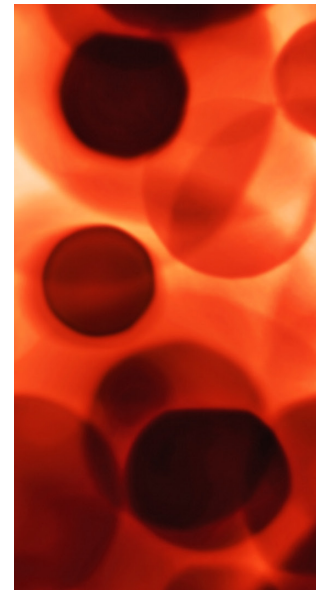


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ELI LILLY AND COMPANY

Launching a
New Era of Innovation



YEAR IN REVIEW SUMMARY

20
22

A LETTER FROM OUR CEO

To Our Lilly Shareholders



2022 was an exciting year for Lilly, driven by significant pipeline progress and expanded use of our medicines, as we reached more people and communities around the world. As we start our 147th year, our purpose—to make new medicines for mankind’s biggest health challenges—has never been more relevant, and our impact has never been more clear.

Lilly medicines helped 51 million people managing serious and challenging illnesses last year, including diabetes, cancer, migraine and autoimmune conditions. Our company delivered strong results—propelled by the extraordinarily successful launch of Mounjaro (tirzepatide) for type 2 diabetes.

In 2023, we’re building on this momentum with the potential to launch as many as four new medicines—while continuing to invest in science, manufacturing capacity and our people.



BUSINESS RESULTS

Driven by the continued growth of our core business, Lilly recorded revenue of \$28.5 billion in 2022, the highest in our company's long history. Our key growth products—10 of the new medicines we've launched since 2014—accounted for 70 percent of revenue in Q4 last year, and increased 21 percent for the full year. We produced 12 percent volume growth for the year (excluding COVID-19 antibodies), led by our breast cancer medicine Verzenio and the launch of Mounjaro in the United States. We also increased our dividend to shareholders by 15 percent for the fifth consecutive year.

Mounjaro was among the biggest stories of our industry in 2022, ending the year with solid momentum in the U.S. type 2 diabetes market. The impact Mounjaro has already had on patients illustrates the continued need for more innovative therapeutics to treat type 2 diabetes.

Beyond diabetes, tirzepatide has the potential to help millions more with obesity and other metabolic diseases in the future. Late last year, we initiated a rolling submission for tirzepatide in the U.S. for the treatment of chronic weight management. Since then, the FDA also has granted fast-track designation to evaluate tirzepatide in obstructive sleep apnea. The opportunity to improve the lives of millions of people living with obesity is significant; this chronic disease affects more than 650 million people around the world, and is associated with nearly 1 in 5 adult deaths in the U.S.

Across our core therapeutic areas, we have expanded the reach of our medicines over the last year:

- The FDA approved expanded labels in 2022 for Jardiance (heart failure) and Retevmo (advanced or metastatic solid RET-gene-fusion tumors, regardless of tumor type)—and in early 2023 further expanded the label for Verzenio (early breast cancer).
- We received FDA approval for Olumiant as the first systemic medicine to treat severe alopecia areata in adults.
- And we introduced Lilly's first connected platform for diabetes, helping adults with type 1 or type 2 diabetes and healthcare professionals make informed, data-backed decisions to help manage treatment with Lilly insulins.

When the COVID-19 pandemic began in 2020, Lilly scientists worked tirelessly to develop neutralizing antibodies to combat the virus; over the last three years, we have provided 2.5 million doses of these medicines to governments around the world to help save lives and limit the strain on hospitals. In late 2022, the FDA withdrew the Emergency Use Authorization for bebtelovimab, the last of our antibody treatments authorized for use, as it did not retain neutralization activity against the newest strains of the virus. With the wide availability of vaccines, the pandemic has begun to wane in most parts of the world, and many societies are returning to normalcy. We're proud of our efforts to help save lives, and I'm grateful to the many Lilly employees who made such a profound contribution to the global fight against COVID-19.

PIPELINE ADVANCEMENTS

Our research team continues to deliver across our core therapeutic areas, as we advanced four potential new medicines into regulatory review last year.



Already in 2023, one of those molecules has been approved by the FDA: Jaypirca (pirtobrutinib) for adult patients with a type of blood cancer who were previously treated with other medicines. We await regulatory approval on two other applications we submitted last year: mirikizumab—which would treat ulcerative colitis—and lebrikizumab, a potential new treatment for atopic dermatitis. And in Alzheimer’s disease, we continue working with the FDA to ensure the fastest possible path to bring donanemab to patients as we await confirmatory Phase 3 data later this year.

These innovations have extraordinary potential to help millions of people, and we’re excited by the opportunity to improve outcomes for so many. But we’re not stopping there. We have five more significant molecules either in Phase 3 studies or soon to start, including potential next-generation therapies in diabetes, obesity and Alzheimer’s disease—all with the possibility of helping millions more patients.

INVESTING IN OUR FUTURE

Our success fuels new investments in research and development, our supply chain and our people.

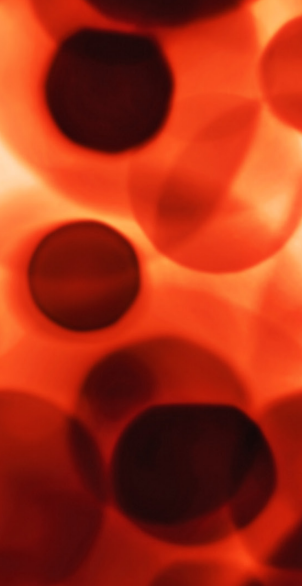
We remain among the top of our industry in reinvesting revenue into R&D—more than \$7 billion last year, a quarter of our revenue.

With expertise in medicinal chemistry, biologics and human genetics, our researchers are leveraging cutting-edge science and technology to create potential life-changing medicines—including RNA and DNA-based therapeutics. In 2022, we opened the Lilly Institute for Genetic Medicine, and announced plans for a new facility in Boston with a \$700 million investment. Our recent advancements in gene therapy—including our 2022 acquisition of Akouos, a precision genetic medicines company—provide the possibility of treating or even preventing diseases in a manner not possible with traditional medicines. In fact, genetic medicines now make up more than 25 percent of our early-stage pipeline.

These efforts will be enhanced by our 2022 expansion of Gateway Labs by Lilly—where we’re supporting more early-stage scientific entrepreneurs and their companies through shared innovation—and our new state-of-the-art Protomer Technologies site in Pasadena, focused on next-generation diabetes research.

To support the growing demand for our new medicines, we’re making significant investments in our manufacturing and supply chain capacity. In 2022, we committed more than \$3.5 billion to five new manufacturing sites, along with an additional \$450 million expansion of our Research Triangle Park facility announced this year. These sites will strengthen our supply chain resilience, create thousands of high-paying jobs in the U.S. and Europe, and keep us on track to achieve our goal of significantly expanding capacity to make incretin medicines for diabetes, such as Mounjaro and Trulicity.

We’re also investing in our people. Last year, we initiated one of the largest increases in employee compensation in our history, for employees of all types. We are working to remain highly competitive in attracting and retaining the best team in pharma, driven by extraordinary purpose.



SOCIAL IMPACT

Our purpose to make life better goes beyond creating new medicines. Working with partners around the world, our efforts to strengthen communities—and expand the access and affordability of our medicines—remain core to who we are.

In the U.S., we've been working for years to close gaps in the healthcare system and improve access to insulin. With the aggressive actions we're taking in 2023, we're making it even easier for people to get this life-saving medicine: expanding our Insulin Value Program so that more people who use Lilly insulin can get it for \$35 or less per month, introducing a \$25 authorized generic of Humalog, and cutting prices 70 percent on our most commonly-prescribed insulins. Globally, we've announced three collaborations—part of our 30x30 initiative—to expand access to insulin in resource-limited settings in Africa, Latin America, the Caribbean, Southeast Asia and Bangladesh. And we'll continue our work to invent new and improved insulins and other medicines that address the impact of diabetes and improve patient outcomes.

When the war in Ukraine began, we provided financial and product donations, including more than two million doses of diabetes and cancer medicines, reaching hospitals and patients in Ukraine via our humanitarian partners. Our people around the world also gave generously of their time and funds; some Lilly employees in Europe even welcomed refugees into their homes and helped connect them with access to medical care, jobs and schools.

Closer to home, we continue to make progress with our Racial Justice Commitment, including efforts like our Mentor-Protégé Program to open doors to diverse businesses. And we're advancing green initiatives to help achieve our environmental goals, opening or expanding solar farms at our manufacturing facilities in Ireland and France, among other significant initiatives in 2022.

EXCITEMENT FOR THE DECADE AHEAD

Most importantly, we're on track to expand the reach of our medicines and help even more patients in 2023 and beyond. With breakthrough products now launching—and new medicines on the horizon—and a network of driven collaborators and partners to help us execute, the Lilly team is inspired by our purpose, and galvanized by the chance to help even more people managing some of the most serious challenges in healthcare around the world.

As always, we thank you for your confidence in Lilly. We're honored by your support and shared commitment to our purpose. With such a significant opportunity to improve human health, we look forward to continuing to deliver new medicines that help more people around the world and drive our continued growth.

Regards,

A handwritten signature in black ink, appearing to read 'D. A. Ricks'.

DAVID A. RICKS
Chair and CEO

