

BIOSIMILAR COLLABORATIONS IRELAND LIMITED
BALANCE SHEET AS AT MARCH 31, 2023
(All amounts in US Dollars Thousands, except share data and unless otherwise stated)

	<u>Notes</u>	<u>March 31,</u> <u>2023</u>
ASSETS		
Non-current assets		
Goodwill	1	5,22,223
Intangible assets	1	1,18,363
Intangible assets under development	1	1,59,301
Financial assets		
(i) Other financial assets	5	2,001
Total non-current assets		8,01,888
Current assets		
Inventories	2	1,40,802
Financial assets		
(i) Trade receivables	3	1,31,570
(ii) Cash and cash equivalents	4	36,940
(ii) Other financial assets	5	1,907
Other current assets	6	8,680
Total current assets		3,19,900
TOTAL		11,21,787
EQUITY AND LIABILITIES		
Equity		
Equity share capital	7	1,000
Other equity	8	6,02,296
Total equity		6,03,296
Non-current liabilities		
Deferred tax liability		35,916
Financial liabilities		
(i) Other financial liabilities	9(a)	1,65,349
Other non-current liabilities	10(a)	2,001
Total non-current liabilities		2,03,266
Current liabilities		
Financial liabilities		
(i) Trade payables	11	3,01,498
(ii) Other financial liabilities	9(b)	10,473
Income-tax liability (net)		3,164
Other current liabilities	10(b)	90
Total current liabilities		3,15,225
TOTAL		11,21,787

BIOSIMILAR COLLABORATIONS IRELAND LIMITED
 STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 29 NOVEMBER, 2022 TO MARCH 31, 2023
 (All amounts in US Dollars Thousands, except share data and unless otherwise stated)

	<u>Notes</u>	<u>Year ended March 31, 2023</u>
Income		
Revenue from operations	12	94,592
Other income		667
Total revenue		<u>95,259</u>
Expenses		
Purchases of traded goods	13	62,467
Changes in inventories of traded goods	14	(36,116)
Amortisation		4,393
Finance cost	16	3,403
Other expenses	15	35,708
Total expenses		<u>69,855</u>
Profit before tax and exceptional items		<u>25,404</u>
Exceptional items		(7,885)
Profit/(loss) before tax		<u>17,519</u>
Tax expense		
Current tax		3,164
Deferred Tax		(941)
Tax expense		<u>2,223</u>
Profit/(loss) for the year		<u><u>15,296</u></u>

BIOSIMILAR COLLABORATIONS IRELAND LIMITED
STATEMENT OF CASH FLOW FOR THE PERIOD FROM NOVEMBER 29, 2022 TO MARCH 31, 2023
(All amounts in US Dollars Thousands, except share data and unless otherwise stated)

	Year ended March 31, 2023
	<hr/>
I Cash flows from operating activities	
Profit after tax	15,296
<u>Adjustments to reconcile profit before tax to net cash flows:</u>	
Amortisation (net)	4,393
Finance cost	3,403
Interest income	(667)
Tax expense	2,223
	<hr/> 24,648
Movements in working capital, net of effects from acquisition	
(Increase) in trade receivables	(52,020)
Decrease in trade inventories	68,570
(Increase) in loans and advances and other assets	(8,351)
Increase in trade payable, other liabilities and provisions	72,470
Cash generated from operations	<hr/> 1,05,317
Direct taxes paid	-
Net cash flow generated from operating activities	<hr/> 1,05,317 <hr/>
II Cash flows from investing activities	
Purchase of intangible assets	(1,500)
Payment of Purchase consideration	(6,54,877)
Net cash flow (used in) investing activities	<hr/> (6,56,377) <hr/>
III Cash flows from financing activities	
Proceeds from issue of equity shares	5,88,000
Net cash flow generated from financing activities	<hr/> 5,88,000 <hr/>
IV Net increase in cash and cash equivalents (I + II + III)	36,940
V Effect of exchange differences on cash and cash equivalents held in foreign currency	-
VI Cash and cash equivalents at the beginning of the year	-
VIII Cash and cash equivalents at the end of the year (IV + V + VI)	<hr/> 36,940 <hr/>
Reconciliation of cash and cash equivalents as per statement of cash flow	
Cash and cash equivalents	
Balances with banks - on current accounts	36,940
- on deposit accounts	-
	<hr/> 36,940 <hr/>
Total cash and cash equivalents [refer note 4]	<hr/> 36,940 <hr/>

BIOSIMILAR COLLABORATIONS IRELAND LIMITED

Notes to financial statements for the period from November 29, 2022 to March 31, 2023

(All amounts in US Dollars Thousands, except share data and unless otherwise stated)

1. Goodwill and Intangible assets

	Goodwill	Intangible assets			Intangibles under development
		Patents & License	Brand & Trademark	Total intangible assets	Product under development
Gross carrying amount					
Acquired through business combination	5,22,223	1,14,362	8,394	1,22,756	1,57,801
Additions	-	-	-	-	1,500
Deletion	-	-	-	-	-
At March 31, 2023	5,22,223	1,14,362	8,394	1,22,756	1,59,301
Accumulated amortisation					
Amortisation for the year	-	4,093	300	4,393	-
At March 31, 2023	-	4,093	300	4,393	-
Net carrying amount					
At March 31, 2023	5,22,223	1,10,269	8,094	1,18,363	1,59,301

BIOSIMILAR COLLABORATIONS IRELAND LIMITED

Notes to financial statements for the period from November 29, 2022 to March 31, 2023

(All amounts in US Dollars Thousands, except share data and unless otherwise stated)

	March 31, 2023
2. Inventories	
Traded goods	1,40,802
	1,40,802
3. Trade receivables	
(a) Unsecured, considered good	1,31,570
	1,31,570
4. Cash and cash equivalents	
Balances with banks:	
On current accounts	36,940
	36,940
5. Other financial assets	
Non-current	
Other non-current assets	2,001
	2,001
Current	
Other current assets	1,907
	1,907
6. Other current assets	
VAT Receivables	8,149
Prepayments	531
	8,680
7. Share capital	
Authorised	
Issued, subscribed and fully paid-up	
1,000,000 equity shares of USD 1 each	1,000
Total issued, subscribed and fully paid-up share capital	1,000
8. Other equity	
Surplus in the statement of profit and loss	
Profit for the year	15,296
Net surplus in the statement of profit and loss	15,296
Premium received on Issue of shares during the year	5,87,000
Total other equity	6,02,296

BIOSIMILAR COLLABORATIONS IRELAND LIMITED

Notes to financial statements for the period from November 29, 2022 to March 31, 2023

(All amounts in US Dollars Thousands, except share data and unless otherwise stated)

	March 31, 2023
9. Other financial liabilities	
(a) Non-current liabilities	
Deferred consideration payable	1,65,349
	<u>1,65,349</u>
(b) Current liabilities	
Deferred consideration payable	10,473
	<u>10,473</u>
10. Other liabilities	
(a) Non-current liabilities	
Others	2,001
	<u>2,001</u>
(b) Current liabilities	
Deferred revenue	90
	<u>90</u>
11. Trade payables	<u>3,01,498</u>

BIOSIMILAR COLLABORATIONS IRELAND LIMITED

Notes to financial statements for the period from November 29, 2022 to March 31, 2023

(All amounts in US Dollars Thousands, except share data and unless otherwise stated)

	<u>Year ended March 31, 2023</u>
12. Revenue from operations	
Sale of Products	
Traded goods	94,592
	<u>94,592</u>
13. Purchase of traded goods	<u>62,467</u>
	<u>62,467</u>
14. Changes in inventories of traded goods	
Inventory acquired through Business Combination during the year	
Traded goods	1,04,686
Inventory at the end of the year	
Traded goods	1,40,802
	<u>(36,116)</u>
15. Other expenses	
Legal and professional fees	903
Research and development expenses	16,906
Sales promotion expenses	12,592
Transition Service Agreement charges	10,584
Miscellaneous expenses	1
Directors' fees	30
	<u>41,016</u>
Recovery of cost from co-development partners, net	<u>(5,308)</u>
	<u>35,708</u>
16. Finance cost	
Interest on financial instruments designated as FVTPL	3,403
	<u>3,403</u>

BIOSIMILAR COLLABORATIONS IRELAND LIMITED

Notes to financial statements for the period from November 29, 2022 to March 31, 2023

(All amounts in US Dollars Thousands, except share data and unless otherwise stated)

17. Business combination

On February 27, 2022, the Ultimate Holding Company, Biocon Biologics Limited ("BBL") entered into a definitive agreement with its collaboration partner Viatris Inc. to acquire Viatris' biosimilars business to create a fully integrated global biosimilars enterprise. As part of the transaction, the Company has paid a total consideration of USD 832,801 including cash of USD 654,877. The said transaction obtained necessary regulatory and other approvals and the closing conditions were satisfied on November 29, 2022.

The Company along with Viatris, the seller, is currently in the process of completing its determination of working capital balances taken over as part of the acquisition. Pending such determination and other adjustments as envisaged in the agreement, the Company has carried out a provisional purchase price allocation between goodwill, intangible assets and other working capital balances taken over. These initial estimates will be finalized over the next few quarters not exceeding twelve-month period allowed under the accounting requirements.

Below is the details of purchase price allocation on provisional basis:

	Amount
Cash	6,54,877
Deferred consideration payable	1,77,923
Total consideration	8,32,801
Assets acquired	
Trade receivables	39,775
Inventories	1,04,686
Other assets	2,119
Goodwill	5,22,223
Intangibles	2,80,557
Liabilities assumed	
Trade payables	(79,702)
Deferred tax liability	(36,857)
Total net assets acquired	8,32,801

- (a) The Company has agreed for deferred consideration payable after 18-24 months from the acquisition date
- (b) The Goodwill of USD 5,22,223 consists largely of the synergies and economies of scale expected from the acquired business, together with the value of the workforce acquired. The Goodwill generated on acquisition of business is not deductible for tax purposes.
- (c) Acquisition related costs amounted to USD 7,885 and were excluded from the consideration transferred and were recognised as expense under "Exceptional expenses" in the income statement for the year ended 31 March 2023