

Apollo Healthco Ltd

**India's Largest Omnichannel pharmacy distribution
and Digital health platform**

Composite Scheme of Arrangement

June 30, 2025



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Executive Summary



Transaction Recap

- Announced an **INR 2,475 Cr (US \$300mn) investment from Advent** in April 2024 and our intent to **consolidate Keimed (in stages) into Apollo HealthCo Ltd (AHL)**. Obtained Board approval and subsequent shareholder approval in August 2024 for Advent Investment and Keimed merger
- Completed the Advent capital raise process – Tranche 1 from Advent in September 2024 and Tranche 2 in March 2025. AHL has also acquired 11.2% stake in Keimed in March 2025 – ahead of the plan.

Proposed Composite Scheme of Arrangement

- Proposal now to unlock value through a **composite scheme of arrangement - Demerger of Omnichannel pharmacy distribution (OCP), Apollo 24|7 digital platform and Remote telehealth division of AHEL into New Co, and merger of Keimed into New Co**, which will enable AHEL shareholders to have direct shareholding in a combined entity.
- Creates a formidable **Listed Omni channel Pharmacy distribution and Digital health platform leader in India** with a scale of **INR ~16.3k Cr (~US\$ 1.9 bn) in Revenues in FY25 with stated plans to achieve ~ Rs25k Cr (~US\$ 3 bn) Revenue run-rate estimated by end FY27 (GMV of INR 28k Cr) with ~ 7% EBITDA margins**
- For **every 100 shares of AHEL**, AHEL shareholders will **receive 195.2 shares of New Co. Post the scheme, the total shares outstanding in New Co. (incl. ESOP pool of 3%) would be ~66.7 crores (FV Rs 2/- each)**
- Listing of the combined entity expected in the next **18-21 months**
- In addition, **subject to meeting regulatory requirements, propose to effectively increase stake of NewCo to 100% in Apollo Pharmacies Ltd (APL) - the front-end pharmacy business;** by acquiring remaining 74.5% stake in Apollo Medicals Pvt. Ltd. (AMPL) of which APL is a current WOS .

Executive Summary (2/2)



Approval process and Governance

- All regulatory and other approvals as necessary for the proposed structure would be obtained over the next few months
- Independent valuation conducted by **KPMG (BSR)** and **BDO**, and fairness opinion provided by **Axis Capital**
- **Shareholder approval for the Composite scheme planned post all regulatory approvals around Feb 2026 post – SEBI and CCI approval as part of NCLT process.**



Proposed Scheme - Process

- Proposes to undertake below transactions sequentially, via a scheme of arrangement, subject to requisite corporate and regulatory approvals

Step 1

- Demerger of Omnichannel pharmacy distribution (OCP) and Apollo 24|7 digital platform (shares of AHEL in Apollo Healthco Ltd) & remote telehealth division of AHEL into New Co

Step 2

- Amalgamation of Apollo Healthco Ltd with and into New Co

Step 2

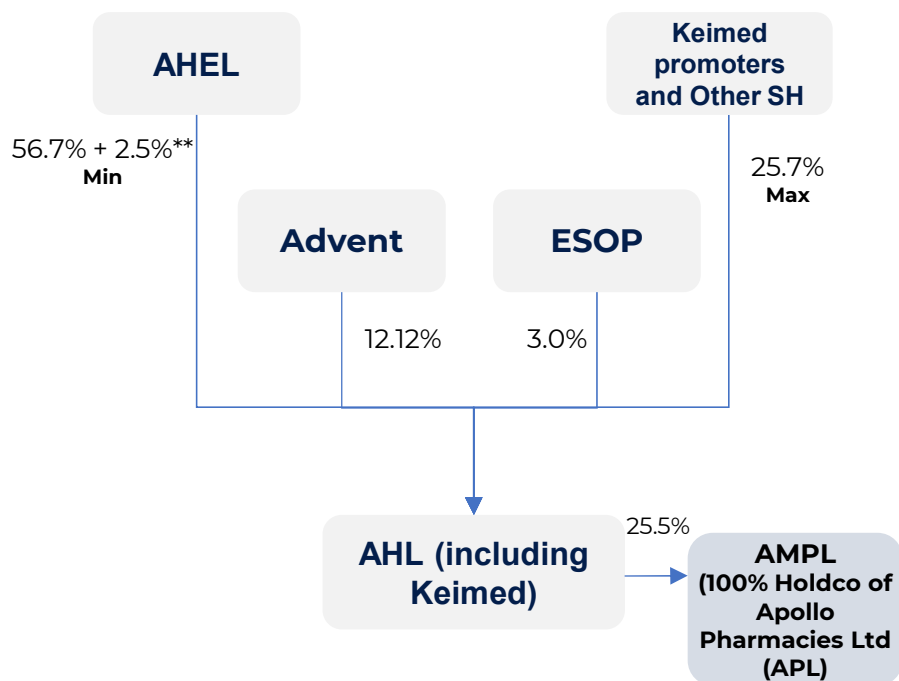
- Amalgamation of Keimed Private Limited with and into New Co

**Upon effectiveness of the Scheme (Post Shareholder and NCLT approval),
New Co to become an 'Indian Owned and Controlled Company' (IOCC), and apply for listing on stock exchanges**



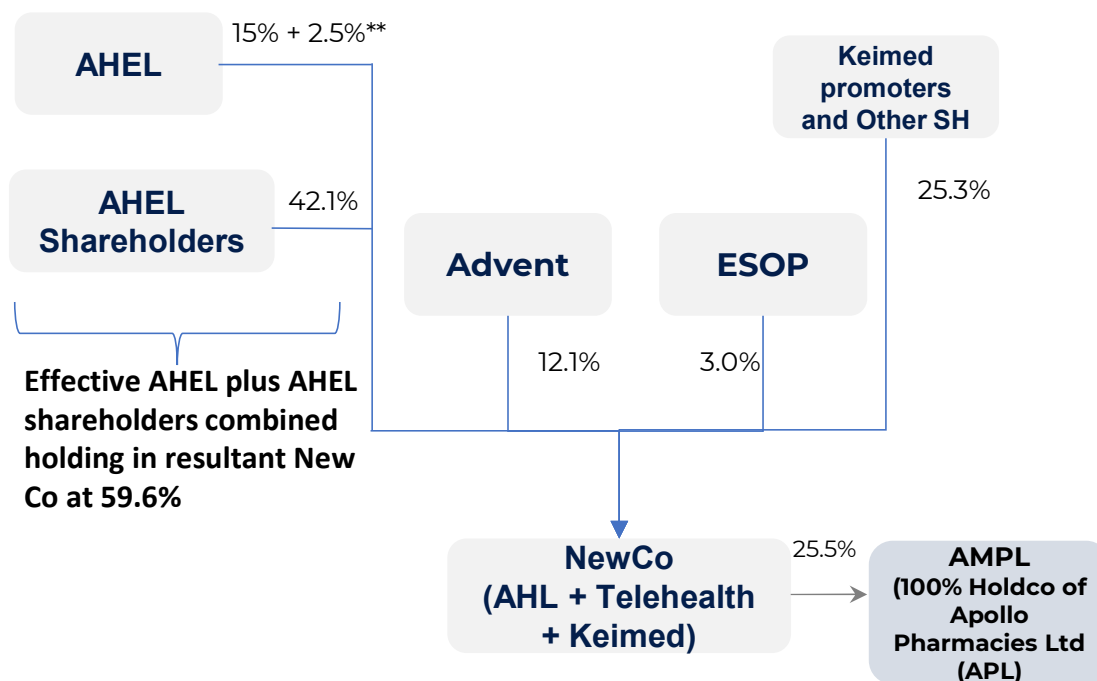
Composite scheme : Overview

Shareholder approved Resultant Group Structure in August 2024



Resultant Group Structure Proposed Now (Post all approvals)

- Automatic listing of New Co
- Direct participation of AHEL shareholders in New Co



** Includes economic interest of AHEL holding of 49% in FHPL; AHEL effective economic interest through FHPL post merger/ demerger process is ~ 2.5%.



Strategic Rationale for Proposed Structure (1/2)

Creates India's largest listed Omni channel Pharmacy (OCP) distribution and Digital health platform with a scale of INR ~ 25k Cr (~US\$3 bn) in Revenues by end FY27

- Enables AHEL shareholders to **gain direct shareholding** to India's largest omni channel Pharmacy (OCP) distribution business and Digital health platform of Apollo , **enabling full value discovery; and eliminate any hold-co discount in valuation**
- **Upon effectiveness of the Scheme (Post Shareholder and NCLT approval) , New Co to become an 'Indian Owned and Controlled Company' (IOCC) and apply for listing on stock exchanges .**
- Subject to meeting regulatory requirements, propose to increase stake to 100% in Apollo Medicals Private Limited (AMPL) by acquiring remaining 74.5% stake in AMPL, which in turn holds 100% of Apollo Pharmacies Ltd (APL), the front-end pharmacy business of the Group.
- Dedicated leadership and management teams focused on strong , sustained growth in both business verticals of the group :
 - **Healthcare services** (including Hospitals , Primary care, Diagnostics and Speciality care centers) through AHEL & AHLL
 - **Omnichannel pharmacy business (OCP) and Digital Health** through Listed Newco
- Committed to **sharper focus on each of the business verticals of the group** with **clear Capital allocation outlays and Growth plans for both** while continuing to maintain high standards of governance.



● ● Strategic Rationale for Proposed Structure (2/2)

- **AHEL will continue to hold ~ 15% of New co directly** (17.5% including interest held through FHPL)
 - Establishes an independent, focused yet **Integrated healthcare platform** offering curated solutions, spanning across entire patient journey.
 - Allows AHEL to focus on accelerating its growth in Healthcare Services , by retaining its Pan-India leadership position while **New Co focuses on deepening customer penetration and experience though an Omni-Channel integrated approach.**
 - Continued access to **cross synergies between AHEL and New Co**
 - AHEL would have **1 nominee director on the board of New Co**
- Arm's length Commercial constructs on any/ all existing/ future Inter-se Channel services, supply and other business agreements and contracts between AHEL and Newco subject to approval by respective Boards.



India's largest Omnichannel Pharmacy and Digital Health powerhouse.....

FY25 Key Operational Metrics

Scale

~US\$2 bn

Proforma Combined Revenue

Largest omni channel healthcare company

150mn+

Life time customers

~65mn+

Annual customers

Industry leading customer life time value

Capabilities

6,626

Owned Stores

75k+

Pharmacies
serviced

3k+

Hospitals
serviced

Largest offline pharma distribution

19-min

Delivery

19,000+

pin codes

Leading online pharmacy

Deciphers **1,200+ conditions** and
800+ symptoms

Early adopter and mover in AI

360° coverage of
digital health needs

Full suite of digital services

35mn+
downloads



.....with deep Offline and Online presence

Offline Pharmacy Distribution

India's largest Organized Pharmacy Platform with presence in ~1,200 cities/ towns spread across 22 States and 5 union territories

6,626 operating stores as on 31st March 2025

Serving **~890k** customers 24 x 7 everyday

FY25 Revenues of **INR 8,014 Cr** with **7.6%** EBITDA Margins

Offline private and generic label sales at **17.5%** of total sales

Apollo 24|7

A full-suite digital platform with a one-stop integrated access covering entire patient journey

40mn+ registered users

820k+ daily active users

~12,000+ doctors

Online Medicine Delivery

59,000+
Daily medicine orders

Online Booking for AHLL diagnostics

2,400+
Daily sample collections

Enabling Virtual Doctor Consultations for Apollo

15,400+
Daily consultations

E-Health Records

56mn+ patient records

Insurance

9 Insurance provider tie-ups

FY25 GMV of INR 3,077 Cr



● ● Keimed | India's Largest Pharma Distributor

Keimed has >2x the scale of its nearest competitor in a highly fragmented industry with 70,000+ distributors

| Unmatched Scale and growth | High Quality Customer Base | Preferred Sales Partner | State-of-the-art Infrastructure | Trusted Manufacturer Relationships | Experienced Management |
|--|---|---|---|--|---|
| Revenues of INR 7,098¹ Cr in FY25, with 15% market share in core regions, growing at an accelerated rate 17% FY24-25 revenue growth ¹ | Deepest network in India covering 18 states and presence across all key markets 75k+ pharmacies & 3k+ hospitals serviced | Go-to partner for launch of new formulations. Offers widest assortment of SKUs compared to peers 45k+ SKUs | With primary focus on safety and quality, has built a robust cold chain and supply infrastructure to ensure 24 hrs Pan-India delivery 101 Distribution centres | Direct relationship with most manufacturers - Single largest customer for all major pharma companies 300+ Manufacturers | Led by a group of industry veterans with decades of relevant experience ~6,800 Employees |

¹Shown for Non-AHL business and including full year impact of FY25 acquisitions..



Combined Financial Metrics | Snapshot

FY25 figures in INR Cr

| | Offline | Online + Telehealth | AHL | Keimed ^{2,3} | NewCo ⁴ |
|--|-------------|------------------------------|-------------------------------|-----------------------|--------------------------------|
| Revenue | 8,014 | GMV: 3,077 Revenue: 1,149 | GMV: 11,091 Revenue: 9,163 | 12,554 | GMV: 18,196 Revenue: 16,267 |
| EBITDA ¹ Post Ind AS Margin % | 612 7.6% | 143 12.5% | 756 8.2% | 406 3.2% | 1,155 7.1% |
| 24/7 operating cost | - | (478) | (478) | - | (478) |
| ESOP non-cash charge | - | (108) | (108) | - | (108) |
| EBITDA Post Ind AS Margin % | 612 7.6% | (442) N.M. | 170 1.9% | 406 3.2% | 576 3.5% |
| PAT Margin % | 534 6.7% | (485) N.M. | 49 0.5% | 171 1.4% | 221 1.4% |

N.M.: Not Meaningful

¹ Before 24/7 operating cost and ESOP non-cash charge.

²Excludes Surgical.

³Includes full year impact of FY25 acquisitions..

⁴Post elimination for Keimed's AHL Business



Balance Sheet position – Mar'25 | Stronger post the transaction

| As of 31 March 25, Figures in INR Cr | AHL ¹ | Keimed ² | New Co ³ |
|---|--------------------|---------------------|---------------------|
| Net Worth | 2,321 ⁴ | 1,143 | 3,425 |
| Net Debt / (Cash) | 383 | 1,551 | 1,934 |
| Other liabilities | 200 | 82 | 283 |
| Sources of Funds | 2,904 | 2,776 | 5,642 |
| Net Working Capital | 1,628 | 2,296 | 3,925 |
| Other assets | 1,276 | 479 | 1,717 |
| Application of Funds | 2,904 | 2,776 | 5,642 |
| Key Ratios | | | |
| Debt / Equity Ratio | 0.2x | 1.4x | 0.6x |
| ROCE | 26.1% ⁵ | 13.8% | 20.1% |

¹Includes telehealth business.

²Excluding Surgicals, and subject to changes upon completion of ongoing group restructuring process.

³Management estimate of aggregate balance sheet; this is not constructed in accordance with Ind-AS or merger accounting and is subject to swap ratio adjustments.

⁴Includes Advent investment, reclassified from net debt to equity

⁵Excludes 24/7 Operating costs and ESOP non-cash charge



Merged Entity | Financial Outlook (Proforma)

| | FY25 | FY27 Exit Run-rate Target | |
|---|---|---------------------------------------|---|
| Revenue | GMV: 18,196 Cr Revenue: 16,267 Cr | GMV: ~28,000Cr Revenue: ~25,000 Cr | Target to achieve EBITDA breakeven for digital business in next 4 quarters |
| EBITDA Post Ind AS Margin % | 3.5% | ~ 7 % | Proposed integration to enable higher margin realisation through supply chain efficiencies |
| | | | Accelerated growth in private label business to drive margin expansion |
| Incentive from Advent Upside Sharing with Management | <ul style="list-style-type: none">To incentivise the management and identified employees, Advent to share portion of their upside received beyond specified threshold with identified BeneficiariesThe beneficiaries of upside arrangement to include Chairperson of New Co & such employees of AHL (or any successor entity), its (existing and future) subsidiaries & (existing and future) associate companies, as identified by Chairperson.Determined as % of excess returns over a pre-determined multiple of invested capital by Advent. | | |

Transaction Advisors



Financial advisors - **VedaCorp**

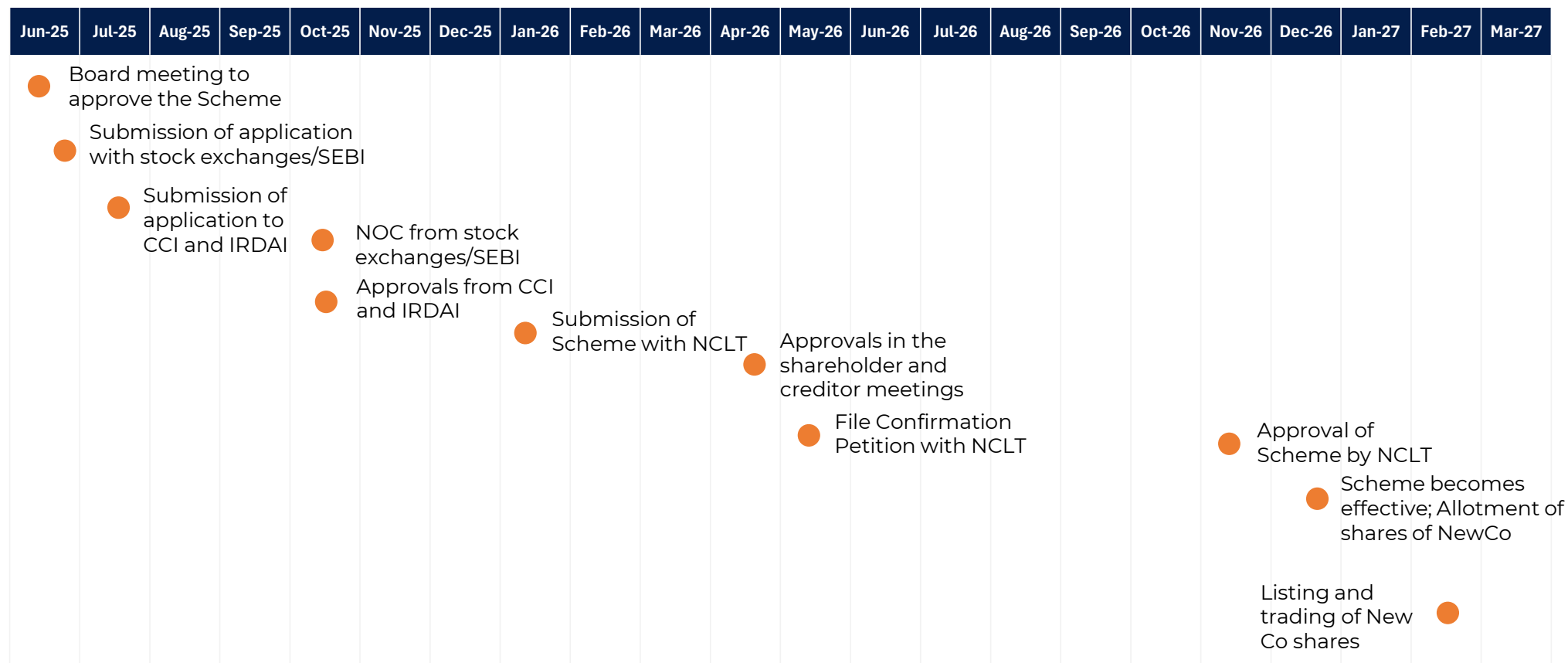
Legal advisors for the scheme - **Shardul Amarchand Mangaldas & Co (SAM)**

Fairness Opinion provided by **Axis Capital**

Independent valuation conducted by **KPMG (BSR)** and **BDO**



Steps and Timelines



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Thank You.