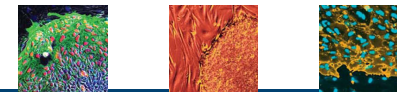


# CIRM's Loan Program

## Summary of Current Draft Regulations

*January 18, 2012*



# CIRM / NIH Comparison



Funding	March In Rights?	Economics?	Access/ Pricing
CIRM Grants	Yes	<ul style="list-style-type: none"><li>• Licensing: 25%, proportionate to CIRM funding</li><li>• Self Commercialized: 3x award at rate of 3%, plus<ul style="list-style-type: none"><li>• 3x @ \$250M</li><li>• 3x @ \$500M</li><li>• Possible 1% Royalty</li></ul></li></ul>	Yes
CIRM Loans	Yes	See following pages	Yes
NIH (Bayh Dole)	Yes	No	No



# Loan Program Terms



- Interest rate: LIBOR + 2%
- Term: 5 years, can extend up to 10 years
- Company backed – must be repaid. Warrants:
  - 10%: If Loan recipient profitable for previous 2 years
  - 25%: If ever raised 3X loan amount or has an entered into a collaboration with a biotech or pharma company with licensing or milestone payments
  - 50%: If neither of the two requirements above are met
- Product backed – forgivable on program failure. Warrants:
  - The amount of CIIRM funding as a percentage of the total funds required for the work performed during the disbursement period.
- Note: current “Risk Premium Alternative” sunsets after currently outstanding RFA rounds



# Loans to Date



- Disease Team I (1Q10):
  - \$20mm to ViaCyte, San Diego
  - Attracted substantial follow-on funding for a type 1 diabetes therapy
- Early Translation II (3Q10):
  - \$6mm to iPierian, South San Francisco
  - Program for SMA, a fatal pediatric disease
- Clinical Trial RFA (3Q11):
  - \$25mm to Geron, Menlo Park
  - Program for spinal cord injury
  - Initial disbursement returned to CIRM after change in strategic direction at awardee

