

Immunomedics and UCB Announce Worldwide Development Collaboration and License Agreement for Epratuzumab

Nuclear medicine isn't always explained in very clear English!

Market Wire press release
May 10, 2006

Immunomedics, Inc. a biopharmaceutical company focused on developing therapeutic monoclonal antibodies, and UCB a leading global biopharmaceutical company, today announced a collaboration and license agreement for Immunomedics' lead product, epratuzumab. The agreement grants UCB the exclusive worldwide rights to develop, market and sell epratuzumab for all autoimmune disease indications. Epratuzumab's most advanced program is for the treatment of Systemic Lupus Erythematosus (SLE): it has been granted FDA Fast Track designation and is currently undergoing two phase III clinical trials.

Immunomedics will receive initial cash payments totaling, before fees, 38 million U.S. dollars over the next ten business days and could receive potential milestone payments of up to 145 million U.S. dollars in cash and 20 million U.S. dollars in equity investments, depending on geography approval and approval in different indications over several years. In addition to receiving royalties on sales, Immunomedics could also receive sales bonuses upon reaching certain sales target levels.

"We are excited to collaborate with UCB, since they have demonstrated leadership in the development of monoclonal antibodies. We believe that they are well suited to optimize the potential of epratuzumab in multiple autoimmune disease indications," commented Cynthia L. Sullivan, President and Chief Executive Officer of Immunomedics. "Furthermore, our business strategy of out-licensing compounds in late stage clinical development for markets with unmet medical needs fits exceedingly well with UCB's focus on securing leading positions in severe disease categories through its successful worldwide marketing and sales organization. We look forward to bringing epratuzumab to patients with autoimmune disorders through this collaboration," she added.

"We are pleased to enter into this collaboration with Immunomedics, a focused monoclonal antibody research and bio-manufacturing company. Epratuzumab is a promising molecule which we expect to complement our existing portfolio in autoimmune and inflammatory diseases. It offers a unique mechanism of action in targeting B-cells, which is very complementary to UCB's T-cell expertise. UCB plans to escalate activity in the ongoing Phase III studies, with timelines and milestones to be updated when fully integrated into our existing portfolio. The focus during our evaluation of epratuzumab was on autoimmune indications, driven by the very compelling clinical data in SLE, and our interest in furthering the molecule in this and other autoimmune diseases," said Melanie Lee, Executive Vice President, Research & Development of UCB.

Under the terms of the agreement, UCB will assume all costs associated with current and future clinical development and commercialization of epratuzumab for the treatment of patients with SLE.

About Epratuzumab

Epratuzumab, a humanized monoclonal antibody against the CD22 marker expressed on activated B-cells, was developed and manufactured internally at Immunomedics, and is

covered by worldwide patent estate. It is Immunomedics' lead product candidate being evaluated in two international pivotal Phase III ("Alleviate A and B") trials for the treatment of moderate and severe SLE. The FDA granted a Fast Track designation to the clinical development program for epratuzumab for the treatment of patients with SLE, following Immunomedics' completion of a Phase II trial.

Epratuzumab has also demonstrated good safety, tolerability, and clinical activity in more than 340 patients with non-Hodgkin's lymphoma, resulting in reports published in *The Journal of Clinical Oncology* and *Clinical Cancer Research*. Three studies have been completed which indicate a potential value in combining epratuzumab with rituximab, an approved CD20 monoclonal antibody.

About Systemic Lupus Erythematosus

Systemic Lupus Erythematosus (SLE) is a complex systemic autoimmune disease of unknown etiology characterized by cellular and humoral defects, resulting in a breakdown of immunological tolerance and production of auto antibodies to a broad spectrum of nuclear antigens. Like other autoimmune diseases, genetic and environmental influences are thought to trigger disease. The clinical findings in SLE vary greatly and may begin abruptly with fever simulating acute infection or may develop over months or years with periodic episodes.

Incidence of SLE is thought to vary between 24–65 cases per 100,000 people in the US and EU, although some reports from the USA suggest a much higher incidence. The disease has a gender bias and principally affects women (90%).