

News release

Nestlé Health Science enters the microbiome diagnostics field through a partnership with Enterome

- *Diagnostic innovations in IBD and Liver Disease in the pipeline*
- *Positioned to shape the microbiome diagnostics market*

Epalinges, Switzerland, 11 July 2017 – Nestlé Health Science and Enterome are jointly creating *Microbiome Diagnostics Partners* (MDP), which aims to lead the development and commercialization of innovative microbiome-based diagnostics with potential to transform therapeutic approaches across a broad spectrum of challenging health conditions, including inflammatory bowel diseases (IBD) and liver diseases. The partnership follows Nestlé Health Science's initial investment announced in April 2016.

MDP's initial focus will be accelerating Enterome's diagnostic programs, which include IBD 110 for the assessment and management of mucosal healing and MET210 for NASH (non-alcoholic steatohepatitis). Current standard of care for these conditions include invasive procedures such as endoscopy and biopsies, rather than a non-invasive stool/serum combined Dx tests that will be developed by MDP. Future innovation efforts will leverage advanced microbial and serum-based metabolic technologies developed respectively at Enterome and Nestlé Health Science's diagnostics arm Prometheus Laboratories.

Commenting upon the move Greg Behar, CEO of Nestlé Health Science, said, “*Microbiome Diagnostics Partners* is equipped to lead diagnostic discovery in the microbiome field, opening the door to innovative therapeutic approaches combining diagnostics (Dx), nutritional therapies (Nx) and therapeutics (Rx). Mastering the microbiome is an important facet of our strategy to advance the therapeutic role of nutrition. We also see new opportunities for personalized nutrition both for the healthy population and for patients. The two initial programs have great potential to become differentiated diagnostics.”

Pierre Belichard, CEO of Enterome, said, “The formation of *Microbiome Diagnostics Partners* is an important milestone for Enterome, as it brings together powerful and complementary technologies and capabilities to enable the creation of a new generation of diagnostic and companion diagnostic products. The MDP joint venture will leverage Enterome's microbiome-based platforms in diagnostic areas, while Enterome will continue to focus on their application for the discovery of novel small molecule therapeutics.”

Terms of the agreement

Microbiome Diagnostics Partners (MDP) will be a 50:50 joint venture between Enterome and Nestlé Health Science. Prometheus (a Nestlé Health Science Company) will contribute its Diagnostics (Dx) development and commercialization expertise. Enterome will contribute its current microbiome diagnostic programs and intellectual property (IP) derived from its unique microbiome-based platform for the development of Dx in all therapeutic areas except immuno-oncology.

MDP will be governed by a Board, with Pierre Belichard, CEO of Enterome, becoming Chairman of MDP. Warren Cresswell, General Manager and Head of Prometheus Diagnostics, will become an MDP Board member and assume the role of CEO of MDP. Nestlé Health Science will invest €20 million in return for its 50% stake in MDP and exclusive commercialization options on the initial programs. In addition to this investment, MDP will receive further milestone payments linked to success of clinical and commercial activities.

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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 nutrition therapy to change the course of health for consumers, patients and its partners in healthcare. Nestlé Health Science's portfolio of nutrition solutions, diagnostics, devices and drugs targets a number of health areas, such

as inborn errors of metabolism, pediatric and acute care, obesity care, healthy aging, and gastrointestinal and brain health. Through investing in innovation and leveraging leading edge science, Nestlé Health Science brings forward innovative nutritional therapies with 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. For more information, please visit <http://www.nestlehealthscience.com/>.

About Enterome

Enterome is a clinical stage company, pioneering the development of novel pharmaceuticals and diagnostics to support personalized therapies in microbiome-related diseases such as Inflammatory Bowel Disease (IBD), cancer and metabolic diseases. Enterome is also leading the development of new industry standards in gut microbiome quantitative and functional analysis. This technology leadership allows Enterome to open up the new field of therapeutic target discovery in the microbiome in order to address significant unmet medical needs. Enterome has established partnerships with leading pharmaceutical companies and academic research institutes, including Johnson & Johnson Innovation/Janssen Biotech, Takeda and Abbvie in inflammatory bowel and gastro-intestinal diseases; Bristol-Myers Squibb in immuno-oncology; and the Mayo Clinic and Geisinger hospitals in metabolic disorders. The Company was established in 2012 in Paris (France) to develop drugs and diagnostics from its proprietary metagenomic platform and is backed by leading venture capital investors (Seventure Partners, Lundbeckfonden Ventures, Health for Life Capital & Omnes Capital) as well as strategic investors (Nestlé Health Science, BMS, Shire & INRA Transfert). Additional information about Enterome is available through its website: visit <http://www.enterome.com/>.

Forward-Looking Statement

This press release contains "forward-looking statements" regarding the development and commercialization of innovative microbiome diagnostics. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could delay, divert or change any of them, and could cause actual outcomes and results to differ materially from current expectations. No forward-looking statement can be guaranteed.

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