

November 05, 2025

The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 Scrip Code: 541540, 890202	The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex Bandra (E), Mumbai – 400 051 Symbol: SOLARA, SOLARAPP1
--	---

Dear Sir / Madam,

Subject: Press Release

Pursuant to the Regulation 30 of the SEBI Listing Regulations, we are enclosing herewith a copy of the Press Release on unaudited Financial Results for the 2nd Quarter Ended September 30, 2025. The same will also be made available on the website of the Company <https://solara.co.in/investor-relations/investor-update/>

The Press Release (along with Earnings Presentation) for the Board Meeting held on November 05, 2025 issued by the Company titled:

Solara Q2'26 performance

This is for your information and records.

Thanking You,

Yours Faithfully,

For Solara Active Pharma Sciences Limited

Pooja Jayakumar
Company Secretary & Compliance Officer
ICSI Membership No.: A57415



Solara Q2'26 Performance

Q2 FY26 Results | November 5, 2025
Solara Active Pharma Sciences Limited

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Performance (INR Mn)

Particulars	Q2'26	Q1'26	QoQ%	Q2'25	YoY%
Revenue	3,140	3,201	-2%	3,472	-10%
Gross Margin	1,599	1,732	-8%	1,753	-9%
Gross Margin %	51.0%	54.1%	(317 bps)	50.5%	50 bps
Operating costs	1,246	1,157	8%	1,138	10%
EBITDA	352	575	-39%	615	-43%
EBITDA Margin %	11.3%	18.0%	(673 bps)	17.7%	(648 bps)
Depreciation	245	236		253	
Finance cost (net)	208	234		283	
PAT	(101)	105		79	
EPS (INR per share)	(2.36)	2.46		2.54	

- Regulated Markets constitute 75% of our total revenues in Q2'26 (Q1'26 - 77%; Q2'25 – 76%)
- Operational challenges led to deferred deliveries of higher Gross margin products (Revenues of ~INR 300-350mn with Gross margins of ~INR 180-200mn), hence impacting the Gross margins for the current quarter.
- Operating costs for the current quarter was impacted by certain one-time costs of ~INR 40mn primarily related to unscheduled operational shutdown at Mangalore on account of facility upgradation.



Sandeep Rao,
MD & CEO

We commenced FY26 with a clear objective: to pivot the business from a phase of **reset** to one characterized by **sustainable, scalable, and reliable growth**. Whilst our transformation journey remains intact, our financial performance during this quarter was primarily impacted by short-term disruptions arising from an unscheduled operational shutdown at Mangalore on account of facility upgradation resulting in delayed deliveries and reduced sales volumes during the quarter.

While these factors influenced current quarter results, they are transitory. The underlying fundamentals of the business remain strong, supported by a resilient operating model, robust compliance framework, and a diversified portfolio across key markets.

Regulated markets and a healthy product mix continue to be a hallmark of the business. We are also actively working to strengthen the balance sheet, aiming to reduce debt through a combination of rights issue and operating leverage, resulting in a lighter and healthier financial position

Revenue

- ▶ Q2'26 Revenue at **INR 3,140 Mn vs INR 3,472 Mn** in Q2'25; down by 10% YoY
- ▶ Q2'26 Revenue at **INR 3,140 Mn vs INR 3,201 Mn** in Q1'26; down by 2% QoQ
- ▶ Revenues impacted by delayed deliveries and reduced sales volume arising from temporary operational shutdown at Mangalore during the quarter

Gross Margin

- ▶ Q2'26 Gross Margin at INR 1,599 Mn (51%) vs INR 1,753 Mn (50.5%) in Q2'25 and INR 1,732 Mn (54.1%) in Q1'26 ;
- Gross margin at 51%, up 50 bps YoY
- Gross margin declined 264 bps QoQ, primarily due to short-term disruptions at the Mangalore facility and product-mix.
- While QoQ margin was affected by temporary operational factors, the long-term focus on high-margin segments and cost optimization remains intact.

Cost Control Measures

- ▶ Operating Costs at INR 1,246 Mn in Q1'26 vs INR 1,138 Mn in Q2'25 and INR 1,157 Mn in Q1'26; **increased by INR 108 Mn YoY**
- Operating costs for the current quarter was impacted by certain one-time operating costs of ~INR 40mn primarily related to unscheduled operational shutdown at Mangalore on account of facility upgradation.

EBITDA

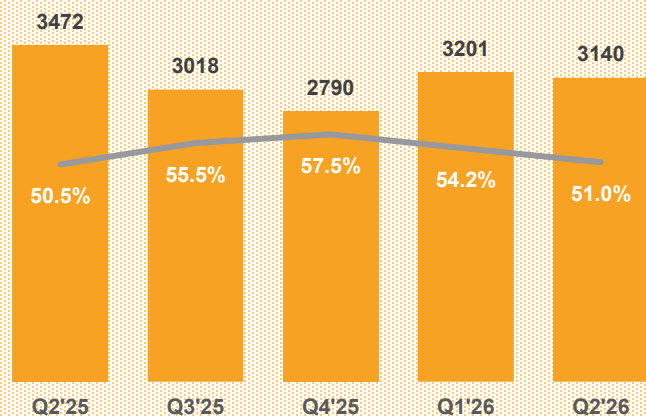
- ▶ Q2'26 EBITDA at INR 352 Mn (11.3%) vs INR 615 Mn (17.7%) in Q2'25 and INR 575 Mn (18%) in Q1'26;
- ▶ Q2'26 EBITDA impacted by temporary operational shutdown at Mangalore and one-time additional operating costs

Debt

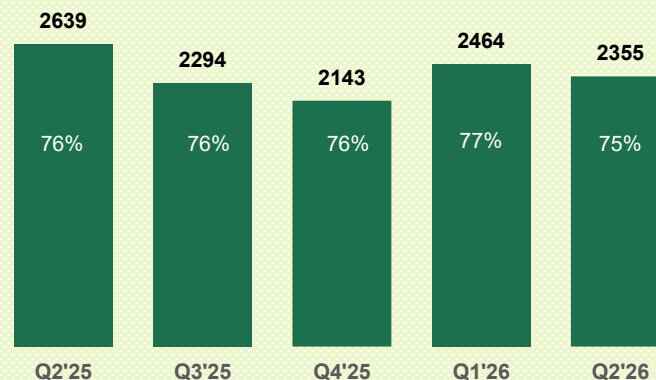
- ▶ Gross Debt as on 30-Sep-25 at INR 6,233 Mn vs INR 7,760 Mn at end of FY25; **reduced by INR 1,527 Mn**
- ▶ Post realization of second call money of the Rights issue in May'26 and normal debt repayment, Gross debt expected to be at INR 4,461 Mn (Gross Debt / EBITDA at **~2.5 times**);



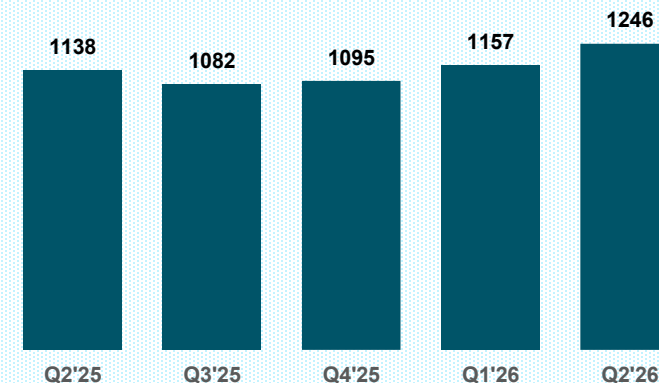
Revenues (INR Mn) and
Gross Margin (%)



Regulated Market
Revenues (INR Mn)



Operating Cost (INR Mn)



- Gross margin at 51%, up 50 bps YoY
- Gross margin declined 264 bps QoQ, primarily due short-term disruptions in high-margin products at Mangalore facility
- While QoQ margin was affected by temporary operational factors, the long-term focus on high-margin segments and cost optimization remains intact.
- Operating costs for the current quarter was impacted by certain one-time operating costs of ~INR 40mn primarily related to unscheduled operational shutdown at Mangalore on account of facility upgradation.

Sources of funds (INR Mn)

Particulars	Mar'25	Sep'25
Shareholders' funds	10,969	12,548
Less: Goodwill	-3,649	-3,649
Net worth	7,320	8,899
Term Loan	2,031	1,472
Working capital Loan	5,729	4,761
Gross Debt	7,760	6,233
Total	15,080	15,132

Use of funds (INR Mn)

Particulars	Mar'25	Sep'25
Net Tangible Fixed Assets	10,787	10,728
Net Non-current Assets	(175)	(227)
Net Current Assets	4,468	4,631
Total	15,080	15,132

Net Debt (INR Mn)

Particulars	Amount
Gross Debt as on Mar'25	7,760
Less: Repayment from Rights issue application money	(1,125)
Less: Other repayments	(402)
Gross Debt as on Sep'25	6,233
Less: Post realization of second call money of the Rights issue in Q1'27 in which 75% will be used for debt repayment	(1,011)
Less: Repayment from Operating Cash Flows	(761)
Expected Net Debt by May'26	4,461

- ▶ During H1FY26, we reduced our Gross Debt from INR 7,760 Mn to INR 6,233 Mn; a reduction of INR 1,527 Mn (INR 1,125Mn from Rights Issue application money and balance INR 402 Mn from operating cash flows)
- ▶ The Net Debt by end of Sep'25 at INR 6,233 Mn post utilization of the 75% of the 1st call money towards debt reduction (Net Debt to EBITDA ~3.4 times)
- ▶ After adjusting for the uncalled Rights Issue money in which 75% will be used for debt repayment (INR 1,011 Mn) and repayment during FY26, our adjusted net debt by May'26 expected at ~INR 4,461 Mn (Net Debt to EBITDA ~2.5 times).
- ▶ Post carve-out of the CRAMS and Polymers business, which is subject to shareholders approval, there will be a push-down of INR 2,000 Mn of debt to the proposed entity., the net debt in May'26 is expected to be at ~ INR 2,461 Mn (Net Debt to EBITDA ~1.4)



Update on the Demerger of the CRAMS and Polymers business from the Generic API business (“Legacy Catalog API Business”)

- Subject to statutory approvals, the Company announced the carve-out of the CRAMS and Polymers business, which delivered revenues of **~INR 1,080 Mn in FY25**, from its' Legacy Catalog API business on account of significantly different value drivers for each business.
- The Legacy Catalog API business will benefit by having a stronger Balance Sheet with the **transfer of INR 2,000 Mn of debt** to the new Company and a higher ROCE & ROI.
- Consequent to the Rights Issue and the restructuring of the business, **the Net Debt on the Legacy Catalog API business in May'26 is estimated at INR 2,461 Mn (estimated Net debt to EBITDA at ~1.4 times)**
- The new company – “Synthix Global Pharma Solutions Limited”, housing the CRAMS and Polymers business, has been incorporated in April 2025 post the in-principle approval from the Board.
- The New Company shall invest and grow the CRAMS and Polymers business to size in **4-5 years** thereby unlocking significant shareholder value.
- The Company would initiate the next steps with respect to securing all the necessary shareholder and statutory approvals in upcoming quarters.

Thank you