

Q3FY22 Investor Presentation

January 2022

The background of the slide is a blue-tinted photograph of a laboratory setting. A large circular cutout is positioned on the right side, revealing a close-up of a person's hands in white gloves. One hand is holding a glass vial, and the other is using a pipette to transfer liquid into it. The overall aesthetic is clean and professional, emphasizing scientific research.

Unwavering
Purpose

Safe Harbor Statement

Certain statements in this release concerning our future growth prospects are forward-looking statements, which are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in such forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include, amongst others general economic and business conditions in India, 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 currencies, 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 biotechnology and pharmaceuticals industries, changes in political conditions in India and changes in the foreign exchange control regulations in India. Neither the company, nor its directors and any of the affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after this date or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

Biocon is a global biopharmaceutical company that is leveraging its affordable innovation model to reduce disparities in access to safe, high-quality medicines, as well as, address the gaps in scientific research to find innovative solutions to impact a billion lives.



The Biocon Manifesto

As a committed stakeholder of the global health agenda under the UN Sustainable Development Goals (SDGs), Biocon has drawn up a manifesto to deliver on its commitment to universal healthcare.



accessibility

- Use our science, scale and expertise to enhance access to essential drugs for patients on the lowest rung of the economic ladder
- Uncover new medical insights aimed at expanding the scope of therapy to address unmet needs



affordability

- Focus on the kind of innovation that adds the condition of affordability to accessibility
- Bring competition for expensive innovator medicines through our generics and biosimilars



availability

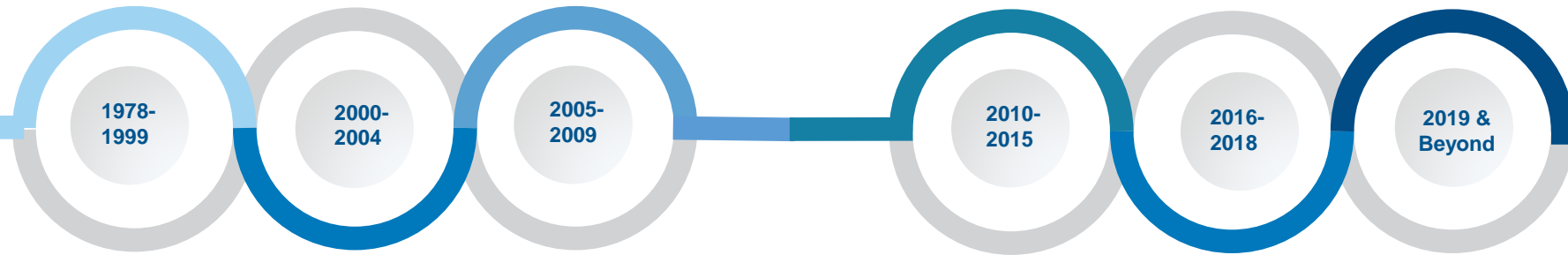
- Build strategic global and regional partnerships to make high-quality biopharmaceuticals available to the maximum number of people
- Create a robust portfolio of 'blockbuster' drugs with the potential to benefit a billion patients



assurance

- Demonstrate the highest levels of ethics, compliance and governance
- Assure continuous supply of high-quality products conforming to international regulatory standards

The Biocon Journey: A Continuous Evolution



An Enzymes Company

Transforming into a Biopharma Company

Building the Base Business and Expertise in Biologics

Strategic Global Alliance with Mylan for Biosimilars Expanded (2013)

Commercialized Biosimilars for Diabetes & Cancer in Japan, U.S., EU

Poised for Global Impact with Biosimilars

Successful IPO, Biocon listed in India (2004)

Enzymes Business Divested (2007)

Global Development of Biosimilars in Partnership with Mylan (2009)

Generic Formulations Business Unit set up (2013)

IPO of Syngene (2015)

Global Partnership with Sandoz for Next-Gen Biosimilars (2018)

Investments in complex Generic Formulations

Unwavering focus through the years on innovation & difficult to make, niche products to create tangible differentiators for sustainable growth

Biocon Today: Strategically poised for a strong global play



Rs 7,360 Cr
Revenue*



12000+
Total Employees*



1,200+
Patents



25+
cGMP approvals from
International regulatory
agencies



120+
Countries where our
products are
available



Ranked 5
Among Top 10 Global
Biotech Employers by
Science magazine



Sustainability at Biocon



- Featured for the 1st time in '**Dow Jones Sustainability Emerging Markets Index**' for 2021
- Among **Top 15 from India** to be featured

Received a '**B**' score in **Climate Change & Water Security** in **CDP Score Report 2021**



Philosophy of Unconditional Equity through...



PATIENT EQUITY

- **3.1M patients** reached through biosimilars for diabetes & cancer in FY21
- **~2B** statin pills delivered in the U.S. in FY21



PEOPLE EQUITY

- **Top 5** among global pharma & biotech employer since 2012
- Recognized by **UN Women** for efforts to promote diversity



SOCIAL EQUITY

- **~₹97M** CSR Spend in FY21
- Focus on Primary healthcare, Environmental stability, Rural development & COVID relief



ENVIRONMENTAL EQUITY

- **53%** electricity came from green power in FY21
- **100%** waste water recycled & reused



STAKEHOLDER EQUITY

- Independent Boards; Professional Management
- **Board Committees, policies** for global governance

Business Segments

Unwavering
Purpose

Growth Verticals: Aligned With Shifting Paradigms

From pipeline to production, from drug discovery to drug delivery, we bring differentiated, high-quality and affordable healthcare products & services globally.



Ensuring
access through
quality,
affordability,
reliability



Expanding
access through
innovative,
inclusive
healthcare
solutions



Pushing
scientific
boundaries to
deliver
impactful
innovations



Partnering to
deliver
innovative
scientific
solutions

Generics: Investing in capacities & capabilities for future growth



Differentiated API business

- **5 state-of-the-art facilities** across Bangalore, Hyderabad and Visakhapatnam, India
- Among the **world's largest manufacturers of immunosuppressant & statin APIs**
- Expertise in **fermentation technology, large scale chromatography and synthetic chemistry**
- **Consistent track record of quality compliance** and manufacturing of **high quality products with reliability and efficiency**
- **1,000+ customers** in **100+ countries** incl. the U.S, Europe and large emerging markets, with a **track-record of excellence for over 20 years**



Growing Formulations Footprint

- **Oral solids** (potent & non-potent), **parenteral & device dependent products**
- **Focus therapeutic segments** – Metabolics, Oncology, Immunology & Auto-immune indications
- **8 Generic Formulations commercialized** in the US
- Entered into partnerships to enhance presence in **China, Singapore, Thailand, Brazil and Middle East.**



Investments for future growth

- **Expanding our R&D capabilities** for fermentation-derived, chemical synthesis-based molecules, peptides and potent APIs
- Focus on **developing niche, difficult-to-make, complex molecules** with relatively higher entry barriers by also leveraging our **deep expertise in Fermentation based APIs**
- **Investing ₹ 6 B in greenfield, fermentation-based manufacturing facility** in Visakhapatnam, India
- Focus on further **strengthening quality** and related functions **and improving efficiency through digitization and other strategic initiatives**



1000+
Customers



280+
Patents Obtained



50%
Global MS in orlistat API
& world's leaders in
immunosuppressants



800+
Metric ton cumulative
weight of APIs supplied
annually

Generics: Q3 FY22

KEY HIGHLIGHTS

- Revenue growth due to launch of Everolimus in the US & uptake in API business
- Continued pricing pressure, higher RM/solvent & logistics cost
- Partnered with Tabuk pharmaceuticals to commercialize speciality products in the Middle East
- Three dossier approvals received : Mycophenolic Acid Delayed-Release Tablets USP in the US; Everolimus Tablets & Fingolimod Capsules in EU
- On track to commission greenfield Immunosuppressant API facility in Visakhapatnam in FY22

Q3 FY22

Q3 FY21

Revenue

₹607Cr

₹567Cr

7% YoY increase

Profit Before Tax (PBT)

₹67Cr

₹53Cr

11% of revenue

9% of revenue

Biosimilars: Fully integrated global player in an attractive market

- Commercialized several biosimilars in developed and emerging markets
- Robust pipeline across multiple therapeutic areas
- Launched the first 'interchangeable' biosimilar approved by US FDA (bGlargine)
- Expertise in large scale biologics manufacturing across diverse technology platforms
- Serve patients globally through commercial partners and direct sales force in India⁶
- Forged strong local and global partnerships e.g., Viatris, Libbs and Sandoz

Therapeutic Areas	Molecule	Product Status		
		US	Dev. Markets: ex-US	MoW ⁵
Oncology	Pegfilgrastim ¹		Europe, CANZ	
	Trastuzumab ¹		Europe, CANZ	
	Bevacizumab ¹		Europe, AU	
	Pertuzumab ¹			
Immunology	Adalimumab ^{1,2}		Europe, CA, Japan	
	Etanercept ^{1,2}		Europe	
Diabetes	Glargine 100U ^{1,3}		Europe, ANZ, Japan	
	Glargine 300U ¹		Europe	
	Aspart ¹		Europe, CA	
	RHI ⁴			
Undisclosed	7 Assets			

Early Dev./ Preclinical	Clinical	Filed	Approved
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8 
Approved
Products⁷

2 
Research &
Development sites

3 
Manufacturing sites
(2 Bengaluru, 1 Malaysia)

25+ 
cGMP approvals
(incl. FDA & EMA)

¹ In partnership with Viatris; ² Partner Viatris has in-licensed product (Biocon benefits from economic interest); ³ Japan is outside of Viatris partnership; ⁴ RHI non-partnered asset completed Ph 1 and considering potential Ph 3 waiver to be confirmed with US FDA advice, shown as Planned submission; ⁵ MoW represents Most of the World markets. Chart represents the status of the country where the product is in most advanced stage. Every country has a different status; ⁶ Branded Formulations India (BFI) is the commercial platform in India; ⁷ Includes Adalimumab and Etanercept which have been in-licensed by Viatris and Biocon Biologics has economic interest.

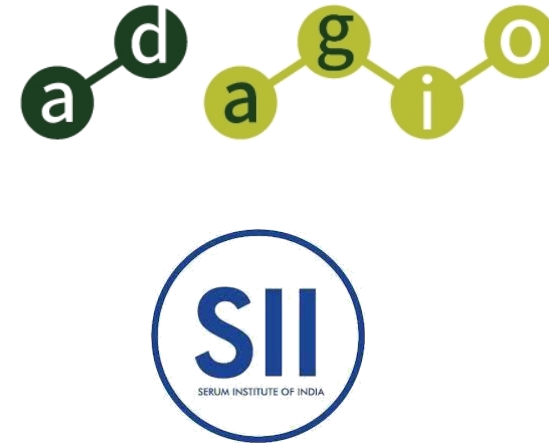
Entering adjacencies in communicable disease: infectious disease antibodies and vaccines

Key Commercial Products



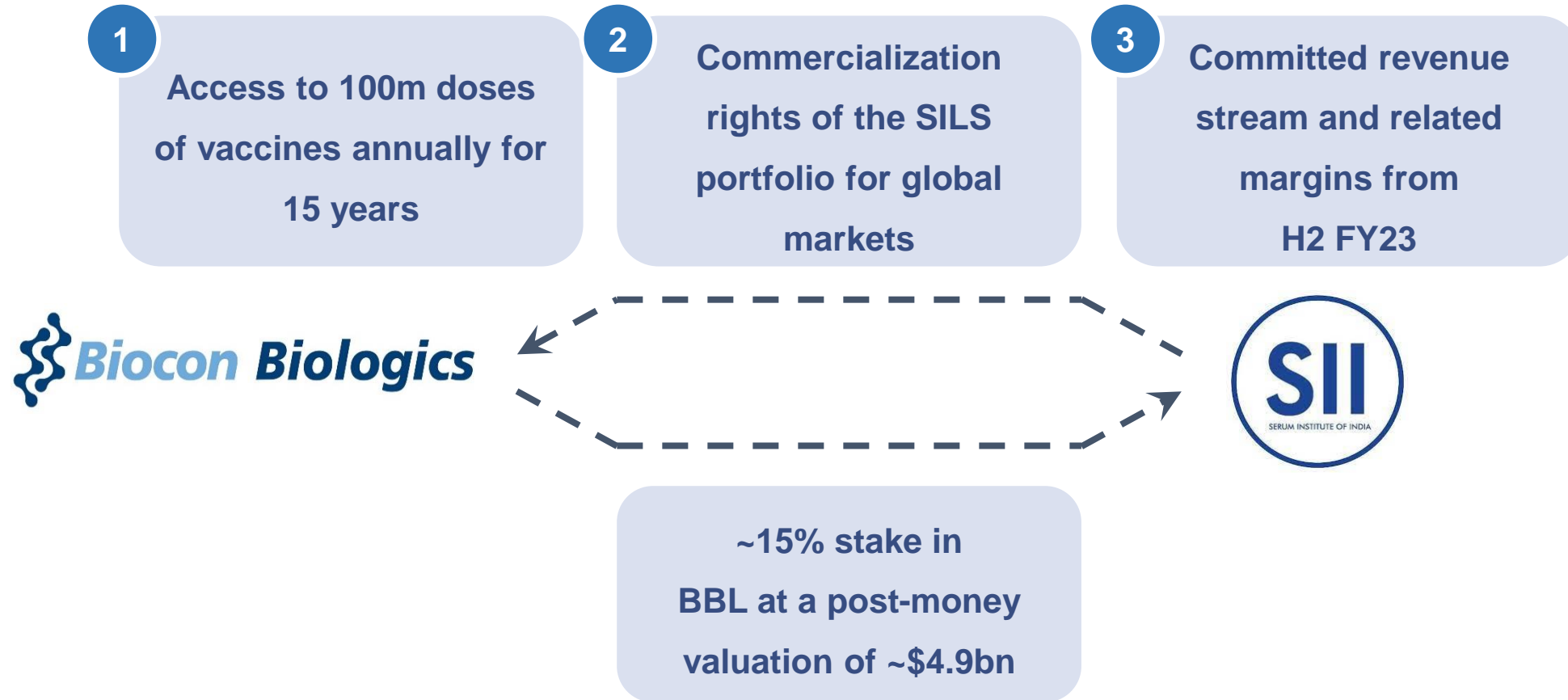
50,000+ lives impacted

Recent Collaborations



Continued portfolio expansion

Key terms of alliance with SILS



Alliance to commercialize SILS COVID portfolio and other next generation vaccines

Biosimilars: Q3 FY22

KEY HIGHLIGHTS

- Strong performance of bGlargine in US evidenced by several commercial arrangements (e.g., ESI & Prime formulary listing)
- Robust growth in Biocon Biologics led commercial franchise in emerging markets
- Wave 2 pipeline programs to enter clinic in Q4 FY22
- Initiated investments for the expansion of insulin manufacturing facility in Malaysia

Q3 FY22

Q3 FY21

Revenue

₹981Cr

₹769Cr

28% YoY increase

Core EBITDA*

₹363Cr

₹285Cr

38% margin

38% margin

PBT^

₹201Cr

₹111Cr




20% of revenue

14% of revenue

*Core EBITDA defined as EBITDA before R&D, forex, licensing and mark-to-market loss on Adagio investment

^Does not include mark-to-market loss on Adagio investment of ₹77 Cr

Novel Molecules: Pushing scientific boundaries to deliver impactful innovations

Disease Area	Asset	Current Progress
 Diabetes	Insulin Tregopil- a first-in-class oral, prandial Insulin	<ul style="list-style-type: none"> Phase I multiple ascending dose studies in Type 1 DM patients ongoing in Germany; in partnership with US-based Juvenile Diabetes Research Foundation (JDRF), a leading non-profit organization Phase I component of this trial expected to be completed in FY22
 Inflammation	Itolizumab- A novel humanized CD6 antibody	<ul style="list-style-type: none"> US based partner, Equillium to initiate a Pivotal Study in early 2022 for use in First-Line treatment of Acute Graft-Versus-Host Disease (aGVHD). Equillium conducting a Proof of Concept study for SLE / LN* European Commission granted an 'Orphan Medical Product' designation in the treatment of Graft Versus Host disease in Jul '21 Repurposed for prevention & treatment of COVID-19 complications in India in 2020; granted 'Restricted Emergency Use' approval in Sep '20 for treatment of Cytokine Release Syndrome in 'Moderate to Severe' Acute Respiratory Distress Syndrome patients
 Immuno-oncology	BCA101- (formerly FmAb2, a first-in-class EGFR / TGFβ-trap bifunctional antibody) - part of Bicara Therapeutics , a clinical-stage biotechnology company based in US**	<ul style="list-style-type: none"> Entered a Phase I/II study at leading US and Canadian cancer centers in Jul '20 Under evaluation, both as a single agent and in combination with the checkpoint inhibitor, Pembrolizumab, in patients with advanced EGFR-driven solid tumors, who no longer respond to the standard of care Completed enrollment for dose finding part of Phase I trial, both in monotherapy & in combination with a PD1 inhibitor; 3 expansion cohorts to open at start of 2022

*Systemic Lupus Erythematosus/Lupus Nephritis

In Q4FY21, Biocon ceded control over the Board of Directors and Operations of Bicara Therapeutics Inc. to enable it to operate independently under a US based leadership team and raise funds to advance its development programs. As a result of this change, Bicara was classified as an Associate from a Subsidiary under IND-AS.

Novels: Q3 FY22

KEY HIGHLIGHTS

- On track to initiate a pivotal study on Itolizumab in first-line acute GVHD* in early 2022
- Part B of Phase 1b EQUALISE study for SLE / LN** expanded to clinical centers in India
- Bicara# completed enrolment in dose finding part of Phase 1 trial for its lead program, BCA101; on track to open three expansion cohorts at the start of 2022



*Graft-Versus-Host Disease **Systemic Lupus Erythematosus/ Lupus Nephritis

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Research Services (Syngene)

- Offering integrated research, development & manufacturing services for small & large molecules, antibody-drug conjugates & oligonucleotides backed by best-in-class bioinformatic services
- World-class R&D and manufacturing infrastructure spread over 2 million square feet
- Audited successfully by US FDA, EMA, AAALAC and major life sciences partners
- Talented scientific & techno-commercial teams, led by experienced management, moving beyond cost arbitrage to innovation; 4700+ talented team of scientists, incl. ~490 PhDs
- 400+ active marquee clients across multiple sectors
- Strong track record of top-line growth with best-in-class EBITDA margins and Net Profit margin
- Listed in India on BSE and NSE in 2015



Research Services: Q3 FY22

KEY HIGHLIGHTS

- Discovery & Dedicated Centers were growth drivers in Q3
- Development & Manufacturing Services delivered sustained performances in Q3
- Extension and expansion of collaboration with Amgen until 2026; to add a dedicated laboratory
- Updated full year guidance for revenue growth to high teens from mid-teens

Q3 FY22

Q3 FY21

Revenue

₹641Cr

₹585Cr

10% YoY increase

PBT

₹128Cr

₹117Cr

20% of revenue

20% of revenue

Financial Highlights

Unwavering
Purpose

Annual Financial Highlights

		FY 21	FY 20	
Revenue	+13%	₹7,360Cr	₹6,462Cr	Biosimilars +21% Research Services +9% Generics +6%
Core EBITDA¹	+15%	₹2,430Cr	₹2,108Cr	Forex loss of ₹9Cr in FY21 vs ₹65Cr of Forex gain in FY20
<i>% margin</i>		33%	33%	
EBITDA	+8%	₹1,907Cr	₹1,765Cr	Gross R&D spends at ₹627Cr in FY21 (13% of ex-Syngene revenues) R&D spends in P&L ₹533Cr for FY21
<i>% margin</i>		26%	27%	
Profit Before Tax²	(11)%	₹1,077Cr	₹1,215Cr	Excluding Bicara Fair Valuation gain of 160 Cr: Core EBITDA 32%, dn 1% EBITDA ₹1,747Cr at 24% Net profit at ₹594Cr
<i>% margin</i>		15%	19%	
Net Profit[#]	(4)%	₹754Cr	₹789Cr	
<i>% margin</i>		5%	9%	

1 Core EBITDA defined as EBITDA before R&D, forex and licensing income; 2 from continued operations

Financial Highlights: Q3 FY22

		Q 3 FY 22	Q 3 FY 21	
Revenue	+18%	₹2,223Cr	₹1,885Cr	Biosimilars +28% Research Services +10% Generics 7%
Core EBITDA*	+23%	₹715Cr	₹581Cr	Mark-to-market loss on Adagio investment of ₹77Cr Forex Gain of ₹19Cr vs ₹6Cr in Q3 FY21
<i>% margin</i>		33%	31%	
EBITDA	+25%	₹537Cr	₹428Cr	Gross R&D spend at ₹178Cr R&D spend in P&L ₹138Cr
<i>% margin</i>		24%	23%	
Profit Before Tax	+14%	₹269Cr	₹236Cr	PBT adjusted for mark-to-market loss on Adagio investment of ₹346Cr
<i>% margin</i>		12%	12%	
Net Profit	+11%	₹187Cr	₹169Cr	
<i>% margin</i>		8%	9%	

*Core EBITDA defined as EBITDA before R&D, forex, mark-to-market loss on Adagio investment and licensing income

Thank You

INVESTOR RELATIONS CONTACT:

Aishwarya Sitharam, Biocon Limited

Tel: +91 93236 48143 **Email:** aishwarya.sitharam@biocon.com

Nikunj Mall, Biocon Biologics Limited

Tel : +91 998 777 4078 **Email:** nikunj.mall@biocon.com



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