

COHANCE LIFESCIENCES

INVESTOR PRESENTATION

Q3FY24



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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

KEY BUSINESS UPDATES IN THE LAST 9 MONTHS

Financials

- Revenue: Achieved INR 1,330+ Cr revenue in FY23; 16%+ 4-year organic CAGR. Achieved revenue of INR 890+ Cr in 9MFY24
- Key highlights of 9MFY24 performance below:
 - Business mix heading in right direction (CDMO / more profitable mix); CDMO segment grew at 30% YoY; contributes 44% of total gross profits and 32% revenue in 9MFY24
 - o Scale-up in ADC-led CDMO business tracking well
 - API++ segment growth impacted by a) short-term impact of destocking for some molecules, b) delay in vendor qualification for some products, c) One key COVID molecule in FY23 base
 - New key product development and commercialization on track, albeit with time lag
- Margins: EBITDA margins continue to be healthy at ~28% of revenue. Overall, CDMO business scale-up, improved customer/market mix, and cost transformation initiatives has supported maintaining margins, despite revenue softness in 9MFY24

Key Innovator Wins

- Received first commercial order from a new innovator lifecycle management opportunity being pursued
- Continued positive development in 1 other new innovator lifecycle management opportunity

Pipeline & Capacity

- Completed 1 new product validation in Q3, out of the total 5 new product validations in progress for FY24
- New Block V at API Unit-III remains on-track for commercialization by end of Q4
- Operation qualification of Kilo Lab at API Unit-IV completed with OEB 6 level standard

Regulatory Approvals

- Overall, 10 consecutive successful audits across the platform in 2023
- US FDA audits of CRBio facility and Ankaleshwar unit got completed with zero Form 483 observations
- Completed PMDA (Japan) audit at API Unit-III (Ankaleshwar) and 2 EU GMP audits at FDF Unit-I
- China DMF approvals tracking well; overall approved China DMFs to 10

Process & System Updates

- EHS: Implementation of ESG initiatives is on track; API Unit I (Jaggayapet) has been awarded “Silver” rating by Ecovadis in Oct’23

BUILDING BLOCKS IN PLACE FOR MEDIUM-TERM GROWTH

- Multiple growth levers in place for near-to-mid term growth

- **Strong focus on Innovator clients**; growth in CDMO business



- **Expansion in high-quality emerging markets**; strong momentum with new DMF approvals and customer partnerships in these geographies

- **Ramp-up from new product launches** across CDMO, API++ and formulations; pipeline with near-term commercialization opportunity

- **Increasing SoW with existing customers** and **addition of new blue-chip customers**

ABOUT COHANCE PLATFORM

- One of the leading, diversified CDMO + merchant API platforms in India with ~INR 1,337 Cr revenue and ~INR 421 Cr EBITDA in FY23; for pharmaceuticals and specialty chemicals customers across the globe
- Well-invested asset with complex chemistry capabilities (e.g. ADCs, camptothecin derivatives, acetylene compounds)

| Leading player | Global leadership | Innovator CDMO ³ | Leading metrics ⁴ | Capex invested | Top management |
|---|---|--|--|--|--|
| <p>Among Top Indian CDMO+ Merchant API++</p> <p><i>One of India's leading CDMOs + merchant API¹ players</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>~44% share of CDMO in 9M FY24 Gross profits</p> <p><i>Delivered 125+ innovator projects from gram to multi-kilo scale</i></p> <p><i>CDMO biz. growth at ~30%+ 3Y CAGR (faster than other segments)</i></p> | <p>16%+ revenue CAGR of overall business</p> <p><i>Industry leading financial metrics - growth (16%+), EBITDA margins (~31%), and return on capital employed (~34%)</i></p> | <p>>1.5x expansion potential on invested capex</p> <p><i>Invested in capex enough to support >1.5x current scale; ~INR 350 Cr. invested since acquisition</i></p> | <p>~10 CXOs hired from top global companies</p> <p><i>Top tier management team with 250+ years of cumulative 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 considering revenues from CDMO segment of leading CDMO/API++ players

2. Ranking based on data from IQVIA

3. CDMO includes revenue purely from innovators in the pharmaceutical and specialty chemical industries; FDF CMO business and other business lines including clinical & analytical services, toll manufacturing etc. are included in API++

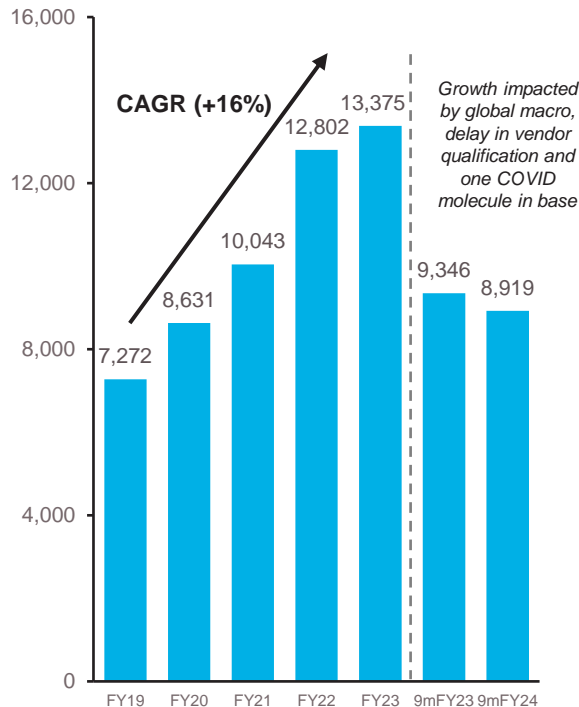
4. FY23 metrics; Till FY23, proforma and adjusted financials of Cohance entities (RAC, ZCL and Avra) have been extracted from report issued by Deloitte Touche Tohmatsu India LLP. Adjusted P&L numbers are reported numbers adjusted out for one-time expenses and income; 9mFY24 numbers as per audited financials of the merged entity (Cohance)

COHANCE'S FINANCIAL HIGHLIGHTS

- Cohance has delivered consistent revenue growth (16% 4Y CAGR)¹ and EBITDA growth (27% 4Y CAGR)¹, with healthy financial metrics (~31% EBITDA margins, ~34% ROCE)³
- 9MFY24 affected due to short-term macro headwinds (destocking), delay in vendor qualification for some products, and one COVID molecule in base

Revenue¹

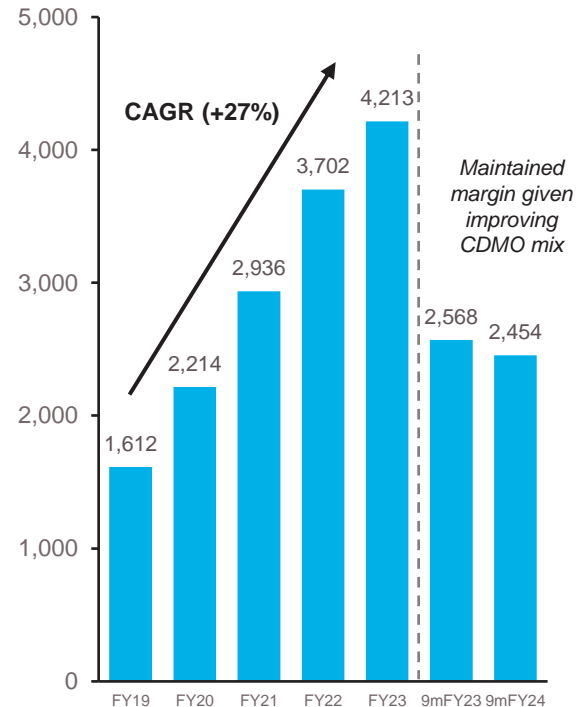
Revenue (INR m)



YoY Gr. 19% 16% 27% 4%

Adjusted EBITDA¹

EBITDA (INR m)



EBITDA % 22% 26% 29% 29% 31% 28% 28%

Profitability



34%+

Return on Capital Employed²
(FY23)³



31%+

Industry leading EBITDA Margins
(FY23)³



~21%

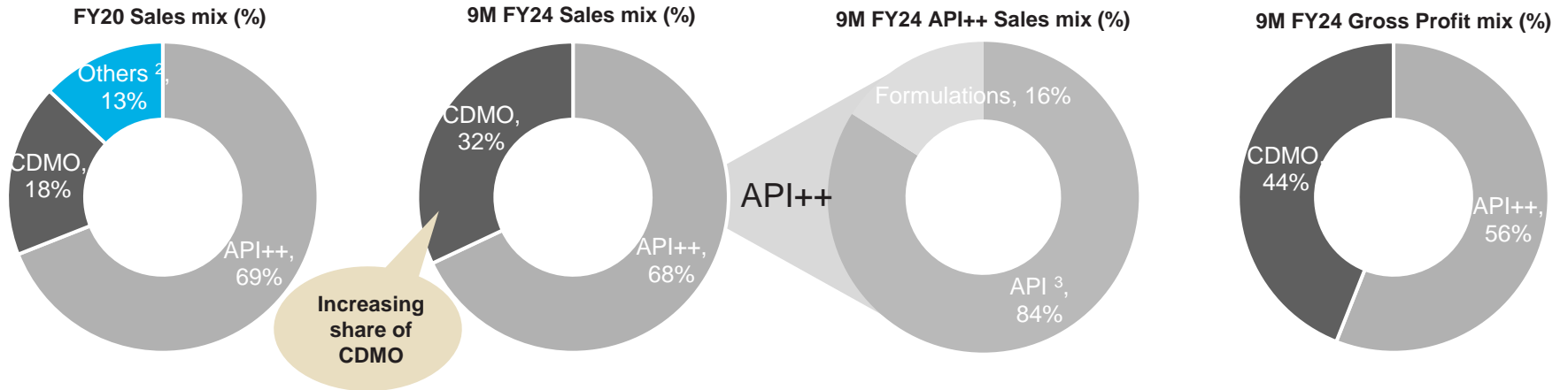
Industry leading PAT Margins
(FY23)³

Note: 1) Till FY23, proforma and adjusted financials of Cohance entities (RAC, ZCL and Avra) have been extracted from report issued by Deloitte Touche Tohmatsu India LLP. Adjusted P&L numbers are reported numbers adjusted out for one-time expenses and income; 9mFY24 numbers as per audited financials of the merged entity (Cohance) 2) ROCE = EBIT/Avg capital employed [Net fixed assets + NWC + other net assets]; 3) FY23 metrics

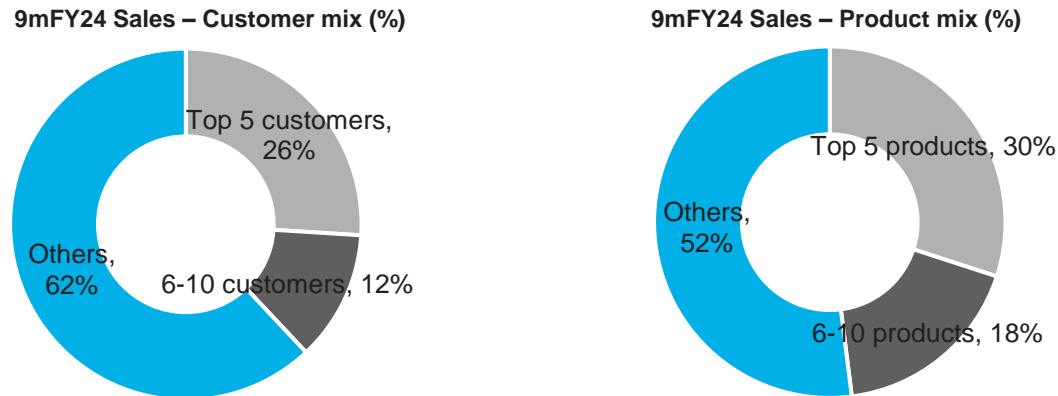
BUSINESS MIX

- Increasing share of CDMO to ~32% of sales in 9MFY24 (vs 18% in FY20)
- Well diversified customer and product mix

Business Units



Minimal concentration across customers & products



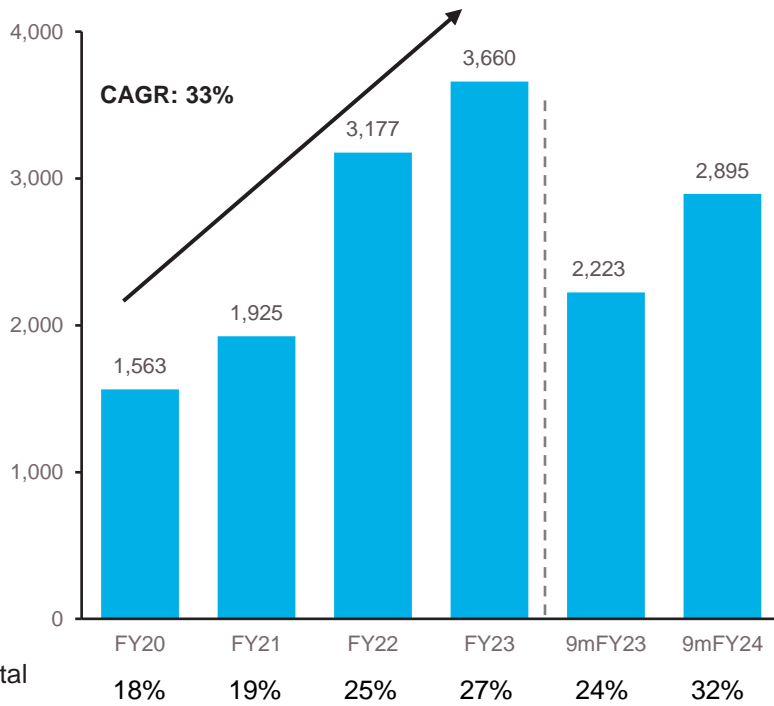
Note: CDMO includes revenue purely from innovators in the pharmaceutical and specialty chemical industries; FDF CMO business and other business lines including clinical & analytical services, toll manufacturing etc. are included in API++

REVENUE GROWTH BY SEGMENT

- Strong revenue growth in CDMO segment (33% L3Y CAGR) & API++ (11% L3Y CAGR) driven by healthy mix of increasing wallet share in existing customers, new customer additions & new products
- CDMO continued strong growth (30% YoY in 9MFY24); API++ was affected due to short-term macro headwinds (destocking), delay in vendor qualification for some products, and one COVID molecule in base

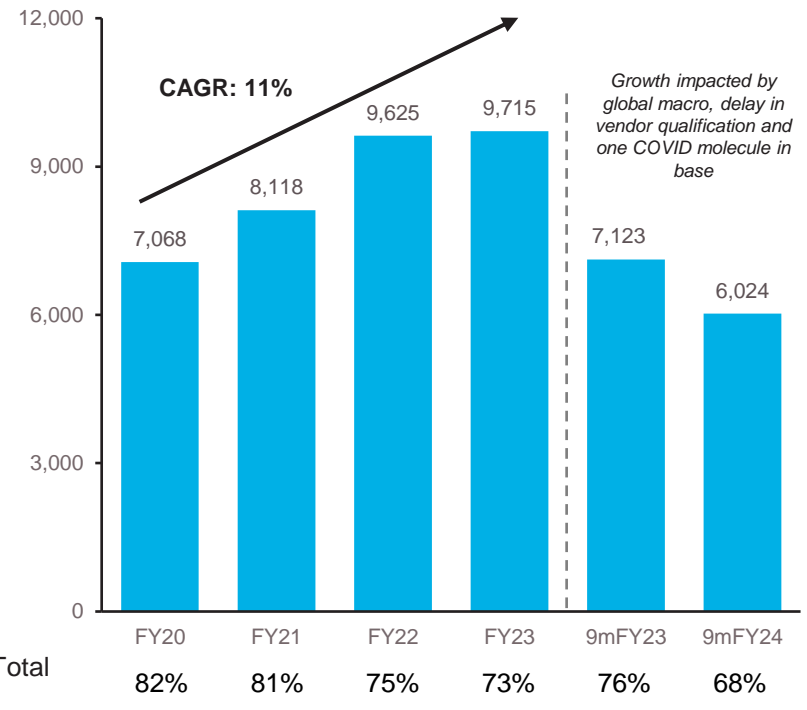
CDMO Segment

CDMO sales (INR m)



API++ Segment

API++ sales (INR m)



Note: CDMO includes revenue purely from innovators in the pharmaceutical and specialty chemical industries; FDF CMO business and other business lines including clinical & analytical services, toll manufacturing etc. are included in API++

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 manufacturers 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



- ▶ Add only 5-6 new products each year in development pipeline
- ▶ Focus on molecules where we can build deep cost position and gain global market leadership

cohance
lifesciences

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

CDMO arm contributes 44% of gross profits and 32% revenue in 9MFY24, growing at 30%+ CAGR

2

Global leadership in 8 of 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; well invested capex

6

Deep focus on safety, quality and regulatory compliance

7

Strong financial profile having grown >16% CAGR (L4Y), with 31% EBITDA² and 34% RoCE²

8

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

9

Note: 1) Till FY23, proforma and adjusted financials of Cohance entities (RAC, ZCL and Avra) have been extracted from report issued by Deloitte Touche Tohmatsu India LLP. Adjusted P&L numbers are reported numbers adjusted out for one-time expenses and income; 9mFY24 numbers as per audited financials of the merged entity (Cohance) 2) FY23 metrics

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

- ESG framework made an integral part of operations
- Recently received ISO 14001, ISO 45001 and ISO 9001 accreditations

Results achieved in the last 3 years



Silver

Ecovadis Rating
for API Unit I



UNGC
Member



33,000+

Plantations since
acquisition ie 30/day



30%

Reduction in water
consumption/MT
produced



15%

Reduction in CO₂
emissions per MT
produced



10%

Reduction in
generated
effluents/MT per day



5%

reduction in energy
consumption/MT
produced

Note: Based on internal analysis

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COHANCE – CDMO SEGMENT PHILOSOPHY

- **CDMO Segment:** ~32% business contribution through CDMO arm in 9MFY24 across Pharma and Specialty Chemical Innovators; historically, grown at 30%+ 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 |

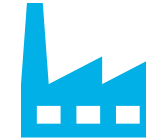
MULTIPLE PLATFORMS POISED TO DRIVE GROWTH

- 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:
 - Advanced stage pipeline in Phase 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

- Add only 5-6 new products each year in development pipeline for future growth
- 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 drugs in varied OEB levels
- State-of-the art Analytical labs with NMR, ICP - OES HPLC, UPLC, GC, GC-HS, 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 | FY23 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

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COHANCE'S SPECIALIZED MANUFACTURING CAPABILITIES

- Total capacity of 1,250 kL expected to reach ~1,500 kL for API and Intermediates by 2024 through capex already invested

| | Plant | State | About the facility | Approvals | Markets |
|---|--|----------------|--|---|--|
| 1 |  Ankaleshwar | Gujarat | 68 reactors with upto 420kL capacity |   |  US  Europe  Emerging markets |
| 2 |  Jaggayapet | Andhra Pradesh | ~120 reactors, >520kL capacity |   |  US  Europe  Emerging markets |
| 3 |  Atchutapuram | Andhra Pradesh | 46 reactors with >140kL capacity |   |  Europe  Emerging markets |
| 4 |  Nacharam | Telangana | 60+ reactors Unit with Oncology facility >40 kL |   |  US  Europe  Emerging markets |
| 5 |  Parwada | Andhra Pradesh | API plant with >130kL capacity |  |  US  Emerging markets |
| 6 |  Nacharam FDF | Telangana | 250M OSDs, 180MT PFI per annum |   |  US  Europe  Emerging markets |
| 7 |  Jadcherla | Telangana | Pellets: 480MT per annum |  |  Emerging markets |

Note: 1. Markets refer to sales made of both pharma and specialty chemicals; approvals only for pharma

SELECT CHEMISTRY COMPETENCIES

- Extensive range of Complex chemistry capabilities

Metal catalyzed
Carbonylations using
carbon monoxide on
multi kilo scale

Palladium catalyzed
cross-coupling
reactions for C-C & C-
N bond formations

Highly Selective
Alkylation to Esters
catalyzed by $\text{LaCl}_3 \cdot$
 2LiCl

Capability to handle
highly potent
molecules

Cryogenic,
Organometallic,
pyrophoric reagents
and reactions

Chiral reductive
aminations

Carbohydrate
chemistry

Stereo selective &
Stereospecific
asymmetric synthesis

- Suzuki Coupling using Miyaura borylated species
- Negishi Coupling with alkyl zinc bromides
- Stille: Between organohalides & organotin compounds
- Buchwald Hartwig: Between aryl halide & amine or aryl alcohol
- Expertise in selection of Palladium catalyst & ligands such as
 - $\text{Pd}(\text{OAc})_2$, $\text{Pd}_2(\text{dba})_3 \cdot \text{DCM}$, $\text{Pd}(\text{PPh}_3)_4$, $\text{Pd}(\text{PPh}_3)_2\text{Cl}_2$
 - *RuPhos*, *SPhos*, *X-Phos* and *xantphos*

- Tsuji-Trost: Between alkene and a nucleophile
- Heck- Matsuda: Between alkenes and alkyl halides
- Asymmetric C – C & C - N bond formation
- Asymmetric transformation
- Gilman reaction on production scale
- Solid distillation (Upto 0.01 torr)
- Phase Transfer Catalysis
- Copper catalyzed Ullmann Reaction

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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



Jayantt 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



Sumit K.

Chief Commercial Officer
23+ years of experience
Ex-VP Sales & Marketing, DRL
Education: MBA, PG Dip. in Patents Law



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, Mafatal, 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



Sidhartha Das

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



Amit Agarwal

Head, Mergers and Acquisition
13+ years of experience
Ex Partner-EY, Jefferies
Education: IIM Indore, IIT Roorkee

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

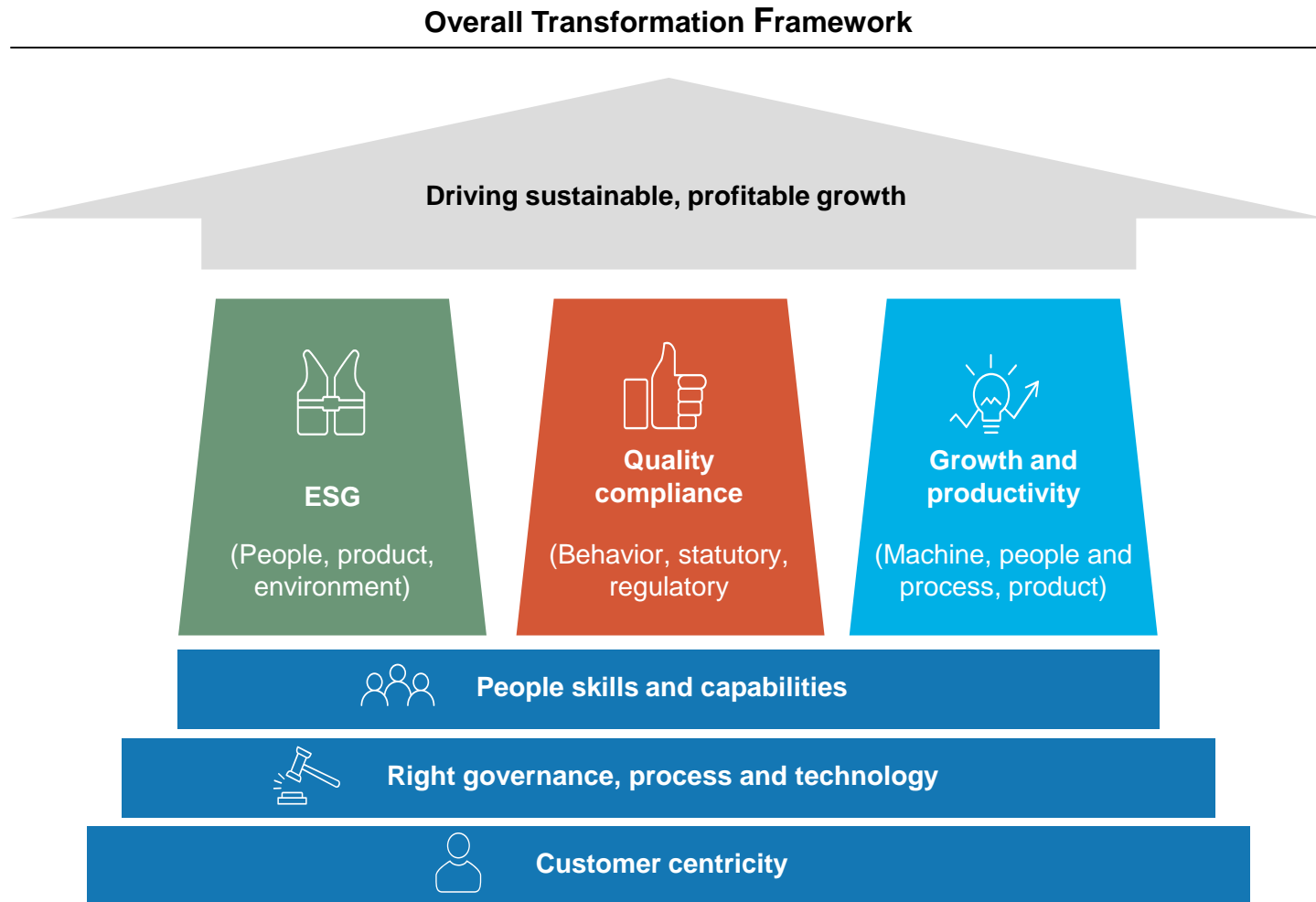
Experience


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

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TRANSFORMATION FRAMEWORK TO AUGMENT GROWTH JOURNEY

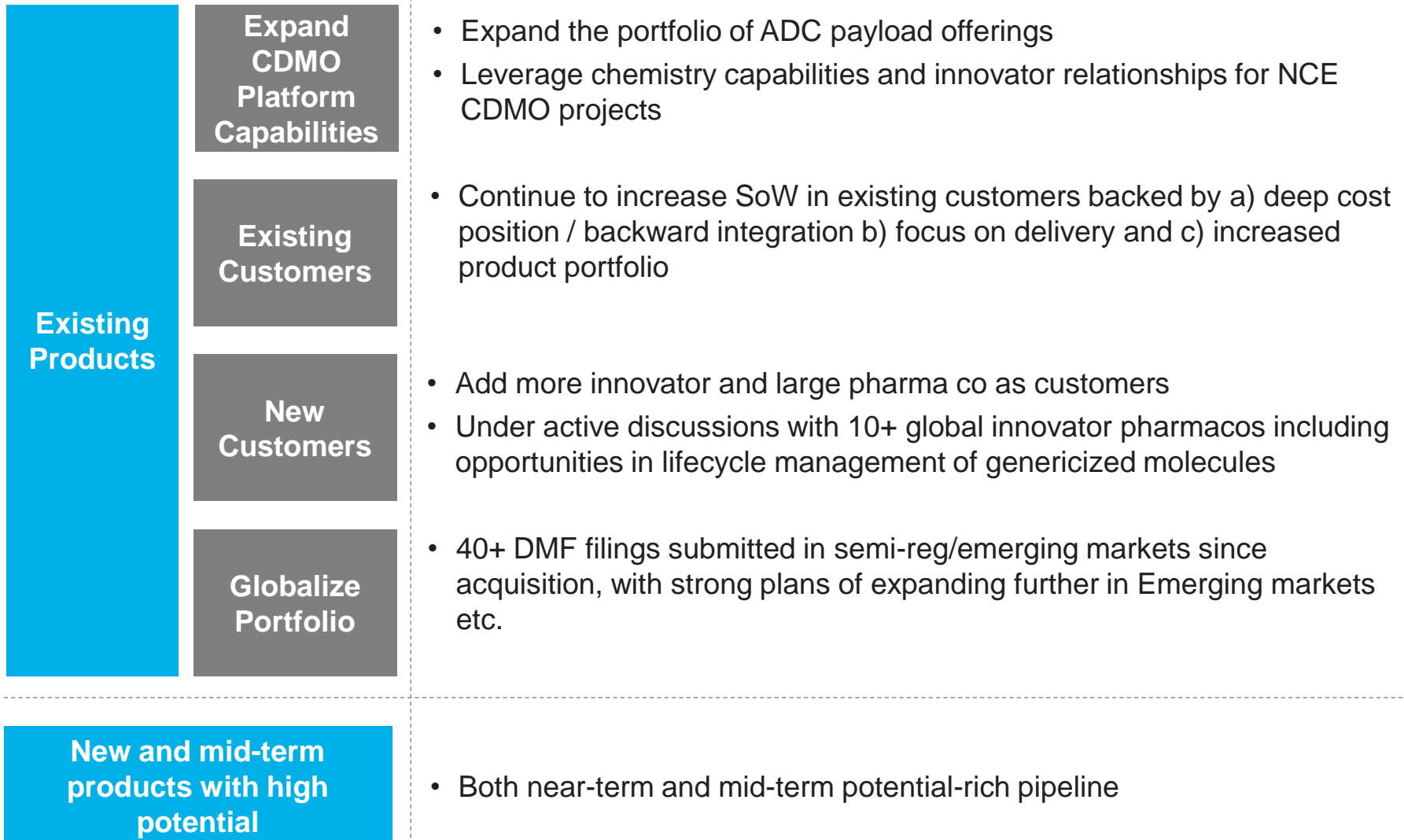
- 3 pillar transformation framework put in place to unlock full potential of platform and drive sustainable growth



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DRIVERS OF GROWTH

Tapping multiple engines for sustainable, industry leading future growth



COHANCE ORGANIC PROFORMA P&L - SNAPSHOT

- Cohance platform build-out started in Oct '20; Organic revenue CAGR at ~16.5% from FY19-23¹ (L2L organic growth for the entire platform, proforma for acquisitions across years), EBITDA growth at 27% CAGR (FY19-23)
- 9MFY24 saw EBITDA margin maintained - driven by better CDMO mix, despite some softness in revenue growth

| INR million | | | | | | | | CAGR | | |
|--|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Proforma P&L Snapshot | | FY19 | FY20 | FY21 | FY22 | FY23 | 9mFY23 | 9mFY24 | FY19-23 | 9m yoy |
| Revenue | | 7,272 | 8,631 | 10,043 | 12,802 | 13,375 | 9,346 | 8,919 | 16.5% | -4.6% |
| yoy growth% | | | 18.7% | 16.4% | 27.5% | 4.5% | | -4.6% | | |
| COGS | | (2,900) | (3,705) | (4,004) | (5,300) | (5,058) | (3,788) | (3,316) | | |
| Material Margin | | 4,372 | 4,926 | 6,039 | 7,502 | 8,317 | 5,559 | 5,603 | 17.4% | 0.8% |
| Material Margin% | | 60.1% | 57.1% | 60.1% | 58.6% | 62.2% | 59.5% | 62.8% | | |
| Manufacturing Expenses | | (1,058) | (955) | (1,123) | (1,277) | (1,480) | (1,024) | (1,063) | | |
| Employee cost | | (1,137) | (1,273) | (1,433) | (1,714) | (1,933) | (1,481) | (1,479) | | |
| Other expenses | | (584) | (657) | (693) | (879) | (839) | (633) | (639) | | |
| Adjusted EBITDA (pre Fx) | | 1,593 | 2,041 | 2,790 | 3,633 | 4,066 | 2,421 | 2,423 | 26.4% | 0.1% |
| Operating Forex gain / (loss) | | 19 | 174 | 146 | 69 | 147 | 147 | 31 | | |
| Adjusted EBITDA (post Fx) | | 1,612 | 2,214 | 2,936 | 3,702 | 4,213 | 2,568 | 2,454 | 27.1% | -4.4% |
| EBITDA% | | 22.2% | 25.7% | 29.2% | 28.9% | 31.5% | 27.5% | 27.5% | | |
| Depreciation & Amortization | | (479) | (444) | (469) | (509) | (522) | (372) | (471) | 2.2% | 26.7% |
| Finance costs | | (169) | (197) | (45) | (110) | (154) | (107) | (224) | | |
| Other income | | 157 | 204 | 189 | 186 | 154 | 144 | 179 | | |
| Adjusted PBT | | 1,121 | 1,777 | 2,610 | 3,269 | 3,691 | 2,233 | 1,938 | 34.7% | -13.2% |
| Tax | | (282) | (447) | (657) | (823) | (929) | (562) | (488) | | |
| Adjusted PAT | | 839 | 1,330 | 1,953 | 2,446 | 2,762 | 1,671 | 1,450 | 34.7% | -13.2% |
| PAT% | | 11.5% | 15.4% | 19.4% | 19.1% | 20.6% | 17.9% | 16.3% | | |
| Accounting entries relating to merger of AI Pharmed and RA Chem | | | | | | | | | | |
| Depreciation and amortization | | | | | (185) | (75) | (59) | (88) | | |
| Tax impact of above | | | | | 47 | 19 | 15 | 22 | | |
| PAT (post consol adjustments) | | | | | 2,307 | 2,706 | 1,627 | 1,384 | | |

Proforma for acquisitions, organic growth for the platform

Proforma for acquisitions, organic growth for the platform

High D&A (coming from capex cycle) and interest cost on CCDs (will not exist post-merger) impacting PAT

Proforma for acquisitions, organic growth for the platform

Note: 1) Till FY23, proforma and adjusted financials of Cohance entities (RAC, ZCL and Avra) have been extracted from report issued by Deloitte Touche Tohmatsu India LLP. Adjusted P&L numbers are reported numbers adjusted out for one-time expenses and income; 9mFY24 numbers as per audited financials of the merged entity (Cohance) 2) Manufacturing expenses include power and fuel, consumption of stores & spares, repairs & maintenance, EHS expenditure, jobworks, 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, etc. 4) Total adjustments to EBITDA: -90M(FY20), 245M (FY21), 360M (FY22), 122M (FY23), 76M (9mFY23), 460M (9mFY24). 9M FY24 is largely drive by ESOP charge (INR 324M) and one-time business consulting expenses 5) Adjusted PAT across years doesn't factor CCD interest of INR 383Mn for FY23, INR 219Mn for 9mFY23 and INR 256Mn for 9mFY24 respectively- which will not be incurred going forward

COHANCE PROFORMA BALANCE SHEET - SNAPSHOT

INR million

| Proforma Balance Sheet Snapshot | Mar19 | Mar20 | Mar21 | Mar22 | Mar23 | Dec22 | Dec23 |
|--|--------------|--------------|---------------|---------------|----------------|---------------|----------------|
| Property, plant and equipment (PPE) | 3,699 | 3,824 | 4,128 | 4,090 | 4,217 | 3,920 | 4,557 |
| Right of use asset (RoU) ² | - | 13 | 89 | 179 | 202 | 189 | 328 |
| Capital work-in-progress | 45 | 99 | 155 | 458 | 1,167 | 967 | 1,728 |
| Intangible Assets ² | 47 | 47 | 51 | 123 | 118 | 112 | 109 |
| Fixed Assets | 3,790 | 3,982 | 4,422 | 4,850 | 5,704 | 5,187 | 6,722 |
| Inventories | 1,674 | 1,894 | 2,551 | 3,266 | 3,641 | 3,622 | 3,711 |
| Trade receivables | 2,434 | 3,154 | 3,218 | 3,654 | 4,202 | 3,652 | 3,973 |
| Trade payables | (852) | (1,305) | (1,716) | (1,670) | (2,141) | (1,732) | (1,666) |
| Core Net Working Capital (Core NWC) | 3,256 | 3,743 | 4,052 | 5,250 | 5,703 | 5,542 | 6,018 |
| Other net assets | (70) | (111) | (189) | (196) | 218 | 274 | 555 |
| Borrowings | (2,059) | (1,678) | (1,330) | (1,738) | (2,668) | (2,320) | (4,907) |
| Cash and Cash equivalents (including liquid investments) | 3,323 | 3,470 | 3,918 | 4,111 | 974 | 4,065 | 1,433 |
| Net (debt) / cash | 1,264 | 1,793 | 2,588 | 2,373 | (1,694) | 1,745 | (3,474) |
| Net assets | 8,239 | 9,406 | 10,874 | 12,277 | 9,931 | 12,749 | 9,821 |
| Shareholder's funds | 8,239 | 9,406 | 10,874 | 12,277 | 9,931 | 12,749 | 9,821 |
| <i>Accounting entries relating to merger of AI Pharmed and RA Chem</i> | | | | | | | |
| Goodwill | | | 5,800 | 5,800 | 5,800 | 5,800 | 5,800 |
| Tangible assets | | | 397 | 389 | 382 | 384 | 377 |
| Intangible assets | | | 803 | 624 | 556 | 570 | 468 |
| Tax impact | | | (297) | (137) | (99) | (103) | - |
| Other reconciling items | | | (21) | (20) | - | - | - |
| Net assets (post consol adjustments) | 8,239 | 9,406 | 17,556 | 18,932 | 16,569 | 19,399 | 16,466 |

Note:

1) Till FY23, proforma and adjusted financials of Cohance entities (RAC, ZCL and Avra) have been extracted from report issued by Deloitte Touche Tohmatsu India LLP. Adjusted P&L numbers are reported numbers adjusted out for one-time expenses and income; 9mFY24 numbers as per audited financials of the merged entity (Cohance).

2) RoU and Intangible assets Includes RoU under development and intangibles under development respectively

Increase in borrowings driven by payout of CCD interest and dividend (~Rs 1,600 mn) in 9mFY24

COHANCE PROFORMA - KEY RATIOS

- **Strong financial metrics**

Increased working capital due to stock buildup and increase in other current assets on account of increased input GST in Q3FY24; expected to normalize during Q4

| Key Ratios | FY19 | FY20 | FY21 | FY22 | FY23 | 9mFY23 | 9mFY24 | Basis |
|---|-------|-------|--------|--------|--------|--------|--------|---|
| Net Working Capital (as days of sales) | 163 | 158 | 147 | 150 | 156 | 162 | 185 | NWC / Revenue * no. of relevant days |
| PPE (as % of sales) | 50.9% | 44.3% | 41.1% | 31.9% | 31.5% | 31.5% | 38.3% | PPE / Revenue |
| Capex spend during the year (INR M) | 313 | 498 | 810 | 911 | 1,346 | 939 | 1,328 | |
| Capex spend (as % of sales) | 4.3% | 5.8% | 8.1% | 7.1% | 10.1% | 10.0% | 14.9% | Capex spend / Revenue |
| (Net Debt)/ Net Cash to adjusted EBITDA (x times) | 0.8x | 0.8x | 0.9x | 0.6x | -0.4x | 0.4x | -0.8x | Net Debt / Adjusted EBITDA |
| Adjusted EBIT (INR M) | 1,133 | 1,771 | 2,466 | 3,193 | 3,691 | 2,196 | 1,983 | Adjusted EBITDA - Depreciation and Amortization |
| Adjusted EBIT (INR M) - LTM basis | | | | | | 3,495 | 3,478 | |
| Avg Capital employed (INR M) | | 7,294 | 7,949 | 9,095 | 10,764 | 10,454 | 12,460 | Avg of opening and closing Capital employed (Net fixed assets + NWC + other net assets) |
| ROCE (%) | | 24.3% | 31.0% | 35.1% | 34.3% | 33.4% | 27.9% | Adjusted EBIT / Avg. Capital employed |
| Avg Shareholder's funds (INR M) | | 8,822 | 10,140 | 11,576 | 11,104 | 12,513 | 9,876 | Avg of Opening and closing shareholder's funds |
| ROE (%) | | 15.1% | 19.3% | 21.1% | 24.9% | 21.1% | 25.7% | Adjusted PAT / Avg Shareholder's funds |

ROCE for 9mFY24 is impacted by Group's higher growth capex yet to be optimally utilized

Note:

1) Till FY23, proforma and adjusted financials of Cohance entities (RAC, ZCL and Avra) have been extracted from report issued by Deloitte Touche Tohmatsu India LLP. Adjusted P&L numbers are reported numbers adjusted out for one-time expenses and income; 9mFY24 numbers as per audited financials of the merged entity (Cohance).

2) RoU and Intangible assets Includes RoU under development and intangibles under development respectively

3) Return ratios (ROCE / ROE) and Net Debt/EBITDA for 9mFY23 and 9mFY24 calculated on an LTM basis