ELI LILLY AND COMPANY

DIABETES

2019 BUSINESS UPDATE

Lilly

Agenda

Introduction
Enrique Conterno, President, Lilly Diabetes & Lilly USA

Commercial Update
Ilya Yuffa, Vice President, U.S. Diabetes

Pipeline Update
Dr. Brad Woodward, Global Development Leader, Incretins

Closing Remarks
Enrique Conterno, President, Lilly Diabetes & Lilly USA

Q&A

SAFE HARBOR PROVISION

This presentation contains forward-looking statements that are based on management's current expectations, but actual results may differ materially due to various factors. The company's results may be affected by factors including, but not limited to, the risks and uncertainties in pharmaceutical research and development; competitive developments; regulatory actions; litigation and investigations; business development transactions; economic conditions; and changes in laws and regulations, including health care reform.

For additional information about the factors that affect the company's business, please see the company's latest Forms 10-K and 10-Q filed with the Securities and Exchange Commission.

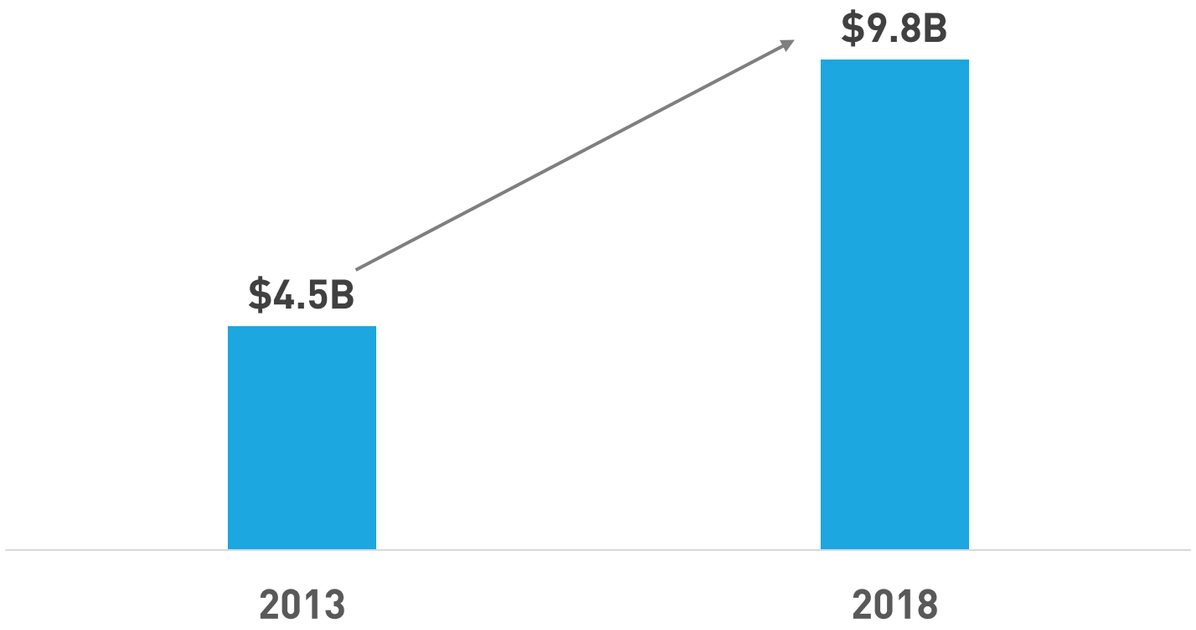
The company undertakes no duty to update forward-looking statements

INTRODUCTION

ESTABLISHED LEADER IN DIABETES

SIGNIFICANT GROWTH

REVENUE FROM DIABETES NEARLY DOUBLED



WIDE RANGE OF THERAPIES

Orals	GLP-1	Insulins	Devices
Jardiance®	trulicity™	basaglar®	
Synjardy®		Humalog®	
Glyxambi®		Humalog® 200 units/mL KwikPen®	
Tradjenta®		Humulin® R U-500	
Jentadueto®		Humulin®	

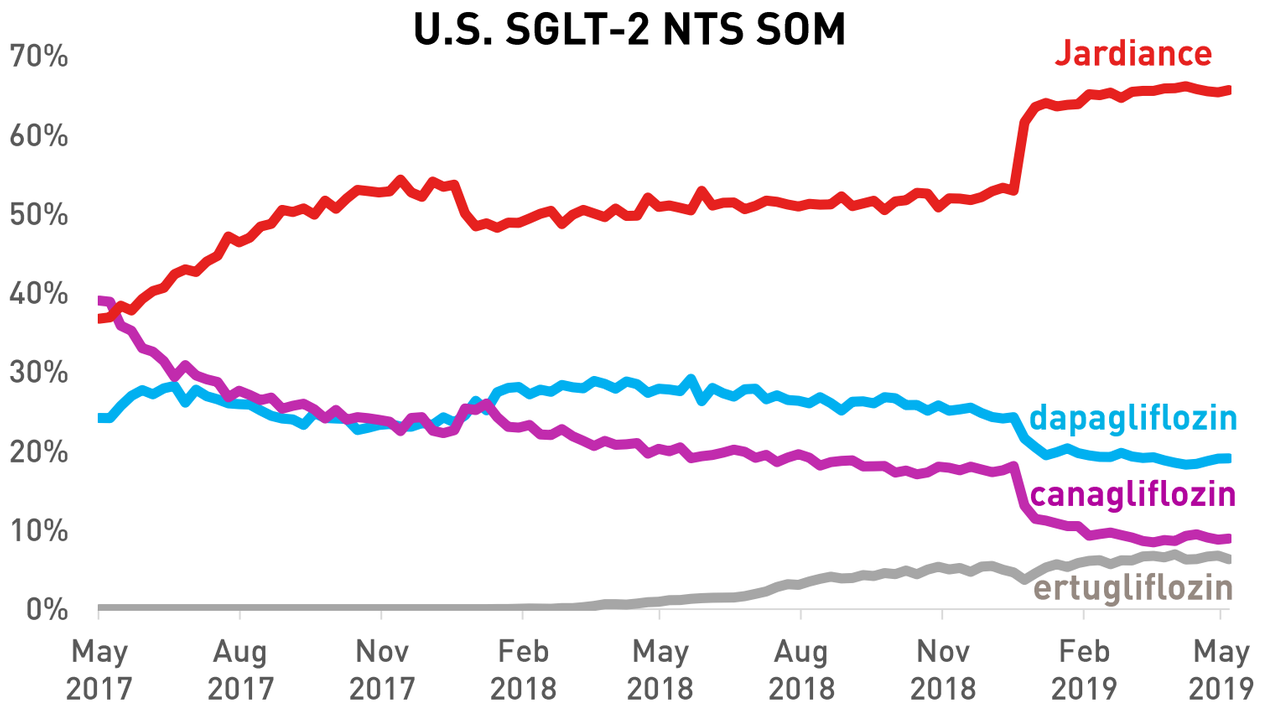
Note: Jardiance, Synjardy, Glyxambi, Tradjenta, Jentadueto and Basaglar are part of the Boehringer-Ingelheim and Lilly Diabetes Alliance.

COMMERCIAL UPDATE

SGLT-2: JARDIANCE FAMILY

BEST-IN-CLASS WITH OPPORTUNITY TO BE FIRST BRANDED ORAL

PRODUCT PERFORMANCE



CLASS GROWTH

- SGLT-2 class growth is strong, New Therapy Starts (NTS) growing over 30% vs. prior year
- New prescriptions for SGLT-2s now exceed DPP-4s, as measured by New Therapy Starts
- Jardiance established as clear market leader within class:
  - 66% SOM New Therapy Starts
  - 52% SOM Total Prescriptions

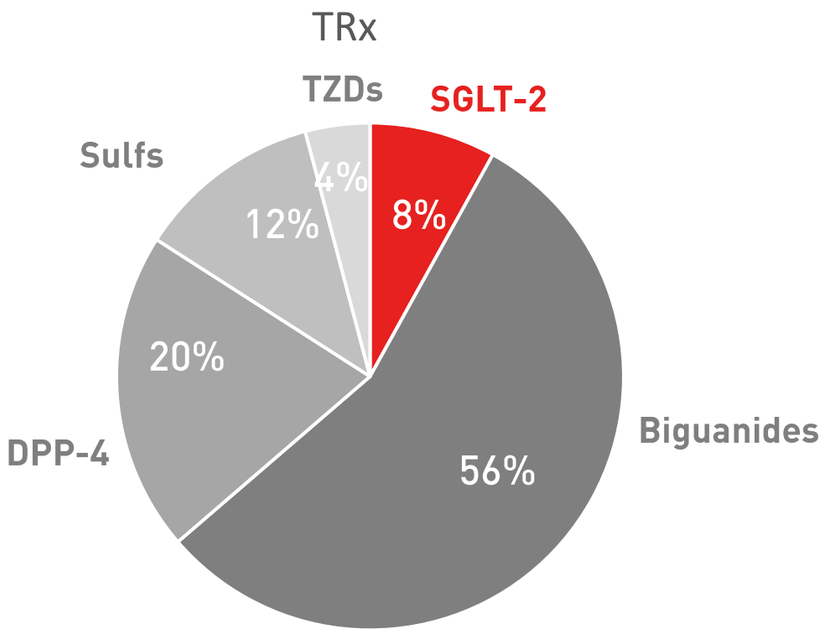
IQVIA NPA Weekly as of week ending 5.17.2019.
Note: Jardiance is part of the Boehringer-Ingelheim and Lilly Diabetes Alliance.

SGLT-2: JARDIANCE FAMILY

BEST-IN-CLASS WITH OPPORTUNITY TO BE FIRST BRANDED ORAL

GROWTH OPPORTUNITY

U.S. Share of Oral Market



UPCOMING DATA READOUTS

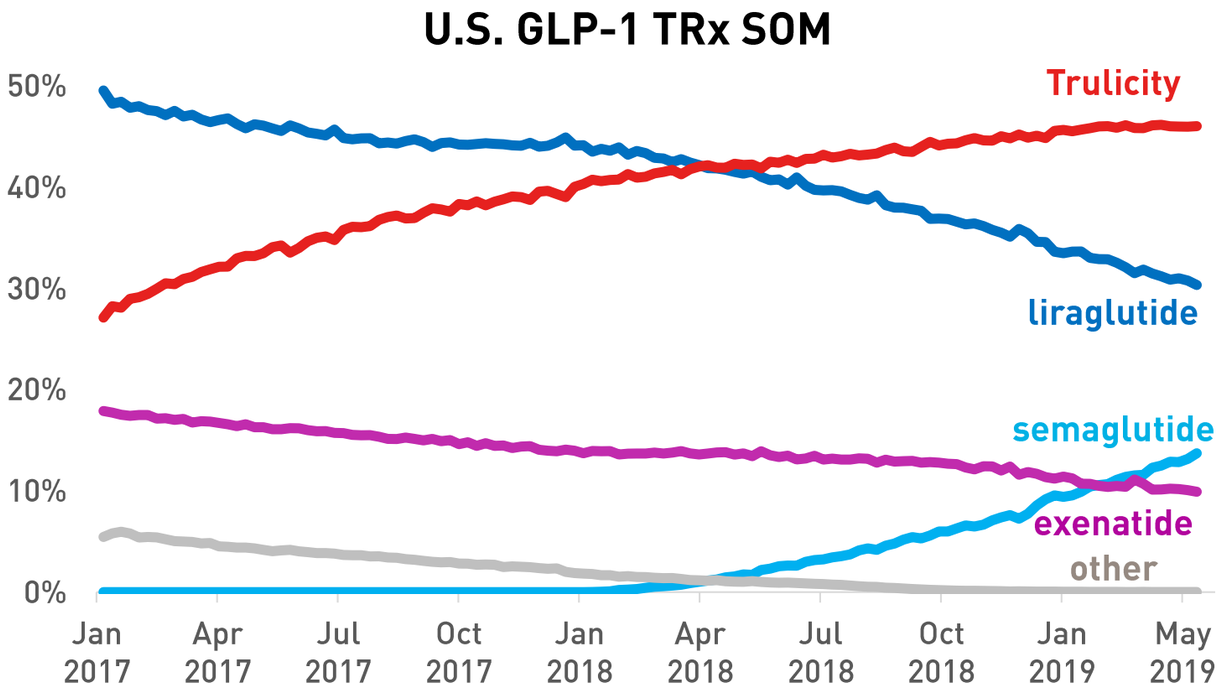
- Exercise ability in Chronic Heart Failure
  - Phase 3 data 2H 2019
- Chronic Heart Failure
  - Phase 3 data 2020 and 2021
- Chronic Kidney Disease
  - Phase 3 data 2022

IQVIA NPA Weekly as of week ending 5.17.2019.
Note: Jardiance is part of the Boehringer-Ingelheim and Lilly Diabetes Alliance.

GLP-1: TRULICITY

TRANSFORMING THE FIRST INJECTABLE SPACE

PRODUCT PERFORMANCE



U.S. GLP-1 market growing at 28%

IQVIA NPA Weekly as of week ending 5.17.19.

NEW DATA HIGHLIGHTS

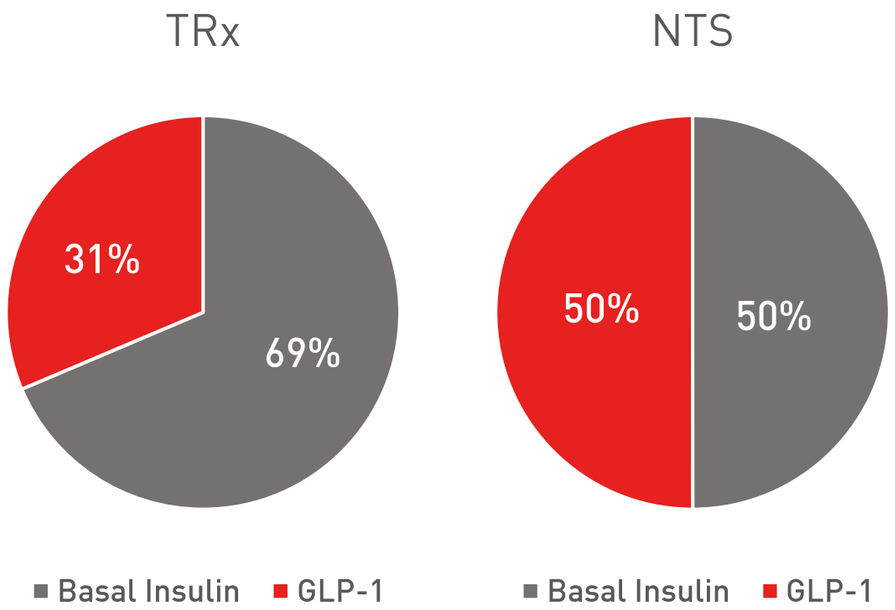
- REWIND data submitted in U.S. and E.U.
  - Expect FDA and EMA action in 1H 2020
  - Label expected to align with dulaglutide cardiovascular outcome study population
- Phase 3 data evaluating 3.0 and 4.5mg doses of dulaglutide expected in 2019
  - Phase 2 demonstrated additional HbA1c reduction and weight loss

GLP-1: TRULICITY

TRANSFORMING THE FIRST INJECTABLE SPACE

GROWTH OPPORTUNITY

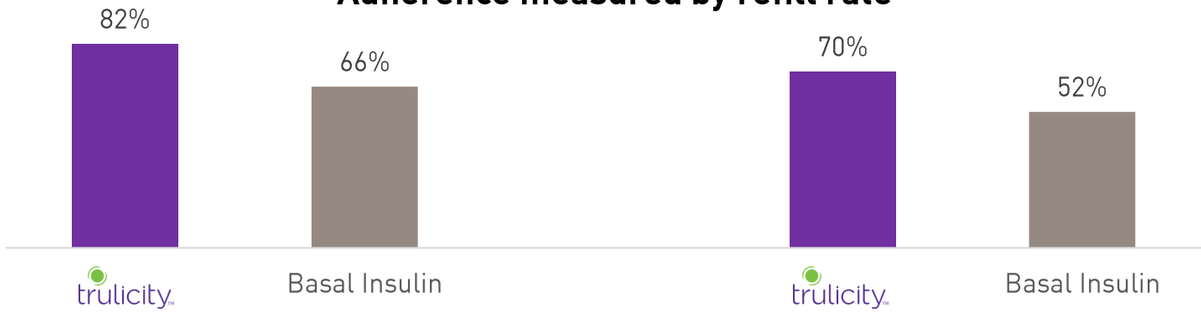
U.S. 1st Injection SOM



IQVIA NPA Weekly as of week ending 5.17.2019.

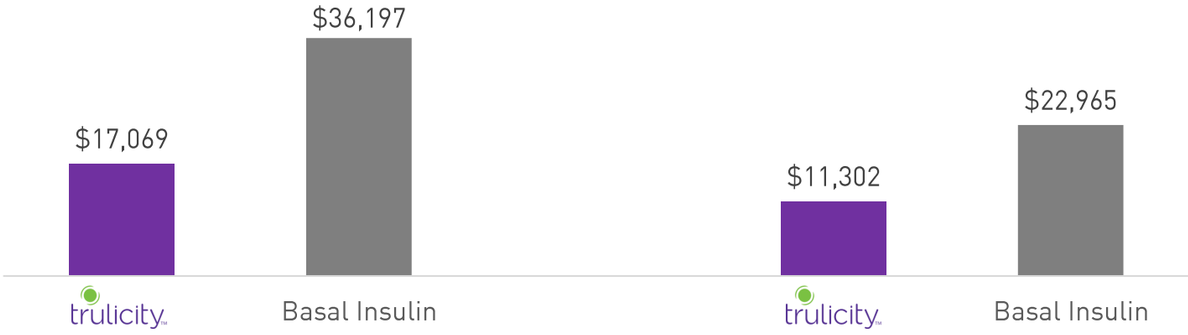
REAL WORLD DATA

Adherence measured by refill rate[1]



2nd Refill Rate **4th Refill Rate**

Cost-Effectiveness measured by cost per 1% HbA1c reduction[2]



All-Cause Costs **Diabetes-Related Costs**

1) Source: IQVIA LRx data Aug 2017 – Jul 2018.
2) Source: Abstract PDB57: Presented at the ISPOR 24th Annual International Meeting; New Orleans, LA May 18-22, 2019.

CLINICAL GUIDELINE ADVANCEMENT

RECOMMENDATIONS FOR TYPE 2 DIABETES AND CARDIOVASCULAR RISK

CONSENSUS REPORTS

Management of hyperglycaemia in type 2 diabetes, 2018. A consensus report by the American Diabetes Association (ADA) and the European Association for the Study of Diabetes (EASD)
Diabetalogia 2018

Standards of Medical Care in Diabetes—2019 (ADA)
Pharmacologic Approaches to Glycemic Treatment
Diabetes Care 2019

- For patients with clinical cardiovascular disease, an **SGLT2 inhibitor** or a **GLP-1 receptor agonist** with *proven cardiovascular benefit* is recommended
- For patients with chronic kidney disease or clinical heart failure and atherosclerotic cardiovascular disease, an **SGLT2 inhibitor** with proven benefit is recommended
- **GLP-1 receptor agonists** are generally recommended as the first injectable medication

PIPELINE UPDATE

TYPE 2 DIABETES AND CARDIOVASCULAR DISEASE

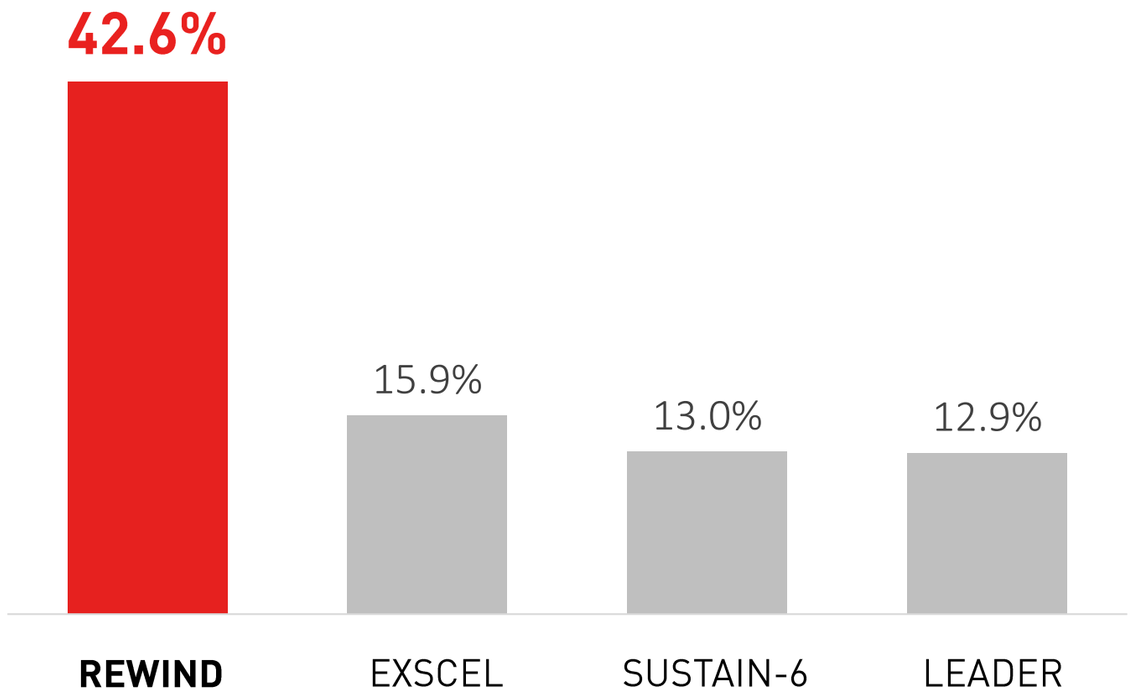
REWIND population represents a broad range of people with type 2 diabetes

Cardiovascular disease is a leading cause of morbidity and mortality for individuals with diabetes

Study by Boye et al evaluated the extent to which the study populations in CVOT reflect the general US population of adult patients with type 2 diabetes

Boye et al, Diabetes Obes. Metab. 2019; 21:1299-1304.

Percentage of patients with type 2 diabetes that are estimated to fit all inclusion / exclusion criteria of each CVOT*



*The inclusion/exclusion criteria for each completed trial was applied against an RWE reference population, to estimate what percentage of people might have been enrolled in each study

TRULICITY CV OUTCOME TRIAL

REWIND KEY TRIAL ASPECTS

9901 participants with type 2 Diabetes

- PLACEBO QW + STANDARD OF CARE
- DULAGLUTIDE 1.5MG QW + STANDARD OF CARE

5.4 years median follow-up

Key inclusion criteria

- Adults with type 2 diabetes and age ≥ 50 years with vascular disease; ≥ 55 years with subclinical vascular disease; or ≥ 60 years and multiple cardiovascular risk factors. HbA1c ≤ 9.5%

Study completed with high retention and assessment for the primary endpoint

- 97.1% Completers; 99.7% Vital Status Known; 83% of follow-up time on study drug

BASELINE CHARACTERISTICS

DATA PRESENTED AS MEAN VALUES	DULA 1.5MG	PLACEBO
Age (years)	66.2	66.2
Female (%)	46.6	46.1
Established CV disease* (%)	31.5	31.4
Prior CV event (MI or ischemic stroke) (%)	20.8	20.3
Prior heart failure (%)	8.5	8.7
Retinopathy (%)	9.1	8.9
Duration of diabetes (years)	10.5	10.6
HbA1c (%)	7.3	7.4
eGFR<60 ml/min/1.73m² (%)	21.8	22.6

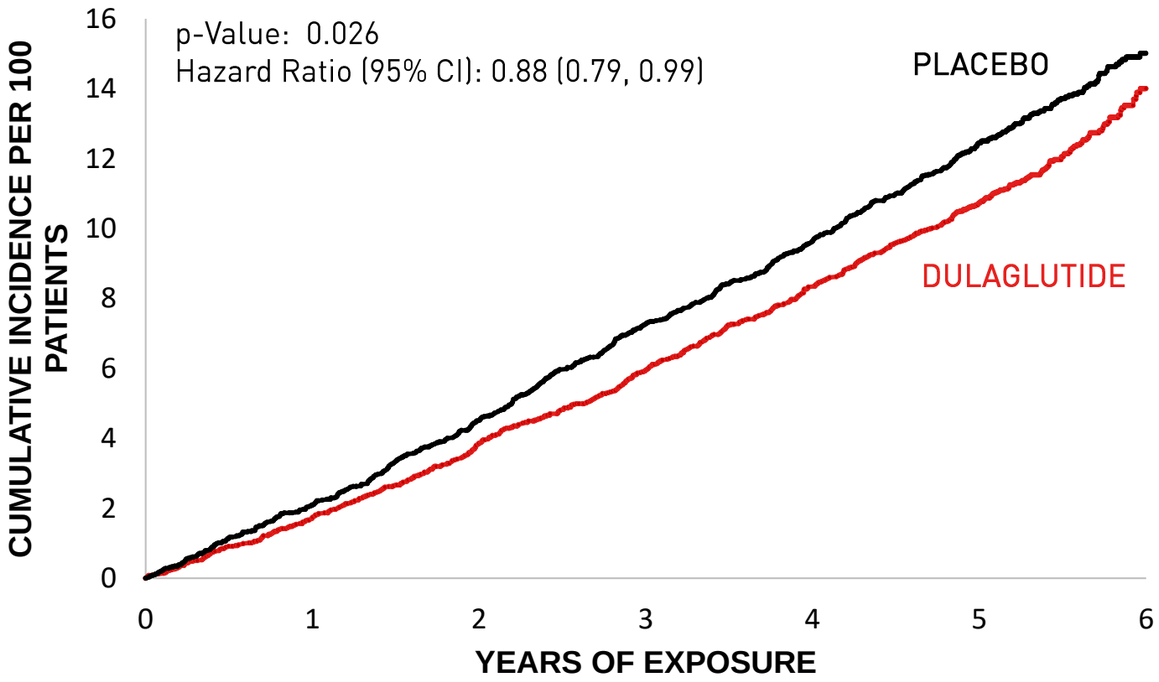
*REWIND defined established CV disease as including at least one of the following conditions: myocardial infarction (MI), ischemic stroke, unstable angina, revascularization, hospitalization for ischemia related events and/or documented myocardial ischemia.

Gerstein et al. Lancet 2019.

TRULICITY CV OUTCOME TRIAL

PRIMARY MACE 3 RESULT

- **Dulaglutide significantly reduced the risk of Major Adverse Cardiovascular Events** (MACE 3: CV death, non-fatal MI or non-fatal stroke) **by 12% vs. placebo**

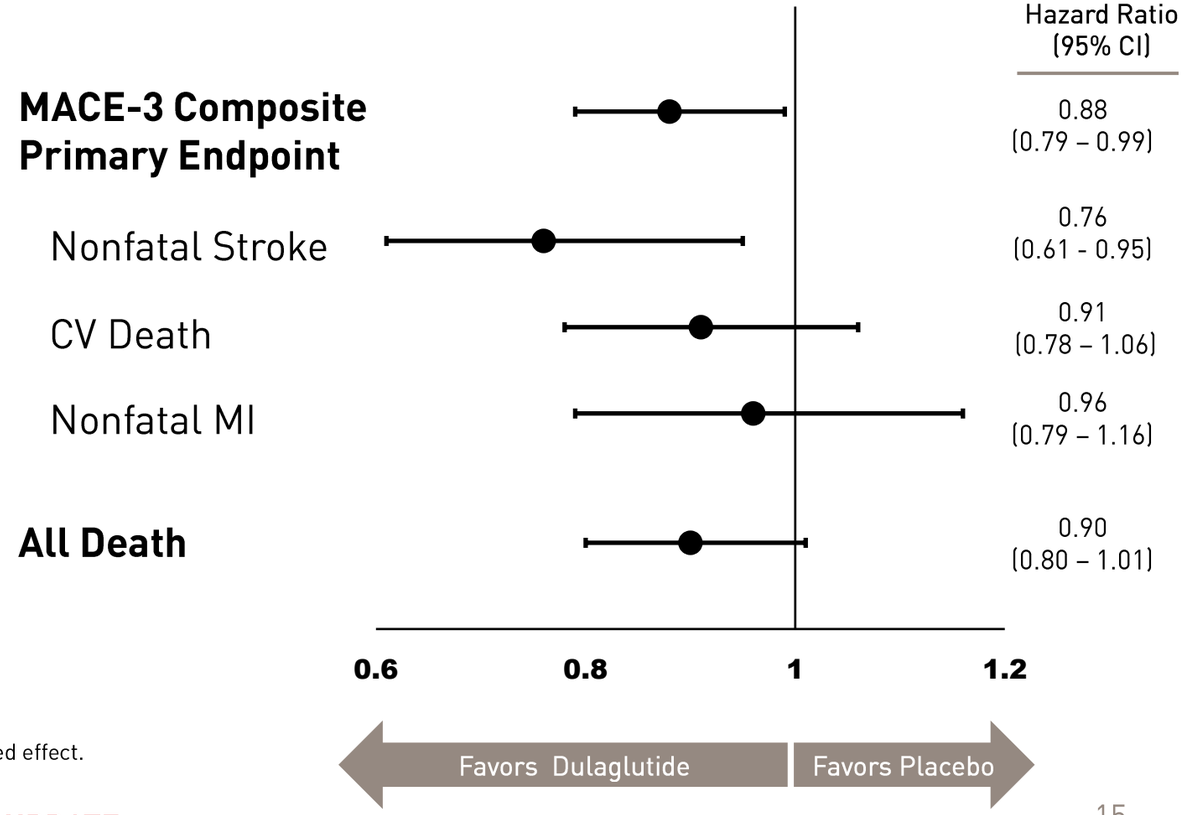


Note: Hazard Ratio and its CI and p-value obtained from Cox Proportional Hazards Regression Model with treatment as a fixed effect.

Gerstein et al. Lancet 2019.

CV OUTCOMES

- **Consistent effect across three components of MACE, greatest difference observed in Nonfatal Stroke**

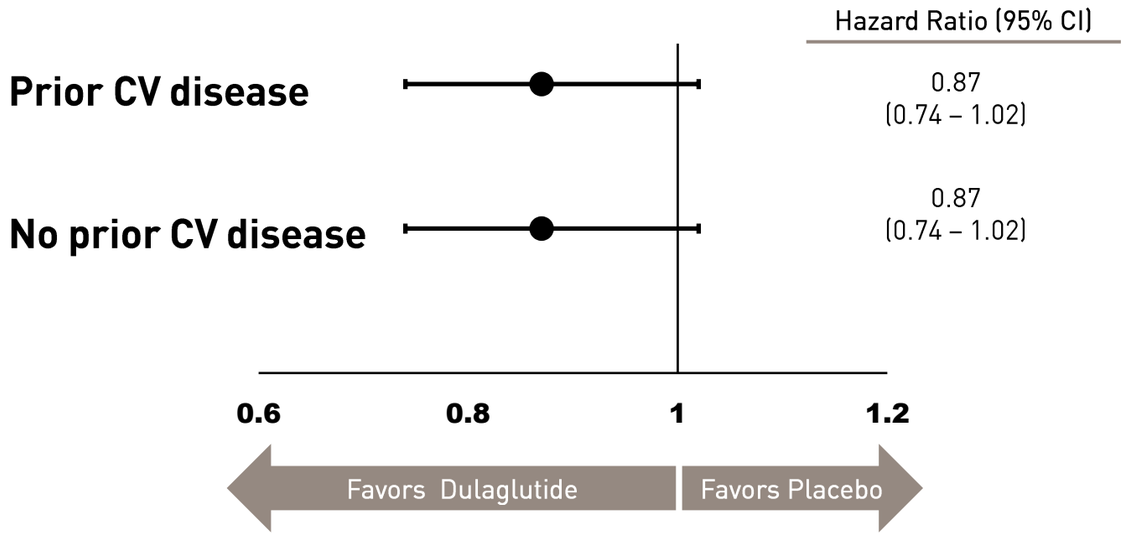


TRULICITY CV OUTCOME TRIAL

MACE 3 AND PRIOR CV DISEASE

- **Consistent MACE 3 effect observed in type 2 diabetes patients with and without prior CV disease*** (p-value for interaction 0.970)

PRESPECIFIED CV DISEASE SUBGROUP ANALYSIS



Gerstein et al. Lancet 2019.

KEY SUBGROUPS/RESULTS

- MACE effect consistent across key baseline characteristic subgroups including:
  - Age
  - Gender
  - Duration of diabetes
  - Baseline HbA1c
- Reduction in HbA1c
  - -0.46 dulaglutide vs. +0.16 placebo
- Reduction in weight
  - -2.95kg dulaglutide vs. -1.49 placebo, while on other background therapy

*REWIND defined established (prior) CV disease as including at least one of the following conditions: myocardial infarction (MI), ischemic stroke, unstable angina, revascularization, hospitalization for ischemia related events and/or documented myocardial ischemia.

TRULICITY CV OUTCOME TRIAL

Safety of dulaglutide in REWIND was consistent with the GLP-1 RA class

SELECT ADVERSE EVENTS

% unless otherwise specified	DULA 1.5MG	PLACEBO
Permanent discontinuation of study drug due to adverse event	9.1	6.3
Acute pancreatitis **with imaging and enzymes confirmed**	0.5 0.1	0.3 0.1
Any cancer	7.1	7.0
MTC or C-cell hyperplasia (n)	1	0
Thyroid cancer	0.1	0.1
Pancreatic cancer	0.4	0.2
Gastrointestinal event	47.4	34.1
Serious GI event	2.4	2.4
Severe hypoglycemia	1.3	1.5

- Dulaglutide was well-tolerated and the safety profile was generally consistent with the GLP-1 RA class. More gastrointestinal adverse events were observed in participants receiving Trulicity

- Two composite microvascular endpoints evaluated:
  - Nephropathy[1] – reduced composite renal outcomes versus placebo (HR = 0.85, 95% CI: 0.77-0.93)
  - Diabetic retinopathy[2] – numerically higher in dulaglutide arm (HR = 1.24, 95% CI: 0.92-1.68, not statistically significant). Treatment-emergent adverse events of diabetic retinopathy were similar between groups, dulaglutide (4.1%) and placebo (3.9%)

[1] Urinary albumin-to-creatinine ratio >33.9mg/mmol, or ≥30% decline in eGFR, or chronic renal replacement therapy.
[2] Photocoagulation, or anti-VEGF therapy, or vitrectomy.

REWIND KEY TAKEAWAYS

REWIND enrolled a precedent-setting population, representative of patients with type 2 diabetes
Lower baseline HbA1c versus other GLP CVOTs and nearly 70% of patients did not have established CV disease

REWIND enrolled a large population and included a long follow-up period
Nearly 10,000 patients and 5.4 year follow-up period

Trulicity demonstrated a clinically meaningful 12% reduction in major adverse cardiovascular events
Encouraging results in pivotal trial, with consistent effect across endpoints, and in patients with and without prior CVD

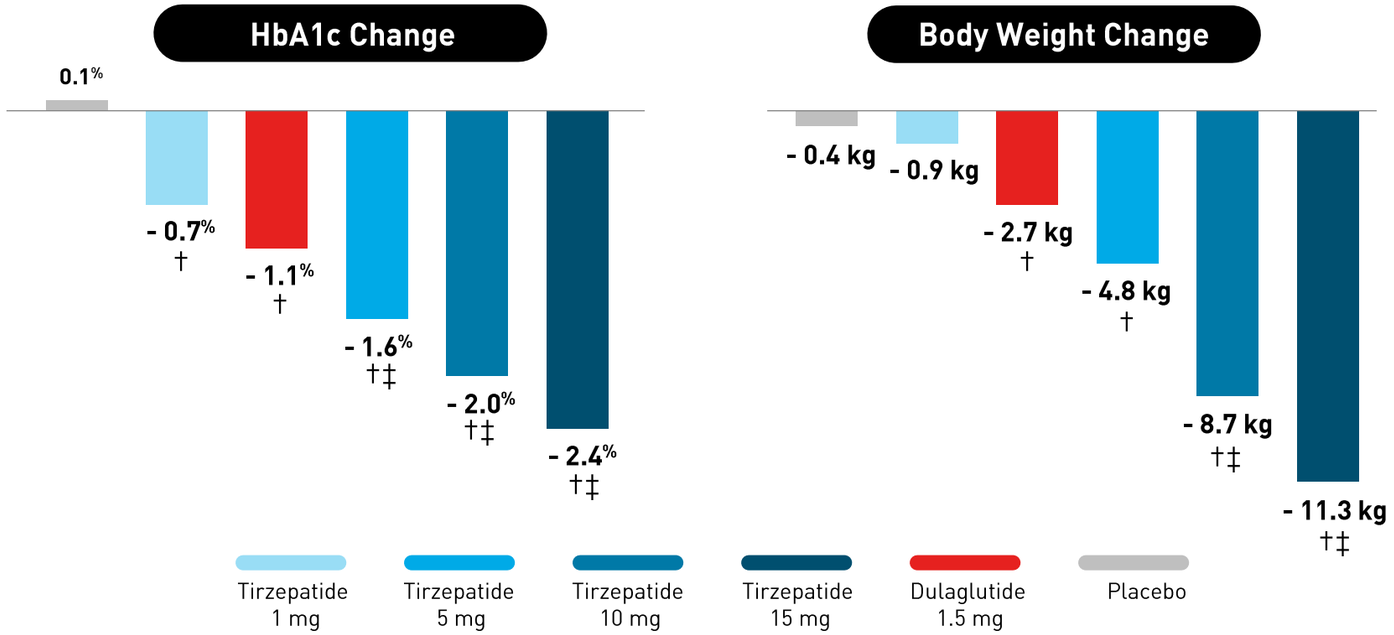
TIRZEPATIDE

DUAL GIP/GLP-1 RECEPTOR AGONIST

GOALS FOR TIRZEPATIDE PROGRAM

- Launch first in new class of dual GIP and GLP-1 receptor agonists
- Reset treatment expectations for glucose control and weight reduction
- Deliver meaningful CV benefit
- Replicate Trulicity's injection experience

PHASE 2B DATA AT 26 WEEKS



CLINICAL DEVELOPMENT MILESTONES

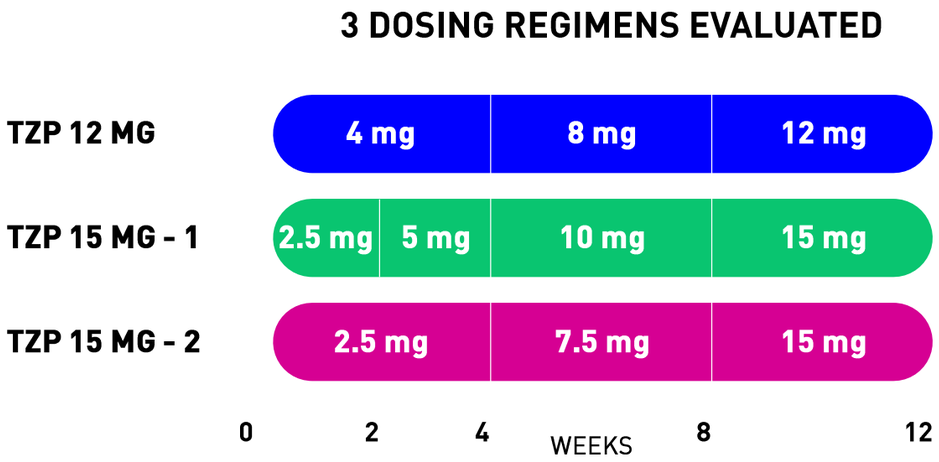
- **2018** — T2DM **Phase 3** - started
- **2019** — Obesity **Phase 3** - start; NASH **Phase 2** - start

Data for change in HbA1c and bodyweight presented are LS mean, MMRM on treatment analysis. † p<0.05 vs placebo and ‡ p<0.05 vs. dulaglutide 1.5 mg.
Frias al. Lancet 2018;392(10160):2180-2193.

TIRZEPATIDE

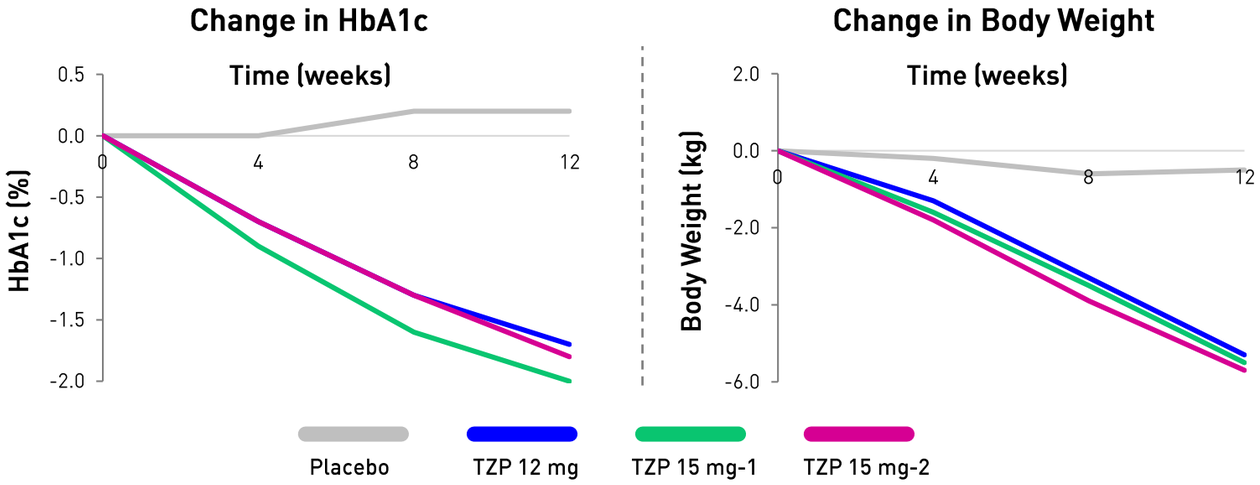
TYPE 2 DIABETES DOSING STUDY AND RESULTS

PHASE 2 DOSING STUDY



- Different tirzepatide starting doses and different dose escalation increments assessed
- 3-month, randomized, double-blind, placebo-controlled study with 111 total patients

EFFICACY AND SAFETY RESULTS[1]



	Placebo	12 mg	15 mg-1	15 mg-2
HbA1c (%) Change from baseline	0.2	-1.7	-2.0	-1.8
Weight (Kg) Change from baseline	-0.5	-5.3	-5.5	-5.7
Adverse Events %	50.0	79.3	67.9	85.7
Overall Treatment Discontinuation %	23.1	6.9	21.4	7.1
Discontinuation due to Adverse Event %	3.8	3.4	3.6	0
Nausea (%)	7.7	24.1	39.3	35.7
Diarrhea (%)	7.7	31.0	35.7	32.1
Vomiting (%)	3.8	17.2	17.9	17.9

[1]Abstract 993-P. Presented at the American Diabetes Association's 79th Scientific Sessions; June 7-11, San Francisco, CA.

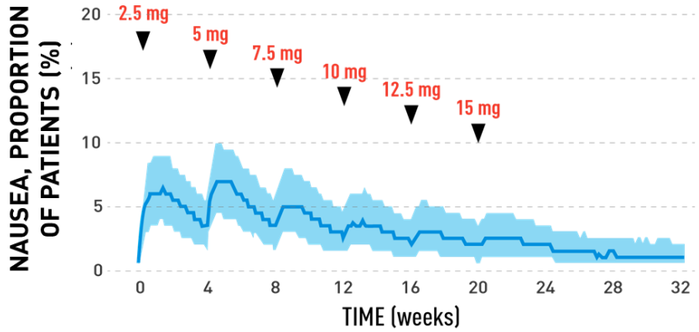
TIRZEPATIDE

TYPE 2 DIABETES PHASE 3 DOSING

CONCLUSIONS FROM DOSING STUDY

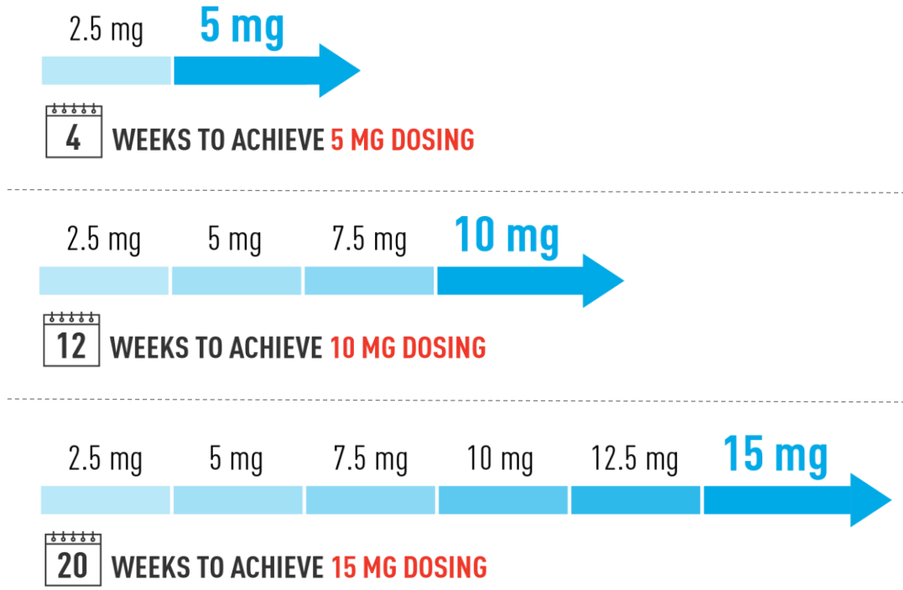
- **Consistent efficacy:** HbA1c reduction and weight loss
- Dose escalation resulted in an **improved tolerability profile**
- Treatment **discontinuation rates were lower** vs. previously disclosed Phase 2b study
- **No discontinuation imbalance due to adverse events** vs. placebo

STUDY RESULTS AND EXPOSURE MODELING INFORMED PHASE 3 DOSING

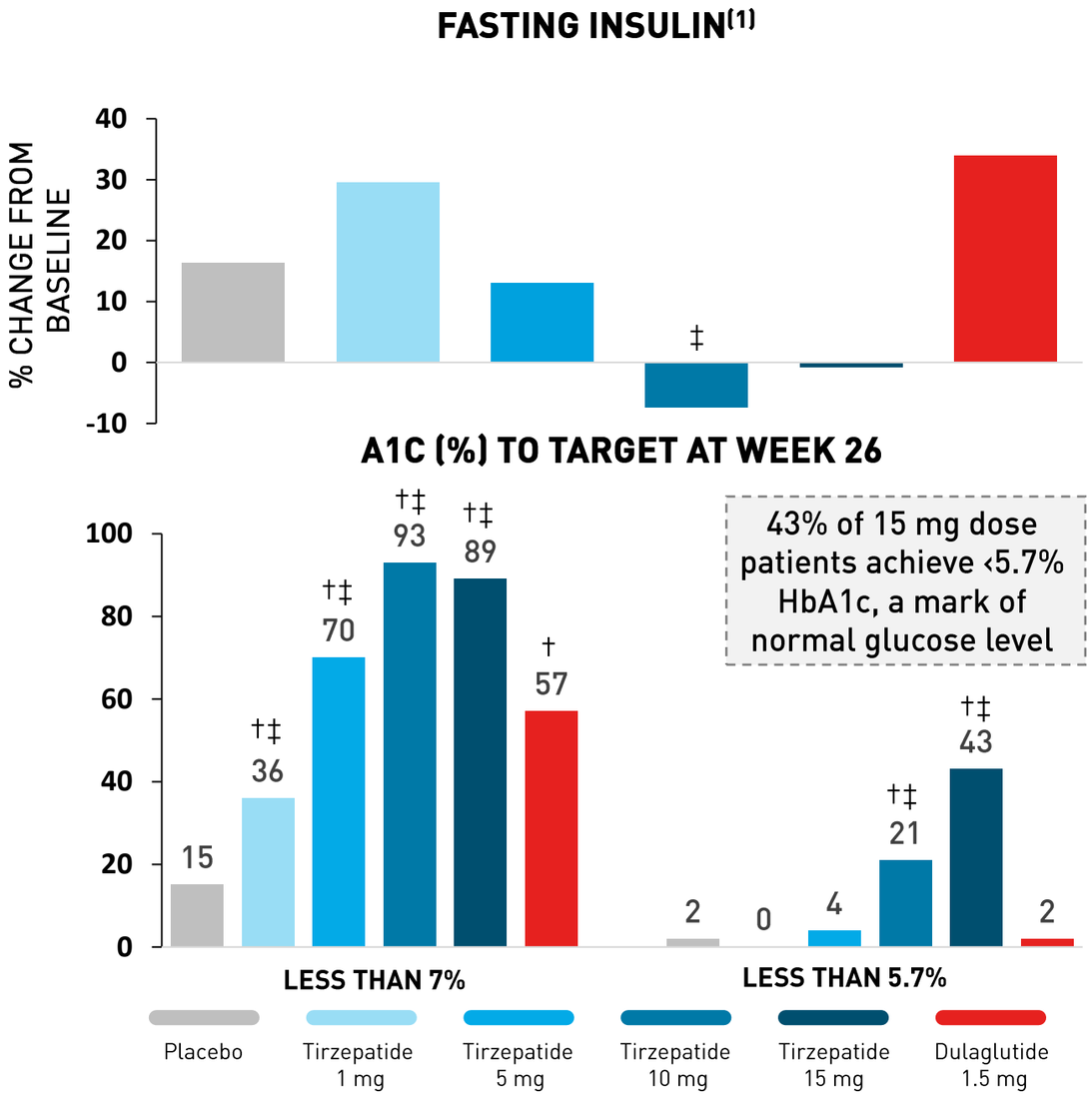


PHASE 3 DOSE SCHEDULE

Step through doses (2.5mg increments) expected to improve tolerability profile while achieving breakthrough efficacy goals



TIRZEPATIDE
ADDITIONAL INSIGHTS FROM PHASE 2B



Data presented are from logistic regression, on treatment analysis.
† p<0.05 vs placebo and ‡ p<0.05 vs. dulaglutide 1.5 mg

TIRZEPATIDE IMPROVED BETA-CELL FUNCTION AND INSULIN SENSITIVITY

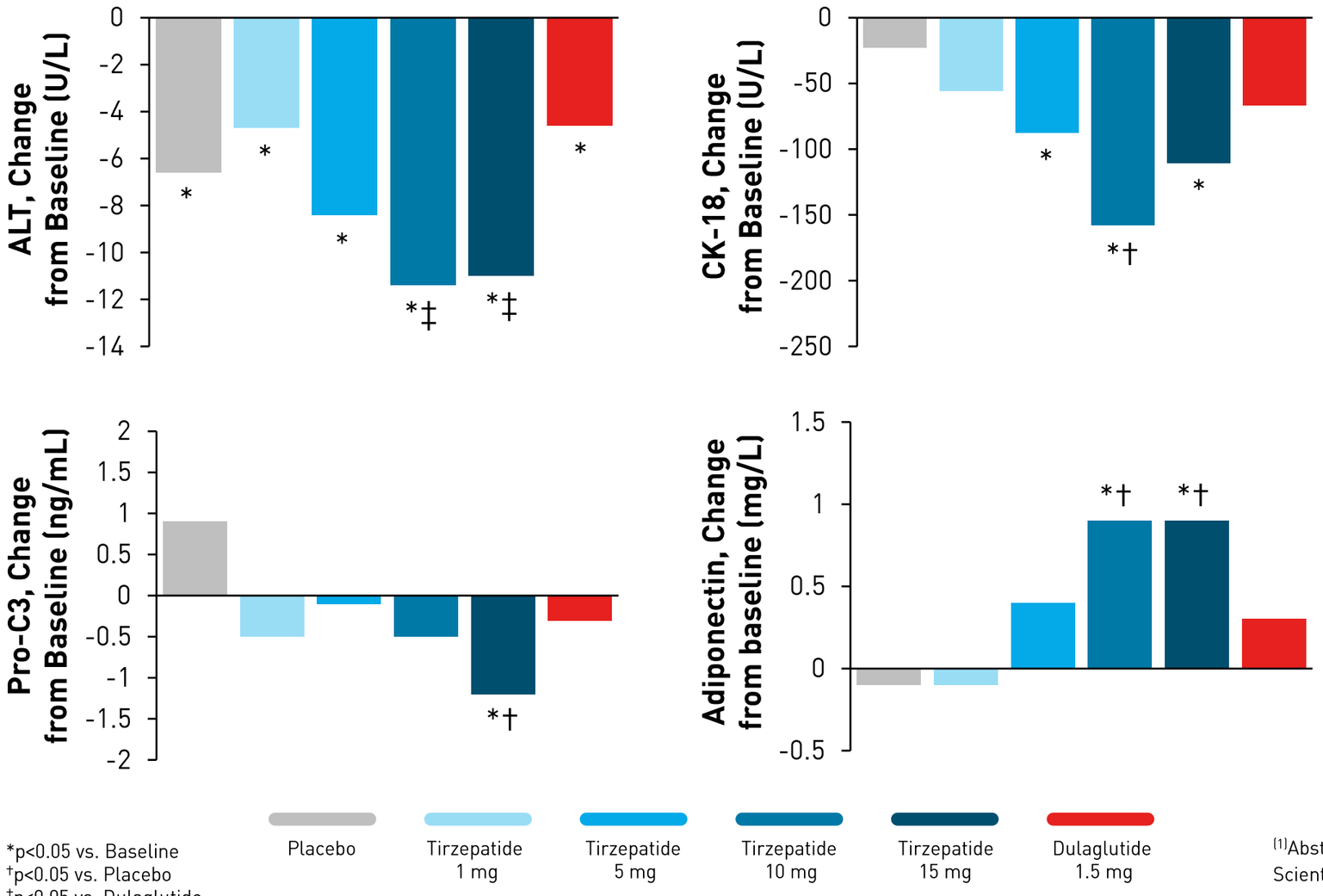
- Insulin-sensitizing effects of tirzepatide are only partially attributable to weight loss
- Improved markers of pancreatic beta-cell function and insulin processing
- Improved glucose control with greater impact on insulin sensitivity and beta-cell function as compared with dulaglutide
- Further mechanistic studies in progress

[1]Abstract 980-P. Presented at the American Diabetes Association's 79th Scientific Sessions; June 7-11, San Francisco, CA.

TIRZEPATIDE

NASH RELATED BIOMARKERS SHOW POTENTIAL EFFICACY

PHASE 2B LIVER BIOMARKERS IN SERUM AT 26 WEEKS OF TREATMENT[1]



*p<0.05 vs. Baseline
†p<0.05 vs. Placebo
‡p<0.05 vs. Dulaglutide

NASH RELATED BIOMARKERS

- Markers of apoptosis and fibrosis decreased and adiponectin increased with tirzepatide in Phase 2 type 2 diabetes
- Along with the weight loss findings, supports further evaluation of tirzepatide in patients with NASH

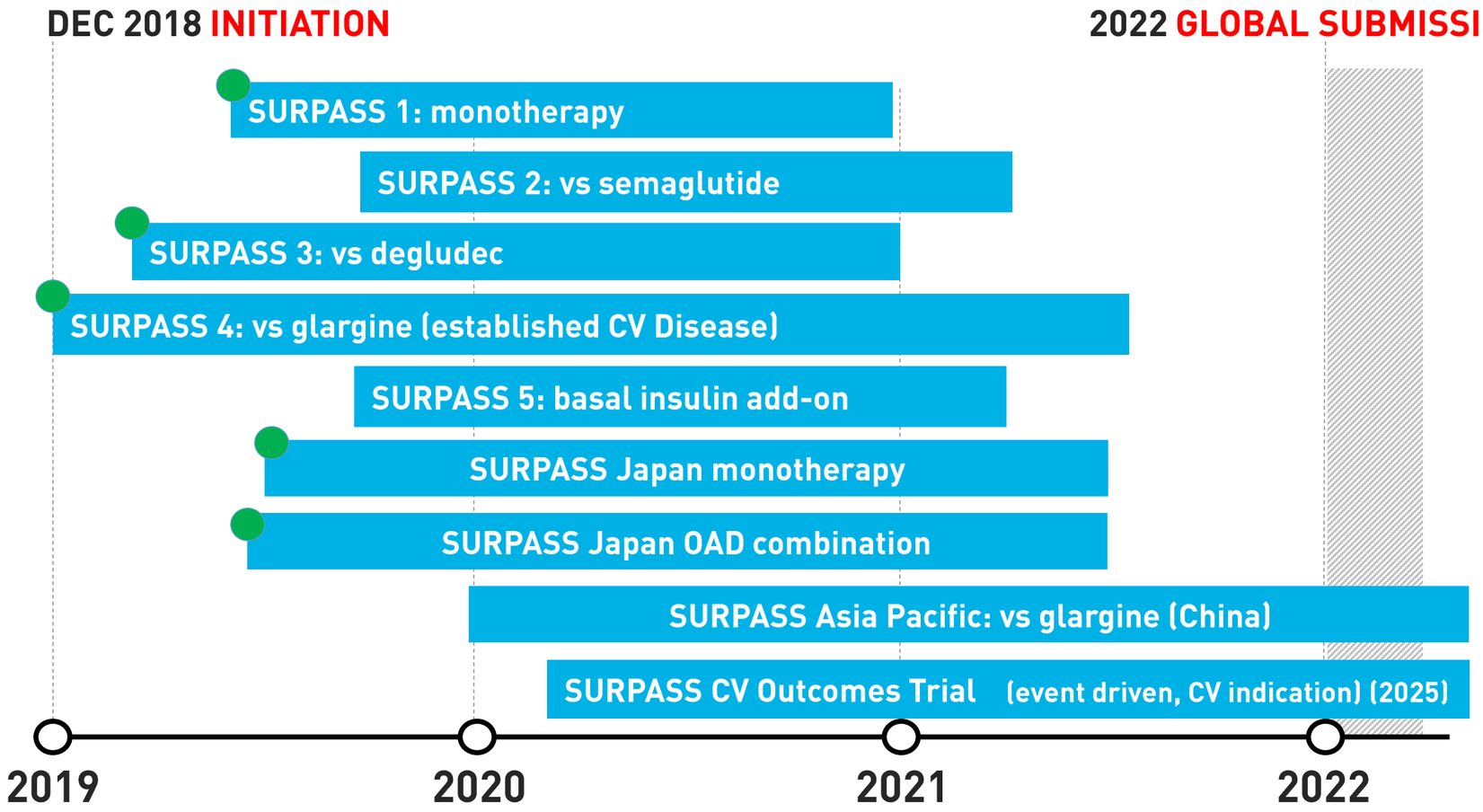
[1]Abstract 134-OR. Presented at the American Diabetes Association's 79th Scientific Sessions; June 7-11, San Francisco, CA.

TIRZEPATIDE CLINICAL PROGRAM

OPERATIONAL UPDATE

SURPASS TYPE 2 DIABETES PROGRAM

Five type 2 diabetes Phase 3 studies initiated



OTHER INDICATIONS

2019

Obesity **Phase 3** – start of SURMOUNT program

NASH **Phase 2** – start of SYNERGY-NASH program

Summary

Exciting time in Lilly Diabetes
Significant growth during five year period, nearly doubling revenue and expanding portfolio with new products

Strong commercial launch capabilities
Trulicity and Jardiance both established market leaders in fast growing diabetes classes

Trulicity REWIND data positive for patients
Precedent-setting trial produced superior CV results in a broad population of patients, and had a consistent effect in patients with and without prior CVD

Continuing to raise the bar with tirzepatide
Additional insights shared for the dosing regimen, mechanism of action and support for development in NASH and obesity

QUESTIONS AND ANSWERS

LILLY UNITES
CARING WITH DISCOVERY
TO CREATE MEDICINES THAT
MAKE LIFE BETTER
FOR PEOPLE
AROUND THE WORLD

Lilly