

CSD/BSE&NSE/BM/2024-25
June 13, 2024

To
The Manager
Department of Corporate Services
BSE Limited
25th Floor, P. J. Towers,
Dalal Street, Mumbai - 400 001

To
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

Scrip Code: 543064

Scrip Symbol: SUVENPHAR

Dear Sir/Madam,

Sub: Disclosure under Regulation 30 of the SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015

.....

Suven Pharmaceuticals Limited (the “**Company**”) has executed definitive agreements today, i.e. on June 13, 2024, for acquiring 100% of equity shares (on a fully diluted basis) (“**Proposed Transaction**”) in Sapala Organics Private Limited (“**Target**”). Target is a Hyderabad based CDMO focused on Oligo drugs and nucleic acid building blocks including Phosphoramidites & Nucleosides, drug delivery compounds (including GalNAc), Pseudouridine, amongst others. The Proposed Transaction is subject to customary closing conditions.

Company has agreed to initially acquire 67.5% by way of secondary transfer from Target’s existing shareholders. This represents 51% of the share capital of the Target on a fully diluted basis. After financial year 2026-27, the Company will acquire the balance shareholding through secondary purchase, such that, post consummation, the Company will own 100% of the share capital of the Target on a fully diluted basis.

The disclosure pursuant to Regulation 30 of the SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015 and Part A of Schedule III of the aforesaid regulations, is provided in **Annexure 1** below.

We also enclose herewith the press release for the said acquisition at **Annexure 2** of this letter.



Suven Pharmaceuticals Limited

Registered Office: # 215 Atrium, C Wing, 8th Floor, 819-821, Andheri Kurla Road, Chakala, Andheri East, Chakala Midc, Mumbai- 400093, Maharashtra, India
Tel: 91 22 61539999

Corporate Office: # 202, A-Wing, Galaxy Towers, Plot No.1, Hyderabad Knowledge City, TSIC, Raidurg, Hyderabad - 500081 Telangana, India
Tel: 91 40 2354 9414 / 3311

Email: info@suvenpharm.com | Website: www.suvenpharm.com | CIN: L24299MH2018PLC422236

We request you to take these documents on your records. The Board Meeting commenced at 4:40 P.M. and concluded at 05.15 P.M

Thanking you,

Yours faithfully,

For **Suven Pharmaceuticals Limited**



K. Hanumantha Rao
Company Secretary



Suven Pharmaceuticals Limited

Registered Office: # 215 Atrium, C Wing, 8th Floor,
819-821, Andheri Kurla Road, Chakala, Andheri East,
Chakala Midc, Mumbai- 400093, Maharashtra, India
Tel: 91 22 61539999

Corporate Office: # 202, A-Wing, Galaxy Towers,
Plot No.1, Hyderabad Knowledge City, TSIC,
Raidurg, Hyderabad - 500081 Telangana, India
Tel: 91 40 2354 9414 / 3311

Email: info@suvenpharm.com | Website: www.suvenpharm.com | CIN: L24299MH2018PLC422236

ANNEXURE A

Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

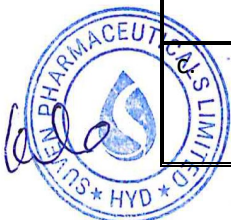
#	Particulars	Responses
a.	Name of the target entity, details in brief such as size, turnover etc.;	<p>Name of the Target: Sapala Organics Private Limited having its registered office at Plot No. 146B & 147, Phase II IDA, Mallapur, Hyderabad, Telangana, India, 500076.</p> <p>Details of the Target: The Target is a CDMO focused on Oligo drugs and nucleic acid building blocks including specialized/modified Amidites & Nucleosides, drug delivery compounds (including GalNAC), Pseudouridine, amongst others.</p> <p>Size and Turnover: Sales as per last latest audited financials are as follows:</p> <ul style="list-style-type: none"> • FY2020-21: INR 421 mn • FY2021-22: INR 1,057 mn • FY2022-23: INR 851 mn <p>Note:</p> <ol style="list-style-type: none"> 1. FY2023-24 numbers are yet to be audited and filed with MCA 2. Please refer the investor presentation also, available on the Company website for the management adjusted financials
b.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”	Not a related party transaction.
	Industry to which the entity being acquired belongs	Pharmaceutical/Chemical Compounds CDMO

Suven Pharmaceuticals Limited

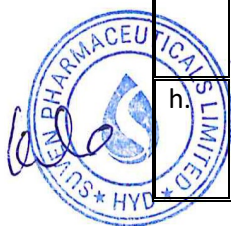
Registered Office: # 215 Atrium, C Wing, 8th Floor, 819-821, Andheri Kurla Road, Chakala, Andheri East, Chakala Midc, Mumbai- 400093, Maharashtra, India
Tel: 91 22 61539999

Corporate Office: # 202, A-Wing, Galaxy Towers, Plot No.1, Hyderabad Knowledge City, TSIC, Raidurg, Hyderabad - 500081 Telangana, India
Tel: 91 40 2354 9414 / 3311

Email: info@suvenpharm.com | Website: www.suvenpharm.com | CIN: L24299MH2018PLC422236



d.	Objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	Suven Pharmaceuticals Limited (“ Suven ”) along with its subsidiaries/affiliates, are engaged in the manufacture and sale of drug products and other allied activities. Some key reasons for the proposed acquisition of the target are: Target is amongst the few CDMOs in the high growth Oligo building blocks & nucleic acid space. Target has developed expertise in highly complex specialised building blocks which is a strong differentiator. It fits Suven’s thesis of adding a differentiated platform technology and there are potential synergies from leveraging GMP manufacturing and customer cross-selling.
e.	Brief details of any governmental or regulatory approvals required for the acquisition;	As per our preliminary understanding, we would require approval from the relevant regulator (i.e. Department of Pharmaceuticals) to acquire >74% of the shareholding of the Target, as required under the extant foreign exchange management framework in India.
f.	Indicative time period for completion of the acquisition;	Company expects to complete the acquisition 67.5% equity stake (i.e., 51% of the share capital of the Target on a fully diluted basis) during 2 nd quarter of FY24-25, subject to the completion of customary closing conditions. Company expects to complete the acquisition of remaining equity stake after FY2026-27, subject to the completion of customary closing conditions.
g.	Consideration - whether cash consideration or share swap or any other form and details of the same;	Cash consideration to purchase shares held by the shareholders of the Target.
h.	Cost of acquisition and/or the price at which the shares are acquired;	Company to acquire 67.5% equity stake (i.e., 51% of the share capital of the Target on a fully diluted basis) for a consideration



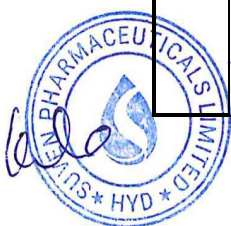
Suven Pharmaceuticals Limited

Registered Office: # 215 Atrium, C Wing, 8th Floor, 819-821, Andheri Kurla Road, Chakala, Andheri East, Chakala Midc, Mumbai- 400093, Maharashtra, India
Tel: 91 22 61539999

Corporate Office: # 202, A-Wing, Galaxy Towers, Plot No.1, Hyderabad Knowledge City, TSIC, Raidurg, Hyderabad - 500081 Telangana, India
Tel: 91 40 2354 9414 / 3311

Email: info@suvenpharm.com | Website: www.suvenpharm.com | CIN: L24299MH2018PLC422236

		of ~INR 2,295 mn subject to customary Working Capital and net debt adjustments
i.	Percentage of shareholding / control acquired and / or number of shares acquired	<ul style="list-style-type: none"> • Company to initially acquire 67.5% equity stake (i.e., 51% of the share capital of the Target on a fully diluted basis) • Company to acquire remaining equity stake a few months after FY2026-27, as per the terms of the definitive agreements such that, post consummation, the Company will own 100% of the share capital of the Target on a fully diluted basis
j.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	<p><u>Brief Background and Line of Business:</u> The Target is a CDMO focused on Oligo drugs and nucleic acid building blocks including specialized/modified Amidites & Nucleosides, drug delivery compounds (including GalNAC), Pseudouridine, amongst others.</p> <p>Date of Incorporation: August 4, 2005</p> <p>Turnover of last 3 years: Sales as per last latest audited financials are as follows:</p> <ul style="list-style-type: none"> • FY2020-21: INR 421 mn • FY2021-22: INR 1,057 mn • FY2022-23: INR 851 mn <p>Note:</p> <ol style="list-style-type: none"> 1. FY2023-24 numbers are yet to be audited and filed with MCA. 2. Please refer to the investor presentation also, available on the Company website for the management adjusted financials <p>Country in which the entity has presence: Other than India, the Target has business operations in Japan through an affiliate entity.</p>



Suven Pharmaceuticals Limited

Registered Office: # 215 Atrium, C Wing, 8th Floor, 819-821, Andheri Kurla Road, Chakala, Andheri East, Chakala Midc, Mumbai- 400093, Maharashtra, India
Tel: 91 22 61539999

Corporate Office: # 202, A-Wing, Galaxy Towers, Plot No.1, Hyderabad Knowledge City, TSIC, Raidurg, Hyderabad - 500081 Telangana, India
Tel: 91 40 2354 9414 / 3311

Email: info@suvenpharm.com | Website: www.suvenpharm.com | CIN: L24299MH2018PLC422236

Press Release

Suven to acquire a majority stake in an oligonucleotide focused CDMO player, Sapala Organics; adding another high-growth complex technology to its CDMO business

- Presence in the highly attractive, fast growing, Oligo & nucleic acid building blocks segment
- Sapala's deep expertise in complex oligo building blocks, acts as a strong differentiator, making it one of the few players globally
- Suven has agreed to acquire an initial controlling stake, operate the business together with the selling shareholders for the next few years and eventually acquire 100% of the shareholding in Sapala

13th June, 2024, Mumbai/Hyderabad: Suven Pharmaceuticals Limited ("Suven"), one of India's largest integrated CDMO players, has entered into a definitive agreement for a strategic controlling investment in Sapala Organics Private Limited ("Sapala"), subject to regulatory approvals and conditions.

Sapala is a Hyderabad based CDMO focused on Oligo drugs and nucleic acid building blocks including specialized/modified Amidites & Nucleosides, drug delivery compounds (including GalNAc), Pseudouridine, amongst others. Oligo & nucleic acid building blocks market is a ~\$750M market and is expected to grow at a robust ~20% CAGR. Sapala is one of the very few players globally with experience in a comprehensive range of specialized building blocks. Sapala has a strong customer base including innovator Pharma, CDMOs & diagnostic companies, and is a key partner in their Oligo drug NCE programs.

Sapala was founded 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.

Sapala had a revenue of over INR 670mn and adjusted EBITDA margins of 45%+ for FY24. Suven has entered into an agreement to initially acquire a controlling stake whereas the existing shareholders of Sapala will continue to hold a significant minority stake for the next few years. Dr Reddy will continue to run the business as the CEO and also be associated with the Suven+Chance platform as a strategic advisor for the Japan market. Overall, 100% acquisition is expected to be in the range of 13-15x EBITDA multiple and is linked to the next three years' financial performance.

Suven Pharmaceuticals Limited

Registered Office: # 215 Atrium, C Wing, 8th Floor, 819-821, Andheri Kurla Road, Chakala, Andheri East, Chakala Midc, Mumbai- 400093, Maharashtra, India
Tel: 91 22 61539999

Corporate Office: # 202, A-Wing, Galaxy Towers, Plot No.1, Hyderabad Knowledge City, TSIC, Raidurg, Hyderabad - 500081 Telangana, India
Tel: 91 40 2354 9414 / 3311

Email: info@suvenpharm.com | Website: www.suvenpharm.com | CIN: L24299MH2018PLC422236

On the acquisition, Mr Annaswamy Vaidheesh, Executive Chairman, Suven said “We are delighted to partner with Sapala and believe it is a strong strategic fit. We see massive potential given it’s a niche technology in the rapidly growing space. Nucleic acid based therapy targets diseases at a genetic level and has the potential to help patients immensely and cure previously incurable conditions. With this acquisition, we now have multiple differentiated technology platforms such as ADCs and Oligos amongst others. We will continue to invest both organically and inorganically to further build on these.”

Dr V Prasada Raju, Managing Director, Suven added “Sapala has built unique capabilities in the complex Oligo building blocks segment. The space is poised to grow multi-fold with many of our own customers looking to expand in this space. We are convinced that combining Sapala’s R&D depth, team’s 30+ years of experience and Dr Reddy’s Japan experience with our customer access & manufacturing capabilities will help drive significant synergies across the entire platform.”

Dr P Yella Reddy, founder of Sapala said “We have built Sapala as a unique CDMO player in the oligonucleotides value chain, largely thanks to the highly capable team that I have had the privilege of leading. Sapala has earned the trust of its customers over the last two decades by consistently taking up challenging projects, developing and scaling up highly complex technologies. A strategic partner like Suven, with its wider reach and resources will help to take Sapala to the next level while providing significant growth and development opportunities for Sapala's employees as well. We at Sapala are excited with the possibilities that this partnership brings. I also look forward to working with the larger team at Suven for their Japan market initiatives and hope to contribute to the platform’s success in that market.”

The transaction will be subject to customary closing conditions.

Steadmount Capital Advisors and Banyan Advisory acted as advisors to Sapala.

About Suven Pharma

Suven is India’s leading innovator focused, integrated Pharma & Specialty Chemical CDMO Company that has grown 16%+ CAGR over last 10 years and has 40%+ EBITDA margins. It specializes in Custom Synthesis, Process R&D, Scale Up and Contract Manufacturing of intermediates, APIs and Formulations. Suven does ~90% of its business with innovators. It has a strong pipeline of Phase 3 and late Phase 2 molecules with 100+ active projects.

Suven Pharmaceuticals Limited

Registered Office: # 215 Atrium, C Wing, 8th Floor, 819-821, Andheri Kurla Road, Chakala, Andheri East, Chakala Midc, Mumbai- 400093, Maharashtra, India
Tel: 91 22 61539999

Corporate Office: # 202, A-Wing, Galaxy Towers, Plot No.1, Hyderabad Knowledge City, TSIC, Raidurg, Hyderabad - 500081 Telangana, India
Tel: 91 40 2354 9414 / 3311

Email: info@suvenpharm.com | Website: www.suvenpharm.com | CIN: L24299MH2018PLC422236

About Sapala Organics

Sapala is a Hyderabad based CDMO focused on Oligo drugs and nucleic acid building blocks including Phosphoramidites & Nucleosides, drug delivery compounds (including GalNAc), Pseudouridine, amongst others. It is one of the only players experienced in comprehensive range of complex, specialized building blocks. Sapala works with many innovator Pharma companies, CDMOs, diagnostic companies on their NCE programs. It has a 250+ workforce including 100+ member R&D team. Sapala recorded INR 670mn sales in FY24 with ~45%+EBITDA on an adjusted basis.

Suven Pharmaceuticals Limited

Registered Office: # 215 Atrium, C Wing, 8th Floor,
819-821, Andheri Kurla Road, Chakala, Andheri East,
Chakala Midc, Mumbai- 400093, Maharashtra, India
Tel: 91 22 61539999

Corporate Office: # 202, A-Wing, Galaxy Towers,
Plot No.1, Hyderabad Knowledge City, TSIC,
Raidurg, Hyderabad - 500081 Telangana, India
Tel: 91 40 2354 9414 / 3311

Email: info@suvenpharm.com | Website: www.suvenpharm.com | CIN: L24299MH2018PLC422236