

# Lilly and Lycia Therapeutics Enter into Strategic Collaboration to Discover and Develop Novel Lysosomal Targeting Chimera (LYTAC) Degraders

NEWS PROVIDED BY  
**Eli Lilly and Company** →  
Aug 25, 2021, 06:45 ET



Eli Lilly and Company logo. (PRNewsFoto, Eli Lilly and Company)



INDIANAPOLIS and SOUTH SAN FRANCISCO, Calif., Aug. 25, 2021 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) and Lycia Therapeutics, Inc. today announced a multi-year research collaboration and licensing agreement focused on the discovery, development and commercialization of novel targeted therapeutics using Lycia's proprietary lysosomal targeting chimera, or LYTAC, protein degradation technology.

Lycia uses its next-generation degradation approach to target the untapped extracellular proteome, including cell surface receptors and secreted proteins. The LYTAC platform may enable the development of several therapeutic modalities, including antibodies and small molecules, with the potential to inhibit many targets previously considered intractable across a spectrum of therapeutic areas and diseases.

Under the terms of the agreement, the companies will utilize Lycia's LYTAC platform to discover and develop novel degraders for up to five targets that aim to address key unmet medical needs in Lilly's therapeutic areas of focus, including immunology and pain. Lilly will be solely responsible for preclinical and clinical development of candidates and receives an exclusive worldwide license to commercialize potential medicines resulting from the agreement.

"This collaboration with Lycia furthers Lilly's strategy to utilize innovative new technology to treat challenging disease areas, such as immunology and pain," said Ajay Nirula, M.D., Ph.D., vice president of immunology at Lilly. "We believe Lycia's technology may allow us to develop targeted therapeutics that were not previously feasible and make advances for patients in areas of high unmet need."

"We are extremely pleased to establish this strategic collaboration with Lilly, a global leader in therapeutic innovation," said Aetna Wun Trombley, Ph.D., President and CEO of Lycia. "With our differentiated LYTAC platform for targeted extracellular protein degradation, we look forward to collaborating with Lilly to advance novel therapies against challenging targets in underserved disease areas while we simultaneously advance our in-house pipeline of first-in-class LYTAC-based therapeutics."

Lycia will receive an upfront payment of \$35 million. The company is also eligible to receive over \$1.6 billion in potential milestone payments based on the achievement of prespecified preclinical, development and commercial milestones, as well as tiered royalties from mid-single to low double-digits on sales resulting from the agreement.

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 Lycia Therapeutics, Inc.**

Lycia Therapeutics, Inc. is a biotechnology company using its proprietary lysosomal targeting chimeras (LYTACs) platform to discover and develop first-in-class therapeutics that degrade extracellular and membrane-bound proteins that drive a range of difficult-to-treat diseases, including cancers and autoimmune conditions. Headquartered in South San Francisco, Lycia was established in 2019 within founding investor Versant Ventures' Inception Therapeutics Discovery Engine in collaboration with academic founder Carolyn Bertozzi, Ph.D., professor of chemistry and HHMI investigator at Stanford University. For more information, please visit [www.lyciatx.com](http://www.lyciatx.com).

### **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 Lycia Therapeutics, Lilly's research and development strategy, and potential payments to Lycia 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 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.*

**Refer to:** Molly McCully; [mccully\\_molly@lilly.com](mailto:mccully_molly@lilly.com); (317) 478-5423 (Lilly Media)  
Kevin Hern; [hern\\_kevin\\_r@lilly.com](mailto:hern_kevin_r@lilly.com); (317) 277-1838 (Lilly Investors)  
Liz Melone; [media@lyciatx.com](mailto:media@lyciatx.com); (617) 256-6622 (Lycia Media)

SOURCE Eli Lilly and Company

Related Links

[www.lilly.com](http://www.lilly.com)

