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Kite Pharma Strengthens Its T Cell Receptor (TCR) Cancer Gene Therapy Platform Through Acquisition of T-Cell Factory B.V. (TCF(TM))

- Kite Pharma EU Established as European Headquarters in Amsterdam, Appointing Ton N. M. Schumacher Ph.D. as its Chief Scientific Officer -

- Kite to Expand Product Pipeline in TCRs for the Treatment of Solid Tumors, Complementing Kite's Chimeric Antigen Receptor (CAR) Pipeline -

SANTA MONICA, Calif., March 17, 2015 (GLOBE NEWSWIRE) -- Kite Pharma, Inc., (Nasdaq:KITE), a clinical-stage biopharmaceutical company focused on developing engineered autologous T cell therapy (eACT™) products based on CAR and TCR gene therapy platforms for the treatment of cancer, today announced that it has further strengthened its TCR product platform and established a European presence through the acquisition of T-Cell Factory B.V. (TCF™), a privately held Dutch company, which has been renamed Kite Pharma EU. Founded by preeminent scientists, including Professor Dr. Ton N. M. Schumacher, Ph.D., of the Netherlands Cancer Institute (NKI) and Professor Dr. Dirk H. Busch, M.D., of the Technische Universität München (TUM), TCF has the ability to discover and develop tumor-specific TCRs for broad application in cancer treatment based on its proprietary TCR-GENERATOR™ platform. Professor Schumacher will assume the role of Chief Scientific Officer of Kite Pharma EU, and maintain his position as Deputy Director of the NKI. Through this acquisition, Kite Pharma has obtained license agreements with IBA GmbH, Sanquin Blood Supply Foundation, and the NKI that include rights to certain new intellectual property in the TCR space developed by Professor Schumacher at the NKI. In addition, the acquisition provides access to European clinical manufacturing facilities, launching a base for Kite to build its global presence and initiate clinical programs in the EU.

The acquisition of TCF follows the announcement earlier this month of Kite's expanded Cooperative Research and Development Agreement (CRADA) with the National Cancer Institute (NCI) to develop new TCR candidates, including against tumor neo-antigens, truly tumor-specific antigens generated as tumors accumulate genetic mutations. TCRs broaden the approach to cancer treatment by allowing targeting of tumor antigens found inside cancer cells, as well as surface antigens.

"The acquisition of TCF and its novel discovery and development platform provides Kite with a strong position in TCR gene therapy for cancer. In addition, with our strategic plans for expanding clinical operations to ex-US sites, Kite's relationship with NKI, an internationally renowned research and clinical institution, provides an important operational platform and potential access to investigators, clinical sites and manufacturing facilities in Amsterdam," said Arie Beldegrun, M.D., FACS, Kite's President and Chief Executive Officer. "Kite plans to leverage its access to intellectual property, know-how, and a network of collaborators across the continent to build a robust pipeline of TCR gene therapies."

"Through the tight link between our research institute and dedicated cancer hospital, we are in a unique position to discover, develop and manufacture cellular gene therapies for cancer," said Professor René Medema, Director of NKI. "NKI's goal is to become the leader in T cell gene therapy in Europe, and we are expanding our clinical and manufacturing capacities. We are excited about partnering with Kite and potential future R&D collaborations with the company. We will continue to support Professor Schumacher in his new role with Kite Pharma EU in addition to his ongoing relationship with NKI."

"T cell based gene therapy products will have a profound role in treating currently intractable diseases. We believe the combination of TCF's leading technology platform, the translational and development capabilities at the Netherlands Cancer Institute, and Kite's expertise in advancing immune-oncology products, will rapidly bring important TCR-based gene therapies to patients," stated Professor Schumacher.

David Chang, M.D., Ph.D., Kite Pharma's Executive Vice President, Research and Development, and Chief Medical Officer, commented, "In addition to expanding our capabilities in TCR, this acquisition is an important first step in our goal of global clinical expansion outside the US, applying our leadership and in-house clinical expertise in both CAR and TCR therapies. We are pleased with the accelerating momentum of our programs and look forward to additional clinical, operational, and manufacturing progress and accomplishments this year."

Financial terms of Kite's acquisition of TCF include an upfront payment of up to €20.0M (approximately \$21.0M USD) to TCF

shareholders, licensors and employees, of which €3.8M (approximately \$4.0M USD) will be paid in Kite stock. Kite is obligated to make certain milestone payments upon the achievement of clinical, regulatory and sales milestones relating to TCR-based product candidates.

Kite's Presence in TCR

In addition to Kite's industry-leading presence in CAR T cell therapy, Kite is advancing a broad pipeline of TCR-based product candidates to address diverse solid tumors. Through a Cooperative Research and Development Agreement (CRADA) with the National Cancer Institute (NCI), Kite's pipeline includes clinical-stage programs advancing multiple TCR-based product candidates: NY-ESO-1 against various tumors; HPV-16 E6 antigens against cervical and head and neck cancers; and certain MAGE antigens against various tumors. The CRADA has been recently expanded to include the research and development of TCR-based product candidates directed against neo-antigens, which are tumor-specific antigens generated as tumors accumulate genetic mutations.

About T-Cell Factory B.V. (TCF)

T-Cell Factory B.V. (TCF), is an Amsterdam, Netherlands-based biotechnology company. TCF's TCR-GENERATOR™ technology platform rapidly and systematically discovers, characterizes and selects tumor-specific TCRs of therapeutic value. These TCRs can be subsequently used to genetically engineer T cells to target diverse tumors. TCF's patent estate encompasses key intellectual property to protect discovery of efficacious TCRs and applications against novel targets.

TCF was founded by Professor Ton Schumacher (CSO, Kite Pharma EU; Co-founder AIMM Therapeutics and Amsterdam Biotherapeutics Unit, Deputy Director of NKI), Professor Dirk Busch (former TCF senior advisor, Director of the Institute for Medical Microbiology, Immunology and Hygiene (MIH) at TUM School of Medicine), Lothar Germeroth, Ph.D. (former TCF senior advisor, CEO IBA GmbH and COO Stage Cell Therapeutics), Carsten Linnemann, Ph.D. (Senior Scientist, Kite Pharma EU), and Georg Dössinger, Ph.D. (Scientist at MIH). Dr. Markwin Velders has been appointed Vice President, Operations of Kite Pharma EU.

About the NKI

The Netherlands Cancer Institute was established on October 10, 1913. Today, the Netherlands Cancer Institute accommodates approximately 650 scientists and scientific support personnel. The Antoni van Leeuwenhoek Hospital has 185 medical specialists, 180 beds, an out-patient clinic that receives 27,000 patients each year, 5 operating theaters and 11 radiotherapy units. It is the only dedicated cancer center in The Netherlands and maintains an important role as a national and international center of scientific and clinical expertise, development and training.

About Kite Pharma

Kite Pharma, Inc., is a clinical-stage biopharmaceutical company engaged in the development of novel cancer immunotherapy products, with a primary focus on eACT™ designed to restore the immune system's ability to recognize and eradicate tumors. Kite is based in Santa Monica, CA. For more information on Kite Pharma, please visit www.kitepharma.com.

Forward-Looking Statements

This press release contains forward-looking statements for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Kite may, in some cases, use terms such as "predicts," "believes," "potential," "proposed," "continue," "estimates," "anticipates," "expects," "plans," "intends," "may," "could," "might," "will," "should" or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. Forward-looking statements include statements regarding our intentions, beliefs, projections, outlook, analyses or current expectations concerning, among other things: the ability of TCF's platform to discover TCR-based product candidates that are safe and effective and advance such candidates, and the ability to protect TCF's proprietary technology and enforce its intellectual property rights. Various factors may cause differences between Kite's expectations and actual results as discussed in greater detail in Kite's filings with the Securities and Exchange Commission, including without limitation in its Form 10-Q for the quarter ended September 30, 2014. Any forward-looking statements that we make in this press release speak only as of the date of this press release. We assume no obligation to update our forward-looking statements whether as a result of new information, future events or otherwise, after the date of this press release.

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