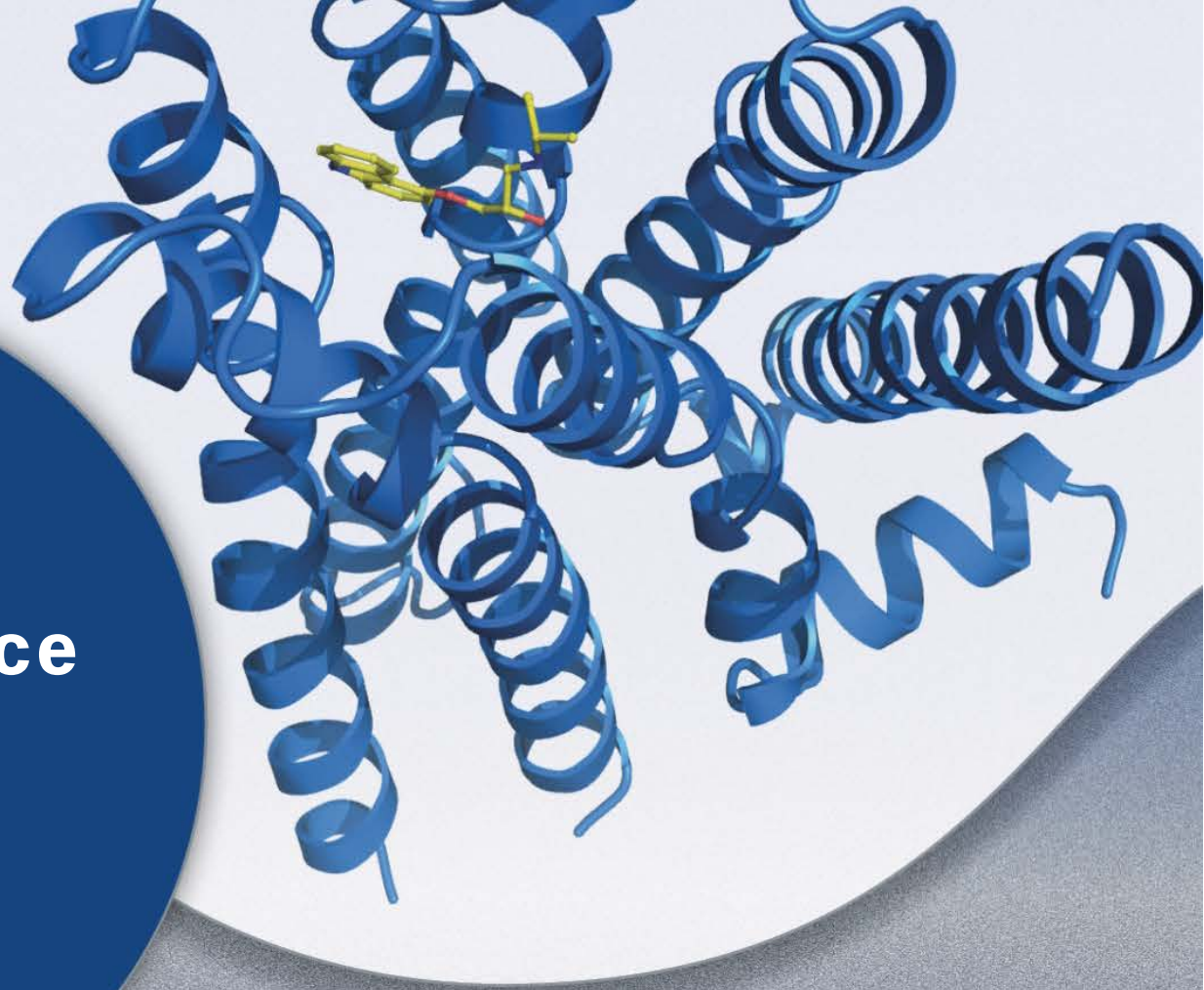
Sosei Group Corporation

UBS Global Healthcare Conference

21 May 2018



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A Japan-listed biotech with a difference

Listed 2004 in Tokyo (TSE Mothers: 4565)

Market capitalization: c.$1.3bn

Global management team

Main scientific campus in the U.K.

- **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 $5bn plus in potential economics
- **Proprietary pipeline** led by dementia with Lewy bodies (DLB) Phase 2 program in Japan, plus multiple novel candidates in development
- **Robust royalties from legacy respiratory products** provide source non-dilutive cash flows
- **Strong cash position of ~$260m** to drive global growth strategy

Global operations and aspirations – aiming to build Japan's first global 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

Scientific Advisory Board experience

Why do we target G-Protein-Coupled Receptors (GPCRs)?

GPCRs are active in a wide range of disease areas

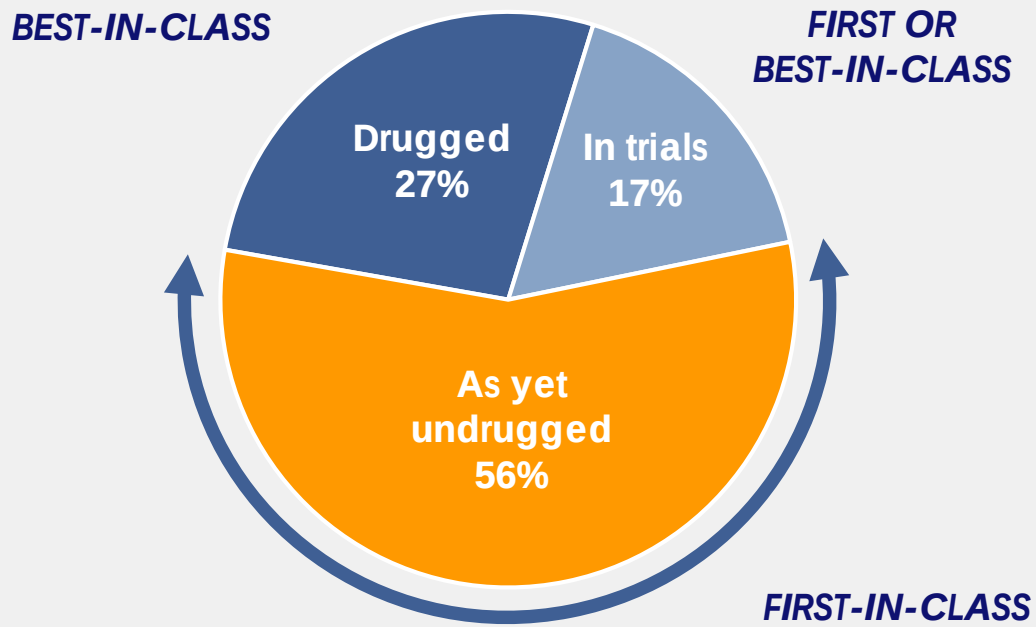
~400
GPCR targets
active in diseases[2]

~34%
of FDA approvals
target GPCRs[1]

27%
of global sales
are GPCR drugs[1]

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

Targeting a new FIC and/or improved BIC GPCR medicines



Huge opportunity to create new drugs or improve existing drugs

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

StaR® is Revolutionary for GPCR Structure-Based Drug Design

StaR® technology stabilizes and "unlocks" GPCRs

Native GPCRs are unstable, don't maintain shape, and are difficult to drug

Patent-protected
StaR® technology stabilizes GPCRs on a commercial level

With a StaR® GPCR, the high-tech tools of science can develop structures…

- X-ray Crystallography
- Biophysical Mapping
- Cryo-EM (NEW)

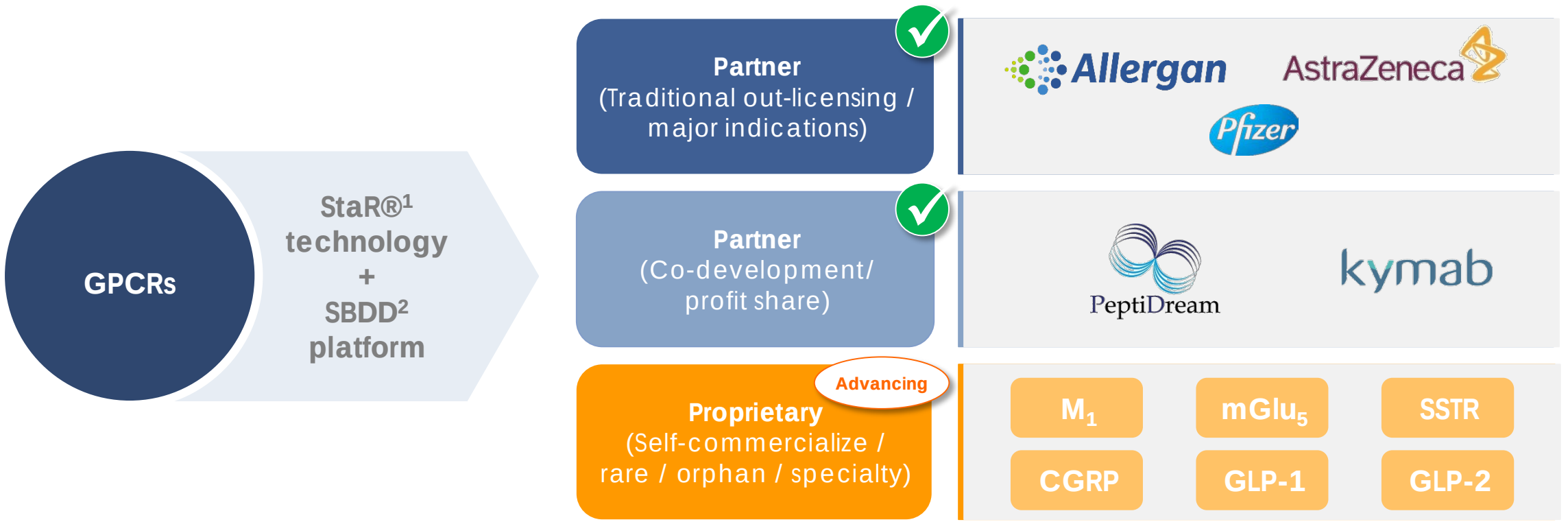
… and stable GPCR structures enable a variety of SBDD technologies for drug design

Structural information creates better, differentiated drug candidates

- Improved physiochemical properties
- Better safety and efficacy
- Reduced clinical attrition
- Small molecule, peptide or antibody discovery

Unique, scalable and sustainable platform, delivering differentiated pipeline candidates

Leveraging unique GPCR technology to deliver differentiated drug candidates



Risk-balanced business model creates and captures optimal value

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

Advancing a Partnered GPCR pipeline in multiple therapeutic areas

Balanced and diversified

: Current stage
: Next 12–18 months progress

Product/Program	Modality[1]	Indication	Partner	Discovery	Preclinical	Phase 1	Phase 2	Phase 3	Marketed
Partnered GPCR Pipeline (Traditional out-licensing/collaboration projects)									
M_1 agonist	SME	Alzheimer's disease	Allergan						See slide 9
M_4 agonist	SME	Alzheimer's disease	Allergan						
M_1/M_4 dual agonist	SME	Alzheimer's disease	Allergan						
A2a antagonist	SME	Cancer I/O	AstraZeneca						See slide 11
A2a antagonist	SME	Cancer I/O	AstraZeneca						
Multiple targets	SME	Pain	Daiichi-Sankyo						
Multiple targets	SME/mAb	Multiple indications	Pfizer						
Multiple targets	SME	Not disclosed	Morphosys						
Partnered GPCR Pipeline (Co-development/profit share)									
Multiple targets	Peptide	Inflammation	PeptiDream						
Multiple targets	mAb	Cancer I/O	kymab						
Partnered Pipeline - Legacy Respiratory Products (Traditional out-licensing)									
Seebri®/Ultibro®	SME	COPD	Novartis						
QVM149	SME	Asthma	Novartis						

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

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Muscarinic M_1 Agonist Program for Alzheimer's disease

A novel approach for symptomatic treatment of AD

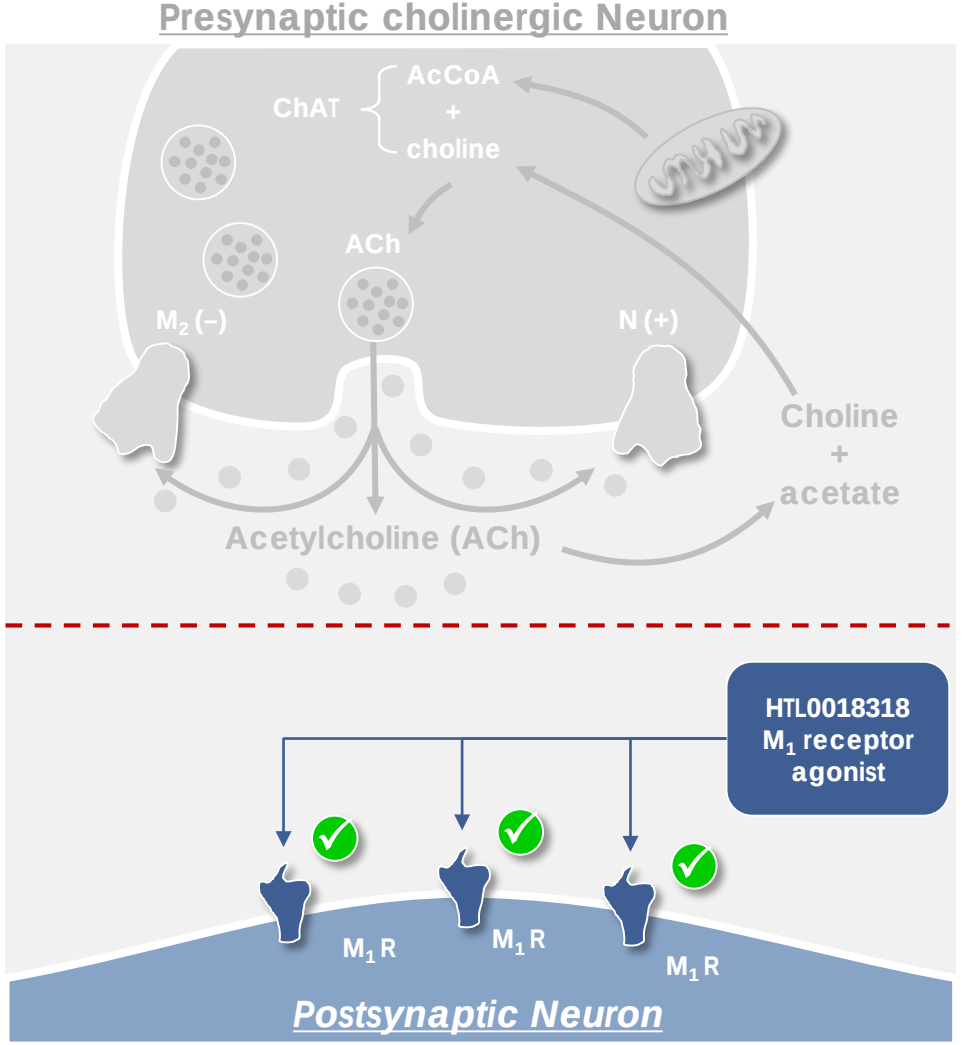
Partnered with: Allergan

M_1

HTL0018318 represents a novel approach to stimulating M_1

- **Direct stimulation of M_1 receptor,** mediating cognition – different approach to donepezil
- **HTL0018318** bypasses presynaptic activity, and **does not rely on ACh levels in the brain**
- **Acts directly** to stimulate the M_1 receptor as an analogue of ACh post the synapse
- **Circumvents the underlying neurochemical deficit** in Alzheimer's disease patients
- HTL0018318 offers a potential first-in-class therapy

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



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HTL0018318 is a potential first-in-class therapy for Alzheimer's disease

Highly selective M_1 receptor agonist derived from StaR® and SBDD

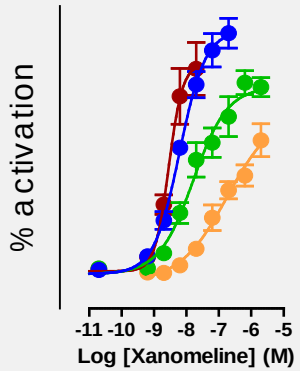
Partnered with: Allergan

M_1

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

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

Receptor subtype 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

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AZD4635 has emerged as a potential next-generation I/O therapy

First A2a R antagonist structurally derived from StaR® and SBDD

Partnered with: AstraZeneca

A2a

Checkpoint inhibitors are a key cancer treatment

PD-L1
- **durvalumab (2017)**
- avelumab (2017)
- atezolizumab (2016)

PD-1
- nivolumab (2014)
- pembrolizumab (2014)

CTLA-4
- ipilimumab (2011)

Checkpoint inhibitors are highly effective against certain types of tumors (e.g. lung, skin, and renal)

Next-gen I/O therapies to enhance treatment

AZD4635

A2a R antagonist

MONOTHERAPY

AZD4635

A2a R antagonist

+ **durvalumab**

Anti-PD-L1

COMBO THERAPY

NEW

AZD4635

A2a R antagonist

+ **MEDI9447**

Anti-CD73

COMBO THERAPY

Next-gen I/O may enhance efficacy of approved checkpoint inhibitors across more tumor types

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AZD4635 has emerged as a potential next-generation I/O therapy

First A2a R antagonist structurally derived from StaR® and SBDD

Partnered with: AstraZeneca

A2a

Excellent clinical progress to date

- Phase 1a maximum tolerated dose (MTD) achieved
- Phase 1b dose expansion and signal seeking in patients ongoing across multiple tumor types
- Monotherapy and combination with durvalumab (anti-PD-L1)
- NEW Phase 1b/2 study with MEDI9447 (anti-CD73 antibody, open and has started to enrol subjects)

New supportive preclinical data presented at AACR 2018

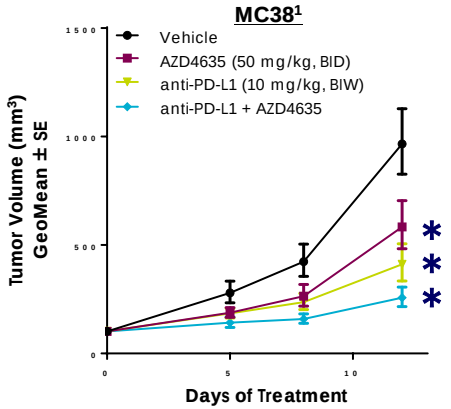
- AZD4635 alone and in combination with an anti-PD-L1 led to a **reduction in tumor growth in both adenosine high and adenosine low** syngeneic tumor models
- Inhibition of A2a R signaling by AZD4635 **in combination with anti-PD-L1 can act to increase host immune surveillance** and **response**
- AZD4635 **exhibits dose dependent tumor growth inhibition**, and requires a working host immune system for effects

[1] MC38 syngeneic colorectal cancer

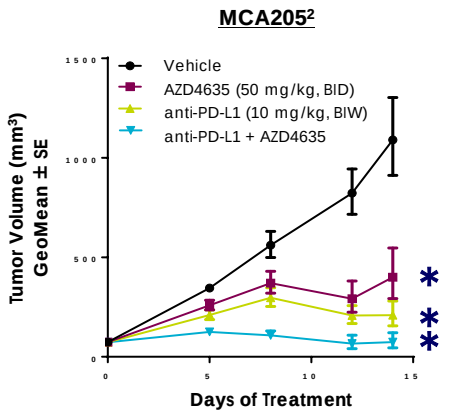
[2] MCA205 syngeneic fibrosarcoma cancer

New supportive preclinical data presented at AACR 2018

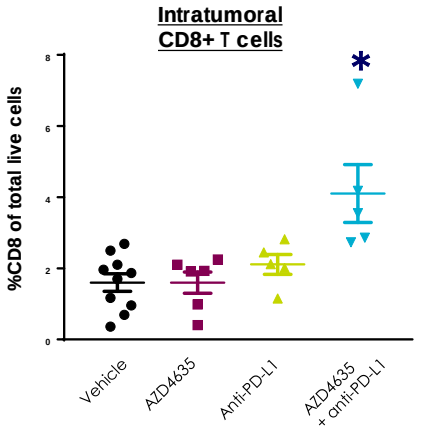
HIGH ADENOSINE TUMOR



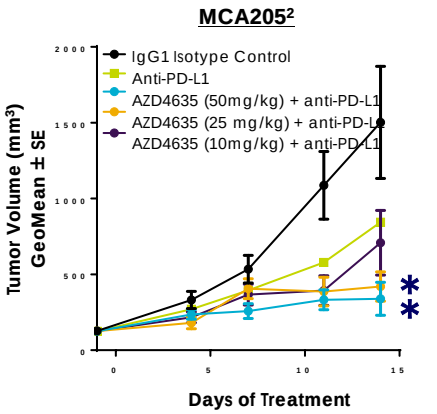
LOW ADENOSINE TUMOR



INCREASED IMMUNE RESPONSE



DOSE DEPENDENT



Proprietary pipeline now led by M_1 DLB opportunity in Japan

Focus on selected rare/orphan and specialty indications or markets

Proprietary pipeline

Product	Modality[1]	Indication	Originator	Phase	Q2 CY18	Q3 CY18	Q4 CY18	H1 CY19	H2 CY19
Proprietary GPCR Pipeline (Go-to-market/commercialize)									
M_1	SME	DLB (Japan)	SOSEI	Phase 1	**Phase 2a PoC** clinical trial start				See slide 14
$mGlu_5$	SME	Neurological disorders	SOSEI	Preclinical	**Phase 1** clinical trial start (healthy volunteers)				
SSTR	SME	Endocrine / Neuroendocrine disorders	SOSEI	Preclinical	**Phase 1** clinical trial start (healthy volunteers)				
CGRP	SME	Migraine and other severe headaches	SOSEI	Preclinical		**Phase 1** clinical trial start (healthy volunteers)			
GLP-1	SME	Metabolic diseases	SOSEI	Preclinical			**Phase 1** clinical trial start (healthy volunteers)		
GLP-2	SME	Intestinal failure	SOSEI	Preclinical			**Phase 1** clinical trial start (healthy volunteers)		

Investment in StaR® technology driving Proprietary GPCR pipeline progress
– average of 3 novel drug candidates into clinical development every year commencing CY2018

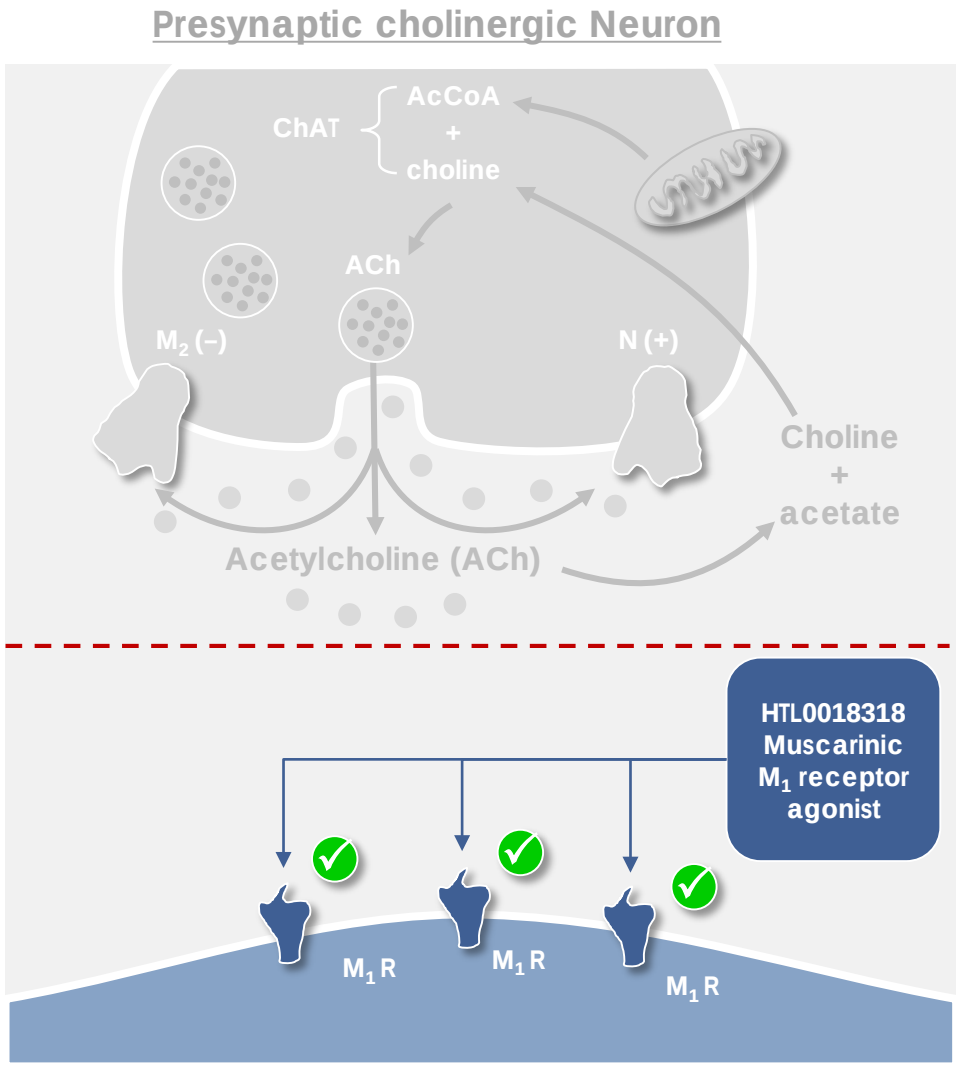
[1] Note: SME = small molecule

HTL0018318 for DLB in Japan

Great potential for M_1 agonist treatment for DLB in Japan

M_1 DLB

- DLB is the second most common form of dementia and **highly relevant in Japan**
- **Real patient need in Japan** – ageing population
- **Recognition and diagnosis** of DLB symptoms significantly **more advanced in Japan**
- **M_1 agonist will show activity more rapidly and easily in DLB** than in Alzheimer's due greater cholinergic defect
- **Potential to have a superior profile to donepezil** as HTL0018318 acts independently of presynaptic system
- **Potentially favourable environment** – regulators in US/EU adapting dementia guidelines to meet increased disease understanding
- HTL0018318 represents a new treatment approach with **potential to show meaningful patient benefits**



HTL0018318 for DLB in Japan

Summary of clinical program to date

M_1 DLB

Summary of clinical progress

- HTL0018318 derived from Heptares' StaR® technology and SBDD
- **HTL0018318 - same compound being investigated in AD trials with our partner Allergan**
  - Allergan paid $125 million upfront for a portfolio of muscarinic compounds, including HTL0018318
- In Phase 1a studies, **HTL0018318 demonstrated** to be **safe and well tolerated, including in elderly people**
- **Ethnic bridging studies were completed by Heptares - safe and well tolerated in Japanese subjects**
- HTL0018318 currently in a Phase 1b trial in patients with AD in Europe[1]
- Agreed with Allergan that **Sosei has rights for approval and commercialization of HTL0018318 for DLB in Japan**

Clinical progress to date encouraging.
Advancing preparation to commence Phase 2 PoC study in DLB in Japan in Q3 CY18

[1] EU study of HTL0018318 in AD https://www.clinicaltrials.gov/ct2/show/NCT03456349

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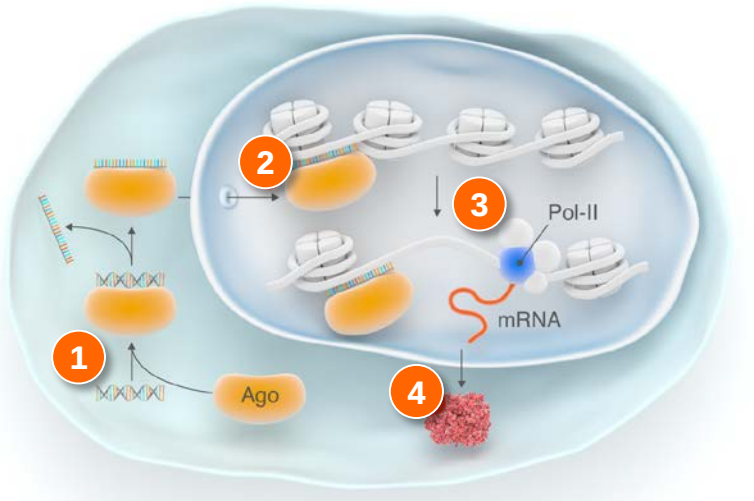
Strategic investment in saRNA technology

Exclusive option to move from 25.6% to 100% ownership at pre-determined economics

Pioneering RNA activation

MiNA Therapeutics

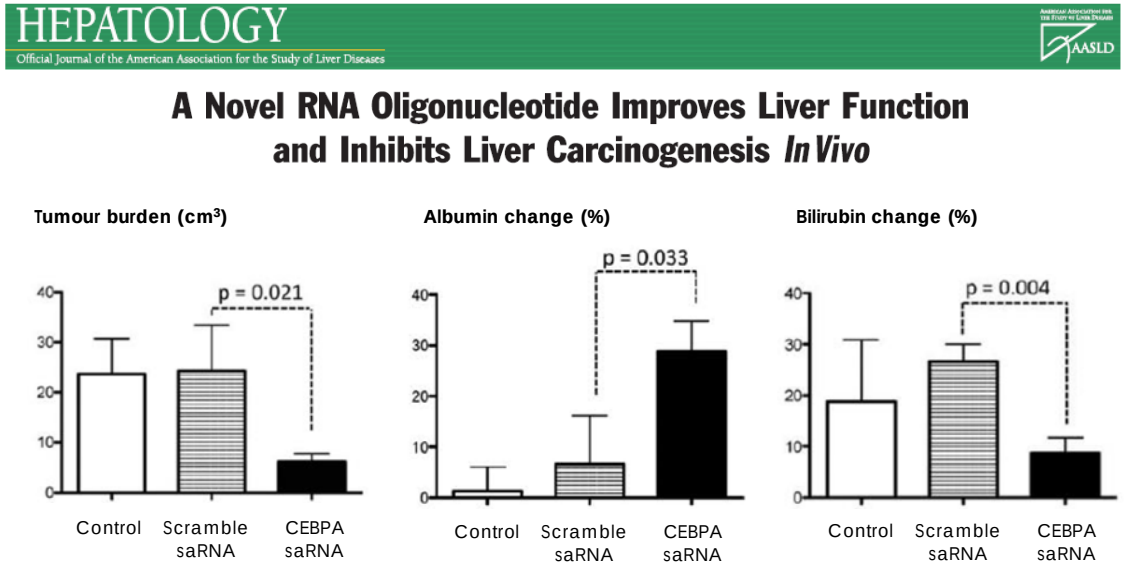
- **saRNAs are a new therapeutic class** and reversibly activate gene expression
- **Novel platform** leveraging advances of siRNA therapeutics, including clinically validated delivery platform
- **Unique opportunity to address undruggable targets**
- **Recent deal with Boehringer Ingelheim** further supports MiNA/saRNA's potential



1. Loading of saRNA into Ago protein
2. saRNA-Ago targets gene promoter
3. saRNA-Ago activates gene transcription
4. Long lasting protein up-regulation

Lead candidate CEBPA[1] in Ph 1/2a for liver cancer

- **CEBPA regulates multiple pathways in the liver** and saRNA is a unique modality for targeting CEBPA
- MTL-CEBPA has **preclinical efficacy** across progression of liver disease
- MTL-CEBPA is the **first saRNA to reach the clinic** – currently in clinical trials in patients for liver cancer, an **orphan indication**


HEPATOLOGY
Official Journal of the American Association for the Study of Liver Diseases

A Novel RNA Oligonucleotide Improves Liver Function and Inhibits Liver Carcinogenesis *In Vivo*

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

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Balance sheet strengthened to scale and progress the business

Allergan upfront milestone in FY2016 drives P&L variance

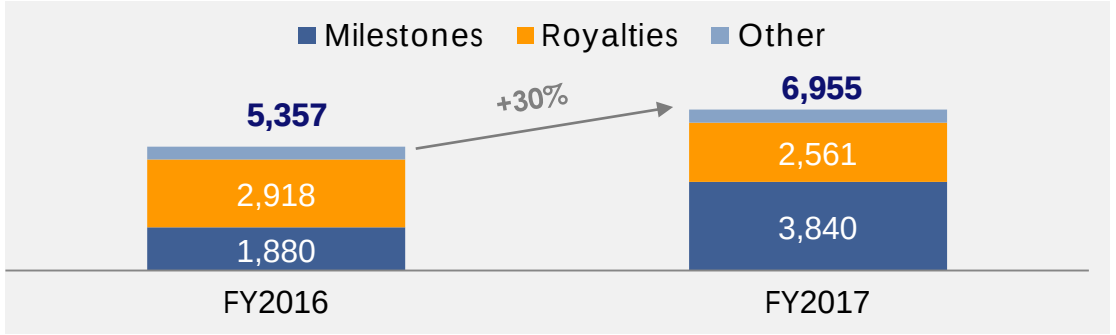
Summary financials (reported)

(JPY m)[1]	FY2016	FY2017
Revenue	18,901[2]	6,955
Cash Opex	5,496	7,790
Cash & cash equivalents	13,899	28,281
Interest-bearing debt	6,900	9,173

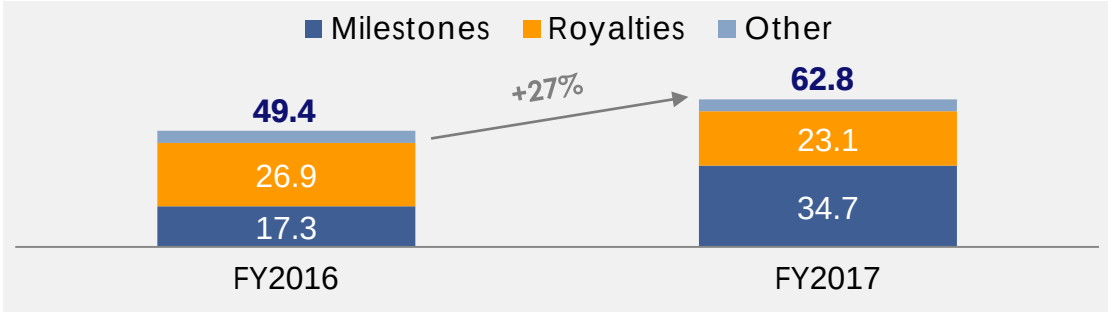
(USD m)	FY2016	FY2017
Revenue	174.4[2]	62.8
Cash Opex	50.7	70.4
Cash & cash equivalents	123.9	266.1
Interest-bearing debt	61.5	85.9

Revenue (ex Allergan upfront)

JPY (m)



USD (m)



Successful ~$200m raise in November 2017 via a Global Offering of shares to international investors. Current cash balance of ~$260m provides runway of ~2 years based on organic business plan

[1] Reporting currency in JPY
[2] Includes USD 125m upfront payment from Allergan

Substantial economic returns secured from lead compounds

Provides potential source of non-dilutive finance for proprietary pipeline

Summary of potential economic returns from out-licensing / collaboration projects

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	Muscarinic Receptor program	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	A2a Receptor program	10	500		510	22	Tiered, double-digit	➢ Exclusive global rights to AZD4635 ➢ Collaboration to discover further A_{2A} receptor blocking compounds for development
Pfizer	Up to 10 targets	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		**135**			**5,765**	**37**		

$5bn plus in potential development, regulatory and commercial milestones to come, in addition to royalties on sales

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Global operations and aspirations – aiming to build Japan's first global biotech champion

- **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 $5bn plus 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
- **Robust royalties from legacy respiratory products** provide source non-dilutive cash flows
- **Strong cash position of ~$260m** to drive global growth strategy

Thank you!

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

Locations

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