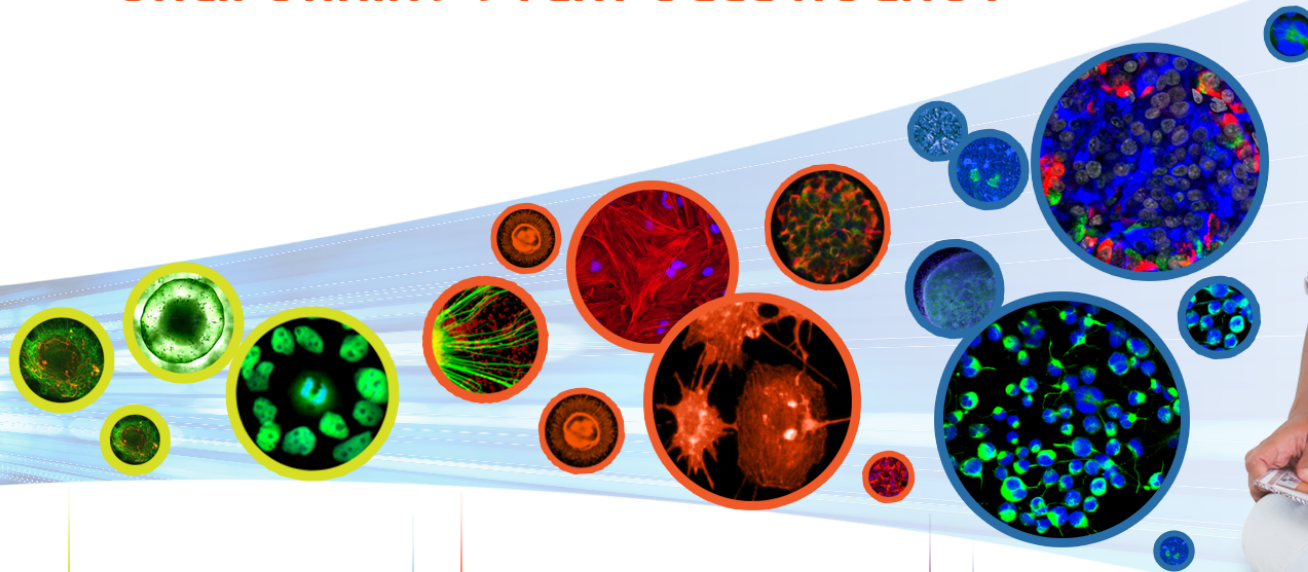


Dec. 17, 2015

CIRM

CALIFORNIA'S STEM CELL AGENCY



DISCOVERY

TRANSLATIONAL

CLINICAL

EDUCATION

INFRASTRUCTURE



Accelerating Therapies **ATP³**
through public private partnership

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Presentation to CIRM's ICOC

Background: Lack of Industry “Pull”

- CIRM has invested \$2 billion in developing a portfolio of over 300 technologies
- Programs are rapidly moving through preclinical and clinical development
- Industry is beginning to show interest but only 6% of CIRM’s academic projects have been licensed by industry ⁽¹⁾
- Out of 3,400 technologies currently marketed by the UC System, <2% are stem cell programs ⁽²⁾

⁽¹⁾ As of Dec ‘15. Includes programs in CIRM’s Translational Portfolio.

² ⁽²⁾ UC Office of the President.

ATP3 Objectives

Accelerating Therapies through Public-Private Partnership

Engage Industry by:

- Creating an opportunity to form an entity that would aggregate CIRM's most promising technologies
 - Offers “multiple shots on goal” and increases the probability of success
 - Makes significant industry investment more attractive
- Leveraging CIRM's administrative and review infrastructure and its external team of world-class subject matter experts to promote access and informed insight into CIRM's portfolio of stem cell projects
- Continued CIRM funding for the development of in-licensed CIRM technologies

Accelerating Therapies through Public-Private Partnership (ATP3)- Concept

- The private partner will in-license, develop and drive toward commercialization an aggregated portfolio of non-partnered CIRM projects
- CIRM will enable the identification and assembly of the most promising technologies and will fund continued development of these projects



Intended Outcomes

- For Researchers – continued funding for the advancement of their CIRM project
- For Universities – create demand for out-licensing CIRM-funded technologies; greater opportunity for financial return by decreasing risk through aggregation
- For the Citizens of California – create an industrial stem cell therapeutic powerhouse that increases the likelihood of the commercialization of stem cell treatments for patients with unmet medical needs

Private Partner (ATP3 Awardee)

- Could be an established company, a spin-off, or a new company with a team formed by Pharma, biotechnology, or by an investor
- Must have an exceptional business plan that describes the synergies, value creation and financial return to stakeholders they expect to create through their technology aggregation strategy
- Must propose a top-tier leadership team with the skill set necessary to successfully execute the business plan
- Will be required to commit significant upfront investment capital necessary to execute on this business plan
- Will have access to CIRM funds to support development costs for in-licensed CIRM programs

Award Information

- CIRM will award up to \$75M of funding over a period of 5 years to continue the development of in-licensed CIRM projects, subject to GWG approval on a per project basis
- The awardee will be required to make an upfront capital investment equal to the total CIRM award
- Subject to pricing, access, and march-in provisions of CIRM's IP regulations
- Required to provide licensors of CIRM projects with a right of first refusal for the return of the CIRM-funded technology if the applicant decides not to develop it

CIRM ICOC Motion

CIRM requests that the Board approve the concept plan for ATP3, with a budget authorization of up to \$75 million to fund an award over 5 years, and delegate authority to the Science and the Intellectual Property and Industry Subcommittees to approve the award terms (e.g. loan) at a joint meeting.