

Hikma acquires Xellia's differentiated portfolio and enhances Injectables pipeline, manufacturing capabilities and R&D

London, 17 June 2024 – Hikma Pharmaceuticals PLC (Hikma, Group), the multinational pharmaceutical group, today announces that it has agreed with Xellia Pharmaceuticals, a Copenhagen based specialty company focusing on providing anti-infective treatments and other critical care therapies, to acquire parts of its US finished dosage form (FDF) business and assets, including a commercial portfolio and pipeline of differentiated products, a manufacturing facility in Cleveland, Ohio, sales and marketing capabilities, and an R&D center in Zagreb, Croatia. Hikma will pay a cash consideration of \$135 million, and an additional contingent consideration of up to \$50 million, subject to the achievement of certain regulatory and commercial milestones.

Transaction highlights and strategic rationale:

- **Supports the long-term growth of Hikma's Injectables business**
- **Diversifies and enriches Hikma's US injectables portfolio and pipeline**, adding a range of ready-to-use (RTU) products, including Vanco Ready[®], which was launched in 2019
- **Significantly expands Hikma's high-quality manufacturing capacity**. The Cleveland facility is spread over 24 acres and, following a two-to-three-year enhancement project, will significantly increase Hikma's injectables capacity to accommodate a growing US portfolio, with potential to leverage the facility for contract manufacturing
- **Adds complex manufacturing technologies**, including aseptic premix bag filling capabilities and a significant increase in lyophilization capacity
- **Enhances Hikma's R&D capabilities**. The R&D center in Zagreb, Croatia adds an experienced team of R&D professionals with the track record and expertise to develop complex finished dosage forms. Hikma will leverage this expertise across its global injectables markets
- **Neutral to Group core earnings in the first 12 months following closing and accretive thereafter, with meaningful longer-term benefits**. Upon closing, the current Xellia in-market products will immediately contribute around \$75 million revenue on an annualized basis.

Acquired assets:

The acquisition will add eight approved and marketed injectable products to Hikma's US portfolio and 11 pipeline products. The Xellia commercial portfolio comprises the ready-to-use formulation, Vanco Ready[®] (vancomycin), launched in 2019, and other anti-infectives. These products are currently manufactured by a third-party and Hikma will maintain these manufacturing contracts while it upgrades the Cleveland facility, with the goal of moving production of these products in-house.

The Cleveland site offers end-to-end capabilities to develop, manufacture, pack and distribute lyophilized vials and aseptically filled ready-to-use IV bag products. Hikma intends to undertake a series of investments to enhance productivity and efficiency through the addition of automation, equipment, and updated processes. These investments will be captured within Hikma's existing annual capital expenditure plan. Hikma expects the facility to be operational within two to three years.

Hikma will also be acquiring Xellia's R&D center in Zagreb, Croatia, including a large team of professionals. This center will bring a range of expertise including developing innovative and generic products and finished dosage forms, primarily in premix RTU bags.



Riad Mishlawi, CEO commented:

“Hikma has grown to become a top-three US supplier of sterile injectable medicines thanks to our strong record of successfully making value-enhancing acquisitions like this one. This acquisition will add significant scale to our US operations and will enhance our US injectable manufacturing capabilities and portfolio by adding complex technologies. I am confident that this transaction will deliver significant future value to our Injectables business, supporting growth over the medium term.”

Dr Bill Larkins, President of Hikma Injectables commented:

“This acquisition strengthens our Injectables business, and I am particularly excited by the potential to further develop our pipeline with the talented and experienced team at the Zagreb R&D facility. The combination of Xellia’s assets with our quality manufacturing expertise and strong commercial capabilities puts us in an even stronger position to serve the growing needs of hospitals and patients.”

The transaction is subject to US Federal Trade Commission approval. Hikma’s 2024 guidance remains unchanged.

Further information:

Hikma will hold a live Q&A call for analysts at 11:00am BST. A recording and transcript will be made available on the Company’s website.

To join the call please dial:

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United Kingdom (Toll-Free): +44 800 358 1035

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Access Code: **446636**

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About Hikma

Hikma Pharmaceuticals PLC (LSE: HIK) (NASDAQ Dubai: HIK) (OTC: HKMPY)
(LEI:549300BNS685UXH4JI75) (rated BBB-/stable S&P and BBB-/positive Fitch)

Hikma helps put better health within reach every day for millions of people around the world. For more than 45 years, we’ve been creating high-quality medicines and making them accessible to the people who need them. Headquartered in the UK, we are a global company with a local presence across North America, the Middle East and North Africa (MENA) and Europe, and we use our unique insight and



expertise to transform cutting-edge science into innovative solutions that transform people's lives. We're committed to our customers, and the people they care for, and by thinking creatively and acting practically, we provide them with a broad range of branded and non-branded generic medicines. Together, our 9,100 colleagues are helping to shape a healthier world that enriches all our communities. We are a leading licensing partner, and through our venture capital arm, are helping bring innovative health technologies to people around the world. For more information, please visit: www.hikma.com

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