

PRESS RELEASE

Sosei Heptares to receive US\$2.5 million milestone payment from Formosa Pharmaceuticals

- *Payment follows dosing of the first patient in a Phase 3 trial of APP13007 for the treatment of inflammation and pain after cataract surgery*
- *APP13007 originated at Activus Pharma, a former subsidiary of Sosei Heptares now owned by Formosa*
- *Sosei Heptares remains eligible to receive undisclosed milestone payments and royalties based on the progression of Activus' pipeline at Formosa*

Tokyo, Japan and Cambridge, UK, 11 March 2021 – Sosei Group Corporation (“the Company”; TSE: 4565) announces that Formosa Pharmaceuticals, Inc. (“Formosa”) has dosed the first patient in a 370-patient randomized Phase 3 clinical trial of APP13007 in the United States (ClinicalTrials.gov Identifier: NCT04739709). APP13007 is a nanoparticle formulation of a steroid in development for the treatment of inflammation and pain after cataract surgery. The milestone has triggered a US\$2.5 million payment to Sosei Heptares from Formosa.

APP13007 was originally designed and developed at Activus Pharma Inc. (“Activus”), formerly a wholly owned subsidiary of the Company. Activus was divested in August 2017 to Formosa, a wholly owned subsidiary of Formosa Laboratories, Inc., a leading manufacturer of Active Pharmaceutical Ingredients (“APIs”) listed on the Taiwan Stock Exchange. The divestment was part of Sosei Heptares’ redirected growth strategy towards the design and development of new medicines originating from its proprietary GPCR-targeted StaR[®] technology and structure-based drug design platform capabilities.

Activus was originally developing APP13007 by applying its patented proprietary APNT (“Activus Pure Nanoparticle Technology”) to the steroid to create a novel nanoparticle formulation for treating post-operative inflammation of the eye. Since the divestment, Formosa has progressed the development of APP13007 and is now aiming to begin Phase 3 trials in the United States imminently.

Under the terms of the sale to Formosa in 2017, Sosei Heptares is entitled to receive undisclosed milestone payments based on progression of Activus’ pipeline as well as royalties from the commercialization of certain products should they reach the market.

Shinichi Tamura, Chairman, President and CEO of Sosei Heptares, said: “It is great to see the progress that Formosa has made advancing the development of APP13007. Entering Phase 3 trials is a fantastic achievement. We wish the Formosa team well in conducting this important trial and look forward to the results upon its completion.”

-ENDS-

PRESS RELEASE

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 neurology, immunology, gastroenterology and inflammatory diseases.

We have established partnerships with some of the world's leading pharmaceutical companies, including AbbVie, AstraZeneca, Biohaven, Genentech (Roche), GSK, Novartis, Pfizer and Takeda and additionally with multiple emerging technology companies. Sosei Heptares is headquartered in Tokyo, Japan with corporate and R&D facilities in Cambridge, UK.

"Sosei Heptares" is the corporate brand and trademark of Sosei Group Corporation, which is listed on the Tokyo Stock Exchange (ticker: 4565). Sosei, Heptares, the logo and StaR[®] are trademarks of Sosei Group companies.

For more information, please visit <https://www.soseiheptares.com/>
LinkedIn: [@soseiheptaresco](#) | Twitter: [@soseiheptaresco](#) | YouTube: [@soseiheptaresco](#)

Enquiries:

Sosei Heptares – Media and Investor Relations

Hironoshin Nomura, SVP Investor Relations and Corporate Strategy
+81 (0)3 6679 2178 | Hironoshin.Nomura@SoseiHeptares.com

Shinichiro Nishishita, VP Investor Relations, Head of Regulatory Disclosures
+81 (0)3 5210 3399 | IR@SoseiHeptares.com

Citigate Dewe Rogerson (for Sosei Heptares)

Yas Fukuda – Japanese Media
+81 (0)3 4360 9234 | Yas.Fukuda@citigatedewerogerson.com

Mark Swallow, David Dible – International Media
+44 (0)20 7638 9571 | SoseiHeptares@citigatedewerogerson.com

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.