SPEECH DELIVERED BY MR. DILIP SHANGHVI, CHAIRMAN AT THE 19th ANNUAL GENERAL MEETING OF SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED HELD ON MONDAY, AUGUST 12, 2024

Dear Shareholders,

Good evening, on behalf of SPARC's board of directors, I welcome you again to the 19th Annual General Meeting of our Company. It is indeed a pleasure to discuss the state of our business and priorities for our future with you today. Thank you for your active engagement and continued support.

During today's discussion, I plan to provide brief updates on the direction of the global pharmaceutical industry and the progress made by SPARC during last year. I will also touch upon key priorities of SPARC for the current financial year. I am sure many of you may have questions regarding the Vodobatinib program and the PROSEEK interim analysis, which I plan to discuss towards the later part of my speech today. Let me begin by sharing some key trends driving our industry.

Despite the uncertainties, the industry has demonstrated its strength and resilience by introducing needle-moving innovations that gave new hope for patients suffering from difficult to treat diseases. The total R&D spend by large pharma companies was a record $161 billion in 2023, marking a nearly 50% surge over 2018. The increased R&D spend by the companies reflects the industry's confidence and positive sentiment for innovation and drug development. Such sustained investments have led to increase in new drug approvals and introduction of several novel treatment modalities over the years. During 2023, the US FDA approved 55 new drugs. One of the notable milestones for 2023 was the introduction of the first ever CRISPR-Cas9-based gene editing product.

The increased number of approvals and usage of new drugs are key drivers of growth of the industry, projected to be $2.3 trillion at list price by 2028, with CAGR moderating to around 5–8%. The top two therapeutic areas based on spending are oncology and immunology, which are expected to grow at a CAGR of 14–17% and 2–5% respectively, until 2028. SPARC has been deliberate in identifying and prioritizing these growth areas and majority of our current programs are targeting unmet needs of patients with cancers or autoimmune disorders.

Similar to last year, FY 2025 is expected to present significant challenges driven by regulatory changes and geopolitical shifts. In addition to such macro challenges, I would also like to highlight the following key trends that are expected to shape the future of our industry:

- The shift towards preventive healthcare;
- Growing emphasis on developing targeted medications and exploring next-generation biotherapeutics for treating cancer;
- Orphan disease treatments that are expected to achieve widespread commercial feasibility;
- Promising growth prospects with disease-modifying treatments for CNS disorders; and

- The effects of the Inflation Reduction Act on portfolio strategies

With the changing landscape, SPARC realized early that incremental change won't be enough to deliver the results that the market and patients demand. While investing in validated pathways and known mechanisms may seem to present lower risk, it leads to scantly differentiated products and low value capture. SPARC has developed an innovative portfolio with multiple shots on goal and differentiation potential with careful choice of targets and modalities. The modality mix of our current pipeline presents interesting opportunities for SPARC, which upon successful development can help move standards of care in several difficult diseases. But such a shift towards cutting edge innovation and novelty is not without risks as it increases the probability of failure, but we strongly believe that we cannot create significant value without negotiating a higher level of risk.

Let me now switch to progress made by SPARC during the previous year with updates on key programs.

For the partnered programs i.e. Elepsia XR and PDP-716 SPARC is working with Tripoint Therapeutics and Visiox Pharma respectively to refile the NDA during FY 2025 using data generated from alternate sites.

During the year, SPARC made significant progress with Sezaby. SPARC filed a Citizen's Petition with the USFDA requesting enforcement of exclusivity and issued cease and desist letters to manufacturers of unapproved phenobarbital formulations currently available in the market. The Company also completed filing of data from an additional manufacturing facility for Sezaby. SPARC is working closely with key stakeholders to ensure removal of unapproved formulations of phenobarbital currently being marketed in the USA. The Company expects to have feedback from the USFDA by the end of FY 2025.

SPARC had previously licensed Vibozilimod to Sun Pharmaceutical Industries Ltd. SPARC collaborated with Sun Pharma for ongoing Phase 2 studies of Vibozilimod for the treatment of Atopic Dermatitis (SOLARES AD) and Psoriasis (SOLARES PsO). The top-line data from the interim analysis of the SOLARES AD study are expected during Q3 FY 2025.

Our company has also made significant progress on several important early stage programs last year. SPARC filed the IND with DCGI for SCD-153, a novel topical agent for treatment of Alopecia Areata and started its Phase 1 study in India. SPARC continued the preclinical development of its first ADC, SBO-154, and is on track to file the IND for SBO-154 during FY 2025.

There were several significant developments on our Vodobatinib program in FY 2024 and first quarter of FY 2025. SPARC completed the recruitment of 513 patients with Parkinson's Disease on the PROSEEK study, and announced the results from the interim analysis of data from 442 patients who completed 40 weeks of treatment. The study failed to demonstrate the superiority of Vodobatinib in the pre-specified primary endpoint of change in Movement Disorder Society Unified Parkinson's Disease Rating Scale (MDS-UPDRS) Part III score as compared to placebo. SPARC determined that the study has not shown evidence of treatment benefit in patients and decided to close the trial.

SPARC plans to complete the full analysis of clinical outcomes and correlative biomarker data by September 2024. Basis the analysis of the complete data set SPARC will decide on the next steps for Vodobatinib in neurodegenerative disorders.

Additionally, the outcome of PROEEK interim analysis has had a significant impact on the potential revenues of SPARC. In view of the revenue impact, SPARC plans to implement steps to optimize its cost structure in order to extend the cash runway.

Pharmaceutical R&D has always been and will be a high stakes business; however, we relied on two important differentiators to mitigate risk associated with our business - a diversified portfolio and several programs which has the potential to become “pipeline in a product”. Both these aspects have helped SPARC in providing options to continue its operations and navigate failure or deprioritization of certain programs.

While PROSEEK study did not read out as SPARC was hoping for, Vodobatinib still offers potential opportunity in CML. SPARC had considered SCO-088, that is Vodobatinib for the treatment of CML as a hedge to the neurodegenerative disorders’ program. Post PROSEEK, SPARC plans to develop Vodobatinib for the treatment of CML in collaboration with a partner, and has initiated the process for licensing the asset.

Moving on, I would like to highlight the key priorities of SPARC during FY 2025. SPARC’s primary objective is to ensure timely execution of the ongoing clinical trials and developmental activities for early assets to deliver the next set of catalysts soon. Secondly, SPARC will be working with its commercialization partners for filing and approval of the partnered assets. The Company will also be focusing on ensuring appropriate level of resourcing for continued development of its pipeline.

We at SPARC remain confident of the long-term promise of our portfolio. I thank you again for your commitment and trust over the years.

I express my gratitude to my colleagues on the Board for their constant guidance and insights. Our employees for their hard work, commitment and for staying true to our purpose and all our shareholders and partners for their unconditional support over the years in building the organization to its current level.

On behalf of everyone at SPARC, I thank you all again for your time today. We look forward to your questions and feedback.

Thank you.