Lilly and Asahi Kasei Pharma Announce License Agreement for Chronic Pain Drug Candidate

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INDIANAPOLIS and TOKYO, Jan. 28, 2021 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) and Asahi Kasei Pharma Corporation today announced a license agreement whereby Lilly will acquire the exclusive rights for AK1780 from Asahi Kasei Pharma. AK1780 is an orally bioavailable P2X7 receptor antagonist that recently completed Phase 1 single and multiple ascending dose and clinical pharmacology studies. P2X7 receptors have been consistently implicated in neuroinflammation, a driving force in chronic pain conditions.

Under the terms of the agreement, Lilly will be responsible for future global development and regulatory activities for AK1780. Lilly will pay Asahi Kasei Pharma an upfront payment of $20 million and Asahi Kasei Pharma may be eligible for up to $210 million in potential development and regulatory milestones. Asahi Kasei Pharma will retain the right to promote AK1780 in Japan and China (including Hong Kong and Macau). If AK1780 is successfully commercialized, Asahi Kasei Pharma would be eligible for up to $180 million in potential sales milestones, as well as tiered royalties ranging from the mid-single to low-double digits.

"Lilly is committed to developing novel medicines that may provide relief for patients suffering with various pain conditions," said Mark Mintun, M.D., vice president of pain and neurodegeneration research at Lilly. "We are pleased to license this molecule from Asahi Kasei Pharma, and look forward to developing it further as a potential treatment for neuroinflammatory pain conditions."

"Asahi Kasei Pharma believes that nobody should have to give up what they would like to do because of illness," said Osamu Matsuzaki, senior executive officer and head of R&D and Business Development at Asahi Kasei Pharma. "AK1780 may contribute to a better life and living for people who suffer from chronic pain. Our agreement with Lilly will hopefully accelerate the development of this promising medicine."

This transaction is subject to customary closing conditions. The transaction will be reflected in Lilly's reported results and financial guidance according to Generally Accepted Accounting Principles (GAAP). There will be no change to Lilly's 2021 non-GAAP earnings per share guidance as a result of this transaction.

About Asahi Kasei Pharma Corporation
In accordance with the Asahi Kasei Group Mission of "Contributing to life and living for people around the world," Asahi Kasei Pharma operates pharmaceutical and diagnostic businesses in the Health Care Business Unit of the Asahi Kasei Group. Asahi Kasei Pharma has developed numerous innovative drugs in the field of orthopedics, acute care, neurology (including pain), and immunology, contributing to society by providing such products to patients who suffer from diseases. For more information, please visit https://www.asahikasei-pharma.co.jp/en/

About Eli Lilly and Company
Lilly is a global healthcare leader that unites caring with discovery to create medicines that make life better for people around the world. We were founded more than a century ago by a man committed to creating high-quality medicines that meet real needs, and today we remain true to that mission in all our work. Across the globe, Lilly employees work to discover and bring life-changing medicines to those who need them, improve the understanding and management of disease, and give back to communities through philanthropy and volunteerism. To learn more about Lilly, please visit us at www.lilly.com. C-LLY

Lilly Forward-Looking Statement
This press release contains forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) about the benefits of a license agreement between Lilly and Asahi Kasei Pharma and potential payments to Asahi Kasei Pharma in connection with the agreement, and reflects Lilly's current beliefs and expectations. However, as with any such undertaking, there are substantial risks and uncertainties in the process of drug research, development, and commercialization. Among other things, there can be no guarantee that Lilly will realize the expected benefits of the agreement, or that the agreement will yield commercially successful products. For a further discussion of these and other risks and uncertainties that could cause actual results to differ from Lilly's expectations, please see Lilly's most recent Forms 10-K and 10-Q filed with the U.S. Securities and Exchange Commission. Lilly undertakes no duty to update forward-looking statements.

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