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Date: August 11, 2025

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 **Scrip Code: 544292** **ISIN: INE013P01021**	**National Stock Exchange of India Ltd** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 **Symbol: ONESOURCE**

Dear Sir/Madam,

Subject: Transcript of Earnings Call pertaining to unaudited Financial Results of the Company for the quarter ended June 30, 2025

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of earnings call for the quarter ended June 30, 2025, conducted after the meeting of Board of Directors held on August 04, 2025, for your information and records.

Request you to kindly take the above on record.

For **OneSource Specialty Pharma Limited**

Trisha A
Digitally signed by Trisha A
Date: 2025.08.11 22:55:40 +05'30'

Trisha A
Company Secretary and Compliance Officer
Membership Number: A47635

“OneSource Specialty Pharma Limited

Q1 FY '26 Earnings Conference Call”

August 05, 2025

MANAGEMENT: **ARUN KUMAR – FOUNDER & NON-EXECUTIVE CHAIRPERSON – ONESOURCE SPECIALTY PHARMA LIMITED**
NEERAJ SHARMA – CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR – ONESOURCE SPECIALTY PHARMA LIMITED
ANURAG BHAGANIA – CHIEF FINANCIAL OFFICER – ONESOURCE SPECIALTY PHARMA LIMITED
ABHISHEK SINGHAL – ONESOURCE SPECIALTY PHARMA LIMITED

Moderator: Ladies and gentlemen, good day and welcome to OneSource Speciality Pharma Limited Q1 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhishek. Thank you and over to you, sir.

Abhishek Singhal: Thank you. Good morning, everyone, and thank you for joining us today for the earnings conference call of OneSource Speciality Pharma Limited for the first quarter of financial year 2026. We are pleased to have with us Arun, Founder and Non-Executive Chairperson, Mr. Neeraj Sharma, CEO and MD, and Mr. Anurag Bhagania, CFO of the company, who will walk you through the key business and financial highlights for the quarter.

I trust you have had the opportunity to review our results release and the quarterly investor presentation, both of which are available on our website, as well as the stock exchange website. The transcript for this call will be posted on the company's website within the next week. Please note that today's discussion may be forward-looking in nature, which should be viewed in context of risk inherent in our business.

Should you have any further questions after this call, our Investor Relations team will be happy to assist you. I now hand over the call to Arun to make his opening remarks.

Arun Kumar: Thank you. Thank you, Abhishek. Good morning, everybody. Thanks for joining us early this morning. I'm very pleased to be joining this call today along with my colleagues from OneSource Specialty. I'll make my opening commentary very short and leave the floor to Anurag and Neeraj to discuss both the business and the financial outcomes of the company.

First of all, I think we have had a good quarter. We have basically already guided the Street that we will have a muted H1. We are in line. Our performances are in line with those expectations. Most of you are aware that bulk of our growth trajectory comes from our business in the DDC segment, which is basically GLPs. And many of you know those markets open up only towards Q4 of this year.

We obviously will not in today's call be discussing anything about matters related to our ongoing judicial matters with Novo along with our partner, Dr. Reddy's, as this matter is sub judice. We will also, after Neeraj's and Anurag's opening statements, I will give you a little overview on the inorganic transactions, which are related party. And therefore, I would like to present a perspective on that and how that's coming about. Now, I leave the floor to Neeraj to start his opening comments. Thanks, Neeraj.

Neeraj Sharma: Thank you. Thank you, Arun. And welcome, everyone, to our Q1 '26 results. I'm very pleased to share the progress that we are making on our path to meet the growth aspirations which we have laid out, which is to be a $400 million revenue company organically by FY '28. Or as Arun

just mentioned, and he'll give the details later, this number could be significantly higher if the inorganic opportunities come to pass.

As we outlined in our previous earnings call that FY '26 is a significant inflection point for our business as we transition from our pre-approval revenues to our commercial revenues in our DDC portfolio. So our first half of the year primarily will be focusing, as Arun just mentioned, on executing our MSAs, while the second half will be driven by the commercial supplies of Semaglutide, obviously subject to the fact that our customers will get approvals.

And as a part of this journey and the transition, our Q1 performance has been in line with our expectations, where we have delivered growth both on top line and on EBITDA. In fact, EBITDA growing quite robustly at 37% versus last year and the EBITDA margin being up 500 basis points.

Anurag, my colleague, will walk you through the financials in more detail. And as far as our manufacturing operations are considered, this quarter was focused primarily on strengthening our readiness for commercial supplies in H2. And that's where our DDC business, drug device combination business, continues to deliver a very strong momentum.

Our order book remains very solid. And in fact, all of our customers who are going to be launching the product as the markets open up later this fiscal, have actually raised and revised their forecast upwards, in fact, which is very conducive. And the fact that all these contracts are supported by take or pay, this really reinforces our confidence in the trajectory ahead and basis that we are actually accelerating our Phase 2 of capacity expansion in drug device combinations.

And while this is still within the overall $100 million capex plan, which we have announced earlier, but the entire implementation will be completed a year ahead of schedule. So which, as you see, reinforces the confidence what our customers and we have. Going away from drug device combination, another key highlight this quarter was our strategic partnership with Xbrane in Biologics, which is a leading Swedish biotech company.

This collaboration really strengthens drug substance business and accelerates also the regulatory inspection of our drug substance site. Along with Biologics, our focused business development activities have been expanding our funnel across our business offerings. We have added multiple new RFPs and secured new deals in the quarter.

Now, along with the business moving in the right direction, what really gives us a matter of really strong pride for us is our compliance track record, which was once again reaffirmed this quarter as we saw successful back-to-back inspections and approvals by USFDA and ANVISA, which really, really shows our commitment to quality.

In fact, during the quarter, apart from these two, we have had almost 25 inspections done by either our regulatory agencies or our customers across all our sites, and all these have been successful. Along with this, we also continue to invest in the leadership and in building the organization, which is really key to supporting our growth.

In fact, we have announced recent appointments, which both to our Board and to our leadership team. These have really added strategic and commercial depth to our organization on one side, and on the other, really reinforced our commitment to maintaining a very high standard of governance, which we and the group is really known for. Of course, we saw really exciting development last evening. Our Board has given a go-ahead for us to evaluate the potential transactions. Arun will be giving more details on this. And these really have a very good fit with our injectable business and will give us a global footprint. Of course, we will keep providing updates on this as these go along.

Finally, I just want to say that all the hard work which we have done, our teams have done together with the customers during the MSA phase is now on the verge of coming to fruition, and we are really looking forward in the coming quarters, especially in the second half of this year, really excited that the commercial supplies will begin. We really thank all of you for your continued support.

And I will now hand over to Anurag to take us through our financial highlights.

Anurag Bhagania: Thank you. Thank you, Neeraj, and a very warm welcome to everyone joining us on the call today. I am pleased to present our financial performance for the first quarter FY '26. As Neeraj mentioned earlier, Q1 FY '26, we reported revenues of INR 3,273 million. It reflects a 12% growth year-over-year. The profitability for the quarter EBITDA grew 37% to INR 885 million, with margins improving to 27% in this quarter and translating a 500 bps margin improvement.

Adjusted PAT for the quarter is about INR 371 million compared to a negative PAT on comparable previous year. Adjusted earnings per share on a fully diluted basis stands at INR 3.2 per share. As you all know, our PAT and EPS is adjusted for exceptional items and amortization of scheme-related intangibles.

As we mentioned earlier, our target debt-to-EBITDA to stay below 1.5x during the course of this year as we are accelerating some of our capex investments. The timing of these investments, there may be a few quarters as we see where this might go slightly higher than 1.5x, but we are fully committed to get back. This is a temporary phenomenon and we are expecting to get back well in time to the same number that we did earlier.

I want to highlight on the back of the previous quarter where we had a credit rating upgrade, this quarter again we had another upgrade. Proud to say that OneSource is now part of the A family. This development is reflective of continued confidence in our financial management and provides better access to capital and on much better terms.

As you know, over the last few quarters we have prepaid significant amount of high-cost debt and we are consciously balancing our approach to leverage access to capital and debt along with our internal accruals and customer participation in our capex programs. Looking ahead, we continue to build scale and capability investing into the future of the business.

We reinforce our earlier guidance on the financial metrics and expect to be 1.5x EBITDA on our debt metric. The quarter continues to be extremely transformative for OneSource and we have made significant progress over the years and what we see ahead of us sounds even more exciting and we are looking forward to that. Thank you once again and we are very happy to take questions.

Abhishek Singhal: We want Arun's statement. Arun?

Arun Kumar: Thanks, Neeraj and Anurag. So I just want to give a little bit of overview of these two assets and the background behind it. So, as you all know that OneSource is a culmination of an NCLT process where three parts of the businesses of the group combined and at that time both the Polish facilities and the Baroda joint venture with Brooks was still in the making and was complicating the NCLT process.

As part of our roadshows pre-IPO, we as promoters made commitments to investors that we would bring our CDMO assets in the group or in the family office under the OneSource umbrella and this announcement, subject to various approvals, is the beginning of that commitment that we made as promoters.

In terms of the businesses, the Polish facility is a US FDA approved plant with very significant capacities and it is approved both for pharmaceuticals and biologics. As we speak, we are currently fully committed for our capacities. We manufacture for marquee customers including Europe's largest anesthetic branded product which is currently contracted to be manufactured on a very long-term basis with our facility in Poland.

The plant is also approved by all other regulatory agencies like the European agencies obviously being in Poland, but also in Australia and Canada. More importantly, this also gives us the ability to kind of de-risk the concentration risk that our customers have been emphasizing. While we have no capacities available for sterile injectables, the plant has got ample space to expand to GLPs and we believe that it is pertinent for OneSource to have an additional site to take care of the increasing demand or increasing customer concentrations that we have and the risks attached to those what our customers have been asking us to de-risk.

So we have the option -- we have an option to set up an additional line in time for the markets in both Europe and US to open up and that would give customers, I believe, a stronger sense of relief. Coming to the second facility which is our -- the plant in Baroda which is a partnership with Brooks, we had acquired 51% of this company several years ago. Since then, the company has been transformed to have completed a US FDA approval inspection rather.

We have invested heavily to now have an integrated capability because in the antibiotic space, API control especially for sterile is important. So, this facility has got a captive API conversion capability which it will captively use. We also have our first products approved in the US and that's a very unique strength of penem which we are again the first company to launch that product and it will also have the ability to offer Ertapenem in its lyophilised forms in the next couple of months when we expect approvals from the US, we are already approved in the

European market. Our capacity has been contracted quite significantly. This business, both these businesses in Poland and in Baroda report very healthy numbers. We currently have approximately $65 million of revenues for this year with an EBITDA in the 36% to 40% range and fully booked and committed to deliver $100 million of revenues at the bare minimum in the next year and that's $36 million to $40 million of EBITDA.

The business is expected -- the whole transaction is going -- will go through a new NCLT process, which will take approximately 12 to 18 months and go through the rigors of SEBI approval, pre-approval before we file to the NCLT followed by shareholders' approval which will include a fairness opinion by a first class banker and then of course it will be a function of additional shares based on valuation. All of these are early days.

At this time, we only have an independent committee of three Directors being formed to evaluate these options and once that comes through and there is alignment between the shareholders and OneSource, we will obviously take it through the next steps. We believe that both these assets will add significant value to the long-term plans of OneSource which obviously will also mean that our targeted revenue of $400 million with $160 will now have an upward trajectory in excess of $500 million and in slightly in excess of $200 million of EBITDA.

Both these businesses on closure would be near debt free or under $7 million to $8 million of debt on a $40 million of EBITDA run rate for '27. And like I said, the book is fully contracted, so these are not a business case, but more a contracted business that we will look at as to vend into OneSource.

It will not require, apart from an equity dilution, it will not require OneSource to lever any kind of debt or add debt to its books, so this will be accretive from that nature, but obviously these are very early days and we will keep our investors and analysts' community fully updated as we progress on this.

I have a hard stop at 9:45, so I'll be happy to take questions related to any specifics that you guys may have. But Neeraj and Anurag and the rest of the team would be more than happy to address your queries and as always, we are available for one-on-one conversations or through our investor desk. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Anand Mundra from Soar Wealth. Please go ahead.

Anand Mundra: Good morning, sir. Sir, my questions are related to Canada market. So what is your view? How many players would be launching in this market during the first phase and how many generic player market would be there in Semaglutide in Canada? That was my first question sir. I have two more questions.

Neeraj Sharma: Yes, I'll just answer this. So, your guess is as good as ours. We are seeing right now there are a few companies who have filed in Canada. Now which ones will get approval, we really don't know. But our guess is these are complex products. So we don't expect the market to be crowded

as when the market gets formed. So, in our view, there will be at least at the time of launch, there will be a limited number of players into the market.

Anand Mundra: Okay. Sir, second question with respect to approval. So what is your assessment or sense on January 2026 as a launch for Sema generics? Is there any risk of delay for approval?

Neeraj Sharma: Yes, again, what I would only say here is that these are complex products. But also the companies which who have filed are some of the biggest and the top generic players who are used to handling complex products, who are used to getting approvals. We have already seen some companies getting approvals of Liraglutide, both in Europe and in the US. I think that that gives confidence that companies will get approval. Now when that approval comes and who comes first, I think it's really very difficult for anyone to answer that.

Anand Mundra: Thank you, sir. Thank you.

Moderator: Thank you. The next question is from the line of Nitin Agarwal from DAM Capital. Please go ahead.

Nitin Agarwal: Thanks for taking my question. Two questions. Neeraj, on the capacity that you talked about, now if you can just clarify, when does the 200 million capex plan from here on? Or when does the 200 million vial capacity come through, or cartridge capacity come through now?

Neeraj Sharma: So, Nitin, what we had said, right, that we will be the capex we are building, we will be having all capacity up and running by FY '28. Now we have actually brought it up significantly because we have advanced our third line actually also earlier. So we would be having now this capacity, all capacity up and qualified by end of calendar 2026.

Nitin Agarwal: Okay. And secondly, you also mentioned in your comments about increasing customers, increasing their -- increasing the order sizes, new customers coming on with a lot of take and pay agreements along with it. So if you can just probably help us understand, A, what proportion of the capacity that right now, I mean, is covered right now with the sort of firm contracts? And generally speaking, is it fair to assume that all of this capacity is backed by take-or-pay?

Neeraj Sharma: So I can, I mean, what I would say here is that the months which we are launching, especially the markets which are opening up early starting January next year, all the customers who are scheduled or planning to launch in all these markets, all have take-or-pay contracts. We have take-or-pay contracts with all of them.

And they will take up significant part of the capacity, especially over the next anywhere between 18 to 24 months, because as the launches ramp up and the volumes ramp up in the market, they will -- that's what we are looking at if it answers your question. Arun, please.

Arun Kumar: Yes. Nitin, just to add to what Neeraj is mentioning and to be very specific, at this time we have capacities only for 40 million units. It's safe to assume that a large part of that will be consumed for the early markets that are opening up. And as you know that the early markets that are

opening up are only mainly Canada and then Brazil and Saudi Arabia, and of course, a lot of emerging markets.

To that extent, we are now very confident that our capacity is very largely sold on the take-or-pay concepts that Neeraj is alluding to. The incremental capacities would, it's a function of us first having the equipments up and running. I think what we are saying is that we believe that the demand is significantly greater than what we had anticipated in terms of timing. And therefore, we are bringing forward the capex and the capacity for 26 technically would be only from that 40 million unit and from 2027 onwards, we'll have a significantly larger number.

Nitin Agarwal: If I could make a last one on that, Arun, there's been a lot of this news around the Novo Nordisk cutting the guidance for '26, kind of in '25, and the concerns around the outlook for Semaglutide. And how is -- how are your clients reacted to it? And is there any change the way we're looking at the business side?

Arun Kumar: We share your concerns, Nitin, but it's just the fact that we are a CDMO and we go by what our customers contract with us, right? And at this time, they are increasing forecasts, willing to pay upfronts, and we can only go by that.

We believe that an improved price point, and there is obviously no worse we can't specifically comment on a company, but I think it's also to do with pricing and patients falling off the regime fairly quickly. I think price points, which the generic industry generally does, will enhance the market quite significantly.

Nitin Agarwal: Okay. Thank you.

Neeraj Sharma: I think to Arun's point exactly, that it's -- what we see is that whatever Novo is talking about in the US is also that they are losing to compounders. So the overall volume is in the US is still getting maintained. And the same that once the generics come in, especially in the markets where -- which are opening up over the next year or so, I think a significant volume driver will be just access. Access to product, which is not there today, will drive and the price delta between Tirzepatide and Sema generic will continue to drive. So we are very confident as our customers are over the next couple of years.

Nitin Agarwal: If I can take one last one, after the permission, in the presentation, we talk about nine NCE-1 molecules, barring, so which are these -- what are the timelines for these, for these molecules to be coming in the market? And they, I mean, do they include, how many of GLP-1s are in this NCE-1?

Neeraj Sharma: This is a very specific question, how I would just like to say that these are very important opportunities and NCE-1 generally are, they are of various molecules, there are GLPs, there are non-GLPs, there are oral technology, there are injectables, all across all our modalities. And these will start entering the market over the next couple of years. And we'll keep you posted as these come up.

Nitin Agarwal: Thank you, sir. Bye.

Moderator: Thank you. The next question is from the line of Abdulkader Puranwala from ICICI Securities. Please go ahead.

Abdulkader Puranwala: Yes. Hi, sir. Thank you for the opportunity. So first question is on, I know you have the capacity expansion. So you mentioned about expediting the 200 million cartridges by the end of CY '26. So based on today and the kind of outlook from what your customers are giving, is there a plan to further expand this from where we are or where we have committed in terms of the cartridge capacity?

Neeraj Sharma: So I think, as you see, right, that this is a moving market, right? What we knew a year back is very different from what we know now, and market continues to evolve. And we are continuously engaged with our customers, as we mentioned, based upon our customer forecast, we have picked, we have advanced our capex program.

And if it is required later on, and our customers want, we would be doing that. Arun already mentioned that if the assets especially the one in Poland, if it comes, we do end up closing that position. That's an area where we would be doing our next expansion. So we are open and we are thoroughly engaged with the market development.

Abdulkader Puranwala: Understood. And, sir, in our revenue guidance and EBITDA guidance for FY '28, we are not factoring the Poland and Baroda facilities, what is getting evaluated, is that right?

Neeraj Sharma: Yes, that's correct. We have mentioned that $400 million revenue we gave was through organic growth. And if we do end up closing these acquisitions, it will be significant. Arun already mentioned that FY '27 numbers for these will be about $100 million revenue, about 40% EBITDA. So these would add significantly to our guidance. And once it is closed, we will be sharing a revised guidance.

Abdulkader Puranwala: Okay. Understood. And just lastly on your current quarter performance. So if I have to see the current quarter, can you throw some color on how the three segments of the business would have performed?

Neeraj Sharma: So, I think as we have said, that all parts of our businesses have performed. Obviously, the drug device combination, a lot of work, we executed a lot of MSAs. So it's always the key driver. But at the same time, our injectable and soft gelatine business also did. Both our base business soft gelatine and injectable have some seasonality built in because as you know, antibiotics are seasonal.

Some of the large cold products are seasonal. So, it had some seasonality built in into that part of the business. But let's say all businesses, all our service offerings have delivered basis our expectations.

Abdulkader Puranwala: Got it, sir. Thank you and I will jump back to the queue.

Moderator: Thank you. The next question is from the line of Madhav from Fidelity. Please go ahead.

Madhav: Hi, good morning. Thank you so much for your time. I just wanted to get some more additional views on the commentary that you made about customers significantly revising their guidance upwards for the, I mean, for the Semaglutide supplies. Could you give us some sense in terms of how the volumes could play out in markets like Canada, Brazil, where the innovator was present already?

And maybe some of the markets, other EMs where they probably didn't launch or were in early phase of launch as well, like including India. So, and what's changed when you say forecast is higher. So maybe in the last 2 to 3 months since our Q4 call, why are they revising their guidance upwards? Just wanted to get some more feedback. Thank you.

Neeraj Sharma: Yes, I think what I would really like to say here is that it's all a matter of access, right? The numbers which you see right now in IQVIA in both Canada, Brazil, and some of the other markets are primarily a factor of supply. It is not a factor of the inherent demand, the patient population, the incidence of diabetes and obesity, which is very significant in these markets. But the numbers have been really constrained by the supplies from Novo.

And if we do the right analysis on how the patient population is, we will realize that these markets are really underserved. And with generics coming in, we see the access is what is going to drive the volume. And as whichever market, you see the products coming in, the market's expanding. A very clear example also is India, where moment the product is launched, you see a significant uptake, and we see the same picture in these. And I think on that basis, the customers have increased their forecast.

Madhav: Got it. And just to follow-up there, if you could maybe give some feedback separately for markets like Canada and Brazil, where innovator was present there, what's your sense on sort of volume in calendar year '24 or '25, how the run rate is, how the volumes could expand as generic opportunity opens up?

And maybe if my understanding is right, there are like 80 plus emerging markets where Semaglutide generics can be launched. Could you give a ballpark number in terms of how many of these countries Novo didn't launch itself? So these could be like new markets where generics probably formed the market in the first place. Thank you.

Neeraj Sharma: Yes, so to your first point on both Canada and Brazil, while Novo had launched, but again, as I said, the supply had been really constrained. If you know that Novo has really been focused on supplying the markets, which are primarily US and Western Europe. And these markets had very limited supply.

I mean, just, we have the 2024 number of total GLP-1s in Canada, for example, at just about 12-12.5 million. And I think for us, it's clear, and same as Brazil, it's less than half. We see both these markets to be significantly more. And end of the day, obviously, we as CDMO have to follow what our customers say.

I mean, our customers are the who's who of the generic industry. And I think there is nobody better than them to really forecast the market. So, we just make sure that our customer demand is met, and we are set to meet that forecast.

Madhav: Yes, and just a follow-up on the emerging markets where out of the 80 plus countries, where Novo didn't launch itself? Any, very broad number is fine. Like, don't need an exact number, but it's like 30 countries, 40 countries where Novo would have launched?

Neeraj Sharma: I don't have, I can come back to the specific data. But I can say that it's many of these markets, Novo didn't launch. I mean, you can have a clear example that the diabetic capital of the world, the second largest diabetic population of the world, India, they launched as recent as a month back, right.

So, so many, many markets, they have not launched. We don't have that number, we can come back to you. But market formation in those markets will help and our customers, we have global customers, and global customers have global footprint. So, when we supply to them, it's for our customers to choose which market they would like to supply.

Madhav: Understood. Thank you.

Moderator: Thank you. The next question is from the line of Rupesh Tatiya from Shree Rama Managers PMS. Please go ahead.

Rupesh Tatiya: Thank you. Thank you for the opportunity, sir. And I must appreciate Arun for bringing all the injectable assets in OneSource. So, it's really appreciable and my best wishes for the scheme and the whole process. I have two questions, one on Xbrane and one on Brazil. So, in Brazil, sir, will both Ozempic and Wegovy will be launched in 2026 or Wegovy is a little later?

And then are we present at market formation in Brazil? Are we part of Wave 1 launches? And then how is the client concentration in the Brazil? Are we dependent on a single large customer or there are multiple large customers? So, this is the question one on Brazil.

Neeraj Sharma: Yes. So, Brazil, obviously, we are seeing both ways, First launch is of Ozempic. But the way the Brazilian patent regime works, they don't normally allow any change, any separate patent expiry for the same molecule. So, it is likely that they will come. But again, that's for our customers to answer and handle.

From a customer point of view, I can tell you that we have a large customer base, which includes global customers, regional leaders, country specific leaders. So, we have a fairly diverse customer base. It is true, not only for Brazil, it is true for the whole for the global market. And I think that's where, which is true also for Brazil.

Rupesh Tatiya: Just clarification, we will be present at market formation in Brazil as well, right?

Neeraj Sharma: So, again, if our customers get approval, so we have already said that we, our site got a ANVISA approval. And we are all set, we are all ready from all our approvals point of view. But obviously,

it will depend upon our customers' product approval in the market for us to be there, for them to be there at market formation.

Rupesh Tatiya: Yes, fair enough, sir. And then on Xbrane, sir, I think the press release…

Moderator: Sorry to interrupt. Mr. Rupesh, may we request you to return to the question queue for a follow-up?

Rupesh Tatiya: I just asked one. I had one more on Xbrane. So, I think if you can give opportunity.

Moderator: Please, please go ahead.

Rupesh Tatiya: Yes. So, what is the quantum of investment, sir, in Xbrane? It wasn't mentioned, I think, in the press release. And then when do we expect the technology transfer process for Ranibizumab to begin? And in which year, can you give some timeline on when can we see some commercialization of this molecule? And then finally, how many more future products this partnership will have? This is a question on Xbrane. Yes.

Neeraj Sharma: Yes. So, Rupesh, Xbrane, as I said, it's Swedish biotech, very strong R&D capabilities, very strong pipeline. And with this investment, we have access to their pipeline and the fact that some of the assets which they already have will get transferred. They have assets in -- the products which they manufacture outside could come to us.

And the tech transfer, to your question, when the tech transfer will start? I think the, in fact, the process is already initiated. This is a biologics product. It's a pretty long tech transfer process. So, we expect the tech transfer to be completed over the next 12 to 18 months. And that will also trigger our inspection, both from Europeans as well as from FDA.

Rupesh Tatiya: Okay. But the investment amount, can you give some range, sir, INR 100 crores, INR 50 crores, INR 200 crores, some range, what would be our investment in the Xbrane? Yes.

Neeraj Sharma: I think, I don't think that's what we are discussing right now. As I said, the investment is for us to get access and we have a stake in the company. I think we will leave it at that for now.

Rupesh Tatiya: Okay. Okay. Thank you. Thank you. I'll come back in the queue.

Moderator: Thank you. The next question is from the line of Rishabh Gang from Sacheti Family Office. Please go ahead.

Rishabh Gang: Thank you for the opportunity. You give a lot of information regarding the acquisition of the two plants. Just wanted to ask, how do we see the return ratios and payback for such acquisition? That's my first question.

Neeraj Sharma: So I think, as Arun mentioned, right, we have initiated, the process is just initiated, right? We've just had the Board approval to start the evaluation process. So even now we are going to be

engaging bankers for valuation and so on. So, once that is done, I think we will be able to come back to you. If Arun would like to add something. Arun, please.

Arun Kumar: Yes. Neeraj, thanks. So I think to answer your point, first of all, although we have interests across various companies, you need to appreciate that we will not recommend a transaction unless it meets all the governance criteria. And that is why we have a very robust governance process across group companies to ensure that the minority shareholder interests are of the highest order.

We believe that these transactions will be accretive and typically all transactions that we have done should be accretive to the listed company. Like Neeraj mentioned, this is early days. You will have the opportunity to evaluate your question when you see the data that should be available in the next couple of months when all the advisors and the fairness opinion is out. And I think that would be an appropriate time for us to have more pointed questions around that.

Rishabh Gang: Got it. Thank you, sir. The second question was regarding the compounded GLP. Like, if you can tell how big is the compounded GLP market right now? And do we also target this kind of a market, or are customers targeting compounded GLP?

Neeraj Sharma: No, compounding is a phenomenon which is unique to the US and few countries in Western Europe. Where -- but how big the size of this market is anybody's guess. Simply because this market, there is no fixed for the molecule. It is whatever molecules are in shortage, the compounders are allowed to compound. That's how the compounding market works. So there is no fixed size of this market.

Obviously, because of the huge shortage, which was there in the US both for Novo and for Lilly, they were allowed to compound. And I think at their peak, they were able to get a very significant share, anywhere between 8% to 10% of the total share they were able to take. Now that the FDA has withdrawn or asked them to stop compounding, it's anybody's guess.

But I think its important thing is what it shows is that there is very significant demand in the market, which if whether it's Novo or when there are generic launches will come, the patients are all available to take the product.

Rishabh Gang: Got it, sir. Thank you so much.

Moderator: Thank you. The next question is from the line of Chirag Shah from White Pine Investment Management. Please go ahead.

Chirag Shah: Yes. Thanks for this opportunity. I got two questions. Question one is on the potential M&A that you are again embarking on. So is it more of the same or it brings the additional capabilities either in terms of technology or in terms of customer? I know you would have -- you have already indicated earlier, but a brief rewind would be helpful. How does it add up to in terms of value to OneSource? Question one. And I'll ask the second question after that.

Neeraj Sharma: So, I think I mentioned and Arun also mentioned, these -- if, obviously, if approved, these sites bring in significant strength to our core injectable business. They add multiple capabilities. They add to our existing capabilities. They are very synergistic to the fact that we have our penems add to our antibiotic franchise, which is already there with penicillin. We have a very significant expansion to the US business. The customers are some new and some common, so it increases leverage with them.

And a very important point which this covers is that, this acquisition would give us a global footprint, which is very key for a global CDMO like OneSource. And obviously, the Polish site has got huge expansion capability to add our drug device combination suite there to service our both European and American customers.

Chirag Shah: Okay. The second question was, we have been focusing on generics. Any thought on being part of innovator or what are the challenges over there? And would this Polish acquisition help you to be part of the innovator supply chain? Especially what after the Catalent deal which has happened, you are in a sweet spot in that sense.

Neeraj Sharma: Absolutely. Your point you're making is absolutely valid. So, just to say that we already have innovator customers. In fact, we said that in our biologics business, we already have innovator customers with a new biologic entity. So -- and we continue to add. But your point on the Polish entity facilitating addition of innovator customers, especially the ones with the next wave of GLPs, it will really facilitate working with innovators.

Chirag Shah: Would you like to just call out what part of the revenue, what percentage of revenue would be coming from innovator for Polish? A broad range also would be fine. If you can help us understand, it would be helpful.

Neeraj Sharma: So, I think as a CDMO, we really do not look at specifically what kind of customers it is, as long as it is diversified, as long as we have the capability. So, we don't really do this segregation here, but we would be happy in the long-term once the business has stabilized, especially in the biologics field, we would be able to share as we progress.

Chirag Shah: Okay. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Suvaan Mittal from MFC. Please go ahead.

Suvaan Mittal: Hello, sir. Thank you for the opportunity. I just have one question. In continuation to a previous con call, you had mentioned that we aim to be significant player in high viscous prefilled syringes. So, is these two acquisitions of USFDA facility one of the first steps to create a foundation in the specialty injectables, mainly with a vision of being a significant player in that? And secondly, if we can be a significant player, can we somewhere mirror our growth and scale in DDCs and some 2-3 year perspective on that?

Neeraj Sharma: So, you're talking about the new site we mentioned today, right? That's…

Suvaan Mittal: Yes, yes, yes. In continuation to a previous con call, where you had mentioned that we aim to be significant players in the longer term, first of all, to injectables.

Neeraj Sharma: Yes. You know that, right, that we have a very long legacy in the group to be a strong sterile injectable player. And these sites which come in, they both, they supplement our capabilities and complement capabilities which we don't have. And whether it's in the area of ampules, an area which we don't have right now in OneSource, to the area of a very large manufacturing of vials.

Again, it increases our scale of manufacturing at multiple times because of very large capacities which are there, especially in the Polish site, pre-filled syringes get added. So, both, as I said, complementary to what we do and adds capacity to what we are doing. And the very fact that there are significant more, I mean, we all know everybody follows the patent expiries which are coming over the next 5-6 years in biologics.

We also need to look at the significant number of patent expiries coming in the field of sterile injectables. So, we are and want to remain a very significant CDMO partner in this area of injectables and this acquisition will strengthen our game there.

Moderator: Thank you. The next question is from the line of Mehul Panjwani from 40 cents. Please go ahead.

Mehul Panjwani: Hello, sir. Thank you so much for the opportunity. Sir, I have one question I have is about the commentary you mentioned that the revenues will pick up from the second half of the year. And also you mentioned about Q4, there'll be a lot of pickups by the customers. So, can you please elaborate. I am new to the company.

Neeraj Sharma: Yes, I think it's what we just mentioned that, our first half is about executing our MSAs in our drug device combination business and readiness for commercial manufacturing and launches. And we will be manufacturing, we have got confirmed purchase orders from a number of customers and the manufacturing will be done in the second half. And as the approvals come in and as the patent expires, that's how the revenues will start coming in from the second half from all the Semaglutide launch.

Moderator: Thank you. The next question is from the line of Dhruv Gupta from Sagun Capital. Please go ahead.

Dhruv Gupta: Yes, hi. Thank you for taking my question. My question was beyond GLP-1, are there any other therapeutic areas or delivery platforms where you see potential for platform expansion?

Neeraj Sharma: Yes, absolutely. So, I think I have mentioned earlier in previous earnings calls that our strength in OneSource is drug device combinations, right? So, and products which -- where there is an interface between drug and device. And that's what is key. We have got today 10 different molecules in the drug device combination, which we are working for our customers. And only three of these molecules are GLPs.

So, you can imagine that there is a very large expertise which we have. We have expertise in filling drug device combination, in assembling them end-to-end. And now you see most of or a lot of new R&D and products getting approved are in the area of self-administration. And self-administration is really supported by drug device combination.

And you see products which we, our first product approved in US for our customer is a non-GLP drug device combination. Our first product approved in Europe is a product which is a drug device combination in biosimilar area. So, we are always working on various products in drug device combination outside of GLPs. And outside of drug device combination, our very strong business both in sterile injectable and the soft gelatine is really -- strengthens our core base.

Moderator: Thank you. The last question for the day is from the line of Aman Vij from Astute Investment Management. Please go ahead.

Aman Vij: Yes. Good morning. Two questions. One is on our two products, Liraglutide and Teriparatide. We were supposed to launch these products in Europe for a while now. Can you talk about the revised timelines? Do we expect this quarter it will take two, three more quarters? And what is causing this delay? That is question number one.

Neeraj Sharma: Yes. So, Liraglutide already you said our customers have got approvals. It's also CDMO is not always dependent upon one side. It's both dependent on customers and customer priorities and customer's ability to supply us all the material, because our job here is to manufacture as per customer's requirement and also customer's priorities, right? So, it's key for that. So, that's what I would say.

Having said that, Liraglutide for Europe, we have already manufactured this quarter. And our customer will be launching the product and Teriparatide is exactly the same. In fact, we've already manufactured for our customers and it all, the actual launch will depend upon, again, as I said, customer's options and when they want to launch.

Aman Vij: So, is it expected in, say, first half of this year or next second half of this year, both the launches?

Neeraj Sharma: So, we have, both -- in fact, we have both for us. For us, both the products have been manufactured. And as far as OneSource is concerned the launch will be in first half.

Aman Vij: Sure, sir. My second and final question is on the GLP-1 market. So, could you talk about how important is India market according to you for us utilizing that, say, 40 million and 100 million, at least the 100 million fill finish capacity we have? Do you think Indian market can be, like, as big as Canada or Brazil market or it will be much smaller market?

And just to complete this thought, do you think at least for next 1-2 years, given we are present with almost most of the customers who are launching in India, Brazil, even Canada, do we expect we will have almost like 40%-50% kind of market share in Semaglutide generics in the next 2 years?

Neeraj Sharma: Okay. So, on India, so, if you see, obviously, at the face of it, India is the second largest diabetic population in the world. So, there is a very, very strong inherent demand, which is there. Now, whether we will supply or, for us, it all depends upon our customers. We have global customers, and if India is their market, they would launch.

We, as a CDMO, are completely geography agnostic, right? It doesn't matter. We will supply. We have agreements with the customer, and they decide where -- whichever market they want to supply. So, I cannot really say whether they will supply or not to India, but, yes, we are open, and we are open to supply in all markets.

To your question on our shares, we have really global who's who of generic companies, whether it is the global leaders, the regional leaders, leaders in specific large markets, and I don't know what next 2 years, but in steady state, if we see looking at our customer base, it could be anywhere up to a third, at least, of the generic market as it develops, could be serviced by the customer segment, which we have.

Aman Vij: Sure, sir. Thank you for answering the question.

Moderator: Thank you. Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to the management for closing comments.

Neeraj Sharma: Thank you. I really, on behalf of OneSource, really would like to thank you for the interest and for all the questions, very insightful questions, which have been asked. And I know it's never enough. We are never able to take everybody's questions, but we really would like to ask you if you have questions to reach out to our Investor Relations team on our website, and we'll be very happy to respond and answer your questions. Thank you, once again, for being with us this morning.

Arun Kumar: Thank you.

Moderator: Thank you. On behalf of OneSource Specialty Pharma Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.