



Relentless Pursuit. Differentiated Growth.



Chairperson's Speech

45th Annual General Meeting
Bengaluru, India

Friday, August 11, 2023

A portrait of Kiran Mazumdar-Shaw, Executive Chairperson, sitting in a leather chair. She is wearing a blue blazer and a colorful patterned scarf. The background is a warm, dimly lit room with framed art.

Kiran Mazumdar-Shaw
Executive Chairperson

Dear Shareholders,

It gives me great pleasure to welcome you all to the 45th Annual General Meeting of Biocon.

Ladies and gentlemen, you have invested in a company that is making a huge impact on global health through its unwavering focus on enabling affordable access to lifesaving medicines for some of the most debilitating diseases in the world.

Our generics, biosimilars, and novel biologics for cancer and diabetes are not just saving lives; they are addressing serious global threats that can undermine the social, economic, and cultural stability of nations.



Crusading Against Cancer

Cancer accounts for nearly 10 million, or '1 in 6' deaths, every year. It strikes without prejudice, affecting people of all ages, races, and socioeconomic backgrounds.

India is projected to report 2.08 million cancer cases in 2040, a jump of almost 60% over 2020.

Cancer not only imposes a huge financial strain on families trying to cope with treatment costs, it stretches national healthcare systems and depletes the workforce, leading to economic instability.

Deaths and years of potential productive life lost from cancer is estimated to have resulted in a GDP loss of USD 11 billion, or 0.4% of India's GDP, in 2020. This loss is projected to increase to between USD 36-40 billion by 2030.

Biocon is leveraging the power of science, collaboration, and determination to change the trajectory of cancer both in India and in countries across the globe.

Our affordable, high-quality biosimilar Trastuzumab, a targeted therapy for an aggressive form of breast and gastric cancers, has brought down treatment costs to a tenth of what it was in India and thus enabled access to this lifesaving drug for thousands of patients.

This product enjoys the unique distinction of being the first biosimilar Trastuzumab to be approved anywhere in the world in 2013, as well as the first biosimilar Trastuzumab to be approved by the U.S. FDA in 2017.

Our commercialized biosimilars such as Trastuzumab, Pegfilgrastim and Bevacizumab, as well as those that are under development position us uniquely to provide a broad range of treatment options for cancer patients worldwide.

The immunosuppressants in our Generics portfolio are also benefiting cancer patients, as well as those with autoimmune diseases and people who have undergone organ transplants.

Bringing Insulins Within Reach of People with Diabetes

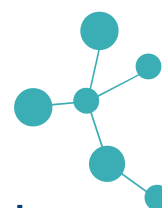
Diabetes has emerged as a global pandemic and one of the major challenges to human health in the 21st century. With just under half a billion people living with diabetes worldwide currently, and the number projected to rise to 700 million by 2045, this disease isn't just a health concern; it's a socio-economic time bomb.

India has over 100 million people with diabetes & 136 million with pre-diabetes. The huge diabetes burden is expected to cost the country an estimated USD 2.6 trillion in lost GDP.

Insulin is the bedrock of diabetes treatment. It turns a deadly disease into a manageable one for 9 million people with Type 1 diabetes. For more than 60 million people living with Type 2 diabetes, insulin is essential in reducing the risk of kidney failure, blindness and limb amputation.

However, one out of every two people needing insulin does not get it because of a number of factors, including high prices.

Biocon's biosimilar insulins are addressing this access gap.



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Through our proprietary *Pichia pastoris* platform we have been able to disrupt the insulins market globally. In fact, we are only one of three insulin producers globally to have a differentiated technology and No. 4 in the world in terms of insulins manufacturing capacity.

As a result, millions of people with diabetes in both Advanced and Emerging economies are benefiting from our affordable human Insulin and biosimilar Insulin Glargine.

Our Insulin Glargine received a historic U.S. approval in 2021 as the world's first 'interchangeable' biosimilar product, which is a testament to our scientific excellence and robust quality.

Our Generics portfolio also includes several products for diabetes and other metabolic disorders.

Creating a Global Biosimilars Leader

Our philosophy of unconditional equity has led us to invest over USD 1 billion over the last 20 years in building dedicated 'lab to market' capabilities for biosimilars and generics.

Our commitment to ensuring that 'one in five' diabetes patients and 'one in five' cancer patients globally can access our biosimilars and generics has led us to take bolder steps.

It has led us to successfully complete the transformational, USD 3 billion-plus acquisition of our long-term partner Viatris' global biosimilars business.

This acquisition has made us the largest biologics company in India and amongst the largest in the world.

The increased scale, scope and global nature of our Biosimilars business will help us establish ourselves as a global leader in biosimilars and maximize value for all our shareholders.

Moreover, direct commercial presence in many global markets will allow Biocon Biologics to devise more sustainable and targeted strategies to make our biosimilars accessible to the maximum number of patients and healthcare providers.

Our Strong Focus on ESG

Our philosophy of ensuring unconditional health equity resonates with our Environmental, Social, and Governance or ESG aspirations. We have aligned our business purpose to addressing the needs of Patients, People, and the Planet.

We are casting a lifeline of hope to millions of patients and their families across the world by bringing down the cost of essential medicines. Over the past year, our biosimilars served 5.7 million patients across the world. Of these, 2.1 million patients were in India. Underpinning our health equity initiatives is our commitment to creating a diverse, equitable and inclusive workplace for our people. Women today comprise 23% of the Group's workforce. The importance of preserving our planet for future generations have led us to actively work towards reducing our carbon footprint and transitioning to renewable energy. In FY23, 71% of the energy consumption in our India operations was from "green power" sources such as solar and wind energy.



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Financial Performance

We closed an eventful FY23 on the combined business and sustainability front. Biocon's consolidated revenue for the year increased 38% year-on-year to Rs 11,550 crore, or ~USD 1.4 billion. Half of this came from the Biosimilars business, which reported revenues of Rs 5,584 crore, or USD 680 million. The over 60% growth in Biosimilars revenue was on account of the consolidation of Viatris' revenues post the acquisition in Q4 and strong performance in the underlying business. Research Services delivered a better-than-expected 23% revenue growth to Rs 3,193 crore, or USD 390 million, aided by a strong uptick in bio-manufacturing services. The Generics business' revenue was up 13% at Rs 2,637 crore, or USD 320 million. EBITDA grew by 32% to Rs 2,888 crore, or USD 350 million, with EBITDA margins at 25%. Net profit before exceptional items reached Rs 787 crore, or USD 96 million, a 9% increase from the previous year.

Dividend

Our resilient performance and strategic progress have led Biocon's Board to recommend a final dividend of Rs 1.50 per share at the rate of 30% of the face value of the share for FY23.

Outlook

All our business segments are well-positioned for growth in FY24. Having ended FY23 on a USD 1 billion revenue trajectory, the Biosimilars business is set to leverage key growth drivers to build on this strong foundation in FY24 and beyond. Healthy demand for its services, including commercial manufacturing of biologics, will spur Syngene's growth. The Generics business expects mid-teens growth in the current financial year on the back of portfolio expansion, capacity enhancement, geographic expansion, and strategic partnerships.

Establishing clear pathways for exciting new growth inflections in each of our businesses will help us to continue addressing global healthcare needs with passion and compassion.

A Shared Purpose

Today, we have gathered with a shared purpose – to explore the boundless potential of investing in a company that is not only enabling access to lifesaving medicines but is also aligned to the evolving global healthcare paradigm.

As investors and shareholders, you have the privilege of being part of a transformative narrative – a narrative that holds the promise of not only impressive returns but also a legacy of positive change. Today, I urge you to recognize the power of our collective investment in this company. We are not just funding growth; we are investing in a future where accessible healthcare is not a luxury, but a fundamental right.

Thank you all for your continued trust in us and let us together embark on this transformative path of ethical value creation.

Thank You.

Kiran Mazumdar-Shaw
Executive Chairperson,
Biocon Limited
August 11, 2023



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