Press Release

# Axelar and Cadila Pharmaceuticals announce co-development agreement for Non-Small Cell Lung Cancer Treatment

STOCKHOLM – 20 August 2015: Axelar AB ('Axelar') and Cadila Pharmaceuticals Sweden AB ('Cadila Pharma') today announced that they have entered into a co-development agreement for further formulation development and clinical development of AXL1717 in patients with non-small cell lung cancer (NSCLC).

AXL1717 is a first-in-class, orally available compound with potential in multiple cancers. Under the terms of the agreement, Cadila Pharmaceuticals will perform formulation development on AXL1717, as well conduct a multicentre randomized Phase II study in patients with non-small cell lung cancer in India. Cadila Pharma will co-invest a proportion of the projected costs for the formulation development and clinical trials and will in return, receive defined geographic market rights for AXL1717 and revenue sharing in future licence deals for AXL1717.

As part of our quest to develop and commercialize AXL1717, this is the most exciting, and perhaps the most important transition in the history of the company," said Jonas Ekblom, Chairman of Axelar. "With a new ownership configuration, a new leadership team, and with Cadila Pharmaceuticals as a powerful strategic ally, I strongly feel that we have optimized our chances for success."

Commenting on the development, Dr. Rajiv I Modi, Chairman and Managing Director, Cadila Pharmaceuticals Ltd.,said: "We are very excited to take forward the AXL1717 project for non-small cell lung cancer, which is one of our focus areas of research. This is also in line with our vision to make available effective therapeutic options for patients who have failed prior treatments of the disease. This partnership reaffirms Cadila Pharmaceuticals' commitment to developing novel cutting edge medical products through innovative, co-development model which we believe, has the potential to generate significant value for all partners."

Non Small Cell Lung Cancer is a key focus area for Cadila Pharmaceuticals. In 2013, the company had launched a first-in-the-world, active immunotherapy treatment in the management of squamous cell NSCLC.

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**TO THE EDITORS**

About Axelar AB (www.axelar.se)
Axelar is a Swedish biotechnology company focused on clinical development of new treatments in oncology. The company's lead drug candidate, AXL1717, is an orally bioavailable small molecule with dual mechanisms of action that originates from research at the Karolinska Institute. The main owners of Axelar are The Foundation for Baltic and European Studies (Östersjöstiftelsen) and the founders. For more information, please visit www.axelar.se

About Cadila Pharmaceuticals (www.cadilapharma.com )
Cadila Pharmaceuticals Sweden AB,located in Karolinska Institutet Science Park, Solna, is a fully owned subsidiary of Cadila Pharmaceuticals Limited, India. Cadila Pharmaceuticals is one of the largest privately held pharmaceuticals companies in India, headquartered at Ahmedabad, Gujarat, India. Established in 1951, the company develops and manufactures pharmaceutical products and sells and distributes these in all major markets across the globe. It is an integrated healthcare solutions provider with a comprehensive therapeutic basket including oncology, pulmonology, neurology and cardiovascular.

Cadila Pharmaceuticals is a research and innovation driven company and has collaborations with premier academic and research-based organisations across the world. The company has successfully launched many global-first innovations, including Mycidac-C, the world's first active immunotherapy for non small cell lung cancer (NSSLC).

Cadila Pharmaceuticals was the first Indian company to get IND approval by USFDA for clinical trials to be conducted in India. Subsequently, the company has filed 5 INDs with the USFDA.