

## **KARO BIO AND ZYDUS CADILA SIGN RESEARCH AGREEMENT FOR DEVELOPMENT OF NOVEL DRUGS TO TREAT INFLAMMATORY DISEASES**

**Karo Bio and Zydus Cadila, one of India's leading healthcare companies, have initiated a three year research collaboration with the purpose to discover and develop novel, selective glucocorticoid receptor (GR) modulators for the treatment of inflammatory diseases.**

Glucocorticoids are used to treat many different inflammatory conditions such as rheumatoid arthritis, inflammatory bowels disease, psoriasis and asthma which together represent a market potential of over USD 10 bn. These powerful anti-inflammatory agents with long term use could, however, lead to the development of unwanted side effects like obesity, diabetes and osteoporosis. Thus, there is a great need for new, selective glucocorticoids devoid of one or more of these side effects.

Karo Bio will leverage its expertise in nuclear receptor drug discovery including structural biology, drug design and compound characterisation. Zydus Cadila will carry out a focused drug discovery and development programme, undertaking pre-clinical studies, filing of the Investigational New Drug Application and performing human clinical trials. Both parties will equally share risk and rewards for the collaboration programme.

“The glucocorticoid receptor is one of our prioritized target proteins and we have generated considerable knowledge and expertise in the field. In Zydus Cadila we have found a very complementary partner. Their expertise and strength in chemistry and development will be of great value for the successful outcome of our joint project”, said Mr. Per Olof Wallström, President of Karo Bio.

Speaking on the joint research programme, Mr. Pankaj R. Patel, Chairman and Managing Director, Zydus Cadila said, "We are excited about this collaboration with Karo Bio. One of the key research areas of focus at our Zydus Research Centre is to develop novel GR modulators that are devoid of side effects. By combining the strengths of Karo Bio and Zydus Cadila, we should be able to design and develop novel molecules, which would eventually replace currently available steroids for treatment of inflammatory disorders. This joint research endeavour will help address an unmet healthcare need."

The glucocorticoid receptor mediates both anti-inflammatory effects and side effects. Karo Bio and Zydus Cadila have now initiated an intensive research program aimed at discovering selectively acting glucocorticoids. The design of new selective compounds will be based on Karo Bio's detailed knowledge about structural biology aspects of ligand-receptor interactions.

**For further information, please contact:**

Per Olof Wallström, *President & Chief Executive Officer*

Telephone: +46 8 608 60 20

Per Otteskog, *Senior Vice President*

Telephone: +46 8 608 60 18

Erika Johnson, *Chief Financial Officer*

Telephone: +46 8 608 60 52.

**About Karo Bio**

*Karo Bio is a drug discovery and development company specializing in nuclear receptors for the development of novel pharmaceuticals.*

*The Company has a strong project portfolio with innovative molecules that primarily targets metabolic diseases such as diabetes, atherosclerosis and dyslipidemia. In all of these areas there are significant market opportunities and a need for new pharmaceuticals with new mechanisms of action. Karo Bio intends to bring selected compounds within niche therapeutic areas into late stage clinical development and, potentially, to the market. In addition to pursuing niche opportunities, Karo Bio continues to develop compounds aimed at treatment of broad patient populations to clinical proof of concept before out-licensing.*

*In addition to the proprietary projects, Karo Bio has three strategic collaborations with international pharmaceutical companies and one biotech collaboration for development of innovative therapies for the treatment of common diseases.*

*Karo Bio is listed on the OMX Nordic Exchange Stockholm AB since 1998 (Reuters: KARO.ST).*

**About Zydus Cadila**

*Zydus Cadila is an innovative global pharmaceutical company that discovers, develops, manufactures and markets a broad range of healthcare products. The group's operations range from API to formulations, animal health products and cosmeceuticals. Headquartered in the city of Ahmedabad in India with subsidiaries in USA, Europe, Japan, South Africa, Brazil, the group has a global presence and reaches out to people in over 60 countries worldwide. In its mission to create healthier communities globally, Zydus Cadila delivers wide ranging healthcare solutions and value to its customers. With over 8,000 employees worldwide, a world-class research and development centre dedicated to discovery research and nine state-of-the-art manufacturing plants, the group is dedicated to improving people's lives. ([www.zyduscadila.com](http://www.zyduscadila.com))*