

## DR. REDDY'S LABORATORIES LTD.

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## Dr. Reddy's Laboratories enters into Definitive Agreement to acquire German medical cannabis firm Nimbus Health GmbH

**Frankfurt, Germany & Hyderabad, India, February 3, 2022** - Dr. Reddy's Laboratories Ltd. (BSE: 500124, NSE: DRREDDY, NYSE: RDY, NSEIFSC: DRREDDY, along with its subsidiaries together referred to as "Dr. Reddy's") today announced that it has entered into a definitive agreement to acquire Nimbus Health GmbH ("Nimbus Health"). Nimbus Health is a privately owned, licensed pharmaceutical wholesaler from Germany focusing on medical cannabis in Germany. Dr. Reddy's will acquire Nimbus Health for an upfront payment plus performance and milestone-based earn-outs over the next four years.

Founded in 2018, Nimbus Health is one of the pioneer companies for medical cannabis in Germany. The acquisition will allow Dr. Reddy's to build on Nimbus Health's strengths and introduce medical cannabis-based medicines as a promising treatment option for patients. The company will be operating under the brand Nimbus Health and as a wholly-owned subsidiary of Dr. Reddy's.

The demand for medical cannabis has increased over the past years with the legalization of medical cannabis by the German Parliament (Bundestag) in 2017. The medical cannabis market in Germany is already valued at ~122 Mio. € with growth of ~25% in 2021 compared to 2020 and a CAGR of ~55 % since 2017, making Germany one of the largest markets in Europe. Around 150,000 German patients benefit from medical cannabis for their unmet health needs<sup>1</sup>.

The closing of the transaction is subject to customary closing conditions.

**Patrick Aghanian, Head of European Generics, Dr. Reddy's, commented:** "Medical cannabis is increasingly used to address and treat high unmet medical needs, especially in pain management and CNS. Further, with numerous studies being conducted to leverage and introduce medical cannabis, we believe this is a must-be field for future healthcare delivery. Nimbus Health has established itself as a fast-growing, highly reputable, pioneering platform with an excellent network of trade partners and know-how access, where the German sick-funds fully reimburse medical cannabis. As more European countries adopt the usage of medical cannabis, the ability to leverage and access newer geographies will be key. We are very excited that with Nimbus joining Dr. Reddy's family, together with Linus and Alessandro, we embark on a new, exciting journey of medical cannabis, which supports Dr. Reddy's mission of meeting unmet patient needs."

"We were really excited when Dr. Reddy's approached us and recognized Nimbus's highly efficient importing, registering, and launching platform for various medical cannabis brands in Germany. The close alignment between the values of Dr. Reddy's and Nimbus gave us the confidence that we can stay focused on the existing business and grow future endeavors together. We are glad to work with Dr. Reddy's to activate synergies supporting growth in all sectors." **commented Linus Maximilian Weber, Founder and Managing Director of Nimbus Health.**

**Dr. Alessandro Rossoni, Co-Founder and Managing Director of Nimbus Health, says:** "The relationship between Dr. Reddy's and Nimbus Health has developed very positively over the past year. It felt like a natural match to make the next steps together. We are excited that Dr. Reddy's acknowledged the potential of Nimbus in the medical cannabis market. Dr. Reddy's commitment sets a significant milestone for further developing medical cannabinoid-based medicines and unlocking new possibilities to benefit patients. We are very confident that being part of Dr. Reddy's will help us strongly take our operations to the next level and further increase our impact in this quickly developing market.

<sup>1</sup> Source: INSIGHT Health - Green Line NPI (Sell in/Pharmacy purchase)

## About Nimbus Health GmbH

Nimbus Health is a fully licensed pharmaceutical wholesaler and manufacturer from Germany with own warehouse facilities and an independent sales force to promote medical cannabis-based products to pharmacists. Its mission is to supply seriously ill patients with the highest grade medical cannabis products from reliable sources consistently and sustainably.

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**About Dr. Reddy's:** Dr. Reddy's Laboratories Ltd. (BSE: 500124, NSE: DRREDDY, NYSE: RDY, NSEIFSC: DRREDDY) is an integrated pharmaceutical company, committed to providing affordable and innovative medicines for healthier lives. Through its businesses, Dr. Reddy's offers a portfolio of products and services including APIs, custom pharmaceutical services, generics, biosimilars and differentiated formulations. Our major therapeutic areas of focus are gastrointestinal, cardiovascular, diabetology, oncology, pain management and dermatology. Dr. Reddy's operates in markets across the globe. Our major markets include – USA, India, Russia & CIS countries, and Europe. For more information, log on to: [www.drreddys.com](http://www.drreddys.com)

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