

ASPEN PHARMACARE HOLDINGS LIMITED
(Incorporated in the Republic of South Africa) (“Aspen Holdings”)
Registration number: 1985/002935/06
Share code: APN
ISIN: ZAE000066692
LEI: 635400ZYSN1IRD5QWQ94
and its subsidiaries (collectively “Aspen” or “the Group”)

ASPEN REACHES AGREEMENT ON TWO TRANSACTIONS WITH SANDOZ INVOLVING (1) THE ACQUISITION OF SANDOZ’S CHINESE SUBSIDIARY AND (2) THE DISPOSAL TO SANDOZ OF FOUR ANAESTHETIC PRODUCTS IN EUROPE

Transaction details

Aspen is pleased to announce that Aspen Global Incorporated (“AGI”), its wholly owned subsidiary incorporated in Mauritius, has, on 3 December 2023, concluded two interdependent agreements (“the Transactions”) in terms of which it will:

- acquire from Sandoz AG (“Sandoz”) the entire share capital of its subsidiary, Sandoz (China) Pharmaceutical Co., Ltd. (“Sandoz China” and “the Company”), together with the commercialisation rights and related intellectual property for
 - a portfolio of established products¹ currently commercialised by the Company; and
 - a pipeline of products to be launched by the Company in the short to medium term (“the Pipeline Products”),(“the Acquisition”); and
- dispose of the commercialisation rights and related intellectual property for four anaesthetic products² currently sold by Aspen in the European Economic Area (“the Anaesthetic Products” and “the Disposal”).

As consideration for the Acquisition, AGI is paying up to EUR 92.6 million, with EUR 18.5 million contingent upon the sales performance of the Pipeline Products. For the Disposal, AGI will receive a consideration of up to EUR 55.5 million, with EUR 9.3 million contingent on the sales performance of the Anaesthetic Products. AGI will fund the net upfront cash consideration from existing debt facilities.

The Acquisition, and thus the interdependent Disposal, is conditional upon the approval of the competition authority in China. It is anticipated that the Transactions will be completed in Q2 calendar 2024.

Via the Acquisition, Aspen is targeting to add approximately ZAR 1.8 billion³ of annual sales to the Aspen Group, while the sales of the Anaesthetic Products during Aspen’s financial year ended 30 June 2023 were approximately ZAR 280 million⁴.

Rationale

¹ Including Sandostatin, Aclasta and Voriconazole.

² Nimbex, Tracrium, Carbocaine and Naropin.

³ Based on actual sales for the nine months ended 30 September 2023.

⁴ At an average exchange rate of ZAR 18.61 / EUR.

The Acquisition forms part of Aspen's volume-based procurement ("VBP") mitigation strategy referred to in the commentary on its results for the year ended 30 June 2023. Beyond this, it also represents an attractive opportunity for Aspen to take a major step in its stated objective of increasing its presence in China. In addition, the Company has a dedicated and experienced sales team that will materially enhance Aspen's commercial capabilities, further strengthening its foundations for future growth in China.

The Disposal will allow Aspen's European management to adopt a more focussed approach to its remaining anaesthetic products in the region, while the Anaesthetic Products will be complementary to Sandoz's existing pharmaceutical offering in Europe, where it has significant scale and is well positioned to leverage their potential.

Sandoz (www.sandoz.com) is a global leader in generic pharmaceuticals and biosimilars. Following its recent spin off from Novartis, it is publicly listed on the SIX Swiss Exchange and has its head office in Basel, Switzerland.

Any forward-looking statements provided herein have not been reviewed or reported on by Aspen's external auditors.

The Transaction does not constitute a categorised transaction in terms of the Listings Requirements of the JSE Limited and accordingly this information is disclosed on a voluntary basis.

Durban
4 December 2023

Sponsor
Investec Bank Limited