; or (ii) is instructed by one or more of those shareholders to vote in one way and is given a discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way);
- subject to any rights or restrictions attached to any shares, on a poll every shareholder who is entitled to vote on the resolutions and is present in person or by proxy shall have one vote for every share of which he is the holder;
- where there are joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote or votes of the other joint holder or holders. Seniority is determined by the order in which the names of the holders stand in the register; and
- unless the Board otherwise determines, a shareholder shall not be entitled to vote unless all calls or other sums due and payable from him in respect of shares in our company have been paid.

Dividends

Subject to the Companies Act 2006 and the Articles, we may by ordinary resolution declare dividends, but no such dividends shall exceed the amount recommended by the Board. Subject to the Companies Act 2006, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Board to be justified by the profits of our company available for distribution.

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up or credited as paid up (other than amounts paid in advance of calls) on the shares in respect of which the dividend is paid and shall be apportioned and paid proportionately to the amounts paid up on such shares during any portion or portions of the period in respect of which the dividend is paid.

Dividends may be declared or paid in whatever currency the Board decides. Unless otherwise provided by the rights attached to the shares, dividends shall not carry a right to receive interest.

All dividends unclaimed for a period of 12 years after having been declared or becoming due for payment shall be forfeited and cease to remain owing by us.

The Board may, with the authority of an ordinary resolution of our company:

- offer holders of ordinary shares the right to elect to receive further ordinary shares, credited as fully paid, instead of cash in respect of all or part of any dividend or dividends specified by the ordinary resolution; and

- direct that payment of all or part of any dividend declared may be satisfied by the distribution of specific assets.

There are no fixed or specified dates on which entitlements to dividends payable by us arise.

Pre-Emption Rights

In certain circumstances, shareholders may have statutory pre-emption rights under the Companies Act 2006 in respect of the allotment of new shares in our company. These statutory pre-emption rights would require us to offer new shares for allotment to existing shareholders on a pro rata basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to shareholders.

Distribution of Assets on a Winding-Up

On a winding up, a liquidator may, with the authority of a special resolution of our company and any other sanction required by law divide among the shareholders in kind the whole or any part of the assets of our company, whether or not the assets consist of property of one kind or different kinds and may for such purposes set such value as he considers fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the same authority, transfer any part of the assets to trustees on such trusts for the benefit of shareholders as the liquidator, with the same authority, thinks fit and the liquidation may then be closed and our company dissolved, but so that no Shareholder shall be compelled to accept any shares or other property in respect of which there is a liability.

Transfer of Shares

Every transfer of shares which are in certificated form must be in writing in any usual form or in any form approved by the Board and shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee.

Every transfer of shares which are in uncertificated form must be made by means of a relevant system (such as CREST).

The Board may, in its absolute discretion and without giving reason, refuse to register any transfer of certificated shares if: (a) it is in respect of a share which is not fully paid up (provided that, if such share is admitted to trading

on a recognised investment exchange, the refusal does not prevent dealings in our company's shares from taking place on an open and proper basis); (b) it is in respect of more than one class of share; (c) it is not duly stamped (if so required)or duly certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty; or (d) it is not delivered for registration to the registered office of our company or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a recognized person (as defined in the Articles) where a certificate has not been issued) by the relevant share certificate and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and, if the transfer is signed by some other person on his behalf, the authority of that person to do so.

The Board may, in its absolute discretion and without giving reason, refuse to register any transfer or allotment of shares which is in favor of: (a) a child, bankrupt or person of unsound mind; or (b) more than four joint transferees

Restrictions on Voting Rights

If a member or any person appearing to be interested in shares held by such a member has been duly served with a notice under section 793 of the Companies Act 2006 and has failed in relation to any shares ("default shares")

Variation of Class Rights

Subject to the Companies Act 2006, all or any of the rights or privileges attached to any class of shares in our company may be varied or abrogated in such manner (if any) as may be provided by such rights, or, in the absence of any such provision, either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of such holders of shares of that class, but not otherwise. The quorum at any such meeting (other than an adjourned meeting) is two persons holding or representing by proxy at least one third in nominal amount of the issued shares of the class in question.

The rights attached to any class of shares shall not, unless otherwise expressly provided in the rights attaching to such shares, be deemed to be varied or abrogated by the creation or issue of shares ranking pari passu with or subsequent to them or by the purchase or redemption by us of any of our own shares.

Share Capital, Changes in Capital and Purchase of Own Shares

Subject to the Companies Act 2006 and to the Articles, the power to allot and issue shares shall be exercised by the Board at such times and on such terms and conditions as the Board may determine.

Subject to the Articles and to any rights attached to any existing shares, any share may be issued with such rights or restrictions as we may from time to time determine by ordinary resolution.

We may issue redeemable shares and the Board may determine the terms, conditions and manner of redemption of such shares, provided it does so before the shares are allotted.

General Meetings

The Board may convene a general meeting whenever it thinks fit.

Pursuant to the Companies Act 2006, an annual general meeting shall be called on not less than 21 clear days' notice. All other general meetings shall be called by not less than 14 clear days' notice.

The quorum for a general meeting is two shareholders present in person or by proxy and entitled to vote.

The Board and, at any general meeting, the chairman of the meeting may make any arrangement and impose any requirement or restriction which it or he considers appropriate to ensure the security or orderly conduct of the meeting. This may include requirements for evidence of identity to be produced by those attending, the searching of their personal property and the restriction of items which may be taken into the meeting place.

Appointment of Directors

Unless otherwise determined by ordinary resolution, there shall be no maximum number of directors, but the number of directors shall not be less than two. Subject to the Companies Act 2006 and the Articles, we may by ordinary resolution appoint any person who is willing to act as a director either as an additional director or to fill a vacancy. The Board may also appoint any person who is willing to act as a director, subject to the Companies Act 2006 and the Articles. Any person appointed by the Board as a director will hold office only until conclusion of the next annual general meeting, unless he is re-elected during such meeting.

The Board may appoint any director to hold any employment or executive office in our company and may also revoke or terminate any such appointment (without prejudice to any claim for damages for breach of any service contract between the director and our company). The Board may by ordinary resolution appoint any person who is willing to act as a director either as an additional director or to fill a vacancy. The Board may also appoint any person who is willing to act as a director, subject to the Companies Act 2006 and the Articles. Any person appointed by the Board as a director will hold office only until conclusion of the next annual general meeting, unless he is re-elected during such meeting.

The Board may appoint any director to hold any employment or executive office in our company and may also revoke or terminate any such appointment (without prejudice to any claim for damages for breach of any service contract between the director and our company).

Retirement and Removal of Directors

Our Articles provide that at each annual general meeting of our company, one-third of the directors who are subject to retirement by rotation or, if their number is not three, the number nearest to but not exceeding one third shall retire from office unless there are fewer than three directors who are subject to retirement by rotation, in which case only one shall retire from office. However, in accordance with the U.K. Corporate Governance Code and best practice, at each annual general meeting all of our directors retire from office and put themselves forward for re-election. In addition, any director who has been a director at each of the preceding two annual general meetings shall also retire. Each such director may, if eligible, offer himself for re-election. If our company, at the meeting at which a director retires, does not fill the vacancy the retiring director shall, if willing, be deemed to have been reappointed unless it is expressly resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost.

Without prejudice to the provisions of the Companies Act 2006, our company may by ordinary resolution remove any director before the expiration of his period of office and may by ordinary resolution appoint another director in his place.

Directors' Interests

Subject to the Companies Act 2006 and provided that he has disclosed to the directors the nature and extent of any interest, a director is able to enter into contracts or other arrangements with us, hold any other office (except auditor) with us or be a director, employee or otherwise interested in any company in which our company is interested. Such a director shall not be liable to account to us for any profit, remuneration or other benefit realized by any such office, employment, contract, arrangement or proposal.

Save as otherwise provided by the Articles, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board concerning any contract, arrangement, transaction or proposal to which our company is or is to be a party and in which he (together with any person connected with him) is to his knowledge materially interested, directly or indirectly. Interests of which the director is not aware, interests which cannot reasonably be regarded as likely to give rise to a conflict of interest and interests arising purely as a result of an interest in our company's shares, debentures or other securities are disregarded. However, a director can vote and be counted in the quorum where the resolution relates to any of the following:

- the giving of any guarantee, security or indemnity in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of our company or any of its subsidiary undertakings or (ii) a debt or obligation of our company or any of its subsidiary undertakings for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

- the participation of the director, in an offer of securities of our company or any of its subsidiary undertakings, including participation in the underwriting or sub-underwriting of the offer;

- a proposal involving another company in which he and any persons connected with him has a direct or indirect interest of any kind, unless he and any persons connected with him hold an interest in shares representing one percent or more of either any class of equity share capital, or the voting rights, in such company;

- any arrangement for the benefit of employees of our company or of any of its subsidiary undertakings which does not award the director any privilege or benefit not generally awarded to the employees to whom such arrangement relates;

- any proposal concerning the purchase or maintenance of any insurance policy under which he may benefit;

- any proposal concerning indemnities in favor of directors or the funding of expenditure by one or more directors on defending proceedings against such director(s).

A director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with our company or any company in which our company is interested.

The Board may authorize any matter that would otherwise involve a Director breaching his duty under the Companies Act 2006 to avoid conflicts of interest, provided that the interested director(s) do not vote or count in the quorum in relation to any resolution authorizing the matter. The Board may authorize the relevant matter on such terms as it may determine including:

- whether the interested director(s) may vote or be counted in the quorum in relation to any resolution relating to the relevant matter;
- the exclusion of the interested director(s) from all information and discussion by our company of the relevant matter; and
- the imposition of confidentiality obligations on the interested director(s).

An interested director must act in accordance with any terms determined by the Board. An authorization of a relevant matter may also provide that where the interested director obtains information that is confidential to a third party (other than through his position as director) he will not be obliged to disclose it to our company or to use it in relation to our company's affairs, if to do so would amount to a breach of that confidence.

Powers of the Directors

Subject to the Articles and to any directions given by special resolution of the Company, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business or not.

Differences in Corporate Law

The applicable provisions of the Companies Act 2006 differ from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain differences between the provisions of the Companies Act 2006 applicable to us and the Delaware General Corporation Law relating to shareholders' rights and protections. This summary is not intended to be a complete discussion of the respective rights and it is qualified in its entirety by reference to Delaware law and English law.

	ENGLAND AND WALES	DELAWARE
Number of Directors	Under the Companies Act 2006, a public limited company must have at least two directors and the number of directors may be fixed by or in the manner provided in a company's articles of association.	Under Delaware law, a corporation must have at least one director and the number of directors shall be fixed by or in the manner provided in the bylaws.

Removal of Directors	Under the Companies Act 2006, shareholders may remove a director without cause by an ordinary resolution (which is passed by a simple majority of those voting in person or by proxy at a general meeting) irrespective of any provisions of any service contract the director has with the company, provided 28 clear days' notice of the resolution has been given to the company and its shareholders. On receipt of notice of an intended resolution to remove a director, the company must forthwith send a copy of the notice to the director concerned. Certain other procedural requirements under the Companies Act 2006 must also be followed such as allowing the director to make representations against his or her removal either at the meeting or in writing.	Under Delaware law, any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except (a) unless the certificate of incorporation provides otherwise, in the case of a corporation whose board of directors is classified, shareholders may effect such removal only for cause, or (b) in the case of a corporation having cumulative voting, if less than the entire board of directors is to be removed, no director may be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire board of directors, or, if there are classes of directors, at an election of the class of directors of which he is a part.
Vacancies on the Board of Directors	Under English law, the procedure by which directors, other than a company's initial directors, are appointed is generally set out in a company's articles of association, provided that where two or more persons are appointed as directors of a public limited company by resolution of the shareholders, resolutions appointing each director must be voted on individually.	Under Delaware law, vacancies and newly created directorships may be filled by a majority of the directors then in office (even though less than a quorum) or by a sole remaining director unless (a) otherwise provided in the certificate of incorporation or by-laws of the corporation or (b) the certificate of incorporation directs that a particular class of stock is to elect such director, in which case a majority of the other directors elected by such class, or a sole remaining director elected by such class, will fill such vacancy.

Annual General Meeting	Under the Companies Act 2006, a public limited company must hold an annual general meeting within the six-month period following the company's annual accounting reference date.	Under Delaware law, the annual meeting of stockholders shall be held at such place, on such date and at such time as may be designated from time to time by the board of directors or as provided in the certificate of incorporation or by the bylaws.
General Meeting	Under the Companies Act 2006, a general meeting of the shareholders of a public limited company may be called by the directors. Shareholders holding at least 5 percent of the paid-up capital of the company carrying voting rights at general meetings can require the directors to call a general meeting and, if the directors fail to do so within 21 days (with the meeting to be held not more than 28 days after the date of the notice), may themselves convene a general meeting.	Under Delaware law, special meetings of the stockholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or by the bylaws.

Notice of General Meetings	Under the Companies Act 2006, 21 clear days' notice must be given for an annual general meeting and any resolutions to be proposed at the meeting. Subject to a company's articles of association providing for a longer period, at least 14 clear days' notice is required for any other general meeting. In addition, certain matters, such as the removal of directors or auditors, require special notice, which is 28 clear days' notice. The shareholders of a company may in all cases consent to a shorter notice period, the proportion of shareholders' consent required being 100 percent of those entitled to attend and vote in the case of an annual general meeting and, in the case of any other general meeting, a majority in number of the members having a right to attend and vote at the meeting, being a majority who together hold not less than 95 percent in nominal value of the shares giving a right to attend and vote at the meeting.	Under Delaware law, unless otherwise provided in the certificate of incorporation or bylaws, written notice of any meeting of the stockholders must be given to each stockholder entitled to vote at the meeting not less than ten nor more than 60 days before the date of the meeting and shall specify the place, date, hour, and purpose or purposes of the meeting.
Proxy	Under the Companies Act 2006, at any meeting of shareholders, a shareholder may designate another person to attend, speak and vote at the meeting on their behalf by proxy.	Under Delaware law, at any meeting of stockholders, a stockholder may designate another person to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A director of a Delaware corporation may not issue a proxy representing the director's voting rights as a director.

Pre-emptive Rights	Under the Companies Act 2006, "equity securities", being (i) shares in the company other than shares that, with respect to dividends and capital, carry a right to participate only up to a specified amount in a distribution ("ordinary shares") or (ii) rights to subscribe for, or to convert securities into, ordinary shares, proposed to be allotted for cash must be offered first to the existing equity shareholders in the company in proportion to the respective nominal value of their holdings, unless an exception applies or a special resolution to the contrary has been passed by shareholders in a general meeting or the articles of association provide otherwise in each case in accordance with the provisions of the Companies Act 2006.	Under Delaware law, shareholders have no preemptive rights to subscribe to additional issues of stock or to any security convertible into such stock unless, and except to the extent that, such rights are expressly provided for in the certificate of incorporation.

Authority to Allot

Under the Companies Act 2006 the directors of a company must not allot shares or grant of rights to subscribe for or to convert any security into shares unless an exception applies or an ordinary resolution to the contrary has been passed by shareholders in a general meeting or the articles of association provide otherwise in each case in accordance with the provisions of the Companies Act 2006 default, breach of duty or breach of trust in relation to the company is void.

Any provision by which a company directly or indirectly provides an indemnity, to any extent, for a director of the company or of an associated company against any liability attaching to him in connection with any negligence, default, breach of duty or breach of trust in relation to the company of which he is a director is also void except as permitted by the Companies Act 2006, which provides exceptions for the company to (a) purchase and maintain insurance against such liability; (b) provide a "qualifying third party indemnity" (being an indemnity against liability incurred by the director to a person other than the company or an associated company or criminal proceedings in which he is not convicted); and (c) provide a "qualifying pension scheme indemnity" (being an indemnity against liability incurred in connection with the company's activities as trustee of an occupational pension plan).

Under Delaware law, if the corporation's charter or certificate of incorporation so provides, the board of directors has the power to authorize the issuance of stock. It may authorize capital stock to be issued for consideration consisting of cash, any tangible or intangible property or any benefit to the corporation or any combination thereof. It may determine the amount of such consideration by approving a formula. In the absence of actual fraud in the transaction, the judgment of the directors as to the value of such consideration is conclusive can limit the liability of a director for:

- any breach of the director's duty of loyalty to the corporation or its stockholders;

- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

- intentional or negligent payment of unlawful dividends or stock purchases or redemptions; or

- any transaction from which the director derives an improper personal benefit

Voting Rights	Under English law, unless a poll is demanded by the shareholders of a company or is required by the chairman of the meeting or the company's articles of association, shareholders shall vote on all resolutions on a show of hands. Under the Companies Act 2006, a poll may be demanded by (a) not fewer than five shareholders having the right to vote on the resolution; (b) any shareholder(s) representing not less than 10 percent of the total voting rights of all the shareholders having the right to vote on the resolution; or (c) any shareholder(s) holding shares in the company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up equal to not less than 10 percent of the total sum paid up on all the shares conferring that right. A company's articles of association may provide more extensive rights for shareholders to call a poll. Under English law, an ordinary resolution is passed on a show of hands if it is approved by a simple majority (more than 50 percent) of the votes cast by shareholders present (in person or by proxy) and entitled to vote. If a poll is demanded, an ordinary resolution is passed if it is approved by holders representing a simple majority of the total voting rights of shareholders present, in person or by proxy, who, being entitled to vote, vote on the resolution. Special resolutions require the affirmative vote of not less than 75 percent of the votes cast by shareholders present, in person or by proxy, at the meeting and entitled to vote.	Delaware law provides that, unless otherwise provided in the certificate of incorporation, each stockholder is entitled to one vote for each share of capital stock held by such stockholder.

Shareholder Vote on Certain Transactions	The Companies Act 2006 provides for schemes of arrangement, which are arrangements or compromises between a company and any class of shareholders or creditors and used in certain types of reconstructions, amalgamations, capital reorganizations or takeovers. These arrangements require: • the approval at a shareholders' or creditors' meeting convened by order of the court, of a majority in number of shareholders or creditors representing 75 percent in value of the capital held by, or debt owed to, the class of shareholders or creditors, or class thereof present and voting, either in person or by proxy; and • the approval of the court.	Generally, under Delaware law, unless the certificate of incorporation provides for the vote of a larger portion of the stock, completion of a merger, consolidation, sale, lease or exchange of all or substantially all of a corporation's assets or dissolution requires: • the approval of the board of directors; and • approval by the vote of the holders of a majority of the outstanding stock or, if the certificate of incorporation provides for more or less than one vote per share, a majority of the votes of the outstanding stock of a corporation entitled to vote on the matter.

Standard of Conduct for Directors		
	Under English law, a director owes various statutory and fiduciary duties to the company, including: • to act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole; • to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly conflicts, with the interests of the company; • to act in accordance with the company's constitution and only exercise his powers for the purposes for which they are conferred; • to exercise independent judgment; • to exercise reasonable care, skill and diligence; • not to accept benefits from a third party conferred by reason of his being a director or doing, or not doing, anything as a director; and • a duty to declare any interest that he has, whether directly or indirectly, in a proposed or existing transaction or arrangement with the company.	Delaware law does not contain specific provisions setting forth the standard of conduct of a director. The scope of the fiduciary duties of directors is generally determined by the courts of the State of Delaware. In general, directors have a duty to act without self-interest, on a well-informed basis and in a manner they reasonably believe to be in the best interest of the stockholders. Directors of a Delaware corporation owe fiduciary duties of care and loyalty to the corporation and to its shareholders. The duty of care generally requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. In general, but subject to certain exceptions, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Delaware courts have also imposed a heightened standard of conduct upon directors of a Delaware corporation who take any action designed to defeat a threatened change in control of the corporation. In addition, under Delaware law, when the board of directors of a Delaware corporation approves the sale or break-up of a corporation, the board of directors may, in certain circumstances, have a duty to obtain the highest value reasonably available to the shareholders.

Stockholder Suits	Under English law, generally, the company, rather than its shareholders, is the proper claimant in an action in respect of a wrong done to the company or where there is an irregularity in the company's internal management. Notwithstanding this general position, the Companies Act 2006 provides that (i) a court may allow a shareholder to bring a derivative claim (that is, an action in respect of and on behalf of the company) in respect of a cause of action arising from a director's negligence, default, breach of duty or breach of trust and (ii) a shareholder may bring a claim for a court order where the company's affairs have been or are being conducted in a manner that is unfairly prejudicial to some of its shareholders.	Under Delaware law, a stockholder may initiate a derivative action to enforce a right of a corporation if the corporation fails to enforce the right itself. The complaint must: • state that the plaintiff was a stockholder at the time of the transaction of which the plaintiff complains or that the plaintiffs shares thereafter devolved on the plaintiff by operation of law; and • allege with particularity the efforts made by the plaintiff to obtain the action the plaintiff desires from the directors and the reasons for the plaintiff's failure to obtain the action; or • state the reasons for not making the effort. Additionally, the plaintiff must remain a stockholder through the duration of the derivative suit. The action will not be dismissed or compromised without the approval of the Delaware Court of Chancery.

Description of American Depository Shares

Citibank, N.A. has agreed to act as the depositary bank for our American Depositary Shares. Citibank's depositary offices are located at 388 Greenwich Street, New York, New York, 10013. American Depositary Shares are frequently referred to as "ADSs" and represent ownership interests in securities that are on deposit with the depositary bank. ADSs may be represented by certificates that are commonly known as "American Depositary Receipts" or "ADRs." The depositary bank typically appoints a custodian to safekeep the securities on deposit. In this case, the custodian is Citibank, N.A.—London Branch, located at Citigroup Centre Canary Wharf, London E14 5LB D.

We have appointed Citibank as depositary bank pursuant to a deposit agreement. A copy of the deposit agreement is on file with the SEC under cover of a Registration Statement on Form F-6. You may obtain a copy of the deposit agreement from the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 and from the SEC's website (www.sec.gov). Please refer to Registration Number 333-249809 when retrieving such copy.

We are providing you with a summary description of the material terms of the ADSs and of your material rights as an owner of ADSs. Please remember that summaries by their nature lack the precision of the information summarized and that the rights and obligations of an owner of ADSs will be determined by reference to the terms of the deposit agreement and not by this summary. We urge you to review the deposit agreement in its entirety. The portions of this summary description that are italicized describe matters that may be relevant to the ownership of ADSs but that may not be contained in the deposit agreement.

Each ADS represents the right to receive, and to exercise the beneficial ownership interests in, ordinary shares that are on deposit with the depositary bank and/or custodian. An ADS also represents the right to receive, and to exercise the beneficial interests in, any other property received by the depositary bank or the custodian on behalf of the owner of the ADS but that has not been distributed to the owners of ADSs because of legal restrictions or practical considerations. We and the depositary bank may agree to change the ADS-to-Share ratio by amending the deposit agreement. This amendment may give rise to, or change, the depositary fees payable by ADS owners. The custodian, the depositary bank and their respective nominees hold all deposited property for the benefit of the holders and beneficial owners of ADSs. The deposited property does not constitute the proprietary assets of the depositary bank, the custodian or their nominees. Beneficial ownership in the deposited property under the terms of the deposit agreement are vested in the beneficial owners of the ADSs. The depositary bank, the custodian and their respective nominees are the record holders of the deposited property represented by the ADSs for the benefit of the holders and beneficial owners of the corresponding ADSs. A beneficial owner of ADSs may or may not be the holder of ADSs. Beneficial owners of ADSs are able to receive, and to exercise beneficial ownership interests in, the deposited property only through the registered holders of the ADSs, the registered holders of the ADSs (on behalf of the applicable ADS owners) only through the depositary bank, and the depositary bank (on behalf of the owners of the corresponding ADSs) directly, or indirectly, through the custodian or their respective nominees, in each case upon the terms of the deposit agreement.

If you become (or already are) an owner of ADSs, you will become (or already are) a party to the deposit agreement and therefore will be (or are) bound to its terms and to the terms of any ADR that represents your ADSs. The deposit agreement and the ADR specify our rights and obligations as well as your rights and obligations as owner of ADSs and those of the depositary bank. As an ADS holder you appoint the depositary bank to act on your behalf in certain circumstances. The deposit agreement and the ADRs are governed by New York law. However, our obligations to the holders of ordinary shares will continue to be governed by the laws of England and Wales, which may be different from the laws of the United States.

In addition, applicable laws and regulations may require you to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. You are solely responsible for complying with such reporting requirements and obtaining such approvals. Neither the depositary bank, the custodian, us or any of their or our respective agents or affiliates shall be required to take any actions whatsoever on your behalf to satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

As an owner of ADSs, we will not treat you as one of our shareholders and you will not have direct shareholder rights. The depositary bank will hold on your behalf the shareholder rights attached to the ordinary shares underlying your ADSs. An owner of ADSs is able to exercise the shareholders rights for the ordinary shares represented by ADSs through the depositary bank only to the extent contemplated in the deposit agreement. To exercise any shareholder rights not contemplated in the deposit agreement you will, as an ADS owner, need to arrange for the cancellation of your ADSs and become a direct shareholder.

The manner in which you own the ADSs (e.g., in a brokerage account vs. as registered holder, or as holder of certificated vs. uncertificated ADSs) may affect your rights and obligations, and the manner in which, and extent to which, the depositary bank's services are made available to you. As an owner of ADSs, you may hold your ADSs either by means of an ADR registered in your name, through a brokerage or safekeeping account, or through an account established by the depositary bank in your name reflecting the registration of uncertificated ADSs directly on the books of the depositary bank (commonly referred to as the "direct registration system" or "DRS"). The direct registration system reflects the uncertificated (book-entry) registration of ownership of ADSs by the depositary bank. Under the direct registration system, ownership of ADSs is evidenced by periodic statements issued by the depositary bank to the holders of the ADSs. The direct registration system includes automated transfers between the depositary bank and The Depository Trust Company ("DTC"), the central book-entry clearing and settlement system for equity securities in the United States. If you decide to hold your ADSs through your brokerage or safekeeping account, you must rely on the procedures of your broker or bank to assert your rights as ADS owner. Banks and brokers typically hold securities such as the ADSs through clearing and settlement systems such as DTC. The procedures of such clearing and settlement systems may limit your ability to exercise your rights as an owner of ADSs. Please consult with your broker or bank if you have any questions concerning these limitations and procedures. All ADSs held through DTC will be registered in the name of a nominee of DTC. This summary description assumes you have opted to own the ADSs directly by means of an ADS registered in your name and, as such, we will refer to you as the "holder." When we refer to "you," we assume the reader owns ADSs and will own ADSs at the relevant time.

The registration of the ordinary shares in the name of the depositary bank or the custodian shall, to the maximum extent permitted by applicable law, vest in the depositary bank or the custodian the record ownership in the applicable ordinary shares with the beneficial ownership rights and interests in such ordinary shares being at all times vested with the beneficial owners of the ADSs representing the ordinary shares. The depositary bank or the custodian shall at all times be entitled to exercise the beneficial ownership rights in all deposited property, in each case only on behalf of the holders and beneficial owners of the ADSs representing the deposited property.

Dividends and Distributions

As a holder of ADSs, you generally have the right to receive the distributions we make on the securities deposited with the custodian. Your receipt of these distributions may be limited, however, by practical considerations and legal limitations. Holders of ADSs will receive such distributions under the terms of the deposit agreement in proportion to the number of ADSs held as of the specified record date, after deduction of the applicable fees, taxes and expenses.

Distributions of Cash

Whenever we make a cash distribution for the securities on deposit with the custodian, we will deposit the funds with the custodian. Upon receipt of confirmation of the deposit of the requisite funds, the depositary bank will arrange for the funds received in a currency other than U.S. dollars to be converted into U.S. dollars and for the distribution of the U.S. dollars to the holders, subject to the laws and regulations of England and Wales.

The conversion into U.S. dollars will take place only if practicable and if the U.S. dollars are transferable to the United States. The depositary bank will apply the same method for distributing the proceeds of the sale of any property (such as undistributed rights) held by the custodian in respect of securities on deposit.

The distribution of cash will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. The depositary bank will hold any cash amounts it is unable to distribute in a non-interest bearing account for the benefit of the applicable holders and beneficial owners of ADSs until the distribution can be effected or the funds that the depositary bank holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the United States.

Distributions of Shares

Whenever we make a free distribution of ordinary shares for the securities on deposit with the custodian, we will deposit the applicable number of ordinary shares with the custodian. Upon receipt of confirmation of such deposit, the depositary bank will either distribute to holders new ADSs representing the ordinary shares deposited or modify the ADS-to-ordinary shares ratio, in which case each ADS you hold will represent rights and interests in the additional ordinary shares so deposited. Only whole new ADSs will be distributed. Fractional entitlements will be sold and the proceeds of such sale will be distributed as in the case of a cash distribution.

The distribution of new ADSs or the modification of the ADS-to-ordinary shares ratio upon a distribution of ordinary shares will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes or governmental charges, the depositary bank may sell all or a portion of the new ordinary shares so distributed.

No such distribution of new ADSs will be made if it would violate a law (*e.g.*, the U.S. securities laws) or if it is not operationally practicable. If the depositary bank does not distribute new ADSs as described above, it may sell the ordinary shares received upon the terms described in the deposit agreement and will distribute the proceeds of the sale as in the case of a distribution of cash.

Distributions of Rights

Whenever we intend to distribute rights to subscribe for additional ordinary shares, we will give prior notice to the depositary bank and we will assist the depositary bank in determining whether it is lawful and reasonably practicable to distribute rights to subscribe for additional ADSs to holders.

The depositary bank will establish procedures to distribute rights to subscribe for additional ADSs to holders and to enable such holders to exercise such rights if it is lawful and reasonably practicable to make the rights available to holders of ADSs, and if we provide all of the documentation contemplated in the deposit agreement (such as opinions to address the lawfulness of the transaction). You may have to pay fees, expenses, taxes and other governmental charges to subscribe for the new ADSs upon the exercise of your rights. The depositary bank is not

obligated to establish procedures to facilitate the distribution and exercise by holders of rights to subscribe for new ordinary shares other than in the form of ADSs.

The depositary bank will *not* distribute the rights to you if:

- We do not timely request that the rights be distributed to you or we request that the rights not be distributed to you; or
- We fail to deliver satisfactory documents to the depositary bank; or
- It is not reasonably practicable to distribute the rights.

The depositary bank will sell the rights that are not exercised or not distributed if such sale is lawful and reasonably practicable. The proceeds of such sale will be distributed to holders as in the case of a cash distribution. If the depositary bank is unable to sell the rights, it will allow the rights to lapse.

Elective Distributions

Whenever we intend to distribute a dividend payable at the election of shareholders either in cash or in additional shares, we will give prior notice thereof to the depositary bank and will indicate whether we wish the elective distribution to be made available to you. In such case, we will assist the depositary bank in determining whether such distribution is lawful and reasonably practicable.

The depositary bank will make the election available to you only if it is reasonably practicable and if we have provided all of the documentation contemplated in the deposit agreement. In such case, the depositary bank will establish procedures to enable you to elect to receive either cash or additional ADSs, in each case as described in the deposit agreement.

If the election is not made available to you, you will receive either cash or additional ADSs, depending on what a shareholder in England and Wales would receive upon failing to make an election, as more fully described in the deposit agreement.

Other Distributions

Whenever we intend to distribute property other than cash, ordinary shares or rights to subscribe for additional ordinary shares, we will notify the depositary bank in advance and will indicate whether we wish such distribution to be made to you. If so, we will assist the depositary bank in determining whether such distribution to holders is lawful and reasonably practicable.

If it is reasonably practicable to distribute such property to you and if we provide to the depositary bank all of the documentation contemplated in the deposit agreement, the depositary bank will distribute the property to the holders in a manner it deems practicable.

The distribution will be made net of fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes and governmental charges, the depositary bank may sell all or a portion of the property received.

The depositary bank will *not* distribute the property to you and will sell the property if:

- We do not request that the property be distributed to you or if we request that the property not be distributed to you; or
- We do not deliver satisfactory documents to the depositary bank; or
- The depositary bank determines that all or a portion of the distribution to you is not reasonably practicable.

The proceeds of such a sale will be distributed to holders as in the case of a cash distribution.

Redemption

Whenever we decide to redeem any of the securities on deposit with the custodian, we will notify the depositary bank in advance. If it is practicable and if we provide all of the documentation contemplated in the deposit agreement, the depositary bank will provide notice of the redemption to the holders. The custodian will be instructed to surrender the shares being redeemed against payment of the applicable redemption price. The depositary bank will convert into U.S. dollars, upon the terms of the deposit agreement, the redemption funds received in a currency other than U.S. dollars and will establish procedures to enable holders to receive the net proceeds from the redemption upon surrender of their ADSs to the depositary bank. You may have to pay fees, expenses, taxes and other governmental charges upon the redemption of your ADSs. If less than all ADSs are being redeemed, the ADSs to be retired will be selected by lot or on a *pro rata* basis, as the depositary bank may determine.

Changes Affecting Ordinary Shares

The ordinary shares held on deposit for your ADSs may change from time to time. For example, there may be a change in nominal or par value, split-up, cancellation, consolidation or any other reclassification of such ordinary shares or a recapitalization, reorganization, merger, consolidation or sale of assets of the company.

If any such change were to occur, your ADSs would, to the extent permitted by law and the deposit agreement, represent the right to receive the property received or exchanged in respect of the ordinary shares held on deposit.

The depositary bank may in such circumstances deliver new ADSs to you, amend the deposit agreement, the ADRs and the applicable Registration Statement(s) on Form F-6, call for the exchange of your existing ADSs for new ADSs and take any other actions that are appropriate to reflect as to the ADSs the change affecting the ordinary shares. If the depositary bank may not lawfully distribute such property to you, the depositary bank may sell such property and distribute the net proceeds to you as in the case of a cash distribution.

Issuance of ADSs upon Deposit of Ordinary Shares

The ordinary shares have been deposited by us with the custodian and the depositary bank has issued ADSs to the holders thereof.

The depositary bank may create ADSs on your behalf if you or your broker deposit ordinary shares with the custodian. The depositary bank will deliver these ADSs to the person you indicate only after you pay any applicable

issuance fees and any charges and taxes payable for the transfer of the ordinary shares to the custodian. Your ability to deposit ordinary shares and receive ADSs may be limited by U.S. and English legal considerations applicable at the time of deposit.

The issuance of ADSs may be delayed until the depositary bank or the custodian receives confirmation that all required approvals have been given and that the ordinary shares have been duly transferred to the custodian. The depositary bank will only issue ADSs in whole numbers.

When you make a deposit of ordinary shares, you will be responsible for transferring good and valid title to the depositary bank. As such, you will be deemed to represent and warrant that:

- The ordinary shares are duly authorized, validly issued, fully paid, non-assessable and legally obtained.
- All preemptive (and similar) rights, if any, with respect to such ordinary shares have been validly waived or exercised.
- You are duly authorized to deposit the ordinary shares.
- The ordinary shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, and are not, and the ADSs issuable upon such deposit will not be, "restricted securities" (as defined in the deposit agreement).
- The ordinary shares presented for deposit have not been stripped of any rights or entitlements.

If any of the representations or warranties are incorrect in any way, we and the depositary bank may, at your cost and expense, take any and all actions necessary to correct the consequences of the misrepresentations.

Transfer, Combination and Split Up of ADRs

As an ADR holder, you are entitled to transfer, combine or split up your ADRs and the ADSs evidenced thereby. For transfers of ADRs, you will have to surrender the ADRs to be transferred to the depositary bank and also must:

- ensure that the surrendered ADR is properly endorsed or otherwise in proper form for transfer;
- provide such proof of identity and genuineness of signatures as the depositary bank deems appropriate;
- provide any transfer stamps required by the State of New York or the United States; and
- pay all applicable fees, charges, expenses, taxes and other government charges payable by ADR holders pursuant to the terms of the deposit agreement, upon the transfer of ADRs.

To have your ADRs either combined or split up, you must surrender the ADRs in question to the depositary bank with your request to have them combined or split up, and you must pay all applicable fees, charges and expenses payable by ADR holders, pursuant to the terms of the deposit agreement, upon a combination or split up of ADRs.

Withdrawal of Ordinary Shares Upon Cancellation of ADSs

As a holder, you are entitled to present your ADSs to the depositary bank for cancellation and then receive the corresponding number of underlying ordinary shares at the custodian's offices. Your ability to withdraw the ordinary shares held in respect of the ADSs may be limited by U.S. and English law considerations applicable at the time of withdrawal. In order to withdraw the ordinary shares represented by your ADSs, you will be required to pay to the depositary bank the fees for cancellation of ADSs and any charges and taxes payable upon the transfer of the ordinary shares. You assume the risk for delivery of all funds and securities upon withdrawal. Once canceled, the ADSs will not have any rights under the deposit agreement.

If you hold ADSs registered in your name, the depositary bank may ask you to provide proof of identity and genuineness of any signature and such other documents as the depositary bank may deem appropriate before it will cancel your ADSs. The withdrawal of the ordinary shares represented by your ADSs may be delayed until the depositary bank receives satisfactory evidence of compliance with all applicable laws and regulations. Please keep in mind that the depositary bank will only accept ADSs for cancellation that represent a whole number of securities on deposit.

You have the right to withdraw the securities represented by your ADSs at any time except for:

- Temporary delays that may arise because (i) the transfer books for the ordinary shares or ADSs are closed, or (ii) ordinary shares are immobilized on account of a shareholders' meeting or a payment of dividends.

- Obligations to pay fees, taxes and similar charges.

- Restrictions imposed because of laws or regulations applicable to ADSs or the withdrawal of securities on deposit.

The deposit agreement may not be modified to impair your right to withdraw the securities represented by your ADSs except to comply with mandatory provisions of law.

Each holder and beneficial owner of ADSs agrees to provide such information as the company may request in a disclosure notice given pursuant to the U.K. Companies Act 2006, as amended, or the Companies Act, or the Articles. Each holder and beneficial owner of ADSs acknowledges that it understands that failure to comply with such request may result in the imposition of sanctions against the holder of the ordinary shares in respect of which the non-complying person is or was, or appears to be or has been, interested as provided in the Companies Act and the Articles which currently include, the withdrawal of the voting rights of such Shares and the imposition of restrictions on the rights to receive dividends on and to transfer such Shares.

Voting Rights

As a holder, you generally have the right under the deposit agreement to instruct the depositary bank to exercise the voting rights for the ordinary shares represented by your ADSs. The voting rights of holders of ordinary shares are described in herein above.

At our request, the depositary bank will distribute to you any notice of shareholders' meeting received from us together with information explaining how to instruct the depositary bank to exercise the voting rights of the

securities represented by ADSs. In lieu of distributing such materials, the depositary bank may distribute to holders of ADSs instructions on how to retrieve such materials upon request.

If the depositary bank timely receives voting instructions from a holder of ADSs, it will endeavor to vote the securities (in person or by proxy) represented by the holder's ADSs as follows:

- In the event of voting by show of hands, the depositary bank will vote (or cause the custodian to vote) all ordinary shares held on deposit at that time in accordance with the voting instructions received from a majority of holders of ADSs who provide timely voting instructions.

- In the event of voting by poll, the depositary bank will vote (or cause the Custodian to vote) the ordinary shares held on deposit in accordance with the voting instructions received from the holders of ADSs.

Securities for which no voting instructions have been received will not be voted (except as otherwise contemplated in the deposit agreement). Please note that the ability of the depositary bank to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure you that you will receive voting materials in time to enable you to return voting instructions to the depositary bank in a timely manner.

Fees and Charges

As an ADS holder, you are required to pay the following fees under the terms of the deposit agreement:

SERVICE	FEES
• Issuance of ADSs (e.g., an issuance of ADS upon a deposit of ordinary shares, upon a change in the ADS(s)-to-ordinary share(s) ratio, or for any other reason), excluding ADS issuances as a result of distributions of ordinary shares)	Up to U.S.$0.05 per ADS issued
• Cancellation of ADSs (e.g., a cancellation of ADSs for delivery of deposited property, upon a change in the ADS(s)-to-ordinary share(s) ratio, or for any other reason)	Up to U.S.$0.05 per ADS cancelled
• Distribution of cash dividends or other cash distributions (e.g., upon a sale of rights and other entitlements)	Up to U.S.$0.05 per ADS held
• Distribution of ADSs pursuant to (i) share dividends or other free share distributions, or (ii) exercise of rights to purchase additional ADSs	Up to U.S.$0.05 per ADS held
• Distribution of securities other than ADSs or rights to purchase additional ADSs (e.g., upon a spin-off)	Up to U.S.$0.05 per ADS held
• ADS Services	Up to U.S.$0.05 per ADS held on the applicable record date(s) established by the depositary bank
• Registration of ADS transfers (e.g., upon a registration of the transfer of registered ownership of ADSs, upon a transfer of ADSs into DTC and *vice versa*, or for any other reason)	Up to U.S.$0.05 per ADS (or fraction thereof) transferred
• Conversion of ADSs of one series for ADSs of another series (e.g., upon conversion of partial entitlement ADSs for full entitlement ADSs, or upon conversion of restricted ADSs (each as defined in the deposit agreement) into freely transferable ADSs, and *vice versa*).	Up to U.S.$0.05 per ADS (or fraction thereof) converted

As an ADS holder you will also be responsible to pay certain charges such as:

- taxes (including applicable interest and penalties) and other governmental charges;
- the registration fees as may from time to time be in effect for the registration of ordinary shares on the share register and applicable to transfers of ordinary shares to or from the name of the custodian, the depositary bank or any nominees upon the making of deposits and withdrawals, respectively;
- certain cable, telex and facsimile transmission and delivery expenses;
- the fees, expenses, spreads, taxes and other charges of the depositary bank and/or service providers (which may be a division, branch or affiliate of the depositary bank) in the conversion of foreign currency;
- the reasonable and customary out-of-pocket expenses incurred by the depositary bank in connection with compliance with exchange control regulations and other regulatory requirements applicable to ordinary shares, ADSs and ADRs; and
- the fees, charges, costs and expenses incurred by the depositary bank, the custodian, or any nominee in connection with the ADR program.

ADS fees and charges for (i) the issuance of ADSs, and (ii) the cancellation of ADSs are charged to the person for whom the ADSs are issued (in the case of ADS issuances) and to the person for whom ADSs are cancelled (in the case of ADS cancellations). In the case of ADSs issued by the depositary bank into DTC, the ADS issuance and cancellation fees and charges may be deducted from distributions made through DTC, and may be charged to the DTC participant(s) receiving the ADSs being issued or the DTC participant(s) holding the ADSs being cancelled, as the case may be, on behalf of the beneficial owner(s) and will be charged by the DTC participant(s) to the account of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participants as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are charged to the holders as of the applicable ADS record date. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, holders as of the ADS record date will be invoiced for the amount of the ADS fees and charges and such ADS fees and charges may be deducted from distributions made to holders of ADSs. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC participants in accordance with the procedures and practices prescribed by DTC and the DTC participants in turn charge the amount of such ADS fees and charges to the beneficial owners for whom they hold ADSs. In the case of (i) registration of ADS transfers, the ADS transfer fee will be payable by the ADS Holder whose ADSs are being transferred or by the person to whom the ADSs are transferred, and (ii) conversion of ADSs of one series for ADSs of another series, the ADS conversion fee will be payable by the Holder whose ADSs are converted or by the person to whom the converted ADSs are delivered.

In the event of refusal to pay the depositary bank fees, the depositary bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary bank fees from any distribution to be made to the ADS holder. Certain depositary fees and charges (such as the ADS services fee) may become payable shortly after the purchase of ADSs. Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary bank. You will receive prior notice of such changes. The depositary bank may reimburse us for certain expenses incurred by us in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary bank agree from time to time.

Amendments and Termination

We may agree with the depositary bank to modify the deposit agreement at any time without your consent. We undertake to give holders 30 days' prior notice of any modifications that would materially prejudice any of their substantial rights under the deposit agreement. We will not consider to be materially prejudicial to your substantial rights any modifications or supplements that are reasonably necessary for the ADSs to be registered under the Securities Act or to be eligible for book-entry settlement, in each case without imposing or increasing the fees and charges you are required to pay. In addition, we may not be able to provide you with prior notice of any modifications or supplements that are required to accommodate compliance with applicable provisions of law.

You will be bound by the modifications to the deposit agreement if you continue to hold your ADSs after the modifications to the deposit agreement become effective. The deposit agreement cannot be amended to prevent you from withdrawing the ordinary shares represented by your ADSs (except as permitted by law).

We have the right to direct the depositary bank to terminate the deposit agreement. Similarly, the depositary bank may in certain circumstances on its own initiative terminate the deposit agreement. In either case, the depositary bank must give notice to the holders at least 30 days before termination. Until termination, your rights under the deposit agreement will be unaffected.

Termination

After termination, the depositary bank will continue to collect distributions received (but will not distribute any such property until you request the cancellation of your ADSs) and may sell the securities held on deposit. After the sale, the depositary bank will hold the proceeds from such sale and any other funds then held for the holders of ADSs in a non-interest bearing account. At that point, the depositary bank will have no further obligations to holders other than to account for the funds then held for the holders of ADSs still outstanding (after deduction of applicable fees, taxes and expenses).

In connection with any termination of the deposit agreement, the depositary bank may make available to owners of ADSs a means to withdraw the ordinary shares represented by ADSs and to direct the depositary of such ordinary shares into an unsponsored American depositary share program established by the depositary bank. The ability to receive unsponsored American depositary shares upon termination of the deposit agreement would be subject to satisfaction of certain U.S. regulatory requirements applicable to the creation of unsponsored American depositary shares and the payment of applicable depositary fees.

Books of Depositary

The depositary bank maintains ADS holder records at its depositary office. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the ADSs and the deposit agreement.

The depositary bank will maintain in New York facilities to record and process the issuance, cancellation, combination, split-up and transfer of ADSs. These facilities may be closed from time to time, to the extent not prohibited by law.

Limitations on Obligations and Liabilities

The deposit agreement limits our obligations and the depositary bank's obligations to you. Please note the following:

- We and the depositary bank are obligated only to take the actions specifically stated in the deposit agreement without negligence or bad faith.
- The depositary bank disclaims any liability for any failure to carry out voting instructions, for any manner in which a vote is cast or for the effect of any vote, provided it acts in good faith and in accordance with the terms of the deposit agreement.
- The depositary bank disclaims any liability for any failure to determine the lawfulness or practicality of any action, for the content of any document forwarded to you on our behalf or for the accuracy of any translation of such a document, for the investment risks associated with investing in ordinary shares, for the validity or worth of the ordinary shares, for any tax consequences that result from the ownership of ADSs, for the credit-worthiness of any third party, for allowing any rights to lapse under the terms of the deposit agreement, for the timeliness of any of our notices or for our failure to give notice.
- We and the depositary bank are not obligated to perform any act that is inconsistent with the terms of the deposit agreement.
- We and the depositary bank disclaim any liability if we or the depositary bank are prevented or forbidden from or subject to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement, by reason of any provision, present or future of any law or regulation, or by reason of present or future provision of any provision of our Articles, or any provision of or governing the securities on deposit, or by reason of any act of God or war or other circumstances beyond our control.
- We and the depositary bank disclaim any liability by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in our Articles or in any provisions of or governing the securities on deposit.

- We and the depositary bank further disclaim any liability for any action or inaction in reliance on the advice or information received from legal counsel, accountants, any person presenting Shares for deposit, any holder of ADSs or authorized representatives thereof, or any other person believed by either of us in good faith to be competent to give such advice or information.

- We and the depositary bank also disclaim liability for the inability by a holder to benefit from any distribution, offering, right or other benefit that is made available to holders of ordinary shares but is not, under the terms of the deposit agreement, made available to you.

- We and the depositary bank may rely without any liability upon any written notice, request or other document believed to be genuine and to have been signed or presented by the proper parties.

- We and the depositary bank also disclaim liability for any consequential or punitive damages for any breach of the terms of the deposit agreement.
- No disclaimer of any Securities Act liability is intended by any provision of the deposit agreement.

- Nothing in the deposit agreement gives rise to a partnership or joint venture, or establishes a fiduciary relationship, among us, the depositary bank and you as ADS holder.

- Nothing in the deposit agreement precludes Citibank, N.A. (or its affiliates) from engaging in transactions in which parties adverse to us or the holders or beneficial owners of ADS have interests, and nothing in the deposit agreement obligates Citibank, N.A. to disclose those transactions, or any information obtained in the course of those transactions, to us or to the holders or beneficial owners of ADS, or to account for any payment received as part of those transactions.

Taxes

You are responsible for the taxes and other governmental charges payable on the ADSs and the securities represented by the ADSs. We, the depositary bank and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You are liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depositary bank may refuse to issue ADSs, to deliver, transfer, split and combine ADRs or to release securities on deposit until all taxes and charges are paid by the applicable holder. The depositary bank and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on your behalf. However, you may be required to provide to the depositary bank and to the custodian proof of taxpayer status and residence and such other information as the depositary bank and the custodian may require to fulfill legal obligations. You are required to indemnify us, the depositary bank and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

Foreign Currency Conversion

The depositary bank will arrange for the conversion of all foreign currency received into U.S. dollars if such conversion is practical, and it will distribute the U.S. dollars in accordance with the terms of the deposit agreement. You may have to pay fees and expenses incurred in converting foreign currency, such as fees and expenses incurred in complying with currency exchange controls and other governmental requirements.

If the conversion of foreign currency is not practical or lawful, or if any required approvals are denied or not obtainable at a reasonable cost or within a reasonable period, the depositary bank may take the following actions in its discretion:

- Convert the foreign currency to the extent practical and lawful and distribute the U.S. dollars to the holders for whom the conversion and distribution is lawful and practical.
- Distribute the foreign currency to holders for whom the distribution is lawful and practical.
- Hold the foreign currency (without liability for interest) for the applicable holders.

Governing Law/Waiver of Jury Trial

The deposit agreement, the ADRs, and the ADSs will be interpreted in accordance with the laws of the State of New York. The rights of holders of ordinary shares (including ordinary shares represented by ADSs) is governed by the laws of England and Wales.

AS A PARTY TO THE DEPOSIT AGREEMENT, YOU IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, YOUR RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF, OR RELATING TO, THE DEPOSIT AGREEMENT OR THE ADRs, OR ANYTHING CONTAINED THEREIN AGAINST US AND/OR THE DEPOSITARY.

The deposit agreement provides that, to the extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our ordinary shares, the ADSs or the deposit agreement, including any claim under U.S. federal securities laws. If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable case law. However, you will not be deemed, by agreeing to the terms of the deposit agreement, to have waived our or the depositary's compliance with U.S. federal securities laws and the rules and regulations promulgated thereunder.

Exhibit 4.2

PURETECH HEALTH PLC
PERFORMANCE SHARE PLAN 2023

1. Establishment, Purpose and Types of Awards

Puretech Health plc, a public limited company incorporated under English law (the "*Company*"), hereby establishes the PURETECH HEALTH PLC PERFORMANCE SHARE PLAN (the "*Plan*"). The purpose of the Plan is to promote the long-term growth and profitability of the Company by (i) providing key individuals with incentives to improve shareholder value and to contribute to the growth and financial success of the Company through their future services, and (ii) enabling the Company to attract, retain and reward the necessary talent.

The Plan permits the granting of share options (including incentive share options qualifying under Code section 422 and nonstatutory share options), share appreciation rights, restricted or unrestricted share awards, restricted share units, performance awards, other share-based awards, or any combination of the foregoing.

2. Definitions

Under this Plan, except where the context otherwise indicates, the following definitions apply:

(a) *"Administrator"* means the remuneration committee of the Board or a committee(s) or officer(s) appointed by the remuneration committee that have authority to administer the Plan as provided in Section 3 hereof, provided that in relation to any director of the Company or any amendment to the Plan, the Administrator shall be the remuneration committee.

(b) *"Adoption Date"* means the date on which the Plan is approved by shareholders in general meeting being 13 June 2023.

(c) "*Affiliate"* means any entity, whether now or hereafter existing, which is a Subsidiary of the Company (as defined in section 1159 Companies Act 2006).

(d) *"Award"* means any share option, share appreciation right, share award, restricted share unit award, performance award, or other share-based award granted under the Plan.

(e) *"Board"* means the Board of Directors of the Company.

(f) *"Cause"* has the meaning ascribed to such term or words of similar import in the grantee's written employment or service contract with the Company or Affiliate as in effect at the time of issue and, in the absence of such agreement or definition means the grantee's (i) material failure to perform his duties to the Company or any Affiliate (other than any such failure resulting from incapacity due to physical or mental illness) that would reasonably be expected to result in material injury to the Company and/or any Affiliate; (ii) failure to comply with any material, valid and legal directive of the grantee's supervisor or of the Board; (iii) engagement in dishonesty, illegal conduct or misconduct, which is, in each case, materially injurious to the Company and/or any Affiliate; (iv) embezzlement, or misappropriation of funds or property of the Company or any Affiliate (other than occasional and de minimis use of Company or Affiliate property for personal purposes), in each case related to the grantee's service with the Company or Affiliate; (v) conviction of or plea of guilty or nolo contendere to a crime that constitutes (A) a felony (or state law equivalent), or a crime that constitutes (B) a misdemeanor involving moral turpitude or fraud that would reasonably be expected to result in material injury or reputational harm to the Company and/or any Affiliate; (vi) material violation of a material written policy of the Company or any Affiliate; (vii) willful unauthorized disclosure of confidential information of the Company or any Affiliate; or (viii) material breach of any material obligation under any other written agreement between the grantee and the Company and/or any Affiliate which is likely to be materially injurious to the Company and/or any Affiliate; provided, that Cause shall not include any matter otherwise falling within sub-paragraphs (i), (ii), (vi) or (viii) of the above definition unless the grantee shall have been given during the term of his or her employment thirty (30) days from the

delivery of written notice by the Company within which to cure any acts, failures, breaches or refusal within those sub-paragraphs, except for an act, failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured.

(g) *"Control"* has the meaning given in section 1124 Corporation Taxes Act 2010 and *"Control"* shall be construed accordingly.

(h) *"Code"* means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

(i) *"Dealing Restrictions"* means any restrictions imposed by the Company's share dealing code, the Listing Rules published by the United Kingdom Financial Conduct Authority, UK MAR and/or such other laws or regulations that impose restrictions on share dealing.

(j) *"Dividend Equivalent"* means an amount equal to the net amount of any dividend paid in respect of Shares during the period over which Shares Vest.

(k) *"Executive Directors"* means the executive directors of the Company;

(l) *"Fair Market Value"* means, with respect to the Shares, as of any date:

(i) if the principal market for the Shares (as determined by the Board if the Shares are listed or admitted to trading on more than one exchange or market) is a national securities exchange or an established securities market, the official closing price per share for the regular market session on that date on the principal exchange or market on which the Shares are then listed or admitted to trading or, if no sale is reported for that date, on the last preceding day for which a sale was reported;

(ii) if the principal market for the Shares is not a national securities exchange or an established securities market, the average of the highest bid and lowest asked prices for the Shares on that date as reported on a national quotation system or, if no prices are reported for that date, on the last preceding day for which prices were reported; or

(iii) if the Shares are neither listed or admitted to trading on a national securities exchange or an established securities market, nor quoted by a national quotation system, the value determined by the Board in good faith by the reasonable application of a reasonable valuation method.

(m) *"Grant Agreement"* means a written document, in the terms of a deed between the Company, the employing company (if different) and the grantee to whom the Award is granted and in a form determined by the Administrator which effects the grant of the Award and which sets out the terms and conditions of the Award and which shall incorporate the terms of the Plan.

(n) "*Gross Misconduct"* means the grantee's (i) material failure to perform his duties to the Company or any Affiliate (other than any such failure resulting from incapacity due to physical or mental illness) that would reasonably be expected to result in material injury to the Company and/or any Affiliate; (ii) engagement in dishonesty, illegal conduct or misconduct, which is, in each case, materially injurious to the Company and/or any Affiliate; (iii) embezzlement, or misappropriation of funds or property of the Company or any Affiliate (other than occasional and de minimis use of Company or Affiliate property for personal purposes), in each case related to the grantee's service with the Company or Affiliate; (iv) conviction of or plea of guilty or nolo contendere to a crime that constitutes (A) a felony (or state law equivalent), or a crime that constitutes (B) a misdemeanor involving moral turpitude or fraud that would reasonably be expected to result in material injury or reputational harm to the Company and/or any Affiliate; (v) willful unauthorized disclosure of confidential information of the Company or any Affiliate; or (vi) material breach of any material obligation under any other written agreement between the grantee and the Company and/or any Affiliate which is likely to be materially injurious to the Company and/or any Affiliate; provided, however, that Gross Misconduct shall not be deemed to have

occurred unless the grantee shall have been given during the term of his or her employment thirty (30) days from the delivery of written notice by the Company within which to cure any acts constituting Gross Misconduct, except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured.

(o) "Group" means the Company and its Affiliates and "Group Company" shall be construed accordingly.

(p) "*Option Exercise Period*" means the period commencing on the date of Vesting of an Option and ending on the day before the tenth anniversary of grant or such earlier date as may be specified by the Administrator at the date of grant and stated in the Grant Agreement.

(q) "*Performance Condition*" means any performance condition imposed in relation to an Award pursuant to Section 7(a)(iii) of the Plan and "*Performance Period*" means the period over which such Performance Condition is measured.

(r) "Policy" means the Company's directors' remuneration policy that has most recently been approved by the Company's shareholders;

(s) *"Section 409A"* means Code section 409A and the Treasury regulations and other official guidance thereunder.

(t) "*Share*" or "*Shares*" means a share or shares of the Company's ordinary share capital.

(u) "*Termination Date*" means the day immediately preceding the fifth anniversary of the Adoption Date.

(v) "*UK MAR*" means the retained EU law version of the EU market abuse regulation 596/2014 which applies in the UK from time to time.

(w) "*Vesting*" means, in relation to an option, the option becoming exercisable and in relation to any other Award, the Grantee becoming entitled to have the Shares (or cash, as the case may be) transferred to him subject to the Plan.

3. Administration

(a) *Administration of the Plan.* The Plan shall be administered by the Board or by such committee or committees as may be appointed by the Board from time to time. To the extent allowed by applicable law, the Board by resolution may authorize an officer or officers to grant Awards to other officers and employees of the Company and its Affiliates, and, to the extent of such authorization, such officer or officers shall be the Administrators provided that any Award to be granted to an Executive Director shall be approved by a Committee comprising non-executive directors of the Company.

(b) *Powers of the Administrator.* The Administrator shall have all the powers vested in it by the terms of the Plan, such powers to include authority, in its sole and absolute discretion, to grant Awards under the Plan, prescribe Grant Agreements evidencing such Awards and establish programs for granting Awards.

The Administrator shall have full power and authority to take all other actions necessary to carry out the purpose and intent of the Plan, including, but not limited to, the authority to do any of the following but only to the extent not inconsistent with the terms of the Plan: (i) determine the eligible persons to whom, and the time or times at which Awards shall be granted; (ii) determine the types of Awards to be granted; (iii) determine the number of shares to be covered by or used for reference purposes for each Award; (iv) impose such terms, limitations, restrictions and conditions upon any such Award as the Administrator shall deem appropriate including Performance Conditions; (v) subject to Section 10(e) modify, amend, extend or renew outstanding Awards, or accept the surrender of outstanding Awards and substitute new Awards; provided, however, that, except as otherwise permitted

under Section 10(c) of the Plan, any modification, amendment, extension, renewal or substitution that would materially adversely affect any outstanding Award shall not be made without the consent of the holder, but if any of the foregoing actions results in a change in the tax consequences with respect to an Award such change shall not be considered to materially adversely affect the Award; and (vi) for any purpose, including but not limited to, qualifying for preferred tax treatment under foreign tax laws or otherwise complying with the regulatory requirements of local or foreign jurisdictions, to establish, amend, modify, administer or terminate sub-plans, and prescribe, amend and rescind rules and regulations relating to such sub-plans provided that the terms, rules and regulations of the sub-plans are not inconsistent with the terms of the Plan.

The Administrator shall have full power and authority, in its sole and absolute discretion, to administer, construe and interpret the Plan, Grant Agreements and all other documents relevant to the Plan and Awards issued thereunder, to establish, amend, rescind and interpret such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Administrator deems necessary or advisable, and to correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award in the manner and to the extent the Administrator shall deem it desirable to carry it into effect.

(c) *Non-Uniform Determinations*. The Administrator's determinations under the Plan (including without limitation, determinations of the persons to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards, and the Grant Agreements evidencing such Awards) need not be uniform and may be made by the Administrator selectively among Awards or persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

(d) *Effect of Administrator's Decision*. All actions taken and decisions and determinations made by the Administrator on all matters relating to the Plan pursuant to the powers vested in it hereunder shall be in the Administrator's sole and absolute discretion and shall be conclusive and binding on all parties concerned, including the Company, its shareholders, any participants in the Plan and any other employee, consultant, or director of the Company, and their respective successors in interest.

(e) *Determination of terms of Awards to Executive Directors.* When determining the terms of any proposed Award to an Executive Director, the Administrator shall have regard to the current directors' remuneration policy as described in the Company's Report and Accounts.

4. Limits on Shares available under the Plan

(a) *Overall Plan Limits*

(i) No Award may be granted on any date if, as a result, the number of Shares issued or capable of being issued in respect of Awards granted under the Plan or awards granted under any other share plan operated by the Company, in each case granted during the five year period beginning on the Adoption Date, would exceed 10 per cent of the Company's Shares in issue immediately before that date.

(ii) For the purposes of this section 4(a):

(A) Awards granted after the Adoption Date and which subsequently lapse or are released during the five year period beginning on the Adoption Date shall not be counted;

(B) references to any issue or prospective issue of Shares by the Company shall include a transfer of Treasury Shares but only for so long as (and to the extent that) the guidelines issued by the Association of British Insurers for share incentive schemes specify that Treasury Shares should be so included; and

(C) whether an individual is a senior manager or senior service provider shall be determined by the Administrator acting reasonably.

(iii) Notwithstanding (i) above, no more than an aggregate of 22,724,800 Shares may be issued pursuant to incentive share options intended to qualify under Code section 422.

(b) *Individual Limit*

The maximum total Market Value of Shares in respect of which an Award may be granted to a grantee in any financial year of the Company shall be 400 per cent. (or, in the case of the Chief Executive Officer of the Company, 600 per cent.) of his annual base salary (excluding benefits in kind) for that financial year (or for the preceding financial year, if greater). Base salary in a currency other than sterling will be converted into sterling by using any rate of exchange which the Administrator may reasonably select.

An Award may be granted in excess of this limit if circumstances arise which the Administrator deems sufficiently exceptional to justify it which may include, without limitation, an Award to an individual who is a new hire in the financial year in question.

Notwithstanding the foregoing, any Award to an executive director of the Company shall be consistent with the limits in the Policy.

For these purposes, Market Value in respect of a Share on any date means the value equal to the closing middle market quotation of that Share as derived from the Daily Official List of the London Stock Exchange plc for the dealing day immediately preceding that date or, if the Administrator so determines, the average of such closing middle market quotation of a Share for the three dealing days immediately preceding that date.

(c) *Effect of limits*

Any Award shall be limited and take effect so that the limits in this section 4 are complied with.

If any Award, or portion of an Award, under the Plan expires or terminates unexercised, becomes unexercisable, is settled in cash without delivery of Shares, or is forfeited or otherwise terminated, surrendered or canceled as to any Shares, or if any Shares are repurchased by or surrendered to the Company in connection with any Award, or if any Shares are withheld by the Company, the Shares subject to such Award and the repurchased, surrendered and withheld Shares shall thereafter be available for further Awards under the Plan.

5. Participation

Participation in the Plan shall be open to all employees, officers, and directors of, and other individuals providing bona fide services to or for, the Company, or of any Affiliate of the Company, as may be selected by the Administrator from time to time. The Administrator may also grant Awards to individuals in connection with hiring, recruiting or otherwise, prior to the date the individual first performs services for the Company or an Affiliate, provided that such Awards shall not become vested or exercisable, and no shares shall be issued to such individual, prior to the date the individual first commences performance of such services.

6. Timing of Awards

Awards may only be granted within 42 days starting on any of the following:

(a) the date of shareholder approval of the Plan;

(b) the day after the announcement of the Company's results for any period;

(c) any day on which the Administrator resolves that exceptional circumstances exist which justify the grant of Awards, which may include, without limitation, a day on which the Administrator determines that it would be appropriate to make an award to an individual who is a new hire since the last period within section 6(a) or (b) above closed;

(d) any day on which changes to legislation or regulations affecting share plans are announced, effected or made; or

(e) the date of the lifting of Dealing Restrictions which prevented the granting of Awards during any period specified above.

Awards may not be granted at any time after the Termination Date.

7. Awards

(a) General

(i) The Administrator shall, in its sole discretion, determine the terms of all Awards granted under the Plan. Awards may be granted individually or together with other types of Award, concurrently with or with respect to outstanding Awards.

(ii) Awards are subject to the rules of the Plan. An Award must be granted by a Grant Agreement which shall state (1) the type of Award which is thereby granted; (2) the date on which the Award is granted; (3) the number of Shares subject to the Award or the basis on which the number of Shares subject to the Award will be calculated; (4) any Performance Condition; (5) any other condition specified under Section 7(a)(iv); (6) the date of Vesting (which shall not be later than the day before the tenth anniversary of grant); (7) whether the participant is entitled to receive any Dividend Equivalent; (8) if relevant, the price at which the Shares may be acquired pursuant to the Award and (9) the terms of any recovery and withholding provisions imposed pursuant to section 7(f).

(iii) The Vesting of an Award may (and shall in the case of grantees who are Executive Directors) be conditional upon the satisfaction of one or more conditions linked to performance. A Performance Condition must be specified at the date of grant of the Award. The Administrator may waive or change a Performance Condition in accordance with its terms or if anything happens which causes the Administrator reasonably to consider it appropriate to do so, provided that any amended Performance Condition will represent a fairer measure of performance and will be no more difficult nor easy to satisfy than the original Performance Condition but for the event in question.

(iv) The Administrator may impose other conditions when granting an Award. Any condition must be specified at the Award Date and may provide that an Award will lapse if it is not satisfied. The Administrator may waive or, provided it is not to the grantee's detriment, change a condition imposed under this Section 7(a)(iv).

(v) A grantee is not required to pay for the grant of an Award.

(vi) The Administrator may agree with the trustee of any trust set up for the benefit of grantees that any Award granted by the Administrator shall be satisfied by the trustee of such trust.

(b) Types of Award

Awards granted under the Plan may take any of the following forms:

(i) *Share Options.* The Administrator may from time to time grant to eligible participants Awards of US incentive share options as that term is defined in Code section 422 or nonstatutory or non-approved share options; provided, however, that Awards of US incentive share options shall be limited to employees of the Company or of any current or hereafter existing "*parent corporation*" or "*subsidiary corporation*," as defined in Code sections 424(e) and (f), respectively, of the Company and any other individuals who are eligible to receive incentive share options under the provisions of Code section 422. Options intended to qualify as incentive share options under Code section 422 must have an exercise price at least equal to Fair Market Value as of the date of grant, but nonstatutory or non-approved share options may be granted with an exercise price less than Fair Market Value if drafted in a manner intended to comply with Section 409A (if the Code will be applicable to that option). No share option shall be an incentive share option unless so designated by the Administrator at the time of grant or in the Grant Agreement evidencing such share option.

(ii) *Share Appreciation Rights.* The Administrator may from time to time grant to eligible participants Awards of Share Appreciation Rights ("*SAR*"). A SAR entitles the grantee to receive, subject to the provisions of the Plan and the Grant Agreement, a payment having an aggregate value equal to the product of (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the base price per share specified in the Grant Agreement, times (ii) the number of Shares specified by the SAR, or portion thereof, which is exercised. The base price per share specified in the Grant Agreement shall not be less than the lower of the Fair Market Value on the grant date or the exercise price of any tandem share option Award to which the SAR is related. No SAR shall have a term longer than ten years' duration. Payment by the Company of the amount receivable upon any exercise of a SAR may be made by the delivery of Shares or cash, or any combination of Shares and cash, as determined in the sole discretion of the Administrator. If upon settlement of the exercise of a SAR a grantee is to receive a portion of such payment in shares of Shares, the number of shares shall be determined by dividing such portion by the Fair Market Value of a share of Shares on the exercise date. No fractional Shares shall be used for such payment and the Administrator shall determine whether cash shall be given in lieu of such fractional shares or whether such fractional shares shall be eliminated.

(iii) *Share Awards.* The Administrator may from time to time grant restricted or unrestricted share Awards to eligible participants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine. A share Award may be paid in Shares, in cash, or in a combination of Shares and cash, as determined in the sole discretion of the Administrator.

(iv) *Restricted Share Units.* The Administrator may from time to time grant Awards to eligible participants denominated in share-equivalent units or restricted share units in such amounts and on such terms and conditions as it shall determine. Share equivalent or restricted share units granted to a participant shall be credited to a bookkeeping reserve account solely for accounting purposes and shall not require a segregation of any of the Company's assets. An Award of share-equivalent or restricted share units may be settled in Shares, in cash, or in a combination of Shares and cash, as determined in the sole discretion of the Administrator. Except as otherwise provided in the applicable Grant Agreement, the grantee shall not have the rights of a shareholder with respect to any Shares represented by a share-equivalent or restricted share unit solely as a result of the grant of a share-equivalent or restricted share unit to the grantee.

(v) *Other Share-Based Awards.* The Administrator may from time to time grant other share-based awards to eligible participants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine. Other share-based awards may be denominated in cash, in Shares or other securities, in share-equivalent units, in share appreciation units, in securities or debentures convertible into Shares, or in any combination of the foregoing and may be paid in Shares or other securities, in

cash, or in a combination of Shares or other securities and cash, all as determined in the sole discretion of the Administrator.

(c) Vesting of Awards

(i) *Testing of Performance Conditions*. As soon as reasonably practicable after the end of the Performance Period, the Administrator will determine whether and to what extent any Performance Condition or other condition imposed under Section 7(a)(iv) has been satisfied or waived and how many Shares will accordingly Vest for each Award, subject to any adjustment pursuant to Section 7(c)(ii) below.

(ii) *Reduction of Awards*. In determining the extent to which a Performance Condition has been satisfied or at any other time before an Award Vests, the Administrator may reduce (including to nil) the extent to which an Award would otherwise Vest (based on the formulaic application of a Performance Condition or otherwise) to reflect such circumstances as the Administrator may in its absolute discretion, determine, including (without limitation), the underlying performance of the Group or the participant, share price performance or the experience of shareholders over the Vesting period or other circumstances that were unexpected or unforeseen at the grant date of the Award.

(iii) *Timing of Vesting - Award not subject to Performance Condition*. Where an Award is not subject to a Performance Condition, then subject to Sections 7(a)(iv), 8 and 9, an Award Vests on the date of Vesting specified at the time of grant of the Award or, if on that date a Dealing Restriction applies to that Award, the first date on which it ceases to apply.

(iv) *Timing of Vesting - Award subject to Performance Condition*. Where an Award is subject to a Performance Condition, then subject to Rules 7(a)(iv), 8 and 9, an Award Vests, to the extent to which the Performance Condition has been satisfied (but subject to any adjustment pursuant to Section 7(c)(ii) above), on the date on which the Administrator makes its determination under Sections 7(c)(i) or, if on that date a Dealing Restriction applies to that Award, the first date on which it ceases to apply.

(v) *Dividend Equivalents.* An award may include the right to a Dividend Equivalent (which may be paid in cash or Shares) (at the determination of the Administrator). Dividend Equivalents shall only be payable in respect of Shares which Vest and shall be paid at the time at which the Vested Award is satisfied.

(d) Lapse

To the extent that any Award does not Vest, it shall forthwith lapse on the date on which and to the extent to which it is no longer capable of Vesting. Where an Award lapses, the grantee shall cease to have any rights in respect of it.

(e) Consequences of Vesting

(i) *Awards other than options*. As soon as reasonably practicable after Vesting but in any event within 30 days of Vesting, the Company will use reasonable endeavours to arrange (subject to sections 10(a) and (h)) for the issue or transfer (including a transfer from treasury) to or to the order of the grantee of the number of Shares in respect of which the Award has Vested.

(ii) *Options*

(A) A grantee may exercise his option at any time during the Option Exercise Period (unless it lapses pursuant to Sections 8 or 9) following Vesting by giving notice in the prescribed form to the Company and paying the option exercise price (if any). The option will lapse at the end of the Option Exercise Period to the extent not then exercised.

(B) As soon as reasonably practicable following exercise of an option (but subject to Sections 10(a) and (h), but in any event within 30 days of the date on which the option is exercised, the Company will use reasonable endeavours to arrange for Shares to be transferred to or issued to, or to the order of, the participant.

(C) If an option Vests under more than one provision of the rules of the Plan, the provision resulting in the earliest Vesting applies.

(iii) *Share rights*.

(A) Subject to the terms upon which any restricted share awards are granted, Shares transferred or issued on Vesting or (as the case may be) exercise of Award shall rank pari passu in all respects with the Company's existing Shares, save that they shall not carry the right to dividends or other distributions declared or recommended the record date for which falls prior to the date when the Award Vested or, in the case of an option, was exercised.

(B) If and so long as the Shares are listed and traded on a public market, the Company will apply for listing of any Shares issued under the Plan as soon as practicable.

(f) Recovery and withholding

(i) *Applicability of recovery and withholding provisions*

Awards may be granted on terms that the Administrator may, at any time in the period of three years following Vesting of the Award (or such shorter period as the Administrator may determine) (**"Recovery Period"**) decide that the grantee to whom an Award was granted shall be obliged to repay an amount determined in accordance with Section 7(f)(ii). if the Administrator reasonably determines that any of the following circumstances apply:

(A) discovery of a material misstatement in the audited consolidated accounts of the Company or the audited accounts of any Affiliate;

(B) the assessment of any Performance Condition and/or any other condition imposed in respect of an Award was based on an , or inaccurate or misleading information or assumptions;

(C) action or conduct of the participant prior to the date of Vesting of the Award which, in the reasonable opinion of the Administrator amounts to fraud or gross misconduct or has had a materially detrimental effect on the reputation of the Company or any Affiliate and which in either case would have entitled the Company or any Affiliate to dismiss the grantee for Gross Misconduct.

(D) a material failure of risk management or any serious reputational damage to any Group Company or business unit during the Recovery Period; and/or

(E) corporate failure of any Group Company or relevant business unit during the Recovery Period.

For the avoidance of doubt, any reduction under this Section 7(f) may be applied on an individual basis as determined by the Administrator.

(ii) *Amount subject to recovery and withholding*

The Administrator shall determine the amount which a grantee is obliged to repay in accordance with Section 7(f)(i) which shall be (i) in the case of (A) and (B) above, all or part of the additional value of which the Administrator considers would not have Vested under the Award had the misstatement not been made and/or had the Performance Condition been assessed on a correct basis, or in the case of

(C) all or part of the value of the Award which would not have Vested had the employment been terminated in accordance with such misconduct, or in the case of (D) or (E) such amount as the Administrator considers appropriate taking into account the event(s) which have occurred, provided that the Administrator may determine that the amount which shall be repaid shall take into account any tax or social security contributions incurred by the grantee in relation to the Vesting of the Award and/or on subsequent sale of the Shares acquired.

(iii) *Satisfaction of recovery and withholding*

The Administrator may determine that the grantee's obligation to repay amounts pursuant to Section 7(f) shall be satisfied at any time following the determination under Section 7(f)(ii) in one or more of the following ways:

(A) reduction of the number of Shares subject to any subsisting Award granted under the Plan or any subsisting award granted under any other share plan or share award agreement notwithstanding the extent to which any performance condition and/or any other condition imposed on such Award and/or other award (as relevant) has been satisfied;

(B) reduction of any future bonus which would otherwise be payable to the grantee;

(C) payment of any amount by the grantee on such terms as the Administrator may direct (including but without limitation to, on terms that the relevant amount is to be deducted from the grantee's salary or from any other payment to made to the grantee by the Company or any Affiliate).

(iv) *Reduction in Awards to give effect to recovery and withholding in other plans*

The Administrator may decide at any time to reduce the number of Shares subject to an Award (including, if appropriate, reducing to zero) to give effect to recovery and withholding provisions of any form and/or name contained in any incentive plan or any bonus plan operated by the Company. The value of the reduction shall be in accordance with the terms of the relevant provisions of the relevant plan or, in the absence of any such term, on such basis as the Administrator and reasonably decides is appropriate.

8. Leavers

(a) General

(i) Unless Section 8(b) applies, an Award which has not Vested will lapse on the date on which the grantee ceases to be an employee, officer or director of, or to provide services to the Company or any Affiliate ("Cessation").

(ii) An Award which has Vested on the date of Cessation may be retained or exercised (as the case may be) by the grantee subject to and in accordance with the terms of the Plan save that if an employee or officer or director is dismissed for Cause:

(A) all Vested but not yet exercised options shall also forthwith lapse on Cessation; and

(B) all types of Vested Award shall be subject to such recovery and withholding provisions as the Administrator considers appropriate and which shall be set out in the relevant Grant Agreement.

(b) Good leavers

If the Cessation is as a result of:

(i) the grantee's death or disability;

(ii) the grantee's service being terminated by the Company or any Affiliate without Cause; or

(iii) any other reason determined by the Administrator (subject to such determination not resulting in the relevant Award terms breaching Section 409A)

before the date on which the Award Vests, then such Award shall not lapse but, subject to this Section 8 and Section 9 shall continue in force and Vest as if the Cessation had not occurred, subject to any terms specified in the Grant Agreement, unless (and subject to such determination not breaching Section 409A) the Administrator determines that the Award may Vest in such circumstances on the date of Cessation.

(c) Number of Shares Vesting

Where Section 8(b) applies, the number of Shares in respect of which an Award shall Vest shall be determined as follows:

(i) the Administrator shall determine (in its reasonable opinion where the Performance Condition is determined before the normal Vesting date) the extent to which any Performance Condition applicable to that Award has been satisfied at the time of Vesting; and

(ii) the resulting number of Shares so calculated shall then be reduced on a pro rata basis based on the number of days from beginning of the Performance Period applicable to that Award (or, where there is no Performance Period, the date of grant of the Award) until Cessation pro- rata to the original Performance Period (or, where there is no Performance Period, the original Vesting period applicable to the Award), and the resulting figure, rounded up to the nearest whole number of Shares shall be the number of Shares which Vest, provided that the Administrator may in its discretion determine that exceptional circumstances exist which justify Vesting to a greater extent than the pro-rating referred to in this section 8(c)(ii) would allow, and

provided further that if a Cessation has occurred but before Vesting of the Award has occurred in accordance with section 8(b), a Specified Event occurs, the extent to which the Award Vests shall be the number calculated in accordance with section 9(a)(ii)(A)(a)or the proviso to section 9(a)(ii)(A) (as the case may be) as reduced by the pro-rating referred to in section 8(c)(ii) above).

(d) Time period for exercise of option

Where an option Vests in accordance with Section 8(b), or has already Vested at the date of Cessation, subject to Section 9 it may be exercised during the period of 6 months beginning on the date of Vesting (or such other period specified by the Administrator in the Grant Agreement or within 30 days of Cessation), but no later than the last day of the Option Exercise Period and to the extent not so exercised, shall lapse.

(e) Meaning of Cessation

Any reference to a Cessation in this Section 8 will not include a Cessation where the grantee ceases to be employed by, or to be an officer or director of, or to provide services to, the Company or any Affiliate (as the case may be) and immediately commences to be employed by, or to be an officer or director of or to provide services to the Company or any other Affiliate (as the case may be). In respect of any payments under an Award that are payments of deferred compensation subject to Section 409A, Cessation shall mean the grantee's "separation from service" as defined in Section 409A, if necessary to comply with Section 409A.

9. Change of Control and other corporate events

(a) Change of control, compromise or arrangement and winding up

(i) Specified events

In respect of any Award that has not lapsed, if one of the following events (**"Specified Events"**) occurs, then such Award shall Vest on such Specified Event subject to and as specified in this Section 9(a).

(A) any person (or group of persons acting in concert) obtains Control of the Company as a result of making a general offer to acquire Shares;

(B) any person becomes bound or entitled to acquire Shares under sections 979 to 982 (inclusive) of the Companies Act 2006;

(C) the court sanctions a compromise or arrangement in relation to the Company pursuant to section 899 of the Companies Act 2006 in connection with or for the purposes of a change in Control of the Company; or

(D) the Company gives notice of a general meeting at which a resolution is to be proposed for the voluntary winding up of the Company.

Notwithstanding the foregoing, the Administrator may specify a different definition of change of Control or Specified Event in the Grant Agreement if necessary or advisable to comply with Section 409A, provided that any such different definition shall as closely as is possible follow the relevant definition of "Specified Event" above.

(ii) Extent to which Award Vests

(A) The extent to which an Award Vests upon the Specified Event shall be determined as follows:

(a) the Administrator shall determine the extent to which, in its reasonable opinion, the Performance Condition applicable to that Award has been satisfied at that time and shall calculate the number of Shares in respect of which the Award would be capable of Vesting accordingly; and

(b) unless the Administrator determines not to apply such pro-rating and to allow Vesting to a greater extent, the resulting number of Shares so calculated shall then be reduced on a pro rata basis based on the number of days from the beginning of the Performance Period applicable to that Award (or, where there is no Performance Period, the date of grant of the Award) until the date of the Specified Event pro rata to the Performance Period (or, where there is no Performance Period, the original Vesting period applicable to that Award) and the resulting figure, rounded up to the nearest whole number of Shares shall be the number of Shares in respect of which the Award shall vest

To the extent that the Award does not Vest in accordance with this Section 9(a)(ii), and subject to Sections 9(a)(iii) to (v) below, the Award shall forthwith lapse on the occurrence of the Specified Event.

(iii) Mandatory exchange of Awards

Notwithstanding Section 9(a)(i), if an event within Section 9(a)(i) will result in another company acquiring Control of the Company and such other company agrees to offer replacement share

awards, the Administrator may determine, if in its absolute discretion it is satisfied that the circumstances are exceptional, that it is not appropriate on the occurrence of such event for any part of the outstanding Awards to Vest and that instead outstanding Awards shall be released in consideration of the award of replacement options over shares or share awards in the acquiring company subject to and in compliance with Code sections 409A and 424.

(iv) Exchange of Awards

If the Specified Event is one referred to in Section 9(a)(i)(A) to (C), the Administrator may within the appropriate period and with the agreement of any company that obtains Control of the Company and with the agreement of the grantee and subject to and in compliance with Code sections 409A and 424, vary the terms of the Award made to the grantee or facilitate the exchange of the Award for a new award made by the acquiring company which may operate over shares in the acquiring company. In this section 9(a)(iv), "appropriate period" means:

(A) where the Specified Event is one within section 9(a)(i)(A) or (B), the period specified in section 9(a)(v)(A) or (B) respectively;

(B) where the Specified Event is one within section 9(a)(i)(C), the period of six months beginning with the time when the Court sanctions the scheme of arrangement.

(v) Period for exercise

In the case of an Award which is in the form of an option, where a Specified Event occurs any outstanding Option must be exercised (if at all):

(A) where the event in question is within section 9(a)(i)(A) and where section 9(a)(i)(B) does not apply, within the period beginning on the date on which the grantee receives notification of the offer from the Board and ending 30 days after the time when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made is satisfied (provided that any exercise prior to the other person(s) obtaining Control shall take effect immediately prior to that other person actually obtaining Control);

(B) where the event in question is within section 9(a)(i)(B), within the period during which the person remains so bound or entitled;

(C) where the event in question is within section 9(a)(i)(C), during the period which starts on the date on which the Court sanctions the compromise, or arrangement and ends six months later or, if earlier, on the day immediately preceding the date upon which the compromise or arrangement becomes effective;

(D) where the event in question is within section 9(a)(i)(D), at any time prior to the commencement of such winding up (any such exercise to take effect immediately prior to the commencement of the winding up)

and to the extent not so exercised the Option shall lapse.

(b) Demergers, reconstructions and other corporate events

On the occurrence of any demerger, reorganisation, reconstruction or amalgamation, distribution or other transaction of the Company, which in the reasonable opinion of the Administrator may affect the value of any Award, the Administrator may vary or alter in any manner which it considers appropriate the terms of any Award to prevent enlargement or diminution of the grantee's rights or benefits under the Award.

Such alteration may include (without limitation), amending the Performance Condition, the terms on which an Award Vests (and may provide for immediate Vesting on such event) and altering the terms of an Award such that the Award is over shares in another company, subject to and in compliance with Section 409A, or terminating and paying out the Award pursuant to Treasury Regulation section 1.409A-3(j)(4).

10. Miscellaneous

(a) *Taxes*. It shall be a term of the grant of any Awards that the grantee and holder of the Award shall indemnify the Company and each Affiliate in respect of, and shall be liable to pay to the Company or the Affiliate, or otherwise make provision satisfactory to the Administrator for payment of, any taxes (including social security or similar contributions (including, if the Administrator determines at the date of grant of the Award and as permitted by law, employers' social security or similar contributions)) which the Company or any Affiliate is required to withhold and/or account for to any taxation authority in respect of Awards under the Plan and such payment or provision shall be made no later than the date of the event creating such tax liability. Without prejudice to the generality of the foregoing, the Company or its Affiliate may, to the extent permitted by law:

(i) deduct an amount equal to any such tax liabilities from any payment of any kind otherwise due to the grantee or holder of an Award;

(ii) withhold and sell such number of Shares to which the grantee would otherwise become entitled on vesting or exercise of the Award as will provide the Company with an amount (after tax) equal to the amount of such tax and social security contributions for which it or any Affiliate is obliged to withhold or account;

(iii) withhold Shares otherwise issued or issuable to the grantee on Vesting of the Award with a Fair Market Value equal to the amount of such tax liabilities; and/or

(iv) if the Shares are then listed for trading on a public market, permit the grantee to enter into a "same day sale" commitment with a broker whereby the grantee irrevocably elects to sell a portion of the Shares to be delivered under this Agreement to satisfy such tax liabilities and whereby the broker irrevocably commits to forward the proceeds necessary to satisfy such tax liabilities directly to the Company.

In the event that payment to the Company or its Affiliate of such tax liabilities is made in Shares, such shares shall be valued at Fair Market Value on the applicable date for such purposes and shall not exceed in amount the minimum statutory tax withholding obligation. For the avoidance of doubt, the Administrator may specify in relation to any particular Award (to the extent permitted by law) that the social security contributions which the grantee is liable to pay shall include employer contributions as well as employee contributions.

(b) *Transferability*. No Award granted under the Plan shall be transferred, assigned, pledged, charged, or otherwise disposed of by a grantee to any person otherwise than by will or the laws of descent and distribution on death. Any purported transfer, assignment, pledge, charge or disposal shall cause the Award to lapse immediately. An Award may be exercised during the lifetime of the grantee, only by the grantee or, during the period the grantee is under a legal disability, by the grantee's guardian or legal representative.

(c) *Adjustments for Corporate Transactions and Other Events*.

(i) *Variation of Share Capital.* In the event of any increase or variation of the share capital of the Company by way of capitalization, rights issue, sub-division, consolidation, reduction of shares or otherwise, the Administrator shall make such adjustment to (A) the maximum number of shares of such Shares as to which Awards may be granted under this Plan, as provided in Section 4 of the

Plan, and the limits thereunder and (B) the description and/or number of shares covered by and the exercise price and other terms of outstanding Awards, as it may determine in its absolute discretion to be appropriate provided that no adjustment shall result in the shares being issued at less than nominal value unless and to the extent that the Board is authorised to capitalize from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares to be allotted on exercise exceeds the price at which the shares may be subscribed, and to apply that sum in paying up such amount on the shares. The Administrator may make adjustments, in its discretion, to address the treatment of fractional shares and fractional amounts that arise with respect to outstanding Awards as a result of the variation of share capital.

(d) *Substitution of Awards in Mergers and Acquisitions.* Awards may be granted under the Plan from time to time in substitution for awards held by employees, officers, consultants or directors of entities who become or are about to become employees, officers, consultants or directors of the Company or an Affiliate as the result of a merger or consolidation of the employing entity with the Company or an Affiliate, or the acquisition by the Company or an Affiliate of the assets or shares of the employing entity. The terms and conditions of any substitute Awards so granted may vary from the terms and conditions set forth herein to the extent that the Administrator deems appropriate at the time of grant to conform the substitute Awards to the provisions of the awards for which they are substituted.

(e) *Amendment to the Plan*.

(i) *General*. Subject to this Section the Administrator may by resolution at any time and from time to time make any alteration to the Plan which it thinks fit.

(ii) *Shareholder approval.* The following provisions of the Plan cannot be amended to the advantage of grantees or potential grantees without the prior approval of the shareholders of the Company in general meeting except that minor amendments can be made without shareholder approval if they are to benefit the administration of the Plan or are amendments to take account of a change in legislation or statutory regulations or are to obtain or maintain favourable tax, exchange control or regulatory treatment for grantees in the Plan or for the Company or any Affiliate:

(A) the basis for determining an eligible person's entitlement (or otherwise) to be granted an Award and/or to acquire Shares on Vesting of an Award;

(B) the persons to whom an Award may be granted;

(C) the limit on the aggregate number of Shares over which Awards may be granted under the Plan, including the limit under Section 4(a)(iv);

(D) the individual participation limit in Section 4(b);

(E) the adjustment of Awards pursuant to section 10(c); and

(F) this section 10(e)(ii).

(iii) *Alterations which adversely affect grantees.* No alteration may be made which would materially increase the liability of any grantee or which would materially decrease the value of any grantee's subsisting rights attached to any outstanding Award without in each case that grantee's prior written consent.

(f) *Termination of the Plan*. The Board may terminate the Plan at any time. Except as otherwise determined by the Board, termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

(g) *Non-Guarantee of Employment or Service*. Nothing in the Plan or in any Grant Agreement thereunder shall confer any right on an individual to continue in the service of the Company or shall interfere in any way with the right of the Company to terminate such service at any time with or without cause or notice and whether or not such termination results in (i) the failure of any Award to vest; (ii) the forfeiture of any unvested or vested portion of any Award; and/or (iii) any other adverse effect on the individual's interests under the Plan.

This Plan shall not form part of the contract of employment of any individual who participates in it. The rights and obligations of any individual under the terms of his office or employment with any Company participating in the Plan shall not be affected by his participation in the Plan or any right which he may have to participate in it.

An individual who participates in the Plan shall waive any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever (including unfair or wrongful dismissal) insofar as those rights arise or may arise from his ceasing to have rights under or to be entitled to exercise any Award or to be entitled to under the Plan as a result of such termination. No such participation, rights or benefits shall be taken into account for the purposes of calculating the amount of benefits payable to any pension fund. Awards granted pursuant to the Plan shall not constitute any representation or warranty that any benefit will accrue to any individual to whom such Award is granted.

(h) *Compliance with Securities Laws; Listing and Registration*. If at any time the Administrator determines that the delivery of Shares under the Plan, or exercise of Awards under the Plan, is or may be unlawful under the laws of any applicable jurisdiction, or federal, state or foreign securities laws, or may breach any Dealing Restriction, the right to exercise an Award or receive Shares pursuant to an Award shall be suspended until the Administrator determines that such delivery is lawful or such Dealing Restriction ceases to apply, subject to and in compliance with Section 409A. If an option may expire while a Dealing Restriction applies, the Administrator may, subject to applicable laws, provide for an automatic exercise of the option immediately before expiration. If at any time the Administrator determines that the delivery of Shares under the Plan would or may violate the rules of the national exchange on which the shares are then listed for trade, the right to exercise an Award or receive Shares pursuant to an Award shall be suspended until the Administrator determines that such delivery would not violate such rules. The Company shall have no obligation to effect any registration or qualification of the Shares under federal, state or foreign laws.

The Company may require that a grantee, as a condition to exercise of an Award, and as a condition to the delivery of any share certificate, make such written representations (including representations to the effect that such person will not dispose of the Shares so acquired in violation of federal, state or foreign securities laws) and furnish such information as may, in the opinion of counsel for the Company, be appropriate to permit the Company to issue the Shares in compliance with applicable federal, state or foreign securities laws. The stock certificates for any Shares issued pursuant to this Plan may bear a legend restricting transferability of the Shares unless such shares are registered or (if relevant) an exemption from registration is available under the Securities Act of 1933, as amended, and applicable state or foreign securities laws.

Any transfer or issue of Shares pursuant to the Plan shall be subject to any necessary consent from any competent authority and to the terms of such consent.

(i) *No Trust or Fund Created*. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a grantee or any other person. To the extent that any grantee or other person acquires a right to receive

payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(j) *Governing Law*. The validity, construction and effect of the Plan, of Grant Agreements entered into pursuant to the Plan, and of any rules, regulations, determinations or decisions made by the Administrator relating to the Plan or such Grant Agreements, and the rights of any and all persons having or claiming to have any interest therein or thereunder, shall be determined exclusively in accordance with the laws of England and the courts of England shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Plan. Any proceedings suit or action arising out of the Plan shall be brought in such courts.

(k) Section *409A*. The Plan and all Awards granted hereunder are intended to comply with, or otherwise be exempt from, Section 409A. The Plan and all Awards granted under the Plan shall be administered, interpreted, and construed in a manner consistent with Section 409A to the extent necessary to avoid the imposition of additional taxes under Section 409A(a)(1)(B). Should any provision of the Plan, any Grant Agreement, or any other agreement or arrangement contemplated by the Plan be found not to be outside the scope of, comply with, or otherwise be exempt from, the provisions of Section 409A, such provision shall be modified and given effect (retroactively if necessary), in the sole discretion of the Administrator, and without the consent of the holder of the Award, in such manner as the Administrator determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Section 409A. Notwithstanding anything in the Plan to the contrary, in no event shall the Administrator exercise its discretion to accelerate the payment or settlement of an Award where such payment or settlement would otherwise constitute deferred compensation within the meaning of Section 409A unless, and solely to the extent that, such accelerated payment or settlement is permissible under Treasury Regulation section 1.409A-3(j)(4) or any successor provision.

The following rules shall apply to Awards subject to Section 409A:

(i) Cessation of service or "termination of employment," or words of similar import, for purposes of any payments under an Award that are payments of deferred compensation subject to Section 409A, shall mean the grantee's "separation from service" as defined in Section 409A, to the extent required to comply with Section 409A.

(ii) For purposes of Section 409A, the right to a series of installment payments shall be treated as a right to a series of separate payments.

(iii) If payment of an Award arises on a
ccount of the grantee's separation from service while the grantee is a "specified employee" (as defined under Section 409A), then if necessary to comply with Section 409A, any payment that would be considered "deferred compensation" (as defined under Treasury Regulation section 1.409A-1(b)(1), after giving effect to the exemptions in Treasury Regulation Sections 1.409A-1(b)(3) through (b)(12)) that is scheduled to be paid within six (6) months after such separation from service shall accrue without interest and shall be paid within 15 days after the end of the six-month period beginning on the date of such separation from service or, if earlier, within 15 days after the appointment of the personal representative or executor of the grantee's estate following the grantee's death.

(l) *Data Protection*.

The personal date of any grantee or participant will be processed in accordance with the Group's data protection policy as notified to grantees.

By participating in the Plan, each grantee consents to the holding and processing of their personal data for all purposes relating to the operation of the Plan. These include, but are not limited to:

(i) administering and maintaining grantee records;

(ii) providing information to the Company and its Affiliates, trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;

(iii) providing information to future purchasers or merger partners of the Company, the grantee's employing company, or the business in which the grantee works; and

(iv) transferring information about the grantee to a country or territory that may not provide the same statutory protection for the information as the grantee's home country.

(m) *Duration of the Plan and Termination*. The Plan is effective from the Adoption Date. No Award shall be granted under the Plan after the close of business on the Termination Date. Subject to other applicable provisions of the Plan, all Awards made under the Plan prior to such termination of the Plan shall remain in effect until such Awards have been satisfied or terminated in accordance with the Plan and the terms of such Awards.

PLAN APPROVAL

Date Approved by the Shareholders: 13 June 2023

Date Approved by the Board in implementation of the Shareholder Resolution: 25 July 2023

APPENDIX A - PROVISIONS FOR CALIFORNIA RESIDENTS

With respect to Awards granted to California residents prior to a public offering of shares of the Company that is effected pursuant to a registration statement filed with, and declared effective by, the Securities and Exchange Commission under the Securities Act of 1933, as amended, and only to the extent required by applicable law, the following provisions shall apply notwithstanding anything in the Plan or a Grant Agreement to the contrary:

1. With respect to any Award granted in the form of a share option pursuant to Section 6(a) of the Plan:

   (a) The exercise period shall be no more than 120 months from the date the option is granted.

   (b) The options shall be non-transferable other than by will, by the laws of descent and distribution, or, if and to the extent permitted under the Grant Agreement, to a revocable trust or as permitted by Rule 701 of the Securities Act of 1933, as amended (17 C.F.R. 230.701).

   (c) Unless employment is terminated for "cause" as defined by applicable law, the terms of the Plan or Grant Agreement, or a contract of employment, the right to exercise the option in the event of termination of employment, to the extent that the Award recipient is entitled to exercise on the date employment terminates, will continue until the earlier of the option expiration date, or: (1) At least 6 months from the date of termination if termination was caused by death or disability. (2) At least 30 days from the date of termination if termination was caused by other than death or disability.

2. With respect to an Award, granted pursuant to Section 6(c) of the Plan, that provides the Award recipient the right to purchase shares, the Award shall be non-transferable other than by will, by the laws of descent and distribution, or, if and to the extent permitted under the Grant Agreement, to a revocable trust or as permitted by Rule 701 of the Securities Act of 1933, as amended (17 C.F.R. 230.701).

3. The Plan shall have a termination date of not more than 10 years from the date the Plan is adopted by the Board or the date the Plan is approved by the security holders, whichever is earlier.

4. Security holders representing a majority of the Company's outstanding securities entitled to vote must approve the Plan by the later of (a) 12 months after the date the Plan is adopted or (b) 12 months after the granting of any Award to a resident of California. Any option exercised or any securities purchased before security holder approval is obtained must be rescinded if security holder approval is not obtained within the period described in the preceding sentence. Such securities shall not be counted in determining whether such approval is obtained.

5. The Company will provide financial statements to each Award recipient annually during the period such individual has Awards outstanding, or as otherwise required under Section 260.140.46 of Title 10 of the California Code of Regulations. Notwithstanding the foregoing, the Company will not be required to provide such financial statements to Award recipients when the Plan complies with all conditions of Rule 701 of the Securities Act of 1933, as amended (17 C.F.R. 230.701); provided that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701.

6. The Plan is intended to comply with Section 25102(o) of the California Corporations Code. Any provision of this Plan which is inconsistent with Section 25102(o), including without limitation any provision of this Plan that is more restrictive than would be permitted by Section 25102(o) as amended from time to time, shall, without further act or amendment by the Board, be reformed to comply with the provisions of Section 25102(o). If at any time the Administrator determines that the delivery of Shares under the Plan is or may be unlawful under the laws of any applicable jurisdiction, or federal or state securities laws, the right to exercise an Award or receive Shares pursuant to an Award shall be suspended until the Administrator determines that such delivery is lawful. The Company shall have no obligation to effect any registration or qualification of the Shares under federal or state laws.

Exhibit 4.15

Execution Version

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED (INDICATED BY: [***]) FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) THE TYPE OF INFORMATION THAT THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE OR CONFIDENTIAL.

AMENDED AND RESTATED VOTING AGREEMENT
SONDE HEALTH, INC.

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AMENDED AND RESTATED VOTING AGREEMENT

THIS AMENDED AND RESTATED VOTING AGREEMENT (this "**Agreement**"), is made and entered into as of this 25th day of May, 2022, by and among Sonde Health, Inc., a Delaware corporation (the "**Company**"), each holder of the Series A-1 Preferred Stock, $0.0001 par value per share, of the Company ("**Series A-1 Preferred Stock**"), Series A-2 Preferred Stock, $0.0001 par value per share, of the Company ("**Series A-2 Preferred Stock**", and Series B Preferred Stock, $0.0001 par value per share, of the Company ("**Series B Preferred Stock**", and referred to herein collectively with the Series A-1 Preferred Stock and Series A-2 Preferred Stock, as the "**Preferred Stock**") listed on Schedule A (together with any subsequent investors, or transferees, who become parties hereto as "Investors" pursuant to Subsections 7.1(a) or 7.2 below, the "**Investors**"), and those certain stockholders of the Company and holders of options to acquire shares of the capital stock of the Company listed on Schedule B (together with any subsequent stockholders or option holders, or any transferees, who become parties hereto as "Key Holders" pursuant to Subsections 7.1(b) or 7.2 below, the "**Key Holders**," and together collectively with the Investors, the "**Stockholders**").

RECITALS

A. Concurrently with the execution of this Agreement, the Company and certain of the Investors are entering into a Series B Preferred Stock Purchase Agreement (as amended from time to time, the "**Purchase Agreement**") providing for the sale of shares of the Series B Preferred Stock. Certain of the Investors (the "**Existing Investors**") and the Key Holders are parties to that certain Voting Agreement, dated April 9, 2019, by and among the Company and the parties thereto, as amended (the "**Prior Agreement**"). The Company, the Key Holders and the Existing Investors party to the Prior Agreement desire to amend and restate that agreement to provide those Investors purchasing shares of the Series B Preferred Stock pursuant to the Purchase Agreement with the right, among other rights, to designate the election of certain members of the board of directors of the Company (the "**Board**") in accordance with the terms of this Agreement.

B. The Amended and Restated Certificate of Incorporation of the Company (as the same may be amended and/or restated from time to time, the "**Restated Certificate**") provides that (a) the holders of record of the shares of the Series B Preferred Stock, exclusively and as a separate class, shall be entitled to elect one director of the Company (the "**Series B Director**"), (b) the holders of record of the shares of Series A-2 Preferred Stock, exclusively and as a separate class, shall be entitled to elect two directors of the Company (the "**Series A-2 Directors**"), (c) the holders of record of the shares of the Series B Preferred Stock and Series A-2 Preferred Stock, voting together as a single class and on an as-converted basis, shall be entitled to elect one director of the Company and (d) the holders of record of the shares of common stock, $0.0001 par value per share, of the Company (the "**Common Stock**") and Preferred Stock, voting together as a single class and on an as-converted basis, shall be entitled to elect the balance of the total number of directors of the Company.

C. The parties also desire to enter into this Agreement to set forth their agreements and understandings with respect to how shares of the capital stock of the Company held by them will be voted on, or tendered in connection with, an acquisition of the Company.

NOW, THEREFORE, the Existing Investors hereby agree that the Prior Agreement is hereby amended and restated in its entirety by this Agreement, and parties further agree as follows:

1. Voting Provisions Regarding the Board.

1.1 Size of the Board. Each Stockholder agrees to vote, or cause to be voted, all Shares (as defined below) owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that the size of the Board shall be set and remain at six (6) directors and may be increased only with the written consent of the Requisite Holders (as defined in the Restated Certificate). For purposes of this Agreement, the term "**Shares**" shall mean and include any securities of the Company that the holders of which are entitled to vote for members of the Board, including without limitation, all shares of Common Stock and Preferred Stock, by whatever name called, now owned or subsequently acquired by a Stockholder, however acquired, whether through stock splits, stock dividends, reclassifications, recapitalizations, similar events or otherwise.

1.2 Board Composition. Each Stockholder agrees to vote, or cause to be voted, all Shares owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that at each annual or special meeting of stockholders at which an election of directors is held or pursuant to any written consent of the stockholders, subject to Section 5, the following persons shall be elected to the Board:

(a) **[***]**;

(b) As the Series A-2 Directors:

(i) **[***]**;

(ii) One person designated from time to time by PureTech Health LLC, for so long as such Stockholder and its Affiliates (as defined below) continue to own beneficially at least 1,000,000 shares of Series A-2 Preferred Stock (such number subject to appropriate adjustment for any stock splits, stock dividends, combinations, recapitalizations and the like), which individual shall initially be Eric Elenko;

(c) **[***]**;

(d) **[***]**; and

(e) **[***]**.

To the extent that any of clauses (a) through (e) above shall not be applicable, any member of the Board who would otherwise have been designated in accordance with the terms thereof shall instead be voted upon by all the Stockholders of the Company entitled to vote thereon in accordance with, and pursuant to, the Restated Certificate.

For purposes of this Agreement, an individual, firm, corporation, partnership, association, limited liability company, trust or any other entity (collectively, a "**Person**") shall be deemed an "**Affiliate**" of another Person who, directly or indirectly, controls, is controlled by or is under common control with such Person, including, without limitation, any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or registered investment company now or hereafter existing that is controlled by one or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Person.

1.3 Failure to Designate a Board Member. In the absence of any designation from the Persons or groups with the right to designate a director as specified above, the director previously designated by them and then serving shall be reelected if still eligible and willing to serve as provided herein and otherwise, such Board seat shall remain vacant.

1.4 Removal of Board Members. Each Stockholder also agrees to vote, or cause to be voted, all Shares owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that:

(a) no director elected pursuant to Subsections 1.2 or 1.3 of this Agreement may be removed from office other than for cause unless (i) such removal is directed or approved by the affirmative vote of the Person(s) entitled under Subsection 1.2 to designate that director; or (ii) the Person(s) originally entitled to designate or approve such director pursuant to Subsection 1.2 is no longer so entitled to designate or approve such director;

(b) any vacancies created by the resignation, removal or death of a director elected pursuant to Subsections 1.2 or 1.3 shall be filled pursuant to the provisions of this Section 1; and

(c) upon the request of any party entitled to designate a director as provided in Subsection 1.2 to remove such director, such director shall be removed.

All Stockholders agree to execute any written consents required to perform the obligations of this Section 1, and the Company agrees at the request of any Person or member of a group entitled to designate directors to call a special meeting of stockholders for the purpose of electing directors.

1.5 No Liability for Election of Recommended Directors. No Stockholder, nor any Affiliate of any Stockholder, shall have any liability as a result of designating a person for election as a director for any act or omission by such designated person in his or her capacity as a director of the Company, nor shall any Stockholder have any liability as a result of voting for any such designee in accordance with the provisions of this Agreement.

1.6 No "Bad Actor" Designees. Each Person with the right to designate or participate in the designation of a director as specified above hereby represents and warrants to the Company that, to such Person's knowledge, none of the "bad actor" disqualifying events described in Rule 506(d)(1)(i)-(viii) promulgated under the Securities Act of 1933, as amended (the "**Securities Act**") (each, a "**Disqualification Event**"), is applicable to such Person's initial designee named above except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. Any director designee to whom any Disqualification Event is applicable, except for a Disqualification Event to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable, is hereinafter referred to as a "**Disqualified Designee**". Each Person with the right to designate or participate in the designation of a director as specified above hereby covenants and agrees (A) not to designate or participate in the designation of any director designee who, to such Person's knowledge, is a Disqualified Designee and (B) that in the event such Person becomes aware that any individual previously designated by any such Person is or has become a Disqualified Designee, such Person shall as promptly as practicable take such actions as are necessary to remove such Disqualified Designee from the Board and designate a replacement designee who is not a Disqualified Designee.

2. Vote to Increase Authorized Common Stock. Each Stockholder agrees to vote or cause to be voted all Shares owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to increase the number of authorized shares of Common Stock from time to time to ensure that there will be sufficient shares of Common Stock available for conversion of all of the shares of Preferred Stock outstanding at any given time.

3. Drag-Along Right.

1.1 Definitions. A "**Sale of the Company**" shall mean either: (a) a transaction or series of related transactions in which a Person, or a group of related Persons, acquires from stockholders of the Company shares representing more than **[***]** of the outstanding voting power of the Company (a "**Stock Sale**"); or (b) a transaction that qualifies as a "**Deemed Liquidation Event**" as defined in the Restated Certificate.

1.2 Actions to be Taken. In the event that (i) the Board and (ii) the Requisite Holders (the "**Selling Investors**"), approve a Sale of the Company in writing, specifying that this Section 3 shall apply to such transaction, then, subject to satisfaction of each of the conditions set forth in Subsection 3.3 below, each Stockholder and the Company hereby agree:

(a) if such transaction requires stockholder approval, with respect to all Shares that such Stockholder owns or over which such Stockholder otherwise exercises voting power, to vote (in person, by proxy or by action by written consent, as applicable) all Shares in favor of, and adopt, such Sale of the Company (together with any related amendment or restatement to the Restated Certificate required to implement such Sale of the Company) and to vote in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Company to consummate such Sale of the Company;

(b) if such transaction is a Stock Sale, to sell the same proportion of shares of capital stock of the Company beneficially held by such Stockholder as is being sold by the Selling Investors to the Person to whom the Selling Investors propose to sell their Shares, and, except as permitted in Subsection 3.3 below, on the same terms and conditions as the Selling Investors;

(c) to execute and deliver all related documentation and take such other action in support of the Sale of the Company as shall reasonably be requested by the Company or the Selling Investors in order to carry out the terms and provision of this Section 3, including, without limitation, executing and delivering instruments of conveyance and transfer, and any purchase agreement, merger agreement, any associated indemnity agreement, or escrow agreement, any associated voting, support, or joinder agreement, consent, waiver, governmental filing, share certificates duly endorsed for transfer (free and clear of impermissible liens, claims and encumbrances), and any similar or related documents;

(d) not to deposit, and to cause their Affiliates not to deposit, except as provided in this Agreement, any Shares of the Company owned by such party or Affiliate in a voting trust or subject any Shares to any arrangement or agreement with respect to the voting of such Shares, unless specifically requested to do so by the acquirer in connection with the Sale of the Company;

(e) to refrain from (i) exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Sale of the Company, or (ii); asserting any claim or commencing any suit (x) challenging the Sale of the Company or this Agreement, or (y) alleging a breach of any fiduciary duty of the Selling Investors or any affiliate or associate thereof (including, without limitation, aiding and abetting breach of fiduciary duty) in connection with the evaluation, negotiation or entry into the Sale of the Company, or the consummation of the transactions contemplated thereby;

(f) if the consideration to be paid in exchange for the Shares pursuant to this Section 3 includes any securities and due receipt thereof by any Stockholder would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (y) the provision to any Stockholder of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D

promulgated under the Securities Act of 1933, as amended (the "**Securities Act**"), the Company may cause to be paid to any such Stockholder in lieu thereof, against surrender of the Shares which would have otherwise been sold by such Stockholder, an amount in cash equal to the fair value (as determined in good faith by the Board) of the securities which such Stockholder would otherwise receive as of the date of the issuance of such securities in exchange for the Shares; and

(g) in the event that the Selling Investors, in connection with such Sale of the Company, appoint a stockholder representative (the "**Stockholder Representative**") with respect to matters affecting the Stockholders under the applicable definitive transaction agreements following consummation of such Sale of the Company, (x) to consent to (i) the appointment of such Stockholder Representative, (ii) the establishment of any applicable escrow, expense or similar fund in connection with any indemnification or similar obligations, and (iii) the payment of such Stockholder's pro rata portion (from the applicable escrow or expense fund or otherwise) of any and all reasonable fees and expenses to such Stockholder Representative in connection with such Stockholder Representative's services and duties in connection with such Sale of the Company and its related service as the representative of the Stockholders, and (y) not to assert any claim or commence any suit against the Stockholder Representative or any other Stockholder with respect to any action or inaction taken or failed to be taken by the Stockholder Representative, within the scope of the Stockholder Representative's authority, in connection with its service as the Stockholder Representative, absent fraud, bad faith, gross negligence or willful misconduct.

1.3 Conditions. Notwithstanding anything to the contrary set forth herein, a Stockholder will not be required to comply with Subsection 3.2 above in connection with any proposed Sale of the Company (the "**Proposed Sale**"), unless:

(a) any representations and warranties to be made by such Stockholder in connection with the Proposed Sale are limited to representations and warranties related to authority, ownership and the ability to convey title to such Shares, including, but not limited to, representations and warranties that (i) the Stockholder holds all right, title and interest in and to the Shares such Stockholder purports to hold, free and clear of all liens and encumbrances, (ii) the obligations of the Stockholder in connection with the transaction have been duly authorized, if applicable, (iii) the documents to be entered into by the Stockholder have been duly executed by the Stockholder and delivered to the acquirer and are enforceable (subject to customary limitations) against the Stockholder in accordance with their respective terms; and (iv) neither the execution and delivery of documents to be entered into by the Stockholder in connection with the transaction, nor the performance of the Stockholder's obligations thereunder, will cause a breach or violation of the terms of any agreement to which the Stockholder is a party, or any law or judgment, order or decree of any court or governmental agency that applies to the Stockholder;

(b) such Stockholder is not required to agree (unless such Stockholder is a Company officer or employee) to any restrictive covenant in connection with the Proposed Sale (including without limitation any covenant not to compete or covenant not to solicit customers, employees or suppliers of any party to the Proposed Sale);

(c) such Stockholder and its Affiliates are not required to amend, extend or terminate any contractual or other relationship with the Company, the acquirer or their respective Affiliates, except that the Stockholder may be required to agree to terminate the investment-related documents between or among such Stockholder, the Company and/or other stockholders of the Company;

(d) the Stockholder is not liable for the breach of any representation, warranty or covenant made by any other Person in connection with the Proposed Sale, other than the Company;

(e) the liability for indemnification, if any, of such Stockholder in the Proposed Sale and for the inaccuracy of any representations and warranties made by the Company or its Stockholders in connection with such Proposed Sale, is several and not joint with any other Person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any stockholder of any of identical representations, warranties and covenants provided by all stockholders), and is pro rata in proportion to, and does not exceed, the amount of consideration paid to such Stockholder in connection with such Proposed Sale; and

(f) subject to Section 3.5, upon the consummation of the Proposed Sale (i) each holder of each class or series of the capital stock of the Company will receive the same form of consideration for their shares of such class or series as is received by other holders in respect of their shares of such same class or series of stock, and if any holders of any capital stock of the Company are given a choice as to the form of consideration to be received as a result of the Proposed Sale, all holders of such capital stock will be given the same option, (ii) each holder of a series of Preferred Stock will receive the same amount of consideration per share of such series of Preferred Stock as is received by other holders in respect of their shares of such same series, (iii) each holder of Common Stock will receive the same amount of consideration per share of Common Stock as is received by other holders in respect of their shares of Common Stock, and (iv) unless waived pursuant to the terms of the Company's Certificate of Incorporation in effect immediately prior to the Proposed Sale and as may be required by law, the aggregate consideration receivable by all holders of the Preferred Stock and Common Stock shall be allocated among the holders of Preferred Stock and Common Stock on the basis of the relative liquidation preferences to which the holders of each respective series of Preferred Stock and the holders of Common Stock are entitled in a Deemed Liquidation Event (assuming for this purpose that the Proposed Sale is a Deemed Liquidation Event) in accordance with the Company's Certificate of Incorporation in effect immediately prior to the Proposed Sale; provided, however, that notwithstanding the foregoing provisions of this Subsection 3.3(f), if the consideration to be paid in exchange for the Key Holder Shares or Investor Shares, as applicable, pursuant to this Subsection 3.3(f) includes any securities and due receipt thereof by any Key Holder or Investor would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (y) the provision to any Key Holder or Investor of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act, the Company may cause to be paid to any such Key Holder or Investor in lieu thereof, against surrender of the Key Holder Shares or Investor Shares, as applicable, which would have otherwise been sold by such Key Holder or Investor, an amount in cash equal to the fair value (as determined in good faith by the Board) of the securities which such Key Holder or Investor would otherwise receive as of the date of the issuance of such securities in exchange for the Key Holder Shares or Investor Shares, as applicable.

1.4 Restrictions on Sales of Control of the Company. No Stockholder shall be a party to any Stock Sale unless (a) all holders of Preferred Stock are allowed to participate in such transaction(s) and (b) the consideration received pursuant to such transaction is allocated among the parties thereto in the manner specified in the Company's Certificate of Incorporation in effect immediately prior to the Stock Sale (as if such transaction(s) were a Deemed Liquidation Event), unless the holders of at least the requisite percentage required to waive treatment of the transaction(s) as a Deemed Liquidation Event pursuant to the terms of the Company's Certificate of Incorporation in effect immediately prior to the Proposed Sale, elect to

allocate the consideration differently by written notice given to the Company at least **[***]** prior to the effective date of any such transaction or series of related transactions.

1.5 Consideration Payable to **[***]**. **[***]**.

4. Remedies.

1.1 Covenants of the Company. The Company agrees to use its best efforts, within the requirements of applicable law, to ensure that the rights granted under this Agreement are effective and that the parties enjoy the benefits of this Agreement. Such actions include, without limitation, the use of the Company's best efforts to cause the nomination and election of the directors as provided in this Agreement.

1.2 Irrevocable Proxy and Power of Attorney. Each party to this Agreement hereby constitutes and appoints as the proxies of the party and hereby grants a power of attorney to the Chief Executive Officer of the Company, and a designee of the Selling Investors, and each of them, with full power of substitution, with respect to the matters set forth herein, including, without limitation, election of persons as members of the Board in accordance with Section 1, votes to increase authorized shares pursuant to Section 2 hereof and votes regarding any Sale of the Company pursuant to Section 3 hereof, and hereby authorizes each of them to represent and vote, if and only if the party (i) fails to vote, or (ii) attempts to vote (whether by proxy, in person or by written consent), in a manner which is inconsistent with the terms of this Agreement, all of such party's Shares in favor of the election of persons as members of the Board determined pursuant to and in accordance with the terms and provisions of this Agreement or the increase of authorized shares or approval of any Sale of the Company pursuant to and in accordance with the terms and provisions of Sections 2 and 3, respectively, of this Agreement or to take any action reasonably necessary to effect Sections 2 and 3, respectively, of this Agreement. The power of attorney granted hereunder shall authorize the Chief Executive Officer of the Company, to execute and deliver the documentation referred to in Section 3.2(c) on behalf of any party failing to do so within **[***]** of a request by the Company. Each of the proxy and power of attorney granted pursuant to this Section 4.2 is given in consideration of the agreements and covenants of the Company and the parties in connection with the transactions contemplated by this Agreement and, as such, each is coupled with an interest and shall be irrevocable unless and until this Agreement terminates or expires pursuant to Section 6 hereof. Each party hereto hereby revokes any and all previous proxies or powers of attorney with respect to the Shares and shall not hereafter, unless and until this Agreement terminates or expires pursuant to Section 6 hereof, purport to grant any other proxy or power of attorney with respect to any of the Shares, deposit any of the Shares into a voting trust or enter into any agreement (other than this Agreement), arrangement or understanding with any person, directly or indirectly, to vote, grant any proxy or give instructions with respect to the voting of any of the Shares, in each case, with respect to any of the matters set forth herein.

1.3 Specific Enforcement. Each party acknowledges and agrees that each party hereto will be irreparably damaged in the event any of the provisions of this Agreement are not performed by the parties in accordance with their specific terms or are otherwise breached. Accordingly, it is agreed that each of the Company and the Stockholders shall be entitled to an injunction to prevent breaches of this Agreement, and to specific enforcement of this Agreement and its terms and provisions in any action instituted in any court of the United States or any state having subject matter jurisdiction.

1.4 Remedies Cumulative. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

5. "Bad Actor" Matters.

1.1 Definitions. For purposes of this Agreement:

(a) "**Company Covered Person**" means, with respect to the Company as an "issuer" for purposes of Rule 506 promulgated under the Securities Act, any Person listed in the first paragraph of Rule 506(d)(1).

(b) "**Disqualified Designee**" means any director designee to whom any Disqualification Event is applicable, except for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable.

(c) "**Disqualification Event**" means a "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) promulgated under the Securities Act.

(d) "**Rule 506(d) Related Party**" means, with respect to any Person, any other Person that is a beneficial owner of such first Person's securities for purposes of Rule 506(d) promulgated under the Securities Act.

1.2 Representations.

(a) Each Person with the right to designate or participate in the designation of a director pursuant to this Agreement hereby represents that (i) such Person has exercised reasonable care to determine whether any Disqualification Event is applicable to such Person, any director designee designated by such Person pursuant to this Agreement or any of such Person's Rule 506(d) Related Parties, except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable and (ii) no Disqualification Event is applicable to such Person, any Board member designated by such Person pursuant to this Agreement or any of such Person's Rule 506(d) Related Parties, except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. Notwithstanding anything to the contrary in this Agreement, each Investor makes no representation regarding any Person that may be deemed to be a beneficial owner of the Company's voting equity securities held by such Investor solely by virtue of that Person being or becoming a party to (x) this Agreement, as may be subsequently amended, or (y) any other contract or written agreement to which the Company and such Investor are parties regarding (1) the voting power, which includes the power to vote or to direct the voting of, such security; and/or (2) the investment power, which includes the power to dispose, or to direct the disposition of, such security.

(b) The Company hereby represents and warrants to the Investors that no Disqualification Event is applicable to the Company or, to the Company's knowledge, any Company Covered Person, except for a Disqualification Event as to which Rule 506(d)(2)(ii-iv) or (d)(3) is applicable.

1.3 Covenants. Each Person with the right to designate or participate in the designation of a director pursuant to this Agreement covenants and agrees (i) not to designate or participate in the designation of any director designee who, to such Person's knowledge, is a Disqualified Designee, (ii) to exercise reasonable care to determine whether any director designee designated by such person is a Disqualified Designee, (iii) that in the event such Person becomes aware that any individual previously designated by any such Person is or has become a Disqualified Designee, such Person shall as promptly as practicable take such actions as are necessary to remove such Disqualified Designee from the Board and designate a replacement designee who is not a Disqualified Designee, and (iv) to notify the Company promptly in writing in the event a Disqualification Event becomes applicable to such Person or any of its Rule 506(d) Related Parties, or, to such Person's knowledge, to such Person's initial designee named in

Section 1, except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable.

6. Term. This Agreement shall be effective as of the date hereof and shall continue in effect until and shall terminate upon the earliest to occur of (a) the consummation of the Company's first underwritten public offering of its Common Stock (other than a registration statement relating either to the sale of securities to employees of the Company pursuant to its stock option, stock purchase or similar plan or an SEC Rule 145 transaction); (b) the consummation of a Sale of the Company and distribution of proceeds to or escrow for the benefit of the Stockholders in accordance with the Restated Certificate, provided that the provisions of Section 3 hereof will continue after the closing of any Sale of the Company to the extent necessary to enforce the provisions of Section 3 with respect to such Sale of the Company; and (c) termination of this Agreement in accordance with Subsection 7.8 below.

7. Miscellaneous.

1.1 Additional Parties.

(a) Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of Preferred Stock or stock senior to Preferred Stock after the date hereof, as a condition to the issuance of such shares the Company shall require that any purchaser of such shares become a party to this Agreement by executing and delivering (i) the Adoption Agreement attached to this Agreement as Exhibit A, or (ii) a counterpart signature page hereto agreeing to be bound by and subject to the terms of this Agreement as an Investor and Stockholder hereunder. In either event, each such person shall thereafter be deemed an Investor and Stockholder for all purposes under this Agreement.

(b) In the event that after the date of this Agreement, the Company enters into an agreement with any Person to issue shares of capital stock to such Person (other than to a purchaser of Preferred Stock described in Subsection 7.1(a) above), following which such Person shall hold Shares constituting **[***]** or more of the then outstanding capital stock of the Company (treating for this purpose all shares of Common Stock issuable upon exercise of or conversion of outstanding options, warrants or convertible securities, as if exercised and/or converted or exchanged), then, the Company shall cause such Person, as a condition precedent to entering into such agreement, to become a party to this Agreement by executing an Adoption Agreement in the form attached hereto as Exhibit A, agreeing to be bound by and subject to the terms of this Agreement as a Stockholder and thereafter such person shall be deemed a Stockholder for all purposes under this Agreement.

1.2 Transfers. Each transferee or assignee of any Shares subject to this Agreement shall continue to be subject to the terms hereof, and, as a condition precedent to the Company's recognition of such transfer, each transferee or assignee shall agree in writing to be subject to each of the terms of this Agreement by executing and delivering an Adoption Agreement substantially in the form attached hereto as Exhibit A. Upon the execution and delivery of an Adoption Agreement by any transferee, such transferee shall be deemed to be a party hereto as if such transferee were the transferor and such transferee's signature appeared on the signature pages of this Agreement and shall be deemed to be an Investor and Stockholder, or Key Holder and Stockholder, as applicable. The Company shall not permit the transfer of the Shares subject to this Agreement on its books or issue a new certificate representing any such Shares unless and until such transferee shall have complied with the terms of this Subsection 7.2. Each certificate instrument, or book entry representing the Shares subject to this Agreement if issued on or after the date of this Agreement shall be notated by the Company with the legend set forth in Subsection 7.12.

1.3 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

1.4 Governing Law. This Agreement shall be governed by the internal law of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

1.5 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

1.6 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

1.7 Notices.

(a) All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (a) personal delivery to the party to be notified, (b) when sent, if sent by electronic mail or facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their address as set forth on Schedule A or Schedule B hereto, or to such email address, facsimile number or address as subsequently modified by written notice given in accordance with this Subsection 7.7.

(b) Consent to Electronic Notice. Each Investor and Key Holder consents to the delivery of any stockholder notice pursuant to the Delaware General Corporation Law (the "DGCL"), as amended or superseded from time to time, by electronic transmission pursuant to Section 232 of the DGCL (or any successor thereto) at the electronic mail address or the facsimile number as on the books of the Company. To the extent that any notice given by means of electronic transmission is returned or undeliverable for any reason, the foregoing consent shall be deemed to have been revoked until a new or corrected electronic mail address has been provided, and such attempted electronic notice shall be ineffective and deemed to not have been given. Each Investor and Key Holder agrees to promptly notify the Company of any change in its electronic mail address, and that failure to do so shall not affect the foregoing.

1.8 Consent Required to Amend, Modify, Terminate or Waive. This Agreement may be amended, modified or terminated (other than pursuant to Section 6) and the observance of any term hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a written instrument executed by (a) the Company, (b) the Key Holders holding at least a majority of the Shares then held by the Key Holders who are then providing services to the Company as officers, employees or consultants, and (c) the Requisite Holders. Notwithstanding the foregoing:

(a) this Agreement may not be amended, modified or terminated and the observance of any term of this Agreement may not be waived with respect to any Investor or Key Holder without the written consent of such Investor or Key Holder unless such amendment, modification, termination or waiver applies to all Investors or Key Holders, as the case may be, in the same fashion;

(b) [***];

(c) [***];

(d) the provisions of Subsection 1.2(b)(ii) and this Subsection 7.8(d) may not be amended, modified, terminated or waived without the written consent of PureTech Health LLC;

(e) the consent of the Key Holders shall not be required for any amendment, modification, termination or waiver if such amendment, modification, termination, or waiver either (A) is not directly applicable to the rights of the Key Holders hereunder; or (B) does not adversely affect the rights of the Key Holders in a manner that is different than the effect on the rights of the other parties hereto;

(f) Schedule A hereto may be amended by the Company from time to time in accordance with the Purchase Agreement to add information regarding additional Purchasers (as defined in the Purchase Agreement) without the consent of the other parties hereto; and

(g) any provision hereof may be waived by the waiving party on such party's own behalf, without the consent of any other party.

The Company shall give prompt written notice of any amendment, modification, termination, or waiver hereunder to any party that did not consent in writing thereto. Any amendment, modification, termination, or waiver effected in accordance with this Subsection 7.8 shall be binding on each party and all of such party's successors and permitted assigns, whether or not any such party, successor or assignee entered into or approved such amendment, modification, termination or waiver. For purposes of this Subsection 7.8, the requirement of a written instrument may be satisfied in the form of an action by written consent of the Stockholders circulated by the Company and executed by the Stockholder parties specified, whether or not such action by written consent makes explicit reference to the terms of this Agreement.

1.9 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default previously or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

1.10 Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

1.11 Entire Agreement. Upon the effectiveness of this Agreement, the Prior Agreement shall be deemed amended and restated to read in its entirety as set forth in this Agreement. This Agreement (including the Exhibits hereto), the Restated Certificate and the other Transaction Agreements (as defined in the Purchase Agreement) constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

1.12 Share Certificate Legend. Each certificate, instrument, or book entry representing any Shares issued after the date hereof shall be notated by the Company with a legend reading substantially as follows:

> "THE SHARES REPRESENTED HEREBY ARE SUBJECT TO A VOTING AGREEMENT, AS MAY BE AMENDED FROM TIME TO TIME, (A COPY OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST FROM THE COMPANY), AND BY ACCEPTING ANY INTEREST IN SUCH SHARES THE PERSON ACCEPTING SUCH INTEREST SHALL BE DEEMED TO AGREE TO AND SHALL BECOME BOUND BY ALL THE PROVISIONS OF THAT VOTING AGREEMENT, INCLUDING CERTAIN RESTRICTIONS ON TRANSFER AND OWNERSHIP SET FORTH THEREIN."

The Company, by its execution of this Agreement, agrees that it will cause the certificates instruments, or book entry evidencing the Shares issued after the date hereof to be notated with the legend required by this Subsection 7.12 of this Agreement, and it shall supply, free of charge, a copy of this Agreement to any holder of such Shares upon written request from such holder to the Company at its principal office. The parties to this Agreement do hereby agree that the failure to cause the certificates, instruments, or book entry evidencing the Shares to be notated with the legend required by this Subsection 7.12 herein and/or the failure of the Company to supply, free of charge, a copy of this Agreement as provided hereunder shall not affect the validity or enforcement of this Agreement.

1.13 Stock Splits, Stock Dividends, etc. In the event of any issuance of Shares or the voting securities of the Company hereafter to any of the Stockholders (including, without limitation, in connection with any stock split, stock dividend, recapitalization, reorganization, or the like), such Shares shall become subject to this Agreement and shall be notated with the legend set forth in Subsection 7.12.

1.14 Manner of Voting. The voting of Shares pursuant to this Agreement may be effected in person, by proxy, by written consent or in any other manner permitted by applicable law. For the avoidance of doubt, voting of the Shares pursuant to the Agreement need not make explicit reference to the terms of this Agreement.

1.15 Further Assurances. At any time or from time to time after the date hereof, the parties agree to cooperate with each other, and at the request of any other party, to execute and deliver any further instruments or documents and to take all such further action as the other party may reasonably request in order to carry out the intent of the parties hereunder.

1.16 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of Delaware and to the jurisdiction of the United States District Court for the District of Delaware for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of Delaware or the United States District Court for the District of Delaware, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such

suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

1.17 Costs of Enforcement. If any party to this Agreement seeks to enforce its rights under this Agreement by legal proceedings, the non-prevailing party shall pay all costs and expenses incurred by the prevailing party, including, without limitation, all reasonable attorneys' fees.

1.18 Aggregation of Stock. All Shares held or acquired by a Stockholder and/or its Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement, and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

1.19 Spousal Consent. If any individual Stockholder is married on the date of this Agreement, such Stockholder's spouse shall execute and deliver to the Company a consent of spouse in the form of Exhibit B hereto ("**Consent of Spouse**"), effective on the date hereof. Notwithstanding the execution and delivery thereof, such consent shall not be deemed to confer or convey to the spouse any rights in such Stockholder's Shares that do not otherwise exist by operation of law or the agreement of the parties. If any individual Stockholder should marry or remarry subsequent to the date of this Agreement, such Stockholder shall within thirty (30) days thereafter obtain his/her new spouse's acknowledgement of and consent to the existence and binding effect of all restrictions contained in this Agreement by causing such spouse to execute and deliver a Consent of Spouse acknowledging the restrictions and obligations contained in this Agreement and agreeing and consenting to the same.

1.20 No Presumption against Drafter. The parties have participated jointly in negotiating and drafting this agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Voting Agreement as of the date first written above.

SONDE HEALTH, INC.

By: /s/ David Liu
Name: David Liu
Title: Chief Executive Officer

KEY HOLDERS:

/s/[***]
[***]

/s/[***]
[***]

/s/[***]
[***]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Voting Agreement as of the date first written above.

[***]

By: /s/[***]
Name: **[***]**
Title: **[***]**

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Voting Agreement as of the date first written above.

INVESTORS:

PURETECH HEALTH LLC

By: /s/ Bharatt Chowrira
Name: Bharatt Chowrira
Title: President

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Voting Agreement as of the date first written above.

[***]

By: /s/[***]
Name: **[***]**
Title: **[***]**

By: /s/[***]
Name: **[***]**
Title: **[***]**

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Voting Agreement as of the date first written above.

[***]

By: /s/[***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Voting Agreement as of the date first written above.

[***]
By: [***]

By: /s/[***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Voting Agreement as of the date first written above.

[***]

By: /s/[***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Voting Agreement as of the date first written above.

/s/[***]
[***]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Voting Agreement as of the date first written above.

/s/[***]
[***]

SCHEDULE A

INVESTORS

[***]

SCHEDULE B

KEY HOLDERS

[***]

EXHIBIT A

ADOPTION AGREEMENT

This Adoption Agreement ("**Adoption Agreement**") is executed on _____, 20__, by the undersigned (the "**Holder**") pursuant to the terms of that certain Amended and Restated Voting Agreement dated as of May [__], 2022 (the "**Agreement**"), by and among the Company and certain of its Stockholders, as such Agreement may be amended or amended and restated hereafter. Capitalized terms used but not defined in this Adoption Agreement shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this Adoption Agreement, the Holder agrees as follows.

1.1 Acknowledgement. Holder acknowledges that Holder is acquiring certain shares of the capital stock of the Company (the "**Stock**") [or options, warrants, or other rights to purchase such Stock (the "**Options**")], for one of the following reasons (Check the correct box):

☐ As a transferee of Shares from a party in such party's capacity as an "Investor" bound by the Agreement, and after such transfer, Holder shall be considered an "Investor" and a "Stockholder" for all purposes of the Agreement.

☐ As a transferee of Shares from a party in such party's capacity as a "Key Holder" bound by the Agreement, and after such transfer, Holder shall be considered a "Key Holder" and a "Stockholder" for all purposes of the Agreement.

☐ As a new Investor in accordance with Subsection 7.1(a) of the Agreement, in which case Holder will be an "Investor" and a "Stockholder" for all purposes of the Agreement.

☐ In accordance with Subsection 7.1(b) of the Agreement, as a new party who is not a new Investor, in which case Holder will be a "Stockholder" for all purposes of the Agreement.

1.2 Agreement. Holder hereby (a) agrees that the Stock [Options], and any other shares of capital stock or securities required by the Agreement to be bound thereby, shall be bound by and subject to the terms of the Agreement and (b) adopts the Agreement with the same force and effect as if Holder were originally a party thereto.

1.3 Notice. Any notice required or permitted by the Agreement shall be given to Holder at the address or facsimile number listed below Holder's signature hereto.

HOLDER: __

By: __
Name and Title of Signatory

Address:__

__

Facsimile Number:__

ACCEPTED AND AGREED:

SONDE HEALTH, INC.

By:__

Title:__

EXHIBIT B

CONSENT OF SPOUSE

I, [_____], spouse of [_____], acknowledge that I have read the Amended and Restated Voting Agreement, dated as of May [__], 2022, to which this Consent is attached as Exhibit B (the "**Agreement**"), and that I know the contents of the Agreement. I am aware that the Agreement contains provisions regarding the voting and transfer of shares of capital stock of the Company that my spouse may own, including any interest I might have therein.

I hereby agree that my interest, if any, in any shares of capital stock of the Company subject to the Agreement shall be irrevocably bound by the Agreement and further understand and agree that any community property interest I may have in such shares of capital stock of the Company shall be similarly bound by the Agreement.

I am aware that the legal, financial and related matters contained in the Agreement are complex and that I am free to seek independent professional guidance or counsel with respect to this Consent. I have either sought such guidance or counsel or determined after reviewing the Agreement carefully that I will waive such right.

Dated:

[*Name of Key Holder's Spouse*]

Exhibit 4.16

Execution Version

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED (INDICATED BY: [***]) FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) THE TYPE OF INFORMATION THAT THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE OR CONFIDENTIAL.

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

SONDE HEALTH, INC.

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AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**"), is made as of the 25th day of May, 2022, by and among Sonde Health, Inc., a Delaware corporation (the "**Company**"), and each of the investors listed on Schedule A hereto, each of which is referred to in this Agreement as an "**Investor**", and any purchaser that becomes a party to this Agreement in accordance with Section 6.9 hereof.

RECITALS

WHEREAS, certain of the Investors (the "**Existing Investors**") possess registration rights, information rights, rights of first offer, and other rights pursuant to that certain Investors' Rights Agreement dated as of April 9, 2019, by and among the Company and such Existing Investors (the "**Prior Agreement**"); and

WHEREAS, the Existing Investors are holders of at least sixty percent (60%) of the Series A-2 Preferred Stock, $0.0001 par value per share, of the Company (the "**Series A-2 Preferred Stock**"), and desire to amend and restate the Prior Agreement in its entirety and to accept the rights created pursuant to this Agreement in lieu of the rights granted to them under the Prior Agreement; and

WHEREAS, certain of the Investors are parties to that certain Series B Preferred Stock Purchase Agreement of even date herewith by and among the Company and such Investors (the "**Purchase Agreement**"), which provides that as a condition to closing of the issuance of Series B Preferred Stock, this Agreement must be executed and delivered by such Investors and the Company;

NOW, THEREFORE, the Existing Investors hereby agree that the Prior Agreement is hereby amended and restated in its entirety by this Agreement, and the parties to this Agreement further agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or registered investment company now or hereafter existing that is controlled by one or more general partners, managing members or investment adviser of, or shares the same management company or investment adviser with, such Person.

1.2 "**Board of Directors**" means the board of directors of the Company.

1.3 "**Certificate of Incorporation**" means the Company's Amended and Restated Certificate of Incorporation, as amended and/or restated from time to time.

1.4 "**Common Stock**" means shares of the Company's common stock, par value $0.0001 per share.

1.5 "**Competitor**" means a Person engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in analyzing speech as an indicator or predictor of a speaker's physical or mental health state or changes therein, but shall not include (a) **[***]**.

1.6 "**Damages**" means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.7 "**Derivative Securities**" means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly)**,** Common Stock, including options and warrants.

1.8 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.9 "**Excluded Registration**" means (i) a registration relating to the sale or grant of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, equity incentive or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.10 "**FOIA Party**" means a Person that, in the determination of the Board of Directors, may be subject to, and thereby required to disclose non-public information furnished by or relating to the Company under, the Freedom of Information Act, 5 U.S.C. 552 ("**FOIA**"), any state public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.

1.11 "**Form S-1**" means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.12 "**Form S-3**" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits forward incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.13 "**GAAP**" means generally accepted accounting principles in the United States as in effect from time to time.

1.14 "**Holder**" means any holder of Registrable Securities who is a party to this Agreement.

1.15 "**IFRS**" means the International Financial Reporting Standards.

1.16 "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, life-partner or similar statutorily-recognized domestic

partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including, adoptive relationships, of a natural person referred to herein.

1.17 "**Initiating Holders**" means, collectively, Holders who properly initiate a registration request under this Agreement.

1.18 "**IPO**" means the Company's first underwritten public offering of its Common Stock under the Securities Act.

1.19 "**Major Investor**" means any Investor that, individually or together with such Investor's Affiliates, holds at least **[***]** shares of Registrable Securities (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof).

1.20 "**New Securities**" means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

1.21 "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.22 "**Preferred Stock**" means, collectively, shares of the Company's Series A-1 Preferred Stock, Series A-2 Preferred Stock and Series B Preferred Stock.

1.23 "**Registrable Securities**" means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock; (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company**,** acquired by the Investors after the date hereof; and (iii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) and (ii) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Subsection 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Subsection 2.13 of this Agreement.

1.24 "**Registrable Securities then outstanding**" means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.25 "**Relevant Stockholder**" means each of **[***.]**

1.26 "**Restricted Securities**" means the securities of the Company required to be notated with the legend set forth in Subsection 2.12(b) hereof.

1.27 "**SEC**" means the Securities and Exchange Commission.

1.28 "**SEC Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act.

1.29 "**SEC Rule 145**" means Rule 145 promulgated by the SEC under the Securities Act.

1.30 "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.31 "**Selling Expenses**" means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Subsection 2.6.

2. Registration Rights. The Company covenants and agrees as follows:

1.1 Demand Registration.

(a) Form S-1 Demand. If at any time after the earlier of (i) **[***]** after the date of this Agreement or (ii) **[***]** after the effective date of the registration statement for the IPO, the Company receives a request from Holders of **[***]** of the Registrable Securities then outstanding that the Company file a Form S-1 registration statement with respect to at least **[***]** of the Registrable Securities then outstanding (or a lesser percent if the anticipated aggregate offering price, net of Selling Expenses, would exceed **[***]**), then the Company shall (x) within **[***]** after the date such request is given, give notice thereof (the "**Demand Notice**") to all Holders other than the Initiating Holders; and (y) as soon as practicable, and in any event within **[***]** after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within **[***]** of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(b) Form S-3 Demand. If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from Holders of at least **[***]** of the Registrable Securities then outstanding that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least **[***]**, then the Company shall (i) within **[***]** after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within **[***]** after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within **[***]** of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Subsection 2.1 a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Board of Directors it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than **[***]** after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than **[***]** in any

[***] period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during such [***] period other than an Excluded Registration.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(a)(i) during the period that is [***] before the Company's good faith estimate of the date of filing of, and ending on a date that is [***] after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (ii) after the Company has effected [***] registration pursuant to Subsection 2.1(a); or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Subsection 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(b) (i) during the period that is [***] before the Company's good faith estimate of the date of filing of, and ending on a date that is [***] after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) if the Company has effected [***] registrations pursuant to Subsection 2.1(b) within the [***] period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Subsection 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Subsection 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Subsection 2.1(d); provided, that if such withdrawal is during a period the Company has deferred taking action pursuant to Subsection 2.1(c), then the Initiating Holders may withdraw their request for registration and such registration will not be counted as "effected" for purposes of this Subsection 2.1(d).

1.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within [***] after such notice is given by the Company, the Company shall, subject to the provisions of Subsection 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Subsection 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Subsection 2.6.

1.3 Underwriting Requirements.

(a) If, pursuant to Subsection 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Subsection 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Initiating Holders, subject only to the reasonable approval of the Board of Directors. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Subsection 2.4(e)) enter into an underwriting

agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Subsection 2.3, if the underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Subsection 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering, or (ii) the number of Registrable Securities included in the offering be reduced below **[***]** of the total number of securities included in such offering, unless such offering is the IPO, in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. For purposes of the provision in this Subsection 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

1.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to **[***]** or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that such **[***]** period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any managing underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

1.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

1.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements of one counsel for the selling Holders ("**Selling Holder Counsel**"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Subsection 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Subsections 2.1(a) or 2.1(b), as the case may be. All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

1.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

1.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and stockholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such

Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Subsections 2.8(b) and 2.8(d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Subsection 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Subsection 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Subsection 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Subsection 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Subsection 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a

material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Subsection 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Subsection 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Subsection 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

1.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after **[***]** after the effective date of the registration statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies; and (ii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

1.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of **[***]**, enter into any agreement with any holder or prospective holder of any securities of the Company that would provide to such holder or prospective holder the right to include securities in any registration on

other than either a pro rata basis with respect to the Registrable Securities or on a subordinate basis after all Holders have had the opportunity to include in the registration and offering all shares of Registrable Securities that they wish to so include; provided that this limitation shall not apply to Registrable Securities acquired by any additional Investor that becomes a party to this Agreement in accordance with Subsection 6.9.

1.11 Market Stand-off Agreement. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the registration by the Company for its own behalf of shares of its Common Stock or any other equity securities under the Securities Act on a registration statement on Form S-1 or Form S-3, and ending on the date specified by the Company and the managing underwriter (such period not to exceed **[***]** in the case of the IPO, or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in applicable FINRA rules, or any successor provisions or amendments thereto), or ninety (90) days in the case of any registration other than the IPO, or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in applicable FINRA rules, or any successor provisions or amendments thereto), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement for such offering or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Subsection 2.11 shall apply only to the IPO, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, or the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the immediate family of the Holder, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, and shall be applicable to the Holders only if all officers and directors are subject to the same restrictions and the Company uses commercially reasonable efforts to obtain a similar agreement from all stockholders individually owning more than **[***]** of the Company's outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding Preferred Stock). The underwriters in connection with such registration are intended third-party beneficiaries of this Subsection 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Subsection 2.11 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Company stockholders that are subject to such agreements, based on the number of shares subject to such agreements, except that, notwithstanding the foregoing, the Company and the underwriters may, in their sole discretion, waive or terminate these restrictions with respect to up to **[***]** of the Common Stock.

1.12 Restrictions on Transfer.

(a) The Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer,

except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Stock and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

(b) Each certificate, instrument, or book entry representing (i) the Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Subsection 2.12(c)) be notated with a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.

THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Subsection 2.12.

(c) The holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144; or (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that each transferee agrees in writing to be subject to the terms of this Subsection 2.12. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Subsection 2.12(b), except that such certificate instrument, or book entry shall not be notated with such restrictive legend if, in the opinion of

counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

1.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Subsections 2.1 or 2.2 shall terminate upon the earliest to occur of: **[***]**.

3. Information and Observer Rights.

1.1 Delivery of Financial Statements. The Company shall deliver to each Major Investor, provided that the Board of Directors has not reasonably determined that such Major Investor is a Competitor of the Company:

(a) as soon as practicable, but in any event within **[***]** after the end of each fiscal year of the Company (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year and as included in the Budget (as defined in Subsection 3.1(d)) for such year, with an explanation of any material differences between such amounts and a schedule as to the sources and applications of funds for such year, and (iii) a statement of stockholders' equity as of the end of such year;

(b) as soon as practicable, but in any event within **[***]** days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event within **[***]** after the end of each of the first three (3) quarters of each fiscal year of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit the Major Investors to calculate their respective percentage equity ownership in the Company, and certified by the chief financial officer or chief executive officer of the Company as being true, complete, and correct;

(d) as soon as practicable, but in any event **[***]** before the end of each fiscal year, a budget and business plan for the next fiscal year (collectively, the "**Budget**"), approved by the Board of Directors prepared on a monthly basis, including balance sheets, income statements, and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company;

(e) with respect to the financial statements called for in Subsection 3.1(a), Subsection 3.1(b) and Subsection 3.1(d), an instrument executed by the chief financial officer or chief executive officer of the Company certifying that such financial statements were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (except as otherwise set forth in Subsection 3.1(b) and Subsection 3.1(d)) and fairly present the financial condition of the Company and its results of operation for the periods specified therein;

(f) to the extent any Major Investor so requests, copies of the financial statements called for in Subsection 3.1(a), Subsection 3.1(b) and Subsection 3.1(d) prepared in accordance with IFRS (except that such financial statements called for in Subsection 3.1(b) may be (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with IFRS); and

(g) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as any Major Investor may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Subsection 3.1 to provide information (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company); or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Subsection 3.1 to the contrary, the Company may cease providing the information set forth in this Subsection 3.1 during the period starting with the date **[***]** before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Subsection 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

1.2 Inspection. The Company shall permit each Major Investor (provided that the Board of Directors has not reasonably determined that such Major Investor is a Competitor of the Company), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Subsection 3.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

1.3 Observer Rights. **[***]**.

1.4 Termination of Information and Observer Rights. The covenants set forth in Subsection 3.1, Subsection 3.2, and Subsection 3.3 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first.

1.5 Confidentiality. Each Investor agrees that such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Subsection 3.5 by such Investor), (b) is or has

been independently developed or conceived by such Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to such Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees to be bound by the provisions of this Subsection 3.5 and such prospective purchaser is not a Competitor of the Company; (iii) to any existing or prospective Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, regulation, rule, court order or subpoena, provided that such Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

4. Rights to Future Stock Issuances.

1.1 Right of First Offer. Subject to the terms and conditions of this Subsection 4.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Major Investor. A Major Investor shall be entitled to apportion the right of first offer hereby granted to it in such proportions as it deems appropriate, among (i) itself, (ii) its Affiliates and (iii) its beneficial interest holders, such as limited partners, members or any other Person having "beneficial ownership," as such term is defined in Rule 13d-3 promulgated under the Exchange Act, of such Major Investor ("**Investor Beneficial Owners**"); provided that each such Affiliate or Investor Beneficial Owner (x) is not a Competitor or FOIA Party, unless such party's purchase of New Securities is otherwise consented to by the Board of Directors, (y) agrees to enter into this Agreement and each of the Amended and Restated Voting Agreement and Amended and Restated Right of First Refusal and Co-Sale Agreement of even date herewith among the Company, the Investors and the other parties named therein, as an "**Investor**" under each such agreement (provided that any Competitor or FOIA Party shall not be entitled to any rights as a Major Investor under Subsections 3.1, 3.2 and 4.1 hereof), and (z) agrees to purchase at least such number of New Securities as are allocable hereunder to the Major Investor holding the fewest number of Preferred Stock and any other Derivative Securities.

(a) The Company shall give notice (the "**Offer Notice**") to each Major Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within **[***]** after the Offer Notice is given, each Major Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock then held by such Major Investor (including all shares of Common Stock then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by such Major Investor) bears to the total Common Stock of the Company then held by all the Major Investors (including all shares of Common Stock issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by all the Major Investors). At the expiration of such **[***]** period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to it (each, a "**Fully Exercising Investor**") of any other Major Investor's failure to do likewise. During the **[***]** period commencing after the Company has given such notice, each Fully Exercising

Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Major Investors were entitled to subscribe but that were not subscribed for by the Major Investors which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Subsection 4.1(b) shall occur within the later of **[***]** of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Subsection 4.1(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Subsection 4.1(b), the Company may, during the **[***]** period following the expiration of the periods provided in Subsection 4.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within **[***]** of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors in accordance with this Subsection 4.1.

(d) The right of first offer in this Subsection 4.1 shall not be applicable to (i) Exempted Securities (as defined in the Certificate of Incorporation); (ii) shares of Common Stock issued in the IPO and (iii) shares of Series B Preferred Stock issued pursuant to Section 1.4 of the Purchase Agreement.

1.2 Termination. The covenants set forth in Subsection 4.1 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first.

5. Additional Covenants.

1.1 Insurance. The Company shall continue to maintain Directors and Officers liability insurance in an amount and on terms and conditions satisfactory to the Board of Directors, and will use commercially reasonable efforts to cause such insurance policies to be maintained until such time as the Board of Directors determines that such insurance should be discontinued. The Directors and Officers liability insurance shall not be cancelable by the Company without prior approval by the Board of Directors. Notwithstanding any other provision of this Section 5.1 to the contrary, for so long as **[***]** is serving on the Board of Directors, the Company shall not cease to maintain a Directors and Officers liability insurance policy in an amount of at least **[***]** unless approved by **[***]**, and the Company shall annually, within **[***]** after the end of each fiscal year of the Company, deliver to the holders of Preferred Stock a certification that such a Directors and Officers liability insurance policy remains in effect.

1.2 Employee Agreements. The Company will cause each Person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets to enter into a nondisclosure and proprietary rights assignment agreement. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any

of the above-referenced agreements or any restricted stock agreement between the Company and any employee, without the consent of the Board of Directors.

1.3 Employee Stock. Unless otherwise approved by the Board of Directors, all future employees and consultants of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (i) vesting of shares over a **[***]** period, with the first **[***]** of such shares vesting following **[***]** of continued employment or service, and the remaining shares vesting in equal installments every **[***]** over the following **[***]**, and (ii) a market stand-off provision substantially similar to that in Subsection 2.11. Without the prior approval by the Board of Directors, the Company shall not amend, modify, terminate, waive or otherwise alter, in whole or in part, any stock purchase, stock restriction or option agreement with any existing employee or service provider if such amendment would cause it to be inconsistent with this Subsection 5.3. In addition, unless otherwise approved by the Board of Directors, the Company shall retain (and not waive) a "right of first refusal" on employee transfers until the Company's IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock.

1.4 Qualified Small Business Stock. The Company shall use commercially reasonable efforts to cause the shares of Series B Preferred Stock issued pursuant to the Purchase Agreement, as well as any shares into which such shares are converted, within the meaning of Section 1202(f) of the Internal Revenue Code (the "**Code**"), to constitute "qualified small business stock" as defined in Section 1202(c) of the Code; provided, however, that such requirement shall not be applicable if the Board of Directors of the Company determines, in its good-faith business judgment, that such qualification is inconsistent with the best interests of the Company. The Company shall submit to its stockholders (including the Investors) and to the Internal Revenue Service any reports that may be required under Section 1202(d)(1)(C) of the Code and the regulations promulgated thereunder. In addition, within twenty (20) business days after any Investor's written request therefor, the Company shall, at its option, either (i) deliver to such Investor a written statement indicating whether (and what portion of) such Investor's interest in the Company constitutes "qualified small business stock" as defined in Section 1202(c) of the Code or (ii) deliver to such Investor such factual information in the Company's possession as is reasonably necessary to enable such Investor to determine whether (and what portion of) such Investor's interest in the Company constitutes "qualified small business stock" as defined in Section 1202(c) of the Code.

1.5 Board Matters. Unless otherwise determined by the vote of a majority of the directors then in office, the Board of Directors shall meet at least quarterly in accordance with an agreed-upon schedule. The Company shall reimburse all directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board of Directors. The Company shall also maintain a formal scientific advisory board comprised of outside scientists who shall from time to time advise the Board of Directors and Company on matters within their expertise.

1.6 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, the Certificate of Incorporation, or elsewhere, as the case may be.

1.7 Expenses of Counsel. In the event of a transaction which is a Sale of the Company (as defined in the Amended and Restated Voting Agreement of even date herewith among the Investors, the Company and the other parties named therein), the reasonable fees and disbursements of one counsel for the Major Investors ("**Investor Counsel**"), in their capacities as stockholders, shall be borne and paid by the Company. Investor Counsel shall be selected by Major Investors possessing a majority of the Registrable Securities held by Major Investors. At the outset of considering a transaction which, if consummated would constitute a Sale of the Company, the Company shall obtain the ability to share with the Investor Counsel (and such counsel's clients) and shall share the confidential information (including, without limitation, the initial and all subsequent drafts of memoranda of understanding, letters of intent and other transaction documents and related noncompete, employment, consulting and other compensation agreements and plans) pertaining to and memorializing any of the transactions which, individually or when aggregated with others would constitute the Sale of the Company. The Company shall be obligated to share (and cause the Company's counsel and investment bankers to share) such materials when distributed to the Company's executives and/or any one or more of the other parties to such transaction(s). In the event that Investor Counsel deems it appropriate, in its reasonable discretion, to enter into a joint defense agreement or other arrangement to enhance the ability of the parties to protect their communications and other reviewed materials under the attorney client privilege, the Company shall, and shall direct its counsel to, execute and deliver to Investor Counsel and its clients such an agreement in form and substance reasonably acceptable to Investor Counsel and the Company's counsel. In the event that one or more of the other party or parties to such transactions require the clients of Investor Counsel to enter into a confidentiality agreement and/or joint defense agreement in order to receive such information, then the Company shall share whatever information can be shared without entry into such agreement and shall, at the same time, in good faith work expeditiously to enable Investor Counsel and its clients to negotiate and enter into the appropriate agreement(s) without undue burden to the clients of Investor Counsel.

1.8 Indemnification Matters. The Company hereby acknowledges that one (1) or more of the directors nominated to serve on the Board of Directors by the Investors (each an "**Investor Director**") may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Investors and certain of their Affiliates (collectively, the "**Investor Indemnitors**"). The Company hereby agrees (a) that it is the indemnitor of first resort (*i.e.*, its obligations to any such Investor Director are primary and any obligation of the Investor Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Investor Director are secondary), (b) that it shall be required to advance the full amount of expenses incurred by such Investor Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Investor Director to the extent legally permitted and as required by the Company's Certificate of Incorporation or Bylaws of the Company (or any agreement between the Company and such Investor Director), without regard to any rights such Investor Director may have against the Investor Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Investor Indemnitors from any and all claims against the Investor Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Investor Indemnitors on behalf of any such Investor Director with respect to any claim for which such Investor Director has sought indemnification from the Company shall affect the foregoing and the Investor Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Investor Director against the Company. The Investor Directors and the Investor Indemnitors are intended third-party beneficiaries of this Subsection 5.9 and shall have the right, power and authority to enforce the provisions of this Subsection 5.9 as though they were a party to this Agreement.

1.9 Right to Conduct Activities. **[***]**

1.10 Harassment Policy. The Company is subject to and shall maintain (i) a Code of Conduct governing appropriate workplace behavior and (ii) an Anti-Harassment and Discrimination Policy prohibiting discrimination and harassment at the Company.

1.11 Termination of Covenants. The covenants set forth in this Section 5, except for Subsections 5.7, 5.8, 5.9 and 5.10 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first.

6. Miscellaneous.

1.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; or (iii) after such transfer, holds at least **[***]** shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations); provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Subsection 2.11. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall, as a condition to the applicable transfer, establish a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

1.2 Governing Law. This Agreement shall be governed by the internal law of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

1.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes**.**

1.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

1.5 Notices.

(a) All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Subsection 6.5.

(b) Consent to Electronic Notice. Each Investor consents to the delivery of any stockholder notice pursuant to the Delaware General Corporation Law (the "**DGCL**"), as amended or superseded from time to time, by electronic transmission pursuant to Section 232 of the DGCL (or any successor thereto) at the electronic mail address or the facsimile number as on the books of the Company. To the extent that any notice given by means of electronic transmission is returned or undeliverable for any reason, the foregoing consent shall be deemed to have been revoked until a new or corrected electronic mail address has been provided, and such attempted electronic notice shall be ineffective and deemed to not have been given. Each Investor agrees to promptly notify the Company of any change in such stockholder's electronic mail address, and that failure to do so shall not affect the foregoing.

1.6 Amendments and Waivers. Any term of this Agreement may be amended, modified or terminated and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and [***]; provided that the Company may in its sole discretion waive compliance with Subsection 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Subsection 2.12(c) shall be deemed to be a waiver); and provided further that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, (a) this Agreement may not be amended, modified or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, modification, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction), (b) Subsections 3.1 and 3.2, Section 4 and any other section of this Agreement applicable to the Major Investors (including this clause (b) of this Subsection 6.6) may not be amended, modified, terminated or waived without the written consent of the holders of at least a majority of the Registrable Securities then outstanding and held by the Major Investors and (c) the rights of a Relevant Stockholder under Subsection 3.3 may not be amended, modified, terminated or waived without the written consent of the Relevant Stockholder. Notwithstanding the foregoing, Schedule A hereto may be amended by the Company from time to time to add transferees of any Registrable Securities in compliance with the terms of this Agreement without the consent of the other parties; and Schedule A hereto may also be amended by the Company after the date of this Agreement without the consent of the other parties to add information regarding any additional Investor who becomes a party to this Agreement in accordance with Subsection 6.9. The Company shall give prompt notice of any amendment, modification or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, modification, termination, or waiver. Any amendment, modification, termination, or waiver effected in accordance with this Subsection 6.6 shall be binding on all parties hereto,

regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

1.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

1.8 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

1.9 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of Series B Preferred Stock after the date hereof, whether pursuant to the Purchase Agreement or otherwise, any purchaser of such shares of Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder.

1.10 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled. Upon the effectiveness of this Agreement, the Prior Agreement shall be deemed amended and restated and superseded and replaced in its entirety by this Agreement, and shall be of no further force or effect.

1.11 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of Delaware and to the jurisdiction of the United States District Court for the District of Delaware for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of Delaware or the United States District Court for the District of Delaware, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL

NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

1.12 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or non-defaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

1.13 No Presumption against Drafter. The parties have participated jointly in negotiating and drafting this agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

SONDE HEALTH, INC.

By: /s/ David Liu
Name: David Liu
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/[***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

PURETECH HEALTH LLC

By: /s/ Bharatt Chowrira
Name: Bharatt Chowrira
Title: President

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/[***]__
Name: [***]
Title: [***]

By: /s/[***]__
Name: [***]
Title: [***]

Signature Page to Amended and Restated Investors' Rights Agreement

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/[***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: [***]

By: /s/[***]
Name: [***]
Title: [***]

Signature Page to Amended and Restated Investors' Rights Agreement

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/[***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

/s/[***]
[***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

/s/[***]__
[***]

Signature Page to Amended and Restated Investors' Rights Agreement

Signature Page to Amended and Restated Investors' Rights Agreement

SCHEDULE A

Investors

[***]

Exhibit 4.17

Execution Version

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED (INDICATED BY: [***]) FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) THE TYPE OF INFORMATION THAT THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE OR CONFIDENTIAL.

AMENDED AND RESTATED RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT
SONDE HEALTH, INC.

Exhibit 4.17

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Schedule A - Investors
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AMENDED AND RESTATED RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT

THIS AMENDED AND RESTATED RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT (this "**Agreement**"), is made as of the 25th day of May, 2022 by and among Sonde Health, Inc., a Delaware corporation (the "**Company**"), the Investors (as defined below) listed on Schedule A and the Key Holders (as defined below) listed on Schedule B.

WHEREAS, each Key Holder is the beneficial owner of the number of shares of Capital Stock (which may be subject to vesting), or of options to purchase Common Stock, set forth opposite the name of such Key Holder on Schedule B;

WHEREAS, the Company, the Key Holders and certain Investors (the "**Existing Investors**") previously entered into a Right of First Refusal and Co-Sale Agreement, dated April 9, 2019 (the "**Prior Agreement**"), in connection with the purchase of shares of Series A-2 Preferred Stock of the Company, par value $0.0001 per share (the "**Series A-2 Preferred Stock**");

WHEREAS, the Key Holders, the Existing Investors and the Company desire to induce certain of the Investors to purchase shares of Series B Preferred Stock of the Company, par value $0.0001 per share ("Series B Preferred Stock"), pursuant to that certain Series B Preferred Stock Purchase Agreement dated as of the date hereof by and among the Company and such Investors, as amended from time to time (the "**Purchase Agreement**") by amending and restating the Prior Agreement in its entirety to provide the Investors with the rights and privileges as set forth herein.

NOW, THEREFORE, the Company, the Key Holders, and the Investors, including certain of the Existing Investors each hereby agree that the Prior Agreement is hereby amended and restated in its entirety by this Agreement, and the parties hereto further agree as follows:

1. Definitions.

1.1 "**Affiliate**" means, with respect to any specified Investor, any other Investor who directly or indirectly, controls, is controlled by or is under common control with such Investor, including, without limitation, any general partner, managing member, officer, director or trustee of such Investor, or any venture capital fund or registered investment company now or hereafter existing which is controlled by one or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Investor.

1.2 "**Board of Directors**" means the board of directors of the Company.

1.3 "**Capital Stock**" means (a) shares of Common Stock and Preferred Stock (whether now outstanding or hereafter issued in any context), (b) shares of Common Stock issued or issuable upon conversion of Preferred Stock, and (c) shares of Common Stock issued or issuable upon exercise or conversion, as applicable, of stock options, warrants or other convertible securities of the Company, in each case now owned or subsequently acquired by any Key Holder, any Investor, or their respective successors or permitted transferees or assigns. For purposes of the number of shares of Capital Stock held by an Investor or Key Holder (or any other calculation based thereon), all shares of Preferred Stock shall be deemed to have been converted into Common Stock at the then-applicable conversion ratio.

1.4 "**Change of Control**" means a transaction or series of related transactions in which a person, or a group of related persons, acquires from stockholders of the Company

shares representing more than fifty percent (50%) of the outstanding voting power of the Company.

1.5 "**Common Stock**" means shares of Common Stock of the Company, par value $0.0001 per share.

1.6 "**Deemed Liquidation Event**" shall have the meaning ascribed to such term in the Restated Certificate.

1.7 "**Investors**" means the persons named on Schedule A hereto, each person to whom the rights of an Investor are assigned pursuant to Subsection 6.9, each person who hereafter becomes a signatory to this Agreement pursuant to Subsection 6.11 and any one of them, as the context may require.

1.8 "**Key Holders**" means the persons named on Schedule B hereto, each person to whom the rights of a Key Holder are assigned pursuant to Subsection 3.1, each person who hereafter becomes a signatory to this Agreement pursuant to Subsection 6.9 or 6.17 and any one of them, as the context may require.

1.9 "**Preferred Stock**" means collectively, all shares of Series A-1 Preferred Stock, Series A-2 Preferred Stock and Series B Preferred Stock.

1.10 "**Proposed Key Holder Transfer**" means any assignment, sale, offer to sell, pledge, mortgage, hypothecation, encumbrance, disposition of or any other like transfer or encumbering of any Transfer Stock (or any interest therein) proposed by any of the Key Holders.

1.11 "**Proposed Transfer Notice**" means written notice from a Key Holder setting forth the terms and conditions of a Proposed Key Holder Transfer.

1.12 "**Prospective Transferee**" means any person to whom a Key Holder proposes to make a Proposed Key Holder Transfer.

1.13 "**Restated Certificate**" means the Company's Amended and Restated Certificate of Incorporation, as amended and/or restated from time to time.

1.14 "**Right of Co-Sale**" means the right, but not an obligation, of an Investor to participate in a Proposed Key Holder Transfer on the terms and conditions specified in the Proposed Transfer Notice.

1.15 "**Right of First Refusal**" means the right, but not an obligation, of each Investor, to purchase up to its pro rata portion (based upon the total number of shares of Capital Stock then held by all Investors) of the Transfer Stock with respect to a Proposed Key Holder Transfer, on the terms and conditions specified in the Proposed Transfer Notice.

1.16 "**Secondary Refusal Right**" means the right, but not an obligation, of the Company to purchase any Transfer Stock not purchased pursuant to the Right of First Refusal on the terms and conditions specified in the Proposed Transfer Notice.

1.17 "**Series A-1 Preferred Stock**" means the Series A-1 Preferred Stock of the Company, par value $0.0001 per share.

1.18 "**Transfer Stock**" means shares of Capital Stock owned by a Key Holder, or issued to a Key Holder after the date hereof (including, without limitation, in connection with any stock split, stock dividend, recapitalization, reorganization, or the like), but does not include

any shares of Preferred Stock or of Common Stock that are issued or issuable upon conversion of Preferred Stock.

2. Agreement Among the Company, the Investors and the Key Holders.

1.1 Right of First Refusal.

(a) Grant. Subject to the terms of Section 3 below, each Key Holder hereby unconditionally and irrevocably grants to the Investors a Right of First Refusal to purchase all or any portion of Transfer Stock that such Key Holder may propose to transfer in a Proposed Key Holder Transfer, at the same price and on the same terms and conditions as those offered to the Prospective Transferee.

(b) Notice. Each Key Holder proposing to make a Proposed Key Holder Transfer must deliver a Proposed Transfer Notice to the Company and each Investor not later than **[***]** prior to the consummation of such Proposed Key Holder Transfer. Such Proposed Transfer Notice shall contain the material terms and conditions (including price and form of consideration) of the Proposed Key Holder Transfer, a statement including the name and, if different, the ultimate beneficial owner of the Prospective Transferee, and the intended date of the Proposed Key Holder Transfer. To exercise its Right of First Refusal under this Section 2, an Investor must deliver notice to the selling Key Holder and the Company within **[***]** after delivery of the Proposed Transfer Notice (the "**Notice Period**") specifying the number of shares of Transfer Stock to be purchased by said Investor. In the event of a conflict between this Agreement and any other agreement that may have been entered into by a Key Holder with the Company that contains a preexisting right of first refusal, the Company and the Key Holder acknowledge and agree that the terms of this Agreement shall control and the preexisting right of first refusal shall be deemed satisfied by compliance with Subsection 2.1(a) and this Subsection 2.1(b).

(c) Undersubscription of Transfer Stock. If options to purchase have been exercised by the Investors pursuant to Subsection 2.1(b) with respect to some but not all of the Transfer Stock by the end of the Notice Period, then the Company shall, within **[***]** after the expiration of the Notice Period, send written notice to those Investors who fully exercised their Right of First Refusal within the initial Notice Period (the "**Exercising Investors**"). Each Exercising Investor shall, subject to the provisions of this Subsection 2.1(c), have an additional option to purchase all or any part of the balance of any such remaining unsubscribed shares of Transfer Stock on the terms and conditions set forth in the Proposed Transfer Notice. To exercise such option, an Exercising Investor must deliver notice to the selling Key Holder and the Company within **[***]** after the expiration of the Notice Period (the "**Undersubscription Notice Period**"). In the event there are **[***]** or more such Exercising Investors that choose to exercise the last-mentioned option for a total number of remaining shares in excess of the number available, the remaining shares available for purchase under this Subsection 2.1(c) shall be allocated to such Exercising Investors pro rata based on the number of shares of Capital Stock such Exercising Investors hold. If the options to purchase the remaining shares are exercised in full by the Exercising Investors, the Company shall immediately notify all of the Exercising Investors and the selling Key Holder of that fact.

(d) Grant of Secondary Refusal Right to Company. Subject to the terms of Section 3 below, each Key Holder hereby unconditionally and irrevocably grants to the Company a Secondary Refusal Right to purchase all or any portion of the Transfer Stock not purchased by the Investors pursuant to the Right of First Refusal pursuant to Subsections 2.1(b) and 2.1(c), as provided in this Subsection 2.1(d). To exercise its Secondary Refusal Right, the Company must deliver a notice to the selling Key Holder within **[***]** after the expiration of the Undersubscription Notice Period (the "**Secondary Exercise Deadline**"). In the event of a

conflict between this Agreement and any other agreement that may have been entered into by a Key Holder with the Company that contains a preexisting right of first refusal, the Company and the Key Holder acknowledge and agree that the terms of this Agreement shall control and the preexisting right of first refusal shall be deemed satisfied by compliance with Subsection 2.1(a), Subsection 2.1(b), Subsection 2.1(c), and this Subsection 2.1(d).

(e) Consideration; Closing. If the consideration proposed to be paid for the Transfer Stock is in property, services or other non-cash consideration, the fair market value of the consideration shall be as determined in good faith by the Board of Directors. If the Company or any Investor cannot for any reason pay for the Transfer Stock in the same form of non-cash consideration, the Company or such Investor may pay the cash value equivalent thereof, as determined in good faith by the Board of Directors and as set forth in the Proposed Transfer Notice. The closing of the purchase of Transfer Stock by the Company and the Investors shall take place, and all payments from the Company and the Investors shall have been delivered to the selling Key Holder, by the later of (i) the date specified in the Proposed Transfer Notice as the intended date of the Proposed Key Holder Transfer; and (ii) **[***]** after delivery of the Proposed Transfer Notice.

1.2 Right of Co-Sale.

(a) Exercise of Right. If any Transfer Stock subject to a Proposed Key Holder Transfer is not purchased pursuant to Subsection 2.1 above and thereafter is to be sold to a Prospective Transferee, each respective Investor may elect to exercise its Right of Co-Sale and participate on a pro rata basis in the Proposed Key Holder Transfer as set forth in Subsection 2.2(b) below and, subject to Subsection 2.2(d), otherwise on the same terms and conditions specified in the Proposed Transfer Notice. Each Investor who desires to exercise its Right of Co-Sale (each, a "**Participating Investor**") must give the selling Key Holder written notice to that effect within **[***]** after the delivery of the Secondary Exercise Deadline described above, and upon giving such notice such Participating Investor shall be deemed to have effectively exercised the Right of Co-Sale.

(b) Shares Includable. Each Participating Investor may include in the Proposed Key Holder Transfer all or any part of such Participating Investor's Capital Stock equal to the product obtained by multiplying (i) the aggregate number of shares of Transfer Stock subject to the Proposed Key Holder Transfer (excluding shares purchased by the Company or the Participating Investors pursuant to the Right of First Refusal or Secondary Refusal Right) by (ii) a fraction, the numerator of which is the number of shares of Capital Stock owned by such Participating Investor immediately before consummation of the Proposed Key Holder Transfer (including any shares that such Participating Investor has agreed to purchase pursuant to the Right of First Refusal) and the denominator of which is the total number of shares of Capital Stock owned, in the aggregate, by all Participating Investors immediately prior to the consummation of the Proposed Key Holder Transfer (including any shares that all Participating Investors have collectively agreed to purchase pursuant to the Right of First Refusal), plus the number of shares of Transfer Stock held by the selling Key Holder. To the extent one (1) or more of the Participating Investors exercise such right of participation in accordance with the terms and conditions set forth herein, the number of shares of Transfer Stock that the selling Key Holder may sell in the Proposed Key Holder Transfer shall be correspondingly reduced.

(c) Purchase and Sale Agreement. The Participating Investors and the selling Key Holder agree that the terms and conditions of any Proposed Key Holder Transfer in accordance with this Subsection 2.2 will be memorialized in, and governed by, a written purchase and sale agreement with the Prospective Transferee (the "**Purchase and Sale Agreement**") with customary terms and provisions for such a transaction, and the Participating Investors and the selling Key Holder further covenant and agree to enter into such Purchase and

Sale Agreement as a condition precedent to any sale or other transfer in accordance with this Subsection 2.2.

(d) Allocation of Consideration.

(i) Subject to Subsection 2.2(d)(ii), the aggregate consideration payable to the Participating Investors and the selling Key Holder shall be allocated based on the number of shares of Capital Stock sold to the Prospective Transferee by each Participating Investor and the selling Key Holder as provided in Subsection 2.2(b), provided that if a Participating Investor wishes to sell Preferred Stock, the price set forth in the Proposed Transfer Notice shall be appropriately adjusted based on the conversion ratio of the Preferred Stock into Common Stock.

(ii) In the event that the Proposed Key Holder Transfer constitutes a Change of Control, the terms of the Purchase and Sale Agreement shall provide that the aggregate consideration from such transfer shall be allocated to the Participating Investors and the selling Key Holder in accordance with Sections 2.1 and 2.2 of Article IV(B) of the Restated Certificate as if (A) such transfer were a Deemed Liquidation Event and (B) the Capital Stock sold in accordance with the Purchase and Sale Agreement were the only Capital Stock outstanding. In the event that a portion of the aggregate consideration payable to the Participating Investor(s) and selling Key Holder is placed into escrow and/or is payable only upon satisfaction of contingencies, the Purchase and Sale Agreement shall provide that (x) the portion of such consideration that is not placed in escrow and is not subject to contingencies (the "**Initial Consideration**") shall be allocated in accordance with Sections 2.1 and 2.2 of Article IV(B) of the Restated Certificate as if the Initial Consideration were the only consideration payable in connection with such transfer, and (y) any additional consideration which becomes payable to the Participating Investor(s) and selling Key Holder upon release from escrow or satisfaction of such contingencies shall be allocated in accordance with Sections 2.1 and 2.2 of Article IV(B) of the Restated Certificate after taking into account the previous payment of the Initial Consideration as part of the same transfer.

(e) Purchase by Selling Key Holder; Deliveries. Notwithstanding Subsection 2.2(c) above, if any Prospective Transferee(s) refuse(s) to purchase securities subject to the Right of Co-Sale from any Participating Investor or Investors or upon the failure to negotiate in good faith a Purchase and Sale Agreement reasonably satisfactory to the Participating Investors, no Key Holder may sell any Transfer Stock to such Prospective Transferee(s) unless and until, simultaneously with such sale, such Key Holder purchases all securities subject to the Right of Co-Sale from such Participating Investor or Investors on the same terms and conditions (including the proposed purchase price) as set forth in the Proposed Transfer Notice and as provided in Subsection 2.2(d)(i); provided, however, if such sale constitutes a Change of Control, the portion of the aggregate consideration paid by the selling Key Holder to such Participating Investor or Investors shall be made in accordance with the first sentence of Subsection 2.2(d)(ii). In connection with such purchase by the selling Key Holder, such Participating Investor or Investors shall deliver to the selling Key Holder any stock certificate or certificates, properly endorsed for transfer, representing the Capital Stock being purchased by the selling Key Holder (or request that the Company effect such transfer in the name of the selling Key Holder). Any such shares transferred to the selling Key Holder will be transferred to the Prospective Transferee against payment therefor in consummation of the sale of the Transfer Stock pursuant to the terms and conditions specified in the Proposed Transfer Notice, and the selling Key Holder shall concurrently therewith remit or direct payment to each such Participating Investor the portion of the aggregate consideration to which each such Participating Investor is entitled by reason of its participation in such sale as provided in this Subsection 2.2(e).

(f) Additional Compliance. If any Proposed Key Holder Transfer is not consummated within **[***]** after receipt of the Proposed Transfer Notice by the Company, the Key Holders proposing the Proposed Key Holder Transfer may not sell any Transfer Stock unless they first comply in full with each provision of this Section 2. The exercise or election not to exercise any right by any Investor hereunder shall not adversely affect its right to participate in any other sales of Transfer Stock subject to this Subsection 2.2.

1.3 Effect of Failure to Comply.

(a) Transfer Void; Equitable Relief. Any Proposed Key Holder Transfer not made in compliance with the requirements of this Agreement shall be null and void ab initio, shall not be recorded on the books of the Company or its transfer agent and shall not be recognized by the Company. Each party hereto acknowledges and agrees that any breach of this Agreement would result in substantial harm to the other parties hereto for which monetary damages alone could not adequately compensate. Therefore, the parties hereto unconditionally and irrevocably agree that any non-breaching party hereto shall be entitled to seek protective orders, injunctive relief and other remedies available at law or in equity (including, without limitation, seeking specific performance or the rescission of purchases, sales and other transfers of Transfer Stock not made in strict compliance with this Agreement).

(b) Violation of First Refusal Right. If any Key Holder becomes obligated to sell any Transfer Stock to the Company or any Investor under this Agreement and fails to deliver such Transfer Stock in accordance with the terms of this Agreement, the Company and/or such Investor may, at its option, in addition to all other remedies it may have, send to such Key Holder the purchase price for such Transfer Stock as is herein specified and transfer to the name of the Company or such Investor (or request that the Company effect such transfer in the name of an Investor) on the Company's books any certificates, instruments, or book entry representing the Transfer Stock to be sold.

(c) Violation of Co-Sale Right. If any Key Holder purports to sell any Transfer Stock in contravention of the Right of Co-Sale (a "**Prohibited Transfer**"), each Participating Investor who desires to exercise its Right of Co-Sale under Subsection 2.2 may, in addition to such remedies as may be available by law, in equity or hereunder, require such Key Holder to purchase from such Participating Investor the type and number of shares of Capital Stock that such Participating Investor would have been entitled to sell to the Prospective Transferee had the Prohibited Transfer been effected in compliance with the terms of Subsection 2.2. The sale will be made on the same terms, including, without limitation, as provided in Subsection 2.2(d)(i) and the first sentence of Subsection 2.2(d)(ii), as applicable, and subject to the same conditions as would have applied had the Key Holder not made the Prohibited Transfer, except that the sale (including, without limitation, the delivery of the purchase price) must be made within **[***]** after the Participating Investor learns of the Prohibited Transfer, as opposed to the timeframe proscribed in Subsection 2.2. Such Key Holder shall also reimburse each Participating Investor for any and all reasonable and documented out-of-pocket fees and expenses, including reasonable legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of the Participating Investor's rights under Subsection 2.2.

3. Exempt Transfers.

1.1 Exempted Transfers. Notwithstanding the foregoing or anything to the contrary herein, the provisions of Subsections 2.1 and 2.2 shall not apply (a) in the case of a Key Holder that is an entity, upon a transfer by such Key Holder to its stockholders, members, partners or other equity holders, (b) to a repurchase of Transfer Stock from a Key Holder by the Company at a price no greater than that originally paid by such Key Holder for such Transfer Stock and pursuant to an agreement containing vesting and/or repurchase provisions approved by

a majority of the Board of Directors, or (c) in the case of a Key Holder that is a natural person, upon a transfer of Transfer Stock by such Key Holder made for bona fide estate planning purposes, either during his or her lifetime or on death by will or intestacy to his or her spouse, including any life partner or similar statutorily-recognized domestic partner, child (natural or adopted), or any other direct lineal descendant of such Key Holder (or his or her spouse, including any life partner or similar statutorily-recognized domestic partner) (all of the foregoing collectively referred to as "family members"), or any other relative/person approved by the Board of Directors, or any custodian or trustee of any trust, partnership or limited liability company for the benefit of, or the ownership interests of which are owned wholly by such Key Holder or any such family members; provided that in the case of clause(s) (a), or (c), the Key Holder shall deliver prior written notice to the Investors of such pledge, gift or transfer and such shares of Transfer Stock shall at all times remain subject to the terms and restrictions set forth in this Agreement and such transferee shall, as a condition to such issuance, deliver a counterpart signature page to this Agreement as confirmation that such transferee shall be bound by all the terms and conditions of this Agreement as a Key Holder (but only with respect to the securities so transferred to the transferee), including the obligations of a Key Holder with respect to Proposed Key Holder Transfers of such Transfer Stock pursuant to Section 2.

1.2 Exempted Offerings. Notwithstanding the foregoing or anything to the contrary herein, the provisions of Section 2 shall not apply to the sale of any Transfer Stock (a) to the public in an offering pursuant to an effective registration statement under the Securities Act of 1933, as amended; or (b) pursuant to a Deemed Liquidation Event.

1.3 Prohibited Transferees. Notwithstanding the foregoing, no Key Holder shall transfer any Transfer Stock to (a) any entity which, in the determination of the Board of Directors, directly or indirectly competes with the Company; or (b) any customer, distributor or supplier of the Company, if the Board of Directors should determine that such transfer would result in such customer, distributor or supplier receiving information that would place the Company at a competitive disadvantage with respect to such customer, distributor or supplier.

4. Legend. Each certificate, instrument, or book entry representing shares of Transfer Stock held by the Key Holders or issued to any permitted transferee in connection with a transfer permitted by Subsection 3.1 hereof shall be notated with the following legend:

> THE SALE, PLEDGE, HYPOTHECATION, OR TRANSFER OF THE SECURITIES REPRESENTED HEREBY IS SUBJECT TO, AND IN CERTAIN CASES PROHIBITED BY, THE TERMS AND CONDITIONS OF A CERTAIN RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT BY AND AMONG THE STOCKHOLDER, THE CORPORATION AND CERTAIN OTHER HOLDERS OF STOCK OF THE CORPORATION. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE CORPORATION.

Each Key Holder agrees that the Company may instruct its transfer agent to impose transfer restrictions on the shares notated with the legend referred to in this Section 4 above to enforce the provisions of this Agreement, and the Company agrees to promptly do so. The legend shall be removed upon termination of this Agreement at the request of the holder.

5. Lock-Up.

1.1 Agreement to Lock-Up. Each Key Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the Company's initial public offering (the "**IPO**") and ending on the date specified by the Company and the managing underwriter (such period not to

exceed **[***]**) or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports; and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in applicable FINRA rules, or any successor provisions or amendments thereto), (a) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Capital Stock held immediately prior to the effectiveness of the registration statement for the IPO; or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Capital Stock, whether any such transaction described in clause (a) or (b) above is to be settled by delivery of Capital Stock or other securities, in cash or otherwise. **[***]**. The underwriters in connection with the IPO are intended third-party beneficiaries of this Section 5 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Key Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in the IPO that are consistent with this Section 5 or that are necessary to give further effect thereto.

1.2 Stop Transfer Instructions. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the shares of Capital Stock of each Key Holder (and transferees and assignees thereof) until the end of such restricted period.

6. Miscellaneous.

1.1 Term. This Agreement shall automatically terminate upon the earlier of **[***]**.

1.2 Stock Split. All references to numbers of shares in this Agreement shall be appropriately adjusted to reflect any stock dividend, split, combination or other recapitalization affecting the Capital Stock occurring after the date of this Agreement.

1.3 Ownership. Each Key Holder represents and warrants that such Key Holder is the sole legal and beneficial owner of the shares of Transfer Stock subject to this Agreement and that no other person or entity has any interest in such shares (other than a community property interest as to which the holder thereof has acknowledged and agreed in writing to the restrictions and obligations hereunder).

1.4 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state and federal courts located in Delaware for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state and federal courts located in Delaware and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS

TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

1.5 Notices.

(a) All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (a) personal delivery to the party to be notified, (b) when sent, if sent by electronic mail or facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their address as set forth on Schedule A or Schedule B hereof, as the case may be, or to such email address, facsimile number or address as subsequently modified by written notice given in accordance with this Section 6.5. If notice is given to the Company, it shall be sent to **[***]**.

(b) Consent to Electronic Notice. Each Investor and Key Holder consents to the delivery of any stockholder notice pursuant to the Delaware General Corporation Law (the "**DGCL**"), as amended or superseded from time to time, by electronic transmission pursuant to Section 232 of the DGCL (or any successor thereto) at the electronic mail address or the facsimile number as on the books of the Company. To the extent that any notice given by means of electronic transmission is returned or undeliverable for any reason, the foregoing consent shall be deemed to have been revoked until a new or corrected electronic mail address has been provided, and such attempted electronic notice shall be ineffective and deemed to not have been given. Each Investor and Key Holder agrees to promptly notify the Company of any change in its electronic mail address, and that failure to do so shall not affect the foregoing.

1.6 Entire Agreement. This Agreement (including, the Exhibits and Schedules hereto) constitutes the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties are expressly canceled. Upon the effectiveness of this Agreement, the Prior Agreement shall be deemed amended and restated and superseded and replaced in its entirety by this Agreement, and shall be of no further force or effect.

1.7 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either

under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

1.8 Amendment; Waiver and Termination. This Agreement may be amended, modified or terminated (other than pursuant to Section 6.1 above) and the observance of any term hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a written instrument executed by (a) the Company, (b) the Key Holders holding **[***]** and (c) **[***]**. Any amendment, modification, termination or waiver so effected shall be binding upon the Company, the Investors, the Key Holders and all of their respective successors and permitted assigns whether or not such party, assignee or other shareholder entered into or approved such amendment, modification, termination or waiver. Notwithstanding the foregoing, (i) this Agreement may not be amended, modified or terminated and the observance of any term hereunder may not be waived with respect to any Investor or Key Holder without the written consent of such Investor or Key Holder unless such amendment, modification, termination or waiver applies to all Investors and Key Holders, respectively, in the same fashion, (ii) this Agreement may not be amended, modified or terminated and the observance of any term hereunder may not be waived with respect to any Investor without the written consent of such Investor, if such amendment, modification, termination or waiver would adversely affect the rights of such Investor in a manner disproportionate to any adverse effect such amendment, modification, termination or waiver would have on the rights of the other Investors under this Agreement, (iii) the consent of the Key Holders shall not be required for any amendment, modification, termination or waiver if such amendment, modification, termination or waiver does not apply to the Key Holders, and (iv) Schedule A hereto may be amended by the Company from time to time in accordance with the Purchase Agreement to add information regarding Additional Purchasers (as defined in the Purchase Agreement) without the consent of the other parties hereto. The Company shall give prompt written notice of any amendment, modification or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, modification, termination or waiver. No waivers of or exceptions to any term, condition or provision of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

1.9 Assignment of Rights.

(a) The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

(b) Any successor or permitted assignee of any Key Holder, including any Prospective Transferee who purchases shares of Transfer Stock in accordance with the terms hereof, shall deliver to the Company and the Investors, as a condition to any transfer or assignment, a counterpart signature page hereto pursuant to which such successor or permitted assignee shall confirm their agreement to be subject to and bound by all of the provisions set forth in this Agreement that were applicable to the predecessor or assignor of such successor or permitted assignee.

(c) The rights of the Investors hereunder are not assignable without the Company's written consent (which shall not be unreasonably withheld, delayed or conditioned), except (i) by an Investor to any Affiliate, or (ii) to an assignee or transferee who acquires at least 1,000,000 shares of Capital Stock (as adjusted for any stock combination, stock split, stock dividend, recapitalization or other similar transaction), it being acknowledged and agreed that any such assignment, including an assignment contemplated by the preceding clauses (i) or (ii)

shall be subject to and conditioned upon any such assignee's delivery to the Company and the other Investors of a counterpart signature page hereto pursuant to which such assignee shall confirm their agreement to be subject to and bound by all of the provisions set forth in this Agreement that were applicable to the assignor of such assignee.

(d) Except in connection with an assignment by the Company by operation of law to the acquirer of the Company, the rights and obligations of the Company hereunder may not be assigned under any circumstances.

1.10 Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

1.11 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of the Company's Series B Preferred Stock after the date hereof, any purchaser of such shares of Series B Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and thereafter shall be deemed an "Investor" for all purposes hereunder.

1.12 Governing Law. This Agreement shall be governed by the internal law of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

1.13 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

1.14 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

1.15 Aggregation of Stock. All shares of Capital Stock held or acquired by Affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

1.16 Specific Performance. In addition to any and all other remedies that may be available at law in the event of any breach of this Agreement, each Investor shall be entitled to specific performance of the agreements and obligations of the Company and the Key Holders hereunder and to such other injunction or other equitable relief as may be granted by a court of competent jurisdiction.

1.17 Additional Key Holders. In the event that after the date of this Agreement, the Company issues shares of Common Stock, or options to purchase Common Stock, to any employee or consultant, which shares or options would collectively constitute with respect to such employee or consultant (taking into account all shares of Common Stock, options and other purchase rights held by such employee or consultant) **[***]** or more of the Company's then outstanding Common Stock (treating for this purpose all shares of Common Stock issuable upon exercise of or conversion of outstanding options, warrants or convertible securities, as if exercised or converted), the Company shall, as a condition to such issuance, cause such employee or consultant to execute a counterpart signature page hereto as a Key Holder, and such

person shall thereby be bound by, and subject to, all the terms and provisions of this Agreement applicable to a Key Holder.

1.18 Consent of Spouse. If any Key Holder is a natural person married on the date of this Agreement, such Key Holder's spouse shall execute and deliver to the Company a Consent of Spouse in the form of Exhibit A hereto ("**Consent of Spouse**"), effective on the date hereof. Notwithstanding the execution and delivery thereof, such consent shall not be deemed to confer or convey to the spouse any rights in such Key Holder's shares of Transfer Stock that do not otherwise exist by operation of law or the agreement of the parties. If any Key Holder should marry or remarry subsequent to the date of this Agreement, such Key Holder shall within thirty (30) days thereafter obtain his/her new spouse's acknowledgement of and consent to the existence and binding effect of all restrictions contained in this Agreement by causing such spouse to execute and deliver a Consent of Spouse acknowledging the restrictions and obligations contained in this Agreement and agreeing and consenting to the same.

1.19 No Presumption against Drafter. The parties have participated jointly in negotiating and drafting this agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

[*Signature Pages Follow; Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Right of First Refusal and Co-Sale Agreement as of the date first written above.

SONDE HEALTH, INC.

By: /s/ David Liu
Name: David Liu
Title: Chief Executive Officer

KEY HOLDERS:

Signature: /s/[***]
Name: [***]

Signature: /s/[***]
Name: [***]

Signature: /s/[***]
Name: [***]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Right of First Refusal and Co-Sale Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/[***]
Name: [***]
Title: [***]

Signature Page To Amended and Restated Right Of First Refusal And Co-Sale Agreement

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Right of First Refusal and Co-Sale Agreement as of the date first written above.

INVESTORS:

PURETECH HEALTH LLC

By: /s/ Bharatt Chowrira
Name: Bharatt Chowrira
Title: President

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Right of First Refusal and Co-Sale Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/[***]__
Name: [***]
Title: [***]

By: /s/[***]__
Name: [***]
Title: [***]

Signature Page To Amended and Restated Right Of First Refusal And Co-Sale Agreement

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Right of First Refusal and Co-Sale Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/[***]__
Name: [***]
Title: [***]

Signature Page To Amended and Restated Right Of First Refusal And Co-Sale Agreement

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Right of First Refusal and Co-Sale Agreement as of the date first written above.

INVESTORS:

[***]

By: [***]

By: /s/[***]
Name: [***]
Title: [***]

Signature Page To Amended and Restated Right Of First Refusal And Co-Sale Agreement

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Right of First Refusal and Co-Sale Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/[***]__
Name: [***]
Title: [***]

Signature Page To Amended and Restated Right Of First Refusal And Co-Sale Agreement

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Right of First Refusal and Co-Sale Agreement as of the date first written above.

INVESTORS:

/s/[***]__
[***]

Signature Page To Amended and Restated Right Of First Refusal And Co-Sale Agreement

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Right of First Refusal and Co-Sale Agreement as of the date first written above.

INVESTORS:

/s/[***]__
[***]

Signature Page To Amended and Restated Right Of First Refusal And Co-Sale Agreement

Signature Page To Amended and Restated Right Of First Refusal And Co-Sale Agreement

SCHEDULE A
INVESTORS

[***]

SCHEDULE B
KEY HOLDERS

[***]

EXHIBIT A
CONSENT OF SPOUSE

I, [_____], spouse of [_____], acknowledge that I have read the Amended and Restated Right of First Refusal and Co-Sale Agreement, dated as of May [●], 2022, to which this Consent is attached as Exhibit A (the "**Agreement**"), and that I know the contents of the Agreement. I am aware that the Agreement contains provisions regarding certain rights to certain other holders of Capital Stock of the Company upon a Proposed Key Holder Transfer of shares of Transfer Stock of the Company which my spouse may own including any interest I might have therein.

I hereby agree that my interest, if any, in any shares of Transfer Stock of the Company subject to the Agreement shall be irrevocably bound by the Agreement and further understand and agree that any community property interest I may have in such shares of Transfer Stock of the Company shall be similarly bound by the Agreement.

I am aware that the legal, financial and related matters contained in the Agreement are complex and that I am free to seek independent professional guidance or counsel with respect to this Consent. I have either sought such guidance or counsel or determined after reviewing the Agreement carefully that I will waive such right.

Dated as of the [__] day of [_____, _____].

_____
Signature

_____
Print Name

Exhibit 4.25

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED (INDICATED BY: [***]) FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) THE TYPE OF INFORMATION THAT THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE OR CONFIDENTIAL.

AMENDED AND RESTATED
INVESTORS' RIGHTS AGREEMENT

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AMENDED AND RESTATED
INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**"), is made as of the 1st day of March, 2023, by and among Vedanta Biosciences, Inc., a Delaware corporation (the "**Company**") each of the investors listed on Schedule A hereto, each of which is referred to in this Agreement as an "**Investor**", each of the noteholders listed on Schedule B hereto, each of which is referred to in this Agreement as a "**Noteholder**" and each other person who becomes party to this Agreement as a Key Holder pursuant to Section 12.9(c).

RECITALS

WHEREAS, the Investors hold shares of the Company's Series A-1 Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series C-2 Preferred Stock and/or Series D Preferred Stock and possess certain rights to cause the Company to register shares of Common Stock issuable to the Investors, to receive certain information from the Company, to participate in future equity offerings by the Company, and certain other rights pursuant to that certain Amended and Restated Investors' Rights Agreement, dated as of July 14, 2021, as such was amended, by and among the Company and such Investors (the "**Prior Agreement**");

WHEREAS, the Investors holding at least **[***]** of the Preferred Stock outstanding as of the date hereof required to amend the Prior Agreement desire to amend and restate the Prior Agreement in its entirety and to accept the rights created pursuant to this Agreement in lieu of the rights granted under the Prior Agreement;

WHEREAS, the Company and the Noteholders are parties to that certain Secured Convertible Promissory Note Purchase Agreement of even date herewith (as may be amended from time to time, the "**Purchase Agreement**") for the purchase and sale of secured convertible promissory notes thereunder (each, a "**Note**"), and it is a condition to the closing of the sale of the Notes that such Investors and the Company execute and deliver this Agreement adding the Noteholders as party to the Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and other consideration, the receipt and adequacy of which is hereby acknowledged, the Investors hereby agree that the Prior Agreement shall be amended and restated and the parties to this Agreement further agree as follows:

1. Definitions. For purposes of this Agreement:

(i) "**Affiliate**" means with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer or director of such Person or any venture capital or investment fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person. **[***]**.

(ii) **[***]**.

(iii) **[***]**.

(iv) "**Board**" means the board of directors of the Company.

(v) "**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

(vi) "**Common Stock**" means shares of the Company's common stock, par value $0.0001 per share.

(vii) "**Competitor**" means **[***]**.

(viii) "**Damages**" means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

(ix) "**Derivative Securities**" means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly)**,** Common Stock, including the Notes, options and warrants.

(x) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(xi) "**Excluded Registration**" means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

(xii) "**FOIA Party**" means a Person that, in the reasonable determination of the Board, may be subject to, and thereby required to disclose nonpublic information furnished by or relating to the Company under, the Freedom of Information Act, 6 U.S.C. 552 ("**FOIA**"), any state public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.

(xiii) "**Form S-1**" means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

(xiv) "**Form S-3**" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(xv) "**GAAP**" means generally accepted accounting principles in the United States.

(xvi) **[***]**.

(xvii) **[***]**.

(xviii) "**Holder**" means an Investor, a Noteholder and any holder of Registrable Securities who is a party to this Agreement.

(xix) "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including, adoptive relationships, of a natural person referred to herein.

(xx) "**Initiating Holders**" means collectively, Holders who properly initiate a registration request under this Agreement.

(xxi) "**IPO**" means (1) the Company's first underwritten public offering of its Common Stock under the Securities Act or (2) a SPAC Transaction (as defined in the Restated Certificate (as defined in the Purchase Agreement).

(xxii) "**Key Employee**" means **[***]**.

(xxiii) "**Lead Investor Majority**" has the meaning given to it in the Purchase Agreement.

(xxiv) **[***]**.

(xxv) "**New Securities**" means collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

(xxvi) "**Noteholders**" means the holders of Notes set forth in Schedule B.

(xxvii) "**Permitted Transferee**" means (i) with respect to any Holder that is a discretionary managed fund or its nominee: (A) any partner, member, trustee, manager, beneficiary, shareholder, investor or other participant in such fund which is or whose nominee is the transferor (but only in connection with the dissolution of such fund or any distribution of assets of the fund pursuant to the operation of the fund in the ordinary course), (B) any other fund whose business is managed or advised by the same investment manager as manages or advises the fund which is or whose nominee is the transferor or another investment manager in the same group of companies as such first investment manager, (C) the investment manager who manages the business of the fund which is or whose nominee is the transferor, (D) any directors or employees of such Holder or any of the foregoing or any trust or carried interest or similar partnership in which they or any of them participate and/or (E) any nominee or custodian of the foregoing; (ii) with respect to any Holder that is an investment manager or its nominee: (A) any partner, member, trustee, manager, beneficiary, shareholder, investor or other participant in any investment fund in respect of which the shares to be transferred are held (but only in connection with the dissolution of such investment fund or any distribution of assets of the investment fund pursuant to the operation of the investment fund in the ordinary course), (B) any investment fund whose business is managed by the investment manager who is or whose nominee is the transferor, (C) any other investment manager who manages the business of the investment fund in respect of which the shares are held, (D) any directors or employees of such Holder or any of the foregoing or any trust or carried interest or similar partnership in which they or any of them participate and/or (E) any nominee or

custodian of the foregoing; (iii) with respect to the Gates Foundation (A) any successor charitable organization of the Gates Foundation from time to time that is a tax-exempt organization as described in Section 501(c)(3) of the Code, or (b) any tax-exempt organization as described in Section 501(c)(3) of the Code controlled by one or more trustees of the Gates Foundation and (iv) with respect to the Magnetar Group: (A) any partner, member, trustee, manager, beneficiary, shareholder, investor or other participant in such entity which is or whose nominee is the transferor (but only in connection with the dissolution of such entity or any distribution of assets of the entity pursuant to the operation of such entity in the ordinary course), (B) any other entity whose business is managed or advised by the same investment manager as manages or advises such entity which is or whose nominee is the transferor or another investment manager in the same group of companies as such first investment manager, (C) the investment manager who manages the business of such entity which is or whose nominee is the transferor, (D) any directors, managers or employees of such Holder or any of the foregoing or any trust or carried interest or similar partnership in which they or any of them participate and/or (E) any nominee or custodian of the foregoing.

(xxviii)"**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(xxix) "**Preferred Stock**" means collectively, shares of the Company's Series A-1 Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series C-2 Preferred Stock and Series D Preferred Stock.

(xxx) "**Preferred Director**" means **[***]**

(xxxi) "**Registrable Securities**" means (i) Common Stock issuable or issued upon conversion of the Preferred Stock and (ii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clause (i) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Subsection 13.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Subsection 2.13 of this Agreement.

(xxxii) "**Registrable Securities then outstanding**" means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

(xxxiii)"**Restricted Securities**" means the securities of the Company required to be notated with the legend set forth in Subsection 2.12(b) hereof.

(xxxiv)"**Rock Springs**" means Rock Springs Capital Master Fund LP, Four Pines Master Fund LP, and their Affiliates.

(xxxv) "**SEC**" means the Securities and Exchange Commission.

(xxxvi)"**SEC Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act.

(xxxvii) "**SEC Rule 145**" means Rule 145 promulgated by the SEC under the Securities Act.

(xxxviii) "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(xxxix)"**Selling Expenses**" means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Subsection 2.6.

(xl) **[***]**

(xli) **[***]**

(xlii) "**Series A-1 Preferred Stock**" means shares of the Company's Series A-1 Preferred Stock, par value $0.0001 per share.

(xliii) "**Series B Preferred Stock**" means shares of the Company's Series B Preferred Stock, par value $0.0001 per share.

(xliv) "**Series C Preferred Stock**" means shares of the Company's Series C Preferred Stock, par value $0.0001 per share.

(xlv) "**Series C-2 Preferred Stock**" means shares of the Company's Series C-2 Preferred Stock, par value $0.0001 per share.

(xlvi) "**Series D Preferred Stock**" means shares of the Company's Series D Preferred Stock, par value $0.0001 per share.

(xlvii) **[***]**.

(xlviii) "**Stockholder**" means a Holder , a Key Holder, and each other person who becomes party to this Agreement pursuant to Section 12.9.

2. Registration Rights. The Company covenants and agrees as follows:

1.1 Demand Registration.

(a) Form S-1 Demand. If at any time after the earlier of (i) **[***]** after the date of this Agreement or (ii) **[***]** after the effective date of the registration statement for the IPO, the Company receives a request from Holders of at least **[***]** of the Registrable Securities then outstanding that the Company file a Form S-1 registration statement with respect to at least **[***]** of the Registrable Securities then outstanding (or a lesser percent if the anticipated aggregate offering price, net of Selling Expenses, would exceed **[***]**), then the Company shall (x) within **[***]** after the date such request is given, give notice thereof (the "**Demand Notice**") to all Holders other than the Initiating Holders; and (y) as soon as practicable, and in any event within **[***]** after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within **[***]** of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(b) Form S-3 Demand. If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from Holders of at least **[***]** of the Registrable Securities then outstanding that the Company file a Form S-3 registration statement with respect to

outstanding Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least **[***]**, then the Company shall (i) within **[***]** after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within **[***]** after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within **[***]** of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Subsection 2.1 a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Board it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than **[***]** after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than **[***]** in any **[***]** period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during such **[***]** period other than an Excluded Registration.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(a) (i) during the period that is **[***]** before the Company's good faith estimate of the date of filing of, and ending on a date that is **[***]** after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (ii) after the Company has effected **[***]** registrations pursuant to Subsection 2.1(a); or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Subsection 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(b) (i) during the period that is **[***]** before the Company's good faith estimate of the date of filing of, and ending on a date that is **[***]** after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) if the Company has effected two registrations pursuant to Subsection 2.1(b) within the **[***]** period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Subsection 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Subsection 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Subsection 2.1(d).

1.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders) any of its Common Stock under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within **[***]** after such notice is given by the Company, the Company shall, subject to the provisions of Subsection 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Subsection 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Subsection 2.6.

1.3 Underwriting Requirements.

(a) If, pursuant to Subsection 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Subsection 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Subsection 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Subsection 2.3, if the managing underwriter advises the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Subsection 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine in good faith will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine in good faith that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering, or (ii) the number of Registrable Securities included in the offering be reduced below **[***]** of the total number of securities included in such offering, unless such offering is the IPO, in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. For purposes of the provision in this Subsection 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

1.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to **[***]** or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such **[***]** period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such **[***]** period shall be extended for up to **[***]**, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any managing underwriter participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

1.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

1.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements of one counsel for the selling Holders ("Selling Holder Counsel"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Subsection 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Subsections 2.1(a) or 2.1(b), as the case may be. All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

1.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

1.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and stockholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Subsections 2.8(b) and (d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Subsection 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Subsection 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Subsection 2.8, to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Subsection 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Subsection 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Subsection 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Subsection 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within

the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Subsection 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Subsection 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Subsection 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

1.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies); (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company; and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

1.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of **[***]** of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder to include such securities in any registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Securities of the Holders that are included; provided that this limitation shall not apply to any additional Investor who becomes a party to this Agreement in accordance with Subsection 12.9 **[***]**.

1.11 "Market Stand-off" Agreement. Subject to the provisions of Subsection 12.1, each Holder, to the extent permitted by applicable laws and regulations, hereby agrees that it will not,

without the prior written consent of the managing underwriter (any such consent received, a "**Lock-Up Waiver**"), during the period commencing on the date of the final prospectus relating to the registration by the Company for its own behalf of shares of its Common Stock under the Securities Act on a registration statement on Form S-1, and ending on the date specified by the Company and the managing underwriter (such period not to exceed **[***]**), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement for such offering or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise; *provided* that the obligations described in this Subsection 2.11 shall not apply to any transfer that such Holder is required to make in order to comply with laws or regulations applicable to it (including those that have been established in accordance with the UCITS (Undertakings for Collective Investment in Transferable Securities) Directive). **[***]**. The foregoing provisions of this Subsection 2.11 shall apply only to the IPO and shall not apply to (i) the sale of any shares to an underwriter pursuant to an underwriting agreement, (ii) shares acquired by any Holder in an IPO or subsequent to an IPO in the open market, (iii) the transfer of any shares to any Affiliate or limited partner (or equivalent) of a Holder, provided that such transferee agrees to be bound in writing by the restrictions set forth herein or (iv) the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the immediate family of the Holder, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, and shall be applicable to the Holders only if all officers and directors are subject to the same restrictions and the Company uses commercially reasonable efforts to obtain a similar agreement from all stockholders individually owning more than **[***]** of the Company's outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding Preferred Stock). The Company and PureTech hereby agree, and all of the Investors hereby acknowledge, that PureTech shall, without in any way limiting the obligations of any Investor other than PureTech under this Subsection 2.11, be granted additional exceptions to the application of this Subsection 2.11, as agreed upon in good faith by the Company and PureTech, to the extent reasonably necessary for PureTech to maintain exemption from registration under the Investment Company Act of 1940; provided, however, that to the extent that PureTech is granted any such additional exception, each other Holder shall, unless otherwise determined in writing by a Lead Investor Majority, also be granted an additional such exception so that the same pro rata portion of PureTech's and each such other Holder's Registrable Securities will not be subject to the foregoing restrictions of this Subsection 2.11. The underwriters in connection with such registration are intended third-party beneficiaries of this Subsection 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Subsection 2.11 or that are necessary to give further effect thereto.

1.12 Restrictions on Transfer.

(a) The Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Stock and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

(b) Each certificate, instrument, or book entry representing (i) the Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Subsection 2.12(c)) be notated with a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.

THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Subsection 2.12.

(c) The holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144; or (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that each transferee agrees in writing to be subject to the terms of this Subsection 2.12. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Subsection 2.12(b), except that such certificate instrument, or book entry shall not be notated with such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

1.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Subsections 2.1 or 2.2 shall terminate upon the earliest to occur of: **[***]**.

3. Voting Provisions Regarding Board of Directors.

1.1 Size of the Board. Each Stockholder agrees to vote, or cause to be voted, all Shares (as defined below) owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that the size of the Board shall be set and remain at eleven (11) directors and so long as at least **[***]** of the Preferred Stock outstanding as of the date hereof remain outstanding, may be increased only with the written consent of Investors holding a majority of the Preferred Stock then outstanding. For purposes of this Section 3, the term "Shares" shall mean and include any securities of the Company the holders of which are entitled to vote for members of the Board, including without limitation, all shares of Common

Stock, Series A-1 Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series C-2 Preferred Stock and Series D Preferred Stock, by whatever name called, now owned or subsequently acquired by a Stockholder, however acquired, whether through stock splits, stock dividends, reclassifications, recapitalizations, similar events or otherwise.

1.2 Board Composition. Each Stockholder agrees to vote, or cause to be voted, all Shares owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that at each annual or special meeting of stockholders at which an election of directors is held or pursuant to any written consent of the stockholders, the following persons shall be elected to the Board:

(a) Two persons designated by a majority of the holders of the Series A-1 Preferred Stock then outstanding, one of which individuals shall initially be Bennett Shapiro (the "**Series A-1 Designees**"), and one seat shall be vacant as of the date hereof, for so long as such Stockholders and their Affiliates continue to own beneficially any shares of Series A-1 Preferred Stock.

(b) Two persons designated by a majority of the holders of the Series B Preferred Stock then outstanding, which individuals shall initially be John LaMattina and one vacancy (the "**Series B Designees**"), for so long as such Stockholders and their Affiliates continue to own beneficially any shares of Series B Preferred Stock.

(c) **[*******]**.

(d) **[*******]**.

(e) **[*******]**.

(f) **[*******]**.

(g) **[*******]**.

(h) **[*******]**.

(i) **[*******]**.

To the extent that any of clauses (a) through (i) above shall not be applicable, any member of the Board who would otherwise have been designated in accordance with the terms thereof shall instead be voted upon by all the stockholders of the Company entitled to vote thereon in accordance with, and pursuant to, the Restated Certificate.

1.3 Failure to Designate a Board Member. In the absence of any designation from the Persons or groups with the right to designate a director as specified above, the director previously designated by them and then serving shall be reelected if still eligible to serve as provided herein.

1.4 Removal of Board Members. Each Stockholder also agrees to vote, or cause to be voted, all Shares owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that:

(a) no director elected pursuant to Subsections 3.2 or 3.3 of this Agreement may be removed from office other than for cause unless (i) such removal is directed or approved by the affirmative vote of the Person, or of the holders of a majority of the shares of stock, entitled under Subsections 3.2 to designate that director; or (ii) the Person(s) originally entitled to designate or approve such director pursuant to Subsections 3.2 is no longer so entitled to designate or approve such director;

(b) any vacancies created by the resignation, removal or death of a director elected pursuant to Subsections 3.2 or 3.3 shall be filled pursuant to the provisions of this Section 3; and

(c) upon the request of any party entitled to designate a director as provided in Subsection 3.2 to remove such director, such director shall be removed.

All Stockholders agree to execute any written consents required to perform the obligations of this Agreement, and the Company agrees at the request of any party entitled to designate directors to call a special meeting of stockholders for the purpose of electing directors.

1.5 No Liability for Election of Recommended Directors. No Stockholder, nor any Affiliate of any Stockholder, shall have any liability as a result of designating a person for election as a director for any act or omission by such designated person in his or her capacity as a director of the Company, nor shall any Stockholder have any liability as a result of voting for any such designee in accordance with the provisions of this Agreement.

1.6 No "Bad Actor" Designees. Each Person with the right to designate or participate in the designation of a director as specified above hereby represents and warrants to the Company that, to such Person's knowledge, none of the "bad actor" disqualifying events described in Rule 506(d)(1)(i)-(viii) promulgated under the Securities Act (each, a "**Disqualification Event**"), is applicable to such Person's initial designee named above except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. Any director designee to whom any Disqualification Event is applicable, except for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable, is hereinafter referred to as a "**Disqualified Designee**". Each Person with the right to designate or participate in the designation of a director as specified above hereby covenants and agrees (A) not to designate or participate in the designation of any director designee who, to such Person's knowledge, is a Disqualified Designee and (B) that in the event such Person becomes aware that any individual previously designated by any such Person is or has become a Disqualified Designee, such Person shall as promptly as practicable take such actions as are necessary to remove such Disqualified Designee from the Board and designate a replacement designee who is not a Disqualified Designee.

4. Information.

1.1 Delivery of Financial Statements. The Company shall deliver to each Holder who so requests, provided that the Board has not reasonably determined that such Holder is a Competitor:

(a) as soon as practicable, but in any event within **[***]** after the end of each fiscal year of the Company (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year and (iii) a statement of stockholders' equity as of the end of such year, all such financial statements audited and certified by independent public accountants selected by the Company;

(b) as soon as practicable, but in any event within **[***]** after the end of each quarter of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, and an up-to-date capitalization table in sufficient detail so as to permit the Holders to calculate their respective percentage of equity ownership in the Company;

(c) such other information relating to the financial condition, annual budget, business, prospects, or corporate affairs of the Company as any Holder may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Subsection 4.1 to provide information (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company); or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel; and

(d) as soon as practicable, but in any event **[***]** before the end of each fiscal year, budget and business plan for the next fiscal year (such budget and business plan that is approved by the Board is collectively referred to herein as the "**Budget**"), approved by the Board and prepared on a **[***]** basis, including balance sheets, income statements, and statements of cash flow for such **[***]** and, promptly after prepared, any other budgets or revised budgets prepared by the Company.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period, the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Subsection 4.1 to the contrary, the Company may cease providing the information set forth in this Subsection 4.1 during the period starting with the date **[***]** before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Subsection 4.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

1.2 Inspection Rights. The Company shall permit each Holder who so requests, provided that the Board has not reasonably determined that such Holder is a Competitor, at such Holder's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Holder; provided, however, that the Company shall not be obligated pursuant to this Subsection 4.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

1.3 Observer Rights.

(a) **[***]**.

(b) **[***]**.

1.4 Termination of Information Rights. The covenants set forth in Subsections 4.1, 4.2 and 4.3 shall terminate and be of no further force or effect **[***]**.

1.5 Confidentiality. Each Holder agrees that such Holder will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Subsection 4.5 by such Holder), (b) is or has been independently developed or conceived by the Holder without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Holder by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Holder may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring and/or making decisions with respect to its investment in the Company; (ii) to any prospective purchaser of any Note(s) and/or Registrable Securities from such Holder, if such prospective purchaser agrees to be bound by the provisions of this Subsection 4.5; (iii) to any Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Holder in the ordinary course of business, provided that such Holder informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be

required by law, provided that the Holder promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

5. Rights to Future Stock Issuances.

1.1 Right of First Offer. Subject to the terms and conditions of this Subsection 5.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Holder. A Holder shall be entitled to apportion the right of first offer hereby granted to it, in such proportions as it deems appropriate, among (i) itself, (ii) its Affiliates and (iii) its beneficial interest holders, such as limited partners, members or any other Person having "beneficial ownership," as such term is defined in Rule 13d-3 promulgated under the Exchange Act, of such Holder ("**Holder Beneficial Owners**"); provided that each such Affiliate or Holder Beneficial Owner (x) is not a Competitor or FOIA Party, unless such party's purchase of New Securities is otherwise consented to by the Board, (y) agrees to enter into this Agreement (provided that any Competitor or FOIA Party shall not be entitled to any rights as an Holder under Subsections 4.1, 4.2 and 5.1 hereof), and (z) agrees to purchase at least such number of New Securities as are allocable hereunder to the Holder holding the fewest number of Preferred Stock and any other Derivative Securities.

(a) The Company shall give notice (the "**Offer Notice**") to each Holder, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within **[***]** after the Offer Notice is given, each Holder may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock then held by such Holder (including all shares of Common Stock then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by such Holder) bears to the total Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Stock and other Derivative Securities). At the expiration of such **[***]** period, the Company shall promptly notify each Holder that elects to purchase or acquire all the shares available to it (each, a "**Fully Exercising Holder**") of any other Holder's failure to do likewise. During the **[***]** period commencing after the Company has given such notice, each Fully Exercising Holder may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Holders were entitled to subscribe but that were not subscribed for by the Holders which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Holder bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Holders who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Subsection 5.1(b) shall occur within the later of **[***]** of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Subsection 5.1(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Subsection 5.1(b), the Company may, during the **[***]** period following the expiration of the periods provided in Subsection 5.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within **[***]** of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Holder s in accordance with this Subsection 5.1.

(d) The right of first offer in this Subsection 5.1 shall not be applicable to (i) Exempted Securities (as defined in the Restated Certificate); (ii) shares of Common Stock issued in the IPO; and (iii) the issuance of Notes pursuant to the Purchase Agreement.

1.2 Termination. The covenants set forth in Subsection 5.1 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon a distribution of the proceeds of a Deemed Liquidation Event, as such term is defined in the Restated Certificate, whichever event occurs first.

6. Additional Covenants.

1.1 Insurance. If the Board deems it appropriate, the Company shall use its commercially reasonable efforts to maintain, from financially sound and reputable insurers, Directors and Officers liability insurance and term "key-person" insurance on **[***]**, in an amount and on terms and conditions satisfactory to the Board, until such time as the Board determines that such insurance should be discontinued. The key-person policy shall name the Company as loss payee, and neither policy shall be cancelable by the Company without prior approval by the Board. **[***]**.

1.2 Employee Agreements. The Company will cause each person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets to enter into a nondisclosure and proprietary rights assignment agreement in the form attached hereto as Exhibit A. The Company shall cause each grant of equity securities to its employees to be subject to (i) vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months, subject to acceleration provisions and/or alternative vesting schedules approved by the Board, and (ii) a market stand-off provision substantially similar to that in Section 2.11. Without the prior approval by the Board, the Company shall not amend, modify, terminate, waive or otherwise alter, in whole or in part, any stock purchase, stock restriction or option agreement with any existing employee or service provider if such amendment would cause it to be inconsistent with this Section 6.2. In addition, unless otherwise approved by the Board, the Company (x) shall not offer or allow any acceleration of vesting, and (y) shall retain (and not waive) a "right of first refusal" on employee transfers until the Company's IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock (if any).

1.3 Board Matters. The Company shall reimburse the nonemployee directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board (or any applicable committee thereof). Each Preferred Director shall be entitled in such person's discretion to be a member of any committee of the Board other than committees constituted under criteria of independence or disinterestedness unmet by such Preferred Director.

1.4 Expenses of Counsel. In the event of a transaction which is a Sale Transaction (as defined in the Note), the reasonable fees and disbursements, not to exceed $**[***]**, of one counsel for some or all of the Lead Investors ("**Investor Counsel**"), in their capacities as stockholders and/or noteholders (as applicable), shall be borne and paid by the Company. At the outset of considering a transaction which, if consummated would constitute a Sale Transaction, the Company shall obtain the ability to share with the Investor Counsel (and such counsel's clients) and shall share the confidential information (including, without limitation, the initial and all subsequent drafts of memoranda of understanding, letters of intent and other transaction documents and related noncompete, employment, consulting and other compensation agreements and plans) pertaining to and memorializing any of the transactions which, individually or when aggregated with others would constitute the Sale Transaction. The Company shall be obligated to share (and cause the Company's counsel and investment bankers to share) such materials when distributed to the Company's executives and/or any one (1) or more of the other parties to such transaction(s). In the event that Investor Counsel deems it appropriate, in its reasonable discretion, to enter into a joint defense (or common interest) agreement or other arrangement to enhance the ability of the parties to protect their communications and other reviewed materials under the attorney client privilege, the Company shall, and shall direct its counsel to, execute and deliver to Investor Counsel and its clients such an agreement in form and substance reasonably acceptable to

Investor Counsel and the Company's counsel. In the event that one (1) or more of the other party or parties to such transactions require the clients of Investor Counsel to enter into a confidentiality agreement and/or joint defense (or common interest) agreement in order to receive such information, then the Company shall share whatever information can be shared without entry into such agreement and shall, at the same time, in good faith work expeditiously to enable Investor Counsel and its clients to negotiate and enter into the appropriate agreement(s) without undue burden to the clients of Investor Counsel.

1.5 Indemnification Matters. The Company hereby acknowledges that one or more of the Preferred Directors nominated to serve on the Board by (or with the participation of) one or more Investors may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Lead Investors and certain of their Affiliates (collectively, the "**Investor Indemnitors**"). The Company hereby agrees (a) that it is the indemnitor of first resort (*i.e.*, its obligations to any such Preferred Director are primary and any obligation of the Investor Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Preferred Director are secondary), (b) that it shall be required to advance the full amount of expenses incurred by such Preferred Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Preferred Director to the extent legally permitted and as required by the Restated Certificate or the Bylaws of the Company (or any agreement between the Company and such Preferred Director), without regard to any rights such Preferred Director may have against the Investor Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Investor Indemnitors from any and all claims against the Investor Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Investor Indemnitors on behalf of any such Preferred Director with respect to any claim for which such Preferred Director has sought indemnification from the Company shall affect the foregoing and the Investor Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Preferred Director against the Company. The Preferred Directors and the Investor Indemnitors are intended third-party beneficiaries of this Section 6.5 and shall have the right, power and authority to enforce the provisions of this Section 6.5 as though they were a party to this Agreement.

1.6 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, the Restated Certificate, or elsewhere, as the case may be.

1.7 Right to Conduct Activities. **[***]**.

1.8 FCPA. The Company represents that it shall not (and shall not permit any of its subsidiaries or affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to) promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any Non-U.S. Official (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**")), in each case, in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall (and shall cause each of its subsidiaries and affiliates to) cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. Upon request, the Company agrees to provide responsive information and/or certifications concerning its compliance with applicable anti-corruption laws. The Company shall promptly notify each Holder if the Company becomes aware of any Enforcement Action (as defined in the Purchase Agreement). The Company shall, and shall cause any direct or indirect subsidiary or entity controlled by it, whether now in existence or formed in the future, to comply with the FCPA.

1.9 Stock Plan Amendments. At each of the closings following the Initial Closing pursuant to the Purchase Agreement, the aggregate number of shares of Common Stock reserved for issuance under the 2020 Employee, Director and Consultant Equity Incentive Plan, as amended (the "Plan"), shall be proportionally increased above 2,981,823 shares (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations) based on the principal amount of the Notes to be issued and sold at the applicable closing, up to 4,576,988 shares (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations) for all closings (including the Initial Closing) in the aggregate so that the number of shares of Common Stock reserved for issuance at each Closing equals (and in no event shall exceed) 14% of the fully diluted capitalization. The Company shall not create, adopt, amend, terminate or repeal the Plan or any other equity (or equity-linked) compensation plan (except for immaterial amendments without dilutive or other economic effect that are approved by the Board) without the prior written consent of the holders of a majority in voting power of the Company's outstanding preferred stock and common stock, voting together as a single class.

1.10 Termination of Covenants. The covenants set forth in this Section 6, except for Subsection 6.4, 6.5, 6.6 and 6.7, shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon a distribution of the proceeds of a Deemed Liquidation Event, as such term is defined in the Restated Certificate, whichever event occurs first.

7. Vote to Increase Authorized Common Stock. Each Investor agrees to vote or cause to be voted all Shares owned by such Investor, or over which such Investor has voting control, from time to time and at all times, in whatever manner as shall be necessary to increase the number of authorized shares of Common Stock from time to time to ensure that there will be sufficient shares of Common Stock available for conversion of all of the shares of Preferred Stock outstanding (or that would be outstanding upon conversion of the Notes) at any given time.

8. Drag-Along Right.

1.1 Actions to be Taken. In the event that (i) the Lead Investor Majority (the "**Selling Investors**") and (ii) the Board approve a Sale Transaction (which approval of the Selling Investors must be in writing), specifying that this Section 8 shall apply to such transaction, then, subject to satisfaction of each of the conditions set forth in Section 8.2 below, each Stockholder and the Company hereby agree:

(a) if such transaction requires stockholder approval, with respect to all Shares that such Stockholder owns or over which such Stockholder otherwise exercises voting power, to vote (in person, by proxy or by action by written consent, as applicable) all Shares in favor of, and adopt, such Sale Transaction and to vote in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Company to consummate such Sale Transaction;

(b) if such transaction is a transaction or series of related transactions in which a Person, or a group of related Persons, acquires from stockholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company (collectively, a "**Stock Sale**"), to sell the same proportion of shares of capital stock of the Company beneficially held by such Stockholder as is being sold by the Selling Investors to the Person to whom the Selling Investors propose to sell their Shares, and, except as permitted in Section 8.2 below, on the same terms and conditions as the other stockholders of the Company;

(c) to execute and deliver all related documentation and take such other action in support of the Sale Transaction as shall reasonably be requested by the Company or the Selling Investors in order to carry out the terms and provision of this Section 8, including, without limitation, executing and delivering instruments of conveyance and transfer, and any purchase agreement, merger agreement, any associated indemnity agreement, or escrow agreement, any associated voting, support, or

joinder agreement, consent, waiver, governmental filing, share certificates duly endorsed for transfer (free and clear of impermissible liens, claims and encumbrances), and any similar or related documents;

(d) not to deposit, and to cause their Affiliates not to deposit, except as provided in this Agreement, any Shares owned by such party or Affiliate in a voting trust or subject any Shares to any arrangement or agreement with respect to the voting of such Shares, unless specifically requested to do so by the acquirer in connection with the Sale Transaction;

(e) to refrain from (i) exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Sale of the Company, or (ii) asserting any claim or commencing any suit (x) challenging the Sale Transaction or this Agreement, or (y) alleging a breach of any fiduciary duty of the Selling Investors or any affiliate or associate thereof (including, without limitation, aiding and abetting breach of fiduciary duty) in connection with the evaluation, negotiation or entry into the Sale Transaction, or the consummation of the transactions contemplated thereby;

(f) if the consideration to be paid in exchange for the Shares pursuant to this Section 8 includes any securities and due receipt thereof by any Stockholder would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (y) the provision to any Stockholder of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act, the Company may cause to be paid to any such Stockholder in lieu thereof, against surrender of the Shares which would have otherwise been sold by such Stockholder, an amount in cash equal to the fair value (as determined in good faith by the Board) of the securities which such Stockholder would otherwise receive as of the date of the issuance of such securities in exchange for the Shares; and

(g) in the event that the Selling Investors, in connection with such Sale Transaction, appoint a stockholder representative (the "**Stockholder Representative**") with respect to matters affecting the Stockholder under the applicable definitive transaction agreements following consummation of such Sale Transaction, (x) to consent to (i) the appointment of such Stockholder Representative, (ii) the establishment of any applicable escrow, expense or similar fund in connection with any indemnification or similar obligations, and (iii) the payment of such Stockholder's pro rata portion (from the applicable escrow or expense fund or otherwise) of any and all reasonable fees and expenses to such Stockholder Representative in connection with such Stockholder Representative's services and duties in connection with such Sale Transaction and its related service as the representative of the Stockholders, and (y) not to assert any claim or commence any suit against the Stockholder Representative or any other Stockholder with respect to any action or inaction taken or failed to be taken by the Stockholder Representative, within the scope of the Stockholder Representative's authority, in connection with its service as the Stockholder Representative, absent fraud, bad faith, gross negligence or willful misconduct.

1.2 Conditions. Notwithstanding anything to the contrary set forth herein, a Stockholder will not be required to comply with Section 8.1 above in connection with any proposed Sale Transaction (the "**Proposed Sale**"), unless:

(a) any representations and warranties to be made by such Stockholder in connection with the Proposed Sale are limited to representations and warranties related to authority, ownership and the ability to convey title to such Shares, including, but not limited to, representations and warranties that (i) the Stockholder holds all right, title and interest in and to the Shares such Stockholder purports to hold, free and clear of all liens and encumbrances, (ii) the obligations of the Stockholder in connection with the transaction have been duly authorized, if applicable, (iii) the documents to be entered into by the Stockholder have been duly executed by the Stockholder and delivered to the acquirer and are enforceable (subject to customary limitations) against the Stockholder in accordance with their respective terms; and (iv) neither the execution and delivery of documents to be entered into by the Stockholder in connection with the transaction, nor the performance of the Stockholder obligations thereunder, will cause

a breach or violation of the terms of any agreement to which the Stockholder is a party, or any law or judgment, order or decree of any court or governmental agency that applies to the Stockholder;

(b) such Stockholder is not required to agree (unless such Stockholder is a Company officer or employee) to any restrictive covenant in connection with the Proposed Sale (including, without limitation, any covenant not to compete or covenant not to solicit customers, employees or suppliers of any party to the Proposed Sale) or any release of claims other than a release in customary form of claims arising solely in such Stockholder's capacity as a stockholder of the Company;

(c) such Stockholder and its Affiliates are not required to amend, extend or terminate any contractual or other relationship with the Company, the acquirer or their respective Affiliates, except that the Stockholder may be required to agree to terminate the investment-related documents between or among such Stockholder, the Company and/or other stockholders of the Company;

(d) the Stockholder is not liable for the breach of any representation, warranty or covenant made by any other Person in connection with the Proposed Sale, other than the Company (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any stockholder of any of identical representations, warranties and covenants provided by all stockholders);

(e) liability shall be limited to such Stockholder's applicable share (determined based on the respective proceeds payable to each Stockholder in connection with such Proposed Sale in accordance with the provisions of the Restated Certificate) of a negotiated aggregate indemnification amount that applies equally to all Stockholders but that in no event exceeds the amount of consideration otherwise payable to such Stockholder in connection with such Proposed Sale, except with respect to claims related to fraud by such Stockholder, the liability for which need not be limited as to such Stockholder;

(f) upon the consummation of the Proposed Sale (i) each holder of each class or series of the capital stock of the Company will receive the same form of consideration for their shares of such class or series as is received by other holders in respect of their shares of such same class or series of stock, (ii) each holder of a series of Preferred Stock will receive the same amount of consideration per share of such series of Preferred Stock as is received by other holders in respect of their shares of such same series, (iii) each holder of Common Stock will receive the same amount of consideration per share of Common Stock as is received by other holders in respect of their shares of Common Stock, and (iv) unless waived pursuant to the terms of the Restated Certificate and as may be required by law, the aggregate consideration receivable by all holders of the Preferred Stock and Common Stock shall be allocated among the holders of Preferred Stock and Common Stock on the basis of the relative liquidation preferences to which the holders of each respective series of Preferred Stock and the holders of Common Stock are entitled in a Deemed Liquidation Event (assuming for this purpose that the Proposed Sale is a Deemed Liquidation Event) in accordance with the Company's Restated Certificate in effect immediately prior to the Proposed Sale; provided, however, that, notwithstanding the foregoing provisions of this Section 8.2(f), if the consideration to be paid in exchange for the Shares held by a Stockholder pursuant to this Section 8.2(f) includes any securities and due receipt thereof by any Stockholder would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (y) the provision to any Stockholder of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act, the Company may cause to be paid to any such Stockholder in lieu thereof, against surrender of the Shares held by the Stockholder, which would have otherwise been sold by such Stockholder, an amount in cash equal to the fair value (as determined in good faith by the Board) of the securities which such Stockholder would otherwise receive as of the date of the issuance of such securities in exchange for the Shares held by the Stockholder; and

(g) subject to clause (f) above requiring the same form of consideration to be available to the holders of any single class or series of capital stock, if any holders of any capital stock of

the Company are given an option as to the form and amount of consideration to be received as a result of the Proposed Sale, all holders of such capital stock will be given the same option; provided, however, that nothing in this Section 8.2(g) shall entitle any holder to receive any form of consideration that such holder would be ineligible to receive as a result of such holder's failure to satisfy any condition, requirement or limitation that is generally applicable to the Company's stockholders.

9. Restrictions on Sales of Control of the Company. No Stockholder shall be a party to any Stock Sale unless (a) all holders of Preferred Stock are allowed to participate in such transaction(s) and (b) the consideration received pursuant to such transaction(s) is allocated among the parties thereto in the manner specified in the Restated Certificate in effect immediately prior to the Stock Sale (as if such transaction(s) were a Deemed Liquidation Event), unless the holders of at least the requisite percentage required to waive treatment of the transaction(s) as a Deemed Liquidation Event pursuant to the terms of the Restated Certificate elect to allocate the consideration differently by written notice given to the Company at least 10 days prior to the effective date of any such transaction or series of related transactions.

10. Remedies.

1.1 Covenants of the Company. The Company agrees to use its best efforts, within the requirements of applicable law, to ensure that the rights granted under Sections 3, 7, 8 and 9 of this Agreement (collectively, the "**VA Provisions**") are effective and that the parties enjoy the benefits of the provisions of such sections of this Agreement. Such actions include, without limitation, the use of the Company's best efforts to cause the nomination and election of the directors as provided in this Agreement.

1.2 Irrevocable Proxy and Power of Attorney. Each party to this Agreement hereby constitutes and appoints as the proxies of the party and hereby grants a power of attorney to the Chief Executive Officer of the Company, and a designee of the Selling Investors, and each of them, with full power of substitution, with respect to the matters set forth herein, including, without limitation, votes regarding the size and composition of the Board pursuant to Section 3 hereof, votes to increase authorized shares pursuant to Section 7 hereof and votes regarding any Sale Transaction pursuant to Section 8 hereof, and hereby authorizes each of them to represent and vote, if and only if the party (i) fails to vote, or (ii) attempts to vote (whether by proxy, in person or by written consent), in a manner which is inconsistent with the terms of this Agreement, any of such party's Shares in favor of the election of persons as members of the Board determined pursuant to and in accordance with the terms and provisions of this Agreement or the increase of authorized shares or approval of any Sale Transaction pursuant to and in accordance with the terms and provisions of this Agreement or to take any action reasonably necessary to effect the VA Provisions. The power of attorney granted hereunder shall authorize the Chief Executive Officer of the Company, and a designee of the Selling Investors, and each of them, to execute and deliver the documentation referred to in Section 8.1 on behalf of any party failing to do so within five (5) business days of a request by the Company. Each of the proxy and power of attorney granted pursuant to this Section 10.2 is given in consideration of the agreements and covenants of the Company and the parties in connection with the transactions contemplated by this Agreement and, as such, each is coupled with an interest and shall be irrevocable unless and until all of the VA Provisions terminate or expire pursuant to Section 11 hereof. Each party hereto hereby revokes any and all previous proxies or powers of attorney with respect to the Shares and shall not hereafter, unless and until all of the VA Provisions terminate or expire pursuant to Section 11 hereof, purport to grant any other proxy or power of attorney with respect to any of the Shares, deposit any of the Shares into a voting trust or enter into any agreement (other than this Agreement), arrangement or understanding with any person, directly or indirectly, to vote, grant any proxy or give instructions with respect to the voting of any of the Shares, in each case, with respect to any of the matters set forth herein.

11. Term of VA Provisions. The VA Provisions shall be effective as of the date hereof and shall continue in effect until and shall terminate upon the earliest to occur of (a) the consummation of the Company's first underwritten public offering of its Common Stock (other than a registration statement relating either to the sale of securities to employees of the Company pursuant to its stock option, stock purchase or similar plan or an SEC Rule 145 transaction); and (b) the consummation of a Sale Transaction and distribution of proceeds to or escrow for the benefit of the Stockholders in accordance with the Restated Certificate, provided that the provisions of Section 8 hereof will continue after the closing of any Sale Transaction to the extent necessary to enforce the provisions of Section 8 with respect to such Sale Transaction.

12. Miscellaneous.

1.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; (iii) after such transfer, holds at least 100,000 shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations); or (iv) is a Permitted Transferee; provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Subsection 2.11. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein. Notwithstanding anything in the contrary contained in this Subsection 12.1, a Holder shall be permitted to make any such transfer that is required in order for such Holder to comply with laws or regulations applicable to it (including those that have been established in accordance with the UCITS (Undertakings for Collective Investment in Transferable Securities) Directive).

1.2 Governing Law. This Agreement shall be governed by the internal law of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of law.

1.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

1.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

1.5 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the

recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A or Schedule B hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Subsection 12.5. If notice is given to the Company, a copy shall also be sent to **[***]**.

1.6 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company, the holders of **[***]** of the Preferred Stock, voting together as a single class on an as converted basis, then outstanding, **[***]**; (x) the Company may in its sole discretion waive compliance with Subsection 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Subsection 2.12(c) shall be deemed to be a waiver); (xi) any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party; (xii) **[***]** Notwithstanding the foregoing, this Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 5 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction). The Company shall give prompt notice of any amendment or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, termination, or waiver. Any amendment, termination, or waiver effected in accordance with this Subsection 12.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

1.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

1.8 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate. For the avoidance of doubt, all shares of capital stock held or acquired by AXA IM, AXA Opportunities Fund and any of their Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

1.9 Additional Holders.

(a) Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of the Company's Preferred Stock after the date hereof, any purchaser of such shares of Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder.

(b) Notwithstanding anything to the contrary contained herein, if the Company issues additional Notes after the date hereof, any purchaser of such Notes may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement,

and thereafter shall be deemed a "Noteholder" for all purposes hereunder. No action or consent by the Investors or Noteholders shall be required for such joinder to this Agreement by such additional Noteholder, so long as such additional Noteholder has agreed in writing to be bound by all of the obligations as a "Noteholder" hereunder

(c) In the event that after the date of this Agreement, the Company enters into an agreement with any Person to issue shares of capital stock to such Person (other than to a purchaser of Preferred Stock described in Section 12.9(a) above or to a purchaser of Notes described in Section 12.9(b) above), following which such Person shall hold Shares constituting one percent (1%) or more of the then outstanding capital stock of the Company (treating for this purpose all shares of Common Stock issuable upon exercise of or conversion of outstanding options, warrants or convertible securities, as if exercised and/or converted or exchanged), then, the Company shall cause such Person (each such Person, a "**Key Holder**"), as a condition precedent to entering into such agreement, to become bound by the VA Provisions by executing an instrument, in a form approved by the Board, agreeing to be bound by and subject to the terms of the VA Provisions as a Key Holder and Stockholder and thereafter such person shall be deemed a Key Holder and Stockholder for all purposes under the VA Provisions.

1.10 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled. Notwithstanding the foregoing, however, each Investor and Noteholder (a) acknowledges receipt of a copy of the relevant provisions of the Note and of the Purchase Agreement, and (b) in the event of a Maturity Conversion (as defined in the Note), agrees to execute and deliver such amendments and/or restatements (in each case, whether one or more) of this Agreement, and to take such other and further actions (including, without limitation, to vote, or cause to be voted, all Shares and Notes owned by such Person, or over which such Person has voting control, from time to time and at all times, and in whatever manner), as the Lead Investor Majority may reasonably request in order to effectuate the provisions of clauses (iii), (iv) and (v) of Section 4(e) of the Note.

1.11 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of Delaware and to the jurisdiction of the United States District Court for the District of Delaware for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of Delaware or the United States District Court for the District of Delaware, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

Each party will bear its own costs in respect of any disputes arising under this Agreement. Each of the parties to this Agreement consents to personal jurisdiction for any equitable action sought in the U.S. District Court for the District of Delaware or any court of the State of Delaware having subject matter jurisdiction.

1.12 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above

VEDANTA BIOSCIENCES, INC.

By: /s/ **[***]**
Name: **[***]**
Title: **[***]**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/ **[***]**
Name: **[***]**
Title: **[***]**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/ **[***]**
Name: **[***]**
Title: **[***]**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/ **[***]**
Name: **[***]**
Title: **[***]**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/ **[***]**
Name: **[***]**
Title: **[***]**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

PURETECH HEALTH LLC

By:/s/ Bharatt Chowrira
Name: Bharatt Chowrira
Title: President

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/ **[***]**
Name: **[***]**
Title: **[***]**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]
Address: [***]

[***]
By: [***]

By: /s/ [***]
Name: [***]
Title: [***]
Address: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

[***]

By: [***]

By: /s/ [***]
Name: [***]
Title: [***]

[***]

By: [***]

By: /s/ [***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

Address: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]
By: [***]

By: /s/ [***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

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INVESTORS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/ [***]
Name: [***]
Its: [***]
Address: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

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INVESTORS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

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INVESTORS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

INVESTORS:

[***]
By: /s/ [***]
Name: [***]
Title: [***]

Email: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

NOTEHOLDERS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

[***]

By: /s/ [***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

NOTEHOLDERS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

[***]

By: /s/ [***]
Name: [***]
Title: [***]

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[***]

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Name: [***]
Title: [***]

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NOTEHOLDERS:

[***]

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Name: [***]
Title: [***]

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NOTEHOLDERS:

[***]

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Name: [***]
Title: [***]

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NOTEHOLDERS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

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NOTEHOLDERS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

NOTEHOLDERS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

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NOTEHOLDERS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

[***]

By: /s/ [***]
Name: [***]
Title: [***]

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NOTEHOLDERS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

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NOTEHOLDERS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

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By: /s/ [***]
Name: [***]
Title: [***]

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[***]

By: /s/ [***]
Name: [***]
Title: [***]

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NOTEHOLDERS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

NOTEHOLDERS:

[***]

By: /s/ [***]
Name: [***]
Title: [***]

[***]

By: /s/ [***]
Name: [***]
Title: [***]

SCHEDULE A
Investors

[***]

ACTIVE/119579555.22

SCHEDULE B
Noteholders

[***]

EXHIBIT A
Form of Noncompetition and Nonsolicitation Agreement

[***]

ACTIVE/119579555.22

Exhibit 4.36

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED (INDICATED BY: [***]) FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) THE TYPE OF INFORMATION THAT THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE OR CONFIDENTIAL.

Execution Version

Royalty Purchase Agreement

By and Between

PureTech Health LLC, as the Seller, and

Solely for purposes of Article 4 and Section 10.13, PureTech Health PLC, as the Seller Parent, on the one hand

and

Royalty Pharma Investments 2019 ICAV, as the Buyer, on the other hand

Dated as of March 22, 2023

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Exhibit G: Form of Assumption Agreement
Exhibit H: Additional Covenants

ROYALTY PURCHASE AGREEMENT

This ROYALTY PURCHASE AGREEMENT, dated as of March 22, 2023 (this "Agreement"), is made and entered into by and between PureTech Health LLC, a Delaware limited liability company (the "Seller"), and solely for purposes of Article 4 and Section 10.13, PureTech Health PLC, a company incorporated under the laws of England and Wales (the "Seller Parent"), on the one hand; and Royalty Pharma Investments 2019 ICAV, an Irish collective asset-management vehicle (the "Buyer"), on the other hand. Unless otherwise defined in this Agreement, capitalized terms have the meanings ascribed to them in Section 1.1 below.

RECITALS:

WHEREAS, pursuant to the License Agreement, the Seller granted to Licensee a license with respect to the Licensed Patents to exploit the Licensed Products, and Licensee, in partial consideration thereof, agreed to pay specified royalties to the Seller with respect to Net Sales of the Licensed Products; and

WHEREAS, the Buyer desires to purchase the Purchased Royalty from the Seller, and the Seller desires to sell the Purchased Royalty to the Buyer.

NOW THEREFORE, in consideration of the representations, warranties, covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Seller and the Buyer hereby agree as follows:

Article 1

DEFINED TERMS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Additional Purchase Price Payment" is defined in Section 2.1(b).

"Affiliate" means, with respect to any particular Person, any other Person directly or indirectly, and whether by contract or otherwise, controlling, controlled by or under common control with such Person. For purposes of this definition, the word "control" (including, with correlative meaning, the terms "controlled by" or "under common control with") means the actual power, either directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of such entity, whether by the ownership of at least fifty percent (50%) of the voting securities of such entity, or by contract or otherwise. For the avoidance of doubt, Licensee shall not be considered an "Affiliate" of the Seller.

"Agreement" is defined in the preamble.

"Applicable Percentage" means, on a calendar year-by-calendar year basis, 100%, until the portion of aggregate Purchased Royalties received by the Buyer with respect to Net Sales of Licensed Products occurring during such calendar year equals at least $60,000,000, and thereafter 33.33% with respect to Net Sales of Licensed Products occurring during such calendar year after the occurrence of the Net Sales which resulted in such $60,000,000 in Purchased Royalties received by the Buyer.

"Bankruptcy Laws" means, collectively, bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, fraudulent transfer or other similar laws affecting the enforcement of creditors' rights generally.

"Bilateral Common Interest and Joint Privilege Agreement" means that certain common interest and joint privilege agreement, dated as of the Closing Date, executed by the Seller and the Buyer, substantially in the form attached hereto as Exhibit D-1.

"Bill of Sale" is defined in Section 3.2.

"Business Day" means any day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions located in New York or Massachusetts are permitted or required by applicable law or regulation to remain closed.

"Buyer" is defined in the preamble.

"Buyer Indemnified Parties" is defined in Section 8.1(a).

"Closing" is defined in Section 3.1.

"Closing Date" means the date on which the Closing occurs.

"Confidential Information" is defined in Section 7.1.

"Contracts" is defined in Section 4.9(a).

"Credit Event" means any insolvency, bankruptcy, receivership, assignment for the benefit of creditors, similar proceeding, or financial distress of Licensee, as a result of which Licensee fails to pay, or is delayed in paying, all or a portion of the Royalty.

"Disclosing Party" is defined in Section 7.1.

"Disclosure Schedule" means the Disclosure Schedule, dated as of the date hereof, delivered to the Buyer by the Seller concurrently with the execution of this Agreement.

"Eli Lilly Agreement" means that certain License Agreement by and between Eli Lilly and Company and Licensee dated May 9, 2012.

"Escrow Account" means the escrow account created pursuant to the Escrow Agreement.

"Escrow Agent" means US. Bank National Association, as escrow agent.

"Escrow Agreement" means that certain escrow agreement, dated as of the Closing Date, executed by the Seller, the Buyer and the Escrow Agent, substantially in the form attached hereto as Exhibit E.

"Existing Confidentiality Agreement" is defined in Section 7.3.

"FDA" means the U.S. Food and Drug Administration, or a successor federal agency thereto in the United States.

"FDA Approval of an NDA" means the FDA's approval of an NDA, including all licenses, registrations, and pricing or reimbursement approvals, that are necessary for the sale and marketing of a pharmaceutical product in the United States.

"FDA Approval of an NDA or sNDA" means the FDA's approval of an NDA or sNDA, including all licenses, registrations, and pricing or reimbursement approvals, that are necessary for the sale and marketing of a pharmaceutical product in the United States.

"First Commercial Sale" means the first commercial sale in an arms' length transaction of KarXT to a Third Party by Licensee or any of its Affiliates or (sub)licensees in any country worldwide following receipt of applicable regulatory approval of KarXT in such country. For clarity, First Commercial Sale shall not include any distribution or other sale solely for patient assistance, named patient use, compassionate use, or test marketing programs or non-registrational studies or similar programs or studies where KarXT is supplied without charge or at the actual manufacturing cost thereof (without allocation of indirect costs or any markup).

"Guaranteed Obligations" is defined in Section 10.13.

"Governmental Entity" means any: (i) nation, principality, republic, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (ii) federal, state, local, municipal, foreign or other government; (iii) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or other entity and any court, arbitrator or other tribunal); (iv) multi-national organization or body; or (v) individual, body or other entity exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

"In-License" means an agreement with a Third Party pursuant to which such Third Party grants a license to the counterparty under such Third Party's intellectual property.

"Indemnified Party" is defined in Section 8.2.

"Indemnifying Party" is defined in Section 8.2.

"Initial Purchase Price" means $100,000,000.

"Judgment" means any judgment, order, writ, injunction, citation, award or decree of any nature.

"Karuna Product Patents" means any and all Patents, other than the Licensed Patents, owned or in-licensed by Licensee or its Affiliates that claim or cover the Licensed Product, including all Patents listed at any time after the date hereof in the Orange Book for a Licensed Product.

"KarXT" means the oral modulator of muscarinic receptors referred to by Licensee as of the date hereof as xanomeline-trospium, KarXT (xanomeline-trospium) or KarXT and being evaluated by Licensee as of the date hereof in Phase 3 clinical trials as both a monotherapy and adjunctive therapy for the treatment of schizophrenia and as a monotherapy for the treatment of psychosis in Alzheimer's disease.

"Knowledge of the Seller" means the actual knowledge of Daphne Zohar, Chief Executive Officer, Bharatt Chowrira, PhD, JD, President and Chief Business, Finance and Operating Officer, Eric Elenko, PhD, Chief Innovation and Strategy Officer, Anita Terpstra, PhD, JD, Senior Vice President and Head, Intellectual Property, and Charles Sherwood, Esq., Associate General Counsel, after reasonable due inquiry; provided that "reasonable due inquiry" shall not include any requirement to contact or correspond with any Person that is not an Affiliate or employee of the Seller.

"License Agreement" means (i) that certain Exclusive Patent License Agreement by and between the Seller (f/k/a PureTech Ventures, LLC) and Licensee dated March 4, 2011, as amended by Amendment No. 1 to Exclusive Patent License Agreement dated February 1, 2013, Amendment No. 2 to Exclusive Patent License Agreement dated February 25, 2015, and Amendment No. 3 to Exclusive Patent License Agreement dated July 31, 2015, as may be further amended and/or restated from time to time as permitted under this Agreement, and (ii) any New License Agreement, as may be further amended and/or restated from time to time.

"License Agreement Correspondence" means copies of all:

(a) reports provided to the Seller by Licensee as of the date hereof pursuant to Section 4.1 of the License Agreement;

(b) sublicenses granted by Licensee and received by the Seller pursuant to Section 2.2 of the License Agreement;

(c) agreements between the Seller and Licensee (or their Affiliates) relating to the License Agreement, including any development, manufacturing, services, or pharmacovigilance agreements;

(d) audit records or reports provided by Licensee to the Seller under Section 4.4 of the License Agreement;

(e) patent prosecution updates provided by Licensee to the Seller under Section 5.1 or 5.3 of the License Agreement;

(f) patent infringement notices provided by either Licensee or the Seller under Section 6.1 of the License Agreement;

(g) patent enforcement or defense updates provided by either Licensee or the Seller under Section 6.2 or 6.3 of the License Agreement;

(h) updates regarding Third Party infringement claims provided by either Licensee or the Seller; and

(i) other material communications between Licensee and the Seller since January 1, 2020 relating to the License Agreement, the Royalty, the Licensed Patents, or the Licensed Products.

"Licensed Patents" shall have the meaning ascribed to the term Patent Rights in Section 1.5 of the License Agreement.

"Licensed Product" shall (i) have the meaning ascribed to the term Licensed Product in Section 1.3 of the License Agreement, and (ii) in the case of a New Arrangement entered into by the Seller in accordance with the terms hereof, the analogous term for "licensed product" or any comparable concept as defined in the applicable New License Agreement, including, for clarity, in each case ((i) and (ii)), KarXT.

"Licensee" means (i) Karuna Therapeutics, Inc. (f/k/a Karuna Pharmaceuticals, Inc.), a Delaware corporation, and any successor entity thereto, and (ii) any licensee party to any New License Agreement.

"Licensee Instruction Letter" is defined in Section 3.3.

"Lien" means any mortgage, lien, pledge, charge, adverse claim, security interest, encumbrance or restriction of any kind, including any restriction on use, transfer or exercise of any other attribute of ownership of any kind.

"Loss" means any and all Judgments, damages, losses, claims, costs, liabilities and expenses, including reasonable fees and out-of-pocket expenses of counsel.

"Material Adverse Effect" means (i) a material adverse effect on the legality, validity or enforceability of any provision of this Agreement, (ii) a material adverse effect on the ability of the Seller to perform any of its obligations hereunder, (iii) a material adverse effect on the rights or remedies of the Buyer hereunder other than any such material adverse effect that results from compliance with any directions of the Buyer, (iv) a material adverse effect on the rights of the Seller under the License Agreement related to the Royalty, or (v) an adverse effect in any material respect on the timing, amount or duration of the payments to be made to the Buyer in respect of any portion of the Purchased Royalty or the right of the Buyer to receive such payments [***].

"NDA" means a New Drug Application as described in 21 C.F.R. § 314.50 submitted to the FDA in the United States with respect to a pharmaceutical product.

"Net Sales" shall have the meaning ascribed to the term Net Sales in Section 1.4 of the License Agreement.

"New Arrangement" is defined in Section 6.12(a)(ii).

"New License Agreement" is defined in Section 6.11.

"Orange Book" means the then-current edition of the FDA publication "Approved Drug Products with Therapeutic Equivalence Evaluations."

"Patents" means all patents and patent applications and all substitutions, divisions, continuations, continuations-in-part, any patent issued with respect to any such patent applications, any reissue, reexamination, renewal or extension (including any supplementary protection certificate) of any such patent, and any confirmation patent or registration patent or patent of addition based on any such patent, and all counterparts and equivalents of any of the foregoing in any country or jurisdiction.

"Payment Triggering Event" is defined in Section 2.1(b).

"Permitted Liens" means any (i) mechanic's, materialmen's, and similar liens for amounts not yet due and payable, (ii) statutory liens for Taxes not yet due and payable or for Taxes that the taxpayer is contesting in good faith, and (iii) any liens created, permitted or required by this Agreement in favor of the Buyer or its Affiliates.

"Permitted Reduction" means a Royalty Reduction pursuant to Section 3.2(b) of the License Agreement, excluding any such Royalty Reduction that is a withholding of Tax as a result of any action by the Seller, such as an assignment or re-domiciliation by the Seller, or any failure on the part of the Seller to comply with applicable law.

"Person" means any individual, firm, corporation, company, partnership, limited liability company, trust, joint venture, association, estate, trust, Governmental Entity or other entity, enterprise, association or organization.

"Prime Rate" means the prime rate published by The Wall Street Journal, from time to time, as the prime rate.

"Pro-Rata Portion" means, on a calendar year-by-calendar year basis, (i) with respect to the Buyer, 100%, until the portion of aggregate Purchased Royalties received by the Buyer with respect to Net Sales of Licensed Products occurring during such calendar year equals at least $60,000,000, and thereafter 33.33% with respect to Net Sales of Licensed Products occurring during such calendar year after the occurrence of the Net Sales which resulted in such $60,000,000 in Purchased Royalties received by the Buyer, and (ii) with respect to the Seller, 0%, until the portion of aggregate Purchased Royalties received by the Buyer with respect to Net Sales of Licensed Products occurring during such calendar year equals at least $60,000,000, and thereafter 66.67% with respect to Net Sales of Licensed Products occurring during such calendar year after the occurrence of the Net Sales which resulted in such $60,000,000 in Purchased Royalties received by the Buyer.

"Proceeds" means any amounts actually recovered by the Seller as a result of any settlement or resolution of any actions, suits, proceedings, claims or disputes related to (i) the License Agreement, (ii) the Licensed Patents, or (iii) any Licensed Product, in each case ((i), (ii) and (iii)), related to or involving the Royalty.

"Purchase Price" means, collectively, the Initial Purchase Price and any Additional Purchase Price Payments.

"Purchased Royalty" means, for each calendar quarter during the term of this Agreement, an amount payable to the Buyer equal to the amount of all Royalties with respect to Net Sales of Licensed Products occurring during such calendar quarter multiplied by the Applicable Percentage.

"PureTech In-Licenses" means any and all In-Licenses to which the Seller is a party pursuant to which the Seller has in-licensed any of the Licensed Patents from a Third Party.

"Receiving Party" is defined in Section 7.1.

"Representative" means, with respect to any Person, (i) any direct or indirect stockholder, member or partner of such Person and (ii) any manager, director, officer, employee, agent, advisor or other representative (including attorneys, accountants, consultants, bankers, financial advisors and actual and potential lenders and investors) of such Person.

"Retained Royalty" means that portion of the Royalty retained by the Seller that is not the Purchased Royalty.

"Royalty" means (i) any and all payments or amounts payable to the Seller under Section 3.1(a) of the License Agreement; (ii) any and all payments or amounts payable to the Seller under the License Agreement in lieu of such payments or amounts described in the foregoing clause (i); (iii) any and all payments or amounts payable to the Seller under Sections 4.4 (solely to the extent related to amounts due under Section 3.1(a) of the License Agreement), 6.4(ii) or 6.4(iii) (for any actions brought or defended by Licensee under Section 6.2 or 6.3 of the License Agreement), and 11.3(b) of the License Agreement; (iv) any and all payments or amounts payable to the Seller under Section 11.1 (solely to the extent related to any payments or amounts described under clauses (i) through (iii) and (v) through (vii) of this definition) of the License Agreement); (v) the share of any recovery payments or amounts payable to, or obtained and retained by, the Seller from an action brought by the Seller under Sections 6.2 or 6.3 of the License Agreement pursuant to the last sentence of Section 6.4 of the License Agreement (excluding reimbursement for any expenses incurred in such action); (vi) any and all amounts

payable to the Seller under Section 7.1 of the License Agreement to the extent such payments relate to the Royalty or Net Sales of the Licensed Products; and (vii) any and all interest payments to the Seller under Section 3.2(c) of the License Agreement assessed on any payments or amounts described in the foregoing clauses (i) through (vi).

Notwithstanding the immediately above definition, the term "Royalty" shall exclude: (w) any and all payments or amounts payable to the Seller under Section 3.1(b) or 3.1(c) of the License Agreement, (x) any payments or amounts of the types described in clauses (iii) through (vii) of this definition above which relate to or are in lieu of any payments or amounts payable to the Seller under Section 3.1(b) or 3.1(c) of the License Agreement, (y) any payments or amounts payable by Licensee to the Seller not related to the Royalty or the Licensed Product, and (z) any indemnity payments to the Seller and its Affiliates under Section 7.1 of the License Agreement that are not related to the Royalty or Net Sales of the Licensed Products.

"Royalty Reduction" is defined in Section 4.9(k).

"Royalty Reports" means the quarterly reports deliverable by Licensee pursuant to Sections 4.1(c) and 4.2 of the License Agreement.

"Seller" is defined in the preamble.

"Seller Indemnified Parties" is defined in Section 8.1(b).

"Seller Monetization Transaction" means, with respect to the Retained Royalty and/or any and all payments or amounts payable to the Seller under Section 3.1(b) or 3.1(c) of the License Agreement, (i) any sale, assignment or other transfer of all or a portion of the Seller's and/or its Affiliates' right, title and interest in, to and under such Retained Royalty and/or payments or amounts payable to the Seller under Section 3.1(b) or 3.1(c) of the License Agreement, (ii) any synthetic royalty or other monetization transaction, in each case secured by a Lien on, or providing for payments from and based on the cash flows generated by, the Seller's and/or its Affiliates' right, title and interest in such Retained Royalty and/or payments or amounts payable to the Seller under Section 3.1(b) or 3.1(c) of the License Agreement, or (iii) any debt financing where the collateral includes any portion of the Retained Royalty, the payments or amounts payable to the Seller under Section 3.1(b) or 3.1(c) of the License Agreement, the Licensed Patents, or any "proceeds" (as defined in the UCC) if any of the foregoing constitute a material portion of the collateral, including if such collateral is combined with similar collateral for other products, product candidates, intellectual property and proceeds; *provided* that the following shall not be a Seller Monetization Transaction: (x) any debt financing secured by a Lien on all or substantially all assets of the Seller and its material subsidiaries, on a consolidated basis and (y) a sale or transfer contemplated in clause (i) to an Affiliate in accordance with Section 10.3 so long as such Affiliate does not engage in a Seller Monetization Transaction.

"Seller Parent" is defined in the preamble.

"sNDA" means a Supplemental New Drug Application as described in 21 C.F.R. § 314.70 submitted to the FDA in the United States with respect to a pharmaceutical product.

"Tax" or "Taxes" means any U.S. federal, state, local or non-U.S. income, gross receipts, license, payroll, employment, excise, severance, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not.

"Third Party" means any Person other than the Buyer, the Seller or any of their respective Affiliates.

"Trilateral Common Interest and Joint Privilege Agreement" means a common interest and joint privilege agreement among the Seller, Licensee, and the Buyer substantially in the form attached hereto as Exhibit D-2.

"UCC" means Article 9 of the New York Uniform Commercial Code, as in effect from time to time.

Section 1.2 Certain Interpretations. Except where expressly stated otherwise in this Agreement, the following rules of interpretation apply to this Agreement:

(a) "either" and "or" are not exclusive and "include," "includes" and "including" are not limiting and shall be deemed to be followed by the words "without limitation;"

(b) "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if;"

(c) "hereof," "hereto," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement;

(d) references to a Person are also to its permitted successors and assigns;

(e) definitions are applicable to the singular as well as the plural forms of such terms;

(f) unless otherwise indicated, references to an "Article", "Section" or "Exhibit" refer to an Article or Section of, or an Exhibit to, this Agreement, and references to a "Schedule" refer to the corresponding part of the Disclosure Schedule;

(g) references to "$" or otherwise to dollar amounts refer to the lawful currency of the United States;

(h) provisions referring to matters that would or could have, or would or could reasonably be expected to have, or similar phrases, shall be deemed to have such result or expectation with or without the giving of notice or the passage of time, or both;

(i) for covenants that are to be undertaken "reasonably," such actions (or inactions) shall take into account Buyer's and Seller's relative economic interests in the matter and the relative economic impact of the applicable action (or inaction) on such interests;

(j) references to this Agreement include the Bill of Sale, the Disclosure Schedule, the Bilateral Common Interest and Joint Privilege Agreement, the Escrow Agreement, and the Licensee Instruction Letter; and

(k) references to a law include any amendment or modification to such law and any rules and regulations issued thereunder, whether such amendment or modification is made, or issuance of such rules and regulations occurs, before or after the date of this Agreement.

Section 1.3 Headings. The table of contents and the descriptive headings of the several Articles and Sections of this Agreement and the Exhibits and Schedules are for convenience only, do not constitute a part of this Agreement and shall not control or affect, in any way, the meaning or interpretation of this Agreement.

Article 2

PURCHASE, SALE AND ASSIGNMENT OF THE PURCHASED ROYALTY

Section 1.1 Closing; Purchase Price.

(a) Upon the terms and subject to the conditions of this Agreement, at the Closing, the Seller shall sell, transfer, assign and convey to the Buyer, and the Buyer shall purchase, acquire and accept from the Seller, free and clear of all Liens (other than Permitted Liens), all of the Seller's right, title and interest in and to the Purchased Royalty. The purchase price to be paid at the Closing to the Seller for the sale, transfer, assignment and conveyance of the Seller's right, title and interest in and to the Purchased Royalty to the Buyer is the Initial Purchase Price. At the Closing, the Buyer shall pay the Seller the Initial Purchase Price by wire transfer of immediately available funds to one or more accounts specified by the Seller on Exhibit A.

(b) Following the Closing, upon the occurrence of each of the following events (each a "Payment Triggering Event"), the Buyer shall make a cash payment (each an "Additional Purchase Price Payment") to the Seller in the amount corresponding to such Payment Triggering Event:

#	PAYMENT TRIGGERING EVENT	ADDITIONAL PURCHASE PRICE PAYMENT AMOUNT
1	[***]	$[***]
2	[***]	$[***]
3	[***]	$[***]
4	[***]	[***]
5	[***]	$[***]
6	[***]	$[***]
7	[***]	$[***]
8	[***]	$[***]
9	[***]	$[***]
	TOTAL	**$400,000,000**

(c) The Seller hereby agrees and acknowledges that: (i) the Additional Purchase Price Payments are contingent payment obligations of the Buyer and there can be no assurance regarding the occurrence of any of the Payment Triggering Events; and (ii) the Buyer shall have no obligation or liability with respect to any Additional Purchase Price Payment unless and until the corresponding Payment Triggering Event has occurred. Any Additional Purchase Price Payment owed to the Seller by the Buyer in accordance with Section 2.1(b) shall be paid to the Seller by wire transfer of immediately available funds to the account(s) specified by the Seller on Exhibit A (or such other account(s) as specified by the Seller in a writing delivered to the Buyer in accordance with Section 10.1) within **[***]** (**[***]**) Business Days following the occurrence of a Payment Triggering Event; *provided* that with respect to Payment Triggering Event #4, such payment shall be made within **[***]** (**[***]**) Business Days after Buyer's receipt of the Purchased Royalties attributable to Net Sales that occur within the twelfth calendar quarter ending after the First Commercial Sale). For clarity, only one Additional Purchase Price Payment shall be due hereunder with respect to each Payment Triggering Event; no Additional Purchase Price Payment shall be payable for subsequent or repeated achievements of any Payment Triggering Events. Each party hereto further agrees and acknowledges that the other party hereto shall have the right to offset, reduce or withhold any amounts otherwise due and payable hereunder solely to the extent determined to be owed by such party to the other party hereunder pursuant to a final determination of a court of competent jurisdiction.

(d) The parties hereto further agree that: (i) the aggregate Additional Purchase Price Payments payable by the Buyer hereunder shall not exceed $400,000,000 and (ii) the total Purchase Price payable to the Seller by the Buyer hereunder (inclusive of the Initial Purchase Price and, if required to be paid under this Agreement, all of the Additional Purchase Price Payments) shall in no event exceed $500,000,000 in the aggregate.

Section 1.2 No Assumed Obligations; Excluded Assets. Notwithstanding any provision in this Agreement to the contrary, the Buyer is purchasing, acquiring and accepting only the Purchased Royalty, and is not assuming any liability or obligation of the Seller of whatever nature, whether presently in existence or arising or asserted hereafter, under the License Agreement or otherwise. Except as specifically set forth herein in respect of the Purchased Royalty purchased, acquired and accepted hereunder, the Buyer does not, by such purchase, acquisition and acceptance, acquire any other contract rights of the Seller under the License Agreement or otherwise or any other assets of the Seller. For the avoidance of doubt and notwithstanding anything herein to the contrary, nothing in this provision limits any other obligation of the Buyer under this Agreement, including without limitation any indemnity obligations of the Buyer.

Section 1.3 True Sale. It is the intention of the parties hereto that the sale, transfer, assignment and conveyance contemplated by this Agreement be, and is, a true, complete, absolute and irrevocable sale, transfer, assignment and conveyance by the Seller to the Buyer of all of the Seller's rights, title and interests in and to the Purchased Royalty and the Seller relinquishes all title and control over the Purchased Royalty upon such sale, transfer, assignment and conveyance. Neither the Seller nor the Buyer intends the transactions contemplated by this Agreement to be, or for any purpose characterized as, a loan from the Buyer to the Seller or to any of the Seller's Affiliates, or a pledge, a security interest, a financing transaction or a borrowing. It is the intention of the parties hereto that the beneficial interest in and title to the Purchased Royalty and any "proceeds" (as defined in the UCC) thereof shall not be part of the Seller's estates in the event of the filing of a petition by or against the Seller under any Bankruptcy Laws. Each of the Seller and the Buyer hereby waives, to the maximum extent permitted by applicable law, any right to contest or otherwise assert that the sale contemplated by this Agreement does not constitute a true, complete, absolute and irrevocable sale, transfer, assignment and conveyance by the Seller to the Buyer of all of the Seller's right, title and interest in and to the Purchased Royalty under applicable law, which waiver shall, to the maximum

extent permitted by applicable law, be enforceable against the Seller in any bankruptcy or insolvency proceeding relating to the Seller or its subsidiaries. Accordingly, the Seller shall treat the sale, transfer, assignment and conveyance of the Purchased Royalty as a sale of an "account" or a "payment intangible" (as appropriate) in accordance with the UCC, and the Seller hereby authorizes the Buyer to file financing statements (and continuation statements with respect to such financing statements when applicable) naming the Seller as the debtor and/or seller and the Buyer as the secured party and/or buyer in respect of the Purchased Royalty. Not in derogation of the foregoing statement of the intent of the parties hereto in this regard, and for the purposes of providing additional assurance to the Buyer in the event that, despite the intent of the parties hereto, the sale, transfer, assignment and conveyance contemplated hereby is hereafter held not to be a sale, the Seller does hereby grant to the Buyer a security interest in and to all right, title and interest of the Seller, in, to and under the Purchased Royalty and any "proceeds" (as defined in the UCC) thereof as security for all of the Seller's obligations hereunder, including the payment of the Purchased Royalty, and the Seller does hereby authorize the Buyer, from and after the Closing, to file such financing statements (and continuation statements with respect to such financing statements when applicable) in such manner and such jurisdictions as are necessary or appropriate to perfect such security interest.

Article 3

CLOSING

Section 1.1 Closing; Payment of Purchase Price.

The purchase and sale of the Purchased Royalty shall take place remotely via the exchange of documents and signatures on the date hereof or such other place, time and date as the parties hereto may mutually agree (the "Closing"). At the Closing, the Buyer shall deliver (or cause to be delivered) payment of the Initial Purchase Price to the Seller by wire transfer of immediately available funds to one or more accounts specified by the Seller on Exhibit A.

Section 1.2 Bill of Sale. At the Closing, upon confirmation of the receipt of the Initial Purchase Price, each of the Seller and the Buyer shall deliver to the other party hereto a duly executed bill of sale evidencing the sale, transfer, assignment and conveyance of the Purchased Royalty, substantially in the form attached hereto as Exhibit B (the "Bill of Sale").

Section 1.3 Licensee Instruction. At the Closing, the Seller shall deliver to the Buyer and Licensee an instruction letter, in the form attached hereto as Exhibit C (the "Licensee Instruction Letter"), duly executed by the Seller, instructing Licensee to pay the Royalty directly to the Escrow Account.

Section 1.4 Bilateral Common Interest and Joint Privilege Agreement. At the Closing, each of the Seller and the Buyer shall deliver to the other party hereto a duly executed counterpart of the Bilateral Common Interest and Joint Privilege Agreement.

Section 1.5 Escrow Agreement. At the Closing, each of the Seller and the Buyer shall deliver to the other party hereto a duly executed counterpart of the Escrow Agreement, and the Escrow Agent shall deliver to the parties hereto a duly executed counterpart of the Escrow Agreement.

Section 1.6 Form W-9. At the Closing, the Seller shall deliver to the Buyer a valid, properly executed IRS Form W-9 certifying that the Seller is a corporation for U.S. federal income tax purposes and is exempt from U.S. federal withholding tax and "backup" withholding tax with respect to the Purchase Price.

Section 1.7 Form W-8BEN-E. At the Closing, the Buyer shall deliver to the Seller a valid, properly executed IRS Form W-8BEN-E certifying that the Buyer is exempt from U.S. federal withholding tax with respect to any and all royalty payments in respect of the Purchased Royalty pursuant to an income tax treaty to which the United States is a party.

Section 1.8 Additional Documents. At the Closing, the Seller shall deliver to the Buyer the document attached as Appendix 1 to Exhibit H, duly and properly executed by the Seller.

Article 4

SELLER'S AND SELLER PARENT'S REPRESENTATIONS AND WARRANTIES

Except as set forth in the Disclosure Schedule, each of the Seller and the Seller Parent represents and warrants to the Buyer that as of the Closing Date:

Section 1.1 Existence; Good Standing. The Seller is a limited liability company, duly formed, validly existing and in good standing under the laws of the State of Delaware. The Seller Parent is a public limited company duly incorporated, validly existing and in good standing under the laws of England and Wales. Each of the Seller and the Seller Parent is duly licensed or qualified to do business and is in limited liability company or corporate, as applicable, good standing in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned, leased or operated by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified and in limited liability company or corporate, as applicable, good standing has not and would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 1.2 Authorization. Each of the Seller and the Seller Parent has all requisite corporate or limited liability company power and authority to execute, deliver and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary corporate or limited liability company action on the part of the Seller and the Seller Parent.

Section 1.3 Enforceability. The Agreement has been duly executed and delivered and constitutes a valid and binding obligation of the Seller and the Seller Parent enforceable against each in accordance with its terms, except as such enforceability may be limited by applicable Bankruptcy Laws or general principles of equity (whether considered in a proceeding in equity or at law).

Section 1.4 No Conflicts. The execution, delivery and performance by the Seller and the Seller Parent of this Agreement and the consummation of the transactions contemplated hereby do not and shall not (i) contravene or conflict with the organizational documents of the Seller or the Seller Parent, (ii) contravene or conflict with or constitute a material default under any law or Judgment binding upon or applicable to the Seller or the Seller Parent, (iii) contravene or conflict with or constitute a default under the License Agreement or (iv) contravene or conflict with or constitute a material default under any other material contract or material agreement binding upon or applicable to the Seller or the Seller Parent.

Section 1.5 Consents. Except for the consents that have been obtained on or prior to the Closing or filings required by the federal securities laws or stock exchange rules, no consent, approval, license, order, authorization, registration, declaration or filing with or of any

Governmental Entity or other Person is required to be done or obtained by the Seller in connection with (i) the execution and delivery by the Seller of this Agreement, (ii) the performance by the Seller of its obligations under this Agreement or (iii) the consummation by the Seller of any of the transactions contemplated by this Agreement.

Section 1.6 No Litigation. There is no action, suit, claim, investigation or proceeding pending or, to the Knowledge of the Seller, threatened, including before any Governmental Entity, against or involving the Seller or any of its Affiliates, or any of their respective properties or assets that, individually or in the aggregate, would be reasonably be expected to result in a Material Adverse Effect or which questions the validity of this Agreement or the transactions contemplated hereby or any action taken or to be taken pursuant hereto.

Section 1.7 Compliance with Laws. Neither the Seller nor any of its Affiliates is in violation of, and to the Knowledge of the Seller, neither the Seller nor any of its Affiliates is under investigation with respect to nor has the Seller or any of its Affiliates been threatened to be charged with or given notice of any violation of, any law or Judgment applicable to the Seller or any of its Affiliates, which violation would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 1.8 No Undisclosed Events or Circumstances. No event or circumstance has occurred or exists with respect to the Seller, its Affiliates, or their respective businesses, properties, operations or financial condition, which, under applicable law, rule or regulation, requires public disclosure or announcement by the Seller but which has not been so publicly announced or disclosed and which, individually or in the aggregate, would constitute a Material Adverse Effect.

Section 1.9 License Agreement. Attached hereto as Exhibit F is a true, correct and complete copy of the License Agreement. The Seller has delivered to the Buyer true, correct and complete copies of all License Agreement Correspondence.

(a) No Other Agreements. Except as set forth on Schedule 4.9(a)(i) of the Disclosure Schedule, the License Agreement is the only agreement, instrument, arrangement, modification, waiver or understanding (collectively, "Contracts") between the Seller (or any predecessor or Affiliate thereof), on the one hand, and Licensee (or any predecessor or Affiliate thereof), on the other hand, relating to the subject matter thereof. Except as set forth on Schedule 4.9(a)(ii) of the Disclosure Schedule, there are no other Contracts between the Seller (or any predecessor or any Affiliate thereof), on the one hand, and any other Person, including Licensee (or any predecessor or Affiliate thereof), on the other hand, that relate to the License Agreement, any Licensed Patent, a Licensed Product (including the development or commercialization thereof), or the Royalty. Except as set forth on Schedule 4.9(a)(iii) of the Disclosure Schedule, to the Knowledge of the Seller, the License Agreement and the Eli Lilly Agreement are the only material Contracts between Licensee (or any predecessor or Affiliate thereof), on the one hand, and any other Person, on the other hand, relating to KarXT (including the development or commercialization thereof). Except as set forth on Schedule 4.9(a)(iv) of the Disclosure Schedule, there is no proposal to amend or waive any provision of the License Agreement in any manner that (i) would result in a breach of this Agreement or (ii) would otherwise reasonably be expected to have a Material Adverse Effect. No executed, draft or proposed Contract between the Seller (or any predecessor or any Affiliate thereof), on the one hand, and any other Person, including Licensee (or any predecessor or Affiliate thereof), on the other hand, contains any provision, term or condition that would reasonably be expected to result in a Material Adverse Effect.

(b) Licenses/Sublicenses. Except as set forth on Schedule 4.9(b) of the Disclosure Schedule, to the Knowledge of the Seller, there are no licenses or sublicenses entered into by Licensee (or any predecessor or Affiliate thereof) or any other Person in respect of Licensee's rights and obligations under the License Agreement (including any Licensed Patents). Except as set forth on Schedule 4.9(b) of the Disclosure Schedule, the Seller has not received any notice from Licensee pursuant to Section 2.2 or 6.6 of the License Agreement.

(c) Validity and Enforceability of License Agreement; No Breaches or Defaults; No Repudiation. The License Agreement is legal, valid, binding, enforceable, and in full force and effect, except as such enforceability may be limited by applicable Bankruptcy Laws or general principles of equity (whether considered in a proceeding in equity or at law). The License Agreement will continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms, immediately following the consummation of the transactions contemplated by this Agreement, except as such enforceability may be limited by applicable Bankruptcy Laws or general principles of equity (whether considered in a proceeding in equity or at law). Neither the Seller nor, to the Knowledge of the Seller, Licensee is, or has at any time been, in material breach under the License Agreement or material default thereunder, and, to the Knowledge of the Seller, no event has occurred that would constitute such a breach, or permit termination, modification, or acceleration, under the License Agreement. No party to the License Agreement has repudiated any provision of the License Agreement and the Seller has not received any notice in connection with the License Agreement challenging the validity, enforceability or interpretation of any provision of such agreement, including the obligation to pay any portion of the Royalty without set-off of any kind.

(d) Licensed Product. KarXT is a Licensed Product under the License Agreement, and to the Knowledge of the Seller, there are no other Licensed Products being researched, developed or commercialized by or on behalf of Licensee under the License Agreement. Licensee and its Affiliates are required to pay the royalties under Section 3.1(a) of the License Agreement on all Net Sales of any Licensed Products by or on behalf of them and any of their (sub)licensees. The Seller has the right to receive the Royalty for so long as Licensee, one of its Affiliates or any of its or their (sub)licensees is selling any Licensed Product during the Term (as defined in Section 1.9 of the License Agreement).

(e) No Liens or Assignments by the Seller. The Seller has not, except for Permitted Liens and as contemplated hereby, conveyed, assigned or in any other way transferred or granted any Liens upon or with respect to all or any portion of its right, title and interest in and to the Royalty, any Licensed Patent or the License Agreement.

(f) No Waivers or Releases. Except as set forth on Schedule 4.9(f) of the Disclosure Schedule, the Seller has not granted any material waiver under the License Agreement and has not released Licensee, in whole or in part, from any of its material obligations under the License Agreement.

(g) No Termination. The Seller has not (i) given Licensee any notice of termination of the License Agreement (whether in whole or in part) or any notice expressing any intention to terminate the License Agreement or (ii) received any notice of termination of the License Agreement (whether in whole or in part) or any notice expressing any intention to terminate the License Agreement. To the Knowledge of the Seller, no event has occurred that would give rise to the expiration or termination of, or either the Seller or Licensee having the right to terminate, the

License Agreement, including a breach of any of the obligations set forth in Section 2.4 of the License Agreement.

(h) Payments Made. The Seller has timely received from Licensee the full amount of the payments due and payable under the License Agreement, to the extent such amounts have come due.

(i) No Assignments by Licensee. The Seller has not consented to any assignment, delegation or other transfer by Licensee or any of its predecessors of any of their rights or obligations under the License Agreement, and, to the Knowledge of the Seller, Licensee has not assigned or otherwise transferred or granted any Lien upon or with respect to any of its rights or obligations under the License Agreement.

(j) No Indemnification Claims. The Seller has not notified Licensee or any other Person of any claims for indemnification under the License Agreement nor has the Seller received any claims for indemnification under the License Agreement.

(k) No Royalty Reductions. To the Knowledge of the Seller, the amount of the Royalty due and payable under Section 3.1(a) of the License Agreement is not subject to any claim by Licensee alleging a right of set-off, counterclaim, credit, reduction or deduction by contract or otherwise, including as permitted by Section 3.2(b) of the License Agreement, or otherwise against the Royalty (each, a "Royalty Reduction"). To the Knowledge of the Seller, no event or condition exists that would reasonably be expected to permit Licensee to claim, or have the right to claim, a Royalty Reduction.

(l) No Notice of Infringement, Enforcement or Defense. The Seller has not received any written notice from, or given any written notice to, Licensee pursuant to Section 6.1, 6.2 or 6.3 of the License Agreement.

(m)Audits. The Seller has not initiated, pursuant to Section 4.4 of the License Agreement or otherwise, any inspection or audit of books of accounts or other records pertaining to Net Sales, the calculation of royalties or other amounts payable to the Seller under the License Agreement.

(n) In-Licenses. There are no PureTech In-Licenses.

Section 1.10 Title to Purchased Royalty. The Seller has good and marketable title to the Purchased Royalty, free and clear of all Liens (other than Permitted Liens). Upon payment of the Initial Purchase Price by the Buyer, the Buyer will acquire, subject to the terms and conditions set forth in this Agreement and the License Agreement, good and marketable title to the Purchased Royalty, free and clear of all Liens (other than Permitted Liens).

Section 1.11 Intellectual Property.

(a) Schedule 4.11(a) of the Disclosure Schedule lists all Licensed Patents. The Seller is the sole owner of, and has sole interest in, all of the Licensed Patents. Schedule 4.11(a) of the Disclosure Schedule specifies as to each of the Licensed Patents: the jurisdiction in which such patent has issued or such patent application has been filed, its patent number and/or application number, and its issue and filing dates.

(b) Except as set forth in Schedule 4.11(b) of the Disclosure Schedule, there are no pending or, to the Knowledge of the Seller, threatened, litigations, interferences, reexamination, oppositions or like procedures involving any Licensed Patents or, to the Knowledge of the Seller, Karuna Product Patents.

(c) All of the issued Licensed Patents are in full force and effect and have not lapsed, expired or otherwise terminated, and, to the Knowledge of the Seller, all Licensed Patents and Karuna Product Patents are valid and enforceable. The Seller has not received any written notice relating to the lapse, expiration or other termination of any of the Licensed Patents, or any written legal opinion that alleges that any of the issued Licensed Patents are invalid or unenforceable.

(d) To the Knowledge of the Seller, there is no Person who is or claims to be an inventor under any of the Licensed Patents who is not a named inventor thereof.

(e) The Seller has not, and, to the Knowledge of the Seller, Licensee has not, received any written notice of any claim by any Person (i) challenging the inventorship or ownership of, the rights of the Seller or Licensee, as applicable, in and to, or the patentability, validity or enforceability of, any Licensed Patent, or (ii) asserting that the development, manufacture, importation, sale, offer for sale or use of any Licensed Product infringes any patent rights or other intellectual property rights of such Person.

(f) To the Knowledge of the Seller, the discovery and development of the Licensed Products did not and does not infringe, misappropriate or otherwise violate any patent rights or other intellectual property rights owned by any other Person, other than the Karuna Product Patents. Neither the Seller nor, to the Knowledge of the Seller, Licensee, has in-licensed any Patents or other intellectual property rights covering the manufacture, use, sale, offer for sale or import of the Licensed Products.

(g) To the Knowledge of the Seller, the manufacture, use, marketing, sale, offer for sale, importation or distribution of the Licensed Products has not and will not, infringe, misappropriate or otherwise violate any patent rights or other intellectual property rights owned by any other Person, other than the Karuna Product Patents.

(h) To the Knowledge of the Seller, no Person has infringed, misappropriated or otherwise violated, or is infringing, misappropriating or otherwise violating, any of the Licensed Patents.

(i) All required maintenance fees, annuities and like payments with respect to the Licensed Patents for which the Seller controls the prosecution and maintenance in accordance with Article 5 of the License Agreement, and to the Knowledge of the Seller, with respect to all other Licensed Patents, have been paid timely.

(j) No Third Party has a binding contractual right to prosecute any Licensed Patents on behalf of Licensee. Licensee has not elected not to prosecute any of the Licensed Patents pursuant to Section 5.3 of the License Agreement. The Seller does not own, in-license or otherwise control or have rights to any Patents that are necessary or useful for the research, development, manufacture, use, marketing, sale, offer for sale, importation or distribution of the Licensed Products and are not licensed to Licensee under the License Agreement, including by reversion pursuant to Section 5.3 of the License Agreement.

Section 1.12 UCC Representation and Warranties. The Seller's exact legal name is, and for the immediately preceding seven (7) years has been, "PureTech Health LLC". The Seller is, and for the prior seven (7) years has been, formed in the State of Delaware.

Section 1.13 Brokers' Fees. There is no investment banker, broker, finder, financial advisor or other intermediary who has been retained by or is authorized to act on behalf of the Seller who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

Section 1.14 Taxes. The Seller has not received any notice from Licensee of any intention to withhold or deduct any material tax from future payments to the Seller. There are no existing Liens for taxes on the Royalty (or any portion thereof), other than Permitted Liens. There are no material Tax audits or investigations (and the Seller has not been informed or notified of any pending material Tax audits or investigations) with respect to any payment made to the Seller under the License Agreement. To the knowledge of the Seller, the arrangement under the License Agreement is not treated as a partnership for U.S. tax purposes and the Seller has never taken the position for U.S. federal income or other tax purposes that the arrangement under the License Agreement is treated as such. The Seller has never received an IRS Schedule K-1 or other U.S. tax form reporting that the Seller is a partner in a partnership as a result of being a party to the License Agreement.

Section 1.15 No Implied Representations and Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE 4, THE SELLER MAKES NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AT LAW OR IN EQUITY, INCLUDING WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND ANY SUCH REPRESENTATIONS OR WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED. THE BUYER ACKNOWLEDGES THAT, EXCEPT AS SPECIFICALLY PROVIDED IN THIS ARTICLE 4 AND THE DISCLOSURE SCHEDULES, THE SELLER HAS ASSUMED NO RESPONSIBILITIES OF ANY KIND WITH RESPECT TO ANY ACT OR OMISSION OF LICENSEE WITH RESPECT TO THE DESIGN, DEVELOPMENT, MANUFACTURE, USE, SALE, DISTRIBUTION, MARKETING OR OTHER ACTIVITIES OF LICENSEE WITH RESPECT TO ANY OF THE LICENSED PRODUCTS.

Article 5

BUYER'S REPRESENTATIONS AND WARRANTIES

The Buyer represents and warrants to the Seller that as of the Closing Date:

Section 1.1 Existence; Good Standing. The Buyer is an Irish collective asset-management vehicle that is duly organized, validly existing and in good standing under the laws of the Republic of Ireland.

Section 1.2 Authorization. The Buyer has the requisite right, power and authority to execute, deliver and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary action on the part of the Buyer.

Section 1.3 Enforceability. This Agreement has been duly executed and delivered by an authorized person of the owner trustee of the Buyer and constitutes the valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as may be limited by applicable Bankruptcy Laws or by general principles of equity (whether considered in a proceeding in equity or at law).

Section 1.4 No Conflicts. The execution, delivery and performance by the Buyer of this Agreement and the consummation of the transactions contemplated hereby do not

and shall not (i) contravene or conflict with the organizational documents of the Buyer, (ii) contravene or conflict with or constitute a material default under any law or Judgment binding upon or applicable to the Buyer or (iii) contravene or conflict with or constitute a default under any material contract or other material agreement binding upon or applicable to the Buyer.

Section 1.5 Consents. Other than the filing of financing statement(s) in accordance with Section 2.3 or filings required by federal securities laws or stock exchange rules, no consent, approval, license, order, authorization, registration, declaration or filing with or of any Governmental Entity or other Person is required to be done or obtained by the Buyer in connection with (i) the execution and delivery by the Buyer of this Agreement, (ii) the performance by the Buyer of its obligations under this Agreement, or (iii) the consummation by the Buyer of any of the transactions contemplated by this Agreement.

Section 1.6 No Litigation. There is no action, suit, investigation or proceeding pending or, to the knowledge of the Buyer, threatened, including before any Governmental Entity, to which the Buyer is a party that would, if determined adversely, reasonably be expected to prevent or materially and adversely affect the ability of the Buyer to perform its obligations under this Agreement.

Section 1.7 Financing. The Buyer has sufficient cash on hand to pay the Purchase Price. The Buyer acknowledges that its obligations under this Agreement are not contingent on obtaining financing.

Section 1.8 Brokers' Fees. There is no investment banker, broker, finder, financial advisor or other intermediary who has been retained by or is authorized to act on behalf of the Buyer who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

Article 6

COVENANTS

Section 1.1 Disclosures. Except for a press release previously approved in form and substance by the Seller and the Buyer or any other public announcement using substantially the same text as such press release or any other public disclosure permitted under this Agreement following the Closing, neither the Buyer nor the Seller shall, and each party hereto shall cause its respective Representatives, Affiliates and Affiliates' Representatives not to, issue a press release or other public announcement or otherwise make any public disclosure with respect to this Agreement or the subject matter hereof without the prior written consent of the other party hereto (which consent shall not be unreasonably withheld, conditioned or delayed), except as may be required by applicable law or stock exchange rule (in which case the party hereto required to make the press release or other public announcement or disclosure shall allow the other party hereto reasonable time to comment on such press release or other public announcement or disclosure in advance of such issuance to the extent permitted to do so or reasonably practicable under the circumstances).

Section 1.2 Payments Received In Error.

(a) Commencing on the Closing Date and at all times thereafter, if any payment of any portion of the Purchased Royalty is made to the Seller, the Seller shall pay such amount to the Buyer, promptly (and in any event within **[***]** (**[***]**) Business Days) after the receipt thereof, by wire transfer of immediately available funds to an account designated in writing by the Buyer. The Seller shall notify the Buyer of such wire transfer and provide

reasonable details regarding the Purchased Royalty payment so received by the Seller. The Seller agrees that, in the event any payment of the Purchased Royalty is paid to the Seller, the Seller shall (i) until paid to the Buyer, hold such payment received in trust for the benefit of the Buyer and (ii) have no right, title or interest in such payment and that it shall not pledge or otherwise grant any security interest therein.

(b) Commencing on the Closing Date and at all times thereafter, if any payment due under the License Agreement that does not constitute any payment of any portion of the Purchased Royalty is made to the Buyer, the Buyer shall pay such amount to the Seller, promptly (and in any event within **[***]** (**[***]**) Business Days) after the receipt thereof, by wire transfer of immediately available funds to an account designated in writing by the Seller. The Buyer shall notify the Seller of such wire transfer and provide reasonable details regarding the erroneous payment so received by the Buyer. The Buyer agrees that, in the event any payment due under the License Agreement that does not constitute the Purchased Royalty is paid to the Buyer, the Buyer shall (i) until paid to the Seller, hold such payment received in trust for the benefit of the Seller and (ii) have no right, title or interest in such payment and that it shall not pledge or otherwise grant any security interest therein.

Section 1.3 Royalty Reduction. If Licensee exercises any Royalty Reduction against any payment of the Purchased Royalty other than for a Permitted Reduction, then the Seller shall promptly (and in any event within **[***]** (**[***]**) Business Days) following the payment of the Purchased Royalty affected by such Royalty Reduction) make a true-up payment to the Buyer such that the Buyer receives the full amount of such Purchased Royalty payments that would have been payable to the Buyer had such Royalty Reduction not occurred.

Section 1.4 Interest on Overdue Payments. If either party hereto fails to pay on or before the due date any amount which is payable to the other party hereto under this Agreement, such other party may, after giving at least **[***]** (**[***]**) days' prior written notice of such failure to pay to the party that failed to pay, charge interest on that amount from the due date until payment is made in full at a rate per annum equal to four percent (4%) over the Prime Rate (or, if less, the maximum amount permitted by applicable law).

Section 1.5 Royalty Reports; Communications with Licensee.

(a) Promptly (and in any event within **[***]** (**[***]**) Business Days) following the receipt by the Seller of (i) any Royalty Report or other reports under Section 4.1 of the License Agreement, (ii) any notices under Section 13.1 of the License Agreement or other material communications between Licensee and the Seller relating to the Royalty, the Licensed Patents, or the Licensed Products, or (iii) any other material notice or communications related to the License Agreement that would reasonably be expected (individually or in the aggregate) to have a Material Adverse Effect, the Seller shall furnish a true, correct and complete copy of any such written notice or communication or a reasonably detailed written summary of any such oral notice or communication to the Buyer.

(b) The Seller shall not, without the Buyer's prior written consent (not to be unreasonably withheld, conditioned or delayed) or as expressly permitted under Section 6.14(c)(i)(B) of this Agreement, send any written notice or written correspondence to Licensee under or in connection with the License Agreement (i) that is (A) related to the Royalty, (B) related to the Licensed Patents (other than immaterial written correspondence, the subject matter of which is not related to the filing, prosecution, maintenance, defense or enforcement of such Licensed Patents), or (C) material and related to the Licensed Products; or (ii) that would reasonably be expected (individually or in the aggregate) to have a Material Adverse Effect. The Seller shall send any written notice or written correspondence reasonably requested by the Buyer to Licensee related to the Licensed Patents, the Licensed Products or the Royalty.

(c) Not in derogation of the foregoing clauses (a) and (b), promptly (and in any event within **[***]** (**[***]**) Business Days) following the receipt by the Seller of copies of all (i) sublicenses granted by Licensee and received by Seller pursuant to Section 2.2 of the License Agreement, or (ii) agreements between the Seller and Licensee (or their Affiliates) relating to the License Agreement, including any development, manufacturing, services, or pharmacovigilance agreements, the Seller shall furnish a true, correct and complete copy of the same to the Buyer.

(d) After the Closing, the Seller shall (i) execute the Trilateral Common Interest and Joint Privilege Agreement and (ii) use commercially reasonably efforts to obtain from Licensee (x) an agreement to send Royalty Reports directly to both the Seller and the Buyer, and (y) Licensee's signature to the Trilateral Common Interest and Joint Privilege Agreement.

Section 1.6 Inspections and Audits of Licensee. If either party hereto desires to cause an audit or inspection by an independent public accounting firm under Section 4.4 of the License Agreement to be made for the purpose of determining the correctness of the Royalty paid under the License Agreement, then the Seller and the Buyer agree to consult in good faith with each other in connection therewith. Following such consultation the Seller may, and if requested by the Buyer, shall, to the extent permitted under Section 4.4 of the License Agreement, cause such an inspection or audit to be made. The Seller shall, for purposes of Section 4.4 of the License Agreement, select such independent public accounting firm as reasonably designated by the Buyer for such purpose. The party hereto requesting hereunder that such an inspection or audit be made shall pay the expenses associated therewith (including the fees and expenses of such independent public accounting firm designated for such purpose); provided, however, that, if, following the completion of such an inspection or audit requested by the Buyer hereunder, the Licensee reimburses the Seller for the expenses of such inspection or audit pursuant to Section 4.4 of the License Agreement, the Seller shall promptly (and in any event within **[***]** (**[***]**) Business Days) following receipt by the Seller of such reimbursement remit the amount of such reimbursement to the Buyer to the extent that the Buyer paid such expenses. The Seller shall deliver to the Buyer a copy of the results of any inspection or audit conducted pursuant to Section 4.4 of the License Agreement within **[***]** (**[***]**) Business Days following the Seller's receipt thereof, with, if applicable, information redacted that the Seller reasonably determines is not relevant for determining the correctness of the Royalty made under the License Agreement.

Section 1.7 Amendment of License Agreement.

(a) The Seller shall not, without the Buyer's prior written consent (not to be unreasonably withheld, conditioned or delayed), (i) amend, modify, supplement or restate (or consent to any amendment, modification, supplement or restatement of) any provision of the License Agreement, or (ii) enter into any Contract having the effect of the foregoing.

(b) With respect to any provision of the License Agreement related to the Licensed Patents, the Licensed Products or the Royalty, the Seller shall (if reasonably instructed by the Buyer) (a) use commercially reasonable efforts to amend, modify, supplement or restate such provision and (b) agree to any amendment, modification, supplement or restatement of such provision proposed or requested by the Licensee; provided, however, that (in the case of both (a) and (b)) such amendment, modification, supplement or restatement does not (i) relate to a reduction of any milestone payments or sublicense income payments under Section 3.1(b) or 3.1(c) of the License Agreement or the Seller's rights and remedies to collect such amounts, or (ii) impose on the Seller any additional obligations or liabilities other than those existing in the License Agreement as of the date hereof or created pursuant to a subsequent amendment, modification, supplement or restatement entered into by the Seller in accordance with this Section 6.7(b).

(c) Promptly, and in any event within **[***]** (**[***]**) Business Days, following receipt by the Seller of any final amendment, modification, supplement or restatement of the License Agreement, any consent to any amendment, modification, supplement or restatement of any provision of the License Agreement, or any Contract having the effect of the foregoing, the Seller shall furnish a copy of the same to the Buyer.

Section 1.8 Assignment of License Agreement and Licensed Patents.

(a) The Seller shall not, without the Buyer's prior written consent (such consent to be granted or withheld in the sole discretion of the Buyer), sell, assign or otherwise transfer all or any portion of its interest under the License Agreement (including any of its rights or obligations thereunder) to any Person, including by contract, operation of law, merger, change of control, or otherwise, except in connection with (i) an assignment of this Agreement in its entirety in accordance with Section 10.3 to an assignee permitted thereunder or (ii) a Seller Monetization Transaction that (x) is permitted by and undertaken in accordance with this Agreement and (y) would not otherwise adversely affect the ability of the Seller to perform any of its obligations hereunder.

(b) The Seller shall not, without the Buyer's prior written consent (such consent to be granted or withheld in the sole discretion of the Buyer), sell, assign or otherwise transfer all or any portion of its interest in the Licensed Patents to any Person, including by contract, operation of law, merger, change of control, or otherwise, except in connection with an assignment of this Agreement in its entirety in accordance with Section 10.3 to an assignee permitted thereunder.

Section 1.9 Maintenance of License Agreement. The Seller shall comply in all material respects with its obligations under the License Agreement and shall not take any action or forego any action that would reasonably be expected to constitute a material breach thereof or default thereunder. Promptly, and in any event within **[***]** (**[***]**) Business Days, after receipt of any (written or oral) notice from Licensee of an alleged breach or default under the License Agreement, the Seller shall give notice thereof to the Buyer, including delivering the Buyer a copy of any such written notice or a detailed written summary of any such oral notice. The Seller shall consult with the Buyer regarding such alleged breach or default and shall act as reasonably instructed by the Buyer to cure any breaches or defaults and shall give written notice within **[***]** (**[***]**) Business Days to the Buyer upon curing any such breach or default. The Seller shall not without the Buyer's prior written consent (not to be unreasonably withheld, conditioned or delayed) and shall (if reasonably instructed by the Buyer) (i) forgive, release or compromise any amount owed to or becoming owed to the Seller under the License Agreement in respect of the Royalty or (ii) waive any obligation of, or grant any consent to, Licensee under, in respect of or related to the Royalty. The Seller shall not, without the Buyer's written consent (to be granted or withheld in the Buyer's sole discretion), enter into any new agreement or legally binding arrangement in respect of the Licensed Products or the Licensed Patents, except in connection with (i) an assignment of this Agreement in its entirety in accordance with Section 10.3 to an assignee permitted thereunder or (ii) a Seller Monetization Transaction that (x) is permitted by and undertaken in accordance with this Agreement and (y) would not otherwise adversely affect the ability of the Seller to perform any of its obligations hereunder.

Section 1.10 Enforcement of License Agreement.

(a) Notice of Breaches by Licensee. Promptly (and in any event within **[***]** (**[***]**) Business Days) after the Seller becomes aware of a material breach of the License Agreement by Licensee, the Seller shall provide notice of such breach to the Buyer.

(b) Enforcement of License Agreement. The Seller shall consult with the Buyer regarding the timing, manner and conduct of any enforcement of Licensee's obligations under the License Agreement or regarding any breach, default or other dispute under the License Agreement or otherwise relating to the Royalty or any purported Royalty Reduction. Following such consultation, the Seller shall, as reasonably instructed by the Buyer, exercise such rights and remedies, whether under the License Agreement or otherwise, relating to any such breach, default or other dispute that would reasonably be expected (individually or in the aggregate) to have a Material Adverse Effect, or that is otherwise related to the Royalty or any Royalty Reduction. The Seller shall employ such counsel, reasonably acceptable to the Seller, as the Buyer may select, and shall provide the Buyer with access to such counsel, in connection with any such dispute regarding any such alleged breach, default or other dispute under the License Agreement. [***] The Seller agrees to keep the Buyer reasonably informed of any actual or alleged breach, default or other dispute related to the License Agreement or the Royalty or any Royalty Reduction and to provide copies as soon as practicable, but in any event within **[***]** (**[***]**) Business Days following the Seller's receipt or delivery of (i) any written notice of any breach or alleged breach of the License Agreement or dispute in connection with the Royalty or any Royalty Reduction and (ii) any and all filings, notices and written communications relating thereto.

(c) Allocation of Proceeds and Costs of Enforcement. Except as otherwise provided herein, each of the Buyer and the Seller shall bear its own fees and expenses incurred in enforcing Licensee's obligations under the License Agreement pursuant to this Section 6.10. The Proceeds resulting from any enforcement of Licensee's obligations under the License Agreement shall be applied first to reimburse the Seller and the Buyer for any reasonable and documented expenses incurred by them in connection with such enforcement, with the remainder of the Proceeds distributed (i) between the Buyer and the Seller, according to their respective Pro-Rata Portions, to the extent the breach by Licensee is related to any payment of, or adversely impacted, the Royalty and (ii) otherwise to the Seller for all other breaches by Licensee. The Seller hereby assigns and, if not presently assignable, agrees to assign to the Buyer, the amount of Proceeds due to the Buyer in accordance with this Section 6.10(c).

Section 1.11 Termination of License Agreement. Without the prior written consent of the Buyer (such consent to be granted or withheld in the sole discretion of the Buyer), the Seller shall not (i) exercise any right to terminate the License Agreement, in whole or in part, (ii) agree with Licensee to terminate the License Agreement, in whole or in part, (iii) take, or permit any Affiliate or sublicensee to take, any action that would reasonably be expected to give Licensee the right to terminate the License Agreement, in whole or in part, or (iv) take any action, fail to take an action or permit an action to be taken, that would give Licensee the right to terminate the License Agreement under Section 11.2(b) thereof.

Section 1.12 New Arrangements.

(a) Without limiting the provisions of this Article 6 or any other rights or remedies the Buyer may have under this Agreement, if the License Agreement is terminated prior to the date on which all Patents within the Licensed Patents have expired or been abandoned:

(i) as reasonably instructed by the Buyer, the Seller will use commercially reasonable efforts to negotiate and enter into a license, assignment or transfer agreement with Licensee for the regulatory filings and approvals, data, know-how, and Patents owned or controlled by Licensee, including a license to the Karuna Product Patents, in each case, that are necessary or useful to research, develop, manufacture, use, market, sell, offer for sale, import or distribute the Licensed Products; and

(ii) the Buyer shall have the exclusive right to negotiate, or cause the Seller to use commercially reasonable efforts to negotiate and enter into, a license under the Licensed Patents with a Third Party, pursuant to which such Third Party will be granted rights to research, develop, manufacture, use, market, sell, offer for sale, import or distribute the Licensed Products for any purpose that Licensee would have been permitted to research, develop, manufacture, use, market, sell, offer for sale, import or distribute the Licensed Products under the License Agreement, subject to any rights retained by Licensee following such termination pursuant to Section 11.3 of the License Agreement (such license, a "New Arrangement"). The Seller shall provide reasonable assistance to and cooperate with the Buyer, at the Buyer's cost and expense (including the Buyer's payment of the Seller's reasonable and documented attorneys' fees, if any, in connection therewith), in such efforts as the Buyer shall undertake in connection with the negotiation of, and entry into, such New Arrangement. Any New Arrangement shall (x) not become effective earlier than the effective date of such termination of the License Agreement and (y) not include terms, conditions and limitations that impose any additional obligation or expense on the Seller or that are, in the aggregate, materially less favorable to the Seller and (as a result of the Buyer's purchase hereunder) the Buyer than those contained in the License Agreement, including with respect to obligations and costs imposed on the Seller, disclaimers of the Seller's liability, intellectual property ownership and control, indemnification of the Seller, milestone payments, royalty rates and sharing of sublicense income.

(b) Without limiting Section 6.12(a), should the Buyer identify any New Arrangement(s), the Seller agrees to execute and deliver a new license agreement to the applicable Third Party (each, a "New License Agreement") effectuating such New Arrangement that satisfies the foregoing requirements and contains such other reasonable terms as may be required or customarily included by the Seller and agreed to by the Buyer. Thereafter, each New License Agreement shall be included for all purposes in the definition of "License Agreement" under this Agreement, any payments that are equivalent to the Royalty under such New License Agreement and any rights similar shall be included for all purposes under this Agreement, and the Seller's and the Buyer's rights and obligations under this Agreement in respect of the License Agreement shall apply in respect of their rights and obligations under the New License Agreement *mutatis mutandis*, in each case without any further action by the parties hereto to amend this Agreement or the Bill of Sale.

Section 1.13 No Impairment of the Purchased Royalty. Notwithstanding anything herein to the contrary, the Seller shall not (i) enter into or propose or deliver any Contract (or make or propose any amendments, modifications waivers or notices in connection with any Contract) that imposes a Lien upon, or otherwise sells, transfers, hypothecates, assigns, conveys title (in whole or in part), grants any right to, or otherwise disposes of any portion of the Purchased Royalty, or (ii) knowingly take any action or knowingly fail to act in a manner, in each case that would, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

Section 1.14 Enforcement; Defense; Prosecution and Maintenance.

(a) The Buyer and the Seller shall promptly inform each other of any suspected infringement by a Third Party they become aware of with respect to any of the Licensed Patents or any other Patent claiming the composition of matter of, or the method of making or using, any Licensed Product. The Seller shall provide to the Buyer such documentation and information as the Buyer reasonably requests in connection with any such infringement and any action arising therefrom, including communications between Licensee and

the Seller under Section 6.1 or 6.2 of the License Agreement, in each case as soon as practicable and in any event not less than **[***]** (**[***]**) Business Days.

(b) The Seller shall not join or initiate without the prior written consent of the Buyer (not to be unreasonably withheld, conditioned or delayed), and shall (as reasonably instructed by the Buyer) join or initiate, an enforcement action of the Licensed Patents in accordance with, respectively, Sections 6.2(a), 6.2(b) and 6.5 of the License Agreement. The Seller shall not act without the prior written consent of the Buyer (not to be unreasonably withheld, conditioned or delayed), and shall act (as reasonably instructed by the Buyer), as to the timing, manner and conduct of any such enforcement action whether joined or initiated by the Seller. Without limiting Section 6.4 of the License Agreement, to the extent Licensee enforces any of the Licensed Patents in accordance with Section 6.2(a) of the License Agreement together with any other Patents owned or controlled by Licensee, the Seller agrees to, only as reasonably instructed by the Buyer, negotiate in good faith with Licensee and agree to a reasonable allocation of Proceeds as between the Licensed Patents and any other Patents that were subject to such suit. In each such case, the Seller shall obtain and deliver to the Buyer an accounting detailing the Proceeds allocated to the Licensed Patents.

(c) The Seller shall (as reasonably instructed by the Buyer), with respect to any Licensed Patents for which the Seller controls the prosecution and maintenance, (i) (A) take any and all actions, and prepare, execute, deliver and file any and all agreements, documents and instruments, that are reasonably necessary or desirable (x) to diligently prosecute, preserve and maintain any such Licensed Patents, including payment of maintenance fees or annuities on any such Licensed Patents, and (y) to extend the term of any such Licensed Patent or exclusivity period for a Licensed Product (including any patent term extension(s) or supplementary protection certificate(s) with respect to any such Licensed Patent, regulatory exclusivity periods with respect to a Licensed Product, or the like), in each case ((x) and (y)), including to the extent permitted in accordance with Article 5 of the License Agreement, and (B) without limiting the generality of clause (A), undertake the activities set forth on Exhibit H; (ii) prosecute any corrections, substitutions, reissues, reviews, reexaminations and any other forms of patent term restoration of any such Licensed Patents, including to the extent permitted in accordance with Article 5 of the License Agreement; (iii) diligently enforce and defend any such Licensed Patents, including by bringing any legal action for infringement in accordance with Section 6.14(b) and defending any counterclaim of invalidity or unenforceability or action of a Third Party for declaratory judgment of non-infringement or non-interference, including to the extent permitted in accordance with Sections 6.3 and 6.5 of the License Agreement; and (iv) not disclaim or abandon, or fail to take any action necessary or desirable to prevent the disclaimer or abandonment (including through lack of enforcement against Third Party infringers) of, any such Licensed Patents, including to the extent permitted in accordance with Article 5 of the License Agreement. [***]

(d) Promptly (and in any event within **[***]** (**[***]**) Business Days) following the receipt by the Seller of any (i) patent prosecution updates provided by Licensee to the Seller under Section 5.1 or 5.3 of the License Agreement, or (ii) patent defense updates provided by Licensee to the Seller under Section 6.2 or 6.3 of the License Agreement, the Seller shall furnish a true, correct and complete copy of the same to the Buyer. The Seller agrees to use its commercially reasonable efforts to obtain from Licensee, and deliver to the Buyer, on an annual basis, a complete and accurate docket report for all Licensed Patents; *provided* that if the Seller is unable to obtain such a docket report from Licensee in any given year, the Seller shall deliver a complete and accurate, to the best of the Seller's knowledge, docket report for all Licensed Patents.

(e) The Buyer shall have the right to participate in any action, suit or other proceeding or any material meeting or material discussion relating to the infringement, legality,

validity or enforceability of the Licensed Patents, including any counterclaim, settlement discussions or meetings. The parties hereto shall enter into the Bilateral Common Interest and Joint Privilege Agreement at the Closing in accordance with Section 3.4, and the Seller acknowledges and agrees that it will not object to the Buyer participating in such action, suit or other proceeding or such meeting or discussion and will not assert that such participation could adversely affect the maintenance by the Seller of any applicable attorney-client privilege.

Section 1.15 Further Assurances. After the Closing, the Seller and the Buyer agree to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be reasonably necessary in order to give effect to the transactions contemplated by this Agreement.

Section 1.16 Tax Matters.

(a) Notwithstanding anything to the contrary in this Agreement, the Seller and the Buyer shall treat the transactions contemplated by this Agreement as a sale of the Purchased Royalty for United States federal, state, local and non-U.S. Tax purposes. Accordingly, (i) any and all Purchased Royalty payments made pursuant to the License Agreement after the Closing Date shall be treated as income of the Buyer and (ii) any and all amounts remitted by the Seller to the Buyer after the Closing Date pursuant to Section 6.2(a) shall be treated as received by the Seller as agent for the Buyer, in each case for United States federal, state, local and non-U.S. Tax purposes. The parties hereto shall cooperate to effect the foregoing treatment for United States federal, state, local and non-U.S. Tax purposes in the event that, notwithstanding the Licensee Instruction Letter, Licensee, any Sublicensee (as defined in the License Agreement) or any other Person makes any future remittance of Purchased Royalty payments to the Seller which the Seller must remit to the Buyer pursuant to Section 6.2(a). The parties hereto agree to cooperate with one another and use reasonable efforts (including in the case of the Seller, to use commercially reasonable efforts to cause Licensee) to reduce, mitigate and eliminate tax withholding or similar obligations in respect of any Royalty payments, including assisting one another to claim the benefits of any applicable tax treaty or other available reduction or exemption from any such Taxes imposed, and by making claims for refunds of withholding tax; provided, however, that the Seller shall be entitled to deduct or withhold any amounts if it is required to do so by law; provided, further, that Seller shall use reasonable efforts to notify Buyer in advance of any such deduction or withholding.

(b) The parties hereto agree not to take any position that is inconsistent with the provisions of this Section 6.16 on any Tax return or in any audit or other Tax-related administrative or judicial proceeding unless (i) the other party hereto has consented in writing to such actions, (ii)) the party hereto that contemplates taking such an inconsistent position is required to do otherwise pursuant to a "determination," within the meaning of Section 1313(a) of the U.S. Internal Revenue Code of 1986, as amended, or (iii) the party hereto that contemplates taking such an inconsistent position has been advised by nationally recognized tax counsel in writing that there is no "reasonable basis" (within the meaning of Treasury Regulation Section 1.6662-3(b)(3)) for the position specified in this Section 6.16. If there is an inquiry by any Governmental Entity of the Seller or the Buyer related to this Section 6.16, the parties hereto shall cooperate with each other in responding to such inquiry in a reasonable manner consistent with this Section 6.16.

(c) From time to time during the term of this Agreement, upon the reasonable request of the Seller, the Buyer shall deliver to the Seller a valid, properly executed IRS Form W-8BEN-E certifying that royalty payments to the Buyer under this Agreement are exempt from U.S. federal withholding tax pursuant to an income tax treaty to which the United States is a party, or other documentation establishing an exemption from or reduction in U.S. withholding taxes. Seller shall deliver a copy of any such IRS Form W-8BEN-E or other documentation

provided by Buyer to Licensee. The Buyer shall, whenever a lapse in time or change in circumstances renders such documentation expired, obsolete or inaccurate in any respect, deliver to the Seller (to the extent it is legally eligible to do so) an updated IRS Form W-8BEN-E or any successor form or other documentation establishing an exemption from or reduction in U.S. federal withholding tax with respect to royalty payments made under this Agreement.

Section 1.17 Seller Monetization Transaction. The Seller shall provide reasonable (and at least **[***]** (**[***]**) Business Days') prior written notice to the Buyer before entering into any contract or arrangement with respect to a Seller Monetization Transaction which relates, in whole or in part, to the Retained Royalty.

Article 7

CONFIDENTIALITY

Section 1.1 Confidentiality. Except as provided in this Article 7 or otherwise agreed in writing by the parties, the parties hereto agree that, during the term of this Agreement and for five (5) years thereafter, each party (the "Receiving Party") shall keep confidential and shall not publish or otherwise disclose and shall not use for any purpose other than as provided for in this Agreement (which includes the exercise of any rights or the performance of any obligations hereunder) any information furnished to it by or on behalf of the other party (the "Disclosing Party") pursuant to the Existing Confidentiality Agreement (as defined below) or this Agreement (such information, "Confidential Information" of the Disclosing Party), except for that portion of such information that:

(a) was already known to the Receiving Party, other than under an obligation of confidentiality, at the time of disclosure by the Disclosing Party;

(b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party;

(c) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of the Receiving Party in breach of this Agreement;

(d) is independently developed by the Receiving Party or any of its Affiliates, as evidenced by written records, without the use of or reference of the Confidential Information; or

(e) is subsequently disclosed to the Receiving Party on a non-confidential basis by a Third Party without obligations of confidentiality with respect thereto.

Section 1.2 Authorized Disclosure.

(a) Either party may disclose Confidential Information with the prior written consent of the Disclosing Party or to the extent such disclosure is reasonably necessary in the following situations:

(i) prosecuting or defending litigation;

(ii) complying with applicable laws and regulations, including regulations promulgated by securities exchanges;

(iii) complying with a valid order of a court of competent jurisdiction or other Governmental Entity;

(iv) for regulatory, tax or customs purposes;

(v) for audit purposes, provided that each recipient of Confidential Information must be bound by customary obligations of confidentiality and non-use prior to any such disclosure;

(vi) disclosure to its Affiliates and Representatives on a need-to-know basis, provided that each recipient of Confidential Information must be bound by customary obligations of confidentiality and non-use prior to any such disclosure; or

(vii) disclosure to its actual or potential investors and co-investors, and other sources of funding, including debt financing, or potential partners, collaborators or acquirers, and their respective accountants, financial advisors and other professional representatives, provided, that such disclosure shall be made only to the extent customarily required to consummate such investment, financing transaction partnership, collaboration or acquisition and that each recipient of Confidential Information must be bound by customary obligations of confidentiality and non-use prior to any such disclosure.

(b) Notwithstanding the foregoing, in the event the Receiving Party is required to make a disclosure of the Disclosing Party's Confidential Information pursuant to Section 7.2(a)(i), (ii), (iii) or (iv), it will, except where impracticable, give reasonable advance notice to the Disclosing Party of such disclosure and use reasonable efforts to secure confidential treatment of such information. In any event, the Buyer shall not file any patent application based upon or using the Confidential Information of Seller provided hereunder.

Section 1.3 Termination of Confidentiality Agreement. Effective upon the date hereof, that certain Confidential Disclosure Agreement, dated September 20, 2022, between RP Management LLC and the Seller (the "Existing Confidentiality Agreement") shall terminate and be of no further force or effect, and shall be superseded by the provisions of this Article 7.

Article 8

INDEMNIFICATION

Section 1.1 General Indemnity. Subject to Section 8.3, from and after the Closing:

(a) the Seller hereby agrees to indemnify, defend and hold harmless the Buyer and its Affiliates and its and their directors, managers, trustees, officers, agents and employees (the "Buyer Indemnified Parties") from, against and in respect of all Losses suffered or incurred by the Buyer Indemnified Parties to the extent arising out of or resulting from (i) (x) any breach of any of the representations or warranties (in each case, when made) of the Seller in this Agreement, or (y) any breach of any of the covenants or agreements of the Seller in this Agreement; provided, however, that the foregoing clause (i) shall exclude any indemnification to any Buyer Indemnified Party solely to the extent (1) that it has the effect of imposing on the Seller any liability to make payments of or in lieu of the Royalty because of any Credit Event, (2) that it results from the failure of Licensee to perform any of its obligations under the License

Agreement, unless directly resulting from the breach or default by the Seller of or under the License Agreement or this Agreement, (3) resulting from the gross negligence, willful misconduct, or fraud of any Buyer Indemnified Party, or (4) resulting from acts or omissions of the Seller or any of its Affiliates solely based upon, and in conformity with, the Buyer's express written instructions; or (ii) the matter set forth on Schedule 4.9(a)(ii) of the Disclosure Schedule and any Losses related to such matter.

(b) the Buyer hereby agrees to indemnify, defend and hold harmless the Seller and its Affiliates and its and their directors, officers, agents and employees (the "Seller Indemnified Parties") from, against and in respect of all Losses suffered or incurred by the Seller Indemnified Parties to the extent arising out of or resulting from (i) any breach of any of the representations or warranties (in each case, when made) of the Buyer in this Agreement or (ii) any breach of any of the covenants or agreements of the Buyer in this Agreement; provided, however, that the foregoing shall exclude any indemnification to any Seller Indemnified Party solely to the extent (y) resulting from the gross negligence, willful misconduct, or fraud of any Seller Indemnified Party, or (z) resulting from acts or omissions of the Buyer or any of its Affiliates solely based upon, and in conformity with, the Seller's express written instructions.

Section 1.2 Notice of Claims. If either a Buyer Indemnified Party, on the one hand, or a Seller Indemnified Party, on the other hand (such Buyer Indemnified Party on the one hand and such Seller Indemnified Party on the other hand being hereinafter referred to as an "Indemnified Party"), has suffered or incurred any Losses for which indemnification may be sought under this Article 8, the Indemnified Party shall so notify the other party from whom indemnification is sought under this Article 8 (the "Indemnifying Party") promptly in writing describing such Loss, the amount or estimated amount thereof, if known or reasonably capable of estimation, and the method of computation of such Loss, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss shall have occurred. If any claim, action, suit or proceeding is asserted or instituted by a Third Party with respect to which an Indemnified Party intends to claim any Loss under this Article 8, such Indemnified Party shall promptly notify the Indemnifying Party of such claim, action, suit or proceeding and tender to the Indemnifying Party the defense of such claim, action, suit or proceeding. A failure by an Indemnified Party to give notice and to tender the defense of such claim, action, suit or proceeding in a timely manner pursuant to this Section 8.2 shall not limit the obligation of the Indemnifying Party under this Article 8, except to the extent such Indemnifying Party is actually prejudiced thereby.

Section 1.3 Limitations on Liability. No party hereto shall be liable for any indirect, consequential, punitive, special or incidental damages as a result of any breach or violation of any covenant or agreement of such party (including under this Article 8) in or pursuant to this Agreement. Notwithstanding the foregoing, the Buyer shall be entitled to make indemnification claims, in accordance with the procedures set forth in this Article 8, for Losses that include any portion of the Purchased Royalty that the Buyer was entitled to receive but did not receive timely or at all due to any indemnifiable events under this Agreement, and such portion of the Purchased Royalty shall not be deemed indirect, consequential, punitive, special or incidental damages for any purpose of this Agreement. For the avoidance of doubt, the Seller shall have no liability to the Buyer for any Permitted Reduction or Credit Event.

Section 1.4 Third Party Claims. Following the receipt of notice provided by an Indemnified Party pursuant to Section 8.2 of the commencement of any action, suit or proceeding against such Indemnified Party by a Third Party with respect to which such Indemnified Party intends to claim any Loss under this Article 8, an Indemnifying Party shall have the right to defend such claim, at such Indemnifying Party's expense and with counsel of its choice reasonably satisfactory to the Indemnified Party. If the Indemnifying Party assumes the defense of such claim, the Indemnified Party shall, at the request of the Indemnifying Party, use

commercially reasonable efforts to cooperate in such defense; *provided* that the Indemnifying Party shall bear the Indemnified Party's reasonable out-of-pocket costs and expenses incurred in connection with such cooperation. So long as the Indemnifying Party is conducting the defense of such claim as provided in this Section 8.4, the Indemnified Party may retain separate co-counsel at its expense and may participate in the defense of such claim. The Indemnifying Party shall not consent to the entry of any Judgment or enter into any settlement with respect to such claim without the prior written consent of the Indemnified Party unless such Judgment or settlement (i) provides for the payment by the Indemnifying Party of money as sole relief (if any) for the claimant (other than customary and reasonable confidentiality obligations relating to such claim, Judgment or settlement), (ii) results in the full and general release of the Indemnified Party from all liabilities arising out of, relating to or in connection with such claim and (iii) does not involve a finding or admission of any violation of any law, rule, regulation or Judgment, or the rights of any Person, and has no effect on any other claims that may be made against the Indemnified Party. In the event the Indemnifying Party does not or ceases to conduct the defense of such claim as so provided, (x) the Indemnified Party may defend against, and consent to the entry of any Judgment or enter into any settlement with respect to, such claim in any manner it may reasonably deem to be appropriate, (y) subject to the limitations set forth in Section 8.3, the Indemnifying Party shall reimburse the Indemnified Party promptly and periodically for the reasonable out-of-pocket costs of defending against such claim, including reasonable attorneys' fees and expenses against reasonably detailed invoices, and (z) the Indemnifying Party shall remain responsible for any Losses the Indemnified Party may suffer as a result of such claim to the full extent provided in this Article 8.

Section 1.5 Exclusive Remedy. Except as set forth in Section 10.10, from and after Closing, the rights of the parties hereto pursuant to (and subject to the conditions of) this Article 8 shall be the sole and exclusive remedy of the parties hereto and their respective Affiliates with respect to any claims (whether based in contract, tort or otherwise) resulting from or relating to any breach of the representations, warranties, covenants and agreements made under this Agreement or any certificate, document or instrument delivered hereunder, and each party hereto hereby waives, to the fullest extent permitted under applicable law, and agrees not to assert after Closing, any other claim or action in respect of any such breach. Notwithstanding the foregoing, claims for common law fraud shall not be waived or limited in any way by this Article 8.

Section 1.6 Tax Treatment of Indemnification Payments. For all purposes hereunder, any indemnification payments made pursuant to this Article 8 will be treated as an adjustment to the Purchase Price for U.S. federal income tax purposes to the fullest extent permitted by applicable law, except to the extent otherwise required pursuant to a "determination," within the meaning of Section 1313(a) of the U.S. Internal Revenue Code of 1986, as amended.

Article 9

TERMINATION

Section 1.1 Grounds for Termination. This Agreement may be terminated at any time by mutual written agreement of the Buyer and the Seller.

Section 1.2 Automatic Termination. Unless earlier terminated as provided in Section 9.1, this Agreement shall continue in full force and effect until sixty (60) days after the full satisfaction of any amounts due under the License Agreement to the Seller and any payments in respect of the Purchased Royalty due under this Agreement to the Buyer, at which point this

Agreement shall automatically terminate, except with respect to any rights and obligations that shall have accrued prior to such termination.

Section 1.3 Survival. Notwithstanding anything to the contrary in this Article 9, the following provisions shall survive termination of this Agreement: Section 2.3 (True Sale), Section 6.1 (Disclosures), Section 6.2 (Payments Received in Error), Section 6.4 (Interest on Overdue Payments), Section 6.6 (Inspections and Audits of Licensee) (for the period set forth in Section 4.4 of the License Agreement), Article 7 (Confidentiality) (for the period set forth in Section 7.1), Article 8 (Indemnification), this Section 9.3 (Survival) and Article 10 (Miscellaneous). Termination of this Agreement shall not relieve any party hereto of liability in respect of breaches under this Agreement by such party on or prior to termination. In addition, in the event the License Agreement is terminated prior to the date on which all Patents within the Licensed Patents have expired or been abandoned, Section 6.12 (New Arrangements) shall survive the termination of this Agreement.

Article 10

MISCELLANEOUS

Section 1.1 Notices. All notices and other communications under this Agreement shall be in writing and shall be by email with PDF attachment, courier service or personal delivery to the following addresses, or to such other addresses as shall be designated from time to time by a party hereto in accordance with this Section 10.1:

If to the Seller or the Seller Parent:

PureTech Health LLC
6 Tide Street, 4th Floor
Boston, MA 02210
Attention: President
Email: [***]

With a copy to Legal Department at the above address

And with a copy to:

Sills Cummis & Gross P.C.
One Riverfront Plaza
Newark, NJ 07102
Attention: [***]
Email: [***]

If to the Buyer:

RP Management, LLC
110 E. 59th Street, Suite 3300
New York, New York 10022
Attention: General Counsel
Email: [***]

With a copy to:
Gibson, Dunn & Crutcher LLP
555 Mission Street
San Francisco, CA 94105

Attention: [***]
Email: [***]

All notices and communications under this Agreement shall be deemed to have been duly given (i) when delivered by hand, if personally delivered, (ii) when received by a recipient, if sent by email, with such receipt to be effective the date acknowledged by such recipient, or (iii) one Business Day following sending within the United States by overnight delivery via commercial one-day overnight courier service.

Section 1.2 Expenses. Except as otherwise provided herein, all fees, costs and expenses (including any legal, accounting and banking fees) incurred in connection with the preparation, negotiation, execution and delivery of this Agreement and to consummate the transactions contemplated hereby shall be paid by the party hereto incurring such fees, costs and expenses.

Section 1.3 Assignment. The Seller shall not sell, assign or otherwise transfer all or any portion of its interest (including its rights or obligations) under this Agreement to any Person, including by contract, operation of law, merger, change of control, or otherwise, unless in connection therewith (i) such Person acquires all of the Seller's interest in all of the Licensed Products, Licensed Patents, the License Agreement and this Agreement and (ii) prior to closing any such transaction, the Seller causes such Person to first enter into an assumption agreement with the Buyer in substantially the form attached hereto as Exhibit G in which (x) if such Person is not Licensee, such Person assumes all of the obligations of the Seller to the Buyer under this Agreement, and (y) if such Person is Licensee, Licensee assumes all of the obligations of the Seller to the Buyer hereunder and agrees to pay the Purchased Royalty to the Buyer notwithstanding any subsequent termination of the License Agreement by Licensee. Notwithstanding the foregoing, the Seller may sell, assign or otherwise transfer its right to receive any or all of the Additional Purchase Price Payments under this Agreement to any Person without the written consent of the Buyer; provided that the Seller gives prompt written notice of such sale, assignment or transfer to the Buyer. Following the Closing, the Buyer may assign this Agreement, provided that (1) the Buyer promptly notifies the Seller of such assignment, (2) the Buyer shall not assign this Agreement to any biopharmaceutical company competitor of the Seller without the Seller's prior written consent, and (3) no such assignment shall relieve the Buyer of its obligations under this Agreement to pay any Additional Purchase Price Payments when due. This Agreement shall be binding upon, inure to the benefit of and be enforceable by, the parties hereto and their respective permitted successors and assigns. Any purported assignment in violation of this Section 10.3 shall be null and void.

Section 1.4 Amendment and Waiver.

(a) This Agreement may be amended, modified or supplemented only in a writing signed by each of the parties hereto. Any provision of this Agreement may be waived only in a writing signed by the parties hereto granting such waiver.

(b) No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No course of dealing between the parties hereto shall be effective to amend, modify, supplement or waive any provision of this Agreement.

Section 1.5 Entire Agreement. This Agreement, the Exhibits annexed hereto and the Disclosure Schedule constitute the entire understanding between the parties hereto with respect to the subject matter hereof and supersede all other understandings and negotiations with respect thereto.

Section 1.6 No Third Party Beneficiaries. This Agreement is for the sole benefit of the Seller and the Buyer and their permitted successors and assigns and nothing herein expressed or implied shall give or be construed to give to any Person, other than the parties hereto and such successors and assigns, any legal or equitable rights hereunder; except that the Indemnified Parties shall be third party beneficiaries of the benefits provided for in Article 8.

Section 1.7 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any other jurisdiction.

Section 1.8 JURISDICTION; VENUE.

(a) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS RESPECTIVE PROPERTY AND ASSETS, TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK COUNTY, NEW YORK, AND ANY APPELLATE COURT THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, AND THE BUYER AND THE SELLER HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. THE BUYER AND THE SELLER HEREBY AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LAW. EACH OF THE BUYER AND THE SELLER HEREBY SUBMITS TO THE EXCLUSIVE PERSONAL JURISDICTION AND VENUE OF SUCH NEW YORK STATE AND FEDERAL COURTS. THE BUYER AND THE SELLER AGREE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THAT PROCESS MAY BE SERVED ON THE BUYER OR THE SELLER IN THE SAME MANNER THAT NOTICES MAY BE GIVEN PURSUANT TO SECTION 10.1 HEREOF.

(b) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY NEW YORK STATE OR FEDERAL COURT SITTING IN NEW YORK COUNTY, NEW YORK, AND ANY APPELLATE COURT THEREOF. EACH OF THE BUYER AND THE SELLER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) EACH PARTY HERETO HEREBY JOINTLY AND SEVERALLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER DOCUMENT DELIVERED HEREUNDER OR IN CONNECTION HEREWITH, OR ANY TRANSACTION ARISING FROM OR CONNECTED TO ANY OF THE FOREGOING. EACH OF THE PARTIES HERETO REPRESENTS THAT THIS WAIVER IS KNOWINGLY, WILLINGLY, AND VOLUNTARILY GIVEN.

Section 1.9 Severability. If any term or provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any situation in any jurisdiction, then, to the extent that the economic and legal substance of the transactions contemplated hereby is not affected in a manner that is materially adverse to either party hereto, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect and the enforceability and validity of the offending term or provision shall not be affected in any other situation or jurisdiction.

Section 1.10 Specific Performance. Each of the parties hereto acknowledges and agrees that the other parties hereto may be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached or violated. Accordingly, notwithstanding Section 8.5, each of the parties hereto agrees that, without posting bond or other undertaking, the other parties hereto shall be entitled to seek an injunction or injunctions to prevent breaches or violations of the provisions of this Agreement and to seek to enforce specifically this Agreement and the terms and provisions hereof in any action, suit or other proceeding instituted in any court of the United States or any state thereof having jurisdiction over the parties hereto and the matter in addition to any other remedy to which it may be entitled, at law or in equity. Each party hereto further agrees that, in the event of any action for specific performance in respect of such breach or violation, it shall not assert the defense that a remedy at law would be adequate.

Section 1.11 Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Copies of executed counterparts transmitted by email or other similar means of electronic transmission, including "PDF," shall be considered original executed counterparts, provided receipt of such counterparts is confirmed.

Section 1.12 Relationships of the Parties. The relationship between the Buyer and the Seller is solely that of purchaser and seller, and neither the Buyer nor the Seller has any fiduciary or other special relationship with the other party hereto or any of its Affiliates. This Agreement is not a partnership or similar agreement, and nothing contained herein shall be deemed to constitute the Buyer and the Seller as a partnership, an association, a joint venture or any other kind of entity or legal form for any purposes, including any Tax purposes. The Buyer and the Seller agree that they shall not take any inconsistent position with respect to such treatment in a filing with any Governmental Entity.

Section 1.13 Seller Parent Guarantee. The Seller Parent hereby guarantees to the Buyer the full and timely performance of all of the obligations of the Seller under this Agreement (the "Guaranteed Obligations"). This is a guarantee of performance, and not merely of collection, and the Seller Parent acknowledges and agrees that this guarantee is full and unconditional, and no amendment, modification, release or extinguishment of the Seller's obligations or liabilities, whether by decree in any bankruptcy proceeding or otherwise, shall affect the continuing validity and enforceability of this guarantee. The Seller Parent hereby waives, for the benefit of the Buyer, (i) any right to require the Buyer, as a condition of performance by the Seller Parent, to proceed in any legal action against the Seller or pursue any other remedies whatsoever and (ii) to the fullest extent permitted by applicable law, any defenses or benefits that may be derived from or afforded by any law that limits the liability of or exonerates guarantors or sureties, other than defense of performance in full of the Guaranteed Obligations. The Seller Parent will reimburse the Buyer for all reasonable and documented out-of-pocket costs and expenses (including court costs and reasonable attorneys' fees) incurred by the Buyer in connection with the enforcement of its rights under this Section 10.13. If all or any part of any payment to or for the benefit of the Buyer in respect of a Guaranteed Obligation is invalidated, declared to be fraudulent or preferential or set aside and, in each such case, required for any reason to be repaid or paid to a

trustee, receiver or other Person that is not the Buyer, the Guaranteed Obligations that otherwise would have been satisfied by that payment or partial payment will be revived and will continue in full force and effect as if that payment had not been made. The Seller Parent understands and acknowledges that the Buyer is relying on this guarantee and the representations and warranties of the Seller Parent in Article 4 in entering into this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Royalty Purchase Agreement to be executed and delivered by their respective representatives thereunto duly authorized as of the date first above written.

PURETECH HEALTH LLC

By: /s/ Bharatt Chowrira
Name: Bharatt Chowrira
Title: President, PureTech Health

Solely for purposes of Article 4 and Section 10.13, PURETECH HEALTH PLC

By: /s/_Bharatt Chowrira _____
Name: Bharatt Chowrira
Title: President, PureTech Health

ROYALTY PHARMA INVESTMENTS 2019 ICAV

By: RP Management, LLC, its Manager and lawfully appointed attorney

By: /s/ Arthur McGivern
Name: Arthur McGivern
Title: Executive Vice President, Investments & General Counsel

THE SECURITIES REPRESENTED BY THIS NOTE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

THIS NOTE IS SUBJECT TO THE TERMS OF A SUBORDINATION AGREEMENT DATED [●], 2023 BY AND AMONG THE COMPANY, THE HOLDERS OF THE NOTES (AS DEFINED BELOW), K2 HEALTHVENTURES LLC, AND ANKURA TRUST COMPANY, LLC.

SECURED SUBORDINATED CONVERTIBLE PROMISSORY NOTE

$[●] [●], 2023

Cambridge, MA

For value received, Vedanta Biosciences, Inc., a Delaware corporation (the "**Company**"), promises to pay to [●] (the "**Holder**"), or its permitted assigns, in lawful money of the United States of America the principal sum of [●]. Interest shall accrue from the date of this Secured Convertible Promissory Note (this "**Note**") on the unpaid principal amount at a rate equal to nine percent (9.0%) based on a 365-day year, which interest shall accrue daily and compound annually. Any capitalized terms not defined herein shall have the meaning as set forth in the Purchase Agreement (as defined below). This Note is subject to the following terms and conditions:

1. **Issuance of Notes.** This Note is one of a series of Secured Subordinated Convertible Promissory Notes (collectively, the "**Notes**" and the holders of such Notes, the "**Holders**") being issued pursuant to that certain Secured Convertible Promissory Note Purchase Agreement, dated as of [●], 2023, by and among the Company, the Holder and certain other investors listed on Exhibit A thereto (as may be amended from time to time, the "**Purchase Agreement**"), and is subject to, and the Holder and Company shall be bound by, all the terms, conditions and provisions of the Purchase Agreement. This Note is subordinated to certain other indebtedness of the Company on the terms set forth in that certain Subordination Agreement dated [_____], 2023, by and among the Holder, K2 HealthVentures LLC ("**K2**") as administrative agent, Ankura Trust Company, LLC as collateral trustee, and certain other parties (as amended from time to time, the "**Subordination Agreement**"), if in effect and outstanding at the relevant time.

2. **Repayment**. If this Note is not earlier converted or repaid, the entire then-outstanding and unpaid principal amount of this Note, together with any accrued but unpaid interest under this Note (the "**Outstanding Amount**"), shall be due and payable upon the earliest to occur of (i) the later of (x) November 1, 2025 and (y) the date which is sixty (60) days after all amounts owed under or in connection with the K2 Loan Agreement (if then in effect and outstanding) have been paid in full (the "**Maturity Date**"), (ii) the consummation of a Deemed Liquidation Event (as defined in the Company's Amended and Restated Certificate of Incorporation in effect at the Initial Closing (the "**Current Certificate**")) to the extent the Outstanding Amount is not converted pursuant to Section 4(c) below and after all amounts owed under or in connection with the K2 Loan Agreement (if then in effect and outstanding) have been paid in full, or (iii) the occurrence of an Event of Default (as defined below), when such amounts are declared due and payable by the Holder in accordance with the terms hereof and in accordance with the terms of (and strictly to the extent permitted under) the Subordination Agreement (if then in effect and outstanding). The Notes shall rank *pari passu* in right of payment with respect to each other Note, and all payments to each of the Holders under the Notes shall be made *pro rata* among the Holders based upon the aggregate unpaid principal amount of the Notes outstanding immediately prior to any such payment. All payments shall be made in lawful money of the United States of America at such place as the Holder hereof may from time to time designate in writing to the Company. Subject to Section 4 below, interest shall accrue on this Note but shall not be due and payable until the Maturity Date. The Company shall have the right to prepay all or any portion of this Note only with the prior written consent of the Majority Holders, which must include the Lead Investor Majority.

3. **Security**. The payment obligations of the Company arising under this Note are secured pursuant to the terms of (i) that certain Security Agreement dated as of [●], 2023 by and among the

Company, the Collateral Agent (as defined therein) and the Purchasers (as defined therein) (as amended from time to time, the "**Security Agreement**") and (ii) that certain Intellectual Property Security Agreement dated as of [●], 2023 by and among the Company, the Collateral Agent (as defined therein) and the Purchasers (as defined therein) (as amended from time to time, the "**IP Security Agreement**"). Reference hereby is made to the Security Agreement and the IP Security Agreement for a description of the nature and extent of the collateral serving as security for this Note and the rights of the Holder with respect to such security.

4. **Conversion.**

(a) **Certain Definitions**.

(i) "**K2 Loan Agreement**" means that certain Loan and Security Agreement, dated on or about [_____], 2023, by and between, among others, K2 HealthVentures LLC as administrative agent, the Lenders party from time to time party thereto and the Company (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time).

(ii) "**Outstanding Shares**" means the number of shares of the capital stock of the Company deemed to be outstanding as of immediately prior to the applicable Transaction Closing on a fully-diluted, as-converted basis (specifically including all shares of issued and outstanding capital stock, all outstanding options and promised options, any shares reserved for issuance under the Company's equity incentive plans, as well as any increase to such reserve to be effected in connection with such Transaction Closing and any subsequent closing thereof (whether such increases are effective prior to, in connection with or following the closing thereof) and all securities exercisable or exchangeable for or convertible into shares of the Company's capital stock, including, but not limited to warrants, convertible notes and other convertible debt instruments, SAFEs and other convertible securities that have the right to convert into shares of the Company's capital stock, but excluding the Notes.

(iii) "**Qualified Equity Financing**" means the first bona fide equity financing consummated after the Initial Closing in which the Company sells and issues shares of Preferred Stock resulting in aggregate gross proceeds actually received by the Company of at least $75,000,000 (excluding the Debt, other outstanding indebtedness for borrowed money and other convertible instruments (e.g. SAFEs or other similar instruments)) (the "**QEF Threshold Amount**") in a single transaction or series of related transactions.

(iv) "**Transaction Closing**" means, as applicable, (v) the closing of a Qualified Equity Financing upon which the Company has actually received, in the aggregate at such closing and at all earlier closings of such financing, aggregate gross proceeds of such financing at least equal to the QEF Threshold Amount, (w) the initial closing of an Optional Equity Financing, (x) immediately prior to the effectiveness of a Maturity Conversion (as defined below), (y) the closing of a transaction constituting a Sale Transaction, or (z) the closing of a Qualified Public Offering (as defined in the Current Certificate).

(v) "**Valuation Cap Amount**" means US $160,000,000.00.

(b) **Automatic Conversion Upon a Qualified Financing.** Immediately upon the initial closing of a Qualified Equity Financing, the Outstanding Amount shall automatically convert into shares of the Company's Preferred Stock sold and issued in the Qualified Equity Financing to cash investors (the "**Equity Securities**") at a per share conversion equal to the lesser of (i) 80% of the lowest per share price paid for the Equity Securities by the other investors participating in the Qualified Equity Financing and (ii) an amount equal to (y) the Valuation Cap Amount divided by (z) the number of Outstanding Shares. The issuance of the Equity Securities upon conversion of this Note pursuant to this Section 4(b) shall otherwise be on the same terms and conditions provided to the cash investors purchasing Equity Securities in the Qualified Equity Financing.

(c) **Optional Conversion Upon Non-Qualified Equity Financing**. In the event that, prior to the repayment in full or conversion of this Note, the Company consummates an equity financing, which is not a Qualified Equity Financing (an "**Optional Equity Financing**"), the entire outstanding Debt with respect to such Notes may, upon the written election of the Lead Investor Majority in connection therewith or anytime thereafter, be converted into shares of the Company's capital stock sold and issued to cash investors in the Optional Equity Financing at a per share conversion price equal to the lesser of (i) 80% of the lowest per share price paid for the capital stock by the other investors

participating in the Optional Equity Financing and (ii) an amount equal to (y) the Valuation Cap Amount divided by (z) the number of Outstanding Shares. The issuance of the capital stock upon conversion of this Note pursuant to this Section 4(c) shall otherwise be on the same terms and conditions provided to the cash investors purchasing Equity Securities in the Qualified Equity Financing.

(d) **Optional Conversion upon Deemed Liquidation Event**. If the Company consummates a Deemed Liquidation Event (as defined in the Current Certificate) or a similar change of control transaction (including a transaction or series of related transactions in which a Person, or a group of related Persons, acquires from stockholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company) (collectively, a "**Sale Transaction**") at any time prior to the repayment or conversion of the entire Outstanding Amount, the Holder shall be entitled, in satisfaction of all amounts owed under the Note, to receive the greater of (i) payment equal to 1.5 times the Outstanding Amount as of immediately prior to the closing of such Sale Transaction, or (ii) such amount per share as would have been payable had the Outstanding Amount as of immediately prior to the closing of such Sale Transaction been converted into shares of Common Stock at a per share conversion price equal to (y) the Valuation Cap Amount divided by (z) the number of Outstanding Shares.

(e) **Maturity Conversion**. Upon the occurrence of an Event of Default or if the Note has not been converted or repaid prior to the Maturity Date, the Holder shall be entitled, upon Holder's election, to convert the Outstanding Amount of this Note into shares of a newly created series of Preferred Stock at a per share conversion price equal to (i) the Valuation Cap Amount divided by (ii) the number of Outstanding Shares (a "**Maturity Conversion**"). The shares of such newly created series of Preferred Stock issued pursuant to this Section 4(e) shall have terms which are substantially the same as the Company's Series D Preferred Stock (or, if (x) the Company issues, in an Option Equity Financing, shares of a newly created series of Preferred Stock for aggregate gross cash proceeds of such Option Equity Financing actually received by the Company (excluding, for the avoidance of doubt, any proceeds from conversion of indebtedness) of not less than $25,000,000, (y) any of the Notes remain outstanding after such Option Equity Financing, and (z) such newly created series of Preferred Stock issued in connection with the Option Equity Financing ranks either senior to or *pari passu* with the rights, preferences and privileges of the Company's Series D Preferred Stock, then the shares of the newly created series of Preferred Stock issued pursuant to this Section 4(e) shall have terms which are substantially the same as the newly created series of Preferred Stock issued in connection with the Option Equity Financing (the series of Preferred Stock issued pursuant to this Section 4(e) being referred to herein as the "**New Preferred Stock**")), except that (i) such shares shall be senior in all respects to the Series D Preferred Stock and all other Preferred Stock, (ii) such shares shall provide for customary terms and conditions with respect thereto (including reasonable provisions to protect its seniority), (iii) the holders of record of shares of the New Preferred Stock, exclusively and as a separate class, shall be entitled to elect seven (7) directors of the Company, (iv) the provisions of Section 3.3.5 of Article IV, Part B of the Current Certificate as amended and/or restated to reflect the authorization and issuance of the New Preferred Stock shall be modified to delete therefrom the words "or unless such debt security or other indebtedness for borrowed money has received the prior approval of the Board of Directors" and (v) in connection with the issuance of shares of New Preferred Stock upon a Maturity Conversion, the Investors' Rights Agreement shall be amended by adding thereto a provision substantially similar to Section 5.5 of the National Venture Capital Association's model form of Investors' Rights Agreement (as then available at https://nvca.org/model-legal-documents/; the "**Model Form**") requiring approval of matters enumerated in such Section 5.5 of the Model Form by a "Requisite Preferred Director Vote", with the term "Preferred Director" defined for that purpose as meaning any director of the Company elected by the holders of New Preferred Stock as set forth in clause (iii) of this Section 4(e) or designated to serve on the Board of Directors pursuant to clause 3.2(g), (h) or (i) of the Investors' Rights Agreement, and with the term "Requisite Preferred Director Vote" defined for that purpose as meaning approval of the Board of Directors including the vote of a majority of the Preferred Directors then seated.

(f) **Conversion Upon Initial Public Offering**. If the Company consummates a Qualified Public Offering at any time prior to the repayment or conversion of the Outstanding Amount, the Outstanding Amount shall automatically convert into shares of Common Stock at a per share conversion price equal to the lesser of (i) 80% of the per share price at which shares of Common Stock are sold to the public in such Qualified Public Offering and (ii) (y) the Valuation Cap Amount divided by (z) the number of Outstanding Shares.

(g) **Mechanics and Effect of Conversion.** No fractional shares of the Company's capital stock will be issued upon conversion of this Note. Upon conversion of this Note pursuant to this Section 4, the Holder shall surrender this Note, duly endorsed, at the principal offices of the Company or any transfer agent of the Company. At its expense, the Company will, as soon as practicable thereafter, issue and deliver to the Holder, at such principal office, a certificate or certificates for the number of shares to which the Holder is entitled upon such conversion, together with any other securities and property to which the Holder is entitled upon such conversion under the terms of this Note. Upon conversion of this Note, the Company will be forever released from all of its obligations and liabilities under this Note with regard to that portion of the Outstanding Amount being converted including, without limitation, the obligation to pay such portion of the Outstanding Amount.

(h) **No Rights as Stockholder**. Without derogation from any of the provisions of the Investors' Rights Agreement, this Note does not by itself entitle the Holder to any voting rights or other rights as a stockholder of the Company, and in the absence of conversion of this Note, no provisions of this Note, and no enumeration herein of the rights or privileges of the Holder shall cause the Holder to be a stockholder of the Company for any purpose.

5. **Events of Default**. Promptly following the Company becoming aware of an occurrence of any Event of Default, the Company shall furnish to the Holder written notice of the occurrence thereof. The occurrence of any of the following shall constitute an "**Event of Default**" under this Note:

(a) the Company shall fail to pay Holder in full the Outstanding Amount when due;

(b) the Company, or any of its subsidiaries, fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in the Purchase Agreement, and as to any default under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by the Company be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then the Company shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default.

(c) a Material Adverse Change occurs;

(d) (i) the service of process seeking to attach, by trustee or similar process, any funds of the Company or any of its subsidiaries or of any entity under control of the Company or its subsidiaries on deposit with any bank or other institution at which the Company or any of its subsidiaries maintains Collateral, or (ii) a notice of lien, levy, or assessment is filed against the Company or any of its subsidiaries or their respective assets by any government agency, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise);

(e) (i) any material portion of the Company's or any of its subsidiaries' assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents the Company or any of its subsidiaries from conducting any part of its business;

(f) (i) the Company or any of its subsidiaries is or becomes Insolvent; (ii) the Company or any of its subsidiaries begins an Insolvency Proceeding; or (iii) an Insolvency Proceeding is begun against the Company or any of its subsidiaries and not dismissed or stayed within forty-five (45) days;

(g) there is a default in any agreement to which the Company or any of its subsidiaries is a party with a third party or parties resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any indebtedness in an amount in excess of Five Hundred Thousand Dollars ($500,000.00) or that could reasonably be expected to have a Material Adverse Change;

(h) one or more judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least Five Hundred Thousand Dollars ($500,000.00) (not covered by independent third-party insurance as to which liability has been accepted by such insurance

carrier) shall be rendered against the Company or any of its subsidiaries and shall remain unsatisfied, unvacated, or unstayed for a period of ten (10) days after the entry thereof;

(i) the Company's representations or warranties contained in the Purchase Agreement shall prove to have been incorrect in any material respect when made;

(j) a default or breach occurs under any agreement between the Company or any of its subsidiaries and any creditor of the Company or any of its subsidiaries that signed a subordination, intercreditor, or other similar agreement with Collateral Agent or the Holders, or any creditor that has signed such an agreement with Collateral Agent or the Holders breaches any terms of such agreement;

(k) any Governmental Approval shall have been revoked, rescinded, suspended, modified in an adverse manner, or not renewed in the ordinary course for a full term and such revocation, rescission, suspension, modification or non-renewal has resulted in or could reasonably be expected to result in a Material Adverse Change;

(l) any Lien (as defined in the Security Agreement) created hereunder or by the Transaction Agreements shall at any time fail to constitute a valid and perfected Lien on any of the Collateral purported to be secured thereby, subject to no prior or equal Lien, other than Permitted Liens (as defined in the Security Agreement) which are permitted to have priority in accordance with the terms of this Agreement; provided that such circumstance is not due to Collateral Agent's failure to file an appropriate continuation financing statement, amendment financing statement or initial financing statement; or

(m) after the initial public offering of any class of equity securities of the Company, the shares of such class of equity securities of the Company are delisted from the primary stock exchange on which they are traded because of failure to comply with continued listing standards thereof or due to a voluntary delisting, or for any other reason, which results in such shares not promptly being listed on any other nationally recognized stock exchange in the United States having listing standards at least as restrictive as the aforementioned primary stock exchange.

6. **More Favorable Terms**. So long as any portion of the Outstanding Amount is unpaid and outstanding, if after the date hereof the Company issues a convertible promissory note(s) (each, a "**Future Note**") to any lender having terms and conditions regarding (a) the conversion of such Future Note or (b) the repayment of such Future Note in connection with a Deemed Liquidation Event or a Sale Transaction, that are, individually or in the aggregate, more favorable than the terms and conditions granted to the Holder hereunder, then this Note shall be deemed to immediately be amended as of the date of the first issuance of such Future Note to reflect substantially equivalent terms and conditions to the Holder hereunder. For purposes of this Section 6, the determination regarding whether any such terms and conditions are more favorable than those granted hereunder shall be made by the Lead Investor Majority in their good faith judgment. Notwithstanding the foregoing, the rights to convert a portion of the outstanding principal amount pursuant to the K2 Loan Agreement shall not be deemed a Future Note for the purposes of this provision.

7. **Transfer; Successors and Assigns.** This Note and any rights hereunder may not be assigned, conveyed or transferred, in whole or in part, without the prior written consent of the Company; provided, however, that an assignment, conveyance or transfer to an Affiliate (as defined in the Investors' Rights Agreement) of the Holder shall not be subject to such requirement for prior written consent. The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties. Subject to the preceding sentences, this Note may be transferred only upon surrender of the original Note for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Company. Thereupon, a new note for the same principal amount and interest will be issued to, and registered in the name of, the transferee. Interest and principal are payable only to the registered holder of this Note.

8. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law.

9. **Notices.** All notices and other communications given or made pursuant to this Note shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or (a) personal delivery to the party to be notified, (b) when sent, if sent by electronic mail or facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next

business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to (i) to the Company at its corporate headquarters, to the Holder at the address as set forth Exhibit A to the Purchase Agreement, or to such e-mail address, facsimile number or address as subsequently modified by written notice given in accordance with this subsection.

10. **Amendments and Waivers.** Any term of this Note may be amended or waived only with the written consent of the Company and the Lead Investor Majority, provided that (a) such amendment of this Note does not impose any additional financial liability or funding obligations on the Holder, and (b) in the event that an amendment or waiver (i) adversely affects the obligations or rights of the Holder in a different manner than other Holders by its terms, without reference to the principal amount of this Note, or (ii) would reduce the amount of principal or accrued interest due on the Note (regardless of whether such amendment also applies to other Notes), then such amendment or waiver shall also require the written consent of the Holder. Any amendment or waiver effected in accordance with this Section 10 shall be binding upon the Company, the Holder and each transferee of this Note.

11. **Stockholders, Officers and Directors Not Liable.** In no event shall any stockholder, officer or director of the Company be liable for any amounts due or payable pursuant to this Note.

12. **Usury**. If any interest is paid on this Note which is deemed to be in excess of the then legal maximum rate, then that portion of the interest payment representing an amount in excess of the then legal maximum rate shall be deemed a payment of principal and applied against the principal of this Note.

13. **Tax Matters**. All payments made by the Company shall be made free and clear of, and without any deduction or withholding of, any taxes, except as otherwise required by applicable law. Upon request, the Holder shall provide the Company with a properly executed IRS Form W-9 or IRS Form W-8 and supporting documentation (if any). In addition, the Company shall pay upon demand any stamp or other taxes, levies or charges of any jurisdiction with respect to the execution, delivery, registration, performance and enforcement of the Note. Upon request by the Collateral Agent, the Company shall furnish evidence reasonably satisfactory to the Collateral Agent that all requisite authorizations and approvals by, and notices to and filings with, governmental authorities and regulatory bodies have been obtained and made and that all requisite taxes, levies and charges have been paid.

14. **Register**. The Company shall maintain at one of its offices a copy of each assignment and a register for the recordation of the name and address of, and the principal amounts (and stated interest) of the obligations owing to, each Holder from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the parties hereto shall treat each Person whose name is recorded in the Register as a Holder hereunder for all purposes of this Note. The Register shall be available for inspection by any Holder at any reasonable time and from time to time upon reasonable prior notice. The Register is intended to cause the Note to be in "registered form" within the meaning of Section 5f.103-1(c) of the United States Treasury Regulations and within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Internal Revenue Code of 1986, as amended.

Remainder of Page Intentionally Left Blank.

The Company has caused this Secured Convertible Promissory Note to be issued as of the date first written above.

COMPANY

VEDANTA BIOSCIENCES, INC.

By:__
Name: Bernat Olle
Title: Chief Executive Officer

AGREED AND ACCEPTED:

HOLDER:

[●]

By:__
Name:__
Its:__

Exhibit 4.38

Execution Version

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED (INDICATED BY: [***]) FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) THE TYPE OF INFORMATION THAT THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE OR CONFIDENTIAL.

ASSET TRANSFER AGREEMENT

by and between

SEAPORT THERAPEUTICS, INC., on the one hand,

and

PURETECH HEALTH LLC,

and

PURETECH LYT, INC., on the other hand

Dated as of April 8, 2024

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ASSET TRANSFER AGREEMENT

THIS ASSET TRANSFER AGREEMENT (this "Agreement") is entered into as of April 8, 2024, by and among SEAPORT THERAPEUTICS, INC., a Delaware corporation ("Seaport"), on the one hand, and PURETECH HEALTH LLC, a Delaware limited liability company ("PureTech Health") and PURETECH LYT, INC., a Delaware corporation and a wholly-owned subsidiary of PureTech Health ("PureTech LYT" and together with PureTech Health, "PureTech"), on the other hand. Seaport and PureTech are also referred to herein individually as a "Party" and collectively as the "Parties".

WHEREAS, PureTech desires to transfer and assign to Seaport, and Seaport desires to acquire from PureTech certain assets and rights of PureTech related to the Glyph Technology (as defined below), subject to the assumption by Seaport of certain liabilities, upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

TRANSFER OF ASSETS

1.1 Transfer of Assets. Upon the terms and subject to the conditions set forth herein, at the Closing, PureTech shall contribute, convey, assign, transfer and deliver to Seaport, and Seaport shall acquire and accept from PureTech, all of PureTech's right, title and interest in, to and under the Transferred Assets, free and clear of any Liens. The contribution, assignment, transfer and delivery of the Transferred Assets by PureTech to Seaport is not revocable by PureTech. For purposes of this Agreement, the term "Transferred Assets" means all of the assets, rights and properties of PureTech existing as of the Closing related to the Glyph Technology or Products, including the following (but in each case excluding the Excluded Assets):

(a) all Intellectual Property that Covers, or that is necessary for the Utilization of, the Glyph Technology or Products, including the Transferred Patents set forth on Schedule 1.1(a) (collectively, the "Transferred Intellectual Property");

(b) all rights under the Contracts set forth on Schedule 1.1(b) to which PureTech is party and that relate exclusively or primarily to the Glyph Technology or Products (the "Transferred Contracts"), including the Monash License but excluding any Excluded Contract (it being understood and agreed that, within [***] after the Closing Date, the Parties may, but shall not be obligated to, modify such Schedule 1.1(b) as mutually agreed in writing by the Parties to add to, delete from or modify the list of Contracts contained therein);

(c) the Products (and all rights thereto), including all Inventory, including the items set forth on Schedule 1.1(c);

(d) all Product INDs, if any, and any other Regulatory Applications, including the items set forth on Schedule 1.1(d);

(e) all Regulatory Documentation;

(f) all Books and Records relating to Glyph Technology or Products;

(g) supplier and distributor lists related to the Glyph Technology or Products;

(h) all equipment and other assets, rights and properties of PureTech listed on Schedule 1.1(h) (and all associated warranties and service contracts, if any); and

(i) all goodwill associated with the Transferred Assets.

1.2 Excluded Assets. Notwithstanding anything to the contrary in this Agreement, the Transferred Assets shall not include any of the Excluded Assets. For purposes of this Agreement, the term "Excluded Assets" means the following assets, rights and properties of PureTech:

(a) all cash, short-term investments, deposits, bank accounts, and other cash equivalents, in each case as of the Closing;

(b) notes and loans receivable that are payable to PureTech;

(c) the Organizational Documents, qualifications to conduct business as a foreign entity, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock transfer books and other documents relating to the organization and existence of PureTech;

(d) all Tax refunds and Tax deposits of PureTech attributable to any Pre-Closing Tax Period and all Tax books and records of PureTech and, for the avoidance of doubt, all tax attributes of PureTech including, without limitation, tax loss carryovers and tax credits;

(e) all rights of PureTech in and with respect to the assets associated with any PureTech Benefit Arrangement;

(f) any of the rights of PureTech under the Excluded Contracts;

(g) all personnel records;

(h) all Insurance Policies;

(i) all prepayments and prepaid expenses (including prepaid insurance premiums) under Contracts that are Excluded Contracts; and

(j) those assets listed on Schedule 1.2(j) (it being understood and agreed that, within [***] after the Closing Date, the Parties may, but shall not be obligated to, modify such Schedule 1.2(j) as mutually agreed in writing by the Parties to add to, delete from or modify the list of Excluded Assets contained therein).

1.3 Assumption of Liabilities. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, Seaport shall assume and agree to perform, pay, satisfy or discharge when due, the Assumed Liabilities. For purposes of this Agreement, the term "Assumed Liabilities" means those Liabilities arising before the Closing set forth either on Schedule 1.3 or in the Services Agreement and any Liabilities arising on or after the Closing with respect to the Transferred Assets (including the Monash License), other than any Liability in respect of (a) any Liability that does not arise from or relate to the Transferred Assets, or (b) any breach or other violation of a Transferred Contract prior to the Closing.

1.4 Retained Liabilities. Notwithstanding anything to the contrary in this Agreement, the Assumed Liabilities shall not include, and Seaport does not hereby and shall not assume or in any way undertake to perform, pay, satisfy or discharge, the Retained Liabilities, all of which shall be retained by and performed, paid, satisfied or discharged by PureTech as and when due. For purposes of this Agreement, the term "Retained Liabilities" means all Liabilities other than the Assumed Liabilities, including all Transaction Costs, Indebtedness, Retained Tax Liabilities, and all pre-Closing PureTech Employee Liabilities (except as set forth in the Services Agreement) and all other Liabilities in respect of the Products arising prior to the Closing (except to the extent expressly set forth in Section 1.3).

1.5 Consideration. As consideration for the Transferred Assets, Seaport will provide PureTech the following to PureTech:

(a) Issuance at Closing. Seaport shall issue and deliver to PureTech LYT for the benefit of PureTech LYT and PureTech Health [***] shares of Seaport's Series A-1 Preferred Stock and [***] shares of Seaport's Common Stock (the "Shares").

(b) Post-Closing.

(i) Royalty Payments.

(A) Rate. During the Royalty Term for each Seaport Glyph Product, Seaport will make tiered royalty payments to PureTech in respect of Annual Net Sales, on a Product-by-Product basis, at the following royalty rates:

Annual Net Sales of such Seaport Glyph Product any Calendar Year	**Royalty Rate**
Portion of Annual Net Sales less than [***]	3%
Portion of Annual Net Sales equal to or greater than [***] up to [***]	[***]
Portion of Annual Net Sales equal to or greater than [***] up to [***]	[***]
Portion of Annual Net Sales equal to or greater than [***] up to [***]	[***]
Portion of Annual Net Sales equal to or greater than [***]	5%

(B) Calculation; Reports; Payment. Royalties on Annual Net Sales of each Seaport Glyph Product in a Calendar Year during the Royalty Term will be paid at the rate applicable to the portion of Net Sales within each of the Annual Net Sales tiers during such Calendar Year. Each payment of royalties shall be accompanied by a statement of the amount of Net Sales invoiced during the applicable Calendar Quarter, containing reasonable detail on a Seaport Glyph Product-by-Seaport Glyph Product and country-by-country basis regarding the calculation of the royalties and the underlying sales data. Royalties will be paid to PureTech within [***] days after the end of the Calendar Quarter in which the corresponding Net Sales was received.

(ii) Net Income under Product License Agreements.

(A) CNS Products. If Seaport or any of its Controlled Affiliates receives Net Income from a Third Party under a Product License Agreement with respect to any Product directed primarily to CNS Indications (each, a "CNS Product"), or if Seaport or any of its Controlled Affiliates sells or spins out a Controlled Affiliate to a Third Party that has the right to receive Net Income under a Product License Agreement with respect to any CNS Product, then Seaport will pay (or cause to be paid by its Controlled Affiliate) to PureTech an amount equal to [***]. Amounts payable under this Section 1.5(b)(ii)(A) will be paid to PureTech at the same time as the corresponding payment is made to Monash or, if no such payment is due to Monash, within [***] days after receipt by Seaport or its Controlled Affiliates of such Net Income.

(B) Non-CNS Products. If Seaport or any of its Controlled Affiliates receives Net Income from a Third Party under a Product License Agreement with respect to any Product directed primarily to Non-CNS Indications (each, a "Non-CNS Product"), then Seaport will pay (or cause to be paid by its Controlled Affiliate) to PureTech an amount equal to [***] percent [***] of such Net Income. Amounts payable under this Section 1.5(b)(ii)(B) will be paid to PureTech at the same time as the required Net Income payment is made to Monash.

(iii) Milestone Payments. Seaport shall pay to PureTech the following one-time milestone payments upon the first achievement of the following milestones by the first Seaport Glyph Product to achieve such milestones:

First Product Milestones	
[***]	$2,000,000
[***]	$4,000,000
[***]	$2,000,000
[***]	$2,000,000

Seaport shall pay to PureTech the following one-time milestone payments upon the first achievement of the following milestones by the second or any subsequent Seaport Glyph Product to achieve such milestones:

Subsequent Product Milestones	
[***]	$1,000,000
[***]	$2,000,000
[***]	$1,000,000
[***]	$1,000,000

Seaport shall pay to PureTech any amounts due under this Section 1.5(b)(iii) on [***] basis, within [***] days after the end of each Calendar Quarter.

(iv) [***]

(c) Payments Generally.

(i) Method of Payment. All cash payments to PureTech under this Agreement shall be made by wire transfer of immediately available funds into an account designated by PureTech. Each cash payment should reference this Agreement and identify the obligation under this Agreement that the payment satisfies.

(ii) Payments in U.S. Dollars. All cash payments due under this Agreement shall be payable in United States dollars, without deduction, defense, offset or counterclaim for any reason. Conversion of foreign currency to U.S. dollars shall be made at the conversion rate existing in the United States (as reported in The Wall Street Journal) for the last working day of the applicable calendar quarter to which such payment relates. Such payments shall be without deduction of exchange, collection or other charges.

(iii) Late Payments. Any payments by Seaport that are not paid on or before the date such payments are due under this Agreement shall bear interest at [***] percent [***] per month or the maximum amount permitted by Law, whichever is less.

1.6 Closing; Closing Deliveries.

(a) Closing. The Closing shall take place on the date hereof (the "Closing Date") remotely by electronic exchange of documents and signatures. The Closing shall be effective as of 12:00:01 a.m. Eastern Time on the Closing Date.

(b) Deliveries by PureTech. Upon the terms and subject to the conditions contained herein, at the Closing, PureTech shall deliver (or cause to be delivered) to Seaport (or one or more of its subsidiaries designated by Seaport) the following:

(i) Conveyance Documents.

(A) a Trademark Assignment in the form attached hereto as Exhibit A (the "Trademark Assignment"), duly executed by PureTech;

(B) a Patent Assignment in the form attached hereto as Exhibit B (the "Patent Assignment"), duly executed by PureTech;

(C) a Transition Services Agreement in the form attached hereto as Exhibit C (the "Services Agreement"), duly executed by PureTech;

(D) such other instruments of transfer, conveyance and assignment as Seaport may reasonably request in order to effect the sale, transfer, conveyance and assignment to Seaport of all right, title and interest in and to the Transferred Assets free and clear of all Liens (the "Additional Transfer Documents"), in each case duly executed by PureTech;

(ii) PureTech Representation Letter. A PureTech Representation Letter in the form attached hereto as Exhibit D, duly executed by PureTech Health and PureTech LYT;

(iii) Required Consents. Evidence that all the consents set forth in Schedule 1.6(b)(iii) (the "Required Consents") have been obtained or made, as applicable;

(iv) IRS Form W-9. An IRS Form W-9 duly executed by PureTech (or PureTech's owner, if PureTech is a disregarded entity for U.S. federal income tax purposes) certifying that such PureTech is a U.S. person;

(v) Monash Consent. That certain Consent To Release Upon Assignment relating to the Monash License, duly executed by PureTech Health;

(vi) Books and Records. The Books and Records relating to Glyph Technology or Products [***]; and

(vii) Other Documents. All other consents, certificates, documents, instruments and other items required to be delivered by PureTech pursuant to the Ancillary Agreements or that are reasonably necessary to give effect to the transactions contemplated hereby or to vest in Seaport good and valid title in and to the Transferred Assets free and clear of all Liens.

(c) Deliveries by Seaport. Upon the terms and subject to the conditions contained herein, at the Closing, Seaport shall deliver to PureTech:

(i) Consideration. Seaport shall cause the Shares to be transferred into a brokerage account in accordance with the deposit account instructions provided by PureTech to Seaport prior to the Closing Date;

(ii) Services Agreement. The Services Agreement, duly executed by Seaport; and

(iii) Monash Consent. That certain Consent To Release Upon Assignment relating to the Monash License, duly executed by Seaport.

1.7 Consents. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or transfer any contract, authorization, license or permit or any claim, right or benefit arising thereunder or resulting therefrom, if (x) an attempted assignment or transfer thereof, without the consent of a third party thereto or of the issuing Governmental Entity would constitute a breach thereof and (y) such consent is not obtained prior to the Closing (such contract, authorization, license or permit, claim, right or benefit, a "Deferred Item"). If an agreement to assign or transfer a Deferred Item, other than any Deferred Item that is the subject of a Required Consent (a "Deferred Consent"), is not obtained, or if an attempted assignment or transfer thereof would be ineffective or would affect the rights thereunder so that Seaport would not receive all such rights, then, in each such case, (i) the Deferred Item shall be withheld from sale pursuant to this Agreement, (ii) from and after the Closing, PureTech will use its Reasonable Commercial Efforts to obtain such consent as soon as practicable after the Closing, and (iii) until such Deferred Consent is obtained, PureTech shall provide to Seaport the benefits under such Deferred Item. In particular, in the event that any such Deferred Consent is not obtained prior to the Closing, then Seaport and PureTech shall enter into such arrangements (including subleasing or subcontracting if permitted) to provide to the Parties hereto substantially the same economic and operational equivalent of obtaining such Deferred Consent and assigning or transferring such contract, authorization, license or permit, including enforcement by PureTech for the benefit of Seaport of all claims or rights arising thereunder, and the performance by Seaport of the obligations thereunder.

1.8 Wrong Pockets.

(a) If, after the Closing, Seaport or any of its Controlled Affiliates possesses any Excluded Asset, Seaport shall, or shall cause its Controlled Affiliates to, transfer such asset to PureTech at no cost to PureTech.

(b) If, after the Closing, PureTech or any of its Controlled Affiliates possesses any Transferred Asset, PureTech shall, or shall cause their Controlled Affiliates to, transfer such asset to Seaport at no cost to Seaport.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF PURETECH

PureTech represents and warrants to Seaport that the statements contained in this Article II are true and correct as of the date of this Agreement, except as set forth in the disclosure schedule delivered by PureTech to Seaport and dated as of the date of this Agreement (the "Disclosure Schedule").

2.1 Organization and Good Standing. PureTech Health is a limited liability company and PureTech LYT is a corporation, in each case duly organized, validly existing and in good

standing under the Laws of the State of Delaware. PureTech is duly qualified to conduct business and is in limited liability company or corporate and Tax good standing under the Laws of each jurisdiction in which the nature of PureTech's businesses or the ownership or leasing of its properties requires such qualification or Tax good standing. PureTech has all requisite power and authority (corporate and other) to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. PureTech has made available to Seaport complete and accurate copies of PureTech's Organizational Documents. PureTech is not in default under or in violation of any provision of its Organizational Documents.

2.2 Authority; No Conflict; Required Filings and Consents.

(a) PureTech has all requisite limited liability company or corporate power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it is a party and to perform its obligations hereunder and thereunder. The execution and delivery by PureTech of this Agreement and the Ancillary Agreements to which it is a party and the performance by PureTech of this Agreement and the consummation by PureTech of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary limited liability company or corporate action on the part of PureTech. This Agreement and the Ancillary Agreements to which it is a party have been or will be as of the Closing Date duly and validly executed and delivered by PureTech and constitute or will constitute valid and binding obligations of PureTech, enforceable against it in accordance with its terms.

(b) Neither the execution and delivery by PureTech of this Agreement or any Ancillary Agreement to which it is a party, nor the performance by PureTech of its obligations hereunder or thereunder, nor the consummation by PureTech of the transactions contemplated hereby or thereby, will (i) conflict with or violate any provision of the Organizational Documents of PureTech, each as amended or restated to date, (ii) require any notice to or filing with, or any permit, authorization, consent or approval of, any Governmental Entity, (iii) except as set forth in Section 2.2(b) of the Disclosure Schedule, conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of obligations under, create in any party the right to accelerate, terminate, modify or cancel, or require any notice, consent or waiver under, any contract, lease, sublease, license, sublicense, franchise, permit, indenture, agreement or mortgage for borrowed money, instrument of Indebtedness, Lien or other arrangement to which PureTech is a party or by which PureTech is bound or to which any of the assets of PureTech are subject, (iv) result in the imposition of any Lien upon any assets of PureTech (including any Transferred Asset) or (v) violate any Order applicable to PureTech or any of its properties or assets, except in the case of the foregoing clauses (iii) or (iv) for such notices, consents and waivers that, if not obtained or made, and such conflicts, breaches, defaults, accelerations, terminations, modifications, cancellations, Liens and violations that, individually or in the aggregate, have not been and would not reasonably be expected to be material to PureTech, the Products or the Transferred Assets.

(c) No consent, approval, license, permit, Order or authorization of, or registration, declaration, notice or filing with, any Governmental Entity is required in connection with the execution and delivery by PureTech of this Agreement or any Ancillary Agreement to which PureTech is a party, or the consummation by PureTech of the transactions contemplated by this Agreement or any Ancillary Agreement.

2.3 Taxes.

(a) PureTech has properly filed on a timely basis all material Tax Returns that it was required to file, and all such Tax Returns are true, correct and complete in all material respects and were prepared in compliance with all applicable Laws. PureTech has paid on a timely basis all Taxes that were due and payable, whether or not shown on any Tax Return.

(b) PureTech has duly withheld or collected all Taxes that PureTech is or was required by Law to withhold or collect and, to the extent required, has properly paid such Taxes to the appropriate Governmental Entity, and PureTech has complied with all information reporting and backup withholding requirements, including the maintenance of required records with respect thereto, in connection with amounts paid to PureTech employee, independent contractor, creditor, or other third party.

(c) No examination or audit or other action of or relating to any Tax Return of PureTech by any Governmental Entity is currently in progress or, to PureTech's Knowledge, threatened or contemplated. No deficiencies for Taxes of PureTech have been claimed or proposed in writing or assessed by any Governmental Entity. PureTech has not been informed in writing by any jurisdiction in which PureTech did not file a Tax Return that the jurisdiction believes that PureTech was required to file any Tax Return that was not filed or is subject to Tax in such jurisdiction. PureTech has not (i) waived any statute of limitations with respect to Taxes or agreed to extend the period for assessment or collection of any Taxes, which waiver or extension is still in effect, (ii) requested any extension of time within which to file any Tax Return, which Tax Return has not yet been filed, or (iii) executed or filed any power of attorney with any taxing authority, which is still in effect.

(d) There are no Liens with respect to Taxes upon any of the Acquired Assets, other than with respect to Taxes not yet due and payable.

(e) None of the Acquired Assets are United States real property interests within the meaning of Section 897(c)(1) of the Code.

(f) None of the Acquired Assets include an interest in any joint venture, partnership, or other arrangement that is treated as a partnership for federal income Tax purposes.

2.4 Intellectual Property.

(a) The Transferred Intellectual Property constitutes all Intellectual Property used by PureTech in, or developed by PureTech during, the conduct or operation of the Glyph Technology or Products, as currently conducted and operated, as conducted and operated since [***], and as currently planned by PureTech to be conducted and operated in the future. PureTech is the sole and exclusive owner or exclusive licensee of, and has good title to, all of the Transferred Intellectual Property, free and clear of all Liens, and PureTech has the right to transfer all right, title and interest in all Transferred Intellectual Property to Seaport.

(b) Except for the Monash License, no Intellectual Property used in or related to the Glyph Technology or Products is licensed by PureTech from any third party. PureTech

has not licensed or granted any rights under or to the Transferred Intellectual Property to any third party in effect as of the date hereof. All registrations and applications for Transferred Intellectual Property (the "PureTech Registrations") are listed on Section 2.4(b) of the Disclosure Schedule and all such PureTech Registrations have been duly filed or registered (as applicable) with the applicable Governmental Entity and properly maintained in all material respects, including the timely submission of all necessary filings and payment of fees in accordance with the legal and administrative requirements in the appropriate jurisdictions, and have not lapsed or expired. To PureTech's Knowledge, all PureTech Registrations are valid and enforceable.

(c) PureTech has a policy that requires each Person employed or retained by PureTech as a consultant or independent contractor who contributed to the creation or development of any of the Transferred Intellectual Property to enter into a valid and enforceable written agreement covering confidentiality and assignment of inventions and pursuant to which the rights to such contributions are assigned to PureTech, and PureTech has secured such agreements, a form of which has been furnished to Seaport, and agrees to assign to Seaport the ownership of any Glyph IP under such agreements. No current or former employee, officer, director, stockholder, consultant or independent contractor of PureTech has any right, title, claim or interest in, to or under any Transferred Intellectual Property that has not been exclusively assigned and transferred to PureTech.

2.5 Contracts.

(a) Section 2.5(a) of the Disclosure Schedule lists each of the Contracts that relate to the Transferred Assets and to which PureTech or any Controlled Affiliate is a party.

(b) PureTech has delivered to Seaport a complete and accurate copies of each Transferred Contract (as amended to date). With respect to each Transferred Contract: (x) the Transferred Contract is legal, valid, binding and enforceable and in full force and effect against PureTech or any Controlled Affiliate that is the party thereto and, to PureTech's Knowledge, against each other party thereto; (y) the Transferred Contract will continue to be legal, valid, binding and enforceable and in full force and effect against PureTech or any Controlled Affiliate that is the party thereto and, to PureTech's Knowledge, against each other party thereto immediately following the Closing in accordance with the terms thereof as in effect immediately prior to the Closing; and (z) neither PureTech, any Controlled Affiliate nor, to the Knowledge of PureTech, any other party, is, in any material respect, in breach or violation of, or default under, any such Transferred Contract, and no event has occurred, is pending or, to the Knowledge of PureTech, is threatened, which, after the giving of notice, with lapse of time, or otherwise, would constitute any such breach or default by PureTech, any Controlled Affiliate or, to the Knowledge of PureTech, any other party under such Transferred Contract.

2.6 Real Property. None of the Transferred Assets include owned real property, leased real property, subleased real property or other real property occupancy agreement.

2.7 Environmental Matters. To PureTech's Knowledge, PureTech and each Controlled Affiliate of PureTech is, and at all times has been, in substantial compliance with all applicable Environmental Laws relating to the Transferred Assets and the Products, which compliance includes obtaining, maintaining and complying with all permits, licenses, approvals,

and authorizations required under Environmental Laws in connection with the Products. To PureTech's Knowledge, none of PureTech or its Controlled Affiliate is subject to any Liability arising from the Release or threatened Release of any Hazardous Materials into the environment or any failure to comply with any Environmental Law relating to the Transferred Assets.

2.8 Litigation. There is no Legal Proceeding pending or, to PureTech's Knowledge, threatened against PureTech or its Controlled Affiliates relating to the Transferred Assets. There are no judgments or outstanding Orders against or with respect to any of the Transferred Assets, the Products, PureTech or its Controlled Affiliates or any current or former officers, directors, employees, consultants, agents or stockholders of PureTech or its Controlled Affiliates (in their respective capacities as such). There is no Legal Proceeding initiated by PureTech or its Controlled Affiliates, or which PureTech or its Controlled Affiliates has commenced preparations to initiate, against any other Person relating to the Transferred Assets.

2.9 Compliance With Laws. To PureTech's Knowledge, PureTech and each Controlled Affiliate of PureTech has been and is in compliance in all material respects, is not in material violation of and has not received any written notice alleging any material violation with respect to, any applicable Law with respect to the Products or the Transferred Assets.

2.10 Affiliate Transactions. No Affiliate of PureTech other than Seaport, directly or indirectly, (a) owns any property or right, tangible or intangible, which is used in the Products, (b) has any claim or cause of action against PureTech or any Controlled Affiliate relating to the Transferred Assets, or (c) is a party to any Contract relating to the Transferred Assets.

2.11 Suppliers. Section 2.11 of the Disclosure Schedule sets forth a list of [***]. No supplier set forth in Section 2.11 of the Disclosure Schedule has indicated in writing within the past year that it will stop, decrease the rate of, or modify in any material respect the pricing, terms or conditions with respect to, supplying materials, products or services, as applicable, to PureTech relating to the Products, other than any such modifications or adjustments set forth in the Contract relating thereto.

2.12 Brokers. No agent, broker, investment banker, financial advisor or other firm or Person is or shall be entitled, as a result of any action, agreement or commitment of PureTech or any of its Affiliates, to any broker's, finder's, financial advisor's or other similar fee or commission in connection with any of the transactions contemplated by this Agreement.

2.13 Assets. PureTech or its Controlled Affiliates, as applicable, are the sole, exclusive, true and lawful owners, licensees or lessees, as the case may be, of, and have good and marketable title to, or a valid and enforceable leasehold or license interest in or other legal, valid and enforceable right to use, all of the Transferred Assets, free of all Liens. Upon the Closing, Seaport will become the true and lawful owner, licensee or lessee, as the case may be, of, and will receive good and valid title to or a valid and enforceable leasehold or license interest in or other legal, valid and enforceable right to use, the Transferred Assets, free and clear of all Liens. No Transferred Asset is owned by any Person that is not PureTech or a Controlled Affiliate of PureTech.

2.14 Data Privacy and Security.

(a) To PureTech's Knowledge, PureTech and its Controlled Affiliates have for the past two years complied in all material respects with all applicable Information Privacy and Security Laws, all of PureTech Privacy Policies, and all their contractual obligations to any Person regarding privacy data security, or the Processing of Personal Data.

(b) PureTech requires third parties that Process Personal Data on behalf of PureTech or its Controlled Affiliates to (i) comply with applicable Information Privacy and Security Laws; and (ii) take reasonable steps to protect and secure Personal Data from unauthorized access, use, disclosure or Processing.

(c) PureTech and its Controlled Affiliates have not received any notice in writing of any claims, audits, investigations (including investigations by regulatory authorities or any data protection authorities), or allegations of violations of Information Privacy and Security Laws by PureTech or any Controlled Affiliate of PureTech or with respect to Personal Data Processed by, or under the control of, PureTech or any Controlled Affiliate of PureTech, and, to PureTech's Knowledge, there are no facts or circumstances that could form the basis for any such claims, audits, investigations, or allegations.

(d) To PureTech's Knowledge, for the past two years, PureTech and its Controlled Affiliates and no third party acting on their behalf each have not suffered or incurred a Data Security Incident relating to the Transferred Assets that would result in a material adverse effect on PureTech or such Controlled Affiliates. For the past two years, PureTech and its Controlled Affiliates has not been notified of, or been required to notify, any Person of any Data Security Incident relating to the Transferred Assets.

2.15 No Other Representations or Warranties. Except for the representations and warranties contained in this Article II, neither PureTech nor any other Person has made or makes any other express or implied representation or warranty, whether written or oral, on behalf of PureTech, including any representation or warranty as to the accuracy or completeness of any information regarding the Transferred Assets furnished or made available to Seaport and its Representatives or as to the future revenue, profitability or success of the Transferred Assets, or any representation or warranty arising from statute or otherwise in law. Unless the subject of any express representation and warranty set forth in this Article II, the Transferred Assets are being assigned and transferred by PureTech to Seaport as is, where is, without representation, warranty or recourse to PureTech.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SEAPORT

Seaport represents and warrants to PureTech that the statements contained in this Article III are true and correct as of the date of this Agreement and will be true and correct as of the Closing as though made as of the Closing:

3.1 Organization, Standing and Power. Seaport is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware. Seaport has all

requisite power and authority (corporate and other) to carry on the businesses in which it is engaged and to own and use the properties owned and used by it.

3.2 Authority; No Conflict; Required Filings and Consents.

(a) Seaport has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery by Seaport of this Agreement and the consummation by Seaport of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Seaport. This Agreement has been duly and validly executed and delivered by Seaport and constitutes a valid and binding obligation of Seaport, enforceable against it in accordance with its terms.

(b) Neither the execution and delivery by Seaport of this Agreement, nor the performance by Seaport of its obligations hereunder, nor the consummation by Seaport of the transactions contemplated hereby, will (i) conflict with or violate any provision of the charter or By-laws of Seaport, (ii) require on the part of Seaport any filing with, or permit, authorization, consent or approval of, any Governmental Entity, (iii) conflict with, result in breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of obligations under, create in any party any right to accelerate, terminate, modify or cancel, or require any notice, consent or waiver under, any contract, lease, sublease, license, sublicense, franchise, permit, indenture, agreement or mortgage for borrowed money, instrument of Indebtedness, Lien or other agreement to which Seaport is a party or by which it is bound or to which any of its assets are subject, or (iv) violate any Order applicable to Seaport or any of its properties or assets, except in the case of the foregoing clauses (iii) and (iv) for such notices, consents and waivers that, if not obtained or made, and such conflicts, breaches, defaults, accelerations, terminations, modifications, cancellations and violations that, individually or in the aggregate, have not had and would not reasonably be expected to have a material adverse effect on the ability of Seaport to consummate the transactions contemplated by this Agreement.

(c) No consent, approval, license, permit, Order or authorization of, or registration, declaration, notice or filing with, any Governmental Entity is required by or with respect to Seaport in connection with the execution and delivery of this Agreement by Seaport or the consummation by Seaport of the transactions contemplated by this Agreement.

3.3 Brokers. No agent, broker, investment banker, financial advisor or other firm or Person is or shall be entitled, as a result of any action, agreement or commitment of Seaport or any of its Affiliates, to any broker's, finder's, financial advisor's or other similar fee or commission in connection with any of the transactions contemplated by this Agreement.

3.4 Capitalization.

(a) The authorized capital of Seaport consists, immediately prior to the Closing, of:

(i) [***] shares of common stock, [***] par value per share (the "Common Stock"), [***] shares of which are issued and outstanding immediately prior to the Closing.

(ii) [***] shares of preferred stock, [***] par value per share (the "Preferred Stock"), of which [***] shares have been designated Series A-1 Preferred Stock, none of which are issued and outstanding immediately prior to the Closing. The rights, privileges and preferences of the Preferred Stock are as stated in the Amended and Restated Certificate of Incorporation of Seaport and as provided by the Delaware General Corporation Law.

(iii) All of the outstanding shares of capital stock have been duly authorized, are fully paid and nonassessable and were issued in compliance with all applicable federal and state securities laws.

(b) Seaport has obtained valid waivers of any rights of all other Persons to purchase any of the Shares covered by this Agreement.

3.5 Valid Issuance of Shares. The Shares, when issued, sold and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under applicable state and federal securities laws and liens or encumbrances created by or imposed by PureTech. Subject to the filings described in Section 3.6 below, the Shares will be issued in compliance with all applicable federal and state securities laws.

3.6 Governmental Consents and Filings. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority is required on the part of Seaport in connection with the consummation of the transactions contemplated by this Agreement, except for filings pursuant to applicable securities laws, which have been made or will be made in a timely manner.

3.7 Independent Investigation. Seaport has conducted its own independent investigation, review and analysis of the business, results of operations, prospects, and condition (financial or otherwise) of the Transferred Assets and the Products, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of PureTech for such purpose. Seaport acknowledges and agrees that (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Seaport has relied solely upon its own investigation and the express representations and warranties of PureTech set forth in Article II of this Agreement; and (b) neither Seaport nor any other Person has made any representation or warranty as to the Transferred Assets, the Products or this Agreement, except as expressly set forth in Article II of this Agreement.

ARTICLE IV

ADDITIONAL AGREEMENTS

4.1 Access to Information. For [***] after Net Sales is invoiced or Net Income is received, Seaport shall keep complete and accurate records pertaining to the applicable revenue invoiced or received, in sufficient detail to permit PureTech to confirm the accuracy of all payments made hereunder. PureTech shall have the right to cause an independent, certified public accountant to audit such records to confirm Seaport's payments pursuant to Section

1.5(b); provided, however, that such auditor shall execute a confidentiality agreement with Seaport in customary form and shall only disclose to PureTech whether Seaport paid PureTech the correct amounts pursuant to Section 1.5(b) during the audit period and if not, any information necessary to explain the source of the discrepancy. If such audit determines that Seaport paid PureTech less than the amount properly due and such determination is not subject to a good faith dispute, then Seaport shall promptly pay to PureTech an amount equal to such underpayment, and if the amount underpaid exceeds the lesser of [***] or [***] percent [***] of the amount actually due over the audited period, Seaport shall also reimburse PureTech for the reasonable costs of such audit (including the fees and expenses of the certified public accountant). In the event such audit determines that Seaport paid PureTech more than the amount properly due in respect of any quarter, then PureTech shall promptly issue a refund to Seaport of such overpayment. Such audits may be exercised [***] and [***] with respect each payment period, within [***] after the payment period to which such records relate, upon reasonable advance notice to Seaport and during normal business hours.

4.2 Further Assurances. Each of Seaport and PureTech shall use their respective commercially reasonable efforts to take all actions necessary or appropriate to consummate the transactions contemplated by this Agreement and cause the fulfillment at the earliest practicable date of all of the conditions to the other Party's obligations to consummate the transactions contemplated by this Agreement, including the delivery of any and all documents, certificates and agreements. In case at any time after the Closing, any further action is necessary or desirable to carry out the purposes of this Agreement, each of the Parties will cooperate with the other and take such further action (including the execution and delivery of such further instruments and documents) as any other Party reasonably may request.

4.3 Tax Matters.

(a) PureTech shall be responsible for and shall pay all Taxes of PureTech for all periods and all Taxes that relate to the Transferred Assets that were incurred in or are attributable to any taxable period (or portion thereof) ending on or before the Closing Date. PureTech shall prepare and file their Tax Returns for all periods and all Tax Returns that relate to the Transferred Assets for any Taxable periods ending on or before the Closing Date. Such returns will be prepared and filed in accordance with applicable Law and in a manner consistent with past practices.

(b) Notwithstanding any other provision in this Agreement or the Ancillary Agreements, all transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the Ancillary Agreements shall be borne [***] percent [***] by PureTech and [***] percent [***] by Seaport. The Party required by Law shall file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration and other Taxes and fees, and, if required by applicable Law, the other Party will join in the execution of any such Tax Returns and other documentation.

(c) Any real property, personal property or similar Taxes applicable to the Transferred Assets for a taxable period that includes but does not end on the Closing Date shall be paid by Seaport or PureTech, as applicable, and such Taxes shall be apportioned between

Seaport and PureTech based on the number of days in the portion of the taxable period that ends on the Closing Date (the "Pre-Closing Tax Period") and the number of days in the entire taxable period. PureTech shall pay Seaport an amount equal to any such Taxes payable by Seaport which are attributable to the Pre-Closing Tax Period, and Seaport shall pay PureTech an amount equal to any such Taxes payable by PureTech which are not attributable to the Pre-Closing Tax Period. Such payments shall be made on or prior to the Closing Date or, if later, on the date such Taxes are due (or thereafter, promptly after request by Seaport or PureTech if such Taxes are not identified by Seaport or PureTech on or prior to the Closing Date).

(d) PureTech shall provide commercially reasonable cooperation with Seaport and make any filings reasonably and timely requested by Seaport to obtain any available Tax clearance certificates in connection with the transactions contemplated pursuant to this Agreement.

4.4 Ownership Transfer. Promptly following Closing, to the extent necessary to transfer ownership to Seaport of all Regulatory Applications filed with Regulatory Authorities, the Parties shall execute and deliver to such Regulatory Authorities such documents as shall be required to accomplish such transfer.

4.5 [***]

4.6 PureTech License.

(a) PureTech may from time to time request that Seaport grant it a license under the Glyph IP to Utilize products (excluding the Existing Products and any product within a Field Exception as defined under the Monash License so long as the Field Exception continues to be excluded from the Field as defined under the Monash License) directed to Non-CNS Indications by providing Seaport with written notice requesting such a license and identifying the specific products or product concepts (each, an "Identified Product Concept") that PureTech desires to Utilize (such notice, a "PureTech License Request Notice"). If PureTech provides such notice to Seaport and the Identified Product Concept(s) are Available, the Parties will enter into a license agreement pursuant to which Seaport will grant PureTech rights under the Glyph IP to Utilize such Identified Product Concept(s) for Non-CNS Indications (each, a "PureTech License"). Each PureTech License will be substantially in the form attached hereto as Exhibit E with changes only to conform the Licensed Products definition to the Identified Product Concept(s) unless the Parties otherwise mutually agree. For the avoidance of doubt, PureTech will not be required to make any payment to Seaport under any PureTech License, other than those payments required to be made to Monash under the Monash License with respect to the Licensed Products or Identified Product Concept under such PureTech License. For clarity, the payment obligations set forth in Section 1.5(b) will not apply to any product commercialized by or on behalf of PureTech, PureTech's Affiliates (other than Seaport and Seaport's Controlled Affiliates) or any sublicensee of PureTech or PureTech's Affiliates (other than Seaport and Seaport's Controlled Affiliates). [***].

(b) Upon PureTech's request and subject to a technology transfer plan agreed to between the Parties, Seaport will use good faith efforts to provide PureTech with services as necessary to transfer any know-how within the Glyph IP or any material data and information

within the Transferred Assets related to the licensed Glyph IP to the extent reasonably required to enable PureTech to develop the Identified Product Concepts. PureTech will reimburse Seaport for its costs of providing such technology transfer on a reasonable fee-for-services basis based on market FTE rates for the applicable categories of Seaport personnel.

(c) Upon PureTech's request set forth in the PureTech License Request Notice, Seaport agrees to negotiate in good faith a license on commercially reasonable terms to any Intellectual Property other than the Glyph IP that: (i) is owned or controlled (with the ability to grant a license) by Seaport or any of its Controlled Affiliates; (ii) relates to the subject matter of the Glyph IP; and (iii) is necessary or reasonably useful for PureTech to Utilize the Identified Product Concept(s) for Non-CNS Indications.

(d) PureTech's right to request a PureTech License pursuant to this Section 4.7 will terminate upon a Change of Control of Seaport.

4.7 Protection and Maintenance of Transferred Patents. After the Closing, Seaport will be solely responsible for all patent prosecution and maintenance activities with respect to the Transferred Patents, provided that, during the period in which PureTech's right to request the PureTech License is in effect and continuing for any period in which any PureTech License is in effect: (i) Seaport will (a) provide PureTech with copies of all material filings and material formal correspondences relating to the Transferred Patents to and from the United States Patent and Trademark Office and any other patent office (including copies of each patent application, office action, response to office action, request for terminal disclaimer, and request for reissue or reexamination of any patent or patent application) at least [***] Business Days in advance of any material filing, (b) consider in good faith any input provided by PureTech regarding the prosecution and maintenance of the Transferred Patents, and (c) consult with PureTech prior to material decisions with respect to the prosecution and maintenance of the Transferred Patents; and (ii) to the extent that any Transferred Patents solely cover products subject to the PureTech License, the PureTech License will provide that PureTech will have the first right to prosecute and maintain such Transferred Patents. In addition, Seaport must obtain PureTech's prior written consent to any decision regarding prosecution or enforcement of the Transferred Patents to the extent such decision would be reasonably likely to materially and adversely impact PureTech's rights under this Agreement or any PureTech License. If PureTech does not respond to any materials provided by Seaport, any consent request, or any action or inaction suggested by Seaport with respect to prosecution and maintenance of the Transferred Patents within [***] Business Days, PureTech will be deemed not to have any comments regarding such information and materials and will be deemed to have provided consent to any such action or inaction.

4.8 Services Agreement. Pursuant to the Services Agreement, PureTech shall (and shall cause its Affiliates to, as applicable) provide services to Seaport and its Controlled Affiliates as set forth in the Services Agreement to transition the Transferred Assets to Seaport. All Intellectual Property to the extent directly related to the Glyph Technology invented, developed, generated, acquired or reduced to practice by or on behalf of PureTech as part of the services provided in connection with the Services Agreement will be owned by Seaport and shall constitute Glyph IP. PureTech agrees to assign to Seaport the ownership of any such Glyph IP invented, developed, generated, acquired or reduced to practice as part of the services provided in connection with the Services Agreement.

ARTICLE V

CONFIDENTIALITY

5.1 Confidentiality. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing by the other Party, each Party agrees that it shall keep confidential and shall not publish or otherwise disclose and shall not use for any purpose other than as provided for in this Agreement any Confidential Information of the other Party unless such Party can demonstrate by competent proof that such Confidential Information:

(a) was already known to it or its Controlled Affiliate, other than under an obligation of confidentiality, at the time of disclosure by the other Party or its Controlled Affiliate;

(b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to it or its Controlled Affiliate;

(c) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of it or its Controlled Affiliate in breach of this Agreement;

(d) was disclosed to it without any obligation of confidentiality by a Third Party who had a legal right to make such disclosure and who did not obtain such information directly or indirectly from the other Party or its Controlled Affiliate; or

(e) was independently discovered or developed by it or its Controlled Affiliate without access to or aid, application or use of Confidential Information, as evidenced by a contemporaneous writing.

5.2 Authorized Disclosure. A Party or its Controlled Affiliate may disclose Confidential Information of the other Party to the extent such disclosure is reasonably necessary to comply with applicable laws, governmental regulations or court orders. In the event such Party or its Controlled Affiliate is legally required to make a disclosure of Confidential Information, such Party shall give reasonable advance notice to the other Party of such required disclosure so that the other Party may seek a protective order or other measure preventing or limiting the required disclosure or if, as between the Parties, only the Party required to make such disclosure is permitted to seek such order or measure, so that the Party required to make such disclosure may reasonably consider doing so at the other Party's request and expense.

5.3 Terms of this Agreement. The Parties agree that the material financial terms of this Agreement shall be considered confidential information of both Parties and that each Party shall keep such terms confidential unless otherwise agreed by the Parties; provided, however, that either Party may disclose such terms in confidence to any bona fide potential or actual investor, lender, acquiror, licensee and other financial or commercial partner solely for the purpose of evaluating or participating in a potential or actual investment, loan, acquisition, license or collaboration. The Parties will consult with one another and use reasonable efforts to agree on the provisions of this Agreement to be redacted in any filings required to be made by either Party with the Securities and Exchange Commission or as otherwise required by law,

provided that each Party shall have the right to make any required disclosures as it deems necessary in order to comply with applicable laws and regulations, the rules of any stock exchange and other legal requirements. Notwithstanding the foregoing, PureTech shall have the right to disclose publicly the following terms: right to receive development and commercial milestones, sublicense income and tiered royalties in the range of 3-5% of Net Sales.

ARTICLE VI

INDEMNIFICATION

6.1 Indemnification by PureTech. Subject to the terms and conditions of this Article VI, PureTech covenants and agrees to defend, indemnify and hold Seaport and its Controlled Affiliates, and each of Seaport's and its Controlled Affiliates' respective Representatives (individually, a "Seaport Indemnified Party" and collectively, the "Seaport Indemnified Parties") harmless against, and compensate and reimburse Seaport Indemnified Parties for, any and all losses, damages, Liabilities, fines, fees, penalties, interest, awards, judgments and claims of any kind, including attorneys' and consultants' fees and expenses and other legal costs and expenses incurred in prosecution, investigation, remediation, defense or settlement (collectively, "Damages") incurred or suffered by any Seaport Indemnified Party (regardless of whether such Damages relate to any Third Party Action) resulting from, relating to or constituting:

(a) any breach of or inaccuracy in any representation or warranty of PureTech set forth in this Agreement, any Ancillary Agreement or any certificate delivered by or on behalf of PureTech in connection herewith, and any claim asserted by a third party against any Seaport Indemnified Party that, if meritorious, would constitute or give rise to any such breach;

(b) any failure to perform any covenant or agreement of PureTech contained in this Agreement or any Ancillary Agreement or other instrument furnished by PureTech to Seaport pursuant to this Agreement or any Ancillary Agreement;

(c) any Retained Liabilities; or

(d) other than any Assumed Liability, any Liability (including any Liability related to Taxes) imposed upon Seaport or any of its Controlled Affiliates by reason of its status as transferee of, or successor to, the Products or the Transferred Assets (including any Liability imposed upon Seaport or any of its Controlled Affiliates as a result of the failure by PureTech to comply with its obligations under any applicable bulk transfers Laws or Tax clearance certificate requirements under applicable state Tax law).

6.2 Indemnification by Seaport. Subject to the terms and conditions of this Article VI, from and after the Closing, Seaport shall defend, indemnify and hold PureTech and its Controlled Affiliates and each of PureTech's and its Controlled Affiliates' respective Representatives (individually, a "PureTech Indemnified Party" and collectively, the "PureTech Indemnified Parties") harmless against, and compensate and reimburse PureTech Indemnified Parties for, any and all Damages incurred or suffered by any PureTech Indemnified Party (regardless of whether such Damages relate to any Third Party Action) resulting from, relating to or constituting:

(a) any breach of or inaccuracy in any representation or warranty of Seaport contained in this Agreement, any Ancillary Agreement or any certificate delivered by or on behalf of Seaport in connection herewith, and any claim asserted by a third party against any PureTech Indemnified Party that, if meritorious, would constitute or give rise to any such breach;

(b) any failure to perform any covenant or agreement of Seaport contained in this Agreement or any Ancillary Agreement or other instrument furnished by Seaport to PureTech pursuant to this Agreement or any Ancillary Agreement;

(c) any Liability resulting from Seaport's failure to comply with the terms of the Monash License from and after the Closing; or

(d) any Assumed Liabilities.

6.3 Indemnification Claims.

(a) The Indemnified Party shall give written notification to the Indemnifying Party of the commencement of any Third Party Action. Such notification shall be given within 20 days after receipt by the Indemnified Party of notice of such Third Party Action, and shall describe in reasonable detail (to the extent then known by the Indemnified Party) the facts constituting the basis for such Third Party Action and the amount of the claimed damages. No delay or failure on the part of the Indemnified Party in so notifying the Indemnifying Party shall relieve the Indemnifying Party of any Liability hereunder except to the extent of the Indemnifying Party's rights or defenses are prejudiced, or its Liability increased, as a result of such delay or failure. Following delivery of such notification, the Indemnifying Party shall have the right to assume control of the defense of such Third Party Action with counsel reasonably satisfactory to the Indemnified Party; provided, that, if the Indemnifying Party does not promptly undertake and diligently pursue the defense, the Indemnified Party shall have the right to assume sole control thereof upon delivery of written notice to the Indemnifying Party. The Indemnified Party may, upon written notice to the Indemnifying Party, participate in the defense thereof, at its own expense, through its counsel, who shall be reasonably acceptable to the Indemnifying Party (which right of participation shall be in addition to the right of the Non-controlling Party to be advised and make recommendations set forth below). The Controlling Party shall keep the Non-controlling Party advised of the status of such Third Party Action and the defense thereof and shall consider in good faith recommendations made by the Non-controlling Party with respect thereto. The Non-controlling Party shall furnish the Controlling Party with such information as it may have with respect to such Third Party Action (including copies of any summons, complaint or other pleading which may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and shall otherwise cooperate with and assist the Controlling Party in the defense of such Third Party Action. The fees and expenses of counsel to the Indemnified Party with respect to a Third Party Action shall be considered Damages for purposes of this Agreement if (i) the Indemnified Party controls the defense of such Third Party Action pursuant to the terms of this Section 6.3(a) or (ii) the Indemnifying Party assumes control of such defense and the Indemnified Party reasonably concludes, based on independent legal advice, that the Indemnifying Party and the Indemnified Party have conflicting interests such that the Indemnifying Party would be prohibited under applicable legal ethics or disciplinary rules from representing the Indemnified Party in such

Third Party Action. The Indemnifying Party shall not agree to any settlement of, or the entry of any judgment arising from, any Third Party Action without the prior written consent of the Indemnified Party, which shall not be unreasonably withheld, conditioned or delayed; provided that the consent of the Indemnified Party shall not be required if the Indemnifying Party agrees in writing to pay any amounts payable pursuant to such settlement or judgment and such settlement or judgment includes a complete release of the Indemnified Party from further Liability and has no other adverse effect on Seaport Indemnified Party. The Indemnified Party shall not agree to any settlement of, or the entry of any judgment arising from, any such Third Party Action without the prior written consent of the Indemnifying Party.

(b) In order to seek indemnification under this Article VI, the Indemnified Party shall deliver a Claim Notice to the Indemnifying Party.

(c) Any dispute under this Article VI shall be resolved in accordance with Section 8.8.

6.4 Survival.

(a) Unless otherwise specified in this Section 6.4 or elsewhere in this Agreement, all provisions of this Agreement shall survive the Closing and the consummation of the transactions contemplated hereby and shall continue in full force and effect in accordance with their terms until the expiration of the applicable statute of limitations; provided, however, that, except with respect to claims based on fraud, intentional misrepresentation or willful breach, (i) the representations and warranties set forth in Section 2.3 (Taxes) shall expire on the [***] day after the relevant statute of limitations relating to any breach of any such representation or warranty has expired, (ii) the representations and warranties set forth in Sections 2.1 (Organization and Good Standing), 2.2(a) (Authority), 2.2(b)(i) (No Conflict with Organizational Documents), 2.12 (Brokers), 3.1 (Organization, Standing and Power), 3.2(a) (Authority), 3.2(b)(i) (No Conflict with Organizational Documents), and 3.3 (Brokers) shall expire [***] years after the Closing Date (together, the foregoing clauses (i) and (ii), the "Fundamental Reps") and (iv) all other representations and warranties shall expire on the first (1st) anniversary of the Closing Date (the "General Expiration Date").

(b) If Seaport delivers to PureTech, before expiration of a representation, warranty, covenant or agreement, either a Claim Notice or an Expected Claim Notice based upon a breach of such representation, warranty, covenant or agreement then the applicable representation, warranty, covenant or agreement shall survive until, but only for purposes of, the resolution of the matter covered by such notice. If the legal proceeding or written claim with respect to which an Expected Claim Notice has been given is definitively withdrawn or resolved in favor of Seaport, Seaport shall promptly so notify PureTech.

6.5 Limitations.

(a) Notwithstanding anything to the contrary set forth in this Agreement or in any other agreement executed in connection herewith, with respect to claims arising under Section 6.1(a) or 6.2(a), the Indemnifying Party shall not be liable until all Damages suffered by the Indemnified Party equal [***] in the aggregate (at which point the Indemnifying Party shall

become liable for Damages only in excess of that amount); provided that the limitations set forth in this Section 6.5(a) shall not apply to claims based on fraud, intentional misrepresentation or willful breach or the breach of or inaccuracy in any Fundamental Rep.

(b) Notwithstanding anything to the contrary contained in Section 6.1, except in the case of fraud, intentional misrepresentation, or willful breach, claims for which shall not be capped, the aggregate amount of Damages that may be recovered by Seaport Indemnified Parties under Section 6.1(a) or by PureTech Indemnified Parties under Section 6.2(a) shall be (i) [***] for breaches of or inaccuracies in any representations or warranties that are not Fundamental Reps, and [***] for breaches of or inaccuracies in Fundamental Reps.

(c) For the purposes of determining whether there has been a breach of any representation or warranty requiring PureTech or Seaport to indemnify as provided in Section 6.1(a) or 6.2(a), respectively, and the amount of any Damages with respect thereto, the representations and warranties shall be deemed to have been made without any qualifications or limitations as to materiality or similar qualifiers.

(d) Nothing in this Agreement shall limit the Liability of any Person who perpetrated, participated in or had knowledge of fraud. Notwithstanding anything to the contrary set forth in this Agreement, none of the limitations set forth in this Article VI, whether time-based, monetary or otherwise, including the survival periods set forth in Section 6.4 and the limitations set forth in this Section 6.5, shall apply to claims for fraud.

(e) EXCEPT WITH RESPECT TO A BREACH OF ARTICLE V, OR A PARTY'S LIABILITY PURSUANT TO SECTION 6.1 OR SECTION 6.2 WITH RESPECT TO LIABILITIES FOR THIRD PARTY CLAIMS, NONE OF THE PARTIES WILL BE LIABLE FOR ANY CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, ARISING IN ANY WAY OUT OF THIS AGREEMENT OR THE EXERCISE OF ITS RIGHTS HEREUNDER, WHETHER BASED UPON WARRANTY, CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR LOSS.

6.6 Effect of Due Diligence. The rights to indemnification set forth in this Article VI shall not be affected by any investigation conducted by or on behalf of the Party seeking indemnification or any knowledge acquired (or capable of being acquired) by such Party, whether before or after the date of this Agreement, with respect to the inaccuracy or noncompliance with any representation, warranty, covenant or obligation which is the subject of indemnification hereunder.

6.7 Indemnification Payments. All indemnification payments made hereunder shall be treated by all Parties as adjustments to the value of the issuance and payments, if any, made pursuant to Section 1.5 for Tax purposes unless otherwise required by Law.

ARTICLE VII

DEFINED TERMS; INTERPRETATION

7.1 Definitions. As used in this Agreement, the following terms shall have the meanings set forth or as referenced below:

"Affiliate" means, with respect to a Person, any other Person who is an "affiliate" of that Person within the meaning of Rule 405 promulgated under the Securities Act of 1933, as amended.

"Ancillary Agreements" means each the Patent Assignment, the Trademark Assignment, the Additional Transfer Documents and the Services Agreement.

"Annual Net Sales" means, with respect to any Seaport Glyph Product, the aggregate, worldwide Net Sales of such Seaport Glyph Product in a single Calendar Year.

"Available" means, with respect to any Identified Product Concept, that, as of the date of Seaport's receipt of the applicable PureTech License Request Notice: (a) such Identified Product Concept is not subject to a license, collaboration or similar arrangement with an independent third party that includes contractual obligations (including an exclusive license, exclusive option, covenant not to sue or noncompete obligation) that will prevent Seaport from granting PureTech the PureTech License with respect to such Identified Product Concept; (b) Seaport is not then actively engaged in *bona fide* negotiations (as evidenced by a written term sheet that has been delivered by either Seaport or the third party to the other) regarding a potential license, collaboration or similar arrangement with an independent third party that will, if consummated, include contractual obligations (including an exclusive license, exclusive option, covenant not to sue or noncompete obligation) that will prevent Seaport from granting PureTech the PureTech License with respect to such Identified Product Concept; (c) the Identified Product Concept is not then the subject of a *bona fide* internal research and development program at Seaport that includes prodrug generation and/or preclinical or later stage studies then actively in progress with respect to a particular named product candidate, as evidenced by written records confirming such activities have been in progress for at [***]; and (d) such Identified Product Concept has not been demonstrated (as demonstrated in peer reviewed scientific literature, unpublished data shared under confidentiality with Seaport, or pursuant to internal research by Seaport, Monash, or any of their Controlled Affiliates, in each case based upon a validated pre-clinical model or clinical evidence) or under experimental investigation at Seaport to be potentially useful as a therapeutic for any CNS Indication, with respect to experimental investigation at Seaport as evidenced by written records confirming such activities have been in progress for [***].

"Books and Records" means any and all business records, financial books and records, sales order files, purchase order files, warranty and repair files, supplier lists, customer lists, franchisee, representative and distributor lists, billing and route sheets, mailing lists, studies, surveys, analyses, strategies, plans, forms, designs, diagrams, drawings, specifications, technical data, production and quality control records and formulations, data, databases, user

names, passwords, any information related to customers, suppliers, vendors, consultants, marketing channels, and business partners in any medium, but excluding personnel records.

"Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions located in Boston, Massachusetts are permitted or required by Law, executive order or governmental decree to remain closed.

"Calendar Quarter" means a period of three (3) consecutive months ending on the last day of each March, June, September, or December, respectively, except that the first Calendar Quarter during the Term will begin on the Closing and end on the last day of the Calendar Quarter within which the Closing falls.

"Calendar Year" means each period of twelve (12) consecutive months beginning on January 1 and ending on December 31, except that the first Calendar Year starts on the Closing and ends on December 31, 2024.

"Change" means any change, event, circumstance or development.

"Change of Control" means, with respect to a Person, that a such Person sells, conveys, exclusively licenses or otherwise disposes of all or substantially all of its property or business or merges with or into or consolidates with any other corporation, limited liability company or other entity [***], or if any other transaction occurs which results in (assuming an immediate and maximum exercise/conversion of all derivative securities issued in the transaction) the stockholder(s) of such Person immediately prior to the transaction owning less than 50% of the voting stock of such Person immediately following the transaction; provided, however, that none of the following shall be considered a Change of Control: (a) a merger effected exclusively for the purpose of changing the domicile of a Person, (b) a transaction in which the stockholders of a Person immediately prior to the transaction own 50% or more of the voting stock or equity interests of the surviving corporation or entity (or, if the surviving corporation or entity is a wholly owned subsidiary, its parent) following the transaction (taking into account only stock of such Person held by such stockholders prior to the transaction), or (c) a financing transaction or series of financing transactions as a consequence of which investors acquire from a Person the equity securities or securities convertible into equity securities of such Person, regardless of whether the stockholders of such Person continue to own 50% or more of the voting stock of such Person immediately following the transaction.

[***]

"Claim Notice" means written notification which contains (a) a description of the Damages incurred or reasonably expected to be incurred by the Indemnified Party and the Claimed Amount of such Damages, to the extent then known, (b) a statement that the Indemnified Party is entitled to indemnification under Article VI for such Damages and a reasonable explanation of the basis therefor, and (c) a demand for payment in the amount of such Damages.

"Claimed Amount" means the amount of any Damages incurred or reasonably expected to be incurred by the Indemnified Party in connection with a claim for indemnification pursuant to Section 6.3.

"CNS Indication" means any disease, disorder, or condition primarily affecting or manifesting in the brain, spinal cord, or peripheral nervous system (with the exception of and not including the enteric nervous system), including neurological, psychiatric, neuropsychiatric, pain, mental, and behavioral indications. Without limiting the foregoing, CNS Indications includes all indications within the ICD-10 code range of F01-F99 and G01-99. "CNS Symptoms" means a physiologically expressed symptom primarily manifesting in the brain, spinal cord or peripheral nervous system (with the exception of and not including the enteric nervous system) that is secondary to non-CNS Indications. CNS Indications shall include CNS Symptoms for the purposes of this Agreement. For clarity, indications that do not fall within the first sentence of this definition are not deemed to be CNS Indications by nature of the presence of CNS Symptoms.

"Closing" means the closing of the transactions contemplated by this Agreement.

"Combination Product" has the meaning set forth in the definition of "Net Sales".

"Code" means the Internal Revenue Code of 1986, as amended.

"Confidential Information" means any and all Information that (a) is disclosed by one Party or its Affiliates to the other Party or its Affiliates under or in connection with this Agreement, whether in oral, written, graphic, or electronic form, and (b) concerns the Products, the Monash License (or the inventions disclosed or claimed therein), any Transferred Asset (including the Glyph Technology and the Monash License), which, in the case of the Confidential Information described in this subsection (b), will be deemed Seaport's Confidential Information notwithstanding any prior access or knowledge by PureTech or any of its Controlled Affiliates, except that any such Confidential Information to the extent primarily relating to any Identified Product Concepts (and not any then-existing Products of Seaport) that is disclosed by PureTech to Seaport in furtherance of exercise of PureTech's rights with respect to a PureTech License will be deemed PureTech's Confidential Information notwithstanding any prior access or knowledge by Seaport or any of its Controlled Affiliates.

"Contract" means any written or oral agreement, contract, subcontract, settlement agreement, lease, sublease, binding understanding, instrument, note, option, bond, mortgage, indenture, trust document, loan or credit agreement, license, sublicense, insurance policy or legally binding commitment or undertaking of any nature, as in effect as of the date hereof or as may hereinafter be in effect.

"Controlled Affiliate" means, with respect to any Person, Affiliates of such Person that are controlled by such Person. For purposes of this definition, the term "control" means as to such Person, direct or indirect ownership of (i) more than fifty percent (50%) in the aggregate of the voting power of all outstanding shares entitled to vote at a general election of directors of such Person, (ii) more than fifty percent (50%) of the equity interests in such Person, or (iii) more than fifty percent (50%) of the assets of such Person.

"Controlling Party" means the Party controlling the defense of any Third Party Action.

"Cover" means, with respect to a product or technology and any Intellectual Property, that, but for ownership of or a license under such Intellectual Property, the Utilization of such product or technology by a Person would infringe, violate or misappropriate such Intellectual Property (or, with respect to any claim included in any patent application, would infringe such claim if such patent application were to issue as a patent). "Covers" and "Covered by" have correlating meanings.

"Data Security Incident" means any actual, suspected, reported, or claimed breach of security of PureTech Data or any systems, databases, or other locations where PureTech Data is Processed regardless of whether such an incident triggers any notice or reporting obligations under applicable Information Privacy and Security Laws, including any actual, suspected, reported, or claimed (a) unauthorized access to, acquisition of, or Processing of PureTech Data; (b) unauthorized or accidental loss, alteration, disclosure, deletion or destruction of PureTech Data; (c) compromise, intrusion, interference with or unauthorized access to networks, systems, databases, servers, or electronic or other media of PureTech's internal systems on which PureTech Data is Processed or from which PureTech Data may be accessed; or (d) other event that could compromise the privacy, confidentiality, or integrity of PureTech Data.

"Employment Claims" means any and all Legal Proceedings of any kind by any employee, former employee, contractor or former contractor of PureTech or any Controlled Affiliate or, with respect to New Seaport Employees, any Affiliate that in any way arise, in whole or in part, out of employment or a service-providing relationship with PureTech or any Controlled Affiliate or, with respect to New Seaport Employees, any Affiliate through the date hereof (or such later date of employment of the New Seaport Employees), including any termination of employment or a contractual relationship with PureTech or any Controlled Affiliate.

"Environmental Law" means any Law or Permit relating to the environment, occupational health and safety, or exposure of persons or property to Hazardous Materials, including any Law, administrative decision or order pertaining to: the presence of or the treatment, storage, disposal, generation, transportation, handling, distribution, manufacture, processing, use, import, export, labeling, recycling, registration, investigation or remediation of Hazardous Materials or documentation related to the foregoing; air, water and noise pollution; groundwater, sediment and soil contamination; the Release, threatened Release, or accidental Release into the environment, the workplace or other areas of Hazardous Materials, including emissions, discharges, injections, spills, escapes or dumping of Hazardous Materials; transfer of interests in, or control of, real property which may be contaminated; community or worker right-to-know disclosures with respect to Hazardous Materials; the protection of biota, wildlife, marine life and wetlands, and endangered and threatened species; storage tanks, vessels, containers, abandoned or discarded barrels and other closed receptacles; and health and safety of employees and other persons.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means any entity which is, or at any applicable time was within the meaning of Section 414(b), (c), (m) or (o) of the Code, or Section 4001(a)(14) or

(b)(1) of ERISA, or guidance thereunder, a member of (a) a controlled group of corporations, (b) a group of trades or businesses under common control, or (c) an affiliated service group), any of which includes or included PureTech or its Controlled Affiliate.

"Excluded Contract" means (i) this Agreement and each of the Ancillary Agreements, (ii) any Contract that is an Organizational Document of PureTech, (iii) any Contract that is an Excluded Asset, (iv) any PureTech Benefit Arrangement and (v) any Contract set forth on Schedule 7.1(a) (it being understood and agreed that, within [***] after the Closing Date, the Parties may, but shall not be obligated to, modify such Schedule 7.1(a) as mutually agreed in writing by the Parties to add to, delete from or modify the list of Contracts contained therein).

"Existing Product" means the following product candidates currently being developed by PureTech: (i) LYT-300: Allopregnanolone; (ii) LYT-310: a Cannabidiol; (iii) LYT-320: Agomelatine; (iv) LYT-348 [***].

"FDA" means the U.S. Food and Drug Administration, including all agencies under its control, and any successor agency thereto.

"First Commercial Sale" means, with respect to a Seaport Glyph Product in any country, the first sale of such Seaport Glyph Product to a Third Party (excluding Product Licensees and distributors) in such country for distribution, use or consumption after Product Approval has been obtained for such Seaport Glyph Product in such country. First Commercial Sale excludes sales for purposes of testing the Product in a clinical trial and any distribution or other sale at or below cost solely for patient assistance, named patient use, compassionate use, or test marketing programs or non-registrational studies or similar programs or studies. For clarity, First Commercial Sale shall be determined on a Product-by-Product and country-by-country (or region-by-region) basis, as applicable.

[***]

"GAAP" means United States generally accepted accounting principles, consistently applied.

"Glyph IP" means any Intellectual Property (i) within the Transferred Assets or (ii) assigned to Seaport pursuant to the Services Agreement as described in Section 4.8.

"Glyph Technology" means all technology related to, and products resulting from, a technology platform designed and exemplified as a glyceride-containing prodrug. Without limiting the foregoing, the Glyph Technology includes (i) all Intellectual Property licensed under the Monash License, and (ii) all Intellectual Property invented, developed, generated, acquired or reduced to practice by or on behalf of PureTech or its Affiliates prior to the Effective Date in the exercise of its rights under the Monash License, including any improvements, modifications or derivates of the Intellectual Property licensed under the Monash License and all products arising out of the use of the Intellectual Property licensed under the Monash License.

"Governmental Entity" means any federal, state, local or foreign government or any court, arbitrational tribunal, administrative agency or commission or government authority acting under the authority of the federal or any state, local or foreign government.

"Hazardous Material" means any substance, waste or material that is subject to regulation under any Environmental Law, or has been designated or listed by any Governmental Entity or in or pursuant to any applicable Environmental Law to be radioactive, toxic, a pollutant or contaminant, hazardous or otherwise a danger to health or the environment, including PCBs, asbestos, oil, petroleum and petroleum products (including fractions thereof), urea-formaldehyde, radioactive materials, solid waste, special waste, PFAS (including PFOA and PFOS) and all substances listed as hazardous substances pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, or defined as a solid or hazardous waste pursuant to the Resource Conservation and Recovery Act of 1976, or regulated under the Occupational Safety and Health Act, or pursuant to analogous state Laws or regulations.

"Indebtedness" with respect to any Person means, as of any time of determination, without duplication, the aggregate amount of: (a) all indebtedness or other obligation for borrowed money, (b) all indebtedness evidenced by any note, bond, debenture, mortgage or other debt instrument or debt security or similar instrument, (c) all obligations with respect to leases that would be required to be capitalized or otherwise recorded as finance leases pursuant to GAAP, (d) amounts owing as deferred purchase price of property or services (other than trade payables and any accrued capital expenditures in the ordinary course of business), including, for the avoidance of doubt, any earnouts, seller notes, holdbacks or similar obligations related to past acquisitions, (e) obligations under any performance, surety or similar bond or any letter of credit, but in each case only to the extent drawn or called (and not paid in full or otherwise discharged) and excluding any obligations in respect of undrawn letters of credit, (f) all obligations arising from or under, or otherwise in respect of any unpaid commissions; (g) all obligations secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property associated with the Products; (h) all obligations under conditional sale or other title retention agreements relating to property or assets associated with the Products; (i) all outstanding obligations to current and former equityholders in their capacity as such, including any unpaid dividends or distributions or any unpaid management or advisory fees under any management services or similar agreements with any Affiliate or holder of equity interests of PureTech that are associated with the Products; and (j) all obligations with respect to government assistance programs that are subject to clawbacks or other mandatory repayments (whether or not such terms are triggered prior to the date of determination); (k) with respect to any indebtedness of a type described in clauses (a) through (j) above of any Person that is guaranteed by PureTech or that is secured by any of the Transferred Assets; (l) for clauses (a) through (k) above, all accrued and unpaid interest thereon, if any, and any fees, costs, expenses or other payment obligations associated with any required repayment of such indebtedness on the date hereof; provided, however, that Indebtedness shall not include any Retained Liability.

"Indemnified Party" mean a Seaport Indemnified Party or a PureTech Indemnified Party, as applicable, that is eligible for indemnification under the terms of Article VIII hereof.

"Indemnifying Party" mean Seaport or PureTech, as applicable, that is obligated to provide indemnification under the terms of Article VI hereof.

"Information" means any and all information, results and data whatsoever, in any tangible or intangible form, including without limitation, inventions, practices, methods, techniques, specifications, formulations, formulae, copyrights, software, knowledge, know-how, skill, experience, trade secrets, ideas, concepts, processes, protocols, materials, samples, analytical and quality control data, any other results of experimentation and testing, studies, procedures, drawings, and legal information and descriptions, and all intellectual property rights therein.

"Information Privacy and Security Laws" means: any and all applicable Laws concerning the Processing of Personal Data, including, to the extent applicable, the Federal Trade Commission (FTC) Act, as applied or interpreted by the FTC; the Children's Online Privacy Protection Act (COPPA) and the FTC's COPPA rule; the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all applicable HIPAA rules and regulations; state data protection Laws, including Massachusetts 201 CMR 17.00: Standards for the Protection of Personal Information of Residents of the Commonwealth; state data breach notification Laws; state privacy and consumer protection Laws; and all other applicable privacy, data security, data protection, and consumer protection laws of any jurisdiction.

"Insurance Policies" means all insurance policies carried by PureTech or for the benefit of PureTech or the Products.

"Intellectual Property" means any and all intellectual property rights and other similar proprietary rights in any jurisdiction, whether registered or unregistered, whether owned or held for use under license, including all rights and interests pertaining to or deriving from (1) Patents, trademarks, service marks, trade names, domain names, copyrights, designs and trade secrets, (2) applications for and registrations of such Patents, including reexaminations, extensions and counterparts claiming priority therefrom, inventions, invention disclosures, discoveries and improvements, whether or not patentable, trademarks, service marks, trade names, domain names, copyrights and designs, (3) proprietary or confidential processes, formulae, methods, schematics, technology, know-how and computer software programs and applications, including data files, source code, object code and software-related specifications and documentation, and (4) other tangible or intangible proprietary or confidential information and materials, including proprietary databases and data compilations, in each case, including any registrations of, applications to register, and renewals and extensions of, any of the foregoing with or by any Governmental Entity in any jurisdiction.

"IRS" means the Internal Revenue Service.

"Inventory" means: (a) the entire inventory of Products and the drug substances or active pharmaceutical ingredient (API) for Products, including any non-GMP and GMP materials used in the manufacture of Products; and (b) any reagents, cell lines, biological or chemical materials, samples or other materials used exclusively or primarily in research or development of Products; in each case ((a) and (b)) that is owned or held for use by PureTech or any of its Affiliates.

"Law" means any United States federal, state or local or foreign law, common law, statute, standard, ordinance, code, rule, regulation, resolution or promulgation, or any

decree, order, injunction, rule, judgment, consent of or by any Governmental Entity, or any Permit or similar right granted under any of the foregoing, or any similar provision having the force or effect of law.

"Legal Proceeding" means any action, suit, proceeding (including administrative proceeding), claim, complaint, hearing, information request, notice of violation, arbitration, inquiry or investigation of or before any Governmental Entity or before any arbitrator.

"Liability" means any debt, loss, damage, adverse claim, fine, fee, penalty, Tax, expense, liability or obligation of any kind, whether direct or indirect, known or unknown, asserted or unasserted, accrued or unaccrued, absolute, contingent, matured or unmatured, liquidated or unliquidated, disputed or undisputed, due or to become due and whether in contract, tort, strict liability or otherwise, and including all costs and expenses relating thereto including all fees, disbursements and expenses of legal counsel, experts, engineers and consultants and costs of investigation.

"Lien" means any mortgage, pledge, security interest, encumbrance, charge or other lien (whether arising by contract or by operation of Law), other than (a) mechanic's, material men's and similar liens for amounts not yet due and payable arising in the Ordinary Course of Business of the applicable PureTech and not material to PureTech, the Products or the Acquired Assets and (b) liens for Taxes, assessments or other governmental charges not yet due and payable or not yet delinquent (or which may be paid without interest or penalties) and for which adequate reserves have been established.

"Major European Market" means France, Germany, Italy, Spain or the United Kingdom.

"Monash" has the meaning set forth in the definition of "Monash License".

"Monash License" means that certain License Agreement between Monash University, ABN 12 377 614 012, a body politic and corporate constituted in accordance with the Monash University Act 2009 of Wellington Road, Clayton, Victoria, Australia 3800 ("Monash") and PureTech, dated August 1, 2017, as amended.

"Net Income" means [***]

"Net Sales" means [***]

"New Seaport Employees" means the employees of PureTech and its Controlled Affiliates that leave employment with those employers directly to become employees of Seaport and its Controlled Affiliates.

"Non-controlling Party" means the Party not controlling the defense of any Third Party Action.

"Non-CNS Indication" means any indication that is not a CNS Indication.

"Order" means any judicial, administrative or arbitral order, award, decree, injunction, lawsuit, proceeding or stipulation.

"Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice (including with respect to frequency and amount).

"Organizational Documents" means with respect to a corporation, the certificate of incorporation or articles of incorporation and bylaws of such corporation; with respect to a general partnership, the partnership agreement establishing such partnership; with respect to a limited liability company, the articles of organization and the operating agreement of such company, with respect to a joint venture, the joint venture agreement establishing such joint venture; with respect to a limited partnership, the limited partnership agreement and certificate of limited partnership for such entity; with respect to a trust, the instrument establishing such trust; and with respect to any other entity, any charter document or other document executed, adopted, approved, ratified or filed in connection with the formation, creation, constitution or organization of such entity.

"Patent" means: (i) any patent, patent application or utility models (including any provisional application, priority application, or international applications) in any country or multinational jurisdiction (including any converted application, continuation, continuation-in-part, continued prosecution application or divisional of any such application, any reissue, renewal, extension, registration, confirmation, revalidation, restoration, substitution, reexamination, supplementary protection certificate, pediatric exclusivity period or the like of any such patent); (ii) any foreign equivalent of any patent or patent application described in clause (i); and (iii) all rights of priority in any of the foregoing.

"Permit" means any federal, state or local, domestic or foreign governmental consent, approval, order, authorization, permit, concession, registration, franchise, license or similar right.

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Entity or other entity.

"Personal Data" means any data or information in any media that relates to an identified or identifiable specific individual, browser, computer or other device, and any other data or information that constitutes personal data, personal information, or personally identifiable information under any applicable Law, including the Information Privacy and Security Laws, and includes a natural person's first and last name, home or other physical address, telephone number, e-mail address, username and password, photograph, video or audio file that contains a person's image or voice, Social Security number, driver's license number, passport number or other government-issued identification number, biometric information, credit or debit card or other financial information, or customer or account number, IP address, cookie information, identification number, location data that relates to an identifiable person, browser, computer or device, and is capable of determining with reasonable specificity the actual physical location of such person, browser, computer or device, an online or other persistent identifier, or one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social

identity of an individual but only to the extent that any of the foregoing relates to an identified or identifiable specific individual or device.

"Processing" or "Processed" means any operation or set of operations or set of operations that is performed upon data or information, whether or not by automatic means, such as collection, recording, organization, structuring, storage, access, acquisition, creation, derivation, recordation, organization, storage, adaptation or alteration, correction, retrieval, maintenance, consultation, use, disclosure, dissemination, transmission, transfer, or otherwise making available, alignment, combination, blocking, storage, restriction, retention, deleting, erasure, or destruction.

"Product" means: (a) the Existing Products; and (b) any other pharmaceutical product or product candidate that incorporates or utilizes, or is derived from, Glyph Technology.

"Product Approval" means, as applicable, on a jurisdiction by jurisdiction basis, with respect to a given Product, any and all approvals, licenses, registrations or authorizations of the applicable Regulatory Authority necessary for the development, manufacture, packaging, labeling, storage, import, export, marketing, distribution, sale, use or intended use of such Product and reimbursement, if applicable, in and for the relevant jurisdiction, including any Regulatory Application.

"Product IND" means any IND(s) for any Product(s), together with all amendments, modifications, supplements and updates thereto.

"Product License Agreement" means any agreement pursuant to which Seaport or any of its Controlled Affiliates grants a Third Party (each, a "Product Licensee") a license (or similar rights) under the Glyph IP to develop and/or commercialize any Product in any country in the Territory, including a license or agreement granting marketing and/or distribution rights with respect to Products to such Third Party; but excluding (i) any agreement pursuant to which Seaport or any of its Controlled Affiliates grants rights to a Third Party to perform development or commercialization activities on behalf of Seaport or its Controlled Affiliates where such persons are compensated at market rates for services rendered, and (ii) any agreement that is entered into as part of, or otherwise results in, a Change of Control.

"Product Licensee" has the meaning set forth in the definition of "Product License Agreement".

"PureTech Benefit Arrangement" means any (a) "employee benefit plans," as defined in Section 3(3) of ERISA, together with plans or arrangements that would be so defined if they were not (i) otherwise exempt from ERISA by Section 3(3) of ERISA or another Section of ERISA or (ii) individually negotiated or applicable only to one individual and (b) any other written or oral benefit arrangement or obligation to provide benefits or compensation for services rendered, in each case within this sentence in respect of any employees, independent contractors, directors, officers or stockholders of PureTech or any Controlled Affiliate, which is sponsored or maintained by PureTech or any Controlled Affiliate or with respect to which PureTech or any Controlled Affiliate has made or is required to make payments, transfers or contributions or has or may have any Liability, directly or through its ERISA Affiliates.

"PureTech Data" means all data and information stored or Processed by or on behalf of PureTech or Controlled Affiliate, including without limitation Personal Data.

"PureTech Employee Liabilities" means any (a) Employment Claim and any other Liability for accrued wages, salaries, commissions, bonuses, workers' compensation, medical or disability benefits, vacation, sick or other paid-time off or comprehensive leave benefits of or relating to the employment or services, or termination of any current or former PureTech employees or consultants or independent contractors of PureTech or any Controlled Affiliate (including any persons who are becoming New Seaport Employees and any employees who are leaving employment with PureTech or its Controlled Affiliates to become engaged by another Affiliate), whether pursuant to any Contract or under any applicable Law or otherwise; (b) Liabilities under any PureTech Benefit Arrangements or any Contracts or other compensatory arrangements with PureTech employees (including any persons who are becoming New Seaport Employees and any employees who are leaving employment with PureTech or its Controlled Affiliates to become engaged by another Affiliate) or with independent contractors or consultants of PureTech or any Controlled Affiliate (including, for the avoidance of doubt, any change in control, severance or similar payments under any Contracts with or PureTech Benefit Arrangements covering such employees); (c) any other Liabilities owing to current or former PureTech employees, consultants or independent contractors of PureTech or any Controlled Affiliate pursuant to their employment or services with or termination from PureTech or any Controlled Affiliate, as the case may be, or (d) any penalties, fines or other expenses resulting from compliance issues with any Laws regulating employment or benefits plus any payroll Taxes of PureTech or its Controlled Affiliates attributable to such Liabilities under clauses (a)-(d), together with any interest or penalties thereon.

"PureTech's Knowledge" means the actual knowledge as of the Effective Date of this Agreement, without having done any investigation, of authorized representatives of PureTech.

"Reasonable Commercial Efforts" means commercially reasonable efforts, provided the same shall not require PureTech to initiate any legal action or expend any funds (other than *de minimus* amounts) that are not reimbursed by Seaport.

"Regulatory Authority" means any Governmental Entity regulating the development, manufacture, packaging, labeling, storage, import, export, marketing, distribution, sale, registration, use or intended use of a Product in any country.

"Regulatory Applications" means any and all applications, submissions or other filings with a Regulatory Authority seeking approval to Utilize any Product.

"Regulatory Documentation" means (i) all correspondence and submissions between PureTech or any of its Affiliates and the FDA or any other applicable Regulatory Authority with respect to Regulatory Applications and Product Approvals for any Product, including any reports, filings, or notices submitted to FDA or other Regulatory Authority to support, maintain or obtain any Product IND or any other Regulatory Applications or Product Approvals; (ii) the annual and periodic reports relating to any Product IND or any other Regulatory Applications for any Products which have been filed by or on behalf of PureTech

with the FDA or other Regulatory Authority, and adverse event reports pertaining to any Product, in each case to the extent in the possession or control of PureTech or any of its Representatives; (iii) all pre-clinical data (including animal data and GLP toxicology data), clinical data, and laboratory records, data and information related to any Product, and any other records and data concerning pre-clinical or clinical studies conducted with respect to any Product; and (iv) any other regulatory applications, submissions, notifications, communications, correspondence, registrations, approvals, drug master files (DMFs) or other filings made to, received from or otherwise conducted with a Regulatory Authority in order to Utilize any Product in any country or jurisdiction, including all Regulatory Applications.

"Representatives" means, with respect to any Person, such Person's officers and directors (or persons holding comparable positions), employees, consultants, independent contractors, subcontractors, leased employees, temporary workers, equityholders, accountants, legal and other representatives, agents, executors, heirs, successors and permitted assigns.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment (including the abandonment or discarding of barrels, containers and other closed receptacles containing any Hazardous Materials).

"Retained Tax Liabilities" means (i) any Taxes of PureTech, (ii) any Taxes related to the Acquired Assets that were incurred in or are attributable to any taxable period (or portion thereof) ending on or before the Closing Date, (iii) any Taxes of another person for which PureTech is liable, including, but not limited to Taxes for which PureTech is liable by reason of Treasury Regulations Section 1.1502-6 (or any comparable or similar provision of federal, state, local or foreign Law), being a transferee or successor, any contractual obligation or otherwise, and (iv) any income, transfer, sales, use or other Taxes arising in connection with the consummation of the transactions contemplated by this Agreement (including any income Taxes arising as a result of the transfer by PureTech to Seaport of the Acquired Assets), other than Seaport's share of transfer and other Taxes pursuant to Section 4.4(b).

"Royalty Term" means, with respect to any Seaport Glyph Product in any country, the period commencing on First Commercial Sale of such Seaport Glyph Product in such country and continuing until the later to occur of [***].

"Seaport Glyph Products" means: (a) the Existing Products, whether or not the composition or method of use of which (as specified in the approved Product label in the applicable country) is Covered by a Valid Claim of the Transferred Patents in the country of sale; and (b) any other Product developed or commercialized by or on behalf of Seaport, its Controlled Affiliates or Product Licensees, the composition or method of use of which (as specified in the approved Product label in the applicable country) is Covered by a Valid Claim of the Transferred Patents in the country of sale.

[***]

"Tax Returns" means any and all reports, returns (including information returns), declarations, or statements relating to Taxes, including any schedule or attachment thereto and

any amendment thereof, filed with or submitted to, or required to be filed with or submitted to, any Governmental Entity in connection with the determination, assessment, collection or payment of Taxes or in connection with the administration, implementation or enforcement of or compliance with any legal requirement relating to any Tax.

"Taxes" means any and all taxes, charges, fees, duties, contributions, levies or other similar assessments or Liabilities, including, without limitation, income, gross receipts, corporation, ad valorem, premium, value-added, net worth, capital stock, capital gains, documentary, recapture, alternative or add-on minimum, disability, registration, recording, excise, real property, personal property, sales, use, license, lease, service, service use, transfer, withholding, employment, unemployment, insurance, social security, national insurance, business license, business organization, workers compensation, payroll, profits, severance, stamp, occupation, escheat, windfall profits, customs duties, franchise, estimated and other taxes of any kind whatsoever imposed by the United States of America or any state, local or foreign government, or any agency or political subdivision thereof, and any interest, fines, penalties, assessments or additions to tax imposed with respect to or related to such items.

"Territory" means anywhere in the world.

"Third Party" means any person or entity other than (a) PureTech or its Controlled Affiliates, or (b) Seaport or its Controlled Affiliates.

"Third Party Action" means any Legal Proceeding by a Third Party.

"Transaction Costs" means the fees, expenses and disbursements of PureTech and its Representatives incurred in connection with this Agreement and the transactions contemplated hereby, including negotiation, legal, travel and due diligence expenses; provided, however, that Transaction Costs shall not include the fees and expenses of any legal counsel or firm, accounting firm or other experts, vendors or service providers engaged on behalf of Seaport, all of which shall be included in Assumed Liabilities and shall be payable by Seaport promptly after the Closing.

"Transferred Patents" means all Patents within the Transferred Assets, including the Patents licensed under the Monash License. The Transferred Patents are listed in Schedule 1.1(a).

"Utilize" means, with respect to any Product, to research, develop, manufacture, commercialize or otherwise utilize such Product (including making, having made, using, selling, offering for sale or importing such Product).

"Valid Claim" means: (a) a claim of any issued, unexpired patent that has not been revoked or held unenforceable or invalid by a decision of a court or Governmental Entity of competent jurisdiction from which no appeal can be taken, or with respect to which an appeal is not taken within the time allowed for appeal, and that has not been disclaimed or admitted to be invalid or unenforceable through reissue, disclaimer, or otherwise; or (b) a claim of any patent application filed by a Person in good faith that has not been cancelled, withdrawn, or abandoned and that has been pending for no more than [***] from the earliest non-provisional filing date to which the application claims priority, [***].

7.2 Interpretation. Except where expressly stated otherwise in this Agreement, the following rules of interpretation apply to this Agreement: (a) "either" and "or" are not exclusive, the term "or" will be interpreted in the inclusive sense commonly associated with the term "and/or", and "include," "includes" and "including" are not limiting; (b) "hereof," "hereto," "hereby," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement; (c) "date of this Agreement" refers to the date set forth in the initial caption of this Agreement; (d) "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if"; (e) the descriptive headings and table of contents included herein are included for convenience only and shall not affect in any way the meaning or interpretation of this Agreement or any provision hereof; (f) definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms; (g) references to a contract or agreement mean such contract or agreement as amended or otherwise supplemented or modified from time to time; (h) references to a Person are also to its permitted successors and assigns; (i) references to an "Article," "Section," "Exhibit" or "Schedule" refer to an Article or Section of, or an Exhibit or Schedule to, this Agreement; (j) references to "$" or otherwise to dollar amounts refer to the lawful currency of the United States; (k) references to a federal, state, local or foreign Law include any rules, regulations and delegated legislation issued thereunder; (l) references to accounting terms used and not otherwise defined herein have the meaning assigned to them under GAAP; and (m) a term that begins with an initial capital letter, is not defined herein and reflects a different part of speech than a term that begins with an initial capital letter and is defined herein, shall be interpreted in a correlative manner. When reference is made in this Agreement to information that has been "made available" to Seaport, that shall consist of only the information that was (i) contained in PureTech's electronic data room no later than 5:00 p.m., Eastern time, on the [***] Business Day prior to the date of this Agreement or (ii) delivered to Seaport or its counsel. The language used in this Agreement shall be deemed to be the language chosen by the Parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any Party hereto. No summary of this Agreement prepared by any Party shall affect the meaning or interpretation of this Agreement. If any date on which a Party is required to make a payment or a delivery pursuant to the terms hereof is not a Business Day, then such Party shall make such payment or delivery on the next succeeding Business Day. Time shall be of the essence in this Agreement.

ARTICLE VIII

MISCELLANEOUS

8.1 Notices. Any notice required or permitted to be given under this Agreement shall be in writing, shall specifically refer to this Agreement, and shall be addressed to the appropriate Party at the address specified below or such other address as may be specified by such Party in writing in accordance with this Section 8.1, and shall be deemed to have been given for all purposes (a) when received, if hand-delivered or sent by a reputable courier service, or (b) five (5) Business Days after mailing, if mailed by first class certified or registered airmail, postage prepaid, return receipt requested.

All notices to PureTech shall be addressed as follows:

PureTech Health LLC
6 Tide Street, 4th Floor
Boston, MA 02110
Attention: [***]

With a copy to (which shall not constitute notice):

PureTech Health LLC
6 Tide Street, 4th Floor
Boston, MA 02110
Attention: [***]

And

Sills Cummis & Gross P.C.
One Riverfront Plaza
Newark, NJ 07102
Attention: [***]
Email: [***]

All notices to Seaport shall be addressed as follows:

Seaport Therapeutics, Inc.
6 Tide Street, 4th Floor
Boston, MA 02110
Attention: [***]

With a copy to (which shall not constitute notice):

Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, MA 02109
Attention: [***]
Email: [***]

8.2 Entire Agreement; Amendment. This Agreement, including the Exhibits hereto, sets forth the complete, final and exclusive agreement and all of the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties hereto with respect to the subject matter hereof and supersedes, as of the Effective Date, all prior and contemporaneous agreements and understandings between the Parties with respect to the subject matter hereof. There are no covenants, promises, agreements, warranties, representations, conditions or understandings, either oral or written, between the Parties with respect to the subject matter of this Agreement other than as are set forth in this Agreement, including the Exhibits. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties unless reduced to writing and signed by an authorized officer of each Party.

8.3 Third-Party Beneficiaries. This Agreement is not intended to, and shall not, confer upon any other Person any rights or remedies hereunder.

8.4 Assignment.

(a) This Agreement and the rights and obligations under this Agreement may not be assigned, delegated, or otherwise transferred, in whole or in part, by operation of law or otherwise, by either Party without the other Party's express prior written consent; provided, however, that either Party may assign its rights or delegate its obligations under this Agreement without such consent to (a) its Affiliate or (b) its successor in interest in connection with any merger, consolidation, or sale of all or substantially all of the assets of such Party to which this Agreement relates. In the event of such assignment by Seaport that occurs concurrently with or following the grant of a Product License, Seaport (i.e., the original Party to this Agreement) shall remain liable for all payment obligations to PureTech pursuant to Section 1.5(b)(ii) with respect to such Product License to the extent such assignee does not fulfill such payment obligations. In the event of such assignment by Seaport that occurs concurrently with or following a Change of Control, Seaport (i.e., the original Party to this Agreement) shall remain liable for all payment obligations to PureTech pursuant to Section 1.5(b)(iii) with respect to such Change of Control of Seaport to the extent such assignee does not fulfill such payment obligations.

(b) Any successor or assignee of rights or obligations permitted hereunder (including payment obligations) shall, in writing to the other Party, expressly assume performance of such rights or obligations. In the case of any permitted assignment or transfer of or under this Agreement, this Agreement shall be binding upon, and inure to the benefit of, the successors, executors, heirs, representatives, administrators and assigns of the Parties hereto and the assigning Party shall remain liable for the obligations of its successor or assignee as set forth herein. Any attempted assignment, delegation, or transfer in violation of the foregoing will be null and void. For clarity, Seaport is free to assign, transfer and grant licenses or other rights to the Transferred Assets in its sole discretion and without the consent of PureTech, and nothing in this Section 8.4 shall be interpreted as a limitation on such assignment, transfer or grant.

8.5 Severability. If any one or more of the provisions of this Agreement is held to be invalid or unenforceable by any court of competent jurisdiction from which no appeal can be or is taken, the provision shall be considered severed from this Agreement and shall not serve to invalidate any remaining provisions hereof. The Parties shall make a good faith effort to replace any invalid or unenforceable provision with a valid and enforceable one such that the objectives contemplated by the Parties when entering this Agreement may be realized.

8.6 Counterparts and Signature. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which shall constitute together the same document. Copies of original signature pages sent by PDF shall have the same effect as signature pages containing original signatures.

8.7 Governing Law. This Agreement (and any claims or disputes arising out of or related hereto or the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed in all respects, including validity,

interpretation, and effect, by and construed in accordance with the internal Laws of the State of Delaware (including in respect of the statute of limitations or other limitations period applicable to any claim, controversy or dispute) without giving effect to any choice or conflict of Law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of Laws of any jurisdictions other than those of the State of Delaware.

8.8 Remedies.

(a) Any and all remedies herein expressly conferred upon a Party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by Law or equity upon such Party, and the exercise by a Party of any one (1) remedy will not preclude the exercise of any other remedy.

(b) The Parties hereto agree that irreparable damage may occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, in each case without posting a bond or undertaking, this being in addition to any other remedy to which they are entitled at Law or in equity. Each of the Parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that (i) the Party seeking such remedy has an adequate remedy at Law or (ii) an award of specific performance is not an appropriate remedy for any reason at Law or equity.

8.9 Submission to Jurisdiction. Each of the Parties to this Agreement (a) consents to submit itself to the exclusive personal jurisdiction of the Court of Chancery of the State of Delaware, New Castle County, or, if that court does not have jurisdiction, a federal court sitting in Wilmington, Delaware in any action or proceeding arising out of or relating to this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that all claims in respect of such action or proceeding may be heard and determined in any such court, (c) agrees that it shall not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (d) agrees not to bring any action or proceeding arising out of or relating to this Agreement or any of the transactions contemplated by this Agreement in any other court, and (e) waives any right it may have to a trial by jury with respect to any action or proceeding arising out of or relating to this Agreement. Each of the Parties hereto waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety or other security that might be required of any other Party with respect thereto. Any Party hereto may make service on another Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving of notices in Section 8.1. Nothing in this Section 8.9, however, shall affect the right of any Party to serve legal process in any other manner permitted by Law.

8.10 Fees and Expenses. Except as otherwise expressly provided herein, all fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such fees and expenses, whether or not the Closing occurs.

8.11 Disclosure Schedule. The Disclosure Schedule shall be arranged in sections corresponding to the numbered sections contained in Article II and in such a way that it is reasonably apparent which representation and warranty in such section such disclosure is intended to qualify and the disclosure with respect to a representation and warranty contained in Article II shall qualify any other representations and warranties in Article II to the extent that it is reasonably apparent on the face of such disclosure that it also qualifies or applies to such other representations and warranties.

8.12 Waiver. No waiver by the Parties of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence. No waiver by the Parties of any of the provisions hereof shall be effective unless explicitly set forth in writing and executed by the Party sought to be charged with such waiver.

[*Remainder of Page Intentionally Left Blank.*]

IN WITNESS WHEREOF, Seaport and PureTech have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

SEAPORT THERAPEUTICS, INC.

By: /s/ Charles Sherwood
Name: Charles Sherwood
Title: President

PURETECH:

PURETECH HEALTH LLC

By: /s/ Bharatt Chowrira
Name: Bharatt Chowrira, PhD
Title: President

PURETECH LYT, INC.

By: /s/ Bharatt Chowrira
Name: Bharatt Chowrira, PhD
Title: President

Exhibit 11.1

DATED **APRIL 24, 2025**

PURETECH HEALTH PLC

SECURITIES DEALING CODE

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PURETECH HEALTH PLC (the "Company")

SECURITIES DEALING CODE

INTRODUCTION

The purpose of this securities dealing code (**"Code"**) is to provide rules which help you to **deal** in the Company's **securities** without breaking the law. U.S. and U.K. securities laws regulate the sale and purchase of **securities** in the interest of protecting the investing public. U.S. and U.K. securities laws give the Company, its directors and employees the responsibility to ensure that information about the Company is not used unlawfully in **dealings** in **securities**. All directors and employees should pay particularly close attention to the laws against trading on **inside information**. These laws are based upon the belief that all persons **dealing** in a company's **securities** should have equal access to all "material" information about that company. "Insider trading" occurs when any person purchases or sells a security while in possession of **inside information** relating to the **security**. Insider trading is a crime. This Code outlines your responsibilities to avoid insider trading and implements certain procedures to help you avoid even the appearance of insider trading. This Code also aims to ensure that there is transparency in your **dealings**.

The Code therefore addresses:

- who must comply with the Code;
- when **dealings** in the Company's **securities** cannot take place;
- the procedures for seeking clearance for a **dealing**; and
- where relevant, your obligations to publicly disclose **dealings**.

Nothing in this code sanctions a breach of the UK Market Abuse Regulation, the insider dealing provisions of the Criminal Justice Act 1993 or any other relevant legal or regulatory requirements.

Words highlighted in **bold** are defined in paragraph 11.

EXECUTIVE SUMMARY

1. There are certain periods during which you are not permitted to **deal** in the Company's **securities**, known as **close periods**. These are periods leading up to the publication or announcement of the Company's financial results and other periods during which there exists **inside information** concerning the Company (even if you do not have knowledge of this information yourself).

2. You may also be exposed to criminal or civil liability if you **deal** in the Company's **securities** when you are in possession of **inside information** about the Company, irrespective of whether the Company is in a **close period**.

3. With limited exceptions, you must always obtain clearance to **deal** in the Company's **securities** before any **dealing** takes place. Clearance must be sought in accordance with the procedures set out in the Code.

4. You must do everything you can to ensure that your **closely associated persons** and investment managers acting on your behalf comply with the Code.

5. The Code applies to any **dealing** in the Company's **securities**, including a sale or purchase, the grant or exercise of options, pledges, gifts and transactions in financial products that are referenced to the Company's **securities** (including derivatives).

THE CODE

1. WHO DOES THE CODE APPLY TO?

1.1 The Code applies to:

- each "person discharging managerial responsibility" (**PDMR)** in the Company - this means each director of the Company and any other senior executive whom the board of the Company has determined should be treated as a **PDMR**;
- any other group employee or director who is an **insider**, that is, who has access to **inside information** relating to the Company and is required to be included on an insider list maintained by the Company, including "executive officers" as defined in Rule 3b-7 under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
- all other employees of the Company and the group.

You are therefore subject to this Code because you are a **PDMR** and/or an **insider** and/or an employee.

2. WHEN YOU MUST NOT DEAL

2.1 Subject to limited exceptions, you cannot **deal** during the Company's **close periods**. These **close periods** are:

Close period name	**When it starts**	**When it ends**
Annual results	To the extent the Company releases an announcement of the Company's preliminary annual results, the 1st[th] calendar day following the last day of the Company's financial year or, if longer, 60 calendar days preceding the announcement of the Company's preliminary annual results	Completion of the first full trading day following announcement of the Company's preliminary annual results
	To the extent the Company does not release an announcement of the Company's preliminary annual results, the first calendar day following the last day of the Company's financial year or, if longer, 60 calendar days preceding the publication of its annual	Completion of the first full trading day following publication of the Company's annual report and accounts

Close period name	When it starts	When it ends
	report and accounts	
Half year	The first calendar day following the last day of the first six months of the Company's financial year or, if longer, 60 calendar days preceding the announcement of the Company's interim results	Completion of the first full trading day following announcement of the interim results
Inside information	The date and time that any **inside information** first exists in the Company	Completion of the first full trading day following the date and time on which such **inside information** is publicly announced, or the date and time on which such **inside information** otherwise ceases to exist in the Company

Generally, if you apply for clearance to **deal** during a **close period**, clearance will be refused. There may be limited exceptions to this, as set out in paragraph 5.

2.2 Irrespective of whether the Company is in a **close period**, you must never **deal**, attempt to **deal**, or recommend or encourage another to **deal** in the Company's **securities** when you are in possession of **inside information** about the Company. Non-compliance with this rule may expose you to criminal or civil sanctions under insider dealing laws (see schedule 1 for further details).

3. CLEARANCE TO DEAL

3.1 Save as set out in paragraph 6, you must not **deal** in the Company's **securities** unless you have received clearance to do so in advance.

3.2 If you or any of your **closely associated persons** wish to **deal** in the Company's **securities** at any time you must send a completed and signed Dealing Request Form (in the form set out in schedule 2) to the Company CEO.

3.3 Your request for clearance to **deal** will then be considered by the relevant person designated for this purpose, as set out below:

Person requesting clearance	Designated person	In the absence of the designated person
Employee	Company Secretary	CEO
PDMR (other than the Chairman or CEO)	Company Secretary	CEO

Person requesting clearance	Designated person	In the absence of the designated person
Company Secretary	CEO	Chair
CEO	Company Secretary	Senior Independent Director
Chairman	Company Secretary	Senior Independent Director

The individuals designated to provide clearance shall have access to the CEO, Chair and/or Senior Independent Director to ensure that all appropriate information is considered prior to clearance being provided.

3.4 The relevant designated person will respond in writing to your request for clearance within five business days of the date of your request. You will receive a copy of your Dealing Request Form indicating whether the designated person has consented to the proposed **dealing**. Any refusal of clearance to **deal** is final and the Company reserves the right not to offer any explanation of such refusal. In such circumstances, it is likely that clearance to **deal** will have been refused because a matter generating **inside information** is under discussion within the Company, of which you may or may not be aware, or because an exceptional announcement is likely or imminent which may affect the Company's share price.

3.5 When submitting your Dealing Request Form, you will be required to confirm that you are not in possession of any **inside information** and undertake not to proceed with the transaction if this should change at any time before the transaction. If clearance to **deal** has been given, you or your relevant **closely associated person** must carry out the **dealing** within five business days of the date you receive consent. If you or your relevant **closely associated person** do not carry out the **dealing** within this time, clearance lapses and you must seek further clearance in accordance with paragraph 3.1 above before the **dealing** can take place.

3.6 You must submit a completed Dealing Notification (in the form set out in schedule 3) to the Company Secretary immediately after the **dealing** has occurred and in any event within one business day of the **dealing**.

3.7 The Company will keep a written record of each request to **deal** in the Company's **securities** whether or not clearance to **deal** was given. Where clearance is given, the Company will also keep a written record of the details of each **dealing** which subsequently takes place.

3.8 No **dealing** can be initiated or take place until you have been informed that clearance to **deal** has been given.

3.9 Additional copies of the Dealing Request Form and Dealing Notification may be obtained from the Company Secretary.

4. ANNOUNCEMENT OF PDMR DEALINGS

4.1 This paragraph 4 only applies to **dealings** conducted on the account of:

4.1.1 **PDMRs**; and

4.1.2 any of their **closely associated persons**.

4.2 **PDMRs** and their **closely associated persons** are required by the UK Market Abuse Regulation to notify **dealings** on their own account to both the Company and the Financial Conduct Authority within three business days of the dealing taking place. The Company must then announce the **dealing** publicly, also within three business days of the **dealing** taking place. To enable the Company to meet its legal obligation to publicly announce **dealings** within this timescale, the Company has decided to require **dealings** by **PDMRs** and their **closely associated persons** to be notified to it within one business day of the **dealing** taking place.

4.3 Therefore:

4.3.1 if you have received clearance for the proposed **dealing** pursuant to paragraph 3; or

4.3.2 the **dealing** is a type of **dealing** for which clearance is not required, as set out in paragraph 6,

you must notify the **dealing** to the Company by submitting your completed Dealing Notification to the Company Secretary within one business day of the **dealing** taking place. Provided you have done this, the Company will submit your Dealing Notification to the Financial Conduct Authority on your behalf and will also publicly announce the **dealing** no later than three business days after the **dealing** has taken place.

4.4 You should be aware that the Company has decided that it will require notification to it of all **dealings** by **PDMRs** and their **closely associated persons** and that it will publicly announce all such **dealings** (ie no minimum threshold will apply).

4.5 If you think any proposed **dealing** may result in the holding of voting rights in the Company by you or your **closely associated persons** reaching or exceeding three per cent or (if already above three per cent) reaching, exceeding or falling below a percentage threshold, please contact the Company Secretary in advance of such dealing to discuss whether you or any **closely associated person** needs to make a further specific notification.

4.6 Please complete the confirmation attached to the Code at schedule 4 (this confirmation also requires you to identify your **closely associated persons**) and return it to the Company Secretary as soon as possible.

4.7 Pursuant to the UK Market Abuse Regulation, it is a **PDMR's** personal responsibility, and that of each **closely associated persons** of a **PDMR**, to give the Company and the Financial Conduct Authority full and accurate details of any dealings in the Company's **securities** carried out on such person's own account within the timescales set out in paragraph 4.3. In making the relevant dealing notifications to the Financial Conduct Authority, the Company acts solely on such person's behalf and will not be liable to the Financial Conduct Authority or anyone else if the information supplied by a **PDMR** or a **closely associated person** of a **PDMR** is inaccurate or incomplete.

5. DEALINGS PERMITTED DURING A CLOSE PERIOD

During a **close period**, you must not **deal** in the Company's **securities**, either on your own account or for the account of a third party. Exceptionally, the Company may, at its sole discretion, permit **dealings** or otherwise give you clearance to **deal** in the following circumstances. If any of these circumstances apply, you must also be able to demonstrate that the **dealing** cannot take place at any time other than during a **close period**.

5.1 Exceptional circumstances

The Company may give you clearance to sell (but not purchase) shares of the Company in extremely urgent, unforeseen and compelling circumstances, where their cause is external to you and where you have no control over them; provided that you are not in possession of **inside information** at the time. These may include circumstances in which you face a legally enforceable financial commitment or claim requiring the payment of a sum to a third party, including tax liability, and you cannot reasonably satisfy that financial commitment or claim by means other than an immediate sale of shares. You must consult with the Company Secretary immediately should such circumstances arise during a **close period**.

5.2 Share and savings schemes

The Company may permit certain **dealings** in the Company's **securities** during a **close period**, pursuant to the Company's share plans but only usually in certain limited circumstances. For example, where any decision to award shares, grant options or exercise options during a **close period** was made before the Company entered into a **close period** and where any such **dealings** will occur without any further action being taken by you and where they cannot be influenced by you. Therefore, if you propose to exercise any option granted to you under any the Company share plan, sell any **securities** arising from such exercise or take any other action in relation to any the Company share plan during a **close period**, you must seek advice from the Company Secretary.

5.3 Dealings where beneficial ownership of securities does not change

The Company may give you clearance to **deal** during a **close period** where the **dealing** does not result in any change to the beneficial ownership of such **securities**. The Company will take into account the specific circumstances of such a **dealing** when determining whether to give clearance.

5.4 Dealings under a trading plan

5.4.1 You may **deal** in the Company's **securities** pursuant to a **trading plan** if clearance has first been given in accordance with paragraph 3 of this Code to you entering into the plan and to any amendment to the plan. You must not cancel a **trading plan** unless clearance has first been given in accordance with paragraph 3 of this Code for its cancellation.

5.4.2 You must not enter into, amend or cancel a **trading plan** during a **close period** and clearance will not be given during a **close period** to the entering into, amendment or cancellation of a **trading plan**.

5.4.3 You may **deal** in the Company's **securities** during a **close period** pursuant to a **trading plan** if:

5.4.3.1 the **trading plan** was entered into before the **close period**;

5.4.3.2 clearance under paragraph 3 of this Code has been given to you entering into the **trading plan** and to any amendment to the trading plan before the **close period**;

5.4.3.3 the **trading plan** does not permit you to exercise any influence or discretion over how, when, or whether to effect **dealings**;

5.4.3.4 if you are a **PDMR**, the **trading plan** is structured such that no **dealings** under the plan can take place during a **MAR closed period**; and

5.4.3.5 if you are a **PDMR**, you ensure that all **dealings** pursuant to a **trading plan** undertaken on your behalf or on behalf of any of your **closely associated persons** are notified to the Company in accordance with paragraph 4.

6. DEALINGS WHICH DO NOT REQUIRE PRIOR CLEARANCE

Other than **dealings** conducted on the account of a **PDMR** or by a **PDMR** for the account of a third party during a **MAR closed period** (during which, the provisions of paragraph 5 shall apply), the **dealings** set out in this paragraph do not require prior clearance under paragraph 3. However, dealings set out in this paragraph carried out for the account of **PDMRs** or their **closely associated persons** must be notified to the Company in accordance with paragraph 4. You are also reminded that you should never **deal** when in possession of **inside information** concerning the Company.

6.1 Undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of the Company's **securities** in lieu of a cash dividend).

6.2 The take up of entitlements under a rights issue or other offer (including an offer of the Company's **securities** in lieu of a cash dividend).

6.3 The sale of sufficient entitlements nil-paid to take up the balance of the entitlements under a rights issue.

6.4 Undertakings to accept, or the acceptance of, a takeover offer.

6.5 **Dealing** where the beneficial interest in the relevant **security** of the Company does not change.

6.6 Transactions for nil consideration conducted between a **PDMR** and their spouse, civil partner, child or step-child for family or estate planning purposes.

6.7 Transfers of shares arising out of the operation of an employees' share scheme into a savings scheme investing in the Company's **securities** following:

6.7.1 exercise of an option under an approved SAYE option scheme without any open-market sale of securities (e.g., cash exercises of share options or the "net settlement" of restricted share units but not broker-assisted cashless exercises or open-market sales to cover taxes upon the vesting of restricted share units); or

6.7.2 release of shares from a HM Revenue and Customs approved share incentive plan.

6.8 With the exception of a disposal of the Company's **securities** received by you as a participant (for which clearance must be obtained), **dealings** in connection with the following employees' share schemes, provided such **dealings** do not involve any open-market sale of securities:

6.8.1 an HM Revenue and Customs approved SAYE option scheme or share incentive plan, under which participation is extended on similar terms to all or most employees of the participating companies in that scheme; or

6.8.2 a scheme on similar terms to a HM Revenue and Customs approved SAYE option scheme or share incentive plan, under which participation is extended on similar terms to all or most employees of the participating companies in that scheme.

6.9 The cancellation or surrender of an option under an employees' share scheme.

6.10 Transfers of the Company's **securities** already held by means of a matched sale and purchase into a saving scheme or into a pension scheme in which you are a participant or beneficiary.

6.11 An investment by you in a scheme or arrangement where the assets of the scheme (other than a scheme investing only in the Company's **securities**) or arrangement are invested at the sole discretion of a third party.

6.12 A **dealing** by you in the units of an authorised unit trust or in shares in an open-ended investment company, provided that, at the time of the **dealing**, the Company's **securities** do not represent more than 20 per cent of the assets of the unit trust or open-ended investment company and provided that the manager of the unit trust or open-ended investment company has sole discretion over the investments made.

7. YOUR CLOSELY ASSOCIATED PERSONS AND INVESTMENT MANAGERS

7.1 During a **close period**, you must try to prevent (by taking the steps in paragraph 7.2 below) any **dealings** in the Company's **securities**:

7.1.1 by or on behalf of any of your **closely associated persons**; and

7.1.2 by an investment manager acting on your behalf or on behalf of any of your **closely associated persons** where either you or any of your **closely associated persons** has funds under management with that investment manager, whether or not discretionary (except as permitted by paragraph 5.4).

7.2 You must inform each of your **closely associated persons** and each investment manager acting on your or their behalf in writing:

7.2.1 of the Company's name;

7.2.2 of the **close periods** when they cannot **deal** in the Company's **securities**;

7.2.3 of any other times when you know you cannot **deal** in the Company's **securities** because you have **inside information** about the Company (unless by doing do you would breach your duty of confidentiality to the Company); and

7.2.4 that they must tell you immediately of their intention to **deal** in the Company's **securities** so that you may seek clearance to **deal** under paragraph 3.1 above; and

7.2.5 that they must inform you promptly of any subsequent **dealings** in the Company's **securities** so that you can notify the Company of such **dealing** in accordance with paragraph 3.6 and, if relevant, paragraph 4.

A pro forma letter for this purpose is set out at schedule 5.

8. PENALTIES

Any **dealing** in breach of the Code will be regarded as a serious disciplinary matter. You may face criminal or civil action under insider dealing laws (see schedule 1 for further details).

9. GENERAL

9.1 The Code does not affect any contractual restrictions on **dealings** in the Company's **securities** which you may have agreed with the Company's brokers.

9.2 At certain times, you may have access to **inside information** about another company with which the Company or a member of its group is negotiating or transacting. You must not **deal** in the **securities** of that other company whilst you are in possession of such information.

10. CONTACT

If you are not sure whether a **dealing** you or any of your **closely associated persons** wish to undertake is subject to the Code, you should consult the Company Secretary.

11. DEFINITIONS

For the purposes of this Code:

"close periods" means the periods set out in paragraph 2.1;

"closely associated person" means, in relation to a person ("A"):

(a) A's spouse or civil partner;

(b) A's child or stepchild who is under the age of 18 years, is unmarried and does not have a civil partner;

(c) a relative of A who has shared the same household for at least one year on the date of the transaction concerned; or

(d) a legal person, trust or partnership, the managerial responsibilities of which are discharged by A or by a person referred to in (a), (b) or (c) above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person;

"dealing" means, in relation to **PDMRs**, their **closely associated persons**, **insiders** and employees, any transaction conducted on their own account or for the account of a third party relating (directly or indirectly) to the Company's **securities**, including:

(a) the pledging or lending of **securities**;

(b) transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of the relevant person, including where discretion is exercised;

(c) transactions made under a life insurance policy, where (i) the relevant person is a policyholder, (ii) the investment risk is borne by the policyholder; and (iii) the

policyholder has the power or discretion to make investment decisions regarding specific instruments for that life insurance policy.

(d) acquisition, disposal, short sale, subscription or exchange;

(e) acceptance or exercise of a stock option, including of a stock option granted to managers or employees as part of their remuneration package and the disposal of shares stemming from the exercise of a stock option;

(f) entering into or exercise of equity swaps;

(g) transactions in or related to derivatives, including cash-settled transactions;

(h) entering into a contract for difference on a **security** of the Company;

(i) acquisition, disposal or exercise of rights, including put and call options and warrants;

(j) subscription to a capital increase or debt instrument issuance;

(k) transactions in derivatives and financial instruments linked to a debt instrument of the Company, including credit default swaps;

(l) conditional transactions, upon the occurrence of the conditions and actual execution of the transactions;

(m) automatic or non-automatic conversion of a **security** into another **security**, including the exchange of convertible bonds to shares;

(n) gifts and donations made or received, and inheritance received;

(o) *transactions executed in index-related products, baskets and derivatives, which are linked to the Company's shares or debt instruments;

(p) *transactions executed in shares or units of investment funds, including alternative investment funds (AIFs), where clients of the fund know, or could have knowledge of, the investment composition of the fund, and which are linked to the Company's shares or debt instruments;

(q) *transactions executed by a manager of an AIF in which a person has invested, where the manager of the AIF does not operate under a fully discretionary mandate;

(r) transactions executed by a third party under an individual portfolio or asset management mandate on behalf of or for the benefit of a person; and

(s) borrowing or lending of **securities**;

* an index-related product, a basket and a share/unit of investment funds (AIF and UCITS) will normally be deemed as a financial instrument linked to the Company's shares or debt instruments only when the weight carried by the Company's shares or debt instruments in the composition of the index, basket or investment fund is 20 per cent or more of the total composition of the index-related product, basket or investment fund, at the time of the transaction;

"inside information" means information which[1]:

(a) is of a precise nature;

(b) has not been made public;

(c) relates, directly or indirectly, to the Company or the Company's **securities**; and

(d) which, if it were made public, would be likely to have a significant effect on the price of the Company's **securities**.

Information is "precise" if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the price of the Company's **securities**.

Information which, if it were made public, would be likely to have a significant effect on the price of the Company's **securities** means information which a reasonable investor would be likely to use as part of the basis of his or her investment decisions. "**Inside information**" includes **"material nonpublic information"** under U.S. federal securities laws. Information (whether fact, development or intended action) is considered **material** if there is a substantial likelihood that a reasonable investor would consider it important in determining whether to buy, sell, or hold a company's securities, or if the information is likely to have a significant effect on the market price of such securities. Both positive and negative information may be material. **Nonpublic** means not broadly disseminated to the general public so that investors have been able to factor the information into the market price of the security.

"insider" means any director or employee of the Company or any of its group companies who, because of his or her office or employment or involvement in a particular transaction or business situation, has access to **inside information** and whose name is therefore required to be included on any insider list maintained by the Company, including "executive officers" as defined in Rule 3b-7 under the Exchange Act;

"**MAR closed period**" means (i) the period of 30 calendar days before the announcement of the Company's preliminary annual results or (to the extent the Company does not release an announcement of its preliminary annual results) or the period of 30 calendar days before the announcement of the Company's annual report and accounts; and (ii) the period of 30 calendar days before the announcement of the Company's interim results;

"PDMR" means a person discharging managerial responsibilities in the Company and comprises each director of the Company and any other senior executive whom the board of the Company has determined should be treated as a person discharging managerial responsibilities on the basis that such person has: (i) regular access to **inside information**; and (ii) power to take managerial decisions affecting the future developments and business prospects of the Company;

[1] See Article 7 of UK MAR.

"securities" means any publicly traded shares and debt instruments (eg bonds, notes and convertible debt) and any derivatives or other financial instruments linked to such shares or debt instruments (eg credit default swaps, contracts for difference and share options); and

"trading plan" means a written plan between a **PDMR** or **insider** or employee and an independent third party which sets out a strategy for the acquisition and/or disposal of the Company's **securities** and (i) specifies the amount, price and date on which the **securities** are to be dealt in, or (ii) gives discretion to that independent third party to make trading decisions about the amount, price and date on which the **securities** are to be dealt in; or (iii) includes a written formula or similar for determining the amount, price and date on which the **securities** are to be dealt in. Any **trading plan** that sets out a strategy for the acquisition and/or disposal of the Company's **US securities** must satisfy the conditions of Rule 10b5-1 promulgated under the Exchange Act.

"US securities" means securities primarily traded in the United States and/or registered under the Securities Act of 1933, as amended, or the Exchange Act.

SCHEDULE 1: INSIDER DEALING LAWS

In the UK, there are two legislative regimes that relate to insider dealing. These are:

- the criminal insider dealing regime under the Criminal Justice Act 1993; and
- the civil market abuse regime under the UK Market Abuse Regulation.

Under each regime, it is an offence for someone to **deal** in **securities** when he or she has **inside information** relating to those **securities**.

1. Criminal insider dealing

It is a criminal offence for an individual:

1.1 to **deal** in shares in respect of which he/she has **inside information**. The offence is committed if:

1.1.1 the dealing takes place on a UK stock market or with or through a broker (or other professional intermediary);

1.1.2 the person dealing has inside information which he/she knows is **inside information**;

1.1.3 the person dealing knows that he/she has the information from an inside source; and

1.1.4 the person deals in shares whose price is likely to be significantly affected by the **inside information** being made public;

1.2 to encourage someone else to **deal** in shares in respect of which that individual has **inside information**; and

1.3 to disclose inside information to another person otherwise than in the proper performance of his or her job (with a view to that other person profiting from the **inside information**).

Insider dealing is punishable with imprisonment of up to seven years or a fine or both. These offences apply at any time - even if the dealing takes place outside a **close period**. Obtaining clearance to **deal** under the Code may not, in itself, provide a defence to a charge of insider dealing.

2. Market abuse

Market abuse is a concept that encompasses unlawful behaviour in the financial markets and consists of insider dealing, unlawful disclosure of inside information and market manipulation. Such behaviour harms the integrity of financial markets and public confidence in securities traded on them.

Under the UK Market Abuse Regulation, it is an offence for a person to:

2.1 engage or attempt to engage in insider dealing;

2.2 recommend that another person engage in insider dealing or induce another person to engage in insider dealing;

2.3 unlawfully disclose **inside information**; or

2.4 engage or attempt to engage in market manipulation.

Insider dealing arises where a person possesses **inside information** and uses that information by acquiring or disposing of, for his or her own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates. The use of **inside information** by cancelling or amending an order concerning a financial instrument to which the information relates, where the order was placed before the person concerned possessed the **inside information**, is also insider dealing.

Unlawful disclosure of **inside information** arises where a person possesses **inside information** and discloses that information to another person, except where the disclosure is made in the normal exercise of an employment, a profession or duties.

The market abuse offences are similar to the criminal insider dealing offences highlighted in paragraph 1 above. The significant difference between the two is that market abuse is a civil offence with a consequently lower burden of proof - a court must be satisfied only on "the balance of probabilities" that market abuse has occurred, rather than "beyond reasonable doubt" as is the case with the criminal insider dealing offences. Market abuse is also wider in scope - it not only deals with the abuse of inside information but also with other behaviour which has the effect of manipulating or distorting the market (for example by giving false or misleading impressions as to supply, demand or price or to secure the price at an abnormal or artificial level).

The Financial Conduct Authority may impose penalties (including unlimited fines) on any person who commits market abuse.

The market abuse offences apply at any time - even if the dealing takes place outside a **close period**. Obtaining clearance to **deal** under the Code may not, in itself, provide a defence to a charge of market abuse.

In the U.S., federal securities laws prohibit insider trading. Specifically, the federal securities laws prohibit:

1.1 the purchase or sale of securities of any entity while in possession of **material nonpublic information** about such entity;

1.2 communication of **material nonpublic information** to another person who trades on the information or who passes the information on to another who trades, which is known as “tipping;” and

1.3 the misappropriation (i.e., dishonest taking) of **material nonpublic information** from any entity about another entity’s security.

A person who has violated the insider trading laws, including a person who shares inside information with another person who trades on the information, i.e. a “tipper,” may be subject to a criminal penalty of up to $5,000,000 and twenty years in prison, and a civil penalty of up to the greater of $1,000,000 or three times the profit gained or loss avoided as a result of such unlawful purchase, sale or communication.

SCHEDULE 2: DEALING REQUEST FORM

Please send the signed original of this form to the Company Secretary. Your request will be considered by the relevant person designated to consider requests for clearance to deal by paragraph 3 of PureTech Health plc's Securities Dealing Code (**"Code"**).

I,…….(BLOCK CAPITALS PLEASE)

in accordance with the Code, hereby request permission to deal in PureTech Health plc's securities as indicated below:

Full name(s) of person dealing	If a closely associated person, please give name and relationship to you eg spouse. If dealing on the account of a third party, specify the name of the third party	
Type of security	eg ordinary shares	
Number of securities or amount to be invested/divested	Please enter the number of securities or the financial consideration to be realised/paid for the purchase or sale of securities	
Nature of dealing	eg sale, purchase, ISA investment, exercise under company share option scheme etc	

I am not in possession of any inside information (as defined in the Code) relating to PureTech Health plc. If this should change at any time before the transaction, I undertake not to proceed with the transaction.

I undertake to deal as soon as possible after clearance has been given, and in any event within five business days of clearance being given. I understand that this permission to deal is no longer valid beyond that time.

I will submit a "Dealing Notification" immediately after the transaction takes place and in any event within one business day of the transaction. Please confirm that permission has been granted for the above transaction to take place by countersigning and returning this form.

Signed……. Dated…….

PERMISSION GRANTED TO DEAL

Permission has been granted for …… to carry out the above transaction on the basis it is completed no later than close of business on ……., being five business days following the date of this permission.

Signed……..…… Dated……..……...
Company Secretary/Finance Director/CEO/Chairman
of PureTech Health plc

SCHEDULE 3: DEALING NOTIFICATION[2]

1	**Details of the person discharging managerial responsibilities/person closely associated**	
a)	Name	*[For natural persons: the first name and the last name(s).]* *[For legal persons: full name including legal form as provided for in the register where it is incorporated, if applicable.]*
2	**Reason for the notification**	
a)	Position/status	*[For persons discharging managerial responsibilities: the position occupied within the issuer, emission allowances market participant/auction platform/auctioneer/auction monitor should be indicated, e.g. CEO, CFO.]* *[For persons closely associated,* *—An indication that the notification concerns a person closely associated with a person discharging managerial responsibilities;* *—Name and position of the relevant person discharging managerial responsibilities.]*
b)	Initial notification/Amendment	*[Indication that this is an initial notification or an amendment to prior notifications. In case of amendment, explain the error that this notification is amending.]*
3	**Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor**	
a)	Name	*[Full name of the entity.]*
b)	LEI	*[Legal Entity Identifier code in accordance with ISO 17442 LEI code.]*
4	**Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted**	
a)	Description of the financial instrument, type of instrument Identification code	*[—Indication as to the nature of the instrument:* *—a share, a debt instrument, a derivative or a financial instrument linked to a share or a debt instrument;* *—an emission allowance, an auction product based on an emission allowance or a derivative relating to an emission allowance.* *—Instrument identification code as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014.]*
b)	Nature of the transaction	*[Description of the transaction type using, where applicable, the type of transaction identified in Article 10 of the Commission Delegated*

[2] As prescribed by the Annex to EU Regulation 2016/523, which lays down implementing technical standards with regard to the format and template for notification and public disclosure of managers' transactions in accordance with MAR.

		Regulation (EU) 2016/522 [1] adopted under Article 19(14) of Regulation (EU) No 596/2014 or a specific example set out in Article 19(7) of Regulation (EU) No 596/2014. *Pursuant to Article 19(6)(e) of Regulation (EU) No 596/2014, it shall be indicated whether the transaction is linked to the exercise of a share option programme.]*
c)	Price(s) and volume(s)	**Price(s)** | **Volume(s)** |
		[Where more than one transaction of the same nature (purchases, sales, lendings, borrows, ...) on the same financial instrument or emission allowance are executed on the same day and on the same place of transaction, prices and volumes of these transactions shall be reported in this field, in a two columns form as presented above, inserting as many lines as needed. *Using the data standards for price and quantity, including where applicable the price currency and the quantity currency, as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014.]*
d)	Aggregated information —Aggregated volume — Price	*[The volumes of multiple transactions are aggregated when these transactions:* *—relate to the same financial instrument or emission allowance;* *— are of the same nature;* *— are executed on the same day; and* *— are executed on the same place of transaction.* *Using the data standard for quantity, including where applicable the quantity currency, as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014.]* *[Price information:* *—In case of a single transaction, the price of the single transaction;* *—In case the volumes of multiple transactions are aggregated: the weighted average price of the aggregated transactions.* *Using the data standard for price, including where applicable the price currency, as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014.]*
e)	Date of the transaction	*[Date of the particular day of execution of the notified transaction.* *Using the ISO 8601 date format: YYYY-MM-DD; UTC time.]*

f)	Place of the transaction	*[Name and code to identify the MiFID trading venue, the systematic internaliser or the organised trading platform outside of the Union where the transaction was executed as defined under Commission Delegated Regulation supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities adopted under Article 26 of Regulation (EU) No 600/2014, or* *if the transaction was not executed on any of the above mentioned venues, please mention 'outside a trading venue'.]*

[1] Commission Delegated Regulation (EU) 2016/522 of 17 December 2015 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council as regards an exemption for certain third countries public bodies and central banks, the indicators of market manipulation, the disclosure thresholds, the competent authority for notifications of delays, the permission for trading during close periods and types of notifiable managers' transactions (see page 1 of this Official Journal)

SCHEDULE 4: PDMR CONFIRMATION[3]

To: PureTech Health plc (the **"Company"**)

I confirm and acknowledge that:

2. I have read and understood the Company's Securities Dealing Code which, amongst other things, contains restrictions on my ability to deal in the Company's securities and sets out my obligations to notify the Company of any dealings in the Company's securities carried out on my account or on the account of any of my closely associated persons.

3. The Company is required to draw up a list of each of its PDMR's closely associated persons. My closely associated persons are the following:

Closely associated person	**Name**	**Address**
(i) Spouse		
(ii) Civil partner		
(iii) Dependent (ie unmarried/without a civil partner) children under the age of 18 (including stepchildren)		
(iv) Any relative who has shared the same household as me for at least one year (as of the date I completed this table)		
(v) Any legal person (eg company), trust or partnership, the managerial responsibilities of which are discharged by me or by a person referred to in (i), (ii), (iii) or (iv) above, which is directly or indirectly controlled by me or such a person, which is set up for the benefit of me or such a person, or the economic interests of which are substantially equivalent to		

[3] This confirmation is intended to address the requirements of (i) Article 18(2) of UK MAR which requires issuers to "*take all reasonable steps to ensure that any person on the insider list acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing and unlawful disclosure of inside information*" and (ii) Article 19(5) of UK MAR which requires issuers to inform PDMRs in writing of their obligation to notify dealings in securities carried out on their own account or for the account of any of their closely associated persons and to draw up a list of PDMRs and persons closely associated with them.

those of me or such a person		

4. To the best of my knowledge, this list is complete and accurate. I will inform the Company promptly should any of the information in it change.

5. I have sent a copy of the letter set out in schedule 5 to the Securities Dealing Code to each of my closely associated persons listed above.

6. I further understand that I may be deemed to be an "insider" because I may, from time to time or on a permanent basis, have access to inside information relating to the Company. I understand the legal and regulatory duties that this entails, including my obligations to keep such information confidential and not to deal in the Company's securities whilst in possession of that information. I acknowledge that, to the extent I am deemed to be an insider, my details would be included on an insider list maintained by the Company.

7. I understand the prohibitions and sanctions apply to insider dealing and the unlawful disclosure of inside information set out in the UK Market Abuse Regulation and the Criminal Justice Act 1993.

Signed: ……..

Name: ……..

Date: ……..

SCHEDULE 5: PRO FORMA LETTER TO CLOSELY ASSOCIATED PERSONS

Part 1: Pro forma letter to closely associated persons

Dear ◆

PureTech Health plc (the **"Company"**)

In accordance with the UK Market Abuse Regulation and the Company's Securities Dealing Code (**"Code"**), a copy of which is enclosed with this letter, I am writing formally to notify you of the following:

1. I am subject to the Code because of my position in the PureTech Health group.

2. You are a "person closely associated" with me for the purposes of the UK Market Abuse Regulation and the Code. You are therefore subject to certain restrictions as detailed below.

3. There are generally two close periods each year prior to the announcement of the Company's [preliminary annual results] ***OR*** [annual report and accounts] and interim results, during which dealing in the Company's securities is generally prohibited. This year, those close periods are ◆ to ◆ and ◆ to ◆ . There may be other times when dealings in the Company's securities are prohibited under the Code and I will inform you of these, unless my duty of confidentiality to the Company prevents me from doing so.

4. Subject to limited exceptions, you will not be able to deal in the Company's securities during these close periods.

5. Before you deal in the Company's securities **at any time**, you must give me full details of the proposed dealing as I may be obliged to seek clearance from the Company before the dealing can take place.

6. ***[include the following if the sender is a PDMR]***[In addition, **all** dealings carried out on your own account in the Company's securities must be notified to the Company immediately after they have taken place and in any event within one business day of the dealing. When notifying a dealing, you must use the form set out in schedule 3 to the Code and make sure it is fully completed. The Company will then submit these details to the Financial Conduct Authority on your behalf and will also publicly announce them. Therefore, you must advise me immediately after you have dealt in the Company's securities.] ***OR [include the following if the sender is an insider only]***You must advise me immediately after you have dealt in the Company's securities.

7. The Company's "securities" include its listed shares, any of its listed loan notes, bonds or other debt instruments and any share options, warrants or any other securities such as derivatives that are linked to its listed shares or debt instruments.

8. "Dealings" are defined in the Code and comprise any transactions carried out by you or on your behalf relating to the Company's securities. Dealings include (but are not limited to) sales, purchases, grant to or acceptance of options, exercise of options, transactions effected on your behalf by brokers or other professionals (including where discretion is exercised) and the pledging or lending of securities.

9. I am also obliged to inform the Company of the identity of each of my closely associated persons. I have therefore informed the Company of your name and address and the nature of your relationship or connection with me.

Please acknowledge receipt of this letter by signing and returning a copy to me.

Yours sincerely

Signature: ……..

Name: ……

(on copy)

Signed and acknowledged by:

Signature: …….

Name: ……...

Date: …….

Part 2: Pro forma letter to investment managers

Dear ◆

PureTech Health plc ("the Company")

In accordance with the Company's Securities Dealing Code (**"Code"**), I am writing formally to notify you of the following:

1. I am subject to the Code because of my position in the Company's group.

2. You are a relevant investment manager for the purposes of the Code. You are therefore subject to certain restrictions as detailed below.

3. There are generally two close periods each year prior to the announcement of the Company's preliminary annual results (or its annual report and accounts if no preliminary results are announced) and its interim results, during which dealing in the Company's securities is generally prohibited. This year, those close periods are ◆ to ◆ and ◆ to ◆ . There may be other times when dealings in the Company's securities are prohibited under the Code and I will inform you of these, unless my duty of confidentiality to the Company prevents me from doing so.

4. Subject to limited exceptions (which I will advise you of separately, if relevant to you), you will not be able to deal in the Company's securities during these close periods.

5. Before you deal in the Company's securities **at any time**, you must give me full details of the proposed dealing as I may be obliged to seek clearance from the Company before the dealing can take place.

6. You must advise me immediately after you have dealt in the Company's securities.

7. the Company's "securities" include its listed shares, any of its listed loan notes, bonds or other debt instruments and any share options, warrants or any other securities such as derivatives that are linked to its listed shares or debt instruments.

8. "Dealings" are defined in the Code and comprise any transactions carried out by you on my behalf relating to the Company's securities, including where discretion is exercised.

Please acknowledge receipt of this letter by signing and returning a copy to me.

Yours sincerely

Signature: ……..

Name: ……

(on copy)

Signed and acknowledged by:

Signature: …….

Name: ……...

Date: …….

Exhibit 12.1

CERTIFICATION

I, Bharatt Chowrira, certify that:

1. I have reviewed this annual report on Form 20-F of PureTech Health plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

April 30, 2025

/s/ Bharatt Chowrira
Bharatt Chowrira
Chief Executive Officer
(*Principal Executive and Financial Officer*)

Exhibit 13.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

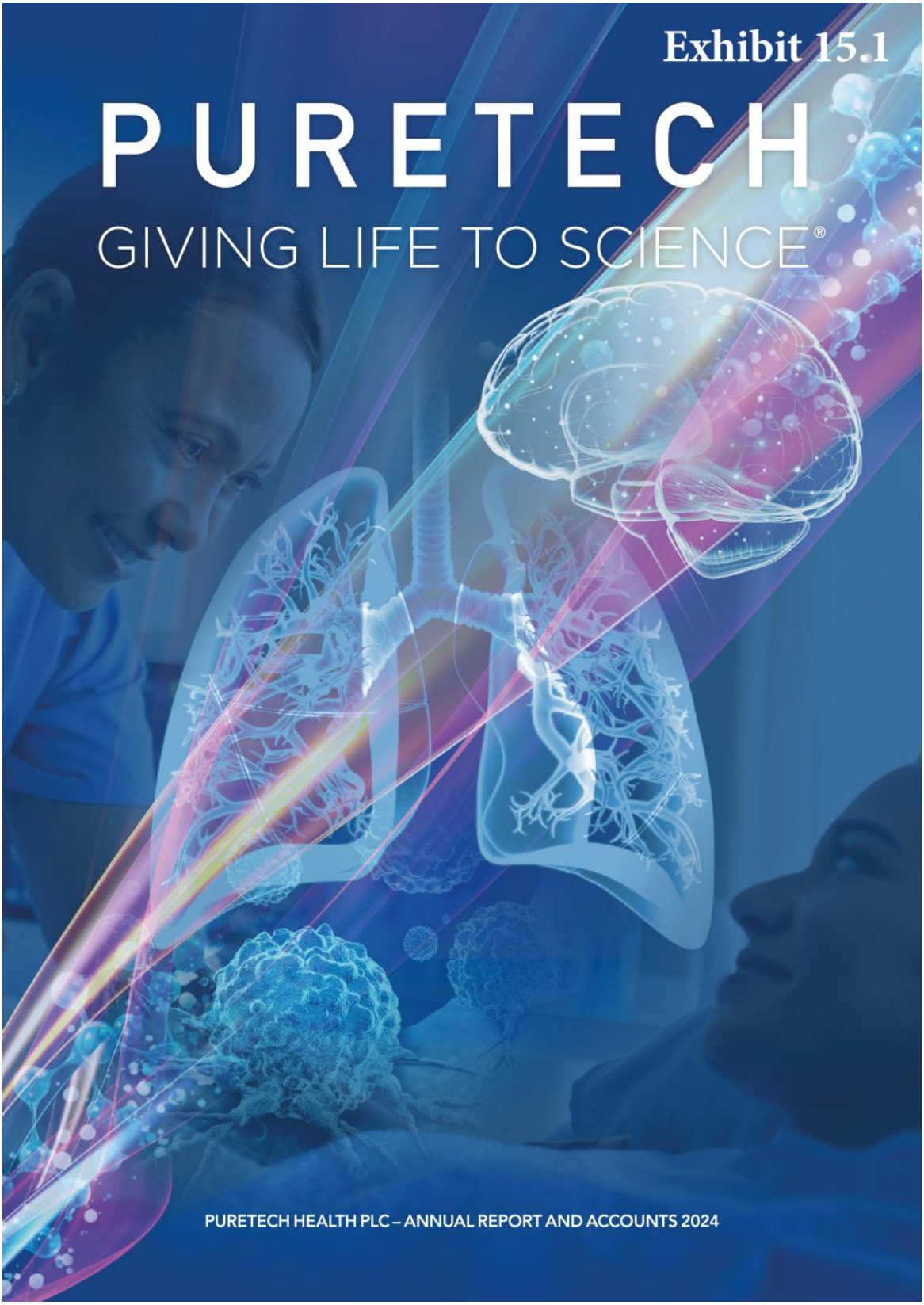
In connection with the Annual Report on Form 20-F of PureTech Health plc (the "Company") for the fiscal year ended December 31, 2024 (the "Report"), I, Bharatt Chowrira, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April 30, 2025

/s/ Bharatt Chowrira
Bharatt Chowrira
Chief Executive Officer
(*Principal Executive and Financial Officer*)


Exhibit 15.1
PURETECH
GIVING LIFE TO SCIENCE®
PURETECH HEALTH PLC – ANNUAL REPORT AND ACCOUNTS 2024



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GIVING LIFE TO SCIENCE®

PureTech Health plc ("PureTech Health", "PureTech" or "the Company"), together with its subsidiaries (the "Group"), is a clinical-stage biotherapeutics company dedicated to giving life to new classes of medicine that transform the lives of patients with devastating diseases. Our broad and deep portfolio is driven by a seasoned research and development team and an extensive network of leading scientists, clinicians, and industry experts. We advance our programs[1] both internally and through our Founded Entities[2] via an innovative hub-and-spoke model[3].

Our R&D engine has powered the development of multiple therapeutics and therapeutic candidates, including three that have received regulatory approvals from agencies such as the U.S. Food and Drug Administration and the European Medicines Agency. Each program is rooted in robust scientific validation and designed to address serious patient needs by leveraging key signals of human efficacy and validated pharmacology. This strategic focus underpins our track record of success in clinical development and positions us to continue translating breakthrough science into meaningful patient impact and long-term shareholder value.

Highlights of the Year – 2024

$366.8m[4]

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

2023: $326.0m
2022: $339.5m
2021: $418.9m
2020: $349.4m
2019: $120.6m
2018: $177.7m

$367.3m[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

2023: $327.1m
2022: $350.1m
2021: $465.7m
2020: $403.9m
2019: $162.4m
2018: $250.9m

$397.5m[5,6]

Amount of Funding Secured for Founded Entities

2023: $578.4m
2022: $1.28b
2021: $731.9m
2020: $247.8m
2019: $666.8m
2018: $274.0m

1 Programs refers to the Company's current and future therapeutic candidates and technologies, including those that are being developed internally by PureTech and those being advanced within PureTech's Founded Entities. 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, 2024, 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) and LYT-200.

2 As of the date of this report, Founded Entities represent companies founded by PureTech in which PureTech maintains ownership of an equity interest and/or, in certain cases, is eligible to receive sublicense income, milestone payments and royalties on product sales. References in the Strategic Report, ESG Report, Governance section, and Additional Information section to Founded Entities include PureTech's ownership interests in Gallop Oncology, Inc., Seaport Therapeutics, Inc., Vedanta Biosciences, Inc., Vor Bio, Inc., Entrega, Inc., Sonde Health, Inc., for all dates prior to July 2, 2024, Akili Interactive Labs, Inc., for all dates prior to March 18, 2024, Karuna Therapeutics, Inc., for all dates prior to October 30, 2023, Gelesis, Inc., for all dates prior to December 21, 2023, Follica, Incorporated, and for all dates prior to December 18, 2019, resTORbio.

3 See page 10 for further details

4 PureTech level cash, cash equivalents and short-term investments excludes cash and cash equivalents at non-wholly owned subsidiary of $0.5m. 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 69 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.

5 Funding figure includes private convertible notes and public offerings. Funding figure excludes future milestone considerations received in conjunction with partnerships and collaborations.

6 Number represents figure for the relevant fiscal year only and is not cumulative.

A Year of Successes for PureTech Innovation

These achievements highlight the power of our proven hub-and-spoke model to advance science, build value, and deliver meaningful outcomes.

Raju Kucherlapati, Ph.D.
Chair of the Board of Directors



2024 was a landmark year for PureTech—one defined by breakthrough achievements that created long-term value for both patients and shareholders. These accomplishments reflect not only the power of our innovation engine but also the dedication, discipline, and excellence of the PureTech team. From bold scientific bets to smart capital decisions, this year demonstrated what's possible when vision meets execution.

We reached major milestones throughout the year, including the third FDA approval for a therapeutic invented at PureTech, transformative financings for Seaport Therapeutics (a PureTech Founded Entity), and unprecedented clinical results for deupirfenidone (LYT-100), an asset fully owned by PureTech. These achievements, supported by a strong year-end balance sheet of $367 million[1], underscore the strength of our capital-efficient and disciplined approach.

A standout achievement was the U.S. FDA approval of KarXT—now marketed by Bristol Myers Squibb (BMS) as Cobenfy™—for the treatment of schizophrenia in adults. Invented and initially developed at PureTech, Cobenfy represents the first drug with a novel mechanism of action for schizophrenia in over 50 years, underscoring our scientific invention and leadership. Complementing this historic approval was a major financial milestone: the acquisition of Karuna Therapeutics, our Founded Entity that shepherded Cobenfy through late-stage development, by BMS for $14 billion. Through the monetization of our equity holdings—including proceeds from the BMS acquisition and a strategic royalty agreement—PureTech has generated approximately $1.1 billion in cash from the $18.5 million it initially invested in the program. Together, these achievements highlight the power of our proven hub-and-spoke model (see page 10) to advance science, build value, and deliver meaningful outcomes.

Expanding on this success, we launched Seaport Therapeutics—our latest Founded Entity. Seaport builds on our leadership in neuroscience, a field where we reignited broader investment interest through the success of Karuna. Several key team members from Karuna are now involved at Seaport, leveraging their expertise to advance a promising pipeline of neuropsychiatric medicines. With over $325 million raised across two oversubscribed Series A and Series B financings, Seaport is now advancing multiple drugs developed at PureTech using the Glyph platform that PureTech validated and advanced.

Perhaps the most defining moment of 2024 came in December with the announcement of positive results from ELEVATE IPF, our global Phase 2b trial of deupirfenidone in idiopathic pulmonary fibrosis (IPF). The trial met its primary and key secondary endpoints, demonstrating the potential of deupirfenidone to stabilize lung function decline and meaningfully improve patient outcomes—an advance that could redefine the standard of care for IPF. These results again prove the strength of our scientific platform and our team's ability to translate bold ideas into patient-impacting innovation. Advancing deupirfenidone into Phase 3 is now a strategic priority for PureTech, which we aim to accomplish with financial partners.

Recognizing the significant cash realizations made from our success with Karuna, we also were able to return significant levels of cash to our shareholders during the year against a challenging macroeconomic backdrop. We returned $100 million through a Tender Offer and completed a $50 million share buyback program, which was initiated in 2022. Notably, we accomplished these returns without raising capital from public equity markets for seven consecutive years—all while driving significant patient progress, advancing our pipeline, and maintaining a very strong balance sheet. These actions reflect our confidence in PureTech's intrinsic value and our commitment to delivering returns for shareholders. At the same time, the Board recognizes that there remains a disconnect between the value of PureTech's assets and our share price. We are working closely with the CEO and management team to explore all strategic options to address this gap—including recent take-private discussions—with the goal of unlocking value in a manner that is in the best interest of all shareholders.

The Board has been a steadfast partner throughout this journey—providing strategic oversight, financial discipline, and an unwavering commitment to our long-term mission. As part of this commitment, I traveled to the UK in 2024 to meet directly with several shareholders, reflecting the Board's active engagement and dedication to maintaining strong, direct relationships with our investor base. I am proud to serve alongside such a thoughtful and forward-looking group. Their counsel has been instrumental in navigating complexity and driving results.

On behalf of the Board, I extend my deepest gratitude to our shareholders for their continued support. Your confidence empowers us to pursue life-changing therapies and deliver on our vision. To the entire PureTech team—thank you. Your scientific excellence, operational rigor, and relentless drive have made this year possible.

Looking ahead, we remain grounded in the disciplined approach that has long defined PureTech—prioritizing capital efficiency, thoughtful resource allocation, and strategic agility and flexibility. The momentum we have built in 2024 has positioned us for a future of continued impact, and we remain steadfast in our mission to deliver novel medicines that transform patient outcomes.



Raju Kucherlapati, Ph.D.
Board Chair

April 30, 2025

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 will be marketed as Cobenfy.

1 This amount represents PureTech level cash, cash equivalents and short-term investments and excludes cash and cash equivalents at non-wholly owned subsidiary of $0.5m. 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 69 of the Financial Review.

Delivering on Our Strategy

We remain deeply focused on executing a strategy that maximizes value for our shareholders while advancing our mission to improve patients' lives.

Bharatt Chowrira, Ph.D., J.D.
Chief Executive Officer and Member of the Board of Directors



2024 was a defining year for PureTech—one in which the programs we cultivated through our R&D engine came to fruition in ways that delivered meaningful impact for patients and showcased the strength of our innovation engine.

We saw the full arc of our strategy on display: from unprecedented clinical results with our wholly-owned program that could reshape the standard of care in a major disease area, to the FDA approval of a first-in-class therapy for schizophrenia that began with our team, to the launch and successful financing of a new Founded Entity in neuropsychiatry. These moments weren't isolated wins—they were outcomes of a deliberate and disciplined model that translates scientifically validated biology into therapies for areas of high unmet need.

Among the most significant milestones of the year was the progress of our wholly-owned program, deupirfenidone (LYT-100), which delivered transformative results in our Phase 2b ELEVATE IPF trial. This randomized, double-blind, placebo- and active-controlled study evaluated two dose levels of deupirfenidone in patients with idiopathic pulmonary fibrosis (IPF), a progressive and fatal lung disease. The trial met its primary and key secondary endpoints, with the higher dose demonstrating the potential to stabilize lung function decline over 26 weeks. To our knowledge, this is an achievement unmatched by any other investigational IPF therapeutic to date. Notably, this higher dose also showed an effect size that was 50% greater than that seen in our trial with pirfenidone (80.9% vs. 54.1%, respectively), further underscoring its potential for superior efficacy. Importantly, deupirfenidone was generally well-tolerated at this higher dose, overcoming the tolerability limitations that constrain current standard-of-care therapies and limit their effectiveness. Furthermore, I'm pleased that we continue to see strong preliminary data from our ongoing open label extension (OLE) trial. As of March 14, 2025, 140 patients have continued in the OLE, with 85 patients having received at least 52 weeks of treatment with deupirfenidone. Preliminary data from those receiving deupirfenidone 825 mg TID indicate that the significant slowing of lung function decline observed in Part A of the trial has been sustained through 52 weeks of treatment, supporting the durability of the treatment effect with this dose and its potential to stabilize lung function decline over time. Detailed OLE results will be presented at an upcoming scientific forum. These results suggest the potential for deupirfenidone to offer improved efficacy without compromising safety and position it as a potential new standard-of-care, not only in IPF, but also potentially in other underserved fibrotic lung diseases. We intend to discuss these results with the FDA before the end of the third quarter of 2025 to align on a potential registrational pathway, with the goal of initiating a Phase 3 trial by the end of the year. We anticipate providing further guidance later this year following the finalization of the trial design and FDA interactions. We will also be presenting details from the Phase 2b ELEVATE IPF trial at the American Thoracic Society International Conference in May 2025.

We are committed to advancing deupirfenidone while maintaining capital efficiency, in line with our proven strategy. Subject to feedback from the FDA with respect to trial design, as well as historical data from other Phase 3 IPF studies, we don't believe our current cash balance would be sufficient to fully fund a Phase 3 trial. We have therefore initiated discussions to explore a range of funding mechanisms—including a potential spin-out of the program into a new Founded Entity and accessing external equity financing, similar to our approach with Karuna and Seaport; project or royalty-based financing; and strategic partnerships—which may be used in combination, to support the program's continued development as we don't intend to fully fund a Phase 3 trial on our own. We will, however, continue to fund the program in the interim to maintain development momentum.

While deupirfenidone represents our next wave of innovation, we also saw the full potential of our model realized through the FDA approval of Cobenfy™, formerly KarXT, which became the first new mechanism approved for schizophrenia in over 50 years. Invented at PureTech and advanced by our Founded Entity Karuna Therapeutics, Cobenfy's approval by the FDA in 2024, following Karuna's acquisition by BMS for approximately $14 billion, marked the culmination of years of scientific, clinical, and strategic execution. Through our equity and royalty interest in Karuna, we not only delivered shareholder returns, but also reinforced the self-

funded cycle that fuels our broader pipeline.

Another example of our flexible funding model in motion is Seaport Therapeutics, launched in 2024 to develop neuropsychiatric candidates based on the Glyph platform validated and advanced by PureTech. The rapid growth of Seaport—including more than $325 million raised across its Series A and B rounds in just six months—demonstrates continued external conviction in our R&D engine and our ability to build high-quality companies around transformational programs.

Several other programs had important developments this year. Our newest Founded Entity, Gallop Oncology, is advancing LYT-200 for the potential treatment of hematological malignancies and solid tumors. LYT-200, which targets galectin-9, received FDA Fast Track designation for both acute myeloid leukemia (AML) and head and neck cancers, was granted Orphan Drug Designation for AML, and delivered encouraging data across its two clinical trials. The ongoing Phase 1b trial in AML and high-risk myelodysplastic syndromes (MDS) has shown clinical activity and disease stabilization in heavily pretreated patients, both as a monotherapy and in combination with venetoclax/hypomethylating agents (HMA), along with a favorable safety profile. Data were presented at the American Society for Hematology in 2024, and – since then – the trial has continued to demonstrate robust efficacy and safety. As of April 28, 2025, treatment with LYT-200 has resulted in one complete response (CR), three partial responses (PRs) and more than 50% of patients treated experienced stable disease. When administered in combination with venetoclax/HMA, results as of April 28, 2025, demonstrate that LYT-200 may enhance the efficacy of standard-of-care therapies, resulting in 6 CRs, 1 morphological leukemia-free state, and 50% of patients experiencing stable disease. The average time on combination therapy was four months as of the data cutoff, which is meaningful in a patient population whose time to progression tends to be less than one month and whose overall survival averages 1.7-2.4 months with standard-of-care therapy. We're also pleased to share topline results from the head and neck cancer study, which showed a favorable safety profile in all cohorts, disease control, and initial efficacy signals, including one CR lasting more than two years. Additional details from both studies are available on pages 14-15.

Our Founded Entity Vedanta Biosciences initiated its pivotal Phase 3 program for VE303 in recurrent *C. difficile* infection, and Vor Bio continued to make clinical progress with trem-cel (VOR33), a promising shielded transplant platform for patients with AML.

Taken together, these milestones reflect a robust innovation engine that spans the biotech lifecycle from discovery through commercialization and delivers impact across multiple therapeutic areas. Our hub-and-spoke model has enabled us to achieve this with scientific rigor, executional discipline, and capital efficiency.

Despite the strength of our innovation engine and the significant milestones we have achieved, our market capitalization has not reflected the underlying value of the business for some time. This persistent disconnect has remained despite meaningful efforts over the past several years—including the return of $150 million to shareholders via share buybacks and a Tender Offer, attaining a dual listing on Nasdaq, engaging in significant investor outreach and capital market activities, and making strategic shifts in our model—all while delivering meaningful scientific, clinical, and financial milestones that we believe demonstrate the inherent strength of our business. In response, we have been evaluating a range of potential pathways to better align our market value with the strength of our underlying assets and long-term potential. These efforts are grounded in a clear objective: to address structural challenges and deliver value to shareholders in a way that reflects both the maturity of our business and the opportunity ahead.

We remain deeply focused on executing a strategy that maximizes value for our shareholders while advancing our mission to improve patients' lives, and we will carefully consider any opportunity that arises to create value for our shareholders.

Our balance sheet remains strong, with $367 million as of December 31, 2024,[1] and we are committed to maintaining financial discipline by allocating capital efficiently to high-impact programs while actively pursuing external funding opportunities. This measured approach allows us to protect our balance sheet while preserving flexibility in a volatile market environment. Our model has always emphasized capital efficiency, and we remain confident in our ability to build value through disciplined execution and strategic agility.

I want to thank each member of the PureTech team for their contributions to our work and culture—what we've accomplished together is rare and meaningful. I'm also grateful to our Board of Directors for their steadfast guidance and partnership.

Finally, to our broader community of collaborators—patients, advocates, clinicians, partners—and to our shareholders, thank you. Your trust and support have been essential to our journey, especially over the past year as I stepped into the role of CEO. We're deeply grateful for the belief you've placed in our vision, our model, and our team. It is a privilege to pursue this mission with you, and we are committed to delivering value to all of our stakeholders.

We are proud of what we have achieved together—and we are energized by the impact our science continues to make in the world.



Bharatt Chowrira, Ph.D., J.D.
Chief Executive Officer and Director

April 30, 2025

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 will be marketed as Cobenfy.

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2025 Strategy to Deliver Shareholder Value

PureTech is at an important strategic juncture. Our priority in 2025 is to address the persistent value disconnect and deliver shareholder returns through potential strategic initiatives and disciplined capital allocation.

Our hub-and-spoke model (see page 10) enables us to derive meaningful economics from our Founded Entities—via equity holdings, milestones, and royalties—while supporting the continued development of our programs. This model has allowed us to self-fund our operations for more than seven years without raising capital from public equity markets, preserving shareholder value and ownership. It has also enabled us to return $150 million to shareholders, while continuing to fuel a highly productive and validated R&D engine – one that consistently generates innovative programs with the potential for significant patient impact. At the core of this track record is our ongoing commitment to scientific rigor, high ethical and quality standards, efficient execution, and disciplined capital allocation.

Addressing the Value Disconnect	
Strategy	PureTech's core mission has always been - and continues to be - to deliver transformative treatments to patients with serious diseases and to translate that patient impact into meaningful value for shareholders. Over the past decade, we have achieved significant scientific, clinical, and financial milestones, underpinned by our capital-efficient hub-and-spoke model. However, despite this progress, our market capitalization has not consistently reflected the intrinsic value of our business. We have taken a number of actions in light of this disconnect over time—including share buybacks, a Tender Offer, attaining a dual listing on Nasdaq, engaging in significant investor outreach and capital market activities, and strategic shifts in our R&D model. We continue to believe there is an opportunity to better align our valuation with the underlying strength of our platform, pipeline, and track record of execution. This has been recognized by external parties – as highlighted by the possible cash offer that was recently made public – and the Board actively engages with such approaches as appropriate. At the same time, we remain focused on executing our business plan, advancing our pipeline, and generating future monetization opportunities.
Value impact	We remain committed to delivering value in a way that reflects both the maturity of our business, the strength of our assets and financial position, and the opportunity ahead. We will carefully consider any opportunity that arises to create value for our shareholders. We will also continue to operate with capital discipline and strategic focus—deploying resources toward our highest-impact programs and protecting our balance sheet, especially against the current macroeconomic backdrop. Our model allows for ongoing progress across multiple fronts, and our Board remains actively engaged in assessing how best to maximize long-term shareholder value.
Wholly-Owned Programs	
Strategy	In December 2024, we announced robust Phase 2b data from our Wholly-Owned Program, deupirfenidone (LYT-100), in idiopathic pulmonary fibrosis (IPF). See pages 11-13. These data have been met with enthusiasm from key stakeholders, including key opinion leaders, based on both their clinical strength and the potential to meaningfully improve the standard of care. Strong safety and efficacy data support meaningful differentiation from current therapies and underscore the potential for significant patient impact of this program. We are targeting a meeting with the FDA before the end of Q3 2025 to align on a potential registrational pathway, with the goal of initiating a Phase 3 trial by the end of the year. We anticipate providing further guidance later this year following the finalization of the trial design and FDA interactions. As we advance toward this next phase, we are actively exploring a variety of strategic funding mechanisms—including a potential spin-out of the program into a new Founded Entity and accessing external equity financing, similar to our approach with Karuna and Seaport; project or royalty-based financing and strategic partnerships—which may be used in combination—to support continued development in a capital-efficient manner. We do not intend to fully fund the Phase 3 trial independently; moreover, we don't believe our current cash reserves would be sufficient to fully fund a Phase 3 trial. We will, however, continue to fund the program in the interim to maintain development momentum. We are also pursuing continued publication and presentation of the deupirfenidone Phase 2b trial data to support external engagement with potential investors, partners, and collaborators. In parallel, we are continuing to support the development of LYT-200 through our Founded Entity, Gallop Oncology, which is currently led by PureTech's Entrepreneur-In-Residence, Luba Greenwood, J.D. We anticipate additional clinical data in Q3 2025 and are targeting to secure external funding later this year. PureTech is actively pursuing third-party financing to support Gallop's next phase of growth and will continue to fund the program in the interim to maintain development momentum.
Value impact	Our R&D approach is designed to efficiently progress the most promising programs in a disciplined and efficient manner. We apply rigorous internal de-risking, set a high threshold for advancement, and explore multiple paths to value creation—including partnerships and external funding opportunities—to reduce risk and optimize capital deployment. Our goal is to deliver high-impact therapies while maximizing shareholder value through thoughtful, and disciplined program execution and capital deployment.

Founded Entities	
Strategy	Consistent with our hub-and-spoke model, we plan to conduct additional sourcing activities and may launch new Founded Entities to house select programs – balancing risk, cost, and potential reward. Initial expenditures associated with any innovation and sourcing activities would be relatively low. In some cases, we may participate in financing rounds to preserve or enhance our ownership position, when we believe it will generate long-term value.
Value impact	Our Founded Entities offer multiple advantages: — Enabling the advancement of therapeutic candidates through capital-intensive development — Reducing PureTech's financial exposure — Creating future monetization opportunities — Driving shareholder returns while avoiding dilution at the PureTech level — Providing a diversified portfolio that reduces binary risk and offers multiple shots on goal This structure also attracts specialized management teams and external capital, allowing PureTech to maintain upside potential with reduced operational burden. See page 16 for our Karuna Therapeutics case study.
Shareholder Returns	
Strategy	The Board is committed to maximizing value for our shareholders, and – in 2024 alone – PureTech returned $100 million to shareholders through a Tender Offer. The Board may evaluate additional capital return opportunities —particularly in connection with monetization events—and will consider such actions as part of its broader strategy to maximize shareholder value.
Value impact	While our primary focus remains on building long-term value through scientific and operational execution, we recognize the importance of capital discipline and direct returns to shareholders when appropriate. Our strong balance sheet, capital-efficient model, and potential monetization events provide us with multiple tools to deliver value—both in the near term and over time.

Our Key Components of Value

Maximizing stakeholder value

1. Strong Balance Sheet
$366.8M 2024YE[1]

2. Wholly-Owned Programs
Deupirfenidone (LYT-100) for IPF *(entering Phase 3 clinical development)*
LYT-200 for AML *(poised to enter mid-stage clinical development)*

3. Founded Entity Equity Value
e.g., Seaport, Vedanta

4. Royalties, milestone and sublicense income
e.g., Cobenfy™, Seaport progress

5. Capital Returns
$150M returned to date via Tender Offer & share buyback
(additional capital returns possible)

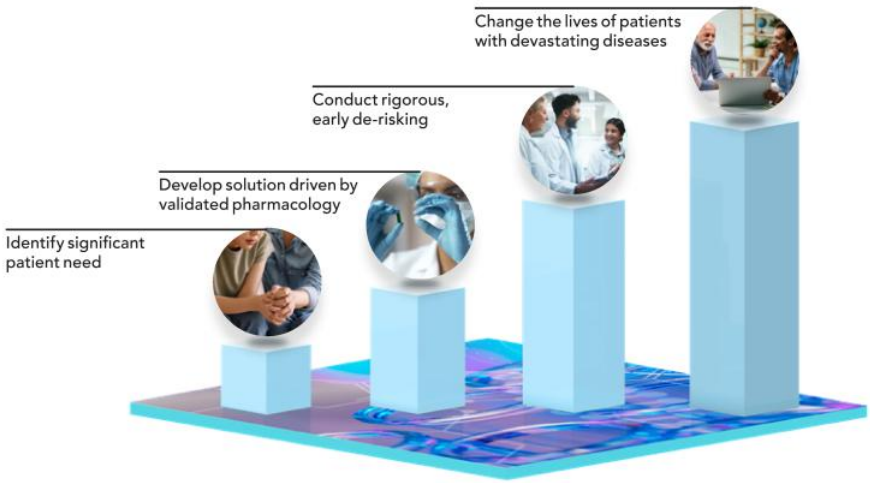
6. People/R&D Engine
3 FDA approvals and a strong track record of clinical success
(>80% of clinical trials successful[2])

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1 As of December 31, 2024. PureTech level cash, cash equivalents and short-term investments excludes cash and cash equivalents at non-wholly owned subsidiary of $0.5m. PureTech level cash, cash equivalents and short-term investments is a non-IFRS measure.

2 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 Founded Entities from 2009 onward.

Our Innovative R&D Approach



Accelerating Momentum & Delivering Results

Key milestones in recent years

Deupirfenidone ELEVATE IPF Study

PureTech **completed successful Phase 2b trial** of deupirfenidone in IPF

ELEVATE IPF STUDY

Karuna Therapeutics and Bristol Myers Squibb

PureTech's Founded Entity Karuna Therapeutics **acquired by Bristol Myers Squibb for $14 billion**

KARUNA THERAPEUTICS

Bristol Myers Squibb

Vedanta Biosciences

PureTech's Founded Entity Vedanta Biosciences **iniated Phase 3 trial of VE303**

VEDANTA BIOSCIENCES

Cobenfy™ (formerly KarXT)

BMS/Karuna received **FDA Approval for Cobenfy™**

COBENFY

Royalty Pharma

PureTech and Royalty Pharma entered into Cobenfy (KarXT) royalty transaction for **up to $500 million**

ROYALTY PHARMA

Seaport Therapeutics

PureTech launched Founded Entity Seaport Therapeutics; **>$325m raised in 2024**

SEAPORT THERAPEUTICS

Gallop Oncology

PureTech's LYT-200 granted **Orphan Drug and Fast Track** Designations

GALLOP ONCOLOGY

Our Diversified Hub-and-Spoke Model: *Robust pipeline of new medicines balances risk with potential for tremendous growth*



Relevant ownership interests were calculated on a partially diluted basis (as opposed to a voting basis) as of December 31, 2024, including outstanding shares, options and warrants, but excluding unallocated shares authorized to be issued pursuant to equity incentive plans. PureTech controls Gallop Oncology, Inc. Vor Biopharma ownership was calculated on a beneficial ownership basis in accordance with SEC rules as of March 13, 2025.

Deupirfenidone (LYT-100)

PURETECH
GIVING LIFE TO SCIENCE®

PureTech Ownership
100% equity

Deupirfenidone (LYT-100) is being developed at PureTech as a potential new standard of care (SOC) for the treatment of idiopathic pulmonary fibrosis (IPF), a progressive and fatal lung disease estimated to affect over 230,000 people across the U.S. and EU5[1]. Only about 25% of IPF patients have ever been treated with either FDA-approved therapeutic (pirfenidone and nintedanib)[2], yet combined sales of these medications in 2022 were more than $4 billion[3], representing a significant market opportunity in IPF and other fibrotic lung diseases.

Despite achieving blockbuster status, the current SOC treatments only modestly slow lung function decline, as their effectiveness is limited by poor tolerability at higher doses. This results in suboptimal efficacy, reduced patient uptake, and poor adherence—all due to a tolerability ceiling that prevents dosing levels that could significantly improve patient outcomes.

Our studies have shown that deupirfenidone may overcome these limitations and – to our knowledge – is the only investigational therapeutic for IPF that has demonstrated the potential to stabilize lung function decline over at least 26 weeks while maintaining safety and tolerability. Beyond IPF, deupirfenidone could also address multiple underserved fibrotic diseases, including progressive fibrosing interstitial lung diseases (ILDs) and other fibrotic conditions.

Program discovery process by the PureTech team

— We acquired deupirfenidone in July 2019 based on insights gained internally and via unpublished findings through our network of collaborators. Deupirfenidone was originally developed by Auspex Pharmaceuticals, Inc. (Auspex), where our Chief Executive Officer, Bharatt Chowrira, Ph.D., J.D., served as Chief Operating Officer. Auspex (now a wholly owned subsidiary of Teva Pharmaceuticals) pioneered deuteration technology and successfully developed deutetrabenazine (Austedo®), the first deuterated drug to ever receive FDA approval.[4]
— Deupirfenidone is a deuterated form of pirfenidone, one of the two FDA-approved SOC treatments. The strategic replacement of three hydrogen atoms with deuterium at the site of metabolism has been shown to enhance the beneficial pharmacology and clinically-validated efficacy of pirfenidone while maintaining a favorable tolerability profile. This enhancement allows greater levels of drug exposure to be achieved with deupirfenidone compared to the highest approved dose of pirfenidone, without sacrificing tolerability.

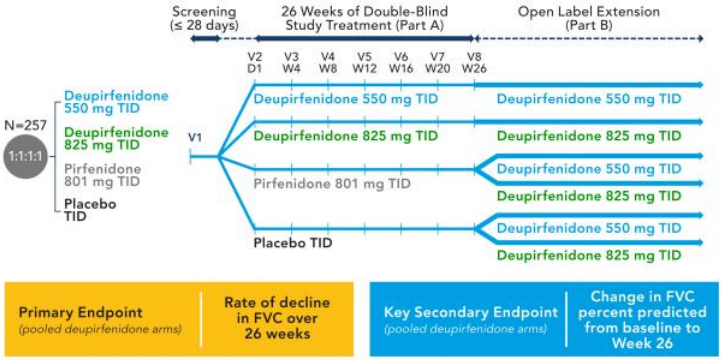
Key milestones achieved and development status

— In December 2024, we announced positive topline results from the ELEVATE IPF Phase 2b clinical trial evaluating deupirfenidone in patients with IPF.
  – ELEVATE IPF was a global, randomized, double-blind, active- and placebo-controlled, dose-ranging trial that evaluated deupirfenidone at two dose levels (550 mg and 825 mg) three times a day (TID) over 26 weeks in patients with IPF. (Figure 1).
  – The trial achieved its primary endpoint based on the prespecified Bayesian analysis, with a 98.5% posterior probability. This means there is a 98.5% probability that the pooled deupirfenidone arms were superior to placebo in slowing the rate of lung function decline in people with IPF at 26 weeks, as measured by forced vital capacity (FVC), a measurement of the maximum amount of air a person can forcefully exhale from their lungs.
    • Deupirfenidone 825 mg TID demonstrated the potential to stabilize lung function decline. Patients treated with deupirfenidone 825 mg TID experienced an FVC decline of -21.5 mL over 26 weeks, which is comparable to the expected natural lung function decline in healthy adults aged 60 and older. (Figure 2).
    • The deupirfenidone arms, 550mg TID and 825mg TID, exhibited dose-dependent efficacy with an FVC reduction from baseline of -80.7mL and -21.5mL, respectively. The placebo and pirfenidone arms responded as reported in previous studies with an FVC reduction from baseline of -112.5mL and -51.6mL, respectively. The performance of these control arms and the dose-dependent response of the deupirfenidone arms suggests that the efficacy of deupirfenidone was not likely a chance observation. (Figure 3).
  – The deupirfenidone 825 mg TID arm had an effect size, compared to placebo, that was 50% greater than that seen with pirfenidone (80.9% vs. 54.1%, respectively). Additionally, preliminary pharmacokinetic results indicate that deupirfenidone 825 mg TID achieved ~50% higher exposure than pirfenidone 801 mg TID, corresponding with the greater efficacy results demonstrated with deupirfenidone 825 mg TID.
  – Deupirfenidone was generally well-tolerated with a favorable adverse event profile at both doses studied. (Figure 4).

Programs continued

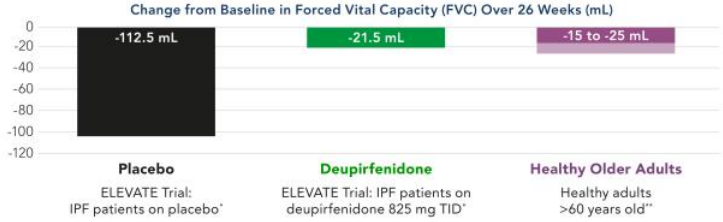
Key milestones achieved and development status

FIGURE 1: ELEVATE: Global, Phase 2b, Multicenter, Randomized, Double-blind Clinical Trial



Note: Patients in all arms were permitted to decrease and re-increase their assigned dose as tolerated

FIGURE 2: Deupirfenidone 825 mg TID Significantly Slowed and Stabilized Lung Function Decline
FVC decline for deupirfenidone 825 mg TID at 26 weeks in ELEVATE approached the level of natural lung function decline expected in healthy adults aged 60 and older.



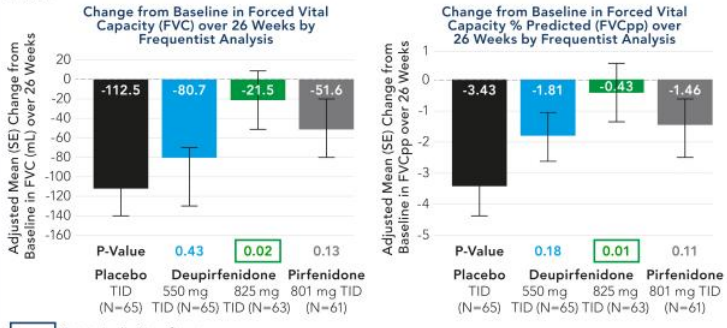
Note: Data pulled from separate studies; outputs do not represent data from a head-to-head study

* Reflects outputs obtained via frequentist analysis.

** FVC decline at 6 months was estimated assuming linear decline over time. Valenzuela, C., Bonella, F., Moor, C., Weimann, G., Miede, C., Stowasser, S., & Maher, T. (2024). Decline in forced vital capacity (FVC) in subjects with idiopathic pulmonary fibrosis (IPF) and progressive pulmonary fibrosis (PPF) compared with healthy references. Poster presented at the 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. The European Respiratory Journal, 53(3), 1701812. https://doi.org/10.1183/13993003.01812-2017.

Note: Change from baseline FVC is not adjusted for patient characteristics such as height, age, race, or sex.

FIGURE 3: 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.

FVC = Forced Vital Capacity; TID = three times a day

Key milestones achieved and development status

FIGURE 4: Deupirfenidone Had Favorable Tolerability in ELEVATE Trial

Key Predefined Gastrointestinal AEs from ELEVATE Study	Placebo TID (N=65) n (%)	Deupirfenidone 550 mg TID (N=65) n (%)	Deupirfenidone 825 mg TID (N=64) n (%)	Pirfenidone 801 mg TID (N=63) n (%)
Nausea	5 (7.7)	**11 (16.9)**	**13 (20.3)**	17 (27.0)
Dyspepsia	2 (3.1)	**8 (12.3)**	**9 (14.1)**	14 (22.2)
Diarrhea	6 (9.2)	7 (10.8)	**5 (7.8)**	7 (11.1)
Abdominal pain*	3 (4.6)	4 (6.2)	9 (14.1)	5 (7.9)
Constipation	1 (1.5)	**1 (1.5)**	3 (4.7)	4 (6.3)
Vomiting	0 (0)	5 (7.7)	**1 (1.6)**	2 (3.2)

BOLD: Met our pre-defined safety threshold relative to pirfenidone 801 mg TID arm, per market research and KOL feedback (25% less than the proportion of patients reporting in the pirfenidone arm)

Key GI AEs were predefined prior to unblinding data, based on market research and KOL feedback

* 25% of patients in pirfenidone pivotal trials and 15% in nintedanib pivotal trials reported abdominal pain; AE= adverse event; TID = three times a day

Note: Differences between groups are determined by the difference between percentage of incidences observed.

— The Phase 2b open label extension (OLE) trial is ongoing. Patients administered deupirfenidone in the blinded portion of the study continued their treatment and dose in the open label extension. Patients administered pirfenidone or placebo in the blinded portion of the study were re-randomized to one of the deupirfenidone doses in the OLE. 170 patients (90% of those eligible) from the blinded portion of the study continued into the OLE. As of March 14, 2025, 140 patients have continued in the OLE, with 85 patients having received at least 52 weeks of treatment with deupirfenidone. Preliminary data from those receiving deupirfenidone 825 mg TID indicate that the significant slowing of lung function decline observed in Part A of the trial has been sustained through 52 weeks of treatment, supporting the durability of the treatment effect with this dose and its potential to stabilize lung function decline over time. Detailed OLE results will be presented at an upcoming scientific forum.

— Based on robust Phase 2b data, we believe that deupirfenidone has multi-billion-dollar revenue potential for several key reasons:
  – It has the potential to deliver best-in-class efficacy.
  – It may address significant unmet needs across stakeholders by offering meaningful FVC improvement compared to pirfenidone.
  – Its profile may expand the IPF market by increasing patient uptake and adherence.
  – With its highly differentiated efficacy and safety profile, deupirfenidone has blockbuster potential, with additional upside in other ILDs.

— In October 2024, we presented three pieces of research relating to our clinical and patient engagement strategies for deupirfenidone at the CHEST 2024 Annual Meeting in Boston, Massachusetts. A paucity of recent research specific to the IPF patient community informed our decision to conduct a patient survey with both qualitative and quantitative components that revealed new insights into disease burden and the patient experience. A clinical abstract also reviewed the use of a Bayesian approach in the ELEVATE IPF Phase 2b trial. This approach had the advantage of enhancing overall statistical power and improving decision-making while limiting the number of patients required to be treated with placebo in a fatal disease. This approach had been used previously in Phase 2 trials of novel IPF therapeutics.

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Intellectual property

— As of December 31, 2024, the deupirfenidone patent portfolio includes 32 active patents acquired from Auspex, which provide broad coverage of compositions of matter, formulations, and methods of use for deuterated pirfenidone, including the deupirfenidone compound. This IP estate comprises six issued US patents and 26 patents issued in 23 foreign jurisdictions, which are expected to expire in 2028 and may be extended by up to five years. In addition, we also have one US patent and one US patent application in-licensed from Auspex directed to formulations of deuterated pirfenidone, both of which expire in 2035. The deupirfenidone IP portfolio further comprises numerous US and foreign patent applications, which are solely owned by PureTech. This IP includes 13 pending US patent applications and 39 foreign applications directed to the use of deuterated pirfenidone, including deupirfenidone, for the treatment of a range of conditions. Any issued patents claiming priority to these applications are expected to expire in 2039 through 2045, exclusive of possible patent term adjustments or extensions.

Deupirfenidone is an investigational drug not approved by any regulatory authority.

Note: Certain third-party trademarks are mentioned; PureTech does not claim any rights to any third-party trademarks.

1 GlobalData Epidemiology and Market Size Search, EU5=United Kingdom, France, Germany, Italy and Spain.

2 Dempsey, T. M., Payne, S., Sangaralingham, L., Yao, X., Shah, N. D., & Limper, A. H. (2021). Adoption of the Antifibrotic Medications Pirfenidone and Nintedanib for Patients with Idiopathic Pulmonary Fibrosis. Annals of the American Thoracic Society, 18(7), 1121-1128. https://doi.org/10.1513/AnnalsATS.202007-901OC.

3 Roche 2022 Annual Report and Boehringer Ingelheim 2022 Financial Results.

4 Austedo was first approved by the FDA for the treatment of chorea associated with Huntington's disease in adults in 2017.

Programs continued

Gallop Oncology / LYT-200

PureTech Ownership
100% equity

Gallop Oncology™ is advancing a first-in-class, mechanistically differentiated approach to cancer treatment by targeting a novel, pro-tumor and immunosuppressive molecule. Gallop's LYT-200 is an anti-galectin-9 monoclonal antibody (mAb) being developed for the treatment of hematological malignancies, including acute myeloid leukemia (AML) and high-risk myelodysplastic syndromes (MDS), as well as solid tumors, including head and neck cancers, with a focus on metastatic disease.

Program discovery process by the PureTech team

— With a focus on providing significant therapeutic benefit to cancer patients, we opportunistically identified a foundational immunosuppressive/pro-tumor mechanism(s) involving galectin-9, which was the basis of certain intellectual property that we licensed from New York University prior to its publication in Nature Medicine. Galectin-9 promotes multiple immunosuppressive pathways in the context of solid tumors and blocking galectin-9 results in tumor cell death in the context of AML and other hematological malignancies. High levels of galectin-9 expression in tumor tissue, on leukemia cells as well as in patients' blood are linked to more advanced disease and worse outcomes. LYT-200 is a fully human IgG4 monoclonal antibody designed to inhibit the activity of galectin-9. We believe that LYT-200 is the most advanced clinical program against this target. It has the potential to be used as a single agent and in combination with other anti-cancer therapies, depending on the cancer type, treatment setting, and line of treatment. In pre-clinical models, LYT-200 has also demonstrated direct cytotoxic, anti-leukemic effects through multiple mechanisms, as well as synergy with standard of care.

Key milestones achieved and development status

AML

— The Phase 1b trial evaluating LYT-200 as a monotherapy and in combination with venetoclax/HMA for AML and MDS is ongoing. LYT-200 has shown a favorable safety profile across both arms and all dose levels with no dose limiting toxicities, as well as clinical efficacy, hematological improvement, and sustained disease management.
  - As of April 28, 2025, patients have received LYT-200 at five dose levels (2.0 mg/kg to 16.0 mg/kg) in the monotherapy arm. Across all dose levels, LYT-200 has demonstrated clinical benefit and responses in heavily pre-treated, relapsed/refractory AML/MDS patients, even in those with complex cytogenetics and mutations such as KRAS, NRAS, BRAF, as well as patients previously fully refractory to standard of care. At dose levels of 7.5mg/kg and above, treatment with LYT-200 has resulted in 1 complete response (CR), 3 partial responses (PRs), and more than 50% of patients treated experienced stable disease. The average treatment duration with the single agent was 3.5 months as of the data cutoff. This is meaningful in the heavily pretreated patient population who have already exhausted all standard-of-care options.
  - When administered in combination with venetoclax/hypomethylating agents (HMA), results as of April 28, 2025, demonstrate that LYT-200 may enhance the efficacy of standard-of-care therapies, even in relapsed or refractory patients. In the combination arm, patients received LYT-200 across three dose levels (4.0 mg/kg, 7.5 mg/kg, and 12.0 mg/kg) with venetoclax/HMA, resulting in 6 CRs, 1 morphological leukemia-free state (MLFS), and 50% of patients experienced stable disease. The average time on combination therapy is 4 months as of the data cutoff, which is meaningful in a patient population whose time to progression tends to be less than 1 month and whose overall survival averages 1.7-2.4 months with standard-of-care therapy. Patients who benefit show hematological improvement as well as achieve transfusion independence.
— In the January 2025 post-period, 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.
— In December 2024, we presented data from the dose escalation phase of the ongoing Phase 1b trial evaluating LYT-200 as a monotherapy and in combination with venetoclax/HMA for AML and MDS at the 2024 American Society of Hematology (ASH) Annual Meeting.
— In February 2024, the FDA granted orphan drug designation to LYT-200 for the treatment of AML. This designation is given to novel products for the treatment of conditions affecting fewer than 200,000 persons in the U.S, and it qualifies the company for incentives 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.

Key milestones achieved and development status

Locally advanced/metastatic solid tumors

— The Phase 1b trial evaluating LYT-200 as a monotherapy and in combination with tislelizumab for the treatment of locally advanced/metastatic, relapsed/refractory solid tumors, including head and neck cancers, has successfully completed. LYT-200 demonstrated a favorable safety profile in all cohorts and showed disease control and initial efficacy signals. The LYT-200 solid tumor study enrolled 44 relapsed/refractory solid tumor patients across 13 sites in the United States.
  – The single agent (SA) cohorts dosed LYT-200 between 0.2 – 16 mg/kg every two weeks (Q2W) or 10 mg/kg every week (QW). The combination cohorts dosed LYT-200 at 6.3mg/kg QW and 16mg/kg QW with an anti-PD-1 antibody, tislelizumab. The SA cohorts enrolled 20 all-comer patients, while the combination cohorts enrolled 24 patients, including 19 with head and neck cancer and five with urothelial cancer. The median number of prior lines of treatment was four in the single agent cohorts and three in the combination cohorts. There were no dose limiting toxicities in this study. There were no LYT-200 related serious adverse events in the SA cohorts. Eight patients (40%) experienced grade 3 or higher adverse events, none of which were related to LYT-200. In combination with tislelizumab, three patients (12.5%) experienced an immune mediated adverse reaction (IMAR), all of which were related to tislelizumab (grade 2 hypothyroidism, grade 1 hyperthyroidism, and grade 3 cholangitis). There was one LYT-200-related grade 3 serious adverse event, an asymptomatic elevation of the protein troponin, that occurred with 16 mg/kg QW LYT-200 plus tislelizumab, led to treatment discontinuation, but resolved fully on steroid treatment. 14 patients (58.3%) experienced grade 3 or higher adverse events of which one (the elevated troponin) was related to LYT-200. In the SA cohorts, three patients (16% of evaluable patients) achieved stable disease. Disease control has been noted from dose levels of 6.3 mg/kg and above.
  – In the combination cohorts, two urothelial cancer patients (out of 4 evaluable patients) treated with 6.3 mg/kg QW LYT-200 plus tislelizumab had stable disease. In head and neck patients treated with 6.3 mg/kg QW LYT-200 plus tislelizumab, one patient experienced a complete response lasting more than 2 years; two patients had a partial response; and two patients had stable disease, resulting in an overall response rate of 33% and a disease control rate of 50%. At 16 mg/kg plus tislelizumab, three patients (out of seven evaluable) had stable disease, giving a disease control rate of 43%. For patients achieving a response as per RECIST 1.1 criteria, the six-month progression-free survival (PFS) is 67%, and the 12-month PFS is 33%.

— In March 2024, the FDA granted Fast Track designation for LYT-200 in combination with anti-PD1 therapy for the treatment of recurrent/metastatic head and neck cancers. Fast Track designation is a process designed to streamline the development and accelerate the assessment of drugs that target serious conditions with unmet need.

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Intellectual property

— The intellectual property portfolio for LYT-200 provides broad intellectual property coverage for antibody-based immunotherapy technologies. As of December 31, 2024, there are 16 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 seven (7) 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 four (4) issued U.S. patents which are expected to expire in 2038, 14 pending U.S. patent applications, which if issued, are expected to expire 2037 through 2045, one (1) international PCT application, 82 pending foreign applications and 20 issued patents in foreign jurisdictions.

LYT-200 is an investigational drug not approved by any regulatory authority.

Programs continued

Karuna Therapeutics

A wholly owned subsidiary of Bristol Myers Squibb

PureTech Ownership
PureTech is entitled to milestone payments, royalties and up to $400 million in milestone payments under its agreement with Royalty Pharma.

Karuna Therapeutics is a wholly owned subsidiary of Bristol Myers Squibb (BMS) driven to create and deliver transformative medicines for people living with psychiatric and neurological conditions. Cobenfy (formerly known as KarXT), is the first new drug with a novel mechanism to treat schizophrenia in more than 50 years. Cobenfy was invented and initially developed by PureTech. Consistent with its unique model of drug development, PureTech advanced Cobenfy by founding Karuna Therapeutics, which progressed Cobenfy through Phase 3 development before being acquired by BMS for $14 billion in March 2024.

Program discovery process by the PureTech team

— We and our collaborators, including leading schizophrenia experts, were excited about efficacy data generated in schizophrenia and Alzheimer's disease by Eli Lilly with xanomeline, which had notable efficacy stemming from its activation of muscarinic receptors (M1 and M4) but had been held back by gastrointestinal tolerability issues. To overcome this, we invented KarXT, an oral M1/M4-preferring muscarinic agonist, by combining xanomeline (a muscarinic agonist) with trospium (a peripherally acting muscarinic antagonist that doesn't cross the blood brain barrier). This enabled the beneficial effects of M1/M4 activation in the brain without the peripheral side effects. We conducted key human tolerability proof-of-concept studies with KarXT that allowed Karuna, and subsequently BMS to advance it further in schizophrenia patients. In September 2024, Cobenfy (formerly known as KarXT) received U.S. FDA approval for the treatment of schizophrenia in adults.

Key milestones achieved and development status

— In March 2024, Bristol Myers Squibb (NYSE: BMY) announced the completion of its acquisition of Karuna for $330.00 per share, for a total equity value of approximately $14 billion. With the acquisition's completion, Karuna is now a wholly owned subsidiary of BMS. Through monetization of equity holdings in Karuna, including gross proceeds from the BMS acquisition and a strategic royalty agreement, PureTech has generated approximately $1.1 billion to date from an initial allocation of $18.5 million in Karuna's founding.
— In September 2024, BMS announced that Cobenfy (formerly known as KarXT) had received U.S. Food and Drug Administration approval for the treatment of schizophrenia in adults. The FDA approval triggered two separate milestone payments to PureTech totaling $29 million under agreements with Royalty Pharma and PureTech's Founded Entity, Karuna Therapeutics (now BMS). Under these agreements, PureTech is also entitled to potential future payments related to additional milestones as well as approximately 2% royalties on net annual sales over $2 billion.
— Phase 3 trials, ADEPT-2 and ADEPT-3, are ongoing and continue to evaluate Cobenfy for the treatment of psychosis in Alzheimer's disease.

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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 will be marketed as Cobenfy.

1 As of 22 March 2023, PureTech has sold its right to receive a 3 percent royalty from Karuna to Royalty Pharma on net sales up to $2 billion annually, after which threshold PureTech will receive 67 percent of the royalty payments and Royalty Pharma will receive 33 percent. Additionally, under its license agreement with Karuna, PureTech retains the right to also receive certain sublicense income. The acquisition of Karuna by Bristol Meyers Squibb (NYSE: BMY), had no impact on our rights or obligations under the Exclusive Patent License Agreement with Karuna, which remains in full force and effect.

Programs continued

Seaport Therapeutics

SEAPORT THERAPEUTICS

PureTech Ownership
35.6% equity, milestone and sublicense payments, and 3-5% royalties

Seaport Therapeutics is a clinical-stage biopharmaceutical company advancing the development of novel neuropsychiatric medicines in areas of high unmet patient needs. The company has a proven strategy of advancing clinically validated mechanisms previously held back by limitations that are overcome with its proprietary Glyph™ technology platform. All the therapeutic candidates in its pipeline of first and best-in-class medicines are based on the Glyph platform. Seaport is led by an experienced team that invented and advanced important neuropsychiatric medicines and are guided by an extensive network of renowned scientists, clinicians and key opinion leaders.

Seaport's clinical-stage pipeline includes its most advanced therapeutic candidate, SPT-300, an oral prodrug of allopregnanolone, which is being advanced for the treatment of major depressive disorder (MDD) with or without anxious distress; SPT-320, a novel oral prodrug of agomelatine, which is being advanced for the treatment of generalized anxiety disorder (GAD); and SPT-348, a prodrug of a non-hallucinogenic neuroplastogen, which is in development for the treatment of mood and other neuropsychiatric disorders.

Program discovery process by the PureTech team

— 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 technology being developed at Monash University that had the potential to selectively transport therapeutic molecules through the lymphatic system.
— Through the Glyph platform, drugs are absorbed like dietary fats through the intestinal lymphatic system and transported into circulation. The Glyph technology has the potential to be widely applied to many therapeutic molecules that have high first-pass metabolism leading to low bioavailability and/or side effects, including hepatotoxicity. We prioritized areas of high unmet patient need where the broad application of treatment options with validated efficacy was untapped due to these issues. The Glyph platform was advanced initially at PureTech and now exclusively licensed and assigned to Seaport and has been applied to efficiently generate multiple therapeutic candidates within Seaport's pipeline.

Key milestones achieved and development status

— In April 2024, we launched Seaport Therapeutics with a $100 million oversubscribed Series A financing round to advance novel neuropsychiatric medicines. Daphne Zohar was appointed as a Founder, Chief Executive Officer and a member of the Board, and Steven M. Paul, M.D., as a Founder and Chair of the Board of Directors.
— In October 2024, Seaport raised a total of $226 million in its oversubscribed Series B financing round. This financing brought the total capital raised by Seaport to $326 million since the company's launch in April 2024.
— In May 2024, Seaport presented two posters detailing the results from multiple clinical trials of SPT-300 at the Society of Biological Psychiatry (SOBP) Annual Meeting in Austin, TX. Together, these data summarize some of the evidence supporting the core mechanisms of SPT-300 as Seaport advances to later-stage clinical studies.
  – The first poster provided data from the first-in-human, multi-part Phase 1 trial of SPT-300 from which topline results were first reported in December 2022. Overall, the Phase 1 trial was well tolerated and evaluated oral bioavailability, safety, tolerability, pharmacokinetics and GABAA target engagement.
  – The second poster provided details from the Phase 2a trial of SPT-300 in the Trier Social Stress Test (TSST), a validated clinical model of anxiety in healthy volunteers. Topline results from the trial, demonstrating SPT-300 substantially reduced salivary cortisol at all post-TSST timepoints compared to placebo, meeting the study's primary endpoint and demonstrating regulation of the hypothalamic-pituitary-adrenal axis reactivity to acute stress, were first reported in November 2023.
— In December 2024, Seaport presented additional data from its first-in-human, multi-part Phase 1 study of SPT-300 in healthy volunteers at the American College of Neuropsychopharmacology (ACNP) Annual Meeting, held in Phoenix, Arizona. New data presented at the conference include further safety analyses and pharmacokinetic and pharmacodynamic data. In the Phase 1 study, increases in EEG beta frequency power and reduction in saccadic eye velocity were observed at approximately 4 hours post-dose. Somnolence peaked in this same timeframe and diminished by 6 to 8 hours post-dose, consistent with both pharmacodynamic markers and blood levels of allopregnanolone. Based on these results, SPT-300 is suitable for chronic dosing and oral administration at night in a planned Phase 2b placebo-controlled study in major depressive disorder with or without anxious distress.

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Programs continued

Vedanta Biosciences

PureTech Ownership
35.8% equity

Vedanta Biosciences is a clinical-stage biopharmaceutical company developing medicines for the treatment of gastrointestinal diseases. The company's lead assets are potential first-in-class oral therapies – VE303, in a Phase 3 registrational trial for prevention of recurrent *C. difficile* infection (rCDI), and VE202, in a Phase 2 trial for treatment of ulcerative colitis. Vedanta's pipeline has been built using the company's industry-leading product engine for the development of therapies based on defined consortia of bacteria grown from pure clonal cell banks. The product engine, supported by broad foundational intellectual property, includes one of the largest libraries of bacteria isolated from the human microbiome, vast clinical datasets, proprietary capabilities in consortium design, and end-to-end CGMP manufacturing capabilities at commercial launch scale.

Program discovery process by the PureTech team

— We engaged with leading world-renowned experts in immunology and identified and in-licensed intellectual property to pioneer the concept of therapeutically defined consortia of microbes that could modulate the immune system or treat bacterial infections.

Key milestones achieved and development status

— In April 2024, Vedanta was awarded $3.9 million from the global nonprofit CARB-X to ready its preclinical candidate VE707 for a first-in-human clinical study to examine its ability to reduce colonization and prevent subsequent infections caused by multi-drug-resistant organisms. The funding was triggered by Vedanta's completion of certain milestones for VE707, which were supported by previous CARB-X awards totaling $5.7 million.
— In May 2024, Vedanta enrolled the first patient in the pivotal Phase 3 RESTORATiVE303 study of VE303 for the prevention of recurrent *C. difficile* infection. This study is intended to form the basis for a Biologics License Application to be filed with the U.S. Food and Drug Administration.
— In July 2024, Vedanta announced it had expanded its leadership team, including appointing a Head of Commercial in alignment with having initiated the pivotal clinical phase.
— In October 2024, Vedanta shared additional analyses from the CONSORTIUM trial at Infectious Diseases Week (IDWeek) 2024. The analyses characterized the benefit of VE303 on antibiotic resistant gene levels in patient microbiomes. Antibiotic resistance can lead to the development of hard-to-treat infections throughout the body, and as VE303 administration appears to correlate with reduced prevalence of organisms carrying these resistance genes, the result describes an additional dimension of VE303's therapeutic profile.
— In the January 2025 post-period, Vedanta published additional results from the VE303 Phase 2 CONSORTIUM clinical trial in *Nature Medicine*, providing a new level of profiling of the multiple mechanisms by which VE303 may decrease the odds of rCDI. The CONSORTIUM trial showed that the higher dose of VE303 studied was well tolerated and reduced the odds of CDI recurrence by more than 80% compared with placebo. Clinical results from the trial were previously published in the *Journal of the American Medical Association (JAMA)*.

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Programs continued

Vor

PureTech Ownership
2.1% equity

Vor Bio is a clinical-stage cell and genome engineering company that aims to change the standard of care for patients with blood cancers by engineering hematopoietic stem cells to enable targeted therapies post-transplant.

Program discovery process by the PureTech team

— We were interested in approaches to treat hematological malignancies that currently have poor response rates or poor adverse event profiles despite recent advances in cell therapies and targeted therapies. We worked with Vor Bio Scientific Advisory Board Chair, Siddhartha Mukherjee, M.D., Ph.D., on key intellectual property, which Vor Bio exclusively in-licensed from Columbia University, and on advancing this concept through critical proof-of-concept experiments

Key milestones achieved and development status

— In 2024, Vor expanded its ongoing Phase 1/2 VBP101 study to include patients diagnosed with myelodysplastic syndrome (MDS) in addition to its original trial population of patients with AML. During the trial, patients received trem-cel, a shielded stem cell transplant lacking CD33 manufactured by Vor, followed by Mylotarg™, a CD33-directed Antibody Drug Conjugate (ADC) therapy. Preliminary data suggest improved relapse-free survival compared to published groups of AML patients at high risk of relapse post-transplant. Trem-cel + MylotargTM also continued to show engraftment, shielding, and a broadened therapeutic window. Vor received supportive feedback from the FDA regarding a registrational clinical trial design.
— In 2024, Vor dosed the first patient in VBP301, its Phase 1/2, multicenter, open-label, first-in-human study of VCAR33^{ALLO} in patients with relapsed or refractory AML after standard-of-care transplant or a trem-cel transplant and received both Fast Track designation and Orphan Drug designation from the FDA. Patients treated with the lowest dose of VCAR33^{ALLO}, a CAR-T cell therapy manufactured by Vor from lymphocytes collected from the patient's original transplant donor, demonstrated promising biomarker data.
— In September 2024, Vor disclosed a new preclinical asset, VADC45, an ADC that targets the CD45 protein. CD45 is a well-validated target for a wide variety of blood cancers with clinical proof of concept. Initial data suggest VADC45 has large potential opportunities across oncology, gene therapy, and autoimmune disorders.

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Programs continued

Entrega

PureTech Ownership
73.8% equity

Entrega is unlocking key areas of medicine by enabling oral administration of biologics, vaccines and other drugs that are otherwise not efficiently absorbed when taken orally. The vast majority of biologic drugs, including peptides, proteins and other macromolecules, are currently administered by injection, which can present challenges for healthcare administration and compliance with treatment regimes. For this growing class of therapies, including newly developed treatments for diabetes and weight loss, oral administration may be the ideal route of administration.

Entrega's technology platform is an innovative approach to oral administration, which uses a proprietary, customizable hydrogel dosage form to control local fluid microenvironments in the GI tract to both enhance absorption and reduce the variability of drug exposure. Peptide therapeutics (e.g., the emerging GLP-1 agonist class) are ideally suited to benefit from Entrega's approach and our platform has demonstrated increased oral peptide availability of two- to three-fold over standard permeation enhancer formulations.

Program discovery by the PureTech team

— We were interested in enabling the oral administration of biologics, which has been a long-standing problem in drug development. We engaged with leading experts in drug administration, including Robert Langer, Sc.D., screened over 100 technologies, and the initial platform was licensed from Samir Mitragotri, Ph.D., when he was Professor of Chemical Engineering at UC Santa Barbara (currently Hiller Professor of Bioengineering and Hansjorg Wyss Professor of Biologically Inspired Engineering at Harvard University). We later enhanced this platform with intellectual property developed by our team.

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Sonde

PureTech Ownership
34.8% equity

Sonde Health is the global leader in voice AI health tracking and data insights. Sonde's vocal biomarker platform serves apps and devices spanning consumer wellness to population health. Leveraging a best-in-class voice data set and clinical research with over 1.2 million samples from 85,000+ individuals on four continents, Sonde uses advanced audio signal processing, speech science, and machine learning to sense and analyze subtle vocal changes due to changes in a person's physiology to provide key insights into health and well-being.

Program discovery by the PureTech team

— We identified vocal features as a leading non-invasive source of health data, particularly given the evolving technology landscape where voice interactions with devices are rapidly increasing. We developed novel intellectual property around this concept and helped advance the technology from an academic concept to a commercially focused technology.

Key milestones achieved and development status

— In the February 2025 post-period, Sonde began design and implementation of validation studies with three organizations within the Department of the Air Force (DAF). Two organizations will be studying the impact of shift work on soldiers' performance beginning in March and the third organization will study the impact of fatigue on soldiers operating in the field beginning in June.
— In the February 2025 post-period, Sonde successfully completed a large-scale trial with one of the top oil and gas conglomerates in the world. Over 4,000 workers used Sonde's Mental Fitness tracking app and insight dashboard over 5 weeks at 60 different sites. Sonde was able to effectively identify at-risk workers, enabling proactive intervention by flagging individuals with high sensitivity and deliver significant positive predictive value for a healthy population, ensuring most workers who needed support were identified.
— In the January 2025 post-period, Sonde successfully integrated its voice-based health monitoring technology into Qualcomm's Snapdragon® S7+ Gen 1 Sound Platform. Building on its longtime partnership with Qualcomm, Sonde optimized its technology to operate within the strict power and processing constraints of audio earbud and headset devices while maintaining its industry-leading accuracy.
— In August 2024, Sonde announced that it has been selected by AFWERX, the innovation arm of the Department of the Air Force (DAF), for a Small Business Innovation Research (SBIR) Phase II contract in the amount of $1,215,606 focused on Sonde Mental Fitness. This contract builds on work completed through a Phase 1 contract awarded in January 2024 that identified multiple use cases for employing Sonde Mental Fitness vocal biomarker tracking to promote mental health engagement and resource utilization and to enhance operational decision-making. The customization and integration work planned for this SBIR Phase II effort will enable use and validation of Sonde's mental fitness tracking technology in DAF settings.
— In July 2024, Sonde launched Sonde Cognitive Fitness, which analyses eight vocal characteristics from 30-second voice interactions to provide cognitive effort tracking and insight, helping people manage their mental well-being and productivity effectively.

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PATIENTS

As pioneers in clinical stage biotherapeutics, our mission remains to address devastating diseases and improve patient health worldwide through innovative medicines. In 2024, we continued to develop our programs 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 11-21.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 R&D 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 R&D approach starts with a problem that has significant patient need and we aim to unlock new classes of medicine by applying innovative approaches and technologies to small molecules and biologics that have demonstrated human efficacy but have fallen short of meeting patients' needs. With our cutting-edge R&D efforts, we are targeting these gaps while creating long-term value for both patients and shareholders see pages 9-10 for more on our R&D model.

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

During 2024, the PureTech-invented therapeutic, Cobenfy™ (formerly KarXT), received U.S. Food and Drug Administration (FDA) approval for the treatment of schizophrenia in adults. (See page 16 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 R&D 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 most advanced therapeutic candidate, deupirfenidone (LYT-100), is being developed for the potential treatment of IPF. We are excited for the potentially significant impact we can offer patients in need with this program. In December 2024, we announced positive Phase 2b trial data from this program, which highlight its potential to become the new standard-of-care treatment for IPF. (See pages 11-13 for details on PureTech's deupirfenidone program)



IPF is a fatal disease with clear patient need; 75% in US not on treatment primarily due to efficacy/tolerability trade off with existing treatments



Despite the underserved patient population, IPF is multi-billion-dollar market, with ~250,000 patients in USA and EU5[2]



PureTech's deupirfenidone demonstrated strong, consistent, & durable efficacy with favorable tolerability; advancing into pivotal Phase 3

Deupirfenidone also has the potential to address multiple underserved diseases, including progressive fibrosing interstitial lung diseases (ILDs), a group of lung diseases closely related to IPF, as well as other fibrotic conditions where there is human data with pirfenidone suggestive of clinical benefit.

PureTech is committed to continuing the development of deupirfenidone to improving the lives of those impacted by IPF through research, advocacy, and innovation.

Our initiatives:

We undertake efforts to drive awareness of our investigational treatments. Our initiative create inclusive resources to engage both patients and caregivers in clinical trials.

Rare Disease Day

In February 2024, we celebrated Rare Disease Day in which employees wore blue to show their support for pulmonary fibrosis awareness. The purpose of this initiative is 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 March 2024, we continued to sponsor PFF annual fundraiser, Broadway Belts! The event raised over $550,000 in 2024 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 will be marketed as Cobenfy.

2 GlobalData Epidemiology and Market Size Search, EU5=United Kingdom, France, Germany, Italy and Spain.

Patients

Our SVP of Medical Affairs, Camilla Graham, MD, MPH, plays a vital role in advancing deupirfenidone, and collaborating with advocacy groups to support the IPF community:

> "Patient advocacy groups play a critical role in ensuring that people living with pulmonary fibrosis are educated about their disease, understand what to expect from medical care, share tips to manage side effects of medications, raise awareness about clinical trials, and provide a space for caregivers to receive needed support. There are fantastic local and national pulmonary fibrosis advocacy organizations that do important work and it's imperative that we offer our support."

IPF Awareness Month

In September 2024, 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 $7,000 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 and R&D integrity, our research 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

We conduct all clinical trials 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 (R2) 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 2024, 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 standards, allow for continuous improvement through R&D, while helping us to maintain high standards of product quality and safety in compliance with relevant regulations at each phase. In 2024, we spent $69 million on research and development projects to develop new and innovative therapeutics (see page 73 for details on R&D expenses).

As we enhance our R&D strategy, we continue to assess and identify areas for improvement across our clinical trial safety, quality and risk management processes. We have robust policies relating to Good Manufacturing Practices (GMP) and regulatory inspections to reinforce ethics into our processes.

Environmental factors remain integral in our R&D and further information on our waste data can be found on page 44. 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

None of PureTech's wholly-owned programs are currently on the market.

In 2024, PureTech received no FDA warning letters, no products were delayed due to a lack of regulatory approval and no product recalls took place.

As we continue to advance our therapeutic candidates towards commercialization, we will continue to practice our clinical protocols diligently to ensure ongoing safety and compliance across our operations and clinical trials.

Commitment #3: Accelerating our R&D engine to unlock new medicines

R&D has been the bedrock of progress in global health and a key component in the successful and innovative discovery and development of our therapeutic candidates.

Our strong R&D model - centered on three guiding principles - has generated a robust pipeline 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.

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Our employees are predominantly located near our headquarters in Boston, MA, with three individuals based in London. As of December 31, 2024, we had a total of 56 employees. 41% of our employees work in R&D roles.

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People

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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.

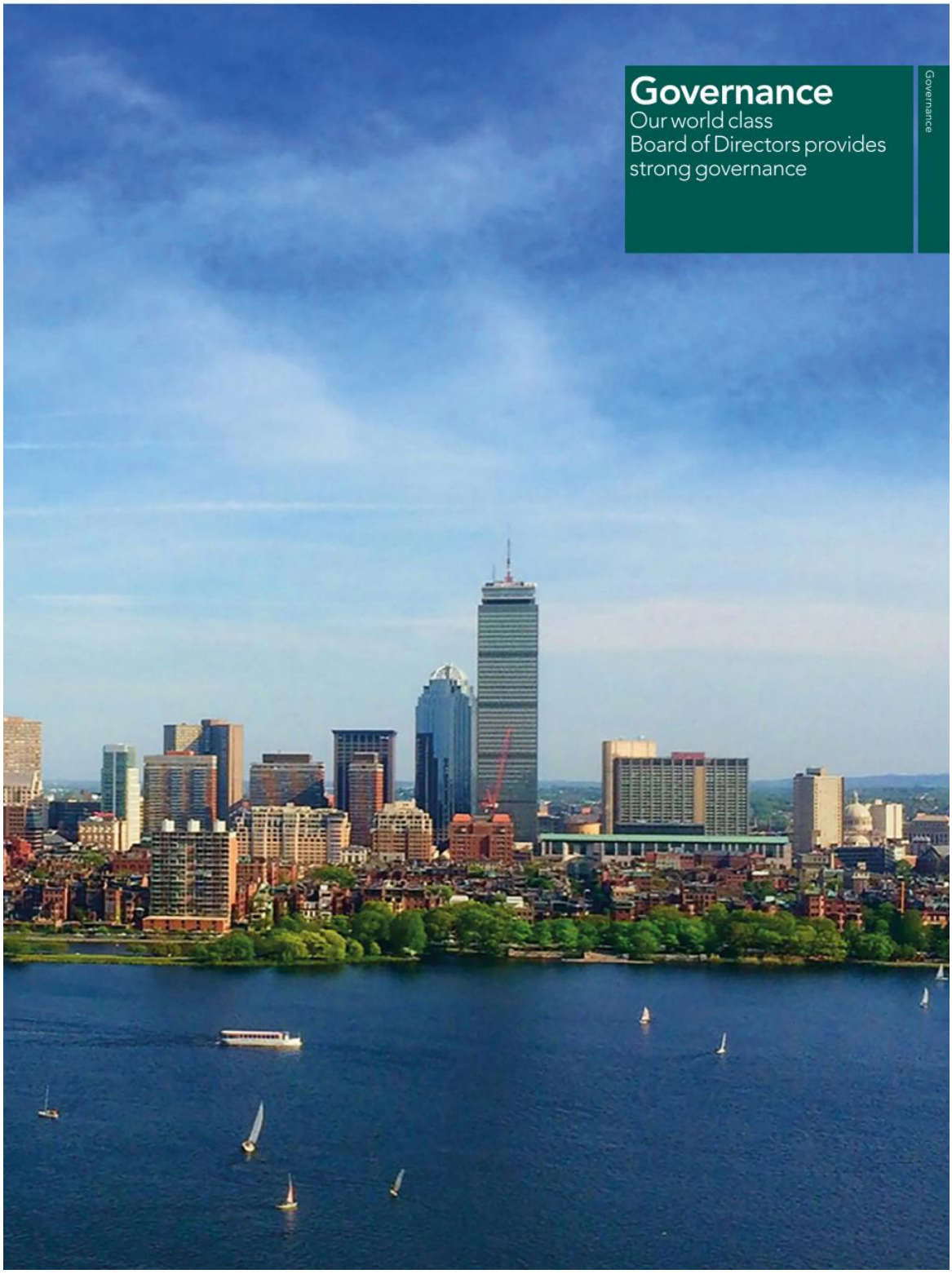
Recruitment and Retention

As our programs advance and our business rapidly evolves, the PureTech team has evolved with it over the course of years. In 2024, we completed a successful launch of Seaport Therapeutics to house our CNS pipeline, with an oversubscribed Series A (see page 17 for details). As part of this, the team involved with the CNS pipeline transitioned to Seaport Therapeutics to maintain continuity, which is reflected in the figure below.

	2022	2023	2024
Total number of employees	111	90	56
Year-over-year growth (%)	16.8%	(18%)	(37%)
Employee turnover (%)	30.62%	44.1%	28%

Note: The 2024 YoY growth was -37%, of which 20 percentage-point was attributed to the Seaport Therapeutics transition.

[Pages 37 to 58 have been intentionally omitted]



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, as for example we saw in 2024 with founded-entity Akili Interactive Labs, Inc., which merged with privately-held Virtual Therapeutics and ceased trading as a public company in July 2024.

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 182 to 219 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	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 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.

Risk	Impact*	Management Plans/Actions
6 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.
7 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.
8 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	Impact*	Management Plans/Actions
9 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, 2024 financial position. Based on current projections, the Directors believe that the Company has sufficient available funding to extend operations into at least 2027. This period is deemed appropriate having assessed the financial health as of December 31, 2024. We expect our Wholly-Owned Programs[3] to significantly progress during this period and our key Controlled Founded Entities[2] to reach significant development milestones over the period of the assessment. As we advance our Wholly-Owned Programs and Controlled 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 Controlled Founded Entities through the development process and not commit resources to further development unless 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 $367.3 million as of December 31, 2024. 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[1], 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 into at least 2027. 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 Founded Entities, alongside the advancement of the Wholly-Owned 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 $367.3 million as of December 31, 2024.
- 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 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 each Controlled Founded Entity 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, with the exception of our ownership stakes in the entity which is publicly traded on Nasdaq. 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 1,750,000 common shares of Karuna for an aggregate proceeds of $218.1 million in 2021, the sale of 602,100 common shares of Karuna for an aggregate proceeds of $115.5 million in 2022, the sale of 535,400 common shares of Vor for an aggregate proceeds of $3.3 million in 2022, 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. 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, 2024, deconsolidated Founded Entities included Vor Biopharma, Inc., 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, 2024, 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, 2024, 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) and LYT-200.

Key Performance Indicators – 2024

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.

$397.5m[1,2]

Amount of funding secured for Founded Entities
$351.1m (>88%) came from third parties

2023: $578.4m
2022: $1.28b
2021: $731.9m
2020: $247.8m
2019: $666.8m
2018: $274.0m
2017: $102.9m

Progress
Seaport, Vedanta and Vor raised funds in the form of financings in 2024, including $339.1 million by third party financial and strategic investors.

1[2]

Number of programs created by PureTech

2023: 1
2022: 1
2021: 2
2020: 3
2019: 1
2018: 1
2017: 1

Progress
In 2024, we advanced a new therapeutic candidate from our Glyph™ platform. This candidate, now known as SPT-348, is a non-hallucinogenic neuroplastogen in development at our Founded Entity Seaport Therapeutics for the treatment of mood and neuropsychiatric disorders.

$327.4m[2]

Proceeds generated from Founded Entity monetization events

2023: $133.3m
2022: $115.4m
2021: $218.1m
2020: $350.6m
2019: $9.3m

Progress
A key component of our strategy is to derive value from the equity growth of our Founded Entities. In 2024, we generated cash proceeds of approximately $327 million from the acquisitions of two of our Founded Entities (Karuna Therapeutics and Akili Interactive) and milestone payments related to the FDA approval of PureTech-invented Cobenfy™ (formerly known as KarXT) under agreements with Royalty Pharma and Karuna Therapeutics (now a wholly-owned subsidiary of Bristol Myers Squibb).

0[2]

Number of programs advanced internally through clinical phases

2023: 1
2022: 1
2021: 1
2020: 3
2019: 0

Progress
In 2024, PureTech completed a multiyear Phase 2b clinical trial of deupirfenidone (LYT-100) in patients with idiopathic pulmonary fibrosis. PureTech intends to discuss these results with the FDA before the end of the third quarter of 2025 to align on a potential registrational pathway, with the goal of initiating a Phase 3 trial by the end of the year. The Company anticipates providing further guidance later this year following the finalization of the trial design and FDA interactions.

1[2]

Number of clinical trial initiations

2023: 5
2022: 4
2021: 11
2020: 6
2019: 6

Progress
Vedanta initiated one clinical trial in 2024, and at least 5 additional clinical trials continue to progress in 2025 across the Wholly-Owned and Founded Entity pipelines.

1[2]

Number of clinical trial readouts

2023: 5
2022: 6
2021: 6
2020: 5
2019: 5

Progress
PureTech completed the multiyear Phase 2b clinical trial of deupirfenidone (LYT-100) in patients with idiopathic pulmonary fibrosis (IPF) in 2024.

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 will be marketed as Cobenfy.

1 Funding figure includes private convertible notes and public offerings. Funding figure excludes future milestone considerations received in conjunction with partnerships and collaborations.

2 Number represents figure for the relevant fiscal year only and is not cumulative.

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 60 to 64 and in the Additional Information section from pages 182 to 219, 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, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022, have been prepared in accordance with UK-adopted International Financial Reporting Standards ("IFRSs"). The Consolidated Financial Statements also comply fully with IFRSs 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 Wholly-Owned Programs[3] and Founded Entities.

Our ability to generate product revenue sufficient to achieve profitability will depend on the successful development and eventual commercialization of one or more therapeutic candidates of our wholly-owned or Controlled Founded Entities[2], which may or may not occur. Historically, certain of our Founded Entities' therapeutics received marketing authorization from the FDA, but our Wholly-Owned Programs have not generated revenue from product sales to date.

Furthermore, our ability to achieve profitability will largely rely on successfully monetizing our investment in Founded Entities, including the sale of rights to royalties, entering into strategic partnerships, and other related business development activities.

We deconsolidated a number of our Founded Entities, specifically Seaport Therapeutics, Inc. ("Seaport") in October 2024, Vedanta Biosciences, Inc. ("Vedanta") in 2023, Sonde Health Inc. ("Sonde") in 2022, Karuna Therapeutics, Inc. ("Karuna"), Vor Biopharma Inc. ("Vor") and Gelesis in 2019, and 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 Consolidated 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 LYT-100 or LYT-200 programs, we anticipate providing certain level of funding in 2025 while we seek external sources of funding. Consequently, we anticipate our expenses to increase in the short term as we continue to advance these 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, 2024, deconsolidated Founded Entities included Vor Biopharma, Inc., 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, 2024, 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 ,2024, 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), 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 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 substantial additional funding 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 growth strategy, including participating in financing activities at the Founded Entity level. 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 growth strategy, including participating in financing activities at the Founded Entity level. Further, if we are unable to obtain external funding for our LYT-100 and LYT-200 Wholly-Owned 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.

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, 2024)

The Group has evaluated subsequent events after December 31, 2024 up to the date of issuance, April 30, 2025, 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 alternative performance measure described above:

(in thousands)	December 31, 2024	December 31, 2023
Cash and cash equivalents	**280,641**	191,081
Short-term investments	**86,666**	136,062
Consolidated cash, cash equivalents and short-term investments	**367,307**	327,143
Less: cash and cash equivalents held at non-wholly owned subsidiaries	**(493)**	(1,097)
PureTech Level cash, cash equivalents and short-term investments	**$366,813**	$326,046

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 Programs 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 this 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 Programs

The Wholly-Owned Programs segment is advancing Wholly-Owned Programs which are focused on treatments for patients with devastating diseases. The Wholly-Owned Programs 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 Programs segment is conducted by the PureTech Health team, which is responsible for the strategy, business development, and research and development.

Controlled Founded Entities

The Controlled Founded Entities segment is comprised of the Group's consolidated operational subsidiaries as of December 31, 2024 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 segment 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, Vedanta in 2023, and Sonde in 2022), 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, Vedanta, and Vor) and our net income or loss of associates accounted for using the equity method.

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

In January 2024, we launched two new Founded Entities (Seaport Therapeutics "Seaport" and Gallop Oncology "Gallop") to advance certain programs from the Wholly-Owned Programs segment. The financial results of these programs were included in the Wholly-Owned Programs 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 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 Programs segment and are included in the Parent Company and Other column. The corresponding information for 2023 and 2022 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, 2024:

Wholly-Owned Programs Segment	Ownership Percentage
PureTech LYT	100.0%
PureTech LYT-100, Inc.	100.0%
Gallop Oncology, Inc. (Indirectly Held through PureTech LYT)	100.0%
Controlled Founded Entities Segment	
Entrega, Inc.	77.3%
Parent Company and Other[1]	
Alivio Therapeutics, Inc.	100.0%
Follica, LLC	85.4%
Gelesis, Inc.[2]	—%
Seaport Therapeutics, Inc.[3]	42.9%
Sonde Health, Inc.[4]	40.2%
Vedanta Biosciences, Inc.[5]	46.9%
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 2024.
2 Gelesis filed for bankruptcy in October 2023.
3 Seaport Therapeutics, Inc. was deconsolidated on October 18, 2024.
4 Sonde Health, Inc was deconsolidated on May 25, 2022.
5 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 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 LYT-100 or LYT-200 programs, we anticipate providing certain level of funding in 2025 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 increase in the short-term while we seek funding from external sources for the Wholly-Owned Programs. However, we anticipate a 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 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 realized loss in 2022 is attributable to the settlement of call options written by the Group on Karuna stock. The amounts in 2023 and 2024 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 in 2024 for the changes in the fair value of these notes.

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 Investment 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 zero. 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 zero.

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.

Results of Operations

The following table, which has been derived from our audited financial statements for the years ended December 31, 2024, 2023 and 2022, included herein, summarizes our results of operations for the periods indicated, together with the changes in those items:

	Year ended December 31,				
(in thousands)	**2024**	2023	2022	Change (2023 to 2024)	Change (2022 to 2023)
Contract revenue	**$4,315**	$750	$2,090	$3,565	$(1,340)
Grant revenue	**513**	2,580	13,528	(2,067)	(10,948)
Total revenue	**4,828**	3,330	15,618	1,498	(12,288)
Operating expenses:					
General and administrative expenses	**(71,469)**	(53,295)	(60,991)	(18,175)	7,696
Research and development expenses	**(69,454)**	(96,235)	(152,433)	26,781	56,199
Operating income/(loss)	**(136,095)**	(146,199)	(197,807)	10,104	51,607
Other income/(expense):					
Gain/(loss) on deconsolidation of subsidiary	**151,808**	61,787	27,251	90,021	34,536
Gain/(loss) on investments held at fair value	**(2,398)**	77,945	(32,060)	(80,344)	110,006
Realized gain/(loss) on sale of investments	**151**	(122)	(29,303)	273	29,180
Gain/(loss) on investments in notes from associates	**13,131**	(27,630)	—	40,761	(27,630)
Other income/(expense)	**961**	(908)	8,131	1,869	(9,038)
Other income/(expense)	**163,652**	111,072	(25,981)	52,580	137,053
Net finance income/(costs)	**4,773**	5,078	138,924	(306)	(133,846)
Share of net income/(loss) of associates accounted for using the equity method	**(8,754)**	(6,055)	(27,749)	(2,699)	21,695
Gain/(loss) on dilution of ownership interest in associate	**199**	—	28,220	199	(28,220)
Impairment of investment in associates	**—**	—	(8,390)	—	8,390
Income/(loss) before income taxes	**23,774**	(36,103)	(92,783)	59,878	56,680
Taxation	**4,008**	(30,525)	55,719	34,532	(86,243)
Net income/(loss) including non-controlling interest	**27,782**	(66,628)	(37,065)	94,410	(29,563)
Less income/(loss) attributable to non-controlling interests	**(25,728)**	(931)	13,290	(24,797)	(14,221)
Net income/(loss) attributable to the Owners of the Group	**$53,510**	$(65,697)	$(50,354)	$119,207	$(15,342)

Comparison of the Years Ended December 31, 2024 and 2023

Total Revenue

	Year ended December 31,		
(in thousands)	**2024**	2023	Change
Total Contract Revenue	**4,315**	750	3,565
Total Grant Revenue	**513**	2,580	(2,067)
Total Revenue	**$4,828**	$3,330	$1,498

Our total revenue was $4.8 million for the year ended December 31, 2024, an increase of $1.5 million, or 45.0% compared to the year ended December 31, 2023. The increase in revenue is primarily due an increase in contract revenue driven by the achievement of a $4.0 million milestone payment from Bristol Myers Squibb ("BMS"), the acquirer of Karuna, our deconsolidated Founded Entity, upon the U.S. Food and Drug Administration's approval of KarXT which occurred in September 2024. We also recognized $0.3 million in royalty revenue from sales of KarXT (Cobenfy) pursuant to a patent license agreement between PureTech and Karuna. The increase is partially offset by the completion of a revenue agreement in 2023 for Entrega, our Controlled Founded Entity, and a decrease in grant revenue of $2.1 million related to completed grants and the deconsolidation of Vedanta in 2023.

General and Administrative Expenses

Our general and administrative expenses were $71.5 million for the year ended December 31, 2024, an increase of $18.2 million, or 34% compared to the year ended December 31, 2023. The increase is primarily driven by a $18.8 million increase in stock based compensation, $17.4 million of which resulted from new stock awards granted to employees, officers, founders and directors of Seaport in 2024 prior to the deconsolidation of Seaport from our Consolidated Financial Statements, partially offset with decrease in compensation and benefits expense, driven by an overall decrease in headcount in 2024 compared to 2023.

Research and Development Expenses

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

	Year ended December 31,		
(in thousands)	**2024**	2023	Change
LYT-100 Programs external costs	**(29,942)**	$(39,530)	9,588
LYT-200 Programs external costs	**(10,464)**	$(8,850)	(1,614)
LYT-300 Programs external costs	**(1,157)**	(8,843)	7,686
Wholly owned PureTech Platform and other non-clinical programs external costs	**(6,514)**	(8,210)	1,697
Controlled Founded Entities Programs	**(3,904)**	(1,974)	(1,930)
Other research program external costs	**(355)**	(2,032)	1,677
Payroll costs	**(15,023)**	(21,102)	6,079
Facilities and other expenses	**(2,095)**	(5,693)	3,598
Total Research and Development Expenses:	**$(69,454)**	$(96,235)	$26,781

Our research and development expenses were $69.5 million for the year ended December 31, 2024, a decrease of $26.8 million, or 27.8% compared to the year ended December 31, 2023.

The decrease in research and development expenses in 2024 is driven by the following changes in program costs:

— Decrease in LYT-100 program costs of $9.6 million is due to the completion of phase II study and lower patient enrollment activities in 2024 as compared to 2023.
— Decrease in LYT-300 program costs of $7.7 million is primarily due to the development of this program, now being driven by Seaport, our Controlled Founded Entity which was deconsolidated in October, 2024.
— Decrease in wholly owned PureTech Platform and other non-clinical programs costs of $1.7 million is primarily attributed to the deprioritization of the Alivio and certain Glyph platform assets.
— 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. The balance in 2023 pertains primarily to Vedanta's clinical programs during the period of consolidation and until its deconsolidation.
— Decrease in other research program costs of $1.7 million is primarily attributed to the deconsolidation of Vedanta in March 2023.
— Decrease in payroll costs of $6.1 million is driven by the deconsolidation of Vedanta in 2023, Seaport in 2024, and an overall decrease in headcount in 2024 as compared to 2023.
— Decrease in facilities and other expenses of $3.6 million is primarily driven by lower depreciation expense resulting from the lower fixed asset balance in 2024 and lower fixed asset impairment charge in 2024 compared to 2023.

This decrease in research and development expenses is partially offset by the increase in LYT-200 program costs of $1.6 million due to the increased activity within the two clinical studies in the oncology therapy programs and increase in Controlled Founded Entities programs of $1.9 million due to the timing of deconsolidation of the Controlled Founded Entities.

Total Other Income/(Expense)

Total other income was $163.7 million for the year ended December 31, 2024 compared to $111.1 million for the year ended December 31, 2023, an increase of $52.6 million, or 47%. The increase in other income was primarily attributable to the following:

— A one time gain of $151.8 million recognized in 2024 as a result of the deconsolidation of Seaport in October 2024, compared to a one time gain of $61.8 million recognized in 2023 as a result of the deconsolidation of Vedanta in March 2023, reflecting an increase in other income of $90.0 million.
— A gain of $13.1 million in investments in notes from associates in 2024 attributed to the increase in the fair value of the Gelesis notes. The loss of $27.6 million 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. This change resulted in an increase in other income of $40.8 million.
— A loss on investment held at fair value of $2.4 million in 2024 primarily attributed to the decline in fair value of various investments, compared to a gain of $77.9 million in 2023 primarily attributed to an increase in the fair value of Karuna shares. The change resulted in a decrease in other income of $80.3 million.

Net Finance Income/(Costs)

Net finance income/costs) was $4.8 million for the year ended December 31, 2024, compared to $5.1 million for the year ended December 31, 2023, a decrease of $0.3 million or 6%. The reduction in net finance income is primarily attributed to an increase in the fair value of subsidiary preferred share liability offset by various other changes.

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

For the year ended December 31, 2024, the share in net loss of associates reported under the equity method was $8.8 million as compared to the share in net loss of associates of $6.1 million for the year ended December 31, 2023, an increase in loss of $2.7 million or 45%. The increase in loss was primarily attributable to the increase in loss from Sonde and Group's share of loss from Seaport accounted for under the equity method upon deconsolidation in October, 2024.

Taxation

For the year ended December 31, 2024, the income tax benefit was $4.0 million, compared to an income tax expense of $30.5 million for the year ended December 31, 2023, a decrease in income tax expense of $34.5 million or 113%. This decrease in tax expense was primarily attributable to the recognition of previously unrecognized deferred tax assets and related tax benefits in 2024, compared to the income tax expense recognized in 2023 due to an increase in unrecognized deferred tax assets that were not expected to be utilized in the future as well as certain discrete events and transactions from 2023, such as the tax effects from the sale of future royalties to Royalty Pharma. The income tax benefits in 2024 were partially offset by an increase in pre-tax income in the tax-consolidated U.S. group and an increase in Massachusetts income tax expense.

Comparison of the Years Ended December 31, 2023 and 2022

For the comparison of 2023 to 2022, refer to Part I, Item 5 "Operating and Financial Review and Prospects" of our Annual Report on Form 20-F for the year ended December 31, 2023.

Material Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which we have prepared in accordance with UK-adopted International Financial Reporting Standards ("IFRSs"). The Consolidated Financial Statements also comply fully with IFRSs as issued by the International Accounting Standards Board ("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.

Investment 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 zero 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 investment 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, 2024, we had cash and cash equivalents of $280.6 million and short-term investments of $86.7 million. As of December 31, 2024, we had PureTech Level cash, cash equivalents and short-term investments of $366.8 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 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)	**2024**	2023	2022
Net cash used in operating activities	**$(134,369)**	$(105,917)	$(178,792)
Net cash provided by (used in) investing activities	**240,888**	68,991	(107,223)
Net cash provided by (used in) financing activities	**(16,958)**	78,141	(29,827)
Net increase (decrease) in cash and cash equivalents	**$89,560**	$41,215	$(315,842)

Operating Activities
Net cash used in operating activities was $134.4 million for the year ended December 31, 2024, as compared to $105.9 million for the year ended December 31, 2023, resulting in an increase of $28.5 million in net cash used in operating activities. The increase in cash outflows is primarily attributable to $37.8 million increase in tax payments related to the sale of the Karuna shares, offset by a net increase in interest receipts and decrease in interest payment of $9.5 million.

Net cash used in operating activities was $105.9 million for the year ended December 31, 2023, as compared to $178.8 million for the year ended December 31, 2022, resulting in a decrease of $72.9 million in net cash used in operating activities. The decrease in outflows is primarily attributable to our lower operating loss mainly due to a decrease in research and development activities in the Wholly-Owned Programs and Controlled Founded Entities and a decrease of operating cash flows as a result of the deconsolidation of Vedanta on March 1, 2023.

Investing Activities
Net cash provided by investing activities was $240.9 million for the year ended December 31, 2024, as compared to net cash provided by investing activities of $69.0 million for the year ended December 31, 2023, resulting in an increase of $171.9 million in cash provided by investing activities. The increase in net cash provided by investing activities was primarily attributable to an increase in proceeds from the sale of investments held at fair value of $264.8 million, partially offset by an increase in cash outflow from short-term investment activities (redemptions, net of purchases) amounting to $17.2 million, and the derecognition of cash balances of $91.6 million upon deconsolidation of Seaport in 2024, compared to $13.8 million from the deconsolidation of Vedanta in 2023, a net increase in cash outflow of $77.8 million.

Net cash provided by investing activities was $69.0 million for the year ended December 31, 2023, as compared to net cash outflow of $107.2 for the year ended December 31, 2022, resulting in an increase of $176.2 million in net cash from investing activities. The increase in net cash from investing activities was primarily attributable to increased cash inflow from short-term investment activities (redemptions, net of purchases) amounting to $264.4 million, partially offset by a reduction in proceeds from the sale of investments held at fair value of $85.4 million.

Financing Activities
Net cash used in financing activities was $17.0 million for the year ended December 31, 2024, as compared to net cash provided by financing activities of $78.1 million for the year ended December 31, 2023, resulting in an increase of $95.1 million in net cash used in financing activities. The increase in net cash used in financing activities was primarily attributable to a $87.9 million increase in share repurchase activities, related primarily to the repurchase of $100.0 million of shares in the June 2024 tender offer, and a $75.0 million decrease in cash inflow from Royalty Pharma under Royalty Purchase Agreement, partially offset by a $68.1 million proceeds from issuance of subsidiary preferred shares in 2024 as compared to 2023.

Net cash provided by financing activities was $78.1 million for the year ended December 31, 2023, as compared to net cash used in financing activities of $29.8 million for the year ended December 31, 2022, resulting in an increase of $108.0 million in the net cash provided by financing activities. The increase in the net cash provided by financing activities was primarily attributable to the receipts of $100.0 million upfront payment from Royalty Pharma upon execution of Royalty Purchase Agreement in March 2023, and a $6.8 million decrease in treasury stock purchase in 2023 as compared to 2022.

Funding Requirements

We have incurred operating losses since inception. Based on our current plans, we believe our existing financial assets as of December 31, 2024, will be sufficient to fund our operations and capital expenditure requirements into at least 2027. 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 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 into at least 2027. 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 and 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, 2024	2023	Change
Investments held at fair value	**$191,426**	$317,841	$(126,415)
Other non-current assets	**24,953**	28,930	(3,976)
Non-current assets	**216,379**	346,771	(130,392)
Cash and cash equivalents, and short-term investments	**367,307**	327,143	40,164
Other current assets	**18,949**	20,059	(1,110)
Current assets	**386,256**	347,201	39,054
Total assets	**602,635**	693,973	(91,338)
Lease liability	**14,671**	18,250	(3,579)
Deferred tax liability	**—**	52,462	(52,462)
Sale of future royalties liability, non-current	**136,782**	110,159	26,623
Other non-current liabilities	**1,861**	3,501	(1,640)
Non-current liabilities	**153,314**	184,371	(31,058)
Trade and other payables	**27,020**	44,107	(17,088)
Notes payable	**4,111**	3,699	412
Preferred share liability	**169**	169	—
Sale of future royalties liability, current	**6,435**	—	6,435
Other current liabilities	**3,654**	3,394	259
Current liabilities	**41,388**	51,370	(9,982)
Total liabilities	**194,702**	235,741	(41,039)
Net assets	**407,933**	458,232	(50,298)
Total equity	**$407,933**	$458,232	$(50,298)

Investments Held at Fair Value

Investments held at fair value decreased by $126.4 million to $191.4 million as of December 31, 2024. As of December 31, 2024, Investments held at fair value consist primarily of our preferred share investment in Seaport (from October, 2024), Vedanta, and our common share investment in Vor. The decrease is attributed to a $287.1 million decrease due to the sale of Karuna and Akili shares as a result of Karuna's acquisition by BMS in March 2024 and Akili's acquisition by Virtual Therapeutics in July 2024 as well as decreases in fair value of various other investments. The decreases were partially offset by Group's recognizing its investment in the convertible preferred shares of Seaport in the amount of $179.2 million subsequent to Seaport being deconsolidated from the Group's financial statements.

Cash, Cash Equivalents, and Short-Term Investments

Consolidated cash, cash equivalents and short-term investments increased by $40.2 million to $367.3 million as of December 31, 2024. The increase is primarily attributed to an aggregate of $298.1 million in proceeds from the disposition of Karuna and Akili shares, $68.1 million in proceeds from the issuance of Seaport Series A-2 preferred shares and a $25.0 million milestone payment from Royalty Pharma during the year ended December 31, 2024, partially offset by net cash used in operating activities of $134.4 million, purchases of treasury stock and repurchases in connection with the June 2024 tender offer of $107.6 million, investment in Seaport Series B preferred shares of $14.4 million and cash derecognized upon loss of control over Seaport of $91.6 million.

Non-current liabilities

Non-current liabilities decreased by $31.1 million to $153.3 million as of December 31, 2024. The decrease is due to the reversal of $52.5 million deferred tax liability in 2024 which was primarily related to the appreciation of Karuna shares as of December 31, 2023. The decrease is partially offset by an increase in the sale of future royalty liability driven by the receipt of a $25.0 million milestone payment from BMS following the approval by the FDA to market KarXT as Cobenfy, and the accretion of non-cash interest expense on the sale of future royalties liability.

Trade and Other Payables

Trade and other payables decreased by $17.1 million to $27.0 million as of December 31, 2024. The decrease reflected lower operating expenses primarily from the reduced clinical trials related activities as well as the deconsolidation of Seaport for the year ended December 31, 2024.

Quantitative and Qualitative Disclosures about Financial Risks

Interest Rate Sensitivity

As of December 31, 2024, we had cash and cash equivalents of $280.6 million and short-term investments of $86.7 million, while we had PureTech Level cash, cash equivalents and short-term investments of $366.8 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, 2024 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 $191.4 million and $17.7 million, respectively, as of December 31, 2024, 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. Accordingly, we do not view this risk as high.

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. As of December 31, 2023, we held 886,885 common shares of Karuna, 2,671,800 common shares of Vor, and 12,527,476 common shares of Akili with fair value of $280.7 million, $6.0 million, and $6.1 million, respectively. The common shares of Karuna and Akili were disposed of in 2024 as part of Karuna's acquisition by BMS in March 2024 and Akili's acquisition by Virtual Therapeutics in July 2024.

The investment in Vor is exposed to fluctuations in the market price of Vor's common shares. 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 June 20, 2024, I am excited to now serve as 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, with assistance from the rest of the Board and the Company's management, continued to explore adding 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 a testament to these efforts, I am delighted to welcome Dr. Michele Holcomb, Ph.D. to the Board. Dr. Holcomb joined the Board in September 2024 and brings more than 30 years of experience at leading global healthcare companies, and the Board is excited to have her as we work to identify and develop medicines with the potential to transform lives.

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.



Dr. Raju Kucherlapati, Ph.D.
Chair

April 30, 2025

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
Independent Non-Executive Director, Transaction Committee Member

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. 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 , Transaction Committee Member

Michele Holcomb, Ph.D. has served as a member of our Board since September 2024 and is a member of the Audit Committee and Transaction Committee. Dr. Holcomb is also 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 Bharatt Chowrira can be found on page 85.



Raju Kucherlapati, Ph.D.
Chair of the Board, Transaction Committee Member, R&D Committee Member

Raju Kucherlapati, Ph.D., has served as a member of our Board since 2014 and assumed the role of Chair on June 20, 2024, after having served as interim Chair since the June 2023. Dr. Kucherlapati has also served as chair of PureTech's Nomination Committee since December 31, 2022 and Senior Independent Director from December 31, 2022 to April 2025. He has been the Paul C. Cabot professor of Genetics and a professor of medicine at Harvard Medical School since 2001. Dr. Kucherlapati currently serves on the board of directors of KEW Inc. Dr. Kucherlapati previously served on the board of Gelesis Holdings, Inc. until October 2023. He was a founder and former board member of Abgenix (acquired by Amgen for $2.2 billion), Cell Genesys and Millennium Pharmaceuticals (acquired by Takeda for $8.8 billion). He was the first scientific director of the Harvard-Partners Center for Genetics and Genomics. He is a fellow of the American Association for the Advancement of Science and a member of the National Academy of Medicine. Dr. Kucherlapati received his Ph.D. from the University of Illinois. He trained at Yale and has held faculty positions at Princeton University, University of Illinois College of Medicine and the Albert Einstein College of Medicine. He served on the editorial board of the New England Journal of Medicine and was Editor in Chief of the journal Genomics. He was a member of the presidential commission for the study of bioethical issues during the Obama administration. His laboratory at Harvard Medical School is involved in cloning and characterization of human disease genes with a focus on human syndromes with a significant cardiovascular involvement, use of genetic/genomic approaches to understand the biology of cancer and the generation and characterization of genetically modified mouse models for cancer and other human disorders. His laboratory was a part of the Human Genome Program that was responsible for mapping and sequencing the human genome. Dr. Kucherlapati developed methods for modifying mammalian genes that lead to gene targeting in mice. He has developed many mouse models for human disease, including a large set of models for human colorectal cancer. His laboratory was a part of The Cancer Genome Atlas (TCGA) program that uses genetic/genomic approaches to understand the biology of cancer. He is a promoter of personalized/precision medicine.



John LaMattina, Ph.D.
Senior Independent Director, Transaction Committee Member, R&D Committee Member

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. 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 and Vedanta Biosciences, Inc. Dr. LaMattina previously served on the boards of 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, R&D Committee Member

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.



Dennis Ausiello, M.D.**
Board Advisor,
R&D Committee Member

Dennis Ausiello, M.D., is a board advisor and member of the PureTech R&D Committee. He is the Jackson Distinguished Professor of Clinical Medicine and was previously director, emeritus of the M.D./Ph.D. Program at Harvard Medical School. Dr. Ausiello is chairman of medicine, emeritus and director of the Center for Assessment Technology and Continuous Health (CATCH) at Massachusetts General Hospital (MGH). This center is a partnership among MGH, MIT and Harvard University with a mission to develop real-time assessment of human traits in wellness and disease. In partnership with industry, it is creating tools for measurements of traditional and novel phenotypes. Understanding the need for partnerships between the academy and industry, Dr. Ausiello served on the board of directors of Pfizer Pharmaceuticals, where he was their former lead director. He currently serves as a member of the board of directors of Seres Therapeutics, Inc. and Alnylam Pharmaceuticals, Inc. Dr. Ausiello is also a member of the board of directors of several non-public biotech companies and is a consultant to Verily (formerly Google Life Sciences) and Pfizer Pharmaceuticals. Dr. Ausiello is a nationally recognized leader in academic medicine who was elected to the National Academy of Medicine in 1999 and the American Academy of Arts and Sciences in 2003. He has published numerous articles, book chapters and textbooks and has served as an editor of Cecil's Textbook of Medicine. Dr. Ausiello received his BA from Harvard College and an M.D. from the University of Pennsylvania.



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.



Daphne Zohar**
Founder and Board Advisor

Daphne Zohar is a board observer and senior advisor. A founder of PureTech, Ms. Zohar served as chief executive officer and a member of the board of directors since our formation and UK main market listing in 2015 until her departure in April 2024, to become founder, chief executive officer and a board member of PureTech founded entity, Seaport Therapeutics, Inc. A successful entrepreneur, Ms. Zohar created PureTech, assembling a leading team to help implement her vision for the company, and was a key driver in fundraising, business development and establishing the underlying programs and platforms that have resulted in PureTech's productive R & D engine, which led to 29 new medicines being advanced via its Wholly Owned Pipeline and Founded Entities, including Cobenfy (KarXT) that has received US FDA approval. As the founding CEO of PureTech, she also co-founded PureTech's entities, including Karuna Therapeutics, which was acquired by Bristol Myers Squibb for $14 billion. Ms. Zohar has been recognized as a top leader and innovator in biotechnology by a number of sources, including EY, Fierce Pharma, BioWorld, MIT Technology Review, The Boston Globe and Scientific American including recent recognition as one of Goldman Sachs' most influential entrepreneurs in 2024 and being named to STAT's 2025 STATUS list, the ultimate list of leaders in life sciences. She serves on the BIO (Biotechnology Innovation Organization) Board Executive Committee as well as the Health Section Committee. Ms. Zohar is a member of the Duke-Margolis Center Policy Roundtable on the Inflation Reduction Act (IRA) and the Health Affairs IRA Observatory. She is also a co-founder and host of the Biotech Hangout podcast, a weekly discussion of biotech news with a group of industry leaders and experts.

Management Team

(alphabetically)*



Bharatt Chowrira, Ph.D., J.D.
Chief Executive Officer, Member of the Board of Directors

Bharatt Chowrira, Ph.D., J.D., has been our chief executive officer since his appointment by the Board in April 2024. He was formerly president and chief business, finance and operating officer since September 2022, president and chief business, legal and operating officer from January 2022 through September 2022 and our president and chief of business and strategy from March 2017 through December 2021. Dr. Chowrira has served as a member of PureTech's Board since February 2021 and also serves on the board of directors of Seaport Therapeutics. Inc. Prior to joining PureTech, Dr. Chowrira was the president of Synlogic, Inc., a biopharmaceutical company focused on developing synthetic microbiome-based therapeutics, from September 2015 to February 2017, where he oversaw and managed corporate and business development, alliance management, financial, human resources, intellectual property and legal operations. Prior to that, Dr. Chowrira was the chief operating officer of Auspex Pharmaceuticals, Inc. from October 2013 to July 2015, which was acquired by Teva Pharmaceutical Industries Ltd. in the spring of 2015. Previously, he was president and chief executive officer of Addex Therapeutics Ltd., a biotechnology company publicly-traded on the SIX Swiss Exchange, from August 2011 to July 2013. Prior to that Dr. Chowrira held various leadership and management positions at Nektar Therapeutics (chief operating officer), Merck & Co, or Merck (vice president), Sirna Therapeutics (general counsel; acquired by Merck) and Ribozyme Pharmaceuticals (chief patent counsel). Dr. Chowrira previously served on the board of directors of Vedanta Biosciences, Inc. from September 2018 to February 2023, Akili Interactive Labs, Inc. from November 2017 to September 2019 and June 2021 to October 2022, Vor Biopharma from August 2018 to June 2020, and Karuna Therapeutics, Inc. from March 2017 to December 2019. Dr. Chowrira received a J.D. from the University of Denver's Sturm College of Law, a Ph.D. in Molecular Biology from the University of Vermont College of Medicine, a M.S. in Molecular Biology from Illinois State University and a B.S. in Microbiology from the UAS, Bangalore, India.



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.



Robert Lyne
Chief Portfolio Officer

Robert Lyne is the chief portfolio officer at PureTech. 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.



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.



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 also serves on the board of directors of Vedanta Biosciences, Inc. 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.

** Dr. Horvitz, Dr. Ausiello and Ms. Zohar are not members of the PureTech Board. As Board Observers, Dr. Horvitz, and Ms. Zohar attend the majority of Board meetings. Dr. Horvitz and Dr. Ausiello are members of PureTech's R&D Committee, of which Dr. Horvitz is the Chair.

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, 2024, there were seven Directors on the Board: the Non-Executive Chair, one Executive Director and five Non-Executive Directors. The biographies of these Directors are provided on pages 82 to 85. Raju Kucherlapati, Ph.D., assumed the role of Chair of the Board on June 20, 2024, after having served as interim Chair since the June 2023. Michele Holcomb, Ph.D. joined the Board as a Non-Executive Director on September 23, 2024. Additionally, former Executive Director Daphne Zohar departed from the Board on April 8, 2024 to become chief executive officer of PureTech founded entity, Seaport Therapeutics, Inc. There were no other changes to the composition of the Board during 2024.

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 122.

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 4, 2025, 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 Dr. Raju Kucherlapati (Chair), Ms. Sharon Barber-Lui, 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 Wholly-Owned Programs.

Senior Independent Director

The Company's Senior Independent Director is Dr. John LaMattina, who was appointed to the role in April 2025. During 2024, Dr. Raju Kucherlapati served in the role. The Board has considered the position of Senior Independent Director, following Dr. Kucherlapati's appointment as Chair, and has determined that the functions of the role would be best fulfilled by Dr. LaMattina. Following Dr. LaMattina's appointment, 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 Chair where necessary. Further, the Senior Independent Director will lead the Board in its deliberations on any matters on which the Chair is conflicted. The Board has considered the position of Senior Independent Director, following Dr. Kucherlapati's appointment as Chair, and has 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 Chair is Dr. Raju Kucherlapati. He assumed the role of Chair of the Board on June 20, 2024, after having served as interim Chair since the June 2023. The Nomination Committee carefully considered Dr. Kucherlapati's skills, knowledge and expertise, as well as his long-term involvement in the evolution of PureTech and his exemplary leadership during his tenure as interim Chair in their decision to appoint him to the role of 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.

In the role of the Chief Executive Officer, Dr. Bharatt Chowrira, 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 Ms. Barber-Lui, 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 Directors of the Company. 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 Ms. Barber-Lui, 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 2024, the Nomination Committee, with assistance from the rest of the Board and the Company's management, welcomed Dr. Holcomb to the Board. The Committee continues to evaluate potentially adding additional 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 eight scheduled meetings in 2024, and details on attendance are set forth in the table below:

Director	Number of Board Meetings Attended
Raju Kucherlapati	8/8
Sharon Barber-Lui	8/8
Michele Holcomb*	2/2
John LaMattina	8/8
Robert Langer	7/8
Kiran Mazumdar-Shaw	5/8
Bharatt Chowrira	8/8
Daphne Zohar**	3/3

* Dr. Holcomb joined the Company's Board in September 2024.
** Ms. Zohar joined all three meetings as an Executive Director prior to her resignation from the role on April 8, 2024.

While each current director was able to attend the vast majority of meetings in 2024, 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.

The Board also acted by unanimous written consent eleven times in 2024. 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 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 Founded Entities and Wholly-Owned Programs, 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, including following the recent appointment of Dr. Michele Holcomb to the Company's Board in September 2024. 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, and will otherwise carry out an internally facilitated Board evaluation led by the Senior Independent Director, assisted by the Company Secretary, covering the effectiveness of the Board as a whole, its individual Directors and its Committees. For 2024, internal evaluations of the Board demonstrated that the Board and its Committees fulfil their 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 will continue to perform internal evaluations 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, will periodically appraise the Chair's performance, following which the Senior Independent Director will provide any feedback to the 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 Chair as deemed necessary. 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. 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 early 2023, the Board has maintained a standing Transaction Committee. The committee meets ad hoc and more formally when actively evaluating a transaction. During 2024, the Transaction Committee met formally twelve times, in consideration of the Seaport asset transfer and financings and a number of other matters the Board assessed and evaluated.

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 2024, the R&D Committee met formally four times.

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.

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 2024 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, 2024.

The Board is responsible for establishing and monitoring internal control systems and for reviewing the effectiveness of these systems. 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 Wholly-Owned Programs and all Founded Entities on a regular basis, and reviews our performance and the performance of our Wholly-Owned Programs and Founded Entities 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 60-64 and in the Additional Information section from pages 182 to 219.

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. 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 60-64 and in the Additional Information section from pages 182 to 219.

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.

2025 Annual General Meeting
The Notice of the AGM, which will be held at 11:00 am EDT (4:00 pm BST) on June 16, 2025 at the Company's corporate headquarters at 6 Tide Street, in Boston, Massachusetts, 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.

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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 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.	– Governance Section of ARA (Pages 59 to 101) – ESG Report (Pages 22 to 58) – Remuneration Report (Pages 102 to 119) – Our Key Components of Value (Page 8)

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. Executive Directors provide insights based on the feedback from routine employee engagement, such as through surveys and Town Hall Meetings. – The Board aims to attract and retain 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 58) – Remuneration Report (Pages 102 to 120) – 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 2024, PureTech made charitable contributions to the Pulmonary Fibrosis Foundation, Young Man with a Plan and The Greater Boston Food Bank.	– ESG Report (Pages 22 to 58)
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 2024 included: – Quality updates and quality audits – Meetings with key surgeons to understand/identify potential indications and applications for therapeutics – Partnerships – BeiGene	– 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.	– Our Diversified Hub-and-Spoke Model (Page 10) – Gallop Oncology (Page 14) – Seaport Therapeutics (Page 17) – Vedanta Biosciences (Page 18)

Directors' Report for the year ended December 31, 2024

The Directors present their report and the audited consolidated financial statements for the financial year ended December 31, 2024.

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 85 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 117 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, 2024 are set out in the Annual Report on Remuneration on page 116 and Note 26 to the financial statements, located on page 172. There have been no changes in such interests from December 31, 2024 to March 31, 2025, except as specifically set forth in those sections.

Results and dividends

We generated a gain for the year ended December 31, 2024 of $27.8 million (2023: Loss of $66.6 million).

The Directors do not recommend the payment of a dividend for the year ended December 31, 2024 (2023: nil).

Share capital

As of December 31, 2024, 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 17,738,040 shares held in treasury by the Company. Details on share capital are set out in Note 16 to the financial statements, page 160.

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 160.

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 March 31, 2025, 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 116 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	17.07
Baillie Gifford & Co	6.30
Lansdowne Partners International Limited	6.01
Citigroup as principal	5.14
Recordati SPA Pharmaceutical Company	3.98
Vanguard Group	3.95
Fidelity International Limited	3.41
Daphne Zohar	3.22

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 86.

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 2025 AGM.

The following have served as Directors of the Company during the 2024 financial year.

Name	Role	Age (as of December 31, 2024)
Dr. Raju Kucherlapati	Chair, Independent Non-Executive Director	81
Dr. Bharatt Chowrira	Chief Executive Officer	59
Dr. Michele Holcomb	Independent Non-Executive Director	56
Dr. Robert Langer	Non-Executive Director	76
Dr. John LaMattina	Senior Independent Non-Executive Director	74
Ms. Kiran Mazumdar-Shaw	Independent Non-Executive Director	71
Ms. Sharon Barber-Lui	Independent Non-Executive Director	51
Ms. Daphne Zohar	Former Chief Executive Officer (departed the Board in April 2024)	54

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 88.

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, 2024 (2023: 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 July 2018. 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, 2024, applied the main principles and complied with the provisions set out in the Governance Code with the following exceptions:

— Dr. Raju Kucherlapati, the Chair, is also Chair of the Nomination Committee, which is not aligned with provision 17 of the Governance Code. In making the determination for maintaining Dr. Kucherlapati as Chair of the Nomination Committee the Board duly considered (i) his professional background (ii) his tenure on the Board and experience. The Board deemed this to be relevant experience making his role as Chair of Committee in the best interest of the Company's shareholders.
— Dr. Raju Kucherlapati, served as Senior Independent Director 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 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 58.

Related party transactions
Details of related party transactions can be found in Note 26 of the financial statements on pages 171 to 172.

Tender Offer
On May 20, 2024, the Company launched a proposed $100 million Tender Offer, which was approved by shareholders on June 4, 2024, with 99.9% of the ordinary shares cast voting in favour of the proposal. The Tender Offer was completed on June 24, 2024, 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.

The Board carefully considered various options for returning cash to shareholders and determined that the tender offer would be the most appropriate means of returning cash to shareholders, allowing return of cash in a quick and efficient manner, taking account of the relative costs, complexity and timeframes of the possible methods available. In particular, the Tender Offer provided the shareholders participating in the tender opportunity to sell ordinary shares (including ordinary shares represented by ADSs) at a market-driven price with a premium as at the latest practicable date while also enabling those shareholders who did not wish to participate to maintain their full investment in the Company. The Tender Offer was available to all shareholders regardless of the size of their shareholdings and allowed the Company to broaden the scope of the return of capital to include ordinary shares held by those shareholders whose ordinary shares (including ordinary shares represented by ADSs) may not have been purchased by the Company through a share purchase programme.

Share buyback
At the 2023 AGM and the 2024 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. On May 9, 2022, the Company commenced a $50 million Share Buyback Programme. The Company executed the Programme in two equal tranches, the first of which was completed on October 26, 2022, and the second which was completed on February 7, 2024. Between May 9, 2022, and February 7, 2024, the Company repurchased an aggregate of 20,182,863 ordinary shares under the Share Buyback Programme, which represents approximately 7% of the Company's issued share capital at the time the programme commenced. The authority granted from the 2023 AGM expired as of the end of the 2024 AGM, and the authority from the 2024 AGM expires as of the earlier of the end of the 2025 AGM or close of business on 15 September 2025. During 2024, 1,903,990 ordinary shares were purchased by the company and held as treasury shares. Such treasury shares do 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 11 to 21.

Risk and internal controls
The principal risks we face are set out on pages 60 to 64 and in the Additional Information section from pages 182 to 216. The Audit Committee's assessment of internal controls is laid out on page 95.

Subsequent Events
Information related to events occurring after December 31, 2024, 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 11 to 13.

Going concern
As of December 31, 2024, the directors had a reasonable expectation that we had adequate resources to continue in operational existence into 2027.

Annual General Meeting
The Notice of the AGM, which will be held at 11:00 am EDT (4:00 pm BST) on June 16, 2025, at the Company's corporate headquarters at 6 Tide Street, in Boston, Massachusetts, 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 30, 2025.

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 Listing Rule 9.8.4R

For the purposes of LR 9.8.4R, 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 93
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

The Directors who held office at the date of approval of this Directors' report confirm that:

— so far as the Director is aware, there is no relevant audit information of which the 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 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 Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements on the same basis. In addition, the Group financial statements are required under the UK Disclosure Guidance and Transparency Rules to be prepared in accordance with the UK-adopted international accounting standards.

Under Company law the 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 parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

— select suitable accounting policies and then apply them consistently;
— make judgements and estimates that are reasonable, relevant and reliable;
— state whether they have been prepared in accordance with the UK-adopted international accounting standards;
— assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
— use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

— the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
— the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By Order of the Board



Bharatt Chowrira, Ph.D., J.D.
Chief Executive Officer and Director
April 30, 2025

Report of the Nomination Committee

Raju Kucherlapati, Ph.D.
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 consisted of Dr. Raju Kucherlapati, who served as the committee's Chair, Dr. Robert Langer, and Ms. Kiran Mazumdar-Shaw during 2024. The biographies of the 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 2024, the Board regarded Dr. Raju Kucherlapati, 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 2024, the Nomination Committee met one time to review the structure, size and composition of the Board in light of the requirements of the Governance Code. Dr. Kucherlapati and Dr. Langer participated in the meeting, and Ms. Mazumdar-Shaw was unable to attend. The Chief Executive Officer and the President were invited to and attended the meeting.

After conducting a thorough search and internal evaluation, the Nomination Committee made two appointments during the year. Dr. Kucherlapati assumed the role of Chair of the Board on June 20, 2024, after having served as interim Chair since the June 2023. Additionally, Dr. Holcomb, joined the Board as a Non-Executive Director on September 23, 2024. The Committee is pleased with these appointments, and 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 58.

Board and Committee evaluation

Information regarding the evaluation of the Board and its Committees can be found on page 90.

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. During 2024, Dr. Kucherlapati also served as of member of the Committee prior to Dr. Holcomb joining the Board on September 23, 2024.

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, Dr. Kucherlapati prior to Dr. Holcomb joining the Board and the Committeee, the Board considered his (i) his prior service on the Board (ii) relevant leadership positions within the sector and (iii) ongoing progress towards adding a new non-executive director with relevant audit committee experience. The Board deemed this to be recent and relevant financial experience, qualifying Dr. Kucherlapati 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. Kucherlapati prior to Dr. Holcomb replacing him on the committee, 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 three times during the year, with Ms. Barber-Lui and Dr. LaMattina each attending all three meetings, Dr. Kucherlapati attending two meetings prior to his departure from the Committee and Dr. Holcomb attending one meeting after replacing Dr. Kucherlapati on the Committee. In 2024, the Chief Executive Officer was invited to and attended all of the meetings, and the President attended two of the meetings. The Auditor was invited to and attended all 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 deconsolidation of Seaport Therapeutics, and valuation of Level 3 financial instruments, including those related to Seaport Therapeutics, Vedanta Biosciences and Sonde Health, as well as the valuation of the investement in the subsidiary companies within the Parent Company financial statements.

Accounting treatment for the sale of future royalties

An area of judgment in our financial statements and, therefore audit risk, relates to the determination of the appropriate accounting treatment for the Royalty Agreement. 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. At year end, this analysis resulted in a sale of future royalty liability of $143.2 million (2023 – $110.2 million). We considered the pertinent terms and underlying economics of the agreement in determining the appropriate accounting treatment.

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 $462.7 million (2023 – $456.9 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, 2024, 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 1% 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, 2024. 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 $177 million (2023 – $25 million).

The main driver of the year-over-year change was activities related to the deconsolidation and new investment in Seaport. 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 2024 Annual Report and Accounts and our 2024 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, 2024, we had sufficient funding to extend operations into 2027 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 2024 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 60 to 64 and in the Additional Information section from pages 182 to 216.

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 2024 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, 2024.

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 2024, the Committee discussed the Auditor's audit plan for 2024. 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 areas of audit focus for the year were (a) Deconsolidation of Founded Entities and (b) 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 2024. The non-audit fees policy is compliant with ethical Standards for Auditors.

In 2024, PwC received total fees of $2.8 million (2023: $2.7 million). Fees paid to PwC are set out in note 9 to the financial statements.

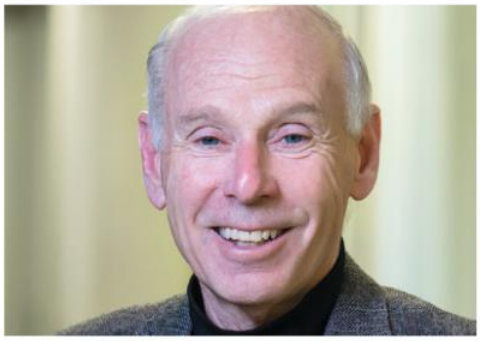
The Committee is satisfied with the independence of PricewaterhouseCoopers.



Sharon Barber-Lui
Chair of Audit Committee
April 30, 2025

Directors' Remuneration Report
for the year ended December 31, 2024

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;
- 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, 2024 and the continued implementation for the year ending December 31, 2025 on pages 110 to 120.

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 Chairman 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, Dr. Kucherlapati and Ms. Mazumdar-Shaw, with Dr. LaMattina serving as Chair of the Committee. The biographies of the Committee members can be found on pages 82 to 83. The Committee met five times during the year, with Dr. LaMattina and Dr. Kucherlapati in attendance for all five meetings and Ms. Mazumdar-Shaw in attendance for three of the five meetings. The Committee also acted by unanimous written consent three times during the year. During 2024, the Chief Executive Officer and the President were invited to all of the meetings, with Ms. Zohar attending two of the three meetings prior to her resignation from the CEO role, and Dr. Chowrira attending all five meetings, first as President and then as CEO following his appointment to the role in April 2024. However, no Executive Director was permitted to participate in discussions or decisions about their personal remuneration.

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, and the Remuneration Report was approved by shareholders at the 2024 AGM with 56.0% support. As detailed in the Remuneration Policy section of this Report, following these results, the Committee engaged with shareholders to address investor concerns and explain our approach of balancing UK standards on remuneration with practices designed to ensure that PureTech can remain competitive against U.S. peer companies. As part of this shareholder engagement, our Board Chair and Remuneration Committee member, Dr. Kucherlapati, traveled to the UK in 2024 to meet directly with several shareholders. Whilst the Committee recognises that our hybrid approach of offering both performance shares and restricted shares is still somewhat unusual in the context of the UK environment, we believe it is key to enabling us to effectively compete for talent with other companies in the biotech cluster around Boston. We face increasing challenges to retain key people in a market where competitor organisations are offering large equity grants to senior employees without long-term performance conditions, so it is crucial that our Policy allows us to offer similar packages. Many of our larger shareholders understand and recognise the commercial realities within which we operate, although we do appreciate that some investors were not supportive at last year's AGM. We will continue to consult and engage with shareholders going forward 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 (Code principle: Proportionality);
- attract, retain and motivate high caliber senior management and focus them on the delivery of our long-term strategic and business objectives (Proportionality, alignment to culture and risk);
- be simple and understandable, both externally and internally (Clarity, simplicity, predictability and proportionality);
- achieve consistency of approach across senior management to the extent appropriate and informed by relevant market benchmarks (Clarity and alignment to culture); and
- encourage widespread equity ownership across the executive team to ensure a long-term focus and alignment of interest with shareholders (Alignment to culture, risk).

A summary of the 2024 Directors' Remuneration Policy is set out on pages 106 to 109.

Performance and reward in 2024

During 2024, PureTech delivered strong execution and achievement of key strategic and financial goals, which has been reflected in the annual bonus outcome. 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 Wholly-Owned Programs 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, (iii) substantial development and expansion of the Company's intellectual property portfolio, and (iv) 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 within Wholly-Owned Programs and Founded Entities, resulted in the Remuneration Committee approving an outcome of 128% of the target performance goals based on pre-specified targets. In line with our standard approach, the Committee then reviewed the overall performance of the Company and the individual Executive Director before determining the final bonus payout. The Committee considered operational performance, the overall growth of the business during the year, the extent to which the target performance goals had in some cases been exceeded, and the individual contribution of the Executive Director. The Committee focused on the remarkable LYT-100 Phase 2B clinical trial data results as an exceptional achievement, and also considered at length the successful activities of certain Founded Entities and the value created for PureTech, especially the successful spin-off and Series A and Series B financing transactions for Seaport Therapeutics, which raised over $325 million during the year. See further details of our performance highlights in 2024 on pages 1 to 5. Following this exercise, the Committee determined that no discretion should be exercised and that a bonus equal to 64% of base salary (representing 128% of target) was to be awarded to the Executive Director.

In relation to the PSP, 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 324 pence during the last three months of 2021 to an average price of 159 pence during the last three months of 2024. Strong strategic performance over the three-year performance period resulted in PSP awards granted to the executive management team in 2022 vesting at a level of 35.3 percent after the end of the 2024 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 payments to the Executive Director in 2024 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 2025, the following key decisions have been made in relation to how the Policy will be implemented:

- Base salary for the Executive Director was increased by 5.5 percent, which is consistent with the midpoint of the general range of increases for the workforce of between 4.0 and 7.0 percent. The Committee is comfortable that the increase awarded to the Executive Director is appropriate, taking into consideration a number of factors and with particular regard to the retention of top talent as part of the continued advancement of the Company's Wholly-Owned Programs.
- 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 2025 will remain at the level of 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.
- 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 2025 award, the weightings will be based 50 percent on TSR and 50 percent on strategic metrics, the same approach as adopted in 2024.

Non-Executive Director compensation

Currently, Non-Executive Directors receive a mixture of cash and ordinary shares in PureTech. The fee levels payable to date have been significantly below the levels typically payable for experienced Non-Executive Directors at U.S. companies in our sector. During 2024, we reviewed the level of cash compensation to ensure that it was consistent with the very significant contributions made by the Non-Executive Directors. Based on this review, we approved the award of annual payments of $25,000 to Non-Executive Directors serving on the Transaction and R&D Committees. These payments comply with the 2024 Remuneration Policy, and are appropriate in light of the significant time commitment required to serve on these committees. Full details of these payments are set out on page 112 of the Directors' Remuneration Report.

For 2025, the equity portion of fees for Non-Executive Directors remains at a maximum of $150,000. Levels of base salary cash compensation for each Non-Executive Director will remain at $75,000, with additional cash compensation tied to director service on the principal committees, and the Transaction and R&D Committees. A further review of the cash element will be undertaken later this year in the interests of ensuring ongoing competitiveness.

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. As you will appreciate, 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. PureTech grants its employees awards of performance shares and restricted shares as well as market-value stock options, helping to ensure a degree of competitiveness against other U.S. companies operating in the same sector. Following shareholder approval of the new Performance Share Plan in 2023, we have greater flexibility in operating the plan given the dilution limits agreed at the time.

Closing comments

The Committee is comfortable that the operation of the Policy for 2024 has demonstrated a robust link between performance and reward given the successes recorded during the year. The Committee believes the Remuneration Policy, and the proposed operation of the Policy for 2025, is appropriate and continues to strike a suitable balance between UK investor expectations and the realities of operating in a competitive U.S. market.

The Committee looks forward to shareholders' support at the 2025 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 are capped at the lower of 3 percent of base salary or the maximum permitted by the U.S. IRS ($46,000 for 2024).	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.

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.

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 In the event that the Company elects any non-U.S. Executive Directors, the 401k Plan may not be an appropriate pension arrangement. In such cases an alternative pension arrangement may be offered. Any such arrangement would not be higher than the pension rate operated for the majority of employees in that jurisdiction.

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 2024 AGM
In light of the voting outcome on the remuneration resolutions at the 2024 AGM, the Board has taken steps to understand the views of shareholders. Specifically, the Company wrote to shareholders representing more than 70% of the Company's issued share capital to offer engagement with the Chair of the Board. Following that initial outreach, meetings were held with shareholders representing more than 50% of issued share capital during the months of July and August 2024. As part of this shareholder engagement, our Board Chair and Remuneration Committee member, Dr. Kucherlapati, traveled to the UK in 2024 to meet directly with several shareholders. While there were a variety of topics discussed during these engagements, there was broad recognition from shareholders regarding the rationale for the changes made to the Remuneration Policy and the implementation of the previous policy, particularly in relation to the challenges the Company faces as a UK-listed business competing for talent in the U.S. where its operations are based.

The Board would like to thank the shareholders who have engaged with the Company during this process. The Board will continue to engage openly and constructively with shareholders as it continues to develop the Company's approach to governance, remuneration and reporting in the periods ahead. 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.

Annual Report on Remuneration

Implementation of the Remuneration Policy for the year ending December 31, 2025

Base salary

The Committee reviewed the base salary levels for the Executive Director in early 2025 and an increase of 5.5 percent was awarded. This increase was in line with the midpoint of the general range of increases across the workforce of between 4.0 and 7.0 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 Wholly-Owned Programs.

	2024 Base salary	2025 Base salary
Bharatt Chowrira* Chief Executive Officer	$850,000	$896,750

* Dr. Chowrira's base salary for 2024 increased upon execution of his new employment agreement to reflect his appointment to Chief Executive Officer from President on April 8, 2024. Due to the timing of his appointment during the year, in 2024 he received a blended base salary totaling $781,008.

Pension

We will continue to contribute under the 401k Plan subject to the maximum set out in the Policy table.

Benefits

Benefits provided will continue to include, as appropriate, housing allowance, transportation allowance, private medical, disability and dental coverage. Benefits payments in 2025 to the Executive Director are expected to generally be in-line with those provided in 2024 and will not include amounts for housing allowance or transportation allowance.

Annual bonus

For 2025, the operation of the annual bonus plan will be similar to the plan's operation in 2024. 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 2025 annual bonus will be based on business development goals (including the strategic development of our Wholly-Owned Programs), as well as financial and capital markets based goals. The performance metrics and targets will be disclosed in the FY2025 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 Executive Director in 2025. The Chief Executive Officer will receive a performance share award with a face value of 300 percent of base salary and a restricted share award with a face value of 300 percent of base salary.

The performance share awards will be subject to the performance conditions described below, measured over the three-year period ended 31 December 2027. 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 10 percent per annum, whilst the maximum target will be TSR equal to 20 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 2025. The level of cash compensation is not being increased for 2025 although, as noted in the Annual Statement from the Chair of the Remuneration Committee, a further review will be undertaken later this year in the interests of ensuring ongoing competitiveness.

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. .

	FY2025
Chair fee	$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, 2024

Single total figure of remuneration for each Director (audited)

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										
Bharatt Chowrira	2024	$781,008	$31,031	$544,000	$395,166[3]	$10,350	$2,550,000	$4,311,555	$3,489,166	$822,839
Daphne Zohar[4]	2024	$200,665	$10,615	–	–	$6,020	–	$217,300	–	$217,300
Non-Executive Directors										
Sharon Barber-Lui	2024	$260,000[5]	–	–	–	–	–	$260,000	–	$260,000
Michele Holcomb	2024	$123,653[6]	–	–	–	–	–	$123,653	–	$123,653
Raju Kucherlapati	2024	$343,641[5]	–	–	–	–	–	$343,641	–	$343,641
John LaMattina	2024	$290,000[5]	–	–	–	–	–	$290,000	–	$290,000
Robert Langer	2024	$270,000[5]	–	–	–	–	–	$270,000	–	$270,000
Kiran Mazumdar-Shaw	2024	$235,000[5]	–	–	–	–	–	$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. 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 Ms. Zohar in 2024 covers the period prior to her resignation from the CEO role and as a Director.
5. 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.
6. 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.

The table below sets out remuneration paid in relation to the 2023 financial year. There was no exercise of share options by Executive Directors or Non-Executive Directors in the 2023 financial year.

	2023 Remuneration								
	Year	Basic Salary/Fees	Benefits[1]	Annual Bonus Plan	Performance Share Plan (Vested)	Pension	Total Remuneration	Total Variable	Total Fixed
Executive Directors									
Bharatt Chowrira	2023	$575,050	$1,030,972	$575,050	$299,453	$9,900	$2,490,425	$874,503	$1,615,922
Daphne Zohar	2023	$719,883	$2,539,391	$719,883	$749,970	$9,900	$4,739,027	$1,469,853	$3,269,174
Non-Executive Directors									
Sharon Barber-Lui	2023	$135,000[2]	–	–	–	–	$135,000	–	$135,000
Michele Holcomb[3]	2023	–	–	–	–	–	–	–	–
Raju Kucherlapati	2023	$172,500[2]	–	–	–	–	$172,500	–	$172,500
John LaMattina	2023	$137,750[2]	–	–	–	–	$137,750	–	$137,750
Robert Langer	2023	$145,000[2]	–	–	–	–	$145,000	–	$145,000
Kiran Mazumdar-Shaw	2023	$135,000[2]	–	–	–	–	$135,000	–	$135,000
TOTAL	2023	$2,020,183	$3,570,363	$1,294,933	$1,049,423	$19,800	$7,954,702	$2,344,356	$5,610,346

1 Benefits comprises the following elements: housing allowance, transportation allowance, private medical, disability and dental coverage and parking. Benefits payments to the Executive Directors in respect of 2023 included specific payments of $2.5 million to Ms. Zohar and $1.0 million to Dr. Chowrira The rationale for these payments was set out in the 2023 Directors' Remuneration Report.

2 These amounts include the grants of share-based remuneration in June 2023 in the form of time-vesting restricted stock units with a face value of $50,000.

3 Dr. Holcomb joined the Board in September 2024.

Annual bonus outcome for 2024 (audited)

For the 2024 annual bonus, targets were set for a balanced scorecard at the beginning of the year. The 2024 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. Both categories contained pre-specified stetch goals for exceptional achievement within each performance category. The Remuneration Committee did not account for the achievement of any previously un-specified goals or other achievements by the management team in determining the final bonus payouts. The table below sets out the performance assessment and associated bonus outcomes:

Target Goals – Achievement (audited)

Performance Measures Category	Achievement	Percentage of Target Attained
Program Development (60%)	The Program Development Goals were 150 percent achieved in 2024. The management team's performance resulted in an achievement outcome of 90 percent which was equal to the pre-specified target of 60 percent, along with 30% for additional stretch goals for this category. A description of performance in 2024 is set out below: The Company completed enrollment and announced topline data of the Phase 2b multiple ascending dose studies for LYT-100 in healthy older adults to support proceeding in IPF while additionally satisfying the stretch goals of achieving primary endpoint with a favourable safety profile and superior efficacy at the higher dose of LYT-100. The Company also completed enrollment of Phase 1b/2a study results with LYT-200 while additionally satisfying the stretch goal of demonstrating proof of concept in AML cancer patients and receiving orphan drug designation for LYT-200.	90%
Strategic Goals (40%)	The Strategic Goals were 95 percent achieved in 2024. The management team's performance resulted in an achievement outcome of 38 percent out of a pre-specified cap of 40 percent for this category of the goals. A description of performance in 2024 is set out below: The Company successfully spun out the CNS programs and Glyph platform into Seaport Therapeutics, which raised over $325 million during the year, completed a $100 million tender offer, completed various strategic sourcing initiatives for new programs, and extensively evaluated certain strategic transactions and options to enhance shareholder value.	38%
Total based on Pre-Specified Targets		**128%**

Accordingly, the Committee determined a bonus payout of 64 percent of base salary representing Company achievement of 128 percent of its target goals for 2024. Each of the above target categories are subject to maximum percentage achievement limits that aggregate to 100 percent of the target bonus (i.e. 50 percent of salary), provided that the Committee may pre-specify certain stretch targets that would increase the ultimate bonus payout above 100 percent of target (i.e. 50 percent of base salary) if achieved. In this case, the Committee determined that payouts at 64 percent of base salary (i.e. 128 percent of target) were appropriate taking into account the overall performance of the Executive Director, the pre-specified goals and stretch targets, and the achievements of the business as set forth above.

For 2024, the annual bonus payment percentage awarded to Executive Directors was substantially below the prior year, and no discretion was exercised by the Committee related to the annual bonus or any other aspect of compensation.

Long-term incentive awards vesting in respect of the year (audited)

The 2022 PSP awards to Executive Directors granted on May 18, 2022 were subject to three-year performance conditions covering the period from January 1, 2022 to December 31, 2024. Following an assessment of the performance conditions, the Remuneration Committee determined that the awards will vest at 35.3 percent of the maximum. The 2023 awards of RSUs to Non-Executive Directors granted on June 8, 2023, vested immediately prior to the 2024 AGM.

	Scheme	Basis of award granted	Shares awarded	Shares vested	Shares lapsed	Value of vested awards
Bharatt Chowrira	PSP 2022	250% of salary[1]	611,909	216,207	395,702	$395,166[2]
Sharon Barber-Lui	PSP 2023	$50,000	17,122	17,122	–	$39,624[3]
Raju Kucherlapati	PSP 2023	$50,000	17,122	17,122	–	$34,031[4]
John LaMattina	PSP 2023	$50,000	17,122	17,122	–	$40,644[5]
Robert Langer	PSP 2023	$50,000	17,122	17,122	–	$40,644[5]
Kiran Mazumdar-Shaw	PSP 2023	$50,000	17,122	17,122	–	$40,644[5]

1 The total grant level for the shares underlying the 2022 Performance Share Plan was 250% of salary rather than 600% of salary because the grant occurred prior to Dr. Chowrira's appointment as CEO.
2 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.
3 Represents the value of the 17,122 shares on June 28, 2024, and an exchange rate of GBP 1 : USD 1.2646 at the date of issuance to the Non-executive Director.
4 Represents the value of the 17,122 shares on October 14, 2024, and an exchange rate of GBP 1 : USD 1.3059 at the date of issuance to the Non-executive Director.
5 Represents the value of the 17,122 shares on June 27, 2024, and an exchange rate of GBP 1 : USD 1.2640 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	Threshold	Maximum	Achievement	Vesting (% of each element)
Absolute TSR (40%)	7% p.a.	15% p.a.	(21%) p.a.	0%
Total return against FTSE 250 Index (10%)	At or above median	Upper quartile	9th percentile	0%
Total return against MSCI Euro Healthcare Index (10%)	At or above median	Upper quartile	11th percentile	0%
Strategic measures (40%)		See description below	35.3%	

The strategic measures over the three-year period were focused on (i) financial goals (40 percent), (ii) clinical development goals (50 percent), and (iii) other achievements (10 percent). The clinical development achievements resulting in satisfaction of 48 percent of the vesting of the strategic measures included, among other things, the successful initiation, enrollment and completion of several Phase 1 and Phase 2 clinical studies 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 LYT-200, and the advancement of other product candidates within our Wholly-Owned Programs and at the Company's Founded Entities. The financial achievements resulting in satisfaction of 35 percent of the vesting of the strategic measures 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 resulting in satisfaction of 5 percent of the vesting of the strategic measures 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. While the achievement of certain pre-specified stretch goals led to a 2024 annual bonus outcome of 128% of target, the portion of the three-year strategic measures period tied to 2024 achievement was capped at 100% to determine the level of vesting for performance share awards. No discretion has been exercised by the Committee in respect of the vesting outcome.

Long-term incentive awards granted during the year (audited)

The following long-term Incentive awards were granted to Executive Directors during 2024:

	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
Bharatt Chowrira (performance share award)	PSP 2024	300% of salary	1,006,438	199.93 pence	$2,550,000	25%	Three financial years to December 31, 2026
Bharatt Chowrira (restricted share award)	PSP 2024	300% of salary	1,006,438	199.93 pence	$2,550,000	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 June 26, 2024.
2 Share awards have been valued based on an exchange rate of GBP 1: USD 1.2673, which was the 3-day average exchange rate immediately prior to the grant of the award.

The PSP awards granted in 2024 are split between performance-based awards and restricted share awards. The performance-based awards are subject to (i) achievement of absolute TSR targets (40 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 (40 percent of the awards), measured over the three year period to December 31, 2026.

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, with the exception of Dr. Holcomb who received an initial grant of share-based remuneration on November 8, 2024, was granted share-based remuneration on June 26, 2024, in the form of 59,202 time-vesting restricted stock units. The equity awards granted to our Non-Executive Directors vest in their entirety immediately prior to Company's 2025 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	59,202[1]	$150,000	June 12, 2025
Michele Holcomb	50,000[2]	$101,914	June 12, 2025
Raju Kucherlapati	59,202[1]	$150,000	June 12, 2025
John LaMattina	59,202[1]	$150,000	June 12, 2025
Robert Langer	59,202[1]	$150,000	June 12, 2025
Kiran Mazumdar-Shaw	59,202[1]	$150,000	June 12, 2025

1 The number of shares awarded to directors then serving as of June 26, 2024 was based on the 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.
2 The 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.

Payments for Loss of Office (audited)
There were no payments for Loss of Office during 2024.

Payments to past Directors (audited)
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). Ms. Zohar was paid base salary, benefits and pension as Chief Executive Officer of the Company through April 8, 2024. Following Ms. Zohar's resignation, her outstanding PSP awards continue to vest for the duration of her service as senior advisor and observer to the Board. As of result of her continued service during 2024, Ms. Zohar's 2022 PSP award of 1,532,051 shares vested as of December 31, 2024. Based on performance during the period, the Board determined that 35.3% of the award vested, and in February 2025 Ms. Zohar received 541,324 ordinary shares pursuant to this award, valued at $989,388 based on the 3-day average share price and exchange rate (GBP 1: USD 1.2634) immediately prior to the issuance of the award. These shares are subject to the applicable holding period. One additional PSPS award from 2023 of 1,678,971 shares will continue to vest while Ms. Zohar is providing services to the Company.

Ms. Zohar did not receive any payments for loss of office.

Ms. Zohar received payments totalling $100,000 for her service as a senior advisor and board observer from April 9, 2024 through April 8, 2025. The term of Ms. Zohar's service as a senior advisor and board observer has been extended to April 8, 2026.

The post-employment shareholding policy will apply to Ms. Zohar, requiring a shareholding worth 400 percent of base salary to be retained for two years following the cessation of her 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	RSUs Subject To Performance Conditions	RSUs Subject To Service Conditions	Total
Director	December 31, 2024					
Bharatt Chowrira	1,000,001[1]	1,950,000	–	1,677,028[2]	1,006,438[3]	5,633,467
Sharon Barber-Lui	38,629	–	–	–	59,202[4]	97,831
Michele Holcomb[5]	–	–	–	–	50,000[6]	50,000
Raju Kucherlapati	2,509,650	–	–	–	59,202[4]	2,568,852
John LaMattina[7]	1,324,130	–	–	–	59,202[4]	1,383,332
Robert Langer[8]	2,760,854	–	–	–	59,202[4]	2,820,056
Kiran Mazumdar-Shaw	49,819	–	–	–	59,202[4]	109,021

1 Does not include 108,103 shares which were issued in February 2025 pursuant to the PSP award granted to Dr. Chowrira covering the financial years 2022, 2023 and 2024. The performance conditions related to this award were measured as of the close of business on December 31, 2024. As of March 31, 2025, Dr. Chowrira owned 1,108,104 shares outright.
2 Includes the following PSP awards, which are subject to performance conditions: 670,590 (2023) and 1,006,438 (2024).
3 Includes the following PSP awards, which are subject to service conditions: 1,006,438 (2024).
4 Denotes RSUs, which are subject to continued service, that were granted in June 2024 and vest immediately prior to the 2025 Annual General Meeting.
5 Dr. Holcomb joined the Board in September 2024.
6 Denotes RSUs, which are subject to continued service, that were granted in November 2024 following Dr. Holcomb's appointment to the Board, and vest immediately prior to the 2025 Annual General Meeting.
7 A portion of Dr. LaMattina's shareholding in the Company is indirect. As of December 31, 2024, an aggregate of 1,324,130 ordinary shares are split between (i) 1,184,774 shares held by the John L LaMattina Revocable Trust and (ii) 139,356 shares held by the LaMattina Charitable Trust. During 2024, Dr. LaMattina's ownership decreased by an aggregate of 107,522 shares, with a decrease of 54,882 ordinary shares as a result of his participation in the Company's 2024 tender offer, and a decrease of 52,640 ordinary shares as a result of certain charitable donations.
8 A portion of Dr. Langer's shareholding in the Company is indirect. As of December 31, 2024, an aggregate of 2,760,854 ordinary shares are split between (i) 2,332,578 shares held by Dr. Langer directly, (ii) 419,867 shares held by the Langer Family 2020 Trust, and (iii) 8,409 shares held by Dr. Langer and Laura Langer jointly. During 2024, Dr. Langer's ownership decreased by 233,098 ordinary shares as a result of his participation in the Company's 2024 tender offer.

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
Bharatt Chowrira	90 days	April 8, 2024	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
Raju Kucherlapati	30 days	June 5, 2024	June 5, 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, 2024, of £100 invested in PureTech on the date of Admission (June 24, 2015), 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: Datastream (Thomson Reuters)



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[1]	64%	35.3%

1 Dr. Chowrira's single-figure remuneration for 2024 includes $2,550,000, or 300% of base salary, the value underlying the unvested 2024 time-based restricted share award. This award was 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.

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:

	2023 to 2024			2022 to 2023			2021 to 2022			2020 to 2021			2019 to 2020		
	Base salary/ fees[1]	Bene- fits[2]	Annual bonus	Base salary/ fees	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
Bharatt Chowrira (CEO)[3]	35.8%	(97%)	(5.4%)	8.5%	3790%	141%	6%	(10%)	(36%)	N/A	N/A	N/A	3%	0%	3%
Sharon Barber-Lui[4]	92.6%	N/A	N/A	17.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Michele Holcomb[5]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Raju Kucherlapati	99.2%	N/A	N/A	27.8%	N/A	N/A	(7%)	N/A	N/A	38.1%	N/A	N/A	11%	N/A	N/A
John LaMattina	111%	N/A	N/A	(5%)	N/A	N/A	0%	N/A	N/A	16%	N/A	N/A	19%	N/A	N/A
Robert Langer	86.2%	N/A	N/A	0%	N/A	N/A	0%	N/A	N/A	16%	N/A	N/A	13%	N/A	N/A
Kiran Mazumdar-Shaw	74.1%	N/A	N/A	0%	N/A	N/A	0%	N/A	N/A	635%	N/A	N/A	N/A	N/A	N/A
Employees[6]	5%	2%	33%	9%	12%	77%	12%	6%	(22%)	9%	7%	1%	45%	N/A	N/A

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 This segment includes: housing allowance, transportation allowance, private medical and dental cover, disability and life insurance. Benefits payments in 2023 included a payment of $1.0m to Bharatt Chowrira, as explained in last year's Directors' Remuneration Report.
3 Joined the Board effective February 2021.
4 Joined the Board effective March 2022.
5 Joined the Board effective September 2024.
6 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 2024 compared to 2023:

	2024	2023	% change
Staff costs[1]	$32,522,471	$37,913,231	(14.2%)
Distributions to Shareholders	$104,703,497[2]	$19,067,660[3]	449.1%

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.
3 Represents the value of the 7,683,526 ordinary shares repurchased under the Company's share repurchase programme during 2023.

Details of the Remuneration Committee, advisors to the Committee and their fees
The Remuneration Committee consists of Dr. LaMattina, Ms. Mazumdar-Shaw and Dr. Kucherlapati, with Dr. LaMattina serving as the Chair of the Committee. In 2024 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 £22,200. 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 2024 AGM:

Resolutions	For	%	Against	%	Withheld	Total votes cast
To approve the Directors' Remuneration Report	72,296,583	55.95%	56,922,574	44.05%	51,706,134	129,219,157

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

2025 AGM
The Company's AGM will be held at 11:00 am EDT (4:00 pm BST) on June 16, 2025 at the Company's headquarters at 6 Tide Street, Boston, Massachusetts. 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 30, 2025

[Pages 121 to 125 have been intentionally omitted]

Consolidated Statement of Comprehensive Income/(Loss)

For the years ended December 31

	Note	**2024 $000s**	2023 $000s	2022 $000s
Contract revenue	3	**4,315**	750	2,090
Grant revenue	3	**513**	2,580	13,528
Total revenue		**4,828**	3,330	15,618
Operating expenses:				
General and administrative expenses	9	**(71,469)**	(53,295)	(60,991)
Research and development expenses	9	**(69,454)**	(96,235)	(152,433)
Operating income/(loss)		**(136,095)**	(146,199)	(197,807)
Other income/(expense):				
Gain/(loss) on deconsolidation of subsidiary	8	**151,808**	61,787	27,251
Gain/(loss) on investments held at fair value	5	**(2,398)**	77,945	(32,060)
Realized gain/(loss) on sale of investments	5	**151**	(122)	(29,303)
Gain/(loss) on investments in notes from associates	7	**13,131**	(27,630)	—
Other income/(expense)		**961**	(908)	8,131
Other income/(expense)		**163,652**	111,072	(25,981)
Finance income/(costs):				
Finance income	11	**22,669**	16,012	5,799
Finance costs – contractual	11	**(1,731)**	(3,424)	(3,939)
Finance income/(costs) – fair value accounting	11	**(8,108)**	2,650	137,063
Finance costs – non cash interest expense related to sale of future royalties	18	**(8,058)**	(10,159)	—
Net finance income/(costs)		**4,773**	5,078	138,924
Share of net income/(loss) of associates accounted for using the equity method	6	**(8,754)**	(6,055)	(27,749)
Gain/(loss) on dilution of ownership interest in associates	6	**199**	—	28,220
Impairment of investment in associates	6	**—**	—	(8,390)
Income/(loss) before taxes		**23,774**	(36,103)	(92,783)
Tax benefit/(expense)	27	**4,008**	(30,525)	55,719
Income/(loss) for the year		**27,782**	(66,628)	(37,065)
Other comprehensive income/(loss):				
Items that are or may be reclassified as profit or loss				
Equity-accounted associate – share of other comprehensive income (loss)		**—**	92	(166)
Reclassification of foreign currency differences on dilution of interest		**—**	—	(213)
Total other comprehensive income/(loss)		**—**	92	(379)
Total comprehensive income/(loss) for the year		**27,782**	(66,535)	(37,444)
Income/(loss) attributable to:				
Owners of the Group		**53,510**	(65,697)	(50,354)
Non-controlling interests		**(25,728)**	(931)	13,290
		27,782	(66,628)	(37,065)
Comprehensive income/(loss) attributable to:				
Owners of the Group		**53,510**	(65,604)	(50,733)
Non-controlling interests		**(25,728)**	(931)	13,290
		27,782	(66,535)	(37,444)
		$	$	$
Earnings/(loss) per share:				
Basic earnings/(loss) per share	12	**0.21**	(0.24)	(0.18)
Diluted earnings/(loss) per share	12	**0.21**	(0.24)	(0.18)

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Financial Position

As of December 31,

	Note	2024 $000s	2023 $000s
Assets			
Non-current assets			
Property and equipment, net	13	**7,069**	9,536
Right of use asset, net	23	**8,061**	9,825
Intangible assets, net	14	**601**	906
Investments held at fair value	5	**191,426**	317,841
Investment in associates – equity method	6	**2,397**	3,185
Investments in notes from associates, non-current	7	**6,350**	4,600
Other non-current assets		**475**	878
Total non-current assets		**216,379**	346,771
Current assets			
Trade and other receivables	24	**1,522**	2,376
Income tax receivable		**—**	11,746
Prepaid expenses		**4,404**	4,309
Other financial assets	15	**1,642**	1,628
Investment in notes from associate, current	7	**11,381**	—
Short-term investments	24	**86,666**	136,062
Cash and cash equivalents	24	**280,641**	191,081
Total current assets		**386,256**	347,201
Total assets		**602,635**	693,973
Equity and liabilities			
Equity			
Share capital	16	**4,860**	5,461
Share premium	16	**290,262**	290,262
Treasury stock	16	**(46,864)**	(44,626)
Merger reserve	16	**138,506**	138,506
Translation reserve	16	**182**	182
Other reserve	16	**(4,726)**	(9,538)
Retained earnings/(Accumulated deficit)	16	**32,486**	83,820
Equity attributable to the owners of the Group		**414,707**	464,066
Non-controlling interests	21	**(6,774)**	(5,835)
Total equity		**407,933**	458,232
Non-current liabilities			
Sale of future royalties liability, non-current	18	**136,782**	110,159
Deferred tax liability		**—**	52,462
Lease liability, non-current	23	**14,671**	18,250
Liability for share-based awards	10	**1,861**	3,501
Total non-current liabilities		**153,314**	184,371
Current liabilities			
Lease liability, current	23	**3,579**	3,394
Trade and other payables	22	**27,020**	44,107
Sale of future royalties liability, current	18	**6,435**	—
Taxes payable		**75**	—
Notes payable	20	**4,111**	3,699
Preferred share liability	17	**169**	169
Total current liabilities		**41,388**	51,370
Total liabilities		**194,702**	235,741
Total equity and liabilities		**602,635**	693,973

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 30, 2025 and signed on its behalf by:



Bharatt Chowrira
Chief Executive Officer
April 30, 2025

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the years ended December 31

		Share Capital			Treasury Shares								
	Note	Shares	Amount $000s	Share premium $000s	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, 2022		287,796,585	5,444	289,303	—	—	138,506	469	(40,077)	199,871	593,515	(9,368)	584,147
Net income/(loss)		—	—	—	—	—	—	—	—	(50,354)	(50,354)	13,290	(37,065)
Other comprehensive income/(loss), net		—	—	—	—	—	—	(379)	—	—	(379)	—	(379)
Total comprehensive income/(loss) for the year		**—**	**—**	**—**	**—**	**—**	**—**	**(379)**	**—**	**(50,354)**	**(50,733)**	**13,290**	**(37,444)**
Deconsolidation of Subsidiary		—	—	—	—	—	—	—	—	—	—	11,904	11,904
Exercise of stock options	10	577,022	11	321	—	—	—	—	—	—	332	—	332
Purchase of Treasury stock	16	—	—	—	(10,595,347)	(26,492)	—	—	—	—	(26,492)	—	(26,492)
Revaluation of deferred tax assets related to share-based awards		—	—	—	—	—	—	—	45	—	45	—	45
Equity-settled share-based awards	10	—	—	—	—	—	—	—	8,856	—	8,856	4,711	13,567
Settlement of restricted stock units	10	788,046	—	—	—	—	—	—	1,528	—	1,528	—	1,528
NCI exercise of share options in subsidiaries	10	—	—	—	—	—	—	—	15,171	—	15,171	(15,164)	7
Other		—	—	—	—	—	—	—	—	—	—	(4)	(4)
Balance December 31, 2022		**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) for the year		—	—	—	—	—	—	92	—	—	92	—	92
Total comprehensive income/(loss) for the year		**—**	**—**	**—**	**—**	**—**	**—**	**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
Settlement of restricted stock units	10	—	—	—	425,219	986	—	—	156	—	1,142	—	1,142
Expiration of share options in subsidiary		—	—	—	—	—	—	—	1,458	—	1,458	(1,458)	—
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**
Balance January 1, 2024		**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) for the year		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**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**

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the years ended December 31

	Note	2024 $000s	2023 $000s	2022 $000s
Cash flows from operating activities				
Income/(loss) for the year		**27,782**	(66,628)	(37,065)
Adjustments to reconcile income/(loss) for the period to net cash used in operating activities:				
Non-cash items:				
Depreciation and amortization		**3,571**	4,933	8,893
Share-based compensation expense	10	**22,850**	4,415	14,698
(Gain)/loss on investment held at fair value	5	**2,398**	(77,945)	32,060
Realized (gain)/loss on sale of investments	5	**(151)**	265	29,303
Gain on dilution of ownership interest in associate	6	**(199)**	—	(28,220)
Impairment of investment in associates	6	**—**	—	8,390
Gain on deconsolidation of subsidiary	8	**(151,808)**	(61,787)	(27,251)
Share of net (gain)/ loss of associates accounted for using the equity method	6	**8,754**	6,055	27,749
(Gain)/loss on investments in notes from associates	7	**(13,131)**	27,630	—
Fair value gain on other financial instruments	19	**—**	—	(8,163)
(Gain)/loss on disposal of assets		**14**	318	138
Impairment of fixed assets		**226**	1,260	
Income taxes expense (benefit)	27	**(4,008)**	30,525	(55,719)
Finance (income)/costs, net	11	**(4,773)**	(5,078)	(138,924)
Changes in operating assets and liabilities:				
Trade and other receivables		**629**	9,750	(7,734)
Prepaid expenses and other financial assets		**(1,262)**	2,834	(862)
Deferred revenue		**—**	(283)	2,123
Trade and other payables	22	**(9,695)**	3,844	22,033
Other		**92**	1,374	359
Income taxes paid		**(37,913)**	(150)	(20,696)
Interest received		**23,547**	14,454	3,460
Interest paid		**(1,295)**	(1,701)	(3,366)
Net cash used in operating activities		**(134,369)**	(105,917)	(178,792)
Cash flows from investing activities:				
Purchase of property and equipment	13	**(11)**	(70)	(2,176)
Proceeds from sale of property and equipment		**255**	865	—
Purchases of intangible assets	14	**—**	(175)	—
Investment in associates	17	**(14,400)**	—	(19,961)
Purchase of investments held at fair value	5	**—**	—	(5,000)
Sale of investments held at fair value	5	**298,109**	33,309	118,710
Short-term note to associate		**(660)**	—	—
Repayment of short-term note from associate		**660**	—	15,000
Purchase of convertible note from associate		**—**	(16,850)	(15,000)
Cash derecognized upon loss of control over subsidiary	8	**(91,570)**	(13,784)	(479)
Purchases of short-term investments		**(308,942)**	(178,860)	(248,733)
Proceeds from maturity of short-term investments		**357,447**	244,556	50,000
Receipt of payment of sublease		**—**	—	415
Net cash provided by (used in) investing activities		**240,888**	68,991	(107,223)
Cash flows from financing activities:				
Receipts from Royalty Purchase Agreement	18	**25,000**	100,000	—
Issuance of subsidiary preferred Shares	17	**68,100**	—	—
Issuance of Subsidiary Convertible Note		**—**	—	393
Payment of lease liability	23	**(3,394)**	(3,338)	(4,025)
Exercise of stock options		**895**	1,153	332
NCI exercise of stock options in subsidiary		**—**	—	7
Repurchase of ordinary shares from Tender Offer	16	**(102,768)**	—	—
Purchase of treasury stock	16	**(4,791)**	(19,650)	(26,492)
Other		**—**	(23)	(41)
Net cash provided by (used in) financing activities		**(16,958)**	78,141	(29,827)
Net increase (decrease) in cash and cash equivalents		**89,560**	41,215	(315,842)
Cash and cash equivalents at beginning of year		**191,081**	149,866	465,708
Cash and cash equivalents at end of period		**280,641**	191,081	149,866
Supplemental disclosure of non-cash investment and financing activities:				
Purchase of intangible assets not yet paid in cash	14	**—**	25	—
Cost associated with Tender Offer not yet paid in cash		**2,076**	—	—
Settlement of restricted stock units through issuance of equity		**1,301**	1,142	1,528

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, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022. The Consolidated Financial Statements have been approved by the Directors on April 30, 2025, and are prepared in accordance with UK-adopted International Financial Reporting Standards ("IFRSs"). The Consolidated Financial Statements also comply fully with IFRSs as issued by the International Accounting Standards Board ("IASB"). UK-adopted IFRSs differs in certain respects from IFRSs 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 liabilities classified as fair value through the profit or loss.

Use of Judgments and Estimates

In preparing the Consolidated Financial Statements, management has made judgements, 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, volatility, and term to liquidity.

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 judgements 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, investee dependence on the Group, etc. 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.

Notes to the Consolidated Financial Statements continued

1. Accounting policies continued

— 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.
— 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, 2024, the Group had cash and cash equivalents of $280,641 and short-term investments of $86,666. Considering the Group's financial position as of December 31, 2024, 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, 2024 and 2023, and for each of the years ended December 31, 2024, 2023 and 2022, 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, 2024, and the Group's total voting percentage, based on outstanding voting common and preferred shares as of December 31, 2024, 2023 and 2022, 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. Accounting policies continued

	Voting percentage at December 31, through the holdings in					
	2024		2023		2022	
Subsidiary	**Common**	**Preferred**	Common	Preferred	Common	Preferred
Subsidiary operating companies						
Gallop Oncology, Inc. (Indirectly Held through PureTech LYT)[2, 5]	**100.0**	**—**	N/A	N/A	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, 6, 8]	**—**	**—**	14.6	—	14.7	—
Gelesis, Inc.[1,2]	**—**	**—**	—	—	22.8	—
Seaport Therapeutics, Inc.[2, 4, 5, 6]	**0.8**	**42.1**	N/A	N/A	N/A	N/A
SPTX, Inc. (held Indirectly through Seaport)[2, 4, 5, 6]	**0.8**	**42.1**	N/A	N/A	N/A	N/A
Karuna Therapeutics, Inc.[2,6, 8]	**—**	**—**	2.3	—	3.1	—
Vedanta Biosciences, Inc.[2, 4, 6]	**—**	**46.9**	—	47.0	—	47.0
Vedanta Biosciences Securities Corp. (indirectly held through Vedanta)[2, 4, 6]	**—**	**46.9**	—	47.0	—	47.0
Vor Biopharma Inc.[2, 6]	**2.1**	**—**	3.9	—	4.1	—
Nontrading 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	—	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	—	100.0
Commense Inc.[2, 7]	**—**	**—**	—	99.1	—	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	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	—	86.0
Libra Biosciences, Inc.[2, 7]	**—**	**—**	—	100.0	—	100.0
Mandara Sciences, LLC[2, 7]	**—**	**—**	98.3	—	98.3	—
Tal Medical, LLC.[2, 7]	**—**	**—**	—	100.0	—	100.0

1 On October 30, 2023, Gelesis ceased operations and filed a voluntary petition for relief under the United States bankruptcy code. See Note 6. Investments in Associates for details.

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, Notes 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 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.

6 See Notes 5. Investments Held at Fair Value for additional discussion on the Group's investment held in Seaport, Vedanta, Sonde, Akili, Karuna and Vor during 2024.

7 Inactive subsidiary dissolved in November 2024.

8 The Group's investments in Akili and Karuna were disposed of in 2024.

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).

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.

1. Accounting policies continued

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 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.

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.

1. Accounting policies continued

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 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 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.

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.

Notes to the Consolidated Financial Statements continued

1. Accounting policies continued

— 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).

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.

1. Accounting policies continued

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. See Note 6. Investments in Associates for impairment recorded in respect of an investment in associate during the year ended December 31, 2022.

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.

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 starting in 2021. 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.

Notes to the Consolidated Financial Statements continued

1. Accounting policies continued

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 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 leases real estate for use in operations. These leases have lease terms of approximately 10 years. 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's leases are virtually all leases of real estate.

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.

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.

1. Accounting policies continued

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 Amendments to IAS 1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current* for the first time for its reporting period ended December 31, 2024. This amendment did not have any impact on the amounts recognized 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 is currently assessing the impact of the new standard.

In July 2024, the International Accounting Standards Board published the IFRS Interpretations Committee ("Committee")'s agenda decision clarifying certain requirements for disclosure of revenue and expenses for reporting segments under IFRS 8, *Operating Segments.* Committee agenda decisions do not have an effective date as entities are afforded a sufficient amount of time to implement them. The Group is currently assessing the impact of the Committee agenda decision and plans to apply the new requirements in its annual financial statements for the year ending December 31, 2025.

Certain other new accounting standards, interpretations, and amendments to existing standards have been published that are effective for annual periods commencing on or after January 1, 2025 and have not been early adopted by the Group in preparing the Consolidated Financial Statements. These standards, amendments or interpretations are not expected to have a material impact on the Group in the prior, current, or future periods.

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,	**2024 $**	2023 $	2022 $
Contract revenue	**4,315**	750	2,090
Grant revenue	**513**	2,580	13,528
Total revenue	**4,828**	3,330	15,618

All amounts recorded in contract revenue were generated in the United States.

During the year ended December 31, 2024, the Group achieved and received a $4,000 milestone payment from Bristol Myers Squibb ("BMS"), the acquirer of Karuna Therapeutics, Inc. ("Karuna"), the Group's Founded Entity, following the approval by the U.S. Food and Drug Administration ("FDA") to market KarXT as Cobenfy, pursuant to a license agreement between PureTech and Karuna in 2011.

During the year ended December 31, 2024, the Group recognized $315 in royalty revenue pursuant to the license agreement discussed above. Under the terms of the license agreement, BMS pays the Group a royalty that amounts to 3% of annual net sales of Cobenfy. Both the milestone payment and the royalties were recognized as contract revenue during the year ended December 31, 2024.

Substantially all of the Group's contracts related to contract revenue for the years ended December 31, 2023 and 2022 were determined to have a single performance obligation which consists of a combined deliverable of license of intellectual property and research and development services. Therefore, for such contracts, revenue is recognized over time based on the input method which the Group believes is a faithful depiction of the transfer of goods and services. Progress is measured based on costs incurred to date as compared to total projected costs. Payments for such contracts are primarily made up-front on a periodic basis. For the Year ended December 31, 2022, contract revenue also includes royalties received from an associate in the amount of $509.

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,	**2024 $**	2023 $	2022 $
Transferred at a point in time – Licensing Income	**4,315**	—	527
Transferred over time	**—**	750	1,563
	4,315	750	2,090

Customers over 10% of revenue	**2024 $**	2023 $	2022 $
Customer A	**—**	750	1,500
Customer B	**—**	—	509
Customer C	**4,315**	—	—
	4,315	750	2,009

Accounts receivable represent rights to consideration in exchange for products or 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 receivable on the Consolidated Statement of Financial Position. The accounts receivable related to contract revenue were $868 and $555 as of December 31, 2024 and 2023, 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 Programs 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 Programs

The Wholly-Owned Programs segment is advancing Wholly-Owned Programs which are focused on treatments for patients with devastating diseases. The Wholly-Owned Programs 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 Programs segment is conducted by the PureTech Health team, which is responsible for the strategy, business development, and research and development.

Controlled Founded Entities

The Controlled Founded Entities segment is comprised of the Group's consolidated operational subsidiaries as of December 31, 2024 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, Vedanta in 2023, and Sonde in 2022) 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 Vor, Vedanta, Sonde and Seaport) 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.

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 Programs segment. The financial results of these programs were included in the Wholly-Owned Programs 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 years ended December 31, 2023 and 2022 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 Program 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 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 Programs segment and are included in the Parent Company and Other column. The corresponding information for 2023 and 2022 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.

	2024			
	Wholly-Owned Programs $	Controlled Founded Entities $	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 expense	(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 of subsidiary				151,808
Gain/(loss) on investment held at fair value				(2,398)
Realized gain 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

4. Segment information continued

	2023			
	Wholly-Owned Programs $	Controlled Founded Entities $	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 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 associate accounted for using the equity method				(6,055)
Income/(loss) before taxes				(36,103)
	As of December 31, 2023			
Available Funds				
Cash and cash equivalents	1,895	675	188,511	191,081
Short-term Investments	—	—	136,062	136,062
Consolidated cash, cash equivalents and short-term investments	1,895	675	324,573	327,143

	For the year ended December 31, 2022			
	Wholly-Owned Programs $	Controlled Founded Entities $	Parent Company & Other $	Consolidated $
Contract revenue	—	1,500	590	2,090
Grant revenue	521	—	13,007	13,528
Total revenue	521	1,500	13,597	15,618
General and administrative expenses	(7,737)	(419)	(52,835)	(60,991)
Research and development expenses	(109,201)	(1,051)	(42,182)	(152,433)
Total operating expense	(116,938)	(1,470)	(95,018)	(213,425)
Operating income/(loss)	(116,417)	30	(81,420)	(197,807)
Income/expenses not allocated to segments				
Other income/(expense):				
Gain on deconsolidation				27,251
Gain/(loss) on investment held at fair value				(32,060)
Realized loss on sale of investments				(29,303)
Other income/(expense)				8,131
Total other income/(expense)				(25,981)
Net finance income/(costs)				138,924
Share of net income/(loss) of associate accounted for using the equity method				(27,749)
Gain on dilution of ownership interest in associate				28,220
Impairment of investment in associate				(8,390)
Income/(loss) before taxes				(92,783)

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, Vor and other insignificant investments as of December 31, 2024 are initially measured at fair value, and are subsequently re-measured at fair value at each reporting date with changes in the 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 as of January 1, 2023	**251,892**
Investment in Vedanta preferred shares – Vedanta deconsolidation	20,456
Investment in Gelesis 2023 Warrants	1,121
Sale of Karuna shares	(33,309)
Loss realised on sale of investments	(265)
Gain – changes in fair value through profit and loss	77,945
Balance as of December 31, 2023 and January 1, 2024	**317,841**
Sale of Karuna shares	(292,672)
Investment in Seaport preferred shares - Seaport deconsolidation	179,248
Sale of Akili Shares	(5,437)
Gain realised on sale of Karuna shares	151
Loss – changes in fair value through profit and loss	(2,398)
Balance as of December 31, 2024 before allocation of equity method loss to long-term interest ("LTI")	**196,733**
Equity method loss recorded against LTI	(5,307)
Balance as of December 31, 2024	**191,426**

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 and the power to direct the relevant Vedanta activities. Consequently, Vedanta was deconsolidated on March 1, 2023 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 Vedanta's deconsolidation, the Group has significant influence over Vedanta through its voting interest in Vedanta and its remaining representation on Vedanta's Board of Directors. However, the Group only holds convertible preferred shares in Vedanta that do not provide their holders 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.

During the years ended December 31, 2024 and December 31, 2023, the Group recognized losses of $2,990 and $6,303 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 $11,163 and $14,153 as of December 31, 2024 and 2023, respectively.

Karuna

Karuna was deconsolidated in March 2019. During 2019, Karuna completed its IPO 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.

2022

On August 8, 2022, the Group sold 125,000 shares of Karuna common stock. In addition, the Group wrote a series of call options entitling the holders thereof to purchase up to 477,100 Karuna common stock at a set price, which were exercised in full in August and September 2022. Aggregate proceeds to the Group from all aforementioned transactions amounted to $115,457, net of transaction fees. As a result of the aforementioned sales, the Group recognized a loss of $29,303, attributable to the exercise of the aforementioned call options, in realized gain/(loss) on sale of investment within the Consolidated Statement of Comprehensive Income/(Loss).

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, the Group's common shares in Karuna were acquired by Bristol Myers Squibb ("BMS") 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.

During the years ended December 31, 2024, 2023, and 2022 the Group recognized gains of $11,813, $107,079, and $134,952, 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).

5. Investments Held at Fair Value continued

Vor

Vor was deconsolidated in February 2019. On February 9, 2021, Vor closed its initial public offering. Subsequent to the closing, the Group held 3,207,200 shares of Vor common stock, representing 8.6% of Vor common stock.

In August and December 2022, the Group sold an aggregate of 535,400 shares of Vor common stock for aggregate proceeds of $3,253.

During the years ended December 31, 2024, 2023 and 2022, the Group recognized losses of $3,046, $11,756, and $16,247, 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). The fair value of the Group's investment in Vor was $2,966 and $6,012 as of December 31, 2024 and 2023, respectively.

Gelesis

Gelesis was deconsolidated in July 2019. The common stock held in Gelesis was accounted for under the equity method, while the preferred shares and warrants held by the Group fell under the guidance of IFRS 9 and were treated as financial assets held at fair value, with changes to the fair value of the instruments recorded through the Consolidated Statement of Comprehensive Income/(Loss). Please refer to Note 6. Investments in Associates for information regarding the Group's investment in Gelesis as an associate.

2022

On January 13, 2022, Gelesis completed its business combination with Capstar Special Purpose Acquisition Corp ("Capstar"). As part of the business combination, all shares in Gelesis, common and preferred, including the shares held by the Group, were exchanged for common shares of the merged entity and unvested common shares that will vest upon the stock price of the new combined entity reaching certain target prices (hereinafter "Gelesis Earn-out Shares"). In addition, the Group invested $15,000 in the class A common shares of Capstar as part of the Private Investment in Public Equity ("PIPE") transaction that took place immediately prior to the closing of the business combination and an additional $4,961, as part of the Backstop Agreement signed with Capstar on December 30, 2021 (See Note 6. Investments in Associates). Pursuant to the business combination, 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. The exchange of the preferred stock (including warrants) for common stock (including common stock warrants) represents an additional investment in Gelesis equity investment. The Group recorded the changes in fair value of the preferred stock and warrants through the date of the exchange upon which the preferred shares and warrants were derecognized and recorded as an additional investment in Gelesis equity interest.

As part of the aforementioned exchange, the Group received 4,526,622 Gelesis Earn-out Shares, which were valued on the date of the exchange at $14,214. The Group accounted for such Gelesis Earn-out Shares under IFRS 9 as investments held at fair value with changes in fair value recorded through profit and loss.

2023

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 at an exercise price of $0.0182 per share and (iii) warrants to purchase 43,133,803 shares of Gelesis common stock at 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 through the profit and loss.

As Gelesis ceased operations in October 2023, the fair value of the Gelesis 2023 Warrants was $0 as of December 31, 2024 and 2023, respectively, and no gain or loss was recognized in 2024. During the years ended December 31, 2023 and 2022, the Group recognized losses of $1,264 and $18,476, respectively, related to the change in the fair value of these instruments that was included in gain/(loss) on investments held at fair value within the Consolidated Statement of Comprehensive Income/(Loss).

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. Therefore, the results of operations of Sonde are included in the Consolidated Financial Statements through the date of deconsolidation. See 8. Gain/(loss) on Deconsolidation of Subsidiary.

Following deconsolidation, the Group had 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. 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.

5. Investments Held at Fair Value continued

During the years ended December 31, 2024, 2023 and 2022, the Group recognized a loss of $5,102, a loss of $994, and a gain of $235, respectively, for the changes in the fair value of the investment in Sonde that were included in gain/(loss) on investments held at fair value within the Consolidated Statement of Comprehensive Income/(Loss). For the year ended December 31, 2024, the Group's recognized an additional loss of $5,307 on its investment in Sonde's Preferred A-2 and B shares. The recognition of the additional loss occurs because 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, was greater than its equity method investment balance and because the Group's investment in Sonde's Preferred A-2 and B shares represents a long-term interest. The additional loss of $5,307 is included in share of net income / (loss) of associates accounted for using the equity method within the Consolidated Statement of Comprehensive Income/(Loss). The fair value of the Group's investment in Sonde's Preferred A-2 and B shares was $0 and $10,408 as of December 31, 2024 and 2023, respectively.

Akili

Akili was deconsolidated in 2018. At 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.

2022

On August 19, 2022, Akili Interactive merged with Social Capital Suvretta Holdings Corp. I, a special purpose acquisition company. The combined company's securities began trading on August 22, 2022 on the Nasdaq Stock Market under the ticker symbol "AKLI". As part of this transaction, the Akili Interactive shares held by the Group were exchanged for the common stock of the combined company's securities as well as unvested common stock ("Akili Earnout Shares") that will vest when the share price exceeds certain thresholds. In addition, as part of a PIPE transaction that took place concurrently with the closing of the transaction, the Group purchased 500,000 shares for a total consideration of $5,000. Following the closing of the aforementioned transactions, the Group held 12,527,476 shares of the combined entity and 1,433,914 Akili Earn-out Shares, with a total fair value of $15,102 as of December 31, 2022.

2024

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 interests in Akili.

During the years ended December 31, 2024, 2023 and 2022, the Group recognized losses of $985, $8,681, and $131,419, 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).

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. The Group also has an investment held at fair value in Seaport through its ownership of Seaport's Series A-1, A-2 and B convertible preferred shares. 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 October 18, 2024, the closing date of the Series B preferred share financing, the Group owns 3,031,578 of Series B preferred stock, 8,421,052 of Series A-2 preferred stock, and 40,000,000 of Series A-1 preferred stock. These preferred shares had a fair value of $179,248 and $177,288 as of October 18, 2024 and December 31, 2024, 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, the probability of Seaport entering into an initial public offering and achieving a certain clinical trial development milestone, and the estimated time to liquidity.

During the year ended December 31, 2024, the Group recognized a loss of $1,960 for the changes in the fair value of the investment in Seaport that were 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 raised funding through preferred shares financings as well as issuances of warrants and loans. As of July 1, 2019, Gelesis was deconsolidated from the Group's financial statements. Upon deconsolidation, the preferred shares and warrants held by the Group fell under the guidance of IFRS 9 *Financial Instruments* and were treated as financial assets held at fair value and the investment in common shares of Gelesis was subject to IAS 28 *Investment in Associates* as the Group had significant influence over Gelesis.

Backstop agreement – 2022 and 2021

On December 30, 2021, the Group signed an agreement (the "Backstop Agreement") with Capstar and had committed to acquire Capstar class A common shares at $10 per share immediately prior to the closing of the business combination between Gelesis and Capstar, in case, the Available Funds, as defined in the agreement, were less than $15,000. According to the Backstop Agreement, if the Group had to acquire any shares under the agreement, the Group would receive an additional 1,322,500 class A common shares of Capstar at no additional consideration.

The Group determined that such agreement meets the definition of a derivative under IFRS 9 and as such, should be recorded at fair value with changes in fair value recorded through profit and loss. The derivative was initially recorded at fair value adjusted to defer the day 1 gain equal to the difference between the fair value of $11,200 and transaction price of zero on the effective date of the Backstop Agreement and as such, was initially recorded at zero. The deferred gain was amortized over the period from the effective date until the settlement date, January 13, 2022. During the years ended December 31, 2022 and 2021, the Group recognized income of $10,400 and $800, respectively, for the amortization of the deferred gain. During the year ended December 31, 2022, the Group recognized a loss of $2,776 in respect of the decrease in the fair value of the derivative until the settlement date, resulting in a net gain of $7,624 recorded during the year ended December 31, 2022 in respect of the Backstop Agreement. The gain was included in other Income/(expense) in the Consolidated Statement of Comprehensive Income/(Loss). The fair value of the derivative on the settlement date in the amount of $8,424 represents an additional investment in Gelesis as part of the SPAC transaction described below.

On January 13, 2022, as part of the conclusion of the aforementioned Backstop Agreement, the Group acquired 496,145 class A common shares of Capstar for $4,961 and received an additional 1,322,500 class A common shares of Capstar for no additional consideration.

2022

Share exchange – Capstar

On January 13, 2022, Gelesis completed its business combination with Capstar. As part of the business combination, all shares in Gelesis, common and preferred, including the shares held by the Group, were exchanged for common shares of the merged entity and unvested common shares that will vest upon the stock price of the new combined entity reaching certain target prices (the "Gelesis Earn-out Shares"). In addition, the Group invested $15,000 in the class A common shares of Capstar as part of the PIPE transaction that took place immediately prior to the closing of the business combination and an additional $4,961, as part of the Backstop Agreement described above. Pursuant to the business combination, 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. Following the closing of the business combination, the PIPE transaction, the settlement of the aforementioned Backstop Agreement with Capstar, and the exchange of all preferred shares in Gelesis to common shares in the new combined entity, the Group holds 16,727,582 common shares of Gelesis Holdings Inc., which was equal to approximately 23.2% of Gelesis Holdings Inc's outstanding common shares at the time of the exchange. Due to the Group's significant equity holding and voting interest in Gelesis, the Group continued to maintain significant influence in Gelesis and as such, continued to account for its Gelesis equity investment under the equity method.

Gelesis was deemed to be the acquirer in Gelesis Holdings Inc. and the financial assets and financial liabilities in Capstar were deemed to be acquired by Gelesis in consideration for the shares held by Capstar legacy shareholders. As such, the Group did not revalue the retained investment in Gelesis but rather treated the exchange as a dilution of its equity interest in Gelesis from 42.0% as of December 31, 2021 to 22.8% as of January 13, 2022 (including warrants that provide its holders access to returns associated with equity holders). After considering the aforementioned additional investments, the exchange of the preferred stock, previously accounted for as an investment held at fair value, to common stock (and representing an additional equity investment in Gelesis), the earn-out shares received in Gelesis (see Note 5. Investments Held at Fair Value) and the offset of previously unrecognized equity method losses, the net gain recorded on the dilution of interest amounted to $28,255.

Impairment

Following Gelesis' decline in its market price in 2022 and its lack of liquidity, the Group recorded an impairment loss of $8,390 as of December 31, 2022 in respect of its investment in Gelesis. The recoverable amount of the investment in Gelesis was $4,910 as of December 31, 2022, which was determined based on fair value less costs to sell (which were estimated to be insignificant). Fair value was determined based on level 1 of the fair value hierarchy as Gelesis shares were traded on an active market as of December 31, 2022.

The impairment loss was presented separately in the Consolidated Statement of Comprehensive Income/(loss) for the year ended December 31, 2022 in the line item impairment of investment in associates.

6. Investments in Associates continued

2023

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 in 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 zero as of December 31, 2024 and 2023, respectively.

Sonde (Boston, MA)

On May 25, 2022, Sonde completed a Series B preferred share financing. As a result of the aforementioned financing, the Group's voting interest was reduced below 50% and the Group lost its control over Sonde, and as such, ceased to consolidate Sonde on the date the round of financing was completed. See Note 8. Gain/(loss) on Deconsolidation of Subsidiary.

Following deconsolidation, 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.

The fair value of the Preferred A-1 shares on the date of deconsolidation amounted to $7,716, which is the initial value of the equity method investment in Sonde.

During the years ended December 31, 2024, 2023, and 2022, the Group recorded a loss of $8,492, $1,052 and $3,443, 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 is 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 loses, 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. 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 in 2024. As of December 31, 2024, unrecognized equity method losses amounted to $14,447.

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 in Seaport and its remaining representation on Seaport's Board of Directors. The Group's voting interest as of the date of deconsolidation and as of December 31, 2024 was 43.0% and 42.9%, respectively. The Group holds both common shares and preferred shares in Seaport. The common shares are subject to IAS 28 *Investment 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.

6. Investments in Associates continued

The fair value of the common shares on the date of deconsolidation amounted to $2,461, which is 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 13.1% as of December 31, 2024. 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.

The following table provides summarized financial information for Seaport, the Group's material associate for the year ended 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, 2024
Summarized statement of financial position	$
Current assets	**310,151**
Non-current assets	**5,632**
Current liabilities	**(11,149)**
Non-current liabilities	**(460,996)**
Equity awards issued to third parties	**(2,042)**
Net assets / (liabilities)	**(158,405)**
Reconciliation to carrying amounts:	
Opening net assets/(liabilities)	**(156,414)**
Profit/(loss) for the period	**(1,991)**
Other comprehensive income / (loss)	**—**
Dividends paid	**—**
Closing net assets / (liabilities)	**(158,405)**
Group's share in %	**13.1%**
Group's share of net assets (net deficit)	**(20,764)**
Unrecognized goodwill and intangibles	**23,162**
Carrying amount of Investment in associates	**2,397**

Statement of comprehensive income/(loss)	2024
Revenue	**—**
Profit /(loss) from continuing operations (100%)	**(1,991)**
Profit /(loss) for the year	**(1,991)**
Other comprehensive income / (loss)	**—**
Total comprehensive income/ (loss)	**(1,991)**
Dividends received from associate	**—**
Group's share in gain (net losses)	**(262)**

The following table summarizes the activities related to the investment in associates balance for the years ended December 31, 2024 and 2023.

Investment in Associates	$
Balance as of January 1, 2023	**9,147**
Share in net loss of associates	(6,055)
Share in other comprehensive loss of associates	92
Balance as of December 31, 2023 and January 1, 2024	**3,185**
Investment in Seaport - deconsolidation	2,461
Gain on dilution of interest in associate	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**

7. Investment in Notes from Associates

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 solely represent 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 in 2025. As of December 31, 2024, these notes were determined to have a fair value of $11,381.

For the years ended December 31, 2024 and 2023, the Group recorded 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).

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 carries an interest rate of 9% per annum. The debt has various conversion triggers, and the conversion price is 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 is not earlier converted or repaid, the entire outstanding amount of the convertible debt shall be due and payable upon the earliest to occur of (a) the later of (x) November 1, 2025 and (y) the date which is sixty (60) days after all amounts owed under, or in connection with, the loan Vedanta received from a certain investor have been paid in full, or (b) the consummation of a Deemed Liquidation Event (as defined in Vedanta's Amended and Restated Certificate of Incorporation).

Due to the terms of the convertible debt, the investment in such convertible debt is measured at fair value with changes in the fair value recorded through profit and loss. As of December 31, 2024 and 2023, the Vedanta convertible debt was determined to have a fair value of $6,350 and $4,600, respectively. During the year ended December 31, 2024 and December 31, 2023 Group recorded 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 $17,731 and $4,600 as of December 31, 2024 and 2023, 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, 2023	**16,501**
Investment In Gelesis Notes	10,729
Investment in Vedanta convertible debt	5,000
Changes in the fair value of the notes	(27,630)
Balance as of December 31, 2023 and January 1, 2024	**4,600**
Changes in the fair value of the notes	13,131
Balance as of December 31, 2024	**17,731**

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).

Sonde

On May 25, 2022, Sonde completed a Series B preferred share financing and amended its Voting Agreement to grant the Series B preferred stockholders representation on Sonde's Board of Directors. As a result of the Series B preferred share financing and the amendment to the Voting Agreement, the Group's voting interest was reduced below 50%, and the Group no longer controls Sonde's Board of Directors, which is the governance body that has the power to direct the relevant activities of Sonde. Consequently, the Group concluded that it lost control over Sonde, and therefore, Sonde was deconsolidated on May 25, 2022 from the Group's Consolidated Financial Statements. The results of Sonde's operations are included in the Group's Consolidated Financial Statements through the date of deconsolidation.

Following deconsolidation, the Group has significant influence over Sonde through its 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. 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 investments in Preferred A-2 and B shares 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 Sonde and recorded its aforementioned investment in Sonde at fair value. The deconsolidation resulted in a gain of $27,251. As of the date of deconsolidation, the investment in Sonde convertible preferred shares amounted to $18,848.

As of December 31, 2024 and 2023, the Group's investment in Sonde's convertible preferred shares held at fair value was $0 and $10,408, respectively, and categorized as Level 3 in the fair value hierarchy.

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 deconsolidation, the Group has significant influence over Vedanta through its voting interest in Vedanta and its remaining representation on Vedanta's Board of Directors. The Group only holds convertible preferred shares in Vedanta that 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 does 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, 2024 and 2023, the Group's investment in Vedanta convertible preferred shares is held at fair value of $11,163 and $14,153, 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 Vedanta and the sensitivity of the fair value measurement to changes in these significant unobservable inputs are disclosed in Note 19. Financial Instruments.

8. Loss of Control of Subsidiary continued

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, 2024, the Group's investment in Seaport's convertible preferred shares is held at fair value of $177,288 and is 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.

The following table summarizes the assets, liabilities and non-controlling interest of Seaport, Vedanta and Sonde derecognized from the Group in the years ended December 31, 2024, 2023 and 2022, respectively.

	2024 $	2023 $	2022 $
Assets, Liabilities and non-controlling interests in deconsolidated subsidiary	Seaport	Vedanta	Sonde
Cash and cash equivalents	(91,570)	(13,784)	(479)
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	1,407
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 notes payable	—	—	3,403
Subsidiary preferred shares and warrants	76,208	24,568	15,853
Other assets and liabilities, net	(475)	(462)	123
Sub-total (net assets)/liabilities	**(8,070)**	32,246	20,307
Derecognize carrying value of non-controlling interest	(7,430)	9,085	(11,904)
Recognize investment retained in deconsolidated subsidiary at fair value*	167,308	20,456	18,848
Calculated gain on deconsolidation	**151,808**	61,787	27,251

* 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.

9. Operating Expenses

Total operating expenses were as follows:

For the years ended December 31,	**2024 $**	2023 $	2022 $
General and administrative	**71,469**	53,295	60,991
Research and development	**69,454**	96,235	152,433
Total operating expenses	**140,923**	149,530	213,425

The average number of persons employed by the Group during the year, analyzed by category, was as follows:

For the years ended December 31,	**2024**	2023	2022
General and administrative	**39**	40	57
Research and development	**41**	56	144
Total	**80**	96	201

The aggregate payroll costs of these persons were as follows:

For the years ended December 31,	**2024 $**	2023 $	2022 $
General and administrative	**40,559**	24,586	25,322
Research and development	**15,023**	21,102	36,321
Total	**55,581**	45,688	61,643

Detailed operating expenses were as follows:

For the years ended December 31,	**2024 $**	2023 $	2022 $
Salaries and wages	**29,032**	37,084	41,750
Healthcare and other benefits	**2,203**	2,599	2,908
Payroll taxes	**1,496**	1,590	2,286
Share-based payments	**22,850**	4,415	14,699
Total payroll costs	**55,581**	45,688	61,643
Amortization	**1,764**	1,979	3,048
Depreciation	**1,807**	2,955	5,845
Total amortization and depreciation expenses	**3,571**	4,933	8,893
Other general and administrative expenses	**27,491**	25,180	31,600
Other research and development expenses	**54,280**	73,729	111,288
Total other operating expenses	**81,771**	98,909	142,888
Total operating expenses	**140,923**	149,530	213,425

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,	**2024 $**	2023 $	2022 $
Audit of these financial statements	**2,377**	2,241	1,716
Audit of the financial statements of subsidiaries	**—**	—	132
Audit of the financial statements of associate**	**150**	—	814
Audit-related assurance services*	**316**	445	1,157
Non-audit related services	**6**	9	—
Total	**2,848**	2,695	3,819

* 2024 and 2023 – this amount represents assurance service relating to SOX controls work for purposes of the ICFR audit of Form 20-F

** The amounts include audit fees of $150 in respect of financial statements of Seaport for the stub period after deconsolidation in 2024 and audit fees of $720 in respect of financial statements of Gelesis for the year ended December 31, 2022. The 2022 fees are not included within the Consolidated Financial Statements. These fees are disclosed as they went towards supporting the audit opinion on the Group accounts.

Notes to the Consolidated Financial Statements continued

10. Share-based Payments

Share-based payments includes 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, 2024, 2023 and 2022, was $22,850, $4,415, and $14,699, 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,	**2024 $**	2023 $	2022 $
General and administrative	**21,993**	3,185	8,862
Research and development	**857**	1,230	5,837
Total	**22,850**	4,415	14,699

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, 2024, the Group had issued 29,940,832 units of share-based awards under these plans.

RSUs

During the twelve months ended December 31, 2024 and 2023, the Group granted the following RSUs to certain non-executive Directors, executives and employees:

Twelve months ended December 31,	**2024**	2023
Time based RSUs	**4,388,116**	102,732
Performance based RSUs	**1,822,151**	3,576,937
Total RSUs	**6,210,267**	3,679,669

RSU activity for the years ended December 31, 2024, 2023 and 2022 is detailed as follows:

	Number of Shares/Units	Weighted Average Grant Date Fair Value (GBP) (*)
Outstanding (Non-vested) at January 1, 2022	**3,632,715**	**1.91**
RSUs Granted in Period	4,309,883	1.76
Vested	(696,398)	2.80
Forfeited	(1,155,420)	2.67
Outstanding (Non-vested) at December 31, 2022 and 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 and January 1, 2024	**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**

* 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.

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.

10. Share-based Payments continued

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 stock based compensation expense.

The Group recorded $4,388, $827, and $1,637, respectively, for the years ended December 31, 2024, 2023 and 2022 in respect of all restricted stock units, of which $909, $402, and $1,131, respectively, were in respect of liability settled share-based awards.

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 have met all their performance and market conditions and were settled in February, 2025. As of December 31, 2023, the carrying amount of the RSU liability awards was $4,782 with $1,281 current and $3,501 non-current, out of which $1,281 related to awards that met all their performance and market conditions and were settled in March and May of 2024.

Stock Options

Stock option activity for the years ended December 31, 2024, 2023 and 2022, 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, 2022	**13,414,118**	**2.58**	**8.29**	
Granted	8,881,000	2.04		
Exercised	(577,022)	0.50		2.43
Forfeited and expired	(3,924,215)	2.89		
Options Exercisable at December 31, 2022 and January 1, 2023	**6,185,216**	**2.03**	**6.21**	
Outstanding at December 31, 2022 and 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 and January 1, 2024	**9,065,830**	**2.19**	**6.01**	
Outstanding at December 31, 2023 and January 1, 2024	**16,956,590**	**2.29**	**7.20**	
Granted	2,665,875	1.87		
Exercised	(412,729)	1.73		2.2
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**	

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,	**2024**	2023	2022
Expected volatility	**44.76%**	43.69%	41.70%
Expected terms (in years)	**6.16**	6.16	6.11
Risk-free interest rate	**4.31%**	4.04%	2.13%
Expected dividend yield	**—**	—	—
Exercise price (GBP)	**1.87**	2.22	2.04
Underlying stock price (GBP)	**1.87**	2.22	2.04

Expected volatility is based 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, 2024, 2023 and 2022 of $1.18, $1.37 and $1.15, respectively.

Notes to the Consolidated Financial Statements continued

10. Share-based Payments continued

The Group incurred share-based payment expense for the stock options of $1,092, $3,310 and $8,351 for the years ended December 31, 2024, 2023 and 2022, respectively.

For shares outstanding as of December 31, 2024, 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	—	4.75
1.00 to 2.00	6,133,522	1.63	6.03
2.00 to 3.00	4,823,373	2.25	6.39
3.00 to 4.00	3,437,250	3.41	4.87
Total	**14,483,990**	**2.25**	**5.87**

Subsidiary Plans

For the years ended December 31, 2024, 2023 and 2022, the subsidiaries incurred share-based payment expense of $17,372, $277 and $4,711, respectively.

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 is 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.

A summary of stock option activity by number of shares in these subsidiaries is presented in the following table:

	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)	—

	Outstanding as of January 1, 2022	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, 2022
Entrega	349,500	45,000	—	(50,000)	—	—	344,500
Follica	2,686,120	90,000	—	—	—	—	2,776,120
Sonde	2,049,004	—	—	—	—	(2,049,004)	—
Vedanta	1,991,637	490,506	(400,000)	(65,235)	(192,332)	—	1,824,576

10. Share-based Payments continued

The weighted-average exercise prices and remaining contractual life for the options outstanding as of December 31, 2024, were as follows:

Outstanding at December 31, 2024	Number of options	Weighted-average exercise price $	Weighted-average contractual life outstanding
Entrega	**334,500**	**1.96**	**2.78**

There were no grants in 2023 under any of the subsidiary option plans. The weighted average exercise prices for the options granted for the years ended December 31, 2024 and 2022, were as follows:

For the years ended December 31,	2024 $	2023 $	2022 $
Seaport	**1.28**	—	—
Entrega	**—**	—	0.02
Follica	**—**	—	1.86
Vedanta	**—**	—	14.94

The weighted average exercise prices for options forfeited during the year ended December 31, 2024, were as follows:

Forfeited during the year ended December 31, 2024	Number of options	Weighted-average exercise price $
Entrega	**5,000**	**0.02**
Seaport	**29,018**	**0.97**

The weighted average exercise prices for options exercisable as of December 31, 2024, were as follows:

Exercisable at December 31, 2024	Number of Options	Weighted-average exercise price $	Exercise Price Range $
Entrega	**334,500**	**1.96**	**0.02-2.36**

There were no subsidiary options exercised during the year ended December 31, 2024.

11. Finance Income/(Costs), net

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

For the years ended December 31,	2024 $	2023 $	2022 $
Finance income			
Interest income from financial assets	**22,669**	16,012	5,799
Total finance income	**22,669**	16,012	5,799
Finance costs			
Contractual interest expense on notes payable	**(684)**	(1,422)	(212)
Interest expense on other borrowings	**—**	(363)	(1,759)
Interest expense on lease liability	**(1,295)**	(1,544)	(1,982)
Gain on forgiveness of debt	**273**	—	—
Gain/(loss) on foreign currency exchange	**(25)**	(94)	14
Total finance costs – contractual	**(1,731)**	(3,424)	(3,939)
Gain/(loss) from changes in fair value of warrant liability	**—**	33	6,740
Gain/(loss) from changes in fair value of preferred shares	**(8,108)**	2,617	130,825
Gain/(loss) from changes in fair value of convertible debt	**—**	—	(502)
Total finance income/(costs) – fair value accounting	**(8,108)**	2,650	137,063
Total finance costs - non cash interest expense related to sale of future royalties	**(8,058)**	(10,159)	—
Finance income/(costs), net	**4,773**	5,078	138,924

Notes to the Consolidated Financial Statements continued

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, 2023 and 2022, 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 amounted to 1,509,900 and 3,134,131 shares, respectively.

Earnings/(Loss) Attributable to Owners of the Group:

	2024		2023		2022	
	Basic $	**Diluted $**	Basic $	Diluted $	Basic $	Diluted $
Income/(loss) for the year, attributable to the owners of the Group	**53,510**	**53,510**	(65,697)	(65,697)	(50,354)	(50,354)

Weighted-Average Number of Ordinary Shares:

	2024		2023		2022	
	Basic	**Diluted**	Basic	Diluted	Basic	Diluted
Issued ordinary shares at January 1,	**271,853,731**	**271,853,731**	278,566,306	278,566,306	287,796,585	287,796,585
Effect of shares issued & treasury shares purchased	**(17,397,423)**	**(17,397,423)**	(2,263,773)	(2,263,773)	(3,037,150)	(3,037,150)
Effect of dilutive shares	**—**	**1,571,612**	—	—	—	—
Weighted average number of ordinary shares at December 31,	**254,456,308**	**256,027,920**	276,302,533	276,302,533	284,759,435	284,759,435

Earnings/(Loss) per Share:

	2024		2023		2022	
	Basic $	**Diluted $**	Basic $	Diluted $	Basic $	Diluted $
Basic and diluted earnings/(loss) per share	**0.21**	**0.21**	(0.24)	(0.24)	(0.18)	(0.18)

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, 2023	**13,341**	**1,510**	**1,419**	**23,964**	**2,803**	**43,037**
Additions, net of transfers	—	—	—	—	87	87
Disposals	(2,886)	—	(137)	—	—	(3,023)
Deconsolidation of subsidiaries	(5,092)	(438)	(365)	(8,799)	(2,871)	(17,565)
Reclassifications	—	—	—	—	(18)	(18)
Balance as of December 31, 2023	**5,363**	**1,072**	**917**	**15,165**	**1**	**22,518**
Additions, net of transfers	246	—	11	—	—	256
Disposals/Impairment	(2,215)	—	(387)	—	(1)	(2,602)
Deconsolidation of subsidiaries	(246)	—	(11)	—	—	(256)
Reclassifications	—	—	—	—	—	—
Balance as of December 31, 2024	**3,148**	**1,072**	**530**	**15,165**	**—**	**19,916**

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, 2023	**(7,711)**	**(875)**	**(1,244)**	**(10,250)**	**—**	**(20,080)**
Depreciation	(892)	(162)	(45)	(1,856)	—	(2,955)
Disposals	543	—	38	—	—	581
Deconsolidation of subsidiaries	3,917	339	357	4,858	—	9,472
Balance as of December 31, 2023	**(4,142)**	**(698)**	**(894)**	**(7,248)**	**—**	**(12,982)**
Depreciation	(139)	(153)	(13)	(1,503)	—	(1,807)
Disposals	1,485	—	376	—	—	1,861
Deconsolidation of subsidiaries	81	—	—	—	—	81
Balance as of December 31, 2024	**(2,715)**	**(851)**	**(530)**	**(8,751)**	**—**	**(12,847)**

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, 2023	1,221	375	23	7,917	1	9,536
Balance as of December 31, 2024	**433**	**221**	**—**	**6,414**	**—**	**7,069**

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 $1,807, $2,955 and $5,845 for the years ended December 31, 2024, 2023 and 2022, 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 accumulated amortization of intangible assets is as follows:

Cost	Licenses $
Balance as of January 1, 2023	**831**
Additions	200
Write-off	(105)
Deconsolidation of subsidiary	(19)
Balance as of December 31, 2023	**906**
Write-off	(80)
Deconsolidation of subsidiary	(225)
Balance as of December 31, 2024	**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.

During the year ended December 31, 2023, the Group wrote off two of its research intangible assets for which research was ceased in the amount of $105.

During the year ended December 31, 2023, Vedanta, Inc. was deconsolidated and as such, $19 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 $1,642 and $1,628 as of December 31, 2024 and 2023, respectively.

16. Equity

Total equity for the Group as of December 31, 2024, and 2023, was as follows:

Equity	December 31, 2024 $	December 31, 2023 $
Share capital, £0.01 par value, issued and paid 257,927,489 and 289,468,159 as of December 31, 2024 and 2023, respectively	**4,860**	5,461
Share premium	**290,262**	290,262
Treasury shares, 18,506,177 and 17,614,428 as of December 31, 2024 and 2023, respectively	**(46,864)**	(44,626)
Merger Reserve	**138,506**	138,506
Translation reserve	**182**	182
Other reserves	**(4,726)**	(9,538)
Retained earnings/(accumulated deficit)	**32,486**	83,820
Equity attributable to owners of the Group	**414,707**	464,066
Non-controlling interests	**(6,774)**	(5,835)
Total equity	**407,933**	458,232

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, 2024 and December 31, 2023, the Group's issued share capital was 257,927,489 shares and 289,468,159 shares, respectively, including 18,506,177 shares and 17,614,428 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 is reduced to $0 upon deconsolidation.

The fair value of all subsidiary preferred shares as of December 31, 2024 and December 31, 2023, is as follows:

Balance as of December 31, 2024 and December 31, 2023	2024 $	2023 $
Entrega	**169**	169
Total subsidiary preferred share balance	**169**	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, 2024 and December 31, 2023, 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, 2024 and December 31, 2023	2024 $	2023 $
Entrega	**2,216**	2,216
Follica	**6,405**	6,405
Total minimum liquidation preference	**8,621**	8,621

For the years ended December 31, 2024 and 2023, the Group recognized the following changes in the value of subsidiary preferred shares:

	$
Balance as of January 1, 2023	**27,339**
Decrease in value of preferred shares measured at fair value – finance costs (income)	(2,617)
Deconsolidation of subsidiary - (Vedanta)	(24,554)
Balance as of December 31, 2023 and January 1, 2024	**169**
Issuance of Seaport A-2 preferred shares - financing cash flow	68,100
Increase in value of preferred shares measured at fair value – finance costs (income)	8,108
Deconsolidation of subsidiary – (Seaport)	(76,208)
Balance as of December 31, 2024	**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 made by 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 judgement.

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 $315 in the first quarter of 2025 for the royalties received from BMS for the sale of Cobenfy in the fourth quarter of 2024.

The following shows the activity in respect of the sale of future royalties liability:

	Sale of future royalties liability $
Balance as of January 1, 2023	**—**
Amounts received at closing	100,000
Non cash interest expense recognized	10,159
Balance as of December 31, 2023 and 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**
Sale of future royalties liability, current	6,435
Sale of future royalties liability, non-current	136,782

19. Financial Instruments

The Group's financial instruments consist of financial assets in the form of notes, convertible notes and investment in shares, and financial liabilities, including 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.

Subsidiary Preferred Share Liability

As of December 31, 2024 and 2023, 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 is recorded in finance income/(costs) – fair value accounting in the Consolidated Statement of Comprehensive Income/(Loss).

19. Financial Instruments continued

Investments Held at Fair Value

Vor Valuation

Vor (Nasdaq: VOR) and additional immaterial investments are listed entities on an active exchange, and as such, the fair value as of December 31, 2024 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, 2024, the Group accounts for the following investments under IFRS 9 as investments held at fair value with changes in fair value through profit and loss: Seaport preferred A-1, A-2, and B shares, Vedanta preferred A-1, B, C, and D shares, Sonde preferred A-2 and B shares and other immaterial investment. 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, 2024, the Group recorded such investments at fair value and recognized a loss of $10,361 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:

Balance as of January 1, 2023	**12,593**
Deconsolidation of Vedanta - new investment in Vedanta preferred shares	20,456
Investment in Gelesis 2023 Warrants	1,121
Gain/(loss) on changes in fair value	(9,299)
Balance as of December 31, 2023 and January 1, 2024	**24,872**
Deconsolidation of Seaport - new investment in Seaport preferred shares	179,248
Gain/(loss) on changes in fair value	(10,361)
Balance as of December 31, 2024	**193,758**
Equity method loss recorded against LTI	(5,307)
Balance as of December 31, 2024 after allocation of equity method loss to LTI	**188,452**

The changes in fair value of investments held at fair value is recorded in gain/(loss) on investments held at fair value in the Consolidated Statement of Comprehensive Income/(Loss).

As of December 31, 2024, the Group's material investments held at fair value categorized as Level 3 in the fair value hierarchy include the preferred shares of Seaport, and Vedanta, with fair value of $177,288, and $11,163, respectively. The significant unobservable inputs used at December 31, 2024 in the fair value measurement of these investments and the sensitivity of the fair value measurements for these investments to changes of these significant unobservable inputs are summarized in the tables below.

As of December 31, 2024	Investment (Seaport) Measured through Market Backsolve & PWERM		
Unobservable Inputs (Seaport)	Input Value	Sensitivity Range	Fair Value Increase/ (Decrease) $
Equity Value	538,635	-10%	(22,099)
		+10%	21,716
Time to Liquidity	0.5	-3 months	5,753
		+3 months	(4,247)
Probability of achieving a certain clinical trial development milestone	80%	-10%	(7,871)
		+10%	7,871
Probability of entering into an initial public offering	25% and 20%	-10%	(4,754)
		+10%	4,754

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, 2024. Whilst the Group considers the methodologies and assumptions used in the fair value measurement to be supportable and reasonable, 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.

As of December 31, 2024	Investment (Vedanta) Measured through Market Backsolve that Leverages a Monte Carlo Simulation		
Unobservable Inputs (Vedanta)	Input Value	Sensitivity Range	Fair Value Increase/ (Decrease) $
Equity Value	30,845	-5%	(1,617)
		+5%	1,515
Time to Liquidity	0.27	-3 Months	n.a.
		+3 Months	5,238
Volatility	155%	-10%	(2,976)
		+10%	518

Notes to the Consolidated Financial Statements continued

19. Financial Instruments continued

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, 2024. Whilst the Group considers the methodologies and assumptions used in the fair value measurement to be supportable and reasonable, 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.

Investments in Notes from Associates

As of December 31, 2024 and 2023, the investment in notes from associates was $17,731 and $4,600, respectively. The balance represents the fair value of convertible promissory notes with a principal value of $26,850 issued by Gelesis and convertible debt with a principal value of $5,000 issued by Vedanta.

During the year-ended December 31, 2024, the Group recorded a gain of $13,131 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 gain was driven by an increase of $11,381 in the fair value of the Gelesis convertible promissory notes and an increase of $1,750 in the fair value of the Vedanta convertible note.

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 at 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 in 2025. As of December 31, 2024, these notes were determined to have a fair value of $11,381.

The convertible debt issued by Vedanta was valued using a market backsolve approach that leverages a Monte Carlo simulation. The significant unobservable inputs categorized as Level 3 in the fair value hierarchy used at December 31, 2024, in the fair value measurement of the convertible debt are the same as the inputs disclosed above for Vedanta preferred shares.

Fair Value Measurement and Classification

The fair value of financial instruments by category as of December 31, 2024 and 2023:

	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	**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.

	2023					
	Carrying Amount		Fair Value			
	Financial Assets $	Financial Liabilities $	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets[1]:						
Money Markets[2]	156,705	—	156,705	—	—	156,705
Note from associate	4,600	—	—	—	4,600	4,600
Investments held at fair value	317,841	—	292,970	—	24,872	317,841
Total financial assets	479,146	—	449,675	—	29,472	479,146
Financial liabilities:						
Subsidiary preferred shares	—	169	—	—	169	169
Share-based liability awards	—	4,782	—	—	4,782	4,782
Total financial liabilities	—	4,951	—	—	4,951	4,951

1 Excluded from the table above are short-term investments of $136,062 that are classified at amortized cost as of December 31, 2023. The cost of these short-term investments approximates current fair value.
2 Included within cash and cash equivalents.

20. Subsidiary Notes Payable

The subsidiary notes payable is comprised of loans and convertible notes. These instruments do not contain embedded derivatives, and therefore, are held at amortized cost. As of December 31, 2024 and December 31, 2023, the balance of notes payable consists of the following:

Balance as of December 31,	2024 $	2023 $
Loans	**4,111**	3,439
Convertible notes	**—**	260
Total subsidiary notes payable	**4,111**	3,699

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 $	Sonde $	Total $
January 1, 2022	94	141	2,461	2,696
Gross principal - issuance of notes - financing activity	—	—	393	393
Accrued interest on convertible notes - finance costs	5	8	48	60
Changes in fair value - finance costs	—	—	502	502
Deconsolidation	—	—	(3,403)	(3,403)
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 and January 1, 2024	**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, 2024 and 2023, non-controlling interests included Entrega and Follica. Ownership interests of the non-controlling interests in these entities as of December 31, 2024 were 11.7%, and 19.9%, respectively. There was no change from December 31, 2023 in the ownership interests of the non-controlling interests in these two entities. As of December 31, 2022, non-controlling interests included Entrega, Follica, and Vedanta. Ownership interests of the non-controlling interests in these entities were 11.7%, 19.9%, and 12.2%, respectively. 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. During the year ended December 31, 2022, Sonde Health, Inc was deconsolidated. See Note 8. Gain/(loss) on Deconsolidation of Subsidiary.

On February 15, 2022, option holders in Vedanta exercised options into shares of common stock, increasing the NCI interest held from 3.7% to 12.2%. The exercise of the options resulted in an increase in the NCI share in Vedanta shareholder's deficit of $15,164.

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, 2022	(9,368)
Share of comprehensive income (loss)	13,290
Deconsolidation of subsidiary (Sonde)	11,904
NCI exercise of share-based awards in subsidiaries - change in NCI interest	(15,164)
Equity settled share-based payments	4,711
Other	(4)
Balance as of December 31, 2022 and January 1, 2023	**5,369**
Share of comprehensive income (loss)	(931)
Deconsolidation of subsidiary (Vedanta)	(9,085)
Equity settled share-based payments	277
Expiration of share options in subsidiary	(1,458)
Other	(6)
Balance as of December 31, 2023 and January 1, 2024	**(5,835)**
Share of comprehensive income (loss)	(25,728)
Equity settled share-based payments - See Note 10. Share-based Payments	17,372
Deconsolidation of subsidiary (Seaport)	7,430
Other	(13)
Balance as of December 31, 2024	**(6,774)**

22. Trade and Other Payables

Information regarding Trade and other payables was as follows:

Balance as of December 31,	**2024 $**	2023 $
Trade payables	**5,522**	14,637
Accrued expenses	**18,705**	28,187
Liability for share-based awards- short term	**1,875**	1,281
Other	**917**	3
Total trade and other payables	**27,020**	44,107

Trade and other payables decreased by $17,088 to $27,020 as of December 31, 2024. The decrease reflected lower operating expenses primarily from the reduced clinical trials related activities as well as the deconsolidation of Seaport for the year ended December 31, 2024.

23. Leases and subleases

The activity related to the Group's right of use asset and lease liability for the years ended December 31, 2024 and 2023 is as follows:

	Right of use asset, net	
	2024 $	2023 $
Balance as of January 1,	**9,825**	14,281
Additions	**—**	—
Depreciation	**(1,764)**	(1,979)
Deconsolidated	**—**	(2,477)
Balance as of December 31,	**8,061**	9,825

23. Leases and subleases continued

	Total lease liability	
	2024 $	2023 $
Balance as of January 1,	**21,644**	29,128
Additions	**—**	—
Cash paid for rent - principal - financing cash flow	**(3,394)**	(3,338)
Cash paid for rent - interest	**(1,295)**	(1,544)
Interest expense	**1,295**	1,544
Deconsolidated	**—**	(4,146)
Balance as of December 31,	**18,250**	21,644

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 Statement of Comprehensive Income/(Loss). The Group recorded depreciation expense of $1,764, $1,979 and $3,047 for the years ended December 31, 2024, 2023 and 2022, respectively.

The following table details the short-term and long-term portion of the lease liability as of December 31, 2024 and 2023:

	Total lease liability	
	2024 $	2023 $
Short-term portion of lease liability	**3,579**	3,394
Long-term portion of lease liability	**14,671**	18,250
Total lease liability	**18,250**	21,644

The following table details the future maturities of the lease liability, showing the undiscounted lease payments to be paid after the reporting date:

	2024 $
Less than one year	**4,644**
One to two years	**4,419**
Two to three years	**4,551**
Three to four years	**4,687**
Four to five years	**2,796**
More than five years	**—**
Total undiscounted lease maturities	**21,096**
Interest	**2,846**
Total lease liability	**18,250**

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 was set to expire 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 is 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 lease term is two years from the rent commencement date, and Allonnia has the option to extend the sublease for an additional year at the same terms. The annual lease fee is $1,111 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. In February 2024, Allonnia exercised the option and extended the lease term through May 31, 2026. The annual lease fee increased to $1,279 per year.

Rental income recognized by the Group during the year ended December 31, 2024 and 2023 was $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	2024 $	2023 $
Cash and cash equivalents	**280,641**	191,081
Short-term investments	**86,666**	136,062
Trade and other receivables	**1,522**	2,376
Total	**368,828**	329,518

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, 2024 and 2023, 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, 2024 and 2023, based on contractual undiscounted payments:

	2024				
Balance as of December 31	Carrying Amount $	Within Three Months $	Three to Twelve Months $	One to Five Years $	Total $ (*)
Subsidiary notes payable	**4,111**	**4,111**	**—**	**—**	**4,111**
Trade and other payables	**27,020**	**27,020**	**—**	**—**	**27,020**
Taxes Payable	**75**	**75**	**—**	**—**	**75**
Subsidiary preferred shares (Note 17)[1]	**169**	**169**	**—**	**—**	**169**
Total	**31,375**	**31,375**	**—**	**—**	**31,375**

	2023				
Balance as of December 31	Carrying Amount $	Within Three Months $	Three to Twelve Months $	One to Five Years $	Total $ (*)
Subsidiary notes payable	3,699	3,699	—	—	3,699
Trade and other payables	44,107	44,107	—	—	44,107
Subsidiary preferred shares (Note 17)[1]	169	169	—	—	169
Total	47,975	47,975	—	—	47,975

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

24. Capital and Financial Risk Management continued

Interest Rate Sensitivity

As of December 31, 2024, the Group had cash and cash equivalents of $280,641, and short-term investments of $86,666. 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, 2024. 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 $191,426 and $17,731, respectively, as of December 31, 2024, 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, 2024, the investments in associates include Sonde and Seaport, and the carrying amounts of the investments under the equity method were $0 and $2,397, respectively. Accordingly, the Group does not view this risk as high.

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. As of December 31, 2023, the Group held 886,885 common shares of Karuna, 2,671,800 common shares of Vor, and 12,527,476 common shares of Akili with fair value of $280,708, $6,012, and $6,112, respectively. The common shares of Karuna and Akili were disposed of in 2024 as part of the Karuna's acquisition by BMS in March 2024 and Akili's acquisition by Virtual Therapeutics in July 2024.

The investment in Vor is exposed to fluctuations in the market price of Vor's common shares. 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.

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 royalty on future sales. As of December 31, 2024, 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 $7,371, respectively, as of December 31, 2024 and December 31, 2023. 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, 2024 and December 31, 2023, the noncancellable commitments in respect of such contracts amounted to approximately $8,395 and $16,422, 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 represents management's best estimate of the expected settlement related to the financial obligation associated with the lawsuit, considering the likelihood of settlement. The final settlement amount could vary depending on the outcome of the ongoing negotiations or litigation. The timing for resolution remains uncertain.

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 other than already included above for the years ended December 31, 2024 and 2023.

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 zero as Gelesis ceased operations and filed for bankruptcy.

The Group recorded $0, $23 and $89 of interest income with respect to the sublease during the years ended December 31, 2024, 2023, and 2022 respectively, which is presented within finance income in the Consolidated Statement of Comprehensive Income/(Loss).

Related Party Royalties

The Group received $509 in royalties from Gelesis on its product sales for the year ended December 31, 2022 and recorded such royalty receipt as royalty revenue which was included in contract revenue in the Consolidated Statement of Comprehensive Income/(Loss) for the year ended December 31, 2022. The Group did not record any royalty revenue from Gelesis for the years ended December 31, 2024, and 2023.

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:

As of December 31	**2024 $**	2023 $	2022 $
Short-term employee benefits	**5,166**	9,714	4,162
Post-employment benefits	**61**	41	55
Termination benefits	**395**	417	152
Share-based payment expense	**2,540**	599	2,741
Total	**8,161**	10,772	7,109

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, 2024, and 2023 the payable due to the key management employees was $1,509, and $4,732, respectively.

In addition the Group paid remuneration to non-executive directors in the amounts of $670, $475, and $655 for the years ended December 31, 2024, 2023 and 2022, respectively. Also, the Group incurred $501, $373 and $365, of stock based compensation expense for such non-executive directors for the years ended December 31, 2024, 2023, and 2022 respectively.

During the years ended December 31, 2024, 2023 and 2022, the Group incurred $34, $46 and $51, respectively, of expenses paid to related parties.

26. Related Parties Transactions continued

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). As of December 31, 2023, the outstanding related party notes payable was $104, including principal and interest.

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, 2024:

	Business name (share class)	Number of shares held as of December 31, 2024	Number of options held as of December 31, 2024	Number of RSUs held as of December 31, 2024	Ownership interest[1]
Directors:					
Dr Robert Langer	Entrega (Common)	**250,000**	**82,500**	**—**	**4.29%**
Dr Raju Kucherlapati	Enlight (Class B Common)	**—**	**30,000**	**—**	**3.00%**
	Seaport Therapeutics (Preferred B)	**21,052**	**—**	**—**	**0.01%**
Dr John LaMattina	Vedanta Biosciences (Common)	**25,000**	**15,000**	**—**	**0.25%**
	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%**
Senior Managers:					
Eric Elenko	Seaport Therapeutics (Common)	**950,000**	**—**	**—**	**0.64%**

1 Ownership interests as of December 31, 2024 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 and any shares issuable upon conversion of outstanding convertible promissory notes.

2 Dr. John and Ms. Mary LaMattina hold 21,052 Series B preferred shares of Seaport Therapeutics.

Directors and senior managers hold 10,294,322 ordinary shares and 4.3% voting rights of the Group as of December 31, 2024. This amount excludes options to purchase 2,155,915 ordinary shares. This amount also excludes 3,517,248 shares, which are issuable based on the terms of performance based RSU awards granted to certain senior managers covering the financial years 2024, 2023 and 2022, 1,822,151 shares of time based RSUs to senior managers, which vest over 3 years, and 346,010 shares, which are issuable to directors immediately prior to the Group's 2025 Annual General Meeting of Stockholders, based on the terms of the RSU awards granted to non-executive directors in 2024. Such shares will be issued to such senior managers and non-executive directors 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.

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 and Vedanta to the Group.

As of December 31, 2024, the Group has a receivable from Seaport in the amount of $408.

See Note 6. Investments in Associates for details on the execution and termination of the Merger Agreement with Gelesis in 2023.

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, 2024, 2023 and 2022, the Group filed a consolidated U.S. federal income tax return which included all subsidiaries in which the Group owned greater than 80% of the vote and value. For the years ended December 31, 2024, 2023 and 2022, 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.

Amounts recognized in Consolidated Statement of Comprehensive Income/(Loss):

For the year ended December 31	**2024 $**	2023 $	2022 $
Income/(loss) for the year	**27,782**	(66,628)	(37,065)
Income tax expense/(benefit)	**(4,008)**	30,525	(55,719)
Income/(loss) before taxes	**23,774**	(36,103)	(92,783)

Recognized Income Tax Expense/(Benefit):

For the year ended December 31	**2024 $**	2023 $	2022 $
Federal - current	**35,310**	(2,246)	13,065
State - current	**13,144**	(46)	1,336
Total current income tax expense/(benefit)	**48,454**	(2,292)	14,401
Federal - deferred	**(46,442)**	29,294	(48,240)
State - deferred	**(6,020)**	3,523	(21,880)
Total deferred income tax expense/(benefit)	**(52,462)**	32,817	(70,120)
Total income tax expense/(benefit), recognized	**(4,008)**	30,525	(55,719)

The income tax expense/(benefit) was $(4,008), $30,525 and $(55,719) for the tax years ended December 31, 2024, 2023 and 2022, respectively. The income tax benefit recognized in 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. The income tax expense recognized in 2023 was primarily due to income from the sale of future royalties to Royalty Pharma and the recognition of deferred tax liabilities.

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:

	2024		2023		2022	
For the year ended December 31	**$**	**%**	$	%	$	%
US federal statutory rate	**4,994**	**21.00**	(7,573)	21.00	(19,486)	21.00
State taxes, net of federal effect	**1,026**	**4.32**	(3,974)	11.01	(8,043)	8.67
Tax credits	**(2,517)**	**(10.59)**	(9,167)	25.39	(6,876)	7.41
Stock-based compensation	**2,123**	**8.93**	589	(1.63)	788	(0.85)
Finance income/(costs) – fair value accounting	**1,640**	**6.90**	(556)	1.54	(28,783)	31.02
Loss with respect to associate for which no deferred tax asset is recognized	**210**	**0.88**	249	(0.69)	1,413	(1.52)
Revaluation of deferred due to rate change	**(3,419)**	**(14.38)**	—	—	(8,856)	9.54
Nondeductible compensation	**1,534**	**6.45**	872	(2.42)	300	(0.32)
Recognition of deferred tax assets and tax benefits not previously recognized	**(12,396)**	**(52.14)**	(433)	1.20	(184)	0.20
Unrecognized deferred tax asset	**—**	**—**	83,984	(232.63)	17,287	(18.63)
Deconsolidation of subsidiary	**3,863**	**16.25**	(17,506)	48.49	(3,572)	3.85
Cancellation of Debt Income	**(987)**	**(4.15)**	—	—	—	—
Other	**755**	**3.16**	1,321	(3.65)	293	(0.32)
Worthless stock deduction	**(833)**	**(3.50)**	(17,281)	47.87	—	—
	(4,008)	**(16.86)**	30,525	(84.52)	(55,719)	60.05

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).

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	2024 $	2023 $
Operating tax losses	**2,621**	3,849
Tax credits	**238**	2,425
Share-based payments	**6,206**	5,210
Capitalized research & development expenditures	**48,904**	39,422
Lease liability	**4,851**	5,133
Sale of future royalties	**42,406**	35,920
Other temporary differences	**—**	1,770
Deferred tax assets	**105,226**	93,729
Investments held at fair value	**(23,565)**	(53,411)
Right of use assets	**(2,143)**	(2,330)
Property and equipment, net	**(1,235)**	(1,637)
Investment in associates	**(637)**	(755)
Other temporary differences	**(1,900)**	—
Deferred tax liabilities	**(29,480)**	(58,133)
Deferred tax assets (liabilities), net	**75,746**	35,596
Deferred tax liabilities, net, recognized	**—**	(52,462)
Deferred tax assets (liabilities), net, not recognized	**75,746**	88,058

As of December 31, 2024, 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 $75,746 are primarily related to capitalized research & development expenditures 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.

	2024 $		2023 $	
For the year ended December 31	**Gross Amount**	**Tax Effected**	Gross Amount	Tax Effected
Deductible temporary difference	**274,227**	**72,887**	353,323	83,741
Tax losses	**7,815**	**2,621**	13,681	3,849
Tax credits	**238**	**238**	468	468
Total	**282,280**	**75,746**	367,472	88,058

Tax Losses and Tax Credits Carryforwards

Tax losses and tax credits for which no deferred tax asset was recognized are presented below:

	2024 $		2023 $	
Balance as of December 31	**Gross Amount**	**Tax Effected**	Gross Amount	Tax Effected
Tax losses expiring:				
Within 10 years	**1,537**	**416**	4,741	1,284
More than 10 years	**3,285**	**729**	6,635	1,455
Available Indefinitely	**2,993**	**1,476**	2,305	1,110
Total	**7,815**	**2,621**	13,681	3,849
Tax credits expiring:				
Within 10 years	**44**	**44**	43	43
More than 10 years	**194**	**194**	425	425
Available indefinitely	**—**	**—**	—	—
Total	**238**	**238**	468	468

Notes to the Consolidated Financial Statements continued

27. Taxation continued

The Group had U.S. federal net operating losses carry forwards ("NOLs") of $7,815, $13,681 and $219,466 as of December 31, 2024, 2023 and 2022, respectively, which are available to offset future taxable income. These NOLs expire through 2037 with the exception of $2,993 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 $238, $1,396 and $4,500 as of December 31, 2024, 2023 and 2022, respectively, which are available to offset future taxes that expire at various dates through 2037. The Group also had Federal Orphan Drug credits of approximately $0 and $930 as of December 31, 2024, and 2023. 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 $125,322, $111,446 and $71,700 for the years ended December 31, 2024, 2023 and 2022, respectively, which are available to offset future taxable income. These NOLs expire at various dates beginning in 2030. The Group had Massachusetts research and development tax credits of approximately $0, $98 and $600 for the years ended December 31, 2024, 2023 and 2022, respectively. These NOLs and credits 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, 2024. 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 Statement of Financial Position are as follows:

For the year ended December 31	**2024 $**	2023 $
Income tax receivable – current	**—**	11,746
Income tax payable – current	**(75)**	—

Uncertain Tax Positions

The Group has no uncertain tax positions as of December 31, 2024. 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, 2024, up to the date of issuance, April 30, 2025, 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	2024 $000s	2023 $000s
Assets			
Non-current assets			
Investment in subsidiary	2	**462,734**	456,864
Total non-current assets		**462,734**	456,864
Current assets			
Cash and cash equivalents		**26,323**	20,425
Total current assets		**26,323**	20,425
Total assets		**489,057**	477,289
Equity and liabilities			
Equity			
Share capital	3	**4,860**	5,461
Share premium	3	**290,262**	290,262
Treasury stock	3	**(46,864)**	(44,626)
Merger reserve	3	**138,506**	138,506
Other reserve	3	**26,407**	21,596
Retained earnings - (Income of $107,421 and loss of $3,178 for 2024 and 2023, respectively)	3	**44,574**	41,997
Total equity		**457,746**	453,196
Current liabilities			
Trade and other payables		**3,661**	2,033
Intercompany payables	4	**27,650**	22,061
Total current liabilities		**31,311**	24,093
Total equity and liabilities		**489,057**	477,289

Please refer to the accompanying notes to the PureTech Health plc financial information ("Notes"). Registered number: 09582467.

The PureTech Health plc financial statements were approved by the Board of Directors and authorized for issuance on April 30, 2025 and signed on its behalf by:



Bharatt Chowrira
Chief Executive Officer
April 30, 2025

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, 2023	**289,161,653**	**5,455**	**289,624**	**(10,595,347)**	**(26,492)**	**138,506**	**18,114**	**45,175**	**470,382**
Exercise of stock options	306,506	6	638	239,226	530	—	(22)	—	1,153
Equity-settled share-based payments	—	—	—	—	—	—	3,348	—	3,348
Settlement of restricted stock units	—	—	—	425,219	986	—	156	—	1,142
Purchase of treasury stock	—	—	—	(7,683,526)	(19,650)	—	—	—	(19,650)
Net Income (loss)	—	—	—	—	—	—	—	(3,178)	(3,178)
Balance December 31, 2023	**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**

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. Accounting policies

Basis of Preparation and Measurement

The financial statements of PureTech Health plc (the "Parent") are presented as of December 31, 2024 and 2023, and for the years ended December 31, 2024 and 2023, 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 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.

Notes to the Financial Statements continued

2. Investment in subsidiary

	$
Balance at December 31, 2021	**148,086**
Equity-settled share-based payments granted to employees and service providers in subsidiaries	10,384
Conversion of intercompany receivable (net of a portion of intercompany payable) into investment	293,904
Balance at December 31, 2022	**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**

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 2022, 2023 and 2024, 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 settlements and payments of these equity awards by the subsidiary, or settlement of share-based payments through equity by PureTech.

As of December 31, 2024, the Parent performed an impairment assessment on its investment in subsidiary using the fair value less costs to sell approach. The carrying amount of its investment in subsidiary was approximately 1% lower than the implied market capitalization. Applying the estimated control premium, the Parent determined that its investment in subsidiary was not impairment as of December 31, 2024.

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, 2024 and 2023, other reserves increased by $4,811 and $3,482, 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.

4. Intercompany payables

The Parent had a balance due to its operating subsidiary PureTech LLC of $27,650 as of December 31, 2024, which is related to IPO costs and operating expenses. These intercompany payables do not bear any interest and are repayable upon demand.

5. Profit and loss account

As permitted by Section 408 of the Companies Act 2006, the Parent's profit and loss account has not been included in these financial statements. The Parent's net income for the year was $107,421.

During the year ended December 31, 2024, the Parent recorded income of $110,500 in respect of dividend received from its subsidiary.

6. 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 2024 or 2023.

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 our therapeutics 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, 2022, 2023 and 2024 were $197.8 million, $146.2 million and $136.1 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.

As of December 31, 2024, 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, 2024, we had cash, cash equivalents and short term investments of $367.3 million at the PureTech Health plc level. Based on current projections, the Directors believe that the company has sufficient available funding to extend operations into at least 2027. 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, Seaport and Vor Biopharma Inc., or Vor, 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.

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.

It is currently unclear to what extent the UK will seek to align its regulations with the EU. 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). The extent to which the regulation of clinical trials in the UK will mirror the (EU) CTR in the long term is not yet certain, however, on December 12, 2024, the UK government introduced a legislative proposal - the Medicines for Human Use (Clinical Trials) Amendment Regulations 2024 - that, if implemented, will replace the current regulatory framework for clinical trials in the UK. The legislative proposal 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. The UK government has provided the legislative proposal to the UK Parliament for its review and approval. Once the legislative proposal is approved (with or without amendment), it will be adopted into UK law which is expected in early 2026.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.

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.

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.

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.

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.

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.

Risk Factor Annex continued

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 Zexclusivity 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 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 or where the manufacturer is unable to assure sufficient product quantity. Competitors, however, may receive approval of different products for the same disease or condition for which the orphan product has exclusivity, or obtain approval for the same product but for a different disease or condition 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, 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 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 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 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.

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 is currently 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 (potentially reducing the duration of regulatory data protection, revising the eligibility for expedited pathways, etc.) was published on April 26, 2023. The proposed revisions, remain to be agreed and adopted by the European Parliament and European Council, and the proposals may therefore be substantially revised before adoption, which is not anticipated before early 2026. The revisions may, however, 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.

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 QSR, 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 QSR 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.

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. In particular, we expect the European Commission approval of the current DPF to be challenged and international transfers to the United States and to other jurisdictions more generally to continue to be subject to enhanced scrutiny by regulators. 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 provide our services 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 (beginning in 2026), 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 will first be effective in 2026, and the list of the subsequent 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.

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.

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.

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 QSR 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.

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.

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.

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.

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.

Risk Factor Annex continued

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.

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 Bharatt Chowrira, 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.

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.

Risk Factor Annex continued

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. We intend to defend ourselves vigorously though the ultimate outcome of this matter and the timing for resolution remains uncertain. 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.

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. There can be no assurance that we will be successful 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.

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.

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.

Separately, in response to the global COVID-19 pandemic, the FDA postponed most inspections of domestic and foreign manufacturing facilities at various points. If a prolonged government shutdown, shortages In funding or staffing or other disruption 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. 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.

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 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, a new 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 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 Great Britain 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.

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 March 31, 2025, Invesco Asset Management Limited, or Invesco, held approximately 17.07 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.

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 reporting and "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.

Risk Factor Annex continued

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, 2025.

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.

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, 2024, we had U.S. federal and state net operating loss carryforwards, or NOLs, of approximately $7.8 million and $380.8 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, 2024, we also had U.S. federal research and development and other tax credit carryforwards of approximately $0.2 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;
- 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.

Company information

Directors, Secretary and Advisors to PureTech

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09582467

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Dr. Bharatt Chowrira (Chief Executive Officer)
Dr. Robert Langer (Non-Executive Director)
Dr. John LaMattina (Senior Independent Director)
Dr. Michele Holcomb (Independent Non-Executive Director)
Ms. Kiran Mazumdar-Shaw (Independent Non-Executive Director)
Ms. Sharon Barber-Lui (Independent Non-Executive Director)

Company Secretary
Mr. Charles Sherwood

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PURETECH HEALTH PLC POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

PureTech Health plc (the "***Company***") has adopted this Policy for Recovery of Erroneously Awarded Compensation (the "***Policy***"), effective as of November 8, 2023, (the "***Effective Date***"). Capitalized terms used in this Policy but not otherwise defined herein are defined in Section 11.

1. **Persons Subject to Policy**

This Policy shall apply to current and former Officers of the Company. Each Officer shall be required to sign an acknowledgment pursuant to which such Officer will agree to be bound by the terms of, and comply with, this Policy; however, any Officer's failure to sign any such acknowledgment shall not negate the application of this Policy to the Officer.

1. **Compensation Subject to Policy**

This Policy shall apply to Incentive-Based Compensation received on or after the Effective Date. For purposes of this Policy, the date on which Incentive-Based Compensation is "received" shall be determined under the Applicable Rules, which generally provide that Incentive-Based Compensation is "received" when the relevant Financial Reporting Measure is attained or satisfied, without regard to whether the grant, vesting or payment of the Incentive-Based Compensation occurs thereafter.

1. **Recovery of Compensation**

In the event that the Company is required to prepare a Restatement, the Company shall recover, reasonably promptly and in accordance with Section 4 below, the portion of any Incentive-Based Compensation that is Erroneously Awarded Compensation, unless the Committee has determined that recovery would be Impracticable. Recovery shall be required in accordance with the preceding sentence regardless of whether the applicable Officer engaged in misconduct or otherwise caused or contributed to the requirement for the Restatement and regardless of whether or when restated financial statements are filed by the Company. For clarity, the recovery of Erroneously Awarded Compensation under this Policy will not give rise to any person's right to voluntarily terminate employment for "good reason," or due to a "constructive termination" (or any similar term of like effect) under any plan, program or policy of or agreement with the Company or any of its affiliates.

1. **Manner of Recovery; Limitation on Duplicative Recovery**

The Committee shall, in its sole discretion, determine the manner of recovery of any Erroneously Awarded Compensation, which may include, without limitation, reduction or cancellation by the Company or an affiliate of the Company of Incentive-Based Compensation or Erroneously Awarded Compensation, reimbursement or repayment by any person subject to this Policy of the Erroneously Awarded Compensation, and, to the extent permitted by law, an offset of the Erroneously Awarded Compensation against other compensation payable by the Company or an affiliate of the Company to such person. Notwithstanding the foregoing, unless otherwise prohibited by the Applicable Rules, to the extent this Policy provides for recovery of Erroneously Awarded Compensation already recovered by the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 or Other Recovery Arrangements, the amount of Erroneously Awarded Compensation already recovered by the Company from the recipient of such Erroneously Awarded Compensation may be credited to the amount of Erroneously Awarded Compensation required to be recovered pursuant to this Policy from such person.

1. **Administration**

This Policy shall be administered, interpreted and construed by the Committee, which is authorized to make all determinations necessary, appropriate or advisable for such purpose. The Board of Directors of the Company (the "***Board***") may re-vest in itself the authority to administer, interpret and construe this Policy in accordance with applicable law, and in such event references herein to the "Committee" shall be deemed to be references to the Board. Subject to any permitted review by the applicable national securities exchange or association pursuant to the Applicable Rules, all determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company and its affiliates, equityholders and employees. The Committee may delegate administrative duties with respect to this Policy to one or more directors or employees of the Company, as permitted under applicable law, including any Applicable Rules.

1. **Interpretation**

This Policy will be interpreted and applied in a manner that is consistent with the requirements of the Applicable Rules, and to the extent this Policy is inconsistent with such Applicable Rules, it shall be deemed amended to the minimum extent necessary to ensure compliance therewith.

1. **No Indemnification; No Liability**

The Company shall not indemnify or insure any person against the loss of any Erroneously Awarded Compensation pursuant to this Policy, nor shall the Company directly or indirectly pay or reimburse any person for any premiums for third-party insurance policies that such person may elect to purchase to fund such person's potential obligations under this Policy. None of the Company, an affiliate of the Company or any member of the Committee or the Board shall have any liability to any person as a result of actions taken under this Policy.

1. **Application; Enforceability**

Except as otherwise determined by the Committee or the Board, the adoption of this Policy does not limit, and is intended to apply in addition to, any other clawback, recoupment, forfeiture or similar policies or provisions of the Company or its affiliates, including any such policies or provisions of such effect contained in any employment agreement, bonus plan, incentive plan, equity-based plan or award agreement thereunder or similar plan, program or agreement of the Company or an affiliate or required under applicable law (the "***Other Recovery Arrangements***"). The remedy specified in this Policy shall not be exclusive and shall be in addition to every other right or remedy at law or in equity that may be available to the Company or an affiliate of the Company or is otherwise required by applicable law and regulations.

1. **Severability**

The provisions in this Policy are intended to be applied to the fullest extent of the law; provided, however, to the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

1. **Amendment and Termination**

The Board or the Committee may amend, modify or terminate this Policy in whole or in part at any time and from time to time in its sole discretion. This Policy will

terminate automatically when the Company does not have a class of securities listed on a national securities exchange or association.

1. **Definitions**

"***Applicable Rules***" means Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder, the listing rules of the national securities exchange or association on which the Company's securities are listed, and any applicable rules, standards or other guidance adopted by the Securities and Exchange Commission or any national securities exchange or association on which the Company's securities are listed.

"***Committee***" means the Remuneration Committee of the Board, provided that, for purposes of determining whether recovery of Incentive-Based Compensation that is Erroneously Awarded Compensation would be Impracticable, "***Committee***" shall mean the committee of the Board responsible for executive compensation decisions comprised solely of independent directors (as determined under the Applicable Rules), or in the absence of such a committee, a majority of the independent directors serving on the Board.

"***Erroneously Awarded Compensation***" means the amount of Incentive-Based Compensation received by a current or former Officer that exceeds the amount of Incentive-Based Compensation that would have been received by such current or former Officer based on a restated Financial Reporting Measure, as determined on a pre-tax basis in accordance with the Applicable Rules.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

"***Financial Reporting Measure***" means any measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures, including GAAP, IFRS and non-GAAP/IFRS financial measures, as well as stock or share price and total equityholder return.

"***GAAP***" means United States generally accepted accounting principles.

"***IFRS***" means international financial reporting standards as adopted by the International Accounting Standards Board.

"***Impracticable***" means (a) the direct expenses paid to third parties to assist in enforcing recovery would exceed the Erroneously Awarded Compensation; provided that the Company has (i) made reasonable attempts to recover the Erroneously Awarded Compensation, (ii) documented such attempt(s), and (iii) provided such documentation to the relevant listing exchange or association, (b) to the extent permitted by the Applicable Rules, the recovery would violate the Company's home country laws pursuant to an opinion of home country counsel; provided that the Company has (i) obtained an opinion of home country counsel, acceptable to the relevant listing exchange or association, that recovery would result in such violation, and (ii) provided such opinion to the relevant listing exchange or association, or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

"***Incentive-Based Compensation***" means, with respect to a Restatement, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures and received by a person: (a) after such person began service as an Officer; (b) who served as an Officer at any time during the performance period for that compensation; (c) while the Company has a class

of its securities listed on a national securities exchange or association; and (d) during the applicable Three-Year Period.

"***Officer***" means each person who serves as an executive officer of the Company, as defined in Rule 10D-1(d) under the Exchange Act.

"***Restatement***" means an accounting restatement to correct the Company's material noncompliance with any financial reporting requirement under securities laws, including restatements that correct an error in previously issued financial statements (a) that is material to the previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"***Three-Year Period***" means, with respect to a Restatement, the three completed fiscal years immediately preceding the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such Restatement, or, if earlier, the date on which a court, regulator or other legally authorized body directs the Company to prepare such Restatement. The "Three-Year Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence. However, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months shall be deemed a completed fiscal year.

ACKNOWLEDGMENT AND CONSENT TO POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

The undersigned has received a copy of the Policy for Recovery of Erroneously Awarded Compensation (the "Policy") adopted by PureTech Health plc (the "Company").

For good and valuable consideration, the receipt of which is acknowledged, the undersigned agrees to the terms of the Policy and agrees that compensation received by the undersigned may be subject to reduction, cancellation, forfeiture and/or recoupment to the extent necessary to comply with the Policy, notwithstanding any other agreement to the contrary. To the extent any recovery right under the Policy and any Other Recovery Arrangements (as defined in the Policy) applicable to the undersigned conflicts with any other contractual rights the undersigned may have with the Company or any affiliate, the undersigned understands that the terms of the Policy and the Other Recovery Arrangements shall supersede any such contractual rights.

The undersigned further acknowledges and agrees that the undersigned is not entitled to indemnification in connection with any enforcement of the Policy and expressly waives any rights to such indemnification under the Company's organizational documents or otherwise.

_____
Date

_____
Signature

_____
Name

_____
Title

Exhibit 99.1

Financial Statements
Seaport Therapeutics, Inc.
For the period October 18, 2024 through December 31, 2024
With Report from Independent Auditors



Seaport Therapeutics, Inc.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Audited Consolidated Financial Statements for the Period of October 18, 2024 through December 31, 2024

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Report of Independent Auditors

To the Board of Directors of Seaport Therapeutics, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Seaport Therapeutics, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2024, and the related consolidated statements of operations and comprehensive loss, of convertible preferred stock and stockholders' deficit and of cash flows for the period from October 18, 2024 to December 31, 2024, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the period from October 18, 2024 to December 31, 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial

statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Boston, Massachusetts
March 31, 2025

Seaport Therapeutics, Inc.
Consolidated Balance Sheet
(In thousands, except share and per share amounts)

	December 31, 2024
Assets	
Current assets:	
Cash and cash equivalents	$ 309,099
Prepaid expenses and other current assets	1,053
Total current assets	310,152
Property and equipment, net	240
Right-of-use assets - operating leases	4,931
Other non-current assets	454
Total assets	$ 315,777
Liabilities, convertible preferred stock & stockholders' deficit	
Current liabilities:	
Accounts payable	$ 4,733
Related party payable	351
Accrued expenses and other current liabilities	5,208
Current operating lease liability	857
Total current liabilities	11,149
Non-current operating lease liability	4,149
Total liabilities	15,298
Commitments and contingencies (Note 13)	
Series A-1 convertible preferred stock, par value $0.0001; 40,000,000 shares authorized, issued and outstanding as of December 31, 2024; liquidation preference of $4,000 as of December 31, 2024.	—
Series A-2 convertible preferred stock, par value $0.0001; 26,342,102 shares authorized, issued and outstanding as of December 31, 2024; liquidation preference of $100,100 as of December 31, 2024.	99,757
Series B convertible preferred stock, par value $0.0001; 47,578,938 shares authorized as of December 31, 2024; 47,578,934 shares issued and outstanding as of December 31, 2024; liquidation preference of $226,000 as of December 31, 2024.	225,571
Stockholders' deficit	
Common stock, par value $0.0001; 159,070,000 shares authorized as of December 31, 2024; 8,150,000 shares issued and outstanding as of December 31, 2024.	1
Additional paid-in capital	14,378
Accumulated deficit	(39,228)
Total stockholders' deficit	(24,849)
Total liabilities, convertible preferred stock and stockholders' deficit	$ 315,777

The accompanying notes are an integral part of these consolidated financial statements.

Seaport Therapeutics, Inc.
Consolidated Statement of Operations and Comprehensive Loss
(In thousands)

	For the Period October 18, 2024 - December 31, 2024
Operating expenses:	
Research and development [1]	$ 9,460
General and administrative [2]	7,839
Total operating expenses	17,299
Loss from operations	(17,299)
Other income (expense)	
Interest income	2,972
Total other income	2,972
Loss before income taxes	(14,327)
Income tax provision	—
Net loss and comprehensive loss	$ (14,327)

[1] Includes related-party amounts from PureTech Health plc of $1.8 million for research and development expenses for the period presented. See Note 14—Related Parties.

[2] Includes related-party amounts from PureTech Health plc and Third Rock Ventures of $0.2 million and $0.1 million for general and administrative expenses for the period presented, respectively. See Note 14—Related Parties.

The accompanying notes are an integral part of these consolidated financial statements.

Seaport Therapeutics, Inc.
Consolidated Statement of Convertible Preferred Stock and Stockholders' Deficit
(In thousands, except share amounts)

	Series A-1 Convertible Preferred Stock		Series A-2 Convertible Preferred Stock		Series B Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance as of October 18, 2024	40,000,000	$ —	26,342,102	$ 99,757	44,210,518	$ 209,571	8,150,000	$ 1	$ 9,785	$ (24,901)	$ (15,115)
Issuance of Series B convertible preferred stock	—	—	—	—	3,368,416	16,000	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	—	—	—	—	4,593	—	4,593
Net loss	—	—	—	—	—	—	—	—	—	(14,327)	(14,327)
Balance as of December 31, 2024	40,000,000	$ —	26,342,102	$ 99,757	47,578,934	$ 225,571	8,150,000	$ 1	$ 14,378	$ (39,228)	$ (24,849)

The accompanying notes are an integral part of these consolidated financial statements.

Seaport Therapeutics, Inc.
Consolidated Statement of Cash Flows
(In thousands)

	For the Period October 18, 2024 - December 31, 2024
Operating activities	
Net loss	$ (14,327)
Adjustments to reconcile net loss to net cash used in operating activities:	
Stock-based compensation expense	4,593
Depreciation	25
Amortization of operating lease right-of-use assets	48
Changes in operating assets and liabilities:	
Prepaid expenses and other current assets	(86)
Accounts payable	4,733
Related party payable	(2,555)
Accrued expenses and other current liabilities	(47)
Operating lease liability	27
Net cash used in operating activities	(7,589)
Investing activities	
Purchases of property, plant and equipment	(113)
Net cash used in investing activities	(113)
Financing activities	
Proceeds from the issuance of Series B convertible preferred stock [(1)]	16,000
Payment of issuance costs associated with issuance of Series A-2 convertible preferred stock	(293)
Payment of issuance costs associated with issuance of Series B convertible preferred stock	(429)
Net cash provided by financing activities	15,278
Net increase in cash and cash equivalents	7,576
Cash, cash equivalents, and restricted cash at beginning of period	301,977
Cash, cash equivalents, and restricted cash at end of period	$ 309,553
Supplemental disclosure of non-cash operating, financing and investing information:	
Operating lease right-of-use assets obtained in exchange for lease liabilities	$ 4,979

[(1)] Proceeds from the issuance of Series B convertible preferred stock received after October 18, 2024

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Background

Seaport Therapeutics, Inc., and its consolidated subsidiaries, Seaport or the Company, is a clinical-stage biopharmaceutical company advancing the development of neuropsychiatric medicines in areas of high unmet patient needs using the Company's proprietary Glyph™ Platform.

The accompanying financial statements include the financial position, results of operations and comprehensive loss, changes in cash flows and stockholder's deficit for the period October 18, 2024 through December 31, 2024, or the Stub Period. In accordance with Rule 3-09 of Regulation S-X, full financial statements of significant equity investments are required to be presented in the annual report of the investor. For purposes of S-X 3-09, the investee's separate annual financial statements should only depict the period of the fiscal year in which it was accounted for by the equity method by the investor. On October 18, 2024, the Company completed the Series B convertible preferred stock financing, or the Series B Financing. This resulted in a decrease to PureTech LYT's fully-diluted ownership, resulting in PureTech LYT no longer maintaining a controlling interest in the Company. Accordingly, the Stub Period reflects the activities of the Company after the closing of the Series B Financing. See Note 8—Convertible Preferred Stock, for further disclosure around the issuances of the Company's convertible preferred stock.

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, completion of preclinical studies and clinical trials, obtaining regulatory approvals for product candidates, dependence on key personnel, protection of intellectual property, compliance with government regulations, and ability to secure capital necessary to fund operations. Product candidates currently under development by the Company will require significant additional research and development efforts, including preclinical and clinical development, and regulatory approval prior to commercialization. There can be no assurance that the Company's research and development efforts will be successfully completed, that any product candidates developed will obtain necessary government regulatory approval or that any products, if approved, will be commercially viable. The Company operates in an environment of rapid technological innovation and substantial competition from pharmaceutical and biotechnology companies. Even if the Company's product development efforts are successful, it is uncertain when, if ever, the Company will realize significant product revenue from product sales.

The Asset Transfer and Series A Financing

The Company was incorporated in April 2024 by PureTech LYT Inc., or PureTech LYT, a wholly owned subsidiary of PureTech, as the sole stockholder, and the Company issued 1,000 shares of its common stock to PureTech LYT. On April 8, 2024, or the Asset Transfer Date, the Company entered into an Asset Transfer Agreement, or the Asset Transfer, with PureTech Health LLC and PureTech LYT, pursuant to which PureTech Health LLC and PureTech LYT, agreed to contribute, convey, assign, transfer and deliver to the Company all of its right, title and interest in, to and under the assets related to its Glyph Technology and Products. As consideration, the Company issued to PureTech LYT, 40,000,000 shares of its Series A-1 convertible preferred stock and 949,000 shares of its common stock on the Asset Transfer Date, and also agreed to contingent payments to PureTech upon successful development and commercialization of products developed using the Glyph technology platform, or each Seaport Glyph Product, including; (i) low single digit tiered royalties; (ii) milestone payments up to $15.0 million upon achievement of specified milestones; and (iii) a percentage of net income generated by the Company from third parties on any products licensed under agreements which were transferred as part of the Asset Transfer Agreement.

The Company determined that the Asset Transfer and related spin-off transaction represented the transfer of a business between entities under common control. As a result, the net liabilities were transferred from PureTech to the Company at PureTech's carrying amounts on the Asset Transfer Date and the Company ascribed a nil value to the convertible preferred stock and common stock issued to PureTech Health LLC and PureTech LYT.

Concurrently, upon entry into the Asset Transfer, the Company entered into a stock purchase agreement with PureTech LYT and other third-party investors, pursuant to which the Company issued and sold shares of its Series A-2 convertible preferred stock, or the Series A Financing, and together with the Asset Transfer, the Transaction. See Note 8—Convertible Preferred Stock, for further details.

PureTech continues to provide various research and development and corporate services under the transition services agreement, or TSA, which was initially set to terminate one year following the date of the Asset Transfer Agreement. In March 2025 the Company extended the TSA for an additional six months. The company may incur additional operating expenses for these services once the TSA expires.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, or GAAP. These consolidated financial statements include the accounts of Seaport Therapeutics, Inc. and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Going Concern

Management has evaluated whether there are certain conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements were available to be issued.

The Company has incurred losses and negative cash flows from operations, including net losses of $14.3 million and cash flows used in operations of $7.6 million for the Stub Period. The Company expects to continue to generate operating losses and negative cash flows for the foreseeable future as the Company continues to develop its product candidates.

The Company's consolidated financial statements have been prepared assuming it will continue as a going concern, which presumes it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business. As of December 31, 2024, the Company believes its cash and cash equivalents of approximately $309.1 million will be sufficient to fund its expected operating expenses and capital expenditure requirements for at least 12 months from the date these consolidated financial statements were available to be issued.

Until such time that the Company can generate significant product revenue, if ever, the Company expects to fund its operations through equity offerings or debt financings, credit or loan facilities, collaborations, out-license arrangements, other capital resources, or a combination of one or more of these funding sources. The terms of any financing may adversely affect the holdings or the rights of the Company's stockholders. The Company's failure to raise or secure capital as and when needed could have a negative impact on its financial condition and its ability to pursue its business strategies. If adequate funds are not available to the Company, the Company may be required to delay, reduce or eliminate clinical programs, obtain funds through arrangements with collaborators on terms unfavorable to the Company or pursue merger or acquisition strategies. There can be no assurances the Company will be able to obtain additional funding. There is no assurance that the Company will be successful in obtaining sufficient capital on acceptable terms to fund continuing operations, if at all.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of expenses during the reporting period presented. Management of the Company evaluates its estimates which include, but are not limited to, accrued research and development expenses and stock-based compensation expense. Actual results may differ from these estimates under different assumptions or conditions.

Cash, Cash Equivalents, and Restricted Cash

The Company considers all highly liquid investments that are readily convertible into cash with original maturities of three months or less at the date of purchase to be cash equivalents. The Company invests excess cash primarily in overnight cash sweeps and money market funds which are highly liquid and have high credit ratings. Such investments are subject to minimal credit and market risks. The Company classifies all cash of which use is limited by contractual provisions as restricted cash. Restricted cash is recorded on the consolidated balance sheets as of December 31, 2024 within other non-current assets and includes amounts held as a security deposit for a letter of credit in connection with leased facilities and our corporate card program.

The following table summarizes the Company's cash and cash equivalents, and restricted cash as of (in thousands):

	December 31, 2024
Cash and cash equivalents	$ 309,099
Restricted cash within other non-current assets	454
Total cash, cash equivalents, and restricted cash per the consolidated statement of cash flows	$ 309,553

Concentrations of Credit Risk

Financial instruments that potentially expose the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents. All of the Company's cash, cash equivalents, and restricted cash are deposited in accounts with major financial institutions. Such deposits are in excess of the federally insured limits. The Company invests its excess cash, in line with its investment policy, in money market funds. The Company does not believe that it is subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships.

Fair Value of Financial Instruments

Accounting Standards Codification, or ASC, Topic 820, Fair Value Measurement, or ASC 820, identifies fair value as the exchange price, or exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, or in the absence of a principal market, the most advantageous market for the investment or liability. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a three-tier fair value hierarchy that gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation, and consists of lab equipment and leasehold improvements. Depreciation of property and equipment are calculated using the straight-line method over the estimated useful lives of the assets. Significant replacements and improvements are capitalized, while maintenance and repairs, which do not improve or extend the life of the respective assets, are charged to expense as incurred. The estimated useful lives of the Company's respective assets are as follows:

	Estimated Useful Life
Lab equipment	5 years
Leasehold improvements	The lesser of 5 years or the remaining term of the lease

Upon retirement or disposal of property and equipment, the cost and related accumulated depreciation are removed from the consolidated balance sheet and any gain or loss is reflected in the consolidated statement of operations and comprehensive loss.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Factors that the Company considers in deciding when to perform an impairment review include significant underperformance of the business in relation to expectations, significant negative industry or economic trends and significant changes or planned changes in the use of the assets. If an impairment review is performed to evaluate a long-lived asset group for recoverability, the recoverability of the asset group to be held and used is measured by a comparison of the carrying amount of an asset group to future undiscounted cash flows expected to be generated by the asset group. If the carrying amounts of the asset group is less than its future undiscounted cash flows, an impairment loss is then measured by comparing the fair value of asset group to its respective carrying amount. There have been no impairments of long-lived assets recorded to date.

Leases

The Company accounts for leases under ASC 842, Leases, or ASC 842. At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the relevant facts and circumstances present in the arrangement. Leases with a term greater than one year are recognized on the balance sheet as right-of-use assets and short-term and long-term lease liabilities, as applicable. The Company typically only includes an initial lease term in its assessment of a lease arrangement, and options to renew a lease are not included in the Company's assessment unless there is reasonable certainty

that the Company will renew. The Company has elected not to recognize leases with an original term of one year or less on the balance sheet.

Leases contain both lease and non-lease components. Non-lease components may include common area maintenance, utilities, and other operating costs. The Company combines the lease and non-lease components in its lease arrangements as a single lease component. Variable costs are not included in the measurement of right-of-use assets and lease liabilities and are expensed when incurred.

Operating lease liabilities and their corresponding right-of-use assets are initially recorded at the lease commencement date based on the present value of lease payments measured over the expected remaining lease term. Certain adjustments to right-of-use assets may be required for items such as prepaid lease payments or any incentives received. The Company measures the net present value of lease payments using a discount rate based on the interest rate implicit in the lease or an incremental borrowing rate if the rate implicit in the lease is not readily determinable. The interest rate implicit in the lease contracts is typically not readily determinable, and as a result, the Company estimates an incremental borrowing rate, which reflects the fixed rate at which the Company could borrow on a collateralized basis the amount of the lease payments in the same currency, for a similar term, in a similar economic environment. To estimate the incremental borrowing rate, a credit rating applicable to the Company is estimated using a synthetic credit rating analysis since the Company does not currently have any outstanding third-party debt or a rating agency-based credit rating. Operating lease costs are expensed using the straight-line method over the lease term and are classified within research and development or general and administrative expense based on the use of the underlying facility or using a reasonable allocation method.

Assumptions that the Company made at the commencement date are re-evaluated upon occurrence of certain events, including a lease modification.

Convertible Preferred Stock

The Company has classified its convertible preferred stock as temporary equity on the Company's consolidated balance sheet due to the terms that allow for redemption of the shares in cash upon certain deemed liquidation events that are not solely within the control of the Company. The Company initially recorded its convertible preferred stock at fair value, net of issuance costs. The occurrence of such deemed liquidation event is not currently probable and thus the carrying values of the convertible preferred stock are not being adjusted to their redemption values. Subsequent adjustments to the carrying values of the convertible preferred stock would be made only when a deemed liquidation event becomes probable.

Research and Development Costs

Research and development, or R&D, costs are expensed as incurred. Internal costs include personnel related expenses, stock-based compensation, facility and IT costs, and depreciation. External costs include fees for goods and services to conduct clinical and non-clinical activities, such as costs paid to contract research organizations, consulting fees, laboratory services and supplies, and costs incurred in connection with license agreements.

The Company is required to estimate its accrued R&D costs as of the end of the reporting period. In accruing R&D costs, the Company estimates the period over which services will be performed or goods will be provided and the level of effort to be performed in each period. The financial terms of the R&D contracts vary and may result in payments that do not match the periods over which the goods or services are provided. The Company accrues costs under its contracts based on analyzing the work performed and amounts paid. In circumstances where amounts have been paid in excess of costs incurred, the Company records the excess as prepaid expense and recognizes research and development expense as the goods are received or the related services are rendered.

General and Administrative Expenses

General and administrative expenses are primarily comprised of employee-related expenses, including stock-based compensation and occupancy costs, depreciation and third-party expenses related to finance, legal and other general and administrative functions.

Intellectual Property Matters

The Company expenses costs associated with intellectual property-related matters as incurred and classifies such costs as general and administrative expenses within the consolidated statements of operations and comprehensive loss.

Asset Acquisitions and Acquired In-Process Research and Development Expenses

The Company accounts for acquisitions of assets or a group of assets that do not meet the definition of a business as asset acquisitions based on the cost to acquire the asset or group of assets, which include certain transaction costs. In an asset acquisition, the cost to acquire is allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values as of the acquisition date. No goodwill is recorded in an asset acquisition. Assets that are acquired in an asset acquisition for use in research and development activities that have an alternative future use are capitalized as in-process research and

development, or IPR&D. Acquired IPR&D that has no alternative future use as of the acquisition date is recognized as research and development expense as of the acquisition date. The Company will recognize additional research and development expenses in the future if and when the Company becomes obligated to make contingent milestone payments under the terms of the agreements by which it acquired the IPR&D assets.

Contingent consideration in asset acquisitions is measured and recognized when payment becomes probable and reasonably estimable. Subsequent changes in the accrued amount of contingent consideration are measured and recognized at the end of each reporting period and upon settlement as an adjustment to the cost basis of the acquired asset or group of assets, or, if related to IPR&D with no alternative future use, charged to expense. The Company did not recognize any IPR&D expense during the Stub Period.

Stock-Based Compensation

Employees of the Company participate in the Company's stock-based compensation plan. Stock-based compensation expense of the Company relates to equity awards issued by the Company to its employees and non-employees under its 2024 Equity Incentive Plan, or the 2024 Plan, including stock options and restricted stock awards with both service and performance-based vesting conditions. Stock-based compensation expense is measured at estimated fair value on the grant date and is recognized as compensation expense over the requisite service period, which is the vesting period during which an employee provides service in exchange for the award. Compensation expense for awards to non-employees is recognized in the same manner as if the Company had paid cash in exchange for the goods or services, which is generally over the vesting period of the award. Forfeitures are accounted for as they occur. Stock-based compensation expense for service-only based awards is recognized on a straight-line basis. Stock-based compensation expense for awards with both performance and service-based vesting conditions is recognized over the requisite service period using an accelerated attribution method, once the performance conditions are considered probable of being achieved, using management's best estimates.

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model, which requires inputs based on certain subjective assumptions, including the expected stock price volatility, the expected term of the award, the risk-free interest rate, and expected dividends. The fair value of each restricted stock award granted is measured on the date of grant at the estimated fair value of the common stock.

Because there has not historically been a public market for the Company's common stock, the estimated fair value of common stock was determined by the Company's Board of Directors as of the date of each option grant, with inputs from management, considering third-party valuations of its common stock as well as the Company's Board of Directors' assessment of additional objective and subjective factors that it believed were relevant. These third-party valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately Held Company Equity Securities Issued as Compensation*.

The Company estimates its expected stock price volatility based on the historical volatility of publicly traded peer companies. The expected term of the Company's stock options has been determined utilizing the "simplified" method. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant for time periods approximately equal to the expected term of the award. There is no expected dividend yield since the Company has never paid cash dividends on common stock and does not expect to pay any cash dividends in the foreseeable future.

The Company classifies stock-based compensation expense in the consolidated statements of operations and comprehensive loss in the same manner in which the award recipients' payroll costs are classified or in which the award recipients' service payments are classified. See Note 10—Stock-Based Compensation, for more information.

Income Taxes

The Company recognizes income taxes under the asset and liability method. Deferred income taxes are recognized for differences between the financial reporting and tax basis of assets and liabilities at enacted statutory tax rates in effect for the years in which the differences are expected to reverse. The effect on deferred taxes of a change in tax rates are recognized in income in the period that includes the enactment date. In evaluating the Company's ability to recover its deferred tax assets, the Company considers all available positive and negative evidence including its past operating results, the existence of cumulative losses in the most recent fiscal years, changes in the business in which the Company operates and its forecast of future taxable income. In determining future taxable income, the Company is responsible for assumptions utilized, including the amount of pre-tax operating income, the reversal of temporary differences and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates that the Company is using to manage the underlying business.

The Company accounts for uncertain tax positions using a more-likely-than-not threshold for recognizing and resolving uncertain tax positions. The evaluation of uncertain tax positions is based on factors including, but not limited to, changes in tax law, the measurement of tax positions taken or expected to be taken in tax returns, the effective settlement of matters subject to audit, new audit activity and changes in facts or circumstances related to a tax position. The Company also accrues for potential

interest and penalties related to unrecognized tax benefits in income tax expense. As of December 31, 2024, the Company had no tax reserves accrued for uncertain tax positions.

Comprehensive Loss

Comprehensive loss is comprised of net loss and other comprehensive loss. The Company has no components of other comprehensive loss. Therefore, net loss equals comprehensive loss for the period presented.

Recently Issued Accounting Standards Updates

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, or FASB, or other standard-setting bodies that are adopted by Seaport as of the specified effective date. Unless otherwise discussed, Seaport believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurements of Credit Losses on Financial Instruments*, or ASU 2016-13, which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss model. It also eliminates the concept of other-than temporary impairment and requires credit losses related to available-for-sale debt securities to be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. These changes will result in the earlier recognition of credit losses, if any. In May 2019, the FASB issued ASU No. 2019-05, Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief, or ASU 2019-05, which provides additional implementation guidance on the previously issued ASU 2016-13. For the Company, both ASU 2016-13 and ASU 2019-05 were effective for fiscal years beginning after December 15, 2022. The Company adopted the standard effective January 1, 2023 on a modified-retrospective basis which did not have a material impact on the Company's consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, or ASU 2023-09. This amended guidance applies to all entities and broadly aims to enhance the transparency and decision usefulness of income tax disclosures. For public entities, the amendments in this update are effective for fiscal years beginning after December 15, 2024 and for entities other than public entities, the amendments in this update are effective for fiscal years beginning after December 15, 2025. Early adoption is permitted for any annual periods for which financial statements have not been issued or made available for issuance. Seaport is currently analyzing the impact that ASU 2023-09 may have on the consolidated financial statements for fiscal years beginning after December 15, 2024.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, or ASU 2024-03, which is intended to provide more detailed information about specified categories of expenses (purchases of inventory, employee compensation, depreciation and amortization) included in certain expense captions presented on the statement of operations. The guidance in ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either (1) prospectively to financial statements issued for periods after the effective date of ASU 2024-03 or (2) retrospectively to all prior periods presented in the financial statements. Seaport is currently evaluating the impact that the adoption of ASU 2024-03 may have on its consolidated financial statements and disclosures for fiscal years beginning after December 15, 2026.

3. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following (in thousands):

	December 31, 2024
Prepaid research and development	$ 389
Prepaid employee compensation and benefits	271
Prepaid, other	393
Total prepaid expenses and other current assets	$ 1,053

4. FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, the financial assets and liabilities carried at fair value on a recurring basis (in thousands):

	December 31, 2024			
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets:				
Money market funds	$ 308,849	$ 308,849	$ -	$ -
Total financial assets	$ 308,849	$ 308,849	$ -	$ -

As of December 31, 2024, the Company's cash equivalents consisted of money market funds, classified as Level 1 financial assets, as these assets are valued using quoted market prices in active markets without any valuation adjustment. As of December 31, 2024, the Company had no financial liabilities that required fair value measurement.

The carrying amounts reflected in the consolidated balance sheets for prepaid expenses and other current assets, accounts payable, related party payable and accrued expenses and other current liabilities approximate fair value due to their short-term nature.

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following (in thousands):

	December 31, 2024
Lab equipment	$ 976
Leasehold improvements	101
Total	1,077
Less: Accumulated depreciation	(837)
Property and equipment, net	$ 240

Depreciation expense was $25 thousand for the Stub Period.

6. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following (in thousands):

	December 31, 2024
Accrued research and development expenses	$ 1,567
Accrued personnel and bonus expense	2,915
Accrued professional and legal fees	384
Accrued other	342
Accrued expenses and other current liabilities	$ 5,208

7. MONASH LICENSE AGREEMENT

On August 1, 2017, or the Monash License Effective Date, PureTech entered into a license agreement with Monash University, or the Monash License Agreement. In April 2024 pursuant to the Asset Transfer, PureTech assigned to the Company, and the Company assumed all rights and obligations under the Monash License Agreement.

Pursuant to the Monash License Agreement, PureTech was granted (i) a worldwide, exclusive, sub-licensable license under certain Monash University patent rights related to the Glyph™ platform, or the Licensed Patents, and related intellectual property for the purpose of commercialization of such Licensed Patents and intellectual property for the purpose of research and development activities in all fields (except for Vitamin E and its derivatives); (ii) a worldwide, non-exclusive sub-licensable license under certain background technology and other intellectual property strictly to the extent necessary to avoid intellectual property infringement; and (iii) a first right of refusal and exclusive option to secure an exclusive license to future intellectual

property developed by Monash under the Monash License Agreement, on reasonable commercial terms to be agreed between the parties, in order to use reasonable commercial efforts to commercialize the Licensed Patents. Under the Monash License Agreement, the parties agreed to research projects and to perform research and development activities in accordance with such project plans, and the company is solely responsible for commercialization efforts of the Licensed Patents and intellectual property. The term of the Monash License Agreement will continue from the Monash License Effective Date, to the later of 10 years from the first commercial sale of the last product in any territory, or the date upon which the last of the Licensed Patents under the Monash License Agreement expires.

Upon entering into the Monash License Agreement, PureTech paid Monash a one-time upfront fee of $25,000 and issued to Monash 625,000 shares of restricted common stock of one of its' wholly-owned subsidiaries. As additional consideration for the licenses granted by Monash University, the Company is obligated to pay: (i) low-single digit royalties with a rate based on net sales per calendar year (subject to certain reductions) during the term of the Monash License Agreement; (ii) a low-double digit percentage of any net income received under a sublicense to an unaffiliated third party with the percentage varying based on the development stage of licensed products at the time the sublicense is granted during the term of the Monash License Agreement; (iii) an annual payment for an agreed upon number of years to progress research and development; (iv) a $30,000 annual maintenance fee during the term of the agreement; (v) milestone payments in the event of successful development milestones of up to $1.1 million per Licensed Product for the first three Licensed Products; and (vi) milestone payments in the event of successful commercial milestones of up to $7.3 million per Licensed Product for the first three licensed products. Research and development milestones are recorded as expense when the milestone is considered probable of achievement.

The Monash License Agreement was determined to represent an asset acquisition, as the acquired licenses and intellectual property did not meet the definition of a business. All upfront consideration paid in exchange for the Monash License Agreement was expensed as research and development upon execution of the agreement, as the Licensed Patents and intellectual property was determined to represent in-process research and development with no alternative future use.

As of December 31, 2024, two development milestones under the Monash License Agreement totaling $0.2 million have been achieved and were paid by PureTech as they occurred prior to the formation of the Company. No other milestones have occurred or have been paid under the Monash License Agreement.

During the Stub Period, the Company incurred no expense associated with annual research funding fees and $30,000 in annual maintenance fees under the Monash License Agreement, which was accrued on the consolidated balance sheet as of December 31, 2024.

8. CONVERTIBLE PREFERRED STOCK

The Company has issued Series A-1 convertible preferred stock, or the Series A-1 Preferred Stock, Series A-2 convertible preferred stock, or the Series A-2 Preferred Stock, and Series B convertible preferred stock, or the Series B Preferred Stock, and collectively with the Series A-1 Preferred Stock and Series A-2 Preferred Stock, the Preferred Stock.

Series A-1 and Series A-2 Preferred Stock

In April 2024, the Company issued to PureTech LYT, a wholly owned subsidiary of PureTech, 40,000,000 shares of its Series A-1 Preferred Stock, as part of the consideration for the assets contributed to the Company as part of the Asset Transfer Agreement. No value was assigned to the Series A-1 Preferred Stock as it represented consideration paid as part of a common control transaction. See Note 1—Nature of Business and Basis of Presentation, for further disclosure of the Asset Transfer Agreement.

Concurrently, upon the issuance of the Series A-1 Preferred Stock to PureTech LYT, the Company entered into a Series A-2 Preferred Stock Purchase Agreement, or the Series A-2 Financing, with PureTech LYT and other third-party investors pursuant to which the Company issued and sold 26,342,102 shares of its Series A-2 Preferred Stock at a price of $3.80 per share for gross aggregate proceeds of $100.1 million. See Note 14—Related Parties, for further disclosure around the issuances of the Company's Series A-2 Preferred Stock to related parties.

Series B Preferred Stock

The Company entered into a stock purchase agreement with new and existing investors, or the Series B Financing, pursuant to which the Company issued and sold an aggregate amount of 44,210,518 shares of its Series B Preferred Stock at a purchase price of $4.75 per share prior to the Stub Period and 3,368,416 shares of its Series B Preferred Stock at a purchase price of $4.75 per share during the Stub Period, for gross aggregate proceeds of $226.0 million. See Note 14—Related Parties, for further disclosure around the issuances of the Company's Series B Preferred Stock to related parties.

Upon issuance of the Preferred Stock, the Company assessed the embedded conversion and liquidation features of the securities and determined that such features did not require the Company to separately account for these features.

Preferred Stock consisted of the following (in thousands, except share and per share amounts):

	Preferred Stock Authorized	Preferred Stock Issued and Outstanding	Carrying Value	Liquidation Preference	Conversion Price per Share	Common Stock Issuable Upon Conversion
Series A-1 Preferred Stock	40,000,000	40,000,000	$ -	$ 4,000	$ 0.10	40,000,000
Series A-2 Preferred Stock	26,342,102	26,342,102	99,757	100,100	$ 3.80	26,342,102
Series B Preferred Stock	47,578,938	47,578,934	225,571	226,000	$ 4.75	47,578,934
Total Preferred Stock	113,921,040	113,921,036	$ 325,328	$ 330,100		113,921,036

As of December 31, 2024, the holders of the Preferred Stock have the following rights and preferences:

Voting

The holders of the Preferred Stock are entitled to vote, together with the holders of common stock, as a single class, on all matters submitted to the shareholders for a vote and are entitled to the number of votes equal to the number of shares of common stock into which the convertible preferred stock would convert on the record date for determination of shareholders entitled to vote. The holders of convertible preferred stock generally vote together as a single class with holders of common stock except that, (i) the holders of Series A-1 Preferred Stock, exclusively and voting together as a separate class on an as converted basis, shall be entitled to elect two (2) directors of the Company, each, a Series A-1 Director, (ii) the holders of record of the shares of Series A-2 Preferred Stock, exclusively and voting together as a separate class on an as converted basis, shall be entitled to elect two (2) directors of the Company, each, a Series A-2 Director, (iii) the holders of record of the shares of Series B Preferred Stock, exclusively and voting together as a separate class on an as converted basis, shall be entitled to elect one (1) director of the Company, or the Series B Director and, together with the Series A-1 Directors and Series A-2 Directors, each, a Preferred Director.

Further, a majority vote of the holders of the Company's convertible preferred stock is required to, among others, liquidate or dissolve the Company, amend the certificate of incorporation or bylaws, reclassify common stock or establish another class of capital stock, create shares that would rank senior to or authorize additional shares of convertible preferred stock, declare a dividend or make a distribution, or change the authorized number of directors constituting the board of directors.

Dividends

The holders of the Preferred Stock are entitled to participate in any dividends payable to common stockholders on an as converted basis and have priority over the payment of dividends to holders of common stock.

In the case of a dividend on common stock or any class of stock that is convertible into common stock, the dividend per share of convertible preferred stock would equal the product of (A) the dividend payable on each share of such class or series as if all shares of such class or series had been converted into common stock and (B) the number of shares of common stock issuable upon conversion of such share of convertible preferred stock. In the case of a dividend on any class or series that is not convertible into common stock, the dividend per share of convertible preferred stock would be determined by (A) dividing the amount of dividend payable on each share of such class or series of capital stock by the original issue price of such class or series and (B) multiplying such fraction by the original issue price of the applicable class of convertible preferred stock.

Conversion

Each outstanding share of Preferred Stock is convertible, at any time, at its holder’s discretion, and without the payment of additional consideration, into such whole number of fully paid, non-assessable shares of common stock, at the applicable conversion ratio then in effect. The conversion price for each share of Preferred Stock shall initially be equal to the original issuance price for such series of Preferred Stock and is subject to standard anti-dilutive adjustments for share splits and similar transactions. In the event certain conditions are not met prior to March 31, 2026, the conversion price of the Series B Preferred Stock will be reduced to $3.80. As of December 31, 2024, these conditions have not been met.

Each outstanding share of Preferred Stock shall automatically be converted into fully-paid, non-assessable shares of common stock upon the earliest to occur of (i) the consummation of a qualified initial public offering at a public offering price of at least $5.70 per share, in a firm commitment resulting in at least $100.0 million of gross proceeds or (ii) the date specified by vote or written consent of the holders of at least a majority of the outstanding shares of the Preferred Stock, voting together as a single class on an as-converted basis, and the holders of a majority of the outstanding shares of Series A-2 Preferred Stock and Series B Preferred Stock, which majority must include at least one new investor from the Series B Financing that holds at least 2,100,000 shares of Series B Preferred Stock, voting together as a single class on an as-converted basis, or the Requisite Holders, and the holders of at least 65% of the then-outstanding shares of Series B Preferred Stock, or the Series B Majority.

There shall be no adjustment in the conversion price of the Convertible Preferred Stock as a result of the issuance or deemed issuance of additional shares of the Company’s common stock if the Company receives written notice from the holders of at least a majority of the then outstanding shares of Convertible Preferred Stock, voting together as a single class, and, solely in the respect of an adjustment in the conversion price of the Series B Preferred Stock, the Series B Majority, agreeing that no

such adjustment shall be made as the result of the issuance or deemed issuance of additional shares of the Company's common stock.

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, or upon the occurrence of a Deemed Liquidation Event (as defined below), the holders of shares of Preferred Stock then outstanding shall be entitled, on a pari passu basis among the series of Preferred Stock, to be paid out of the assets or funds of the Company available for distribution to stockholders before any payment is made to the holders of common stock. The holders of Preferred Stock are entitled to an amount per share equal to the greater of (i) the original issue price for such series, plus any dividends declared but unpaid thereon, or (ii) the amount that would have been payable had all shares of each series of Preferred Stock been converted into common stock immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event. After the payment in full of the Preferred Stock preference amount, the remaining assets of the Company available for distribution to stockholders shall be distributed among the holders of common stock on a pro rata basis.

Each of the following events shall be considered a "Deemed Liquidation Event," unless the Requisite Holders, elect otherwise; a merger, consolidation, statutory conversion, transfer, domestication, continuance involving the Company or a subsidiary, or a sale, lease or transfer of substantially all of the assets of the Company.

Redemption

The Preferred Stock does not have any redemption rights, except for the contingent redemption upon the occurrence of a Deemed Liquidation Event.

9. COMMON STOCK

The voting, dividend and liquidation rights of the holders of the Company's common stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth above. Each share of common stock entitles the holder to one vote, together with the holders of the Preferred Stock, on all matters submitted to the stockholders for a vote. The holders of common stock are entitled to receive dividends, if any, as declared by the Company's board of directors, subject to the preferential dividend rights of Preferred Stock. As of December 31, 2024, no dividends have been declared or paid.

As of December 31, 2024, the Company had authorized 159,070,000 shares of common stock, of which 8,150,000 were issued and outstanding, including 902,778 unvested shares of restricted common stock that are subject to service-based vesting as of December 31, 2024. See Note 10—Stock-based compensation for further disclosure of unvested restricted common stock issued by the Company.

The Company had no shares of common stock outstanding or any potentially dilutive equity instruments for any period prior to its formation and the Asset Transfer.

10. STOCK-BASED COMPENSATION

2024 Equity Incentive Plan

The 2024 Equity Incentive Plan, or the 2024 Plan, was approved by the Company's Board of Directors and the Company's stockholders and became effective in April 2024. Under the 2024 Plan, the Company can issue incentive stock options, stock appreciation rights, restricted stock, restricted stock units, and other stock-based awards to employees, directors, and consultants of the Company. The 2024 Plan is administered by the Company's Board of Directors, or by a committee at the discretion of the Board of Directors. The exercise prices, vesting and other restrictions are determined at the discretion of the Board of Directors, or its committee if so delegated, except that exercise prices of each stock option shall not be less than 100% of the fair market value of the Company's common stock and that each stock option term cannot exceed 10 years. The Company's Board of Directors determines the fair market value of the Company's common stock, taking into consideration its most recently available valuation of common stock performed by third parties as well as additional factors which may have changed since the date of the most recent contemporaneous valuation through the date of grant.

A total of 10,000,000 shares of common stock were initially reserved for issuance under the 2024 Plan, and it was subsequently amended to allow for the issuance of up to 38,607,011 shares of common stock. As of December 31, 2024, there were 7,102,683 awards available for future grants under the 2024 Plan. Shares of common stock underlying any awards that are forfeited, canceled or reacquired by the Company prior to vesting will again be available for the grant of awards under the 2024 Plan. Until the Company competes an Initial Public Offering, the Company will continue to grant additional equity awards to certain individuals to maintain in total 12.5% ownership on a fully-diluted basis as specified by underlying agreements.

The vesting periods for stock options issued under the 2024 Plan generally vest over four years with a one-year cliff and equal monthly installments thereafter and may be subject to accelerated vesting. Performance-based options vest in three annual

installments that are contingent upon the achievement of the Company's annual goals. Restricted stock awards, the vesting periods can vary and may contain acceleration vesting that would result in their unvested shares to become fully vested upon the occurrence of certain events.

2024 Plan Stock Option Activity

The following is a summary of the Company's stock option award activity under the 2024 Plan during the Stub Period:

	Number of Stock Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at October 18, 2024	17,419,561	$ 0.97	—	$ —
Granted	7,145,285	2.35	—	—
Forfeited	(29,018)	0.97	—	—
Outstanding at December 31, 2024	24,535,828	$ 1.37	9.60	$ 23,999
Vested and expected to vest at December 31, 2024	24,535,828	$ 1.37	9.60	$ 23,999
Exercisable at December 31, 2024	10,033,498	$ 1.27	9.60	$ 10,800

The table above excludes the 718,500 performance-based options which have an exercise price of $2.35 per share, that were approved to be issued by the Company's Board of Directors in December 2024, but which have not yet been deemed granted from an accounting perspective as of December 31, 2024.

The Company utilized the Black-Scholes option-pricing model for estimating the fair value of the stock options issued under the 2024 Plan on each grant date. The following table presents the ranges of assumptions used by the Company in the Black-Scholes option-pricing model during the Stub Period:

	December 31, 2024		
Expected term (in years)	5.19	-	6.07
Risk-free interest rate	4.20%	-	4.39%
Volatility	90.46%	-	92.33%
Dividend yield	0%	-	0%

The weighted-average grant date fair value of options granted during the Stub Period was $1.77 per share. The aggregate intrinsic value is calculated as the difference between the exercise price and the fair value of the Company’s common stock at December 31, 2024.

As of December 31, 2024, there was $16.0 million in unrecognized stock-based compensation expense associated with issued and outstanding service-based stock options, which is expected to be recognized over a weighted-average period of 1.6 years.

2024 Plan Restricted Stock Awards

The Company has granted restricted stock awards to certain members of the Company's Board of Directors and Chief Executive Officer. Of the total 6,250,000 restricted stock awards granted: (i) 2,500,000 have service-based vesting in equal monthly installments over a three-year period, of which 50% of the unvested amount was subject to accelerated vesting upon the close of the Series B Financing and 50% of any unvested amounts is subject to future acceleration upon the close of an initial public offering; and (ii) 3,750,000 have performance based vesting which vested in full upon the close of the Series B Financing, which occurred immediately preceding the Stub Period.

The following is a summary of the Company's restricted stock award activity under the 2024 Plan during the Stub Period:

	Number of Units	Weighted-Average Fair Value
Unvested at October 18, 2024	972,222	$ 0.97
Vested	(69,444)	0.97
Unvested at December 31, 2024	902,778	$ 0.97

No restricted stock awards were granted during the Stub Period. The total fair value of the restricted stock awards that vested during the Stub Period was $0.1 million and the total stock-based compensation associated with the restricted stock awards during the Stub Period was $0.1 million. As of December 31, 2024, there was $0.9 million in unrecognized stock-based

compensation expense associated with issued and outstanding restricted stock awards, which is expected to be recognized over a weighted-average period of 1.1 years.

PureTech Stock-Based Compensation Plan

PureTech has stock-based compensation plans which provide for granting equity awards, including non-qualified and incentive stock options, restricted stock, restricted stock units, cash-based awards, and performance shares to employees, officers and directors of, and consultants to, PureTech. All stock-based compensation plans were managed on a consolidated basis by PureTech. Seaport employees continued to vest in their previously granted PureTech equity awards up until the completion of the Company's Series B Financing in October 2024 at which time PureTech no longer maintained a controlling interest in the Company. With the exception of restricted stock units granted to an employee of Seaport for services performed to PureTech, all other Seaport employees forfeited their unvested awards in October 2024 as the employees were no longer deemed to be continuing service providers under PureTech's plan. As of December 31, 2024, Seaport employees held 873,617 of outstanding vested options that Seaport employees had 90 days to exercise from October 2024. There was no stock-based compensation expense recognized during the Stub Period related to PureTech awards held by Seaport employees.

Stock-Based Compensation Expense

The following table represents stock-based compensation expense recorded in the Company's consolidated statement of operations and comprehensive loss (in thousands):

	For the Period October 18, 2024 - December 31, 2024
Research and development	$ 254
General and administrative	4,339
Stock-based compensation expense	$ 4,593

11. INCOME TAXES

The following table presents the components of loss before income taxes (in thousands):

	For the Period October 18, 2024 - December 31, 2024
US	$ (14,327)
Foreign	—
Loss before the provision for income taxes	$ (14,327)

There is no income tax expense or benefit for the Stub Period.

A reconciliation of the federal statutory income tax rate to the effective tax rate is as follows:

	For the Period October 18, 2024 - December 31, 2024
Income tax provision at statutory rate	21.0%
U.S. state income taxes, net of U.S. federal benefit	5.8%
Change in valuation allowance	(31.2)%
Non-deductible stock compensation	(0.5)%
Tax credits	4.8%
Other	0.1%
Income tax provision	—%

The effective income tax rate differs from the U.S. federal statutory rate of 21.0% primarily as a result of the valuation allowance maintained against the Company's net deferred tax assets.

Deferred tax assets and liabilities reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities were as follows (in thousands):

	December 31, 2024
Deferred tax assets:	
Net operating losses	$ 1,940
Tax credits	946
Lease liability	1,349
Accrued expenses	751
Research and development expenses	4,505
Stock-based compensation	2,293
Less: valuation allowance	(10,447)
Total deferred tax assets	$ 1,337
Deferred tax liabilities:	
Right of use lease asset	(1,329)
Property and equipment	(8)
Total deferred tax liabilities	$ (1,337)
Net deferred tax assets	$ —

The Company's change in its valuation allowance account with respect to deferred tax assets is as follows (in thousands):

	For the Period October 18, 2024 - December 31, 2024
Beginning Balance	$ 5,976
Additions	4,471
Ending Balance	$ 10,447

The valuation allowance increased during the Stub Period, primarily as a result of the U.S. operating losses incurred, research credits generated, and capitalized research expenses.

In determining the need for a valuation allowance, the Company considers the cumulative book income and loss position. The Company has assessed, on a jurisdictional basis, the available means of recovering deferred tax assets, including the ability to carryback net operating losses, or NOLs, the existence of reversing taxable temporary differences, the availability of tax planning strategies, and forecasted future taxable income. At December 31, 2024, the Company maintained a full valuation allowance against its net deferred tax assets, as it has concluded that it is more likely than not that the deferred assets will not be utilized.

As of December 31, 2024, the Company had U.S. federal net operating losses, or NOLs, of $7.2 million. The U.S. federal NOLs do not expire. As of December 31, 2024, the Company had U.S. federal tax credit carryforwards of $0.7 million that expire at various dates through 2044.

As of December 31, 2024, the Company had $6.9 million of state NOLs. These NOLs were generated in Massachusetts and expire at various dates through 2044. As of December 31, 2024, the Company had U.S. state tax credit carryforwards of $0.3 million that expire at various dates through 2038.

Under Sections 382 and 383 of the U.S. Internal Revenue Code, if a corporation undergoes an ownership change, the corporation's ability to use its pre-ownership change NOLs and other pre-ownership change tax attributes, such as research tax credits, to offset its post-change income and taxes may be limited. In general, an ownership change occurs if there is a cumulative change in an entity's ownership by 5% stockholders that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under U.S. state tax laws. Under the Tax Cuts and Jobs Act of 2017, the use of federal NOLs arising in taxable years beginning after December 31, 2017 is limited to 80% of current year taxable income and NOLs arising in taxable years ending after December 31, 2017 may not be carried back (though any such NOLs may be carried forward indefinitely).

The Company may have experienced an ownership change in the current period and may experience ownership changes in the future as a result of future transactions in its share capital, some of which may be outside of the control of the Company. As a result, if the Company earns net taxable income, its ability to use its pre-ownership change NOLs, or other pre-ownership change tax attributes, to offset U.S. federal and state taxable income and taxes may be subject to significant limitations.

At December 31, 2024, all periods are subject to taxation in the United States. NOLs and tax credits in the United States may be subject to adjustments by taxing authorities in future years in which they are utilized.

12. LEASES

In October 2024, the Company entered into an operating lease for office space in Boston, Massachusetts, which commenced in December 2024 and has an initial lease term that continues through October 20, 2030, with no options to extend. In conjunction with entering into the lease, the Company paid a security deposit of $0.2 million in the form of a letter of credit, which is recorded as restricted cash within other non-current assets on the Company's consolidated balance sheet as of December 31, 2024.

In December 2024, the Company entered into a lease agreement with a third party for lab space located in Boston, MA. The lease commenced in January 2025 and is for an initial term of 24 months from the commencement date, with no renewal option.

Prior to entering into these leases, the Company did not have any leases as it shared office and lab space with PureTech and made payments to PureTech under the TSA. See Note 14—Related Parties for further disclosure of transactions with PureTech.

The following table contains a summary of the components of lease costs recognized pertaining to the Company's operating lease for the Stub Period. (in thousands):

	For the Period October 18, 2024 - December 31, 2024
Lease Cost	
Operating lease cost	$ 75
Variable lease cost	—
Total lease cost	$ 75

The following table contains a summary of other supplemental lease information pertaining to the Company's operating lease for the Stub Period:

	For the Period October 18, 2024 - December 31, 2024
Other Lease Information	
Cash paid for amounts included in the measurement of lease liability – operating leases (in thousands)	$ —
Weighted-average remaining lease term – operating leases	5.8
Weighted-average discount rate – operating leases	6.61%

The table below reconciles future minimum payments under noncancellable operating leases as of December 31, 2024 (in thousands):

	Operating Leases
2025	$ 1,432
2026	1,635
2027	1,100
2028	1,079
2029	1,112
Thereafter	918
Total lease payment	7,276
Less: interest	(1,051)
Less: impact of leases not yet commenced	(1,219)
Total lease liabilities	$ 5,006
Current lease liability	$ 857
Non-current lease liability	$ 4,149

13. COMMITMENTS AND CONTINGENCIES

Legal Matters

The Company, from time to time, may be involved with lawsuits arising in the ordinary course of business. The Company is not involved in any pending legal proceedings that it believes could have a material adverse effect on its financial condition, results of operations or cash flows.

Contracts

The Company enters into contracts in the normal course of business with various third parties for preclinical research studies, clinical trials, testing, manufacturing, and other services. These contracts generally provide for termination upon notice and are cancellable without significant penalty or payment, and do not contain any minimum purchase commitments.

Guarantees and Indemnification

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with all board of directors that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. To date, the Company has not incurred any material costs as a result of such indemnifications. The Company is not aware of any claims under indemnification arrangements that could have a material effect on its financial position, results of operations or cash flows, and it has not accrued any liabilities related to such obligations in its consolidated financial statements as of December 31, 2024.

401(k) Plan

The Company participates in the PureTech defined-contribution plan under Section 401(k) of the Internal Revenue Code of 1986, or the 401(k) Plan. The 401(k) Plan covers all employees who meet defined minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. The Company will make a contribution of 3% of each employee's annual compensation up to annual safe harbor limits. The Company has accrued $0.1 million in 401(k) contribution liabilities as of December 31, 2024.

Leases

See Note 12—Leases, for information related to the Company’s lease obligations.

14. RELATED PARTIES

As disclosed in Note 1—Nature of Business and Basis of Presentation, the Company entered into the Asset Transfer Agreement with PureTech. In connection with entering into the Asset Transfer Agreement, the Company entered into the TSA to reimburse PureTech for work performed by certain third-parties to advance the Company's programs and activities.

During the Stub Period, the Company incurred $2.0 million of expenses from PureTech under the TSA, of which $1.8 million related to research and development expenses and $0.2 million related to general and administrative expenses, and $0.1 million from Third Rock Ventures related to general and administrative expenses.

In April 2024, as part of its Series A-2 Financing, the Company issued and sold 8,421,052 shares of its Series A-2 Preferred Stock to PureTech LYT, at a purchase price of $3.80 per share for gross aggregate proceeds of $32.0 million. Subsequent to the Series A-2 financing, PureTech LYT remained the controlling investor of the Company.

In October 2024, as part of its Series B Financing, the Company issued and sold an aggregate 3,031,578 and 494,734 shares of its Series B Preferred Stock to PureTech LYT and to certain of the Company’s management and board of directors, respectively, at a purchase price of $4.75 per share, for gross aggregate proceeds of $14.4 million and $2.3 million, respectively. Subsequent to the Series B Financing, PureTech LYT was no longer a controlling investor of the Company.

15. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 31, 2025, the date these consolidated financial statements were available to be issued. There were no subsequent events that require adjustments to or disclosure in the financial statements.