OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 15 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 25 and 322, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Consolidated Financial Information included in this Red Herring Prospectus. For further information, see "Restated Consolidated Financial Information" on page 249. Our financial year ends on March 31 of each year, so all references to a particular Financial Year/ Fiscal are to the twelve-month period ended March 31 of that year.

Unless the context otherwise requires, in this section, references to "we", "us" and "our" are to Sai Life Sciences Limited on a consolidated basis while references to "our Company" or "the Company", are to Sai Life Sciences Limited on a standalone basis.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Independent Market Assessment of the Global and Indian CRDMO Market" dated November 25, 2024 (the "F&S Report") prepared and issued by Frost & Sullivan (India) Private Limited ("F&S"), appointed by us on April 15, 2024 and exclusively commissioned and paid for by us in connection with the Offer. A copy of the F&S Report is available on the website of our Company at https://www.sailife.com/investors/.

Overview

We are an innovator-focused, contract research, development, and manufacturing organization ("CRDMO"). We provide endto-end services across the drug discovery, development, and manufacturing value chain, for small molecule new chemical entities ("NCE"), to global pharmaceutical innovator companies and biotechnology firms. We possess both (a) discovery / contract research ("CRO") and (b) chemistry, manufacturing, and control ("CMC") / contract development and manufacturing organization ("CDMO") capabilities. We are the fastest-growing Indian CRDMOs among listed Indian peers in terms of revenue CAGR as well as EBITDA CAGR from Financial Year 2022 to Financial Year 2024. (Source: F&S Report) Our CRDMO platform provides multiple entry points for us to acquire customers in the intermediate stages of their new drug discovery to commercialization journey. We are also one of the few CRDMOs to have a differentiated delivery model of having research laboratories for discovery and development located near overseas innovation hubs at Watertown (Greater Boston, MA), United States ("US") and Manchester, United Kingdom ("UK"), complemented by large-scale research laboratories and manufacturing facilities in cost competitive locations in India. (Source: F&S Report) During the Financial Year 2024 and six months period ended September 30, 2024, we served more than 280 and 230 innovator pharmaceutical companies, respectively, including 18 of the top 25 pharmaceutical companies (in terms of revenue for the calendar year 2023), across regulated markets, including the US, the UK, Europe and Japan. (Source: F&S Report) During both the Financial Year 2024 and six months period ended September 30, 2024, we also provided CRO services to more than 60 customers, respectively, on an ongoing basis, for their integrated drug discovery programs. As of September 30, 2024, our CDMO product portfolio included more than 170 innovator pharmaceutical products, including 38 products that were supplied for manufacturing of 28 commercial drugs. A brief summary of our CRO and CDMO services is set out below:

- Our CRO services include integrated discovery ("Discovery") capabilities across biology, chemistry, and drug metabolism and pharmacokinetics ("DMPK"). We have provided services for more than 200

small molecule discovery programs in the past five years and the six months period from September 30, 2024 and to more than 160 customers in the past three years and six months period ended September 30, 2024. At least five of the discovery programs that we have provided services for have culminated in the approval of drugs that are now commercially available in the market and at least 40 programs having resulted in Investigational New Drug ("IND") filings. During the Financial Year 2024 and six months period ended September 30, 2024, we served more than 60 customers, respectively, for their integrated drug discovery programs, an increase from 29 customers in the Financial Year 2019. We provide Discovery services through our Unit II Hyderabad Facility (as defined below) and Greater Boston Facility (as defined below).

• Our CDMO services include comprehensive capabilities that support our customers in the development and scaling up production of active pharmaceutical ingredients ("APIs") (i.e., the active ingredients used in medications) and intermediates (i.e., chemical compounds used for the manufacture of APIs) for clinical phase and commercial phase supplies. As of September 30, 2024, our development and manufacturing portfolio consisted of 38 APIs and intermediates used in the manufacturing of 28 commercial drugs, including seven blockbusters (drug products with annual sales of over US$1 billion in the Financial Year 2023) and 12 products for 11 APIs that were either undergoing or had completed Phase III clinical trials (Source: F&S Report). This portfolio of 50 commercial and late phase products as of September 30, 2024, increased from 23 products, as of March 31, 2019, representing a 117% growth in our portfolio over the five and a halfyear period. The commercial and late phase products typically offer higher potential for return and a stable source of revenue given that they are commercialized or close to commercialization. In addition, our portfolio consists of 120 186 products in various stages of development across pre-clinical, Phase I and Phase II clinical trial stages. We provide these CMC services through our Unit IV Bidar Facility (as defined below), Unit II Hyderabad Facility (as defined below) and Manchester Facility (as defined below). Our CMC services are broadly classified as early-phase (pre-clinical to Phase II) and late phase (commercial, Phase III and post-Phase-III products). Our product portfolio and customer base are diversified, encompassing commercial, late-stage and early-stage CMC molecules and discovery programs. As of September 30, 2024, no single customer accounted for more than 8.00% of our revenue from operations. Additionally, we are also one of the few Indian CRDMOs to combine discovery and development operations in the US, the UK and India, with manufacturing capabilities in India. (Source: F&S Report) We have strategic presence, located in close proximity to innovation clusters in Boston, US and Manchester, UK. Presence in innovation hubs facilitates access to the latest research trends, talented global workforce, and potential collaboration within innovation hubs, while our facilities in India offer a cost-competitive advantage for conducting drug discovery research activities at scale, development and large-scale commercial production of products (Source: F&S Report). Our continuing and expanding customer relationships are developed by our 16-member business development team, distributed across US, UK, Europe, and Japan.

We provide our services through our globally accredited manufacturing and R&D facilities with quality systems that are supported by a qualified pool of scientists, engineers, and other scientific staff. As of September 30, 2024, we had 2,353 scientific staff, with majority of our scientific team holding advanced degrees, including 302 PhDs and 1,475 master's degrees. Our manufacturing facilities have received several regulatory approvals from the United States Food and Drug Administration ("USFDA"), the Pharmaceuticals and Medical Devices Agency, Japan ("PMDA") and the state level drug control departments which are arms of the Central Drug Standards Control Organization, India ("CDSCO"). During the past three Financial Years and the six months period ended September 30, 2024, our manufacturing units were subject to more than 100 audits by our customers. These facilities feature flexible manufacturing setups, including large scale reactors for high-volume products and some production areas specifically designed to accommodate modern drug development pipelines that produce relatively smaller quantities but involve more intricate chemical processes.

Furthermore, we are led by an experienced management team, with our senior management having an average of more than 25 years' experience in the global CRDMO industry. Our management team is guided by our Chairman and Whole time Director, Kanumuri Ranga Raju and Managing Director and Chief Executive Officer, Krishnam Raju Kanumuri. As of September 30, 2024, we had 3,135 employees, with capabilities across the CRDMO value chain. We are supported by an experienced Board and financial investors, including TPG Asia VII SF Pte Ltd and HBM Private Equity India, who have partnered with us since 2018 and 2016, respectively. Our Board is committed to corporate governance principles that ensure accountability, fairness, and transparency in our business practices.

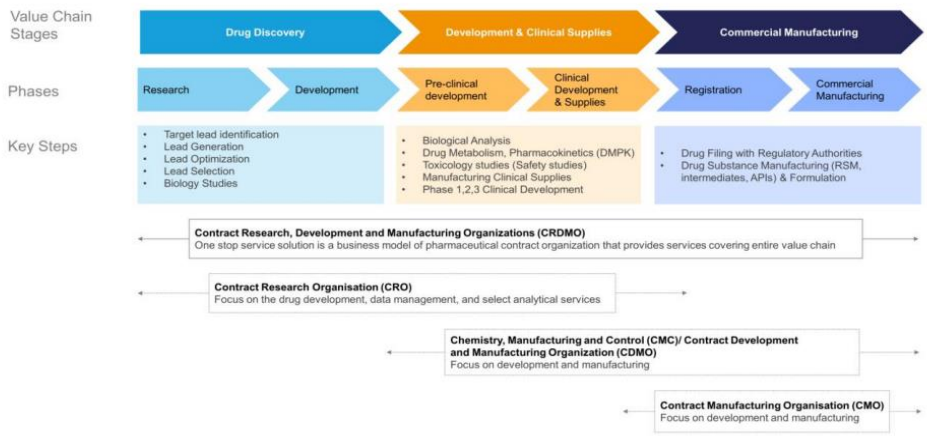
We seek to maintain high standards of health, safety, and environment ("HSE") across all our facilities, including fire protection systems, effective effluent and waste management practices and containment systems that enables efficient handling of chemicals within a closed ecosystem, minimizing exposure to both employees and the environment while also ensuring plant safety. We are committed to sustainability and have adopted several environment, social and governance ("ESG") strategies and initiatives to mitigate the environmental impact of our operations. For example, as part of an energy conservation plan, we have identified and executed various initiatives of energy savings in production, utilities and effluent treatment in Financial Year 2024, including the centralization of air compression and installation of energy efficient pumps. We also increased the use of renewable energy at our Unit IV Bidar Facility, to 89% in Financial Year 2024 from 67% in the Financial Year 2022, resulting in reduction of carbon di-oxide emissions. Furthermore, we are the first India-headquartered Company to become a member of the Pharmaceutical Supply Chain Initiative's ("PSCI") and have also received silver rating sustainability by EcoVadis, a global provider of business sustainability ratings.

Strengths

1. **One of the largest integrated Indian CRDMOs in terms of revenue from operations for the Financial Year 2024, acting as a one-stop platform for discovery, development and manufacturing**

   We are one of the largest integrated CRDMOs among listed Indian peers in terms of revenue from operations for the Financial Year 2024, serving as a one-stop platform for discovery, development and manufacturing. (Source: F&S Report)

   The table below represents the value chain stages, phases and key steps provided by our Company which allow us to provide end-to-end support from discovery to commercialization ("follow the molecule")



As illustrated in the image above, we have established capabilities across drug discovery, development and manufacturing value chain. This providesseveral advantages, which include the ability for us to provide end-to-end support from discovery to commercialization ("follow the molecule") as well as multiple entry points to acquire customers in intermediate stages of their discovery to commercialization journey. By establishing and maintaining connections with customers early in the drug discovery process, we are able to accompany our customers end-to-end in every stage of drug development, from initial research to final production if our customers engage us throughout their discovery or commercialization journey. We believe that this provides customers with the benefits of speed, cost and innovation through continuity and relatively faster transition through the various phases of drug development.

Furthermore, we have demonstrated our capabilities to take over and scale-up customers' programs through technology transfers from other CRDMOs. As of September 30, 2024, our CDMO portfolio constituted 50 "late phase" (products which are undergoing or have completed Phase III clinical trials) or commercial products, 34 of which underwent process development in our R&D facilities before entering Phase III clinical trials, and the remaining 16 were transferred to our manufacturing facilities from another facility. This indicates our ability to both "follow the molecule" as well as absorb technology quickly from the customers or their existing CDMO, providing multiple entry points to customers.

With respect to the CRO services, for the Financial Year 2024 and six months period ended September 30, 2024, 75.19% and 83.46% of our total revenue from chemistry services, respectively, was derived from customers who also engaged our biology and/or DMPK service.

2. CDMO platform with a diverse mix of commercial and under-development molecules

We provide end-to-end development and manufacturing services covering the full value chain for intermediates and APIs. As of September 30, 2024, our development and manufacturing portfolio constituted 38 products used in the production of 28 commercial drugs, including seven blockbusters (drug products with annual sales of over US$1 billion in the Financial Year 2023) and 12 products used in the production of 11APIs that were either undergoing or had completed Phase III clinical trials (Source: F&S Report). In addition, as of September 30, 2024, we also have a portfolio of 120 products in various stages of development across pre-clinical, Phase I and Phase II clinical trial stages.

As per the F&S Report, strong technical and R&D infrastructure capabilities, availability of skilled scientific talent and 189 quality manufacturing with clean track record of regulatory compliance, are some of the key success factors for a CDMO. We offer comprehensive small molecule technology capabilities through our scientific talent and laboratory infrastructure combined with a differentiated delivery model. Our capabilities in complex chemistry, advanced chemical synthetic approaches (such as chiral chemistry, biology and chemistry catalysis), advanced production technologies (such as flow chemistry, column chromatography, lyophilization, cryogenics and high pressure reactions) and comprehensive analytical testing methods (such as solid state characterization and structure elucidation) allow us to service a wide range of customers' specific needs ranging from conventional small molecules to highly potent oncology APIs ("HPAPIs"), peptide APIs, contrast agents to building blocks of oligonucleitode and other RNA based therapeutics.

Notably, our technical and R&D infrastructure capabilities resulted in us being awarded an early stage, complex and lengthy carbohydrate chemistry project with several chemical steps by an innovator pharmaceutical company, which, as per the F&S report, is ranked among the top 25 pharmaceutical companies (in terms of revenue for calendar year 2023). As a result of our R&D team's process development efforts, we were able to reduce the cost for this company by more than 70%, and we were also able to improve its yield. As of the date of this Red Herring Prospectus, we continue to manufacture this product commercially.

We also offer manufacturing services that are supported by our R&D capabilities. Our infrastructure and equipment are built with a high degree of containment, automation and connectivity for the plant infrastructure to increase safety, precision of data collection and ensure that the final products manufactured consistently meet the required quality standards. Our Unit IV Bidar Facility has received approvals pursuant to audits conducted by the USFDA, the PMDA, Federal Commission for the Protection against Sanitary Risk of Mexico ("COFEPRIS Mexico") and has undergone more than 250 audits by our customers as of September 30, 2024. In terms of our manufacturing philosophy, we are focused on environment, health and safety in our design, operations, and culture.

As of September 30, 2024, approximately 28.00% of the combined total of 50 late phase (commercial, Phase III and postPhase-III products) and 35.83% of the 120 early-phase products in our portfolio are APIs. We believe that this percentage of APIs in the product portfolio reflects our customers' confidence in our quality and regulatory compliance. 16 of these 50 late phase products were transferred to our manufacturing facilities from another facility.

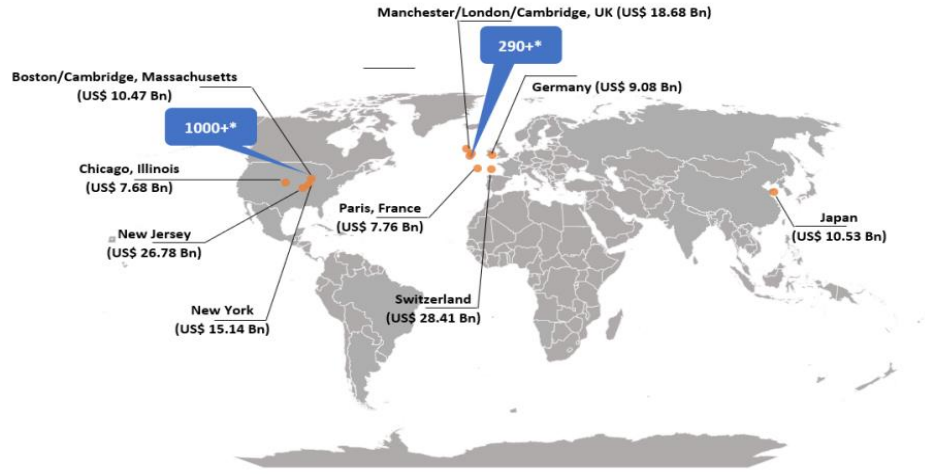
3. **Fast-growing, integrated Discovery capabilities with focus on biology, chemistry and DMPK services**

Our Discovery business grew at a CAGR of approximately 34.77% from Financial Year 2022 to Financial Year 2024. We added 230 new customersfrom the Financial Year 2019 to the Financial Year 2024, and we served more than 200 customers in each of the Financial Years 2022, 2023 and 2024 and 176 customers for the six months period ended September 30, 2024. The number of customers outsourcing their integrated discovery programs to us increased from 29 in the Financial Year 2019 to over 60 in the Financial Year 2024 and in the six months period ended September 30, 2024. In the past five years and the six months period from September 30, 2024, we provided services for more than 200 small molecule discovery programs, with at least five of these programs having culminated in the approval of drugs that are now commercially available in the market, and at least 40 programs have resulted in IND filings. Our co-located technical competencies spans biology, chemistry and DMPK services within our Unit II Hyderabad Facility where our scientific services are conducted by a single CRO for time and cost efficiencies, enables an "integrated drug discovery" process for our customers. We have biology capabilities both in the Unit II Hyderabad Facility and the Greater Boston Facility, which enables us to engage an increasing share of customers to co-locate their discovery activities with us. Through our Greater Boston Facility, we have developed and transferred over seven and one biology assays that have enabled us to onboard eight drug discovery customers for conducting larger discovery programs in India for Financial Year 2024 and the six months period ended September 30, 2024. In Financial Year 2024 and six months period ended September 30, 2024, 75.19% and 83.46% of our revenue, respectively, from chemistry services were from customers who availed biology and/or DMPK services as well. This includes customers who outsourced their discovery programs to us on an FTE basis, which is one of our two models for service fee arrangement. For more information on our FTE model, please see "Business Section – Contractual Arrangements".

Our scientific talent and laboratory infrastructure support diverse therapeutic areas such as oncology, immuno-oncology, CNS, autoimmune diseases, metabolic disorders, fibrosis, rare diseases, and more. As of September 30, 2024, we had 1,092 scientific staff engaged in offering discovery services, with majority of our scientific team holding advanced degrees, such as PhDs or master's degrees. We use high-throughput automated equipment in our biology and DMPK laboratories to deliver quality and high-volume data with very short turnaround times.

We are also one of the few CROs to have a dedicated R&D facility for one of our customers. (Source: F&S Report) Having a dedicated R&D facility demonstrates our ability to serve our customers with a comprehensive set of capabilities and longterm commitment by the customer. In 2023, one of our customers chose us through the request-for-proposal process to establish a specialized integrated drug discovery R&D centre within our premises to address the needs of this specific customer. This facility is staffed with a dedicated team of 90 professionals as of September 30, 2024

4. **Modern R&D infrastructure with a differentiated delivery model and strong regulatory track-record.**
   We have established a fully integrated CRDMO platform with access to talent from across the world (Source: F&S Report). We are the only CRDMO among the listed Indian peers that can conduct development activities in close proximity to our customers, and transfer technology for manufacturing back to India. (Source: F&S Report) We have strategic presence and we are located in close proximity to innovation clusters in the Greater Boston Facility and the Manchester Facility. Presence in innovation hubs facilitates access to the latest research trends, talented global workforce, and potential collaboration within innovation hubs, while our facilities in India offer a cost-competitive advantage for conducting drug discovery research activities at scale, development and large-scale commercial production of products. (Source: F&S Report) The map below indicates the global pharmaceutical and innovation hubs



Source: F&S Report

Notes: * Number of biotechnology and pharmaceutical companies
(1) Figures mentioned in the bracket are total R&D spending in US$ billion.
(2) In 2022, approximately 57% of global R&D spending were in these nine pharmaceutical hubs. Boston, London and Manchester do carry out significant pharmaceutical and biotechnology activities with approximately 11% of global R&D spending in these regions.

Our facilities have received several regulatory approvals and are subject to stringent quality standards and specifications, specified by our customers. Our facilities feature flexible set-ups, including large scale reactors for high-volume products, with some of our production areas specifically designed to accommodate modern drug development pipelines that produce relatively smaller quantities but involve more intricate chemical processes. We have four main facilities, each serving a unique purpose in drug discovery, development and manufacturing and adhering to applicable standards of safety, quality and regulatory compliance, in:

• Bidar, India (the "Unit IV Bidar Facility"): This serves as our primary manufacturing facility. With more than 425 KL of reactor capacity and employing a team of 658 scientific staff, as of September 30, 2024, the manufacturing blocks in our Unit IV Bidar Facility are designed as multi-purpose production trains, which allows for quick changes across multiple production processes. This facility has received approvals pursuant to audits conducted by the USFDA, PMDA Japan, and COFEPRIS Mexico, and it has undergone more than 250 audits by our customers, as of September 30, 2024.

• Hyderabad, India (the "Unit II Hyderabad Facility"): This facility houses a fully integrated R&D campus for Discovery R&D, CMC process development and clinical phase manufacturing with a 372 member CMC R&D team and 1,074 member Discovery services R&D team as of September 30, 2024. The R&D centre within this facility houses the pilot manufacturing facility and an analytical testing and release laboratory, which have been inspected by the USFDA.

• Watertown (Greater Boston, MA), United States (the "Greater Boston Facility"): Our Greater Boston Facility has a team of 20 scientific staff and hosts an exploratory biology laboratory and houses advanced cellular and biochemical analysis platforms as of September 30, 2024. For Financial Year 2024 and the six months period ended September 30, 2024, the facility has developed and transferred eight biology assays, respectively, that has enabled us to onboard eight drug discovery customers for conducting larger discovery programs in India.

• Manchester, United Kingdom (the "Manchester Facility"): We have established and expanded a laboratory setup in our Manchester Facility, titled as 'Centre of Excellence', in process chemistry equipped with modern laboratories. It provides development, scale-up and technology transfer to our India-based sites and is staffed by 57 scientists as of September 30, 2024. For the Financial year 2024 and the six months period ended September 30, 2024, this site has enabled us to develop and transfer over 11 manufacturing processes to our plants in India. 192 In addition to the above-mentioned facilities, we also have an intermediate manufacturing plant ("Unit III Bollaram Facility") with 44 kL of reactor capacity in Bollaram near Hyderabad, India. Since August 2024, our site, which manufactures APIs for oncology products with segregation and containment requirement in Bidar ("Unit VI Bidar Facility") has been commissioned. The Unit VI Bidar Facility, together with the HPAPI block in Unit IV will enable us to cater to the oncology API market.

5. Experienced management team and Board supported by a qualified scientific talent pool

We are led by our team of senior management who possess significant experience in the pharmaceutical industry, both in India and internationally. For further details regarding our management team, including the industry experience of our other Key Managerial Personnel and Senior Management Personnel, please refer to "Our Management" on page 224. Members of our senior management team have more than 25 years of average experience. Our management team is led by our experienced promoters, Kanumuri Ranga Raju, and Krishnam Raju Kanumuri, who serve as the Chairman and Whole time Director and Managing Director and Chief Executive Officer of our Company, respectively. Kanumuri Ranga Raju founded the Company in 1999, and has driven the Company's growth through expansion, acquisitions and mergers, establishing it as a CRDMO in India. We are also supported by our Chief Financial Officer, Sivaramakrishnan Chittor, our Chief Operating Officer, Sauri Gudlavalleti, Maneesh

Raghunath Pingle, Executive Vice President & Head –Discovery Services, and Tuneer Ghosh, Executive Vice President & Head –Chemistry, Manufacturing and Controls of our Company.

We are supported by our financial investors, including TPG Asia VII SF Pte Ltd and HBM Private Equity India, who have partnered with us since 2018 and 2016, respectively. Our experienced Board is committed to corporate governance principles that ensure accountability, fairness and transparency in our business practices. Our governance framework is the cornerstone of our corporate integrity. For further details regarding our Board, please refer to "Our Management — Our Board"

We are also supported by a qualified team of scientists and scientific staff, with over eight years of average industry experience. Beyond their qualifications, our scientists actively engage in ongoing education about the latest scientific and regulatory insights. Their collective expertise spans various disciplines, equipping them to undertake and oversee a multitude of functions across our business segments. This multidisciplinary knowledge allows us to allocate resources to meet customers' needs and enhances our overall efficiency. As of September 30, 2024, the majority of our scientific team held advanced degrees, such as PhDs and master's degrees.

6. Strategic business investments with improving profitability metrics

We are the fastest-growing Indian CRDMO among listed Indian peers in terms of revenue CAGR as well as EBITDA CAGR from Financial Year 2022 to Financial Year 2024. (Source: F&S Report) This growth is complemented by a trend of improving margins. Our strategic initiatives which are focused on operational efficiencies, cost management and value creation allow us to not only grow but also improves our profitability and return on capital. For Financial Years 2024, 2023, 2022, and for the six months period ended September 2024, our total revenue from operations was ₹14,651.78 million, ₹12,171.39 million, ₹8,695.93 million and ₹6,752.85 million, respectively, representing a CAGR of approximately 29.80% from Financial Year 2022 to Financial Year 2024. For Financial Years 2024, 2023 and 2022, our EBITDA margin was 20.48%, 14.97% and 15.07%, respectively and the EBITDA CAGR was 51.32% from Financial Year 2022 to Financial Year 2024. For Financial Years 2024, 2023, 2022 and six months period ended September 2024, our profit after tax was ₹828.09 million, ₹99.89 million, ₹62.26 million and ₹280.12 million, respectively. Please see "Our Business – Overview" on page 185 for information on our financial and operational information. This positions us well against competitors and provides the foundation for future financial health and shareholder value. One of our notable investments in this regard includes our organizational transformation initiative, "Sai Nxt", to augment our talent, processes, and infrastructure.

Strategies

1. Increase cross-selling with existing customers and win new customers.

We seek to increase average spending from existing customers through deeper engagement and cross selling of our services. We served a diverse customer base of more than 280 and 230 innovator pharmaceutical companies, that includes global pharmaceutical companies and biotechnology firms in Financial Year 2024 and in the six months period ended September 30, 2024, respectively. Our clientele includes 18 out of the top 25 pharmaceutical companies, in terms of revenue for the calendar year 2023, across regulated markets, including the US, the UK, Europe and Japan (Source: F&S Report). Moreover, the overall penetration of the global R&D outsourcing services market increased from 36.7% in 2018 to 41.1% in 2023 and is further expected to grow to 46.6% by 2028. (Source: F&S Report) For the last three Financial Years, approximately 32% of our revenue came from customers who availed more than one of our CMC services (including early phase development and late phase manufacturing

services) and approximately 70% of our revenue came from customers who availed more than one of our Discovery services (including chemistry, biology and/or DMPK services) and for the six 193 months period ended September 30, 2024 approximately 37.89% of our revenue came from customers who availed more than one of our CMC services (including early phase development and late phase manufacturing services) and approximately 72.76% of our revenue came from customers who availed more than one of our Discovery services (including chemistry, biology and/or DMPK services).

In addition to increasing penetration with existing customers, securing new customers is a key priority for us. Over the past three Financial Years and the six months period ended September 30, 2024, we have onboarded three large pharmaceutical companies and 147 biotechnology companies. These new partnerships have not only demonstrated our strengths but have also opened opportunities for cross-selling and upselling our services. By delivering quality research and manufacturing solutions, we aim to deepen these relationships, turning initial contracts into long-term collaborations.

We also aim to capitalize on the increasing demand for integrated Indian CRDMOs. Demand for Indian CRDMOs providing integrated services is significantly increasing, driven by shifting geopolitical factors that are significantly increasing, such as the "China plus one" strategy, effect of the Biosecure Act and Inflation Reduction Act, among others. (Source: F&S Report) Given our ability to "follow the molecule" and provide multiple entry points to customers, we believe that we are well-positioned to leverage these industry trends and drive future growth.

We expect that our future success in existing customer penetration and new customer acquisition to a large extent will depend on trained delivery personnel, project management and business development teams. As of the date of this Red Herring Prospectus, our business development team includes 16 experienced and scientifically qualified professionals, of which, six are based in the US, nine in the UK and Europe, and one member is located in Japan. This team is dedicated to understanding customers' needs and solving their research problems and strive to increase our visibility through participation in conferences, training sessions, trade shows, speaking engagements and seminars.

2. **Continue to build a strong commercial development and manufacturing portfolio of CMC capabilities.**

As of September 30, 2024, our development and manufacturing portfolio consisted of 38 APIs and intermediates used in the manufacturing of 28 commercial drugs, including seven blockbusters (drug products with annual sales of over US$1 billion in the Financial Year 2023) and 12 products for 11 APIs that were either undergoing or had completed Phase III clinical trials (Source: F&S Report).

We expect to continue this "follow the molecule" strategy through the MSAs with eight pharmaceutical companies that provide us with an ongoing flow of early phase products and grow our commercial portfolio by continuing to support the advancement of the early-stage products in our portfolio to late phase and eventual commercialization. Additionally, we continue to expand our pipeline of products through our business development team located in close proximity to our customers in the US, the UK, Europe and Japan.

We also intend to strengthen our position as an alternative for customers looking to add outsourcing sites in Asia and directly add late phase and commercial products through technology transfer. Pharmaceutical companies typically engage two manufacturers closer to commercialization or post-commercialization of the drugs that they manufacture to mitigate the risk associated with relying on a single supplier. We have successfully completed technology transfers of 11 late phase and commercial products in the last three years and seek to become a partner of choice for customers looking for geographical diversification.

3. **Pursue more integrated Discovery projects to drive customer stickiness along with larger integrated Discovery programs**

The revenue from our contract research increased from ₹2,737.28 million in the Financial Year 2022 to ₹4,971.70 million in the Financial Year 2024 and from ₹2,622.50 million in the six months period ended September 30, 2023 to ₹2,879.24 million in the six months period ended September 30, 2024. During both the Financial Year 2024 and six months period ended September 30, 2024, more than 60 customers, respectively, availed our services for their integrated drug discovery programs, an increase from 29 customers availing our services for integrated discovery programs in the Financial Year 2019. While chemistry is the largest Discovery service we provide in terms of revenue and laboratory capacity utilization, 75.19% and 83.46% of our revenue from chemistry services for the Financial Year 2024 and six months period ended September 30, 2024, respectively, was from customers who engaged our biology and/or DMPK services. The rise in integrated offerings by Indian companies with increased biology and DMPK capabilities is driving significant growth in Discovery and pre-clinical segments. Among the functions of the value chain, the pre-clinical development is expected to grow at a significantly faster pace at 15.7% from Financial Year 2023 to 2028. (Source: F&S Report) We intend to leverage our integrated Discovery offerings, built on our advanced, co-located chemistry, biology and DMPK capabilities to acquire new customers and increase our market share in existing programs. During the Financial Year 2024 and six months period ended September 30, 2024, we provided Discovery services, including chemistry, biology and DMPK services to 222 and 176 customers, respectively. We also intend to increase our revenue from Discovery services by providing standalone chemistry, biology and DMPK services to new customers acquired through the effort of our business development teams located in US, UK, Europe and Japan. For more information on our differentiated Discovery business, please see "Our Business – Strengths – Fast-growing, integrated Discovery capabilities with focus on biology, chemistry and DMPK services" on 189.

Over the last three Financial Years and the six months period ended September 30, 2024, our Discovery capabilities and utilization capacity have expanded. Our global scientist staff increased from 617 as of March 31, 2022 to 1,092 as of September 30, 2024. During the same period, we have added 95,903 square feet of laboratory space and multiple new technical capabilities. These enhancements allow us to serve additional customers and increase our revenue. Furthermore, we plan to leverage our front-end scientific presence in Watertown (Greater Boston, MA), US, where we provide exploratory biology services to engage with our current and prospective customers, and develop opportunities to support them in their drug discovery journey. Our senior scientific staff in India and the US, in collaboration with our business development team, develop tailored go-to-market strategies to meet our customers' specific needs and maximize the impact of our offerings. We continue to expand our capabilities in India, in terms of physical infrastructure for chemistry, biology and DMPK services, increased technology automation in our processes to improve speed and efficiency.

Additionally, we intend to deepen engagements with global pharmaceutical companies through our technical and execution capabilities. We have initiated actions to leverage our existing relationships with the large pharmaceutical companies that use our CDMO services to cross sell our Discovery services.

4. **Continue to expand our existing capacity and add new technical capabilities.**

Based on our current CMC product portfolio, we expect the need for increased manufacturing capacity as the commercial products grow in volumes, and development phase molecules advance through clinical trials and achieve commercialization. We are investing in increasing our manufacturing capacity to support our future growth. We are adding new production blocks and ancillary facilities in the Unit

IV Bidar Facility as well as the new Unit VI Bidar Facility. Additionally, to meet the needs of our growing portfolio of customers availing Discovery services and additional growth opportunities, we are in the process of expanding our Discovery laboratory capacity by fully utilizing the available footprint in Hyderabad, India. As of the date of this Red Herring Prospectus, we are in the process of building chemistry and associated analytical facilities, biology laboratories and additional facilities for in-vivo studies at our Unit II Hyderabad Facility. We also entered into a power purchase agreement in November, 2024 for the additional power supply in line with our plan of expansion. Furthermore, we are in the process of strengthening our existing offerings in flow chemistry, particle sciences and early-stage formulation development and supply through the addition of new infrastructure and scientific staff.

We will also continue to broaden our capabilities through acquisition or investment in new technologies, while also expanding our laboratory infrastructure and manufacturing capacities. Going forward, we intend to expand our Discovery and CMC services to cater to emerging therapeutic modalities, including antibody drug conjugates, oligonucleotides, peptides mRNA therapeutics, cell and gene therapies as well as growing areas such as oncology APIs and animal health APIs. As part of our CMC and Discovery services, we have initiated collaborations with multiple pharmaceutical and biotechnology companies in some of these emerging modalities that have the potential to expand as we demonstrate our capabilities.

Furthermore, we believe that our advanced technologies have been crucial in allowing us to offer efficient and effective solutions to our customers. Our "Digital, Analytics and Automation" strategy is one of our core innovation initiatives. At present, majority of our R&D and manufacturing activities are tracked and managed using digital platforms. For example, as at the date of this Red Herring Prospectus, all of our experiments are recorded using electronic laboratory notebooks and our manufacturing activities are tracked and recorded on electronic quality management systems and supervisory control and data acquisition systems. This level of digitalization not only assures data integrity but also enables advanced analytics of R&D and manufacturing data using artificial intelligence ("AI").

We also continue to implement robotic automation, automated liquid handling, real-time data acquisition and parallel experimentation in both our Discovery and CMC R&D laboratories. Such laboratory automation not only frees up our scientists from daily routine that could be mechanized for more advanced research activities, but also allows us to generate higher volume of accurate data that would not be possible if done manually. We have initiated building models based on AI and machine learning algorithms to leverage the large amounts of data being recorded in these electronic systems to develop innovative solutions to address our customers' scientific problems, develop more robust and cost-effective manufacturing processes and ultimately accelerate projects and save cost. We have built strong capabilities in AI-based Computer Aided Drug Design ("CADD") and are able to provide CADD services to our integrated discovery customers as a revenue-generating service, through the use of our in-house platform, Nuron.

5. **Continue to drive operational excellence initiatives to improve profitability and return metrics.**

We continue to enhance operational efficiency and increase productivity by leveraging technology and enhancing our infrastructure and operating processes. We plan to leverage our technology-enabled processes and tools to streamline operations across all our functions and facilities. We also aim to leverage new-age technologies to optimize our operations and service delivery. We also intend to improve our human capital by providing training programs and workshops, which we believe will help increase the efficiency of our workforce and aid in improving our operational efficiency.

As part of our digitalization and automation strategy, we digitalize data and automate tasks with the aim of driving efficiency, speed, innovation, quality and service diversification. Under our "Digital, Analytics and Automation" initiative, we engage in paperless data acquisition, science-based modelling and predictive analytics. We will continue to deploy tools to shorten lead times for better customer experience and in turn, customer retention.

Additionally, we have been running a comprehensive operations excellence program "SaiGo" since 2019. Under this program, we have implemented a "Shopfloor Transformation Initiative" across our R&D and manufacturing platforms to improve the rigor of daily operations management. We also regularly conduct "Kaizen Blitz" drives for employees to proactively identify process improvement and cost saving opportunities. Each year, we also design and implement operations transformation initiatives to drive improvements in profitability and capital efficiency in areas such as raw material usage, procurement cost reduction, manufacturing efficiency, scientist productivity, sales coverage, and price realization. Furthermore, to enhance our operational effectiveness, we have implemented a system for end-to-end planning, and redesign our governance framework regularly to connect our annual operating plans with quarterly, monthly and weekly targets.

6. Continue to attract, train and retain quality talent to support our rapid growth

The success of our endeavors also relies on our talent pool. We will continue to take initiatives to recruit, train, upskill and retain our talent pool, particularly our research scientist staff. We continue to utilize our recruitment channels, which include a combination of structured campus recruitment programs, lateral hiring programs and internal referrals.

Furthermore, we will continue to offer learning and research opportunities to our employees through continuous training and upskilling programs, conferences, seminars, training sessions, trade shows, speaking engagements and seminars, among others. For example, in 2019, we launched the "Sai Gurukul" initiative to provide our employees technical and compliance related training through a digital platform. For this initiative we were awarded the Gold Award in Brandon Hall Group Excellence Awards 2021 under the "Best Advance in Learning Technology Implementation" category. In the Financial Year 2024, we expanded our scientific learning initiatives through the inauguration of "Sai Academy", an inhouse platform for continual learning, mentoring and scientific support.

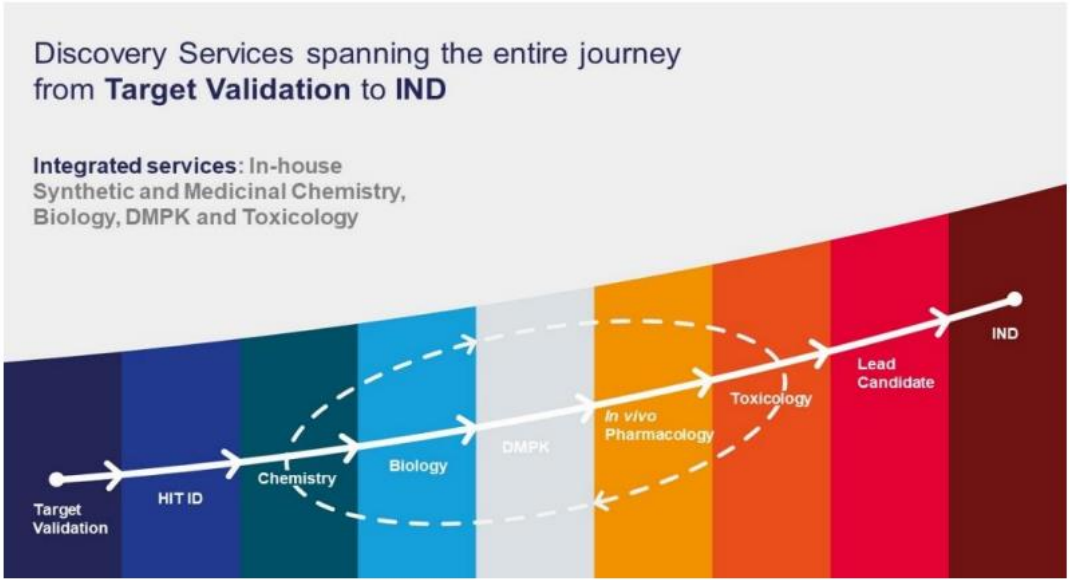
Additionally, one of the main focus areas of our "Sai Nxt" initiative is also people and culture, which aims to strengthen our workforce by expanding the scientific talent pool, induct global scientific and leadership talent, role-based integrated online training and shop floor transformation, being an established transformation initiative in manufacturing. We have also put in place other human resources initiatives, including establishing transparent performance evaluation systems to highlight areas of improvement and allow us to identify talent for promotion and offering visible career progression. Further, to retain and incentivize our employees, we will continue to enhance our performance-based compensation and review system to reward and promote service excellence. We believe our transparent performance evaluation, clear career progression opportunities, technical and managerial training and competitive compensation positions us well to attract and retain talent.

Our Services

We provide Discovery and CMC services that span from drug discovery to process development and early-phase supplies, all the way to commercial launch and life cycle management:

(i) **Discovery:** Our Discovery capabilities include standalone and integrated discovery services for innovator pharmaceutical and biotech companies, located in the US, UK,

European Union and Japan. For the Financial Year 2024, Financial Year 2023, Financial Year 2022 and for the six months period ended September 30, 2024, we had served 222, 249, 213 and 176 customers, respectively. We have completed discovery programs across therapeutic areas such as oncology, CNS disorders, inflammation, antivirals, rare diseases, among others. The services we offer include:



a) Target identification and validation. The first step in the new drug discovery process is the identification and validation of targets, such as DNA, enzymes, receptors, and ion channels for diseases by conducting laboratory experiments. Performing these studies is a differentiated capability that we offer at our biology laboratories within our Greater Boston Facility and Unit II Hyderabad Facility. In the Financial Year 2024 and six months period ended September 30, 2024, we were involved in target identification and validation for nine and eight drug discovery programs, respectively.

b) Hit identification ("Hit ID"). It is the preliminary step in drug discovery, after the identification of biological target, a process of finding NCEs that can bind to the isolated biological target and modify its function in a test tube condition. An appropriate and successful Hit ID phase enables for R&D all the way to market.

c) Biological assay development. The next step in the drug discovery process is the design and development of assays, which are laboratory testing methods, to evaluate the activity of a potential drug-like molecule against the selected disease target. This includes the use of technologies to develop and implement a variety of biochemical, cellular, biophysical and pharmacological assays. Biology is a differentiating strength of our Discovery offerings, driven by scientists in our biology laboratories within our Greater Boston Facility and Unit II Hyderabad Facility. Once the assay methods are developed at the start of the discovery program, every compound that is designed and synthesized (described in subsequent steps c and d below) is tested for its activity using the selected assay methods. While target identification, validation, assay development and assay testing are all conducted by our biology scientists in Boston and Hyderabad, the bulk of our biology effort in terms of volume is involved in executing the assay tests. We offer both standalone and integrated biology services, along with chemistry, to develop assays and test compounds sent by our customers. In Financial Year 2024 and in the

six months period ended September 30, 2024, we developed and optimized 300 and 208 assays, respectively.

d) Medicinal chemistry and computer aided drug design. We have a team of qualified scientists for analyzing data and designing new molecules with the potential activity against selected disease targets. They use their training in medicinal chemistry as well as various off-the-shelf Computer Aided Drug Design ("CADD") software to design such candidate molecules. We offer their services as part of integrated drug discovery projects to lead or support our customers' molecule design efforts.

e) Synthetic chemistry and small-scale compound delivery. Majority of the effort in a drug discovery program goes into synthesizing sample quantities of the compounds designed by computational and medicinal chemists from our customers' or our teams. We set up dedicated teams of qualified synthetic chemists for each of our customers' drug discovery programs. Their expertise in chemistry combined with a variety of laboratory techniques to prepare sample quantities of the design compounds sufficient for conducting biology as well as DMPK and toxicology studies. Our synthetic chemists are experienced in working on a variety of chemical structural classes and modalities, such as macrocycles, carbohydrates and sugars, peptides, nucleosides, nucleotides and phosphoramidites, heterobifunctional molecules, degraders and glues, among others.

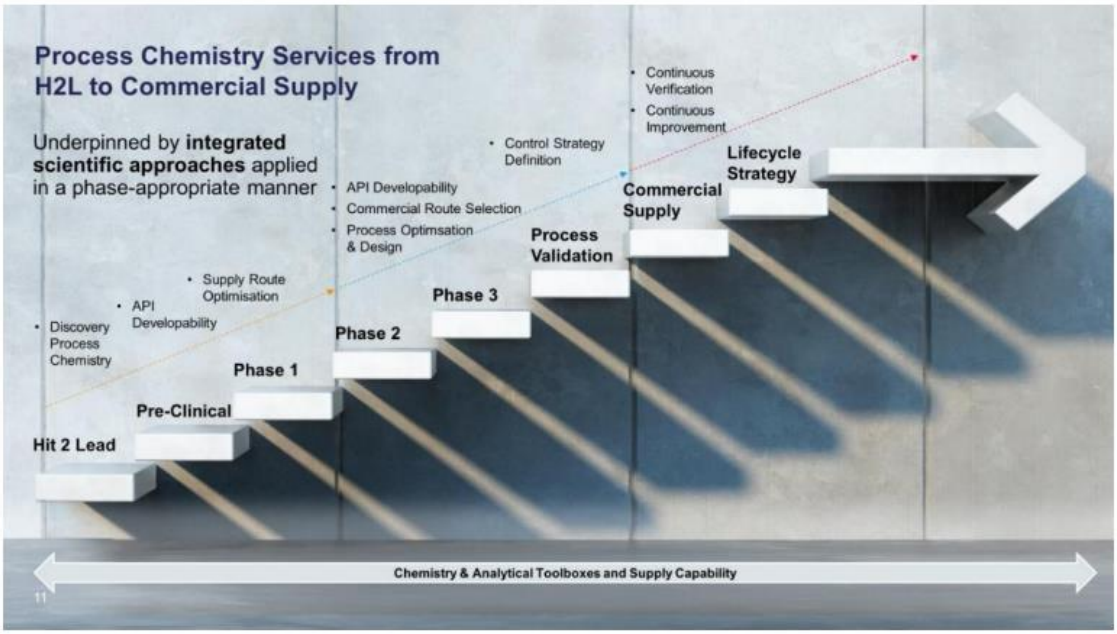
f) DMPK and toxicology. DMPK studies are conducted to understand how a drug-like molecule may affect the human body after administration. Toxicology studies help assess potential adverse impact of these molecules on the human body. We offer a comprehensive suite of in-vitro and in-vivo DMPK and toxicology study capabilities at our Unit II Hyderabad Facility. We perform these studies both as part of our integrated drug discovery programs, on compounds synthesized by our own synthetic chemistry teams, as well as on a standalone basis, on compounds sent to us by our customers. We believe that our service differentiators are speed and quality of data driven by our scientific team and laboratory automation.

g) Lead candidate: A lead candidate is a small molecule with pharmacological activity (efficacy in smaller animals) that has been chemically optimized and tested through biological assays with sufficient target selectivity and favourable medicine-like properties which justifies further development.

h) IND filing enabling studies. This is the final step in the process where the prepared documentation about the drug (its components, usage and safety information) is submitted to the regulatory authorities for approval to test the drug in clinical trials. We offer a number of the tests that are required to be carried out on the drug candidate for this regulatory submission, including, cross species profiling in in-vitro DMPK assays, drugdrug interactions, in-vivo pharmacokinetics, toxicology and toxicokinetics, and safety pharmacology.

(ii) **CMC:** Our CMC capabilities include the development of scalable chemical manufacturing processes for identified drug candidates and delivering materials for clinical studies as well as commercial sale. Materials supplied include APIs, intermediates, registered starting materials ("RSMs") or key starting materials ("KSMs"). We work with customers across US, UK, Europe, Japan and other regions in the world across multiple therapy areas as well as human and animal health drugs.

As of September 30, 2024, our development and manufacturing portfolio constituted 38 products used in the manufacture of 28 commercial drugs, including seven blockbusters (drug products with annual sales of over US$1 billion in the Financial Year 2023) and 12 products for 11 APIs that were either undergoing or had completed Phase III clinical trials (Source: F&S Report). Our pipeline for additional late phase products is mainly derived from two sources: (i) our portfolio of early phase products developed successfully in Phase II clinical trials as our customers are more likely to continue engaging us for late phase supplies and (ii) selection as a second supplier by customers who have previously worked with a different CDMO or their internal manufacturing facilities.



a) Process research, route development and optimization: During the development stage, we develop efficient, scalable, quality, cost-effective manufacturing processes for drug candidates, and produce drug substances or their precursors for our customers to use in preparing samples for pre-clinical studies and various phases of clinical trials. Our specialized capabilities in complex chemistry and analytical method development enable us to support virtually every type of small molecule drug candidate. We have specialized capabilities in developing advanced crystallization processes, which are enhanced by real-time monitoring through process analytical technology tools. Our operations are supported by analytical R&D laboratories, which are equipped with the technology to ensure quality results using multiple chromatographic, spectroscopic and solid-state analytical techniques. We have a dedicated process engineering team that focuses on critical process parameters ("CPP"), batch cycle time, and scale-up efficiency. This team works independently of the production function to ensure successful "transfer of technology" from the laboratory to the plant.

b) Early phase material supply: Our customers require APIs or intermediates for use in pre-clinical, Phase I or Phase II clinical trials. Towards this, the chemical processes developed in the laboratory by our scientists are replicated at a higher scale in our medium scale pilot plant or large-scale manufacturing plant through a "technology transfer" process. We then undertake fee for service (purchase order) based projects to produce and deliver specified quantities of materials as required by our customers.

c) Late phase material supply, process validation and NDA filing support: As drug candidates successfully progress from early phases to late phases of clinical trials, the quantity and quality of material required increase as do the probability of regulatory approval and commercialization. At this time, manufacturing processes are expected to be finalized and submitted to regulatory authorities for approval and subsequent launch. Manufacturing processes often need to be "validated", that is, the manufacturing plants need to demonstrate their ability to repeatably and reproducibly produce and analyze APIs and intermediates of specified quality, at commercial scale. Regulatory agencies such as the USFDA may inspect our manufacturing facilities prior to approving drugs for commercialization. For further details, see "Risk Factors – We are subject to extensive government regulation, and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, results of operations and cash flows may be adversely affected." on page 28. We have significant experience in developing, validating and documenting commercial manufacturing processes.

d) Commercial material supply and life cycle management: Once we have demonstrated the manufacturing process for a late phase or commercial products in our commercial manufacturing plant, we are ready to supply materials to our customers on an ongoing basis. We work based on purchase orders and long-term supply agreements with our customers to manufacture and deliver APIs or intermediates as per their requirements over multi-year periods. Our R&D, manufacturing and supply chain teams continue to work on improving production efficiencies and procurement costs of these products as part of their life cycle management.