SUVEN
Life Sciences

Suven Life Sciences Limited

Corporate Presentation

Safe Harbor Statement

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

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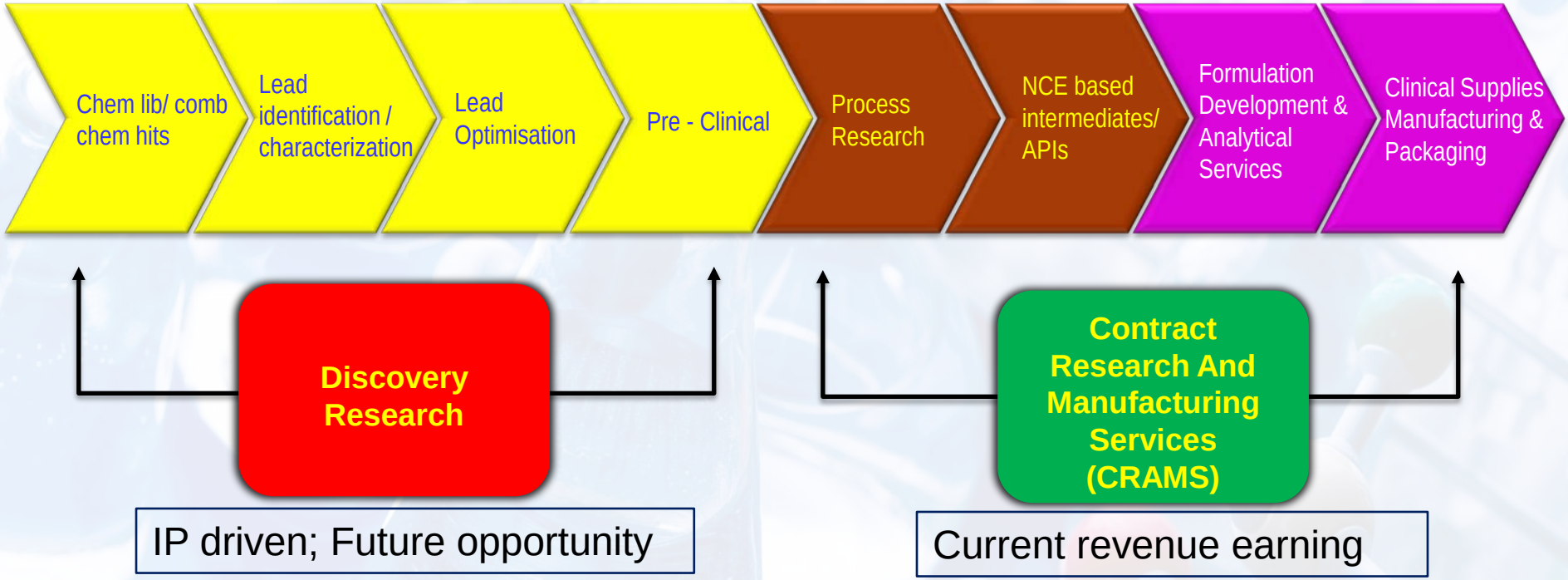
Company Overview

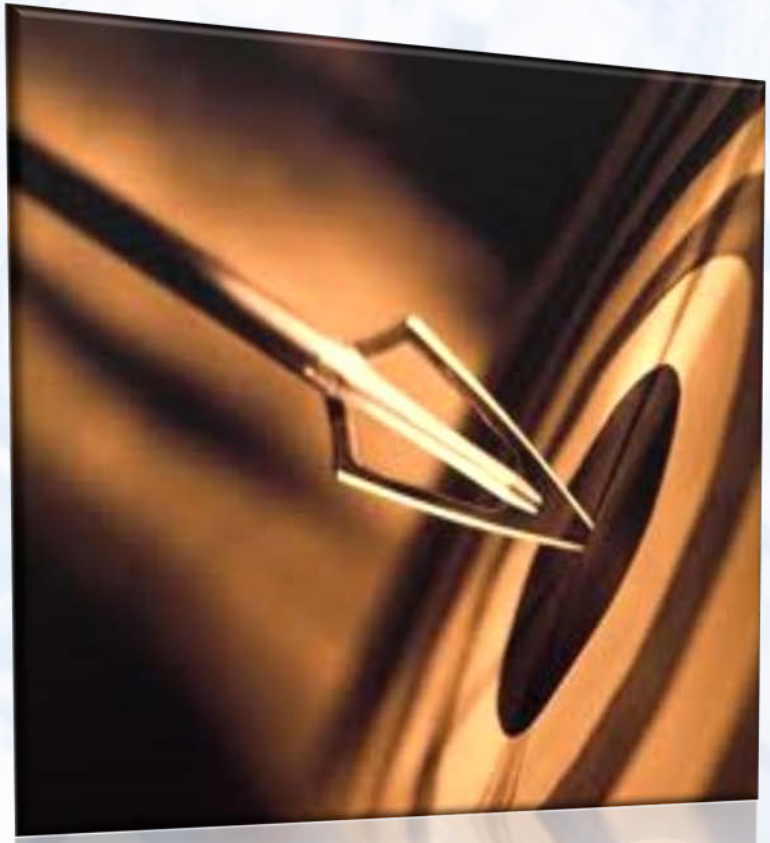
Business Model



Mission

- Providing world-class R&D solutions for Global Life Science companies with quality, speed and in a cost effective manner

- In search of new CNS therapies for better living



Our Evolution

- Pioneer in CRAMS
- Diverse and entrenched business relationships
- Proven ability and expertise
- Well integrated CRAMS and Discovery services

1989

Generic APIs

1992

Complex chemicals

1995

Contract Research And Manufacturing Services (CRAMS)

2003

In-house Drug Discovery

2005

Drug Discovery and Services

2006

Initiation of CNS programs with SUVN-502 as lead molecule

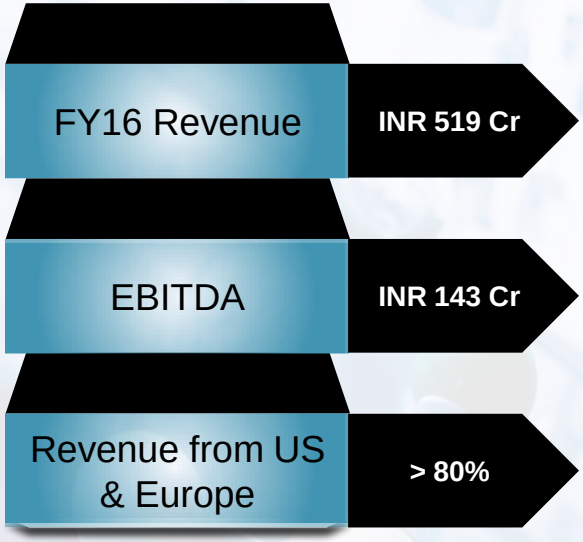
2015

SUVN-502 in Phase 2a trial in USA, SUVN-G3031 completed Phase 1 trial and SUVN-D4010 in phase 1 trial in USA (Pipeline of 13 compounds)

In search of new CNS therapies for better living

Company Overview

- Profitable and dividend paying since listing in 1995 on the NSE and BSE
- Established Contract Research And Manufacturing Services (CRAMS) - Leader and innovator for NCE based intermediates
- **113+3** Number of active CRAMS projects
- World class infrastructure, equipment and models with over 800 employees
- Robust financials and a healthy balance sheet
- Relationships with over 22 global pharmaceutical companies
- USFDA inspected facilities
- Current total cash and cash equivalents ~ INR 241 Cr.



Suven Discovery

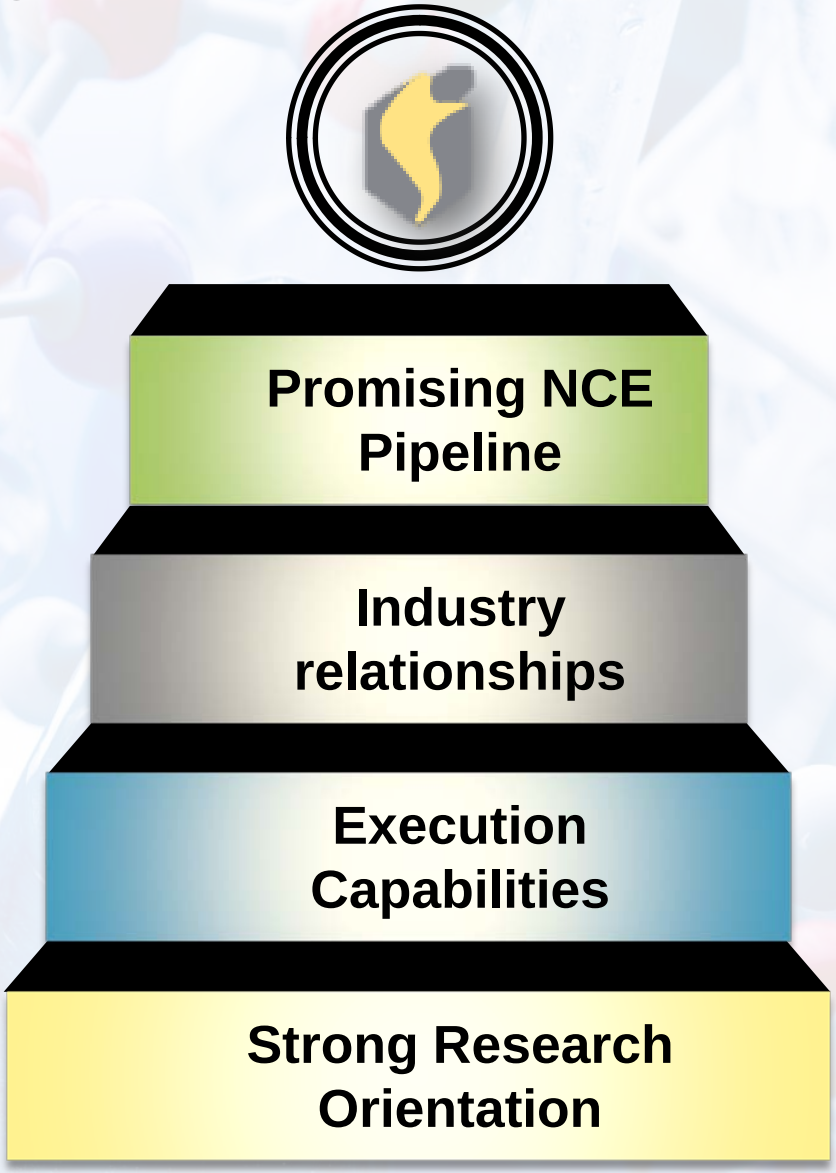
- SUVN 502 ongoing Phase 2a (POC) clinical trial in USA; expected data read-out in Q4-2017**;** Targeted enrollment of 537 patients in USA for Alzheimer's disease
- SUVN-G3031 for Cognition in Alzheimer's Disease completed Phase 1 Clinical Trial in USA under US-IND and undergoing long term toxicology studies prior to entering Phase 2 trial
- SUVN-D4010 for Cognition in Alzheimer's Disease; ongoing Phase 1 Clinical Trial in USA under US-IND
- SUVN-911 undergoing IND enabling long term toxicology studies prior to entering Phase 1 study
- Suven has **750+** product patents for **27** inventions and **37** process patents for **7** inventions.

Our Focus

A full fledged bio-pharmaceutical solutions provider for global pharmaceutical companies

1. Focused on value addition in research and development
2. Investing in R&D over a decade specializing in CNS segment
3. NCE based CRAMS

Business Drivers



Focus on driving quality research projects for clients

In search of new CNS therapies for better living

Business Drivers

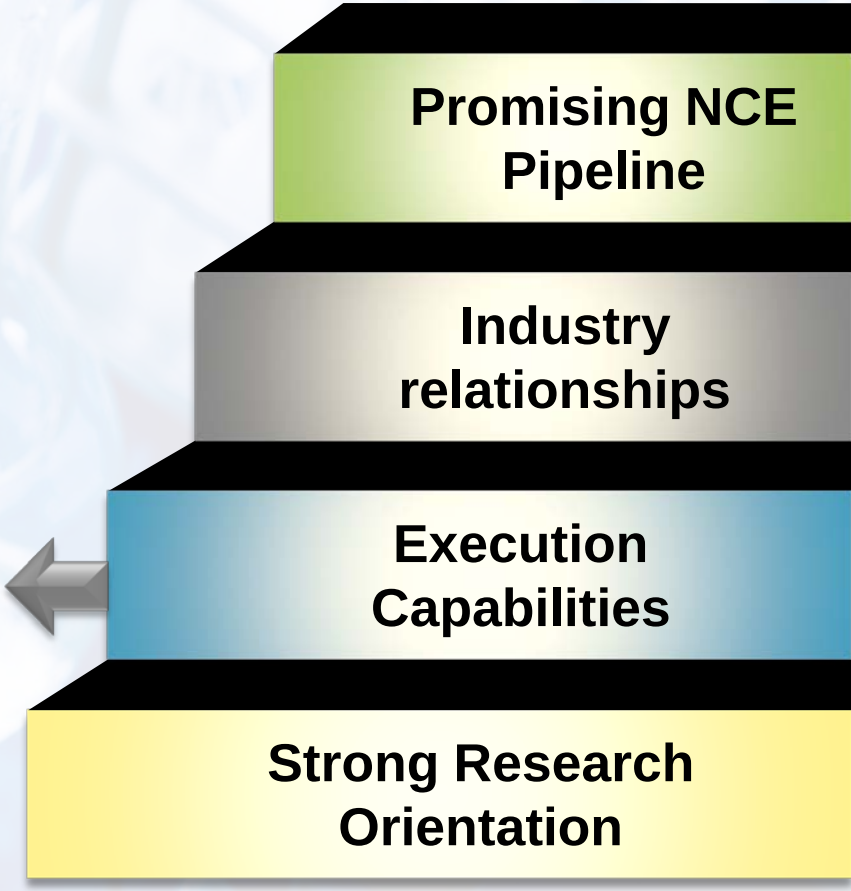
- An integrated research service provider with unmatched capabilities
- Well qualified research team of 386 scientists of which 30 are PhD holders
- Undertaken 750+ CRAMS projects since inception
- Pioneer in CRAMS business – research to execution

Key Differentiators

Suven	Others
▪ Contract research	▪ Contract manufacturing
▪ Innovation led	▪ Process led
▪ Pioneer in CRAMS	▪ Followers & ‘Me-too’ segments
▪ Long term approach	▪ Short term approach
▪ High focus on NCEs	▪ Mostly generics
▪ Full spectrum services	▪ Mostly chemistry services

Business Drivers

- Present across the entire CRAMS value chain – intermediates & APIs
- Leveraging on research capabilities to delivering NCE research
- State of the art facilities located across



Multi Location Facilities

Vizag, Andhra Pradesh, India

- 307 KL reactor volume
- 3KL to 12KL Reactors
- GL/SS (45No's)
- API's/Advanced Intermediate's/CMO

Pashamylaram, Andhra Pradesh, India
SUVEN API & Formulation Facility

- 120 kL reaction volume
- 50L – 6000 L GL/SS (45)
- API Manufacturing
- Biopharmaceutical Research (GLP)
- Formulation R&D

Banjara Hills, Hyderabad, India
Corporate Office

Jeedimetla, Andhra Pradesh, India
SUVEN R&D–Pilot Plant

- Process Research
- Discovery R&D, Analytical R&D
- Killo lab, 30L CM Reactors (32)
- 50L – 4000 L GL/SS

- 300 CM reactors (93)
- 500L to 10 KL GL/SS
- GMP Intermediates

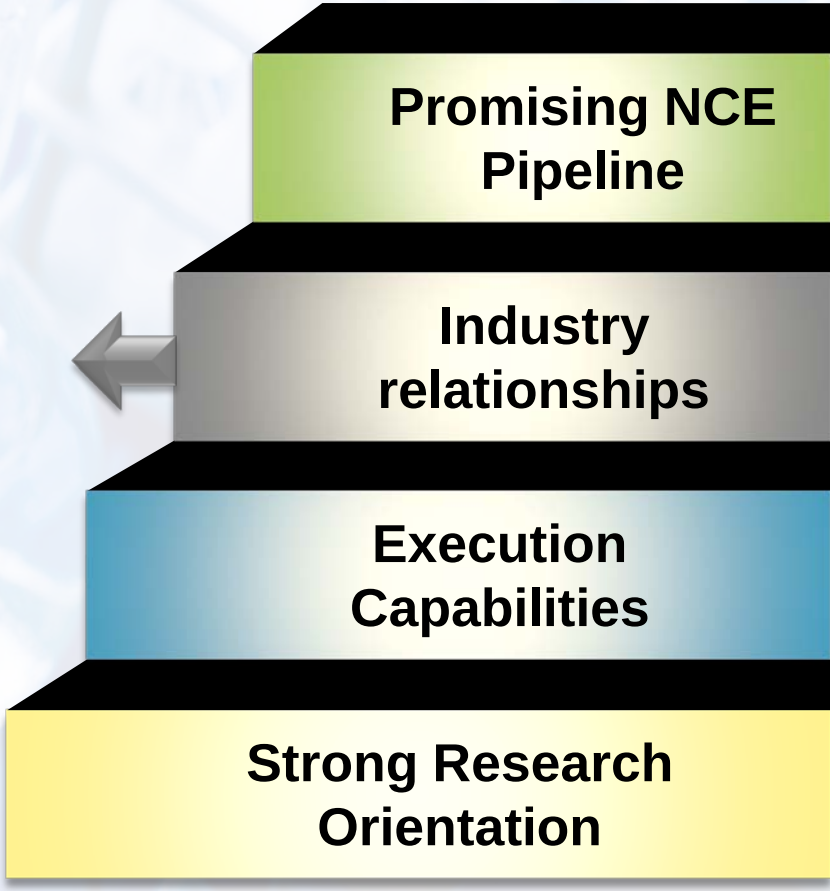
Suryapet, Andhra Pradesh, India
SUVEN Intermediate Mfg. Facility

SUVEN USA, New Jersey
Business Office

- Business Development
- Project Management
- Intellectual Property Management

Business Drivers

- Repeat business owing to long standing relationships with MNC companies
- Long term commercial supply opportunity with the launch of product by global sponsors
- Working with innovator companies in developed markets having stringent regulations – reflection of our research skills
- Over 85% of revenues from US and Europe



Our Relationships

AstraZeneca

Perrigo

Boehringer Ingelheim

Pfizer

BAYER

Bristol-Myers Squibb

VALEANT

gsk GlaxoSmithKline

Lilly

Lundbeck

MERCK

sanofi aventis

Das Wichtigste ist die Gesundheit

NOVARTIS

Celgene

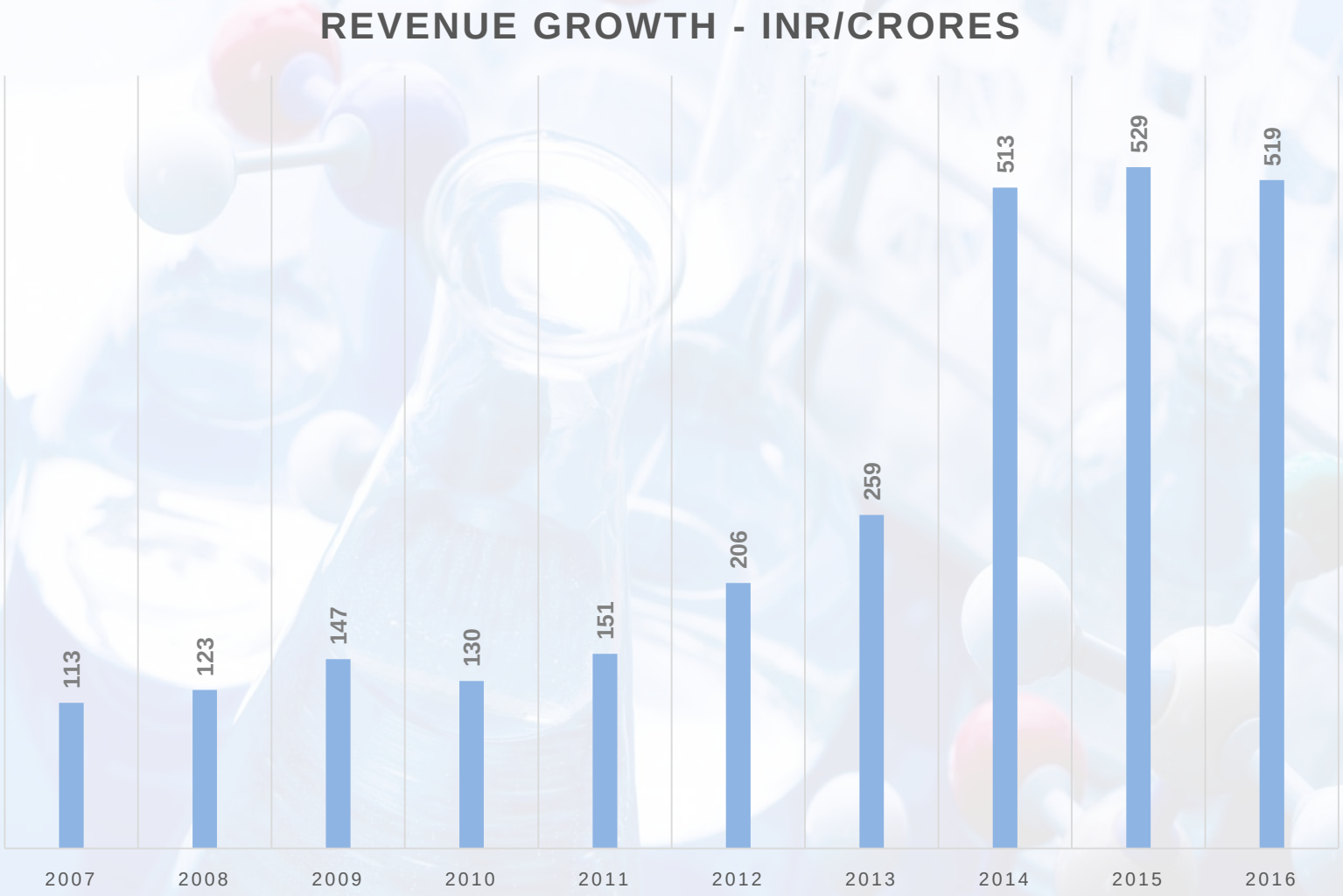
Abbott

A Promise for Life

DU PONT®

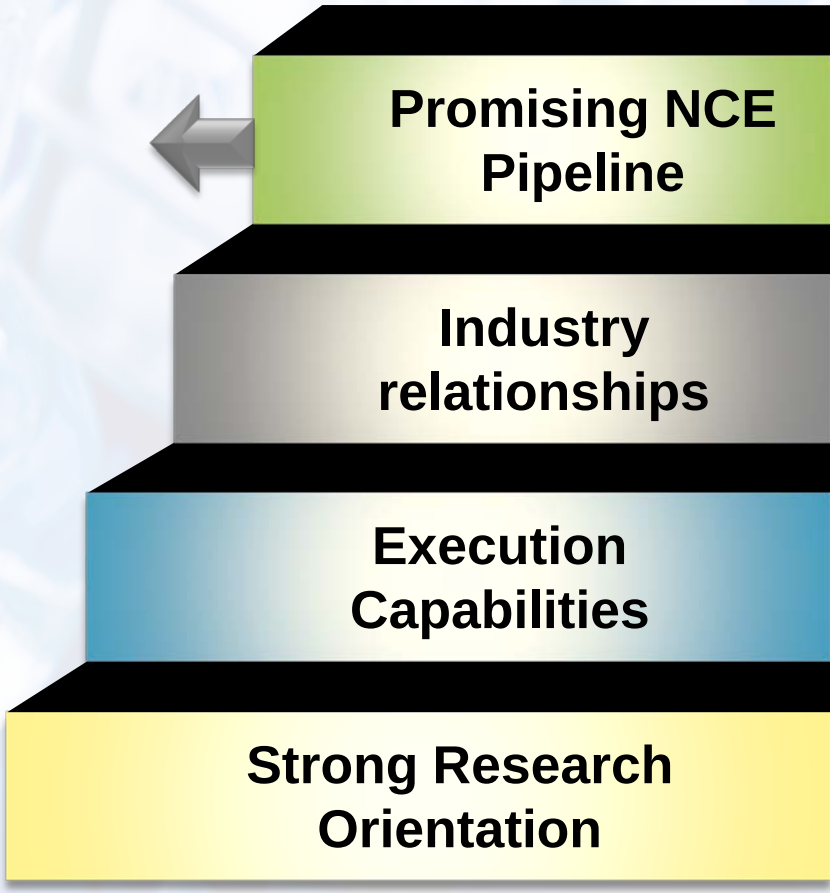
Johnson & Johnson

CRAMS Growth



Business Drivers

- One of the few players in the world in the high value CNS segment research
- Built strong intellectual capabilities in CNS segment since 2005.
- Globally CNS is the second largest and fastest growing segment
- A single successful molecule offers significant opportunity
- Promising NCE research pipeline of 13 molecules



Suven Management Team

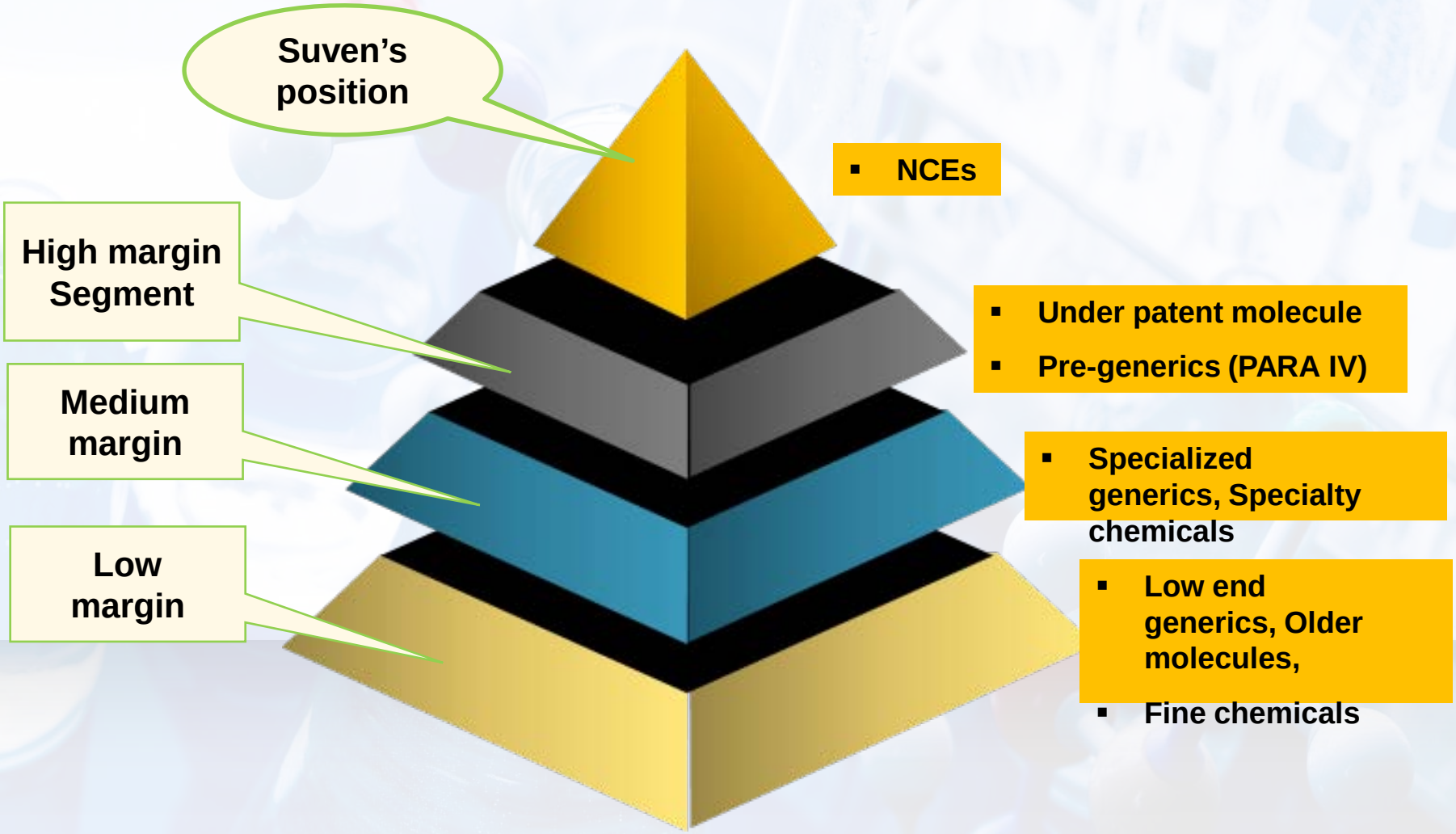
Mr. Venkat Jasti
Chairman & CEO

Dr. Ramakrishna Nirogi	VP Discovery Research
Dr. Veera Reddy Arava	VP Process Research
Dr. Rajendiran Chinnapillay	VP Process Research
Dr. Padmakumar Kaimal	VP Strategic Affairs
Mr. Murthy VSN	VP Technical
Mr. Mohan Rao Mannam	VP Business Development
Mr. Venkatraman Sunder	VP Corporate Affairs
Mr. Kameshwara Rao	VP Corporate Quality
Mr. Subba Rao Parupalli	Chief Financial Officer

- **Management**
  - Good integrity
  - Capable & Focused
  - Technically sound
- **Corporate Transparency**
- **Good corporate governance**

Our Business Strategy

The CRAMS Value Chain



Suven Revenue Profile

- Sales growth with strong customer relationship
- Multi-year NCE based contract research for chemistry development for global sponsors.
- Long term commercial supply opportunities
- Pipeline of 64 Phase 1, 48 phase 2, 1 phase 3 projects and 3 commercial stage

Suven Market Opportunity

- Customer focused long standing relationships for various early phase to commercial chemistry development
- Geographically dispersed in global markets (USA, Europe, Japan, Korea, Israel)
- Niche products DMFs and ANDAs for regulated markets
- Growing opportunity for contract research and manufacturing and drug discovery services

Key Risks and Challenges

- Sustaining long term relationships with innovator companies
- Potential price fluctuation/attrition
- Likely increase in competition from other Indian/global players
- Lack of disclosure due to CDAs
- Potential for lumpiness in revenues and profits

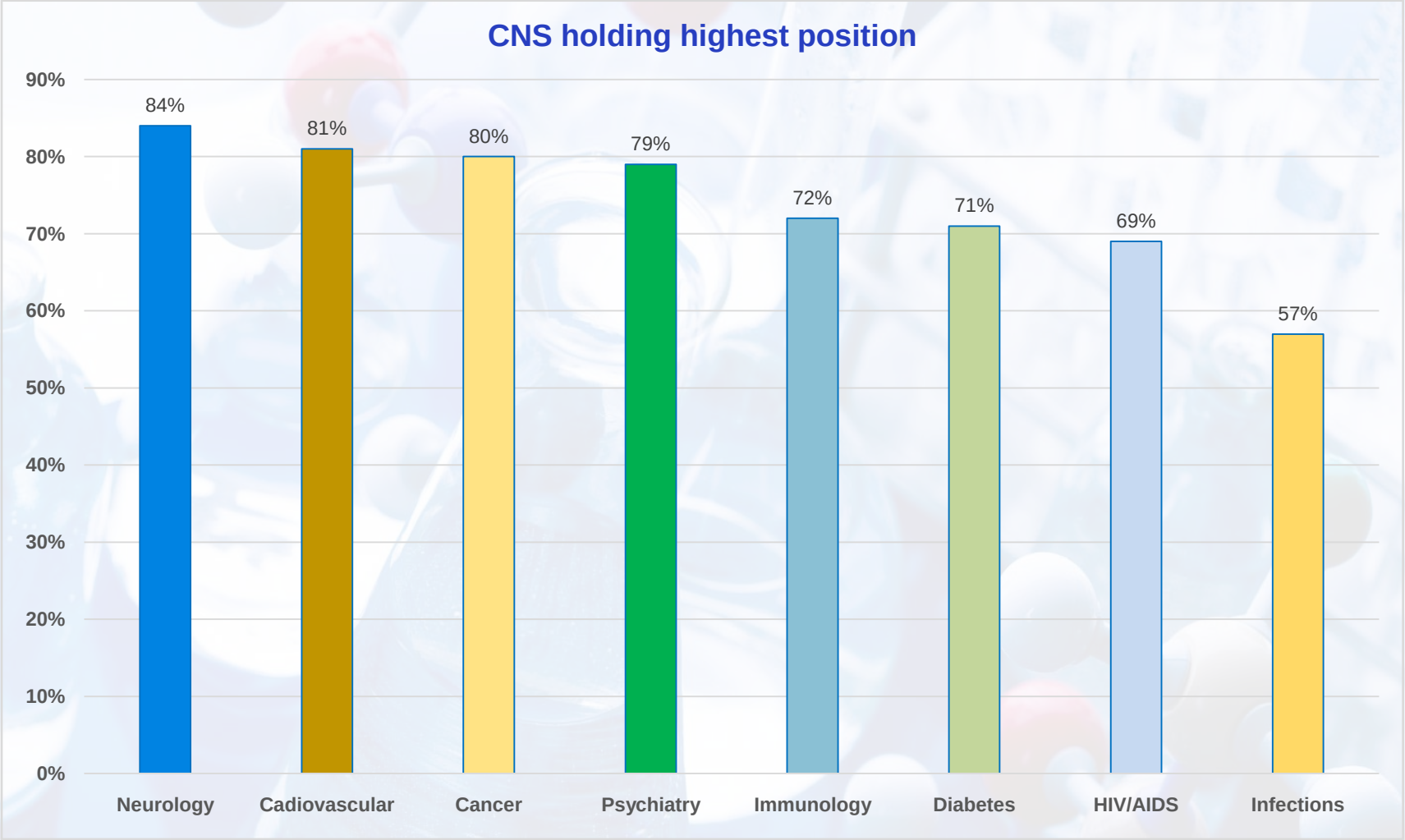
Key Takeaways

- Growth in CRAMS to fund drug discovery
- An integrated solutions provider for CNS in Asia.
- In-house drug discovery programs with future out-licensing opportunities

Drug Discovery R&D - CNS

- Why CNS?
- Central Nervous System (CNS) market is the Second Largest Therapeutic Category (15%) and it is one of the Fastest Growing segment
- Highly unmet medical need
- More than 200 compounds under development
- Challenges – High attrition during discovery and clinical development
- Highly rewarding – Based on the recent licensing deals in this segment

Potential First-in-Class medicines in selected therapeutic areas in United States



Source: P*h*RMA 2015 report and article from Analysis Group. Innovation in the biopharmaceutical pipeline: a multidimensional view, January 2013

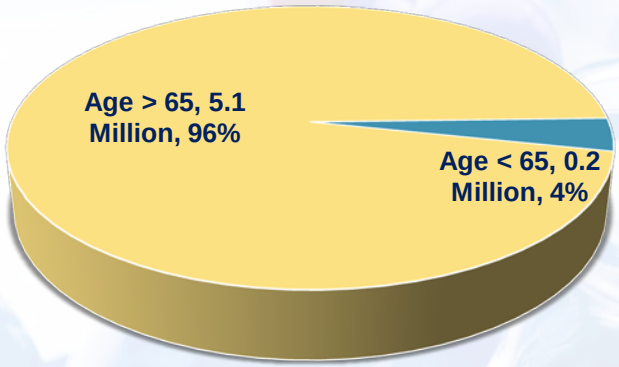
Quick overview of Alzheimer's disease

- An estimated 5.3 Million Americans of all ages have Alzheimer's disease in 2015 and estimated 5.1 Million are age 65 and older.
- Alzheimer's disease is the 6th leading cause of death in the United States
- It is the only cause of death in the top 10 in America that cannot be prevented, cured or slowed.
- An estimated 3.2 Million aged 65 or older are Women which constitute almost two thirds of Americans with Alzheimer's disease
- One in three Seniors dies with Alzheimer's or another dementia
- Only 45% of people with Alzheimer's disease or their caregivers report being told of their diagnosis
- An estimated 70,000 people with Alzheimer's of 65 years or older will die in United Sates in 2015.
- In 2015, Alzheimer's and other dementias will cost United States $226 Billion. By 2050, these costs could rise as high as $1.1 Trillion
- In 2014, Americans provided nearly 18 Billion hours of unpaid care to people with Alzheimer's disease and other dementias'

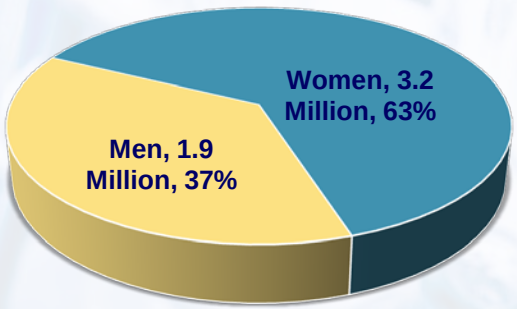
Source: Alzheimer's association, alz.org®

Population with Alzheimer's disease

5.3 Million Americans with Alzheimer's disease in 2015



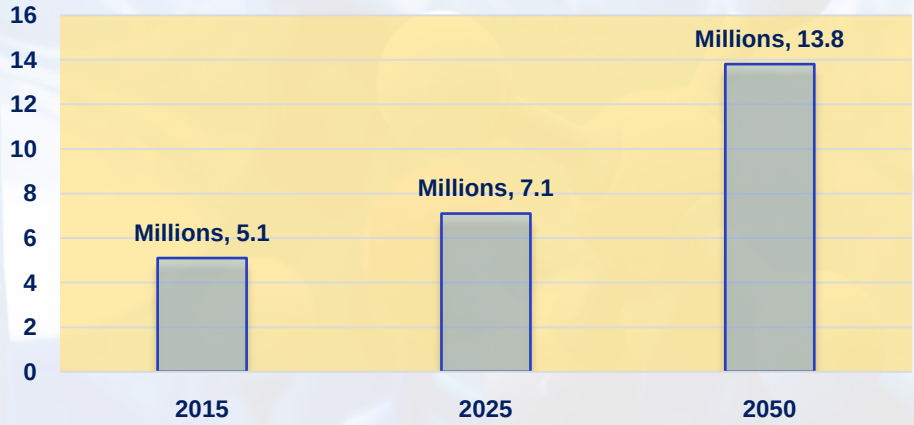
Women constitute two-thirds of Americans with Alzheimer's disease aged 65 and above



Globally 26 Million people affected with Alzheimer's disease in 2015

Current $10 Billion market size of Alzheimer's likely to triple by 2022 in United States

Estimated Alzheimer's patients in United States aged 65 and above



Source: Alzheimer's Association, alz.org®

Suven NCE Assets in CNS

Candidates	Pre-clinical & GLP Tox	Clinical Phase			Indication
		I	II	III	
SUVN-502 5-HT_6 antagonist					**Cognitive Deficits Associated with Alzheimer's Disease**
SUVN-G3031 H_3 inverse agonist					
SUVN-D4010 5-HT_4 agonist					
SUVN-911 $\alpha 4\beta 2$ antagonist					**Depression (MDD)**

Potential to address the unmet medical need

Potential For SUVN-502 – Similar compounds

Lu AE58054 (Lundbeck, Otsuka) July 2013

$150 Mn upfront for phase II program. Ongoing phase III

RVT-101 (GSK, Axovant) December 2014

Bought post POC compound in Dec 2014 from GSK for $5 Mn + future milestones and sales royalties. Raised $362 Mn in June 2015. Entered Phase 3 program

SUVN-502, mechanism clear and fits

Phase 2a (POC) commenced in October 2015

Source: Based on published news reports and news releases

Our Financial Approach

Financial Approach

- R&D cost expensed out each year
- Prudent utilization of cash flows
- Low debt
- Shareholder value creation focus
- Consistently dividend paying

Key Ratios FY16

PAT to Income	18.30%
EBIDTA to Income	27.48%
Cash Flow to Income	21.53%
Pre - R&D EBITDA to Income	39.62%

Financial Snapshot

All figures in INR Million except ratios and per share data

Year ending March 31‘	2015-16	2015-16	2014-15	Growth %
	Standalone	Consolidated	Standalone	
Income	5,188.73	5,188.73	5,294.36	-2.00%
Pre-R&D EBITDA	2,055.55	2,055.06	2,250.02	-8.64%
Pre-R&D EBITDA Margin	39.62%	39.61%	42.50%	
EBITDA	1,426.04	1,143.78	1,680.40	-15.14%
EBITDA Margin	27.48%	22.04%	31.74%	
EBIT	1,258.83	976.57	1,562.64	-19.44%
EBIT Margin	24.26%	18.82%	29.52%	
Financing costs	54.17	54.21	47.09	
Taxes	254.98	254.98	428.04	
Net Profit after tax	949.69	667.39	1,087.50	-12.67%
NP Margin	18.30%	12.86%	20.54%	
EPS (basic & diluted not annualised)	7.46	5.24	9.04	
Paid up share capital (One Rupee Share)	127.28	127.28	127.28	
Depreciation	167.20	167.20	117.76	
R&D expenses	629.51	911.28	569.63	10.51%

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