



Press Release

Astellas to Acquire iota Biosciences

- *Accelerate Rx +[®] business by acquiring innovative technology for ultra-small implantable medical devices and world-class talent in the bioelectronics field* -

TOKYO and Berkeley, CA., October 15, 2020 - Astellas Pharma Inc. (TSE: 4503, President and CEO: Kenji Yasukawa, Ph.D., “Astellas”) and iota Biosciences, Inc. (Co-founders and Co-CEOs: Michel Maharbiz, Ph.D. and Jose Carmena, Ph.D., “iota”) announced today that Astellas through a U.S. subsidiary, and iota have entered into a Merger Agreement pursuant to which Astellas will acquire iota.

Astellas and iota previously entered into a Research and Development Agreement in August 2019 (the “R&D Agreement”) to jointly conduct research and development activities associated with iota’s ultrasonic-powered bioelectronic devices (also known as “neural dust”) in a number of indications. In carrying out the activities contemplated under the R&D Agreement, the companies have evaluated detailed specifications for implantable medical devices focused on multiple diseases with high unmet medical needs. Through the acquisition of iota, Astellas will acquire iota’s unique bioelectronics technology and world-class talent. This acquisition, which contemplates the utilization of iota’s unique technology as a platform to advance innovation in the bioelectronics field, is expected to accelerate Astellas’ Rx+[®] business not only by expediting the Rx+[®] projects previously covered under the R&D Agreement but also by allowing exploration of other applications of iota’s unique bioelectronics technology for new target diseases and developing new technologies.

iota is a start-up company founded in 2017 by Michel Maharbiz and Jose Carmena, each of whom has demonstrated outstanding achievement in the bioelectronics field. iota’s innovative technology uses ultrasound both to power the devices and to enable wireless communication. This resulted in the ability to develop unprecedentedly ultra-small (millimeter sized) battery-free, wireless implantable medical devices.

Conventional implantable medical devices require batteries for power supply and wires or large electronic circuits to facilitate communications. This has made size reduction difficult and has often resulted in highly invasive implant procedures. In contrast, iota’s bioelectronic devices can be implanted through a less invasive operative procedure and offer promise for a new healthcare solution with improved effectiveness and reduced physical burden for the patients during and after surgery.

Since the signing of the R&D Agreement last year, the companies have advanced joint research and development by leveraging respective strengths of the parties: iota with its core technology and world-class talent in the field of bioelectronics and Astellas with its expertise and deep understandings in biology and diseases as well as experiences in advancing medical solutions from research to market. Clinical trials of multiple projects including those under the R&D Agreement are expected to start in the early 2020s.

“I believe that iota’s technology is a promising core technology that can be applied not only to the current programs we are working on, but to broader types of diseases that have yet to be worked on, ” said Kenji Yasukawa, Ph.D., President and CEO, Astellas. “I expect that the combination of their capabilities with our strength cultivated through our Rx business will become a strong basis to further drive our Rx+® business.”

“The partnership between iota Biosciences and Astellas allows us to combine our respective strengths to bring revolutionary new approaches to managing and treating diseases that affect hundreds of millions of people across the world,” said Michel Maharbiz, Ph.D. and Jose Carmena, Ph.D., Co-founders and Co-CEOs, iota. “A new era in bioelectronic medicine is dawning and iota Biosciences, powered by Astellas, will be leading the charge.”

Under the Merger Agreement, Astellas will make an initial payment of approximately US\$127.5 million to acquire all of the outstanding equity in iota not already held by Astellas (Astellas through a U.S. subsidiary, is already an investor in iota through its previous Series A Preferred Stock offering). iota’s shareholders (other than Astellas) will be eligible to receive additional payments of up to a total of approximately US\$176.5 million upon achievement of predetermined milestones by iota within certain timeframes after completion of the transaction. Upon completion of the transaction, iota will become a wholly owned subsidiary of Astellas. Subject to customary closing conditions, the transaction is expected to occur during the third quarter of Astellas’ fiscal year (which ends on March 31, 2021).

Astellas is also committing to spend a total of US\$125 million over the next five years to fuel iota’s aggressive expansion.

Astellas is still reviewing the financial impacts of this transaction for the fiscal year ending March 31, 2021.

About Astellas

Astellas Pharma Inc. is a pharmaceutical company conducting business in more than 70 countries around the world. We are promoting the Focus Area Approach that is designed to identify opportunities for the continuous creation of new drugs to address diseases with high unmet medical needs by focusing on Biology and Modality. Furthermore, we are also looking beyond our foundational Rx focus to create Rx+® healthcare solutions that combine our expertise and knowledge with cutting-edge technology in different fields of external partners. Through these efforts, Astellas stands on the forefront of healthcare change to turn innovative science into value for patients. For more information, please visit our website at <https://www.astellas.com/en>.

About iota Biosciences

Established in 2017, iota is a start-up company focused on building a foundation for the future of bioelectronic medicine. iota holds exclusive licenses to technologies developed at leading U.S. universities which enable vanishingly small devices, including the ground-breaking “neural dust” technology developed by Maharbiz, Carmena and researchers at UC Berkeley. iota’s own proprietary technologies employ ultrasound to provide power and digital, bi-directional wireless communication, to millimeter scale implantable medical devices. By using its proprietary technology to interface with nerves and organs via devices in the body, the platform enables unprecedented monitoring, recording and modulation with high nerve and organ specificity, capabilities of enormous potential in the diagnosis and treatment of diseases. For more information regarding iota, please visit <https://iota.bio/>.

Cautionary Notes (Astellas)

In this press release, statements made with respect to current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Astellas. These statements are based on management’s current assumptions and beliefs in light of the information currently available to it and involve known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such factors include, but are not limited to: (i) changes in general economic conditions and in laws and regulations, relating to pharmaceutical markets, (ii) currency exchange rate fluctuations, (iii) delays in new product launches, (iv) the inability of Astellas to market existing and new products effectively, (v) the inability of Astellas to continue to effectively research and develop products accepted by customers in highly competitive markets, and (vi) infringements of Astellas’ intellectual property rights by third parties. Information about pharmaceutical products (including products currently in development) which is included in this press release is not intended to constitute an advertisement or medical advice.

###

Contacts for inquiries or additional information:

Astellas Pharma Inc.
Corporate Advocacy & Relations
TEL: +81-3-3244-3201 FAX: +81-3-5201-7473

iota Biosciences, Inc.
Richard Berman
iota Biosciences
richard@verbfactory.com
TEL: +1 647 294 8372 (North America)