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Date: November 18, 2025

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 **Scrip Code: 544292**	**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 and half year ended September 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 and half year ended September 30, 2025. This earnings call was conducted on November 12, 2025, i.e., after the meeting of Board of Directors held on November 11, 2025, and is being shared 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: 2025.11.18 12:56:43 +05'30'

Trisha A
Company Secretary and Compliance Officer
Membership Number: A47635

"OneSource Specialty Pharma Limited

Q2 FY '26 Earnings Conference Call"

November 12, 2025

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

Moderator: Ladies and gentlemen, good day and welcome to the OneSource Specialty Pharma Limited Q2 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 telephone. 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 Thank you all for joining us today for the earnings conference call of OneSource Specialty Pharma Limited for the second quarter and half year ended financial year 2026. We are pleased to have with us Arun, Founder and Non-Executive Chairperson, Neeraj, CEO and MD and Anurag, CFO of the company, who will walk you through the key business and financial highlights of 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 our 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 contain forward-looking statements, which should be viewed in context of the 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 for his opening remarks.

Arun Kumar: Thank you, Abhishek. Good evening, everybody. Thanks for joining in today's OneSource call. Appreciate your time. I thought I would give you a little bit of an overview of the scenario as we progress from our MSA phase to commercialization and obviously, there are several questions with regard to several developments in the space. I just would like to remind all our investors and analysts and those who are participating today, as a CDMO, we generally don't get impacted by the regulatory approvals of some of our partners.

I would say, especially with regard to the Canadian opportunity, there seems to be – we have been receiving several questions about what our outlook here is and I thought that would be a good opportunity today to clarify our position. With the Canadian opportunity, there are two waves of filers. In the first wave of filers, there are approximately three or four filers. Most of those names are now in the public domain.

Some of you are already aware that, consequent to the events related to the situation with NOVO, challenging Dr. Reddy and us, you are now fully aware that Dr. Reddy is one of our customers and is not only a customer for the Canadian market, but for several other markets.

Of course, the Canadian market is the first market which opens up from a market formation standpoint and given that it is now in the public domain, that Dr. Reddy’s would probably not be – they haven't said that in as many words, but we believe that at market formation, there may be a slight delay on their launch dates.

We strongly believe that there is – as we speak, this will be the situation for most players in the Canadian market, if not all. And in the first wave of filers, amongst the top players, we have some kind of a relationship, which will ensure that on market formation, OneSource still is an active player in that market. So I think that is very important to know that we are not dependent on a customer or an event.

We have constantly been increasing our customer base and we now have over 20 customers. We have over nine customers who will launch product in several markets on outside of Canada. So effectively, as all of you know, those dates for the GLP launch for semaglutide starts from March.

In the next two quarters, we will continue to focus on being getting ready for the markets, for launch plans that customers are given. Several of our eight to nine customers that we mentioned have provided us take or pay and reservation fees. So we are very confident of what we believe that we will become a very significant and strong player in this space.

Having said that, obviously, we believe that the Canadian launch would have given a fill-up to the general positivity about the space. But we are super excited with all the other opportunities that we see, especially with significant market share that the innovators are getting in emerging markets as soon as supplies arrive. And therefore, we believe that not only the markets will expand significantly with quantities in terms of demand, but in also in terms of our capacities being fully occupied.

You will also appreciate that consciously we did not guide for this particular reason that we are not in control of the regulatory pathways of our partners. Say for our partnership with NATCO, which is also the public domain, and there we have a profit share arrangement and this is a material profit share arrangement, but that obviously is for the regulated market. And many of you are aware that we now have a first-to-file situation with our partner NATCO and most SKUs in several markets. That's far away from now, and therefore, at this time as a CDMO, our focus is to fill up as much as capacity as we can for the markets that we expect to launch.

So we are now very bullish on what the next year will look like, and we are very confident and we are willing to reiterate our 2028 guidance for INR400 million on the base business, and then with the inorganic businesses that are also performing strongly to now reiterate our INR500 million outlook for FY 2028 subject to shareholder approvals. We expect to start consolidating from the next financial year the new businesses that we have announced subject to, like I said, the regular approval process.

While Neeraj will speak about the general opportunities, we also mentioned that we have stopped onboarding new DDC customers simply because we do not have the capacities. And we are rapidly expanding our capacity installations, and we will be fully ready by the end of calendar year '26, almost a year ahead of our previously announced schedule in terms of readiness for over 200 million units of capacity for our pens. And outside of the GLPs, we also have added several new products that are drug device combinations, and we are excited about the opportunities and the logos that we are acquiring.

I would like, I know that there will be a lot of questions on Canada and we will be more than happy to answer that, but in the last several months, we have been heavily focused on the other modalities because, honestly, we are fully sold out on our drug device combinations, and I'm delighted to announce the velocity of our biologics business, and we believe that our installed capacity of 4,000 liters will not only be taken fully, but will need instant expansion as we meet increased demand for both mammalian and microbial on the drug substance.

So, overall, all our modalities are doing well. Many of you will also recall that we did announce that our flagship steriscience plant, which is a little dated in terms of age, 20 years, FDA approved, is going through a major capacity expansion and retrofit, and this also will come through the next year. So, overall, very excited about the opportunities that we bring about for the next financial year, but also for reiterating a long-term FY 2028 commitment.

Now in the next six months, obviously, we live in a space of ambiguity. There are several steps that we need to succeed in terms of our partners getting approvals. Of course, India launches is a no-brainer. We've already got some of our partners getting approval, so we expect to be in the market on day one. We expect approvals in other emerging markets of our partners. Our own portfolio, a product that we have partnered with a leading MENA player is expected approval within the timeframe.

So towards the end of March, when all the other markets outside of Canada opens up, we should be in a good situation to also now go back and give you more specific guidance for the next year and going forward. So, the next two quarters is ambiguity. We are busy. We are producing every day. Would we be in a position to revenue recognize? Would we be in a position to shift?

These are evolving situations that at this time, some of them being matters related to the court decision, or matters related to regulatory approvals, or things that we are not in control. And considering that we have stopped our onboarding new customers, obviously, we do not have capacities to add more. We will have a strong operating performance, but I'm not sure what we're going to report in the next quarter.

So, I just wanted to be on this call to caution our investors that everything is hunky-dory, but our numbers may not necessarily reflect the true nature of the work that we are doing and the business opportunities that we are sitting on.

And with that, I'm more than happy to take questions towards the end of the call. I leave it now to Neeraj, to open his comments.

Neeraj Sharma: Thank you, Arun, and…

Moderator: Thank you.

Neeraj Sharma: Sorry. May I?

Abhishek: Yes. Yes.

Moderator: Please go ahead, sir.

Neeraj Sharma: Yes. So, thank you, Arun, and welcome everyone to our Q2 results. As Arun mentioned already, our performance in Q2 has been very much in line with expectations. We had quite healthy revenue growth, supported by a number of MSA executions, and even the EBITDA saw a very robust growth of 37%.

In fact, the EBITDA margin expanded by more than 500 basis points, so all in right direction. And in fact, even our recently announced acquisition or proposed acquisition in Poland and in Brookes, they have also performed well.

And in fact, on a pro forma basis, the combined revenue for the first half of the year of both the incoming businesses and OneSource are almost US$110 million, at a very healthy 30% EBITDA margin.

So this performance of the combined business really reinforces the confidence we had in this and the strategic fit we think there is between the combined businesses. Coming specifically to our current business areas, our drug device combination, Arun already mentioned that, the order book here remains really solid.

And in fact, this is the basis of us accelerating our capacity expansion, which we announced in our last earnings calls. Those of you who recall that, that because of -- for us to be able to support our customers and ensure commercial supply in FY 2027, the capacity expansion plan is really proceeding well.

We will have almost eight to 10 customers actually launching next year across multiple global markets so that will be a key driver and that's what gives us great confidence for it. And in fact, the additional capacity which is going to be put up is really going to be supporting the anticipated demand as well as support the mid-term outlook also, which was mentioned just now.

So, while we expand our manufacturing capacity one thing which we have always said and which really is a massive great pride for us is our compliance track record. And I also am happy to say that in our last quarter, we had 10 successful inspections. And in fact, in the first half of the year, we have had 37 successful customer and regulatory inspections.

So, it really talks well of the quality commitment which we have in OneSource. Along with, along with DDC, basically our really the strong momentum in getting new RFPs has continued across all our service offerings, across all modalities. This quarter, we added 26 new ones.

And these are apart from the wins which we have had in MSAs and licensing agreements which we have signed. What is really also heartening and for us as OneSource is the fact that the entire genesis story of OneSource, why it came into being, is playing out where thanks to the cross-selling we do across modalities, today we have got 12 customers common across modalities. So, which was the genesis of one source, and which is what is playing out.

As also Arun has already mentioned, our last two quarters, we have seen a significant traction on our biologic business, on the back of both very strong BD activity and customer outreach done by the team, as well as some very favorable industry tailwinds. I mean, you are already

aware of the US Biosecure being there very much, which is forcing the innovator and biotech companies to seek new CDMO partners.

And at the same time, on the other end of the spectrum, the recent simplification of the biosimilar approval pathways by both FDA as well as the Europeans really means a big boost to the biosimilar development for comparative CDMOs like OneSource. In fact, today our biologics funnel is almost 4x of what it was in FY '25.

Along with biologics, I also want to talk about our base business where both soft gelatine and injectables, soft gelatine is entering the traditionally strong quarters from a season point of view. And in parallel, we also continue to see very robust interest in our soft gel CDMO capacities, which as some of you may be aware went online recently.

On injectables, we are scaling up both our organic expansion, which is both in adding new capabilities, as well as the recently announced acquisition, which really would position us among leading sterile fill-finish CDMOs. It will expand our global footprint, it will strengthen our positioning, and the fact that we'll be able to service customers across markets. So that's something, which is very key for us, and the acquisition is – the process is moving well.

Finally, I really want to acknowledge the dedication with, which our teams work in very strong collaboration with our customers during the whole MSA phase. While the next couple of quarters, as Arun mentioned, will be shaped by the semaglutide approvals of our customers. We remain highly confident in our preparedness and also the inherent market opportunity, which is there for semaglutide in markets like Canada, Saudi Arabia, India, Brazil, and many others, which makes us highly confident of a very strong FY '27, basis all these launches. And, obviously, along with contributions from the incoming businesses, we, as you know, we have raised our FY '28 revenue outlook to INR500 million, which we are all set to move towards.

We thank you all, both investors and analysts, for the interest in OneSource and continue to seek your support in the journey ahead. Thank you.

I'll pass on to Anurag to take you through some of the financials.

Anurag Bhagania: Thank you. Thank you, Neeraj, and a very warm welcome to everybody joining us on the call today. I'm very happy to present our financial performance for the second quarter and the first half of the financial year FY '26.

We delivered a very strong quarter with a revenue of INR3,758 million. It's a 12% year-over-year growth. In terms of profitability for the quarter, we grew 37% on EBITDA, reaching INR1,065 million, and the margin expanded to 28%, which is a 506 business points improvement versus prior year.

For the first half, the performance is consistent in terms of what we saw in the quarter. We reported INR7,030 million for the first half of the year, up 12% year-over-year, and EBITDA of INR1,950 million, maintaining a 28% margin.

In terms of the quarter; PAT, we reported an adjusted PAT of INR449 million. You can see on the investor presentation. This will compared to a negative PAT that we had last year. In fact, our reported PAT also is a positive for the quarter.

Adjusted earnings per share on a fully diluted basis stands at INR3.9 per share. As you know, our PAT and EPS are adjusted for exceptional items and amortizations of scheme-related intangibles. It is important to note that our balance sheet includes goodwill from the scheme of arrangement, reflecting the strategic value for our stakeholders coming out of the transaction in the past.

This goodwill is non-cash item and has no bearing on the operating performance or liquidity of the company. As of September 30th, moving on to our working capital, we had a working capital of INR 5936 million. It is currently elevated, and this includes planned buildup of inventory for long-lead items that we are preparing for upcoming future DDC launches.

These purchases are made on behalf of our customers and are backed by either customer advances or commitments from our customers with valid purchase orders. While this is a temporary drag, we do expect the working capital to normalize over the medium-term. Our net debt currently stands at INR 9033 million, which is an increase of INR 4326 million compared to March of 2025, which is a year-end last.

This increase is largely demonstrated in the ongoing capital expansion that we are doing, which we are actually accelerating in terms of our capex investments. As we have already mentioned, we are pulling forward our Phase 2 capacity expansion plans, and it is progressing in full swing to support our FY ’27 commercialization plans for DDC business. Over the past few quarters, as you already know, we have prepaid a significant amount of high-cost debt, and we continue to take a balanced approach to funding.

Since the listing in January 2025, we have had multiple credit rating upgrades and are now part of the A family, which has been of significant strategic advantage, enabling us to secure financing on much better terms. This is reflected in our significant improvement in effective interest rate, which is down 140 basis points versus prior year, and it is now in single-digits. We look forward to the future ahead, extremely excited about what the future lies for us, continuously focused on investing for growth and maintaining the financial discipline to deliver to our commitments.

With that, I pass it back to Abhishek to open it up for questions.

Moderator: Thank you very much. The first 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 my first question is with regards to your de-risking strategy in the geographies for SEMA or GLP-1. So could you help us or could you rather provide us your key market-wise customer concentration that is across Canada, Brazil, India and MENA? How many customers would you be serving in each of these markets?

Neeraj Sharma: Yes. Abdul, this is Neeraj here. Thank you for your question. So, as Arun mentioned, I mentioned as well that we have got multiple customers across each geography, right? We are really fortunate to have really the who's who of the industry. These are whether they are global leaders, regional leaders, country leaders.

So in each of the large markets, whether it is Canada, whether it is Brazil, whether it is Saudi Arabia, India, we have a number of customers. As you can imagine, I won't be able to give you the names of these customers specifically, but really we have got multiple customers and these are either the number one company in that country or market or certainly among the top five leaders. So that's what the de-risking Arun was talking about, both from a regulatory pathway as well as from the market share acquisition pathway.

Arun Kumar: And just to add to what Neeraj said, see most of our customers are either regional champions or national champions. So, effectively, when a customer comes to us for a GLP program, it runs across several countries. So, the key here is I'm just trying to make a differentiation between the Canadian launch and the rest of the world, which opens up in April. And that's why I'm saying that we feel very strong about the next year for both invoicing and capacity. This year, we are still full for capacity, but we are not sure about revenue recognition.

Abdulkader Puranwala: Okay. Okay. So, just on the capacity front, so now that we have some bit of clarity for the existing one and the new ones, is there any plan to take this ahead or from where it is? That is a call we might take sometime later.

Neeraj Sharma: Yes. So, right now we are very focused, Abdul, on making sure that the capacity which we have planned, we put it in plan because of the confidence we had in the forecast of our customers and our customers have really pushed us. We have accelerated the plan. We've actually brought it up, as you're aware. And I think for our medium-term outlook, once this capacity is brought online, we should be good to meet our medium-term outlook.

And as and when there's a requirement to expand further, we will do that. We already said that our next expansion will be happening outside of India. And one of the synergies which we have from the recent acquisition which we have done in Warsaw, this could be an area for us to go for next expansion. But for now, the current one should suffice for our mid-term outlook.

Abdulkader Puranwala: Understood. And just a final one from my end, on the guidance revision. So, we're now talking about achieving $500 million of revenue and some incremental coming from the proposed acquisition. So, if I look at one of your slides where you have mentioned your H1 numbers, I think for the proposed acquisition that revenue is somewhere around close to $29 million for the first half. So, when you're making this additional $100 million of revenue, is that coming from this acquisition due to some seasonality or we are kind of increasing our estimates for the base business growth as well?

Arun Kumar: Yes. So, I can explain that. So, $29 million, if you recall, the $100 million is for FY '28. So, we are now, our analyzed run rate is already $60 million, if you look at it. And so, getting to $100 million the following year, we don't see that to be difficult.

Moderator: Sorry to interrupt you, Mr. Puranwala. We will request you to please rejoin the queue. We have participants waiting for the turn. Thank you. The next question is from the line of Madhav from Fidelity. Please go ahead.

Madhav: Hi. Good afternoon. Thank you so much for your time. Just want to understand in terms of our capacity numbers that we have, you know, going to 220 million units by end of CY '26. How should we think about, like, the maximum capacity utilization that we can do? How does it usually work at our plants? Like, can we, you know, given the right amount of demand, can we actually produce 220 million? Or would there be some changeover time, et cetera, that we should track in? That's my first question.

Neeraj Sharma: Yes. So, Madhav, I just, you know, as I mentioned, that we have, when we initiated the capacity expansion and are now accelerating it, it's all based on our significant customer forecast. In fact, our customers are participating in our capex plan, just to get access to capacity. Having said that, you know, as a CDMO, it's very important for us to build capacity and then get customers.

We can't -- as a CDMO, there is only finite capacity utilization we work with so that we are able to meet the needs of our customers as they expand. So, it's very difficult for me to give you a number, whether we'll be at 40% or 50% capacity utilization, because as you yourself mentioned, while the headline capacity is 220 million, it varies from product to product.

It varies from size of the fill and so on. Plus, we also will continue to run the MSAs, which is the pre-commercialization revenue. So including different products, including different volumes, including MSAs and CSAs, we will have a significant usage of our capacity and still have some capacity spare to meet, to add new customers and the need for our increased need of our existing customers.

Madhav: Got it. Sir, is there a range of capacity utilization that this is like between 60% to 80% or it could be a wide range as well, but just to understand, because this is not an industry, at least I've seen all these lines.

Arun Kumar: Arun here. Let me just try and put some context to your question. It's a good question in the first place. As a CDMO, we have a targeted revenue per day of filling or per day or a batch. So that's irrespective of, so the 220 million capacity will never translate to 220 million units, even if you are producing for a single customer the same product for the right reasons, like you said, changeover times and stuff like that.

So the adjusted capacity is a function of various factors, but the adjusted capacity will then be priced at a different price point depending upon the volumes. So consequently, your focus should be on our overall '28 guidance, which gives you a clear pathway.

DDCs will be a big part of that and the 220 million capacity is a capacity that as a CDMO we are building in anticipation of demand. Will we use all of it? The answer is no. Do we need all of it as we speak? Also the answer is no. But do we know what the actual demand will be? The answer is also no.

But as a CDMO, we need to be ready for a potential opportunity. And as we're seeing significant demand growth, when the innovator has either partnered with companies worldwide or launched products in emerging markets, we're seeing significant demand increases.

And therefore, we believe with a combination of affordability and availability, the volumes will expand. And we don't want then our partners to be shortchanged for capacities. And that's the reason why we ask our partners to partner with us even in the investments for these capacity expansions, either in the form of capex contribution or even reservation fees.

So, I mean, if in your mind you're thinking it's a $1 product, and when I get to $220 million, the answer is no. We don't sell anything at those levels. So if we are building capacity, if we do not build capacity in advance of anticipated demand, we cannot be an effective CDMO.

Madhav: Got it. That makes sense. And the second question was, like you said, there's a lot of demand obviously coming outside of Canada as well, given product was generic in several markets.

You mentioned some markets which are key markets, but could you give some sense in terms of your customers are planning to launch in how many markets, like these 10 customers you've spoken about? Is it like 20, 30 countries? Or is it more than that? Like if you include some of the ones? Thank you.

Arun Kumar: In that range

Neeraj Sharma: Yes, I mean, again, I think what is really important would be to see that our customers are going to be launching in all key markets. So it's not the number of markets which are important, because there are actually a very large number of markets. We have 70 plus markets getting a parent expiry in March. But I think what really you need to focus on is that the large markets where most of the market resides, we have customers who will be launching in each of those markets.

Madhav: Thank you.

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

Nitin Agarwal: Hi, thanks for taking my question. If you can just help us understand a little bit around, you know, who are the, what kind of competitive, the competitive landscape on generic SEMA from fill to finish? I mean, who are the major, in which geographies do we have major competitors? And how do we some of these things evolving as we go forward?

Neeraj Sharma: So, Nitin, to your point on a question on, you're talking about fill to finish competitors, right? That's your question?

Nitin Agarwal: Yes. Yes.

Neeraj Sharma: So, again, it's an evolving space, right? As far as you know, Nitin, that we were the pioneers in this space. And because of that pioneering status, we still are sitting with the largest number of

customers in GLP -- generic GLP. Now obviously, like we are expanding our capacity 5x and which is what, again, where we were the first ones to announce already that we are expanding capacity to service our customers, both existing and potential. Same way, we keep hearing companies adding capacity to do -- to be able to service.

Our feeling here is, a, the market is huge. When we are talking about potentially 1.5 billion to 2 billion people as a potential patient population for these products, no matter what capacity is added, it will be eaten up because right now, the biggest challenge is access of these products for patients. You have seen how market which was starved market like India, which is completely starved and how within a span of eight months, Mounjaro has become the #1 brand in the Indian pharma market.

The same is true in other markets where the innovator launched late, South Africa and so on, where you will see -- so there is a very large demand. And honestly, no matter what capacity gets added, it will be taken up. And I think that's our firm belief, and that's why we are absolutely accelerating our capacity expansion.

Nitin Agarwal: Secondly, on the -- sorry, our first 40 million capacity, which is there and the take-or-pay agreement that we keep alluding to, I just want to just understand from you, are there these take-or-pay arrangements that we have for the next couple of years in particular, do they have any conditionalities attached to them in terms of your customers getting approvals or any specific triggers which lead to the take-or-pays? Or these are standard take-or-pays irrespective of whatever happens with the customer filing?

Neeraj Sharma: So Nitin, it's -- the question here is, it's take-or-pay is take-or-pay. But obviously, while take-or-pay means that we have to manufacture for the customers, I mean, we have the slot and we will be manufacturing some of the demand which customers have. Now it's also the question of how much revenue we are able to recognize. And that's where Arun's point was. So because our take-or-pay is in multiple shape, it is in shape of taking capacity allocation fees. There is a participation in capex for our customers.

So it's in multiple forms. So we might be able to recognize some of it. We might not be able to recognize some other factor part of it. Again, end of the day, as a pharmaceutical business, the customer getting approval is the real trigger for us to be able to really show the sales, right? So that's why while we are sure that the customers will be there at the time of market formation, but approval is key.

Nitin Agarwal: Thank you so much.

Moderator: Thank you. The next question is from the line of Rupesh Tatiya from Long Equity Partners. Please go ahead.

Rupesh Tatiya: Hello, sir. Thank you for the opportunity. I think I looked at the Slide 8, I think 2 new platforms we have added. So it's really nice to see. My question is, sir, for whatever 20, 22 customers you have for semaglutide, are you doing device assembly for all of them? Or is there like a significant

number where we're only doing cartridge filling and device assembly customers is taking care at its own end?

Neeraj Sharma: So Rupesh, our biggest value proposition to our customers is end-to-end we supply, right? So not only we do development for them, we will do commercial manufacturing for fill finish for cartridge, pack it, put it in the box, serialize it. So the box which a patient opens at home is the box coming out of one source site. And that's a huge value proposition to our customer, which is what customers value. And 100% of our customers will be getting fully assembled packed product from our site.

Arun Kumar: And just to reiterate, Rupesh, we do not produce anything only with a cartridge unless it's a full service.

Rupesh Tatiya: That's very clear. And then maybe just to understand from a competitive point of view, how many of competition has this device assembly capacity across 10, 11 platforms?

Neeraj Sharma: No one that we know. And that's what -- not just in India, even globally. And that's the differentiation which we offer. And I said, that's the flexibility what OneSource offers and our customers value.

Rupesh Tatiya: Okay. And then the second question is, I think you said that non-Canadian markets at least will start opening up from April. So, on the base, 40 million capacity, is it fair to assume that will go to 10 million a quarter run rate fairly quickly in one or two quarters? Even if whatever happens to Canada, yes.

Neeraj Sharma: I would not speculate. I think Arun put it very well when he said the capacities in our sterile injectable business do not work, you know, pure linear mathematics. You know, there are a number of things.

Arun Kumar: I think we should address this. To answer your question, always take away the unit conversation to dollar conversation. So, we can't give you an exact unit measure for what -- first of all, like one of the earlier participants asked, 40 million is not actually 40 million unless it meets a certain criteria. 40 million is installed capacity. The deliverable capacity could range anywhere between 15 million to 20 million. That has got a certain dollar number, which we don't discuss.

It's not anywhere near the one or two dollars that is currently assumed it is when competition comes in. Will we be able to have those kind of revenues on a quarterly basis from Q1 of next year? The answer is yes, because most of the markets open up from March end, last week of March, and there would be -- we do not see that to be challenging from that perspective.

So, for example, if our installed capacity is equivalent to 50 million or 100 million, your question is, can we see a granular 12.5 million or 25 million quarter from DDCs? The answer is yes, but that happens from Q1 of next year.

Moderator: Sorry to interrupt you, Mr. Tatiya, but can you please rejoin the queue? Thank you very much, sir. The next question is from the line of Chirag Shah from White Pine Investment Management. Please go ahead.

Chirag Shah: Yes, thanks for the opportunity. Sir, two, three questions and bit of clarification also. So, first, for this GLP, on the innovator side, if you would like to specifically call out, I know the Polish entity has got some innovator customers and even Biologics, we have some innovator customers. But for the GLP, this facility, so are we choosing not to be a part of innovator? And if not, then what would it require to be a part of the innovator supply chain?

Neeraj Sharma: So, Chirag, I would, you know, it's not that we don't want innovators as our customer. We pioneered in the area of generic GLP1s. As you know, more than one customer of ours have got the first-to-file status in the US.

So, we were early on this in this area. And because of that, we have built a very large customer base in the generic space. But so, does it mean, you know, this rules out Lily and Novo to come to us? You know, these companies may not be fully comfortable.

But at the same time, I want to tell you that there is a huge pipeline of innovator products which are in works beyond these two companies. And we are -- as we speak, we are actively engaged, you know, being a CDMO partner of choice of some of the next phase of innovators.

Chirag Shah: That is helpful. And last question or clarification on the merger. If you could just refresh us, what could be the range of dilution, if at all, because of this merger? The two entities that are getting merged?

Neeraj Sharma: So, I think it's about from 11 million to 14 million, perhaps 110 million to 140 million.

Chirag Shah: Number of shares?

Abhishek: Can we get back to you?

Neeraj Sharma: We will get back to you on this, Chirag.

Abhishek: Its roughly around INR2.5 odd crores, INR11.5 crores to around INR40 crores.

Chirag Shah: Approximately INR2.5 crore of dilution, okay.

Abhishek: Approximately 2.5 crore additional shares. Yes.

Chirag Shah: Additional shares. Okay, additional shares. Sorry-- that's what I was referring to. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Sanjay Kumar from ithought PMS. Please go ahead.

Sanjay Kumar: Hi, sir. The first question on biologics. I think you said, you mentioned we have a capacity of 8 kL. So, at 8 kL capacity, can we do like $50 million revenue? And when can we utilize it fully? And how much expansion are we looking at for our reactor capacity?

Arun Kumar: Before we answer your question, we actually have an installed capacity of 4 KL that was a miss from my side. And with very limited capex, we can take that to 8 kL. So, that's my mind.

Neeraj Sharma: So, we've got 4 kL, Sanjay, 4 kL of mammalian capacity. And in addition to that, we've got 1 kL of microbial capacity. And in fact, we are fairly unique in our microbial because there are not very many CDMOs in India who can claim to have multiple sizes, right from 50 liter to 300 liter to 1,000 liter to offer development as well as commercial, clinic as well as commercial capabilities.

So, to answer your question whether the capacities are -- by when they will be going to go completely online, I will just tell you, I think we have, I mentioned in my talk that we are seeing a very significant increase in our funnel for biologics for the multiple reasons that I mentioned. And these are coming both from biotech companies as well as from the biosimilar companies. There is a huge interest, especially now, both to reduce time to market as well as being competitive in this space.

So, we see that the current capacity is to be taken up. And we are already evaluating possibility of expanding some of these capacities to be able to serve our customer pipeline as and when it fructifies.

Sanjay Kumar: Okay. Okay. So, can you talk about the number of programs, if not revenue, and what kind of programs have you signed in the new modalities, non-GLP-1 modalities? Do we have a CHO platform or will we transfer technology from our customers?

Neeraj Sharma: Yes. So, we have already mentioned, if you see our note that, we have right now as we speak, we've got 50 plus RFPs which are running. These are across modalities, whether it is, soft gelatin, injectables, biologics. So, these are multi-modality RFPs and we continue to get customers whether they are -- these are up to licensing arrangements and others. So, these are -- you ask for a number, as I said, 50, more than 50 RFPs running across modalities for us.

Sanjay Kumar: Okay. Final question, sir. So, another listed player is going from 40 million device capacity to, say, 140. So, how long will it take for players to get to 100 million or 200 million device capacity? And you also said that the realizations are nowhere close to $1. Is it because of lack of capacity and does that mean once capacities start coming in, we'll come down to $1?

Neeraj Sharma: So, I think, what I would say, I really can't comment on how much time it will take someone else to do, add capacity. I can only tell you that this is a really long gestation to add capacity, to add, to get a line is a typical lead time of two years.

So we -- if you would recall last year when we had done the fundraise before our listing, we had that time only that we would be using the proceeds to, for a capex. So, we proactively had placed,

that's why we are in a position to say, as I mentioned, that in calendar year 2026, we will be able to have that capacity in place.

Now, whether some of the other competitors, whether when they placed, how they placed, honestly, I won't be able to tell. But what is more important here is not so much having the capacity, but also having a customer base, which is -- which you have to be able to fill that capacity. And customers need a lot of confidence. These are complex products.

These are, you know, you are seeing how the regulatory framework is moving in some of the markets like Canada. So, these are complex products. And it would not be easy to become an easy fill finish for the prices, really, to become. It will not be a price game. At least for the next couple of years, this will be an access game. This will be, for accessing capacity, companies will be willing to pay.

Moderator: Sorry to interrupt, Mr. Kumar, may we request you to please rejoin the queue? We have participants waiting for their turn.

Sanjay Kumar: Okay.

Moderator: Thank you. The next question is from the line of Alankar Garude from Kotak Institutional Equities. Please go ahead.

Alankar Garude: Hi. Thank you for the opportunity. Just one question from my side. Arun, you spoke about having full utilization in the second half, but being unsure about revenue recognition.

So, the question is what exactly is the revenue recognition policy for us, specifically for the commercial supply agreement?

Neeraj Sharma: So, this is a very specific question you're asking. We do not really be able to tell you what the revenue recognition policy would be. And obviously, it will vary. It will be varying as a concept, what we have with the customer. But revenue recognition is always accounting standards, so that we will follow the established accounting standards on that.

Alankar Garude: So, there, Neeraj, just one question. Do we recognize revenues broadly once the products are shipped from our end or is there any other policy?

Neeraj Sharma: It is. It is, actually, we just took him. That is the case.

Alankar Garude: So, we -- yes, sir.

Arun Kumar: So, just that you understand our take or pay concept or a contribution to CapEx is, in our scheme of things, a commitment a partner makes to us for a long-term engagement. If it's a CapEx commitment, it doesn't necessarily mean that we can easily revenue recognize until we actually commercially ship. In some cases, a take-or pay would mean that even if the customer doesn't take their forecasted volumes, they're obliged to pay a certain amount of money.

So, it's all dependent upon contract. It depends upon the language those contracts are written. And consequently, it varies in terms of recognition. It's a function that we follow international accounting practices. And obviously, in some cases, we can recognize revenues. In some cases, we can accrue it. In some cases, we can't. So, it's a function of multiple things.

At this time, in our early evolution of the company, we wanted customers to stay invested with us long-term, because we were putting a significant amount of capex. And in some cases, we were very happy for them to just participate in our capex programs and then adjust it against supplies.

In some cases, we had already invested capex, but we were reserving capacities for them in anticipation of a launch. And if they don't launch, we are technically not supposed to be producing for somebody else. That's what the spirit of a take or pay is. So, it's a complicated model, as all CDMOs would have. And as soon as we are able to recognize, we do recognize.

At this time, all we're trying to say is that we are fully sold out for our capacities and we're very busy with our programs. Some of it, are residual R&D commitments that we have. Some are new non-GLP programs that we do. And hopefully, we should be able to commercially ship and recognize revenues in some cases where we currently can't.

So, I'm just trying to tell you this again and again. It's because of this particular reason why very atypical of the group. We haven't guided for this year right from the beginning. It may change next year. We will be able to give a much better ballpark number as we would do in the group constantly. And that is why we started off with a mid-term and then we slowly closed the gap between our FY 2028 outlook and yearly outlook starting next year.

Alankar Garude: That's helpful. That's it from my side. Thank you and all the best.

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

Aman Vij: Good afternoon, sir. My question is on the GLP-1 side. Sir, you talked about some uncertainty for Q3 -- understand a bit longer, say, Q4 and Q1.

Moderator: I'm sorry to interrupt you, Aman, but your voice is breaking. Can you please check?

Aman Vij: Yes. This should be better.

Moderator: Please go ahead.

Aman Vij: Yes. So, sir, I was trying to understand. Q3, I understand some uncertainty maybe because of say Canada launch delay by most of the customers. But at the same time, I believe March, there's this India launch pending and then Brazil and Turkey in the next maybe two, three months after that.

So, what is the feedback you are getting from customers in terms of traction for Q4 and Q1? Can that compensate the launches in other three geographies, because most customers are launching in all three, four geographies? Compensate for a slower, say, Q3?

Neeraj Sharma: So, the plan is that customers who are really confident of getting the approvals in the other markets, which are non-Canadian markets, will be getting the products made in quarter four. It's just, again, a matter of how much material gets shipped out in quarter four for us to be able to recognize. So, as of now, we see that customers will be wanting and we will be manufacturing.

Aman Vij: Sure. And my second question is, say, new capacity is coming online end of calendar year 2026. So, before that, as sir alluded, we have a capacity is 40, but utilization might be like 15, 20 million devices.

Sir, is there a chance if the other geographies demand is more than maybe some other finish players can take markets here because we don't have the capacities ready? Do you see a scenario like that?

Neeraj Sharma: So, as I think I mentioned earlier, also the capacity we are adding is in phases. So, it is not that suddenly from now it will happen only at the end. There will be a number of phases. There will be some capacity getting added by May or June.

There is some other capacity getting added by September or October and then by end of the year. So, it will be in phases. And as and when our customer demand comes, we should be able to, we feel confident we will be able to capture that.

Aman Vij: Sure, sir. A final question from my side, do you think that the most important customer for us is DRL and their Canada launch is delayed, but does it have impact on, say, their other countries' launches like maybe Brazil or Turkey? Or that is separate according to your conversation?

Neeraj Sharma: As you know, right, each market has its own regulatory environment. And, yes, so as you know, right, India has already approved. Dr. Reddy has got approval in India. So, there will be. I mean, each country works differently.

And our customers as we speak remain confident that there will be approval. So, it is just a matter of time. But that is the benefit of having multiple customers in multiple markets.

Aman Vij: Sure, sir. Thanks for answering the question.

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

Neeraj Sharma: Yes, thank you. Thank you, everyone, for patiently listening to us. And thank you for the interest and all the questions which were asked. I am always wary of the fact we are not able to answer all questions, but we would be happy if you reach out to our IR team if there are any more questions.

Otherwise, my team and I, we are very focused on all the promises which we have done in terms of capacity addition. We are all very excited and looking forward to our next phase of growth. Thank you very much.

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