Lilly to Acquire Versanis to Improve Patient Outcomes in Cardiometabolic Diseases

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INDIANAPOLIS and NEW YORK, July 14, 2023 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) and Versanis Bio today announced a definitive agreement for Lilly to acquire Versanis, a private clinical-stage biopharmaceutical company focused on the development of new medicines for the treatment of cardiometabolic diseases.

Versanis' lead asset is bimagrumab, a monoclonal antibody that binds activin type II A and B receptors to block activin and myostatin signaling. Bimagrumab is currently being assessed in the BELIEVE Phase 2b study alone and in combination with semaglutide in adults who are overweight or obese. Combining incretins with bimagrumab has the potential to further reduce fat mass while preserving muscle mass and may lead to better outcomes for people living with obesity and obesity-related complications.

"Lilly is committed to investigating potential new medicines to fight cardiometabolic diseases, including obesity, a chronic disease that affects over 100 million Americans," said Ruth Gimeno, Ph.D., group vice president, diabetes, obesity and cardiometabolic research at Lilly. "By unifying the knowledge and expertise in incretin biology at Lilly with the deep understanding of activin biology at Versanis, we aim to harness the potential benefits of such combinations for patients."

Mark Pruzanski, M.D., Versanis chairman and CEO, added: "It has been a privilege for our team to advance bimagrumab to address one of the greatest health crises of our time. As a global leader developing life-changing medicines, Lilly is ideally positioned to realize the potential of bimagrumab in combination with its incretin therapies to benefit people living with cardiometabolic diseases."

Under the terms of the agreement, Versanis shareholders could receive up to $1.925 billion in cash, inclusive of an upfront payment and subsequent payments upon achievement of certain development and sales milestones. The transaction is subject to customary closing conditions. Lilly will determine the accounting treatment of this transaction as a business combination or an asset acquisition, including any related acquired in-process research and development charges, according to Generally Accepted Accounting Principles (GAAP) upon closing. This transaction will thereafter be reflected in Lilly's financial results and financial guidance.

For Lilly, Kirkland & Ellis LLP is acting as legal counsel. For Versanis, Goodwin Procter LLP is acting as legal counsel, Cooley LLP is advising as to patent matters, and J.P. Morgan and Company is acting as financial advisor.

About Versanis

Versanis is a privately held, clinical-stage biopharmaceutical company bringing transformational treatments to people living with cardiometabolic disease. The company's lead asset, bimagrumab, is being advanced in the BELIEVE Phase 2b study as a novel treatment to help adults achieve and maintain both fat loss and a healthy body composition, with additional indications to follow. Versanis was founded in 2021 by Aditum Bio. For more information, please visit www.versanisbio.com.

About Lilly

Lilly unites caring with discovery to create medicines that make life better for people around the world. We've been pioneering life-changing discoveries for nearly 150 years, and today our medicines help more than 51 million people across the globe. Harnessing the power of biotechnology, chemistry and genetic medicine, our scientists are urgently advancing new discoveries to solve some of the world's most significant health challenges, redefining diabetes care, treating obesity and curtailing its most devastating long-term effects, advancing the fight against Alzheimer's disease, providing solutions to some of the most debilitating immune system disorders, and transforming the most difficult-to-treat cancers into manageable diseases. With each step toward a healthier world, we're motivated by one thing: making life better for millions more people. That includes delivering innovative clinical trials that reflect the diversity of our world and working to ensure our medicines are accessible and affordable. To learn more, visit Lilly.com and Lilly.com/newsroom or follow us on Facebook, Instagram, Twitter and LinkedIn. C-LLY

Cautionary Statement Regarding Forward-Looking Statements
This press release contains forward-looking statements regarding Lilly's proposed acquisition of Versanis, regarding the anticipated occurrence, manner and timing of the proposed acquisition, regarding the companies' product candidates and ongoing clinical and preclinical development, and regarding the accounting treatment of the potential acquisition under GAAP and its potential impact on Lilly's financial results and financial guidance. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Forward-looking statements reflect current beliefs and expectations; however, these statements involve inherent risks and uncertainties, including with respect to consummating the proposed acquisition, drug research, development and commercialization, Lilly's evaluation of the accounting treatment of the potential acquisition and its potential impact on its financial results and financial guidance, relationships with key third parties or governmental entities, transaction costs, risks that the proposed acquisition disrupts current plans and operations or adversely affects employee retention, potentially diverting management's attention from Versanis' ongoing business operations, changes in Versanis' business during the period between announcement and closing of the proposed acquisition, and any legal proceedings that may be instituted related to the proposed acquisition. Actual results could differ materially due to various factors, risks and uncertainties. Among other things, there can be no guarantee that the proposed acquisition will be completed in an anticipated timeframe or at all, that the conditions required to complete the proposed acquisition will be met, that any event, change or other circumstance that could give rise to the termination of the definitive agreement for the proposed acquisition will not occur, that Lilly will realize the expected benefits of the proposed acquisition, that product candidates will be approved on anticipated timelines or at all, that any products, if approved, will be commercially successful, that Lilly's financial results will be consistent with its expected 2023 guidance or that Lilly can reliably predict the impact of the proposed acquisition on its financial results or financial guidance. For further discussion of these and other risks and uncertainties, see Lilly's most recent Form 10-K and Form 10-Q filings with the United States Securities and Exchange Commission (the "SEC").

Except as required by law, neither Lilly nor Versanis undertakes any duty to update forward-looking statements to reflect events after the date of this press release.

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