

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY OUTSIDE INDIA. Initial Public Offer of equity shares on the main board of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE", and together with BSE, the "Stock Exchanges") in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").



(Please scan this QR code to view the Red Herring Prospectus)

BRAINBEES SOLUTIONS LIMITED

Our Company was incorporated on May 17, 2010 as a private limited company under the Companies Act 1956, with the name "Brainbees Solutions Private Limited" at Pune, Maharashtra, India pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Pune (the "RoC"). Upon the conversion of our Company to a public limited company pursuant to a resolution passed by our Board on August 31, 2023 and a special resolution passed by our Shareholders at the extra-ordinary general meeting on September 5, 2023, the name of our Company was changed to "Brainbees Solutions Limited". A fresh certificate of incorporation dated November 2, 2023 was issued by the RoC consequent to our Company's conversion into a public limited company. For details of changes in the registered office of our Company, see "History and Certain Corporate Matters – Changes in the registered office" on page 311 of the Red Herring Prospectus dated July 30, 2024 ("RHP" or "Red Herring Prospectus") filed with the RoC.

Corporate Identity Number: U51100PN2010PLC136340
Registered and Corporate Office: Rajashree Business Park, Survey No. 338, Next to Sohrabh Hall, Tadiwala Road, Pune - 411 001, Maharashtra, India; Tel: (+91) 84829 89157
Contact Person: Neelam Jethani, Company Secretary and Compliance Officer; E-mail: companysecretary@firstcry.com; Website: www.firstcry.com

OUR COMPANY DOES NOT HAVE AN IDENTIFIABLE PROMOTER

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH (THE "EQUITY SHARES") OF BRAINBEES SOLUTIONS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING TO ₹[●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF [●] EQUITY SHARES OF FACE VALUE ₹ 2 EACH AGGREGATING UP TO ₹16,660.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 54,359,733 EQUITY SHARES OF FACE VALUE ₹2 EACH AGGREGATING TO ₹[●] MILLION (THE "OFFER FOR SALE").

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH, AGGREGATING UP TO ₹30.00 MILLION (CONSTITUTING UP TO [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●] % AND [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

DETAILS OF THE 10 LARGEST SELLING SHAREHOLDERS, OFFER FOR SALE AND THE WEIGHTED AVERAGE COST OF ACQUISITION

Name of Selling Shareholder	Type	Number of equity shares offered	Weighted average cost of acquisition per Equity Share ⁽¹⁾ (in ₹)	Name of Selling Shareholder	Type	Number of equity shares offered	Weighted average cost of acquisition per Equity Share ⁽¹⁾ (in ₹)
SVF Frog (Cayman) Ltd	Corporate Selling Shareholder	20,318,050	154.40	Apricot Investments Limited	Corporate Selling Shareholder	2,523,280	280.87
Mahindra & Mahindra Limited	Corporate Selling Shareholder	2,806,174	77.96	Satyadharma Investments and Trading Company Private Limited	Corporate Selling Shareholder	197,777	196.38
PI Opportunities Fund- 1	Corporate Selling Shareholder	8,601,292	280.87	Schroders Capital Private Equity Asia Mauritius II Limited	Corporate Selling Shareholder	3,802,210	145.26
TPG Growth V SF Markets Pte. Ltd.	Corporate Selling Shareholder	3,899,525	280.87	Sage Investment Trust	Corporate Selling Shareholder	52,516	280.87
NewQuest Asia Investments III Limited	Corporate Selling Shareholder	4,141,043	133.69	Pratithi Investment Trust	Corporate Selling Shareholder	224,712	312.48

⁽¹⁾As certified by Bansal & Co LLP, Chartered Accountants, bearing firm registration number 001113N/N500079, by way of their certificate dated July 30, 2024. For a complete list of all Selling Shareholders and their weighted average cost of acquisition per Equity Share on a fully diluted basis, see "Summary of the Offer Document – Weighted average cost of acquisition of equity shares by the Selling Shareholders" on page 81 of the RHP.

We sell Mothers', Babies' and Kids' products through our online platform in India, United Arab Emirates and Kingdom of Saudi Arabia, and also through company-owned stores, franchisee-owned stores and general trade retail distribution in India.

The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations
QIB Portion: Not less than 75% of the Net Offer | Non-Institutional Portion: Not more than 15% of the Net Offer | Retail Portion: Not more than 10% of the Net Offer
Employee Reservation Portion: Up to [·] Equity Shares aggregating up to ₹ 30.00 Million

PRICE BAND: ₹ 440 TO ₹ 465 PER EQUITY SHARE OF FACE VALUE OF ₹2 EACH.

THE FLOOR PRICE AND THE CAP PRICE ARE 220 TIMES AND 232.50 TIMES THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY.

BIDS CAN BE MADE FOR A MINIMUM OF 32 EQUITY SHARES AND IN MULTIPLES OF 32 EQUITY SHARES THEREAFTER.

A DISCOUNT OF ₹ 44 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION.

In accordance with the recommendation of the Independent Directors of our Company, pursuant to their resolution dated July 31, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for Offer Price' section on page 222 of the RHP and provided below in the advertisement.

In making an investment decision and purchase in the Offer, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the merits and risks involved and not rely on any other external sources of information about the Offer available in any manner.

In relation to Price Band, potential investors should only refer to this price band advertisement for the Offer and should not rely on any media articles/ reports in relation to the valuation of our Company as these are not endorsed, published or confirmed either by our Company or by the BRLMs.

RISKS TO INVESTORS

For details refer to section titled "Risk Factors" on page 83 of the RHP

- Financials Risk:
 - Negative Cash Flows: We have had negative net cash flows in the past. The following table sets forth our cash flow for the periods indicated as per our Restated Consolidated Financial Statements:

(₹ in million)

Particulars	For the year ended March 31,		
	2024	2023	2022
Net cash used in operating activities	(420.73)	(3,989.89)	(1,317.26)
Net cash (used) in/generated from investing activities	629.44	3,040.89	(4,905.81)
Net cash (used) in/generated from financing activities	814.74	(506.18)	6,443.76
Net increase/(decrease) in cash and cash equivalents	1,023.45	(1,455.18)	220.69

- Losses incurred in past periods: We have incurred loss of ₹(3,215.07) million, ₹(4,860.56) million and ₹(786.85) million

for the Financial Year 2024, 2023 and 2022 respectively. If we continue to incur losses, our business and the value of the Equity Shares could be adversely affected.

- Risk related to the objects of the offer: We face various inter-related risks concerning usage, receipt and deployment of the Offer Proceeds in relation to the objects of the Offer, some of which are outline below:
 - We are yet to identify the exact locations or properties for the setting up our new modern stores and warehouses in India and the Kingdom of Saudi Arabia, for which we intend to utilize the amount from Net Proceeds;
 - A portion of the Net Proceeds will be invested in our Subsidiaries, Globalbees Brands, Digital Age and Firstcry Trading Company, which have incurred losses and certain newly established businesses. We cannot assure you that our investments will enhance their profitability or yield intended results.
 - The Net Proceeds will be deployed over a long period of time and any delay may impact our operations and profitability.
- Market Risk: The Offer Price of our Equity Shares, our pre-Offer market capitalization to revenue from operations for FY 2024 and our

...continued from previous page.

price-to-earnings (P/E) ratio at Offer price may not be indicative of the market price of our Equity Shares after the Offer.

Period	Ratio vis-à-vis Floor Price of ₹ 440	Ratio vis-à-vis Cap Price of ₹ 465
	(In multiples, unless otherwise specified)	
Market capitalization to Revenue from operations (for FY 2024)	3.28	3.47
Price-to-earnings ratio	N.A	N.A

Notes:

- *Market capitalization = Number of shares outstanding as on date of RHP* Floor price or cap price, as applicable*
- *Since the Company has incurred loss in the Financial Year 2024, the basic and diluted EPS is negative and hence, the Price to Earnings ratio is not ascertainable*

● **Business and Operational Risks:**

- **Risk relating to retaining existing customer and acquiring new customers:** If we fail to acquire new customers or experience a decline in engagement with our existing customers, we may not be able to increase our revenues or achieve profitability. Our GMV generated from our Annual Unique Transacting Customers ('AUTC') for Financial Years 2024, 2023 and 2022 was ₹91,211.28 million ₹72,576.34 million and ₹57,994.63 million respectively. The tables below sets forth the details of our advertising and sales promotion expenses as a percentage of our revenue from operations and our GMV generated from our new customers and existing customers as a percentage of GMV from AUTC:

Period	For the year ended March 31,		
	2024	2023	2022
	Percentage of revenue from operations (%)		
Advertising and sales promotion expenses*	7.44%	7.39%	11.19%

**Includes payments made to third-party websites, search engines and social media influencers.*

Period	For the year ended March 31,		
	2024	2023	2022
	Percentage of GMV from Annual Unique Transacting Customers (%)		
GMV from new customers	27.77%	27.02%	29.76%
GMV from existing customers	72.23%	72.98%	70.24%

- **Risk relating to third-party brands and SKUs:** If we fail to retain our relationships with third-party brands, or attract new relationships, our business, results of operations, financial condition and cash flows will be adversely affected. Set forth below is the number of brands added on our FirstCry platform (in India, UAE and KSA), brands associated with us on our FirstCry platform, and SKUs offered by us on our platform:

Particulars	As at/for the financial year ended March 31,		
	2024	2023	2022
Brands added on our FirstCry platform (in India, UAE and KSA)	1,125	2,250	2,235
Brands associated with us on our FirstCry platform	7,580	7,035	6,287
SKUs offered (in million)	1.65	1.29	1.27

- **Dependency on the online commerce industry in India:** Our business depends on the growth of the online commerce industry in India and our ability to effectively respond to changing customer behavior on digital platforms. Details of our GMV from Online business in India as a percentage to total GMV in India is provided hereunder:

Particulars	For the year ended March 31,		
	2024	2023	2022
GMV from Online business in India (as % of total GMV in India)	76.91%	77.36%	81.58%

● **Other Risks:**

- Our Company will not receive any proceeds from the Offer for Sale amounting to ₹23,918.28 million (calculated at floor price).
- The five Book Running Lead Managers associated with the Offer have handled 55 public issues in the past three Financial Years, out of which 12 issues closed below the issue price on the listing date:

Name of the BRLMs	Total Public Issues	Issues closed below the IPO Price on listing date
Kotak Mahindra Capital Company Limited*	15	3
Morgan Stanley India Company Private Limited*	1	-
BofA Securities India Limited*	-	-
JM Financial Limited*	29	8
Avendus Capital Private Limited*	-	-
Common Issues of above BRLMs	10	1
Total	55	12

**Issues handled where there were no common BRLMs.*

- Weighted average cost of acquisition of all shares transacted in the three years, 18 months and one year preceding the date of the Red Herring Prospectus:

Period preceding the date of Red Herring Prospectus	Weighted average cost of acquisition (in ₹)	Cap Price is 'x' times the weighted average cost of acquisition	Range of acquisition price: lowest price – highest price (in ₹)**
Last one year	407.42	1.14	243.72 - 524.15
Last 18 months	407.42	1.14	243.72 - 524.15
Last three years	237.09	1.96	2.00 - 524.15

*** As certified by Bansal & Co LLP, Chartered Accountants, bearing firm registration number 001113N/N500079, by way of their certificate dated July 30, 2024.*

- Since the Company has incurred loss in the Financial Year 2024, the basic and diluted EPS is negative and hence, the Price to Earnings ratio is not ascertainable.
- Weighted Average Return on Net Worth for Financial Year ended 2024, 2023 and 2022 is (8.92)%.

...continued from previous page.

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE : MONDAY, AUGUST 5, 2024

BID/OFFER OPENS ON : TUESDAY, AUGUST 6, 2024⁽¹⁾

BID/OFFER CLOSES ON : THURSDAY, AUGUST 8, 2024⁽²⁾

1. Our Company, in consultation with the BRLMs, shall consider participation by Anchor Investors, in accordance with the SEBI/CDR Regulations. The Anchor Investor Bidding Date shall be Monday, August 5, 2024.
2. UPI mandate and time end date shall be at 5:00 pm on the Bid/Offer Closing Date.

BASIS FOR OFFER PRICE

The Price Band and Offer Price has been determined by our Company in consultation with the BRLMs, and in accordance with applicable law, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 2 each and the Offer Price is 220.00 times the face value at the lower end of the Price Band and 232.50 times the face value at the higher end of the Price Band. Investors should also refer to the sections **“Risk Factors”**, **“Our Business”**, **“Financial Statements”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** on pages 83, 262, 370 and 528, of the RHP, respectively, to have an informed view before making an investment decision.

- I. **Qualitative Factors** : Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are set forth below:
- We are India’s largest multi-channel, multi-brand retailing platform for Mothers’, Babies’ and Kids’ Products;
 - We are India’s largest multi-channel retailing platform for Mothers’, Babies’ and Kids’ products, in terms of GMV, for the Financial Year 2024, according to the RedSeer Report.
 - Our multi-channel approach also benefits customers who follow a “research online – purchase offline” shopping behaviour.
 - Our platform has powerful network effects driven by content, brands and data;
 - Our content-led strategy enables engagement with parents early in their parenting lifecycle through our FirstCry.com parenting platform
 - Our FirstCry mobile application in India had been downloaded more than 127 million times, 97 million times and 70 million times as of March 31, 2024, 2023 and 2022, respectively
 - During the Financial Year 2024, customers who interacted on our parenting community purchased products two times more frequently than the customers who did not interact on our parenting community.
 - Brand affinity, loyalty and trust of customers in the FirstCry brand;
 - Our brand affinity is demonstrated by our Annual Unique Transacting Customers’ base, which has grown to 9.11 million for the Financial Year 2024 from 6.86 million for the Financial Year 2022
 - We endeavor to provide emotional companionship across the parenting journey from the conception stage until a child reaches about 12 years of age, through our online platform, modern stores, preschools, and parenting community.
 - Combination of curating growing home brands and relationships with third-party brands;
 - Through our online platform and modern stores, we offer customers a variety of products, ranging from products of global and domestic Mothers’, Babies’ and Kids’ brands and our own home brands.
 - As at March 31, 2024, across our platform, we offer more than 1.65 million SKUs from 7,580 brands, including third-party Indian brands, global brands, and our home brands
 - We have also created our own baby and children product home brands for India and international markets such as BabyHug, Babyeye, Cutewalk and Pine Kids, among others, in the mid to premium category
 - Our technology and data driven, personalized customer journey leads to higher customer engagement;
 - We believe that being a mother is the busiest job in the world and hence curated customer journeys on our online platform helps mothers save their precious time
 - We have a network of 1,063 FirstCry and BabyHug modern stores in 533 cities in 28 states and five union territories across India with over 2.12 million square feet of retail space, as at March 31, 2024
 - Full-stack platform with control over manufacturing and supply chain;
 - During the Financial Year 2024 we leveraged a network of over 900 contract manufacturers across India and overseas for our home brands, excluding contract manufacturers engaged by Globalbees Brands and its subsidiaries.
 - As at March 31, 2024, we provided same day delivery in 45 cities and next day delivery in 1,043 cities in India for certain products (that are listed under ‘same day delivery’ and ‘next day delivery’ categories on our website), through our own as well as third-party logistics providers
 - Proven and scalable business model.
 - For the Financial Years 2024, 2023 and 2022, our revenue from operations was ₹64,808.56 million, ₹56,325.39 million, and ₹24,012.88 million, respectively, in accordance with our Restated Consolidated Financial Statements
 - The revenue from operations, based on the Unaudited Pro Forma Consolidated Financial Information, increased to ₹52,621.90 million in the Financial Year 2023 from ₹35,975.04 million in the Financial Year 2022.

For further details, see **“Risk Factors”** and **“Our Business – Our Competitive Strengths”** on pages 83 and 270, of the RHP, respectively.

II. Quantitative Factors :

Certain information presented below relating to our Company is based on the Financial Statements. For details, see **“Financial Statements”** on page 370 of the RHP.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

1. **Basic and diluted earnings per Equity Share (“EPS”)**:

As derived from the Restated Consolidated Financial Statements

For the year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2024	(6.20)	(6.20)	3
March 31, 2023	(9.97)	(9.97)	2
March 31, 2022	(1.74)	(1.74)	1
Weighted Average	(6.71)	(6.71)	-

- Notes:
- Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Potential equity shares have not been considered in the calculation of diluted loss per share for the year ended March 31, 2024, March 31, 2023, March 31, 2022, since these would decrease the loss per share, hence considered “anti-dilutive”.
 - Subsequent to March 31, 2022, pursuant to the resolution passed by our Company’s Shareholders’ at their extra-ordinary general meeting held on April 25, 2022, each equity and preference share of our Company of face value of ₹ 5 each was split into 2.5 equity shares/preference shares of ₹ 2 each.

2. **Price/Earning (“P/E”) ratio in relation to the Price Band of ₹ 440 to ₹ 465 per Equity Share:**

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for Fiscal 2024	N.A	N.A
Based on diluted EPS for Fiscal 2024	N.A	N.A

3. **Industry Peer Group P/E ratio**

There are no listed companies that engage in a business similar to that of our Company or are of a comparable size to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

4. **Return on Net Worth (“RoNW”)**

As derived from the Restated Consolidated Financial Statements:

For the year ended	RoNW (%)	Weight
March 31, 2024	(8.65)	3
March 31, 2023	(12.76)	2
March 31, 2022	(2.04)	1
Weighted Average	(8.92)	-

- Notes:
- Return on Net Worth = Profit/(loss) for the period attributable to equity holders of our Company divided by total equity attributable to equity holders of the parent.
 - Net Worth = Equity share capital + Equity component of compulsorily convertible preference shares + other equity.
 - The weighted average return on net worth is a product of return on net worth and respective assigned weight, dividing the resultant by total aggregate weight.
 - The above ratio is not adjusted for issuance of Equity Shares pursuant to ESOP Scheme post March 31, 2024.

5. **Net Asset Value per Equity Share**

NAV per Equity Share	NAV per Equity Share (Diluted)(₹)	NAV per Equity Share (Basic)(₹)
As on March 31, 2024	66.68	71.65
As on March 31, 2023	73.26	78.10
As on March 31, 2022	82.72	85.12
After the Offer		
-At the Floor Price	92.80	92.80
-At the Cap Price	93.16	93.16
At Offer Price	●	●

- Notes:
- Net asset value per equity share: Net worth divided by weighted average numbers of equity shares outstanding during the year for basic and diluted EPS.
 - The above ratio is not adjusted for issuance of Equity Shares pursuant to ESOP Scheme post March 31, 2024.
 - Net asset value per equity share (after the Offer): Net worth, as adjusted for the primary issue of the Offer divided by total numbers of outstanding equity shares after the offer.

III. Key Performance Indicators

The table below sets forth the details of the key performance indicators (“KPIs”) that our Company considers have a bearing for arriving at the basis for Offer Price. These KPIs have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various vertical segments. The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational key financial and operational metrics, to make an assessment of our Company’s performance in various business verticals and make an informed decision.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated July 29, 2024 and the Audit Committee has confirmed that the KPIs pertaining to our Company that have been disclosed to investors at any point of time during the three years period prior to the date of the Red Herring Prospectus have been disclosed in this section and have been subject to verification and certification by Bansal & Co LLP, Chartered Accountants, bearing firm registration number 001113N/N500079, pursuant to certificate dated July 30, 2024, which has been included as part of the **“Material Contracts and Documents for Inspection”** on page 650 of the RHP.

For details of our key operating, financial and other operating metrics disclosed elsewhere in the Red Herring Prospectus, see **“Our Business”** on pages 263, 264 and 265, of the RHP and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** on pages 529 and 530 of the RHP.

A list of our KPIs for the Fiscals 2024, 2023 and 2022 is set out below:

Metric	Unit	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
India business				
Annual Unique Transacting Customers	Million	8.68	7.72	6.68
Orders	Million	34.06	29.61	25.65
Average Order Value	₹	2,226	2,156	2,043
Gross Merchandise Value (GMV)	₹ million	75,827.42	63,830.99	52,389.47
GMV Y-o-Y Growth ^A	%	18.79	21.84	45.17
International business				
Annual Unique Transacting Customers	Million	0.43	0.26	0.18
Orders	Million	1.79	1.38	1.08
Average Order Value	₹	8,582	6,350	5,178
Gross Merchandise Value (GMV)	₹ million	15,383.86	8,745.35	5,605.16
GMV Y-o-Y Growth ^A	%	75.91	56.02	48.63
Consolidated				
Annual Unique Transacting Customers	Million	9.11	7.98	6.86
Orders	Million	35.85	30.99	26.73
Average Order Value	₹	2,544	2,342	2,170
Gross Merchandise Value (GMV)	₹ million	91,211.28	72,576.34	57,994.63
GMV Y-o-Y Growth ^A	%	25.68	25.14	45.50
Financial Parameters (Consolidated)				
Revenue from Operations	₹ million	64,808.56	56,325.39	24,012.88
Gross Margin	₹ million	23,176.60	16,972.21	8,291.49
Gross Margin %	%	35.76	30.13	34.53
Materials costs	₹ million	41,631.96	39,353.18	15,721.39
Materials cost %	%	64.24	69.87	65.47
Direct cost	₹ million	5,879.10	4,644.13	780.22
Direct cost %	%	9.07	8.25	3.25
EBITDA (excluding other income)	₹ million	704.91	(2,629.04)	(182.01)
EBITDA Margin (excluding other income)	%	1.09	(4.67)	(0.76)
Adjusted EBITDA	₹ million	2,744.49	749.82	961.99
Adjusted EBITDA Margin	%	4.23	1.33	4.01
Profit/(Loss) for the year	₹ million	(3,215.07)	(4,860.56)	(786.85)
Contribution Margin%	%	26.69	21.89	31.28
Advertising and sales promotion expenses %	%	7.44	7.39	11.19
Indirect Expense %	%	7.57	6.46	6.74
Net Working Capital Days	Days	53	50	102
Inventory Days	Days	92	83	149

Metric	Unit	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Other Operating Data				
Total Stores	Number	1,063	904	701
FOFO Stores	Number	628	618	575
BabyHug COCO Stores	Number	284	224	118
FirstCry COCO Stores	Number	151	62	8
Number of brands	Number	7,580	7,035	6,287
Number of SKUs	Million	1.65	1.29	1.27
Number of warehouses and stockists	Number	80	79	67
GMV from Online	₹ million	73,700.09	58,126.30	48,346.73
GMV from Offline	₹ million	17,511.19	14,450.04	9,647.90
GMV from Existing Customers	₹ million	65,878.06	52,963.20	40,737.02
GMV from New Customers	₹ million	25,333.22	19,613.14	17,257.61

Details of Operating Segment¹				
Revenue from Operations				
India multi-channel ⁽¹⁾	₹ million	45,794.84	42,808.65	19,732.61
International ⁽²⁾	₹ million	7,537.16	4,874.83	3,520.42
Globalbees Brands ⁽³⁾	₹ million	12,093.46	8,971.79	1,039.84
Others ⁽⁴⁾	₹ million	333.55	229.61	78.81
Inter-Company Adjustments/ Consolidation Adjustments	₹ million	(950.45)	(559.49)	(358.80)
Total ⁽⁵⁾	₹ million	64,808.56	56,325.39	24,012.88

Segment Results before depreciation and amortisation expense				
India multi-channel ⁽¹⁾	₹ million	4,039.82	2,413.52	1,891.60
International ⁽²⁾	₹ million	(1,395.96)	(1,200.59)	(674.68)
Globalbees Brands ⁽³⁾	₹ million	23.08	(447.29)	(91.94)
Others ⁽⁴⁾	₹ million	58.41	(30.52)	(158.17)
Inter-Company Adjustments/ Consolidation Adjustments	₹ million	19.14	14.70	(4.82)
Total ⁽⁵⁾	₹ million	2,744.49	749.82	961.99

Segment Results				
India multi-channel ⁽¹⁾	₹ million	1,666.18	740.42	944.76
International ⁽²⁾	₹ million	(1,553.77)	(1,329.33)	(744.21)
Globalbees Brands ⁽³⁾	₹ million	(963.77)	(1,407.50)	(122.68)
Others ⁽⁴⁾	₹ million	47.03	(42.07)	(164.40)
Inter-Company Adjustments/ Consolidation Adjustments	₹ million	(159.91)	(154.54)	(60.36)
Total ⁽⁵⁾	₹ million	(964.24)	(2,193.01)	(146.89)

^A GMV Y-o-Y Growth: Gross Merchandise Value year-on-year Growth. GMV of the group has been growing consistently over the last three Financial Years. GMV of the group has increased from ₹57,994.63 million in Financial Year 2022 to ₹72,576.34 million in Financial Year 2023 and ₹91,211.28 million in Financial Year 2024 at a CAGR of 25.41% comparing Financial Year 2022 to Financial Year 2024.

¹ Up to financial year ended March 31, 2022, the group did not recognise any operating segment since the group operated primarily in trading and manufacturing of baby and kids products, which was the only single reportable segment. During the year ended, March 31, 2023 and subsequent to the acquisition of 100% stake in Digital Age and expansion of Globalbees Brands and international operations, for management purposes, the group is reorganised into business units, which provides relevant information for better understanding of the group’s financial performance and resource allocation decisions.

Solely to comply with reporting requirements under Ind AS 108, the management has restated the corresponding previous year figures. However, in view of significant difference in the nature of operations of the group in the previous year which was primarily trading and manufacturing of baby and kids products, such figures are not comparable. For management purposes, the group is organised into business units based on its products and services and has following reportable operating segments: India multi-channel, International, Globalbees Brands and Others.

⁽¹⁾India multi-channel - This segment includes business of manufacturing, buying, selling, advertising, promoting baby and kids products in India.

⁽²⁾International segment - This includes business of buying, selling, advertising, promoting baby and kids products outside India, which primarily includes United Arab Emirates and KSA.

⁽³⁾Globalbees Brands segment - This is a direct-to-consumer (D2C) venture that aggregates and invests in e-commerce brands and helps the brands scale and transform their digital impression.

⁽⁴⁾Others - This includes other businesses which are not material to the group.

⁽⁵⁾Total - Sum total of India multi-channel segment, International segment, Globalbees Brands segment, Others, Inter-Company adjustment / conso adjustment.

Notes:

- India business:** India business represents FirstCry platform operated by our Company along with across the FirstCry website (www.firstcry.com), mobile application, FirstCry modern stores and BabyHug modern stores, including those operated by Digital Age and franchisees. Prior to the acquisition of Digital Age, our Company’s physical stores were operated through Digital Age as franchisee.
- International business:** International business represents FirstCry platform operated through its Subsidiary Firstcry Management (and its subsidiaries) in Dubai and KSA through its website www.firstcry.ae, and www.firstcry.sa, respectively.
- Gross Merchandise Value (GMV):** GMV includes the monetary value of Orders inclusive of taxes and gross of discounts, if any, across the FirstCry website, mobile application and FirstCry modern stores and BabyHug modern stores, including those operated by Digital Age and franchisees, net of order cancellations, gross of franchisee commission, net of shipping and cash on delivery charges and prior to product returns. Accordingly, the GMV numbers do not reconcile directly with the group’s revenue from operations and should not be considered representative of the group’s revenue from operations.
- Annual Unique Transacting Customers:** Annual Unique Transacting Customers are defined as unique users that made at least one purchase on the FirstCry platform during the preceding 12 months period on the reporting date. Unique customers/visitors are identified as unique by their mobile number basis which duplication across website, mobile application and stores is removed.
- Orders:** Orders are defined as total orders across website, mobile application, FirstCry modern stores and BabyHug modern stores including those operated by Digital Age and franchisees prior to product returns.
- Average Order Value:** Average Order Value is GMV generated across the FirstCry website, mobile application, FirstCry modern stores and BabyHug modern stores divided by Orders considered for such GMV.
- Materials cost:** Cost of material consumed plus purchases of stock-in-trade plus changes in inventories of stock-in-trade, finished goods and work in progress.
- Direct cost:** Direct cost means total of courier expenses, packaging expenses and payment gateway expenses.
- Direct cost %:** Direct cost % is direct cost as a percentage of revenue from operations.
- Gross Margin:** Gross Margin means revenue from operations less materials cost.
- Gross Margin %:** Gross Margin % is gross margin as a percentage of revenue from operations.
- EBITDA (excluding other income):** Earnings before interest, tax, depreciation and amortization is calculated as the restated profit for the year (i.e., (Loss)/Profit for the year) plus tax expense, finance costs, depreciation and amortization expense less other income.
- EBITDA Margin (excluding other income):** EBITDA (excluding other income) as a percentage of revenue from operations.
- Adjusted EBITDA:** Adjusted earnings before interest, tax, depreciation and amortization is calculated as the restated profit for the year (i.e., (Loss)/Profit for the year) plus tax expense, finance cost, depreciation and amortization expenses less other income, exceptional items income (net), plus employee share-based payment expenses, deal related cost (included under ‘other expenses’), salaries, wages, bonus and other allowances accounted as per para B55 of Ind AS 103 (included under ‘employee benefits expense’).
- Adjusted EBITDA Margin:** Adjusted EBITDA Margin is Adjusted EBITDA as a percentage of revenue from operations.
- Profit/(Loss) for the year:** Profit after tax is the restated profit for the year.
- Total Stores:** Total Stores is the total number of modern stores at the end of the year and includes total number of FirstCry modern stores and BabyHug modern stores.
- FOFO Stores:** This is the number of franchisee owned and franchisee operated modern stores.
- BabyHug COCO Stores:** This is the number of BabyHug modern stores owned and operated by our Company.
- FirstCry COCO Stores:** This is the number of FirstCry and other home brands modern stores (excluding BabyHug modern stores) owned and operated by Digital Age.
- Number of Brands:** There are the number of active brands as on the date of respective period end listed across the FirstCry website, mobile application and FirstCry modern stores and BabyHug modern stores, including those operated by Digital Age.
- Number of SKUs:** This is the number of SKUs as on the date of respective period end date across the FirstCry website, mobile application and FirstCry and BabyHug modern stores, including those operated by Digital Age.
- Contribution Margin %:** Contribution Margin % means Gross Margin minus courier expenses, packing expenses and payments gateway expenses as percentage to the revenue from operations.
- Number of Warehouses and Stockists:** Number of warehouses and stockists are the warehouses where our Company stores its inventory.
- Net Working Capital Days:** Working Capital Days is calculated as follows:
• Working Capital Days for Fiscals 2024, 2023 and 2022 = (Inventories + Trade Receivables – Trade Payables) divided by revenue from operations*365.
- GMV from Online:** GMV from Online includes the monetary value of orders inclusive of taxes and gross of discounts, if any, across the FirstCry website, mobile application, net of order cancellations, shipping and cash on delivery charges and prior to product returns.
- GMV from Offline:** GMV from Offline includes the monetary value of orders inclusive of taxes and gross of discounts, if any, across FirstCry modern stores and BabyHug modern stores, including those operated by Digital Age and franchisees, gross of franchisee commission and prior to product returns.
- GMV from Existing Customers:** GMV from users that made their first purchase on the FirstCry platform during any period except the preceding 12 months period when calculated for a full financial year and includes the monetary value of orders inclusive of taxes and gross of discounts, if any, across the FirstCry website, mobile application, FirstCry modern stores and BabyHug modern stores, including those operated by Digital Age and franchisees, net of order cancellations gross of franchisee commission, net of shipping and cash on delivery charges and prior to product returns. Users are identified by their mobile number basis which duplication across website, mobile application and stores is removed.
- GMV from New Customers:** GMV from users that made at least one purchase on the FirstCry platform for the first time during any period in preceding 12 months period when calculated for a full financial year and includes the monetary value of Orders inclusive of taxes and gross of discounts, if any, across the FirstCry website, mobile application, FirstCry modern stores and BabyHug modern stores, including those operated by Digital Age and franchisees, net of order cancellations gross of franchisee commission, net of shipping and cash on delivery charges and prior to product returns. Users are identified by their mobile number basis which duplication across website, mobile application and stores is removed.
- Advertising and sales promotion expenses %:** Advertising and sales promotion expenses as per Restated Consolidated Financial Information as a percentage to revenue from operations.
- Indirect Expense %:** Indirect Expenses as per Restated Consolidated Financial Information as a percentage to revenue from operations. Indirect Expenses are total other expenses as per Restated Consolidated Financial Information minus courier expenses, advertising and sales promotion expenses, packing expenses and payment gateway expenses.
- Inventory Days:** Inventory days for Fiscals 2024, 2023 and 2022 is closing inventory as at the end of the respective period /Revenue from operations for the respective period X 365
- Operating segment:** For management purposes, the group is organised into business units based on its products and services and has India multi-channel, International, Globalbees Brands and Others, as reportable operating segments.

For the definitions and reconciliation of Key Performance Indicators and Non-GAAP measures, please see **“Definitions and Abbreviations”** and **“Other Financial Information”** on pages 1 and 518, of the RHP respectively.

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares, or until the utilization of Offer Proceeds, whichever is later, on the Stock Exchanges pursuant to the Offer, or for such other period as may be required under the SEBI/CDR Regulations.

Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our performance. The presentation of these KPIs are not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Statements.

These KPIs may not be defined under Ind AS and are not presented in accordance with Ind AS and hence, should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our performance, liquidity, profitability or results of operations. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends.

Our Company has primarily identified the following KPIs mainly which pertains to core business i.e., multichannel business of our Company. The Audit Committee has also approved these KPIs on July 29, 2024.

Annual Unique Transacting Customers: Tracking our annual unique transacting customers helps us identify the loyalty and reach of our multi-channel retailing platform and helps in marketing and growth decisions. This KPI allows us to, on an aggregate basis, derive insights relating to other sub-metrics such as cumulative shoppers, monthly active users including their orders, unique online visitors including their orders, monthly visitors and online transacting customers.

Orders: Tracking our aggregate orders helps us summarily understand the volume trends and therefore effectiveness of various sales / marketing efforts on our multi-channel retailing platform. This KPI allows us to, on an aggregate basis, derive insights relating to other sub-metrics such as orders data on daily and monthly basis.

Average Order Value: Tracking our average order value helps us better understand the relevance of our product assortment and pricing for our customer base. This KPI allows us to, on an aggregate basis, derive insights relating to other sub-metrics such as average order value from India multi-channel business and international business.

Gross Merchandise Value (GMV): Tracking our GMV helps us track the potential composite value of all orders and therefore the overall business performance. This guides our growth decisions.

