Lilly Announces Cash Tender Offer for Up to $1.5 Billion Combined Aggregate Principal Amount of Its Outstanding Debt Securities

September 7, 2021

INDIANAPOLIS, Sept. 7, 2021 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) announced today that it has commenced a cash tender offer for up to $1.5 billion combined aggregate principal amount (the "**Tender Cap**") of specified series of its outstanding debt securities. Pursuant to the tender offer, Lilly is offering to purchase, under certain conditions and subject to certain limitations, its 4.150% Notes due 2059 (the "**4.150% Notes**"), 3.950% Notes due 2049 (the "**3.950% Notes**"), 7.125% Notes due 2025 (the "**7.125% Notes**"), 6.770% Notes due 2036 (the "**6.770% Notes**"), 5.950% Notes due 2037 (the "**5.950% Notes**"), 5.550% Notes due 2037 (the "**5.550% Notes**"), 5.500% Notes due 2027 (the "**5.500% Notes**"), 4.650% Notes due 2044 (the "**4.650% Notes**"), 3.950% Notes due 2047 (the "**3.950% Notes due 2047**"), 3.875% Notes due 2039 (the "**3.875% Notes**"), 3.700% Notes due 2045 (the "**3.700% Notes**"), 3.375% Notes due 2029 (the "**3.375% Notes**"), 3.100% Notes due 2027 (the "**3.100% Notes**"), 2.750% Notes due 2025 (the "**2.750% Notes**") and 2.350% Notes due 2022 (the "**2.350% Notes**") (collectively, the "notes").

The early tender date and time is 5:00 p.m., New York City time, on September 20, 2021, unless extended. The tender offer is scheduled to expire at 11:59 p.m., New York City time, on October 4, 2021, unless extended or earlier terminated. The terms, conditions and limitations of the tender offer are described in the Offer to Purchase dated as of today's date.

Holders of notes subject to the tender offer must validly tender and not validly withdraw their notes before the early tender date to be eligible to receive the total consideration (as described below). Only holders that validly tender and do not validly withdraw their notes on or prior to the early tender date will be eligible to receive the early tender premium (as described below). Tendered notes may only be withdrawn on or before 5:00 p.m., New York City time, on September 20, 2021. Notes tendered after the withdrawal date and before the expiration date may not be withdrawn, except in certain limited circumstances where additional withdrawal rights are required by law.

The table below sets forth certain information regarding the notes and the tender offer.

Title of Security	CUSIP No.	Principal Amount Outstanding	Acceptance Priority Level	Reference U.S. Treasury Security	Bloomberg Reference Page	Fixed Spread	Early Tender Premium[1]
4.150% Notes due 2059	532457 BU1	$1,000,000,000	1[2]	2.375% due May 15, 2051	FIT1	80 bps	$30
3.950% Notes due 2049	532457 BT4	$1,500,000,000	2[3]	2.375% due May 15, 2051	FIT1	70 bps	$30
7.125% Notes due 2025	532457 AM0	$229,692,000	3	0.750% due August 31, 2026	FIT1	15 bps	$30
6.770% Notes due 2036	532457 AP3	$174,445,000	4	1.250% due August 15, 2031	FIT1	105 bps	$30
5.950% Notes due 2037	532457 BC1	$284,112,000	5	1.750% due August 15, 2041	FIT1	55 bps	$30
5.550% Notes due 2037	532457 BA5	$476,152,000	6	1.750% due August 15, 2041	FIT1	50 bps	$30
5.500% Notes due 2027	532457 AZ1	$377,505,000	7	0.750% due August 31, 2026	FIT1	40 bps	$30
4.650% Notes due 2044	532457 BG2	$43,016,000	8	1.750% due August 15, 2041	FIT1	75 bps	$30
3.950% Notes due 2047	532457 BR8	$436,129,000	9	2.375% due May 15, 2051	FIT1	70 bps	$30
3.875% Notes due 2039	532457 BS6	$360,745,000	10	1.750% due August 15, 2041	FIT1	45 bps	$30
3.700% Notes due 2045	532457 BJ6	$412,467,000	11	2.375% due May 15, 2051	FIT1	65 bps	$30
3.375% Notes due 2029	532457 BV9	$1,150,000,000	12	1.250% due August 15, 2031	FIT1	15 bps	$30
3.100% Notes due 2027	532457 BP2	$401,450,000	13	0.750% due August 31, 2026	FIT1	35 bps	$30
2.750% Notes due 2025	532457 BH0	$560,646,000	14	0.750% due August 31, 2026	FIT1	0 bps	$30
2.350% Notes due 2022	532457 BQ0	$750,000,000	15	1.750% due May 15, 2022	FIT3	10 bps	$30

(1) As set forth in the Offer to Purchase, an early tender premium of $30 per $1,000 principal amount of notes that are tendered and accepted for purchase in the tender offer (the "Early Tender Premium") will be paid to holders of notes that are validly tendered and not validly withdrawn on or before the early tender date.
(2) The maximum principal amount of 4.150% Notes that the Company will accept for purchase pursuant to the tender offer is $350,000,000 (the "4.150% Note Cap").
(3) The maximum principal amount of 3.950% Notes that the Company will accept for purchase pursuant to the tender offer is $525,000,000 (the "3.950% Note Cap" and, together with the 4.150% Note Cap, the "Note Caps").

Subject to the Tender Cap, validly tendered notes will be accepted for purchase in the order of the acceptance priority levels set forth in the table above, except that the aggregate principal amount of the 4.150% Notes accepted will not exceed the 4.150% Note Cap and the aggregate principal amount of 3.950% Notes accepted will not exceed the 3.950% Note Cap. Lilly reserves the right, but is not obligated, to increase the Tender Cap or any of the Note Caps. Tenders of the 2.350% Notes, the 2.750% Notes, the 5.500% Notes, the 3.100% Notes, the 3.375% Notes, the 5.950% Notes, the 5.550% Notes, the 3.875% Notes, the 4.650% Notes, the 3.700% Notes, the 3.950% Notes due 2047, the 3.950% Notes and the 4.150% Notes will be accepted only in principal amounts equal to $2,000 and integral multiples of $1,000 in excess thereof. Tenders of the 7.125% Notes and the 6.770% Notes will be accepted only in principal amounts equal to $1,000 and integral multiples of $1,000 thereof.

The total consideration for each $1,000 principal amount of notes tendered and accepted for payment by Lilly pursuant to the tender offer will be determined in the manner described in the Offer to Purchase by reference to a fixed spread specified in the table above for each series of the notes and the applicable reference yield based on the bid-side price of the applicable U.S. Treasury Security specified in the table above, as calculated by

the dealer managers for the tender offer at 10:00 a.m., New York City time, on September 21, 2021. Holders of notes who validly tender their notes after the early tender date will, if such notes are accepted for purchase by Lilly, receive the tender consideration, which is equal to the total consideration minus the applicable Early Tender Premium. Accrued and unpaid interest up to, but excluding, the applicable settlement date will be paid in cash on all validly tendered notes accepted and purchased by Lilly in the tender offer.

Lilly reserves the right, but is under no obligation, at any point following the early tender date and before the expiration date of the tender offer, to accept for purchase any notes validly tendered at or prior to the early tender date. The early settlement date will be determined at Lilly's option and is currently expected to occur on September 22, 2021, assuming the early tender date is not extended. Irrespective of whether Lilly chooses to exercise its option to have an early settlement of the tender offer, Lilly will purchase any remaining notes that have been validly tendered by the expiration date of the tender offer and accepted for purchase (subject to the Tender Cap, the Note Caps, and the application of the acceptance priority levels), promptly following the expiration date of the tender offer.

All notes validly tendered and not validly withdrawn on or before the early tender date having a higher acceptance priority level will be accepted for purchase (subject to the Tender Cap and the Note Caps) before any validly tendered notes having a lower acceptance priority level are accepted for purchase, and all notes validly tendered after the early tender date having a higher acceptance priority level will be accepted for purchase (subject to the Tender Cap and the Note Caps) before any notes tendered after the early tender date having a lower acceptance priority level are accepted for purchase. **However, priority will be given to accept for purchase notes validly tendered and not validly withdrawn on or before the early tender date (subject to the Tender Cap and the Note Caps) ahead of other notes tendered after the early tender date, even if such notes tendered after the early tender date have a higher acceptance priority level than notes validly tendered and not validly withdrawn prior to the early tender date.**

Notes accepted for purchase in accordance with the terms and conditions of the tender offer may be subject to proration (rounded down to avoid the purchase of notes in a principal amount other than in integral multiples of $1,000), so that Lilly will only accept for purchase notes in an aggregate principal amount up to the Tender Cap, including the maximum amount of 4.150% Notes that may be purchased pursuant to the 4.150% Note Cap and the maximum amount of 3.950% Notes that may be purchased pursuant to the 3.950% Note Cap. If purchasing all of the tendered notes of a series of notes of an applicable acceptance priority level on any settlement date would cause the Tender Cap or, a Note Cap, if applicable, to be exceeded, the amount of that series of notes purchased on that settlement date will be prorated based on the aggregate principal amount of that series of notes tendered in respect of that settlement date such that the Tender Cap and the Note Caps will not be exceeded. **Furthermore, if the tender offer is fully subscribed as of the early tender date, holders who validly tender notes after the early tender date will not have their notes accepted for purchase.**

The offer for each series of notes is conditioned upon the satisfaction or waiver by Lilly of certain conditions, including the completion of an offering of debt securities by Lilly on terms and conditions satisfactory to Lilly that results in the receipt of net proceeds that, when taken together with cash on hand, is sufficient to pay the consideration for all tendered notes validly tendered (and not validly withdrawn) and accepted for purchase by Lilly, plus related accrued and unpaid interest and fees and expenses.

The offer is not conditioned on the tender or purchase of a minimum principal amount of notes being tendered or on any series of notes being tendered. The offer with respect to one or more series of the notes may be amended, extended, terminated or withdrawn separately.

Lilly has retained BofA Securities, Inc. and Citigroup Global Markets Inc. to serve as lead dealer managers for the tender offer, and Barclays Capital, Inc., BNP Paribas Securities Corp. and Deutsche Bank Securities Inc. to serve as co-dealer managers. Lilly has retained Global Bondholder Services Corporation to serve as tender agent and information agent for the tender offer.

Requests for documents relating to the tender offer may be directed to Global Bondholder Services Corporation by telephone at +1 (866) 470-3900, by email at contact@gbsc-usa.com or in writing at 65 Broadway, Suite 404, New York, NY 10006. Questions regarding the tender offer may be directed to BofA Securities, Inc. toll-free at +1 (888) 292-0070 or collect at +1 (980) 387-3907 or to Citigroup Global Markets Inc. toll-free at +1 (800) 558-3745 or collect +1 (212) 723-6106.

This press release is for informational purposes only and is not an offer to purchase, the solicitation of an offer to sell any notes. The tender offer is being made only pursuant to the Offer to Purchase and the information in this press release is qualified by reference to the Offer to Purchase. In any jurisdiction where the laws require the tender offer to be made by a licensed broker or dealer, the tender offer will be deemed made on behalf of Lilly by the dealer managers, or one or more registered brokers or dealers under the laws of such jurisdiction. None of Lilly or its affiliates, their respective boards of directors, the Dealer Managers, Global Bondholder Services Corporation or the trustee with respect to any series of notes is making any recommendation as to whether holders should tender any notes in response to the tender offer, and neither Lilly nor any such other person has authorized any person to make any such recommendation. Holders must make their own decision as to whether to tender any of their notes, and, if so, the principal amount of notes to tender.

In addition, this press release is not an offer to sell or the solicitation of an offer to buy any securities. No offer, solicitation, purchase or sale will be made in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any such securities will be offered only by means of a prospectus, including a prospectus supplement relating to such securities, meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

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. F-LLY

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward- looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) about the timing, terms, conditions, and other aspects of the tender offer and potential offering of debt securities and reflects Lilly's current beliefs and expectations. However, as with any such undertaking, there are substantial risks and uncertainties that could impact Lilly's ability to complete the tender offer and potential offering of debt securities on favorable terms, if at all, general market conditions that could affect the tender offer and

potential offering of debt securities and other risks and uncertainties, many of which are beyond Lilly's control, that could cause its actual results to differ materially from those indicated in its forward-looking statements. For a further discussion of these risks and uncertainties, see Lilly's latest Form 10-K and subsequent filings on Forms 10-Q and 8-K with the United States Securities and Exchange Commission. Except as is required by law, Lilly undertakes no duty to update forward-looking statements to reflect events after the date of this release.

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