

Board of ZEEL gives in-principle approval for the merger between ZEEL & Sony Pictures Networks India

- *Authorises the management to proceed with the due diligence process*
- *Shareholders of SPNI to infuse growth capital in SPNI as part of the merger*
- *Significant synergies between ZEEL & SPNI to enhance the overall content creation approach and drive digital platform growth*
- *Punit Goenka to continue as Managing Director & Chief Executive Officer of the merged entity*

MUMBAI, 22nd September 2021: The Board of Directors of ZEE Entertainment Enterprises Limited (ZEEL) present and voting in its board meeting held on 21st September 2021, unanimously provided an in-principle approval for the merger between Sony Pictures Networks India (SPNI) & ZEEL.

The Board has evaluated not only on financial parameters, but also on the strategic value which the partner brings to the table. The Board concluded that the merger will be in the best interest of all the shareholders & stakeholders. The merger is in line with ZEEL's strategy of achieving higher growth and profitability as a leading Media & Entertainment Company across South Asia. The Board has authorized the management of ZEEL to activate the required due diligence process.

The shareholders of SPNI, will hold a majority stake in the merged entity. The shareholders of SPNI will also infuse growth capital into SPNI as part of the merger such that SPNI has approximately USD 1.575 billion at closing, for use in pursuing other growth opportunities.

Basis the existing estimated equity values of ZEEL and SPNI, the indicative merger ratio would have been 61.25% in favour of ZEEL. However, with the proposed infusion of growth capital into SPNI, the resultant merger ratio is expected to result in 47.07% of the merged entity to be held

by ZEEL shareholders and the balance 52.93% of the merged entity to be held by SPNI shareholders.

ZEEL & SPNI have entered into a non-binding term sheet to combine both companies' linear networks, digital assets, production operations and program libraries. The term sheet provides an exclusive period of 90 days during which ZEEL and SPNI will conduct mutual diligence and finalize definitive agreement(s). The merged entity will be a publicly listed company in India.

As part of the transaction, Mr. Punit Goenka will continue to be the Managing Director and CEO of the merged entity. Further, certain non-compete arrangements will be agreed upon between the promoters of ZEEL and the promoters of SPNI. According to the term sheet, the promoter family is free to increase its shareholding from the current ~4% to up to 20%, in a manner that is in accordance with applicable law. Majority of the Board of Directors of the merged entity will be nominated by Sony Group.

It is anticipated that the final transaction would be subject to completion of customary due diligence and execution of definitive agreements and required corporate, regulatory and third-party approvals, including the votes of ZEEL's shareholders.

ZEEL's strong expertise in content creation and its deep consumer connect established over the last 3 decades, coupled with SPNI's success across entertainment genres (including gaming and sports) will add significant value to the merged entity and its management team, thereby increasing shareholder value multifold.

Speaking on the development, **Mr. R. Gopalan, Chairman, ZEE Entertainment Enterprises Ltd.** said, *"The Board of Directors at ZEEL have conducted a strategic review of the merger proposal between SPNI and ZEEL. As a Board that encompasses a blend of highly accomplished professionals having rich expertise across varied sectors, we always keep in mind the best interests*

of all the shareholders and ZEEL. We have unanimously provided an in-principle approval to the proposal and have advised the management to initiate the due diligence process.

ZEEL continues to chart a strong growth trajectory and the Board firmly believes that this merger will further benefit ZEEL. The value of the merged entity and the immense synergies drawn between both the conglomerates will not only boost business growth but will also enable shareholders to benefit from its future successes. As per legal and regulatory guidelines, at the required stage, the proposal will be presented to the esteemed shareholders of ZEEL for their approval.”

Under the guidance of the Board, the management of ZEEL, ably led by Mr. Punit Goenka, continues to steadily work towards achieving higher profitability in line with its set goals for the future. With this corporate development, the merged entity will result into an accelerated growth and a significant opportunity to create tremendous value for all its stakeholders.

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About ZEE Entertainment Enterprises Ltd.: Zee Entertainment Enterprises Ltd. is a media & entertainment powerhouse offering entertainment content to diverse audiences. With a presence in over 173 countries and a reach of more than 1.3 billion people around the globe, ZEEL is among the largest global content companies across genres, languages, and platforms. ZEEL is present across broadcasting, movies, music, digital, live entertainment and theatre businesses, both within India and overseas, with more than 260,000 hours of television content and houses the world’s largest Hindi film library with rights to more than 4,800 movie titles across various languages. ZEEL has also produced several movies for theatrical release and is the fastest growing music label in India. It has presence in the digital space with ZEE5 and has also ventured into live events.

About Sony Pictures Networks India (SPNI): Sony Pictures Networks India (SPNI), is an indirect wholly owned subsidiary of Sony Group Corporation, Japan. SPNI has several channels including Sony Entertainment Television (SET and SET HD), one of India's leading Hindi general entertainment television channels, and Sony LIV, the SPNI's robust streaming platform. SPNI reaches out to over 700 million viewers in India and is available in 167 countries.

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