

CHAIRMAN'S SPEECH

Annual General Meeting

12th August, 2022



Emerging Stronger.
Life Wins.



Dr. Habil Khorakiwala
Founder Chairman

MY DEAR SHAREOWNERS,

friends, and distinguished guests. Welcome to the Annual General Meeting of Wockhardt Limited.

It has been a challenging year, but with several encouraging developments that augur well for the Company's sustainability and future growth.

An Indian proverb goes thus, "We can't change the direction of the wind, but we can adjust the sails." And that is just what we have been doing. We adapted quickly, demonstrated resilience through perseverance, and displayed agility in seizing opportunities. This has led to the Company emerging stronger and poised for greater growth.

STRENGTH OF PERFORMANCE

Let me quickly review Wockhardt Limited's performance in FY 2021-22.

Our consolidated revenues stood at ₹3,230 crore as compared to ₹2,762 crore in FY 2020-21. At ₹298 crore, our Operating Profit or EBITDA is significantly higher as compared to the previous year, driven by the high-margin vaccine business, higher sales of NCE in India, and high proportion sales from the India branded business.

Our international business accounted for 80% of total revenues, with the EU & UK, US and Emerging Markets, accounting for 50%, 11% and 19% of total revenues respectively. Our India business accounted for 20% of total revenues. Continuing our focus on Research and Development, our total R&D spends (including Capital and Revenue) amounted to approximately 9.3% of consolidated revenues. As on 31st March, 2022, our Net Debt to Equity Ratio was 0.35 as against 0.54 as on 31st March, 2021.

STRENGTH OF OPPORTUNITY

I will now talk about several positive developments that unfolded over the year under review, which herald opportunities and strong performance in the years to come.

First is the success of the Wockhardt Limited Rights Issue, aggregating ₹748 crore, that was fully subscribed by public shareholders. Proceeds of the Issue will be used to reduce long-term debt, and other corporate purposes.

Another significant event is Wockhardt's collaboration with Serum Life Sciences UK Ltd., a subsidiary of the Serum Institute of India, the world's largest vaccine manufacturer, to deliver a global vaccine programme. Consequently, we will together enhance the capacity of

our sterile facility to a total of 150 million doses of multiple vaccines under a profit-sharing agreement.

I am very happy to announce that we have commenced Phase III clinical study for WCK 5222 and have completed the initiation of the first site in Europe. This trial will take around 15-18 months.

For the road ahead, we are charting our course with a definite roadmap - a long-term strategy based on three foundational pillars of Pharmaceuticals, New Drug Discovery, and Biologicals and Vaccines.

STRENGTH OF STRATEGY – Pharmaceuticals

As you are well aware, our pharmaceuticals business is well established and focused on differentiated products that fulfil unmet global medical needs. We will continue to offer affordable medicines and other drug intermediates to a worldwide market and we hope to achieve double-digit growth in the next 10 years.

STRENGTH OF STRATEGY – New Drug Discovery

The second of our strategic pillars is our New Chemical Entity (NCE) programme in the antibiotics space, which is now beginning to be monetised. There are several encouraging developments on this front.

We had already launched EMROK and EMROK O in India last year and it has been well received with over 20,000 patients successfully treated so far. This novel antibiotic will soon be launched in other markets too.

Another heartening development is our agreement with Jiangxi Jemincare Group Company Limited, a leading pharmaceutical group in China. Under the terms of the agreement, Jemincare will be responsible for the exclusive development and commercialisation of our NCE WCK 4873

(INN: Nafithromycin) used to treat community-acquired bacterial pneumonia and other respiratory tract infections, in the People's Republic of China, Hong Kong, Macau, and Taiwan. We have already received an upfront payment and will receive additional milestone payments.

Let me update you on the status of the four NCEs under development with Qualified Infectious Disease Product (QIDP) status by US FDA. I am pleased to inform you that three of the four NCEs are moving into Phase 3 clinical trials and the remaining one too will commence soon. Also, we are confident that one of our breakthrough antibiotics under development, NCE WCK 5222, will be made available in the US, India, and other markets within a span of two to three years.

STRENGTH OF STRATEGY – Biologicals & Vaccines

Our third pillar of strategy to drive future growth is our focus on the development of biologicals, particularly for diabetes, and vaccines.

We are endeavouring to strengthen our position as an important supplier of insulin in Emerging Markets. Currently, our long-acting insulin, glargine, is available in many markets and we soon expect to get the requisite approvals and make it available globally. We have also developed newer insulins like Aspart and Lispro and efforts are underway to make them too available in global markets.

Our track record of supplying fill-and-finish vaccines by AstraZeneca for the UK government has firmly established the capability and reliability of our facility in Wrexham, North Wales. The collaboration with Serum Life Sciences UK Ltd. will further strengthen our position to emerge as a significant contributor to a global vaccine programme.

STRENGTH OF COMMUNITY DEVELOPMENT

The Buddha said, "If you light a lamp for somebody, it will also brighten your path." I believe that our Corporate Social Responsibility initiatives do just that and keep us grounded, humble, and hence, eager to do and achieve more.

Like every year, this fiscal too, we continued to serve the underprivileged with passion and dedication through various initiatives. Spearheaded by Wockhardt Foundation, along with Wockhardt Hospitals and other corporate partners, our flagship programme, Mobile 1000, served over 4,000 villages with free medicines and medical services in FY 2021-22. Along with other initiatives covering e-learning, skills development, potable water, sanitation etc., we manage to touch over three million lives every year.

I will conclude with a lovely quote by J.R.D. Tata who said, "When you work, work as if everything depends on you. When you pray, pray as if everything depends on God." I think it is a great way of saying that we should have the conviction and confidence to always do our best and believe in the benevolence of a higher power.

I and the Board of Directors, sincerely thank all Wockhardt shareowners, associates, the medical and financial communities, and our vendor associates, for their support, cooperation and good wishes.

God bless us all.



Dr. Habil Khorakiwala
Founder Chairman



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