

Press Release

Syngene to acquire multi-modal facility from Stelis Biopharma Ltd, adding 20,000 liters of installed biologics drug substance manufacturing capacity, with scope for further expansion, and a high speed, commercial scale, fill-finish unit

Bangalore, July 04, 2023: Syngene (or the “Company”) today announced the acquisition of Unit 3 biologics manufacturing facility in Bangalore, India, from Stelis Biopharma Limited (SBL). The companies have entered into a binding term sheet and, on completion of the transaction, the site will add 20,000 liters of installed biologics drug substance manufacturing capacity for Syngene. The site has the potential for future expansion up to a further 20,000 liters of biologics drug substance manufacturing capacity. It also includes a commercial scale, high speed, fill-finish unit – an essential capability for drug product manufacturing.

Syngene will acquire Unit 3 on a slump sale basis for a gross value of INR 702 Crores (US\$86Mn). Subject to closing adjustments, the consideration for the transaction will be settled in cash. The transaction has been approved independently by the respective Boards of Directors of both the companies. The transaction is expected to close within 90 days, subject to customary conditions, including receiving the required lender and regulatory approvals.

The facility, which was initially built to manufacture Covid 19 vaccines, is now being repurposed to manufacture monoclonal antibodies and Syngene will further invest up to INR 100 Crores (US\$12Mn) to repurpose and revalidate the facility.

Jonathan Hunt, Managing Director and CEO said, *“This acquisition strengthens our growing position as a leading biologics contract development and manufacturing service provider and adds drug substance capacity and a drug product capability years earlier than our internal capex program. We see healthy demand for high quality biologics manufacturing capacity from sectors ranging from large pharma to emerging biotech companies. In each case, outsourcing to an experienced partner like Syngene is an attractive route to reliably deliver high quality products to market. We expect this facility to be operational in 2024, following completion of a programme of facility upgrades and re-validation.”*

Sibaji Biswas, Chief Financial Officer said, *“This acquisition effectively replaces an internal capex investment program planned for the next three years and will be fully funded through internal accruals and cash. The Company will continue to maintain a strong balance sheet, a low debt profile and a good safety margin for debt covenants. As we ramp up utilization, we expect asset turnover to grow to 1x in less than 5 years, with EBITDA margins expected to be in line with the Company average from FY29. The acquisition will not materially impact the current financial guidance given for fiscal year 2023 - 2024. In the short term, we expect minor dilution of operating margins as a result of costs to be incurred in this facility and we expect this plant to positively contribute to the bottom line from FY27.”*

The facility covers both drug substance and drug product with installed capacity of 10 bioreactors of 2000L along with associated infrastructure and utilities. The facility also includes 10 additional uninstalled bioreactors - providing the potential for future expansion - and two high speed fill-finish lines.

About Syngene

Syngene International Ltd. (BSE: 539268, NSE: SYNGENE, ISIN: INE398R01022) 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 more than 6000 scientists offer both skills and the capacity to deliver great science, robust data security, and quality manufacturing, at speed, to improve time-to-market and lower the cost of innovation. With a combination of dedicated research facilities for Amgen, Baxter, and Bristol-Myers Squibb as well as 2 Mn sq. ft of specialist discovery, development and manufacturing facilities, Syngene works with biotech companies pursuing leading-edge science as well as multinationals, including GSK, Zoetis and Merck KGaA. For more details, visit www.syngeneintl.com. For The Company's latest Environmental, Social, and Governance (ESG) report, visit <https://esgreport.syngeneintl.com/>.

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