



# Unwavering Purpose

## Chairperson's AGM Speech 43rd Annual General Meeting

Friday, July 23, 2021,  
Bengaluru, India

A professional portrait of Kiran Mazumdar-Shaw, a woman with dark hair, smiling. She is wearing a light blue blazer over a white top with a dark floral pattern. She is standing in front of a dark, vertically-slatted background. A semi-transparent dark blue curved shape is overlaid on the bottom right of the image.

**Kiran Mazumdar-Shaw**  
Executive Chairperson

## Dear Shareholders,

*It gives me great pleasure to welcome you to the 43rd Annual General Meeting of your company.*

*The pharmaceutical and healthcare industry's fight against COVID-19 intensified over the past year as fresh waves of infections hit many countries around the world. As the pandemic left societies and economies in disarray, biotechnology-led companies quickly developed diagnostics, vaccines and therapies to tilt the battle in favor of humanity.*

*India has been at the forefront of this crusade, producing cost-effective vaccines at scale for millions of people. At the same time, the country has continued to supply the world with generic and biosimilar therapies to prevent and treat non-COVID health threats such as cancer, diabetes, heart attacks, HIV infections, malaria, tuberculosis etc.*

## BIOCON GROUP ENDURES COVID-19 CHALLENGE

The unwavering purpose of our company to put 'patients first' enabled us to sustain the supply of life-saving medicines, worldwide.

We also took up the challenge to find solutions to support India's fight against COVID-19 by leveraging our deep scientific expertise and large-scale manufacturing capabilities. From diagnostics to therapies, from testing to vaccinations, we did our best to make a meaningful difference.

As we continued with our operations, we also focused on protecting our people and ensuring their health and well-being. We invested in implementing strict safety protocols and regularly engaged with our people to keep them motivated. The leadership team constantly monitored the fast-evolving situation and took data-driven decisions for operational planning across our facilities.

## REALIZING THE BIOSIMILARS PROMISE

Our Biosimilars business revenue at Rs 28,002 million, recorded a growth of 21% in FY21. We commercialized our third biosimilar, Insulin Glargine, in the U.S. and obtained regulatory approvals for key biosimilars Bevacizumab and Insulin Aspart in the European Union. Our biosimilars benefited 3.1 million patients during the year.

As the only company from India to have three biosimilars commercialized in the U.S. and among the select few globally to have five biosimilars approved in Europe, we are confident of enabling affordable access to expensive biologic drugs for millions of patients globally.

Our diverse portfolio of products straddling monoclonal antibodies for cancer and autoimmune diseases and rh-insulin and insulin analogs for diabetes as well as our continued commitment to quality and product safety, position us to deliver robust and enduring growth in the coming years.

The market potential for biosimilars remains solid, with biologics worth ~USD 90 billion in originator sales losing exclusivity over the next decade.

The confidence of investors in Biocon Biologics' growth story is reflected in the entity's post-money valuation of ~USD 4.17 billion during the last round of fundraising from Abu Dhabi-based ADQ. We have thus far raised ~USD 330 million from top global investors like True North, Tata Capital Growth Fund and Goldman Sachs.



## SERVING PATIENT NEEDS THROUGH GENERICS

The Generics business acted with agility to ensure supplies of much-needed generic APIs (Active Pharmaceutical Ingredients) and formulations from India to the rest of the world, belying fears of large-scale medicine shortages due to the pandemic.

We supply statins, immunosuppressants, narrow-spectrum antibiotics and other APIs to over 100 countries and were able to serve our partners despite COVID-related disruptions. Revenues from the Generics business grew by 6% over the previous year to Rs 23,359 million, supported by double-digit growth in Generic Formulations and a modest single-digit growth in APIs.

In FY21, Generics Formulations achieved a key milestone with the launch of Tacrolimus capsules, an immunosuppressant used to treat organ transplant patients, in the U.S. We delivered ~2 billion statin pills for the benefit of patients in the U.S. in FY21.

It also entered new partnerships to expand commercial footprint to Singapore, Thailand and Brazil.

We remain committed to investing in building new capabilities and capacities across functions, including R&D, Manufacturing and Quality, and expanding our product portfolio to deliver long-term, sustainable growth in our Generics business.

## MAKING A DIFFERENCE WITH OUR NOVEL BIOLOGICS

Realizing the acute need for an effective treatment for people hospitalized with COVID-19 and those at risk of developing severe illness, we repurposed our 'first in

class' anti-CD6 monoclonal antibody, Itolizumab, which has a unique 'mechanism of action' in controlling cytokine release syndrome (CRS).

The Drugs Controller General of India (DCGI) granted Restricted Emergency Use approval to Itolizumab in July 2020 to treat CRS in patients experiencing moderate to severe acute respiratory distress syndrome (ARDS) due to COVID-19. We are gathering additional data as part of the Phase 4 post marketing study for Itolizumab, which will further validate the potential of this therapy in COVID-19. During the devastating second wave, Itolizumab was deployed to treat over 20,000 COVID-19 patients affected with severe disease.

Results from the Phase 2 clinical trial, which established Itolizumab as a promising, safe and effective immunomodulatory therapy for COVID-19 with survival and recovery benefits, have been published in a prestigious, peer-reviewed scientific journal in FY21.

Equillum, our U.S.-based partner, reported encouraging developments on the clinical advancement of Itolizumab in treating acute graft-versus-host disease, lupus, lupus nephritis, and uncontrolled asthma. We are expecting clinical data from all studies later in calendar year 2021.

Boston-based Bicara Therapeutics is spearheading the development of novel bi-functional fusion antibodies in immuno-oncology. Its lead program, BCA101, is in Phase 1/2 clinical trials in the U.S. and Canada. Bicara started operating as a standalone company under an independent management team in FY21 after we ceded control to its Board and Management.



## KEEPING RESEARCH PROJECTS ON TRACK

Despite a challenging year, Syngene successfully delivered on its commitment to clients who depend on the Company for their research and development needs. It delivered revenue of Rs 21,843 million, and an annual growth of 9%. Syngene also built on its integrated drug discovery and development portfolio during the year, signing on new clients and renewing contracts scientific and manufacturing capabilities during the year.

## TACKLING COVID-19

The Biocon Group was able to pivot very quickly its capabilities to fight against COVID-19 in FY21.

We have a comprehensive portfolio of products for treating COVID-19 patients at different stages of the disease spectrum, including RemWin (Remdesivir) for mild to moderate patients, ALZUMAb-L (Itolizumab) for moderate to severe patients and CytoSorb for critical patients.

Biocon's Research Services subsidiary Syngene manufactured Remdesivir under a license from Gilead and distributed in India through Biocon Biologics and Sun Pharma to address patient needs for this life saving therapy.

Syngene leveraged its deep scientific expertise to develop various solutions to support the nation's battle against COVID-19.

Syngene, through its repurposed, high-end laboratory, conducted 185,000 RT-PCR tests, of which 90% were free of cost, in FY21. The Company also developed an ELISA (Enzyme-Linked Immunosorbent Assay) antibody testing kit for COVID-19. Currently, scientists at Syngene are engaged in developing an and validating several relevant assays for assessing immune response against SARS-CoV-2.

To support the government's efforts to combat and contain the pandemic, Syngene has set up a Vaccination Center to provide free vaccination for Biocon Group employees and their families. Through Biocon Foundation's eLAJ smart clinics, we are now providing COVID-19 vaccination for marginalised communities.

We remain committed to investing in building new capabilities and strengthening our product portfolio to deliver long-term, sustainable growth in our Generics business.

## PAYING TRIBUTE TO OUR COLLEAGUES LOST TO COVID-19

The second wave of COVID-19 in India has tragically impacted us and we have lost some of our dear colleagues across Biocon, Biocon Biologics and Syngene. We express our deepest condolences to the bereaved families.

We understand we cannot compensate the loss of a human life, however, we have taken steps to help their families rebuild their lives. Biocon Group has decided to pay the families of the deceased, 50% of the employee's gross salary for two years, up to a maximum payout of Rs 50 lakhs. We will also extend the education allowance support for two children until the age of 18. We will also assist with job hiring for either the spouse or child, in one of our group companies, or help them find employment elsewhere, depending on their education and eligibility. The above support is in addition to the Group Term Life Insurance and other benefits applicable as per the Company's policy. We sincerely appreciate the contributions made by our dear colleagues and earnestly share the grief of their families.

# FY21 At a Glance



Revenue

**73,603**

₹ Million



EBITDA Margin

**26 %**



R&D Spend (Gross)

**6,270**

₹ Million



Profit for the year\*

**7,405**

₹ Million



EPS

**6.2**

₹



Employees (TOTAL)

**13,500+**

## Business Segment Revenue<sup>#</sup>



Generics

**23,359** ₹ Million

6% Growth



Biosimilars

**28,002** ₹ Million

21% Growth



Research Services

**21,843** ₹ Million

9% Growth

## Geographic Distribution

Domestic

**19%**

International

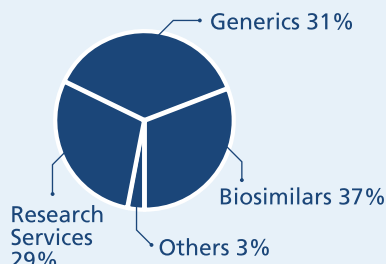
**81%**

Our international revenue contribution grew to 81% in FY21 from 78% in FY20.

\* Includes exceptional items and loss from discontinuing operations

# Includes inter-segment revenue

## Business Segment Revenue Contribution





## FINANCIAL PERFORMANCE

Despite a tough and unpredictable year, Biocon delivered a credible financial performance with consolidated revenue growing 14% to Rs 73,603 million and hit the \$1 billion mark. EBITDA grew 8% to Rs 19,071 million, representing an EBITDA margin of 26%. Net Profit (before exceptional item and discontinuing operations) was at Rs 7,540 million. Our determination to keep investing in science to stay a step ahead of the pandemic is reflected in the 19% rise in our Gross R&D spends to Rs 6,270 million in the year.

The confidence of investors in Biocon Biologics' growth story is reflected in the entity's post-money valuation of ~USD 4.17 billion.

## DIVIDEND POSTPONED

On account of the uncertainty due to the unprecedented second wave of the COVID-19 pandemic in India, Biocon's Board of Directors has deemed it prudent not to declare a dividend for FY21, in order to prioritize cash and maintain liquidity.

## STRENGTHENING THE MANAGEMENT

The Board of Biocon Biologics appointed Dr. Arun Chandavarkar as the Managing Director (MD) w.e.f. January 21, 2021 and entrusted him to steer the Company to the next level. Shreehas Tambe was promoted from Chief Operating Officer to the position of Deputy Chief Executive Officer (CEO).

We appointed Susheel Umesh as the Chief Commercial Officer for Emerging Markets to drive the Biosimilars business in these markets. Susheel brings over 30 years of experience in

the pharmaceuticals industry, having worked in India, France and Sub-Saharan Africa for leading global pharma companies.

I do believe we have a strong leadership team in place now to drive the future growth of our Biosimilars business and return the Company to its high growth trajectory soon. I will also be playing a more active role as the Executive Chairperson of Biocon Biologics Limited.

I am also happy to welcome Prof. Peter Piot, Director of the London School of Hygiene & Tropical Medicine and the Handa Professor of Global Health, to the Board of Biocon Biologics Limited as an Independent Director. His scientific expertise and long experience in global healthcare will be invaluable for the Company.

The Board of Biocon Limited has appointed Indranil Sen as the Chief Financial Officer of Biocon, in place of Anupam Jindal who resigned from the position due to personal reasons.

## JOHN SHAW RETIRES AS VICE CHAIRMAN

I would like to inform you that my husband, John Shaw, Vice Chairman of Biocon, will retire from the Board of Directors due to health reasons, on the conclusion of today's AGM. He has been a key member of the Company's Board and management team since 1999, and has contributed majorly to the transformation of Biocon from a small enzymes company to a globally recognized biopharmaceutical company. Over the last 22 years, he has played an important role in building Biocon, ensuring the highest levels of corporate governance in the Company, as well as, in the financial and strategic development of the group. On behalf of the Board, I express my deep appreciation and gratitude to my husband John for his stewardship & guidance and for the invaluable role he has played in shaping Biocon.





# Biocon ESG Summary Report 2021

Unconditional  
Equity



## ENVIRONMENTAL, SOCIAL & GOVERNANCE

Biocon's commitment to Environmental, Social and Governance is about health equity, purposeful employment and ethical business practices.

Biocon has built its business culture on a bedrock of purpose, ethics and equity. A purpose-driven business philosophy has provided us with a compelling *raison d'être* to embed social impact in all that we do. From our origins as a pioneering biotechnology enterprise that inculcated a research-driven strategy to address eco-friendly, enzyme-based solutions in industrial processing to our innovation-led healthcare solutions that provide affordable access to patients who battle cancer, diabetes and autoimmune diseases, we are propelled with a sense of business responsibility that has both ethics and equity at its core.

As a global corporate citizen, we have pursued business leadership on a platform of affordable access to essential and life-saving medicines, which encompass generic and biosimilar drugs. Affordability has always been a challenge to patients in low- and middle-income countries (LMICs), as well as, to those that cannot afford insurance in many high-income countries. We have, over the past two decades, provided equitable and affordable access to millions of patients across the world, be it life-sustaining immunosuppressants like Tacrolimus or breast cancer drugs like Trastuzumab to Insulin and Insulin analogs for people with diabetes.

Our responsible business practices, which embed social impact in all that we do, includes effectively managing environmental, social and governance (ESG) matters. While the principles of ESG -- operating responsibly and sustainably and caring for people and

communities -- have been ingrained in our Company's DNA since inception, we are proud to present our first ESG Summary Report this year.

The ESG Summary Report has been distributed to all our shareholders along with the Annual Report.

The ESG report presents efforts made and progress achieved by the Company in delivering on its commitments and seeks to address the growing interest and expectations of our global stakeholders across ESG domains.

Later this year, we will publish our first Global Reporting Initiative (GRI) aligned ESG Report, which will provide comprehensive insights into our Environment Social and Governance performance over FY21.

## PATIENT EQUITY

Biocon is proud of its stated mission of impacting health equity through affordable access to essential and life-saving medicines. We have augmented our commitment to global health through several partnerships with health initiatives sponsored by UNAIDS, Clinton Health Access Initiative (CHAI) etc. Our '10 cents per day' insulin initiative is to enable access to diabetes patients in LMICs.

## PEOPLE EQUITY

Underpinning our health equity initiatives is our commitment to an equitable and inclusive workplace. We aim to make Biocon an equal opportunity enterprise, from recruitment to career and leadership development. We would like to get to a 50:50 gender ratio by 2030 from a ratio of 83:17 currently. We firmly believe that gender and diversity are the hallmarks of progressive businesses.



## ENVIRONMENTAL EQUITY

As an environmentally responsible company, we go beyond statutory compliances to create responsible business practices with a focus on judicious use of natural resources.

## ADDRESSING THE CLIMATE EMERGENCY

We are committed to climate change mitigation, including actions to limit global warming and its related effects. As part of our

unceasing efforts to lower Greenhouse Gas (GHG) emissions over the long term, we use every opportunity to increase renewable energy across our operations through onsite solar installations and by sourcing wind energy to offset grid supply.

These efforts led to increase the share of 'green power' to over half of our total energy consumption for the year across Biocon and Biocon Biologics in India.

Our carbon footprint reduction efforts led us to achieve cut CO<sub>2</sub> emissions by ~102,600 tons in FY21.



## WATER MANAGEMENT

During the year, we made substantial capital investments to upgrade to the latest advancements in wastewater treatment. A new 600 KLD capacity zero liquid discharge, effluent treatment plant, based on advanced membrane bioreactor technology, was installed in Bengaluru for an investment of Rs 80 million in FY21. This has led to 400,000 liters of incremental water savings per day across Biocon and Biocon Biologics in India.

## BIOCON FOUNDATION

Our Corporate Social Responsibility reflects our ESG goals, from our environmental efforts in lake revival, our efforts in enabling employability through the Biocon Academy and investing in digital health initiatives through our eLAJ smart clinics in primary health.

The eLAJ Smart Clinics operating at the 20 government-run primary health centers (PHCs) and three Biocon Foundation-operated health centers continued to provide outpatient services across seven districts of Karnataka in FY21. Despite pandemic-related

challenges, Foundation staff coordinated testing, tracking and vaccinations for COVID-19 in these districts. Our eLAJ clinics recorded patient ~61,000 patient visits during the year.

The Foundation also inaugurated the new buildings it helped construct for the Government Higher Primary School in Huskuru, Bengaluru, and Government Higher Primary School in Sira, Tumkuru. Over 500 students will have access to better learning due to well-equipped new buildings.

## DIGITAL GOVERNANCE – THE WAY FORWARD

Biocon is investing in building a robust digital architecture that will support data platforms and data networks across organizational functions. ESG is at the core of Biocon's digital transformation wherein we aim to enhance quality and compliance, augment productivity through enhanced operational excellence and enable data integrity through technology-led data transparency. Digitization, we firmly believe, has the ability to build higher standards of governance and deliver greater levels of trust to all stakeholders.

Biocon's commitment to Environmental, Social and Governance is about health equity, purposeful employment and ethical business practices.

In the face of the biggest health calamity faced by humanity in a century, Biocon kept its commitment to its patients and partners in FY21.

On the back of investments made so far, we expect to drive revenue growth in our Biosimilars, Research Services and Generics businesses in FY22. We will continue to focus on expanding our product portfolio, strengthening the development pipeline and accelerating capacity enhancement. We will invest in skilling our workforce to prepare for a digital future.

I would like to thank our esteemed shareholders, partners and other stakeholders for continuing to repose their faith in us. While the pandemic will bring many further challenges, our unwavering purpose of ensuring equitable access to healthcare gives us the confidence to build a stronger, better Biocon for the future.

## Kiran Mazumdar-Shaw

## Executive Chairperson







Our belief that the top priority in a public health crisis is to protect human lives, led all employees of Biocon, Biocon Biologics and Syngene to relentlessly contribute towards ensuring continuity of operations

Kiran Mazumdar-Shaw  
Executive Chairperson

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