

Sosei to Advance Clinical Development in Japan of HTL0018318 in Patients with Dementia with Lewy Bodies (DLB)

Amendment of global R&D and commercialisation partnership between Heptares and Allergan designed to expand clinical development of HTL0018318 in major dementia indication

HTL0018318 is a novel muscarinic M₁ receptor agonist in clinical development as a potential treatment for cognitive impairment in Alzheimer's disease

Tokyo, Japan and London, UK – 9 November 2017: Sosei Group Corporation (“Sosei”); TSE Mothers Index:4565) announces that it has agreed with Allergan to an amendment to the 2016 global R&D and commercialisation partnership between Allergan and Sosei’s subsidiary Heptares Therapeutics, in which Allergan gained exclusive rights to Heptares’ broad portfolio of novel subtype-selective muscarinic receptor agonists in development for the treatment of major neurological disorders, including Alzheimer’s disease (AD).

The amendment sees Sosei gain a licence to develop and commercialise HTL0018318, a novel muscarinic M₁ receptor agonist, in Japan as a potential new treatment for patients with dementia with Lewy bodies (DLB). Initially, Sosei will undertake a Phase 2 proof-of-concept monotherapy study, expected to begin in Japan in 2018. Allergan has retained the right to develop HTL0018318 in DLB globally.

DLB is the second most common form of degenerative dementia after AD and relates to dementia associated with the presence of Lewy bodies (abnormal deposits of a protein called alpha-synuclein) in the brain that affect behaviour, cognition and movement. In DLB, loss of presynaptic cholinergic (acetylcholine-producing) neurons is thought to be a key driver of disease symptoms. As in AD, postsynaptic neurons and muscarinic receptors in DLB are preserved, which presents an important opportunity for a selective M₁ agonist based approach.

DLB affects up to an estimated 20-30% of all dementia patients. In Japan, this represents approximately 920,000 individuals, and in the US approximately 1.4 million individuals. There are no approved therapies for DLB in the US or Europe, while branded donepezil (Aricept®, Eisai) is conditionally approved in Japan.

Commenting on the announcement, Peter Bains, CEO at Sosei, said: “This is a very exciting development in our partnership with Allergan. It provides Sosei with a major go-to-market opportunity for our lead program, which is consistent with our growth strategy. Sosei has developed an extensive understanding of the DLB opportunity in Japan, and alongside our clinical development capabilities and track record of successful product development in Japan we believe we can add significant value to the M₁ agonist program overall through this activity.”

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Notes to Editors

About Muscarinic receptors

Muscarinic receptors are G protein-coupled receptors (GPCRs) found in multiple tissues. Until now, attempts to develop medicines that target M₁ and M₄ receptors have been unsuccessful because of side effects caused by the activation of M₂ and M₃ receptors.

Selective M₁ or M₄ agonists that do not activate M₂ or M₃ therefore are highly sought after, and expected to address blockbuster markets.

About the Heptares Therapeutics and Allergan Partnership

Heptares Therapeutics and Allergan entered a global R&D and commercialisation partnership in April 2016 under which Allergan licensed exclusive global rights to Heptares' broad portfolio of novel subtype-selective muscarinic receptor agonists (M₁, M₄ and dual M₁/M₄ agonists) in development for the treatment of major neurological disorders, including Alzheimer's disease.

The companies are advancing a program evaluating a selective M₁ agonist (HTL0018318) through clinical studies as a potential treatment for symptomatic cognitive deficits in Alzheimer's patients; a clinical program to assess the potential of a selective M₄ agonist (HTL0016878) to treat certain neurobehavioural symptoms of Alzheimer's disease; and are developing dual M₁/M₄ agonists with potential to treat both cognitive and neurobehavioural symptoms through preclinical studies.

In addition, Sosei plans to initiate a Phase 2 clinical study with HTL0018318 in patients with dementia with Lewy bodies in Japan.

About Sosei

Sosei Group Corporation is an international biopharmaceutical company originating from Japan that discovers and develops innovative biopharmaceuticals for the treatment of Alzheimer's disease, schizophrenia, cancer, migraine, addiction, metabolic disease, and other indications. By utilizing its GPCR structure-based drug design platform technology, Sosei has established a product pipeline with first/best in class potential. Through development and commercialization partnerships, Sosei has already delivered two bronchodilators for COPD which generate significant and stable revenue streams that enable further growth. Sosei partners include Novartis, Allergan, AstraZeneca, MedImmune, MorphoSys, Teva, and Pfizer and we are actively looking for new partnerships to enhance the development of our products and help us deliver them to patients worldwide.

For further information about Sosei, please visit <http://www.osei.com/en/>.

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Sosei Group Corporate Forward-looking statements

This press release contains forward-looking statements, including statements about the discovery, development and commercialisation of products. Various risks may cause Sosei's actual results to differ materially from those expressed or implied by the forward-looking statements, including: adverse results in clinical development programs; failure to obtain patent protection for inventions; commercial limitations imposed by patents owned or controlled by third parties; dependence upon strategic alliance partners to develop and

commercialise products and services; difficulties or delays in obtaining regulatory approvals to market products and services resulting from development efforts; the requirement for substantial funding to conduct research and development and to expand commercialisation activities; and product initiatives by competitors. As a result of these factors, prospective investors are cautioned not to rely on any forward-looking statements. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.