

Sosei Heptares announces nomination of a third clinical candidate by Pfizer from multi-target drug discovery collaboration

- *Nomination of new clinical candidate triggers \$3 million payment to Sosei Heptares*
- *Further validation of synergies between partner discovery teams and power of StaR® technology and Structure-based Drug Design to deliver drug candidates that modulate important GPCR disease targets*

Tokyo, Japan and London, UK, 24 December 2019 – Sosei Group Corporation (“the Company”; TSE: 4565) has been notified by its strategic alliance partner Pfizer that it has nominated a third clinical candidate from the multi-target drug discovery collaboration between the two companies. Achievement of this milestone triggers a payment of \$3 million to Sosei Heptares. This new candidate is an oral small molecule targeting a G protein-coupled receptor (GPCR) implicated in metabolic and other diseases.

Pfizer has nominated three distinct clinical candidates from the collaboration with Sosei Heptares during 2019, one of which recently entered a first clinical trial. The candidates have resulted from the combined and complementary expertise of drug discovery teams within Pfizer and Sosei Heptares. The collaboration has also leveraged Sosei Heptares’ unique StaR® technology and Structure-based Drug Design (SBDD) capabilities to design molecules that modulate different GPCR targets across multiple disease areas. Sosei Heptares has now received \$14 million in significant milestone payments from Pfizer during 2019.

Dr. Malcolm Weir, Executive Vice President, Research & Early Development at Sosei Heptares, said: “Sosei Heptares has a clear goal to be the partner of choice for pharma companies looking for novel drug candidates designed to address highly validated yet challenging targets. The exciting progress being made with Pfizer is a clear demonstration of the productivity that can be achieved through the combination of complementary teams with the unique insights into GPCR targets we can derive from applying our StaR® technology and SBDD approach. We look forward to providing updates from this and other development programs in due course.”

About the agreement with Pfizer

Sosei Heptares and Pfizer entered a multi-target drug discovery collaboration 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

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difficult to address with conventional discovery approaches because of inherent technical challenges.

To address these challenges, Sosei Heptares and Pfizer scientists are working 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 multiple significant milestone payments from Pfizer resulting from the nomination of new clinical candidates and entry into a first clinical trial. 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 discovery and early development of new medicines originating from our proprietary GPCR-targeted StaR[®] technology and structure-based drug design platform capabilities. We are advancing a broad and deep pipeline of novel medicines across multiple therapeutic areas, including CNS, immuno-oncology, gastroenterology, inflammation and other rare/specialty indications.

We have established partnerships with some of the world's leading pharmaceutical companies, including Allergan, AstraZeneca, Daiichi-Sankyo, Genentech (Roche), Novartis, Pfizer and Takeda; and with innovative biotechnology companies, including Kymab, MorphoSys and PeptiDream. Sosei Heptares 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). Sosei, Heptares, the logo and StaR[®] are Trade Marks of Sosei Group companies.

For more information, please visit <https://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.