Management Discussion and Analysis

Syngene Overview

Syngene is an integrated research, development, and manufacturing services company serving the global pharmaceutical, biotechnology, nutrition, animal health, consumer goods, and specialty chemical sectors. Syngene's team of over 8,300 employees including 5,700+ scientists, brings both deep expertise and the capacity to deliver scientific excellence, robust data security, and world class manufacturing, at speed, to improve time-to-market and lower the cost of innovation. With over 3 Mn sq. ft of specialized discovery, development, and manufacturing facilities across India and the U.S., Syngene has worked with 400 global customers across industry segments, including biotech companies pursuing leading-edge science and multinationals such as BMS, GSK, Zoetis, and Merck KGaA.

The drug discovery value chain and Syngene's role as a service provider (CRO and CDMO)

Syngene provides end-to-end services as a Contract Research Organization (CRO) and Contract Development and Manufacturing Organization (CDMO) for large and small molecules.

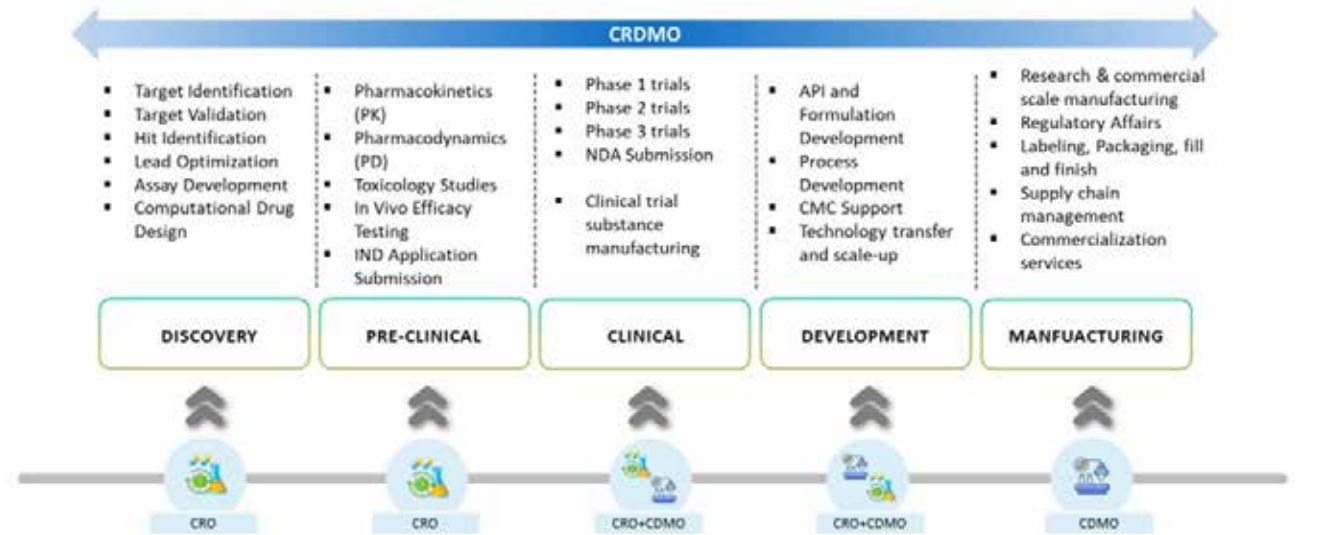
As a CRO, the Company offers discovery research services and dedicated facilities which are designed and ring-fenced to meet a client's exclusive requirements. The dedicated centers house multi-disciplinary scientific teams and essential services with infrastructure tailormade to meet the client specifications.

In Discovery Services, the Company provides end-to-end research services from target selection and high throughput screening to drug candidate delivery for development.

The Company offers different collaboration models ranging from long-term relationships with dedicated R&D facilities to Full-Time Equivalent (FTE) and Fee-for-Service (FFS) arrangements.

As a CDMO, the Company offers integrated services spanning process development; associated services to demonstrate the safety, tolerability and efficacy of the selected drug candidate; and clinical/commercial supplies. Our modern, high performance manufacturing plants for large and small molecules, combined with our expertise in managing products from the early stages of development through to commercial-scale manufacturing, make us an attractive partner for clients seeking a single, reliable provider of services to progress their product to market.

Pharmaceutical value chain and the role of contract service providers



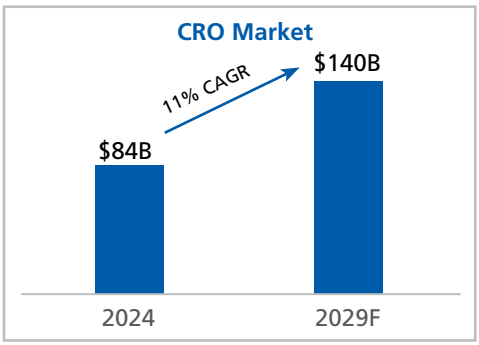
Contract Research Organizations (CRO)

Contract Research Organizations (CROs) provide research services to the pharmaceutical, biotechnology, medical device and other industries in the form of services outsourced on a contract basis.

From basic research to candidate selection, a wide range of activities are outsourced to CROs, including assay development, target validation, lead optimization, genetic engineering, hit exploration and safety and efficacy tests in animal models. The contract research industry has experienced growth over the past decade with the pharmaceutical industry continuing to invest heavily in R&D, with a focus on developing innovative therapies to address unmet medical needs. The pharmaceutical industry is facing increasing pressure to reduce the time and costs associated with drug development. As a result, many companies are exploring new approaches to R&D including the use of digital technologies and collaborations with external partners.

(i) Contract Research Services - market size and attributes

The global CRO market (pre-clinical + clinical) was valued at USD ~84 bn in 2024 and is expected to grow at a ~11% CAGR to ~USD 140 bn by 2029. The growth of the CRO market is driven by factors such as increasing R&D activities in the pharmaceutical and biotechnology industries, rising demand for outsourcing activities and improving technological capabilities and global expertise.



Source: Frost & Sullivan

(ii) Key industry trends:

Continued global demand for R&D outsourcing:

Global demand for outsourced R&D and manufacturing services remains structurally strong, supported by increasing complexity of drug development, cost optimization imperatives, and evolving innovation models. However, the operating environment continues to remain mixed in the near term, with demand recovery uneven across segments.

Pharma cost pressures and pipeline challenges reinforcing outsourcing demand:

Large pharmaceutical companies continue to face significant cost pressures driven by an impending patent cliff, with multiple high-value products expected to lose exclusivity between 2024 and 2028. At the same time, pricing pressures, including those arising from the Inflation Reduction Act in the United States, are expected to compress lifecycle economics for new drugs by shortening effective commercialization periods.

In response, pharmaceutical companies are increasingly focused on improving productivity, rationalizing pipelines, and accelerating development timelines, while also undertaking organizational restructuring and selective cost optimization initiatives. While these actions have led to cautious near-term spending, they are simultaneously reinforcing the long-term need for outsourcing. CRDMOs are increasingly positioned as strategic partners, providing cost efficiencies, flexibility, and access to specialized capabilities. Additionally, pharma innovators are increasingly preferring integrated, end-to-end CRDMO partners to reduce complexity, timelines, and technology transfer risks across the value chain.

While these factors reinforce the long-term case for outsourcing, the near-term demand environment remains uncertain. Global macroeconomic conditions, evolving tariff situations, and cautious capital allocation by both large pharma and biotech companies are resulting in slower decision-making cycles and smaller work packages. Notwithstanding these headwinds, the need to replenish pipelines and improve cost efficiency continues to support sustained demand for CRDMO services over the medium term.

Biotech funding recovery with lagged impact on CRO demand:

Biotech funding, a key driver for early-stage research and CRO demand, has shown a recovery in the second half of 2025 following a period of volatility. While full-year funding levels were comparable to 2024, the recovery was back-ended, with strong momentum in the fourth quarter.

However, the translation of funding into CRO revenues typically occurs with a lag of 6-12 months, as biotech companies remain disciplined in deploying capital and prioritizing critical programs. As a result, demand for CRO services is expected to remain soft in the near term, particularly in early 2026, with a gradual recovery expected in the latter part of the year. Customers continue to adopt a cautious approach, with slower decision-making cycles and a preference for smaller work packages to extend cash runways. Notwithstanding this, small and mid-sized biotech companies continue to drive a significant share of early-stage innovation and remain structurally reliant on outsourcing.

Geopolitical dynamics driving supply chain diversification (China+1):

Geopolitical developments and supply chain disruptions have accelerated the shift towards diversification of outsourcing geographies. The COVID-19 pandemic and subsequent global uncertainties have highlighted the risks associated with concentrated supply chains, prompting pharmaceutical companies to adopt a "China+1" strategy to enhance resilience.

This has led to increased pilot programs and vendor qualification exercises with alternative CRDMO partners as companies evaluate capabilities and de-risk their supply chains. While the transition is gradual, it is expected to drive a steady rebalancing of outsourcing footprints over the medium to long term. India remains well positioned to benefit from this shift over the medium to long term, supported by its cost competitiveness, strong scientific talent base, and improving regulatory track record.

BIOSECURE Act – structural tailwind with gradual realization:

The enactment of the BIOSECURE Act into U.S. law in December 2025 represents a significant policy development for the global biotechnology supply chain. The final legislation provides flexibility through mechanisms such as the use of the Department of Defense's evolving 1260H list, due process provisions, and a grandfathering period for existing contracts.

While the near-term impact is expected to be gradual due to transition provisions and the absence of explicitly named companies, the Act establishes a clear policy direction towards reducing reliance on certain geographies over time. This is expected to drive a structural shift in outsourcing patterns, with increased enquiry levels and request for proposals for non-China CRDMOs. The conversion of these opportunities into revenue is expected to play out over a multi-year long term horizon.

Expansion of complex and emerging modalities:

The industry continues to witness strong growth in new and emerging modalities, particularly within biologics. Modalities such as cell and gene therapies, nucleic acid therapies, antibody-drug conjugates, and peptides are gaining increasing prominence. These areas are characterized by high scientific complexity and capital intensity and are often driven by smaller biotech companies with limited in-house capabilities.

Even large pharmaceutical companies are selectively outsourcing development and manufacturing in these segments, given the specialized infrastructure and expertise required. This is driving CRDMO players to invest in expanding capabilities across these modalities, both organically and through partnerships and acquisitions, although scaling these capabilities involves execution challenges and capital commitments.

Technology transformation and increasing adoption of AI:

Advancements in digital technologies, particularly the growing adoption of predictive and generative artificial intelligence, are beginning to reshape the CRDMO landscape. These technologies have the potential to enhance scientific outcomes, improve productivity, and reduce reliance on repetitive, manual processes across research and operational workflows.

Within discovery research, AI is increasingly being deployed to accelerate in-silico modelling, compound screening, and bioassay design, thereby streamlining the transition to wet lab experimentation. While this may reduce development timelines for individual molecules, it also enables innovators to evaluate a larger pool of candidates within the same budget, potentially expanding the overall opportunity set for CRDMO partners.

Beyond discovery, AI-driven tools are supporting improvements in manufacturing and quality systems through enhanced process monitoring, anomaly detection, and more effective corrective and preventive actions, while also aiding compliance with regulatory and GMP requirements. In parallel, digital tools are being leveraged to optimize resource allocation, improve operational efficiency, and drive cost efficiencies across both scientific and enabling functions.

As the pace of technological evolution accelerates, CRDMO players are increasingly focused on evaluating, piloting, and scaling relevant AI-led solutions, while building internal capabilities to effectively integrate these technologies into their workflows. Over time, the ability to harness such technologies is expected to be an important differentiator in driving productivity and long-term value creation.

Long-term structural drivers intact:

Overall, while near-term demand remains impacted by funding cycles, cautious customer behaviour, and macroeconomic uncertainties, the long-term outlook for R&D outsourcing remains strong. Structural drivers such as cost optimization, increasing scientific complexity, supply chain diversification, growth in new modalities, and adoption of advanced technologies continue to support sustained demand for CRDMO services. At the same time, industry participants must navigate challenges related to talent availability, capacity utilization, and execution complexity in an evolving global environment.

(iii) Syngene's Research Services

The Company offers its Research Services through various flexible models, which include shared resources and infrastructure as well as the option of a dedicated facility. The Company has a diversified offering in Research Services including Discovery Services, Dedicated R&D Centres and Translational & Clinical Research.

a. About the services

As a fully integrated, contract research, development, and manufacturing organization (CRDMO) working across multiple therapeutic areas and modalities, Syngene serves large, midsized, and emerging pharma and biopharma. Over the last several years, the requirements of our clients have evolved from seeking solely the benefits of strong technical execution in a low-cost operating region to additionally choosing to externalize collaboration and innovation. We further observe that our clients are often opting for the benefits of co-localization of critical path activities (e.g. synthesis, biological and PK/ADME characterization), as well as those from the ability to advance programs through downstream services (e.g. safety assessment, drug substance and drug product development).

b. Progress made during the year

Research Services continued to strengthen the end-to-end suite of capabilities to support client projects through the entire discovery and preclinical/clinical development paradigm for the range of modalities, including traditional small molecules, specialty chemistry platforms such as peptides, oligonucleotides, and PROTACs, as well as biologics, therapeutic antibodies, and antibody-drug conjugates (ADCs). This included investments both in new and enabling technologies to strengthen technical delivery, as well as robotics and automation to drive speed and efficiency at scale.

Throughout FY26, Research Services enabled several clients to achieve key milestones. Syngene scientists were listed as co-inventors in various patents.

c. Capability and capacity additions during the year

- Continued investments in new modalities:
  a. ADCs: We enhanced our ADC offerings by expanding its scale and capability in Discovery Biology and building an ADC payload linker library in Chemistry. Further the T&CR team advanced support for ADC and oligonucleotide assays, including PK and ADA assessments for clinical programs.
  b. Peptides: Expanded our Peptide capacity in chemistry through building a dedicated laboratory support by a strong analytical department and, we expanded our capability in offering invitro PK studies
  c. Biotherapeutics: As part of our continuous investment in Biotherapeutics discovery, we have optimized our gene-to-protein timelines from 8 weeks to 4 weeks, with further investments planned for FY27.
- We further enhanced our chemistry capabilities with investments in differentiating technologies like flow chemistry, electrochemistry and centralised purification workflows. We expanded our capability in Hyderabad with establishment of reaction screening facility. Similarly in Biology, we have established certain organoids models, that would support non-animal-based studies.

- T&CR initiated the first global Phase 3 clinical trial, demonstrating capability to deliver large, complex multinational studies. We also established the Translational Science Unit within T&CR, enabling integrated biobanking, clinical biomarker sciences, and translational model support to accelerate drug development timelines. T&CR established strategic partnerships with global CROs in USA, UK, New Zealand, Australia, Sri Lanka and Jordan for conduct of early phase and late phase global clinical trials. Small and large molecule bioanalytical laboratory enhanced its capability by supporting advanced modalities including ADC and oligonucleotide programs, with integrated PK and ADA assessments.

Dedicated R&D Centers

The Dedicated R&D Centers offer a "turn-key" solution to clients, essentially the equivalent of their own research site in India and scalable from a partial floor to multiple buildings. These centers are tailored to provide everything required to advance the client's projects, including highly trained scientific personnel, management, infrastructure, operating systems, and standardized processes and procedures in compliance with regulatory requirements. Clients operating within this model can readily access additional Syngene services as required.

The facilities are usually part of long-term strategic partnerships for five years or longer. Client representatives are co-located in the Dedicated Center premises, thereby creating a truly collaborative environment with real-time and continuous exchange of ideas which fosters creativity and learning for all stakeholders

During the current financial year, Syngene has strengthened its long-standing strategic partnership with Bristol Myers Squibb (BMS), extending the collaboration through 2035. The expanded agreement broadens the scope of integrated services we provide across the drug development lifecycle from discovery and translational sciences to pharmaceutical development, manufacturing, clinical trials, and data and information technology services supporting a seamless journey from research to commercialization.

Syngene's strategy – Extend and expand the dedicated R&D centres

The Company remains focused on continuing to strengthen the existing partnerships with Dedicated Center clients. Such partnerships provide revenue visibility over the medium to long-term with predictable cash flows. The Company is also exploring opportunities to expand the partnerships with these clients beyond the dedicated center model.

Overall outlook for Research Services:

The year was challenging for the research services industry as US biotech funding remained uncertain and delays around USA BIOSECURE ACT impacted client spending on research projects. In addition, biopharma companies continue to restructure with layoffs and site closures.

With increasing R&D spend and propensity to outsource by our clients, we believe that the long-term growth drivers for the industry are intact. Furthermore, India's concerted effort to position itself as an attractive outsourcing destination, coupled with a strategic drive to increase supply chain resilience, may yield long-term advantages. While short-term challenges may arise due to funding issues or pharmaceutical companies focusing their efforts on late-stage pipeline projects, the sustained investment in pipeline development is expected to persist in the long run.

Throughout FY27, Research Services will continue to enhance and expand our service offerings through further investments in both key technical talent and enabling technologies. We will continue to make technological upgrades in research services to enhance scientific excellence, improve competitive positioning and deliver customer value. The Company is focused on implementing operational improvements to enhance customer centricity, automate processes and drive a culture of continuous improvement resulting in improved performance at a reduced cost base. We will invest in building differentiating technologies such as ADC, peptides which are witnessing high growth.

In the dedicated centers, the Company will continue to focus on the needs of its long-term strategic partners through investment in new capabilities and continuous improvement in services.

Contract Development and Manufacturing Services (CDMO)

CDMOs specialize in the development, scale-up and manufacturing of drug products for clinical trials and commercial distribution. They offer a range of services that include drug development, process development, analytical testing, formulation development, scale-up, manufacturing, packaging and distribution. These services can be provided on a stand-alone basis, or as part of a complete end-to-end service offering.

(i) Contract development and manufacturing services – market size and attributes

The global CDMO market (small + large molecules) was valued at USD ~130 bn in 2024 and is expected to grow at a ~8% CAGR to ~USD 190 bn by 2029. Strong technical and R&D infrastructure capabilities, availability of skilled

scientific talent; quality manufacturing with strong track record of regulatory compliance are some of the key success factors for a CDMO.

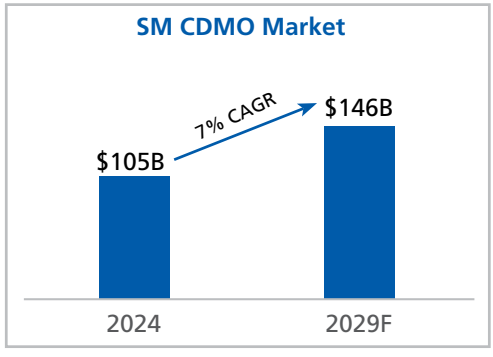
The CDMO sector continues to be an attractive and fast-evolving space. Two major industry forces are shaping this growth: Large pharma's continued pressure to accelerate development timelines and reduce cost, driving deeper reliance on CDMO partners.

The rapid emergence of new technologies and a growing pipeline of complex assets, which require specialized skills and infrastructure, are further favouring outsourcing models with CRDMOs that offer integrated services.

The reliance on CDMOs will further increase going forward as they continue to offer innovator pharmaceutical companies commercially feasible solutions for a range of drug development and manufacturing services, such as pharmaceutical formulation, analytical development, process optimization, and scale-up manufacturing.

Small molecule development and manufacturing services market

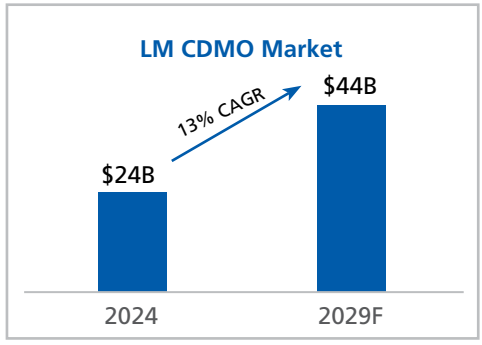
A typical small molecule CDMO offers services in clinical scale drug substance and drug product development, clinical scale manufacturing services and commercial scale development and manufacturing services.



Source: Frost & Sullivan

Large molecule development and manufacturing services market

The large molecule CDMO market is estimated at USD ~24 bn in 2024 and is expected to grow at a ~13% CAGR to ~USD 44 bn by 2029.



Source: Frost & Sullivan

Drug development for large molecules can be divided into two sections: drug substance (DS) development, which includes the development of master and working cell banks, manufacturing process development, and scale-up; and drug product (DP) development, which includes filling the drug substance into the primary containers.

(ii) Syngene's development and manufacturing services

Small Molecule CDMO Services:

Syngene is an integrated, science-driven and delivery-focused provider of small molecule drug substance and product development and manufacturing services, with capabilities spanning the full small-molecule lifecycle. Our operating model reflects how customers increasingly view their CDMO partners – not as isolated development or manufacturing vendors, but as continuity partners capable of advancing programs seamlessly from discovery and early development through clinical and commercial supply.

Within our Small Molecule CDMO Development Services, Syngene provides comprehensive preclinical development, API development, and drug product development capabilities. Our teams support clients from lead identification through clinical supplies of both DS and DP and extend regulatory support for submissions to the US FDA and other global authorities.

We offer an integrated small molecule platform spanning process development, nGMP supplies, and full cGMP clinical and commercial manufacturing. Across scales, Syngene provides current Good Manufacturing Practices (cGMP) production from benchtop volumes to full commercial capacity, offering end-to-end solutions encompassing GLP-tox batches, clinical supplies, process scale-up, technology transfer, launch material, and sustained commercial manufacturing. This integrated

capability set positions us as a trusted partner to clients seeking scientific excellence, regulatory reliability, and global-quality manufacturing at scale

a. Syngene's Small Molecule CDMO Services strategy

We aspire to be an end-to-end development and manufacturing partner, supporting our customers seamlessly from Drug Substance (DS) to Drug Product (DP). During the year, we accelerated our early-phase and nGMP quality processes, improving turnaround times, enabling faster delivery of development batches and helping clients meet aggressive quick-to-clinic timelines.

We have set up a Flow Chemistry Screening Laboratory, including the installation of a slurry flow reactor. This capability enhances our ability to evaluate scalable continuous-flow routes early in development and provides data to support scale-up in flow mode. Additionally, we have added photoredox and electrochemistry screening facilities. We have an active program for biocatalysis screening and have successfully performed biocatalysis transformations at 100 kg scale in the plant.

In line with our future-focused modality strategy, we have initiated the establishment of a dedicated facility for the manufacture of cytotoxic molecules to meet increasing demand for this class of drug substances.

Green chemistry continues to be a key lever to reduce waste in our processes and enhance sustainability. As an active member of the globally renowned American Chemical Society Green Chemistry Pharmaceutical Institute Round Table (ACSGCIPR), we leverage insights from leading practitioners to continually improve the sustainability of our chemical processes. Building on this focus, we have developed anion exchange membranes (AEM) to enable green hydrogen production and created new polymers to enhance drug product delivery.

Throughout the year, our scientific teams demonstrated excellence by achieving higher yields, resolving complex process challenges, implementing successful crystallisation strategies, and delivering complex dosage forms for multiple clients.

Our capability expansion included modifications to existing facilities, new construction projects, and strengthening our scientific and operational teams through the hiring of subject matter experts in emerging modalities. We also streamlined documentation workflows to ensure timely delivery while maintaining the highest levels of regulatory compliance.

b. Outlook:

Our outlook for the Small Molecule CDMO business is supported by our commitment to follow the molecule and provide a fully integrated development-to-manufacturing solution for our customers. By combining deep scientific expertise with faster and more efficient delivery processes, we aim to build long-term relationship and become a trusted end-to-end partner across the Drug Substance (DS) and Drug Product (DP) lifecycle.

Traditional synthetic chemistry continues to be our core strength and market anchor. Building on this foundation, we are expanding into next-generation modalities and technologies, including peptides, ADCs, oligonucleotides and PROTACs, supported by enabling capabilities such as biocatalysis, photoredox, electrochemistry and flow chemistry. We have also conjugated oligos to proteins as well as creating new warheads that are more efficacious and less toxic. We have improved the performance of linkers that release warheads precisely and reproducibly in tumor cells. These capabilities will allow us to participate in growing segments of the outsourcing market and strengthen our differentiated value proposition.

Looking ahead, our growth will be driven primarily by enhancing operational performance and elevating service quality across our core business. We are also exploring capacity expansion to support scale and evaluating strategic entry into high-value segments such as ADCs and oligonucleotides, where customer demand and market momentum are strong.

These initiatives – combined with disciplined execution, sharpened scientific excellence, and modality-aligned investments – will strengthen our competitive position, deepen customer engagement, and establish new sources of differentiation in the years ahead.

Large Molecule CDMO Services:

The Large Molecule division at Syngene remains a fully integrated custom biomanufacturer, offering comprehensive end-to-end solutions for the development and manufacturing of biologics. Our expertise encompasses mammalian and microbial platforms, enabling clinical and commercial supplies across a broad spectrum of modalities, including monoclonal antibodies, bispecifics, antibody fragments, recombinant proteins, glycoproteins, mRNA, microbial (E. coli and Pichia), and microbiome Live Biotherapeutic Products (LBP). Our strategic direction is firmly rooted in expanding technological capabilities, operational excellence, and global reach, with a particular focus on supporting both human and animal health sectors.

a. Progress made during the year

This year marked significant milestones for the division, beginning with the operationalisation and successful licensing of our Unit-3 facility (acquired from Stelis Biopharma) in Q1FY26. This achievement underscores our commitment to expanding manufacturing capacity and delivering quality-driven solutions to our clients. The facility is now fully functional, catering to multi-product production campaigns with advanced single-use technology platforms, and is equipped to handle both clinical and commercial manufacturing requirements.

In parallel, Syngene completed the acquisition of its first US-based biologics site, further solidifying our presence in one of the world's most important biopharmaceutical markets. The ongoing modification and integration of this site are progressing as planned, with efforts focused on harmonising processes and technology to ensure seamless delivery of services across geographies. The US site, once fully integrated, will augment our total Global single-use bioreactor capacity to 50,000L, providing enhanced support for large molecule discovery, development, and manufacturing for our global clientele.

In FY26, we initiated the launch of a dedicated conjugation facility at Unit-3, expanding our capabilities towards fully integrated service provider from discovery to commercial in bioconjugation space. This investment progresses through FY26 and into the subsequent period, as part of our broader CDMO capacity-expansion plan. This strategic addition positions Syngene to address the growing demand for antibody-drug conjugates and related modalities, enabling clients to accelerate the development and launch of innovative therapies.

During the year, n-1 perfusion capabilities were successfully demonstrated in the Process Development laboratory, marking a meaningful advancement in upstream process innovation. Based on this progress, approval was obtained to demonstrate the technology at large scale, with execution planned in subsequent quarters. The technology has the potential to enhance process efficiency and flexibility, supporting the timely and cost effective manufacture of high quality biologics, while enabling improved scalability across clinical and commercial programmes.

Syngene continued to advance its development capabilities to meet evolving market needs. Our teams have introduced enhanced protein production platforms and optimised process development methodologies with a robust roadmap to improve COGS competitiveness, shorten development timelines, and support the delivery of complex biologics, biosimilars and novel modalities. These advancements have been complemented by targeted commercial team efforts, with a focus on building and nurturing a robust drug development pipeline. Our expanded commercial resources are now strategically positioned closer to client locations, enabling deeper engagement and driving increased business momentum across key markets.

b. Outlook

The current FY was impacted by ongoing product issues in our largest biologics customer. However, the division is well positioned to capitalise on attractive market dynamics in the LM-CDMO sector. The operationalisation of Unit-3 and the ongoing integration of the US facility provide significant headroom for growth, allowing us to serve an expanding global customer base with agility and reliability. Our entry into the US market is particularly

instrumental in strengthening our leadership in animal health and securing access to sizable customer segments that prioritise domestic outsourcing.

Looking ahead, Syngene's evolving global footprint and continued investments in advanced manufacturing and development technologies will drive future growth opportunities. The launch of the conjugation facility, demonstration of n-1 perfusion, and targeted efforts towards pipeline development collectively reinforce our value proposition as a partner of choice for speed-to-market and cost-competitive solutions. With a diversified biologics portfolio and a global network of facilities, Syngene is poised to deliver integrated solutions that address the complex needs of both human and animal health customers worldwide.

Essential Functions

Quality

During FY26, Syngene's Quality function strengthened its regulatory standing, operational discipline and digital capabilities across Small Molecule and Biologics platforms.

On the regulatory front, Syngene successfully closed a USFDA inspection covering Large Molecule and Small Molecule drug substance, drug product and stability facilities, with satisfactory responses. The GLP facility was recertified by the National GLP Compliance Monitoring Authority, Government of India. In addition, the Clinical operations underwent USFDA inspection with no observation and the central laboratory reaccreditations by CAP and NABL ISO 15189 frameworks. The Integrated Management System (ISO 9001, ISO 14001 and ISO 45001) certifications were maintained across multiple operational units, and ISO 50001 certification was reaccredited for the Mangalore unit.

Capability enhancement initiatives included commissioning of a new Bioassay laboratory at Unit 3 to expand Biologics QC capacity, along with phased renovation of an existing Small Molecule QC facility to increase analytical throughput. Digitization of Biologics QC and Microbiology laboratories for commercial products was completed during the year, further strengthening data integrity and inspection readiness.

Continuous improvement and operational excellence remained a key focus area. Structured Lean and Six Sigma initiatives were undertaken to enhance analytical turnaround, optimize operating costs and improve compliance practices. In Development operations, implementation of a structured phase-gate approach for analytical method development and transfer strengthened risk identification and reduced QC incidents during method transfer and early-stage GMP execution.

The Quality function continued to receive external recognition for operational excellence, including industry awards for 5S and received gold award for breakthrough Kaizen initiatives, reinforcing Syngene's commitment to global quality standards and continuous improvement.

IT

In FY26, Syngene's Information Technology function continued to enable business growth, operational efficiency, and digital transformation, with a focus on enterprise platforms, data and AI capabilities, and resilient infrastructure.

The Company initiated its SAP S/4HANA RISE transformation program, with business process re-engineering completed across functions and implementation progressing toward an April 2027 go-live. In parallel, the SAP Ariba Source-to-Pay platform was successfully deployed, strengthening procurement efficiency, supplier visibility, and governance.

Customer-facing digital capabilities were enhanced through the rollout of Project VEGA, improving lead-to-opportunity conversion processes and proposal quality. The Contract Lifecycle Management platform was further scaled, enabling better compliance, reduced contractual risk, and faster cycle times. A Data Management Office was also established to strengthen enterprise-wide data governance and support analytics-driven decision-making.

Syngene made significant progress in its data and AI journey, with the expansion of enterprise and research data platforms enabling integrated access to critical data, improved reporting, and advanced analytics use cases. The establishment of a Digital and AI Center of Excellence and scaled adoption of AI tools, including enterprise copilots, enhanced productivity across functions.

On the infrastructure front, IT supported key expansion initiatives, including the integration of the Baltimore Bayview site, and advanced digital capabilities in research and manufacturing through electronic lab notebooks and Industrial IoT-based monitoring systems, improving operational visibility, safety, and asset reliability.

The Company strengthened its cybersecurity and resilience framework through the establishment of an advanced cyber defence capability and implementation of continuous security monitoring and assessment tools.

Further, Syngene initiated a transition to an AI-enabled managed infrastructure model, aimed at improving service reliability, scalability, and cost efficiency, while enabling internal teams to focus on higher-value digital and analytics initiatives.

Strategic sourcing

Building on the strong foundation laid in FY25, strategic sourcing focused on accelerating value delivery through improved speed, enhanced cost competitiveness, greater supplier led innovation, and ongoing risk reduction across the network.

To enable these priorities, our strategic imperatives centred on the digitization of source to pay processes, structured cost reduction initiatives, sustainable procurement, and the continued development of a local supply ecosystem for key raw materials. During the year, we implemented SAP Ariba as our end to end e procurement platform, establishing a single interface for suppliers and delivering improved compliance, transparency, and reduced cycle times.

In line with our aspiration to position strategic sourcing and supply chain as competitive differentiators, dedicated programs were executed to strengthen cost competitiveness. These included focused initiatives in indirect spend to drive structural savings and adoption of a total cost of ownership framework, and dollar per gram cost reduction programs in direct materials, particularly in the Biologics business.

FY26 also saw deeper strategic engagement with key suppliers, resulting in joint value creation programs, increased introduction of innovative solutions for our scientists, and further strengthening of our supplier relationship management framework.

Sustainable procurement remained a priority. Our EcoVadis score improved to 77, reflecting strong ESG progress. Aligned with our SBTi validated Scope 3 targets, we launched a supplier decarbonization program covering 250+ suppliers, with 88 already committed to SBTi—keeping us on track for the 81.6% FY28 goal. We also strengthened our global presence through continued engagement with Pharmaceutical Supply Chain Initiative (PSCI) as a supplier partner.

Consistent with previous years, we advanced our efforts to build a local ecosystem for custom synthesis partners supporting key starting materials in small molecule development, as well as local catalogue suppliers for faster delivery. These efforts gained further momentum through our leadership in the supply chain chapter of Innovative Pharmaceutical Services Organization (IPSO), a consortium of 11 Indian CRDMOs working collectively to strengthen local sourcing capabilities.

Over the past year, our supply chain remained resilient despite global uncertainties, supported by robust risk mitigation measures including dual sourcing strategies, continued localization, and inventory buffers for critical materials.

Execution excellence

Our execution model, which integrates Operational Excellence, Project Management, and Service Management, continued to drive measurable improvements in customer satisfaction during the year by strengthening a culture of execution discipline across the organization. Building on the model introduced last year, we enhanced operational systems through the application of Lean and Six Sigma methodologies to reduce waste, improve efficiency, and reinforce process robustness across functions.

Capability building remained a priority. The Lean Six Sigma Academy developed critical problem solving competencies across the workforce, certifying 23 Black Belts, 36 Green Belts, and 39 Yellow Belts during the year. In parallel, the SynPro Academy expanded project management capabilities by training over 250 employees to support the effective management and delivery of complex programs.

Execution Excellence was further advanced through Syngene's customer centric project management model, which positions projects as long term partnerships. This approach supports continuous listening, strengthens cross functional alignment, improves risk visibility, and accelerates decision making, thereby reinforcing the link between operational excellence and customer experience. The SQDECC Daily Work Management System, supported by more than 80 active boards, continued to enhance performance discipline and operational visibility, ensuring alignment between daily activities and strategic priorities.

Our focus on workplace organization progressed through enterprise wide 5S deployment. Four Syngene units received JUSE–QCFI 5S certification, making Syngene the first pharma and life sciences company to achieve this distinction. Employee engagement in continuous improvement also remained strong, with over 1,400 Kaizen ideas submitted during the year.

Syngene's operational excellence initiatives earned 24 national and international recognitions from bodies such as ASQ, CII, and QCFI. SynPro, the enterprise project management platform that enhances transparency, predictability, and customer alignment, received the Jury Champion CII Institute of Quality Award for its impact on strengthening program governance and delivery. In addition, a continuous improvement case study on reducing the Cost of Poor Quality in the bioanalytical laboratory of Translational & Clinical Research won the Gold Award at ICQCC 2025 in Taipei, Taiwan.

Together, these achievements underscore Syngene's sustained focus on customer centricity, operational discipline, and digital enablement to deliver reliable, high quality execution and strengthen long term client partnerships.

Human Resources

a. Aligning People Strategy with Syngene's growth and execution strategy

Syngene's Human Resources strategy is aligned with the Company's broader business strategy of scaling as a global, science led CRDMO, where value creation depends on execution reliability, scientific depth, regulatory discipline, and long-term customer trust. As Syngene expands across the discovery to commercial value chain, Human Resources plays a central role in ensuring the organisation has the leadership depth, specialised capabilities, and workforce resilience required to deliver predictable outcomes at scale. Syngene's workforce of 8,373, including 5,778 scientists and around 422 PhD-qualified researchers, gives the organisation the talent density to operate as an integrated global CRDMO.

From a governance perspective, the Board and Management recognise human capital not merely as a support function, but as a critical enabler of execution continuity and a material source of enterprise risk. Accordingly, HR priorities in FY26 were structured around four strategic imperatives that directly support Syngene's business model: capability readiness, leadership continuity, workforce sustainability, and proactive people risk governance.

b. Workforce governance and capability readiness

Syngene operates in a highly specialized and competitive talent environment where scientific capability, compliance rigor, and delivery consistency are fundamental to business performance and client confidence. The people strategy is therefore designed to ensure capability availability keeps pace with business growth across Research Services, Development, Manufacturing, and global operations.

During FY26, HR governance focused on:

- Building depth in scientific and managerial capabilities critical to Syngene's end-to-end service model and increasingly complex client portfolios
- Reducing execution risk by lowering dependency on external hiring for business-critical roles through stronger internal pipelines
- Ensuring learning, capability development, and talent deployment systems remain aligned with evolving strategic priorities, including biologics scale up, manufacturing quality, and project execution excellence

L&D engagement stood at 90%, and structured certification and leadership programmes deepened scientific and managerial depth during the year.

c. Leadership development and succession planning

Leadership continuity is a strategic requirement for a service intensive CRDMO operating in highly regulated and knowledge driven environments. The Board therefore maintains active oversight of leadership development and succession planning as part of enterprise risk management.

Key elements of the leadership strategy include:

- Structured succession planning for leadership and business critical roles across divisions and essential functions
- Periodic review of succession coverage, successor development, mobility, and bench strength to identify capability gaps.

Over 250 mid-to-senior leaders completed critical leadership training during FY26, strengthening internal pipelines for business-critical roles.

d. Thrive360 as an operating philosophy supporting execution sustainability

As Syngene scales, the intensity and complexity of scientific, manufacturing, and project execution environments continue to rise. In this context, workplace sustainability is directly linked to execution reliability and retention of critical skills. Thrive360 is therefore positioned not as a standalone wellbeing programme, but as an operating philosophy that informs work design, leadership practices, and the management of people related risks.

Employee engagement reached 89%, ahead of the 82% global Life Sciences benchmark, with the strongest gains in Learning & Development.

Employee level wellbeing and engagement initiatives are detailed in the 'Our Workforce' section. From a governance perspective, the focus remains on ensuring these interventions translate into workforce stability, sustained productivity, and reduced execution and people related risk.

e. Performance management and organisational effectiveness

Syngene's performance management framework is designed to reinforce clarity, accountability, and differentiation in a scaling organisation. During FY26, emphasis remained on improving the quality and consistency of performance and career conversations to align individual outcomes with strategic priorities and long-term capability needs.

From a governance perspective, these systems:

- Strengthen alignment between individual objectives and business outcomes across the discovery to manufacturing value chain
- Support merit-based differentiation, reinforcing a performance culture critical to service quality and client trust
- Enable consistency and fairness in performance outcomes across functions, locations, and roles

Performance and talent outcomes are reviewed through established management and governance forums to ensure transparency and disciplined decision making as the organisation grows.

f. Workforce sustainability and retention

Workforce sustainability remains a strategic priority given industry wide competition for specialised scientific and technical talent. HR interventions in FY26 focused on embedding retention drivers within core people systems, including career development, leadership effectiveness, and workplace sustainability, rather than relying on standalone actions.

As a result of this integrated approach, the Company recorded an improvement in voluntary attrition during FY26 compared to the previous year, reflecting increased workforce stability and engagement.

Internal mobility rose from approximately 5% to 16% of the workforce, a more than threefold increase that reflects stronger internal pipelines and reduced dependency on external hiring for critical roles. Retention trends, particularly within business-critical capability segments, are monitored as part of enterprise people risk reviews and inform ongoing strategy alignment.

g. Diversity, Equity, and Inclusion governance

Syngene's diversity, equity, and inclusion approach is aligned with its long-term talent and growth strategy, recognising that inclusive leadership and fair systems are essential for attracting and retaining specialised talent at scale. From a governance perspective, DEI is treated as an enabler of workforce effectiveness and organisational resilience rather than a set of standalone initiatives.

Women represent 25% of the overall workforce and 19% of senior management. Targeted programmes, including Nurture, an early-parental-wellbeing program supporting employees through pregnancy, postpartum and return-to-work, strengthen inclusion and retention at a career inflection point that disproportionately affects women in science and technical roles.

Progress on diversity and inclusion priorities is periodically reviewed through established governance mechanisms, reinforcing leadership accountability and consistency across the organisation.

h. People risk management and board oversight

Human capital risks, including capability availability, leadership gaps, attrition, engagement, compliance, and workforce cost pressures, are managed as part of Syngene's enterprise risk framework. HR works closely with business leadership and the Risk Management Committee to identify and mitigate people related risks that could impact execution reliability, quality, or growth.

Governance mechanisms include:

- Periodic review of workforce metrics and emerging trends
- Oversight of leadership succession and bench strength
- Monitoring employee relations, statutory compliance, and policy effectiveness

These controls ensure people related risks are identified early and addressed proactively as business complexity increases.

i. Outlook

Looking ahead, Human Resources will continue to strengthen enterprise people systems that directly support Syngene's growth strategy. Key priorities include deepening leadership capability, sustaining critical scientific and technical skills, enhancing workforce sustainability, and reinforcing a high-performance culture aligned with long term value creation.

FY26 Financial Performance

The consolidated financial performance of the Company for FY26 (in ₹ Mn) is discussed below.

Particulars	FY25	FY26	Change (%)
Revenue from operations	36,424	37,387	3%
Other income	718	707	-1%
Reported revenue	**37,142**	**38,094**	**3%**
Costs of chemicals, reagents and consumables consumed	9,425	9,186	-3%
Employee benefits expense	10,792	12,297	14%
Other expenses	5,770	6,110	6%
Foreign exchange fluctuation loss/(gain), net	19	609	3104%
EBITDA	**11,136**	**9,892**	**-11%**
Depreciation and amortisation expenses	4,326	4,529	5%
EBIT	**6,810**	**5,363**	**-21%**
Finance costs	531	488	-8%
PBT	**6,279**	**4,875**	**-22%**
Tax	1,530	1,076	-30%
PAT before exceptional item	**4,749**	**3,799**	**-20%**
Exceptional item (refer note 1)	213	-632	N/A
PAT after exceptional item	4,962	3,167	-36%
Other comprehensive income for the year	-147	-1,960	N/A
Total comprehensive income for the year	4,815	1,207	-75%

FY26 financial performance includes the following adjustments:

Note 1. Exceptional items for FY25 include a net gain of ₹ 213 Mn (net of tax) relating to the final settlement of an insurance claim received in respect of a fire incident that occurred on 12 December 2016, resulting in the loss of fixed assets. Exceptional items for FY26 comprise a net charge of ₹ 632 Mn (net of tax), which includes: (i) ₹ 379 Mn (net of tax) relating to the net increase in gratuity liabilities arising from the implementation of new labour codes, and (ii) ₹ 253 Mn (net of tax) recognised towards termination benefits extended to employees in accordance with the approved policy.

Particulars	FY25	FY26	Change (%)
Revenue from operations	36,424	37,387	3%
EBITDA from the operations	10,418	9,184	-12%
Reported PAT before exceptional items	4,749	3,799	-20%
Reported PAT (After exceptional items)	4,962	3,167	-36%

Revenue

Revenue from operations increased by 2.6%, from ₹ 36,424 Mn in FY25 to ₹ 37,387 Mn in FY26. Revenue growth during the year was impacted by destocking related to a large molecule biologics product, which moderated overall growth despite stable underlying performance across core businesses.

Other income declined marginally by 1.5% to ₹ 707 Mn. Including other income, reported revenue increased by 2.6% year on year to ₹ 38,094 Mn.

Cost of materials consumed

Material costs decreased by 2.5% to ₹ 9,186 Mn in FY26 and accounted for 25% of revenue from operations, compared to 26% in FY25. The reduction was primarily driven by favorable changes in business mix.

Employee benefits expense

Employee benefits expense increased by 13.9% to ₹ 12,297 Mn during FY26. Employee cost as a percentage of revenue increased from 29.6% in FY25 to 32.9% in FY26, reflecting annual wage increases and continued investments in specialised scientific and technical talent to support capability expansion.

Other expenses

Other expenses increased by 5.9% to ₹ 6,110 Mn in FY26. The increase was primarily attributable to higher operating costs associated with Biologics expansion, which were partially offset by continued focus on cost optimisation initiatives across operations.

Foreign exchange fluctuation

The Company recorded a foreign exchange loss of ₹ 609 Mn during FY26 as compared to a loss of ₹ 19 Mn in FY25. The loss was largely on account of differences between average hedge rates and prevailing spot rates during the year.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by 4.7% to ₹ 4,529 Mn in FY26. The increase was primarily driven by addition of capacity at biologics manufacturing facilities in Bengaluru, which became operational during the year.

Finance costs

Finance costs declined by 8.1% to ₹ 488 Mn in FY26 compared to ₹ 531 Mn in FY25, mainly due to lower average borrowings during the year.

Tax expenses

Tax expense for FY26 stood at ₹ 1,076 Mn, compared to ₹ 1,530 Mn in FY25. The decrease reflects lower profitability during the year. Tax expense is presented on a normalised basis before exceptional items.

Profitability

The Company's Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) declined by 11.2% from ₹ 11,136 Mn in FY25 to ₹ 9,892 Mn in FY26. EBITDA margin reduced from 30.0% in FY25 to 26.0% in FY26, reflecting the combined impact of muted revenue growth, higher employee costs, adverse foreign exchange movements and operating costs associated with new facilities.

Excluding other income, EBITDA from operations declined by 11.8% to ₹ 9,184 Mn, with the margin reducing from 28.6% to 24.6%, driven by the factors outlined above.

Profit after tax before exceptional items declined by 20.0% year on year to ₹ 3,799 Mn in FY26, primarily on account of lower operating profitability.

During FY26, the Company recognised exceptional items amounting to a net loss of ₹ 632 Mn, primarily relating to gratuity remeasurement following the notification of new labour codes and termination related benefits extended to employees in accordance with the approved policy. In comparison, FY25 included an exceptional gain relating to an insurance claim received in respect of a prior fire incident.

After accounting for exceptional items, profit after tax for FY26 stood at ₹ 3,167 Mn, compared to ₹ 4,962 Mn in FY25.

Other Comprehensive Income

Other comprehensive income includes re-measurement gains/losses on defined benefit plans and gains/losses on hedging instruments designated as cash flow hedges. The decrease/increase is primarily due to mark-to-mark gain/loss on the hedge instruments.

Analysis of the Consolidated Balance Sheet: The following table exhibits the Company's balance sheet as on 31st March, 2025 and 31st March 2026: (in ₹ Mn)

	31 March 2025	31 March 2026	Change (%)
ASSETS			
Non-current assets			
Property, plant and equipment	23,226	25,454	10%
Capital work-in-progress	12,614	10,404	-18%
Right-of-use assets	4,192	3,845	-8%
Investment property	343	315	-8%
Other intangible assets	256	386	51%
Intangible assets under development	47	53	13%
Financial assets	2,521	6,267	149%
Deferred tax assets (net)	295	1,007	241%
Income tax assets (net)	1,243	1,267	2%
Other non-current assets	349	121	-65%
Total non-current assets	**45,086**	**49,119**	**9%**
Current assets			
Inventories	1,555	1,413	-9%
Financial assets	20,018	18,352	-8%
Other current assets	1,300	1,663	28%
Total current assets	**22,873**	**21,428**	**-6%**
Total assets	**67,959**	**70,547**	**4%**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4,025	4,029	0%
Other equity	43,243	44,362	3%
Total equity	**47,268**	**48,391**	**2%**
LIABILITIES			
Non - current liabilities			
Financial liabilities	4,106	4,474	9%
Provisions	433	180	-58%
Other non-current liabilities	2,188	1,979	-10%
Total non-current liabilities	**6,727**	**6,633**	**-1%**
Current liabilities			
Financial liabilities	5,971	6,319	6%
Provisions	713	1,144	60%
Current tax liabilities (net)	84	277	230%
Other current liabilities	7,196	7,783	8%
Total current liabilities	**13,964**	**15,523**	**11%**
Total equity and liabilities	**67,959**	**70,547**	**4%**

Non-current assets

Non-current assets increased by 9% from ₹ 45,086 Mn as at 31 March 2025 to ₹ 49,119 Mn as at 31 March 2026. The increase was primarily driven by continued investments in property, plant and equipment towards expansion of capabilities and infrastructure across Discovery Services and Development and Manufacturing Services. The Company continued to invest in areas such as antibody-drug conjugates, peptides and oligonucleotides at its Bangalore and Hyderabad campuses, along with investments in biologics manufacturing capabilities and the Company's US based biologics facility in Baltimore. Financial assets also increased significantly during the year, primarily on account of higher investments and deposits.

Working Capital (Current assets, less current liabilities)

Working capital decreased from ₹ 8,909 Mn as at 31 March 2025 to ₹ 5,904 Mn as at 31 March 2026. The decline was primarily attributable to a reduction in current financial assets and an increase in current liabilities, including provisions, current tax liabilities and other current liabilities during the year.

Equity share capital

The Company's equity share capital comprises of approximately 403 million equity shares of ₹ 10 /- each.

Other equity

Other equity comprises share premium, retained earnings, cash flow hedging reserves and other reserves. Other equity increased by 3% from ₹ 43,243 Mn as at 31 March 2025 to ₹ 44,362 Mn as at 31 March 2026, primarily driven by profits retained during the year, partially offset by movement in other comprehensive income.

Non-current liabilities

Non-current liabilities decreased marginally by 1% from ₹ 6,727 Mn as at 31 March 2025 to ₹ 6,633 Mn as at 31 March 2026. The movement was primarily attributable to lower provisions and reduction in other non-current liabilities, partially offset by an increase in financial liabilities.

The debt-equity ratio of the Company remained low at approximately 0.002 as at 31 March 2026 compared to 0.025 as at 31 March 2025, reflecting the Company's strong balance sheet position.

Net Cash position

Taking into account investments in inter-corporate deposits with financial institutions, deposits with banks, cash and cash equivalents and investments in mutual funds, the net cash position increased from ₹ 12,794 Mn as at 31 March 2025 to ₹ 18,003 Mn as at 31 March 2026.

RISKS, CONCERNS AND MITIGATION STRATEGY

Risks and Concerns

Syngene's Enterprise Risk Management (ERM) framework is designed to anticipate, evaluate and respond to risks that may influence the Company's strategic objectives, operational resilience, financial stability and stakeholder confidence. Aligned with globally recognised standards, including ISO 31000, COSO and the Institute of Risk Management principles, The framework supports a consistent and structured approach to identification, assessment, treatment, monitoring and reporting of risks across the organisation.

Risks are assessed on impact, likelihood, and velocity, providing insight into each risk and identifying appropriate risk treatment. Mitigation strategies are developed and monitored through a structured process to ensure timely progress. Emerging risks are identified and escalated as needed.

Risk oversight is governed through a clear structure involving the Board, the Risk Management Committee (RMC) and the Executive Committee (EC). Key risks are reported to the RMC, ensuring focused oversight on risks that could materially affect business performance or strategic progress. These risks are reviewed regularly so that developments in the internal and external operating environment are recognised and addressed in a timely manner.

The Company has strengthened integration between risk management and Business Continuity Planning to enhance preparedness for potential disruptions. This supports coordinated responses and timely restoration of critical operations, reinforcing confidence among clients, employees, and other stakeholders.

Syngene's risk culture emphasises accountability, early risk recognition and ownership at all levels. Through clear governance, disciplined monitoring and continuous improvement, the Company remains focused on maintaining organisational resilience and enabling sustainable growth.

The following section summarises the major risks and the mitigation strategies in place.

Risks and mitigation plan in action

	Risk	Mitigation strategies
1	Artificial Intelligence (AI) risk	AI is rapidly emerging as a key enabler across the life sciences sector, enhancing scientific productivity, decision-making and operational efficiency, making timely adoption essential to remain competitive and meet evolving client expectations. Syngene is advancing its AI strategy through a structured approach focused on planning, capability development and organisation-wide adoption. Execution of the Company's AI roadmap is underway, supported by targeted hiring and upskilling to strengthen internal expertise. A dedicated Centre of Excellence is operational and working with business units to surface and shape high-value AI opportunities, enabling responsible and impactful use of AI technologies across the organisation.
2	Science and technology risk	Rapid advances in science and technology continue to elevate expectations in the CRDMO industry, making innovation central to long-term competitiveness. Syngene remains deeply committed to expanding its scientific and technology capabilities, with strong leadership oversight ensuring alignment between emerging priorities and sustained capability building. Ongoing investments in AI, automation and next-generation scientific platforms are strengthening readiness and reinforcing Syngene's position as a trusted partner for complex, cutting-edge research and development programmes.
3	Cybersecurity risk	As digitalisation accelerates, protecting sensitive scientific, client and operational data is essential. Syngene manages cyber security risk through its multi-layered cybersecurity framework that includes continuous monitoring, vulnerability assessments, access control enhancements and periodic independent audits aligned with ISO 27001 standards. Training programmes and simulated cyber-response drills reinforce awareness and resilience. These measures help maintain robust cyber defences and ensure data security across operations.
4	Customer concentration risk	Long-term scientific programmes and multi-year collaborations are typical in the CRDMO industry, creating a risk of revenue dependence on a limited number of clients. The Company manages concentration risk by diversifying its client base while strengthening relationships with existing partners. Structured account-management processes, regular engagement and customer-experience initiatives support long-term retention. At the same time, expansion across new geographies and sectors broadens the revenue base. This balanced approach enhances resilience, reduces dependency on any single customer and supports stable, sustainable growth.
5	Supply chain risk	In a world shaped by fast-shifting geopolitical currents, global supply chain volatility remains a challenge. In response, we are building a more resilient and self-reliant supply network through a comprehensive dual-sourcing strategy and expansion of a strong local raw-materials ecosystem. Our efforts include diversifying suppliers across multiple geographies, strengthening partnerships with Indian manufacturers, enhancing logistics reliability, and collaborating with industry bodies to accelerate ecosystem development. These efforts ensure timely availability of materials and support uninterrupted project delivery while maintaining Syngene's cost competitiveness.

6	Human resources risk	Syngene's talent ecosystem is anchored in a highly skilled and committed workforce, with scientists forming the core of its capabilities. The Company continues to attract talent through structured workforce planning, targeted hiring and a strong employer value proposition focussing on purpose-led work, career progression and professional development. Through role-based learning pathways, leadership development initiatives and curated stretch assignments, Syngene is nurturing a culture of continuous learning and building the internal capabilities needed for future-ready roles. Wellness initiatives such as Thrive360 further support long-term retention and employee wellbeing. Together, these actions ensure the availability of skilled talent essential for delivering high-quality scientific and operational outcomes.
7	Environment, Health, Safety and Sustainability (EHSS) risk	A safe, compliant and environmentally responsible operating environment is foundational to a science-led organisation. Syngene invests in capability building, regular training, incident-learning mechanisms and periodic audits to reinforce safe behaviour and reduce the likelihood of injuries or operational disruptions. Strengthened oversight, enhanced systems for risk reporting and a culture grounded in accountability help ensure safe, compliant and environmentally responsible operations that meet global standards.
8	Regulatory non-compliance risk	Compliance is integral to client trust and licence-to-operate in the CRDMO sector. Syngene's compliance framework focusses on structured governance, real-time regulatory tracking and clear accountability across all functions. All applicable laws and responsibilities are mapped across functions within Synpliance, the Company's digital compliance management platform. Regular training, legal updates and independent assessments ensure adherence to applicable laws and standards across operations, supporting transparent and ethical business conduct.
9	Business Continuity Management risk	Operational resilience is fundamental in any business, and uninterrupted scientific delivery is critical to client trust in the CRDMO sector. Syngene has a well-structured continuity framework aligned with its risk management approach to mitigate this risk. The Company conducts business-impact assessments, updates continuity and disaster-recovery plans and runs regular drills to validate preparedness. Cross-functional coordination, targeted training and independent audits further strengthen resilience. These measures ensure the Company can maintain essential operations and support clients even during unforeseen disruptions.

Environment, Social Governance (ESG)

Syngene is committed to creating long-term shared value through a robust ESG framework, driven by management through the Executive ESG Council and overseen by the Stakeholder and ESG Committee of the Board. Syngene published its fifth ESG Report (2024–25), aligned with the Global Reporting Initiative (GRI) Universal Standards 2021, the United Nations Sustainable Development Goals (SDGs), SASB standards and leading global ESG frameworks.

Environmental stewardship and climate action: Syngene remains focused on its Science Based Targets initiative (SBTi) commitments and its long-term decarbonisation pathway. During the year, the Company achieved a 45% reduction in absolute Scope 1 and Scope 2 greenhouse gas emissions versus the baseline, demonstrating strong progress towards its 54.6% reduction target by FY33. To address value-chain emissions, Syngene launched a structured supplier decarbonisation programme and aims to engage 81.6% of its suppliers to commit to Science Based Targets by FY28, supporting its Scope 3 emissions roadmap.

Environmental performance is embedded across operations through the Company's Environmental Management System, with systematic tracking of energy, emissions, water, waste and resource efficiency. During the year, Syngene strengthened its focus on green chemistry, with participating laboratories receiving Green Level Certification from My Green Lab.

Materiality and ESG integration: In January 2025, Syngene initiated and completed a comprehensive double materiality assessment, evaluating both its impact on the environment and society and the financial risks and opportunities arising from ESG factors. The outcomes are being integrated into strategy, risk management and ESG priorities.

Social responsibility: Syngene prioritises responsible employment practices, talent development, diversity, equity and inclusion, and employee health and safety. During the year, the Company strengthened its people-centric approach through Thrive 360, its integrated employee well-being framework. Syngene also engages with local communities through structured development initiatives.

Governance and ethical conduct: Syngene's governance framework emphasises transparency, ethical conduct and regulatory compliance. Key mechanisms, including the Supplier Code of Conduct, reinforce expectations on business ethics, human rights, labour standards and environmental practices, while strengthening supplier governance and ESG oversight. Syngene remains a signatory to the United Nations Global Compact reinforcing its commitment to transparency and continuous improvement.

External recognition and ESG performance: The Company was recognised among TIME Magazine's World's Most Sustainable Companies 2025, ranking as the #1 Most Sustainable Indian Company in the Pharma and Biotech sector, and 139th globally in TIME's World's Best Companies in Sustainable Growth 2025.

Syngene's ESG progress was reflected in improved global ratings and recognition:

- EcoVadis: 91st percentile (Silver)
- S&P Global: 76/100
- CDP: B for Climate Change and Water Security
- MSCI ESG Rating: A (Leader)

Internal Controls

A robust internal control mechanism is a prerequisite to ensure that an organization functions ethically, complies with all legal and regulatory requirements and observes the generally accepted principles of good corporate governance. It is an extension of the overall corporate risk management framework as well as is an integral part of the accounting and financial reporting process.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The control mechanism provides for well documented policies/guidelines, authorizations, and approval procedures to ensure the orderly and efficient conduct of its business. This includes adherence to Company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, ensuring the accuracy and completeness of the accounting records and the timely preparation and presentation of reliable financial information. The Company believes that its experienced and qualified employees play a key role in fostering an environment in which controls, assurance, accountability, and ethical behaviour are accorded high importance.

The Company has engaged Deloitte India Advisory Services Private Limited to carry out an internal audit of its activities on a periodic basis. The internal auditors also provide an objective view and reassurance of the internal controls, as well as simultaneously auditing transactions. They report directly to the Audit Committee of the Board, which ensures process independence. The Audit Committee, comprising of Independent Directors, reviews the adequacy and efficacy of the internal controls, as well as the effectiveness of the risk management process across the Company.

Cautionary Statement

The Management of Syngene has prepared and is responsible for the financial statements that appear in this report. These statements conform to the accounting principles generally accepted in India and include amounts based on informed judgments and estimates. Syngene's projections, estimates and expectations described in this report should be interpreted as 'forward-looking statements' that can be impacted by various internal and external risks. Risks associated with market, strategy, technology, operations, and stakeholders can significantly impact the business and the actual results may differ substantially or materially from those expressed or implied.