
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

SCHEDULE 14D-9
(Rule 14d-101)

Solicitation/Recommendation Statement
under Section 14(d)(4) of the Securities Exchange Act of 1934

Morphic Holding, Inc.
(Name of Subject Company)

Morphic Holding, Inc.
(Name of Person(s) Filing Statement)

Common Stock, par value \$0.0001 per share
(Title of Class of Securities)

61775R105
(CUSIP Number of Class of Securities)

Praveen P. Tipirneni
Chief Executive Officer
Morphic Holding, Inc.
35 Gatehouse Drive, A2
Waltham, MA 02451
(781) 996-0955

(Name, address and telephone number of person authorized to receive notice and communications
on behalf of the persons filing statement)

With copies to:

Robert A. Freedman, Esq.
Effie Toshav, Esq.
Julia Forbess, Esq.
Douglas N. Cogen, Esq.
David K. Michaels, Esq.
Victoria Lupu, Esq.
Fenwick & West LLP
555 California Street, 12th Floor
San Francisco, CA 94104
(415) 875-2300

William D. DeVaul, Esq.
General Counsel and Secretary
Morphic Holding, Inc.
35 Gatehouse Drive, A2
Waltham, MA 02451
(781) 996-0955

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

This Schedule 14D-9 filing consists of the following communications related to the proposed acquisition of Morphic Holding, Inc., a Delaware corporation (the “Company”), by Eli Lilly and Company, an Indiana corporation (“Parent”), and Rainier Acquisition Corporation, a Delaware corporation and wholly-owned subsidiary of Parent (“Purchaser”), pursuant to the terms of the Agreement and Plan of Merger, dated July 7, 2024, by and among the Company, Purchaser and Parent (the “Merger Agreement”):

- [Joint Press Release, dated July 8, 2024 \(Exhibit 99.1\)](#)
- [Employee Letter, dated July 8, 2024 \(Exhibit 99.2\)](#)
- [Employee FAQ, dated July 8, 2024 \(Exhibit 99.3\)](#)
- [Business Partner/Vendor Letter, dated July 8, 2024 \(Exhibit 99.4\)](#)
- [Advocacy Group/Clinical Advisor Letter, dated July 8, 2024 \(Exhibit 99.5\)](#)
- [Analyst/Investor Courtesy Letter, dated July 8, 2024 \(Exhibit 99.6\)](#)
- [LinkedIn Post, dated July 8, 2024 \(Exhibit 99.7\)](#)

Cautionary Notice Regarding Forward-Looking Statements

This communication contains “forward-looking statements” relating to the proposed acquisition of the Company by Parent. Such forward-looking statements include, but are not limited to, the ability of the Company and Parent to complete the transactions contemplated by the Merger Agreement, including the parties’ ability to satisfy the conditions to the consummation of the tender offer (the “offer”) contemplated thereby and the other conditions set forth in the Merger Agreement, statements about the expected timetable for completing the transaction, the Company’s and Parent’s beliefs and expectations and statements about the benefits sought to be achieved by Parent’s proposed acquisition of the Company, the potential effects of the acquisition on both the Company and Parent, and the possibility of any termination of the Merger Agreement. In some cases, forward-looking statements may be identified by terminology such as “believe,” “may,” “will,” “should,” “predict,” “goal,” “strategy,” “potentially,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “project,” “plan,” “expect,” “seek” and similar expressions and variations thereof. These words are intended to identify forward-looking statements. The Company has based these forward-looking statements on current expectations and projections about future events and trends that it believes may affect the financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs of the Company, but there can be no guarantee that such expectations and projections will prove accurate in the future.

All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Actual results may differ materially from current expectations because of risks associated with uncertainties as to the timing of the offer and the subsequent merger; uncertainties as to how many of the Company’s stockholders will tender their shares in the offer; the risk that competing offers or acquisition proposals will be made; the possibility that various conditions to the consummation of the merger and the offer contemplated thereby may not be satisfied or waived; the effects of disruption from the transactions contemplated by the Merger Agreement on the Company’s business and the fact that the announcement and pendency of the transactions may make it more difficult to establish or maintain relationships with employees, suppliers and other business partners; and the risk that stockholder litigation in connection with the offer or the Merger may result in significant costs of defense, indemnification and liability. Moreover, the Company operates in a very competitive and rapidly changing environment, and new risks emerge from time to time. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it cannot guarantee future events, results, actions, levels of activity, performance or achievements, business and market conditions, the timing and results of any developments and whether the conditions to the closing of the proposed acquisition are satisfied on the expected timetable or at all. Additional factors that may affect the future results of Parent and the Company are set forth in their respective filings with the U.S. Securities and Exchange Commission (the “SEC”), including in each of Parent’s and the Company’s most recently filed Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the SEC, which are available on the SEC’s website at www.sec.gov. The risks described in this communication and in Parent’s and the Company’s filings with the SEC should be carefully reviewed. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date they are made. Parent and the Company undertake no obligation to publicly release any revisions to the forward-looking statements after the date hereof to conform these statements to actual results or revised expectations.

Additional Information about the Acquisition and Where to Find It

The offer referenced in this communication has not yet commenced. This communication is for informational purposes only, is not a recommendation and is neither an offer to purchase nor a solicitation of an offer to sell any securities, nor is it a substitute for the tender offer materials that Parent and the Purchaser will file with the SEC upon commencement of the offer. A solicitation and offer to buy outstanding shares of the Company will only be made pursuant to the tender offer materials that Parent and Merger Sub intend to file with the SEC. At the time the offer is commenced, Parent and the Purchaser will file with the SEC tender offer materials on Schedule TO and the Company will file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the offer.

THE TENDER OFFER MATERIALS (INCLUDING AN OFFER TO PURCHASE, A RELATED LETTER OF TRANSMITTAL AND CERTAIN OTHER TENDER OFFER DOCUMENTS) AND THE SOLICITATION/RECOMMENDATION STATEMENT WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ACQUISITION AND THE PARTIES THERETO. INVESTORS AND STOCKHOLDERS OF THE COMPANY ARE URGED TO READ THESE DOCUMENTS CAREFULLY WHEN THEY BECOME AVAILABLE (AND EACH AS IT MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME), BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION THAT INVESTORS AND STOCKHOLDERS OF THE COMPANY SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING TENDERING THEIR SHARES OF COMMON STOCK IN THE OFFER. The tender offer materials (including the Offer to Purchase and the related Letter of Transmittal), as well as the Solicitation/Recommendation Statement, will be made available to all investors and stockholders of the Company at no expense to them at Parent's website at investor.lilly.com and (once they become available) will be mailed to the stockholders of the Company free of charge. Copies of the documents filed with the SEC by the Company will be available free of charge on the Company's website, investor.morphictx.com, or by contacting the Company's investor relations department at chris.erdman@morphictx.com. The information contained in, or that can be accessed through, the Company's and Parent's websites is not a part of, or incorporated by reference herein. The tender offer materials (including the Offer to Purchase and the related Letter of Transmittal), as well as the Solicitation/Recommendation Statement, will also be made available for free on the SEC's website at www.sec.gov. In addition to the Offer to Purchase, the related Letter of Transmittal and certain other tender offer documents, as well as the Solicitation/Recommendation Statement, Parent and the Company file annual, quarterly, and current reports, proxy statements and other information with the SEC. You may read any reports, statements or other information filed by Parent and the Company with the SEC for free on the SEC's website at www.sec.gov.



July 8, 2024

For Release: Immediately
Refer to: Jordan Bishop; jordan.bishop@lilly.com; 317-473-5712 (Lilly Media)
Joe Fletcher; jfletcher@lilly.com; 317-296-2884 (Lilly Investors)
Chris Erdman; chris.erdman@morphictx.com; 617-686-1718 (Morphic)

Lilly to Acquire Morphic to Improve Outcomes for Patients with Inflammatory Bowel Disease

Acquisition to expand Lilly's immunology pipeline with oral integrin therapies

INDIANAPOLIS and WALTHAM, Mass., July 8, 2024 – Eli Lilly and Company (NYSE: LLY) and Morphic Holding, Inc. (NASDAQ: MORF) today announced a definitive agreement for Lilly to acquire Morphic, a biopharmaceutical company developing oral integrin therapies for treatment of serious chronic diseases.

Morphic's lead program is a selective oral small molecule inhibitor of $\alpha 4b7$ integrin for the treatment of inflammatory bowel disease (IBD) that has the potential to improve outcomes and expand treatment options for patients. This molecule (known as MORF-057) is being evaluated in two Phase 2 studies in ulcerative colitis and one Phase 2 study in Crohn's disease. Additionally, Morphic is developing a preclinical pipeline of other molecules for the treatment of autoimmune diseases, pulmonary hypertensive diseases, fibrotic diseases and cancer.

"Oral therapies could open up new possibilities for earlier intervention in diseases like ulcerative colitis, and also provide the potential for combination therapy to help patients with more severe disease," said Daniel Skovronsky, M.D., Ph.D., chief scientific officer of Lilly and president, Lilly Research Laboratories, president, Lilly Immunology. "We are eager to welcome Morphic colleagues to Lilly as this strategic transaction reinforces our commitment to developing new therapies in the field of gastroenterology, where Lilly has made significant investments to deliver first-in-class molecules for the benefit of patients."

"Morphic has always believed that the immense potential of MORF-057 to benefit patients suffering from IBD could be optimized by the ideal strategic partner. Lilly brings unparalleled resources and commitment to the inflammation and immunology field," commented Praveen Tipirneni, M.D., CEO of Morphic Therapeutic. "We built the Morphic Integrin Technology platform to realize the vast opportunity of integrin therapeutics. MORF-057 is a tremendous example of those efforts, an oral small molecule $\alpha 4b7$ inhibitor with the potential to be well tolerated and efficacious, attributes that could unlock new possibilities in IBD treatment. My deepest thanks go to the entire Morphic Team for their expertise, creativity and tenacity. We are also grateful to the investigators and patients who have contributed to the success of MORF-057 thus far, and we eagerly anticipate the path forward for MORF-057 and other integrin medicines under Lilly's stewardship."

Eli Lilly and Company | Lilly Corporate Center | Indianapolis, Indiana 46285 | U.S.A.

Terms of the Agreement

Lilly will commence a tender offer to acquire all outstanding shares of Morphic for a purchase price of \$57 per share in cash (an aggregate of approximately \$3.2 billion) payable at closing. The transaction has been approved by the boards of directors of both companies.

The transaction is not subject to any financing condition and is expected to close in the third quarter of 2024, subject to customary closing conditions, including the tender of a majority of the outstanding shares of Morphic's common stock. Following the successful closing of the tender offer, Lilly will acquire any shares of Morphic that are not tendered in the tender offer through a second-step merger at the same consideration as paid in the tender offer.

The purchase price payable at closing represents a premium of approximately 79.0% to the closing stock price on July 5, 2024, and 87.2% to the 30-day volume-weighted average trading price of Morphic's common stock ended on July 5, 2024, the last trading day before the announcement of the transaction. Morphic's board of directors recommends that Morphic's stockholders tender their shares in the tender offer.

Lilly will determine the accounting treatment of this transaction as a business combination or an asset acquisition, including any related acquired in-process research and development charges, according to Generally Accepted Accounting Principles (GAAP) upon closing. This transaction will thereafter be reflected in Lilly's financial results and financial guidance.

For Lilly, Citi is acting as exclusive financial advisor and Kirkland & Ellis LLP is acting as legal counsel. For Morphic, Centerview Partners LLC is acting as exclusive financial advisor. Evercore Group L.L.C. also provided advice to Morphic. Fenwick & West LLP is acting as legal counsel.

About Morphic

Morphic is a biopharmaceutical company developing a portfolio of oral integrin therapies for the treatment of serious chronic diseases, including autoimmune, cardiovascular, and metabolic diseases, fibrosis, and cancer. Morphic is also advancing its pipeline and discovery activities in collaboration with Schrödinger using its proprietary MInT technology platform which leverages Morphic's unique understanding of integrin structure and biology. For more information, visit www.morphictx.com.

About Lilly

Lilly is a medicine company turning science into healing to make life better for people around the world. We've been pioneering life-changing discoveries for nearly 150 years, and today our medicines help more than 51 million people across the globe. Harnessing the power of biotechnology, chemistry and genetic medicine, our scientists are urgently advancing new discoveries to solve some of the world's most significant health challenges: redefining diabetes care; treating obesity and curtailing its most devastating long-term effects; advancing the fight against Alzheimer's disease; providing solutions to some of the most debilitating immune system disorders; and transforming the most difficult-to-treat cancers into manageable diseases. With each step toward a healthier world, we're motivated by one thing: making life better for millions more people. That includes delivering innovative clinical trials that reflect the diversity of our world and working to ensure our medicines are accessible and affordable. To learn more, visit [Lilly.com](https://www.lilly.com) and [Lilly.com/news](https://www.lilly.com/news), or follow us on [Facebook](https://www.facebook.com/lilly), [Instagram](https://www.instagram.com/lilly) and [LinkedIn](https://www.linkedin.com/company/lilly). C-LLY

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements regarding Lilly's proposed acquisition of Morphic, including regarding prospective benefits of the proposed acquisition, regarding the anticipated occurrence, manner and timing of the proposed tender offer and the closing of the proposed acquisition, regarding Morphic's product candidates and ongoing clinical and preclinical development and its MInT technology platform, and regarding the accounting treatment of the potential acquisition under GAAP and its potential impact on Lilly's financial results and financial guidance. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Forward-looking statements reflect current beliefs and expectations; however, these statements involve inherent risks and uncertainties, including with respect to consummating the proposed acquisition and any competing offers or acquisition proposals for Morphic, drug research, development and commercialization, Lilly's evaluation of the accounting treatment of the potential acquisition and its potential impact on its financial results and financial guidance, uncertainties as to how many of Morphic's stockholders will tender their stock in the tender offer, the effects of the proposed acquisition (or the announcement thereof) on Morphic's stock price, relationships with key third parties or governmental entities, transaction costs, risks that the proposed acquisition disrupts current plans and operations or adversely affects employee retention, potentially diverting management's attention from Morphic's ongoing business operations, changes in Morphic's business during the period between announcement and closing of the proposed acquisition, and any legal proceedings that may be instituted related to the proposed acquisition. Actual results could differ materially due to various factors, risks and uncertainties. Among other things, there can be no guarantee that the proposed acquisition will be completed in the anticipated timeframe or at all, that the conditions required to complete the proposed acquisition will be met, that any event, change or other circumstance that could give rise to the termination of the definitive agreement for the proposed acquisition will not occur, that Lilly will realize the expected benefits of the proposed acquisition, that product candidates will be approved on anticipated timelines or at all, that any products, if approved, will be commercially successful, that Lilly's financial results will be consistent with its expected 2024 guidance or that Lilly can reliably predict the impact of the proposed acquisition on its financial results or financial guidance. For further discussion of these and other risks and uncertainties, see Lilly's and Morphic's most recent Form 10-K and Form 10-Q filings with the United States Securities and Exchange Commission (the "SEC"). Except as required by law, neither Lilly nor Morphic undertakes any duty to update forward-looking statements to reflect events after the date of this press release.

Additional Information about the Acquisition and Where to Find It

The tender offer for all of the outstanding shares of Morphic described in this communication has not yet commenced. This communication is for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell any securities, nor is it a substitute for the tender offer materials that Lilly and its acquisition subsidiary will file with the SEC upon commencement of the tender offer. A solicitation and offer to buy outstanding shares of Morphic will only be made pursuant to the tender offer materials that Lilly and its acquisition subsidiary intend to file with the SEC. At the time the tender offer is commenced, Lilly and its acquisition subsidiary will file tender offer materials on Schedule TO, and Morphic will file a Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC with respect to the tender offer. THE TENDER OFFER MATERIALS (INCLUDING AN OFFER TO PURCHASE, A RELATED LETTER OF TRANSMITTAL AND CERTAIN OTHER TENDER OFFER DOCUMENTS) AND THE SOLICITATION/RECOMMENDATION STATEMENT WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ACQUISITION AND THE PARTIES THERETO. INVESTORS AND STOCKHOLDERS OF MORPHIC ARE URGED TO READ THESE DOCUMENTS CAREFULLY WHEN THEY BECOME AVAILABLE (AND EACH AS IT MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME) BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION THAT INVESTORS AND STOCKHOLDERS OF MORPHIC SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING TENDERING THEIR SHARES OF COMMON STOCK IN THE TENDER OFFER. The tender offer materials (including the Offer to Purchase and the related Letter of Transmittal), as well as the Solicitation/Recommendation Statement, will be made available to all investors and stockholders of Morphic at no expense to them at Lilly's website at investor.lilly.com and (once they become available) will be mailed to the stockholders of Morphic free of charge. Copies of the documents filed with the SEC by Morphic will be available free of charge on Morphic's website, investor.morphictx.com, or by contacting Morphic's investor relations department at chris.erdman@morphictx.com. The information contained in, or that can be accessed through, Morphic's and Lilly's websites is not a part of, or incorporated by reference herein. The tender offer materials (including the Offer to Purchase and the related Letter of Transmittal), as well as the Solicitation/Recommendation Statement, will also be made available for free on the SEC's website at www.sec.gov. In addition to the Offer to Purchase, the related Letter of Transmittal and certain other tender offer documents, as well as the Solicitation/Recommendation Statement, Lilly and Morphic file annual, quarterly, and current reports, proxy statements and other information with the SEC. You may read any reports, statements or other information filed by Lilly and Morphic with the SEC for free on the SEC's website at www.sec.gov.

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Dear Morphic Team,

I'm writing to share a landmark milestone in Morphic's journey. Moments ago, we announced that we have entered into an agreement to be acquired by Eli Lilly and Company ("Lilly"), marking a new phase for our company and the potential for oral integrin medicines. You can read the specifics of this announcement in the press release <INSERT LINK> that we issued together with Lilly.

We believe – and have stated – that the patient impact of MORF-057 could be significantly enhanced by partnership with a global medicines company such as Lilly. I know we are all familiar with Lilly, and its history of developing and delivering healthcare solutions to patients in need around the world. We believe Lilly has the scale, resources, global footprint and approval track record – including in its immunology portfolio – to advance MORF-057 as well as our integrin discovery platform further than we could as a standalone company.

I am absolutely filled with pride when I think of the tremendous effort and dedication that the Morphic team has demonstrated over the years. I believe this combination is the right step for Morphic and I look forward to seeing Morphic continue to build on its potential with the support of an organization having Lilly's scale and capabilities. I hope you share my excitement about the path forward for MORF-057 and other integrin medicines under Lilly's stewardship.

Next Steps

We are eager to join our Lilly colleagues as we continue to develop new therapies in the field of gastroenterology. It is important to keep in mind that there are many details that will be worked out over the coming weeks and months. However, I look forward to discussing this event with the entire team at an all company meeting this morning at 9:00 AM.

I can share a couple of specifics here as well. Moving forward, we expect the transaction to be completed in the third quarter of 2024, subject to customary closing conditions. I want to emphasize that until then, Morphic continues to operate as an independent company. Your role and day-to-day responsibilities remain unchanged despite the magnitude of this news.

If you receive any inquiries from the media or other outside parties, please refer them to Chris.

I want to express my deepest appreciation for all of your hard work and dedication to our mission of delivering a new generation of integrin medicines. It is because of your commitment to innovation and scientific rigor that our company is at this amazing inflection point.

Thank you, and let's keep it up as we move forward toward this new phase for Morphic.

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the tender offer (the “offer”) contemplated thereby and the other conditions set forth in the Merger Agreement, statements about the expected timetable for completing the transaction, the Company and Parent’s beliefs and expectations and statements about the benefits sought to be achieved by Parent’s proposed acquisition of the Company, the potential effects of the acquisition on both the Company and Parent, and the possibility of any termination of the Merger Agreement. In some cases, forward-looking statements may be identified by terminology such as “believe,” “may,” “will,” “should,” “predict,” “goal,” “strategy,” “potentially,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “project,” “plan,” “expect,” “seek” and similar expressions and variations thereof. These words are intended to identify forward-looking statements. The Company has based these forward-looking statements on current expectations and projections about future events and trends that it believes may affect the financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs of the Company, but there can be no guarantee that such expectations and projections will prove accurate in the future.

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Additional Information about the Acquisition and Where to Find It

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WILL CONTAIN IMPORTANT INFORMATION THAT INVESTORS AND STOCKHOLDERS OF THE COMPANY SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING TENDERING THEIR SHARES OF COMMON STOCK IN THE OFFER. The tender offer materials (including the Offer to Purchase and the related Letter of Transmittal), as well as the Solicitation/Recommendation Statement, will be made available to all investors and stockholders of the Company at no expense to them at Parent's website at investor.lilly.com and (once they become available) will be mailed to the stockholders of the Company free of charge. Copies of the documents filed with the SEC by the Company will be available free of charge on the Company's website, investor.morphictx.com, or by contacting the Company's investor relations department at chris.erdman@morphictx.com. The information contained in, or that can be accessed through, the Company's and Parent's websites is not a part of, or incorporated by reference herein. The tender offer materials (including the Offer to Purchase and the related Letter of Transmittal), as well as the Solicitation/Recommendation Statement, will also be made available for free on the SEC's website at www.sec.gov. In addition to the Offer to Purchase, the related Letter of Transmittal and certain other tender offer documents, as well as the Solicitation/Recommendation Statement, Parent and the Company file annual, quarterly, and current reports, proxy statements and other information with the SEC. You may read any reports, statements or other information filed by Parent and the Company with the SEC for free on the SEC's website at www.sec.gov.

Employee FAQ**1. What was announced today?**

Eli Lilly and Company (“Lilly”) and Morphic Holding, Inc. (“Morphic”) announced an agreement for Lilly to acquire Morphic for \$57.00 per share, representing a total equity value of approximately \$3.2 billion.

2. Why does Lilly want to acquire Morphic?

Lilly was looking for opportunities to expand the breadth of its immunology portfolio and build upon its strong foundation in gastroenterology, where it has made significant investments to deliver medicines for the benefit of patients. Lilly is seeking to enhance its efforts to improve outcomes for people affected by debilitating chronic conditions, such as IBD. Lilly recognized Morphic’s promising pipeline, our talented workforce and our passion for innovation.

3. Why is this the right time for Morphic to be acquired?

We believe that, in order to make our product candidates available to the largest number of patients as quickly as possible, we would need access to greatly expanded resources, the scale and global footprint of a global medicines company, and a team that is also committed to obtaining the best outcomes for patients.

4. Why is Lilly the right acquirer for Morphic?

Lilly brings significant expertise in the immunology space and has a track record of developing innovative medicines that is among the best in our industry. In addition, they are a great team that we believe fits well with ours.

5. When will more information about the transaction and the background to the transaction be available?

Lilly will initiate the tender offer process with a public filing of a tender offer document within 10 business days, and Morphic will make its own public filing at the same time. We encourage you to review these documents for additional information about the transaction and the background on the transaction when they become available.

6. How will Morphic be integrated into Lilly, and when will we receive more information on timelines and integration plans? How will this transaction impact Morphic employees?

It’s still early and the details for bringing together our organizations will be determined as part of our integration planning process, which we expect further clarity on over the coming weeks. For the time being, it is business as usual and we need to do our best to remain focused on our day-to-day work, keeping in mind the same scientific rigor and patient focus that has driven everything we have done to date. We will provide more detailed information in the coming weeks.

7. Will Morphic leadership join Lilly?

There is still a lot to work out as we move toward the completion of the transaction. The integration planning is in process, and we expect further clarity over the coming weeks. For now, our leadership team at Morphic will remain in their current roles.

8. Will Lilly maintain the Morphic headquarters? What about Morphic’s name and brand?

There is still a lot to work out as we move toward the completion of the transaction. The integration planning is in process, and we expect further clarity over the coming weeks.

9. What is a tender offer? What are the next steps in this process? How do I tender my shares?

A tender offer is a public bid for shareholders to sell their stock. All Morphic shareholders will be given an opportunity to “tender,” or sell their stock for \$57.00 per share, within a specific timeframe.

All Morphic shareholders will receive information regarding the terms of the tender offer and instructions on how to tender their shares.

10. When will the tender offer and transaction become final?

We currently anticipate that the tender offer and acquisition will be completed in the third quarter of 2024, subject to customary closing conditions, including the tender of a majority of the outstanding shares of Morphic’s common stock.

11. What happens between now and close?

Between the signing and closing, Morphic and Lilly remain separate independent companies, and Morphic will continue to run its business as usual. Under federal law, Morphic and Lilly are restricted from engaging in joint operations until the transaction has been approved by the antitrust authorities. There will be no changes to the Morphic organizational structure until the transaction is completed. Having said that, as is customary in these types of transactions, the merger agreement with Lilly requires that we obtain their consent before we take certain actions that are viewed as extraordinary and outside of the ordinary course of our business. If you are involved in contract discussions or other decisions that you think are not ordinary courses, either because they are bigger than usual or different from the norm, please contact your manager before you make any commitments.

12. What does this mean for Morphic consultants?

There is still a lot to work out as we move toward the completion of the transaction. The integration planning is in process, and we expect further clarity over the coming weeks. Until then, it will be business as usual.

13. Will employees be given severance if they are terminated?

At this time, nothing will change, and no decisions have been made regarding Morphic’s internal organizational structure post-closing. However, Morphic has change-in-control severance programs for all full-time employees that provide severance and COBRA continuation benefits in the event of a termination of employment under certain circumstances. The details for bringing together our organizations will be determined as part of our integration planning process, and we’re committed to keeping you updated as decisions are made.

14. What happens with our compensation and benefits following the deal close?

The integration planning is in process and until closing occurs, nothing will change. For employees who continue with Lilly, Lilly has agreed to (i) maintain employees’ base salaries and target cash incentive opportunities and (ii) provide comparable benefits under Morphic’s current plans (and/or Lilly’s plans), each in the aggregate, for twelve months following the closing date. We expect further clarity, including specific details on any Lilly compensation packages, in the coming weeks.

15. What will happen to my stock options and RSUs?

All current Morphic stock options and restricted stock units (“RSUs”) that are unvested will be accelerated and become fully (100%) vested at the closing of the transaction, and holders will be cashed out in the transaction. This means that, shortly following the closing of the transaction, option holders will receive in cash the purchase price of \$57.00 per share less the stock option exercise price per share, tax withholdings, and required deductions for each option share held. Employees will not be required to purchase their option shares by a cash payment.

At the same time, holders of RSUs will receive in cash the purchase price of \$57.00 per share less tax withholdings and required deductions for each RSU held.

More specifics on this process will be provided in the coming weeks.

16. Will we receive our 2024 bonuses?

Yes, the 2024 bonuses will be paid to qualifying employees according to the bonus plan and on the timing therein, no later than February 15, 2025.

17. Can I post about the acquisition on my social media channels?

You should not post information about the acquisition on any social media channels. Doing so may create business and legal risks for you, Morphic, and Lilly. Do not discuss, engage with, or respond to discussions on social media regarding the transaction. You may, however, “like” a post on social media regarding the transaction.

Cautionary Notice Regarding Forward-Looking Statements

This communication contains “forward-looking statements” relating to the proposed acquisition of Morphic by Lilly. Such forward-looking statements include, but are not limited to, the ability of Morphic and Lilly to complete the transactions contemplated by the merger agreement, including the parties’ ability to satisfy the conditions to the consummation of the tender offer contemplated thereby and the other conditions set forth in the merger agreement, statements about the expected timetable for completing the transaction, Morphic and Lilly’s beliefs and expectations and statements about the benefits sought to be achieved by Lilly’s proposed acquisition of Morphic, the potential effects of the acquisition on both Morphic and Lilly, and the possibility of any termination of the merger agreement. In some cases, forward-looking statements may be identified by terminology such as “believe,” “may,” “will,” “should,” “predict,” “goal,” “strategy,” “potentially,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “project,” “plan,” “expect,” “seek” and similar expressions and variations thereof. These words are intended to identify forward-looking statements. Morphic has based these forward-looking statements on current expectations and projections about future events and trends that it believes may affect the financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs of Morphic, but there can be no guarantee that such expectations and projections will prove accurate in the future.

All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Actual results may differ materially from current expectations because of risks associated with uncertainties as to the timing of the tender offer and the subsequent merger; uncertainties as to how many of Morphic’s stockholders will tender their shares in the tender offer; the risk that competing offers or acquisition proposals will be made; the possibility that various conditions to the consummation of the merger and the tender offer contemplated thereby may not be satisfied or waived; the effects of disruption from the transactions contemplated by the merger agreement on Morphic’s business and the fact that the announcement and pendency of the transactions may make it more difficult to establish or maintain relationships with employees, suppliers and other business partners; and the risk that stockholder litigation in connection with the tender offer or the merger may result in significant costs of defense, indemnification and liability. Moreover, Morphic operates in a very competitive and rapidly changing environment, and new risks emerge from time to time. Although Morphic believes that the expectations reflected in such forward-looking statements are reasonable, it cannot guarantee future events, results, actions, levels of activity, performance or achievements, business and market conditions, the timing and results of any developments and whether the conditions to the closing of the proposed acquisition are satisfied on the expected timetable or at all. Additional factors that may affect the future results of Lilly and Morphic are set forth in their respective filings with the U.S. Securities and Exchange Commission (the “SEC”), including in each of Lilly’s and Morphic’s most recently filed Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the SEC, which are available on the SEC’s website at www.sec.gov. The risks described in this communication and in Lilly’s and Morphic’s filings with the SEC should be carefully reviewed. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date they are made. Lilly and Morphic undertake no obligation to publicly release any revisions to the forward-looking statements after the date hereof to conform these statements to actual results or revised expectations.

Additional Information about the Acquisition and Where to Find It

The tender offer referenced in this communication has not yet commenced. This communication is for informational purposes only, is not a recommendation and is neither an offer to purchase nor a solicitation of an offer to sell any securities, nor is it a substitute for the tender offer materials that Lilly will file with the SEC upon commencement of the tender offer. A solicitation and offer to buy outstanding shares of the Morphic will only be made pursuant to the tender offer materials that Lilly intends to file with the SEC. At the time the tender offer is commenced, Lilly will file with the SEC tender offer materials on Schedule TO and Morphic will file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the tender offer.

THE TENDER OFFER MATERIALS (INCLUDING AN OFFER TO PURCHASE, A RELATED LETTER OF TRANSMITTAL AND CERTAIN OTHER TENDER OFFER DOCUMENTS) AND THE SOLICITATION / RECOMMENDATION STATEMENT WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ACQUISITION AND THE PARTIES THERETO. INVESTORS AND STOCKHOLDERS OF THE COMPANY ARE URGED TO READ THESE DOCUMENTS CAREFULLY WHEN THEY BECOME AVAILABLE (AND EACH AS IT MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME), BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION THAT INVESTORS AND STOCKHOLDERS OF MORPHIC SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING TENDERING THEIR SHARES OF COMMON STOCK IN THE TENDER OFFER.

The tender offer materials (including the offer to purchase and the related letter of transmittal), as well as the Solicitation/Recommendation Statement, will be made available to all investors and stockholders of Morphic at no expense to them at Lilly's website at investor.lilly.com and (once they become available) will be mailed to the stockholders of Morphic free of charge. Copies of the documents filed with the SEC by Morphic will be available free of charge on Morphic's website, investor.morphictx.com, or by contacting Morphic's investor relations department at chris.erdman@morphictx.com. The information contained in, or that can be accessed through, Morphic's and Lilly's websites is not a part of, or incorporated by reference herein. The tender offer materials (including the offer to purchase and the related letter of transmittal), as well as the Solicitation/Recommendation Statement, will also be made available for free on the SEC's website at www.sec.gov. In addition to the offer to purchase, the related letter of transmittal and certain other tender offer documents, as well as the Solicitation/Recommendation Statement, Lilly and Morphic file annual, quarterly, and current reports, proxy statements and other information with the SEC. You may read any reports, statements or other information filed by Lilly and Morphic with the SEC for free on the SEC's website at www.sec.gov.

Dear [Valued Partner / INSERT CUSTOMARY GREETING],

This morning, Morphic announced that it has entered into an agreement to be acquired by Eli Lilly and Company (“Lilly”), marking a new phase for our company and the potential for oral integrin medicines. You can read more about the announcement in our joint press release <INSERT LINK>.

Morphic believes – and has stated – that the patient impact of MORF-057 could be significantly enhanced by the partnership with a global medicines company. We are confident we have found that partner in Lilly, a globally recognized medicines company committed to improving patient health. Our Board of Directors determined that proceeding with this transaction is the best path forward for Morphic. In addition to creating shareholder value, we believe that the transaction will deliver benefits for patients – as Lilly’s scale, resources, global footprint and approval track record will help advance MORF-057 and our integrin discovery platform beyond what we could as a standalone company.

Importantly, this announcement has no impact on the ongoing enrollment in our EMERALD-2 Phase 2b trial of MORF-057 in ulcerative colitis or our continued progress on our GARNET Phase 2 study in Crohn’s disease. This work is continuing without disruption, and we remain committed to our mission of delivering a new generation of integrin medicines to patients. We are grateful to the investigators and patients who have contributed to the success of MORF-057 thus far, and we eagerly anticipate the path forward for MORF-057 and other integrin medicines under Lilly’s stewardship.

We expect the transaction to be completed in the third quarter of 2024, subject to customary closing conditions. Until then, we will continue to operate as an independent company, and it is business as usual. All contract terms remain in place, and we look forward to working with you like we always have.

If you have any further questions, please don’t hesitate to reach out to your normal company contact.

We value our relationship with you and appreciate your continued support as we move forward with Lilly.

Sincerely,

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forward-looking statements on current expectations and projections about future events and trends that it believes may affect the financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs of the Company, but there can be no guarantee that such expectations and projections will prove accurate in the future.

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can be accessed through, the Company's and Parent's websites is not a part of, or incorporated by reference herein. The tender offer materials (including the Offer to Purchase and the related Letter of Transmittal), as well as the Solicitation/Recommendation Statement, will also be made available for free on the SEC's website at www.sec.gov. In addition to the Offer to Purchase, the related Letter of Transmittal and certain other tender offer documents, as well as the Solicitation/Recommendation Statement, Parent and the Company file annual, quarterly, and current reports, proxy statements and other information with the SEC. You may read any reports, statements or other information filed by Parent and the Company with the SEC for free on the SEC's website at www.sec.gov.

Dear [Valued Partner / INSERT CUSTOMARY GREETING],

This morning, Morpic announced that it has entered into an agreement to be acquired by Eli Lilly and Company (“Lilly”), marking a new phase for our company and the potential for oral integrin medicines. You can read more about the announcement in our joint press release <INSERT LINK>.

Morphic believes – and has stated – that the patient impact of MORF-057 could be significantly enhanced by the partnership with a global medicines company. We are confident we have found that partner in Lilly, a globally recognized medicines company committed to improving patient health. Our Board of Directors determined that proceeding with this transaction is the best path forward for Morpic. In addition to creating shareholder value, we believe that the transaction will deliver benefits for patients – as Lilly’s scale, resources, global footprint and approval track record will help advance MORF-057 and our integrin discovery platform beyond what we could as a standalone company.

Importantly, this announcement has no impact on the ongoing enrollment in our EMERALD-2 Phase 2b trial of MORF-057 in ulcerative colitis or our continued progress on our GARNET Phase 2 study in Crohn’s disease. This work is continuing without disruption, and we remain committed to our mission of delivering a new generation of integrin medicines to patients. We are grateful to the investigators and patients who have contributed to the success of MORF-057 thus far, and we eagerly anticipate the path forward for MORF-057 and other integrin medicines under Lilly’s stewardship.

We expect the transaction to be completed in the third quarter of 2024, subject to customary closing conditions. Until then, we will continue to operate as an independent company, and it is business as usual. We look forward to working closely like we always have so we can achieve our mutual goal of supporting patients.

If you have any further questions, please don’t hesitate to reach out to your normal company contact.

We value our relationship with you and appreciate your continued support as we move forward with Lilly.

Sincerely,

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Company's investor relations department at chris.erdman@morphictx.com. The information contained in, or that can be accessed through, the Company's and Parent's websites is not a part of, or incorporated by reference herein. The tender offer materials (including the Offer to Purchase and the related Letter of Transmittal), as well as the Solicitation/Recommendation Statement, will also be made available for free on the SEC's website at www.sec.gov. In addition to the Offer to Purchase, the related Letter of Transmittal and certain other tender offer documents, as well as the Solicitation/Recommendation Statement, Parent and the Company file annual, quarterly, and current reports, proxy statements and other information with the SEC. You may read any reports, statements or other information filed by Parent and the Company with the SEC for free on the SEC's website at www.sec.gov.

Subject: Morphic Enters into Agreement to be Acquired by Lilly

Dear NAME,

This morning, we announced that we have entered into an agreement to be acquired by Eli Lilly and Company (“Lilly”) (NYSE: LLY), in an all-cash transaction valued at approximately \$3.2 billion. Under the terms of the agreement, Morphic shareholders will receive \$57.00 in cash for each share of Morphic they own. The press release announcing this news can be found here [INSERT LINK].

Following careful consideration with the assistance of external financial and legal advisors, our Board determined that the transaction with Lilly is in the best interest of Morphic and its shareholders. The purchase price represents a premium of 79.0% to Morphic’s closing share price of \$31.84 on July 5, 2024 and a premium of 87.2% to Morphic’s 30-trading-day volume weighted average price as of July 5, 2024, the last trading day before the announcement of the transaction.

Morphic believes – and has stated – that the patient impact of MORF-057 could be significantly enhanced by the partnership with a global medicines company. We are confident we have found that partner in Lilly, a globally recognized medicines company committed to improving patient health. In addition to creating shareholder value, we believe that the transaction will deliver benefits for patients – as Lilly’s scale, resources, global footprint and approval track record will help advance MORF-057 and our integrin discovery platform beyond what we could as a standalone company.

The transaction with Lilly is expected to close in the third quarter of 2024, subject to the satisfaction of customary closing conditions.

This is an exciting milestone for Morphic, and we look forward to completing it and providing value for our shareholders.

Thank you for your support.

Sincerely,
NAME
TITLE

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expectations and statements about the benefits sought to be achieved by Parent's proposed acquisition of the Company, the potential effects of the acquisition on both the Company and Parent, and the possibility of any termination of the Merger Agreement. In some cases, forward-looking statements may be identified by terminology such as "believe," "may," "will," "should," "predict," "goal," "strategy," "potentially," "estimate," "continue," "anticipate," "intend," "could," "would," "project," "plan," "expect," "seek" and similar expressions and variations thereof. These words are intended to identify forward-looking statements. The Company has based these forward-looking statements on current expectations and projections about future events and trends that it believes may affect the financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs of the Company, but there can be no guarantee that such expectations and projections will prove accurate in the future.

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MORF LinkedIn Post

The following information was first posted by Morphic Holding, Inc. (“Morphic”) on LinkedIn on July 8, 2024:

Morphic today announced it has entered into an agreement to be acquired by Eli Lilly and Company (“Lilly”) in an all-cash transaction valued at approximately \$3.2 billion. This exciting milestone marks a new phase for our company, and we eagerly anticipate the path forward for MORF-057 and oral integrin medicines under Lilly’s stewardship. Please read the full release as it contains important information: [INSERT LINK]

Cautionary Notice Regarding Forward-Looking Statements

This communication contains “forward-looking statements” relating to the proposed acquisition of Morphic Holding, Inc., a Delaware corporation (the “Company”), by Eli Lilly and Company, an Indiana corporation (“Parent”). Such forward-looking statements include, but are not limited to, the ability of the Company and Parent to complete the transactions contemplated by the Agreement and Plan of Merger, dated July 7, 2024, between Parent, the Company and Rainier Acquisition Corporation, a Delaware corporation (“Purchaser”) and wholly-owned subsidiary of Parent (the “Merger Agreement”), including the parties’ ability to satisfy the conditions to the consummation of the tender offer (the “offer”) contemplated thereby and the other conditions set forth in the Merger Agreement, statements about the expected timetable for completing the transaction, the Company’s and Parent’s beliefs and expectations and statements about the benefits sought to be achieved by Parent’s proposed acquisition of the Company, the potential effects of the acquisition on both the Company and Parent, and the possibility of any termination of the Merger Agreement. In some cases, forward-looking statements may be identified by terminology such as “believe,” “may,” “will,” “should,” “predict,” “goal,” “strategy,” “potentially,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “project,” “plan,” “expect,” “seek” and similar expressions and variations thereof. These words are intended to identify forward-looking statements. The Company has based these forward-looking statements on current expectations and projections about future events and trends that it believes may affect the financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs of the Company, but there can be no guarantee that such expectations and projections will prove accurate in the future.

All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Actual results may differ materially from current expectations because of risks associated with uncertainties as to the timing of the offer and the subsequent merger; uncertainties as to how many of the Company’s stockholders will tender their shares in the offer; the risk that competing offers or acquisition proposals will be made; the possibility that various conditions to the consummation of the merger and the offer contemplated thereby may not be satisfied or waived; the effects of disruption from the transactions contemplated by the Merger Agreement on the Company’s business and the fact that the announcement and pendency of the transactions may make it more difficult to establish or maintain relationships with employees, suppliers and other business partners; and the risk that stockholder litigation in connection with the offer or the merger may result in significant costs of defense, indemnification and liability. Moreover, the Company operates in a very competitive and rapidly changing environment, and new risks emerge from time to time. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it cannot guarantee future events, results, actions, levels of activity, performance or achievements, business and market conditions, the timing and results of any developments and whether the conditions to the closing of the proposed acquisition are satisfied on the expected timetable or at all. Additional factors that may affect the future results of Parent and the Company are set forth in their respective filings with the U.S. Securities and Exchange Commission (the “SEC”), including in each of Parent’s and the Company’s most recently filed Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the SEC, which are available on the SEC’s website at www.sec.gov. The risks described in this communication and in Parent’s and the Company’s filings with the SEC should be carefully reviewed. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date they are made. Parent and the Company undertake no obligation to publicly release any revisions to the forward-looking statements after the date hereof to conform these statements to actual results or revised expectations.

Additional Information about the Acquisition and Where to Find It

The offer referenced in this communication has not yet commenced. This communication is for informational purposes only, is not a recommendation and is neither an offer to purchase nor a solicitation of an offer to sell any securities, nor is it a substitute for the tender offer materials that Parent and the Purchaser will file with the SEC upon commencement of the offer. A solicitation and offer to buy outstanding shares of the Company will only be made pursuant to the tender offer materials that Parent and Purchaser intend to file with the SEC. At the time the offer is commenced, Parent and the Purchaser will file with the SEC tender offer materials on Schedule TO and the Company will file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the offer.

THE TENDER OFFER MATERIALS (INCLUDING AN OFFER TO PURCHASE, A RELATED LETTER OF TRANSMITTAL AND CERTAIN OTHER TENDER OFFER DOCUMENTS) AND THE SOLICITATION/RECOMMENDATION STATEMENT WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ACQUISITION AND THE PARTIES THERETO. INVESTORS AND STOCKHOLDERS OF THE COMPANY ARE URGED TO READ THESE DOCUMENTS CAREFULLY WHEN THEY BECOME AVAILABLE (AND EACH AS IT MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME), BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION THAT INVESTORS AND STOCKHOLDERS OF THE COMPANY SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING TENDERING THEIR SHARES OF COMMON STOCK IN THE OFFER. The tender offer materials (including the Offer to Purchase and the related Letter of Transmittal), as well as the Solicitation/Recommendation Statement, will be made available to all investors and stockholders of the Company at no expense to them at Parent's website at investor.lilly.com and (once they become available) will be mailed to the stockholders of the Company free of charge. Copies of the documents filed with the SEC by the Company will be available free of charge on the Company's website, investor.morphictx.com, or by contacting the Company's investor relations department at chris.erdman@morphictx.com. The information contained in, or that can be accessed through, the Company's and Parent's websites is not a part of, or incorporated by reference herein. The tender offer materials (including the Offer to Purchase and the related Letter of Transmittal), as well as the Solicitation/Recommendation Statement, will also be made available for free on the SEC's website at www.sec.gov. In addition to the Offer to Purchase, the related Letter of Transmittal and certain other tender offer documents, as well as the Solicitation/Recommendation Statement, Parent and the Company file annual, quarterly, and current reports, proxy statements and other information with the SEC. You may read any reports, statements or other information filed by Parent and the Company with the SEC for free on the SEC's website at www.sec.gov.