

Epidarex Capital Leads Initial Investment in International Diabetes Start Up

Glasgow, United Kingdom, 4th November 2015. Caldan Therapeutics Ltd (Caldan) has announced a £4.45 million 'Series A' investment led by Epidarex Capital, a leading international early-stage life science venture capital fund. Eli Lilly and Company is one of numerous limited partners in the fund. Scottish Enterprise's investment arm, the Scottish Investment Bank, also participated in the round.

Caldan, a spin-out company from the Universities of Glasgow and Southern Denmark, is developing novel therapeutics targeting free fatty acid receptors for Type 2 Diabetes (T2D) and other potential indications. Caldan has arisen from a long-term collaboration between Professor Trond Ulven at the University of Southern Denmark and Professor Graeme Milligan of the University of Glasgow.

It is estimated that there are 380 million people with T2D worldwide and the prevalence is estimated to rise to 592 million by 2035. T2D is a serious disease which can lead to secondary complications including cardiovascular disease, kidney damage, neuropathy and adult onset blindness. The healthcare costs of patients with diabetes are typically at least double of those patients without diabetes.

There is a significant market need for T2D treatments that address all aspects of the disease, including insulin resistance, pancreatic islet cell failure, inappropriate insulin secretion, and inflammation in muscle, liver and adipose tissue. Due to their involvement in multiple aspects of the disease process, free fatty acid receptors have emerged as exciting targets for T2D. Caldan is focused on creating drugs that activate these receptors in order to deliver a range of anti-diabetic effects in multiple tissues and organs which would provide a step change in the treatment of T2D.

"We're very pleased that Caldan is receiving the backing of Epidarex Capital and their partners," said Professor Milligan, Professor of Molecular Pharmacology and Gardiner Chair of Biochemistry. "The underpinning basic science studies that have pointed the way to assess this new type of treatment for T2D has been a true multidisciplinary collaboration between researchers here in Glasgow and our partners in Denmark. Our combined knowledge has led us to develop approaches we would never have created individually."

Professor Ulven, Head of Research for Medicinal Chemistry and Pharmaceutical Technology said, "Combined, we believe our approach towards these receptors could do what T2D patients need. We have built up insight into these receptors over the last few years, and are equipped to potentially generate safe and efficacious compounds with the right properties."

Elizabeth Roper, Partner at Epidarex Capital said, "Caldan provides an opportunity for Epidarex to back two leading scientific founders in the T2D space with some exciting new approaches." Epidarex Capital's close partnership with leading research institutions in under-ventured markets is core to its investment model of providing early-stage risk capital to top researchers and entrepreneurs who are developing highly innovative solutions for the global healthcare market.

"We are excited that Epidarex has chosen to invest in this opportunity. Diabetes is also a therapeutic area of focus for Lilly, given our strong legacy and scientific expertise in this area," said Darren Carroll, senior vice president of corporate business development for Lilly. "Investments in external innovation are an important part of our strategy as we strive to complement the molecules we're developing in our labs with the best discoveries from outside the company."

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Further information:**PLMR (Press Team)**

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Notes to editors:**About Epidarex Capital**

Epidarex Capital invests in early-stage, high growth life science and health technology companies in the UK and US. Epidarex was created to meet the need for more sector-specific risk capital for young companies, including spin-outs from leading research universities. The fund's international management team, led by Sinclair Dunlop, Kyp Sirinakis, Liz Roper and Pete Finan, has a track record of successfully partnering with top scientists and entrepreneurs to develop highly innovative products for the global healthcare market. For further information please visit www.epidarex.com.

About University of Glasgow

The University of Glasgow has been inspiring people to change the world for over 550 years and is a member of the prestigious Russell Group of leading UK research universities. As a world top 100 university with annual research income of more than £181 million and overall student satisfaction rate of 91%, the University of Glasgow is committed to delivering world class research at the same time as the highest standards of teaching and education.

About University of Southern Denmark

The University of Southern Denmark welcomed the first students onto the campus in Odense in 1966 and the university has continued to grow ever since. Today, it has five faculties with more than 27,000 students of which almost 20% are from abroad. The University of Southern Denmark is a regionally based university with campuses in five cities that has a strong international outlook and conducts world-class research. The University of Southern Denmark has been named one of the top fifty young universities in the world.

About Scottish Investment Bank

The [Scottish Investment Bank](#) (SIB) is the investment arm of Scotland's main economic development agency, Scottish Enterprise, operating Scotland-wide in partnership with Highlands and Islands Enterprise. It manages a suite of co-investment funds including the [Scottish Co-investment Fund](#) and the [Scottish Venture Fund](#), which are partly funded by the European Regional Development Fund (ERDF), [Renewable Energy Investment Fund](#) and the [Scottish Recycling Fund](#). SIB is the cornerstone investor in the privately-managed [Scottish Loan Fund](#), managed by Maven Capital Partners and an investor in [Epidarex](#) Capital's life sciences fund. Our investment funds support Scotland's SME funding market to ensure businesses with growth and export potential have adequate access to growth capital. We also provide a team of [Financial Readiness](#) specialists to help companies prepare for new investment and access appropriate finance.

About Eli Lilly & Company

Lilly is a global healthcare leader that unites caring with discovery to make life better for people around the world. It was founded more than a century ago by a man committed to creating high-quality medicines that meet real needs, and today it remains true to that mission in all its work. Across the globe, Lilly employees work to discover and bring life-changing medicines to those who need them, improve the understanding and management of disease, and give back to communities through philanthropy and volunteerism. To learn more about Lilly, please visit www.lilly.com and <http://newsroom.lilly.com/social-channels>.