23/06/2026

TIME Pharmaceuticals Limited

Valuation Report

Prepared by:

S. CHAND & ASSOCIATES CHARTERED ACCOUNTANTS

S. CHAND & ASSOCIATES
Chartered Accountants.
Pan No. 612832141, COP No. 973

[Mahalaxmi-09, Lalitpur, Nepal
Email: sitalchand9@gmail.com]

Strictly private and confidential

To,

The Board of Directors,

TIME Pharmaceuticals Ltd.
Gaidakot-04, Nawalparasi, Nepal.

<u>Subject: Valuation Report to determine the value of equity shares of TIME Pharmaceuticals Limited</u>

We have been engaged by the Board of Directors of TIME Pharmaceuticals Limited ("the Company") to determine the value of its equity shares as of 30th Chaitra 2082. This valuation has been carried out for the purpose of Initial Public Offering via Book Building Method as per Book Building Guidelines 2077.

The primary objective of this valuation is to estimate the intrinsic value of the Company's equity shares for the purpose of Initial Public Offering (IPO) under the Book Building Method. The valuation reflects our independent professional opinion based on the information, financial statements, business plans, market conditions, industry outlook, and other relevant factors available as of the valuation date.

In conducting this assignment, we have considered the Company's historical financial performance, operational capabilities, competitive position, future growth prospects, capital expenditure plans, expected cash flows, and prevailing macroeconomic and industry conditions. We have also evaluated various qualitative and quantitative factors that may influence the value of the Company and its ability to generate sustainable returns in the future.

The valuation has been performed using generally accepted valuation method, including the Discounted Cash Flow (DCF) Method, supported by appropriate market-based analyses. The selected methodology reflects the Company's operating characteristics, financial profile, stage of growth, and the availability of reliable financial projections. Any change in the valuation method, or the premise could have significant impact on our valuation exercise, and therefore, this report.
The threshold date for all the financial information and market parameters used in the present valuation exercise has been considered as Chaitra 30th, 2082 .
We believe that my analysis must be considered as a whole. Selecting portions of my analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis..

The conclusions presented herein are based on the assumptions, limitations, and representations discussed in this report and should be read in conjunction with the subsequent sections.
This letter should be read in conjunction with the attached report.

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CA Sital Kumar Chand
Principal

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UDIN No. 260623CA01397KkLCf
Place: Kathmandu, Nepal
Date: 23/06/2026

ABOUT THE COMPANY

Founded in BS 2052 (1995 AD), Time Pharmaceuticals Limited was born with a vision to produce high-quality pharmaceuticals that would elevate healthcare across Nepal. Nearly three decades later, company remain dedicated to that mission—growing stronger, expanding our reach, and living our motto: Touching Lives, Delivering Promises. TIME Pharmaceuticals is committed to improving the image and performance of the organization by producing pharmaceutical products of excellent quality, efficacy, and safety, suitable for their intended use. TIME Pharmaceuticals is committed to improving the image and performance of the organization by producing pharmaceutical products of excellent quality, efficacy, and safety, suitable for their intended use

- A WHO-GMP certified company founded on 1995 and marketed on 1997
- Self-sufficiency in Pharmaceutical market by producing quality products is our major objective.
- The Company's offices are located in three different locations, each serving a specific function:
    - Factory Operation – Includes Production, Research & Development, QA, QC, & Engineering departments.
    - Corporate Office – Houses Logistics, Finance, Distribution, Accounts, IT, and Administration departments.
    - Marketing & Liaison Office – Manages Sales & Marketing, Human Resource, Market Planning, & Regulatory Management
- The Company's production plant include:
    - Non-penicillin Section
    - Penicillin Section
    - Cephalosporin Section
    - Sterile Section
- The company produces Tablets, Capsules, Liquid orals, Ointments/Creams, Dry powder for reconstitution and Eye/Ear/Nasal drops.
- The future expansion includes production of Small Volume Parenteral, Dry Powder Inhalers, MDIs and Cosmeceuticals.
- The Company have a strong workforce of more than 300 dedicated staff members.

CAPITAL STRUCTURE OF THE COMPANY

Number of Shares	Value (NPR)
Authorized Share Capital (60,00,000 units equity shares of Rs. 100 each)	60,00,00,000
Issued Share Capital (53,00,000 units equity shares of Rs. 100 each)	53,00,00,000
Paid Up Share Capital* (42,13,500 units equity shares of Rs. 100 each)	42,13,50,000

**Paid Up Share Capital as on Chaitra 30, 2082.*

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BOARD OF DIRECTORS

The composition of Board of Directors as on 30th Chaitra 2082 is as follow:

Name	Position
G. Narayan Bdr. Chettri	Chairman
Sudarshan Lal Shrestha	Managing Director
Manoj Pradhan	Finance Director
Ashesh Bhandari	Factory Operation Director
Jhamka Nath Bhatta	Director
Raju Karmacharya	Director
Sajana Mainali	Independent Director

CONDITIONS, MAJOR ASSUMPTIONS, EXCLUSIONS AND LIMITATIONS

1. We have not audited, reviewed, or compiled the financial statements of the Company and express no assurance on them. We acknowledge that we have no present or contemplated financial interest in the Company. Our fee for this valuation is based upon normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.
2. We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the valuation professional regarding such additional engagement.
3. This report, its contents, and analysis herein are specific to i) the purpose of valuation agreed as per the terms of our engagement, ii) the report date and iii) are based on the audited financial statements received from the management of the Company.
4. This report and the information contained herein are absolutely confidential and are intended for the use of management and representatives of the Company for providing selected information and only in connection with purpose mentioned. It should not be copied, disclosed, circulated, quoted or referred to either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued without our written consent. In the event, the Company or its management or its representatives intend to extend the use of this report beyond the purpose mentioned earlier in this report, with or without our consent, we will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report.
5. We have not attempted to confirm whether all assets of the business of the company are free and clear of liens and encumbrances, or that the owner has good title to all the assets. We have also assumed that the business of the Company will be operated prudently and

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that there are no unforeseen adverse changes in economic conditions affecting the business, the market, or the industry.

6. We have been informed by management of Company that there is no environmental or toxic contamination problems, any significant lawsuits, or any other undisclosed contingent liabilities which may potentially affect the business of company, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, if any.
7. This report is based on the information received from the sources mentioned herein and discussions with the representatives of the Company. We have assumed that no information has been withheld that could have influenced the purpose of our report.
8. The fair value of equity shares of Company expressed in this report pursuant to its valuation is based on the Going Concern assumption.

VALUATION DATE

The threshold date for all the financial information and market parameters used in the present valuation exercise has been considered as Chaitra 30, 2082.

SOURCES OF INFORMATION

For the purpose of the report, following documents, and/or information published or provided by the management and representatives of the Company have been relied upon:

From the Managements

1. Brief history & brief note on the business profile of the Company.
2. Audited Financial Statements of the Company.
3. Capital structure and Shareholding pattern of the Company.
4. Discussion with the management and representatives of the Company including necessary information, explanations and representations provided by the management and representatives of the Company.
5. Management representation letter issued to us by the company.

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EXECUTIVE SUMMARY

The valuation exercise indicates a wide range of values depending on the methodology used. Asset-based valuation provides a floor value, while market multiple and Discounted Cash Flow (DCF) approaches capture future earnings potential and growth prospects. The simple average of all valuation approaches results in an indicative equity value of NPR 666.78 per share.

S.N	Method	Value
1	Net Asset Value (NAV)	200.44
2	Valuation Based on median EV/EBITDA Multiple (Sector)	1,190.56
3	Valuation Based on median PE Multiple (Sector)	1,247.71
4	Valuation Based on median PB Multiple (Sector)	606.84
5	Earning Capitalization Method	176.18
6.	Discounted Cash Flow Method (DCF)	578.96
Average Value per Share (Avg. of 1,2,3,4,5 and 6)		**666.78**

1. Net Asset Value Method

NAV reflects the Company's underlying asset value.

	Figures in NPR
	As on 30th Chaitra 2082
Particulars	**Amount**
Total Assets	1,541,009,434
Less: Total Liabilities	696,448,882
Total Net Worth	**844,560,552**
Represented by:	
a. Equity Share Capital	421,350,000
b. Share Premium	56,150,000
c. Reserve & Surplus	228,296,054
d. Revaluation Reserve	138,764,498
Total	**844,560,552**
Total Number of Paid-up Shares	4,213,500
Net Worth Per Share	**200.44**

Value Per Share	**200.44**

Note: The NAV as per the provisional financial statements with revaluation reserve as on 30th Chaitra 2082 has been considered for valuation purpose.

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2. **Valuation Based on median EV/EBITDA Multiple (Sector)**

SN	Name	Enterprise Value (EV)	EBITDA	EV/EBITDA
1	Bottlers Nepal (Terai) Limited	17,654,353,306	1,058,230,678	16.68
2	Himalayan Distillery Limited	35,481,528,896	1,338,060,602	26.52
3	Sonapur Minerals and Oil Limited	20,472,690,235	576,161,183	35.53
4	Sarbottam Cement Limited	46,090,659,810	1,846,043,198	24.97
5	Unilever Nepal Limited	41,639,093,786	2,793,021,731	14.91
6	SHIVAM CEMENTS LTD	28,015,871,768	1,079,360,325	25.96
	Median			**25.46**
	EBITDA of TIME Pharmaceuticals Ltd		**17,06,81,582**	
	Enterprise Value (EV)		**4,34,55,53,078**	
	No. of Shares of TIME		**36,50,000**	
	Per Share Value of Time Pharmaceuticals Ltd.			**1,190.56**

*Note: **Outlier Adjustment:** Comparable companies having EV/EBITDA multiples of less than **10x** or greater than **40x** were excluded from the peer set to eliminate valuation distortions arising from extreme observations. The median EV/EBITDA multiple of the remaining comparable companies was used to determine the enterprise value and per-share value of TIME Pharmaceuticals Ltd. (Refer Annexure 1)*

3. **Valuation Based on median PE Multiple (Sector)**

SN	Name	Average EPS of last 3 years	Avg. daily close Price of last 3 years	PE
1	Nepal Lube Oil	44.83	261	5.83
2	Himalayan Distillery Limited	22.41	1,951	87.05
3	Sarbottam Cement Limited	10.03	818	81.58
4	SHIVAM CEMENTS LTD	11.41	549	48.13
	Median			**64.85**
	Avg. EPS of Times Pharmaceuticals Ltd.	19.24		
	Per Share Value of Time Pharmaceuticals Ltd			**1247.71**

*Note: **Outlier Adjustment:** Comparable companies with EPS less than **NPR 0** or greater than **NPR 50** were excluded from the peer group to eliminate distortions arising from loss-making entities and exceptional earnings levels. The median P/E multiple of the remaining comparable companies was used to estimate the equity value and per-share value of TIME Pharmaceuticals Ltd. (Refer Annexure 2)*

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4. **Valuation Based on median PB Multiple (Sector)**

SN	Name	Average NWPS of last 3 years	Avg. daily close Price of last 3 years	PB
1	Himalayan Distillery Limited	133.03	1,951	14.66
2	Ghorahi Cement Industry Limited	220.77	501	2.27
3	Sonapur Minerals and Oil Limited	165.51	459	2.77
4	Sarbottam Cement Limited	195.15	818	4.19
5	SHIVAM CEMENTS LTD	196.22	549	2.80
	Median			**2.80**
	Times Pharmaceuticals Ltd.	216.73		
	Value			**606.84**

*Note: **Outlier Adjustment:** Peer companies with **Net Worth Per Share below NPR 100** and **above NPR 500** were excluded from the P/B multiple analysis to eliminate the impact of extreme observations. The representative sector P/B multiple was calculated using the remaining comparable companies and applied to determine the equity value and per-share value of TIME Pharmaceuticals Ltd. (Refer Annexure 3)*

5. **Earning Capitalization Method**

S. N.	Year	No. of Shares	Net Profit after Tax	EPS	Weight on Total Number of Shares	Weighted Average Earning Per Share
1	2079-80	2,292,200	36,526,377	15.94	23.90%	3.81
2	2080-81	3,650,000	71,569,046	19.61	38.05%	7.46
3	2081-82	3,650,000	76,466,278	20.95	38.05%	7.97
	Total				**100.00%**	**19.24**

Weighted Average Earning per Share	19.24
Cost of Equity	10.92%
Value Per share	**176.18**

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6. Discounted Cash Flow

Particulars	**FY 82/83**	**FY 83/84**	**FY 84/85**	**FY 85/86**	**FY 86/87**
Net cash flow from Operating Activities	109,660,434	90,510,078	75,124,336	106,020,937	156,420,366
Less: Capex.	79,346,062	143,342,703	140,314,694	36,342,224	38,886,182
Free Cash Flow to the Firm (FCFF)	30,314,372	(52,832,625)	(65,190,358)	69,678,713	117,534,184
Terminal Value					
Total FCFF	30,314,372	(52,832,625)	(65,190,358)	69,678,713	117,534,184
Year	1	2	3	4	5
Present Value Factor	0.91	0.82	0.74	0.67	0.61
PV of FCFF	27,451,911	(43,326,161)	(48,412,264)	46,859,339	71,578,772
Particulars	**FY 87/88**	**FY 88/89**	**FY 89/90**	**FY 90/91**	**FY 91/92**
Net cash flow from Operating Activities	181,908,616	210,380,952	256,287,025	297,990,599	320,176,984
Less: Capex.	41,608,213	44,520,787	47,617,607	50,971,851	54,539,879
Free Cash Flow to the Firm (FCFF)	140,300,403	165,860,165	208,669,418	247,018,748	265,637,105
Terminal Value					7,203,727,565
Total FCFF	140,300,403	165,860,165	208,669,418	247,018,748	7,469,364,670
Year	6	7	8	9	10
Present Value Factor	0.55	0.50	0.45	0.41	0.37
PV of FCFF	77,375,412	82,834,291	94,373,677	101,168,660	2,770,280,561

Particulars	**10 Years**
Value of Firm	3,180,184,198
Add: Cash & Cash Equivalent (Latest)	62,492,065
Add: Investments (Latest)	17,000,000
Less: Debt (Post repay)	191,207,000
Less: Contingent Liability	-
Free Cash Flow to the Equity (FCFE)	3,068,469,263
Divide: Number of Shares (Post IPO)	5,300,000
Value Per Share	**578.96**

Note: Refer Annexure 4 for assumptions regarding use of use of discounted cash flow method for determining value per share of TIME Pharmaceuticals Ltd.

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VALUATION ANALYSIS

The Company's Net Asset Value (NAV) of NPR 200.44 per share reflects a strong underlying asset base built through years of sustained investment in manufacturing facilities, infrastructure, and operational capabilities. This solid asset foundation reinforces the Company's financial strength and provides a robust platform to support future growth and value creation. Market-based valuation approaches provide strong support for the Company's valuation, recognizing its 30-year track record of profitable operations, established market presence, and consistently strong business fundamentals. The valuation reflects investor confidence in the Company's sustainable earnings, operational excellence, growth potential, and proven ability to create long-term shareholder value, positioning TIME Pharmaceuticals as a well-established and fundamentally strong enterprise.

The P/E valuation of NPR 1,247.71 and EV/EBITDA valuation of NPR 1,190.56 suggest that investors may assign significant value to earnings growth, scalability and industry prospects. The P/B valuation of NPR 606.84 provides a more conservative market-based benchmark.

The DCF valuation of NPR 578.96 incorporates projected operating cash flows, capital expenditure, terminal growth assumptions and post-IPO capital structure. This method is generally considered one of the most fundamental valuation approaches because it focuses on intrinsic cash-generating capacity.

EARNING & PROFITABILITY ASSESSMENT

Historical earnings used in the Earnings Capitalization Method show EPS progression from NPR 15.94 to NPR 20.95 over the reviewed period, resulting in a weighted average EPS of NPR 19.24. The company has demonstrated consistent profitability, which supports future growth expectations.

FINANCIAL STRENGTH

Based on the NAV schedule, total assets exceed NPR 1.54 billion after considering revaluation reserve. Net worth amounts to approximately NPR 844.56 million, translating into a NAV of NPR 200.44 per share. This provides a strong equity base and supports future expansion plans.

INTERPRETATION FOR QUALIFIED INSTITUTIONAL INVESTORS (QIIs)

QIIs should focus primarily on DCF, EV/EBITDA and P/E methodologies, as this better capture future earning potential than purely asset-based methods. The valuation range indicates that the company's market value is expected to be driven by growth, profitability, capacity utilization, brand strength, and the expansion of Nepal's pharmaceutical sector.

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Annexure 1:

SN	Name	Enterprise Value (EV)*	EBITDA*	EV/EBITDA
1	Bottlers Nepal (Balaju) Limited	32,838,865,364	578,890,151	Outlier
2	Nepal Lube Oil	596,834,069	107,155,879	Outlier
3	Bottlers Nepal (Terai) Limited	17,654,353,306	1,058,230,678	16.68
4	Himalayan Distillery Limited	35,481,528,896	1,338,060,602	26.52
5	Ghorahi Cement Industry Limited	32,960,281,254	807,744,757	Outlier
6	Sonapur Minerals and Oil Limited	20,472,690,235	576,161,183	35.53
7	Sarbottam Cement Limited	46,090,659,810	1,846,043,198	24.97
8	Unilever Nepal Limited	41,639,093,786	2,793,021,731	14.91
9	SHIVAM CEMENTS LTD	28,015,871,768	1,079,360,325	25.96
	Median			**25.46**
	EBITDA of TIME Pharmaceuticals Ltd		**17,06,81,582**	
	Enterprise Value (EV)		**4,34,55,53,078**	
	No. of Shares of TIME (FY 2081/82)		**36,50,000**	
	Per Share Value of Time Pharmaceuticals Ltd			**1,190.56**

**Data from Audited Financial Statement of FY 2081/82 have been taken.*

Note: The market capitalization has been calculated using the 120-day weighted average share price as of the end of Ashadh, providing a representative measure of the Company's market value based on recent trading activity.

Annexure 2:

SN	Name	Average EPS of last 3 years*	Avg. close Price of last 3 years**	PE
1	Bottlers Nepal (Balaju) Limited	135.67	16,111	Outlier
2	Nepal Lube Oil	44.83	261	5.83
3	Bottlers Nepal (Terai) Limited	100.67	13,252	Outlier
4	Himalayan Distillery Limited	22.41	1,951	87.05
5	Ghorahi Cement Industry Limited	(14.57)	501	Outlier
6	Sonapur Minerals and Oil Limited	(4.12)	459	Outlier
7	Sarbottam Cement Limited	10.03	818	81.58
8	Unilever Nepal Limited	2,085.67	36,218	Outlier
9	SHIVAM CEMENTS LTD	11.41	549	48.13
	Median			**64.85**
	Avg. EPS of Times Pharmaceuticals Ltd.	19.24		
	Per Share Value of Time Pharmaceuticals Ltd			**1247.71**

**Data from Audited Financial Statement of Last 3 years have been taken.*

*** The average closing price was calculated using the daily LTPs over the past three years.*

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Annexure 3:

SN	Name	Average NWPS of last 3 years*	Avg. close Price of last 3 years**	PB
1	Bottlers Nepal (Balaju) Limited	1,320.90	16,111	Outlier
2	Nepal Lube Oil	629.57	261	Outlier
3	Bottlers Nepal (Terai) Limited	3,199.17	13,252	Outlier
4	Himalayan Distillery Limited	133.03	1,951	14.66
5	Ghorahi Cement Industry Limited	220.77	501	2.27
6	Sonapur Minerals and Oil Limited	165.51	459	2.77
7	Sarbottam Cement Limited	195.15	818	4.19
8	Unilever Nepal Limited	5,225.94	36,218	Outlier
9	SHIVAM CEMENTS LTD	196.22	549	2.80
	Median			**2.80**
	Net Worth Per Share of Time Pharmaceuticals Ltd.	216.73		
	Per Share Value of Time Pharmaceuticals Ltd			**606.84**

**Data from Audited Financial Statement of Last 3 years have been taken.*

** The average closing price was calculated using the daily LTPs over the past three years.*

Annexure 4:

a. **Risk Free Rate**
A risk-free rate of 4.89% has been considered based on the weighted average cutoff rate of Development Bonds with an original maturity of 10 years or more, excluding bonds maturing during FY 2082/83.

b. **Market Return**
Calculated 8.42% by compounding the average daily market return over the average number of trading days in a year (NEPSE From 12 May 2016 to 11 May 2026).

c. **Cost of Equity (Ke)**
The Cost of Equity has been estimated at 10.92% using the Build-Up Method, which incorporates a company-specific Industry Risk Premium of 2.50% to account for key sector-specific risks, including foreign exchange exposure, the anticipated Least Developed Country (LDC) transition, and the evolving regulatory environment.

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d. Terminal Growth Rate

A terminal growth rate of 6.5% has been considered based on APPON's pharmaceutical market survey. This assumption is further supported by the nominal average GDP growth rate of Nepal's manufacturing sector of approximately 7.9% over the past ten years. To maintain a prudent and conservative valuation approach, the terminal growth rate has been set below the historical sector growth rate at 6.5%.

e. Relative Valuation

Benchmarked against comparable manufacturing sector companies using EV/EBITDA, P/E, & P/B multiples.

f. Net Asset Value

NAV per share of Rs. 200.44 has been derived by dividing the total net worth including revaluation reserve by the total number of paid-up shares as of 30th Chaitra 2082.

g. Earning Capitalization

The earnings capitalization value of Rs. 176.18 per share is derived by dividing the weighted average EPS of Rs. 19.24 by the cost of equity of 10.92%.

h. WACC Calculation

The WACC of 10.43% is derived by weighting the cost of equity and after-tax cost of debt according to their proportion in the after IPO capital structure. (Equity 89% & Debt 11%)

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