

COHANCE LIFESCIENCES

INVESTOR PRESENTATION

MARCH 2023




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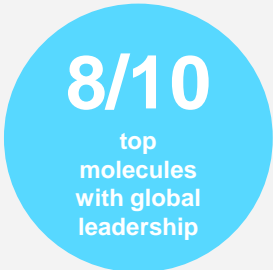


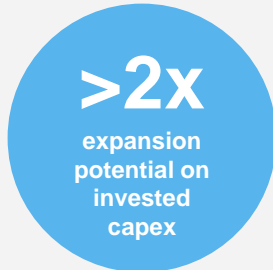

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1. Cohance Summary
 2. CDMO Segment Philosophy
 3. API Segment Philosophy
 4. Mfg. and R&D Capabilities
 5. Management Capabilities
 6. Transformation Journey
 7. Financials and Drivers of Growth

ABOUT COHANCE PLATFORM

- One of leading, diversified CDMO + merchant API platform in India with ~INR 1.3Kcr revenue and ~INR 365cr EBITDA in FY22; for pharmaceuticals and specialty chemicals customers across the globe
- Well-invested asset with complex chemistry capabilities (e.g. camptothecin derivatives, acetylene compounds)

Leading player	Global leadership	Innovator CDMO ³	Leading metrics ⁴	Capex invested	Top management
 <p>One of Top Indian CDMO+ Merchant API</p> <p><i>One of India's top CDMOs + merchant API¹</i></p>	 <p>8/10 top molecules with global leadership</p> <p><i>Leadership (top 3 position)² in key molecules driven by deep cost position due to backward integration</i></p>	 <p>30%+ share of CDMO in total revenue</p> <p><i>- Delivered 125+ innovator projects from gram to multi-kilo scale</i> <i>- CDMO biz. growth at 35%+ CAGR (faster than other segments)</i></p>	 <p>21%+ revenue CAGR of overall business</p> <p><i>Industry leading financial metrics - growth (~22%), EBITDA margins (~28%), and return on capital employed (~33%)</i></p>	 <p>>2x expansion potential on invested capex</p> <p><i>Fully invested in capex enough to support 2x current scale; ~INR 300 Cr. invested since acquisition⁶</i></p>	 <p>~10 CXOs hired from top global companies</p> <p><i>Top tier management team with experience of handling businesses 2-3x the size of Cohance</i></p>

Built on back of deep chemistry capabilities (incl. ADCs, HPAPI) and with deep focus on Safety, Quality & Compliance

Note: 1. Basis market work by independent consulting organizations taking into account revenues from CDMO segment of leading CDMO/API players

2. Ranking based on data from IQVIA

3. Innovators refer to customers classified as customers engaged in R&D/manufacturing/marketing of new molecules in the pharmaceutical and/or specialty chemical industries; and CDMO includes revenue from innovators on their on-patent or genericized molecules custom manufacturing of intermediates and specialty chemicals

4. Revenue growth refers to FY ending March 2020 – March 2022; EBITDA % and RoCE figures pertain to FY ending March 2022; ROCE = EBIT/Avg capital employed [Net fixed assets + NWC + other net assets];

5. Financials are Pro-forma combination of financials of RA Chem, ZCL and Avra; Adjusted EBITDA is EBITDA adjusted out for one time expenses

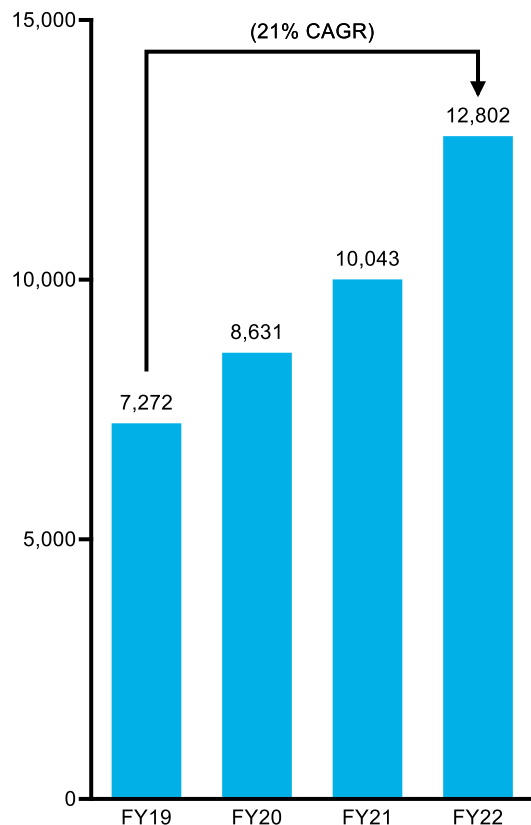
6. Includes FY23 approved capex of ~INR 100 Cr

COHANCE'S FINANCIAL HIGHLIGHTS

- Cohance has delivered consistent revenue growth (21% CAGR), EBITDA growth (32% CAGR) with strong FCF conversion of c. 30%

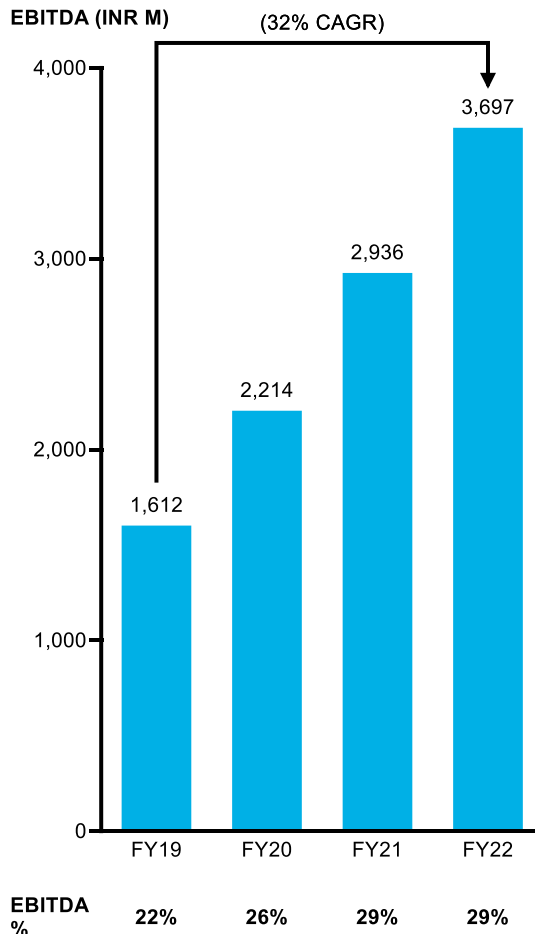
Revenue¹

Revenue (INR M)



Adjusted EBITDA¹

EBITDA (INR M)



Profitability and Cash Generation



~30%

Strong cash flow generation²



~35%

Return on Capital Employed
(FY22)³



28%+

Industry leading EBITDA Margins
(FY22)⁴



19%+

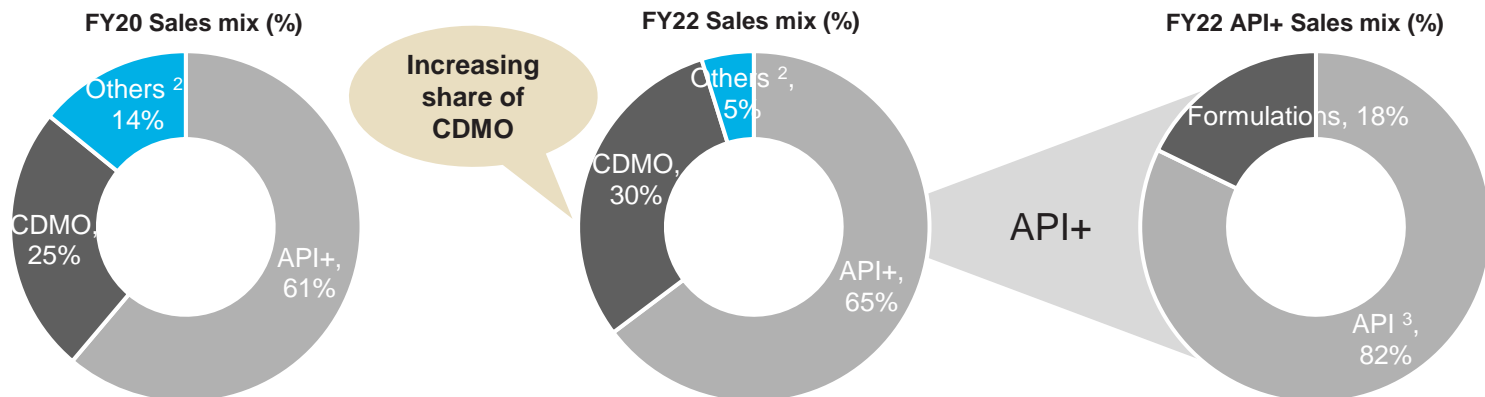
Industry leading PAT Margins
(FY22)⁴

Note: 1) Financials are Pro-forma combination of financials of RA Chem, ZCL and Avra; Adjusted EBITDA is EBITDA adjusted out for one time expenses and income 2) Free Cash Flow Generation as % of EBITDA for average of FY20, FY21, and FY22 adjusted for one time expenses & income 3) ROCE = EBIT/Avg capital employed [Net fixed assets + NWC + other net assets]; 4) EBITDA & PAT margin is for FY22

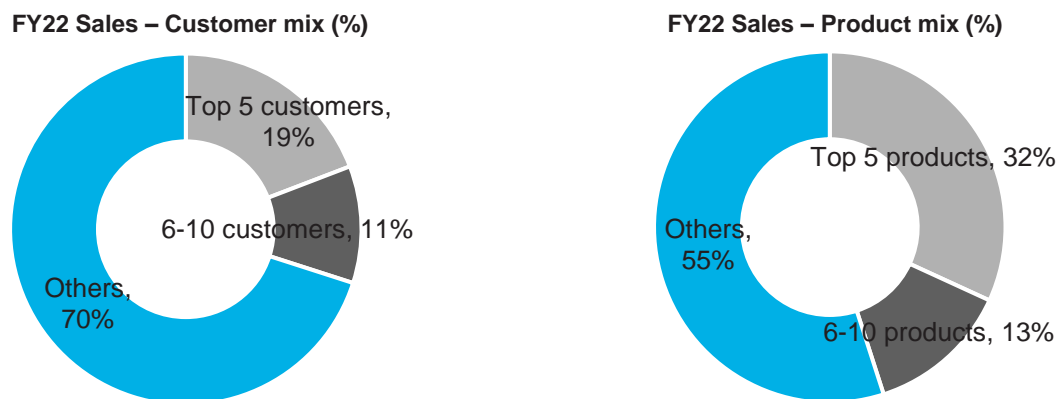
BUSINESS MIX

- Increasing share of CDMO to - 30% of sales in FY22 (vs 25% in FY20) driven by unique capabilities in antibody-drug conjugates & high purity electronic chemicals
- Well diversified customer and product mix

Business Units ¹



Minimal concentration across customers & products



Note: 1) CDMO includes revenue from innovators on their on-patent or genericized molecules and custom manufacturing of intermediates & specialty chemicals. Innovators refer to customers engaged in R&D/manufacturing/marketing of new molecules in the pharmaceutical and/or specialty chemical industries 2) Others include Clinical & analytical services, Toll manufacturing, Scrap sales, etc 3) API segment includes API business majorly and Pellets business 4) Business mix data is based on MIS reporting

Confidential

CDMO BUSINESS



1 Deep innovator relationships

1

- ▶ Relationships with ~25 pharma and spec chem innovators
- ▶ Delivered 125+ innovator projects from gram to multi kilo scale¹



2 Complex chemistry capabilities

2

- ▶ Handle complex, multi-step chemistries: intermediates for ADC warheads, cross coupling, carbon monoxide, cryogenic reactions, etc.
- ▶ Leverage synthetic camptothecin platform capabilities



3 Lifecycle management of molecules

3

- ▶ Capabilities to handle a drug end-to-end throughout its lifecycle
- ▶ Working on various lifecycle molecules for Innovators



4 Specialty Chemicals segment

4

- ▶ Amongst India's leading manufacturer of high purity electronic chemicals
- ▶ Expanding portfolio of fine chemicals



API BUSINESS

1

1 Uniquely curated portfolio



- ▶ Focus on low-mid volume APIs with low competitive intensity
- ▶ Built deep cost position through backward integration
- ▶ Top 3 players by global market share¹ across most top molecules

2

2 Diversified business mix



- ▶ Diversified mix of customers & molecules
- ▶ Balanced presence across regulated and high-quality emerging markets

3

3 Complex chemistry capabilities



- ▶ Expertise in handling multi-step complex chemistry: Onco APIs, etc.
- ▶ State-of-the art Analytical labs with NMR, ICP - OES HPLC, UPLC, GC, GC-HS, GC-MS/MS

4

4 Robust molecule selection process



- ▶ Launch select 5-6 molecules only every year
- ▶ Focus on molecules where we can build deep cost position and gain global market leadership

Note: 1. Market share based on data from IQVIA; 2. Pertains to projects in the last 5 years only

KEY ELEMENTS OF COHANCE PLATFORM (1/2) - OVERALL

- One of India's leading contract developer and manufacturer (CDMO) and merchant API player serving marquee customers across Pharmaceuticals and Specialty Chemicals



Focused portfolio and market leadership in low-mid volume, specialty APIs with low competitive intensity

1

~30% business contribution through innovator CDMO arm; growing at >35% CAGR

2

Global leadership in 8/top 10 molecules driven by deep cost position due to backward integration

3

Amongst India's leading manufacturer of high purity electronic chemicals

4

Complex chemistry capabilities, including expertise in controlled substances, ADCs, HPAPIs, etc.

5

Scale manufacturing with 7 facilities across India; fully invested in capex to drive 2x growth

6

Deep focus on safety, quality and regulatory compliance

7

Strong financial profile having grown >21% CAGR (2Y), with 28% EBITDA and 33% RoCE

8

Expanding pipeline of molecules, growing lifecycle management for innovators and fine chemicals

9

Note: 1) Financials are Pro-forma combination of financials of RA Chem, ZCL and Avra; Adjusted EBITDA is EBITDA adjusted out for one time expenses and income 2) Free Cash Flow Generation as % of EBITDA for average of FY20, FY21, and FY22 3) ROCE = $ROCE = \frac{EBIT}{Avg\ capital\ employed\ [Net\ fixed\ assets + NWC + other\ net\ assets]}$ and is for FY22A; 4) PAT margin is for FY22 for all 3 entities

KEY ELEMENTS OF COHANCE PLATFORM (2/2) - ESG

- **ESG framework made an integral part of operations**
- **Recently received ISO 14001 & ISO 45001 accreditations**

Key focus areas of ESG framework

Results achieved in the last 3 years

Water & Energy

- Continuous process & technology improvement for reducing consumption and recycling
- Dedicated energy program measuring utilization & optimizing consumption
- Condensate recovery & boiler efficiency system – minimizing thermal energy and water loss

17%

Reduction in water consumption/MT produced

6%

reduction in coal consumption/MT produced

Waste management

- “Quality by design” to reduce waste at source
- Invested in effluent treatment plants with zero liquid discharge
- Wet scrubbers for Gaseous waste & specialized partner collaboration for solid waste disposal

6%

Reduction in CO₂ emissions per MT produced

12%


Reduction in treated effluents per day

Health and Safety

- Infrastructure upgraded (*including fire hydrant system; Pressure Relief Valve, Rupture Disks*)
- Systems deployed (*including LOTO & Interlocking systems, monthly governance; incident reporting*)
- Trainings on safety & behavioral approaches & mock drills

~20 acres
Plantations

INR 300 Mn
EHS spend

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COHANCE – CDMO SEGMENT PHILOSOPHY

- **CDMO Segment:** >30% business contribution through CDMO arm across Pharma and Specialty Chemical Innovators; historically grown at >35% CAGR

1 Deep innovator relationships

- Relationships with ~25 pharma and spec chem innovators
- Delivered **125+ innovator projects** from gram to multi kilo scale¹

2 Complex chemistry capabilities

- Handle complex, multi-step chemistries: intermediates for ADC warheads, cross coupling, carbon monoxide, cryogenic reactions, etc.
- Leverage synthetic camptothecin platform capabilities



PHILOSOPHY FOR CDMO

3 Lifecycle management of molecules

- Capabilities to handle a drug end-to-end throughout its lifecycle
- Working on various lifecycle molecules for Innovators

4 Specialty Chemicals segment

- Amongst India's leading manufacturer of high purity electronic chemicals
- Expanding portfolio of fine chemicals

Note: 1. Pertains to projects in the last 5 years only

MULTIPLE PLATFORMS POISED TO DRIVE GROWTH

- Deep, long-standing relationships with marquee global innovator customers across pharma & specialty chemicals

Customer	Description	Product Type	Years of relationship
Innovator Customer 1	Leading global biopharmaceutical company	Antibody Drug Conjugate (ADC) Intermediates	>6 years
Innovator Customer 2	Global MNC innovator pharmaco	Ophthalmology intermediates	>8 years
Innovator Customer 3	Leading global innovator pharmaco	Oncology Intermediates	>6 years
Innovator Customer 4	Leading global supplier of paints, coatings & specialty chemicals	Speciality Chemicals	>8 years
Innovator Customer 5	Global manufacturer of ester chemistry-based materials	Speciality Chemicals	>8 years

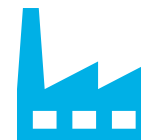
MULTIPLE PLATFORMS POISED TO DRIVE GROWTH

- Extensive expertise across areas including highly attractive camptothecin drugs family, controlled substances, clinical trial intermediates and molecule lifecycle management



Camptothecin Technology Platform

- 1st in world to develop synthetic route for large-scale production of Camptothecin derivatives (*better purity vs natural process*)
- Supplies intermediates for US-EU market approved Antibody-Drug-Conjugates



Controlled Substance Platform

- Extensive expertise and global leadership in regulated controlled substance products
- Well-positioned to leverage capabilities to capture synthetic cannabinoid space




Clinical Trial Intermediate Supply

- Cohance supplies intermediates of several NCE's involved in ongoing clinical trials with large potential including:
 - Lung cancer drug in Ph III;
 - Anti-thrombotic drug starting Ph III;
 - Active discussions for various other supplies



Lifecycle management

- Innovator molecules which become Gx post patent
- Post patent supply is to innovator customers
- E.g. Molecule 1 – sold to an innovator customer which was earlier co-marketeer of product along with global pharmaco

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COHANCE – API+ SEGMENT PHILOSOPHY

- **API+ Segment: Focus on select low-mid volume molecules, taking global market share, backed by deep cost position and robust chemistry capabilities**

1 Uniquely curated portfolio



- Focus on low-mid volume, high value specialty APIs with low competitive intensity
- Built deep cost position through backward integration
- Top 3 players by global market share¹ across most top molecules

2 Robust molecule selection process



- Launch select 5-6 molecules only every year
- Focus on molecules where we can build deep cost position and gain global market leadership



PHILOSOPHY FOR API

3 Complex chemistry capabilities



- Expertise in handling multi-step complex chemistry: Onco APIs, etc.
- Capability to handle and develop HPAPIs
- State-of-the art Analytical labs with NMR, ICP - OES HPLC, UPLC, GC, GC-MS, GC-MS/MS

4 Diversified business mix



- Diversified mix of customers & molecules
- Balanced presence across regulated and high-quality emerging markets

Note: 1. Market share based on data from IQVIA

STRONG GROWTH IN KEY MOLECULES

- Amongst top 3 suppliers in top products with demonstrated history of market share gain and high degree of backward integration enabling sustainable cost advantage

Customer	FY23E Market Share	Mkt share trend since FY20	Degree of backward integration
Molecule 1	✓✓✓	↗	●
Molecule 2	✓✓✓	↗	●
Molecule 3	✓✓	→	●
Molecule 4	✓✓✓	↗	●
Molecule 5	✓✓	→	●
Molecule 6	✓✓	→	◐
Molecule 7	✓✓✓	↗	●
Molecule 8	✓✓✓	↗	●

✓✓✓ >30%
 ✓✓ 20%-30%
 ✓ <20%

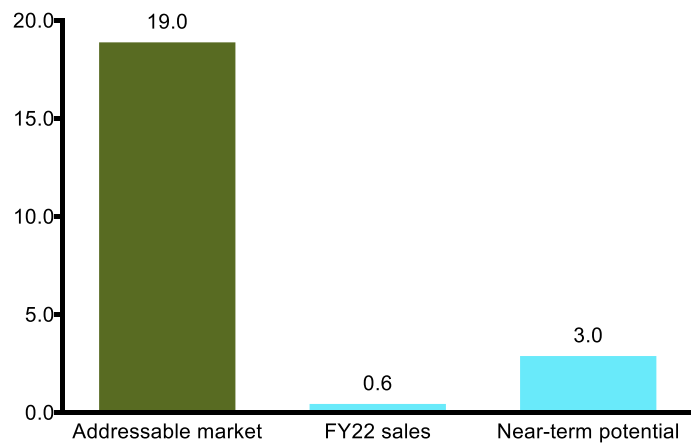
● High
 ◐ Medium
 ◑ Low

FOCUSED PRODUCT PIPELINE

- Portfolio strategy based on careful selection of products underpinned by robust process, competitive cost position and limited competition
- Products identified for driving near term as well as long term growth

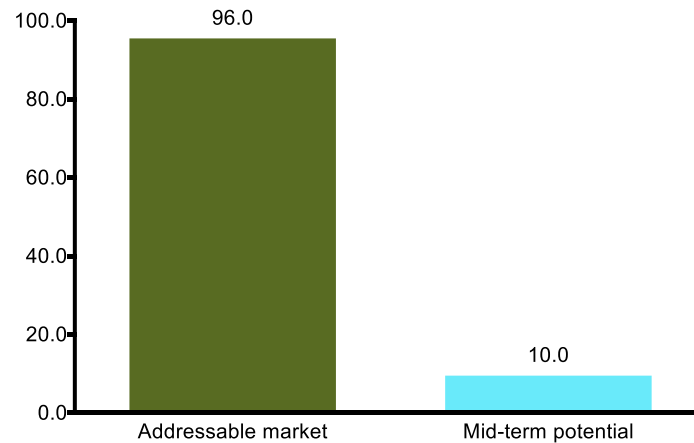
Nascent high-potential products (9 molecules)

INR Bn



Pipeline products (12 molecules)

INR Bn



EXPANSION IN MARKET BASE LED BY GLOBALIZATION OF CURRENT PORTFOLIO

- ~40 Drug Master Files (DMFs) submitted in semi-regulated / emerging markets since acquisition

**10
filings**

Brazil

**15
filings**


China

**5
filings**

Korea



































**10
filings**

RoW

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COHANCE'S SPECIALIZED MANUFACTURING CAPABILITIES

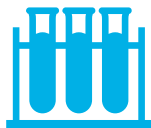
- Total capacity to go upto 1,500 KL for API and Intermediates by 2024 through capex already invested in Cohance

	Plant	State	About the facility	Approvals	Markets		
1	 Ankaleshwar	Gujarat	68 reactors with >420KI capacity	 	 US	 Europe	 Emerging markets
2	 Jaggayapet	Andhra Pradesh	~120 reactors, >520KI capacity	 	 US	 Europe	 Emerging markets
3	 Atchutapuram	Andhra Pradesh	46 reactors with >140KI capacity	 WHO GMP			 Emerging markets
4	 Nacharam	Telangana	60+ reactors Unit with Oncology facility	  WHO GMP	 US	 Europe	 Emerging markets
5	 Parwada	Andhra Pradesh	API plant with >130KI capacity	 ISO 9001:2015	 US		 Emerging markets
6	 Nacharam FDF	Telangana	250M OSDs, 180MT PFI per annum	 	 US	 Europe	 Emerging markets
7	 Jadcherla	Telangana	Pellets: 480MT per annum	 WHO GMP			 Emerging markets

Capacity expansion from 850 kL at acquisition to 1,330 kL in FY23 & 1,500+ kL by FY24

COHANCE'S R&D CAPABILITIES

- **Deep R&D expertise with multiple state-of-the-art facilities and qualified personnel experienced in complex molecules**



R&D Centers & Analytical Labs

- 4 state-of-the-art R&D centers and analytical labs with NMR, stability & photo stability chambers



Highly skilled & diverse team

- Backed by a team of 200+ staff to bolster innovation & growth



Expertise in handling complex chemistries

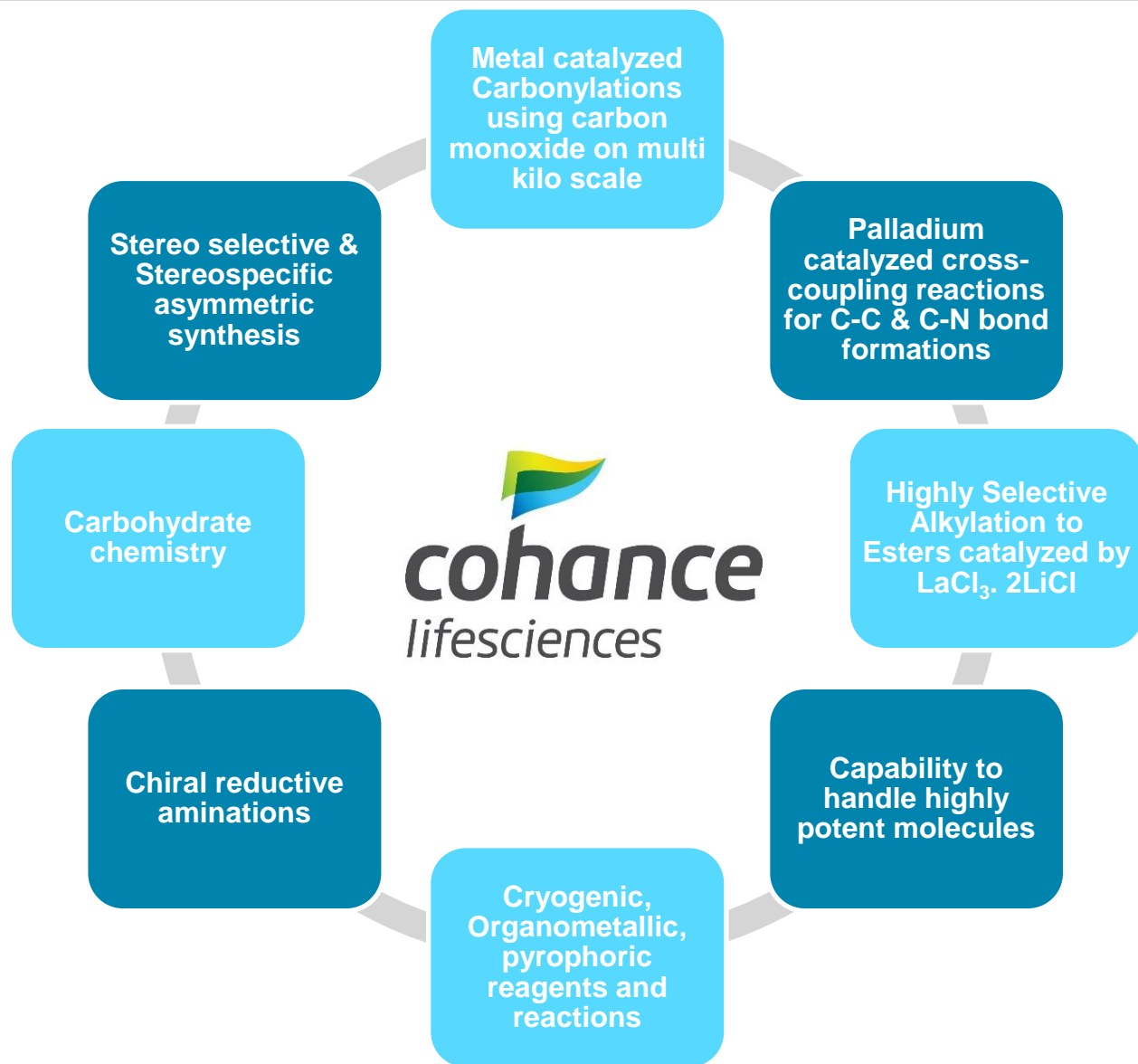
- Capable of executing multi-step reactions incl. coupling reactions, nucleoside & carbohydrate chemistry, asymmetric catalysis, and development of suitable analytical chiral methods




Patent evaluation & screening

- Carry out full-scale patent evaluation including development of non-infringing processes & collaborative programs under confidentiality agreements

SELECT CHEMISTRY COMPETENCIES



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COHANCE HAS A HIGHLY EXPERIENCED MANAGEMENT TEAM

- Led by experienced, high quality management team who has handled 2-3x the scale of Cohance's business before joining our platform

Strong Management Team with both MNC and Indian pharma company experience

Dr. Prasada Raju

Chief Executive Officer

Experience

- 28+ years experience in the CDMO and API industry
- Ex Executive Director, Granules, various leadership positions with Dr Reddy's
- Strong techno commercial expertise
- Experience across Growth strategy, R&D, Quality, IP, Projects
- Education: PhD, PG Dip in patents law, IIMc and trained in Material Sciences in IIT, Chicago, USA



Jayant M.

Chief Financial Officer
28+ years of experience
Ex CFO, Sai Life Sciences
Ex CFO Mahindra Lifespaces
Education: CA, CS, CWA



Sunil U.

Chief Operating Officer
27+ years in Pharma; Ex VP Ops, Sun Pharma; Director of Manufacturing, Emcure, Cluster Head Cipla
Education: BITS Pilani, ICFAI



Vishal M.

Chief Commercial Officer
25+ years of experience
Ex CMO, Emcure, Ex-VP Sales & Marketing, Glenmark Life Sciences



Saswata Lahiri

CDMO Head, Avra
20+ years of experience
Ex Sr. VP, PI Industries
Head, API, Fresenius Kabi
Education: PhD, IICIT



Swaminathan N.

Chief Supply Chain Officer
30+ years of experience
Ex VP, Granules, Nippon Paints, Pidilite Industries, ICI India, Mafatlal, Brooke Bond; Education: Grad in Mathematics



K. Nagendra Babu

Chief Quality & Compliance Officer
25+ years of experience, Ex Quality Dir., Mylan; Head of Global Compliance, Granules; GSK; Education: PhD



Pushkar Lakhekar

Chief Transformation Officer
22+ years; Ex Head, Strategic Mfg, Glenmark LS; Associate Director, Dr Reddy's; Education: Chem Engg (UDCT); IIM Indore



Venkat Srinivas

Chief Information Officer
20+ years of experience
Ex APAC Hub Lead, Apotex India Manager, Megaware Tech
Education: MBA, BE (CSE)



Sidhartha Das

CHRO
23+ years of experience
Ex Global HR Lead, Sai Life Sciences
Ex Head HR, Marico Bangladesh
Education: XLRI, MSU



Industry veterans on the Board and guiding the Cohance journey

Abhijit Mukherjee

Operating Partner

Experience

- 40+ years of experience (20 in Pharma)
- Ex COO, DRL India
- Board member - ICE, Slayback Pharma, RA Chem, ZCL, BSV



Bhasker Iyer

Operating Partner

Experience

- ~40 years of experience in Pharma
- Ex Head, Abbott India
- Board Member - Themis Medicare, RPG life sciences, RA Chem, ZCL, BSV




Anil Chanana

Independent Director

Experience

- 40+ years of experience
- Former CFO, HCL Technologies
- Board member – Medi Assist, DFM Foods, RA Chem, ZCL



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COHANCE PLATFORM¹ TRANSFORMATION

- **Three businesses integrated successfully to create an INR 1,280+ Cr Merchant API + CDMO business**
- **Growing at ~20% CAGR since acquisition (organic growth) with improving margins**

Attractive Financial Profile

- Scaled 1.8x over the last 3 years at 20%+ CAGR
- Industry-leading EBITDA margins at 28%+ with strong growth (~27% 3Y CAGR)

ESG

- Comprehensive ESG framework integrated with operations
- Recently received ISO 14001 & ISO 45001 accreditations

Market leadership

- Added 40+ customers since acquisition
- Top 3 supplier in 8 of top 10 molecules driven by focus on deep cost position & expansion into global markets

Quality & Regulatory

- Comprehensive Quality Management Systems
- Extensive inspection protocols to foster anytime readiness for plant audits

Management Team

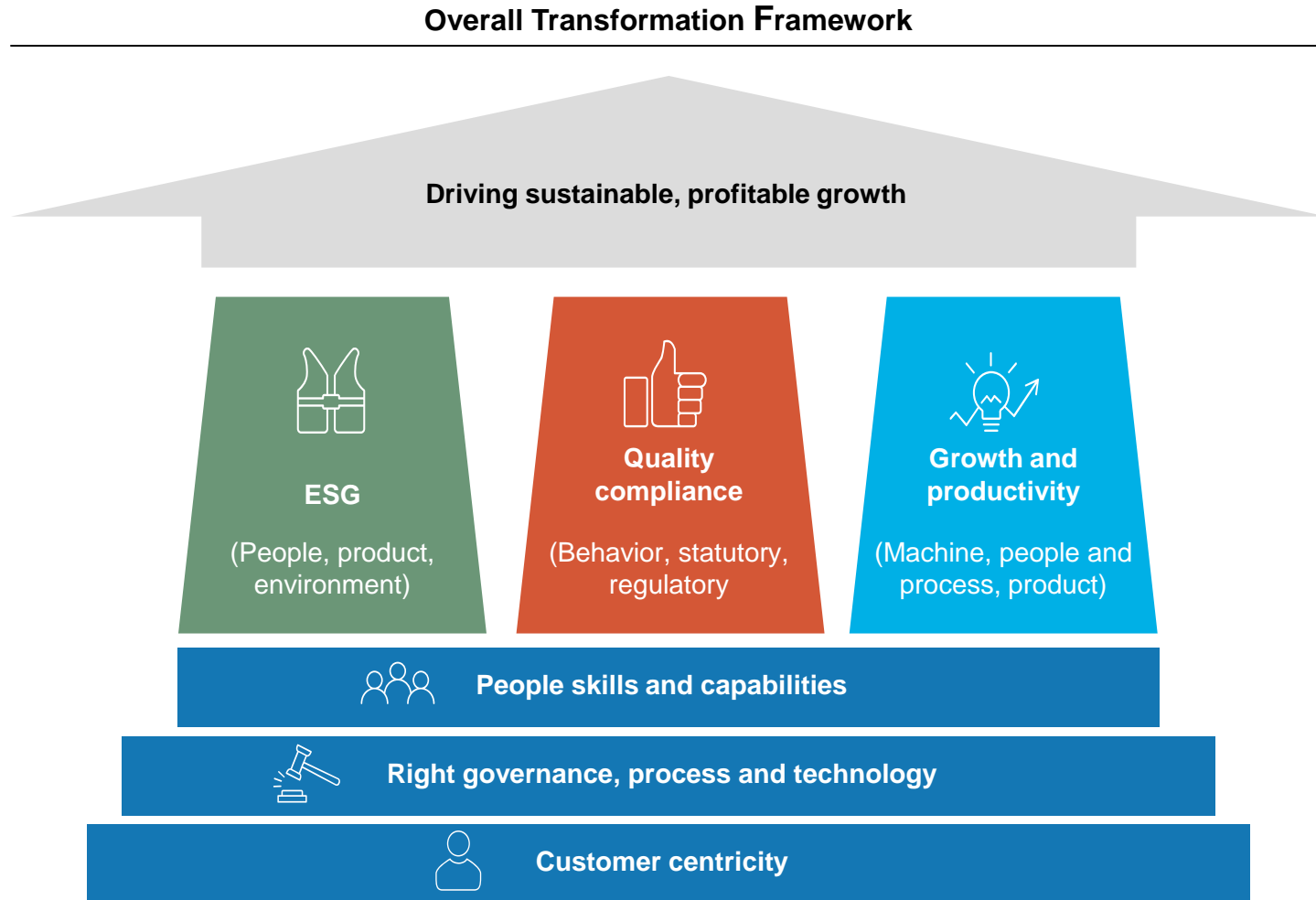
- Highly experienced CXO team with 250+ years of cumulative work experience in the space


Processes & Technology

- Strengthened governance & process capabilities
- 3-year digital transformation roadmap in place and under execution

TRANSFORMATION FRAMEWORK TO AUGMENT GROWTH JOURNEY

- 3 pillar transformation framework put in place to unlock full potential of platform and drive sustainable growth



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DRIVERS OF GROWTH

- Tapping multiple engines for sustainable, industry leading future growth

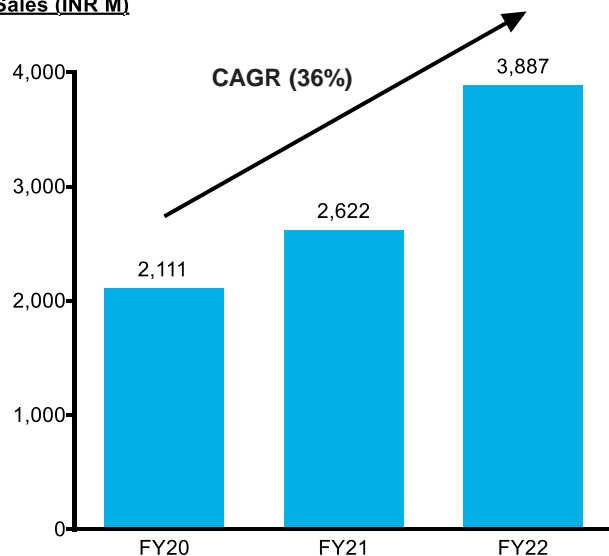
Existing Products	Existing Customers	<ul style="list-style-type: none">• Continue to increase SoW in existing customers backed by a) deep cost position / backward integration b) focus on delivery and c) increased product portfolio
	New Customers	<ul style="list-style-type: none">• Add many high quality innovator and large pharma co as customers• Under active discussions with 10+ global innovator pharmacos for opportunities in lifecycle management of genericized molecules
	Globalized Portfolio	<ul style="list-style-type: none">• 40+ DMF filings submitted in semi-reg/emerging markets since acquisition, with strong plans of expanding further in LatAm, Mexico, China etc.
New products with high potential		<ul style="list-style-type: none">• Near-term potential of INR 3 Bn sales from key molecules (addressable market of ~INR 20 Bn)
Pipeline products		<ul style="list-style-type: none">• Pipeline of new products with mid-term sales potential of INR 10 Bn in an addressable mkt of ~INR 100 Bn

REVENUE GROWTH BY SEGMENT

- Strong revenue growth in CDMO segment (36% 2Y CAGR) & API (24% 2Y CAGR) driven by healthy mix of increasing wallet share in existing customers, new customer additions & new products

CDMO Segment

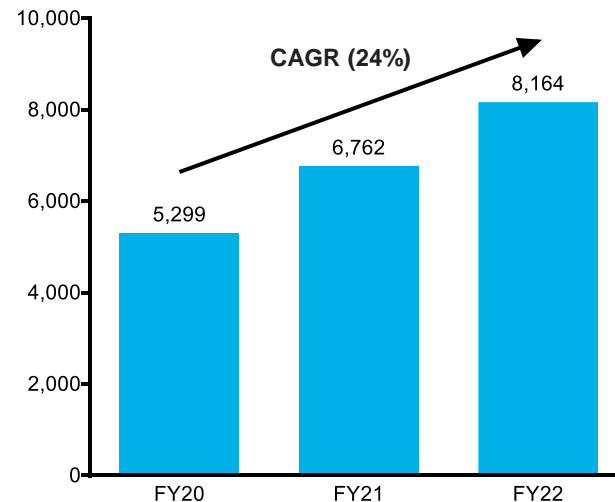
CDMO Sales (INR M)



Fiscal Year	% of Total Sales
FY20	25%
FY21	26%
FY22	31%

API Segment

API+ Sales (INR M)



Fiscal Year	% of Total Sales
FY20	62%
FY21	67%
FY22	65%

Note:

API+ segment includes commercial API, PFI & Formulations

COHANCE ORGANIC PROFORMA P&L - SNAPSHOT

- Cohance platform build-out started in Oct '20; biz. has shown organic revenue CAGR at 21% from FY19-22 (L2L organic growth for the entire platform, proforma for acquisitions across years)
- Organic EBITDA growth at 32% CAGR from FY19-22

INR million					CAGR
Proforma P&L Snapshot ¹	FY19	FY20	FY21	FY22	FY19-22
Revenue	7,272	8,631	10,043	12,802	20.7%
yoy growth%		18.7%	16.4%	27.5%	
COGS	(2,900)	(3,705)	(4,004)	(5,257)	
Material Margin	4,372	4,926	6,039	7,545	
Material Margin%	60.1%	57.1%	60.1%	58.9%	
Manufacturing Expenses ²	(1,054)	(955)	(1,123)	(1,319)	
Employee cost ³	(1,063)	(1,217)	(1,430)	(1,678)	
Other expenses ³	(643)	(540)	(550)	(852)	
Adjusted EBITDA	1,612	2,214	2,936	3,697	31.9%
EBITDA%	22.2%	25.7%	29.2%	28.9%	
Depreciation & Amortization	(479)	(444)	(469)	(509)	
Finance costs	(169)	(197)	(45)	(110)	
Other income	157	204	189	186	
Adjusted PBT	1,121	1,777	2,610	3,263	42.8%
Tax	(282)	(447)	(657)	(821)	
Adjusted PAT	839	1,330	1,953	2,442	42.8%
PAT%	11.5%	15.4%	19.4%	19.1%	

Proforma for acquisitions, organic growth for the platform

Proforma for acquisitions, organic growth for the platform

Proforma for acquisitions, organic growth for the platform

Proforma for acquisitions, organic growth for the platform

Accounting entries relating to merger of AI Pharmed and RA Chem

Depreciation and amortization	-	-	(74)	(185)
Tax impact of above	-	-	19	47
PAT (post consol adjustments)	839	1,330	1,897	2,303

Note:

1) Proforma and Adjusted financials of Cohance entities (RA Chem, ZCL and Avra) have been extracted from report issued by Deloitte Touche Tohmatsu India LLP. Proforma P&L is based on reported financials adjusted for one-time and non-recurring expenses and income

2) Manufacturing expenses include power and fuel, consumption of stores & spares, repairs & maintenance, EHS expenditure, job-works, etc.

3) Employee costs include on-payroll employee benefit expenses and contract employee expenses

4) Other expenses include Freight outward, Commission and brokerage, Legal and professional fees, Rates and taxes, Insurance, Operational forex gain/loss, etc

5) Merger refers to the merger of AI Pharmed (renamed to Cohance) and RA Chem w.e.f 27th Oct 2020

COHANCE PROFORMA BALANCE SHEET - SNAPSHOT

INR million

Proforma Balance Sheet Snapshot ¹	Mar-19	Mar20	Mar21	Mar22
Property, plant and equipment (PPE)	3,699	3,824	4,128	4,090
Right of use asset (RoU) ²	-	13	89	179
Capital work-in-progress	45	99	155	458
Intangible Assets ²	47	47	51	123
Other intangible assets	8	8	12	13
Goodwill	39	39	39	39
Intangible under development	-	-	-	71
Fixed Assets	3,790	3,982	4,422	4,850
Inventories	1,674	1,894	2,551	3,266
Trade receivables	2,434	3,154	3,218	3,654
Trade payables	(852)	(1,305)	(1,716)	(1,670)
Core Net Working Capital (Core NWC)	3,256	3,743	4,052	5,250
Other net assets	(70)	(111)	(189)	(196)
Borrowings	(2,059)	(1,678)	(1,330)	(1,738)
Cash and Cash equivalents (including liquid investments)	3,323	3,471	3,918	4,111
Net (debt) / cash	1,264	1,793	2,588	2,374
Net assets	8,239	9,406	10,874	12,277
Shareholder's funds	8,239	9,406	10,874	12,277
<i>Accounting entries relating to merger of AI Pharmed and RA Chem</i>				
Goodwill			5,800	5,800
Tangible assets			397	389
Intangible assets			803	624
Tax impact			(297)	(137)
Other reconciling items			(21)	(20)
Net assets (post consol adjustments)	8,239	9,406	17,556	18,932
Shareholder's funds (post consol adjustments)	8,239	9,406	17,556	18,932

Note:

- 1) Proforma and Adjusted financials of Cohance entities (RA Chem, ZCL and Avra) have been extracted from report issued by Deloitte Touche Tohmatsu India LLP
- 2) Financials are Pro-forma combination of financials of RA Chem, ZCL and Avra
- 3) RoU and Intangible assets Includes RoU under development and intangibles under development respectively
- 4) Merger refers to the merger of AI Pharmed (renamed to Cohance) and RA Chem w.e.f 27th Oct 2020

COHANCE PROFORMA - KEY RATIOS

- Industry leading financial metrics

Key Ratios	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>Basis</u>
NWC (as days of sales)	163	158	147	150	NWC / Revenue * 365
PPE (as % of sales)	50.9%	44.3%	41.1%	31.9%	Closing PPE / Revenue
Capex spend during the year (INR M)	313	498	810	911	
Capex spend (as % of sales)	4.3%	5.8%	8.1%	7.1%	Capex spend during year / Revenue
(Net Debt)/ Net Cash to adjusted EBITDA (x times)	0.8x	0.8x	0.9x	0.6x	Net Debt / Adjusted EBITDA
Adjusted EBIT (INR M)	1,133	1,771	2,466	3,187	Adjusted EBITDA - Depreciation and Amortization
Avg Capital employed (INR M)		7,294	7,949	9,095	Avg of opening & closing Capital employed (Fixed Assets + NWC + other net assets)
ROCE (%)		24.3%	31.0%	35.0%	Adjusted EBIT / Avg. Capital employed
Avg Shareholder's funds (INR M)		8,822	10,140	11,575	Avg of opening and closing shareholder's funds
ROE (%)		15.1%	19.3%	21.1%	Adjusted PAT / Avg Shareholder's funds

Note:

- Proforma and Adjusted financials of Cohance entities (RA Chem, ZCL and Avra) have been extracted from report issued by Deloitte Touche Tohmatsu India LLP
- All ratios computed using proforma combined financials of RA Chem, ZCL and Avra