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### **Lilly and Kumquat Biosciences Announce Collaboration to Discover and Develop Novel Small Molecules that Stimulate Tumor-Specific Immune Responses**

INDIANAPOLIS, IN, and SAN DIEGO, CA, July 29, 2021 – Loxo Oncology at Lilly, a research and development group of Eli Lilly and Company (NYSE: LLY), and Kumquat Biosciences today announced an exclusive collaboration focused on the discovery, development and commercialization of potential novel small molecules that stimulate tumor-specific immune responses.

Through the multi-year collaboration, Kumquat will utilize its small molecule immuno-oncology (IO) platform to discover novel clinical candidates and Lilly has the option to select a certain number of drug candidates for further development and commercialization worldwide, excluding Greater China. Kumquat has retained development and commercialization rights in Greater China for each of the drug candidates selected by Lilly, subject to Lilly's option to co-commercialize in Greater China. Additionally, Kumquat has the option to co-develop and co-commercialize a certain number of the drug candidates selected by Lilly in the U.S.

Kumquat will receive an aggregate of \$70 million consisting of a cash upfront payment and an equity investment. Kumquat is eligible to receive over \$2 billion in potential milestone payments based on the achievement of preclinical, development and future commercial milestones, as well as royalties on sales of commercialized products resulting from the collaboration.



“We are very excited to enter into this collaboration with Lilly,” said Yi Liu, chief executive officer of Kumquat. “Kumquat is developing a novel small molecule IO platform and this collaboration with Lilly is expected to greatly expedite the development of this platform and maximize its full potential. We look forward to working with Lilly to identify the next generation IO drugs that will benefit a broad population of patients.”

“Using small molecule inhibitors to target specific tumor antigens in complex with the immune machinery presents a unique opportunity to stimulate an enhanced tumor-specific immune response,” said Jacob Van Naarden, chief executive officer of Loxo Oncology at Lilly. “We look forward to working with the accomplished Kumquat team to identify candidate medicines that interact with this target class.”

This transaction will be reflected in Lilly’s reported results and financial guidance according to Generally Accepted Accounting Principles (GAAP). There will be no change to Lilly’s 2021 non-GAAP earnings per share guidance as a result of this transaction.

### **About Kumquat Biosciences**

Kumquat Biosciences is a privately held drug discovery and development company committed to creating breakthrough medicines for the treatment of cancer. The company focuses on translating breakthrough science into first-in-class therapeutics. Kumquat brings together an accomplished team and distinguished scientific founder with a proven track record of innovative oncology drug discovery and development. The company was launched in 2019 and has raised over \$100 million from OrbiMed, Sequoia Capital China, EcoR1, Lilly Asia Ventures, and Roche Venture Fund. For more information, please visit [www.kumquatbiosciences.com](http://www.kumquatbiosciences.com)

### **About Loxo Oncology at Lilly**

Loxo Oncology at Lilly was created in December 2019, combining the Lilly Research Laboratories oncology organization and Loxo Oncology, which was acquired by Lilly in early 2019. Loxo Oncology at Lilly brings together the focus and spirit of a biotech with the scale and resources of large pharma, with the goal of rapidly delivering impactful new medicines for people with cancer. Our approach centers on creating new oncology medicines that unequivocally work early in clinical development and will matter to patients.



### **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. To learn more about Lilly, please visit us at [www.lilly.com](http://www.lilly.com). C-LLY

### **Lilly Forward-Looking Statement**

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 a collaboration between Lilly and Kumquat Biosciences, Lilly and Loxo Oncology's research and development strategy, and potential payments to Kumquat in connection with the collaboration, and reflects Lilly's current beliefs and expectations. However, as with any such undertaking, there are substantial risks and uncertainties 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 collaboration, that the collaboration will yield commercially successful products or that Lilly and Loxo Oncology will execute their strategy as expected. For a further discussion of these and other risks and uncertainties that could cause actual results to differ from Lilly's expectations, please see Lilly's most recent Forms 10-K and 10-Q filed with the U.S. Securities and Exchange Commission. Lilly undertakes no duty to update forward-looking statements.

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