

Kite Pharma, Inc.

KITE - BUY - Kite Flies into Clinical Trials in 2015; Manufacturing Build-Out On Target

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FLASH NOTE

SECTOR: Biopharmaceuticals

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We had the opportunity to visit with Kite Pharma (KITE, BUY, \$84.37) yesterday in San Francisco. While there is little to report in terms of new data beyond that presented at ASH in December, we did spend some time discussing anticipated events in 2015.

Four clinical trials are set to begin in 2015. These include refractory B cell malignancies DLBCL, CLL and MCL and a trial in ALL (acute lymphoblastic leukemia). The company expects only a few sites (3-4) to initially be opened and the process will be controlled very tightly with the Kite clinical team and nurse practitioners. Kite expects to expand clinical sites to 25 by year-end.

Kite plans to discuss more fully its manufacturing processes throughout 2015 but has secured a lease to manufacture clinical material near its headquarters and has developed plans and located a site for its commercial manufacturing. We were surprised to learn of the depth of progress made on developing commercial (large scale) manufacturing – the company projects it may be ready for FDA inspection in Q2/Q3 of 2016. For clinical purposes, Kite believes it can ramp sufficient clinical materials to serve 20 to 25 patients per month by year-end.

We look for breakthrough designation for C19 in DLBCL as well as interim data at clinical meetings. Kite also intends to hold an analyst meeting most likely prior to ASCO (American Society of Clinical Oncology) in June.

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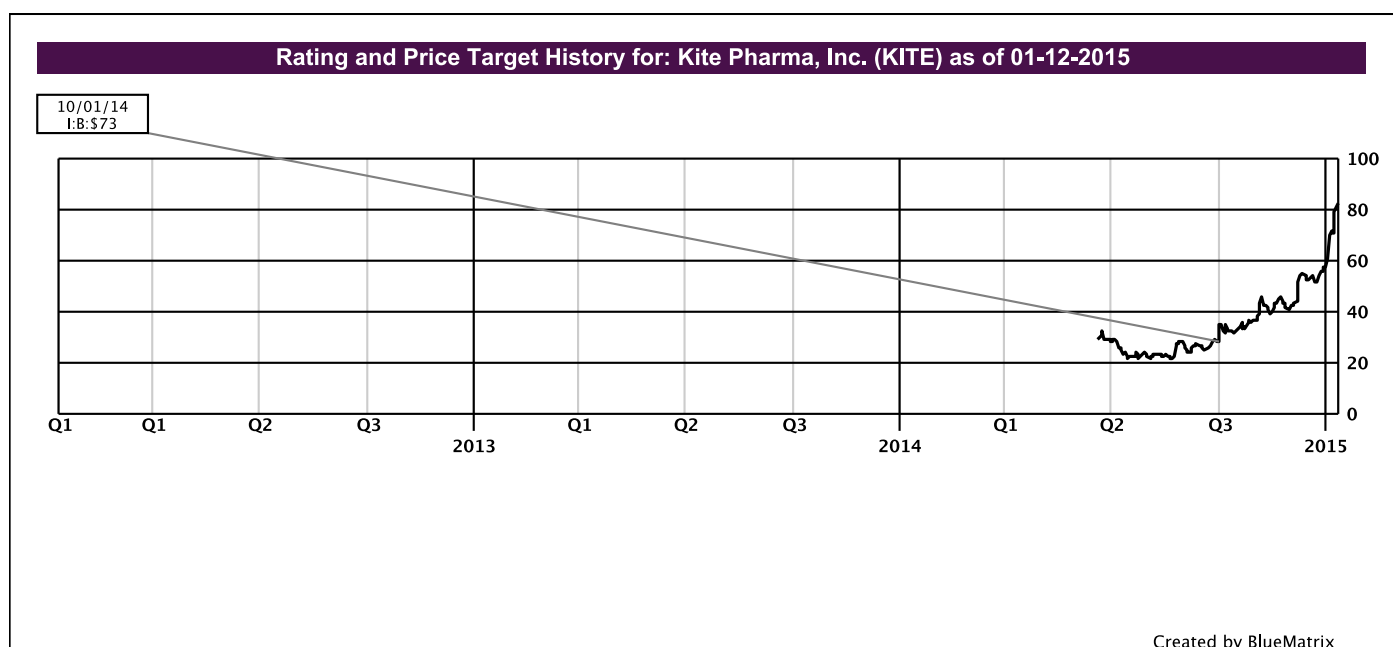
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