

COHANCE LIFESCIENCES

INVESTOR PRESENTATION

FY24




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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 FY24

Financials

- Revenue: Achieved INR ~1,341 Cr revenue in FY24; 13%+ 5-year organic CAGR.
- Key highlights FY24 performance below:
 - Business mix heading in right direction (CDMO / more profitable mix); CDMO segment sustained 30% growth CAGR (FY20-24); contributes 42% of total gross profits and 33% revenue in FY24
 - 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 some time lag
- Margins: adjusted EBITDA margins continue to be healthy at 31%+ of revenue. Overall, CDMO business scale-up, improved customer/market mix, and cost transformation initiatives has supported maintaining margins, despite revenue softness in FY24

Key Innovator Wins

- Added 2 new ADC innovator customers for clinical phase programs; R&D pipeline of new designer payloads and adjacent payloads in advanced stage of development.
- 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 5 new product validations in FY24
- New Block V at API Unit-III commercialization started in Q4FY24
- Completed operation qualification of OEB 6 level Kilo Lab at API Unit-IV; PB7 upgraded to OEB 5 level

Regulatory Approvals

- Overall, 7 consecutive successful audits across platform in FY24
- US FDA audits of CRBio facility and Ankaleshwar unit got completed with zero Form 483 observations
- Successful first ever EDQM audits at API Unit-II and API Unit-IV
- Completed PMDA (Japan) audit at API Unit-III and 2 EU GMP audits at FDF Unit-I
- Received 7 new China DMFs and 1 CEP approval in FY24; Filed 1 USDMF and 3 CEPs in FY24

Process & System Updates

- API Unit-I has been awarded “Silver” rating by Ecovadis in Oct’23
- Cohance published its 1st external audited ESG Report in Mar’24, capturing sustainability journey of FY23-24

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 1,341 Cr revenue and ~INR 418Cr EBITDA in FY24; for pharmaceuticals and specialty chemicals customers across the globe
- Well-invested asset with complex chemistry capabilities.

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 API++¹ 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>~42% share of CDMO in 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% 4Y CAGR (faster than other segments)</i></p>	<p>13%+ revenue CAGR⁵ of overall business</p> <p><i>Industry leading financial metrics - growth (13%+), EBITDA margins (31%+), and return on capital employed (27%+)</i></p>	<p>>1.5x expansion potential on invested capex</p> <p><i>Invested in capex enough to support >1.5x current scale; ~INR 457 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. FY24 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; FY24 numbers as per audited financials of the merged entity (Cohance);

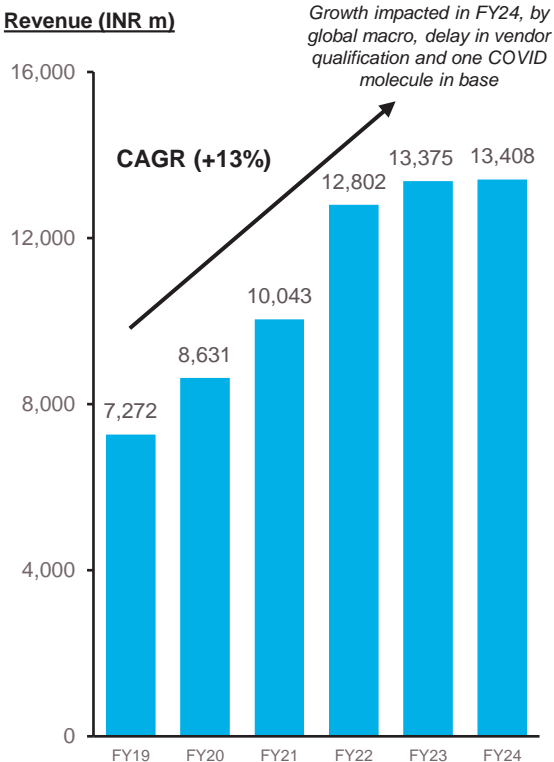
5. 5-year CAGR (FY19-20)

COHANCE'S FINANCIAL HIGHLIGHTS

- Cohance has delivered consistent revenue growth (13% 5Y CAGR)¹ and EBITDA growth (21% 5Y CAGR)¹, with healthy financial metrics (31%+ EBITDA margins, 27%+ ROCE)³
- FY24 growth impacted due to API++ segment experiencing short-term macro headwinds (destocking), delay in vendor qualification for some products, and one COVID molecule in base

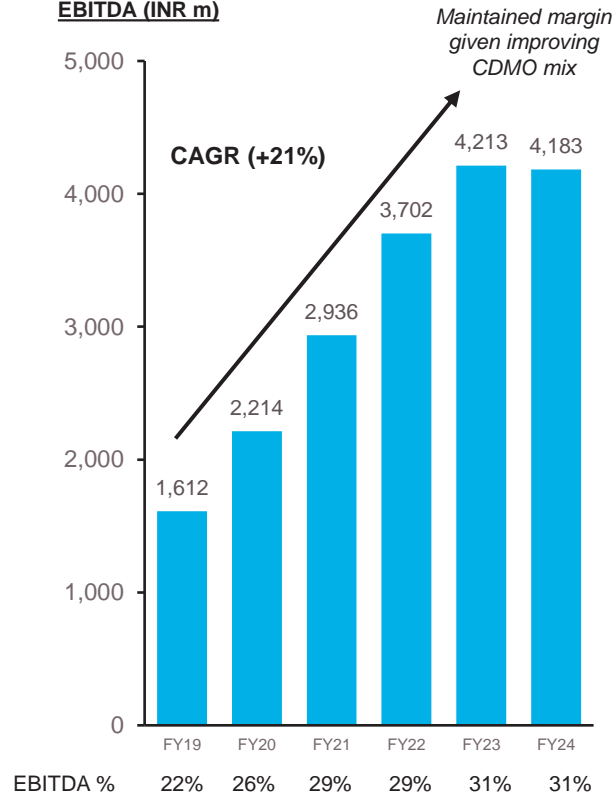
Revenue¹

Revenue (INR m)



Adjusted EBITDA¹

EBITDA (INR m)



Profitability



27%+

Return on Capital Employed²
(FY24)³



31%+

Industry leading EBITDA Margins
(FY24)³



~19%

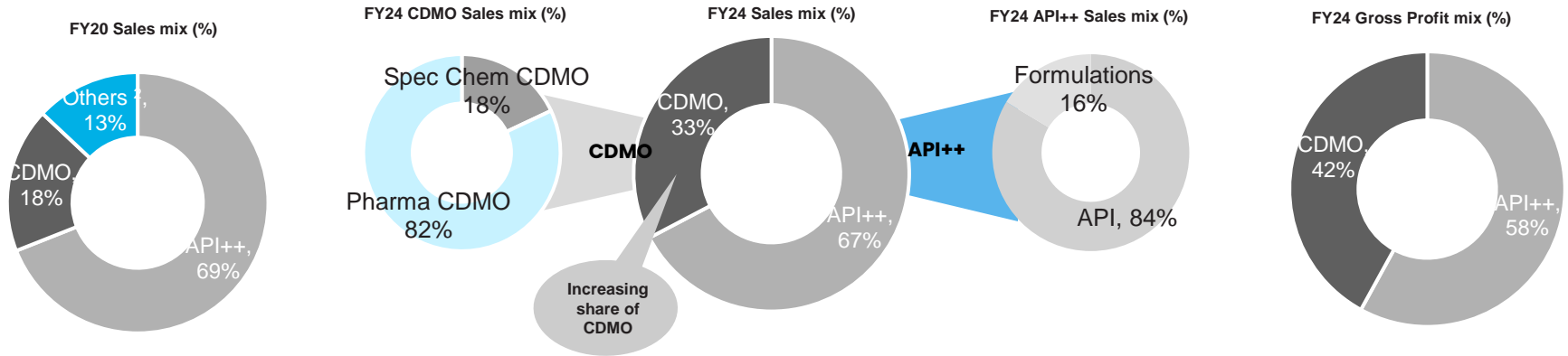
Industry leading PAT Margins
(FY24)³

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; FY24 numbers as per audited financials of the merged entity (Cohance) 2) ROCE = EBIT/Avg capital employed [Net fixed assets + NWC + other net assets]; 3) FY24 metrics

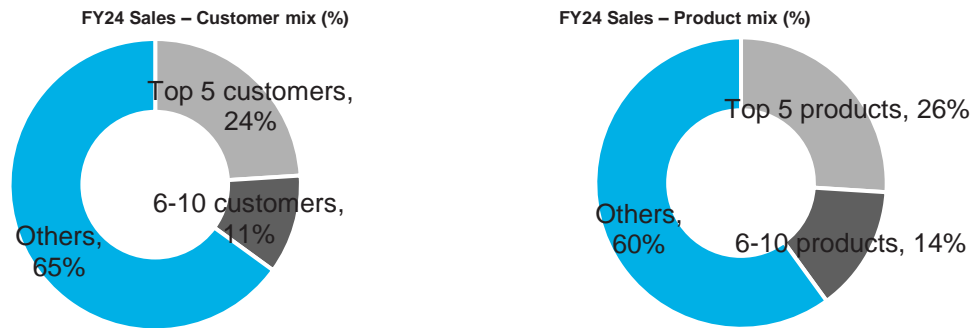
BUSINESS MIX

- Increasing share of CDMO to 33% of sales in FY24 (vs 18% in FY20)
- Well diversified customer and product mix

Business Units



Minimal concentration across customers & products



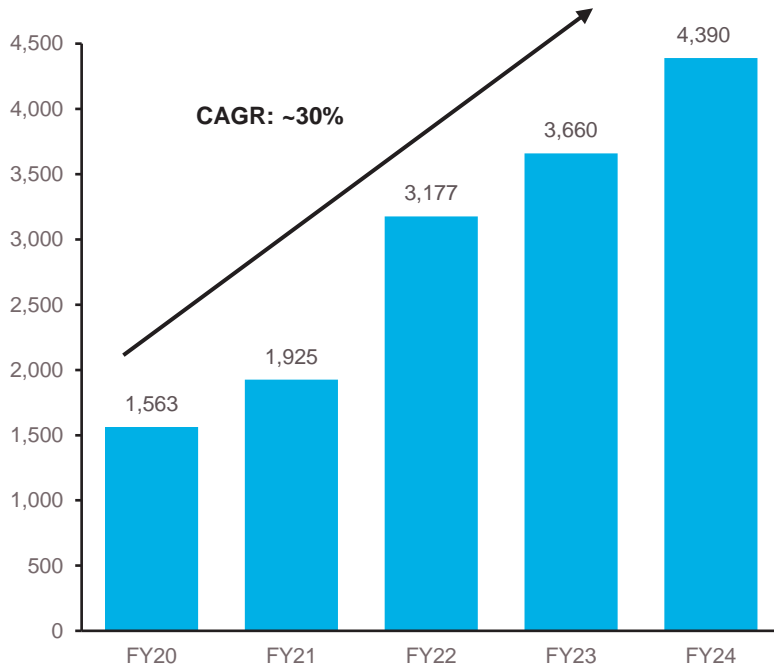
Note: CDMO includes revenue purely from innovators in the pharmaceutical and specialty chemical industries; FDF CMO business and other business lines including clinical & analytical services, toll manufacturing etc. are included in API++

REVENUE GROWTH BY SEGMENT

- Strong revenue growth in CDMO segment (~30% L4Y CAGR) & API++ (6%+ L4Y CAGR) driven by healthy mix of increasing wallet share in existing customers, new customer additions & new products
- CDMO segment continues strong growth trajectory well supported by commercial products new registrations and product growth and expansion of indication.

CDMO Segment

CDMO sales (INR m)

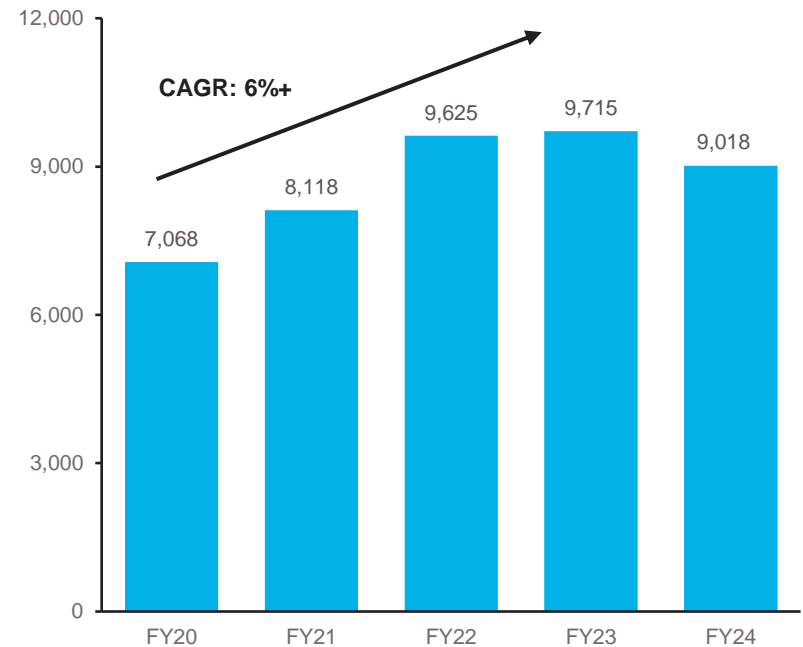


% of Total Sales

18% 19% 25% 27% 33%

API++ Segment

API++ sales (INR m)



% of Total Sales

82% 81% 75% 73% 67%

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++

COHANCE PLATFORM - CDMO AND API BUSINESSES

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 proprietary ADC 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-MS, 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 42% of gross profits and 33% revenue in FY24, growing at 30% CAGR²

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 >13% CAGR (L5Y), with 31%+ EBITDA margins² and 27%+ 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; FY24 numbers as per audited financials of the merged entity (Cohance); 2) FY24 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
- Published 1st external audited ESG report in Mar'24, highlighting our achievements and vision

Results achieved in the last 3 years



Silver

Ecovadis Rating
for API Unit I



UNGC
Member



7.5%
Renewable Energy
Consumption



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: 33% business contribution through CDMO arm in FY24; 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.



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

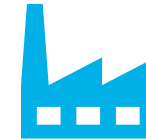
MULTIPLE CDMO PLATFORMS POISED TO DRIVE GROWTH

- Extensive expertise across areas including highly attractive ADC payload derivatives, controlled substances, clinical trial intermediates and molecule lifecycle management



ADC payload Technology Platform

- 1st in world to develop synthetic route for large-scale production of proprietary payload-based products.
- Supplies intermediates for globally 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:
 - Active discussions for various other supplies



Lifecycle management

- Innovator molecules which become Gx post patent
- Post patent supply is to innovator customers

CDMO SEGMENT GROWTH ANCHORED ON KEY INNOVATOR ACCOUNTS

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

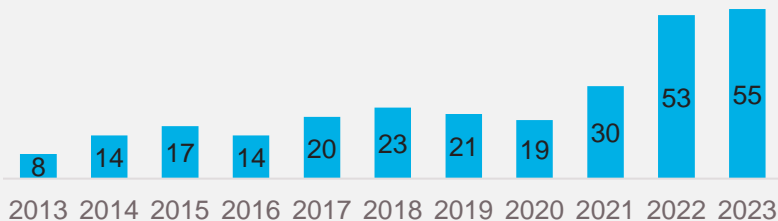
Customer	Description	Product Type	Years of relationship
Innovator Customer 1	Leading global biopharmaceutical company	Antibody Drug Conjugate (ADC) Intermediates	>6 years
Innovator Customer 2	Global MNC innovator pharmaco	Ophthalmology intermediates	>8 years
Innovator Customer 3	Leading global innovator 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

ADC PAYLOAD PLATFORM TO BE THE KEY GROWTH DRIVER FOR CDMO SEGMENT

Growth Momentum in Global ADC Segment

- › Onco projected to be the **fastest growing therapy** segment of this decade¹
- › Within Onco, **'Targeted Therapy'** has seen a surge in innovation, with ADCs gaining momentum due to increased safety profile and clinical results¹
- › Big Pharma looking to enhance capabilities and portfolio in ADC space¹ through both **organic and inorganic expansion**. ADC segment witnessing BD deals across the spectrum from acquisition, licensing or collaborations
- › **Increasing number of ADCs entering CTs** with significant advancements in linker technologies, conjugation methods, and novel cytotoxic payloads
- › Overall, ADC market is expected to reach \$19.8 billion by 2028 growing at a **CAGR of 15.2%**¹

ADC entering CTs in each year*



1- Source: Industry Data

2- Risk of timeline delays and clinical failure remains

Key Growth Levers for Cohance ADC CDMO

Continued Growth from Commercial Stage Assets

- › Driven by end market growth of commercial stage assets with new market and indication approvals of innovator ADCs

Commercialization of Clinical Stage Assets

- › Advancement of CDMO projects in clinical stage pipeline²

Addition of New Clinical or Lateral Projects

- › Leveraging ADC proprietary platform technology and custom design capabilities to add new ADC CDMO projects

Expansion of Payload Portfolio

- › R&D pipeline of new designer payloads and adjacent payloads in advanced stage of development.

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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

API++ SEGMENT IS EXPECTED TO RETURN TO GROWTH TRAJECTORY OVER NEXT 6-9 MONTHS

- ✓ Global inventory de-stocking cycle expected to bottom-out
- ✓ Reducing exposure to “high-risk” markets and customers
- ✓ China + 1 strategy

- ✓ Positive traction seen in delayed and new AVD initiatives from customers’ end
- ✓ Streamlined business development with strengthening of commercial organization










- ✓ Base business expansion from increasing share of wallet from key accounts
- ✓ Scale-up of new launches in API++ segment
- ✓ Increasing new product validations in FY25 and beyond

- ✓ Commercialization from 7 new DMF approvals in China in FY24
- ✓ Expanding sticky customer base in LATAM and other high-quality emerging markets

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COHANCE'S SPECIALIZED MANUFACTURING CAPABILITIES

- Total capacity of 1250 KL expected to reach ~1,500 KL for API and Intermediates by FY25 through capex already invested

Plant	Location	About the facility	Regulatory Accreditations
 <p>API Unit-I</p>	Andhra Pradesh, India	<ul style="list-style-type: none"> 120 reactors, > 520KI capacity 	<ul style="list-style-type: none"> USFDA (latest in 2019) EDQM (latest in 2023) Others: Korea-FDA, PMDA-Japan, COFEPRIS-Mexico, ANVISA-Brazil, MOH-Russia, CDSCO, WHO GMP
 <p>API Unit-II</p>	Andhra Pradesh, India	<ul style="list-style-type: none"> 46 reactors, >140KI capacity 	<ul style="list-style-type: none"> EDQM (latest in 2023)
 <p>API Unit-III</p>	Gujarat, India	<ul style="list-style-type: none"> 68 reactors, >420KI capacity 	<ul style="list-style-type: none"> USFDA (latest in 2023) EDQM (latest in 2017) Others: PMDA-Japan, COFEPRIS-Mexico, Korea-FDA, ANVISA-Brazil
 <p>API Unit-IV</p>	Telangana, India	<ul style="list-style-type: none"> 60 reactors, >40KI capacity, Unit with Oncology facility 	<ul style="list-style-type: none"> USFDA (latest in 2019) EDQM (latest in 2024) Others: WHO GMP
 <p>API Unit-V</p>	Andhra Pradesh, India	<ul style="list-style-type: none"> 49 reactors, >130KI capacity 	<ul style="list-style-type: none"> GMP
 <p>FDF Unit-I</p>	Telangana, India	<ul style="list-style-type: none"> 1.8Bn OSDs and 350MT Pellets per annum 	<ul style="list-style-type: none"> USFDA (latest in 2019) EU GMP (latest in 2023) Others: MHRA, Health Canada, EU GMP, PMDA-Japan, MOH-Russia, WHO GMP, DCGI, Saudi-FDA, Taiwan-FDA
 <p>FDF Unit-II</p>	Telangana, India	<ul style="list-style-type: none"> 480MT Pellets per annum 	<ul style="list-style-type: none"> WHO GMP

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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

- 30+ 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



Sunil U.

Chief Operating Officer

28+ 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
23+ years of experience
Ex Sr. VP, PI Industries Head, API, Fresenius Kabi
Education: PhD, IICT



Swaminathan N.

Chief Supply Chain Officer

30+ years of experience
Ex VP, Granules, Nippon Paints, Pidilite Industries, ICI India, Mafattal, 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

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



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, Cohance, BSV

Bhasker Iyer



Operating Partner

Experience

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

Anil Chanana



Independent Director

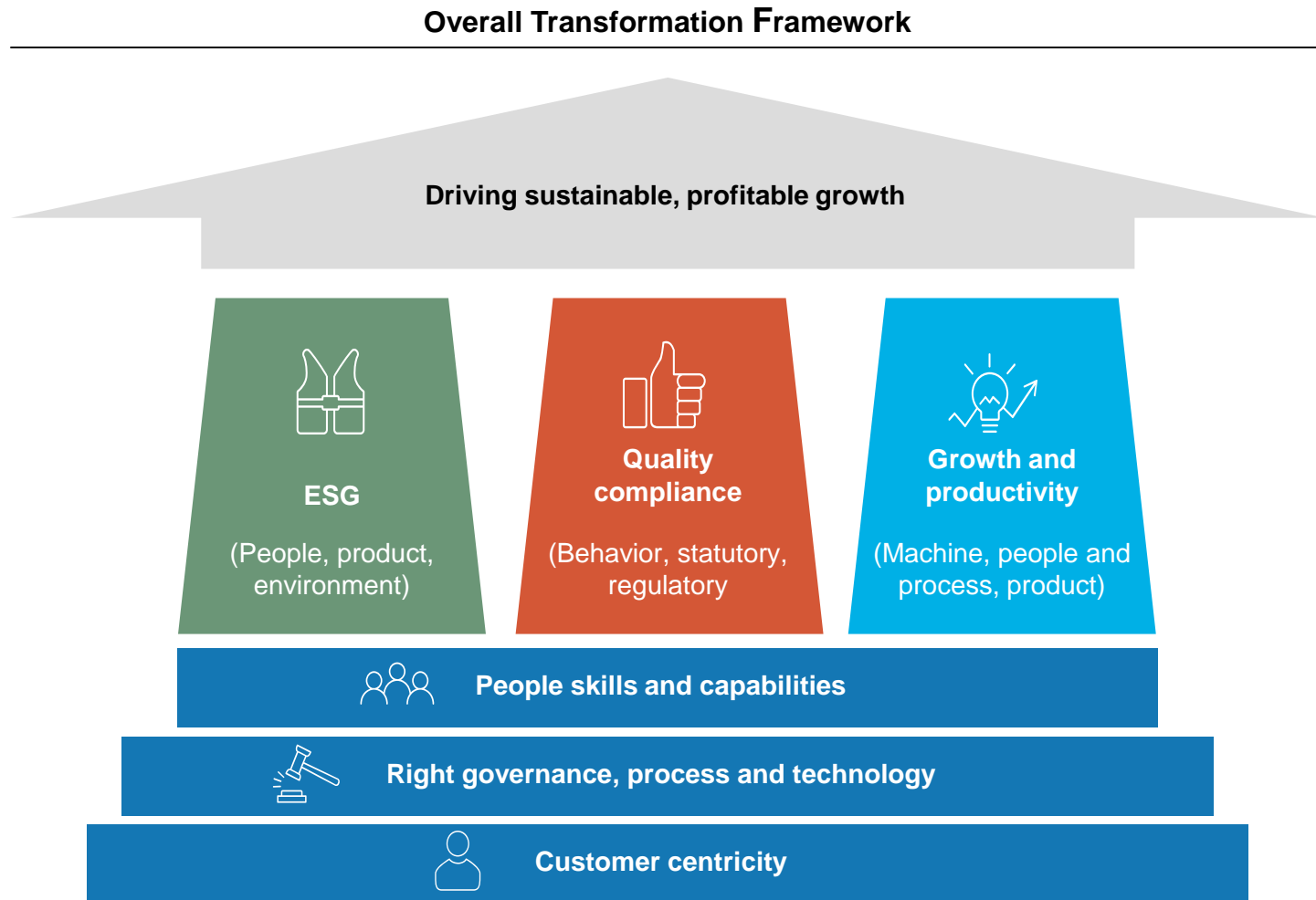
Experience

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

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TRANSFORMATION FRAMEWORK TO AUGMENT GROWTH JOURNEY

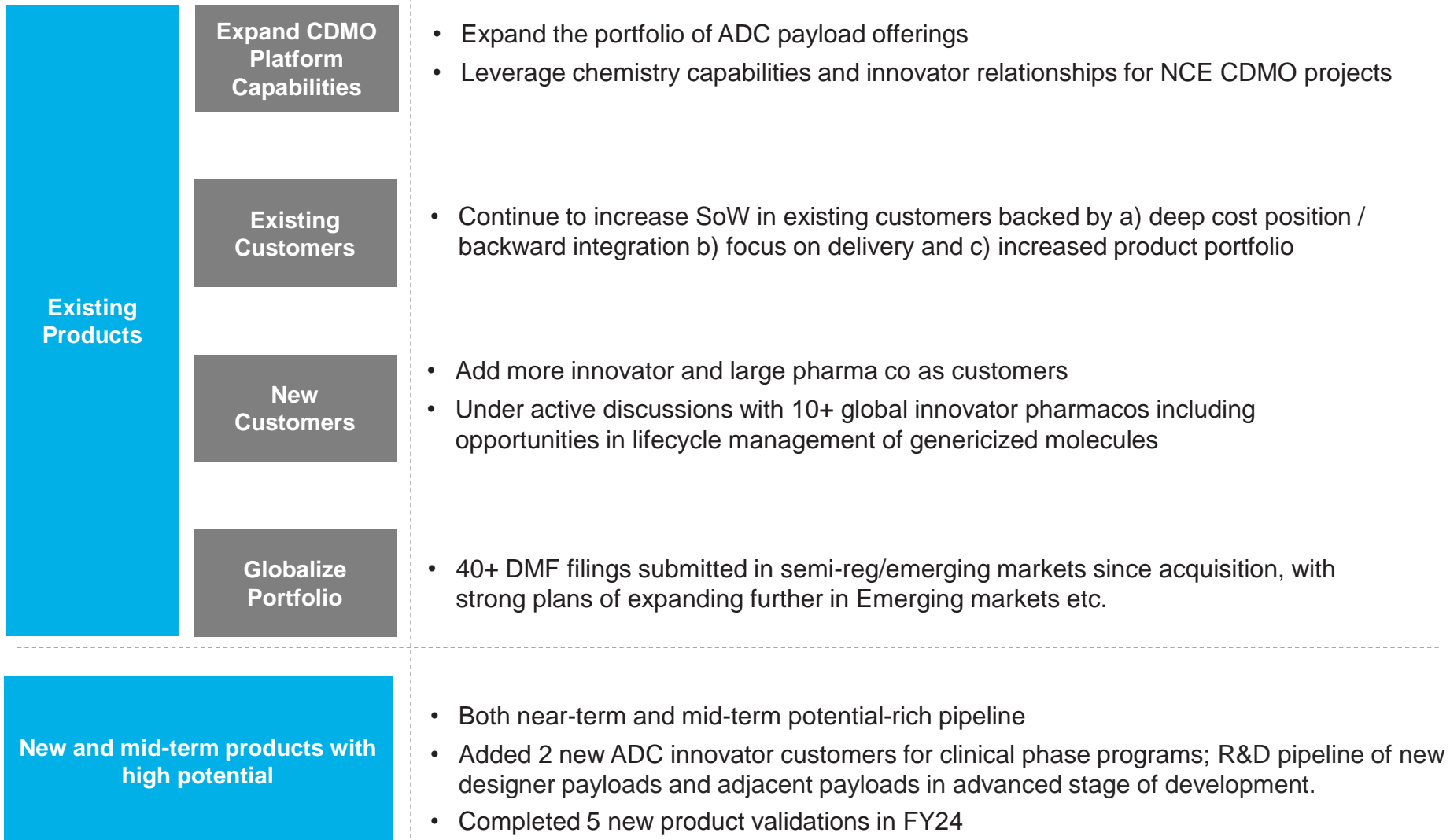
- 3 pillar transformation framework put in place to unlock full potential of platform and drive sustainable growth



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DRIVERS OF GROWTH

Tapping multiple engines for sustainable, industry leading future growth



COHANCE PROFORMA P&L - SNAPSHOT

- Cohance platform build-out started in Oct '20; Organic revenue CAGR at ~13% from FY19-24¹ (L2L organic growth for the entire platform, proforma for acquisitions across years), EBITDA growth at 21% CAGR (FY19-24)
- FY24 revenue impacted by short-term macro headwinds (destocking), delay in vendor qualification for some products, and one COVID molecule in base
- FY24 saw EBITDA margin maintained - driven by better CDMO mix, despite some softness in revenue growth.

INR million

Proforma P&L Snapshot	FY19	FY20	FY21	FY22	FY23	FY24	CAGR FY19-FY24	YoY
Revenue	7,272	8,631	10,043	12,802	13,375	13,408	13.0%	0.2%
COGS	(2,900)	(3,705)	(4,004)	(5,300)	(5,058)	(4,862)		
Material Margin	4,372	4,926	6,039	7,502	8,317	8,547	14.3%	2.8%
<i>Material Margin%</i>	60.1%	57.1%	60.1%	58.6%	62.2%	63.7%		
Manufacturing Expenses	(1,058)	(955)	(1,123)	(1,277)	(1,480)	(1,416)		
Employee cost	(1,137)	(1,273)	(1,433)	(1,714)	(1,933)	(2,006)		
Other expenses	(584)	(657)	(693)	(879)	(839)	(962)		
Adjusted EBITDA (pre Fx)	1,593	2,041	2,790	3,633	4,066	4,162	21.2%	2.4%
Operating Forex gain / (loss)	19	174	146	69	147	21		
Adjusted EBITDA (post Fx)	1,612	2,214	2,936	3,702	4,213	4,183	21.0%	-0.7%
<i>EBITDA%</i>	22.2%	25.7%	29.2%	28.9%	31.5%	31.2%		
Depreciation & Amortization	(479)	(444)	(469)	(509)	(522)	(637)		
Finance costs	(169)	(197)	(45)	(110)	(154)	(332)		
Other income	157	204	189	186	154	193		
Adjusted PBT	1,121	1,777	2,610	3,269	3,691	3,408	24.9%	-7.7%
Tax	(282)	(447)	(657)	(823)	(929)	(863)		
Adjusted PAT	839	1,330	1,953	2,446	2,762	2,545	24.9%	-7.9%
<i>PAT%</i>	11.5%	15.4%	19.4%	19.1%	20.6%	19.0%		

Cohance platform build-out started in Oct '20; organic revenue CAGR of 13%; EBITDA growth at 21% CAGR

FY24 saw EBITDA margins maintained, driven by better CDMO mix, despite softness in API+ revenue growth

PAT declined higher given coming out of capex cycle (D&A)

Proforma for acquisitions, organic growth for the platform

Accounting entries relating to merger of AI Pharmed and RA Chem

Depreciation and amortization				(185)	(75)	(102)
Tax impact of above				47	19	26
PAT (post consol adjustments)				2,307	2,706	2,468

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; FY24 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. 5) FY24 Adjusted EBITDA includes one-time adjustments of Rs 184mn and ESOPs cost of ~Rs 432mn

COHANCE PROFORMA BALANCE SHEET - SNAPSHOT

INR million

Proforma Balance Sheet Snapshot ¹	Mar19	Mar20	Mar21	Mar22	Mar23	Mar-24
Property, plant and equipment (PPE)	3,699	3,824	4,128	4,090	4,217	4,601
Right of use asset (RoU) ²	0	13	89	179	202	356
Capital work-in-progress	45	99	155	458	1,167	2,292
Intangible Assets ²	47	47	51	123	118	109
Fixed Assets	3,790	3,982	4,422	4,850	5,704	7,358
Inventories	1,674	1,894	2,551	3,266	3,641	3,674
Trade receivables	2,434	3,154	3,218	3,654	4,202	5,133
Trade payables	(852)	(1,305)	(1,716)	(1,670)	(2,141)	(1,994)
Core Net Working Capital (Core NWC)	3,256	3,743	4,052	5,250	5,703	6,813
Other net assets	(70)	(111)	(189)	(196)	218	65
Borrowings	(2,059)	(1,678)	(1,330)	(1,738)	(2,668)	(4,888)
Cash and Cash equivalents (including liquid investments)	3,323	3,470	3,918	4,111	974	1,197
Net (debt) / cash	1,264	1,793	2,588	2,373	(1,694)	(3,692)
Net assets	8,239	9,406	10,874	12,277	9,931	10,545
Shareholder's funds	8,239	9,406	10,874	12,277	9,931	10,545
Accounting entries relating to merger of AI Pharmed and RA Chem						
Goodwill			5,800	5,800	5,800	5,800
Tangible assets			397	389	382	376
Intangible assets			803	624	556	454
Tax impact			(297)	(137)	(99)	0
Other reconciling items			(21)	(20)	0	
Net assets (post consol adjustments)	8,239	9,406	17,556	18,932	16,569	17,174
Shareholder's funds	8,239	9,406	17,556	18,932	16,569	17,174

As the CCD conversion has happened, we do not anticipate any major fund outflow requirements

Borrowing is expected to gradually normalize.

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; FY24 numbers as per audited financials of the merged entity (Cohance).

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

COHANCE PROFORMA - KEY RATIOS

- Strong financial metrics

Increased working capital due to stock buildup and increase in other current assets on account of increase input GST in FY24

Key Ratios	FY19	FY20	FY21	FY22	FY23	FY24	Basis
Net Working Capital (as days of sales)	163	158	147	150	156	185	NWC / Revenue * 365
PPE (as % of sales)	50.9%	44.3%	41.1%	31.9%	31.5%	34.3%	PPE / Revenue
Capex spend during the year (INR M)	313	498	810	911	1,346	2,089	As per proforma cashflows
Capex spend (as % of sales)	4.3%	5.8%	8.1%	7.1%	10.1%	15.6%	Capex spend / Revenue
(Net Debt)/ Net Cash to adjusted EBITDA (x times)	0.8x	0.8x	0.9x	0.6x	-0.4x	-0.9x	Net Debt / Adjusted EBITDA
Adjusted EBIT (INR M)	1,133	1,771	2,466	3,193	3,691	3,546	Adjusted EBITDA - Depreciation and Amortization
Avg Capital employed (INR M)		7,294	7,949	9,095	10,764	12,931	Avg of opening and closing Capital employed (Net fixed assets + NWC + other net assets)
ROCE (%)		24.3%	31.0%	35.1%	34.3%	27.4%	Adjusted EBIT / Avg. Capital employed
Avg Shareholder's funds (INR M)		8,822	10,140	11,576	11,104	10,238	Avg of Opening and closing shareholder's funds
ROE (%)		15.1%	19.3%	21.1%	24.9%	24.9%	Adjusted PAT / Avg Shareholder's funds

ROCE in FY24 is reflects Group's higher growth capex yet to be optimally utilized

Note:

- 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; FY24 numbers as per audited financials of the merged entity (Cohance).
- RoU and Intangible assets Includes RoU under development and intangibles under development respectively

Thank You