

November 28, 2023

The Secretary Listing Department, BSE Limited, 1 st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400001 Scrip Code: 540975	The Manager, Listing Department, The National Stock Exchange of India Ltd Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (East), Mumbai 400051 Scrip Symbol: ASTERDM
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Dear Sir/Madam,

Sub: Press release titled “Aster to separate its India and GCC businesses to unlock value and announces agreement for Fajr Capital-led consortium to invest in Aster GCC”

We wish to inform you that the Board approves the separation of Aster’s India and GCC businesses, subject to customary corporate approvals. The separation plan will unlock value for the shareholders of the company by allowing both the India and GCC businesses to adopt a market-focused strategy and create sustained long-term growth.

Please find enclosed press release on the same. The press release will also be available on website of the Company at <https://www.asterdmhealthcare.com/investors/stock-exchange-disclosures/other-press-releases> .

Kindly take the above said information on record as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thank you

For **Aster DM Healthcare Limited**

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Hemish Purushottam

Company Secretary and Compliance Officer

Aster to separate its India and GCC businesses to unlock value; announces agreement for Fajr Capital-led consortium to invest in Aster GCC

- Board approves the separation of Aster’s India and GCC businesses, subject to regulatory and corporate approvals including Aster India’s shareholders’ approval. The separation plan will unlock value for the shareholders by allowing both the India and GCC businesses to adopt a market-focused strategy and create sustained long-term growth.
- Under the separation plan, a consortium led by Fajr Capital has entered into a definitive agreement to acquire a 65% stake in the ownership of the GCC business, Aster DM Healthcare FZC. The Moopen family will continue to manage and operate the GCC business retaining a 35% stake, on and from closing.
- The current market cap of the combined India and GCC business stands at ~USD \$ 2.0 billion. The transaction values the GCC business at an enterprise value of US\$ 1.7 billion (INR13,540cr¹), and an equity value of US\$ 1.0 billion (INR 8,215cr¹).
- Existing shareholders to remain with the listed Indian entity, Aster DM Healthcare Ltd. Upon successful completion of the proposed transaction, the Company is desirous of declaring dividends to the shareholders of Aster DM Healthcare Ltd from the proceeds, subject to approvals required under law.
- Dr. Azad Moopen will continue in his role as the Founder & Chairman and will oversee both India and GCC businesses, while Ms. Alisha Moopen will be promoted to the position of Managing Director and Group CEO of the GCC business. Dr. Nitish Shetty will continue as the CEO of the Aster business in India.

Bengaluru (India) / Dubai (UAE) | November 28, 2023 – Aster DM Healthcare (“Aster”), one of the largest and fastest-growing integrated healthcare providers in GCC and India, has today received board approvals from its subsidiary Affinity Holdings Private Limited (“Affinity”) and approval from its Board of Directors to separate the India and GCC businesses into two distinct and standalone entities. Under the separation plan, Affinity has entered into a definitive agreement with a consortium of investors led by Fajr Capital, a sovereign-owned private equity firm headquartered in the UAE, to invest in Aster’s GCC business. The Fajr Capital - led consortium also includes Emirates Investment Authority, Al Dhow Holding Company (the investment arm of AlSayer Group), Hana Investment Company (a subsidiary of Olayan Financing Company) and Wafra International Investment Company. The board of Affinity and its representatives who negotiated the transaction formed a positive view of the favourable valuation and other terms offered by the Fajr Capital-led consortium.

Aster DM Healthcare was established by Dr Azad Moopen in 1987 as a single clinic in Dubai, UAE. The company has since grown to become a leading integrated private healthcare provider, offering a full spectrum of primary, secondary, tertiary and quaternary healthcare services that cater to the diverse needs of its patients. In India, Aster has a substantial and growing network in 5 South Indian states through its 19 hospitals, 13 clinics, 226 pharmacies and 251 patient experience centres. Meanwhile,

¹ Exchange rate of INR 82 = 1 USD

in the Gulf, Aster has developed a strong reputation and presence, with 15 hospitals, 118 clinics and 276 pharmacies across the UAE, Saudi Arabia, Qatar, Oman, Bahrain and Jordan.

Upon completion, the separation of the India and GCC businesses will establish two distinct regional healthcare champions that will benefit from the strategic and financial flexibility to focus on growing market demand and the priorities of patients. Both the India and GCC entities will be operated by separate dedicated management teams and will also benefit from a dedicated investor base that will aid future growth in the Indian and GCC markets respectively, both of which hold significant growth potential.

The GCC and India healthcare markets are distinct and have different growth dynamics, warranting different business strategies. With a population strength of 1.4 billion, India will remain a priority market in Aster DM Healthcare Ltd.'s growth journey. The company plans to ramp up bed capacity in India by almost one-third, by adding more than 1500 beds by FY27. In the GCC, Aster DM Healthcare FZC will bolster its expansion plans in key markets, such as the UAE and Saudi Arabia, while enabling greater access to quality and comprehensive healthcare across physical and digital channels.

Post completion, Dr. Azad Moopen will continue as the Founder & Chairman of Aster overseeing both India and GCC entities. Ms. Alisha Moopen will be promoted to Managing Director and Group CEO of the GCC business to lead a long-term strategy that will unlock value as a pure-play GCC operating company. The Indian entity will continue to be led by Dr. Nitish Shetty as Chief Executive Officer, who will focus on the growth of the India business, aimed at creating value for its shareholders.

EY and PwC provided independent valuation advice and ICICI Securities provided fairness opinion for the valuation guidance. Baker & McKenzie LLP was Affinity's lawyers on the transaction. Cyril Amarchand Mangaldas was Aster's lawyer on the transaction. AZB & Partners were the advisors to independent directors. Moelis & Company and Credit Suisse acted as the sell-side advisors. HSBC Bank Middle East Ltd., Allen & Overy LLP and PwC acted on behalf of the Fajr Capital consortium.

Dr. Azad Moopen, Founder and Chairman of Aster DM Healthcare said: "The strategic decision to segregate the India and GCC operations was based on the rationale to establish fair value for both entities, creating two pure-play geographically focused entities that are able to leverage the growth opportunities in their respective markets. In India, we as Promoters, remain committed to our growth plans and hence had increased our stake to 42% earlier this year. Major institutional shareholders continue to remain invested, reflecting overall confidence in the Company's India business model and go-to-market strategy spanning all segments of the healthcare space."

"For the GCC, Fajr Capital has been selected by the board of Affinity as our trusted private equity partner to lead a consortium of investors to invest in the GCC business. We are confident given their demonstrated expertise and are excited by their commitment to empowering our expansion plans within the GCC's dynamic healthcare landscape, especially in Saudi Arabia. The Moopen family will retain 35% stake in the GCC Business. Together, we envision a future where Aster's business in the GCC continues to deliver best-in-class healthcare services to its patients across the region, underpinned by Fajr Capital's strong market presence and network. Alisha will lead on these ambitions and oversee the next phase of our growth trajectory in the GCC."

Ms. Alisha Moopen, who will serve as the Managing Director and Group CEO of Aster's GCC business, said: "While the India business of Aster DM Healthcare has made steady progress in growing multifold within a short period of time, the segregation will enable our GCC operations to seize a significant opportunity to unlock value through its geographic expansion, diversify revenue through targeting different economic segments, while expanding into tertiary care and digital health. In our journey with the GCC business, we are glad to be joined by Fajr Capital who are renowned for their expertise in facilitating business growth. With our upcoming expansions in the KSA market, we are confident that their strategic counsel would be of utmost value."

Mr. Iqbal Khan, CEO of Fajr Capital, said: "The Moopen family has built a world-class company, with a rich legacy of delivering high quality healthcare to millions of patients. Large family-led platform businesses is an area where we have deep experience and we believe that Aster has significant potential to meet the growing demand for integrated healthcare services across the Gulf region. We are grateful to the Moopen family for their trust and look forward to working with them, our consortium partners and the management team to accelerate Aster's ambitions through continued investment, innovation and expansion."

Dr. Nitish Shetty, CEO of Aster DM Healthcare Ltd. in India said: "The Indian healthcare market presents an unprecedented growth opportunity as our citizens seek quality healthcare services at affordable cost. Aster DM Healthcare has perfected a carefully designed healthcare ecosystem, spanning the entire patient life cycle. The Company is uniquely positioned to provide holistic healthcare solutions, including primary, secondary, tertiary, and quaternary care and investing heavily in new-age technology like Artificial Intelligence and Machine Learning to bring innovative medical solutions to the forefront, addressing critical healthcare challenges and contributing to improving patient outcomes. Our five-year topline and bottom-line CAGR is a testament to the robustness of this business model. The restructuring provides the Indian balance sheet with the flexibility to align its capital allocation policies to emerging growth opportunities."

The separation will also offer Aster India an opportunity to potentially expand its institutional investor base to include investors who are mandated to invest in India only or majority businesses. Shareholders of the India business will benefit from better reporting of operating and financial parameters for the listed entity.

The transaction is subject to shareholder approval in India, regulatory compliances and other customary conditions to closing. The Company expects the transaction to close by March 2024.

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Note for Editors:

About Aster DM Healthcare Limited in India

Aster DM Healthcare Limited is one of the largest healthcare service providers operating in India with a strong presence across primary, secondary, tertiary, and quaternary healthcare through 19 hospitals, 13 clinics, 226 pharmacies (operated by Alfaone Retail Pharmacies Private Limited under brand license from

Aster), and 251 labs and patient experience centers across 5 States in India, delivering a simple yet strong promise to different stakeholders: “We’ll treat you well.”

About Aster DM Healthcare FZC in GCC

Founded in 1987 by Dr. Azad Moopen, Aster DM Healthcare is a leading integrated healthcare service provider across six countries in the GCC. With a robust integrated healthcare model encompassing 15 hospitals, 118 clinics and 276 pharmacies, Aster serves all economic segments of the society through its three differentiated brands: Aster, Medcare and Access. The business continues to evolve to cater to the changing needs of patients and enable access to quality healthcare across physical and digital channels which includes the launch of the region’s first super app within the healthcare sector, myAster.

About Fajr Capital

Fajr Capital is a UAE-based private equity firm which invests in the Middle East and Southeast Asia. The company is owned by prominent sovereign wealth funds from Abu Dhabi, Brunei Darussalam and Malaysia, and private investors from the Gulf region and beyond. Fajr Capital has developed a strong track record of executing and successfully exiting landmark platform investments across various high-growth, demographic-driven sectors, such as financial services, education, renewable energy, infrastructure, food and beverage, waste management, and industrial manufacturing, amongst others.

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For more information about us, please visit www.asterdmhealthcare.com or contact:

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