

# *Annual Results Press Conference*

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**Michael Schmelmer**

Members of the Board of Managing Directors

**Speech manuscript**

*[Chart 1 – Cover sheet: Welcome to the Annual Results Press Conference 2021]*

*[Chart 2 – Annual Results Press Conference 2021 – Hubertus von Baumbach]*

Good morning, Ladies and Gentlemen!

Welcome to our annual results press conference. As much as we all would have liked to meet face to face, Mike Schmelmer and I appreciate the opportunity to share our assessment of 2020 with you, at least virtually.

As we look back at 2020, we are reviewing a year that was exceptional in many respects. Therefore I would like to start today by expressing – also on behalf of my colleagues on the Board of Managing Directors – our deep appreciation for the support of all the many people who have been working with us through these challenging pandemic times: among the many, I want to extend our special thanks to our employees.

*[Chart 3 – Safeguarding the continued production and supply of medicines]*

The fact that more than 40,000 of them have been able to work smoothly from their home offices since March of last year is a great achievement by our colleagues in IT. The teams in production and in the supporting functions continued to ensure the supply of our products to the patients who needed

them. Our engagement in pre- and clinical research were continued to maintain our innovation efforts. And certainly not least, our colleagues in the customer-facing functions utilized all digital options to support and service the needs of the physicians we were unable to see in person. The global functions teams enabled smooth processes. For instance, hiring of new employees continued in a fully virtual setting. Of course, we also thank our external partners, our suppliers as well as those who helped us to continue our innovation efforts. The success of Boehringer Ingelheim rests on the shoulders of many.

COVID-19 is a test the likes of which the world has not seen for a long time.

Research-based pharmaceutical companies – whether they are involved in vaccine development or, like us, in the development of treatments to address SARS-CoV-2 induced symptoms and life-threatening complications – are a key industry in the pandemic. We are aware that many hopes rest on our industry and we take many extra efforts to address these.

These efforts come on top of the continued fight against other deadly diseases like cancer for instance and, unfortunately, they bear the same risk of failure that is inherent to all our research. Nevertheless, the industry has provided solutions at unprecedented speed and has collaborated in unequalled ways to ramp up supply – all on top of our usual work.

*[Chart 4 – We believe in partnerships]*

Like in previous years I want to highlight a theme that we believe makes a difference in what we do. This year we want to focus on “partnership.”

Navigating through the pandemic has again made it clear to us at Boehringer Ingelheim how important partnerships are. No company can find solutions for today’s challenges in isolation. We need companies, but also institutions and governments to work together. That is where the true strength lies. Scientific insight and know-how grow in networks that do not stop at national borders. Supply chains of such complex and high-tech products like those of the pharmaceutical industry therefore depend on global access. They cannot be reduced to a national approach.

*[Chart 5 – We have met the challenges of 2020]*

Ladies and gentlemen,

Looking back on 2020 we are thankful and humbled how Boehringer Ingelheim got supported by those within the organization, but also by our partners.

Immediately after the outbreak of the pandemic, we launched our global support program. Donations of money and goods have since benefited emergency aid projects in many regions of the world. This has enabled us to help COVID-19 patients and communities all over the world quickly and efficiently.

We also recognized and supported our employees in their volunteering efforts in COVID-19 relief, by giving them ten additional paid leave days, to help with vaccination programs, for example.

*[Chart 6 – Global Support Program]*

Looking ahead I want to share with you the efforts we have taken on to fight the SARS-CoV-2 virus.

The heart of our effort has been to activate our scientific know-how. Right at the start of the pandemic, more than 100 of our scientists focused solely on developing potential therapeutic approaches.

For example, we are developing – in close cooperation with the University Hospital of Cologne, the University of Marburg and the German Center for Infection Research (DZIF) – a virus-neutralizing antibody therapy, the first one that is administered via the route of inhalation. It is unique as it brings the therapeutic molecules directly to the location where the virus is to be fought. The doses needed are therefore much lower than those of therapies administered systemically.

In addition to these efforts, we have maintained our ongoing research programs in all our core therapeutic areas. We even increased the number of clinical projects in 2020. Our

investment in research & development reached 3.7 billion euros last year.

*[Chart 7 – Driving groundbreaking innovations]*

The reason why we are dedicating such a large share of our resources to research & development lies in our belief that true innovation is driven by understanding disease mechanisms and the definition of relevant biomarkers, while focusing on patients with high unmet medical needs. We are committed to drive forward science that leads to the next medical breakthrough for patients. Our goal is that 75 percent of our projects in Human Pharmaceuticals should have first-in-class potential.

Besides our internal activities every scientist is also a scout for external innovation. At Boehringer Ingelheim, our target is that more than 30 percent of our clinical pipeline is anchored in external innovation. We diligently build networks to enable access to the best of external innovation. We want to be seen as a competent, reliable partner interested in the mutual long-term success. Therefore, we believe in basic research like we do ourselves in the special eco-system of our IMP (Institute of Molecular Pathology) in Vienna. Our corporate venture fund is driven by scientific parameters and scientific curiosity defines our activities beyond our core disease areas.

In 2020, we had more than 150 collaborations in R&D. At present, our pipeline has grown to 43 clinical stage projects, and more than 40 advanced pre-clinical development projects.

*[Chart 8 – Together we fight cancer]*

One area of interest is cancer, in particular, cancer driven by the KRAS protein. Scientists call it "the beating heart of cancer". It "beats" between an "on" and an "off" state. KRAS is responsible for almost all pancreatic cancers as well as many colorectal and lung cancers. The importance of KRAS is known since the 1980s.

However, to this day there are no approved drugs that can switch off KRAS. For a long time, the protein was considered to be "undruggable".

This is no longer true. We have one of the broadest and most innovative KRAS portfolios in the industry. We are following multiple approaches to address KRAS. This is possible, for example, through drug candidates that block proteins like SOS1, which acts as the pacemaker for KRAS. An approach that works not just for one specific KRAS mutation in one type of cancer, like other approaches in development, but across all of the most important mutations. We are further combining

our overarching pan-KRAS inhibition approach with inhibitors of other key proteins, to shut off KRAS almost completely.

Of course, a lot of work still needs to be done, but with this approach and our broad portfolio we may be holding the master key enabling us to treat KRAS cancers broadly.

As there are 100,000 newly diagnosed KRAS cancer patients per year in the United States alone, the unmet medical need is huge. In a partnership with the U.S. biotech company Mirati Therapeutics, we are currently testing the combination of our KRAS inhibitors.

We are looking for such partnerships not only in the fight against cancer, but also on a field that is about to become the next global health threat – antimicrobial resistance, or AMR. Already today, around 700,000 people worldwide die each year from infections because pathogens no longer respond to common antibiotics. And the number of bacterial strains that are proving resistant continues to grow. A creeping threat to which we urgently need to find answers. Most bacterial diseases can still be treated with conventional antibiotics. Newer molecules are only used as last resort and to slow down resistance building, a scientifically prudent and sound approach. It forms a last line of defense. However, this leads to the unfortunate situation that research into innovative active substances is not financially viable. This is why startup



companies fail to raise enough funds for their clinical development. And we urgently need new answers. The last new antibiotic was brought to market 14 years ago.

*[Chart 9 – We rely on the power of partnerships]*

Boehringer Ingelheim is therefore contributing \$50 million to the AMR Action Fund – a fund with more than \$1.1 billion that we launched last summer together with 20 other research-based drug companies and several foundations, including the Boehringer Ingelheim Foundation. Together, we will invest in small biotech companies and support them from clinical research through to commercialization. In this way, we want to create incentives for at least two, and preferably four, new antibiotics to come onto the market by 2030.

From mRNA technology in the fight against COVID-19, we have learned how insights from research in oncology can help in fighting infectious diseases. Could the things we have learned about immune-modulating mechanisms also be helpful in the fight against multi-resistant bacteria?

Not only since COVID-19 have we learned that treatment mechanisms can address different, often completely unrelated diseases.

Take empagliflozin, our Jardiance®. It was initially developed for the indication of diabetes. In the large, clinical development program, its broader effects – also in diabetes-

unrelated heart failure – were discovered and developed, as well as renal disease data that we are still waiting for.

The situation with nintedanib, our OFEV<sup>®</sup>, for which the European Commission approved two additional indications in fibrosing lung conditions in 2020, is quite similar. Its initial clinical development was in non-small-cell-lung-cancer or NSCLC.

*[Chart 10 – We are believers in open innovation]*

I want to add another dimension to partnering in research. For us it encompasses the element of open innovation, comparable to the open source in software development. In recent years, we have been collecting experiences with our collaboration platform “opnMe.com”, through which we make molecules available, free of charge, for independent research projects. And we start to see first results. The effort has led to a widely recognized publication in Nature by the Dana-Farber Cancer Institute and Broad Institute of MIT and Harvard, based on our BI-3802 molecule.

We also rely on online platforms for exchanging information with patients. For example, with the MyStudyWindow portal, which we launched at the beginning of 2020. This is important because it actually brings us together with patients who want to participate in clinical trials.

We value the individual interaction with patients also beyond specific clinical trials, to embed the patient perspective, voice and insights into all that we do. For instance, we held our Global Patient Summit with 271 patient representatives at the end of February this year. We believe in the power of involving patients directly in our work, from early research through to market entry and beyond. It was a truly inspiring event, where patient organizations around the globe came together and co-developed solutions to problems that concern the patient community. This event was held in addition to regular Patient AdBoards, of which we held 26 alone over the course of last year.

*[Chart 11 – Quantum computing]*

Ladies and Gentlemen,

For Boehringer Ingelheim, partnerships in science are the royal road to innovation. Without the curiosity, the exploratory drive of the women and men who have dedicated themselves to pharmaceutical science we would have little to share. No machine can or will replace their intuition and creativity. Not even a quantum computer.

And I say this despite the fact that we have just entered into a partnership with Google Quantum AI. Surely, this technology is likely to make a real quantum leap in medical research and development. And we hope that the collaboration will lead to rapid advances in drug design and modeling, among other

things. Quantum mechanics are what brings us closest to the real universe of molecules, beyond today's approximations. Therefore, it is only a logical step to develop the necessary skills in the context of pharmaceutical research. Our new partnership combines Boehringer Ingelheim's leading expertise in the field of computer-aided drug design and in silico modeling with Google's outstanding resources as one of the leading developers of quantum computers and algorithms.

If it was to be compared to a Mars mission, the new quantum computer would be the space-ship and the technicians and the data scientists who design the algorithms to harness the technology in the context of pharmaceutical research would be astronauts. Yet to make the rocket lift off we need the fuel of the future. It is data. And this is where global collaboration and partnership becomes relevant again. We need to have the ability to access data globally. Data protection must be given, yet it must be in balance with the health demands of societies.

*[Chart 12 - Embracing the diversity of experts]*

This is another reason why we at Boehringer Ingelheim consciously invest in our people. Also here we take a long-term perspective. We promote an open and diverse work culture with strong values: culture based on respect, in which accountability, an agile attitude and, not least, intrapreneurial spirit thrive. More than 90 percent of our projects do not make it from inception to the approval of a new product. So, we are used to taking risks. We encourage our colleagues to think

beyond. We ask them to share and to collaborate – internally as well as externally. Together we are passionate about finding new solutions for patients who are in such high need for them.

I would like to repeat one point, because the idea is really close to my heart: The pandemic teaches us how crucial it is to be able and willing to form partnerships. You will remember that when the virus hit us here in Germany and in our neighboring countries, borders were raised everywhere in Europe. Yet, as an industry we deliberately opened up – we collaborated across corporate boundaries in a way that was unprecedented. And I advocate that we as an industry maintain this spirit of cooperation, of reaching out to each other, of unrestricted research beyond COVID-19, to open new horizons for medical discovery. And we encourage and invite regulators, law makers and our political leaders to think alike.

I now want to hand over to my colleague Michael Schmelmer, who will share with you some more insights into the development of Boehringer Ingelheim in 2020.

*[Chart 13 – Cover sheet: Financial year 2020 – Michael Schmelmer]*

Thank you, Hubertus.

Welcome to all of you on the webcast. Thank you very much for joining us today.

Please let me begin by making a few introductory remarks.

2020 was a special year for all of us. COVID-19 had, and still has, a great impact on our daily work. Since March 2020, the vast majority of our around 52,000 employees have been working from home. Every day, up to 40,000 users work remotely in our network and stay productive. Our modern IT infrastructure enables the mobile control of more than 14,000 computer systems and special equipment in production and R&D processes.

Many employees continue to work at our sites, however. They keep production running, while others do their research on new medicines.

Regardless of where they work, all our colleagues are united by one common goal: To contribute to human and animal health.

As an employer, we took numerous measures in 2020 to fulfill our responsibility to our employees. In doing so, we pursued several goals. We wanted to protect our employees from COVID-19 and the related risks. That is why we have encouraged our employees to work from home wherever possible.

To save them from financial worries, we have made salary commitments. As a company, we have not taken advantage of any government funding related to COVID-19.

We also wanted to make sure that our employees recover from the special strains of the pandemic. That is why we granted all employees four additional days of vacation in 2020.

As an employer it is important to us that our employees can get involved in the fight against the pandemic beyond work. We offer all our employees the opportunity to take up to ten days of paid leave to join external organizations as a volunteer to bring COVID-19 relief.

These are just a few examples that demonstrate our special commitment as an employer during the pandemic.

The exceptional circumstances of the previous year are also reflected in our business results. Let me give you two examples:

Due to the pandemic, hardly any business trips or conferences were held. For a global company like Boehringer Ingelheim, this leads to considerable cost savings.

Our field force is another example. Due to the pandemic, our personal contacts with doctors, hospitals and veterinarians were significantly reduced. This had an impact on both costs and net sales.

This shows that the 2020 results are difficult to compare with previous years. We should keep that in mind when we look at the numbers.

*[Chart 14 – 2020: A successful year for Boehringer Ingelheim, despite COVID-19]*

2020 was a successful year for Boehringer Ingelheim, despite the challenges associated with the pandemic.

Total net sales amounted to 19.6 billion euros. Adjusted for currency effects, net sales increased by 5.6 per cent compared to 2019. Under pandemic conditions, our early investments into go-to-market models paid off. Here, we focus on new, digital solutions to reach our customers in hospitals and doctors' offices. Our digital communication channels helped us to achieve our ambitious targets, despite extensive contact restrictions.

Operating income of Boehringer Ingelheim increased to 4.6 billion euros. Two factors are mainly responsible for the improved operating income: the positive sales trend and lower operating costs. Income after taxes was up by 300 million euros from last year to 3.1 billion euros.

As a research-driven company, we continue to invest heavily in our research and development activities. We increased our R&D investments by 7 per cent year-over-year to 3.7 billion euros. This is a new high for our R&D spending.

The expansion of our R&D activities – with new projects as well as pipeline advances in existing projects – has been driving this growth.



*[Chart 15 – Equity base further strengthened]*

Stability and independence require a strong equity ratio. We have equity of around 17.3 billion euros and total assets of around 36.9 billion euros. Our equity ratio grew from a healthy 44 per cent in 2019 to an even stronger 47 per cent in 2020 – despite negative exchange rate effects and a higher balance sheet total. The fact that our total tangible as well as intangible fixed assets are more than covered by our equity shows how solid our company financing is. As in previous years, long-term disposable capital continues to cover all intangible and tangible fixed assets as well as working capital.

*[Chart 16 – Continued investments in production facilities and R&D]*

We also strengthened our R&D portfolio by acquiring several very innovative companies.

In Animal Health, we announced the acquisition of Global Stem cell Technology (GST), a Belgian veterinary biotech company. We acquired GST mid-2020 to develop and produce state-of-the art stem cell products for horses and pets.

In Human Pharma, at the end of 2020, we announced the acquisition of the Swiss biotech company NBE-Therapeutics – NBE stands for New Biological Entity. The company focuses on antibody-drug conjugates and advancing targeted cancer therapies. This acquisition adds another key dimension to our focus on patients with difficult-to-treat solid tumors.

In 2020, we invested around 1.2 billion euros into intangible and tangible fixed assets, which is comparable to the level of investments in 2019. Boehringer Ingelheim operates its own global production network with sites in 18 countries.

Let us now briefly go through our top three investment projects:

In Biberach, we are investing more than 300 million euros in a new development center for biopharmaceutical medicines, which we call the BDC. The BDC will serve as a new development hub for biopharmaceutical compounds. We will start with the trial operation phase at the BDC in early 2022.

Our new strategic production center for Veterinary Public Health near Lyon in France, where we are investing more than 230 million euros is yet another important investment. With this new site, we will be able to respond to the growing global demand for foot-and-mouth disease and bluetongue virus control. We plan to open the new production center by the end of 2022.

Our large-scale cell culture production facility in Vienna that we call the LSCC is our biggest investment. In fact, the LSCC is the single largest capital investment in our company's history with project costs of more than 700 million euros. The LSCC is crucial to expanding and strengthening our biopharmaceuticals network and will enable us to respond to the rapidly growing demand. Despite the impact of COVID-19,

we are making good progress. The mechanical completion was finished in the summer last year to demonstrate sterility. The sterility of bioreactors is fundamental to cultivating cell cultures, and a first trial for the fermentation of cell cultures was performed in late 2020. We are planning to celebrate its inauguration in the fall of 2021.

*[Chart 17 – Strong growth across all businesses]*

If we now take a closer look at our three business areas, we see that all our businesses contributed to our good result.

In Human Pharma, our largest business, net sales grew by 5.8 per cent on a currency-adjusted basis. The demand for our medicines remained high even during the COVID-19 pandemic. According to IQVIA, Boehringer Ingelheim is the leading pharma corporation in terms of currency-adjusted sales growth worldwide in 2020 among the top 20 pharma corporations.

The Animal Health business, our second-largest business area, delivered a strong performance in a highly competitive market. We strengthened our position as one of the leading providers to pet and livestock owners worldwide. Animal Health grew by 5 per cent on a currency-adjusted basis to 4.1 billion euros.

Adjusted for currency effects, net sales in Biopharmaceutical Contract Manufacturing rose solidly by 6.6 per cent, due to strong demand for our customers' market products.

*[Chart 18 – Human Pharma: JARDIANCE® and OFEV® drive growth]*

At 14.4 billion euros, Human Pharma sales make up 74 percent of total Group sales. Our well-positioned products JARDIANCE® and OFEV® continue to see increasing demand from patients. As in 2019, JARDIANCE® for type 2 diabetes was the company's biggest revenue contributor in 2020: Net sales increased by 18 percent on a currency-adjusted basis to 2.5 billion euros. OFEV® was the company's second-strongest revenue contributor for the first time with an impressive currency-adjusted growth rate of 41 percent. OFEV® is a medicine for the treatment of certain types of lung disease, including idiopathic pulmonary fibrosis (IPF). OFEV® generated net sales of 2.1 billion euros.

*[Chart 19 – Animal Health: Recovery with growth in swine and pet segments]*

Compared to 2019, net sales in Animal Health rose strongly in a highly competitive market. We strengthened our position as one of the leading providers of animal healthcare globally. The swine vaccine and pet antiparasitics segments developed successfully. The lower incidence of African swine fever in China had a rebound effect on the swine segment. This

positive effect can be seen in the net sales of our swine vaccine INGELVAC CIRCOFLEX®.

The pet segment achieved a good result: NEXGARD® for dogs generated revenues of 804 million euros and remains our best-selling product in Animal Health.

Nevertheless, we also faced challenges in Animal Health due to the COVID-19 pandemic. For example, our medicines for ruminants and poultry were unable to contribute to our growth. This was partly due to the interruption of the supply chain due to closures of processing plants. Bankruptcies of poultry producers as a result of the pandemic were another limiting factor. But, all in all, we are very satisfied with our results in Animal Health.

*[Chart 20 – BIO: Increase in net sales in line with high capacity utilization]*

Our Biopharmaceutical Contract Manufacturing business maintained its positive performance trend. Our order intake developed positively. The capacity utilization levels for biopharmaceutical production remained very high.

Net sales increased by 6.6 percent on a currency-adjusted basis to 837 million euros in 2020. We are a leading manufacturer of biopharmaceuticals for 60% of the top 20 pharmaceutical and biotech companies. In 2020, three additional biopharmaceutical products from Boehringer Ingelheim's contract manufacturing customers were

approved. The launch of our large-scale cell culture production facility in Vienna in the fall of 2021, which I mentioned before, will definitely be an important step.

*[Chart 21 – Net sales growth in all regions]*

All regions contributed to the growth of Boehringer Ingelheim in 2020. With sales of 8.9 billion euros and a 45 percent share of overall sales, the Americas region remains Boehringer Ingelheim’s largest market. Sales in the Europe region rose by 4.2 percent on a currency-adjusted basis to 5.9 billion euros and account for 30% of the Group’s net sales. Finally, the Asia/Australia/Africa (AAA) region also realized strong growth of 8.8 percent on a currency-adjusted basis. Revenues of 4.8 billion euros were generated in this region, 25% of the Group’s total revenues.

*[Chart 22 – USA: The largest market]*

The United States is the largest market for all our core businesses and is of high strategic importance to our company. We have a strong local footprint with around 8,300 employees in the United States, which is equivalent to nearly 16 percent of our global workforce.

In the United States we generated net sales of 7.5 billion euros. This is a good result, given the highly competitive market. We will continue to expand our local activities there in the years to come.

*[Chart 23 – China: Of increasing importance in all businesses]*

Now let's move east: China continues to be an important market. We have been active in China for more than 25 years. Today, China accounts for a significant share of the Group's total revenues. In 2020, we were once again able to strongly increase net sales there, even though access for our field force to hospitals and veterinarians was restricted for most of the year. All three businesses contributed to our growth in China, with Human Pharma being the main contributor. Partnerships play an important role for us, also in China. In September 2020, we acquired an equity stake in the China-based New Ruipeng Group. New Ruipeng Group specializes in providing medical care services for pets. Here, I would like to note that China's pet market is one of the fastest growing pet markets in the world.

*[Chart 24 – Japan: Solid performance in a mature market]*

Japan remains the world's second-largest pharmaceuticals market. In recent years, the Japanese market has been challenging for our industry, due to increased price pressure and intensified competition. Against this backdrop, we were able to increase our net sales to 1.5 billion euros, a currency-adjusted growth of 5.4 percent compared to 2019. Our growth in Japan was mainly driven by our Human Pharma portfolio, more specifically by our products OFEV® and JARDIANCE®.

*[Chart 25 – Germany: High level of investments]*

Germany is our largest market in Europe and the country in which most of our employees are based. We have a strong R&D and production footprint in this country. We spend 45 percent of our global R&D investments here. In production, more than 45 percent of our global workforce is based in Germany. These figures underline the importance of our German sites. In 2020, we further strengthened our good position in the German market. Net sales increased by 2.3 percent to 1.8 billion euros.

*[Chart 26 – Emerging Markets: Human Pharma driving growth]*

The Emerging Markets are becoming increasingly important to our company, with strong double-digit sales growth in 2020 overall and in countries such as Brazil and India, where we have more than 1,000 people on the ground. Population growth as well as improving living standards for many people grow the market for patient care. We are becoming an increasingly important provider of innovative therapies in these countries. This also holds true for Animal Health, in livestock as well as in pets.

*[Chart 27 - Boehringer Ingelheim with profitable growth and solid financial structure]*

So, to conclude, Ladies and Gentlemen: 2020 was a successful year for Boehringer Ingelheim, despite COVID-19. We grew profitably. Our R&D spending was the highest in our company's history. We improved our equity ratio and



strengthened the foundation for a stable and independent future.

For 2021 we expect the ongoing COVID-19 pandemic to continue to pose challenges for the industry environment. It is also quite likely that increasing price pressure in several key markets will have an impact on our performance. Therefore, we expect to achieve a slight year-on-year increase in net sales on a comparable basis.

Thank you very much for your attention!

*[Chart 28 – Annual Results Press Conference 2021 – Hubertus von Baumbach]*

Thank you, Michael.

The health catastrophe that hit us a year ago in the form of a virus continues to demand our full attention. However, while addressing the short-term needs, we cannot afford to lose sight of the long term. As much as we try to contribute to finding a solution to the SARS-CoV-2 induced morbidities, we also understand that the challenges beyond COVID-19 continue to be demanding.

*[Chart 29 – The lives of humans and animals]*

For us at Boehringer Ingelheim, the pandemic was the trigger to ask ourselves where we see science emerge and further develop, how we would like to contribute, and thus where we see opportunity rather than risk.

In the context of “One Health” and with the insight gained from the pandemic it becomes more and more clear how interconnected human and animal health are. With the decision we made in 2016 to clearly also prioritize our presence in animal health, we set the strategic direction. Since then, we have developed the plans and implemented the first steps to harness the knowledge synergies between the two. The red thread depicted earlier, the belief in sharing and partnering across the two businesses makes us not only unique in the animal health industry. It also underpins our immune-modulatory efforts. So, we are well positioned in oncology – and beyond.

*[Chart 30 – Mastering the major healthcare challenges of our time]*

Believing in the opportunity of the future, we have started an additional program that will, among other things, strongly expand our commitment to our core oncology business and strengthen our current initiatives.

And we also go beyond research. The speed with which data science and technology develops is increasing. AI and quantum computing are only two of the emerging technological enablers. We will therefore make extra efforts to upskill and enable our employees. We will invest in data as we hope to find biomarkers that will make future products more precise and thus more effective. Data technology will speed up our clinical development cycles and as such reduce the overall

time from the first idea to reaching the patient. Last year, we also invested in developing our first digital therapeutic in the context of schizophrenia.

So for oncology and digital, we plan to invest over 1 billion euros additionally by 2030. This comes on top of the high R&D investments we already have planned, that are expected to amount to 24 billion euros in the next 5 years alone. Through this additional program, we will be pursuing additional options along the path we have chosen. A path that relies on strong, sustainable partnerships. A path that strengthens our power of innovation in the long term. And a path that will help us to make decisive contributions to mastering the major healthcare challenges of our time.

The past year confirms our long-term R&D vision. More than ever, we look to the future with confidence.

Thank you.