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Eli Lilly & Co. | North America

Incremental in vivo CAR-T Ph1 myeloma data

Investigators at ASCO presented incremental Ph1 R/R MM data for Kelonia's KLN-1010 (in vivo BCMA CAR-T), from the ongoing inMMyCAR study. Recall, LLY recently announced an agreement to acquire Kelonia (private) earlier this year to expand its genetic medicine/cell therapy footprint, with the transaction expected to close in 2H26 (LINK).

The KLN-1010 data at ASCO includes 18 treated patients across 3 dose levels (as of the April 21, 2026 cutoff) vs. 4 patients at ASH 2025 (LINK) and longer follow up at the high dose cohort (9-12 mos vs. up to 5 mos at ASH). However, in our view durability remains an outstanding question for the in vivo approach, consistent with recent commentary from LLY's CSO (see HERE). We note that one patient has progressed and one converted to MRD-positive (both in the mid-dose cohort) at around 3 months. We look for further insights on characteristics of these 2 patients, as well as longer follow-up across the remaining patients in the trial.

Background: The KLN-1010 Ph1 trial evaluated 3 doses of $2x10^7$ IU/kg, $6x10^6$ IU/kg and $4x10^6$ IU/kg, and enrolled R/R MM patients after ≥3 prior lines of therapy, including PI, IMiD and CD38 mAb. The population was high risk, with median prior lines of 3.5, 89% prior ASCT, 56% triple-class refractory disease, 72% high-risk cytogenetics and 28% EMD at baseline. A notable logistical point was the 13-day median time from consent to infusion, which reflects screening time for the trial and represents a differentiator vs. autologous ex vivo CAR-T. KLN-1010 is delivered with lentiviral particles, which eliminates the need for preconditioning, lowering logistical burdens on centers, and lower manufacturing costs relative to ex-vivo CAR-T. The construct uses a proprietary fully human BCMA scaffold signaling.

Efficacy: Per the presentation ORR was 100% across all treated patients, with 100% bone marrow MRD-negative responses among MRD-evaluable patients (n=14; 10^{-5} or deeper). Across all patients, responses were 50% PR, 22% VGPR, 6% CR and 22% sCR; and the responses deepened over time, with the 6 patients with ≥4 months of follow up showing 33% VGPR and 67% sCR, all ongoing. The first treated patient (high dose) remained in an ongoing MRD-negative response beyond 10 months. Per the slides, KLN-1010 generated robust CAR-T expansion and persistence despite the absence of lymphodepletion. Median C_{max} vector copies/µg genomic DNA were 65,873 at $2x10^7$ IU/kg, 71,021 at $6x10^6$ IU/kg and 110,032 at $4x10^6$ IU/kg, with Day 15 CAR-positive cells by flow cytometry of 34.5%, 53.1% and 42.3%, respectively.

Safety: CRS was common but low grade, with no grade ≥3 CRS across dose cohorts. Median CRS onset was ~day 9.5-13 depending on dose, with median duration of ~2.5-3 days and use of dexamethasone/tocilizumab (Exhibit 3). There were 2 ICANS events: one grade 1/2 and one grade ≥3. The grade 3 ICANS event was managed with methylprednisolone and Kineret and was limited to 3 days. No delayed neurotoxicity was observed, including no Parkinsonism, cranial nerve palsy or peripheral

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Major Pharmaceuticals | United States of America

Stock Rating	**Overweight**
Industry View	**In-Line**
Price target	**$1,344.00**
Shr price, close (May 29, 2026)	$1,105.00
Mkt cap, curr (mm)	$989,989
52-Week Range	$1,148.87-624.00

neuropathy. We view the overall safety profile as supportive, particularly given the lack of grade ≥3 CRS, limited duration of the grade 3 ICANS event and no delayed neurotoxicity; however, we would continue to monitor neurotoxicity, infections/ cytopenias, delayed events and vector/integration-related risks as the data matures.

KLN-1010 represents a potential next-gen competitor to autologous BCMA CAR-T therapies for MM such as JNJ/LEGN's Carvykti (approved) and GILD/ ACLX's anito-cel (LINK; Dec 23, 2026 PDUFA date). We note that LEGN and GILD have been actively working to develop in vivo CAR-T approaches as well (although in both cases unclear if this includes BCMA). Also recall that JNJ also announced a partnership with Kelonia in Nov 2025 to advance the discovery of novel in vivo CAR-T cell therapies against undisclosed targets (LINK).

LEGN is advancing in vivo CAR-T, using lentiviral vector-based delivery, with three assets in Ph1 trials: 1) LVIVO-TaVec100, a CD19×CD20 in Ph1 for non-Hodgkin lymphoma (NHL; LINK); 2) LVIVO-TaVec200, a CD19×GPRC5D in Ph1 for relapsed/refractory multiple myeloma (r/rMM; LINK); and (3) LVIVO-TaVec400, an undisclosed target in Ph1 for r/rMM (LINK). LEGN plans to present initial data in mid-2026 for LVIVO-TaVec100 (CD19xCD20) at a medical conference; recall, dosing in this trial began in Summer '25. The company also plans to file 1-2 INDs by the end of the year.

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relation to their definitive agreement to acquire Centessa Pharmaceuticals, plc ("Centessa"), as announced on March 31, 2026. The transaction is subject to approval by Centessa stockholders, sanction by the High Court of Justice of England and Wales and satisfaction of other customary closing conditions, including regulatory approvals. This report and the information provided herein is not intended to (i) provide voting advice, (ii) serve as an endorsement of the proposed transaction, or (iii) result in the procurement, withholding or revocation of a proxy or any other action

services, including transaction fees that are contingent upon the consummation of the transaction. Please refer to the notes at the end of the report.

Valuation Methodology and Risks

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Our 12-month price target of $1,344 is based on a 27x P/E multiple applied to our 2Q27-1Q28 EPS estimate of $49.76. This multiple is in-line with LLY's 10-year average (28x) and the industry (~15x) but deserved in our view, given the company's growth profile and pipeline optionality.

Risks to Upside

- Foundayo/orfor launch outperforms expectations commercially
- Elora/Reta outperform expectations in clinical trials/commercially
- LLY gains share of the gvmt obesity channel quicker than our expectations

Risks to Downside

- Foundayo/orfor approval is delayed or its launch underperforms commercially
- Eloralintide and Retatrutide discontinued prior to reaching the market
- Competitor data from diabesity pipeline drugs