Algeta initiates new oncology research program to evaluate the potential of a Targeted Thorium Conjugate (TTC) based on Immunomedics’ anti-CD22 monoclonal antibody

CD22 is a well-validated target for hematological cancers

Oslo, Norway, 28 January 2013 - Algeta ASA (OSE: ALGETA) has initiated a new research program to evaluate a novel Targeted Thorium Conjugate (TTC) that combines Algeta’s proprietary thorium-227 alpha-pharmaceutical payload with an anti-CD22 monoclonal antibody (epratuzumab) developed by Immunomedics, Inc. (NASDAQ: IMMU).

Epratuzumab is a humanised monoclonal antibody (mAb) that binds to the CD22 glycoprotein on the surface of B cells. Epratuzumab has been evaluated for the treatment of a variety of hematological cancers and for autoimmune diseases such as systemic lupus erythematosus (SLE).

Under the terms of this agreement, Immunomedics will provide clinical-grade antibody to Algeta, which has rights to evaluate the potential of a TTC, linking thorium-227 to epratuzumab, for the treatment of cancer. Algeta will fund all preclinical and clinical development costs up to the end of phase I testing. Upon successful completion of phase I testing, the parties shall negotiate terms for a license at Algeta’s request according to certain parameters now agreed between the companies. Payments in the first year from Algeta to Immunomedics include a signature fee, an antibody delivery milestone and payments for cGMP antibody manufacture. No further details of the agreement are disclosed.

Thomas Ramdahl, Executive Vice President and Chief Technology Officer of Algeta, said: “The broad utility of our proprietary thorium-227 payload and its potential to be more effective at killing cancer cells than other therapeutic payloads gives Algeta a great opportunity to build an extensive pipeline of targeted cancer therapies. This collaboration brings together Algeta, the global leader in alpha-pharmaceuticals and Immunomedics, a pioneer in antibody products and technologies. A TTC based on a well-validated antibody such as epratuzumab is an exciting prospect as we work to achieve our goal of generating a clinical candidate from the TTC platform in 2014”.

Algeta’s TTC strategy is based on gaining access to carefully selected tumor-targeting molecules, via in-licensing, collaboration or via third parties, to which it links thorium-227 thereby creating potential new therapeutics. Algeta’s disclosed TTC programs include collaborations with Sanofi and Ablynx, programs based on HER2-targeting (breast/ovarian cancer) and PDGFRβ-targeting (anti-angiogenesis) molecules in-licensed from Affibody and two programs targeting hematological cancers, including this newly announced program.

About Algeta’s TTC Platform

Algeta is evaluating the potential utility of alpha-particle emitting elements in the treatment of cancer. Previous studies\(^1\) have indicated that such elements may have value in treating cancers by causing double-strand DNA breaks that trigger cell death, and have also shown that the effects of alpha-emission are highly localized as a result of the very short range of the alpha particle (2-10 cell diameters). Thorium-227 is one alpha-particle emitting element (radionuclide) that has been selected by Algeta for further investigation. By linking thorium-227 to cancer-targeting molecules such as

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\(^1\) Hall (1994) Radiobiology for the Radiologist (Lippincott, Philadelphia)
monoclonal antibodies, Algeta believes it may be possible to develop a pipeline of targeted alpha-pharmaceuticals, termed Targeted Thorium Conjugates, or TTCs. The TTC platform is at an early research phase in development. Algeta intends to evaluate TTCs in a broad range of cancer types to determine whether the TTC platform could offer advantages over naked (un-armed) antibodies or antibody-drug conjugate technologies that use cytotoxic drugs (rather than alpha-emitting elements) as payloads. Such advantages may include increased potency, a more localized tumoricidal effect and the potential to address drug resistance by virtue of the physical action of the alpha particles.

For more information about Algeta’s technology, please visit www.algeta.com.

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About Algeta

Algeta is a company focused on developing novel targeted therapies for patients with cancer based on its alpha-pharmaceutical platform. The Company is headquartered in Oslo, Norway, and has a US subsidiary, Algeta US, LLC, based in Cambridge, MA performing commercial marketing operations in the US. Algeta is listed on the Oslo Stock Exchange (Ticker: ALGETA). For more information please visit www.algeta.com.

Forward-looking Statements

This news release contains certain forward-looking statements that are based on uncertainty, as they relate to events and depend on circumstances that will occur in the future and which, by their nature, may have an impact on results of operations and the financial condition of Algeta. Such forward-looking statements reflect our current views and are based on the information currently available to Algeta. Algeta cannot give any assurance as to whether such forward looking statements will prove to be correct. These forward looking statements include statements regarding future development activities generally and our TTC program in particular. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, among other things, risks or uncertainties associated with the success of future clinical trials, collaborations with other companies in the development of targeting molecules, general economic and business conditions and difficulties of
obtaining relevant governmental approvals for new products, and the other risks and uncertainties described in our annual report.