



Lilly to acquire Scorpion Therapeutics' mutant-selective PI3K α inhibitor program

January 13, 2025

The acquisition will expand Lilly's oncology pipeline with STX-478, the differentiated and potentially best-in-class, mutant-selective PI3K α inhibitor currently in a Phase 1/2 clinical trial

STX-478 could potentially address 30-40% of people with hormone-positive breast cancer, building on Lilly's advancements against this disease

INDIANAPOLIS and BOSTON, Mass., Jan. 13, 2025 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) and Scorpion Therapeutics, Inc. ("Scorpion"), a private biotechnology company developing small molecule precision oncology therapies, today announced a definitive agreement for Lilly to acquire Scorpion's PI3K α inhibitor program STX-478. STX-478 is a once-daily oral, mutant-selective PI3K α inhibitor currently being evaluated in a Phase 1/2 clinical trial for breast cancer and other advanced solid tumors.

STX-478 could represent the next generation of PI3K α targeting agents by selectively targeting the pathway in cancerous but not healthy cells, thus overcoming a key limitation of currently available medicines that target the PI3K α pathway. This approach could potentially offer better disease control through deeper pathway inhibition, as well as improved tolerability.

"PI3K α mutations occur in a meaningful proportion of hormone-positive breast cancers, and there is significant unmet need for new treatment options that effectively and safely target this pathway," said Jacob Van Naarden, executive vice president and president of Lilly Oncology. "The selectivity profile of STX-478 has led to a differentiated clinical profile, enabling use in combinations with standard-of-care therapies to potentially deliver meaningful impact in earlier treatment settings when there is the best opportunity to improve outcomes for patients. We look forward to leveraging the great work of the Scorpion team to date, along with Lilly's deep expertise in breast cancer, to further advance STX-478 with speed and focus."

Under the terms of the agreement, Lilly will acquire Scorpion and Scorpion shareholders could receive up to \$2.5 billion in cash, inclusive of an upfront payment and subsequent payments upon achievement of certain regulatory and sales milestones. Additionally, as part of the transaction, Scorpion will spin out a new entity to hold its employees and non-PI3K α pipeline assets. The new, independent company would be owned by Scorpion's current shareholders with Lilly holding a minority equity interest. The new company will be led by Dr. Friedman and members of the current Scorpion management team and will focus on discovering and delivering a portfolio of precision medicines to patients, accelerated by Scorpion's discovery capabilities and non-PI3K α pipeline of medicines.

"Lilly has advanced scientific breakthroughs for some of the most difficult-to-treat cancers," said Adam Friedman, M.D., Ph.D., president and chief executive officer of Scorpion. "We believe Lilly's global capabilities and strategic commitment to patients with breast cancer will accelerate our goal of developing STX-478 to improve outcomes for the many patients with solid tumors driven by PI3K α mutations. This acquisition is a testament to the expertise of the Scorpion team and our drug discovery capabilities, which will become the foundation of our new company."

The transaction is subject to customary closing conditions. Lilly will determine the accounting treatment of this transaction in accordance with Generally Accepted Accounting Principles (GAAP) upon closing. This transaction will thereafter be reflected in Lilly's financial results and financial guidance.

For Lilly, Citi is acting as exclusive financial advisor and Ropes & Gray LLP is acting as legal counsel. For Scorpion, Centerview Partners LLC is acting as lead financial advisor with additional financial advisory from Morgan Stanley, and Kirkland & Ellis LLP is acting as legal counsel.

About Scorpion Therapeutics

Scorpion is a clinical-stage, precision oncology company developing transformational targeted therapies for patients with cancer. We have built proprietary and fully-integrated discovery capabilities leveraging the most advanced technologies across cancer biology, medicinal chemistry and data sciences. Scorpion's current pipeline, led by STX-478, our mutant-selective PI3K α program, consists of three internally discovered clinical product candidates and multiple discovery-stage programs. Our focus is on solving current gaps in therapeutic options for patients with cancer by discovering and developing product candidates selective against well-validated, previously undruggable targets to improve patient outcomes.

About Lilly

Lilly is a medicine company turning science into healing to make life better for people around the world. We've been pioneering life-changing discoveries for nearly 150 years, and today our medicines help tens of millions of 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](https://www.lilly.com) and [Lilly.com/news](https://www.lilly.com/news), or follow us on [Facebook](https://www.facebook.com/lilly), [Instagram](https://www.instagram.com/lilly), and [LinkedIn](https://www.linkedin.com/company/lilly). C-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 benefits of Lilly's acquisition of Scorpion and Scorpion's product candidate for oncology, 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 further discussion of these and other risks and uncertainties that could cause actual results to differ from Lilly's expectations, see Lilly's Form 10-K and Form

10-Q filings with the United States Securities and Exchange Commission. Except as 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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