

Sosei Heptares reports progress with Pfizer as multi-target collaboration delivers first candidate for clinical advancement

- *Promising results generated against diverse set of clinically validated but challenging G protein-coupled receptors (GPCRs)*
- *First pre-clinical development candidate nominated by Pfizer under the collaboration – novel, oral, small molecule modulator of an undisclosed target represents important scientific achievement, triggering a US\$3 million milestone payment to Sosei Heptares*

Tokyo, Japan and London, UK, 14 May 2019 – Sosei Group Corporation (“the Company”; TSE: 4565) reports encouraging progress and initial success of its strategic multi-target drug discovery collaboration with Pfizer. The research phase of the collaboration has delivered several milestones leading to the advancement of new potential candidate programs against G protein-coupled receptor (GPCR) targets nominated by Pfizer in major disease areas.

These targets have clinical and biological validation as key points for therapeutic intervention targeting metabolic and inflammatory diseases but have proved challenging to address with conventional discovery approaches because of inherent technical challenges. To address these challenges, Sosei Heptares and Pfizer scientists have worked closely together to leverage their complementary expertise in enabling GPCR-focused structure-based drug design (SBDD) and development initially directed towards up to ten GPCR targets nominated by Pfizer.

In addressing these targets, Sosei Heptares has delivered stabilized receptors (StaR[®] proteins), X-ray structures and biophysical data on certain programs, triggering milestone payments from Pfizer, including US\$3 million announced today. Further milestone payments are contemplated under the agreement, with potential for royalties also payable provided the criteria under the agreement are satisfied. Pfizer also made a US\$33 million equity investment in Sosei Heptares in 2015. In the future, Pfizer and Sosei Heptares anticipate publication of select research findings from their collaboration.

Dr. Malcolm Weir, Executive VP and Chief R&D Officer of Sosei Heptares, said: “Pfizer has a real appreciation of the potential value that structural studies can bring to drug design and discovery. Sosei Heptares is delighted with the relationship and interaction that has developed between our respective scientists since starting the collaboration and particularly with the achievement announced today. This was made possible, in part, through the collaborative application of our SBDD platform, which is also being used in other promising programs. We look forward in the coming years to the continued progress of these programs.”

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PRESS RELEASE

Charlotte Allerton, Head of Medicine Design at Pfizer said: "We are very pleased with the progress achieved through our collaboration with Sosei Heptares and are optimistic about our future work together. Sosei Heptares' GPCR-focused structure-based drug design provides us with a valuable new approach to potentially enable the design of small molecules to modulate important disease targets."

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Additional information about the collaboration with Pfizer

Sosei Heptares and Pfizer entered into a strategic drug discovery collaboration in November 2015 to research and develop potential new medicines directed at up to ten G protein-coupled receptor (GPCR) targets across multiple therapeutic areas.

Sosei Heptares will use its proprietary GPCR structure-guided platform to help deliver stabilised GPCRs (StaR[®] proteins), high-resolution crystal structures and other technologies to support the discovery of potential novel agents directed to the GPCR targets selected by Pfizer. Pfizer will be responsible for developing and commercialising any potential therapeutic agents (small molecules or biologics) for each target and will have exclusive global rights to any potential resulting agents.

Sosei Heptares is eligible to receive research, development, regulatory and commercial milestone payments and tiered royalties on the net sales of any products that are commercialized by Pfizer. In addition, Pfizer made an equity investment in Sosei Heptares upon signing.

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.

"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 <https://www.soseiheptares.com/>

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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.