BIOCON BIOLOGICS UK LIMITED

Annual report and financial statements
for the year ended
March 31, 2023

Company registration number: 10038295

Company Information

Directors	Daniel Mark Bradbury John Russell Fotheringham Walls Ravi Rasendra Mazumdar Paul Fredrick Blackburn
Registered Number	10038295
Registered Office	16 Great Queen Street, Covent Garden, London, United Kingdom, WC2B 5AH
Independent Auditor	KPMG LLP Chartered Accountants 20 Station Road Cambridge CB1 2JD
Banker	HDFC Bank Limited – Hong Kong Suite 1707, Gateway, Tower 1, Kowloon, Hong Kong

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STRATEGIC REPORT

Introduction

Biocon Biologics UK Limited ("the Company" or "Biocon Biologics") is a company limited by shares.

The Company is domiciled in England, in the United Kingdom.

The Company is a wholly owned subsidiary of Biocon Biologics Limited, India ("**BBL India**") which along with its wholly owned subsidiaries comprise the Biocon Biologics Group. The ultimate holding company of the Group is Biocon Limited ("**Group**").

The directors present their strategic report together with the audited financial statements for the year ended March 31, 2023.

Principal activities

The Company is engaged in research and development and commercialisation of various monoclonal antibodies and other recombinant proteins products.

Business review and future developments

FY23 was an important year for Biocon Biologics and we have seen good growth and several positive developments around our business. The growth in revenue was primarily driven by improved performance in both developed and emerging markets.

- bPegfilgrastim: In the US, we have seen an improvement in the market share of Fulphila® to low double-digit versus high-single digit at the beginning of the year. In Europe, there was an uptick in the market share reaching mid-single digit.
- bTrastuzumab: In the US, there was a temporary drop in market share of Ogivri® towards the end of FY22 which has recovered to low double digits. We have also seen a strong performance of Ogivri® in Canada and Australia. We have expanded our reach by entering new markets and win key tenders in our B2B Emerging Markets business, opening new opportunities for growth.
- bBevacizumab: We launched bBevacizumab in various countries during FY23 including Australia and Canada. We have received regulatory approvals in several emerging markets, supporting our B2B business. The U.S. Food and Drug Administration (US FDA) issued a complete response letter (CRL) in February 2023 citing need for satisfactory resolution of observations made during the facilty inspection in August 2022. We have submitted a comprehensive Corrective and Preventive Action Plans (CAPA) and are in dialogue with the agency to address these expeditiously. There are no outstanding scientific queries.
- bAdalimumab: Hulio™ continues to maintain mid-single digit market share in EU and has delivered significant growth in key markets such as Germany and France where it has garnered double digit shares. It has been approved by the US FDA with a launch planned in July 2023. It will be an important growth driver for the business.
- bEtanercept: Nepexto® was launched in the EU in August 2020 and we are seeing an uptick in shares in some markets.

Our product portfolio continues to grow as we develop existing products for new markets and develop new products for global markets. We entered into a strategic out-licensing agreement with Japanese pharmaceuticals company Yoshindo Inc. for commercializing two of our pipeline biosimilar assets, bUstekinumab and bDenosumab, in the Japanese market. This partnership will allow us to expand our offering to patients in Japan which has a market opportunity of $ 700 million.

We successfully closed the acquisition of Viatris' global biosimilars business in November'22. This acquisition is transformational as it brings together complementary capabilities from both organizations and propels Biocon Biologics into a truly global biosimilars player with lab-to-market capabilities. Post closure of the transaction, Viatris continues to provide commercial and related services as part of a pre-agreed Transition Services Agreement. During this phase we remain focused on ensuring business continuity for all stakeholders.We have also drawn up a robust transition plan and intend to start integrating the business in a phased manner by geography in FY24.

FY24 will be a pivotal year for Biocon Biologics as we progress the integration of Viatris' global biosimilars business. There are clear growth catalysts, including the launch of bAdalimumab in the US, potential approval of bBevacizumab in the US and growth of our existing business. Our fully integrated business model, backed by a strong product portfolio, set us up well for long-term success.

Identifying, evaluating and managing risk

The Group's risk management and internal control framework which is applicable to the Company, is well-embedded and provides the ability for the Board to evaluate and oversee how the Company manages principal and emerging risks in line with our long-term objectives.

We are governed by a Group-wide policy that sets out the requirements, roles and responsibilities for the management and governance of risks, controls and supporting guidance on the essential elements of the internal control framework. The framework is routinely evaluated for improvements.

Our risk assessment process considers the likelihood and impact of risks, and the timescale over which a risk could occur. We consider both current and emerging risks that could affect our ability to achieve our long-term objectives. Emerging risks are those on the three-year horizon, in line with our viability statement. We also define risks in this way if we need to know more about how likely they are to materialise, or what impact they would have if they did. We will evaluate if additional investigation is required before classifying them as principal risks. We also scan the risk horizon throughout the year to identify external trends that may be opportunities and/or emerging risks and monitor our business activities and internal environment for new, emerging and changing risks.

The risk management framework complements our culture and Speak Up processes in ensuring that risks are actively and effectively identified and mitigated. It also provides reasonable assurance against material misstatement and mitigates potential losses that could arise in the ordinary course of business.

Following the UK's departure from EU on 31 December 2020, the company has successfully navigated the challenges presented. Consistent supply to both UK and rest of the world ("ROW") has been maintained. Some industry wide regulatory challenges remain which the company is continuing to monitor and prepare for any changes required to ensure continued supply.

Principal risks and uncertainties

The global pharma landscape is affected by product safety and quality issues, intellectual property disputes and inappropriate marketing practices thereby leading to the possibility of penalties, product recalls, brand loss and revenue loss. The regulatory landscape of the international pharma industry is complex and dynamic. The primary industry driver is patient health and safety even as regulatory approach to patient protection can vary from market to market. Pharmaceutical companies struggle to globally enforce IP protection, particularly in some emerging markets. Enhanced regulatory scrutiny is set against a backdrop of increasing patient advocacy, social media and affiliate marketing programmes.

The markets for the Company's products are highly competitive. The company competes with other research-based pharmacueticals companies that market and sell biologics. The search for technologicval innovations in pharmaceutical products is a significant aspect of competition. The introduction of new products by competitors and change in medical practices and procedures is inherent in the pharamacuetical operating environment. Price is also a competitive factor. New products brought to market by the company's competitors could cause revenues to decrease for the company's products to decrease due to price reductions and sales volume decreases.

Although the comprehensive eradication of risks associated with the business of the Company is unfeasible, constant efforts are made to analyse their potential impact, assess the changes to risk environment and define actions to mitigate their adverse impact. In addition to the above, the key risks relating to our current operations, which we believe could cause our actual results to differ materially from expected and historical results include risk of our R&D programs failing or not getting completed on a timely basis, risk of non-adherence to good manufacturing practices on an ongoing basis, risk arising out of strategic co-development arrangements with a partner, risk arising out of strategic projects where significant investments are made, changing global political and regulatory landscape, continued adherence to environment and safety related requirements and critical information loss. These factors are continually reviewed to ensure appropriate margins are being realised and that the quality of products and service is of the highest standard and consistently improving

The directors consider that the financial risks relevant to the Company are credit risk, liquidity risk and currency risk.

Credit risk
Financial instruments that potentially subject the Company to credit risk consist primarily of trade receivables. As it markets and sells its products to customers in different territories, the Company has no significant credit risk, though relatively few customers accounted for a substantial portion of the Company's sales. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. To mitigate the liquidity risk, the Company maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Currency risk
The Company operates mainly in US Dollars which is also its functional currency. The Company believes that there is no material foreign exchange risk which arises in transactions in currencies other than its functional currency.

Key Performance Indicators (KPIs)
The board monitors progress on the overall Company strategy and the individual strategic elements by reference to financial KPIs, specifically revenue, research & development expenses and profits.

During the year ended March 31, 2023, the Company reported USD 241 million as revenue and earned a net profit after tax of USD 50.6 million as against revenue of USD 214.3 million and net profit of USD 33.7 million in the previous year. Ogivri®, biosimilar Adalimumab improved market share in EU, one-off licencing deal income and an improved performance in other developed and emerging markets led to revenue growth in this fiscal.

During the year USD 69.5 million (March 31, 2022: USD 54.7 million), net of recovery from co-developer and capitalisation was spent by the Company on research and development activities. Revenue growth in current year has driven higher profits in this fiscal year as compared to previous year.

Employee matters
The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. As a responsible employer, it provides modern and professional working environment. Compliant with all relevant human resources and health and safety regulations, it strives to offer competitive employment packages with opportunities for personal and professional development.

Environmental matters
The Company is a part of Group which has a policy is to adopt the best global practices in Environment, Health and Safety ("EHS"). The comprehensive governance system bolstered by best-in-class infrastructure, specialised EHS systems, competent teams and comprehensive programs. Health and safety are integral parts of a broader environment and the core of our leadership decisions process is focused on providing a safe and healthy work environment. We train, empower and require our employees to take individual responsibility for health and safety.

Section 172 statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole but having regard to a range of factors set out in section 172(1)(a)-(f) in the Companies Act 2006. In discharging our section 172 duty, we have regard for these factors taking them into consideration when decisions are made. Examples of how the Directors have oversight of stakeholder matters and had regard for these matters when making decisions are set out below.

Decisions are made by the Board which can impact one or more of our key stakeholder groups in quite different ways. This requires a considered and balanced approach to decision-making, ensuring high-quality information is provided to the Board in a timely manner, and diversity of thought and open discussion amongst Directors is encouraged by the Chairman during meetings.

Customers

We are focused on deepening our engagement with our customers to develop long-term valuable and sustainable relationships. The Board receives updates on the competitive market that we operate in, which helps to form our strategy and goals for the coming year - ensuring that our customers are at the heart of what we do. The Company remains committed to its customers with innovative nedicines, information and exceptional customer service in order to enable people live longer and healthier.

Shareholders

A key objective of the Board is to create value for shareholders and deliver long-term, sustainable growth. The Company is a wholly owned subsidiary of Biocon Biologics Limited. The Board receives continuous guidance and communication from the parent company in terms of both strategic and operational matters. Annual and interim reports are shared with shareholder regularly.

Employees

The Company is focused on attracting, engaging and retaining highly talented individuals whose experience and expertise is essential for the delivery of our strategic objectives. Operating within a culture of openness and inclusivity ensures that each of our employees is focused on delivering great service for our customers. The Board receives updates on key elements of the people strategy which provides insight into a variety of areas including culture, diversity and inclusion, succession planning, future capabilities and colleague engagement. The Board places great importance on looking after the safety of employees. The board continues to maintain and develop its policy of involving and communicating with its employees.

Suppliers

The Board is committed to building trusted partnerships with our suppliers, which are crucial to delivering many of our commitments. Through these partnerships, we deliver value and quality to our customers, and we help our partners to develop and grow. The Board places great importance on ensuring suppliers are treated fairly. By fostering positive and strong relationships with suppliers, we ensure that the Company continues to provide exemplary services to the customers.

Governments and Regulators

The Company operates in a highly regulated industry and the management is mindful of the strict legal and regulatory requirements in relation to which company must comply. Our relationships with governments and regulators are important to ensure policies are developed I n the interests of our customers and the industry, while also enabling them to better understand our impact on the community and the environment. We regularly participate in company and industry meetings with government and regulators.

Community

The Board is committed to improving sustainability and helping communities thrive by positively contributing both socially and economically. We strive to make sustainable products accessible and affordable for all. A key consideration of the Board in making its decisions is to balance the sometimes-conflicting needs of our stakeholders to ensure they are all treated consistently and fairly.The Company is committed to responsible management of energy, water, and waste and continually strives towards improvement aligned with committed targets.

On behalf of the Board of Directors
Biocon Biologics UK Limited

John Russell Fotheringham Walls
Director

Date: 07 August 2023

DIRECTORS' REPORT

Introduction
The directors present their report together with the audited financial statements for the year ended March 31, 2023.

The Directors' report and audited financial statements of the Company have been prepared in accordance with Companies Act 2006.

Directors
The directors who held office during the year, and subsequent to the year end, were as follows:

- John Russell Fotheringham Walls
- Daniel Mark Bradbury
- Ravi Rasendra Mazumdar
- Paul Fredrick Blackburn

Results and dividends
The statement of profit and loss and other comprehensive income is set out on page 14 of the financial statements and shows the results for the year.

The directors do not recommend payment of interim dividend (March 31, 2022: NIL) during the year or final ordinary dividend for the year ended March 31, 2023 (March 31, 2022: NIL).

Key event

We successfully closed the acquisition of Viatris' global biosimilars business in November'22. This acquisition is transformational as it brings together complementary capabilities from both organizations and propels Biocon Biologics into a truly global biosimilars player with lab-to-market capabilities. Post closure of the transaction, Viatris continues to provide commercial and related services as part of a pre-agreed Transition Services Agreement. During this phase we remain focused on ensuring business continuity for all stakeholders.We have also drawn up a robust transition plan and intend to start integrating the business in a phased manner by geography in FY24.

Around the world, the pharmaceutical industry is having a significant impact due to rising inflation mainly due to high energy and food costs, along with supply chain constraints. The change in Geopolitical situation and the subsequent rise in energy prices have driven up the prices of essential commodities. Generally, the implications of these situations are unpredictable and have the potential to significantly impact financial markets and economies. Thus, our market environment and, consequently, our business performance may be negatively impacted. We are preparing for these challenges by closely monitoring the economic conditions and taking necessary mitigation measures.

Financial Instruments
The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and currency risk which has been included in the Strategic Report.

Research and development
During the year USD 69.5 million (March 31, 2022: USD 54.7 million), net of recovery from co-developer and capitalisation was spent by the Company on research and development activities.

Political contributions
Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year as well as the previous year.

Disclosure of information to auditor
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Directors' indemnities
Directors of the Company were insured under the ultimate holding company's insurance policy during the financial year and at the date of this report.

Going concern
The directors believe that the Company's assumption of going concern is appropriate based on their assessment. Please refer note 2(a) for details.

Energy and carbon emission
Since the Company is a low energy user, the energy and carbon emission information are not disclosed in this report.

Other information
An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report.

Auditor
Pursuant to Section 487 of the Companies Act 2006, KPMG LLP are deemed to be reappointed as the auditor of the Company.

On behalf of the Board of Directors
Biocon Biologics UK Limited

John Russell Fotheringham Walls
Director

Date: 07 August 2023

Company registered address: 16 Great Queen Street, Covent Garden, London, United Kingdom, WC2B 5AH

Company registration number: 10038295

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOCON BIOLOGICS UK LIMITED

Opinion

We have audited the financial statements of Biocon Biologics UK Limited ("the Company") for the year ended 31 March 2023 which comprise the Statement of Profit and Loss, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular, the risk that management may be in a position to make inappropriate accounting entries and the risk that revenue is recorded in the wrong period.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.
- Obtaining a sample of invoices and related delivery documentation around the year end to assess whether revenue has been recorded in the appropriate period.
- Evaluated the business purpose of significant unusual transactions.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in

the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

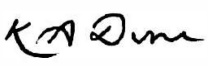
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kelly Dunn (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
20 Station Road
Cambridge
CB1 2JD

Date: 11 August 2023

BIOCON BIOLOGICS UK LIMITED

Balance Sheet

All amounts are in USD'000

	Note	March 31, 2023	March 31, 2022
Non-current assets			
Intangible assets	3	42,644	57,449
Intangible assets under development	3	47,784	48,974
Investments	4	12,75,310	4,72,577
		13,65,738	**5,79,000**
Current assets			
Cash and cash equivalents	5a	49,917	6,834
Other Bank balance	5b	614	841
Investments	4	353	1,341
Trade and other receivables	6	51,424	54,852
Contract assets	12	22,129	22,384
Prepayments and other assets	7	5,933	5,186
		1,30,370	**91,438**
Total assets		**14,96,108**	**6,70,438**
Equity			
Share capital	8	1,59,200	1,59,200
Other equity		10,69,113	2,18,541
		12,28,313	**3,77,741**
Non-current liabilities			
Borrowings	9	85,750	98,750
Contract liabilities	12	2,579	2,564
Deferred revenue		74,556	67,314
Deferred tax liability (net)	10	11,612	11,957
		1,74,497	**1,80,585**
Current liabilities			
Borrowings	9	13,151	1,311
Trade payables	11	65,399	1,05,638
Income-tax liability (net)		7,212	2,656
Contract liabilities	12	966	2,507
Deferred revenue		6,570	-
		93,298	**1,12,112**
Total equity and liabilities		**14,96,108**	**6,70,438**

The notes on the pages 16 to 36 also form part of these financial statements.

These financial statements were approved by the board of directors on 07 August 2023 and were signed on its behalf by:

John Russell Fotheringham Walls
Director

Company registered number: 10038295

BIOCON BIOLOGICS UK LIMITED
Statement of Profit and Loss and Other Comprehensive Income
All amounts are in USD'000

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue	12	2,41,041	2,14,303
Other income	13	2,330	-
Purchases of traded goods	14	71,123	81,419
Amortisation	3	10,820	12,584
Research and development expenses	15	69,528	54,712
Staff costs	16	507	343
Selling expenses		7,952	10,494
Fair valuation loss on investment designated as FVTPL		988	3,657
Other expenses	16	22,530	6,580
Total expenses		**1,83,448**	**1,69,789**
Operating profit		**59,923**	**44,514**
Financial income	17	675	9
Financial expense	17	(2,289)	(363)
Net financing (expenses) / income		**(1,614)**	**(354)**
Profit before tax		**58,309**	**44,160**
Tax expense			
Tax on profit	18	(7,737)	(10,442)
Profit and total comprehensive income for the financial year		**50,572**	**33,718**

The notes on the pages 16 to 36 also form part of these financial statements.

i) All amounts relate to continuing operations in both the current and prior year
ii) Total comprehensive income relates entirely to the 100% equity holders of the company.
iii) There are no items of other comprehensive income in the current or prior year.

BIOCON BIOLOGICS UK LIMITED
Statement of Changes in Equity
All amounts are in USD'000

	Share capital	Other equity			Total equity
		Optionally convertible redeemable non-cumulative preference shares	Retained earnings	Other equity	
Balance at March 31, 2021	1,59,200	61,563	84,823	1,46,386	3,05,586
Profit for the year	-	-	33,718	33,718	33,718
Total comprehensive income for the year	-	-	33,718	33,718	33,718
Transactions with owners, recorded directly in equity					
Liability component of optionally convertible redeemable non-cumulative preference shares reclassified to equity pursuant to modification	-	38,437	-	38,437	38,437
Total contributions by and distributions to owners	-	38,437	-	38,437	38,437
Balance at March 31, 2022	1,59,200	1,00,000	1,18,541	2,18,541	3,77,741
Profit for the year			50,572	50,572	50,572
Total comprehensive income for the year	-	-	50,572	50,572	50,572
Transactions with owners, recorded directly in equity					
Issued for cash during the year	-	8,00,000		8,00,000	8,00,000
Total contributions by and distributions to owners	-	8,00,000	-	8,00,000	8,00,000
Balance at March 31, 2023	1,59,200	9,00,000	1,69,113	10,69,113	12,28,313

The notes on the pages 16 to 36 also form part of these financial statements.

1. Reporting entity

Biocon Biologics UK Limited ("the Company") is a company limited by shares incorporated and domiciled in England, in the United Kingdom. The registered number is 10038295 and the registered address is 16 Great Queen Street, Covent Garden, London, United Kingdom, WC2B 5AH.

2. Basis of preparation of financial statements

a. Statement of compliance

The Company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Accounting Standard, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company is a subsidiary undertaking of Biocon Biologics Limited, incorporated in India. The largest group in which the results of the Company are consolidated is that headed by Biocon Limited, 20th KM, Hosur Road, Electronic City, Bangalore, India. The results of the Company also get consolidated in the consolidated financial statements of parent company, Biocon Biologics Limited. The consolidated financial statements of the group is available to the public and may be obtained from the official website www.biocon.com.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Certain disclosures regarding revenue;
- Disclosures in respect of capital management;
- The effects of new but not yet effective International Financial Reporting Standards.

As the consolidated financial statements of the ultimate parent undertaking include the equivalent disclosure, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IAS 32 Financial instruments: Presentation;
- Disclosures required by IFRS 7 Financial Instrument Disclosures;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going Concern
The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company has prepared cash flow forecasts for a period of at least twelve months from the date of approval of these financial statements, which indicate that taking account of reasonably possible downsides the company will have sufficient funds to meet its liabilities as they fall due for that period. The possible downside scenarios which have been considered while forecasting the cash flows are that there is no growth in sales except for the launch of a new product, for which regulatory approval is expected shortly and for which the Company expect to have commercial sales by Q2 and Q3 FY 2023-24, no incremental or new hires except critical positions, no new R&D initiatives requiring additional capital or operational expenditure, and other operational expenditure in line with historic activity levels.

The directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

b. Functional and presentation currency

These financial statements are presented in United States Dollar (USD), which is also the functional currency of the Company. The functional currency has been determined to be the currency of the primary economic environment in which the entity operates.

c. Use of estimates and judgements

The preparation of the financial statements in conformity with FRS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Judgements
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2(k) and 18 — Provision for income taxes and related tax contingencies;
- Note 2(l) and 12 — Revenue recognition: whether revenue from sale of product and licensing income is recognised over time or at a point in time;

d. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 is included in the following notes:

- Note 2(g) – Impairment of financial assets;
- Note 2(h) — Useful lives intangible assets; and
- Note 2(i) – Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets.

Impairment of financial / non-financial assets
The recoverable amount of the investments and intangible assets under development were based on the fair value estimated using discounted cash flows. The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent Management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The discount rates and terminal growth rates used in performing the impairment reviews are as follows

	31st Mar 23		31st Mar 22	
Key assumptions	**Investments**	**Intangible assets**	**Investments**	**Intangible assets**
Discount rate	13%	16.6%	13%	16.6%
Terminal value growth rate	-5%	-5%	-5%	-5%
Average Revenue growth	6.1%	8%	6.1%	8%

e. Foreign currency

i. Foreign currency transactions
Transactions in foreign currencies are translated into the respective functional currencies of companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss, except exchange differences arising from the translation of the qualifying cash flow hedges to the extent that the hedges are effective which are recognised in OCI.

f. Investments

Investments in subsidiary undertakings are stated at cost, less provision for any impairment in value.

g. Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Financial asset comprises of trade and other receivables and contract assets. These financial assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequently these assets are held at amortised cost, using effective interest method and net of any impairment losses.

Impairment

In accordance with IFRS 9, the Company applies the Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the following:

- financial assets measured at amortised cost; and
- Contract assets as defined in IFRS 15

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL's are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

Financial liabilities

Trade payables are initially recognised at fair value plus any directly attributable transaction costs. Trade payables are subsequently measured at amortised cost, using effective interest method.

(iii) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

h. Intangible assets

i. Research and development
Expenditure on research activities is recognised in statement of profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Other intangible assets
Other intangible assets acquired by the company are measured at fair value upon initial recognition, which forms its cost of acquisition, less accumulated amortisation and any accumulated impairment losses.

iii. Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit or loss as incurred.

iv. Amortisation
Amortisation of intangible assets commence when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Amortisation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Other intangible assets are amortised from the date they are available for use.

The estimated useful lives are as follows:

- Intellectual property rights 14 years
- Marketing and Manufacturing rights 14 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

i. Impairment of non-financial assets

The Company assess at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount in the statement of profit and loss.

The recoverable amount of a CGU (or an individual asset) is higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flow, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to CGU (or the asset).

The Company's non-financial assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contracts
A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the company recognises any impairment loss on the assets associated with that contract.

k. Income tax

Income tax comprises current and deferred income tax. Income tax expense is recognised in statement of profit or loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in other comprehensive income. Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

I. Revenue from contracts with customers

i. Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

The consideration received by the Company in exchange for its goods may be fixed or variable. Variable consideration is only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

ii. Licensing and development fees

The Company enters into certain dossier sales, licensing and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Company recognise or defer the upfront payments received under these arrangements.

Income from out-licensing agreements typically arises from the receipt of upfront, milestone and other similar payments from third parties for granting a license to product- or technology- related intellectual property (IP). These agreements may be entered into with no further obligation or may include commitments to regulatory approval, co-marketing or manufacturing. These may be settled by a combination of upfront payments, milestone payments and other fees. These arrangements typically also consist of subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period we have continuing performance obligations, if the milestones are not considered substantive. Whether to consider these commitments as a single performance obligation or separate ones, or even being in scope of IFRS-15 'Revenues from Contracts with Customers, is not straightforward and requires some judgement. Depending on the conclusion, this may result in all revenue being calculated at inception and either being recognised at point in time or spread over the term of a longer performance obligation. Where performance obligations may not be distinct, this will bundle with the subsequent product supply obligations. The new standard provides an exemption for sales-based royalties for licenses of intellectual property which will continue to be recognised as revenue as underlying sales are incurred.

iii. Royalty income and profit share

The royalty income and profit share earned through a License or collaboration partners is recognised as the underlying sales are recorded by the Licensee or collaboration partners.

iv. Contract assets

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is an unconditional right to receive cash, and only passage of time is required, as per contractual terms.

v. Contract liabilities

The Company recognises a deferred income (contract liability) if consideration has been received (or has become receivable) before the company transfers the promised goods or services to the customer. Deferred income mainly relates to remaining performance obligations in (partially) unsatisfied long-term contracts or are related to amounts the Company expects to receive for goods and services that have not yet been transferred to customers under existing, non-cancellable or otherwise enforceable contracts.

m. Interest income and expense

Interest income or expense is recognised using the effective interest method.

n. Leases

The Company as lessee:
The Company assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset;
- The Company has substantially all the economic benefits from the use of the asset through the period of lease; and
- The Company has the right to direct the use of an asset.

At the date of commencement of lease, the Company recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Company recognises the lease payment as an operating expense on straight line basis over the term of lease.

Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., higher of fair value less cost to sell and the value-in-use) is determined on individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of- use assets if the Company changes its assessment if whether it will exercise an extension or a termination of option.

Lease liability and ROU asset are separately presented in the Balance Sheet.

3. Intangible assets and Intangible assets under development

				Product under development		
	Marketing and Manufacturing rights	Intellectual property rights	Total intangible assets	Intellectual property rights	Marketing and Manufacturing rights	Total intangible under development
Gross carrying amount						
At April 01, 2021	16,500	67,763	84,263	35,294	13,250	48,544
Other acquisitions - internally developed	-	-	-	2,938	-	2,938
Other acquisitions - externally purchased	-	-	-	-	2,400	2,400
Transfer from under development to intangible				(345)		
- internally developed	-	4,908	4,908	(4,908)	-	(4,908)
At March 31, 2022	**16,500**	**72,671**	**89,171**	**32,979**	**15,650**	**48,974**
Other acquisitions - internally developed	-	-	-	3,405	-	3,405
Deletion during the year	(6,000)	-	(6,000)	(4,250)	-	(4,250)
At March 31, 2023	**10,500**	**72,671**	**83,171**	**32,134**	**15,650**	**47,784**
Accumulated amortisation						
At April 01, 2021	4,109	15,029	19,138	-	-	-
Amortisation for the year	2,373	10,211	12,584	-	-	-
At March 31, 2022	**6,482**	**25,240**	**31,722**	**-**	**-**	**-**
Amortisation for the year	1,900	8,920	10,820	-	-	-
Deletion during the year	(2,015)	-	(2,015)	-	-	-
At March 31, 2023	**6,367**	**34,160**	**40,527**	**-**	**-**	**-**
Net carrying amount						
At March 31, 2022	**10,018**	**47,431**	**57,449**	**32,979**	**15,650**	**48,974**
At March 31, 2023	**4,133**	**38,511**	**42,644**	**32,134**	**15,650**	**47,784**

(a) During the year ended March 31, 2023, the Company has capitalised intangibles amounting to USD Nil (March 31,2022: USD 4,908) being internally developed as these intangibles meet the recognition criteria under IAS 38 - Intangible Assets.

(b) The cost of products under development are not being amortised since they are still not under use.

	March 31, 2023	March 31, 2022
4. Investments		
A. Non-current investments		
I. Unquoted equity shares		
Biocon Sdn. Bhd., Malaysia - 6,652,758 (March 31, 2022: 6,652,758) equity shares of RM 10 each; Holding - 100%	16,865	16,865
Biocon Biologics Inc., USA - 3,200 (March 31, 2022: 1,700) Common stock of USD 1 each; Holding 100%	3,200	1,700
Biocon Biologics Do Brazil Ltda., Brazil - 1,978,785 (March 31, 2022 : 1,978,785) equity shares of BRL 1 each : Holding 100%	376	376
Biocon Biologics FZ LLC, UAE- 3,670 (March 31, 2022 : 450) equity shares of AED 1,000 each : Holding 100%	1,000	123
Biocon Biologics Healthcare Malaysia Sdn. Bhd., Malaysia (formerly "Biocon Healthcare Sdn. Bhd.")- 2,000,000 (March 31,2022: 2,000,000) equity shares of RM 1 each; Holding - 100% *	-	-
Biosimilars Newco Limited., United Kingdom 212,000,000 (March 31,2022: NIL) equity shares of USD 1 each; Holding - 17.5%	2,12,000	-
Biosimilar Collaborations Ireland Limited., Ireland - 1,000,000 (March 31,2022: NIL) equity shares of USD 1 each; Holding - 100%	5,88,000	-
Biocon Biologics Canada Inc. - 1 equity share of USD 1 each; Holding - 100% #	-	-
Biocon Biologics Germany GmbH - 25,000 equity shares of EUR 1 each; Holding - 100%	33	-
Total investments in equity instruments	**8,21,474**	**19,064**

* Amount is USD 24 for March 31, 2023 and 2022. Since all amounts are rounded off to USD'000 hence USD 24 is not appearing.

Amount is USD 1 for March 31, 2023. Since all amounts are rounded off to USD'000 hence USD 1 is not appearing.

II. Unquoted preference shares		
Biocon Sdn. Bhd., Malaysia - 182,405,467 (March 31, 2022: 182,405,467) Non-cumulative redeemable convertible preference shares ("NCRCPS") of RM 10 each; Holding - 98% (March 31, 2022: 98%) #	4,52,291	4,52,291
	4,52,291	**4,52,291**
III. Others		
Biocon Biologics Do Brazil Ltda., Brazil - Equity shares pending allotment	1,545	345
Biocon Biologics FZ LLC, UAE- Equity shares pending allotment	-	877
	1,545	**1,222**
Total non-current investments	**12,75,310**	**4,72,577**

Details of the subsidiaries are as follows:

Biocon Sdn. Bhd. is a private company incorporated and domiciled in Malaysia. The address of the registered office of the subsidiary is Level 7, Menara Milenium, Jalan Damanlela, Damansara Heights - 50490, Kuala Lumpur. The subsidiary is engaged in the manufacture of various insulin products and research and development activities of biopharmaceutical products. Biocon Sdn. Bhd has set up state of the art integrated manufacturing facility for insulin active pharmaceutical ingredients and insulin drug formulation in Johor, Malaysia.

The Company invested USD Nil (March 31, 2022: USD 102,854) towards Non-cumulative redeemable convertible preference shares.

Biocon Biologics Healthcare Malaysia Sdn. Bhd. (formerly 'Biocon Healthcare Sdn. Bhd.') is a private company incorporated and domiciled in Malaysia. The address of the registered office of the subsidiary is Unit D-3-5, Level 5, Block D, SetiaWalk, Persiaran Wawasan, Pusat Bandar Puchong, 47160 Puchong, Selangor Darul Ehsan. The subsidiary is engaged in the business of trading in medical equipment and accessories.

Biocon Biologics Inc, is a private company incorporated and domiciled in United States of America. The address of the registered office of the subsidiary is 1013, Centre Road, Suite 403S, Wilmington, New Castle, De. The subsidiary is engaged in the sale of biopharmaceutical products.

The Company has invested USD 1,500 (March 31, 2022: USD 1,100) towards equity shares. The investments are made throughout the year.

Biocon Biologics Do Brasil Ltda., is a private company incorporated and domiciled in Brazil. The address of the registered office of the subsidiary is R Sergipe, 401, Conj 802 Sala 1, Consolacao, Sao Paulo - 01.243-906. The subsidiary has been set up with an objective to promote direct market strategy in Brazil.

The Company has invested USD 1,200 (March 31, 2022: USD 440) towards equity shares. The investments are made throughout the year.

Biocon Biologics FZ-LLC, is a free zone company incorporated and domiciled in United Arab Emirates. The address of the registered office of the subsidiary is 1207N, 12th Floor, HQ Complex, Dubai, United Arab Emirates. The subsidiary has been set up with an objective to promote direct market strategy in middle east countries.

The Company has invested USD Nil (March 31, 2022: 1,000) towards equity shares. The investments are made throughout the year.

Biosimilars Newco Limited, is incorporated under Companies Act 2006 as a private company, limited by shares, and is registered in United Kingdom having its registered office in England and Wales. The subsidiary is engaged in commercialisation of various monoclonal antibodies which are developed by Biocon group.

The Company has invested USD 212,000 (March 31, 2022: USD Nil) towards equity shares. The investment is made on 29 November 2022.

Biosimilar Collaborations Ireland Limited, is incorporated under Companies Act 2014 as a private company, limited by shares, and is registered in Ireland. The subsidiary is engaged in commercialisation of in licensed drugs.

The Company has invested USD 588,000 (March 31, 2022: USD Nil) towards equity shares. The investment is made on 29 November 2022.

Biocon Biologics Canada Inc., is a private company incorporated and domiciled in Ontario, Canada. The address of the registered office of the subsidiary is 22 Adelaide Street W., 3600, Toronto, Ontario, Canada, M5H 4E3. The subsidiary has been set up with an objective to promote direct market strategy in Canada.

The Company has invested USD 1 towards equity shares. The investment is made on 20 March 2023.

Biocon Biologics Germany GMBH, is a private company incorporated and domiciled in Frankfurt, Germany. The address of the registered office of the subsidiary is Neue Mainzer Straße 6-10, 60311 Frankfurt am Main. The subsidiary is engaged in the distribution and sale related to biopharmaceutical products

The Company has invested USD 33 towards equity shares. The investment is made on 29 March 2023.

	March 31, 2023	March 31, 2022
B. Current investments		
Quoted equity instruments		
Invivyd Inc (formerly, 'Adagio Therapeutics Inc') - 294,000 (March 31, 2022 - 294,000) Common Stock, par value USD 0.0001 each	353	1,341
	353	**1,341**

Cost of investments was USD 4,998 and change in fair value during the year amounts to loss of USD 988 (March 31, 2022: Loss of USD 3,657).

5. Cash and Bank balances

A. Cash and cash equivalents		
Balances with banks:		
On current accounts	49,917	6,834
	49,917	**6,834**
B. Other bank balances		
Deposits	614	841
	614	**841**

6. Trade and other receivables

Trade receivables	20,058	31,743
Other receivables	-	21,304
Other receivables from related parties (refer note 19)	31,365	1,805
	51,424	**54,852**

The other receivables from related parties are interest free and repayable on demand.

7. Prepayments and other assets

Advance to suppliers	4,155	3,665
Prepayments	11	176
Others	1,767	1,345
	5,933	**5,186**

	March 31, 2023	March 31, 2022
8. Capital and reserves		
A. Ordinary share capital		
Authorised share capital 116,771,297 (March 31, 2022: 116,771,297) ordinary shares of GBP 1 each	**1,59,200**	**1,59,200**
As at April 01,2022	1,59,200	1,59,200
On issue at March 31,2023	**1,59,200**	**1,59,200**
Allotted, called up and fully paid 116,771,297 (March 31, 2022 - 116,771,297) equity shares of GBP 1 each	1,59,200	1,59,200
	1,59,200	**1,59,200**

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

B. Preference shares		
Preference share capital 900,000,000 (March 31, 2022: 100,000,000) optionally convertible redeemable non-cumulative preference shares ("OCRPS") of USD 1 each		
- Equity component	9,00,000	1,00,000
	9,00,000	**1,00,000**
As at April 1, 2022	1,00,000	1,00,000
Issued for cash during the year	8,00,000	-
On issue at March 31, 2023	**9,00,000**	**1,00,000**

C. Nature and purpose of reserves

Retained earnings
The amount that can be distributed by the Company as dividends to its equity shareholders.

9 Borrowings		
Non-current		
Loans from banks (secured)		
Term loan [refer note (a) below]	62,000	75,000
Loans from banks (unsecured)		
Term loan [refer note (b) below]	23,750	23,750
	85,750	**98,750**
Current		
Loans from banks (unsecured)		
Term loan	13,151	1,311
	13,151	**1,311**

(a) During the year ended March 31, 2022, the Company has obtained a term loan facility of USD 75 million from The Hong Kong and Shanghai Banking Corporation Limited for a tenure of 5 years. The term loan is repayable at the end of the term in one instalment and carries an interest rate of 1 month LIBOR + 1% p.a. and are secured by first pari-passu charge on the present and future Plant and Machineries of Biocon Sdn. Bhd., Malaysia.
(b) During the year ended March 31, 2022, the Company has obtained a term loan facility of USD 25 million from The HDFC Bank Limited for a tenure of 5 years. The term loan is repayable in 5 annual instalments starting from the end of year 1 and carries an interest rate of 3 months LIBOR + 1.25% p.a.

	March 31, 2023	March 31, 2022
10. Deferred tax liability (net)		
Deferred tax liability		
Intangible assets	12,771	12,871
Gross deferred tax liability	**12,771**	**12,871**
Deferred tax assets		
Fair value loss on investments	(1,162)	(914)
Gross deferred tax assets	**(1,162)**	**(914)**
Net deferred tax liabilities	**11,610**	**11,957**
11. Trade payables		
Trade payables due to related parties (refer note 19)	47,325	79,203
Trade payables	18,074	23,435
Payables for capital goods	-	3,000
	65,399	**1,05,638**

The trade payables due to related parties are interest free and repayable on demand.

	For the year ended March 31, 2023	For the year ended March 31, 2022
12. Revenue from contracts with customers		
Sale of goods*	2,20,871	2,10,641
Licensing and development fees	22,893	3,074
Royalty income	(2,723)	588
	2,41,041	**2,14,303**

* includes profit share

12.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Primary geographical markets		
Ireland	1,45,417	1,59,691
Brazil	26,844	16,684
Singapore	25,185	2,073
United Kingdom	13,669	-
Rest of the world	29,926	35,855
	2,41,041	**2,14,303**

Geographical revenue is allocated based on the location of the customers.

12.2 Changes in contract liability - licensing arrangements:		
Balance at the beginning of the year	5,071	7,461
Add:- Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	21,367	684
Less: Revenue recognised during the year	(22,893)	(3,074)
Balance at the end of the year	**3,545**	**5,071**

Expected revenue recognition from remaining performance obligations:

- Within one year	966	2,507
- More than one year	2,579	2,564
	3,545	**5,071**

12.3 Contract balances

The following table provides information about opening and closing receivables, contract assets and contract liabilities from contracts with customers.

Trade receivables	20,058	31,743
Contract assets	22,129	22,384
Contract liabilities	3,545	5,071

Trade receivables are non-interest bearing.

13. Other income		
Others	2,330	-
	2,330	-
14. Purchase of traded goods	71,123	81,419
	71,123	**81,419**

	For the year ended March 31, 2023	For the year ended March 31, 2022

15. Research and development expenses	**March 31, 2023**	**March 31, 2022**
Research and development expenses	89,680	94,858
Less: Recovery from co-developer	(18,757)	(37,744)
Less: Expenses incurred on account of Intangible assets under development (refer note 3)	(1,395)	(2,402)
	69,528	**54,712**

16. Expenses, staff costs and auditor's remuneration		
Included in profit or loss are the following;		
Lab consumables	8,170	2,909
Rates and taxes	162	4
Professional fees	8,474	3,214
Repair and Maintenance	(1)	178
Travelling and conveyance	59	17
Insurance charges	171	21
Others	80	31
Director's fees	178	206
Intangible assets written off (net of payables)	5,237	-
	22,530	**6,580**
Staff costs		
Wages, salaries and others	481	316
Social security costs	26	27
	507	**343**

(a) The average number of employees was 1 for the year ended March 31, 2023 (March 31, 2022: 1). The employee is primarily involved in marketing, portfolio and analytics functions.

(b) Director Remuneration		
Sitting fees	178	206
(c) Auditor's remuneration		
Audit of these financial statements	136	91

17. Finance income and expense		
Finance income		
Interest income on deposits with banks	8	9
Corporate guarantee commission	667	-
	675	**9**
Finance expenses		
Interest Expense	(2,168)	(310)
Net foreign exchange loss	(83)	(35)
Bank charges	(38)	(18)
	(2,289)	**(363)**
Net financing expenses	**(1,614)**	**(354)**

	For the year ended March 31, 2023	For the year ended March 31, 2022
18. Taxation		
(a) Amount recognised in Statement of profit and loss		
Profit for the year	50,572	33,718
UK corporation tax		
Current tax on income for the year	8,082	8,901
Total current tax	**8,082**	**8,901**
Deferred tax		
Origination and reversal of temporary differences	(345)	(1,025)
Increase in tax rate	-	2,566
Total deferred tax	**(345)**	**1,541**
Tax on profit	**7,737**	**10,442**
(b) Reconciliation of effective tax rate		
Profit for the year	50,572	33,718
Total tax expense	7,737	10,442
Profit excluding taxation	**58,309**	**44,160**
Tax using the UK corporation tax rate of 19% (March 31, 2022 : 19%)	11,079	8,390
Increase / reduction in tax rate on deferred tax balances	-	2,566
Patent deduction	-	(523)
Group relief of Biosimilars Newco Limited loss	(3,881)	-
Others	539	9
Total tax expense	**7,737**	**10,442**

An increase in the UK Corporation tax rate to 25% from 19% from April 1, 2023 was enacted on May 24, 2021. Accordingly, this rate has been applied in the measurement of the temporary differences expected to reverse after 31 March 2023.

(c) Recognised deferred tax assets and liabilities

The following is the movement of deferred tax assets / liabilities presented in the consolidated balance sheet

For the year ended March 31, 2023	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax liability			
Intangible assets	12,871	(98)	12,773
Gross deferred tax liability	**12,871**	**(98)**	**12,773**
Deferred tax assets			
Fair value loss on investments	(914)	(247)	(1,161)
Gross deferred tax assets	**(914)**	**(247)**	**(1,161)**
	11,957	**(345)**	**11,612**

18. Taxation (continued)

For the year ended March 31, 2022	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax liability			
Intangible assets	10,421	2,450	12,871
Gross deferred tax liability	**10,421**	**2,450**	**12,871**
Deferred tax assets			
Contract Liabilities	-	(914)	(914)
Others	(5)	5	-
Gross deferred tax assets	**(5)**	**(909)**	**(914)**
	10,416	**1,541**	**11,957**

19. Related parties

Identity of related parties
For the purposes of financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

List of related parties with whom the Company had transactions during the year:

Name of related parties	Nature of relationship
Biocon Limited	Ultimate Holding Company
Biocon Biologics Limited	Holding Company
Biocon Sdn. Bhd.	Subsidiary
Biocon Biologics Healthcare Malaysia Sdn. Bhd.	Subsidiary
Biocon Biologics Inc., USA	Subsidiary
Biocon Biologics FZ-LLC, UAE	Subsidiary
Biocon Biologics Do Brazil Ltda., Brazil	Subsidiary
Biosimilar Collaborations Ireland Limited	Subsidiary
Biosimilars Newco Limited	Associate
Syngene International Limited	Fellow subsidiary
Biocon Pharma UK Limited	Fellow subsidiary

The Company has the following related party transactions:

A. Other related party transactions	March 31, 2023	March 31, 2022
Expenses and (income)		
Ultimate Holding Company		
Share based payments to employees	2	-
Research fees	41	35
Holding Company		
Purchases of traded goods	70,656	81,419
Research fees	26,607	78,307
Expense incurred by related party on behalf of the Company	-	-
Expense incurred by the Company on behalf of related party	(4,952)	-

19. Related parties (continued)

Subsidiary	**March 31, 2023**	**March 31, 2022**
Investment in subsidiaries	5,88,000	-
Research fees	5,149	-
Support service cross charge	7,840	1,743
Reimbursement of expenses	1	-
Profit share income	(12,592)	-
Expense incurred on behalf of related party	-	(90)
Other related parties		
Investment in subsidiaries	2,12,000	-
Research fees	21,788	1,187
Profit share expense	2,790	-
Reimbursement of expenses	5	-
Expense incurred by related party on behalf of the Company	-	4
Sale of goods	(33,674)	-
Profit share income	(13,669)	-
Charges for guarantee expense	(667)	-

B. Balance outstanding

Payables

Ultimate Holding Company	-	(7)
Holding Company	(6,780)	(77,721)
Subsidiaries	(3,271)	(620)
Other related parties	(37,275)	(855)
	(47,325)	**(79,203)**

Receivables

Ultimate Holding Company	57	102
Other related parties	31,308	1,703
	31,365	**1,805**

Contract assets

Subsidiaries	8,235	-
Other related parties	11,998	-
	20,233	**-**

20. Contingent liabilities and commitments

(i) Contingent liabilities

Guarantees		
Guarantees given by banks on behalf of the Company for contractual obligations of the Company	-	218

(ii) Commitments

Joint and several corporate guarantee given to subsidiaries towards borrowings from the bank and other financial commitments*	12,00,000	-

* Biosimilars Newco Limited has entered into a USD 1.2 Billion long-term syndicated loan facility agreement for a tenure of 5 years. The loan is secured by first pari-passu charge over movable fixed assets of Biocon Biologics Limited ("BBL"), Biocon Sdn. Bhd., Malaysia. ("Biocon Malaysia"), the Company, Biosimilars Newco Limited and Biosimilar Collaborations Ireland Limited. Further the loan is also secured by corporate guarantee jointly and severally by BBL, Biocon Malaysia, the Company and Biosimilar Collaborations Ireland Limited.

21. Impairment Sensitivity

The key assumptions used in performing the impairment reviews and the amount each assumption would need to change by to create an impairment are as follows:

	March 31, 2023		March 31, 2022	
	Investments	Intangibles	Investments	Intangibles
Discount rate	7.1%	7.9%	7.1%	7.9%
Decrease in Free cash flows	-	17.5%	-	17.5%
Decrease in revenue	19.50%	-	19.50%	-

The sensitivity analysis does not indicate that any additional impairments is due in any investments and intangibles.

22. Controlling Party

The ultimate parent company and controlling party is Biocon Limited, a public Company incorporated in India. The largest group in which the results of the Company are consolidated is that headed by Biocon Limited, 20th KM, Hosur Road, Electronic City, Bangalore, India.

The results of the Company also get consolidated in the Consolidated financial statements of parent company, Biocon Biologics Limited, Biocon House, Ground Floor Tower-3, Semicon Park, Electronic City Phase-II, Hosur Road, Bangalore, India. The ultimate parent company produces publicly available financial statements. The consolidated financial statements of Biocon Group can be publicly obtained from the official website, www.biocon.com.