

September 17, 2024

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| Listing Department BOMBAY STOCK EXCHANGE LIMITED P J Towers, Dalal Street, Fort, Mumbai-400001 | Code: 532321 | Listing Department NATIONAL STOCK EXCHANGE OF INDIA LIMITED Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051 | Code: Zyduslife |
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Re.: **Acquisition of a business**

Ref.: **Intimation under regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) read with SEBI Circular dated July 13, 2023 (“the SEBI Circular”)**

Dear Sir / Madam,

In our earlier intimation dated August 23, 2024, Zydus Lifesciences Limited (“the **Company**”) intimated that the Company through its wholly owned subsidiary has acquired 50% stake of Sterling Biotech Limited (“**SBL**”). Active Pharmaceutical Ingredients (“**API**”) business of SBL is an excellent strategic fit for the Company given that it has fermentation-based products portfolio with a manufacturing facility at Masar (near Vadodara, Gujarat which is in proximity to the Company’s existing facility at Dabhasa) and can meet our strategic and commercial objectives. Therefore, while acquiring a 50% stake from the shareholders of SBL, the Company had negotiated for the right to acquire the Target Business of SBL at a pre-defined value. This right has been exercised by the Company.

The Board of Directors of the Company at their meeting held today i.e. September 17, 2024 have approved a Business Transfer Agreement (“**BTA**”) to purchase the API business (“the **Target Business**”) of SBL, on a going concern basis, on slump sale basis, without values being assigned to individual assets and liabilities, on cash-free and debt-free basis at a pre-defined lump-sum consideration of Rs. 840 mio. (Rupees Eight Hundred Forty Million only), subject to certain conditions precedent and closing date adjustments as provided in the BTA, with effect from such date, and in such manner and on the terms and conditions as mentioned in the BTA.

The Target Business of SBL consists of a portfolio of fermentation-based API products like Lovastatin, Daunorubicin, Doxorubicin and Epirubicin.

Zydus Lifesciences Limited

Regd. Office : 'Zydus Corporate Park', Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad-382 481, Gujarat, India. | Phone : +91-79-71800000, +91-79-48040000
website : www.zyduslife.com | CIN : L24230GJ1995PLC025878





The Board meeting of the Company commenced at 11:08 a.m. and concluded at 11:19 a.m. Said BTA is executed by the parties to the BTA.

Necessary details as prescribed under regulation 30 of the Listing Regulations read with SEBI Circular are provided in **Annexure-“A”**.

Please bring the aforesaid news to the notice of the members of the exchange and the investors at large.

Thanking you,

Yours faithfully,

For, **ZYDUS LIFESCIENCES LIMITED**

DHAVAL N. SONI
COMPANY SECRETARY

Encl.: As above

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Annexure-"A"

| Sr. No. | Particulars | Responses |
|---------|---|---|
| 1. | name of the target entity, details in brief such as size, turnover etc. | <p>The Target Business of Sterling Biotech Limited ("SBL") is primarily engaged in manufacturing fermentation-based API products like Lovastatin, Daunorubicin, Doxorubicin and Epirubicin at its API manufacturing unit situated at village Masar near Vadodara in Gujarat.</p> <p>Turnover of the Target Business of SBL: Rs. 668.3 mio. (Rupees Six Hundred Sixty Eight Million Three Hundred Thousand only), based on unaudited financial statements for the Financial Year ended on March 31, 2024.</p> |
| 2. | whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length" | <p>Yes, the proposed acquisition of the Target Business of SBL would fall within related party transaction and the transaction is done on an arm's length basis. While acquiring a 50% stake from the shareholders of SBL, the Company had negotiated for the right to acquire the Target Business of SBL at a pre-defined value. The proposed acquisition of the Target Business of SBL shall be executed at such agreed pre-defined value.</p> <p>The promoter / promoter group company does not have interest in the proposed acquisition of the Target Business of SBL.</p> |
| 3. | industry to which the entity being acquired belongs | Pharmaceuticals |
| 4. | objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity) | <p>The Company is looking for fermentation-based API business with manufacturing facility given the high entry barriers and attractive margin profile of such business.</p> <p>The Company has a dedicated fermentation lab that is focusing on the development of new products.</p> <p>Building a new plant through the greenfield route could</p> |



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| | | <p>be more expensive and time taking.</p> <p>With the said acquisition of the Target Business of SBL, the Company will be in a position to meet its strategic and commercial objectives.</p> |
| 5. | brief details of any governmental or regulatory approvals required for the acquisition | Not applicable |
| 6. | indicative time period for completion of the acquisition | The acquisition of the Target Business of SBL is expected to be completed by December 31, 2024. |
| 7. | consideration - whether cash consideration or share swap or any other form and details of the same | Cash consideration |
| 8. | cost of acquisition and/or the price at which the shares are acquired | Pre-agreed lump sum consideration of Rs. 840 mio. (Rupees Eight Hundred Forty Million only), on a cash free and debt free basis, subject to customary adjustments related to debt like items, as provided in the BTA. |
| 9. | percentage of shareholding / control acquired and / or number of shares acquired | Not applicable |
| 10. | brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief) | <p>Brief background of the Target Business of SBL: The Target Business of SBL is primarily engaged in developing, manufacturing, marketing, selling, distribution, exports and imports of fermentation-based API products. The current products include Lovastatin, Daunorubicin, Doxorubicin and Epirubicin manufactured at its API manufacturing unit situated at village Masar near Vadodara in Gujarat.</p> <p>Date of incorporation of SBL: March 23, 1985.</p> <p>Presence of the Target Business of SBL: mainly in India</p> |



| | | <p>Turnover: details of turnover (revenue from operations) of the Target Business of SBL for the last 3 (three) financial years are as under:</p> <p style="text-align: right;">Rs. in mio.</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Year</th> <th>Target Business of SBL</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>March 31, 2024</td> <td>668.3</td> </tr> <tr> <td>2.</td> <td>March 31, 2023</td> <td>672.9</td> </tr> <tr> <td>3.</td> <td>March 31, 2022</td> <td>912.47</td> </tr> </tbody> </table> <p>Figures of March 31, 2024, are based on unaudited financial statements, whereas figures of March 31, 2023, and March 31, 2022, are based on audited financial statements.</p> | Sr. No. | Year | Target Business of SBL | 1. | March 31, 2024 | 668.3 | 2. | March 31, 2023 | 672.9 | 3. | March 31, 2022 | 912.47 |
|---------|----------------|--|---------|------|------------------------|----|----------------|-------|----|----------------|-------|----|----------------|--------|
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