# Lilly Announces Acquisition of Protomer Technologies

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INDIANAPOLIS, July 14, 2021 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) today announced the acquisition of Protomer Technologies ("Protomer"), a private biotech company. Protomer's proprietary peptide- and protein-engineering platform is used to identify and synthesize molecules that can sense glucose or other endogenous modulators of protein activity.

The potential value of the transaction is over $1 billion, with successful achievement of future development and commercial milestones. Lilly previously led an equity investment in Protomer alongside the JDRF T1D Fund, providing Lilly with 14 percent ownership of the company. Lilly is acquiring the remainder of the stock of Protomer beyond its initial investment.

Founded in 2015 and based in Pasadena, California, Protomer is engineering next-generation protein therapeutics that can sense molecular activators in the body. The company's proprietary chemical biology-based platform enables the development of therapeutic peptides and proteins with tunable activity that can be controlled using small molecules. Protomer has used this approach toward advancing a portfolio of therapeutic candidates, including glucose-responsive insulins that can sense sugar levels in the blood and automatically activate as needed throughout the day.

"Lilly has long strived to make life better for people living with diabetes and we have a continued determination to provide real solutions, including innovation in insulin therapy. Glucose-sensing insulin is the next frontier and has the potential to revolutionize the treatment and quality of life of people with diabetes by dramatically improving both therapeutic efficacy and safety of insulin therapy," said Ruth Gimeno, vice president, diabetes research and clinical investigation at Lilly. "Protomer's glucose-sensing insulin program, based on its proprietary molecular engineering of protein sensors (MEPS) platform, is showing significant promise and Lilly is excited to enhance our diabetes pipeline with the company's innovative technology."

"We are excited to join Lilly, a leader in diabetes therapies, and advance our science with their support to better serve the needs of patients. This transaction validates our team's accomplishments, and we look forward to continuing our important work together with Lilly," said Alborz Mahdavi, CEO and founder of Protomer. "We have been supported by JDRF since our inception and working closely with one of the leading organizations in type 1 diabetes research has been invaluable for us. The Protomer team is excited to embark on the next chapter of our work at Lilly as we focus our efforts on advancing glucose-responsive insulins and accelerating the development of these next-generation protein therapeutics."

"This is a significant milestone for the T1D community and a key step to bring the promise of Protomer's game-changing technology one step closer to the clinic," said Katie Ellias, managing director at the JDRF T1D Fund. "Our early support and investment in Protomer is emblematic of our Fund's mission to help companies with novel science accelerate next generation life-changing therapies for people living with T1D. We are thrilled Protomer has found a home at Lilly, a company that shares our commitment to delivering solutions to the diabetes community."

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.

Aquilo Partners, L.P. is acting as financial advisor and Morrison & Foerster LLP as legal advisor to Protomer. Kirkland & Ellis LLP is serving as Lilly's legal counsel.

**About Protomer Technologies**
Protomer is engineering next-generation protein therapeutics that can sense molecular activators in the body to automatically activate as needed. Using a proprietary peptide- and protein-engineering platform, Protomer is able to develop therapeutic proteins that can sense small molecule activators to achieve variable dosing and targeted delivery. Protomer's chemical biology-based MEPS platform enables rapid turn-on and turn-off capability for automatic activity control of peptides and proteins, and enables the development of targeted therapies with dual homing to reduce off-target effects. www.protomer.com

**About JDRF T1D Fund**
The JDRF T1D Fund is a venture philanthropy fund accelerating life-changing solutions to cure, prevent and treat type 1 diabetes (T1D) through catalytic equity investments. Through its investments in partnership with private capital, including venture capital, corporations and foundations, the T1D Fund seeks to attract the private investment necessary to advance therapeutics, devices, diagnostics and vaccines into the hands of those living with T1D. The T1D Fund invests in areas strategically aligned with JDRF, the leading global organization funding T1D research, with an exclusive focus on supporting the best commercial opportunities. The T1D Fund reinvests any realized gains into new investments to further its mission. https://t1dfund.org/

**About Eli Lilly and Company**
Lilly is a global health care 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 Lilly's acquisition of Protomer Technologies ("Protomer") and Protomer's proprietary peptide- and protein-engineering platform, and reflects Lilly's current beliefs and expectations. However, as with any such undertaking, there are substantial risks and uncertainties in implementing the acquisition and 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 acquisition, that the acquisition will achieve the results discussed in this release or that the acquisition 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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