Sosei Regains Worldwide Rights from Teva to Develop and Commercialize Novel Small Molecule CGRP Antagonists for Migraine and Other Severe Headaches

Tokyo, Japan and London, UK, 13 March 2018 – Sosei Group ("Sosei" or the "Company"; TSE Mothers Index: 4565), the world leader in GPCR medicine design and development, announced that it has regained worldwide rights from Teva Pharmaceutical Industries Ltd. ("Teva") to develop and commercialize lead candidate HTL0022562 and other novel small molecule CGRP antagonists for the treatment of migraine and other severe headaches.

HTL0022562 is a novel, potent, and highly selective small molecule CGRP antagonist designed by Sosei's wholly-owned subsidiary Heptares Therapeutics ("Heptares") using its proprietary structure-based drug design platform. The candidate emerged from a rigorous selection process under the alliance with Teva based on its highly differentiated preclinical data. The first dosing in a Phase 1 clinical trial in healthy volunteers was expected in late 2018. Sosei will now undertake a detailed review of the programs and update the market later this year on the new expected timing for HTL0022562's entry into Phase 1 clinical trials following a formal handover from Teva.

The termination of the 2015 licensing and drug discovery agreement between Heptares and Teva is a result of Teva's recent portfolio prioritization. All licensed rights relating to the CGRP antagonist programs will be returned to Sosei. As part of the reversion package, Sosei will also receive the full preclinical data set generated by Teva under the partnership. In regaining the worldwide development and commercialization rights there is no immediate or material financial impact to Sosei. Going forward, as a wholly-owned pipeline program, Sosei will be responsible for the costs associated with developing HTL0022562 or any other small molecule CGRP antagonists.

"Heptares' technologies and know-how provided unique structural insights concerning the interaction between CGRP and its receptor, enabling the design of a portfolio of differentiated, potent and selective small molecule CGRP antagonist candidates. The joint project activities of both companies have led to the selection and progression through preclinical development of HTL0022562 as the preferred candidate," commented Dr. Malcolm Weir, Chief R&D Officer of Sosei. "Thanks to this excellent work by the combined teams under the alliance, and following the return of the assets, we are now well positioned to rapidly progress HTL0022562 into the clinic as part of our wholly-owned pipeline. HTL0022562 has very interesting and differentiated properties compared to other small molecule and antibody antagonists, and we look forward to continuing its development."

"Sosei is extremely pleased to regain worldwide rights for the development and commercialization of HTL0022562 and the CGRP program," said Peter Bains, CEO of Sosei. "It provides Sosei with another high-quality preclinical candidate to add to our expanding wholly-owned development pipeline. With c.$280 million of cash on balance sheet*, we are well positioned to take this candidate forward and capture greater value for our shareholders."

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Notes to Editors

About CGRP Antagonists for Migraine and Other Severe Headaches
Calcitonin gene related peptide (CGRP) is released during migraine attacks and can trigger migraine in patients. CGRP is found in small to medium sized neurons in the trigeminal ganglion of the brain and mediates its activity through G protein-coupled receptors located throughout the body. Elevated levels of CGRP are found in people with migraine during an attack and

* As at 31 December 2017

blocking CGRP activity is a validated mechanism of action for relieving pain, and also for preventing migraine.

About Migraine
Approximately 36 million people in the United States and 8 million people in Japan suffer from migraine. Migraine is three times more common in women than in men and affects more than 10 percent of people worldwide. Migraine is defined as recurring attacks of moderate to severe headache pain, typically one-sided, throbbing and worse with activity. The International Headache Society defines chronic migraine as more than 15 headache days per month over a three-month period of which more than eight are migraine, in the absence of medication over use. Episodic migraine is the other migraine sub-type, which is defined as less than 15 headache days per month. During migraine, people can experience varying characteristics such as being very sensitive to light and sound, or experiencing nausea and vomiting. There is no absolute cure for migraine since its pathophysiology has yet to be fully understood.

About Sosei
Sosei is an international biopharmaceutical company focused on the design and development of new medicines originating from its proprietary GPCR-targeted StaR® technology and structure-based drug design platform capabilities. The Company is advancing a broad and deep pipeline of partnered and wholly owned product candidates in multiple therapeutic areas, including CNS, cancer, metabolic diseases and other rare/specialty indications. The Company's leading clinical programs include a proprietary Phase 2 candidate for dementia with Lewy bodies (DLB) in Japan, together with partnered candidates aimed at the symptomatic treatment of Alzheimer's disease (with Allergan) and immuno-oncology approaches to treat cancer (with AstraZeneca). Sosei's additional partners and collaborators include Novartis, Teva, Pfizer, Daiichi-Sankyo, PeptiDream, Kymab and MorphoSys. The Company is headquartered in Japan with R&D facilities in the UK.

Sosei is listed on the Mothers Index of the Tokyo Stock Exchange (ticker: 4565). For more information, please visit http://www.sosei.com/en/.

Contact information
Chris Cargill, Head of Investor Relations and Corporate Communications
+44 (0)7912 892 199
ccargill@sosei.com

Harumi Banse, Corporate Communications (Japan)
+81 3 5210 3399
hbanse@sosei.com

Citigate Dewe Rogerson (for International media)
Mark Swallow, David Dible
+44 (0)20 7638 9571
sosei@citigatedewerogerson.com

Forward-looking statements
This press release contains forward-looking statements, including statements about the discovery, development and commercialisation of products. Various risks may cause Sosei'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 commercialise 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 commercialisation 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.