

KaloBios Collaborates to Engineer Human Antibody Therapeutic Drugs

Successful completion of first Humaneering™ program and commencement of a broader agreement

KaloBios Pharmaceuticals Inc., a privately held biopharmaceutical company, today announced the successful completion of a project for the Genomics Institute of the Novartis Research Foundation (GNF) and Novartis to humaneer™ an antibody against an undisclosed target. In exchange for creating this engineered human antibody therapeutic, KaloBios receives research and success fees, and can receive additional milestones and royalties upon successful completion of clinical trials. The companies also announced the commencement of a second broader agreement. Exact terms of either agreement were not disclosed.

Under the first agreement, GNF's high affinity and high potency non-human antibody drug candidate was humaneered™ by KaloBios. The humaneered™ antibody that KaloBios delivered met or exceeded all of the GNF- and Novartis-defined success criteria, triggering a success payment.

“We are happy that GNF and Novartis have identified KaloBios as a partner who can help as part of their antibody development engine. In turn, we are committed to helping GNF and Novartis make the best possible human antibody therapeutics,” said Geoffrey Yarranton, PhD, CEO of KaloBios.

Humaneering™ is KaloBios Pharmaceutical's proprietary method for converting non-human antibodies into engineered human antibodies for therapeutic drug applications. The system has the advantage of maintaining epitope specificity and increasing affinity. The humaneered™ antibodies are as close as, if not closer to human germline sequences than the products of fully human antibody generation techniques. KaloBios is offering access to its humaneering™ capabilities on a limited basis.

About KaloBios Pharmaceuticals, Inc.

KaloBios is a therapeutic antibody company using its proprietary antibody engineering, humaneering and expression technologies for the development of a pipeline of antibody therapeutics. Its two most advanced drug candidates are KB001 and KB002. KB001 will treat life-threatening Pseudomonas lung infections, a common problem of Cystic Fibrosis and mechanically ventilated patients. KB002 is for the treatment of Rheumatoid Arthritis and other autoimmune diseases. To fully leverage the value of its technology platform, KaloBios is offering access to its antibody engineering capabilities via funded collaborations. For more information, visit www.kalobios.com.