

NovaSAID initiates partnership with Cadila Pharmaceuticals to develop innovative treatments in inflammation and pain management

STOCKHOLM, SWEDEN – January 10, 2014. NovaSAID AB and Cadila Pharmaceuticals Ltd announced today a strategic partnership to develop new treatments for inflammation and pain in conditions such as rheumatoid arthritis. NovaSAID is a company in Karolinska Development's portfolio.

The companies will collaborate around preclinical and clinical development of drug candidates that have been developed by NovaSAID and the development will be conducted at Cadila Pharmaceuticals' facility in Ahmedabad, India. According to the agreement, all revenue generated from the sale and marketing in India, Middle East and Africa of products covered by the agreement will be retained by Cadila and net sales in all other countries will be shared by the two companies. Cadila will bear all costs associated with the program through to Phase II.

"This partnership gives the shareholders of NovaSAID the opportunity to take the company forward with great resources and no further costs. Cadila's drug development expertise matched with NovaSAID's scientific excellence provides a solid platform for the further development of these novel drug candidates. If successfully developed, valuable deals could be signed in major territories such as the US and Europe to the benefit for Karolinska Development's shareholders", says Dr Torbjörn Bjerke, CEO of Karolinska Development.

Speaking on the occasion, Dr Rajiv I. Modi, Chairman and Managing Director, Cadila Pharmaceuticals said: "We have entered this partnership combining scientific expertise of NovaSAID and our drug development capabilities to work towards novel solutions in treatment of pain and inflammation, which is one of the largest therapy areas. This is in line with the vision of our Founder Chairman, Mr. I. A. Modi, who believed in nurturing innovations and bringing them to Indian patients at an affordable cost. Cadila Pharmaceuticals has a track record of making available, many first-in-the-world innovative products like Polycap (5 in 1 pill for prevention and treatment of cardiovascular diseases), Risorine (Innovative solution for treatment of Tuberculosis) and most recently introduced Mycidac-C, which is the world's first active immunotherapy in lung cancer."

Most of today's medical treatments for inflammation and pain are associated with unwanted side effects such as an increased risk for myocardial infarction and gastric ulcers. NovaSAID's drug candidates targets an enzyme called microsomal prostaglandin E synthase -1 (mPGES-1), a critically important mediator of inflammation and pain, which theoretically should reduce the risk for side effects. The collaboration with Cadila will provide the resources to take this program into clinical development and further towards the market.

"mPGES-1 constitutes an important target for drug discovery and development of analgetic and anti-inflammatory drugs. In addition for use in chronic inflammatory diseases, effective enzyme inhibitors may also address a broad range of other diseases with concomitant inflammation such as atherosclerosis, stroke and cancer", says Per-Johan Jakobsson, co-founder and Board Director in NovaSAID and associate professor at Karolinska Institutet.

For further information, please contact:

Torbjörn Bjerke, CEO, Karolinska Development AB

Phone: +46 (0)72 744 41 23, e-mail: torbjorn.bjerke@karolinskadevelopment.com

Rajiv Modi, Chairman and Managing Director, Cadila Pharmaceuticals Ltd.

Phone: +91 (0)27 18 22 50 01, e-mail: rimodi@cadilapharma.co.in

Benjamin Nordin, IRO, Karolinska Development AB

Phone: +46 (0)73 093 60 80, e-mail: benjamin.nordin@karolinskadevelopment.com

TO THE EDITORS

About NovaSAID AB

NovaSAID is a Swedish research based company developing compounds for treatment of inflammatory pain and conditions such as rheumatoid arthritis. By selective inhibition of the novel drug target mPGES-1, the pathological response to PGE2 is avoided and a safer therapy is obtained than with present treatments with NSAIDs and Cox-2 inhibitors. For more information: www.novasaid.com

About Cadila Pharmaceuticals Ltd

Cadila Pharmaceuticals Limited is one of the largest privately held pharmaceutical companies in India, headquartered at Ahmedabad, in the state of Gujarat, India. Over the last six decades, it has been developing and manufacturing pharmaceutical products and selling and distributing these in over 100 countries around the world. An integrated healthcare solutions provider with pharmaceutical product basket, it caters to over 45 therapeutic areas that include cardiovascular, gastrointestinal, analgesics, haematinics, anti-infectives and antibiotics, respiratory agents, anti-diabetics and immunologicals. It employs more than seven thousand employees including over two hundred people outside India in 49 countries of Africa, CIS, Japan and USA. Cadila Pharmaceuticals was the first Indian company to get IND approvals by USFDA for clinical trials to be conducted in India. Subsequently, the company has filed 5 INDs with USFDA. For more information, please visit www.cadilapharma.com

About Karolinska Development AB

Karolinska Development aims to create value for patients, researchers, investors and society by developing innovations from world class science into products that can be sold or out-licensed with high returns. The business model is to: SELECT the most commercially attractive medical innovations; DEVELOP innovations to the stage where the greatest return on investment can be achieved; and COMMERCIALIZE the innovations through the sale of companies or out-licensing of products. An exclusive deal flow agreement with Karolinska Institutet Innovations AB, along with other cooperation agreements with leading universities, delivers a continuous flow of innovations. Today, the portfolio consists of 35 projects, of which 16 are in clinical development. For more information, please visit www.karolinskadevelopment.com.

Karolinska Development is listed on NASDAQ OMX. Karolinska Development may be required to disclose the information provided herein pursuant to the Securities Markets Act.