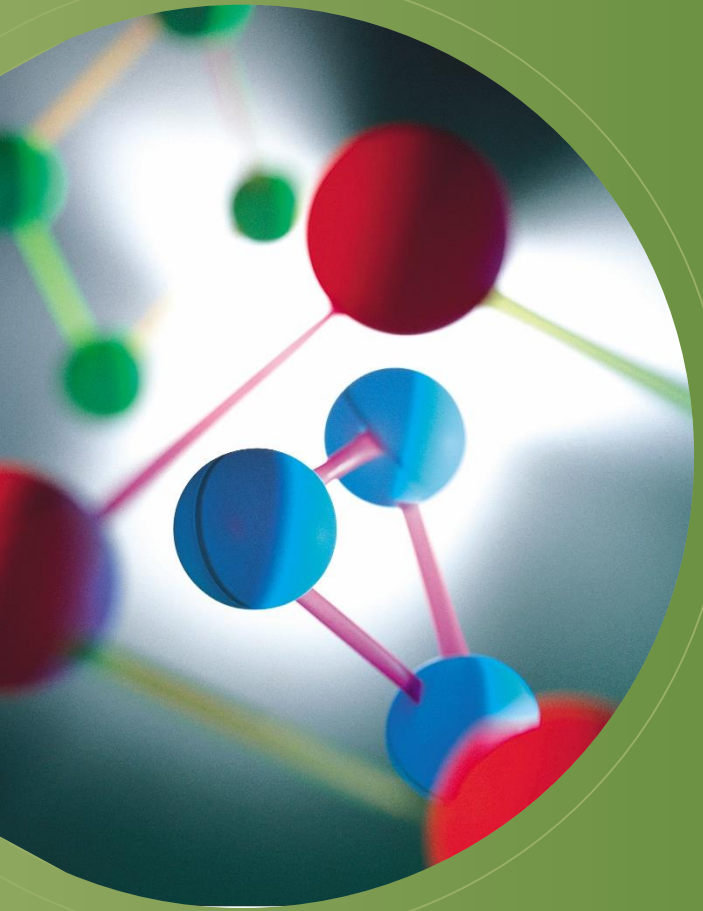
SOLARA
Active Pharma Sciences

THE

WAY

SOLARA CORPORATE PRESENTATION

APRIL 2019

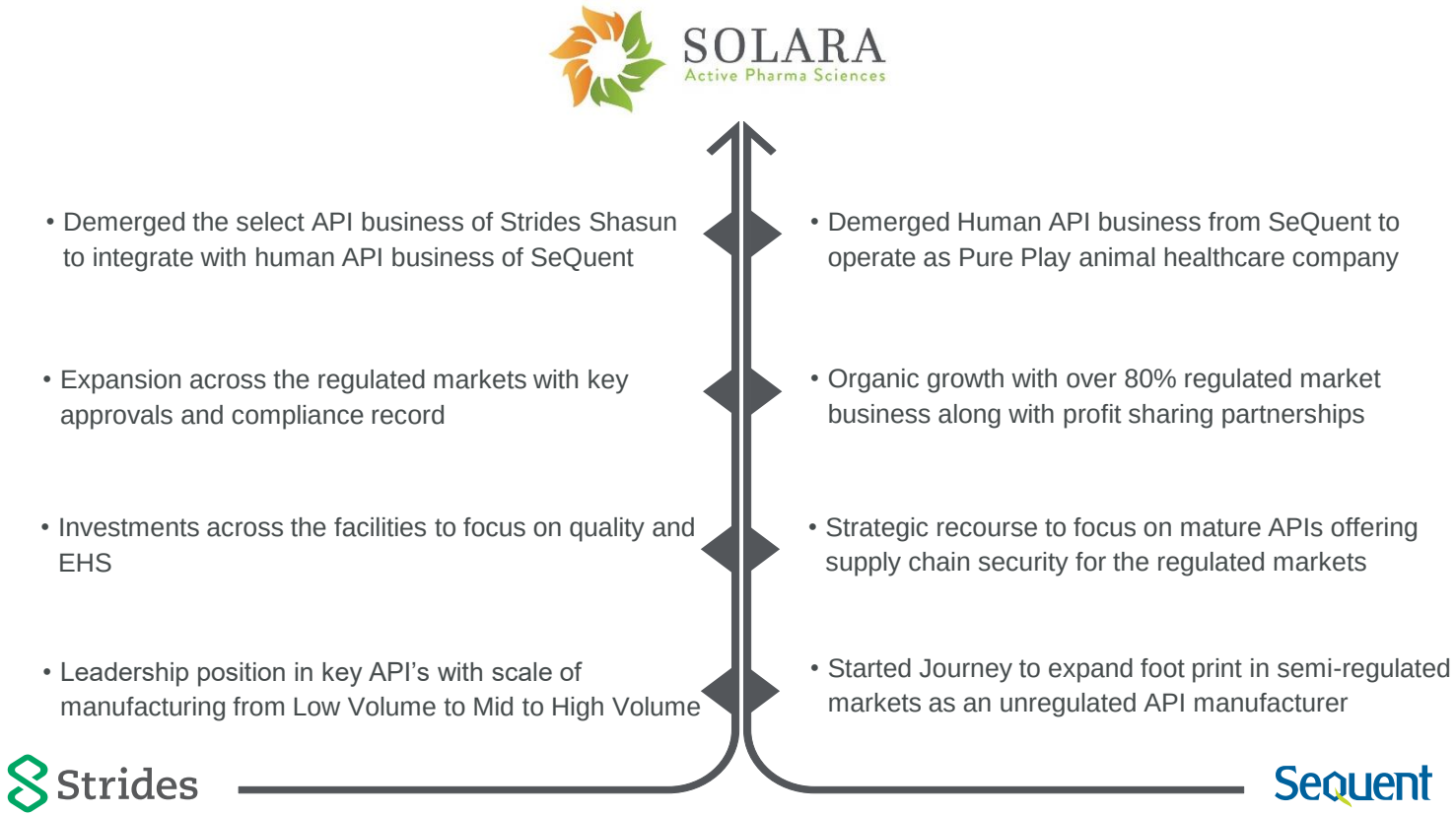


SOLARA
Active Pharma Sciences

Solara is young but enterprising

Evolution on an experienced foundation

Demonstrated operational excellence over 2 decades



Highlights

API business model with large scale infrastructure, wide products and established customer relationships

Capabilities

Complex chemistry capabilities including handling of catalytic hydrogenation, hydride reductions, organometallic reactions, hazardous reactions amongst others

Infrastructure

5 Globally compliant API and diversified facilities with capacity over 1600kl

Orientation

Consciously favoring value over volumes thereby limiting pricing pressure in the long term and creating capacities after assuring demand

Research

Pipeline of 20+ products under different stages of development

Market Presence

Presence in 75+ countries,75%+ regulated market sales and 100+ Filings

Compliance

Commitment to highest levels of compliance, consistency and quality with zero 483s in last 2 USFDA audits

Building on Strong Core Values

Doing what is 'RITE' for the customers

Respect

We treat each other and our partners with respect. We value and respect each others time. We will always respect our competition.

Integrity

In ever changing business environment one thing will always be constant is our Integrity. We will be amongst the most compliant API company in the world.

Transparency

Through timely communications, it is our endeavor to keep our stakeholders, suppliers and customers aware and well informed on how we conduct our business

Efficiency

We will achieve highest level of efficiency through a focused approach on customer centricity and continuous improvement. We will always strive to ensure that our employees are empowered to deliver the best customer service in the industry

Brief Profile of the Board of Directors

Deepak Vaidya

Non-Exec. Director & Chairman

Fellow member of the ICA in England and Wales. He has previously worked as the Country Head of Schroder Capital Partners (Asia) Pte. Ltd. for over 12 years. He is experienced in the corporate financial services industry in India and abroad.

Nirmal Bhogilal

Independent Director

Chairman of the Batliboi Group. He was Past President and Committee Member of the Indian Machine Tool Manufacturers Association. He has been Chairman of various committees in CII and its Western Region

R. Ramakrishnan

Independent Director

He is a practicing Chartered Accountant and a Management Consultant at Bangalore having an experience of 36 years in Direct tax matters, Audit and Assurances. He was nominated by KSIIDC for few listed Companies and currently holds directorships in reputed companies

Ronald Tjeerd de Vries (Ron)

Independent Director

Mr. Ronald Tjeerd de Vries (Ron) is a MsC in Chemical Engineering and IMD executive Leadership Alumni. He has 25 years' experience in the MNC Corporate Sector in Pharma and Food Presently he is Owner and MD of RDV Consulting based at Auckland (NZ).

Dr. Kausalya Santhanam

Independent Director

Founder of SciVista, she is a Patent attorney registered with IPO as well as the US PTO. She has a Ph.D in Cell biology and Immunology and her Post Doctoral training was in Cancer Biology at Center for Cellular and Molecular Biology

Solara's leadership team

Leadership with several years of experience in the pharmaceutical industry

Jitesh Devendra (Jitesh)

CEO

Jitesh has more than 20 years' experience and has led the North America API business as well as managed the Formulations P&L business of erstwhile Shasun Pharmaceuticals Limited, which got merged with Strides Shasun Limited. Jitesh has been responsible for P&L business for North America and Europe Finished Dosage Form (Regulated Markets-Region 1) and overall responsible for API business P&L.

Hariharan S. (Hari)

CFO

Hariharan is a Cost Accountant with rich and varied experience of more than 30 years in field of Corporate Finance, Accounts and Strategic planning. He played a vital role in the merger process of Shasun Pharmaceuticals Ltd. with Strides Shasun Limited.

Sreenivasa Reddy B. (Sreeni)

COO

Sreeni has over 24 years of experience in Pharmaceutical Manufacturing, Technology Transfer, Project Management in setting up facilities, Quality Assurance, Plant operations and Sales & Marketing.

Ranjit Kumar Singh (Ranjit)

CPO

Ranjit joined Solara in December, 2017, prior to which he was the Head HR for Allergan India. He has a Bachelor's Degree in Mathematics from St. Xavier Collage and received his MBA from Xavier Institute of Social Service. Ranjit has more than 12 years of professional experience in varied industries such as Pharmaceuticals, Information Technology, and Infrastructure.

Sundara Moorthy V. (Sundar)

SVP- Quality Management & Regulatory Affairs

Sundara Moorthy has done his Post Graduation in Organic Chemistry. He has rich and diversified experience of 23 years in the Quality Management, Regulatory Affairs and Compliance functions.

Swaminathan Srinivasan(Swami)

Head – Research & Development

25+ years of experience in generic pharmaceutical industry with vast exposure in active pharmaceutical ingredient as well the Dosage forms with deep understanding of the industry dynamics. He was associated with Jubilant Life Sciences, Alembic, Dr. Reddy Laboratories, Orchid & Ranbaxy.

Why a shift towards standalone API setup?

While the opportunity is growing, it needs a focused play

USFDA's increasing oversight on APIs

- FDA's increased oversight on resulting in 483s, warning letters and import alerts

Supply chain discontinuance

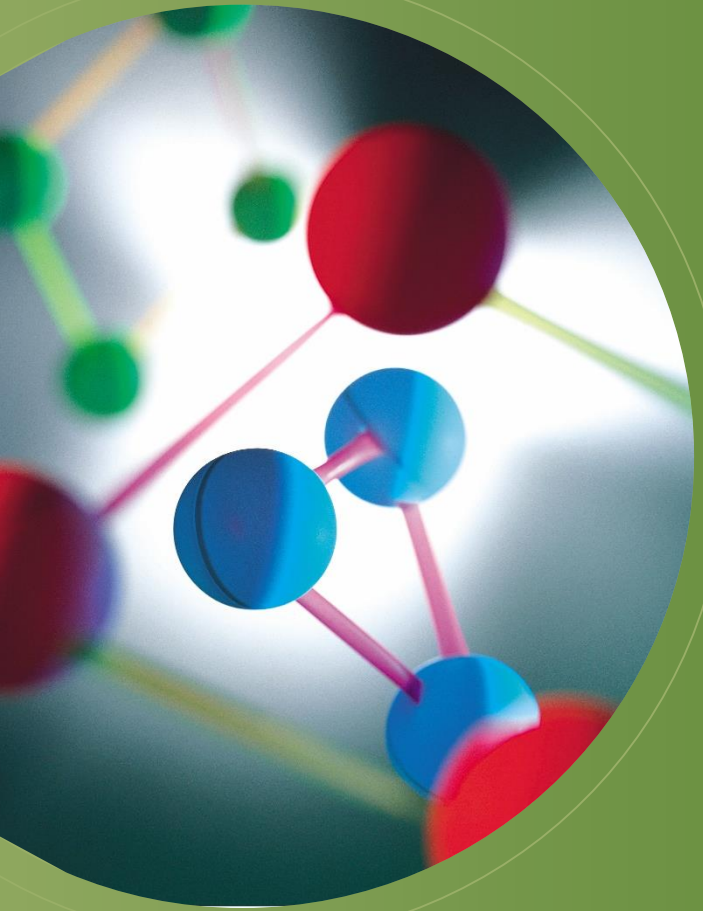
- Regulatory requirements are tightening and will likely continue to do so with a push for more transparency in the supply chain. This could result in requiring certification for good manufacturing practices for key intermediates and raw materials*

IP conflicts and competing interests

- Forward integration interest of majority API players has led to concerns around potential competition with international customers along with issues around IP security and conflict

Increasing Pollution and Environmental Concerns

- Governments' increasing focus on pollution controls and zero liquid discharge
- Environmental regulations, especially in China, are putting pressure on corporations to remedy pollution problems. Some plants are being shut down or moved, causing capacity issues and supply chain interruptions from raw materials to intermediates and APIs.



SOLARA
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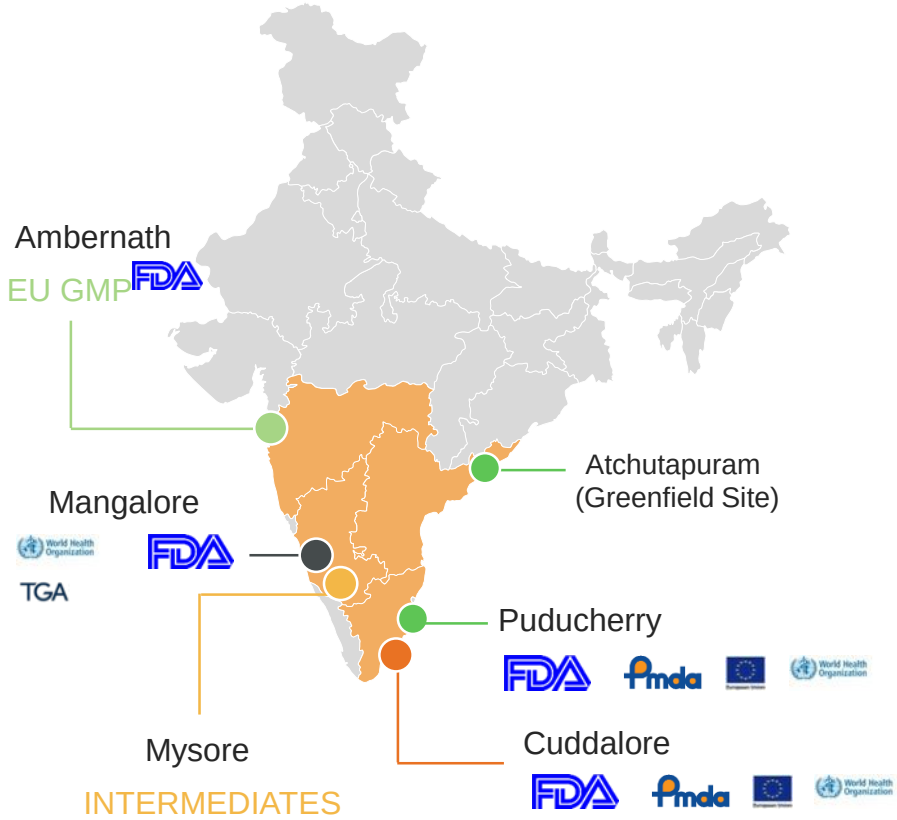
Strategically poised with integrated infrastructure

Robust manufacturing capabilities

5 facilities with all major regulated market approvals



Core focus

- Mirrored facilities for developing products
- Deploy systems that are highly automated and stringent, specifically in the labor intensive areas.
- Focus on technology and production processes that represent a clear advantage against the industry standard

Capabilities

1,660 KL capacity with capabilities in high vacuum distillation, hydrogenation, halogenation, Grignard reaction, polymer chemistry amongst others

Key approvals

Globally compliant API facilities with all regulatory approvals and adherence to the highest quality standards

Manufacturing strategy

Capacity creation after assurance of demand and location based diversification for minimizing concentration risk

Regulatory Approvals – Inspection Track Record

Regulatory Agency	Latest Inspections at			
	Puducherry	Cuddalore	Mangalore	Ambernath
United States	May 2017	Apr 2017	Jul 2018	Jan 2019
Europe	Nov 2014	Jan 2017	Sep 2017	Oct 2017
Geneva	---	Oct 2016	Feb 2018	---
India	Jul 2018	Jan 2018	Aug 2018	Dec 2017
TGA, Australia	---	May 1998	Feb 2013	---
United Kingdom	Jan 2017	Jan 2017	---	---
Japan	Nov 2007	Mar 2017	---	---

Regulatory Approvals – Inspection Track Record

Regulatory Agency	Latest Inspections at			
	Puducherry	Cuddalore	Mangalore	Ambernath
MFDS, South Korea	Feb 2017	Nov 2012	Jul 2018	---
Mexico	Sep 2015	Sep 2015	---	---
Slovenia	Feb 2015	---	---	---
Denmark	Oct 2008	Oct 2008	---	---
AEMPS, Spain	---	---	Sep 2017	---
Ireland	Nov 2014	---	---	---

*As Mysore is an intermediate site, no regulatory inspection has been conducted so far. Site has a valid GMP certificate issued by the Drug Control Department, Government of Karnataka

Facilities

Pondicherry Facility

- The buildings for the manufacturing of Intermediates and isolation of final drug substance are separate.
- Packing sections are controlled and meets ISO Class - 8 requirements.
- Reactors are in the range of 1200 L to 12,500 L of size with MOC of SS, MSGL, GL
- Highly flexible pilot plant with a broad range of equipment

Multipurpose Cuddalore Facility

- FDA inspected cGMP multi purpose API and intermediate facility
- Broad range of reactor sizes with flexible containment and LEV facilities. The facility has reactors varying in size from 250 L to 12500 L
- Different material of construction SS, GL, SS-GL, MS-GL, Hastealloy
- Temperature ranges from –90°C to +200°C
- Segregated hydrogenation facility with multiple gas scrubbing systems

Facilities

Multipurpose Mangalore Facility

- Multi purpose cGMP API and intermediate facility inspected by DCD, USFDA, WHO, EDQM, MFDS, TGA, AEMPS, ISO-14001
- 6 Full fledged cleanrooms meeting ISO class-8 slandered can hand six products simultaneously
- Broad range of stainless steal and Mild steal glass lined reactors of size from 250 L to 6300L
- Self contained “Pilot facility” having SS, GL and all glass reactors of size 20 Lit to 250Lt
- Pressure reaction facility, Operating temperature ranges from –20°C to +130°C

Multipurpose Ambernath Facility

- FDA inspected cGMP multi purpose API and intermediate facility
- The facility has reactors varying in size from 250 L to 8000 L
- Different material of construction SS, GL, SS-GL, MS-GL
- Temperature ranges from –20°C to +130°C
- Segregated hydrogenation facility with multiple gas scrubbing systems

Dedicated research and development capabilities

Two India based R&D Centre for best in class product development

Our R&D Centre in Chennai

Technical Expertise

Strong technical leadership to develop high-quality pharma products that create strategic value for our partners and customers

Product Selection

Focus on differentiated products characterized by complex formulations across diverse therapeutic categories

Development

R&D capability to develop over an entire cycle with new and better technologies at competitive cost

Regulatory Filings

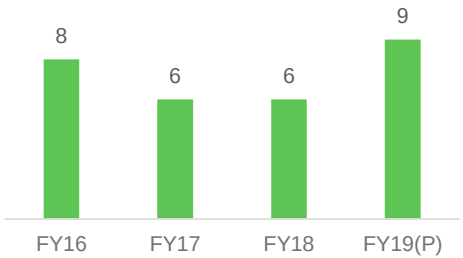
Strong IP assessment capabilities and strong global regulatory expertise

Our R&D Centre in Bangalore

Wide product offerings and pipeline

Rich basket of niche high value products for the global markets

DMF FILING RUN RATE



- 50+ Commercial APIs predominantly in Anthelmintic, Anti-malarias, Anti-infective, Neuromuscular Insomnia, Anti Psychotic Hyperkalemia, amongst others
- 20+ APIs under development across across Anthelmintic, Anti-malarias, Beta blockers, Muscle relaxants, Novel Oral Anti-Coagulants, Anti-infective and other niche segments
- 140+ DMFs filed

GEOGRAPHY WISE FILINGS

FDA — 78

World Health Organization — 11

edqm — 17

pmda — 08

Health Canada — 13

European Medicines Agency — 05

Australian Government, Department of Health, Therapeutic Goods Administration — 05

Ministry of Food and Drug Safety — 12

Promising approach for CRAMS

01 **Confidentiality**
Customer confidentiality guaranteed

02 **Responsiveness**
Highly responsive, customer focused teams from inquiry to delivery

03 **Performance**
Delivery performance a KPI, even at the proposal stage

04 **Team**
Dedicated Project Management, driving project execution and responding to customer need

05 **Transparency**
High level of communication, visibility and customer involvement

06 **Feedback**
Post-project customer survey to continuously monitor our performance and drive improvement

Wide Service Offerings

Contract Development (FTEs)
Lead Analogues, Building Blocks, Ref Stds

Custom Synthesis
Pilot campaigns, Clinical supply

Contract Manufacturing
APIs, Advanced Intermediates

CRAMS model for API

Contract manufacturing

Analytical and Regulatory support

R&D Capabilities in Synthetic Development

Polymer Chemistry

Carbohydrate chemistry

Inorganic chemistry

Peptide chemistry

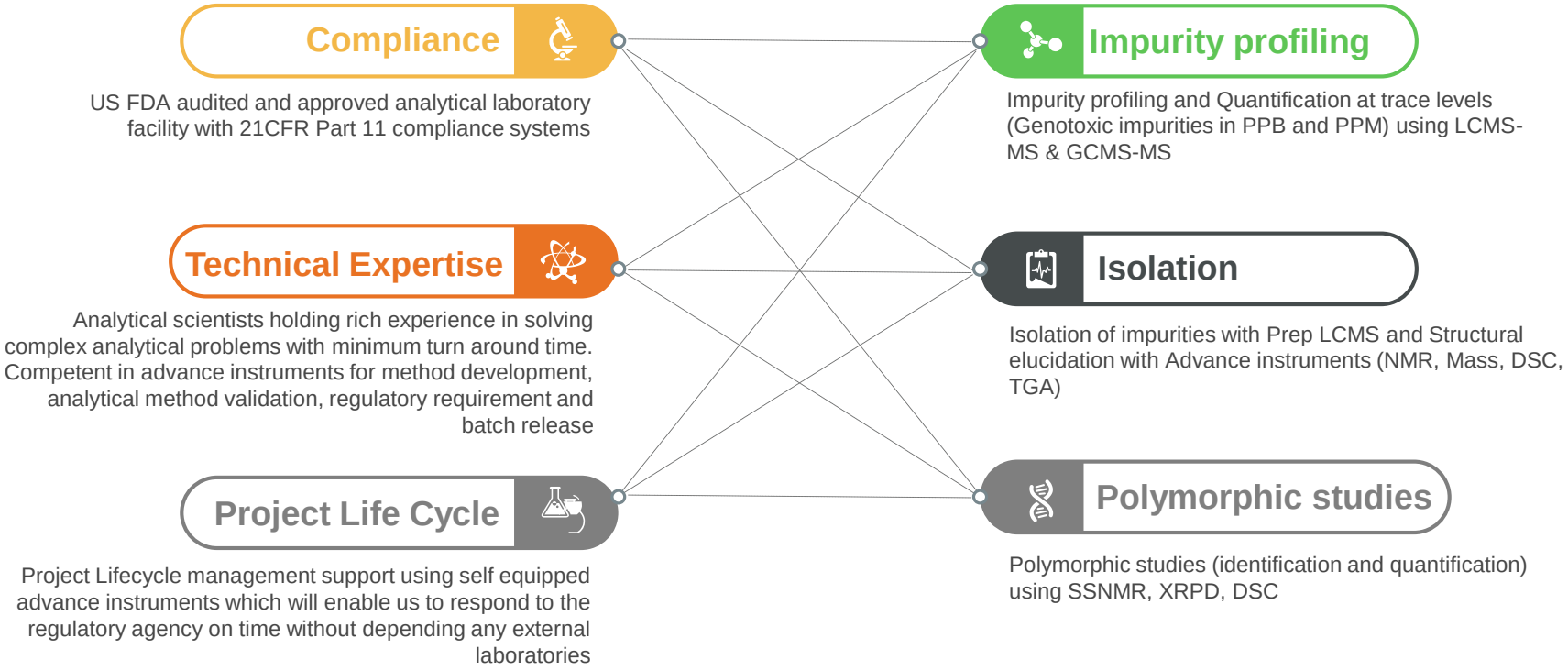
Organometallic chemistry

Multistep complex chiral molecules

Enzymatic chemistry &
Natural product synthesis

R&D Capabilities in Analytical Development

Analytical method validation and method transfer as per ICH guidelines and FDA requirement for key starting materials, Intermediates & API



Business development structure with customer centricity

High focus on customer advocacy

Business Development Team

Core focus around portfolio strategy, selection, new opportunities and business analytics

Go to market team

Post the handover from BD team, GTM team focusses on business execution, driving growth strategies and retaining customer business

Emptor (Customer centricity)

Aligned to execute business seamlessly while focusing on customer service, complaints, supply assurances and receivables

How do we differentiate over traditional API approach

- Focus on end to end process
- Customer centricity at the core
- Closed cohesive working with analytics and R&D

EHS and Safety

Zero Liquid Discharge System

- Low TDS treatment followed by Biological treatment system cum RO Plant.
- High TDS treatment followed by Pre Chemical treatment cum MEE & RO Plant.
- Agitator Thin Film Drier followed by MEE Plant to separate solids.
- Recovered water used in gardening and utility for plant
- Solids disposed to government authorized landfills

Biological Treatment Plant

- Biological Treatment Plant – LTDS & HTDS

MEE

- Multiple Effect Evaporation System (MEE Plant)

Q3FY19 and 9MFY19 PERFORMANCE.

AN EVENTFUL YEAR FOR THE STRATEGIC GOALS

Key Highlights for the quarter

We are pleased to report a stellar performance in this quarter led by encouraging revenue growth and our highest ever operating EBITDA for a quarter. Our strategic progression continues to be exciting with healthy base business expansion through long term contracts and introduction of new products. Overall, we remain confident of our high customer advocacy model driven by supply assurance and continued commitment to quality and compliance

Jitesh Devendra, MD and CEO

Quarterly Update(QoQ)

- Total Revenue was ₹3,601 Mn for Q3FY19 as compared to ₹3,437 Mn in Q2FY19, an increase of 5%.
- Operating EBITDA at ₹757 Mn for Q3FY19 as compared to ₹669 Mn during Q2FY19, an increase of 13%.
- Operating EBITDA Margin came in at 21.0% for Q3FY19 as against 19.5% for Q2FY19.
- Reported EBITDA stood at ₹656 Mn as compared to ₹494 Mn during Q2FY19, an increase of 33%.
- The Reported EBITDA factors R&D spent of ₹104 mn and ₹3 mn forex gain.

Quarterly Update(YoY)

- Total Revenue was ₹3,601 Mn for Q3FY19 as compared to ₹2,361 Mn in Q3FY18, an increase of 53%
- Operating EBITDA at ₹757 Mn jumped significantly by 222% over ₹235 Mn during Q3FY18
- Operating EBITDA Margin came in at 21.0% for Q3FY19 as against 10.0% in the corresponding period of previous financial.
- Reported EBITDA stood at ₹656 Mn as compared to ₹229 Mn during Q3FY18, an increase of 186%

9MFY19 Update(YoY)

- Total Revenue was ₹10,071 Mn for 9MFY19 as compared to ₹7,498 Mn in 9MFY18, an increase of 34%
- Operating EBITDA stood at ₹2,057 Mn as compared to ₹1,066 Mn during 9MFY18, an increase of 93%
- Operating EBITDA Margin at 20.4% for 9MFY19 as against 14.2% in 9MFY18
- Reported EBITDA stood at ₹1,615 Mn as compared to ₹1,040 Mn during 9MFY18, an increase of 55%

Key Business Highlights for the quarter

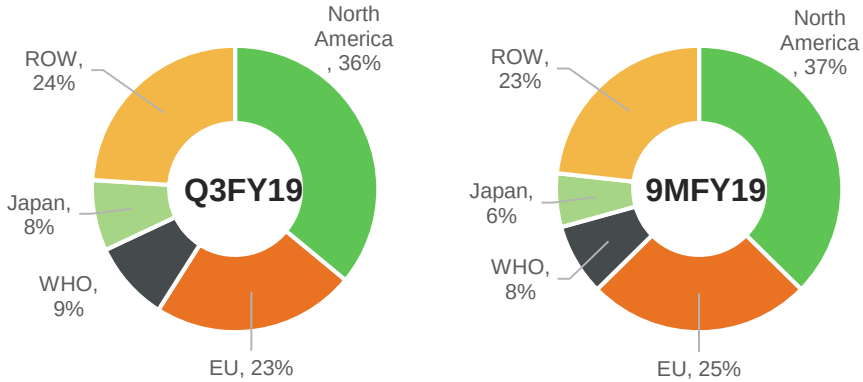
Base Business

- During Q3FY19, Base business grew by 3% over Q2FY19.
- Growth in base business emanated from both volume and price.
- Top 10 Customer account for 55% revenues while Top 10 products account for 78%.

New Products

- One new product commercialized in Q3FY19 putting together a total of three new products commercialized in the ongoing fiscal.
- New products accounted for 11% of total revenue in Q3FY19
- Three new DMFs filed in Q3FY19 and in line with the plan to file 10+ DMFs in the current fiscal

Split by End-Geography



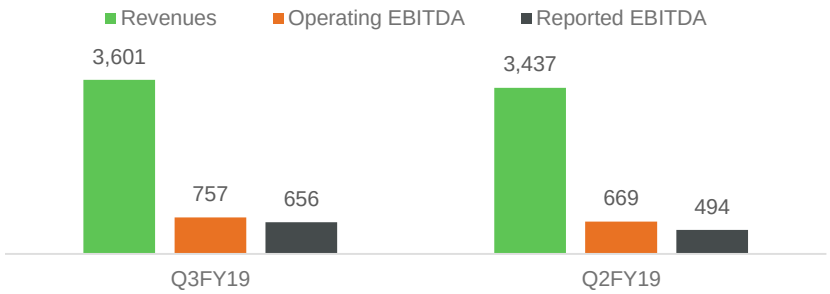
Figures in ₹mn, unless a % or stated otherwise. All financial numbers are for the continuing business

Q3FY19 Performance - QoQ

Financial Highlights

Particulars	Q3 FY19	Q2 FY19	QoQ
Revenue	**3,601**	**3,437**	**5%**
Operating EBITDA	**757**	**669**	**13%**
OP EBITDA Margins	*21.0%*	*19.5%*	*150 bps*
R&D Cost	-104	-111	
Forex gain/(Loss)	3	-64	
Reported EBITDA	**656**	**494**	**33%**
Reported EBITDA Margins	*18.2%*	*14.4%*	*380 bps*

Quarterly Trend



Key Updates

- Continued momentum in the new products offtake with steady growth in the base business
- Operating margins improved by ~ 150 basis points due to growth in new products and improved price realization
- R&D efforts on track with focus on new product development and cost improvements.
- Forex gain of ₹3mn as against loss of ₹64mn in the previous quarter due to our guarded debt strategies. The Working capital PCFC forex loan component has come down from $38 Mn in March'18 to $7.5 Mn in Dec'18

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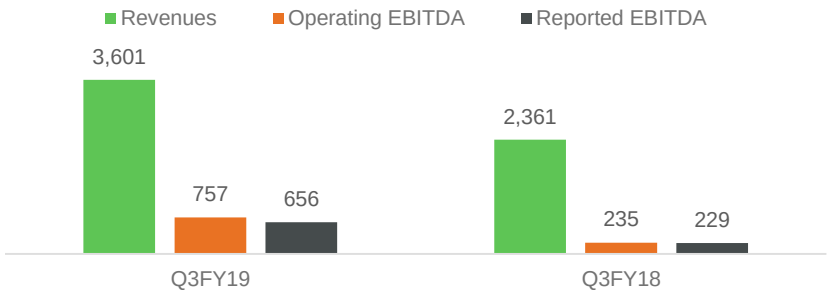
Q3FY19 Performance- YoY

Financial Highlights

Particulars	Q3 FY19	Q3 FY18	YoY
Revenue	**3,601**	**2,361**	**53%**
Operating EBITDA	**757**	**235**	**222%**
OP EBITDA Margins	*21.0%*	*10.0%*	*1100 bps*
R&D Cost	-104	-53	
Forex gain/(Loss)	3	47	
Reported EBITDA	**656**	**229**	**186%**
Reported EBITDA Margins	*18.2%*	*9.7%*	*850 bps*

Quarterly Trend



Key Updates

- Operating EBITDA improvement over previous year on account of new product launches & growth in base business
- 2x increase in investments in R&D for new product development and cost improvement initiatives

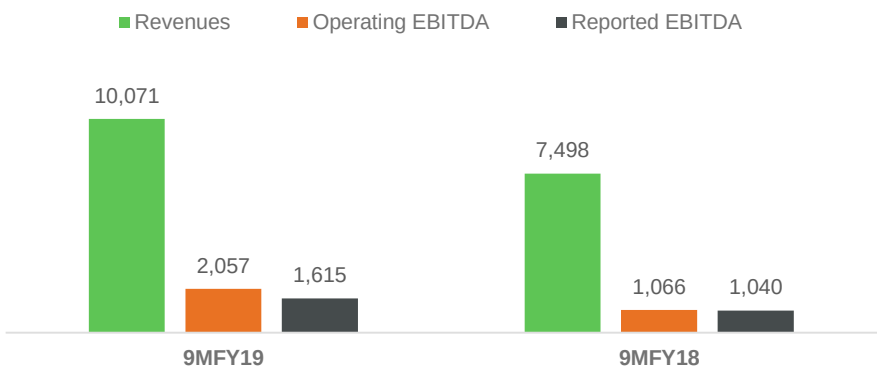
Figures in ₹mn, unless a % or stated otherwise. All financial numbers are for the continuing business

9MFY19 Review

Financial Highlights

Particulars	9MFY19	9MFY18	Change
Revenue	**10,071**	**7,498**	**34%**
Operating EBITDA	**2,057**	**1,066**	**93%**
OP EBITDA Margins	*20.4%*	*14.2%*	*620 bps*
R&D Cost	-312	-75	
Forex gain/(Loss)	-129	49	
Reported EBITDA	**1,615**	**1,040**	**55%**
Reported EBITDA Margins	*16.0%*	*13.9%*	*210 bps*

9M Trend



Key Updates

- Growth in Revenue by 34% due to continued growth in base business & new product launches.
- Operating EBITDA up by 93% due to price increase; volume growth and cost improvement program
- 3x growth in R&D investments to develop new products and product robustness.
- Filing run-rate anticipated at 10+ APIs/year
- Debt position as of Dec'18 (Term Loan – ₹ 3,236 Mn and Working capital – ₹ 3,402 Mn)

Figures in ₹mn, unless a % or stated otherwise. All financial numbers are for the continuing business

Corporate Update

The proposed investment by TPG, a leading private equity investor along with the promoter group demonstrates the confidence investors have reposed on Solara from a long-term perspective. This development will accelerate Solara's growth strategy to be amongst the top API companies globally

Jitesh Devendra, MD and CEO

Key Updates

- The board of directors at their meeting held today also approved an aggregate fundraising of ₹4,600 Mn over a period of 18 months from the Promoters' Group and TPG Growth IV SF Pte. Ltd. (TPG Growth) through allotment of convertible warrants.

- The key details are:
  - The Promoters' group will infuse an aggregate amount of ₹2,600 Mn for 6.5 Mn warrants at ₹400 per share which is 30%+ premium over preceding 26 weeks average and 15%+ premium over preceding 2 weeks average of Solara's Share Price as on the relevant date
  - TPG will infuse an aggregate amount of ₹2,000 Mn for 4.0 Mn warrants at ₹500 per share which is 65%+ premium over preceding 26 weeks average and 45%+ premium over preceding 2 weeks average of Solara's Share Price as on the relevant date
  - TPG will have no special rights or a separate shareholders agreement, however Solara will offer one Board seat to a TPG nominee.
  - Solara proposed to utilize the proceeds for setting up a large-scale greenfield manufacturing facility and cater for future growth opportunities with no additional leverage.

Figures in ₹mn, unless a % or stated otherwise. All financial numbers are for the continuing business

5 years perspective

Business Continuity

Portfolio of new products and new customers to augment current base and enable steady growth

Worldwide Presence

Established strongholds in key regulated markets and growth territories

Robust Product base

Constant stream of revenue from new product validations

Best Customer Connect

Organization Focus to win with customer delight as the primary goal

Well on its path to become a leading pure-play API company with focus on highly compliant business operations and customer advocacy

SOLARA
Active Pharma Sciences

Thank you

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