Biocon

Credibly
Capable

Investor Presentation

Februrary 2017

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Safe Harbor

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.

Agenda

- Biocon: Who are we?
- Highlights
  - Business Highlights
  - Financial Highlights
- Growth Segments
  - Small Molecules
  - Biosimilars
  - Branded Formulations
  - Novel Molecules
  - Research Services - Syngene
- Five Year Financial Summary
- Outlook

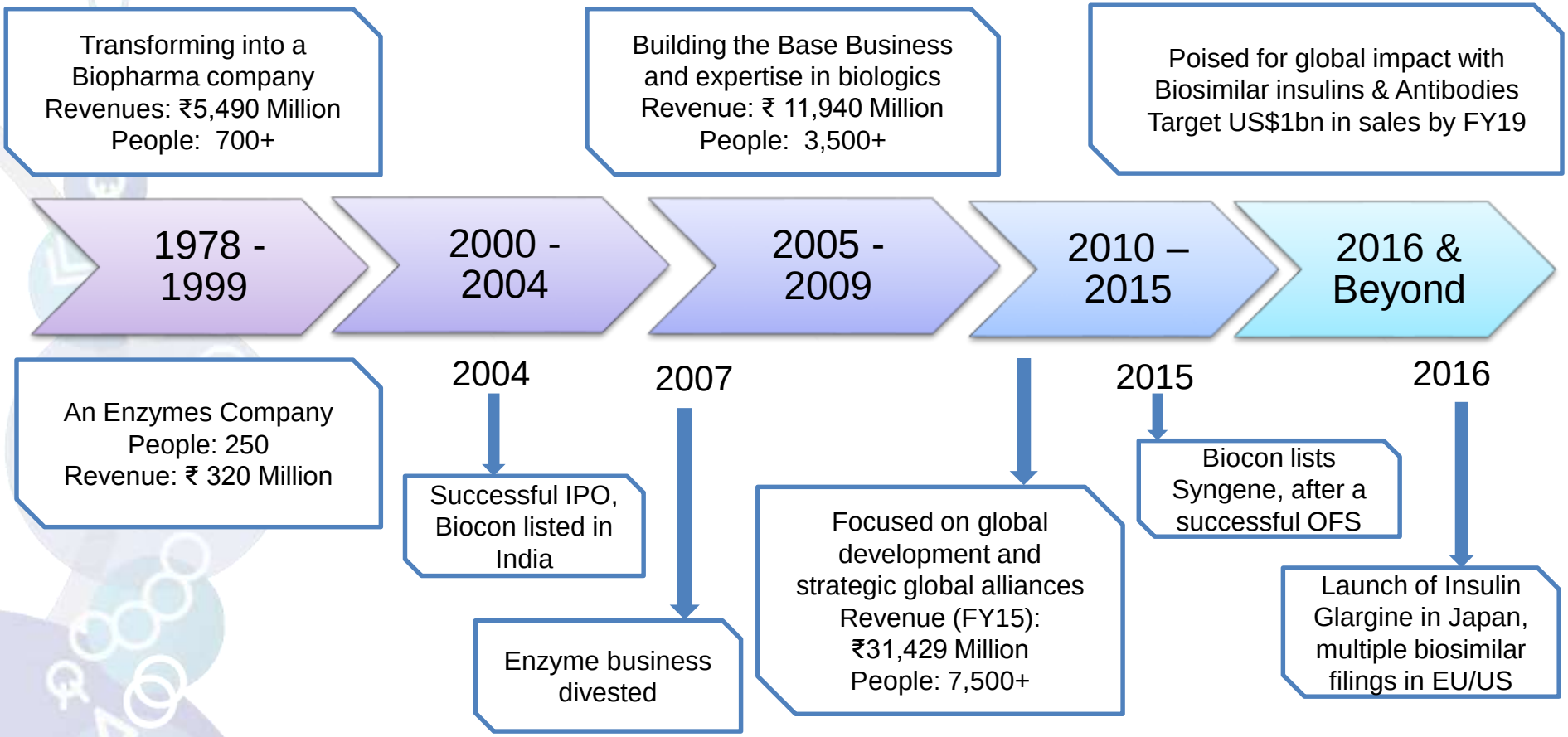
Who are we?

Biocon: Asia's Leading Biopharma Company

Our Vision

To enhance global healthcare through innovative and affordable biopharmaceuticals for patients, partners and healthcare systems across the globe

The Biocon Journey: A continuous evolution



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

Evolution of Key Innovations: Making a Difference

1979 - First Indian company to manufacture and export enzymes to US and Europe

2001 - First Indian company to be approved by US FDA for the manufacture of lovastatin from solid state fermentation

2004 - First company worldwide to commercialize generic recombinant human insulin developed on its proprietary fermentation technology

2006 - India's first indigenously produced novel monoclonal antibody BIOMAb-EGR® to treat head & neck cancer launched

2009 - Indigenously developed long lasting basal Insulin Glargine introduced in India as BASALOG®

2013 - World's first anti-CD6 monoclonal antibody ALZUMAb™ to treat psoriasis launched in India

2014 - CANMAb™, world's most affordable trastuzumab for treating metastatic breast cancer, launched in India

2016 – Launch of Insulin Glargine in Japan by partner FUIJIFILM Pharma, first developed market launch for a Biocon product

Recent Business Highlights

- Marketing Authorization Application for proposed biosimilars of Pegfilgrastim, Trastuzumab and Insulin Glargine accepted for review by the European Medicines Agency.
- Proposed biosimilar Trastuzumab accepted for review by USFDA.
- Biocon's Insulin Glargine launched in Japan on 15 July, 2016 by partner FUJIFILM Pharma.
- Biocon’s Malaysian subsidiary Biocon SDN. BHD. awarded a three year, MYR 300 million contract for supplying rh-Insulin cartridges and re-usable insulin pens under the Malaysian government’s Off-Take Agreement (OTA) initiative. Commercial supplies from the Malaysia insulin plant have commenced.
- Received FDA approval for Rosuvasatin Calcium, first ANDA approval for Biocon.
- Biocon Ranked Among Global Top Ten Biotech Employers; the only Asian Company to Feature in 2016 Rankings.

Financial Highlights – Q3 & 9M FY17*

All Figures in ₹ Million except %

Particulars	Q3 FY17	Q3 FY16	Growth	9M FY17	9M FY16	Growth
Revenue	10,918	8,295	**32%**	31,172	24,875	**25%**
EBITDA	3,235	2,060	**57%**	9,059	6,264	**45%**
Net Profit[#]	1,713	1,037	**65%**	4,846	2,174	**123%**
R&D Expenses in P&L	846	677	**25%**	2,010	1,746	**15%**
Gross R&D Spends	1,003	912	**10%**	3,044	2,746	**11%**
EBITDA Margin	***30%***	***25%***	-	***29%***	***25%***	-
EPS (Rs.)	**8.6**	**5.2**	-	**24.2**	**10.9**	-

* Per Ind-AS, [#]Net Profit for 9M FY16 adjusted for exceptional items

Segmental Sales – Q3 & 9M FY17*

All Figures in ₹ Million except %

Particulars	Q3 FY17	Q3 FY16	Growth	9M FY17	9M FY16	Growth
Biocon	**7,125**	**5,261**	**35%**	**20,853**	**16,475**	**27%**
- Small Molecules	3,902	3,153	24%	11,999	9,920	21%
- Biologics	1,196	743	61%	3,379	2,222	52%
- Branded Formulations	1,233	1,045	18%	4,181	3,359	24%
- Licensing	794	320	148%	1,294	974	33%
Syngene (Research Services)	**3,168**	**2,701**	**17%**	**8,660**	**7,444**	**16%**
Total Sales	**10,293**	**7,962**	**29%**	**29,513**	**23,919**	**23%**

* Per Ind-AS, adopted w.e.f. April 2016

Business Segments

Growth Verticals: Aligned with Shifting Paradigms

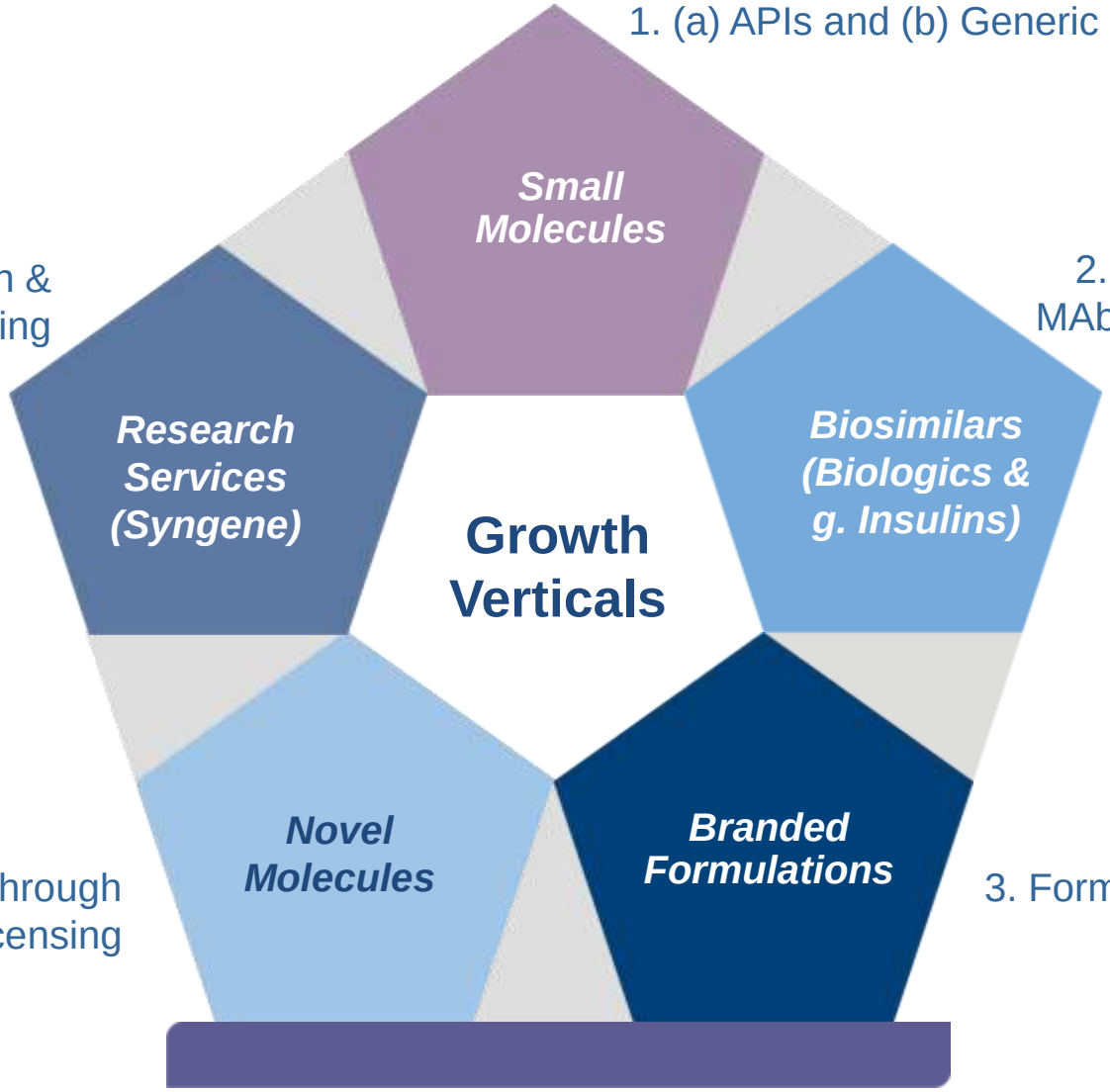
1. (a) APIs and (b) Generic Formulations

2. Exports of Insulins, MAbs & Other Biologics

3. Formulations Business in India & UAE

4. Unlock Value through Licensing

5. Contract Research & Manufacturing



Small Molecule APIs

- Product Portfolio which leverages our core fermentation capabilities and have a high degree of complexity.
- Early mover in niche products at commercial scale.
- One of the largest producers of various fermentation based statins and immunosuppressant API in India and across the globe.

Current Portfolio	Select Molecules
Statins	Simvastatin, Pravastatin, Atorvastatin, Rosuvastatin, & Fluvastatin.
Immuno suppressants	Tacrolimus, Sirolimus, Everolimus, MMF & MPA
Other Biopharma	Orlistat, Fidaxomicin

Small Molecule Generic Formulations

- Vertically integrated business model with a nascent pipeline.
- Target to file ~15-20 dossiers in the next few years.
- Pipeline includes solid oral & parenteral products in both potent & non-potent categories of compounds.
- Focus therapeutic segments – Metabolics, Oncology, Immunology & Auto-immune indications.
- Construction of our first Oral Solid Dosage facility to support our future generic formulation filings in full swing in Bangalore. Estimated commissioning CY 2017. Total capex outlay - US$25mn.

Continue to build momentum in dossier filing with a focus on specialty molecules in in chronic therapeutic segments

Biosimilars

- Marketing Authorization Application for proposed biosimilars of Pegfilgrastim, Trastuzumab and Insulin Glargine accepted for review by the European Medicines Agency.
- Proposed biosimilar Trastuzumab accepted for review by USFDA.
- Generic Insulin Glargine in the US and Adalimumab biosimilar for US/EU continue to make progress towards filing.
- Strong scientific and technical capabilities and manufacturing expertise to address global opportunities.
- Human insulin and Insulin Glargine registered in over 60 and 20 emerging markets, respectively.
- Biocon's Trastuzumab launched in India in Feb-14 and has also been launched in multiple emerging markets in CY16.
- Work on our second fill-finish line in Bangalore to support future growth of biologics formulations close to completion. Estimated commissioning CY 2017. Total capex outlay - US$25mn.

Amongst the largest portfolio of biosimilars globally with addressable market size of over US$60 Billion

Biosimilars: Growth through partnership

BIOCON

- Global-scale, complex biologics manufacturing capabilities
- Facilities accredited by international regulatory agencies
- Decade-long experience & demonstrated expertise in developing MAbs and other biologics

MYLAN

- Strength in Regulatory/ filings strategy
- Strong commercialization capability in US and EU.
- Market agility and speed

Deal Structure: Upfront Payment + Cost Sharing + Supplies + Profit Sharing#

	Generic Insulin Analogs	Biosimilar MAbs & other Biologics
Mylan's Exclusive Commercialization Regions	US, Canada, Europe, Australia & New Zealand	Developed markets
Market Opportunity*	~US$18 Bn	~US$42 Bn

Strategic collaboration leverages Biocon's strong development & manufacturing capability and Mylan's regulatory & commercial excellence

In Developed Markets only; * Market Size of innovator products in the current portfolio: Innovator Sales CY 2015

Global Biosimilars Pipeline – US$60 bn opportunity

	Molecule	Type	Status	Market Size* (US$ bn)
INSULINS	Rh Insulin	Recombinant Human Insulin	US development – Preclinical	3.1
	Glargine	Long Acting Basal Insulin	Global Phase III, under review in EU. Approved in Japan	7.1
	Aspart	Rapid Acting Insulin Analog	Preclinical/Scale Up	4.7
	Lispro	Rapid Acting Insulin Analog	Preclinical/Scale Up	2.8
			Insulins Total Market Size (rounded off)	**18.0**
BIOSIMILARS	Adalimumab	Chronic Plaque Psoriasis	Global Phase III	14.0
	Trastuzumab	mBreast Cancer	Global Phase III, under review in EU & US	6.8
	Pegfilgrastim	Chemo-induced Neutropenia	Under review in EU	4.7
	Bevacizumab	Non-Squamous NSCLC, mColorectal Cancer	Global Phase III initiated. RoW Phase III	6.9
	Filgrastim	Chemo-induced Neutropenia	Preclinical/Scale Up	1.0
	Etanercept	Auto-immune	Preclinical/Scale Up	8.7
			Biosimilars Total Market Size (rounded off)	**42.0**

*Market Size of innovator products in the current portfolio: Innovator Sales CY 2015
Conversion into USD done using average exchange rate for CY 2015 as given on http://www.federalreserve.gov/releases/G5a/current/default.htm

Biosimilar Pipeline: Biocon well placed in the competitive landscape

Molecule	Biosimilar Development Pipeline@			
	Pre-Clinical	**Phase I**	**Phase III/Filed**	**Approved/ Marketed**
pegfilgrastim	Pfizer	Dr. Reddy's	**Biocon**; Apotex - FDA, EMA; Coherus - FDA, EMA; Sandoz	
trastuzumab	Oncobiologics, Dr. Reddy's	Hanhwa, Meiji Seika	**Biocon-EMA FDA**, Celltrion - EMA, Samsung – EMA, Amgen, Pfizer	
insulin glargine			**Biocon - EMA**, Samsung – EMA, FDA	**Biocon – JP,** Eli Lilly – EMA, FDA, JP
adalimumab	Epirus	Dr. Reddy's, Oncobiologics, Meiji Seika	**Biocon**, Amgen – EMA,Samsung-EMA, Sandoz, Boehringer Ingelheim, Coherus, Momenta, Pfizer, Merck Serono, Fujifilm-Kirin	Amgen – FDA
bevacizumab	Celltrion	Sandoz, Daiichi, Oncobiologics, Cipla	**Biocon – Global, RoW**; Amgen-FDA, Boehringer Ingelheim, Pfizer, Samsung, Fujifilm-Kirin/Astra Zeneca	
filgrastim	**Biocon**, Pfizer		Apotex - FDA	Sandoz – US, EU; Teva, Accord, Apotex – all EU, Hospira – EU, ANZ, Fuji – JP,
etanercept	**Biocon**, Celltrion		Sandoz-EMA, Coherus, Lupin	Samsung – EU, Sandoz – FDA
insulin aspart	**Biocon**			
insulin lispro	**Biocon**		Sanofi - EMA	
rh-insulin	**Biocon – US**			

@ Biosimilar Development Pipeline details may not be exhaustive, pipeline progress may not be perfectly accurate; Source: Company disclosures, various reports

Biosimilars Manufacturing: Building Global Scale

Biocon Malaysia: Asia's largest integrated insulins manufacturing facility

- Biocon's First Manufacturing expansion overseas in Iskandar, Johor.
- Investment of over US$250mn in the first phase.
- Commercial supplies initiated with OTA award by Ministry of Health – Malaysia.
- Emerging market filings have started, commercial supplies to these markets expected to commence in FY18.

- Commercial supplies from Disposable insulins pen line in Bangalore ongoing.
- MAbs capacity to be augmented in Bangalore.

Biocon over the years have built global scale and cost competitive, complex manufacturing capabilities to address global market opportunities

Branded Formulations

- A Specialty Business with regional ambitions, currently in India and UAE. Strategy focused around biologics and differentiated products as anchor brands.
- The UAE business sells Branded generics and in-licensed Branded products.
- India business organized into 5 divisions around chronic therapy areas, namely **Metabolics, Oncotherapeutics, Immunotherapy, Nephrology, and Specialty.**
- Successfully developed and taken a range of Novel Biologics, Biosimilars, differentiated Small Molecules and affordable Recombinant Human Insulin and Analogs from 'Lab to Market'.
- Some of the key brands are in India include INSUGEN® (rh-insulin), BASALOG® (Glargine), BIOMAb-EGFR™ (Nimotuzumab), BLISTO® (Glimepiride+Metformin), CANMAb™ (Trastuzumab), Evertor ® (Everolimus), TACROGRAF™ (Tacrolimus) and ALZUMAb™(Itolizumab), a 'first in class' anti-CD6 monoclonal antibody.
- Future growth to be driven by deeper penetration of existing brands and new product launches.

Novel Molecules - Pipeline & Therapeutic Area Focus

DIABETES	**Insulin Tregopil *** First-in-Class Oral, Prandial Insulin	**Phase II Ready T1D/ T2D**
INFLAMMATION	**Itolizumab*** Novel, humanized CD6 Antibody	**Phase I Ongoing**
	BVX-20# Novel, humanized CD20 Antibody	**IND Ready**
	QPI-1007$ SiRNA for ophthalmic disease	**Phase III Initiated in NAION**
	QPI-1024$ SiRNA for inflammatory disease	**Preclinical**
IMMUNO-ONCOLOGY	**Tumor-Targeted Fusion mAb***	**Preclinical**

- * In-House program
- # BVX-20 with Vaccinex
- $ QPI-1007 & QPI- 1024 with Quark Pharma. QPI-1007 Global Phase III trial includes India.

Novel Molecules – Progressing to key milestones

Asset	Details
Tregopil Phase II Ready	**USP: Oral, Ultra Rapid-Acting** Post- prandial glycemic control; Liver specific- portal delivery, Weight neutral ▪ Safety & tolerability established in Phase 1 studies in US – DDI, Food Effect, PK/PD Data available ▪ Pivotal Phase III clinical study in T2DM patients in India (under an IND) finalized. ▪ Phase I Multiple Ascending Dose study planned in T1DM patients
Itolizumab Phase I Ongoing	**USP: Novel CD-6 Biology presenting durable immune-modulatory benefits and superior clinical safety** ▪ Successful PoC data: Phase 3 in psoriasis, Phase 2 in rheumatoid arthritis, preclinical in multiple sclerosis. Marketed in India for Plaque Psoriasis ▪ Initiated Phase I (Stages 1&2) - Single Ascending Dose study in Australia (S.C formulation). Stage 1 dosing completed; S.C route shows very good bioavailability. Stage 2 to be initiated shortly. ▪ Global filing plans ongoing – Phase II studies planned in inflammatory diseases
QPI-1007 In Phase III	**Novel SiRNA for ophthalmic disease:** ▪ Non-Arteritic Anterior Ischemic Optic Neuropathy (NAION) – Patients randomized for global study (incl. in India)
BVX-20 IND ready	**2nd Generation humanized antibody targeting CD-20** ▪ Path to IND mapped out, to advance program in neuro-inflammatory disorder
EGFR mAb + TGFβRII (Fusion mAb) IND Ready	**USP: Higher local tumor concentration of immuno-modulatory arm resulting in a better therapeutic window** ▪ Pharmacology & MOA established in in-vitro & in vivo tumour models ▪ Proof of Concept established in in-vivo model ▪ Clinical opportunity in multiple tumour types

Syngene (Research Services Business)

Global High Growth CRO Company

- One of the leading India-based contract research organizations (CRO)
- Integrated discovery and development
- Focus on novel molecular entities
- 256(1) clients across multiple sectors
- 95%(1) of revenues from outside India
- 2,571 qualified scientists
- World-class R&D and manufacturing infrastructure spread over 950,000 sq. ft.
- Strong track record of top-line growth with best in class EBITDA (30+%) and Net Income (high teens)

Attractive Blue Chip Customer Base

- Highly successful track-record in molecule development
- Client base includes 8 of the top 10 global pharma company by 2014 sales(2)
- 8 of top 10 clients have been associated for more than 5 years illustrating their longstanding and extensive relationship
- Total clients increased from little over 100 in FY12 to over 250 in FY16
- 69% of FY16 revenue from top 10 customers compared to 79% in FY12
- Clients across sectors – Pharma, Biotech, Animal Health, Nutrition

(1) For fiscal ended March 31, 2016

(2)Top 10 pharmaceuticals companies are by sales for 2014 as per IMS Health Midas, December 2014.

Five Year Financials & Outlook

Financial Performance Summary (FY12-16)#

All Figures in ₹ Million except EPS

Business Segment	FY12	FY13	FY14	FY15	FY16
Biopharmaceuticals	**16,764**	**18,705**	**21,382**	**22,367**	**23,908**
- Biopharma	14,170	15,231	17,468	18,071	19,534
- Branded Formulations	2,594	3,474	3,914	4,296	4,374
Contract Research	**4,101**	**5,572**	**7,146**	**8,225**	**10,599**
Total Sales	**20,865**	**24,227**	**28,528**	**30,592**	**34,507**
Other Income	618	1,103	804	837	1,192
Total Revenue	**21,483**	**25,380**	**29,332**	**31,429**	**35,699**
EBITDA	5,792	5,957	7,429	7,489	9,045
EBITDA Margin (%)	27%	23%	25%	24%	25%
Net Profit*	**3,384**	**3,241**	**4,137**	**4,022**	**4,372**
Net Profit Margin	16%	13%	14%	13%	12%
EPS*	**16.9**	**16.2**	**20.7**	**20.1**	**21.9**
R&D Spends (in P&L)	1,566	1,640	1,310	1,688	2,750
R&D (as % of Biopharmaceuticals Sales)	9.3%	8.8%	6.1%	7.5%	11.5%

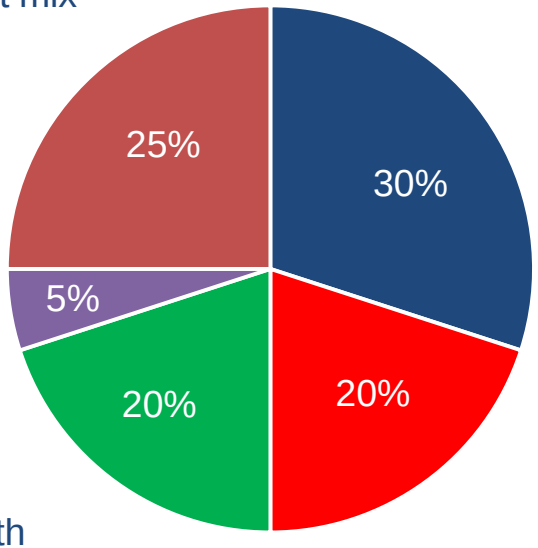
 # Numbers as per old I-GAAP
**Net Profit is pre-exceptional*

Revenue mix (FY16): Ex-India 69% : India 31%

Aspiring for $1 Billion in Revenues by FY 2018-19

Key Focus Areas

- **Small Molecules & Generic Formulations** - Improved product mix incl. ANDAs
- **Biosimilars** - Meaningful near term growth to be driven by emerging markets, ramp up post developed market entry
- **Branded Formulations** –Strategy focused around biologics and differentiated products, geographical expansion
- **Novel Molecules** - Out-licensing and Global Development
- **Research Services** - Sustained growth momentum with increase in clients & services, moving from CRO to CRAMS with commercial manufacturing

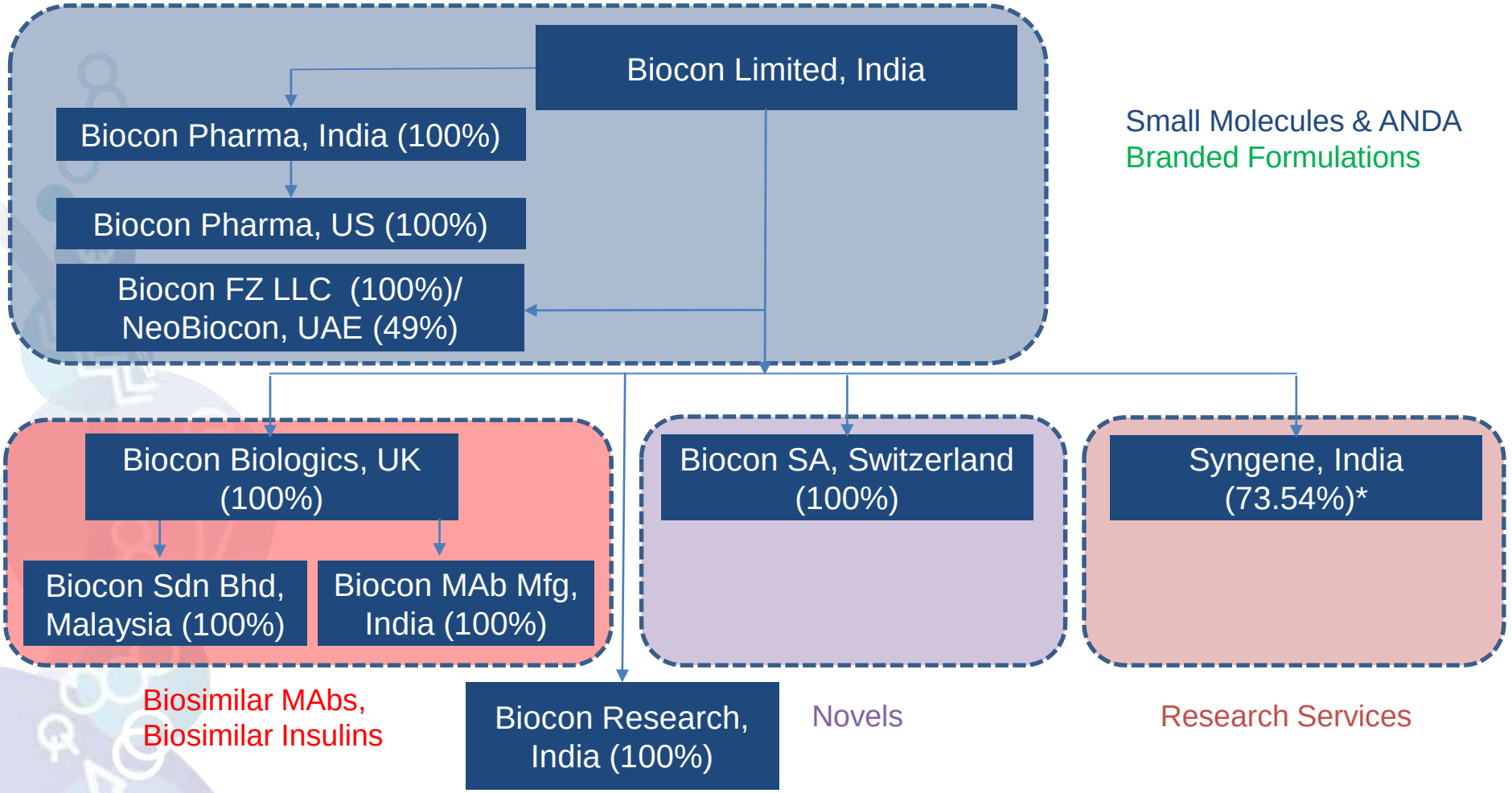


Growth drivers supplemented by addition of new offerings (products, services & partnerships)

Exchange Rate: 1 US$=₹ 60

Appendix

Business Holdings Structure



* Includes 0.93% held by Biocon Research Limited

For further information, please visit
www.biocon.com

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