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PRESS RELEASE

Sosei Heptares starts new clinical development program – First subject dosed in Phase I study of HTL0014242, a selective mGlu₅ negative allosteric modulator in development to treat psychiatric and neurological disorders

Tokyo, Japan and London, UK, 13 December 2018 – Sosei Group Corporation (“the Company”; TSE: 4565), announces that the first healthy subject has been dosed with a novel small molecule HTL0014242 in a Phase I clinical study, marking the start of a new in-house clinical program targeting psychiatric and neurological disorders.

HTL0014242 is a potent, orally available, selective Metabotropic Glutamate Receptor 5 (mGlu₅) negative allosteric modulator¹ (NAM), precision-designed by the Company using its GPCR Structure-Based Drug Design (SBDD) platform.

Glutamate is one of the most abundant excitatory neurotransmitters in the human nervous system and alterations in glutamate signalling, and mGlu₅, are associated with a range of neuropsychiatric and neurodegenerative disorders. HTL0014242 is one of a series of mGlu₅ NAMs designed to selectively and potently reduce excessive glutamate signalling providing opportunities for new therapies in areas of high unmet medical need.

The new clinical study with HTL0014242 is a first-in-human double-blind, randomised, oral single ascending dose study in healthy male and female adult subjects. This study is being conducted in the UK and will assess safety, tolerability and pharmacokinetics of HTL0014242 in up to 48 subjects. Preliminary results are expected in the second half of 2019.

Dr. Malcolm Weir, Executive VP and Chief R&D Officer, said: “The start of this new clinical program is a result of dedicated research that leveraged all aspects of our unique SBDD approach and our development capabilities. HTL0014242 has been designed to be a highly selective and potent blocker of mGlu₅ activity and has been optimized to overcome the potential limitations seen with other small molecules targeting this important GPCR. We see great potential with this candidate in a range of indications driven by altered glutamate signalling and intend to take decisions about the ultimate Phase II development pathway following the evaluation of results from this Phase I study.”

Metabotropic glutamate receptors are Class C GPCRs, which respond to the neurotransmitter glutamate and receptor subtype 5 (mGlu₅) is of considerable interest as a drug target. The Company previously reported the crystal structure of the transmembrane domain of mGlu₅ in complex with the NAM, mavoglurant (Doré *et al*, *Nature* 2014). The structure provided detailed

¹ A negative allosteric modulator blocks receptor activity by binding to the protein at a site other than its usual active, ligand-binding site

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insight into the architecture of the transmembrane domain of mGlu₅ including the precise location of the allosteric binding site within the transmembrane domain and key micro-switches that regulate receptor signalling. The Company used these findings to identify novel mGlu₅ NAM drug candidates with high potency and selectivity, including HTL0014242.

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About Sosei Heptares

We are an international biopharmaceutical group focused on the design and development of new medicines originating from its proprietary GPCR-targeted StaR[®] technology and structure-based drug design platform capabilities. The Company is advancing a broad and deep pipeline of partnered and wholly owned product candidates in multiple therapeutic areas, including CNS, immuno-oncology, gastroenterology, inflammation and other rare/specialty indications. Its leading clinical programs include partnered candidates aimed at the symptomatic treatment of Alzheimer's disease (with Allergan) and next generation immuno-oncology approaches to treat cancer (with AstraZeneca). Our additional partners and collaborators include Novartis, Pfizer, Daiichi-Sankyo, PeptiDream, Kymab and MorphoSys. The Company is headquartered in Tokyo, Japan with R&D facilities in Cambridge, UK and Zurich, Switzerland.

"Sosei Heptares" is the corporate brand of Sosei Group Corporation, which is listed on the Tokyo Stock Exchange (ticker: 4565). For more information, please visit www.soseiheptares.com.

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Forward-looking statements

This press release contains forward-looking statements, including statements about the discovery, development and commercialization of products. Various risks may cause Sosei Group Corporation'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 commercialize 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 commercialization 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.