



Biocon Limited

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February 27, 2022

To, The Manager BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	To, The Manager National Stock Exchange of India Limited Corporate Communication Department Exchange Plaza, Bandra Kurla Complex, Mumbai – 400 050
Scrip Code- 532523	Scrip Symbol- Biocon

Subject: Disclosure pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

We would like to inform you that the Board of Directors of Biocon Biologics Limited ('**BBL**'), a material subsidiary of Biocon Limited ('**the Company**'), has approved the proposed acquisition of biosimilars assets of Viartis Inc., subject to necessary regulatory and other approvals, at its Board Meeting held on February 27, 2022.

In this regard, please find attached the press release titled "**Biocon Biologics to Acquire Viartis' Biosimilars Assets for up to USD 3.335 billion in Stock and Cash**".

This intimation is being made in compliance with Regulations 30, read with Schedule III and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the required disclosures are enclosed as **Annexure A and B**.

The above information will also be available on the website of the Company at www.biocon.com.

Kindly take the same on record and acknowledge.

Thanking you,
Yours faithfully,

For **Biocon Limited**



Mayank Verma
Company Secretary and Compliance Officer

Enclosed: Press Release, Annexure A & B

PRESS RELEASE

**Biocon Biologics to Acquire Viatri's Biosimilars Assets
for up to USD 3.335 billion in Stock and Cash**
*Immediately Accretive Combination Creates a Unique Global,
Vertically Integrated Biosimilars Leader*

- Biocon Biologics Limited's (BBL) acquisition of Viatri's rights in biosimilars assets, creates a unique global, vertically integrated biosimilars leader
- BBL will realize full revenues and profits from this business
- BBL will gain Viatri's global biosimilars business whose revenues are estimated to be USD 1 billion next year, along with its portfolio of in-licensed biosimilar assets
- This transaction accelerates BBL's direct commercialization strategy for its current and future biosimilars portfolio
- Viatri to provide commercial and other transition services for an expected period of two years to ensure continuity of customer service and smooth transition to BBL
- Deal to be value accretive to Biocon and BBL shareholders and is structured as part-cash, part-equity
- Debt finance supported by larger EBITDA base (consolidation of BBL, Viatri and SILS income streams) and future equity infusion
- Kiran Mazumdar-Shaw continues as Executive Chairperson of BBL; Viatri to designate Rajiv Malik, President of Viatri, to serve on BBL Board

Bengaluru, India, February 27, 2022 –

Biocon Biologics Ltd., a subsidiary of Biocon Ltd. (BSE code: 532523, NSE: BIOCON), announced today that it has entered into a definitive agreement with its partner Viatri Inc. (NASDAQ: VTRS). Accordingly, Biocon Biologics Ltd. (BBL) will acquire Viatri's biosimilars business to create a unique fully integrated global biosimilars enterprise. Viatri will receive consideration of up to USD 3.335 billion, including cash up to USD 2.335 billion and Compulsorily Convertible Preference Shares (CCPS) in BBL, valued at USD 1 billion.

The Board of Directors of both companies have approved the transaction.

BBL will have a comprehensive portfolio comprising its current range of commercialized insulins, oncology and immunology biosimilars as well as several other biosimilar assets currently under development. BBL also has access to the vaccines portfolio through its previously announced partnership with Serum Institute Life Sciences (SILS).

Kiran Mazumdar-Shaw, Executive Chairperson, Biocon Biologics, said: *“This acquisition is transformational and will create a unique fully integrated, world leading biosimilars enterprise. Our long-standing global partnership with Viatriis has enabled us to achieve many firsts, setting new benchmarks for the global biosimilars industry. This strategic combination brings together the complementary capabilities and strengths of both partners and prepares us for the next decade of value creation for all our stakeholders.”*

“The deal will enable BBL to attain a robust commercial engine in the developed markets of U.S. & Europe and will fast-track our journey of building a strong global brand. It will also make us future-ready for the next wave of products. This development takes our partnership with Viatriis to the next level to realize our shared purpose of impacting global health by providing affordable access to high quality essential and life -saving Biosimilar drugs,” she added.

Dr Arun Chandavarkar, Managing Director, Biocon Biologics, said: *“By combining the biosimilars business of Viatriis to create a global, vertically integrated business in BBL, we are confident of unlocking significant value for our stakeholders. This deal gives BBL full ownership of Viatriis’ rights in biosimilars assets, enabling us to recognize combined revenues and profits. To ensure a seamless transition and continued service to patients and customers, Viatriis will provide commercial and other transition services to BBL for an expected period of two years.”*

“This deal provides several advantages, including strategic agility and operational efficiencies, which will help us mitigate pricing pressures in a competitive global biosimilars landscape. We remain committed to sustainable growth with a strong financial profile, expanded geographical reach and continued investments in R&D to build a world-leading biosimilars franchise. We believe that as a fully integrated global company, we will be able to enhance patient access and reduce healthcare inequities worldwide,” he added

Robert J. Coury, Viatri's Executive Chairman said: *“Our unique collaboration with Biocon began more than a decade ago, even before a biosimilars pathway was defined in most countries. During that time, we have experienced many successes, and today is no exception as we join together to create a new, uniquely positioned world class vertically integrated biosimilars leader. This transaction will allow Viatri's to continue to participate in the global biosimilars space in a more optimized way, while also allowing us to accelerate our own financial priorities.”*

COMPELLING STRATEGIC RATIONALE

Financial Rationale

Post closure of the deal, BBL will realize the full revenue and associated profits from its partnered products; a step-up from its existing arrangement with Viatri's.

The deal will expand BBL's EBITDA base and strengthen overall financials, enabling investments for sustained long-term growth.

Synergises End- to- End Capabilities

Our longstanding relationship with Viatri's and experience in co-development of products positions us well to maximize value from this transaction for all our stakeholders.

The deal will lead to operational efficiencies across the complete value chain and build agile capabilities in development, manufacturing, regulatory, supply chain and commercialization in developed and emerging markets.

Expands Global Reach

Combining Viatri's biosimilars business with BBL accelerates the build out of our commercial capability in developed markets in order to become a strong global brand with a direct presence in U.S., Europe, Canada, Japan, Australia and New Zealand.

Large Biosimilars Portfolio

BBL currently has a portfolio of 20 biosimilars. The acquisition of biosimilars assets of Viatri's significantly strengthens BBL's position in providing affordable access to patients through its portfolio in diabetes, oncology, immunology and other non-communicable diseases. It also prepares BBL for greater success with the commercialization of its future pipeline.

By integrating Viatri's portfolio, BBL will have one of the broadest and deepest commercialised biosimilars portfolio in the industry:



- Comprehensive biosimilar insulins portfolio, including rh-Insulin, bGlargine and bAspart;
- A growing biosimilar oncology portfolio, including bTrastuzumab, bBevacizumab, bPegfilgrastim;
- A significant presence in autoimmune segment through in-licensed products like bAdalimumab, bEtanercept.

TRANSACTION DETAILS

Viatriis will receive cash consideration of USD 2 billion on closing of the transaction and up to USD 335 million as additional payments expected to be paid in 2024. Additionally, upon closing of the transaction, BBL will issue USD 1 billion of Compulsorily Convertible Preference Shares (CCPS) to Viatriis, equivalent to an equity stake of at least 12.9% in the Company, on a fully diluted basis.

The transaction is expected to close in 2H-2022, subject to satisfaction of closing conditions (including certain regulatory approvals). The companies will also enter into a Transition Services Agreement, pursuant to which Viatriis will provide certain transition services, including commercialization services, for an expected two-year period. Viatriis also will pay USD 50 million to BBL to fund certain capital expenditures.

BBL Acquires:

- Viatriis' global commercial infrastructure in developed and emerging markets
- Viatriis' global biosimilars business with an estimated revenue of USD 875 million and EBITDA of USD 200 million for CY 2022 and estimated to exceed USD 1 billion in revenue next year
- Viatriis' rights in all biosimilars assets including its in-licensed portfolio and an option to acquire Viatriis' rights in bAflibercept
- Transition services for an expected two-year period to ensure a seamless transition with partners and continued services to patients and customers

Deal Financing

The cash payment of USD 2 billion to be funded by ~USD 800 million raised through equity infusion in BBL and the remainder to be funded by debt, additional equity or a combination thereof.

BBL has received expressions of interest from financial institutions for debt financing and equity commitments from existing shareholders.

GOVERNANCE UPDATE

Kiran Mazumdar-Shaw will continue as the Executive Chairperson of BBL. Viatriis will designate Rajiv Malik, President of Viatriis, to serve on the BBL Board.



We see minimal overlap of roles in the two organizations due to the complementary nature of our teams thereby facilitating seamless integration of the two businesses.

Advisors

Allegra Capital served as the financial advisor to BBL. Goodwin Procter and Shardul Amarchand Mangaldas served as BBL's legal advisors to this transaction.

About Biocon Biologics Ltd.

Biocon Biologics Ltd., a subsidiary of Biocon Ltd., is a fully integrated global biosimilars organization. It is leveraging cutting-edge science, innovative tech platforms and advanced research & development capabilities to lower costs of biologics therapies while improving healthcare outcomes. It has a strong research pipeline of biosimilar molecules across diabetes, oncology, immunology and other non-communicable diseases. Five molecules from Biocon Biologics' portfolio have been taken from lab to market in developed markets like U.S., EU, Australia, Canada, Japan and key emerging markets. It has many firsts to its credit including the most recent U.S. FDA approval of the world's first interchangeable biosimilar, awarded to its Insulin Glargine, which has been commercialized in the U.S. in 2021. Biocon Biologics has a strategic alliance with Serum Institute Life Sciences to address the inequitable access to life saving vaccines and biologics globally. With a team of ~4,800 people, Biocon Biologics is committed to transforming healthcare and transforming lives by enabling affordable access to millions of patients' worldwide.

Website: www.bioconbiologics.com

Follow us on Twitter: @BioconBiologics for company updates

About Biocon Limited

Biocon Limited, publicly listed in 2004, (BSE code: 532523, NSE Id: BIOCON, ISIN Id: INE376G01013) is an innovation-led global biopharmaceuticals company committed to enhance affordable access to complex therapies for chronic conditions like diabetes, cancer and autoimmune. It has developed and commercialized novel biologics, biosimilars, and complex small molecule APIs in India and several key global markets as well as Generic Formulations in the US and Europe. It also has a pipeline of promising novel assets in immunotherapy under development.

Website: www.biocon.com; **Follow-us on Twitter:** @bioconlimited for company updates

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Forward-Looking Statement:

This press release may include statements of future expectations and other forward-looking statements based on management's current expectations and beliefs concerning future developments and their potential effects upon Biocon and its subsidiaries/ associates. These forward-looking statements involve known or unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from our expectations include, amongst other: general economic and business conditions in India and overseas, our ability to successfully implement our strategy, our research and development efforts, our growth and expansion plans and technological changes, changes in the value of the Rupee and other currency changes, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global biotechnology and pharmaceuticals industries, increasing competition in and the conditions of the Indian and global biotechnology and pharmaceuticals industries, changes in political conditions in India and changes in the foreign exchange control regulations in India. Neither Biocon, nor our Directors, or any of our subsidiaries/associates assume any obligation to update any particular forward-looking statement contained in this release.

Acquisition (including agreement to acquire):

The details as required under SEBI Listing Regulations read with SEBI Circular No. CIR/CFO/CMD/4/2015 dated September 9, 2015 are as under: -

S. No.	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc.;	<p>Biocon Biologics Limited (CIN U24119KA2016FLC093936) or BBL, a material subsidiary of the Company plans to acquire Biosimilars Assets of Viatris Inc. (“Transaction”) for an amount USD 3.335 billion, including cash up to USD 2.335 billion and Compulsorily Convertible Preference Shares (CCPS) in BBL, valued at USD 1 billion.</p> <p>The Biosimilars Assets of Viatris Inc. are or would be vested in subsidiaries of Viatris Inc. and the BBL would acquire such subsidiary companies of Viatris Inc. (“Target Companies”)</p>
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”;	The transaction does not fall under Related Party Transaction.
3.	Industry to which the entity being acquired belongs;	Viatris Inc. is engaged in the business of Pharmaceuticals.
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	<p>The objects and effects of the said acquisition of Viatris’s Biosimilars assets are as follows:</p> <p>a) Enables BBL to be a unique global, vertically integrated biosimilars leader.</p> <p>b) Accelerates BBL’s direct commercialization strategy for its current and future biosimilars portfolio.</p> <p>c) Enables BBL to move up the value chain and realize full revenues and profits from this business.</p>
5.	Brief details of any governmental or regulatory approvals required for the acquisition;	Reserve Bank of India (RBI), Competition Commission of India (CCI) and other Regulatory authorities in India/Overseas as may be required from time to time.
6.	Indicative time period for completion of the acquisition;	The transaction is expected to close in 2H-2022, subject to satisfaction of closing conditions (including certain regulatory approvals).
7.	Nature of consideration - whether cash consideration or share swap and details of the same;	USD 3.335 billion, including cash up to USD 2.335 billion and Compulsorily Convertible Preference Shares (CCPS) in BBL, valued at USD 1 billion. Mylan Inc. (a group company of Viatris Inc.) shall acquire at least 12.9% of equity stake in BBL on conversion of CCPS, as per the finalised terms of CCPS.

S. No.	Particulars	Details
8.	Cost of acquisition or the price at which the shares are acquired;	Please refer to point no. 7 as stated above.
9.	Percentage of shareholding / control acquired and / or number of shares acquired;	BBL will acquire the entire share capital of the Target Companies.
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	<p>The Target Companies that would be acquired as part of the transaction would be subsidiaries of Viatris Inc.</p> <p>Viatris is a global healthcare company formed in November 2020, through the combination of Mylan and Upjohn (previously a division under Pfizer). Viatris offers one of the industry's largest and most diverse global biosimilar franchises with approximately one hundred fifty (150) marketing authorizations in over eighty-five (85) countries focused on the areas of oncology, immunology, endocrinology, ophthalmology and dermatology</p>

ANNEXURE B

Issuance of securities:

S. No.	Particulars	Details
a)	Type of securities proposed to be issued	BBL shall issue the following securities to Mylan Inc. (a group company of Viatris Inc.), at closing: (a) Equity Share; and (b) CCPS
b)	Type of Issuance	Preferential Allotment
c)	Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately)	Following securities will be issued by BBL: (a) Equity Share – 1 (one) number (b) CCPS - USD 1 billion worth of CCPS which shall, upon conversion, give Mylan Inc. (a group company of Viatris Inc.) at least 12.9% of equity stake in BBL as per the finalised terms of CCPS.