

Press Release

Lipid Therapeutics licenses rights to its novel therapy for ulcerative colitis to Nestlé Health Science

Nestlé Health Science to develop and commercialise LT-02 worldwide, except in Europe and Australia

Heidelberg 16 September, 2015 – Lipid Therapeutics today announces that it has entered into a licensing agreement with Nestlé Health Science for exclusive rights to Lipid Therapeutics' LT-02 compound (phosphatidylcholine), a novel barrier function therapy for patients with mild-to-moderate ulcerative colitis (UC), worldwide excluding Europe and Australia. The terms of the license include an upfront fee, milestones payments and royalties on net sales.

Under the agreement Nestlé Health Science is responsible for the continued development and commercialisation of LT-02 in its territories, with Phase III clinical trials in the US planned to start in 2016. These trials will primarily assess LT-02 as an add-on therapy in patients with UC not adequately responding to standard doses of 5-aminosalicylic acid, the current standard treatment for the condition.

In October 2014, Lipid Therapeutics' European co-development partner, Dr. Falk Pharma GmbH, a pharmaceutical company specialized in gastroenterology, announced the start of a pivotal Phase III trial with the same compound in Europe. The European and US Phase III trials form part of a global Phase III development programme that aims to provide clinical evidence to support regulatory approval of LT-02.

Dr. Gerhard Keilhauer, CEO of Lipid Therapeutics, said: *“The licensing agreement with Nestlé Health Science represents a major further step towards bringing LT-02 to patients suffering from UC and another key milestone met for Lipid Therapeutics. Together with Dr. Falk, our development partner in Europe, Nestlé Health Science will provide the resource and expertise to progress LT-02 through Phase III development and approval in the key US and European markets. With these agreements in place I am confident that the huge potential of our novel therapy is being successfully translated into significant value for our company.”*

Dr. Jan Adams, Partner at EMBL Ventures commented: *“Lipid Therapeutics is a prime example of our investment approach where we build companies from scratch aiming to forge strategic partnerships after proof of concept has been reached. With two licensees now covering global rights for its lead product LT-02, Lipid Therapeutics is looking to receive a very attractive combined payment stream. Being a majority shareholder in the company this will have a significant impact on our fund performance”.*

Greg Behar CEO of Nestlé Health Science, said: *“LT-02 has paradigm changing potential in the management of ulcerative colitis in terms of improving patient outcomes and reducing the need for biologics and corticosteroids. Chronic gastrointestinal conditions are on the rise worldwide and we are determined to make an impact, through innovative, integrated therapeutic approaches such as LT-02.”*

More than one million people worldwide are estimated to suffer from UC, a chronic and debilitating inflammatory condition of the large intestine. It is estimated that 40% of patients receiving the recommended dose of 5-aminosalicylic acid continue to experience flares of disease activity. There therefore exists a significant need for safe and more efficacious UC treatments. LT-02 is a proprietary delayed release formulation of phosphatidylcholine designed as an add-on therapy to 5-aminosalicylic acid to improve the barrier function of the mucosal layer of the colon.

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About Ulcerative Colitis

Ulcerative colitis is a chronic, relapsing inflammatory disorder that affects the mucosal lining of the large intestine. Clinical characteristics include rectal bleeding, diarrhea and abdominal pain. Worldwide more than 1 million people suffer from ulcerative colitis.

About LT-02

LT-02 is a first-in-class highly purified phosphatidylcholine targeted to improve the barrier function in the colon through a proprietary delayed release formulation. Loss of barrier function in the colon in patients with ulcerative colitis has been linked to inflammation due to prolonged bacterial contact with the gut mucosa. Clinical efficacy of the approach has been demonstrated in several clinical trials, most recently in a Phase IIb trial where LT-02 achieved the primary study endpoint (reduction of disease activity in patients with mesalazine-refractory ulcerative colitis) with statistical significance.

About Lipid Therapeutics

Lipid Therapeutics is a biopharmaceutical company focused on the development and commercialization of phospholipids. The company was set-up and financed in 2008 by the EMBL Technology Fund to commercialize the scientific work of Prof. Wolfgang Stremmel, Krehl University Clinic in Heidelberg, Germany.

About Nestlé Health Science

Nestlé Health Science, a wholly-owned subsidiary of Nestlé, is a health-science company engaged in advancing the role of nutritional therapy to change the course of health for consumers, patients and our partners in healthcare. Its portfolio of nutrition solutions, diagnostics, devices and drugs, targets a number of health areas, such as inborn errors of metabolism, paediatric and acute care, obesity care, healthy aging as well as gastrointestinal and brain health. Through investing in innovation and leveraging leading edge science, we bring forward innovative nutritional therapies with proven clinical, health economic value and quality of life benefits. Nestlé Health Science employs around 3,000 people worldwide and is headquartered in Epalinges (near Lausanne), Switzerland. More information on: www.nestlehealthscience.com.