Fractyl Health Announces Closing of $23 Million Underwritten Public Offering Including Full Exercise of Underwriter's Option to Purchase Additional Shares

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Offering included participation from leading institutional investors, including Nantahala Capital, ADAR1 Capital Management, Second Line Capital, 683 Capital, and SilverArc Capital

Proceeds expected to extend cash runway through key upcoming 3-and 6-month REMAIN-1 Midpoint Cohort randomized data readouts from the REMAIN-1 pivotal study

BURLINGTON, Mass., Aug. 07, 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 closing of its previously announced underwritten public offering of 21,904,761 shares of common stock and accompanying Tranche A and Tranche B warrants, including the full exercise of the underwriter's option to purchase 2,857,142 additional shares of common stock and accompanying Tranche A and Tranche B warrants, for gross proceeds of approximately $23 million, before deducting underwriting discounts, commissions, and offering expenses.

The offering drew participation from both new institutional investors and existing shareholders, including Nantahala Capital, ADAR1 Capital Management, Second Line Capital, 683 Capital, and SilverArc Capital.

Each share of common stock was 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 was $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.

If fully exercised for cash, the Tranche A and Tranche B warrants could result in up to an additional $46 million in gross proceeds to the Company, for a total potential raise of $69 million.

Fractyl intends to use net proceeds from the offering to support clinical development of its Revita and Rejuva platforms, and for working capital and general corporate purposes.

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

The securities described herein are offered pursuant to a shelf registration statement on Form S-3 (File No. 333-285522), filed with the U.S. Securities and Exchange Commission (the "SEC") on March 3, 2025 and declared effective on March 18, 2025. A prospectus supplement and accompanying base prospectus describing the terms of the offering was filed with the SEC and is available at www.sec.gov. Copies may also be obtained from Ladenburg Thalmann & Co. Inc., Attn: Prospectus Department, 640 Fifth Avenue, 4th Floor, New York, NY 10019, or by email at prospectus@ladenburg.com.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or other 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 or other jurisdiction.

About Fractyl Health
Fractyl Health is a metabolic therapeutics company focused on developing root-cause treatments for obesity and type 2 diabetes. Its Revita® duodenal resurfacing procedure and Rejuva™ gene therapy platform aim to deliver durable, disease-modifying outcomes by targeting organ-level drivers of metabolic disease. Fractyl maintains a robust IP portfolio with 32 granted U.S. patents and approximately 40 pending U.S. applications.

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. These statements involve risks and uncertainties that may cause actual results to differ materially. Factors include, without limitation, development timelines for Revita and Rejuva, market acceptance, regulatory approvals, and Fractyl's ability to meet its goals. Additional information concerning risks and uncertainties is included in Fractyl's filings with the SEC.

Contacts for Media and Investors

Media Contact
Jessica Cotrone, Head of Corporate Communications
jcotrone@fractyl.com | 978.760.5622

Investor Contact
Brian Luque, Head of Investor Relations and Corporate Development
IR@fractyl.com | 951.206.1200