



Suven Pharmaceuticals Ltd.

...Towards a Brighter Tomorrow

Investor Presentation – Technology focused acquisition
– acquiring majority stake in Sapala Organics

Safe Harbour

Except for historical information, all of the statements, expectations and assumptions, including expectations and assumptions, contained in this presentation may be forward-looking statements that involve a number of risks and uncertainties. Although Suven attempts to be accurate in making these forward-looking statements, it is possible that future circumstances might differ from the assumptions on which such statements are based. Other important factors which could cause these statements to differ materially including outsourcing trends, economic conditions, dependence on collaborative partnership programs, retention of key personnel, technological advances and continued success in growth of sales that may make our products/services offerings less competitive; Suven may not undertake to update any forward-looking statements that may be made from time to time.



Transaction Rationale and Business Overview

**Amongst the few CDMOs globally, supplying complex building blocks for Oligonucleotides
Establishes Suven as a deep-domain led integrated player with differentiated tech platforms (ADC, Oligo, amongst others)**

Amongst the few CDMOs in the high growth Oligo building blocks & nucleic acid space

- Total addressable market of ~\$750M expected to grow at ~20% CAGR

Nucleic acid needs strong chemistry expertise; Specialized building blocks (Sapala's focus) is more complex

- Requires combined expertise of Sugar, Heterocyclic & Phosphorylation, at competitive purity & yields – a significant entry barrier
- Sapala has expertise in highly complex molecules; 15+ steps typically, very few players can do this.

Fits the thesis of adding a differentiated technology platform

- Portfolio across oligo drugs amidites, molecular diagnostics, mRNA, GalNAc, etc.

Robust margin profile

- INR 670mn revenue and adjusted EBITDA margin of 45%+ basis FY24E.

Diversified innovator customer base with a strong Japan presence

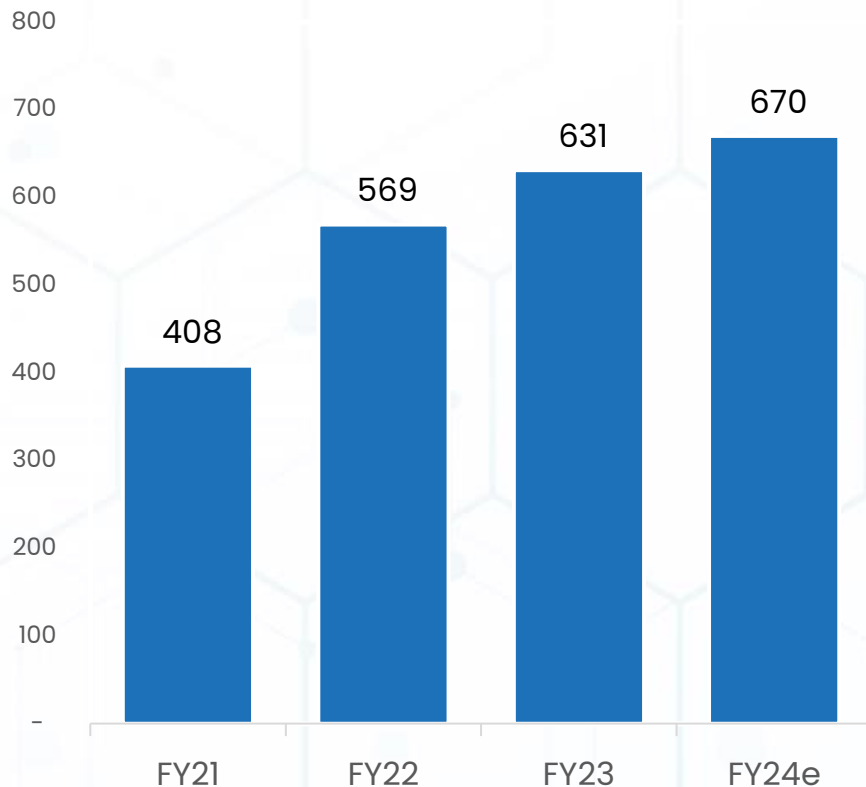
- Customers include Innovator Pharma, CDMOs & diagnostic cos.
- Strong legacy in Japan (~20%+ of FY21-24e sales to Japan); potential to leverage for Suven+Cohance Japan expansion

Significant synergy potential: leveraging GMP manufacturing and customer cross-sell

- Suven+Cohance's existing GMP facilities to support customer in the entire lifecycle of their molecule.
- Opportunity to cross-sell Sapala capabilities to Suven+Cohance innovator customers having oligo NCE programs; and vice-versa.

Sapala is a Hyderabad based CDMO focused on Oligo drugs and nucleic acid building blocks with ~INR 670mn sales and 45%+ EBITDA in FY24¹

Adjusted Revenue Trend (INR mn)



Background and journey

- Hyderabad based CDMO founded in 2005 by Dr P Yella Reddy who has extensive experience in nucleic acid chemistry and formerly worked as Director (R&D) with Aisin Cosmos R&D Co. Ltd (Toyota Group) in Japan & India for 20+ years
- Dr Yogesh Sanghvi, a pioneer in nucleic acid chemistry with 28+ year experience, is a shareholder and a key associate in Sapala's journey

Business and products

- Oligo tech platform - focused on building blocks incl Phosphoramidites & Nucleosides, drug delivery compounds (including GalNAC), Pseudouridine, amongst others

Customers

- Innovator customer-base across US, EU & Japan; partnering on their NCE programs across project lifecycle
- Strong Japan presence (averaging ~20% of FY21-24e sales)

Manufacturing and Operations

- 250+ employees. 100+ member R&D team (including 20+ PhDs)
- R&D Lab and pilot manufacturing - 6k sq m built up area unit in Hyderabad (near existing Cohance's units) with 17 fully equipped labs

Financials

- FY24 sales INR 670+ mn with 45%+ adjusted EBITDA margins

Oligo building blocks space is complex & growing well; Sapala's expertise in higher growth specialised building blocks a further differentiator

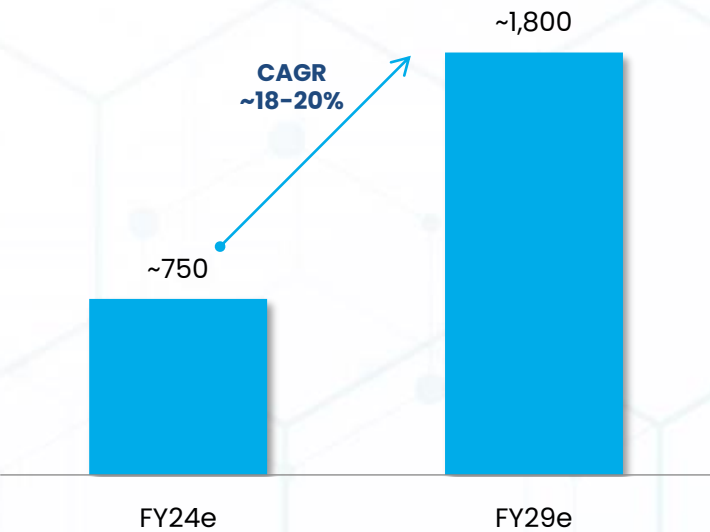


Nucleic acid & Oligo building blocks market to grow at a robust ~20% CAGR. Increasing R&D spend, Big pharma collaborations, and investment in Oligo capacities driving growth

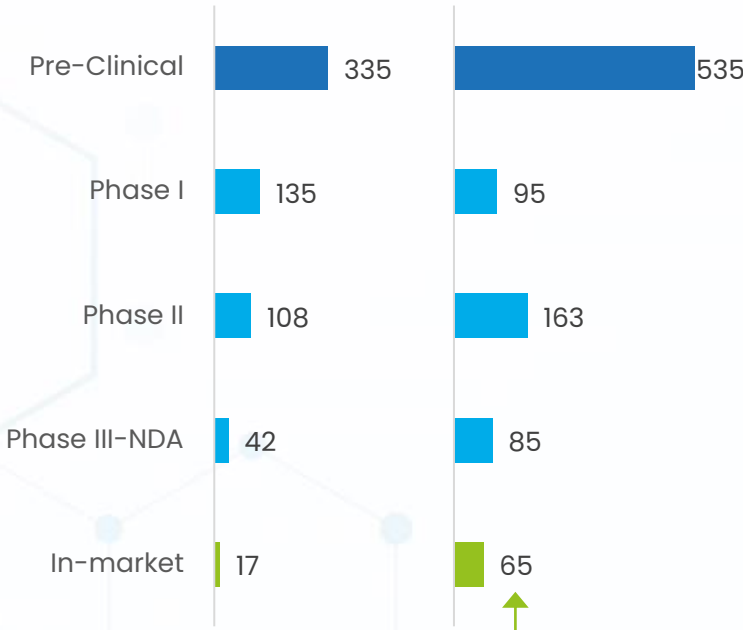
Oligo drugs pipeline posed to grow multifold. Emergence of oligo focused biopharmas PLUS increasing interest from Large Pharma

Sapala - one of few CDMOs globally with expertise in comprehensive range of specialized building blocks

Nucleic acid & Oligo building blocks market (\$mn)



of Oligo pipeline 2022A 2029P



4x new Oligo drugs to hit market by 2029, clinical pipeline also expected to see consistent addition

Mapping of Peer capabilities in modified & specialised building blocks (incl. GalNAc)

Product category	Indian Cos		Global peers			
	Sapala	Peer 1	Peer 2	Peer 3	Peer 4	Peer 5
Modified Amidites	●	●	●	●	●	●
Tricyclo DNA	●	○	○	○	○	○
Locked & Bridged Nucleic Acid	●	○	●	○	○	○
FANA	●	○	●	○	○	○
Specialised Amidites - others	●	○	●	○	○	○
GalNAc	●	○	●	○	○	○

○ to ● - low to high capability

Notes: Basis industry reports from one of the leading global consultancy firms and internal analysis

Multiple avenues of synergies between Sapala and Suven+Cohance platform

- ✓ Sapala to leverage Suven+Cohance's GMP accredited manufacturing capabilities
- ✓ This will enable higher entrenchment with Sapala's existing customers and winning larger businesses and customers



- ✓ Opportunity to sell nucleic acid chemistry capabilities to Suven+Cohance innovator customers
- ✓ Platform to have access to Sapala's strong Japan legacy; Sapala Promoter to be a Strategic Advisor to Suven for business initiatives in Japan

- ✓ Cost optimization opportunities (e.g. material sourcing)
- ✓ Leveraging platform capabilities and best practices



Transaction Structure

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- Suven to acquire controlling stake initially
- Dr P Yella Reddy (existing promoter) continues as CEO and will be associated with the Suven+Cohance platform as a strategic advisor for the Japan market
- Suven to acquire the remaining stake to get to 100% in ~3 years subject to regulatory approvals

Valuation

- Upfront cash outflow of ~INR 2,295 mn which shall be adjusted for customary closing adjustments on net cash and Working Capital
- Subject to business performance over the next three years, the remaining stake will be acquired at varying levels of EBITDA multiple ranging from 12-15x LTM EBITDAX
- The overall EBITDA multiple for the 100% business will likely be in the 13x-15x EBITDA multiple range

Financing and Timelines

- Expected to be financed through cash reserves/internal accruals
- Initial acquisition expected in Q2 of FY25
- Balance stake acquisition expected to be in ~3 years

Expected to be EPS accretive from first year of acquisition.

This acquisition will not affect the current merger scheme with Cohance.

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Thank You