

# KaloBios Announces New Product Pricing Model

- *Model applies to all product candidates*
- *Focus on affordability, transparency and reasonable return*
- *Company will not engage in aggressive pricing or “price-gouging”*

BRISBANE, Calif., April 11, 2016 (GLOBE NEWSWIRE) -- [KaloBios Pharmaceuticals, Inc.](#) (OTC:KBIOQ) today announced the adoption of a new pricing model that will guide the company’s strategy and operations. This framework applies to all products in the company’s current and future pipeline, including benznidazole in the potential treatment of Chagas disease.

“Our new pricing model is a commitment to define and develop transparent, responsible pricing for the products we hope to bring to patients in the future,” said Cameron Durrant, MD, MBA, KaloBios’ Chairman and Chief Executive Officer. “Drug pricing is a big concern for all stakeholders in healthcare. We believe that our approach balances the needs of key stakeholders, including patients, clinicians, payers, NGOs, investors, policy makers and advocacy groups.”

## **KaloBios’ Responsible Pricing Model:**

- Responsible Pricing = *affordable* for patients and payers, *transparent* for stakeholders and delivers a *reasonable return* for the company taking the risk of bringing products to patients.
- We plan to price our products at overall cost, plus a reasonable and transparent profit margin, if and when we commercialize them.
- In the case of benznidazole, for instance, the price will be cost plus a modest profit margin. We are not conducting original research on benznidazole and therefore do not plan to incorporate an “R&D premium” into the price.
- We will publicly share the key elements that make up the pricing of our products.
- We will seek input from key stakeholders on what would constitute a reasonable return.
- We will not take arbitrary price increases on our products and will limit any increase to no more than the rate of inflation or Consumer Price Index and to no more than once a year, if at all.
- We will not engage in aggressive or predatory pricing policies or “price-gouging.”
- We plan to ensure patients, irrespective of their ability to pay, will have access to benznidazole, if and when KaloBios commercializes the product for Chagas disease in the United States.
- In developing countries, we plan to make benznidazole available at, or near cost and plan to work with partners on creating access programs to ensure patients in need

receive the medication.

KaloBios anticipates sharing additional information related to how it will implement this model over the coming months and years.

### **About Benznidazole**

Benznidazole is an oral anti-parasitic medication used in the treatment of Chagas disease. An estimated 300,000 people in the United States are infected with Chagas disease, which, if left untreated, can lead to serious and potentially life-threatening cardiovascular, gastro-intestinal and neurological complications. Chagas disease can be transmitted via insect vectors, from mother-to-fetus and via blood transfusions or organ transplantation. Benznidazole is the standard of care for Chagas disease but is not currently approved by the U.S. Food and Drug Administration (FDA) and is available in the United States only from the Centers for Disease Control and Prevention (CDC) under investigational protocols.

### **About KaloBios Pharmaceuticals, Inc.**

KaloBios Pharmaceuticals, Inc. (OTC:KBIOQ) is a developmental stage, biopharmaceutical company focused on advancing treatments for neglected diseases. On Dec. 29, 2015, KaloBios filed a voluntary petition for bankruptcy protection under Chapter 11 of Title 11 of the United States Bankruptcy Code, and currently manages and operates its business and assets as a "debtor-in-possession." KaloBios is working to emerge from bankruptcy.

### **Forward-Looking Statements**

*This release contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect management's current knowledge, assumptions, judgment and expectations regarding future performance or events. Although management believes that the expectations reflected in such statements are reasonable, they give no assurance that such expectations will prove to be correct and you should be aware that actual results could differ materially from those contained in the forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties including, but not limited to, Bankruptcy Court approval for the Company to continue its operations; the Company's ability to manage expenses and fund its working capital needs during the Chapter 11 process; the Company's ability to manage its relationships with its creditors, vendors, and customers during the Chapter 11 process; the Company's ability to emerge from bankruptcy successfully; the Company's access to limited cash reserves and its ability to obtain additional capital on acceptable terms, or at all, including the additional capital which will be necessary to complete the clinical trials that the Company has initiated or plans to initiate; the potential timing and outcomes of clinical studies of benznidazole, lenzilumab, KB004 or any other products undertaken now or in the future; the Company's ability to consummate the acquisition of rights to benznidazole; the commercial viability of the Company's proposed drug pricing program; the ability of the Company to timely source adequate supply of its development products from third party manufacturers on whom the Company depends; the potential, if any, for future*

*development of any of its present or future products; the Company's ability to successfully progress, partner or complete further development of its programs; the uncertainties inherent in clinical testing; the timing, cost and uncertainty of obtaining regulatory approvals; the Company's ability to protect the Company's intellectual property; competition; changes in the regulatory landscape or the imposition of regulations that affect the Company's products; and other factors listed under "Risk Factors" in the Company's most recent quarterly report on Form 10-Q filed with the Securities and Exchange Commission on August 10, 2015, the Annual Report on Form 10-K filed on March 16, 2015, and the Company's other filings with the Securities and Exchange Commission.*

*All forward-looking statements are expressly qualified in their entirety by this cautionary notice. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this release. The company has no obligation, and expressly disclaims any obligation to update, revise or correct any of the forward-looking statements, whether as a result of new information, future events or otherwise.*

Media Contact:

Lisa Guiterman  
(202) 330-3431  
media@kalobios.com



Source: KaloBios Pharmaceuticals Inc.