

September 21, 2022

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

National Stock Exchange of India Ltd.,

Exchange Plaza, C/1, G Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400051.

Scrip ID: KPITTECH

Scrip Code: 542651

Symbol: KPITTECH

Series: EQ

Kind Attn: The Manager,
Department of Corporate Services

Kind Attn: The Manager,
Listing Department

Subject: - Disclosure of events & information pursuant to Regulation 30 – Acquisition of 100% shareholding in Technica Engineering GmbH., Technica Electronics Barcelona S.L., Technica Engineering Spain S.L., Technica Engineering Inc.

Dear Sir / Madam,

We wish to inform you that, in accordance with Regulation 30 read with Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Regulations") the Board of Directors of the Company, at its meeting has approved the acquisition of Technica Engineering GmbH, Germany, Technica Electronics Barcelona S.L., Spain and Technica Engineering Spain S.L., Spain through KPIT Technologies GmbH, a wholly owned step down subsidiary of the Company of 100% shareholding and Technica Engineering Inc, USA through KPIT Technologies Inc. a wholly owned step down subsidiary of the Company of 100% shareholding.

The details as required under SEBI Regulations, read with SEBI Circular dated September 9, 2015 are given in Annexure A to this letter.

Kindly take the same on your records.

Thanking you.

Yours faithfully,

For **KPIT Technologies Limited**

Nida Deshpande
Company Secretary & Compliance Officer

Annexure A

| Sr. No. | Details | Response |
|---------|---|--|
| a. | Name of the target entity, details in brief such as size, turnover etc. | <p>Target Entities:</p> <p>a) Technica Engineering GmbH (“Technica Germany”) Turnover – Euro 40,6 million for the year ended December 31, 2021.</p> <p>b) Technica Electronics Barcelona S.L. (“Technica Spain Barcelona”) Turnover – Euro 2.76 million for the year ended December 31, 2021.</p> <p>c) Technica Engineering Spain S.L. (“Technica Spain Vigo”) Turnover in 2021 – Yet to complete first financial year. Incorporated only in August 2022</p> <p>d) Technica Engineering Inc (“Technica US”) Turnover – USD 4.09 million for the year ended December 31, 2021.</p> <p>Annual consolidated revenues of Technica are in the range of Euros 43 million at 20% EBITDA range. The same will be consolidated proportionately upon closing.</p> |
| b. | Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms length” | <p>The acquisition is not with related party and Promoter/ Promoter Groups/ Group Companies do not have any interest.</p> <p>None of the KPIT directors have any interest in target entities.</p> |
| c. | Industry to which the entity being acquired belongs | Automotive, specializing in production-ready system prototyping (combination of network system architecture, hardware prototyping, integration), automotive ethernet products, and tools for validation |
| d. | Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity) | <p>The acquisition will create across-the-stack expertise, offering a one-stop shop for the industry to transform towards SDV.</p> <p>The acquisition will be EPS accretive upon consolidation.</p> |

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| e. | Brief details of any governmental or regulatory approvals required for the acquisition | --N.A.-- |
| f. | Indicative time period for completion of the acquisition | The deal is expected to be closed by the end of October 2022, post fulfillment of customary closing conditions, and at the end of it, Technica Group will be fully owned by KPIT Technologies. |
| g. | Nature of consideration - whether cash consideration or share swap and details of the same | 100% Cash Consideration. |
| h. | Cost of acquisition or the price at which the shares are acquired | Euro 80 million fixed consideration to be paid over 6 months. Maximum Euro 30 million variable consideration based on achievement of revenue and profit milestones to be payable over the next 2.5 years. |
| i. | Percentage of shareholding / control acquired and / or number of shares acquired | KPIT Technologies GmbH & KPIT Technologies Inc. (wholly owned step down subsidiaries of the Company) will acquire 100% of the shareholding upfront. |
| j. | Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief) | <p>Target entities have leadership in automotive in production-ready system prototyping (combination of network system architecture, hardware prototyping, integration), automotive ethernet products, and tools for validation.</p> <p>a) Technica GmbH (“Technica Germany”):</p> <p>Date of Incorporation: 17th April 2008</p> <p>Turnover for last 3 years:</p> <p>Calendar Year 2019 -: Euro 29.89 million Calendar Year 2020 -: Euro 33.40 million Calendar Year 2021 -: Euro 40,6 million</p> <p>Technica Germany has a presence in Germany, France, Sweden and Asia, with current employee strength of 275. It is headquartered in Munich, Germany.</p> <p>b) Technica Electronics Barcelona S.L. (“Technica Barcelona”)</p> <p>Date of Incorporation: 25th March 2019</p> <p>Turnover for last 3 years:</p> <p>Calendar Year 2019 -: Euro 0.47 million Calendar Year 2020 -: Euro 1.76 million Calendar Year 2021 -: Euro 2.76million</p> |

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| | | <p>Technica Barcelona has a presence in Spain, with current employee strength of 50. It is headquartered in Barcelona, Spain.</p> <p>c) Technica Engineering Spain S.L. (“Technica Vigo”)</p> <p>Date of Incorporation: 22nd August 2022.</p> <p>Technica Vigo has a presence in Spain, with current employee strength of 4 (No. of employees). It is headquartered in Vigo, Spain.</p> <p>d) Technica Engineering Inc. (“Technica US”)</p> <p>Date of Incorporation: 4th September 2019.</p> <p>Turnover for last 3 years:</p> <p>Calendar Year 2019 -: Euro 0,125 million Calendar Year 2020 -: USD 1.57 million Calendar Year 2021 -: USD 4.09 million</p> <p>Technica US has a presence in US, with current employee strength of 4 (No. of employees). It is headquartered in Bloomfield Hills, Michigan, USA.</p> |
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