

Powered By Purpose

KEY DATA



**ELI LILLY AND COMPANY
2020 INTEGRATED SUMMARY REPORT**

**Lilly unites caring
with discovery
to create medicines
that make life better
for people
around the world.**

OUR PURPOSE



To Our Lilly Shareholders

2020 was a year like no other, as COVID-19 impacted the way we live, the way we do business, and most importantly, the health and wellness of millions of people.

Powered by our purpose – to create medicines that make life better – Lilly responded with urgency, resilience and the full force of our scientific expertise to combat the pandemic and its devastating effects on our most vulnerable communities and health systems around the world.

With patients at the center of everything we do, we found new ways to collaborate across industry, governments and research institutions to discover and deliver new COVID-19 antibodies in record time. We moved quickly to protect the well-being of our workforce, initiate local testing support, and maintain a steady supply of medicines for about 45 million people who rely on us.

And despite the year's many challenges, our scientists made steady pipeline progress across our core therapeutic areas, advancing discoveries with the potential to transform diabetes care, slow the progression of Alzheimer's disease, relieve chronic pain without addictive drugs, advance immunology and turn hard-to-treat cancers from fatal to manageable. As a pioneer in the development of life-changing medicines for almost 150 years, we look forward to bringing greater hope and better health to more people around the world.



Investing in Breakthroughs

In 2020, Lilly invested 25% of our revenue in R&D, more than nearly every other company in our industry. To help patients with COVID-19, we studied and received Emergency Use Authorization for three therapies to date: baricitinib, bamlanivimab, and bamlanivimab and etesevimab administered together. Additional highlights from 2020 and early 2021 include:

Donanemab, an investigational medicine for Alzheimer's disease, showed significant slowing in patients' clinical decline in a composite measure of cognition and daily function in patients with early symptomatic Alzheimer's disease.

Studies of pirtobrutinib (LOXO-305) in oncology, tirzepatide in type 2 diabetes and Verzenio in combination with standard adjuvant endocrine therapy for early breast cancer generated promising data.

Trulicity was approved for additional doses and cardiovascular event reduction, and Jardiance was submitted for heart failure for reduced ejection fraction.

Retevmo launched for non-small cell lung cancer and certain thyroid cancers, and Lyumjev rapid-acting insulin launched for diabetes.

New indications and line extensions were approved for Taltz, Cyramza and Olumiant.

This progress adds to a sustained period of R&D productivity that has seen Lilly launch 16 medicines since 2014. We'll continue to replenish our pipeline, as 17 new candidates entered clinical testing in 2020, surpassing 2019's total of 16, the highest in a decade.

We invested more than \$8 billion in 2020 to drive our future growth through a combination of business development, capital expenditures and after-tax investment in R&D. We added more collaborations, announcing our acquisition of Prevail Therapeutics to establish a gene therapy program, working with Dicerna to produce the first siRNA asset to enter our clinic, and making a \$100 million commitment to the pharma-led \$1 billion AMR Action Fund* – all of which we believe hold great promise for scientific innovation and global health.

Making a Sustainable Impact

While delivering life-changing medicines is essential, it's just the first step. To make sure our breakthroughs help more people, Lilly works to improve access and equity throughout the global health-care system. We're collaborating with the Gates Foundation to supply our COVID-19 antibodies to lower-income countries. In the U.S., partnerships with the nonprofit and public sectors have helped millions of people gain access to other Lilly medicines. We've donated more than 7 million insulin doses and pens over the past five years, and most monthly Lilly insulins are now available to patients for \$35 or less per month, with or without insurance. We are particularly excited about our collaboration with Life for a Child that will expand access to care for approximately 150,000 youth with diabetes across 65 countries.

To fulfill our purpose, we need the best people to solve the world's toughest health challenges. We work every day to build a diverse, equitable and inclusive culture, where everyone is valued and heard. We have made measurable diversity progress across our workforce, management, corporate leadership and board of directors. We're taking action to improve equity more broadly as well, launching a Racial Justice Initiative to further the work we're doing both within Lilly and in our

communities. We're expanding diversity in our clinical trials, increasing employment opportunities, and investing in new health-care initiatives for marginalized communities. And we announced a \$30 million investment in the Unseen Capital Health Fund to support founders and innovators who are enhancing health access in historically marginalized communities across the U.S.

These actions reflect Lilly's focus on making meaningful contributions to our world and our deep commitment to our stakeholders. Our environmental, social and governance (ESG) strategy flows directly from our purpose and our core values of integrity, excellence and respect for people. In 2021, we're launching a new ESG site to provide a comprehensive picture of our sustainability strategy and progress, including new environmental goals for climate, waste and water.

Driving Performance with Purpose

In a difficult year, Lilly demonstrated operational resilience and achieved solid financial results. Worldwide revenue increased 10% to \$24.5 billion in 2020. Partially offset by lower realized prices, the overall increase was driven by 15% volume expansion in important growth products, including our COVID-19 therapy bamlanivimab and our newest medicines, including Trulicity, Jardiance, Verzenio, Cyramza, Taltz, Olumiant and Emgality, which continued to comprise a rising proportion of our revenues.

We also continued our productivity journey, delivering nearly 300 basis points of operating margin expansion for our base business. We returned nearly \$3.2 billion to shareholders via dividends and share repurchases, and we announced a 15% dividend increase for the third straight year, reflecting our confidence in the ongoing strength of our business.

In 2021, despite pandemic headwinds affecting near-term demand, we expect revenue growth driven by volume, further operating margin expansion, and continued investment in our pipeline opportunities to sustain our long-term growth.

With potential approvals of Verzenio in early breast cancer and Jardiance in heart failure, we're also anticipating additional readouts for several late-phase assets, including tirzepatide in type 2 diabetes, mirikizumab in ulcerative colitis, and lebrikizumab in atopic dermatitis. We have an extensive roster in early phase development, with proof-of-concept readouts for key molecules expected across our portfolio.

Our work during the pandemic demonstrated that we can accelerate our use of digital technologies and advanced analytics to speed medicines to patients. We are committed to investing in new ways of making medicines, using RNA and gene technology. And we'll be implementing new ways of working, employing digital capabilities to accelerate collaboration with partners, decentralize clinical trials, engage with and support customers, and increase the efficiency of business development in a virtual environment.

With a renewed appreciation for what we can accomplish for patients, we are excited about the decade ahead for Lilly. We're grateful for the support of all our stakeholders, the contributions of Lilly teammates, and our partners across the health-care system. We will continue to do all we can to deliver long-term value for our stakeholders by delivering medicines that make life better for people around the world.

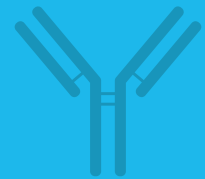


David A. Ricks
Chairman and CEO



Science

More than 7,500 people work on Lilly's research and development teams to create medicines that make life better. Never was our scientists' work more important than in 2020. To combat COVID-19, we tested an existing medicine and developed new antibodies in record time. Our manufacturing teams boosted Lilly's production of our COVID-19 antibodies from zero doses to 1 million by the end of 2020 – all while maintaining high quality standards.



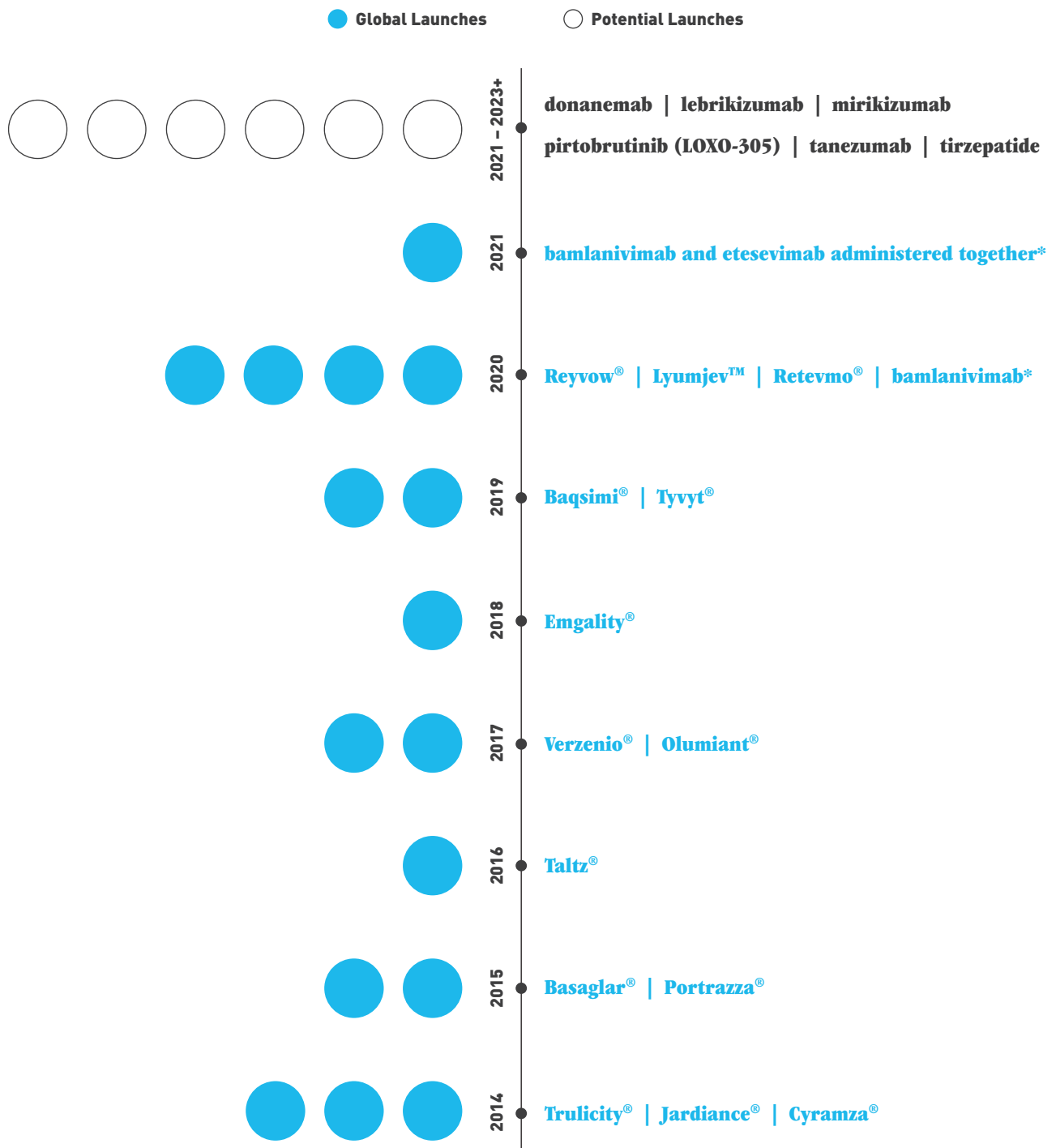
Lilly invests more of our revenues in R&D than nearly every other company in our industry. With speed and purpose, our scientists are urgently advancing new discoveries with the potential to transform diabetes care, slow the progression of Alzheimer's disease, relieve chronic pain without addictive drugs, advance immunology and turn hard-to-treat cancers from fatal to manageable.

In 2020, Lilly launched four new medicines and moved 17 new molecules into clinical testing. In 2020 and early 2021, Lilly announced exciting new data for key late-stage investigational molecules, including tirzepatide for diabetes, pirtobrutinib (LOXO-305) for certain B-cell leukemias and lymphomas, and donanemab for Alzheimer's disease. After more than 30 years of work on Alzheimer's, these positive results give us hope for patients.



New Medicines for Patients

As of March 2021



*Emergency Use Authorization for bamlanivimab was granted by the U.S. FDA on November 9, 2020. A separate Emergency Use Authorization for bamlanivimab and etesevimab administered together was granted by the U.S. FDA on February 9, 2021. Neither product is approved. Bamlanivimab as well as bamlanivimab and etesevimab administered together are authorized only for the duration of the declaration that circumstances exist justifying the authorization of the emergency use, unless the authorization is terminated or revoked sooner.

Social Impact

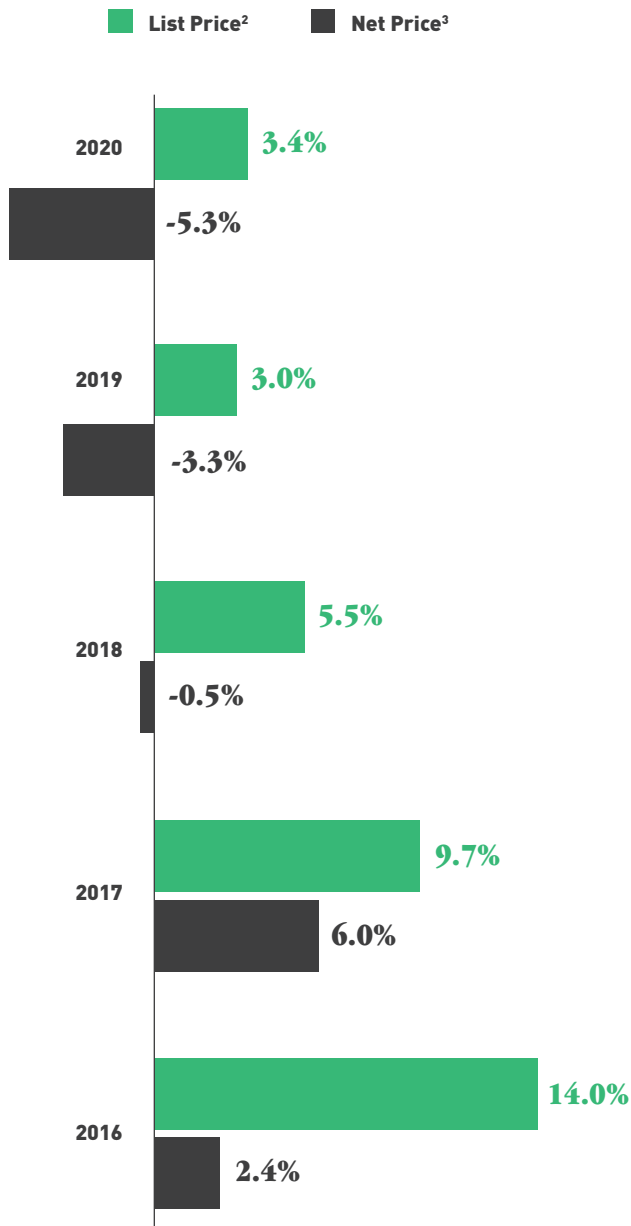
We work to grow our business in responsible and sustainable ways that better people's lives and benefit society. We're also committed to extending our social impact by expanding equitable access to health care, strengthening communities and addressing social issues that matter to our business, employees and society.



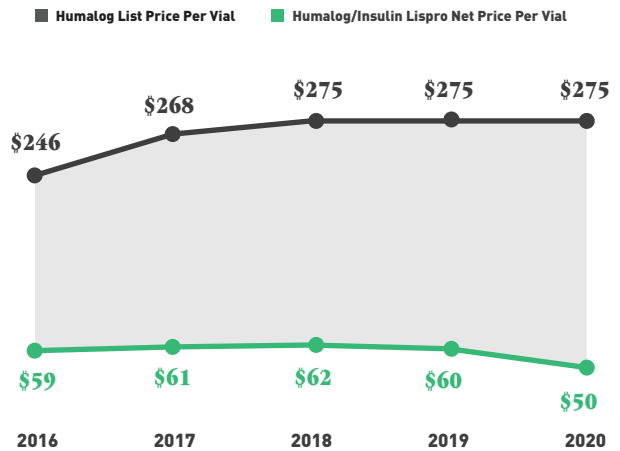
U.S. Transparency & Affordability

COMPARISON OF LILLY LIST AND NET PRICE CHANGES FOR U.S. PRODUCT PORTFOLIO¹

% change versus the prior year

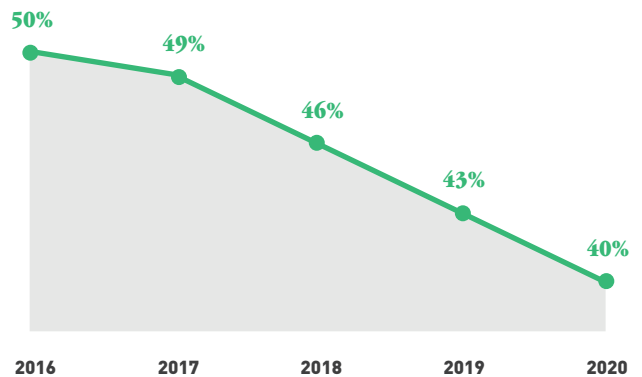


HUMALOG[®] LIST AND NET PRICE PER VIAL⁴



Anyone using Lilly insulin – regardless of their insurance status – is now eligible to buy their monthly prescription for \$35. The last list price increase for Humalog vial was May 2017. The net price in the chart represents the revenue Lilly realized per Humalog and Insulin Lispro vial after rebates and discounts. Increases in list prices do not always create increases in net prices.

AVERAGE LILLY NET PRICE (AS A % OF LIST PRICE) AFTER DISCOUNTS ACROSS THE U.S. PRODUCT PORTFOLIO⁵



1. U.S. Product Portfolio includes all human pharmaceutical products marketed in the U.S. for which Lilly is the holder of the new drug application (NDA). Bamlanivimab is not included because it is not currently marketed. The U.S. Product Portfolio represents approximately 89% of our total U.S. human pharmaceutical revenue. 2. List Price represents the weighted average year-over-year change in the wholesale acquisition cost (WAC). 3. Net Price represents weighted average year-over-year change in net price, which is WAC minus rebates, discounts and channel costs. 4. The average net price per vial, the amount Lilly receives after rebates and discounts, is calculated by dividing the total net vial sales (Humalog and Insulin Lispro vials), by the total vials sold. 5. The average net price percentage is calculated by dividing net sales, the amount Lilly receives after rebates and discounts, by the annual gross sales (total sales at list price, prior to all discounts). 6. Humalog is the most broadly used Lilly insulin product.

2020 Social Impact Contributions at a Glance



\$29.4M

2020 Cash Donations¹



\$1.8B+

Total Product Donations



\$90M

**Total Committed to Global Health Efforts,
2017 through 2022**



2.4M

**Insulin Vials Received by Life For a Child
Since 2009**



\$13.4M

2020 United Way Contributions²



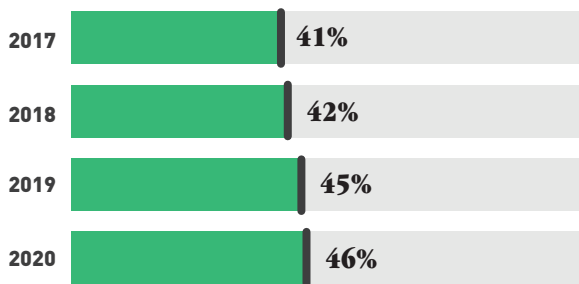
1.2M

**Lilly Global Day of Service
Employee Volunteer Hours³**

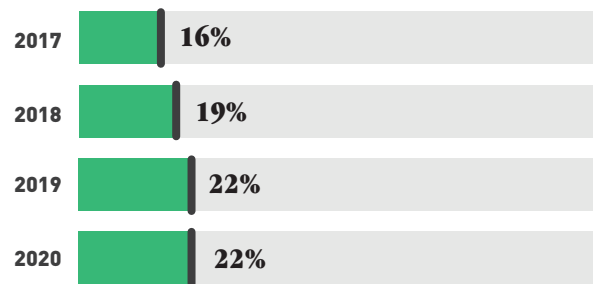
1. Including \$26.6M from the Eli Lilly and Company Foundation, Inc., a separate nonprofit organization, commonly referred to as the Lilly Foundation. 2. Including \$7.4 million from the Lilly Foundation. 3. Since 2008.

Driving Progress on Diversity & Inclusion

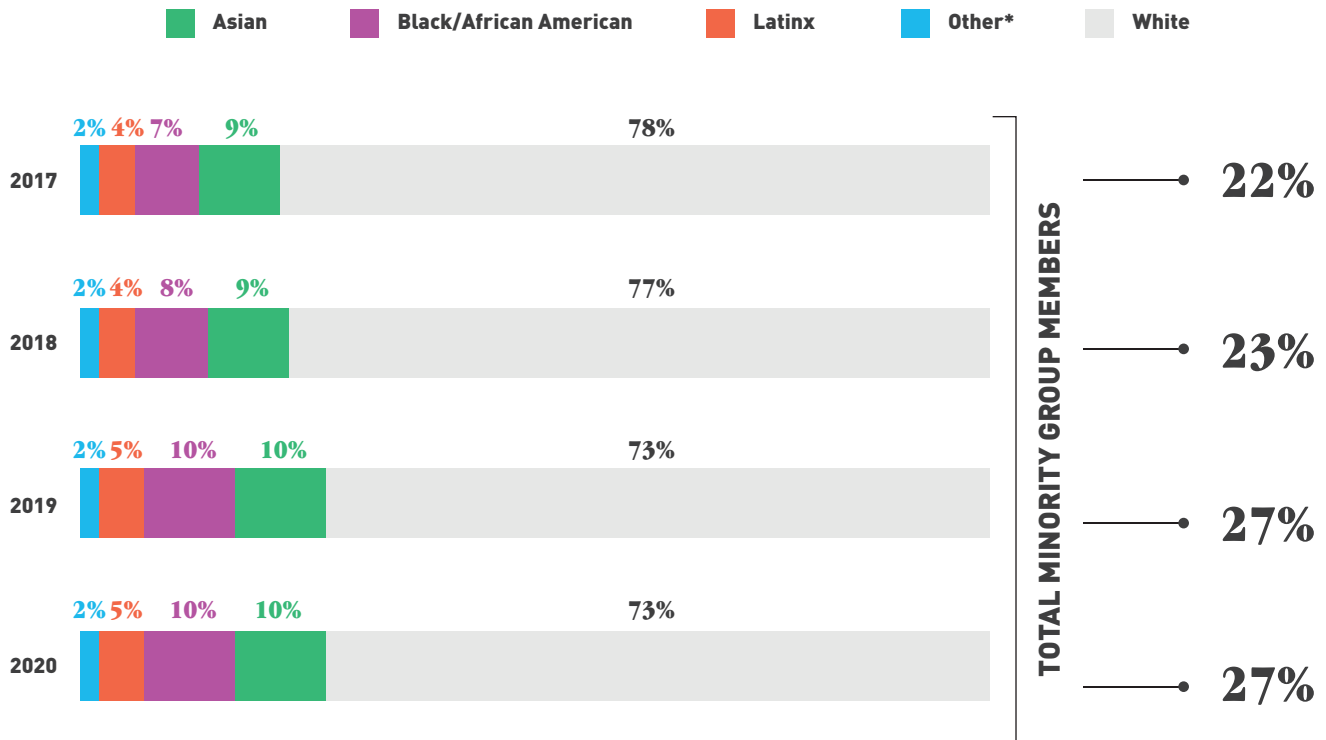
WOMEN IN MANAGEMENT POSITIONS *(Global)*



MINORITY GROUP MEMBERS IN MANAGEMENT POSITIONS *(U.S.)*

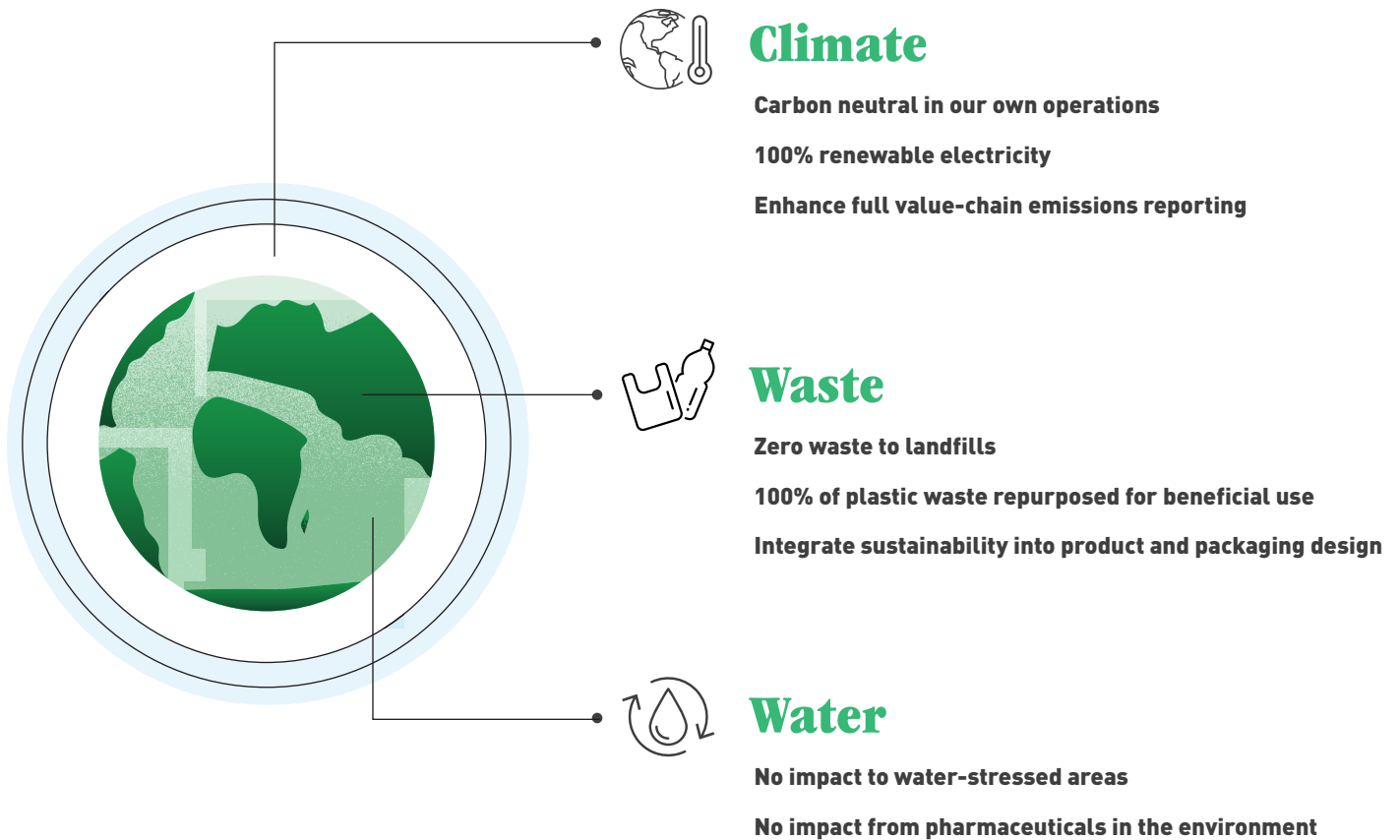


U.S. WORKFORCE



*Other includes American Indian, Alaskan Native, Native Hawaiian, Other Pacific Islander, and two or more races.

Our New 2030 Environmental Goals



READ MORE ABOUT HOW WE'RE MINIMIZING OUR ENVIRONMENTAL IMPACT:

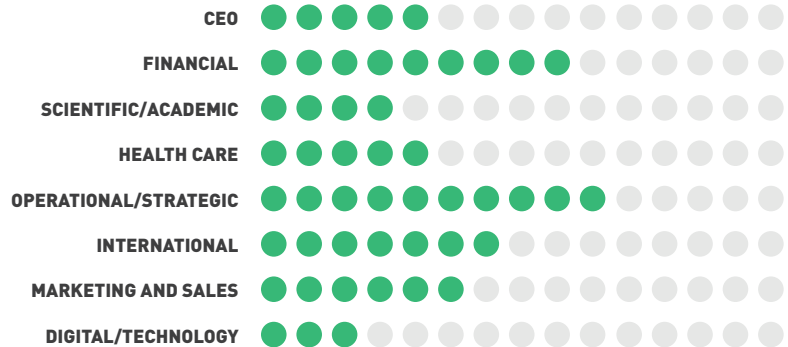
lilly.com/impact

Board Qualifications

The Board of Directors, and the Directors and Corporate Governance Committee, assess director candidates by considering experience, tenure and diversity, among other factors.

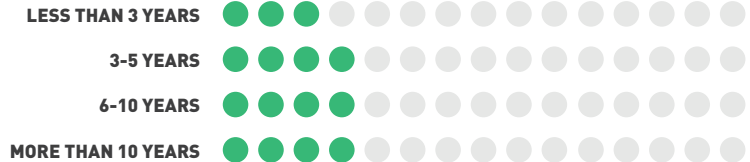
RELEVANT EXPERIENCE

Our directors are responsible for overseeing the company's business. This fiduciary duty requires highly-skilled individuals with various qualities, attributes and professional experience. We believe the board is well-rounded, with a balance of relevant perspectives and experience, as illustrated in the chart to the right.



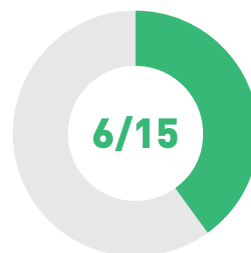
TENURE

As the chart demonstrates, our director composition reflects a mix of tenure on the board, which provides an effective balance of historical perspective and an understanding of the evolution of our business with fresh perspectives and insights.

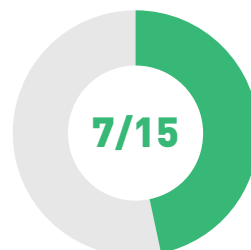


DIVERSITY

The board strives to achieve diversity in the broadest sense, including persons diverse in geography, gender, ethnicity, age and experiences. Although the board does not establish specific diversity goals or have a standalone diversity policy, the board's overall diversity is an important consideration in the director selection and nomination process. The Directors and Corporate Governance Committee assesses the effectiveness of board diversity efforts in connection with the annual nomination process as well as in new director searches. The company's 15 directors range in age from 48 to 71 and include six women and seven members of underrepresented groups.



WOMEN ON THE BOARD



UNDERREPRESENTED GROUPS ON THE BOARD

(Minority group members and lesbian, gay, bisexual, transgender or queer individuals)



Business

Lilly's approximately 35,000 employees showed remarkable resilience in 2020. We adapted how and where we worked to deliver a steady supply of medicines to approximately 45 million people worldwide. We delivered solid financial results – volume-based revenue growth, higher operating margins, increased dividends and strong cash flow. We also augmented our pipeline with numerous business development agreements, including our recent acquisition of Prevail Therapeutics, which will establish a gene therapy program at Lilly.

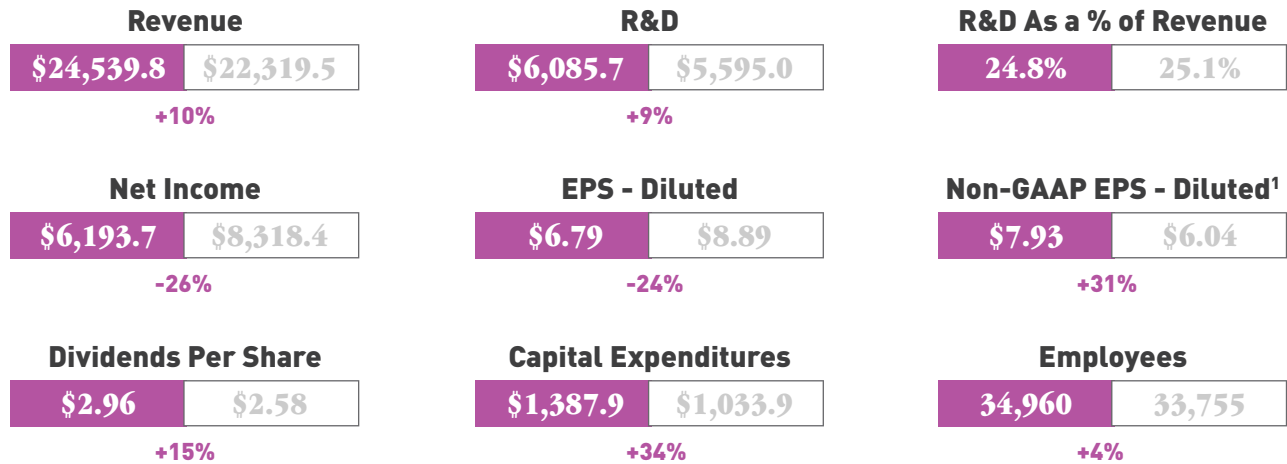
Powered by our purpose, we brought relief to health systems hit hard by COVID-19 by maintaining a reliable supply of medicines and by temporarily pausing clinical trials. In 2020, we invested about \$450 million to develop COVID-19 treatments. Development partnerships with AbCellera and Junshi, as well as our manufacturing arrangement with Amgen, demonstrated Lilly's ability to collaborate beyond our walls to speed innovation to patients.

Looking ahead, we're even more confident in our ability to deliver top-tier revenue growth and strong operating margin growth. We've generated compelling data to pursue new indications for Verzenio®, Jardiance®, Olumiant® and other medicines, as well as to advance key pipeline molecules: tirzepatide for diabetes, pirtobrutinib (LOXO-305) for certain b-cell leukemias and lymphomas, and donanemab for Alzheimer's disease. With one of our industry's fastest-growing portfolios, we believe Lilly has a remarkable opportunity to deliver life-changing medicines to many more people.



2020 Financial Highlights

■ 2020 □ 2019



Reconciling Items Between EPS-Diluted and Non-GAAP EPS Diluted

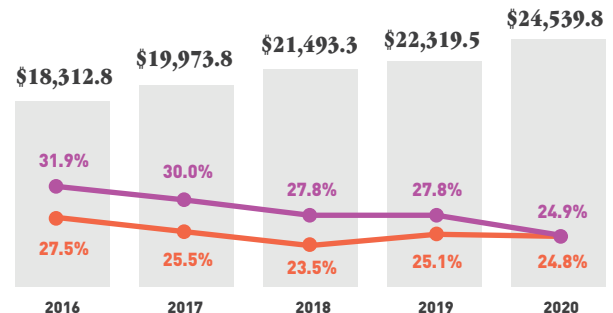
Acquired in-process research and development ²	\$0.64	\$0.21
Amortization of intangible assets	\$0.36	\$0.18
Asset impairment, restructuring and other special charges ²	\$0.14	\$0.58
Discontinued operations from disposition of Elanco ²	—	(\$3.93)
Gain on sale of China antibiotics business ²	—	(\$0.26)
Charge related to repurchase of debt ²	—	\$0.22
Charges related to withdrawal of Lartruvo [®]	—	\$0.14
Impact of reduced shares outstanding for non-GAAP reporting ³	—	\$0.07
Income taxes ⁴	—	(\$0.05)

OPERATING EXPENSES

\$ thousands, % growth

■ Revenue ■ R&D ■ Marketing, Selling and Administrative

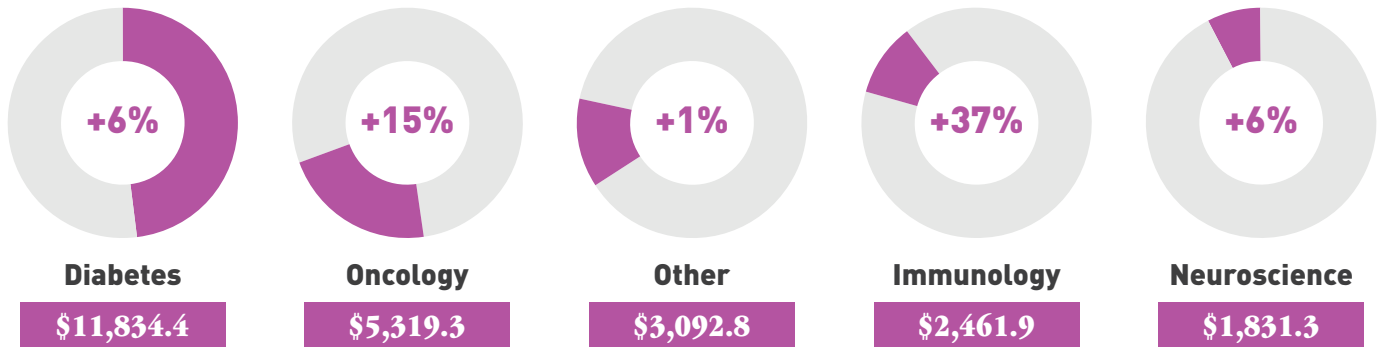
Over the past five years, Lilly continued to invest in research and development while reducing marketing, selling and administrative expenses, which resulted in continued improvement in operating expenses as a percent of revenue.



1. Numbers may not add due to rounding. 2. For more information on these reconciling items, see the Executive Overview in Management's Discussion and Analysis in the 2020 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission. 3. Non-GAAP earnings per share assume that the disposition of Elanco occurred at the beginning of 2019 and, therefore, exclude the approximately 65.0 million shares of Lilly common stock retired in the Elanco exchange offer. 4. For 2019, amount relates to a tax benefit from a capital loss on the disposition of subsidiary stock.

REVENUE GROWTH ACROSS THERAPEUTIC AREAS

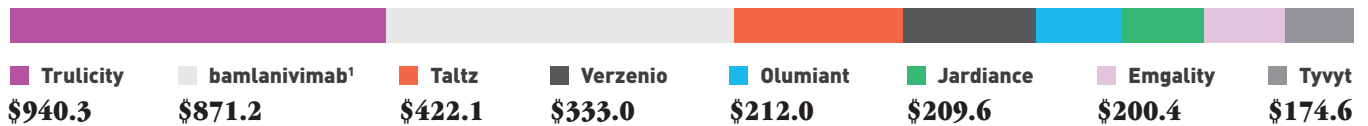
\$ millions, % growth



Revenue in Diabetes increased 6% primarily driven by growth of Trulicity® and Jardiance®. Oncology revenue increased 15% driven by Verzenio®, Alimta®, Tyvyt®, and Cyramza®, Taltz® and Olumiant® drove the 37% revenue increase in Immunology. Neuroscience experienced a 6% increase driven by Emgality® and Cymbalta®, offset in part by the decrease in Strattera® due to previous patent losses. Other pharmaceutical revenue increased 1% driven by bamlanivimab¹, offset by lower volumes for Cialis® and Forteo®, due to patent losses.

PRODUCT REVENUE GROWTH

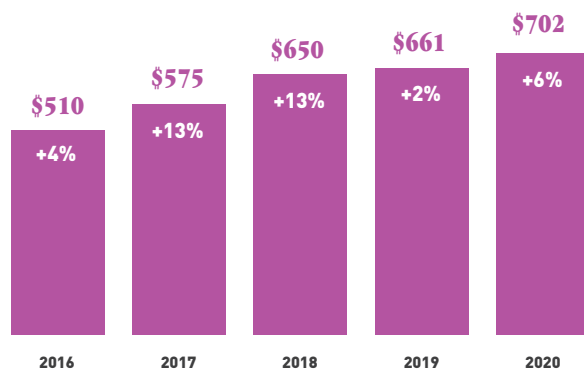
\$ in millions represent growth in revenue



Eight products – Trulicity, bamlanivimab, Taltz, Verzenio, Olumiant, Jardiance, Emgality and Tyvyt – together generated revenue growth of \$3.4 billion, driven primarily by volume increases.

REVENUE PER EMPLOYEE

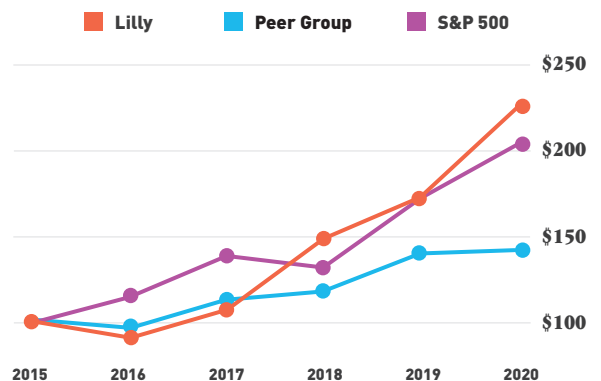
\$ thousands, % growth



In 2020, revenue per employee increased 6% to \$702,000, primarily due to higher revenue driven by volume growth from Trulicity, bamlanivimab¹ and other new pharmaceutical products.

TOTAL SHAREHOLDER RETURN

Value of \$100 Invested in Lilly, S&P 500 Stock and Peer Group²



Over the past five years, Lilly's annualized total shareholder return has averaged 17.7%, compared to 15.2% for the S&P benchmark, and 7.2% compared to Peer Group, due to the increase in the stock price and increasing dividend stream.

1. Bamlanivimab sales are pursuant to Emergency Use Authorization. 2. The graph measures total shareholder return, which takes into account both stock price and dividends. It assumes that dividends paid by a company are immediately reinvested in that company's stock. See Item 5 of the 2020 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission for those companies included in our peer group.

Lilly Cautionary Statement Regarding Forward-Looking Statements

This document 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 operations, results, business, goals and strategy may be affected by factors including, but not limited to, the risks and uncertainties in pharmaceutical research and development; competitive developments; regulatory actions; the extent and duration of the COVID-19 pandemic; litigation and investigations; business development transactions; economic conditions; and changes or developments 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, 10-Q, and any 8-Ks filed with the Securities and Exchange Commission. The company undertakes no duty to update forward-looking statements except as required by applicable law.

Lilly