

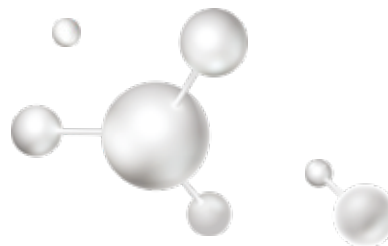
Immunity Wins. Life Wins.



Golden  
50  
years

**WOCKHARDT** | **LIFE WINS**

ANNUAL REPORT 2020-2021



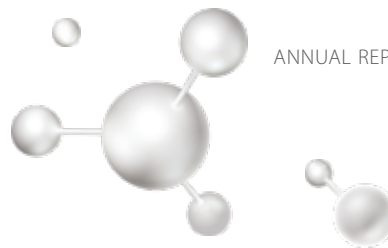
Immunity is a defence mechanism. Biologically, it's a system that is innate, adaptive, and continuously self-developing. It is what protects the body from the destructive and debilitating disruption of diseases and infections and helps it survive and thrive.

The principles of biological immunity can be aptly applied as a metaphor for businesses and corporate organisations. Thus, business immunity can be defined as the protective mechanisms put in place by organisations that characterises their ability to adequately and successfully respond to adverse conditions and situations to maintain business continuity and sustainability.

The COVID-19 pandemic and the resulting disruption, in both, people and businesses, has elevated the importance of immunity exponentially to justifiably assert that when **Immunity Wins, Life Wins**.

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### FY 2020-2021: Performance Highlights

Sales

US\$ 378 million  
₹2,762 crore

Profit  
After Tax

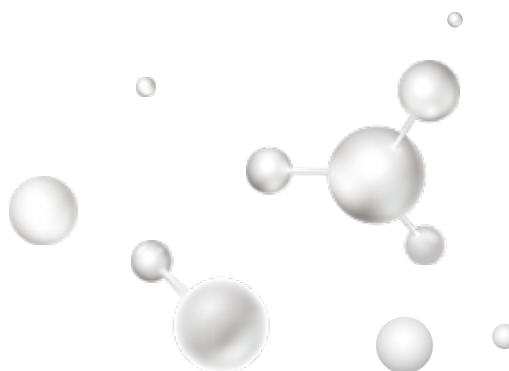
₹686 crore

International  
Business

83%

Net Debt to  
Equity Ratio

0.54



## CHAIRMAN'S STATEMENT

### MY DEAR SHAREOWNERS

The calendar year 2020 and financial year 2020-21 has been traumatic due to the unprecedented disruption caused by the COVID-19 pandemic. Lives and livelihoods were lost, businesses faced losses, routines were broken, and normalcy has come close to extinction.

But amidst all the chaos, a semblance of order is slowly, but surely, emerging. A number of positive developments have taken place that are driving a global change in individual and organisational perspectives, mind-sets, outlooks, behaviours, and endeavours. The use of technology to connect and communicate with each other; the heightened awareness of the need for sanitisation as a routine; the unprecedented speed of development of effective vaccines; the spirit of collaboration and cooperation within the medical community; and the coming together of nations and governments for the common good; all portend great hope for the future of mankind.

While there are many lessons to be learnt from this global upheaval due to COVID-19, one of the most relevant and abiding lesson highlights the need for and importance of building immunity as a proactive measure and not as a reactive response. Applied not only in the context of the pandemic but also to the current business environment characterised by Volatility, Uncertainty, Complexity, and Ambiguity (commonly described as the VUCA world), fortifying immunity will help people and businesses alike, to survive and thrive in the face of any adverse condition or situation in the future.

Thus, the theme for our Annual Report for FY 2020-2021 is appropriately focussed: Immunity Wins. Life wins.

#### Immunity-Building Performance

I am pleased to announce that our timely and effective measures taken to minimise the effect of the pandemic on our business performance has yielded satisfactory results.

In the financial year under review, FY 2020-21, we posted consolidated revenues of ₹2,762 crore as compared to ₹3,325 crore in FY 2019-20, and our Profit After Tax (PAT) stood at ₹686 crore as compared to ₹(69) crore in the previous year. This includes Profit in connection with the transfer of the business comprising 62 products and line extensions along with related assets and liabilities, contracts, permits, intellectual properties, employees,

marketing, sales and distribution of the same in the Domestic Branded Division in India, Nepal, Bhutan, Sri Lanka and Maldives, and the manufacturing facility at Baddi, Himachal Pradesh (together the "Business Undertaking"), to Dr. Reddy's Laboratories Limited ("DRL") which was completed in Q1FY21.

As on March 31, 2021, our Net Debt stood at ₹2,040 crore as compared to ₹2,945 crore as on March 31, 2020. Currently, Net Debt to Equity Ratio is 0.54 as compared to 0.96 as on March 31, 2020. The above stated figures are inclusive of continuing and discontinued operations of Consolidated Financials.

In FY 2020-21, our international business contributed 83% of total revenues with the EU & UK, US, and Emerging Markets businesses

accounting for 46%, 16%, and 21% of total revenues respectively. Our India business accounted for 17% of total sales.

Due to the pandemic, in-person audits were cancelled by all regulatory authorities worldwide. I am proud to report that we leveraged technology and built requisite infrastructure to facilitate virtual audits to ensure continuity in regulatory compliance. During the year, we successfully completed several virtual audits for our various facilities. These include WHO GMP, Russian GMP, MHRA GMP, HPRA GMP, ISO 13485, Indian FDA, etc.

One of the most significant developments during the pandemic year and a historic achievement for Wockhardt was the agreement signed with the UK government in August 2020 to fill-finish the Oxford/AstraZeneca COVID-19 vaccine at our Wrexham facility in North Wales, UK. The government has reserved one production line for its exclusive use for 18 months to supply about 350 million doses of the vaccine every year; which was further extended to 24 months. Wockhardt UK had the privilege of hosting the Prime Minister of UK, Mr. Boris Johnson, who visited the facility to oversee the progress made by the fill-finish production line. The Honourable Prime Minister was informed and assured that Wockhardt's global facilities had the capacity to produce over 1 billion doses of the vaccine annually.

Our performance in a year of unprecedented disruption can be described as one of great learning. We have realised the benefits of agility, adaptability, positivity, focus, and innovation in immunising the business against any trials and tribulations. While the pandemic revealed our vulnerabilities, the measures taken to minimise its effect on our business have instilled great confidence in our ability to rise up to any challenge.

Tal Gur, author of 'The Art of Fully Living', said, "Health is not the absence of germs, toxins, or cancer cells. It's how well your body responds to them. Sturdy immunity equals sturdy health." I agree wholeheartedly.

### Immunity-Boosting R&D

Research and Development has always been the mainstay of our vision for sustainability and value creation as a research-based global pharmaceutical and biotech company. Our focus on new drug discovery in the antibiotics space has put us in a unique position globally.

While the pandemic has impacted our global studies and trials of the 4 New Chemical Entities (NCEs) with Qualified Infectious Disease Product (QIDP) status from US FDA and being developed as novel antibiotics for global markets, we will be back on track with studies expected to be resumed from FY 2021-22 onwards. You will be pleased to know that 2 NCEs, WCK 771 and WCK 2349, launched in India in May 2020 as EMROK Oral and IV, have received positive reviews amongst the medical fraternity. As it scores over all other existing antibiotics on safety and efficacy parameters, we aim to become the Number 1 prescribed Anti-MRSA and Gram positive agent in all hospitals pan-India in 2021.

We continued to build on our Intellectual Property base with 3,187

cumulative patents filed and 763 cumulative patents granted as on 31 March, 2021. Naturally, we will continue to stay invested in and focussed on innovation. In FY 2020-21, our R&D investment, including capital expenditure, accounted for 9.6% of sales at ₹265 crore. This demonstrates our deep commitment to build a new foundation for Wockhardt in the next few years.

### Immunity-Spreading CSR

At Wockhardt, we believe that our endeavours as part of our Corporate Social Responsibility initiatives is satisfying as well as very rewarding. We implement them with an empathy, dedication, professionalism, and enthusiasm that is very fulfilling. Like Marianne Williamson, American author, spiritual leader, and peace advocate, says, "Every act of kindness on your part is a boost to your own immune system."

Wockhardt Foundation, along with Wockhardt Hospitals and several other corporate partners, implement a host of social programmes to serve the underprivileged. Besides Mobile 1000, our flagship programme providing free medical services and medicines in remote and rural areas, our other initiatives include e-learning, skill development, potable water, sanitation, etc. This year too, as in the previous several years, Wockhardt Foundation and its associates have managed to touch millions of lives across various social outreach programmes and initiatives.

With the COVID-19 pandemic and the consequent lockdown throwing lives and livelihoods into disarray, Wockhardt Foundation swiftly swung into action and implemented ANAAJ+, a programme to support families living in Mumbai's slums with monthly essentials. Several corporate organisations, students and individuals joined the Foundation's 'Fight Corona' initiative as 'Corona Warriors', and have supported, and are continuing to support, over 5000 disadvantaged families. I am pleased to announce that our contribution has been acknowledged and appreciated with an 'Award of Appreciation' from Bhartiya Vikas Sansthan and a Community Contribution Award from Kotak Life.

I will conclude with an insightful quote on immunity by Jonas Salk, an American virologist who developed one of the first successful polio vaccines, who said, "The mind, in addition to medicine, has powers to turn the immune system around." I believe that it holds true for life as well as business.

Stay prepared and stay positive!

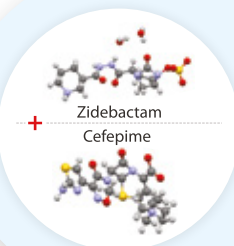


**Dr. Habil Khorakiwala**  
Founder Chairman



## IMMUNITY THROUGH INNOVATION

The highlight of Wockhardt's Research and Development endeavours has been its novel antibiotics programme that has validated the decades of focus on new drug discovery. Of the six New Chemical Entities (NCEs) under development with Qualified Infectious Disease Product (QIDP) status declared by US FDA, two of them (EMROK and EMROK O) have already been approved by DCGI and are being marketed in India with promising results. The other 4 NCEs are in various stages of clinical trials and studies, the progress of which have been affected by the global pandemic.

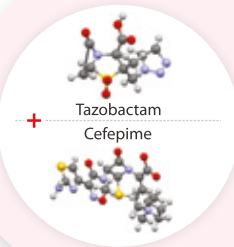


### WCK 5222

It is a combination of Zidebactam and Cefepime that meets the urgent threat of Carbapenem-resistant Enterobacteriaceae and serious threats like Multidrug-resistant Acinetobacter, Drug-resistant Salmonella typhi and Multidrug-resistant Pseudomonas aeruginosa. It is to be positioned as novel MOA-based, high-efficacy destination therapy for XDR pathogens beyond the treatment scope of existing products in the US and Europe.

#### Status

Due to worldwide spread of COVID-19 in early 2020, the global Phase 3 study for WCK 5222 could not be initiated as the study sites (hospitals) were not available for clinical studies of new investigational drug trials. This was a major issue faced by all the drugs under clinical development. Now, WCK 5222 Phase 3 study is planned to be initiated in the second half of 2021.



### WCK 4282

It is a combination of high dose Cefepime and Tazobactam that meets the urgent threat of certain Carbapenem-resistant Enterobacteriaceae and serious threats like Extended-spectrum  $\beta$ -lactamase producing Enterobacteriaceae and drug-resistant Salmonella typhi. It is to be positioned as the first line empiric drug for hospitalised patients.

#### Status

While the global pandemic impacted the start of Phase 3 study for WCK 4282 in Europe and India, leading US and UK experts have recently published in a highly rated peer-reviewed journal, the potential of WCK 4282 as a first line empiric Gram negative therapy superior to Piperacillin-tazobactam. The study is now scheduled to commence in either Q4 2021 or Q1 2022.

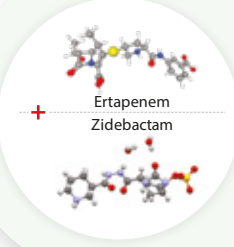


### WCK 4873

It is a community-use oral respiratory antibiotic for the treatment of Multidrug-resistant pneumonia employing a short treatment regimen of three days. It is also effective against Clindamycin-resistant streptococci, categorised as a concerning threat.

#### Status

The COVID-19 situation also impacted the commencement of Phase 3 community-acquired bacterial pneumonia study for WCK 4873 in 2020. The study has now commenced in India from February 2021.



### WCK 6777

It is a first-ever, once-a-day  $\beta$ -lactam enhancer class antibiotic based on Zidebactam that overcomes an array of problematic bacterial resistance mechanisms such as metallo- $\beta$ -lactamases, KPC and OXA carbapenemases. In injection form, it is indicated for treatment of complicated Urinary Tract Infections (cUTI) and complicated Intra-Abdominal Infections (cIAI).

#### Status

Phase 1 study in the USA that was scheduled to commence by the end of 2020, has been deferred for now and would be taken up in 2022.



## IMMUNITY THROUGH INTELLECTUAL PROPERTY



The evolution of Wockhardt as a research-based global pharmaceutical company is a culmination of our strong conviction and consistent investment in Research and Development as a value creator and growth driver.

A global team of dedicated professionals are leading Wockhardt's R&D efforts across three R&D centres in India, UK and USA. They include research scientists, doctorates, doctors, technicians and other professionals across multiple functions.

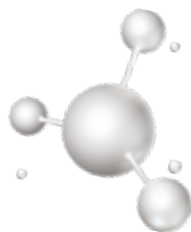
Wockhardt's R&D efforts focus on New Chemical Entities (NCEs), Abbreviated New Drug Application (ANDAs), Biosimilars, Novel Drug Delivery System (NDDS) etc. Today, we have built a rich and rewarding Intellectual Property (IP) base with 3,187 cumulative patents filed and 763 cumulative patents granted as on 31 March, 2021.

The global concern over Antimicrobial Resistance (AMR) and the current pandemic situation only serves to reinforce our belief in R&D as the best supplement to build business immunity in times of disruption.









## IMMUNITY THROUGH EXCELLENCE



**Dr. Murtaza Khorakiwala**  
Managing Director

The global pandemic and the subsequent disarray it led to, has impacted almost every business the world over. At Wockhardt, early endeavours to ensure business and operations continuity by leveraging technology and ensuring employee safety, has been extremely encouraging.

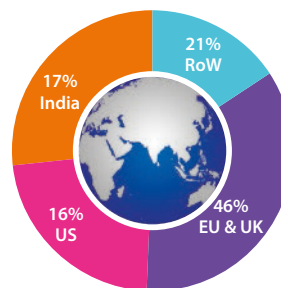
The establishment of a Quick Response Team and deployment of mitigating measures like staggered office timings; technology-enabled screening and self-assessment tools at manufacturing facilities; enabling connectivity for Work From Home (WFH); leveraging IT to conduct virtual meetings and training sessions; digitising sales, marketing, communication and order-booking processes, etc. ensured Wockhardt's seamless transition to a virtual workspace.

Enabled, empowered, and supported by the management and leadership, Team Wockhardt has risen to the challenges of a new global paradigm of work and is committed to strengthen and build Wockhardt's business immunity under any adverse conditions in the future.

SALES  
REVENUE

**83%**

From International Business



OUR EUROPEAN EDGE

Amongst Top **3** Indian generic companies in the UK

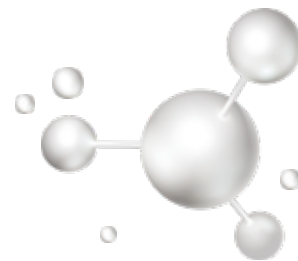
**6<sup>th</sup>** Largest generic supplier in Ireland in Retail and Hospital channels

OUR INDIA VALUE

Wepox is the leader in Erythropoietin market with a market share of 21.5%, and ranked 258 amongst Top 300 brands in the Indian Pharma Market

Methycobal is the leader in Methycobalamine market with a market share of 27.3%

Source: IQVIA MAT - March 2021 Data



## OVER 74 MILLION TIMES LIVES TOUCHED IN FY 2020-21

Mobile 1000

**Mobile 1000**  
210 Vans Till Date (28.04 Lakh Patients Checked in FY 2020-21)

**PRONTO BIO-TOILET**

**Pronto Bio-Toilet**  
451 Pronto Bio-Toilets Till Date

**E-LEARNING**

**E-Learning**  
404 Schools Till Date

**WOCKHARDT SKILLS DEVELOPMENT INSTITUTE**

**Wockhardt Skills Development Institute**  
10 Centres (400 Students Trained; 540 Students Assessed and Certified)

**PRONTO TOILET**

**Pronto Toilet**  
4,704 Toilets Till Date

**ZAB**

**Zab (Desk + School Bag)**  
410 School Bags Distributed in FY 2020-21 (13,480 Bags Till Date)

**ANAAJ +**

**ANAAJ +**  
5034 Grocery Kits Distributed  
25,170 People Benefitted