Corporate Office:
Solara Active Pharma Sciences Limited
TICEL Bio Park, 6th Floor,
Module No. 601, 602, 603, Phase II – CSIR Road,
Taramani, Chennai, Tamil Nadu – 600113.
Tel: +91 44 47406200
Fax: +91 44 47406190
E-mail: investors@solara.co.in
website: www.solara.co.in

July 25, 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 1st Quarter Ended June 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 July 25, 2025 issued by the Company titled:

Solara Q1'26 performance

This is for your information and records.

Thanking You,

Yours Faithfully,

For Solara Active Pharma Sciences Limited

Pooja J

Digitally signed by
Pooja J
Date: 2025.07.25
15:11:09 +05'30'

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

Solara Q1'26 Performance

Strong Q1 performance attributed to continued focus on Gross margin expansion and cost control measures

Q1 FY26 Results | July 25, 2025
Solara Active Pharma Sciences Limited

Safe Harbor

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.

Solara reports stronger outcomes in Q1’26. Repivoting from Reset to growth…

SOLARA
Active Pharma Sciences

Performance (INR Mn)

Reduced Operating costs YoY

Sustaining healthy Gross Margins

Particulars	Q1’26	Q4’25	QoQ%	Q1’25	YoY%
Revenue	**3,201**	**2,790**	**15%**	**3,641**	**-12%**
Gross Margin	**1,732**	**1,605**	**8%**	**1,622**	**7%**
Gross Margin %	54.1%	57.5%	*(340 bps)*	*44.5%*	*960 bps*
Operating costs	**1,157**	**1,095**	**6%**	**1,200**	**-3%**
EBITDA	**575**	**510**	**13%**	**422**	**36%**
EBITDA Margin %	18.0%	18.3%	*(32 bps)*	11.6%	*639 bps*
Depreciation	236	243		251	
Finance cost (net)	234	288		305	
PAT	**105**	**(21)**		**(135)**	
EPS (INR per share)	**2.46**	**(0.93)**		**(3.50)**	

EPS turns positive

EBITDA Margin trending positively

- Regulated Markets constitute 77% of our total revenues (Q4’25 - 77%; Q1’25 – 76%)
- Gross Margin at 54.1%, up by 960 bps YoY improved Regulated market mix and our continued focus on profitable products and cost improvement programs.
- EBITDA margin at 18.0%, up by 639 bps YoY
- Q1’26 PAT at INR 105 Mn; Highest in the last 12 quarters

Sandeep Rao,
MD & CEO

*We kickstarted our journey into FY26 with an objective of **repivoting the business from Reset to a Sustainable, Scalable and Reliable Growth** and I am glad to share that we have started this journey on the right note.*

The Revenues have grown QoQ by ~15% with a healthy margin profile resulting in QoQ Margin growth of 8%. Although the Opex on a QoQ basis reflects a marginal increase with respect to the increased level of operations, the Business clocked EBITDA growth of ~13 % on QoQ basis.

Regulated markets and a healthy product mix continue to be a consistent feature of the business.

We continue to work towards reducing our Debt through a combination of Rights issue and operating leverage resulting in a lighter and healthier balance sheet.

Solara has recorded the highest PAT in the last 12+ quarters on account of EBITDA growth led by positive business outcomes and reduced finance cost.

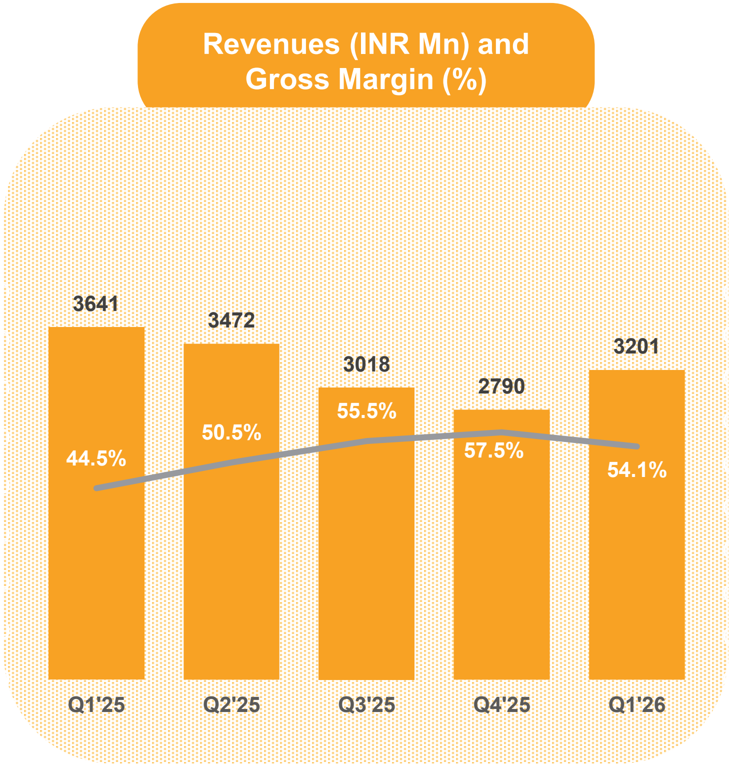
Strong Q1 performance attributed to continued focus on Gross margin expansion and cost control measures

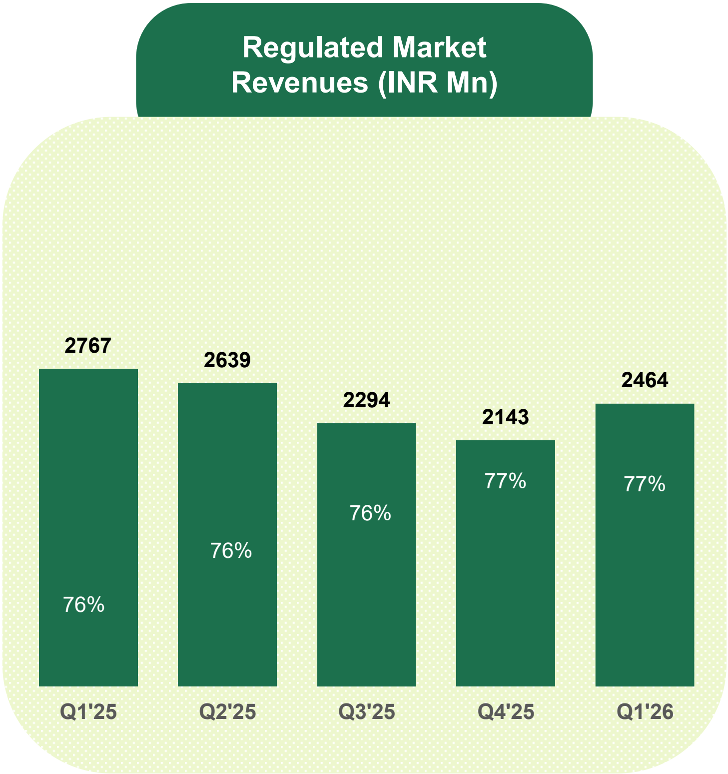
Solara continues to deliver on margin expansion

SOLARA Active Pharma Sciences

Revenue	▸ Q1’26 Revenue at **INR 3,201 Mn vs INR 3,641 Mn** in Q1’25; down by 12% YoY ▸ Q1’26 Revenue at **INR 3,201 Mn vs INR 2,790 Mn** in Q4’25; and 15% growth QoQ
Gross Margin	▸ Q1’26 Gross Margin at INR 1,732 Mn (54.1%) vs INR 1,622 Mn (44.5%) in Q1’25 and INR 1,605 Mn (57.5%) in Q4’25 ; ▸ Significant **improvement by 960 bps YoY** ▸ Improved Gross Margins driven by higher Regulated market mix and focus on profitable products
Cost Control Measures	▸ Tight control on Operating Costs ▸ Operating Costs at INR 1,157 Mn in Q1’26 vs INR 1,200 Mn in Q1’25 and INR 1,095 Mn in Q4’25; **reduced by INR 43 Mn YoY** ▸ Marginal increase in Operating Costs QoQ attributed to increased level of operations.
EBITDA	▸ Q1’26 EBITDA at INR 575 Mn (18%) vs INR 422 Mn (11.6%) in Q1’25 and INR 510 Mn (18.3%) in Q4’25; ▸ Significant **improvement by 639 bps YoY** ▸ EBITDA expansion driven by improved Gross margins and tight control on Operating costs.
Debt	▸ Gross Debt as on 30-Jun-25 at INR 6,327 Mn vs INR 7,760 Mn in FY25; **reduced by INR 1,433 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 (Net Debt / EBITDA at **~2 times**);
PAT	▸ Q1’26 PAT at INR 105 Mn; Highest in the last 12 quarters

Improved Quality of Earnings, Margin Expansion and Operating Cost Reduction





- Sustaining healthy Gross Margins at 54.1% & EBITDA margins at 18.0% on account of cost improvement programs and operating cost optimization
- Improved quality of earnings with continued focus on healthy product mix and Regulated markets.
- Tight control on Operating Costs to sustain opex leverage.

Our Focus remains on strengthening the Balance Sheet

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Sources of funds (INR Mn)

Particulars	Mar'25	Jun'25
Shareholders' funds	10,969	12,580
Less: Goodwill	-3,649	-3,649
Net worth	**7,320**	**8,931**
Term Loan	2,031	1,754
Working capital Loan	5,729	4,573
Gross Debt	**7,760**	**6,327**
Total	**15,080**	**15,258**

Use of funds (INR Mn)

Particulars	Mar'25	Jun'25
Net Tangible Fixed Assets	10,787	10,696
Net Non-current Assets	(175)	(135)
Net Current Assets	4,468	4,697
Total	**15,080**	**15,258**

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	(308)
Gross Debt as on Jun'25	**6,327**
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	(855)
Expected Net Debt by May'26	**4,461**

- During Q1FY26, we reduced our Gross Debt from INR 7,760 Mn to INR 6,327 Mn; a reduction of INR 1,433 Mn (INR 1,125Mn from Rights Issue application money and balance INR 308 Mn from operating cash flows)
- The Net Debt by end of Jun'25 at INR 6,327 Mn post utilization of the 75% of the 1st call money towards debt reduction (Net Debt to EBITDA ~2.75 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 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)

Adjusted Net Debt to EBITDA (adjusted for the Uncalled Rights issue money & post push-down to the proposed CRAMS entity) < 1

FY26 Outlook vs Q1’26 Update

Increased focus on Gross margin and EBITDA growth

	FY26 Outlook	Q1’26 Update*
Revenue	10% growth	15% growth
EBITDA	15-20% growth	13% growth
Net Debt to EBITDA	~2.1 times	~2.7 times

Network Optimization to be prioritized

** QoQ growth*

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

SOLARA Active Pharma Sciences

- 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**)
- 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