



Translation of Press release published in Swedish 2015-09-22

EQL Pharma enters into a strategic agreement with Cadila Pharmaceuticals Limited

2015-09-22

EQL Pharma AB has today, entered into a strategic agreement with Cadila Pharmaceuticals Limited (Cadila Pharma).

According to the agreement, EQL Pharma will:

- Issue 6.5 million shares to Cadila Pharma at a subscription price of SEK 5 per share, for a total investment by Cadila Pharma of SEK 32.5m. The share price represents a premium of 5% as compared to the last 100 days of trading from the date of first decision, August 25, 2015.
- Issue 2 million warrants to Cadila Pharma with a strike price of SEK 6.5 and subscription window from April 1, 2016 to December 15, 2016.

The decisions above are conditional, upon an Extraordinary General Meeting's (EGM) later approval. Shareholders holding 45% of shares have agreed to vote for the proposal at the upcoming EGM. Furthermore, the EGM proposes to elect Dr. Rajiv I. Modi, Chairman and Managing Director of Cadila Pharma, as new Director with EQL Pharma. (Please refer to separate press release for Notice to the EGM that will be published later today.)

The reason for deviating from the shareholders' preferential rights is to enable the company to get a new major shareholder who is of major strategic importance to EQL Pharma.

The agreement with Cadila Pharma further means an in-depth collaboration for niche-generics. To start with, 8 new products will be developed with launch planned from 2H 2018 and onwards. The products will be sold by EQL in its main markets and will be licensed to other markets.

Cadila Pharmaceuticals Ltd. was founded in 1951 by Indravadan A. Modi and is today led by his son, Dr. Rajiv I Modi. The company has a turnover of more than SEK 2 billion, is active in more than 85 countries around the globe and is one of India's largest privately held pharmaceutical companies. Cadila Pharma has 7,000 employees around the world, with more than 350 scientists and is active in more than 45 therapeutic areas.

In addition to generics, the company has developed a series of innovative products in the last few years such as Polycap[®] (the world's first combination pill for the prevention of cardiovascular diseases and stroke, see eg Lancet, Volume 373, 18 April 2009), Risorine[®] (first combination pill with boosted Rifampicin dosage for tuberculosis), cancer drug Mycidac-C[®] and others.

In addition to the development of niche, EQL Pharma will get Nordic rights to sell original products that Cadila Pharma chooses to launch in Europe.

"Cadila Pharmaceuticals is one of India's most advanced and respected pharmaceutical



companies. I am convinced that the cooperation will improve EQL's long term growth prospect and make EQL Pharma more flexible in addressing new business opportunities ", says CEO Christer Fåhraeus.

For further information, please contact:

Christer Fåhraeus, CEO, +46 705 609000 or christer.fahraeus@eqlpharma.com.

About EQL Pharma

EQL Pharma is specialized in developing and selling generics, i.e. drugs that are medically equivalent to the original medicines. The company currently markets five niche generics in the Swedish, Danish and Finnish markets. In addition to these, there is a significant pipeline of additional niche generics for launch in 2016 and onwards. The business is currently focused entirely on prescription pharmaceuticals in the Nordic region. EQL Pharma is based in Lund, Sweden, employs 6 (7) people and is listed on AktieTorget. EQL Pharma conducts extensive development in cooperation with leading contract manufacturers and major pharmaceutical companies in countries such as India and China.

About Cadila Pharmaceuticals

Cadila Pharmaceuticals is one of the largest privately held pharmaceutical companies in India, headquartered at Ahmedabad, Gujarat. Over the last six decades, it has been developing and manufacturing pharmaceutical products and selling and distributing these in over 85 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 has more than 7000 employees across the globe.

About Dr Rajiv I. Modi

Dr. Rajiv I. Modi, Chairman and Managing Director, Cadila Pharmaceuticals Limited is a Ph.D. in Biological Science from the University of Michigan, Ann Arbor, USA. He is M.Sc. in Biochemical Engineering from University College, London and B.Tech. in Chemical Engineering from Indian Institute of Technology (IIT), Bombay, India. Dr. Modi joined the Board of Directors of Cadila Laboratories in 1991; restructured the company in 1995 and re-christened it as Cadila Pharmaceuticals Limited (CPL). At present, Dr. Modi is Chairman and Managing Director of Cadila Pharmaceuticals. Upon assuming leadership of Cadila Pharmaceuticals, Dr. Rajiv I. Modi charted a multi-pronged approach for Cadila Pharmaceuticals' corporate growth. Envisioning a global presence for the Group, Dr. Modi played a pivotal role in establishing marketing set-up and subsidiaries of Cadila Pharmaceuticals across the shores.