

Chairman's Address to Shareholders

Ladies and Gentlemen,

On behalf of the Board of Directors, I extend a warm welcome to all of you present this afternoon for the **42nd Annual General Meeting** of your Company. I hope that you and your families are doing well and safe. This is our second virtual Annual General Meeting. I do miss the physical meeting to interact and update you on the progress we have made in delivering your Company's strategy. Nevertheless, let me take a few minutes to share some information and perspectives.

The Directors' Report and the Audited Financial Statements for the financial year ended March 31, 2021 have been with you for some time now. I will, with your kind permission, take them as read.

Dear shareholders, we recently braved the odds of the second wave of the pandemic. COVID-19 dominated all aspects of life and business and Your Company was no exception, as it impacted our people and the Company's operations.

Your Company's parent entity's response was led by science with a landmark agreement between AstraZeneca Global and University of Oxford for the

development, global production and supply of COVID-19 Vaccine at no profit! Enormous efforts are on to provide an equitable and wide spread supply of vaccine doses around the world.

During these challenging times Safety, Health and well-being of employees continued to be the focus of the Company. 'We Care For You', a major new COVID initiative was introduced to facilitate awareness, provide COVID screening, Home Isolation monitoring as well as hospitalization support for all employees, in the field, factory, and head office. Quality PPE was distributed on a regular basis to all teams in order to provide a safe working environment and every possible COVID precaution was put in place.

Despite these difficulties, your Company achieved its financial goals for 2021 and it remains firmly on track to deliver its strategic goals.

To overcome restrictions of lockdown, your Company adapted digital technologies to reach medical professionals, especially in remote and underserved regions, and offered long-term alternatives to manage diseases where visits to doctors may not always have been possible or required. Your Company was quick to identify the gap in patient-HCP connect and to provide tangible solutions. Activation of Virtual Patient Care Management Services as part of beyond-the-pill solution supported

with EMR & Telemedicine Services enabled better connect between HCPs and patients during the period of restricted access to physical clinics. The Company also initiated patient education campaigns via e-Pharma partners across social media channels.

Our people have shown remarkable dedication, agility and resilience through the year in unprecedented circumstances. This has included the hundreds of employees who have continued to work in our manufacturing facilities throughout the pandemic to ensure our vital medicines continued to reach patients and healthcare professionals. Their efforts have meant that despite the challenges we enter 2021 with our pipeline stronger, our commercial execution sharper and our confidence higher in our ability to deliver life-saving medicines for our patients.

Fiscal year 2020-21

Moving to your Company's performance, during FY 2020-21, significant progress was made in delivering its science-led and patient focussed strategy in India. Your Company's business has been growing, driven by an innovative portfolio in therapy areas of high disease burden, rich global R&D pipeline, good governance and commercial excellence.

The Company registered sales of Rs. 7,768 million as against last year sales of Rs.8,013 million and achieved a total comprehensive income of Rs. 967 million, during financial year 2020-21. The global pandemic also led to significant impact on healthcare industry resulting in drastic reduction in patient footfall in hospitals coupled with postponement of elective procedures by the patients.

The growth platform of the Company continues to perform well with innovative molecules like Dapagliflozin, Osimertinib and Olaparib. The newer launches of innovative molecules like Acalabrutinib and Durvalumab has helped the Company to make an impact on the lives of cancer patients and cater to their unmet needs

- Brilinta continues to be the market leader by value share in Oral Anti Platelets as per IQVIA Health despite Loss of Exclusivity
- Forxiga and Xigduo in the dapagliflozin franchise, as part of the SGLT2 class of drug (Sodium Glucose Cotransporter Inhibitors), also experienced growth despite of strong headwinds from generics.
- Dapagliflozin is the first and only SGLT-2 inhibitor which has been approved in current year for treatment of patient with Heart Failure with reduced ejection fraction proven to significantly reduce the risk of Cardiovascular death and hospitalisation due to Heart Failure in patient with HFrEF.

Dapagliflozin has also been the first and only approved SGLT2 approved for treatment of patient with Chronic Kidney Diseases (Stage I to Stage III) paving way for treatment of Chronic Kidney Diseases patients by Nephrologists.

- Tagrisso is now a big brand in the area of lung cancer treatment in India and is the market leader in the EGFR TKI market as per the IPSOS report
- In the year 2020, Lynparza in combination with bevacizumab got an additional approval for the first line treatment of Ovarian Cancer irrespective of BRCA status and also as a single agent for treatment of metastatic castrate resistant prostate cancer harboring HRR mutations.
- In the current year, the Company forayed into the Hematology segment with the launch of new product Calquence (Acalabrutinib), indicated for the treatment of patients with mantle cell lymphoma (MCL) who have received at least one prior therapy. Within few months of launch, Calquence has touched lives of 25 patients. Top KEEs in the country believe the need for a safer BTKi

The second wave of COVID-19 outbreak has spread rapidly during the last quarter of the financial year leading to reimposition of stringent measures across the country including the lockdown at various State levels. As a participant in this ecosystem, the Company has taken number of steps to ensure continuous supply of essential medicines to its customers

MACRO ECONOMIC OVERVIEW

India is the 6th largest economy in terms of 2020 GDP rankings, with an estimated GDP of \$ 2.7 trillion. The Country is one of the severely impacted economies, with the pandemic wreaking a huge damage on the economic activities and human lives. The impact of the second wave on human health and lives has been far more severe than the first wave. The fear and uncertainties associated with the virus, which has proven to be more indomitable than previously assumed, have shaken consumer sentiment yet again. To bring back consumer confidence, India must vaccinate its population rapidly.

Although the Reserve Bank of India provided liquidity and government increased spending on health and social protection through expenditure re-prioritizing and

fiscal expansion, the sharp contraction in output between April and September 2020, inflicted significant impact on economic growth.

With the government's attention focused on containing the outbreak, progress on the delivery of key healthcare reforms is likely to slow temporarily, given the toll the disaster has taken on government finances. In the medium to longer term, it is hoped that the crisis will lead to an increase in government healthcare spending and a more effective approach to reform of the healthcare system.

Indian Pharmaceutical Market (IPM)

The estimated size of IPM for FY 2020-21 is Rs. 156,797 crore (\$ 20.9 billion). The growth of 4.3% (value, FY 2020-21 over FY 2019-20) which is a significant reduction from erstwhile levels of 11%, is directly attributable to the pandemic, owing to delays/constraints from availing timely medical treatment, and interventions – in hopes of reducing exposure to COVID-19.

Domestic Indian companies account for an 81% share of IPM and had a value growth of 4.7% in FY 2020-2021, while MNCs grew at 2.6%. The Indian pharmaceutical market is forecasted to grow at a CAGR of 9.3% (+/-2%) between

FY 2020-21 to FY 2025-26 and touch Rs. 244,590 crore for FY 2025-26. Some of the factors that would drive growth include: aging demographics, rising incidence and diagnosis of NCDs, public initiatives to improve access to healthcare and medicines, among others.

OPERATIONS

Excellent safety and quality performance at manufacturing site continued with zero Lost Time Injury and no critical observations in both internal and external quality audits. Through focus on lean, significant tangible benefits were derived. Simplification and digitalisation moved to the next level with adoption of simple but effective tools like Batch Release Visualisation. The Company's lean journey continues to focus on uplifting people and machine capabilities. Manufacturing operations executed several projects to meet supply, safety, quality and sustainability related requirements

OUTLOOK

In FY 2021-22, your Company will continue to prioritize investments in its focus areas in-line with its global growth platforms. Accelerating new products remains a key priority and your Company is committed to maintaining timelines of key regulatory milestones to align with the global pipeline, subject to conduct of clinical trials, regulatory approvals, and reasonable commercial viability.

All the therapeutic areas in which your Company is currently active have recorded above-average market growth during FY2020-21. These include therapeutic areas of Antidiabetic, Inhaled Respiratory, Cardiovascular, and Oncology.

Your Company is committed to leveraging partnerships- (both public and private), and technology driven healthcare solutions to increase access to our therapies and to improve the overall patient experience- from prevention to diagnosis, treatment, and post-treatment.

Your Company will maintain a strong focus on cost optimization and controls. Management is undertaking measures to reduce unproductive discretionary and non-customer facing spends. Management also continues to develop simple and

more efficient processes to encourage accountability and improve decision-making and communication.

In preparing your Company's financial statements for Fiscal 2020-21, management has considered all significant possible impact of known events arising from COVID-19 pandemic and therefore believes that there will be no material impact on the operations and financial position of your Company. However, given the uncertainties, impact assessment of COVID-19 will be a continuous process and management will closely monitor all developments to assess their impact and deal and disclose them appropriately.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to make a meaningful difference to society and contribute to its betterment. Accordingly, it has formulated a CSR policy which accords with the Company's philosophy of being a good Corporate Citizen laying down the guidelines and mechanisms for undertaking socially relevant and useful programs.

During the year, your Company focused on its flagship initiative for prevention and early detection of cancer among women, the “Ganga Godavari Cancer Screening Programme”. The programme aims to conduct specialised check-up camps for screenable cancers such as oral, cervical and breast cancer for women from underprivileged sections of the population. In the second phase of this programme, the programme has been initiated in Varanasi, Uttar Pradesh in consensus with National Health Mission and the Ministry of Health and Family Welfare. The Department of Community Medicine at the Institute of Medical Sciences, Banaras Hindu University will act as a nodal agency for this programme.

Your Company also continues to make a difference through its signature global community investment initiative, the Young Health Programme (YHP). Since YHP India renewed in 2016 in India, the programme has trained more than 6,400 Peer Educators and delivered health information to more than 475,000 youth in communities around Delhi and Chennai. YHP India is funded and supported by AstraZeneca global. The Company’s contribution to YHP India includes employee engagement and disease awareness initiatives in the communities

New Normal, Same Cancer is a public-facing campaign developed in collaboration between AstraZeneca and the global cancer patient community. The campaign has been developed alongside a steering committee of advocacy partners from around the world and raises awareness of the need for people to get back to cancer care services despite the disruption caused by the COVID-19 pandemic

The Company aims to redefine healthcare by improving outcomes and experience of patients through the Reverse Diabetes Project. The programme in India is aiming at replacing a large part of human intervention by a technology platform, such that the cost effectiveness is greatly improved and such that the programme can be scaled.

ACKNOWLEDGEMENTS

Finally, I take this opportunity to express my sincere appreciation for the support of all our stakeholders including shareholders, employees, business associates, bankers, Government departments, State Government of Karnataka, the health care community and last but not the least, patients, for their confidence reposed in AstraZeneca. I place on record the Board's deep appreciation of the active

assistance given by the AstraZeneca Group in addressing and responding to many complex issues and challenges encountered by the Company during the year.

Finally, I thank my colleagues on the Board for their contribution and commitment to the growth of the Company and for their wise counsel and support.

Narayan K. Seshadri

Chairman