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Lilly and Hanmi Announce an Exclusive License and Collaboration Agreement for the Development and Commercialization of an Immunological Therapy

Development planned for multiple autoimmune diseases, including rheumatoid arthritis and lupus

INDIANAPOLIS, March 19, 2015 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) and Hanmi Pharmaceutical Co., Ltd. (Hanmi) today announced they have entered into an exclusive license and collaboration agreement for the development and commercialization of Hanmi's oral Bruton's tyrosine kinase (BTK) inhibitor, HM71224, for the treatment of autoimmune and other diseases. The agreement is subject to clearance under the Hart-Scott-Rodino Antitrust Improvements Act, similar requirements outside the U.S., and other customary closing conditions.

This small molecule is ready to enter Phase II and the parties plan to investigate the molecule for the potential treatment of rheumatoid arthritis, lupus, lupus nephritis, Sjögren's syndrome, and other related conditions.

"Significant unmet medical need exists in many prevalent autoimmune diseases where individual patient needs are not adequately being met with available treatments," said Thomas Bumol, Ph.D., senior vice president, biotechnology and immunology research at Lilly. "Lilly is committed to changing patient expectations in some of the world's most debilitating disease areas, and we're building a portfolio of potential advances in immunology through our own research and key collaborations such as with Hanmi. We're highly encouraged by the potential of HM71224 to deliver an innovative, first-in-class treatment option."

"HM71224 is a potent and effective BTK inhibitor and has successfully demonstrated proof of mechanism in preclinical studies and a Phase I study in Europe," said Dr. Gwan Sun Lee, CEO/President of Hanmi Pharmaceutical. He continued, "We are very pleased to be collaborating with Lilly on HM71224, and through this agreement and R&D collaborations, we are excited to drive the joint project forward with the ultimate aim to offer new medical treatment options to patients with autoimmune disorders and related conditions."

Under the terms of the agreement, Lilly will receive worldwide rights to the molecule for all indications excluding China, Hong Kong, Taiwan, and Korea. Lilly will take development, regulatory, manufacturing, and commercial leadership for the molecule in the Lilly territories. Hanmi will receive an initial payment of $50 million and is eligible for up to $640 million in potential development, regulatory, and sales milestones. If the BTK inhibitor is successfully commercialized, Hanmi would also be eligible for tiered double-digit royalty payments.

About Eli Lilly and Company External Innovation
Our long-term commitment to scientific excellence at Lilly is the foundation for our success in identifying, accessing and shaping external innovation.

About Eli Lilly and Company
Lilly is a global healthcare leader that unites caring with discovery to 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 and newsroom.lilly.com/social-channels.

About Hanmi Pharmaceutical Co., Ltd.
Hanmi Pharmaceutical is a Korea-based global pharmaceutical company focused on the development and commercialization of new pharmaceutical products. The Company is fully integrated from R&D through manufacturing, marketing and sales with an established presence in Korea as well as China. The Company invests over 20 percent of its sales in R&D and has over 20 programs in clinical development in three main areas: 1) novel long-acting biologics based on the Company's LAPSCOVERY™ platform including weekly insulin, weekly to monthly GLP-1, and their combinations (Quantum Project) in diabetes and obesity; 2) novel targeted agents against cancer and autoimmune disorders; and 3) fixed-dose combination programs. More information on Hanmi is available at www.hanmipharm.com.

This press release contains forward-looking statements about the development and commercialization

collaboration between Hanmi Pharmaceutical Co., Ltd. and Eli Lilly and Company and reflects Lilly's current beliefs. However, there are substantial risks and uncertainties in the process of drug research, development, and commercialization. There is no guarantee that the collaboration will yield successful results, that HM71224 will be approved for autoimmune diseases or any other indication, or that either company will achieve the anticipated benefits. For further discussion of these and other risks and uncertainties, see Lilly's most recent 10-K and 10-Q filings with the United States Securities and Exchange Commission. Lilly undertakes no duty to update forward-looking statements.

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SOURCE Eli Lilly and Company; Hanmi Pharmaceutical Co., Ltd.