



## News Release

### **Takeda Continues Divestiture Strategy with Sale of Select OTC and Non-Core Assets in Europe to Orifarm for up to approximately \$670M USD**

*Portfolio includes select OTC and prescription products and two manufacturing facilities*

*Transaction further accelerates Company's deleveraging plan*

**Osaka, JAPAN, April [XX], 2020** – Takeda Pharmaceutical Company Limited ([TSE:4502/NYSE:TAK](https://www.takeda.com/stock)) (“Takeda”) today announced that it has entered into an agreement to divest a portfolio of select non-core over-the-counter (OTC) and prescription pharmaceutical products sold in Europe, and two manufacturing sites located in Denmark and Poland to Orifarm Group (“Orifarm”), a fast-growing Danish pharmaceutical company, for up to approximately \$670 million USD subject to customary legal and regulatory closing conditions.

The portfolio to be divested to Orifarm includes a variety of OTC products and food supplements as well as select prescription products in the Respiratory, Anti-inflammatory, Cardiovascular and Endocrinology therapeutic areas sold predominantly in Denmark, Norway, Belgium, Poland, Finland, Sweden, the Baltics and Austria. The portfolio generated FY 2018 net sales of approximately \$230 million USD, driven by strong sales of cough/cold and vitamin OTC brands, as well as prescription products Warfarin and Levaxin. While the products included in the sale address key patient needs in these countries, they are outside of Takeda’s chosen business areas – Gastroenterology (GI), Rare Diseases, Plasma-Derived Therapies, Oncology, and Neuroscience – core to its global long-term growth strategy.

“These divestments will enable us to further prioritize and reinforce efforts in our core business areas” said Giles Platford, President, Europe & Canada Business Unit, Takeda. “Throughout the robust sale process we conducted for these assets, we focused on finding the right partner to maximize the value of these trusted products and maintain continuity of supply for the patients and customers who depend on them. We are confident that Orifarm is the right partner for these regions.”

“This transaction represents the continued execution of our strategy to simplify our portfolio and accelerate deleveraging. We remain focused on investing in our key business areas as we continue strengthening our position as a R&D-driven global biopharmaceutical leader and deliver enhanced value for patients and Takeda shareholders,” said Costa Saroukos, Chief Financial Officer, Takeda.

Takeda has announced a series of divestments in the past twelve months, contributing to the Company's goal to divest approximately \$10 billion USD in non-core assets and focus on its key business areas. Takeda announced last month the sale of non-core products in Latin America to Hypera Pharma for \$825 million USD. Takeda also completed sales of non-core assets spanning the Russia-CIS region to STADA for \$660 million USD and in countries spanning the Near East, Middle East and Africa region to Acino for over \$200 million USD last month. In July 2019, Takeda completed the sale of Xiidra® to Novartis for up to \$5.3 billion USD.

Takeda intends to use the proceeds from its divestitures to continue to reduce its debt towards its target of 2x net debt/adjusted EBITDA within March 2022 – March 2024.

### **Transaction Details**

Takeda has entered into an agreement to sell a portfolio of approximately 110 select OTC and prescription pharmaceutical assets sold in Europe to Orifarm for a total value of up to approximately \$670 million USD subject to customary legal and regulatory closing conditions. Orifarm will pay approximately \$505 million USD to Takeda in cash at closing, and approximately \$70 million USD in non-contingent cash to be paid within four years post-closing. In addition, Takeda may receive up to an additional \$95 million USD in potential milestone payments.

Two manufacturing sites in Denmark and Poland will also be transferred to Orifarm at closing. The parties will also enter into additional manufacturing and supply agreements, under which Takeda will continue to manufacture selected products on behalf of Orifarm. Under the terms of the agreement, Orifarm will acquire the rights, title and interest to the products in the portfolio exclusive to these countries.

It is anticipated that approximately 600 employees from the manufacturing sites, sales and marketing professionals, and other select professionals supporting the portfolio and manufacturing sites to be divested will transition to Orifarm at closing of the transaction.

The transaction is expected to close by the end of Fiscal Year 2020 (ending March 2021) subject to the satisfaction of customary closing conditions, receipt of required regulatory clearances and, where applicable, compliance with local works council requirements. Until then, the products will continue to be made available to patients and manufactured and supplied by Takeda.

Takeda is being advised by J.P. Morgan as our financial advisor and White & Case is our legal advisor in this transaction.

### **For local Media inquiries please contact:**

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## **Further information**

Financial information relating to the transaction and the assets have been converted from Euros using the \$:€ of 1:0.9235 as of April 23, 2020. For the avoidance of doubt, the amounts payable as part of the transaction are denominated in Euros.

Our employees are committed to improving quality of life for patients and to working with our partners in health care in approximately 80 countries.

For more information, visit <https://www.takeda.com>.

## **Important Notice**

For the purposes of this notice, “press release” means this document, any oral presentation, any question and answer session and any written or oral material discussed or distributed by Takeda Pharmaceutical Company

## **About Takeda Pharmaceutical Company Limited**

Takeda Pharmaceutical Company Limited ([TSE:4502](https://www.tse.com/stocks/stocks/4502)/[NYSE:TAK](https://www.nyse.com/quote/TSE:TAK)) is a global, values-based, R&D-driven biopharmaceutical leader headquartered in Japan, committed to bringing Better Health and a Brighter Future to patients by translating science into highly-innovative medicines. Takeda focuses its R&D efforts on four therapeutic areas: Oncology, Rare Diseases, Neuroscience, and Gastroenterology (GI). We also make targeted R&D investments in Plasma-Derived Therapies and Vaccines. We are focusing on developing highly innovative medicines that contribute to making a difference in people's lives by advancing the frontier of new treatment options and leveraging our enhanced collaborative R&D engine and capabilities to create a robust, modality-diverse pipeline. Limited (“**Takeda**”) regarding this release. This press release (including any oral briefing and any question-and-answer in connection with it) is not intended to, and does not constitute, represent or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction. No shares or other securities are being offered to the public by means of this press release. No offering of securities shall be made in the United States except pursuant to registration under the U.S. Securities Act of 1933, as amended, or an exemption therefrom. This press release is being given (together with any further information which may be provided to the recipient) on the condition that it is for use by the recipient for information purposes only (and not for the evaluation of any investment, acquisition, disposal or any other transaction). Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The companies in which Takeda directly and indirectly owns investments are separate entities. In this press release, “Takeda” is sometimes used for convenience where references are made to Takeda and its subsidiaries in general. Likewise, the words “we”, “us” and “our” are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

J.P. Morgan Securities plc (“J.P. Morgan”), which is authorized in the United Kingdom by the Prudential Regulation Authority (the “PRA”) and regulated by the PRA and the Financial Conduct Authority, is acting as financial adviser exclusively for Takeda Pharmaceuticals International AG and no one else in connection with this transaction and will not regard any other person as its client in relation to this transaction and will not be responsible to anyone other than Takeda Pharmaceuticals International AG for providing the protections afforded to clients of J.P. Morgan or its affiliates, nor for providing advice in relation to this transaction or any other matter or arrangement referred to herein.

### **Forward-Looking Statements**

This press release and any materials distributed in connection with this press release may contain forward-looking statements, beliefs or opinions regarding Takeda’s future business, future position and results of operations, including estimates, forecasts, targets and plans for Takeda. Without limitation, forward-looking statements often include words such as “targets”, “plans”, “believes”, “hopes”, “continues”, “expects”, “aims”, “intends”, “ensures”, “will”, “may”, “should”, “would”, “could” “anticipates”, “estimates”, “projects” or similar expressions or the negative thereof. These forward-looking statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those expressed or implied by the forward-looking statements: the economic circumstances surrounding Takeda’s global business, including general economic conditions in Japan and the United States; competitive pressures and developments; changes to applicable laws and regulations; the success of or failure of product development programs; decisions of regulatory authorities and the timing thereof; fluctuations in interest and currency exchange rates; claims or concerns regarding the safety or efficacy of marketed products or product candidates; the impact of health crises, like the novel coronavirus pandemic, on Takeda and its customers and suppliers, including foreign governments in countries in which Takeda operates, or on other facets of its business; the timing and impact of post-merger integration efforts with acquired companies; the ability to divest assets that are not core to Takeda’s operations and the timing of any such divestment(s); and other factors identified in Takeda’s most recent Annual Report on Form 20-F and Takeda’s other reports filed with the U.S. Securities and Exchange Commission, available on Takeda’s website at: <https://www.takeda.com/investors/reports/sec-filings/> or at [www.sec.gov](http://www.sec.gov). Takeda does not undertake to update any of the forward-looking statements contained in this press release or any other forward-looking statements it may make, except as required by law or stock exchange rule. Past performance is not an indicator of future results and the results or statements of Takeda in this press release may not be indicative of, and are not an estimate, forecast, guarantee or projection of Takeda’s future results.

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