

Press release

Nestlé Health Science Licenses Rights to Novel Ulcerative Colitis Therapy

Epalinges, Switzerland, 16 September 2015 – Nestlé Health Science has entered into a license agreement with Lipid Therapeutics for exclusive rights worldwide, except for Europe and Australia, to Lipid Therapeutics' LT-02 compound (phosphatidylcholine), a novel barrier function therapy for patients with mild-to-moderate ulcerative colitis. Under this agreement, Nestlé Health Science will further develop and commercialize LT-02 upon marketing approval by the relevant authorities in the licensed geographies. Nestlé Health Science plans to start phase III clinical trials in the US in 2016. The financial terms of the licensing partnership are not being disclosed.

Lipid Therapeutics' European development partner, Dr. Falk Pharma GmbH, a pharmaceutical company specialized in gastroenterology, announced the start of phase III trials for LT-02 in Europe in October 2014. As part of a strategic development approach, Nestlé Health Science, Dr Falk and Lipid Therapeutics will collaborate to generate the required clinical evidence in support of LT-02's beneficial effects in the treatment of ulcerative colitis in order to obtain drug regulatory approvals.

More than one million people worldwide are estimated to suffer from ulcerative colitis, a chronic and debilitating inflammatory condition of the large intestine. The most common treatment is 5-aminosalicylic acid (mesalazine), However it is estimated that 40% of patients receiving the recommended dose of 5-aminosalicylic acid continue to experience persistent disease activity flares. The NHSc development program will primarily assess LT-02 as an add-on therapy to 5-aminosalicylic acid. LT-02 has a novel mode of action that restores the colonic barrier function in the gut mucosa or 'wall' and through anti-inflammatory signalling and represents a first-in-class therapy for those patients still suffering flares while being treated with mesalazine.

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. The growing number of patients that suffer from chronic gastrointestinal conditions worldwide increases our determination to make an impact, through innovative, integrated therapeutic approaches. This agreement enables us to further build our gastrointestinal pipeline, a key focus of our Novel Therapeutic Nutrition business area with the aim of developing nutritional therapies coupled with innovative drug and diagnostics solutions."

Dr Gerhard Keilhauer, CEO of Lipid Therapeutics, said: "Based upon initial trials, we are convinced of the transformational potential of LT-02. With Dr. Falk Pharma and now Nestlé Health Science as licensees in key geographies, the resources and capabilities are at work to translate potential into a breakthrough therapy."

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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.

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. Its LT-02 compound 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. More information: <http://lipid-therapeutics.com>.

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