



32nd Ordinary General Meeting of Shareholders

Sosei Group Corporation | 第32回定時株主総会

Agenda

- 1 Opening Declaration
- 2 Report on number of voting rights
- 3 Audit Committee Report
- 4 FY2021 Results and Business Report
- 5 Report on Audit Results
- 6 Resolution
- 7 Q&A
- 8 Vote
- 9 Closing Declaration



1

開会宣言
Opening Declaration



2

議決権個数のご報告
Report on the number of
voting rights



3

監査委員会の監査報告
Audit Committee Audit Report



4

2021年12月期の事業報告
連結業績
FY2021 Consolidated Results
Business Report

Another year of successful execution

Summary Financial Highlights for the 12 months ended 31 December 2021

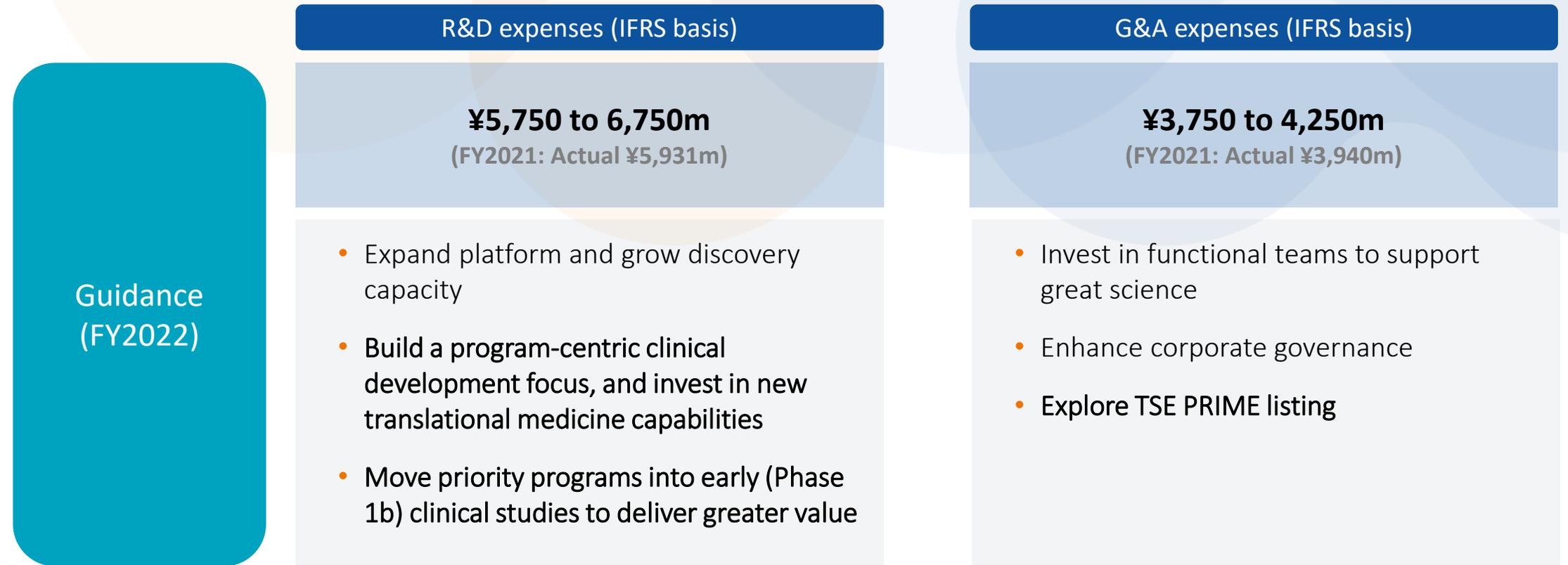
- 1 Revenue of ¥17,712m** (\$161m) vs. ¥8,842m (\$83m) in prior year, substantial increase driven by Neurocrine transaction.
- 2 Core Earnings of ¥8,904m** (\$81m) vs. ¥2,904m (\$27m) in prior year; **Operating Profit of ¥3,775m** (\$34m) vs. ¥928m (\$9m) in prior year, substantial increases driven by Neurocrine transaction.
- 3 Net profit of ¥1,017m** (\$9m), successfully achieving our corporate goal to **target sustainable and/or profitable results** for the full year despite significant impairment and contingent consideration charges.
- 4 ~¥10bn new growth capital raised**, adding funds earmarked to accelerate our strategic growth initiatives and investments.
- 5 Net cash inflow of ¥20bn** (\$136m), resulting in a **robust cash balance of ¥60bn** (\$522m) at year end.

Our unique and balanced business model continues to support a **sustainable financial profile**

Note: USD:JPY FX rates used – 110.16 (FY2021) and 106.77 (FY2020)

Cost Guidance for FY2022

Guidance stated on total IFRS expenses basis going forward, rather than cash basis used in FY2021



Modest incremental investment designed to deliver greater returns over the medium to long term

Achievement in FY2021

Promote future growth through both organic and strategic growth

	FY2021 OBJECTIVES	ACHIEVEMENT
 <p>Organic Growth</p>	<p>1 Execute 2-3 new high value collaborations and/or co-investments every year</p>	<p>✓ Completed: 1 </p>
	<p>2 Expand expertise in GPCRs</p>	<p>✓ Completed: Continue to update drug discovery platform</p>
	<p>3 Generate 2 new preclinical candidates on average, every year</p>	<p>✓ Completed: M1/M4 dual agonist M1 agonist backup</p>
	<p>4 Advance discovery and development pipeline</p>	<p>✓ Completed: MC4 ant. and CGRP ant. advanced to Ph1</p>
 <p>Strategic Growth</p>	<p>1 Seek out revenue-generating opportunities including M&A</p>	<p>✓ Completed additional fundraising in July. Continue to look for suitable acquisition target.</p>
	<p>2 Invest / collaborate in novel technologies</p>	<p>✓ Completed </p>
	<p>3 Expand drug target classes beyond GPCRs</p>	<p>✓ Completed </p>
	<p>4 In-license late-stage programs for Japan market</p>	<p>✗ Not yet completed, actively ongoing</p>

Major licensing deals

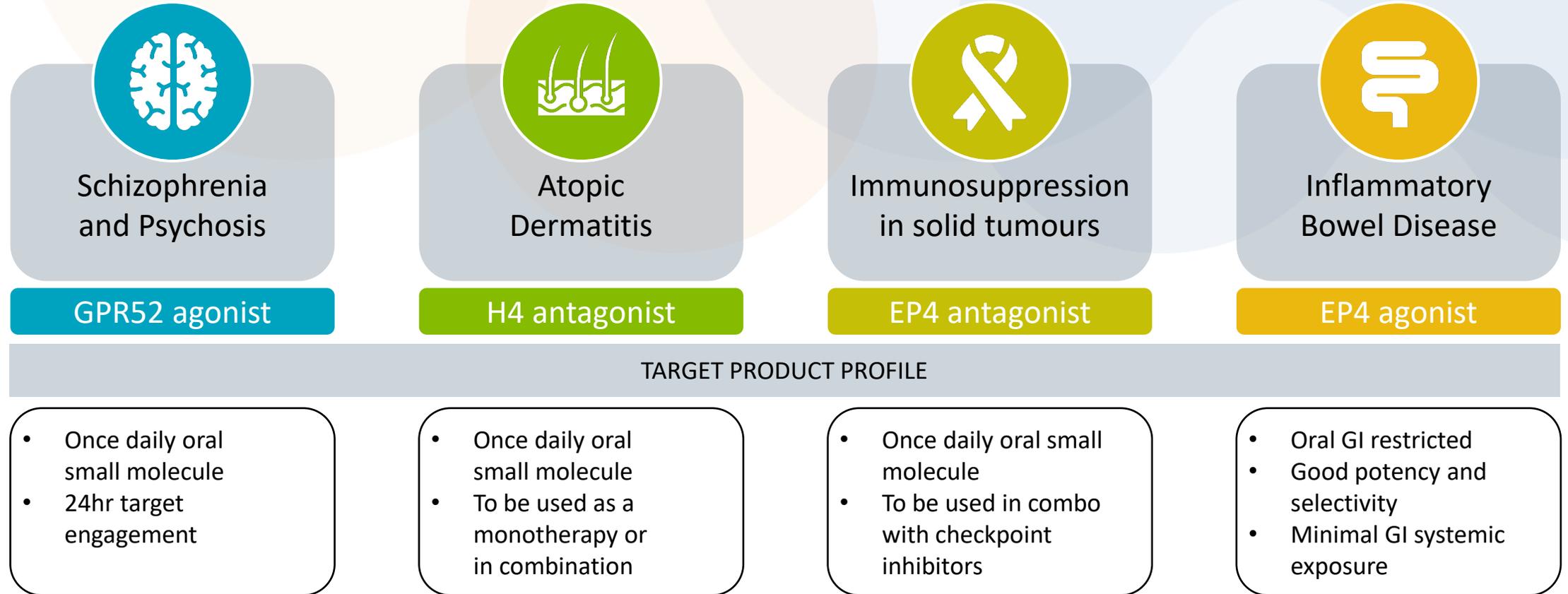
Achieved one of the largest executed CNS license collaborations with Neurocrine in 2021

Partner	Execution	Program	Therapeutic Area	Upfront and Initial Milestone	Potential Total Milestone ¹
	November 2021	Collaboration and license agreement for M ₄ , M ₁ and M ₁ /M ₄ dual agonist	Neurological disorders	\$100m	\$2.6bn
	December 2020	Collaboration and license agreement for GPR 35	Gastrointestinal, immunology	\$44m	\$480m
	December 2020	Collaboration and license agreement for CGRP portfolio	Neurology	\$10m	\$380m
	June 2020	Discovery Collaboration and Option to License ²	Inflammatory and Autoimmune	\$32m	\$400m
	August 2019	Multi-target Collaboration	Multiple; Initial focus on Gastrointestinal	\$26m	\$1.2bn
	July 2019	Multi-target Collaboration	Multiple	\$26m	\$1bn
	November 2015	Multi-target Collaboration	Multiple	--	\$1.8bn
	August 2015	Collaboration and license agreement for A _{2a} antagonist ³	Immuno-oncology	\$10m	\$500m

¹Potential option fees, development, regulatory and commercial milestone payments. Sosei Heptares is also eligible to receive tiered royalties ranging from high single digit to mid-teen percentage on future net sales of any products developed under the partnership. ²AbbVie has the option to expand the collaboration by an additional three targets. ³AstraZeneca have removed the A2a program from their clinical pipeline as at Q3 2021

R&D to support faster, more efficient testing in the clinic

Four programs prioritized to start over the next 24 months



Advancing priority programs into early (Phase 1b) clinical studies over the next two years to deliver greater value over the medium to long term

Achievement in FY2021 (Organic Growth)

Major progress in muscarinic and drug discovery platform are in the following slides

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	<p>2 Invest / collaborate in novel technologies</p>	<p>✓ Completed </p>
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	<p>4 In-license late-stage programs for Japan market</p>	<p>✗ Not yet completed</p>

M4 agonist competition landscape

Muscarinic M4R now an increasingly de-risked and validated target for multiple types of SZ

				We are potentially best in class
Lead Program	KarXT	CVL-231 (Emraclidine)	HTL16878	<ul style="list-style-type: none"> • Avoids non-M4R muscarinic side effects • Mitigates peripheral M4R cardiovascular effects • Different profile to PAM, M4 agonist can be more effective in patients who lack cholinergic tone
Mechanism of Action	M ₁ /M ₄ agonist M ₂ /M ₃ antagonist	M ₄ PAM ²	M ₄ agonist	
Phase (most advanced program)	Ph3	Ph1b	Ph2 in 2022	
Target	Schizophrenia Dementia related neuropsychiatric disorders	Schizophrenia	Schizophrenia	
Impact of recent clinical data ¹	Achieved primary endpoint in Phase II clinical trial (18 November 2019) Share price: \$17.68 → \$85.10 (\$1.7bn+ Market cap increase)	Positive results from Phase I clinical trials (29 June 2021) Share price: \$12.57 → \$23.20 (\$1.6 bn+ Market cap increase)	-	

¹ Change in share price 5 days after announcement; ² PAM = Positive Allosteric Modulator
Source: Company disclosures, FactSet



Neurocrine
BIOSCIENCES



Our discovery platform updates

Further strengthening our world leading platform for GPCR by developing new technology



Solid Core
Technologies

StaR[®]
(Stabilised Receptor)

SBDD
(Structure-Based Drug Design)

+

+

Latest updating
our platform

CryoEM

DEL Screening
(DNA Encoded Library)

Protein Binder Toolkit

“for difficult target/faster”

“for better compound/faster”

World leading
Tech-based drug
Discovery
Platform for GPCR

Achievement in FY2021 (Strategic growth)

Major progress in new technologies and expansion beyond GPCR are in the following slides

	FY2021 OBJECTIVES	ACHIEVEMENT
 <p>Organic Growth</p>	1 Execute 2-3 new high value collaborations and/or co-investments every year	✓ Completed: 1 
	2 Expand expertise in GPCRs	✓ Completed: Continue to update drug discovery platform
	3 Generate 2 new preclinical candidates on average, every year	✓ Completed: M1/M4 dual agonist M1 agonist backup
	4 Advance discovery and development pipeline	✓ Completed: MC4 ant. and CGRP ant. advanced to Ph1
 <p>Strategic Growth</p>	1 Seek out revenue-generating opportunities including M&A	✓ Completed additional fundraising in July. Continue to look for suitable acquisition target.
	2 Invest / collaborate in novel technologies	✓ Completed 
	3 Expand drug target classes beyond GPCRs	✓ Completed 
	4 In-license late-stage programs for Japan market	✗ Not yet completed

Strategic collaboration landscape

Significant build of in-house methods and industry collaborations to drive new best practice



Choosing the right target

verily

Inveni AI
Innovate with Intelligence

Our Core Technologies

StaR®	SBDD
CryoEM	DEL Screening
Protein Binder Toolkit	

Discovering a therapeutic agent

PHARMENABLE metrion biosciences
TWIST BIOSCIENCE Captor Therapeutics® PeptiDream kymab

World leading
Tech-based drug
Discovery
Platform for GPCR
and beyond

Overview for our growth strategy

Mid to long-term direction for accelerating our growth

For our tech-based drug discovery platform (StaR®/SBDD)

For our future strategic growth



Organic Growth

- Increase the value of the deal by out-licensing after obtaining POC in your own clinical trials, not in preclinical
- Keeping strongness to our position as world leading tech-based drug discovery solution provider

- Pivot to a program-centric focus, and build and embed translational medicine capabilities
- Progress priority programs into the clinic, test them, and make go/no-go decisions faster



Strategic Growth

- Leverage our platform potential through new strategic technology collaborations
- Maximize the synergy with current platform and future alliance partner which came from acquisition/alliance deal

- Searching for a transformative acquisition that will bring revenue growth
- In-license late-stage clinical development products for the Japanese market

Priority objectives for FY2022

Continue to promote future growth through both organic and strategic growth

FY2022 OBJECTIVES



Organic Growth

- 1 Execute at least one new high value collaborations and/or co-investments
- 2 Generate at least one new preclinical candidate
- 3 Further enhance platform productivity and build full translational medicine capability



Strategic Growth

- 1 Continue to search for opportunities to acquire companies that will bring new sources of revenue
- 2 Collaborate/invest in new technologies with synergies
- 3 In-license late-stage clinical development products for the Japanese market

Priority objectives for FY2022 (cont'd)

Promote sustainable ESG practices and policies across global business

Sustainable Development Goals adopted by the United Nations (Sep-15)



Sosei Heptares is undertaking initiatives focused on 10 of the 17 Sustainable Development Goals



- E**
- Sustainability Committee promotes efficient energy use and renewable energy sources, and waste and water usage reduction
 - Promote efficiency in discovery

- S**
- Ms. Miwa Seki nominated for appointment as new External Director
 - Grant funding received from Wellcome to advance the SARS-CoV-2 Mpro inhibitor program and seek partnering opportunity

- G**
- Proposed Board of Directors – 8 members (incl. 6 external independent)
 - Investment Committee and Scientific Advisory Board provide recommendations to the Board

Source: United Nations
 LINK: https://soseiheptares.com/uploads/Sustainability/Sustainability_20201214_JP.pdf



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連結計算書類の監査結果報告
Report on Audit Results on the
Consolidated Financial Statement



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決議事項

Matters to be Resolved

Proposal No.1

Partial amendments to the Articles of Incorporation

Proposal No.2

Election of Eight (8) Directors

1	Shinichi Tamura	Chairman of the Board, Representative Executive Officer, CEO, Chair of the Nomination Committee, Member of the Compensation Committee	RE-APPOINTED		
2	Christopher Cargill	Executive Officer, CFO	NEWLY APPOINTED		
3	Tomohiro Toyama	External Director, Chair of the Audit Committee, Member of the Compensation Committee	RE-APPOINTED	EXTERNAL	INDIPENDENT
4	Kuniaki Kaga	External Director, Member of the Nomination Committee, Member of the Audit Committee	RE-APPOINTED	EXTERNAL	INDIPENDENT
5	David Roblin	External Director, Chair of the Compensation Committee, Member of the Nomination Committee	RE-APPOINTED	EXTERNAL	INDIPENDENT
6	Noriaki Nagai	External Director, Member of the Audit Committee	RE-APPOINTED	EXTERNAL	INDIPENDENT
7	Rolf Soderstrom	External Director, Member of the Audit Committee, Member of the Compensation Committee	RE-APPOINTED	EXTERNAL	INDIPENDENT
8	Miwa Seki	—	NEWLY APPOINTED	EXTERNAL	INDIPENDENT

Note: Current positions and responsibilities at the Company are presented



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質疑応答
Q&A



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採決
Vote



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閉会宣言
Closing Declaration