

42ND ANNUAL GENERAL MEETING

CHAIRMAN'S SPEECH



Dear Shareholders,

Good afternoon and thank you for joining us today. On behalf of the Glenmark Board of Directors, I am pleased to welcome all of you to the 42nd Annual General Meeting of Glenmark Pharmaceuticals Limited.

In the last few decades we have grown exponentially to become a global, integrated, innovation-led pharmaceutical company. In the process, the company has consistently achieved new milestones while overcoming obstacles and moving ahead. The last six months has seen a different challenge emerge globally in the form of a pandemic. And despite the COVID-19 crisis and the challenging business environment, your organization has maintained an unwavering focus on the trinity of Employees, Patients and Community.

Our Commitment and Fight against COVID-19

The COVID-19 pandemic, as you well know, unleashed a complex web of public and private health sector crises and compelled us to adapt a new 'normal' way of work and life.

For Glenmark, our priorities were clear: we had to maintain continuous supply of medicines to patients who needed it while safeguarding the wellbeing of our employees and their families.

We responded swiftly across teams, functions and geographies to reopen laboratories and smoothen out logistics. By the end of April 2020, our manufacturing units could stabilize production and logistics were in place for uninterrupted supply to all our markets. Our Corporate Social Responsibility (CSR) department, ably supported by other teams and its NGO partners, reached out to those most impacted by the lockdown such as migrants, children out of school, and expectant mothers, to provide food and health aid in a timely manner.

On the global front, we supported communities through unique partnerships and multi-pronged interventional models to help mitigate the impact of the pandemic. In India, we extended support to 20 states through our community relief programs. We pledged over 5 million meals with a focus on undernourished children, daily wage earners and pregnant women. We also made donations to the PM Cares Fund and the CM Relief funds in Goa, Gujarat, Himachal Pradesh, Maharashtra and Sikkim.

On the business front, we were in the forefront of finding a cure for the coronavirus and our teams across departments worked tirelessly during the lockdown. This hardwork and the relentless focus helped your organization develop & manufacture India's first oral antiviral Favipiravir (FabiFlu®) that was approved by the regulator for the treatment of mild to moderate COVID-19. This regulatory approval was granted under an accelerated review process for restricted and emergency use of FabiFlu® given the pandemic situation in the country.

Glenmark successfully developed the API and formulations for FabiFlu® through our own in-house R&D team. You will be proud to know that your organization remains the only company in India to successfully complete a randomized, controlled, open-labelled, multi-center Phase 3 clinical trial on Indian patients with mild to moderate Covid-19. We launched FabiFlu® towards the end of June 2020 and worked closely with the medical community to make FabiFlu® accessible to patients across the country.

Performance Overview:

During the year under review, our consolidated revenue increased by 7.86% to Rs. 106,409.69 million. This, I would like to emphasize, is the first time we crossed the 10,000 crore mark in revenues, which is a testament to our focused growth strategy.

Our India business continued to perform strongly with over 15% growth to Rs. 32,021 million on the back of new product launches and a focused approach to increase market share in our key therapy areas of dermatology, respiratory and cardio-metabolic.

Glenmark is one of the fastest growing companies in the Indian pharmaceuticals market. Among the highlights for the year was the rapid acceptance of Remogliflozin, our novel, globally-researched SGLT2 inhibitor for Type 2 diabetes, by the medical community. With its clinical efficacy and economical pricing, Remogliflozin is transforming diabetes therapy in the country.

Our respiratory franchise gained market share to become the third largest in the country; it is expected to continue performing strongly with new launches in the current year. Our Consumer Care business recorded Rs. 200 crore in revenues and grew in strong double digits led by the flagship anti-fungal brand Candid.

The US market continued to witness significant price erosion during the year. Three of our leading products were impacted substantially because of price erosion. Despite this, the US revenue was flat as compared to the previous year. I'm also pleased to share that Glenmark's manufacturing facility in Monroe, US is now commissioned to manufacture oral solids, with injectables expected to follow suit in the near future. The coming months and years will see Glenmark launch more niche generics and injectables in the US and accelerate filings for new products in the market.

Among Rest-of-World (RoW) markets, Africa and Middle East region has performed well and will continue to grow at a healthy rate. The Russia business continued to be subdued but is expected to pick up with the launch of new products. These products, either the first generic or a new combination, are in the respiratory segment and are currently undergoing trials. Glenmark is already a strong player in this segment in Russia.

It was a mixed year for the European business with the biggest positive being the settlement of intellectual property litigation on Salmex – our inhalation product for asthma control. We expect this development to pave the way for its successful launch in select European markets. Europe will continue to be a focus market for Glenmark with a number of respiratory products slated for launch over the next few years. In Latin America, our Brazilian subsidiary grew strongly on the back of respiratory products in-licensed from a multinational partner. In Brazil and other major markets such as Mexico, we will increase our presence in the respiratory segment.

As part of our move from generics to specialty products, Glenmark's first proprietary specialty product Ryaltris™ Nasal Spray for seasonal allergic rhinitis is on course to being launched in global markets. We have signed various commercialization deals for the product in Australia, China, New Zealand and South Korea, and are working to close partnerships in various other markets, including the European Union. Clinical trials in Russia have been concluded and Glenmark's Russian subsidiary will shortly seek regulatory approval. Ryaltris™ has also received marketing approval in Cambodia, Uzbekistan, Namibia and South Africa.

Successful Business Reorganization:

In 2018-19, Glenmark Pharmaceuticals initiated the process of reorganizing the business into three different entities that together make up the Glenmark group of companies. This was designed to place us on an accelerated trajectory to attain our objectives in each of these verticals – Generics/Branded and Specialty Products, Active Pharmaceutical Ingredients (API) and breakthrough innovative drugs.

FY 20 saw this realignment nearing completion. Ichnos Sciences Inc, the innovation company, has taken many steps in the process of becoming a separate and independent company. Ichnos has also begun the fund raise process in the current financial year and has engaged the services of a leading investment bank in the US. Ichnos is developing transformative treatments in its focus areas of Oncology and Autoimmune Disease. Spearheaded by experienced leadership, the company is staffed with skilled, passionate and creative people, committed to making a meaningful difference to the lives of patients.

Glenmark Life Sciences (GLS), the API Company, is also on a growth trajectory expanding its offerings and tapping new markets. Today it is a matter of pride for us to note that GLS supports majority of the world's top 20 generic companies and supplies over 130 molecules to 700 customers in over 65 countries. During the year, growth for the API business was fuelled by the US, India and other emerging markets, such as Latin America.

Quality and Compliance

Regardless of external challenges – both new and old – Glenmark maintains a firm focus on quality and compliance at all times. Today we have 14 world class manufacturing facilities across 4 continents, of which 8 are US FDA approved.

This year in an effort to strengthen our compliance program and embrace a best practice based approach, we introduced three dedicated policies at the global level, effective from May 2020. These are the Global Anti-Corruption Policy, the Global Conflict of Interest Policy and the Global Policy on Interactions with Members of Healthcare Community.

Sustainability Report & Community Support:

At Glenmark, our business strategy is guided by our aspiration of enriching lives. Our approach to business focuses on creating a holistic value proposition that creates measurable impact for all our stakeholders. While we put forth concerted efforts to strengthen our business fundamentals, we ensure that our business activities embed social and environmental consciousness.

Our commitment towards sustainability enabled Glenmark Pharmaceuticals to be listed in the Dow Jones Sustainability Index (DJSI), one of the world's most respected and widely accepted sustainability benchmarks, for the second consecutive time.

Our GRI-aligned externally-assured sustainability report is an important milestone in our journey of enriching lives globally. It highlights the key initiatives that we have undertaken towards conducting operations productively while preserving the environment. These include efforts to use energy efficiently, conserve water, protect water sources from contamination and manage waste effectively. To cite some examples, we have reduced specific energy consumption by over 8% this year and generated 47,91,603 kWh power using renewable energy sources including Hydro and Solar power.

As part of our water conservation strategy, we abide by the 3R (Reduce, Reuse and Recycle) principle. We are working towards a planned reduction of 20% in our specific water consumption by 2020-21 (Baseline year 2012-13). During FY20, five of our manufacturing facilities have ensured zero discharge of liquid effluents. We also co-processed more than 1300+ tonnes of hazardous waste and propose to increase this to 25% of the total hazardous waste disposed by 2020-21.

Outlook:

The year gone by is proof of our long-term approach to doing business whether from the point of view of strategy, operations or sustainability.

Looking ahead, Glenmark is strongly positioned to continue being a market leader in respiratory, dermatology and oncology, while also bringing unique specialty products to markets around the world.

In India we have some exciting launches lined up, which we expect will help us continue to grow faster than the industry growth rate. In the US,

we expect to file more products than the previous year, most of which will be in the niche generic category. In Europe, we plan to launch inhaler products, and expect the region to grow well with a firm focus on the respiratory segment and medical devices.

Overall, the organization is poised to grow well with operating margins improving in the coming year. We have undertaken a number of initiatives to reduce costs and increase efficiencies for the organization. These initiatives have been implemented across different areas all over the company. This will result in better operating margins for your organization.

While challenges of pricing and competition persist in the global generics market, we maintain our firm focus on quality and compliance, so that patients access high-quality medicines from Glenmark at all times.

I would like to thank our employees whose commitment and enthusiasm have helped us react swiftly to the altered environment. I also thank you all, for your patience and guidance thus far, and look forward to your continued support.

GLENN SALDANHA

Chairman & Managing Director