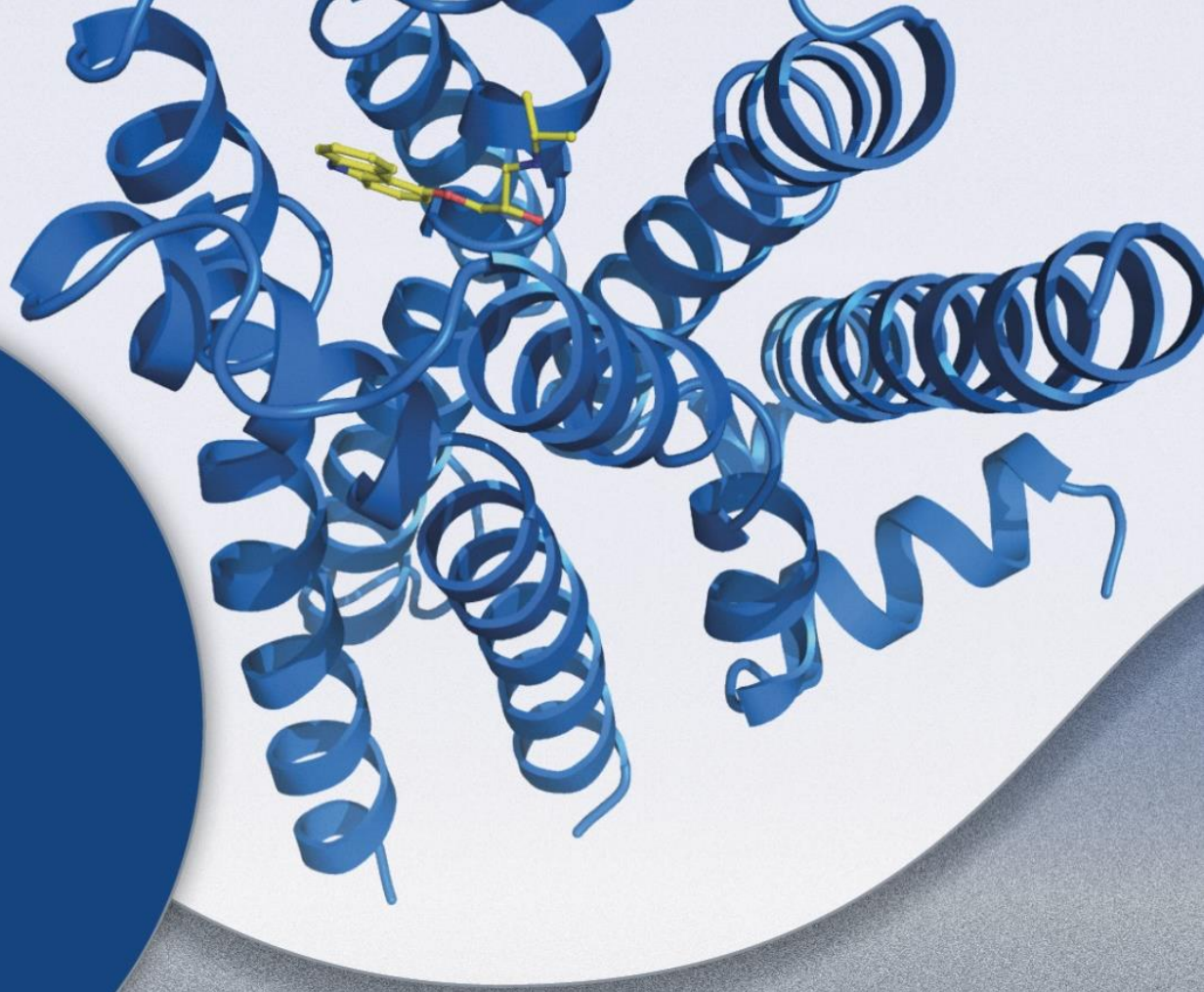
Sosei Group Corporation

36th Annual J.P. Morgan Healthcare Conference

8 January 2018



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References to "FY" in this presentation are to the Company's fiscal years, namely the 12-month periods commencing in each case on April 1 of the year indicated and ending on March 31 of the following year, unless specifically otherwise indicated.

A Japan-listed biotech with a difference

Listed 2004 in Tokyo (TSE Mothers: 4565)

Global management team

Main scientific campus in the U.K.

Market capitalization: c.$2.0bn

- **World-leader in GPCR-focused drug design** based on unique IP protected StaR®[1] GPCR technology & enabled SBDD[2] platform
- **Partnered clinical-stage pipeline** in neurology, immuno-oncology, CNS & other diseases, with up to c.$6bn in potential economics
- **Proprietary pipeline** led by dementia with Lewy Bodies (DLB) Phase 2 program in Japan, plus multiple novel candidates in development
- **Strategic investment in saRNA therapeutics** with lead candidate in Phase 1/2a for liver cancer, an orphan indication
- **Growing royalties from legacy respiratory products** provide source non-dilutive cash flows
- **Strong cash position of c.$300m** to drive global growth strategy

Tokyo listed, global operations. We are building Japan's first biotech champion

[1] Stabilized receptor technology
[2] Structure-based drug design

Unique management team for a Japan-listed company

Significant pharma and biotech expertise

Peter BAINS
Chief Executive Officer
- Former Senior VP of International Commercial Development at GSK
- Former CEO of Syngene

Andrew OAKLEY
Chief Financial Officer
- Former CFO of Actelion Pharmaceuticals Ltd
- Former CFO of Vectura plc

Dr. Malcolm WEIR
Chief R&D Officer
- CEO and Co-Founder Heptares
- Former Head of Molecular Science Division at Glaxo Wellcome

Dr. Tim TASKER
Chief Medical Officer
- GSK and Former Executive VP of Clinical Development at Evotec

Dr. Fiona MARSHALL
Chief Scientific Officer
- CSO and Co-Founder at Heptares
- Former Head of Molecular Pharmacology Department at Glaxo Wellcome

Scientific Advisory Board experience

Three corporate events have shaped Sosei

2005
Acquired Arakis (UK)

- **Glycopyrrolate,** later licensed to NVS for respiratory products (Seebri/Ultibro)
- Ongoing royalties provide long term source of non-dilutive funds

2015
Acquired Heptares Tx (UK)

- **Platform: StaR® technology** for **stabilising GPCRs**
- Partnered GPCR pipeline
- Proprietary GPCR pipeline

2017
Investment in MiNA Tx (UK)

- **Platform: small activating RNA (saRNA) technology**
- Proprietary candidate in Phase 1/2a for liver cancer

Our world-leading Partners

Allergan
AstraZeneca
TEVA
Pfizer
Daiichi-Sankyo
morphosys
PeptiDream
kymab

Our patent-protected StaR® technology enables Structure-Based Drug Design, consolidating our position as the world leader in GPCR medicine discovery and design

Vast opportunity targeting GPCRs, however many high-value targets remain untapped

GPCRs are the backbone of the pharma industry

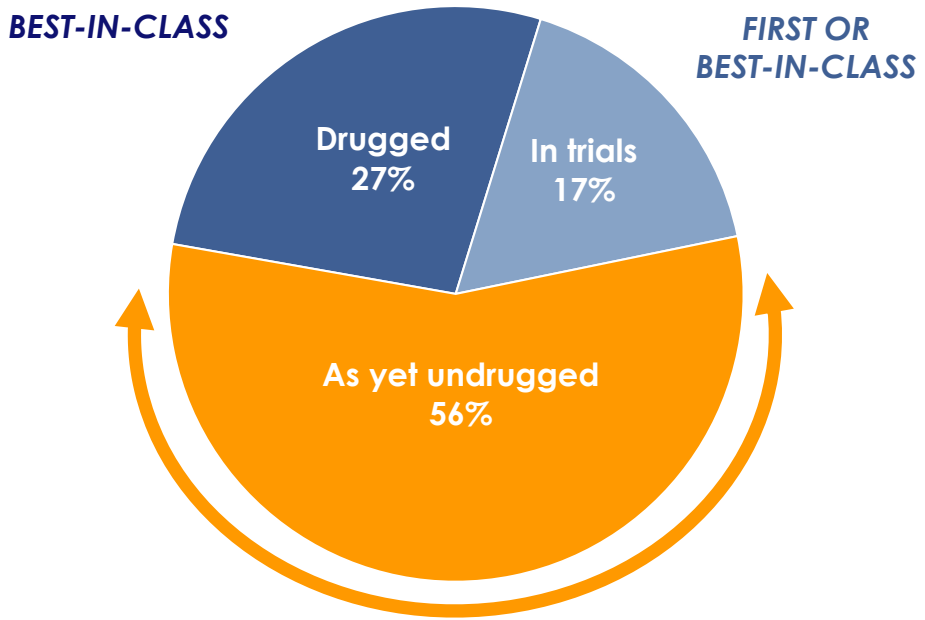
c.400
drug targets

34%
FDA approvals

27%
global sales

- Neurological disorders
- Gastrointestinal diseases
- Metabolic disorders
- Oncology
- Cardiovascular
- Respiratory

c.400 non-olfactory GPCR targets in the human genome



GPCRs are active in a wide range of disease areas, and offer broad therapeutic potential

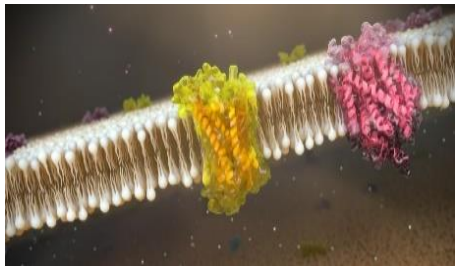
Targeting first-in-class or best-in-class GPCR medicines

[1] Source: "Trends in GPCR in Drug Discovery – new agents, targets and indications", Nature Reviews, October 2017
[2] Source: "Unexplored opportunities in the druggable human genome", Nature Reviews, 2016

StaR® technology enables us to stabilize and "unlock" GPCRs

Revolution for GPCR structure-based discovery

Difficulty drugging native/"wild-type" GPCRs

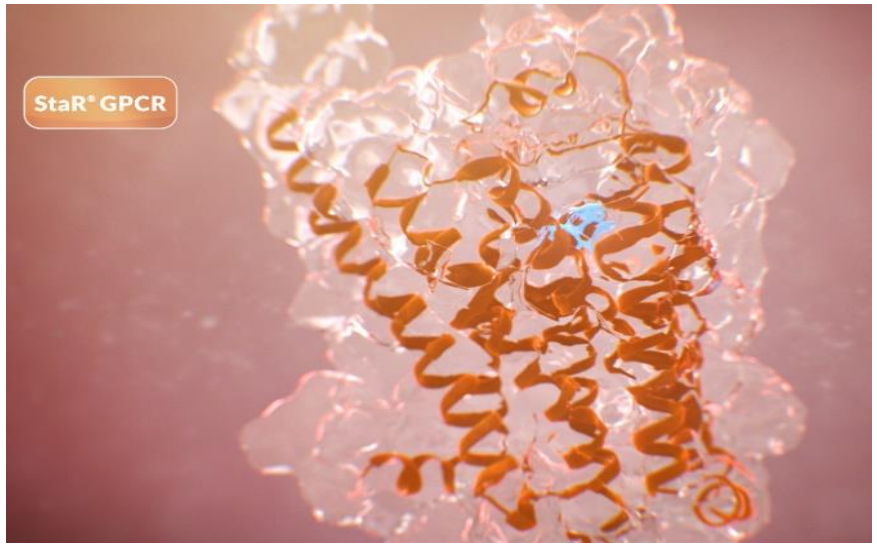


GPCRs are receptors with seven-transmembrane structures, that span the cell membrane

Highly unstable when removed – aggregate and lose function when purified, preventing structural determination

- Structural tools of science cannot be applied to native GPCRs
- Results in many sub-optimally drugged targets
- Unstable nature also prevents ability to generate stable antigen to raise antibodies

Our solution: proprietary StaR® technology



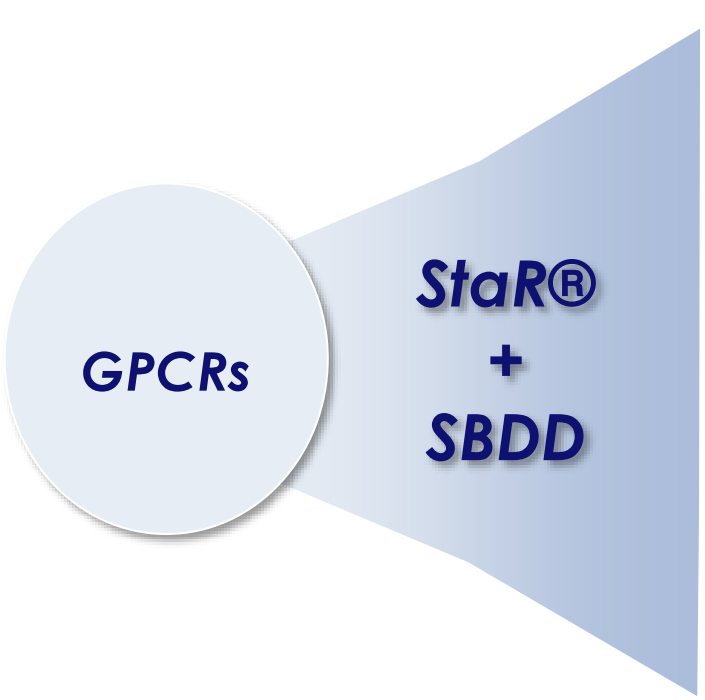
- Single point mutations stabilize GPCRs to create a StaR® that can be purified and retains function
- StaR® technology is the basis for our integrated structure/ chemistry/ pharmacology platform (SBDD)

StaR® proteins enable crystallisation for structural determination, and the technology is protected by a robust IP estate and high levels of know-how.

StaR® proteins enable SME, peptide or antibody discovery

Risk-balanced strategy to leverage leadership and capitalize on GPCR opportunity

Creates and captures value



Partnered (Traditional out-licensing/ collaboration projects)

- Leverage strategic capabilities of partners

Partnered (Co-development/ profit share)

- Complementary capabilities and profit sharing with partners

Proprietary (go-to-market/ commercialize)

- Rare/orphan and specialty indications
- Selected markets

Reserving the right to choose which strategy is most appropriate for each drug candidate, with a goal to commercialize ourselves in selected indications and markets

[1] Stabilized receptor technology
[2] Structure-based drug design

Advancing a Partnered GPCR pipeline in multiple therapeutic areas

Balanced and diversified

: Current stage
: Next 12–15 months progress

Product/Program	Modality	Indication	Partner	Discovery	Preclinical	Phase 1	Phase 2	Phase 3	Market
M_1 AD agonist	SME	Alzheimer's disease	Allergan						
M_4 AD/Sz agonist	SME	NeuroB Sx in AD	Allergan						
M_1/M_4 agonist	SME	AD/NeuroB Sx in AD	Allergan						
A_{2A} antagonist	SME	Cancer I/O	AstraZeneca						
CGRP antagonist	SME	Migraine	TEVA						
	SME/ mAb	Multiple indications	Pfizer						
	SME	Pain	Daiichi-Sankyo						
	SME	Not disclosed	morphosys						
Partnered GPCR Pipeline (Co-development/profit share)									
	PEP	Inflammation	PeptiDream						
	mAb	Immuno-oncology	kymab						

Multiple big pharma partners, across multiple modalities, validate our StaR® and SBDD approach

[1] Note: SME = small molecule; mAb = monoclonal antibody

Up to $6bn in potential economics secured from lead Partnered compounds

Provides potential source of non-dilutive financing

Partner	Program / Indication	Upfront received (US$m)	Total Development Milestones (US$m)	Total Sales Milestones (US$m)	Total UF + Milestones (US$m)	Milestones Received (US$m)	Royalty (US$m)	Additional Details
Allergan	M_R PRGM Cognition/Psych.	125	665	2,575	3,365	15	Tiered, double-digit	➢ Exclusive global rights ➢ Allergan committed $50m to a joint R&D program through Ph 2a
AstraZeneca	A_{2A} Immuno-oncology	10	500		510	22	Tiered, double-digit	➢ Exclusive global rights to AZD4635 ➢ Collaboration to discover further A_{2A} receptor blocking compounds for development
TEVA	CGRP Migraine	10	400		410	5	Tiered, double-digit	➢ Exclusive global rights to novel CGPR antagonists ➢ Received research funding
Pfizer		Nil	~189 per target	N.D.	1,890		Tiered (single digit)	➢ Discovery of potential novel GPCR agents selected by Pfizer (up to 10 targets) ➢ Pfizer will be responsible for developing and commercializing any agents discovered
TOTAL		**145+**			**6,175**	**42**		

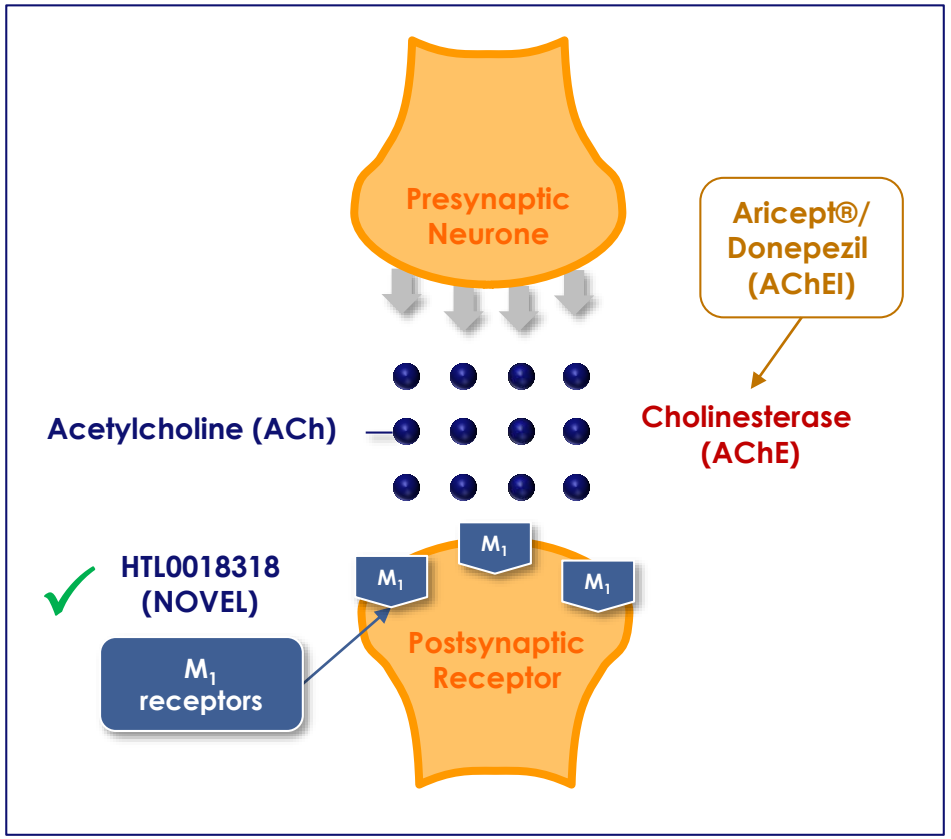
c.$6bn in potential development, regulatory and commercial milestones to come, in addition to royalties on sales

Muscarinic M_1 receptor agonist program for AD

A novel approach for symptomatic treatment of AD

Partnered with: Allergan

M_1 AD
Phase 1b



Aricept®/ Donepezil
(standard of care)

- Donepezil inhibits cholinesterase, preventing the breakdown of ACh
- Enhancement of ACh by AChEIs such as Donepezil provides clinical benefits
- Benefits limited due to low/declining levels of ACh as disease progresses, plus adverse side-effects
- Blockbuster drug (c.$4bn sales pre U.S. patent expiry)

HTL0018318

Novel muscarinic M_1 receptor agonist

- Acts directly on M_1 receptor post synapse, independent of endogenous levels of ACh
- Circumvents the underlying neurochemical deficit in AD
- Offers potential first-in-class therapy

Selective muscarinic M_1 receptor agonism offers a potential first-in-class therapy for AD patients

HTL0018318 is a potential first-in-class therapy for AD

Highly selective M_1 receptor agonist derived from StaR® and SBDD

Partnered with: Allergan

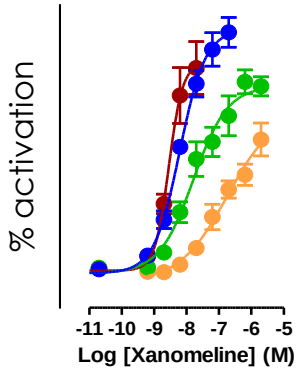
M_1 AD

Phase 1b

Overview of the HTL0018318 muscarinic M_1 agonist

- **Cognitive benefits of M_1 agonism supported** by Lilly's clinical studies of xanomeline[1]
- Xanomeline's development stopped due to unacceptable CV and GI side effects linked to stimulation of M_2 & M_3
- **HTL0018318 is a potent muscarinic M_1 agonist with negligible M_2/M_3 agonism**
- **StaR® & SBDD "designed out" unwanted selectivity** over the M_2 & M_3 receptors
- M_4 agonist also in clinical development for NeuroB Sx in AD – designed using same principle as HTL0018318

Xanomeline[1]



- M_1 *Cognition* ✓
- M_2 *CV side-effects* ✗
- M_3 *GI side-effects* ✗
- M_4 *Behavioural* ✓

HTL0018318

- M_1 *Cognition* ✓

HTL0018318 is a selective M_1 receptor agonist for cognition with negligible agonist activity at M_2 or M_3 receptors

Selectivity is crucial. HTL0018318 has a differentiated mechanism of action with the potential to optimise symptomatic benefits in AD patients

Source: Internal analysis

[1] Bodick et. al. "Effects of Xanomeline, a Selective Muscarinic Receptor Agonist, on Cognitive Function and Behavioural Symptoms in Alzheimer's Disease" Arch Neurol. 1997;54@465-473

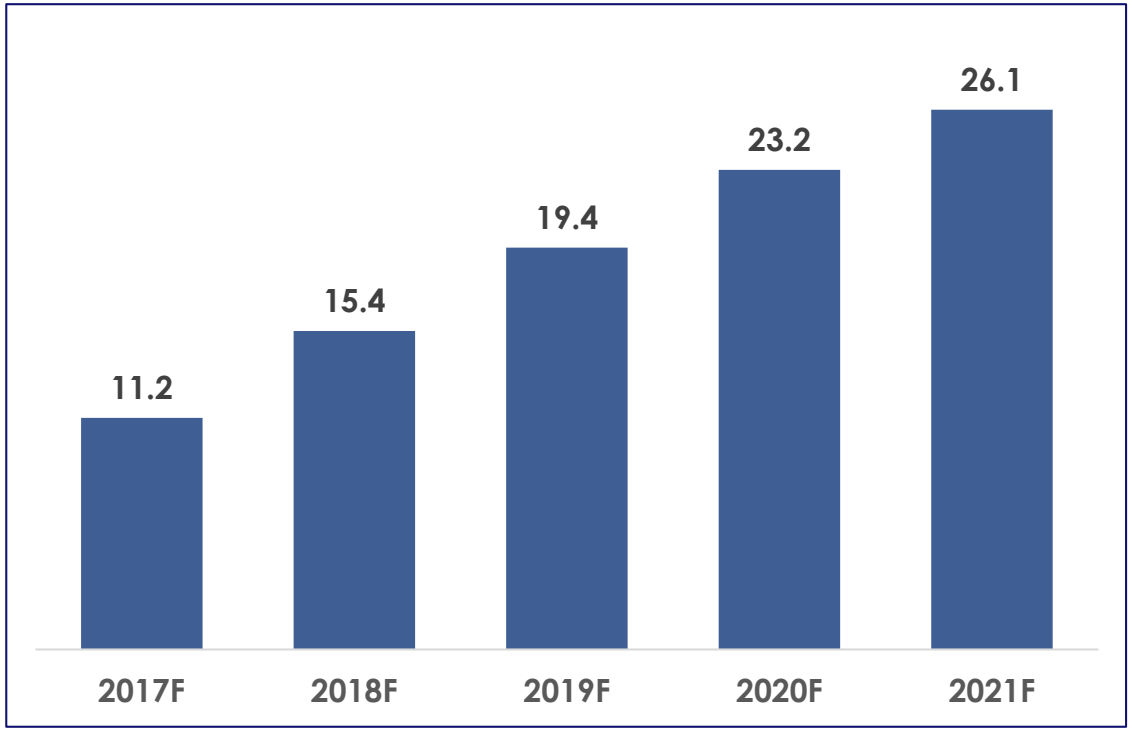
Adenosine A_{2A} antagonist program for cancer treatment

Exciting I/O treatment approach

Partnered with: AstraZeneca

A_{2A} **Phase 1b**

I/O drugs – forecast sales for marketed products ($bn)[1]



Potential role of Adenosine A_{2A} antagonists in cancer

- Blocks tumor cells' ability to use Adenosine to evade the immune system
- Opportunity in a wide range of tumor types – in particular, link to tumors with hypoxia
- Ability to select patients based on biomarkers of elevated adenosine, e.g. CD73
- **Potential role both as I/O monotherapy, and in combination with other immunotherapy approaches**

Immunotherapies are at the forefront of cancer treatment with strong forecast growth for I/O drugs. A_{2A} antagonists represent an exciting I/O treatment approach

Source: Management estimates

[1] Includes sales forecasts for Keytruda (pembrolizumab), Opdivo (nivolumab), Yervoy (ipilimumab), Tecentriq (atezolizumab), Imfinzi (durvalumab), and Bavencio (avelumab) only

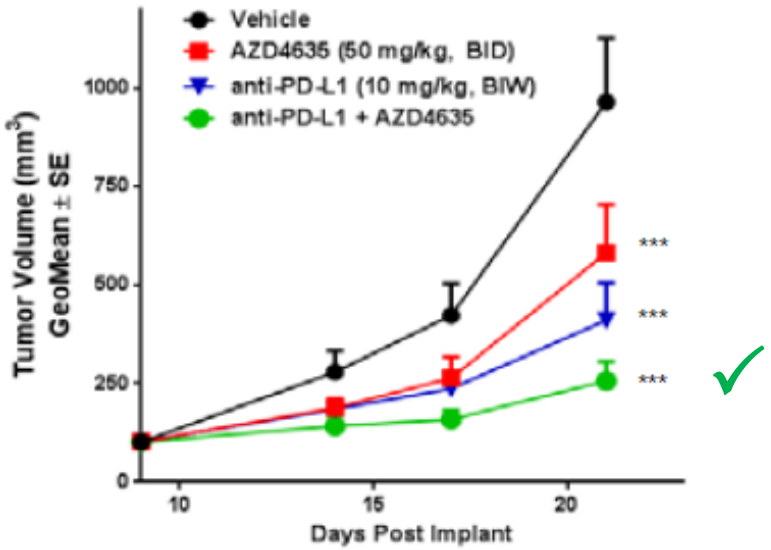
AZD4635 is a highly potent and selective A_{2A} antagonist

The first A_{2A} antagonist structurally derived from StaR® and SBDD

Partnered with: AstraZeneca

A_{2A} **Phase 1b**

Preclinical summary of AZD4635



Phase 1b trials ongoing

- **Ph. 1b trials in patients with solid malignancies** (mono/combination therapy) progressing well
- MTD for monotherapy complete, dose escalation to establish the MTD in combination with IMFINZI™ near completion
- **Progressing with signal seeking Ph. 1b expansion cohorts in a number of tumor types** with monotherapy and/or in combination with IMFINZI™

AZD4635 enhances the anti-tumor activity of anti-PD-L1 checkpoint inhibitors in established MC38 syngenic tumors[1]

[1] As demonstrated preclinically. Preclinical pharmacodynamics and antitumor activity of AZD4635, a novel adenosine 2A receptor inhibitor that reverses adenosine mediated T cell suppression

Proprietary pipeline now led by M_1 DLB opportunity in Japan

Focus on selected rare/orphan and specialty indications or markets

: Current stage
: Next 12–15 months progress

Product/Program	Modality	Indication	Discovery	Preclinical	Phase 1	Phase 2	Phase 3	Market
Proprietary GPCR Pipeline (Go-to-market/commercialize) - *formerly known as "Wave 2"*								
M_1 DLB agonist	SME	Dementia with Lewy Bodies (Japan)						
$mGlu_5$ NAM	SME	CNS						
MOL 1	SME	Undisclosed						
MOL 2	SME	Undisclosed						
MOL 3	SME	Undisclosed						
MOL 4	SME	Undisclosed						
MOL 5	SME	Undisclosed						

Investment in StaR® technology driving Proprietary GPCR pipeline progress
– up to 3 novel drug candidates to enter Phase 1 every year commencing CY2018

[1] Note: SME = small molecule

Sosei is advancing HTL0018318 for DLB in Japan

Highly selective M_1 receptor agonist designed by StaR® and SBDD

M_1 DLB

Phase 2 ready

Dementia with Lewy Bodies (DLB)

- Progressive neurodegenerative dementia, **second most prevalent behind AD** (c.1m patients in Japan)
- **Advances in diagnosis** have **increased DLB awareness**
- **Social and 'political' priority** in Japan to evaluate new treatments

Potential Muscarinic M_1 agonist for DLB

- **Greater cholinergic deficit in DLB than in AD**
- Loss of presynaptic cholinergic system reduces effect of donepezil whilst **intact post synaptic receptors allows response to M1 agonists**

Overview of our M_1 program for DLB in Japan

- **HTL0018318 – same compound being advanced by Allergan** for AD in our Partnered pipeline
- **Phase 2 POC monotherapy study**, expected to begin in Japan in 2018
- **Strong go-to-market opportunity** for Sosei in Japan
  - **Leverages our clinical capabilities**, and broader track record of successful product development in Japan
  - **Satisfies key element of growth strategy** – manageable indication treated in specialist centres, sizeable market opportunity to build and retain value

Strong go-to-market opportunity for our lead M_1 program in Japan. Significant unmet medical and social need for a new therapeutic approach to tackle DLB in Japan

Strategic investment in saRNA technology

CEBPA[1] is an attractive, previously 'undruggable' target in liver disease

MiNA Therapeutics — CEBPA — **Phase 1/2a**

In May 2017, we acquired a strategic 25.6% stake in MiNA, with an exclusive option to move to 100% ownership at pre-determined economics

CEBPA regulates multiple pathways in the liver

- **Master regulator of liver function**
- Increases energy generation, energy utilisation, amino-acid metabolism, glucose uptake
- Inhibitor of oncogenic signaling pathways: mTOR, MAPK and YAP1
- Knock-out mice have impaired liver function
- Knock-in mice have reduced susceptibility to HCC and cirrhosis without observable toxicity

saRNA is a unique modality for targeting CEBPA

- Extremely low drugability score of 0.01 (c.f. PPARg 3.52) for small molecule therapeutics
- Reversible mode of action eliminates long term risks of gene therapy / CRISPR
- Liposomal formulation minimises non-liver toxicity
- **Lead candidate CEBPA currently in a Phase 1/2a clinical trial in patients for liver cancer, an orphan indication**

We are excited about the potential of saRNA therapeutics.
MiNA's recent deal with Boehringer Ingelheim further supports MiNA/saRNA's potential

[1] CEBPA (CCAAT/Enhancer Binding Protein Alpha)

Continuing to invest and scale the business

Allergan upfront milestone in FY2016 drives P&L variance

(JPY m)[1]	FY2015	FY2016	% change (FY15 vs FY16)	H1 FY 2016	H1 FY 2017	% change (H116 vs H117)
Revenue	8,151	18,901[3]	132%	15,839[3]	5,314	(66%)
Opex	7,209	6,790	(6%)	3,726	4,299	15%
Cash & cash equivalents	10,068	13,899	na	15,680	12,413	na
Interest-bearing debt	8,837	6,900	na	7,870	10,635	na

(USD m)[2]		FY2016			H1 FY 2017	
Revenue		168.5[3]			47.4	
Opex		60.5			38.3	
Cash & cash equivalents		123.9			110.6	
Interest-bearing debt		61.5			94.8	

PLUS c.$200m raised in November 2017 via a Global Offering of shares to international investors.
Pro forma cash balance of c.$300m provides runway of approx. 2-3 years based on organic business plan

[1] reporting currency in JPY
[2] Converted at USD:JPY FX rate 112.9 (JPY:USD FX rate 0.0089) as at 31 March 2017
[3] Includes USD 125m upfront payment from Allergan to Heptares

Thank you!

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Locations

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