Glenmark
A new way for a new world

Harnessing Potential

Moving up the Value Chain

Integrated Annual Report
2022-23

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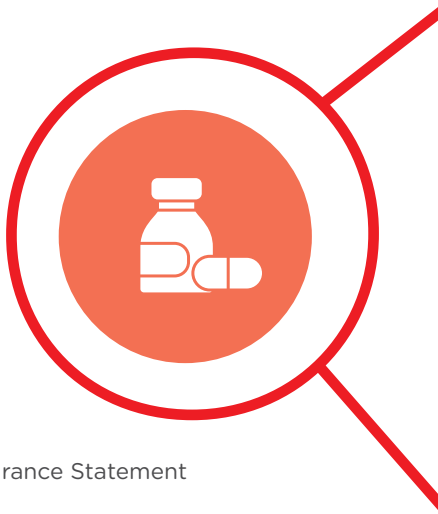

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Reference to further reading online

You can also find this report online:

https://glenmarkpharma.com/investors/reports-presentations/

At **Glenmark,** we are driven by a continuous commitment to create ‘A new way for a new world’. Harnessing the potential of our core strengths of innovation, research and development, and scientific knowledge, we remain determined to consistently challenge established treatment paradigms. It allows us to identify and deliver promising solutions that make a considerable difference to the lives of patients in diverse geographies.

For four and a half decades, we have engaged a talent pool comprising biopharmaceutical experts, scientists and R&D professionals who support our constant quest for unlocking greater value for patients. With significant strides in the fields of dermatology, respiratory and oncology, we have established successful franchises with end-to-end capabilities for fulfilling the unmet needs in patient care.

Our persistent efforts to harness the power of innovation has enabled us to move up the value chain, from a generic Company to an integrated global pharmaceutical Company with a diverse portfolio of advanced drugs. Supported by state-of-the-art manufacturing and R&D facilities, our complex drug development methodology ensures precision and compliance with stringent regulatory standards. It is these qualities that continue to increase the demand for our product portfolio in different parts of the world.

Above all, our actions are guided by a strong determination to uphold our environmental, social and ethical responsibility. It keeps us on track to accelerate profitability while paving the path for sustainable value creation for a wide spectrum of stakeholders. As we move up the value chain, our relentless pursuit of excellence enables us to harness the potential of scientific achievements and create a differentiated position for Glenmark.

ABOUT
this Report

We measure our success not only through financial, and research achievements but also by the lives we touch, the stories we reinvigorate, and the futures we restore. The story of every one of our patients becomes part of our narrative and makes us the Company we are today.

Our Strategy: Moving up the value chain by developing more complex and specialty medicines.

Through our patient-centric lens, we are constantly innovating as a Company, monitoring our operations, our strategies, and our research priorities to identify ways in which we can do better, be more agile and stronger as a Company. Innovation continues to remain at the heart of our strategy.

With our global presence, the robust research infrastructure that we have established over the years, and the deep engagements we have developed with the health care community, we believe the long-term needs of our patients can be best served by finding solutions to their evolving needs. Our strategic focus of moving up the value chain – from generics and simple dosage forms to more complex and branded medicines – enables us to unlock the maximum potential of our resources and better align them.

Moving up the value chain involves the following investments of the Company's various capitals.

- Investments of financial capital into R&D, building our intellectual capital reserves by filing for patents and developing innovative products.
- Developing human capital across research, sales teams as well as various support functions.
- Investing into manufacturing capital in building and maintaining state-of-art manufacturing facilities with specialized skill sets at each plant.
- Building internal capacity to engage with key stakeholders such as regulators for approvals and licensing.
- Developing our social and relationship capital through synergies with the healthcare communities, regulators, and investors.
- Building out our value chain by identifying specific partners that can support the manufacturing and delivery of specialty medicines, greater collaboration with hospitals and research centers.

Integrated Reporting

In this report, we aim to elucidate Glenmark's strategic priorities and goals through the lens of the six capitals. We also reflect on the past year and evaluate the Company's performance and impact across economic, social, and environmental dimensions. By integrating financial and non-financial information, we offer a holistic perspective on how we create value, both for our stakeholders and society at large.

- Reporting Period: Financial Year beginning in April 2022 and ending in March 2023 (FY 2022-23/FY 2023/FY23).
- Reporting Boundary: Unless otherwise stated by way of notes in the report, this report is prepared for Glenmark Pharmaceuticals (Glenmark / GPL) including all its Indian (Glenmark Life Sciences/GLS) and overseas (such as Glenmark Specialty S.A./GSSA; Ichnos Sciences Inc./Ichnos) subsidiaries, at the Group level.
- Reporting Standards and Frameworks: The content of our Integrated Report is in reference to the Integrated Reporting Framework and the Global Reporting Initiative (GRI) standards 2021. We have also drawn reference to and United Nations Sustainable Development Goals (UN SDGs) and referred to the National Guidelines for Responsible Business Conduct (NGRBC).

This report's financial and statutory information complies with the Companies Act, 2013, Indian Accounting Standards, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable regulations.

External Assurance

Our statutory auditor, Suresh Surana & Associates LLP, has provided assurance on our financial statements, which can be found on page 265 and 335 of this report. DNV Business Assurance India Private Limited has independently assured the non-financial information. The statement of assurance for non-financial information can be found on page 176 of this report.

Feedback

We encourage our stakeholders to share their feedback on this report as it would help strengthen our future reporting efforts. Please contact complianceofficer@glenmarkpharma.com for further information.

Responsibility Statement

The Board collectively acknowledges the content of this integrated report and believes that this report is a fair representation of the holistic financial, operational and sustainability performance of Glenmark for the reporting year FY 2023.

Forward-looking Statements

Forward-looking statements might be included in some parts of this report. 'believes', 'expects', 'may', 'will', 'could', 'should', 'intends', 'estimates', 'plans', 'assumes', and 'anticipates', as well as negative versions, can be used to identify these. These forward-looking statements are subject to certain risks and opportunities that are either beyond the Company's control or dependent on the Company's current opinions and assumptions about future events. There is a chance that the Company's performance will differ from the predicted results and performance suggested in this report. Given the Company's diverse set of risks and possibilities, no guarantee can be given that future results will be attained, since actual outcomes for the Company and its subsidiaries may differ substantially.

LED BY RESEARCH
and scientific expertise

Carrying forward a rich legacy of scientific innovation for over four decades, Glenmark aspires to be a leading, integrated, research-led global pharmaceutical Company. With consistent improvements in our Branded Generics, Generics, Specialty and OTC business, we are expanding our offerings across dermatology, respiratory and oncology medications to successfully move up the pharma value chain.

Harnessing the potential of our research expertise, we are engaging in robust clinical trials and pushing the boundaries of innovation. It has not only strengthened our presence in different countries around the world, but has also empowered us to address unmet medical needs and bridge the gaps in existing markets. With 14 world-class manufacturing facilities, 4 R&D centres, a vast geographical presence in over 80 countries, and a dedicated team of scientists, researchers, and medical experts, we aspire for scientific excellence, consistently adding a new dimension to pharmaceutical innovation and development.

At Glenmark, we are dedicated to delivering affordable, accessible, and high-quality health care solutions by adhering to our Environment, Social and Governance (ESG) commitments at every stage of our business, in line with the UN Sustainable Development Goals (SDGs) – thereby empowering individuals and communities to lead healthier and happier lives.

Vision

To emerge as a leading, integrated, research-led global pharmaceutical Company.

[1]Includes Glenmark Pharmaceuticals Ltd., Glenmark Life Sciences Ltd. and Ichnos Sciences Inc.

GLENMARK AT A GLANCE

₹ 1,29,901 million

Revenue from operations

5.6%
YoY increase

₹ 3,774* million

PAT

₹ 22,784 million

EBITDA

17.5%
margin

US$ 250 million+

worth out-licensing deals signed till date

1300+

patents granted till date

1400+

inventions till date

Values

Achievement

We value the achievement of objectives and consistently strive towards our vision with perseverance.

Respect

We respect all our stakeholders.

Knowledge

We place an importance on knowledge such that it empowers our people to find innovative solutions to manage change.

*lower due to one time exceptional item
Note: Data as of 31st March 2023

AN EXCITING
and rewarding journey

Scaling the Value Chain **Company Level Milestones**

1977-1979

1977
Mr. Gracias Saldanha (Founder Emeritus) **lays the foundation stone of Glenmark.**

1979
Makes its foray into the Dermatology therapy area with the launch of 'Candid Cream'; a top selling brand even today.

1980-1989

1980
Commences operations in **Russia and CIS.**

1983
Commissions its first manufacturing unit in Nashik.

1987
Enters the Respiratory segment with the launch of Ascoril®, a cough expectorant, which has emerged as one of its most successful brands.

1990-1999

1999
Sets up its **first Research and Development (R&D) center** at Sinnar.

2000-2009

2000
Goes public; commands a market capitalization of US$ 40 million on the Indian bourses, BSE and NSE.

2001
Commences production of APIs at the Kurkumbh API manufacturing facility in Maharashtra.

2002
Acquires API manufacturing plants at Ankleshwar, Gujarat.

2003
Establishes North American subsidiary, Glenmark Pharmaceuticals, Inc.

2004
Enters the European market by incorporating its subsidiary, Glenmark Pharmaceuticals Europe Limited.

2005
Launches front-end commercial sales along with its first generic product in the U.S.

Sets up its first manufacturing facility built to U.S. FDA specifications in Goa, India.

2006
Makes debut in the Oncology segment with the launch of Aprecap (aprepitant capsules) in India.

2007
Enters the Central Eastern Europe market with the acquisition of Medicamenta, a Czech-based pharmaceutical Company.

2010- 2019

2014
Commissions new manufacturing facility for injectables and oral solids in Monroe, North Carolina, U.S.

2015
Grows respiratory portfolio: enters into an agreement with Celon, Poland for generic Seretide Accuhaler in Europe and receives approval for its generic version in Russia.

2016
Launches differentiated generics: introduces Ezetimibe, generic version of Zetia in the U.S.

2018
Advances respiratory portfolio: The U.S. FDA **approves RYALTRIS®**, formerly known as GSP 301 nasal spray, **Glenmark's top respiratory pipeline candidate for review as a therapy** for seasonal allergic rhinitis.

2019
Spins out its API arm, Glenmark Life Sciences (GLS)

2020 - 2023

2020
Launches FabiFlu® (favipiravir) for mild to moderate COVID-19; exported to 24 countries by June 2021.

2021
GLS gets listed on the Indian bourses, BSE and NSE.

Gets qualified for the production linked incentive (PLI) scheme for the pharmaceutical sector, an initiative by the Government of India.

2022
U.S. FDA grants approval for RYALTRIS®, the Company's first global branded specialty drug for the treatment of symptoms of seasonal allergic rhinitis in adults and paediatric patients 12 years of age and older. Marketed by Hikma in the U.S. and Bausch Health in Canada.

Continues to expand its Over-The-Counter (OTC) Portfolio in the U.S. with the acquisition of approved ANDAs from Wockhardt Limited.

Becomes the first Indian pharmaceutical Company to raise a Sustainability-Linked Loan (SLL).

2023
Becomes the second Indian pharmaceutical Company to have its Green House Gas (GHG) emission reduction targets approved by the Science Based Target initiative (SBTi).

Our Innovation Journey

2000-2009

2000
Second R&D center set up at Mahape, Navi Mumbai **to drive innovation in Novel Chemical Entities (NCE).**

2004
Signs its first out-licensing agreement for GRC 3886 with Forest Laboratories for US$ 35 million (upfront and milestone payments).

2005
Strikes its second out-licensing deal for Oglemilast with Teijin Pharma, Japan for US$ 6 million (upfront payment).

2006
Establishes its first R&D Centre for New Biological Entities (NBE) research in Switzerland.

2006
Out-licenses its third molecule, Melogliptin, to Merck KGaA for US$ 31 million (total payment).

2007
Out-licenses first portfolio, TRPV1 antagonist molecules, to Eli Lilly for US$ 45 million.

2009
Commisions **third R&D center** in Taloja, Maharashtra, India.

2010- 2019

2010
Out-licenses GRC 15300, its first-in-class TRPV3 antagonist, to Sanofi-Aventis for US$ 25 million (upfront payment).

2011
Out-licenses its first New Biological Entity (NBE), GBR 500, to Sanofi-Aventis for US$ 55 million (upfront and milestone payments).

2012
Out-licenses mPEGS-1 Inhibitor to Forest Laboratories for US$ 15 million (upfront payment).

2014
Establishes new antibody manufacturing facility to provide clinical GMP-grade biologics for clinical trials in La Chaux-de-Fonds, Switzerland.

2016
Adds GBR 1302, GBR 1342 and GBR 1372 from the BEAT® platform to **expand the Oncology portfolio.**

2018
Signs an exclusive licensing agreement with Harbour Biomed in Greater China to develop, manufacture and commercialize GBR 1302.

2019
Spins out an innovation subsidiary focusing on immuno-oncology, Ichnos Sciences Inc. (Ichnos).

2020 - 2023

2021
Ichnos out-licenses its IL-1RAP antagonist, ISB 880, **to Almirall SA** for the for an upfront payment of EUR 20.8 million.

2021
Ichnos **makes an oral presentation at the 63rd American Society of Hematology (ASH) Annual Meeting** for ISB 1442, as the First-in-Class CD38 x CD47 2+1 Biparatopic BEAT® bispecific antibody for the treatment of relapsed/refractory Multiple Myeloma. ASH is the **world's premier event in malignant and non-malignant hematology.**

2022
Subsidiary, Glenmark Specialty S.A. (GSSA), **receives approval from the Indian drug regulator, Drug Controller General of India, to conduct a Phase 1 clinical trial** of GRC 54276, a hematopoietic progenitor kinase 1 (HPK1) inhibitor.

2023
GSSA **receives acceptance from U.S. FDA** on its IND application for **GRC 54276** to proceed with a Phase 1/2, **first-in-human clinical study** of the molecule for the treatment of patients with advanced solid tumors and lymphomas.

Partnered asset of Ichnos in immunology, **ISB 880, progresses to Phase 1 studies** initiated by our partner Almirall.

Ichnos **receives 'orphan drug designation' (ODD) from the U.S. FDA for ISB 1442,** a first-in-class biparatopic 2+1 BEAT® bispecific antibody targeting CD38 and CD47, for the treatment of relapsed/refractory multiple myeloma.

Ichnos makes an **oral presentation at the 64th ASH Annual Meeting for ISB 2001,** its first TREAT™ trispecific (BCMAxCD38xCD3) antibody.

OUR PERFORMANCE SCORECARD

5 year financial overview

(In ₹ million, unless otherwise stated)

CONSOLIDATED FINANCIAL HIGHLIGHTS (IND AS)	2022-23	2021-22	2020-21	2019-20	2018-19
Total Income	1,33,068.96	1,24,715.77	1,09,941.45	1,08,005.71	1,00,736.05
Earning before Depreciation.Finance Cost and Tax expenses (EBDITA)	22,783.70	23,202.98	20,843.82	18,576.84	17,939.37
Depreciation and Amortisation	6,112.68	4,867.15	4,435.54	4,171.66	3,259.05
Profit for the year	3,774.00*	9,936.49	9,700.88	7,759.70	9,249.93
Equity Dividend	2.50	2.50	2.50	2.50	2.00
Equity Share Capital	282.17	282.17	282.17	282.17	282.17
Reserves and Surplus	94,457.06	90,584.30	70,364.10	60,422.88	55,769.67
Net Worth	98,392.58	94,381.20	70,642.73	60,701.13	56,048.07
Net Debt	29,046.94	22,598.22	35,493.33	37,583.59	35,123.90
Gross PPE & Intangible Assets	1,19,115.33	1,06,749.11	96,284.71	90,618.37	78,714.71
Net PPE & Intangible Assets	71,431.91	65,880.33	61,873.32	59,020.87	50,144.57
Key Indicators					
Basic Earnings Per Share (INR)	10.53*	33.37	34.38	27.50	32.78
Return on Capital employed (EBIT^/ Capital Employed **)	14.05%	16.80%	17.27%	15.17%	16.14%
Return on Equity^^	11.86%*	12.04%	14.77%	13.29%	17.18%

EBIDTA = PBT + Depreciation + Finance Cost - Other Income
Net Worth = Equity + Reserves + Non-controlling interests
*FY 2023 profit and EPS lower due to one-time exceptional item.
^EBIT = Profit before exceptional items & tax + Finance Cost - Other Income
** Capital Employed = Equity Share Capital + Other Equity - Intangible Assets + Current & Non-Current Borrowing + Deferred Tax liability
^^Return on Equity = Net Profit / Average Equity