



Fractyl Health Announces Pricing of \$20 Million Underwritten Public Offering

Aug 6, 2025

BURLINGTON, Mass., Aug. 06, 2025 (GLOBE NEWSWIRE) -- Fractyl Health, Inc. (Nasdaq: GUTS) (the "Company" or "Fractyl"), a metabolic therapeutics company pioneering pattern-breaking approaches that treat root causes of obesity and type 2 diabetes ("T2D"), today announced the pricing of its underwritten public offering of 19,047,619 shares of common stock and accompanying Tranche A and Tranche B warrants, for gross proceeds of \$20 million before deducting underwriting discounts, commissions, and offering expenses.

Each share of common stock is being sold together with (a) one Tranche A warrant with a 2-year term; and (b) one Tranche B warrant with a 5-year term, exercisable following stockholder approval pursuant to Nasdaq rules; at a combined public offering price of \$1.05. Both the Tranche A and Tranche B warrants are fixed-priced, do not have any variable priced resetting mechanisms, and contain no price-based anti-dilution or ratchets. The exercise price for both warrant tranches is \$1.05 per share.

The Tranche A warrants are callable at the Company's option following the release of 3-month randomized midpoint clinical data from the ongoing REMAIN-1 study, subject to satisfaction of certain conditions including that the average trading price of the stock exceeds \$1.37 per share for 15 consecutive trading days and a minimum daily trading volume threshold.

In addition, Fractyl granted the underwriters a 30-day option to purchase up to an additional 2,857,142 shares of common stock, along with associated Tranche A and Tranche B Warrants, at the public offering price, less underwriting discounts and commissions.

Fractyl expects to receive gross proceeds of approximately \$20 million from this offering, excluding any potential future proceeds from the exercise of the warrants. If fully exercised for cash, the Tranche A and Tranche B warrants could yield up to an additional \$40 million in future gross proceeds. The Company intends to use the net proceeds from the proposed offering, together with its existing resources, to support its Revita and Rejuva pipeline programs and for working capital and other general corporate purposes.

Ladenburg Thalmann & Co. Inc. is acting as book-running manager for the offering.

This offering is expected to close on or about August 7, 2025, subject to the satisfaction of customary closing conditions.

A shelf registration statement on Form S-3 relating to the securities being sold in this offering was filed with the Securities and Exchange Commission (the "SEC") on March 3, 2025 and declared effective on March 18, 2025. A prospectus supplement and accompanying base prospectus relating to and describing the terms of the offering will be filed with the SEC and will be available on the SEC's website located at <http://www.sec.gov>, copies of which may be obtained, when available, from Ladenburg Thalmann & Co. Inc., Attn: Prospectus Department, 640 Fifth Avenue, 4th Floor, New York, NY 10019 or by e-mail at prospectus@ladenburg.com.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities of Fractyl, nor will there be any sale of any securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state, province, territory or other jurisdiction.

About Fractyl

Fractyl is a metabolic therapeutics company focused on pioneering new approaches to the treatment of metabolic diseases, including obesity and T2D. Despite advances in treatment over the last 50 years, obesity and T2D continue to be rapidly growing drivers of morbidity and mortality in the 21st century. Fractyl's goal is to transform metabolic disease treatment from chronic symptomatic management to durable disease-modifying therapies that target the organ-level root causes of disease. The Company has a robust and growing IP portfolio, with 32 granted U.S. patents and approximately 40 pending U.S. applications, along with numerous foreign issued patents and pending applications. Fractyl is based in Burlington, MA.

Forward-Looking Statements

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding the timing, size, terms and completion of the proposed public offering, the anticipated use of proceeds therefrom, the grant of the option to purchase additional shares as

well as our anticipated financial performance, including cash and cash equivalents, for any period of time, the promise and potential impact of our preclinical or clinical trial data, the design, initiation, timing and results of clinical enrollment and any clinical studies or readouts, the content, information used for, timing or results of any Investigational New Drug (IND)-enabling studies, IND applications or Clinical Trial Applications, communications with regulators, the potential launch or commercialization of any of our product candidates or products, the potential treatment population or benefits for any of our product candidates or products, and our strategic and product development objectives and goals, including with respect to enabling long-term control over obesity and type 2 diabetes without the burden of chronic therapies, redefining the future of metabolic disease treatment, positioning our Company at the forefront of the global opportunity for metabolic care, and the timing of any of the foregoing. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following: the Company's limited operating history; the incurrence of significant net losses and the fact that the Company expects to continue to incur significant net losses for the foreseeable future; the Company's need for substantial additional financing; the Company's ability to continue as a going concern; the restrictive and financial covenants in the Company's credit agreement; the lengthy and unpredictable regulatory approval process for the Company's product candidates; uncertainty regarding its clinical studies; the fact that the Company's product candidates may cause serious adverse events or undesirable side effects or have other properties that may cause it to suspend or discontinue clinical studies, delay or prevent regulatory development, prevent their regulatory approval, limit the commercial profile, or result in significant negative consequences; additional time may be required to develop and obtain regulatory approval or certification for the Company's Rejuva gene therapy candidates; the Company's reliance on third parties to conduct certain aspects of the Company's preclinical studies and clinical studies; the Company's reliance on third parties for the manufacture of sub-assembly components for Revita and for the materials for its Rejuva gene therapy platform for preclinical studies, and its ongoing clinical studies; the regulatory approval process of the FDA, comparable foreign regulatory authorities and lengthy, time-consuming and inherently unpredictable, and even if we complete the necessary clinical studies, we cannot predict when, or if, we will obtain regulatory approval or certification for any of our product candidates, and any such regulatory approval or certification may be for a more narrow indication than we seek; and the potential launch or commercialization of any of Company's product candidates or products and our strategic and product development objectives and goals, and the other factors discussed under the caption "Risk Factors" in our Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission (the "SEC") on May 13, 2025 and in our other filings with the SEC. Any forward-looking statements that we make in this press release speak only as of the date of this press release, and Fractyl assumes no obligation to update forward-looking statements whether as a result of new information, future events or otherwise after the date of this press release, except as required under applicable law.

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