

Sosei Heptares to receive new \$3 million milestone payment from Pfizer, as it advances a second candidate from the GPCR collaboration for clinical development

- *New clinical candidate targets a GPCR and disease different from the first candidate disclosed in May 2019*
- *Demonstrates the combined power of StaR® technology and Structure-based Drug Design to assist in the creation of small molecules that modulate important disease targets*

Tokyo, Japan and London, UK, 10 June 2019 – Sosei Group Corporation (“the Company”; TSE: 4565) and its strategic alliance partner Pfizer announce that a new clinical candidate from their multi-target drug discovery collaboration was nominated to advance into clinical development. Sosei Heptares will receive a \$3 million milestone payment from Pfizer for this achievement. The first clinical candidate under this collaboration was nominated by Pfizer in May 2019.

Dr. Malcolm Weir, Executive VP and Chief R&D Officer of Sosei Heptares, said: “We are very pleased to reach this development milestone for another candidate in our partnership with Pfizer so soon after nominating the first clinical candidate last month. The teams at Sosei Heptares and Pfizer have worked well together to generate and advance a novel molecule against a difficult GPCR target, highlighting again the power and potential of this approach and the combined capabilities being deployed.”

The multi-target drug discovery collaboration between Sosei Heptares and Pfizer was signed in November 2015 to research and develop potential new medicines directed at up to ten GPCR targets across multiple therapeutic areas. Many of these targets have clinical or biological validation as key points for therapeutic intervention potentially targeting a range of diseases but have proven difficult to address with conventional discovery approaches because of inherent technical challenges.

In an effort to address these challenges, Sosei Heptares and Pfizer scientists worked closely together to leverage their respective complementary expertise in enabling GPCR-focused structure-based drug design (SBDD) and development initially 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 has delivered multiple stabilized receptors (StaR® proteins), X-ray structures and biophysical data on certain programs, triggering milestone payments from Pfizer, including the US\$3 million announced today, as well as \$3 million in May 2019, both resulting from the

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nomination of new clinical candidates. Further possible milestones 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.

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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.

"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.oseiheptares.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

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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.