Lilly and Rigel Enter Strategic Collaboration to Develop RIPK1 Inhibitors for the Potential Treatment of Immunological and Neurodegenerative Diseases

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- Lilly will obtain an exclusive worldwide license to Rigel's RIPK1 inhibitors, including Rigel's Phase 2-ready molecule R552, in all indications

- Rigel will receive an upfront cash payment of $125 million, with the potential for up to an additional $835 million in future development, regulatory, and commercial milestones

INDIANAPOLIS and SOUTH SAN FRANCISCO, Calif., Feb. 18, 2021 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) and Rigel Pharmaceuticals, Inc. (Nasdaq: RIGL) today announced a global exclusive license agreement and strategic collaboration to co-develop and commercialize Rigel's R552, a receptor-interacting serine/threonine-protein kinase 1 (RIPK1) inhibitor, for all indications including autoimmune and inflammatory diseases. Pursuant to the collaboration, Lilly will also lead all clinical development of brain penetrating RIPK1 inhibitors in central nervous system (CNS) diseases.

Rigel's lead RIPK1 inhibitor, R552, has completed Phase 1 clinical trials and will begin Phase 2 clinical trials in 2021 as part of the collaboration. Rigel also has ongoing pre-clinical activities with its lead CNS penetrant RIPK1 inhibitor candidates.

Under the terms of the agreement, Lilly will pay an upfront cash payment to Rigel of $125 million. Rigel may also be eligible to receive up to $835 million in potential development, regulatory, and commercial milestone payments, as well as tiered royalties ranging from the mid-single digit to high-teens that will vary depending upon Rigel's clinical development investment. Lilly and Rigel will co-develop R552 at specified contribution levels. Lilly will be responsible for all costs of global commercialization for R552, and Rigel will have the right to co-commercialize R552 in the U.S. Lilly will be solely responsible for all clinical development and commercialization of brain penetrating RIPK1 inhibitors in CNS indications.

RIPK1 is a critical signaling protein implicated in a broad range of key inflammatory cellular processes including necroptosis, a type of regulated cell death, and cytokine production. In necroptosis, cells rupture leading to the dispersion of cell contents which can trigger an immune response and enhance inflammation. Inhibiting RIPK1 may be a new approach to treating various autoimmune, inflammatory, and neurodegenerative disorders. In pre-clinical studies, Rigel's R552 demonstrated prevention of joint and skin inflammation in a RIPK1-mediated murine model of inflammation and tissue damage.

"At Lilly, our immunology strategy is focused on the pursuit of novel targets that have the potential to develop into best-in-class medicines for patients with autoimmune conditions," said Ajay Nirula, M.D., Ph.D., vice president of immunology at Lilly. "RIPK1 inhibitors are a promising approach, and R552 is an exciting addition to our immunology pipeline. We look forward to working with Rigel to advance its clinical development."

"We are very excited to form this strategic partnership with Lilly. This collaboration will provide significant resources and expertise to support a broad investigation in multiple disease indications with our RIPK1 inhibitors," said Raul Rodriguez, Rigel's president and CEO. "With Lilly's extensive knowledge in immune and CNS diseases, they are our ideal partner to ensure the clinical and commercial success of our RIPK1 inhibitor program."

This transaction is subject to customary closing conditions, including clearance under the Hart-Scott-Rodino (HSR) Antitrust Improvements Act of 1976. This 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 Rigel
Rigel Pharmaceuticals, Inc., is a biotechnology company dedicated to discovering, developing and providing novel small molecule drugs that significantly improve the lives of patients with hematologic disorders, cancer and rare immune diseases. Rigel's pioneering research focuses on signaling pathways that are critical to disease mechanisms. To learn more about Rigel, please visit us at www.rigel.com.

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

Rigel Forward Looking Statements
This release contains forward-looking statements relating to, among other things, Rigel's partnership with Lilly; Rigel's ability to achieve development, regulatory and commercial milestone payments under its agreement with Lilly; and the potential indications that inhibiting RIPK1 may affect. Any statements contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Words such as "potential," "may," "expects" and similar expressions are intended to identify these forward-looking statements. These forward-looking statements are based on Rigel's current expectations and inherently involve significant risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in such forward looking statements as a result of these risks and uncertainties, which include, without limitation, risks and uncertainties associated with the commercialization and marketing of TAVALISSE; risks that the FDA, EMA or other regulatory authorities may make adverse decisions regarding fostamatinib; risks that TAVALISSE clinical trials may not be predictive of real-world results or of results in subsequent clinical trials; risks that TAVALISSE may have unintended side effects, adverse reactions or incidents of misuses; the availability of resources to develop Rigel's product candidates; market competition; as well as other risks detailed from time to time in Rigel's reports filed with the

Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2019 and Quarterly Report on Form 10-Q for the quarter ended September 30, 2020. In addition, the COVID-19 pandemic may result in further delays in Rigel's studies, trials and sales, or impact Rigel's ability to obtain supply of TAVALISSE. Rigel does not undertake any obligation to update forward-looking statements and expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein.

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 and collaboration agreement between Lilly and Rigel, Lilly's development strategy, and potential payments to Rigel in connection with the license and collaboration, 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 license and collaboration, that the license and collaboration will yield commercially successful products, or that Lilly will execute its strategy as expected. 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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SOURCE Eli Lilly and Company; Rigel Pharmaceuticals