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Date: November 12, 2025

To,
BSE Limited,
20th Floor, P.J. Towers,
Dalal Street,
Mumbai - 400001.
BSE Scrip Code: 544449

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051
NSE Scrip Symbol: ANTHEM

Subject: Transcript of Earnings Conference Call.

Dear Sir/Ma'am

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call held on November 10, 2025, at 12:00 PM, post announcement of Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2025.

The said transcript is also available on website of the Company at https://www.anthembio.com/investor.html.

We request you to kindly take the same on record.

Thanking you,

Yours truly,
For Anthem Biosciences Limited
(*Formerly known as Anthem Biosciences Private Limited*)

DIVYA PRASAD
Digitally signed by DIVYA PRASAD
Date: 2025.11.12 18:12:55 +05'30'

Divya Prasad
Company Secretary & Compliance Officer
Membership No: A41438

“Anthem Biosciences Limited
Q2 & H1 FY26 Earnings Conference Call”

November 10, 2025

MANAGEMENT: **MR. AJAY BHARDWAJ - MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, ANTHEM BIOSCIENCES LIMITED**
MR. GAWIR BAIG - CHIEF FINANCIAL OFFICER, ANTHEM BIOSCIENCES LIMITED

MODERATOR: **MR. RUSHABH SHAH – ADFACTORS PR – INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to the Q2 & H1 FY26 Earnings Conference Call of Anthem Biosciences Limited.

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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rushabh Shah from Adfactors PR Investor Relations. Thank you and over to you, sir.

Rushabh Shah: Thank you, Anushka. Good afternoon, everyone. I am Rushabh Shah from Adfactors PR - Investor Relations. On behalf of Anthem Biosciences Limited I would like to welcome you all to the Earnings Conference Call for the Q2 & H1 FY26.

Today on this call, we have with us from the Management; Mr. Ajay Bhardwaj – Managing Director and Chief Executive Officer and Mr. Gawir Baig – Chief Financial Officer.

We will begin the call with a brief opening remarks from the Management followed by a Q&A session. Please note that certain statements made during the call may be forward-looking in nature. Such forward-looking statements are subject to certain risks and uncertainties that could cause the actual results or projections to differ materially from those statements. Anthem Biosciences Limited will not be in any way responsible for any actions taken based on such statements and undertakes no obligations to publicly update these forward-looking statements.

I would like to now hand over the call to Mr. Ajay Bhardwaj for his opening remarks. Thank you and over to you, sir.

Ajay Bhardwaj: Good morning, Everybody. This is Ajay. We are here to present our Q2 & H1 FY26 key financial highlights and I am very happy to report that we have had a good, consolidated revenue growth from our operations to Rs. 1,090 Cr for the half-year ended 30th September, 2025. Our CRDMO business out of that has delivered Rs. 926 Cr of revenue and our specialty ingredients has delivered Rs. 163 Cr in revenue. Our EBITDA has also grown and now stands at Rs. 480 Cr with EBITDA margin of 41.4% and that is a respectable growth. The other income in the first half is at Rs. 71 Cr and the PAT for our business stands at Rs. 309 Cr with a PAT margin which has grown now to 26.6%. Our net cash position at the end of 30th September, 2025 has improved to Rs. 993 Cr of cash in hand. This was the snapshot of the financial highlights For Q2 & H1 FY26 for Anthem Biosciences Ltd.

We are very enthused by the growth in our numbers and we are quite confident that going forward, we will be able to deliver on what we think would be a good growth for the rest of the year. With that, I now open up the floor for questions and answers. If there are any specific questions, through the moderators will answer them openly and frankly. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. We take the first question from the line of Bansi Desai from J.P. Morgan. Please proceed.

Bansi Desai: Thanks for taking my question. Firstly, this quarter, we saw our specialty ingredients business reporting a decline. Could you help us understand what was the reason and how should we think about the specialty business growth for the rest of the year? My second question is on our costs. We saw both employee expenses and other expenses decline YoY. I am assuming some part of it would be because of ESOP costs being in the base. But if you could help us understand, is this the sustainable base from here on?

Ajay Bhardwaj: Yes. Well, the specialty ingredients business and we have said this throughout whenever we presented our Company, is that the way we have created the capacities is that, they are fungible between our CRDMO and our specialty ingredients business. Since the CRDMO part has been busy, we therefore do take a little step back from our specialty ingredients capacity's availability. Therefore, our specialty ingredients business will from time-to-time show a little slowdown. Overall, it's a business that is a healthy business. It does help us when we do new expansions and are waiting for large customers or large programs to come and fill up those capacities, our specialty ingredients business helps us generating revenue and turning around our manufacturing capacities or manufacturing facilities very early on. That will continue to be the case.

Overall, if you see our specialty ingredients business, even though in some years it is flat, it has consistently grown. It's trending upwards. We expect that also to continue. But at the same time, if we are over demand for our facilities, for our CDMO business or CMO business in that case, we would actually tend to divert resources to that. That's always good news for us. We do see a decline this year in this half in specialty ingredients, but this will hold up in the rest of the year. But there's nothing to worry about. The business is solid and it continues to grow.

Gawir Baig: Just to add on that, Bansi, in Q1 we added our CP 6. We commissioned it and inaugurated the CP 6 block. Just about a week back, we also inaugurated our CP 7 block. Our Unit-II expansion, which is roughly about 130 kiloliters of expansion is now complete and now we have adequate capacity, which could be able to cater to both our segments. Hence, we feel that going forward, at least for this year, we feel specialty ingredients will be able to make up for the decline, which we had seen in H1.

With respect to the second part of the question on the employee cost. Yes, you're absolutely right. In H1 of last year, we had employee cost, which was roughly about 16% or 17% of sales and that included about Rs. 36 Cr of ESOP charge that we had taken into consideration because that was the first year of the ESOP allotment. For this half, we have taken ESOP charge of roughly about Rs. 8 Cr. Rs. 4 Cr each broadly for Q2 and Q2. Net of that, the employee cost has largely been around that 12.5% odd as a percentage of sales for both H1 of last year as well as H1 of this year. We feel that that's a decent enough employee cost percentage, which will continue to be in.

Other expenses have broadly been in the same zip code when it comes to H1 FY26 and H1 FY25. That's something we have been striving to deliver in terms of how do we create more operating leverage in the business and which is reflecting in the operating expense reduction and overall margin improvement that we are seeing in the business right now.

Bansi Desai: All right. Just one clarification to this ESOP cost, Rs. 4 Cr per quarter, is this likely to also come down starting next year?

Gawir Baig: Yes, for the options that we have granted, which is roughly about 90% of the pool, it's on a sliding scale. Rs. 36 Cr, we recognized last year. This year is about Rs. 16 Cr, which we have split across the first two quarters of Rs. 4 Cr each. Going forward, it's going to come down further.

Bansi Desai: All right. I have more questions. I will join back.

Gawir Baig: Thanks.

Moderator: Thank you. We take the next question from the line of Nikhil Mathur from HDFC Mutual Fund. Please go ahead.

Nikhil Mathur: Hi. Good afternoon. My first question is on the capacities. With the new block coming on stream in Unit-II, and we have commissioned in Q1 as well, can you talk about the revenue potential from these two capacity additions? Also, if you can help us with Unit-III utilization, suspecting it might not be fully utilized yet. How are Unit-III kind of shaping up?

Ajay Bhardwaj: Okay, I can take the Unit-III part and Gawir will take it ahead. We have to take it into proportion of how much capacity we have added in Unit-II versus what was there earlier. Unit-III, as we said has a lot of specialty blocks. We have commissioned it now and compared to previous years, we have very good WIPs. The work is in progress in Unit-III, and many more POs are now coming into Unit-III. I wouldn't put a number to it, but it will be a substantially larger number than it has been in the previous years. By the end of the year, we are going to be track. Unit-III, which is NeoAnthem will also deliver a decent number. It still won't be in the profitable zone, but it is trending upwards significantly now.

Gawir Baig: Okay. On Unit-II, CP 6 and CP 7, roughly 130 kiloliters have been commissioned right now. All put together, close to about Rs. 182 odd Cr of CAPEX have gone in CP 6 and CP 7. It's completely unutilized at this point of time with lower capacity utilization. Based on our asset turnover which is roughly about 1.6x - 1.7x, we feel the revenue potential will be similar from here, close to about Rs. 300 plus Cr is what we can look at generating from CP 6, CP 7.

On NeoAnthem, as it stands for 30th September 2025, our gross block plus CWIP is about Rs. 350 Cr. Plus. There is couple of additional blocks on fermentation, which is yet to be commissioned. So, all put together, our gross block will be close to about Rs. 450 Cr plus over

there. This includes the high-end manufacturing of peptides and high-potent compounds, plus fermentation and biotransformation is also what we are adding. We expect that on a full-stream basis, if it comes up, the long-term target on this is also to deliver about 1.4x - 1.5x on asset turnover. On Rs. 450 Cr capital base, we can generate close to about Rs. 650 Cr of revenues on a long-term basis. I am not talking about near-term, but it will take some time in terms of peptides and high-potent and other fermentation block to be filled up completely.

Nikhil Mathur: Right. What we are hearing from the industry, from your peers and your commentary as well in the last 6-9 months, there is an inflow of RFPs to Indian companies, there is a better order backlog for the companies. Basis this Rs. 450 Cr of gross block that is to be absorbed by Anthem over the next 2-3 years, you are not at loss of capacity for any increased RFPs that are coming your way, right?

Ajay Bhardwaj: Yes, Nikhil, in our business we have to build it and then they will come. We are ready with capacities to service new RFPs. You're right, we have had surprisingly some good new inquiries, which we are very enthused by.

Nikhil Mathur: Understood. Secondly, from a longer-term perspective, let's say 4-5 years, the Unit-IV, which the land parcel is there in the books for you? How do you think that will shape up in terms of that facility getting commissioned? When are you likely to pursue orders for that particular facility? When is the first revenue that one should expect from that unit?

Ajay Bhardwaj: Okay. We have started the work already on Unit-IV and we have informed all of you about that. I think the civil works are in very good shape. When you visit next time, we will show it to you as well. This unit should be, as we have said, consistently commissioned in two years from now. It's a green-field project and it's a significant investment we are making there to the tune of Rs. 1,000 Cr. We are absolutely positioning the Company to become a leading player in this whole space. We already are a leading player but to become significantly important in terms of both capacity and availability of skills. We are definitely on track to get this done in two years' time.

Nikhil Mathur: Understood. If I may ask two more questions. On the employee headcount front, before the Unit-IV kind of kicks in, how many employees do you need to add in terms of manufacturing R&D? Is your current headcount good enough to take in the orders that you are envisaging next two years?

Gawir Baig: See, with respect to Unit-IV, we need to add people.

Ajay Bhardwaj: Unit-III also as we expand, as we as we fill up the thing, there will be a need for more people. But we are very mindful in terms of hiring, and we are careful hirers. We do take into account how we can optimize headcount. We will need to hire; if we are going to increase our revenues from Unit-III, we will need more people. But the way we go about is that we transfer some trained people from Unit-II and Unit 1 to these new units and under those people who have already fully absorbed our systems of our way of operating, we train new people. Usually, there

is a very good handholding and a very good training program which allows us to get industry ready people by investing heavily in people training. We are going to do that and we are already doing that in Unit-III and that will continue to happen.

Nikhil Mathur: So, if the employee addition will be in a calibrated manner, and you will have a revenue growth next 2-3 years, would the current level of margins be sustainable then?

Gawir Baig: Yes, Nikhil. We have been very mindful in terms of having the ratio of employee cost as a percentage of sales and is something what we track. In the industry, we would be amongst the lowest from an employee cost as a percentage of sales. We will be mindful about that in terms of how we are looking at adding resources, the revenue growth which you will see in a NeoAnthem or subsequently also when it comes when Unit-IV gets commissioned.

At the base, what we need to add from an employee point of view will reflect the employee cost as a percentage of sales in similar lines. We don't anticipate that we will be looking at a margin compression. Rather, we would continue to hold our margins as we have done in the past.

Ajay Bhardwaj: Yes, you can see that EBITDA growth has been healthy even now. We believe that this will continue to be.

Nikhil Mathur: Got it, sir. This is very helpful. Thank you so much.

Ajay Bhardwaj: Thanks, Nikhil.

Moderator: Thank you. We take the next question from the line of Saion Mukherjee from Nomura. Please proceed.

Saion Mukherjee: Good afternoon. My first question, is if you can give some color on the pipeline in terms of Phase 3 assets and how should we think about commercial quantities for those assets? In your existing commercial products, are you seeing any significant volatility in your products or we should expect steady sort of 20% kind of growth that you have guided for earlier?

Ajay Bhardwaj: Firstly, the first part of your question. In July, when we IPO'd the Company, we had 10 commercial molecules in our fold and this is what we had put in our DRHP. If you will look at the Q1, it had increased to 12 commercial products. So, two more products were added to, which were approved, which where we support our customers. In the last quarter, another two have been added. Today, we are actually addressing 14 commercial molecules which where Anthem is developed and is now going to participate or is participating in the supply of advanced intermediates or APIs.

Now, in terms of their future of these products, analysts have said that some of these could be blockbusters and we are very enthused by that. But, when you launch the product and for it to go to blockbuster status, it takes some time as well. We are there with our customer to support

them. If you can see from 10 now it's 14 molecules that are commercial. That's a 40% growth in approved molecules. At the time of listing, we had said that we had about 12 or 10 late phase molecules. We had 10 late phase molecules. So, that pipeline continues to be healthy.

Our funnel, as we have talked about in the past, we have added more customers in the early stage. There are good ones which have moved to now the middle stages. We have four new approved molecules and some of the late stage are moving into the phase 3 part. So, we see this as a very important part of our sustainable growth. That's what Anthem is aiming for and that's why we have created these new capacities. We are not doing this for any other reason.

Now, our new units, and these are in Unit II, which is already an FDA approved unit. These capacity expansions are there, so that we are able to support increased volume from our customers. As far as our current molecules go, there is a decent amount of orders in hand. We expect that these molecules will continue to grow for our customers. But again, the word of caution in all this is, it depends on how our customers perform. We have very good customers and so far, they're doing well. We are confident that, we will deliver the growth that we have been talking about both in terms of earnings and revenue topline.

Saion Mukherjee: Right. So, just to clarify, you would have six late stage assets, right?

Gawir Baig: The 10 late phase has gone down to 6, because 4 of them have moved to commercial now. So, from 10 commercial plus 10 late phase, it's now 14 commercial and 6 late phase.

Saion Mukherjee: Understood. Actually, a lot of these late stage pipelines have got commercial in quick succession. So, the remaining 6 that we have, do you have any visibility? When should we expect, assuming everything goes right, when should we expect those 6 to enter the commercial phase?

Ajay Bhardwaj: If it in my hands, I would have told to happen tomorrow. But it is not in our hands. The thing in this is, this is a process, which is entirely controlled by FDA and our customer. But you can imagine, most of these companies are biotech companies, they also have a cash burn going on. They are very keen to push these through and have them approved as soon as possible. So, do I have a visibility on when they'll be approved? No.

Like, if you had asked me at the time of listing, will we have four new products by end of Q2 or in the first half, I wouldn't have been able to predict. It's the same going forward. But the good news is, that we have a very good funnel. Without naming customers, we have some inquiries for new RFPs, which are existing molecules for our customers. We expect some good sales to come from commercialized molecules, where we are now going to support our customers, maybe as a second source. As you people had asked us that, are you targeting those type of customers? We had told you that we are seeing some fructification of that also going on.

Saion Mukherjee: Okay, that's great. The last question on margins. You talked about 35%-40% margin level. Now, with the new facilities coming on stream, and at the same time, there could be some benefit

because of currency. Any fresh thoughts on guidance? Should we think about being at the upper end? How should we think about data margins, in the coming quarters and next year?

Gawir Baig: If you look at the margins, for this half year, we have done about 41.4% margins, out of which about close to 2%-3% of our margins is attributable to FX income, because Forex net is roughly about Rs. 34 odd Cr that we have recognized for this half year. Largely, it has been an impact on, it has been an increase on account of employee cost reduction, other expenses reduction, there's a bit of a split on product level margins, etc. On an overall basis, going forward, we will be on the upper end of the 36%-37% that we have always guided towards on the EBITDA margins level. Largely because of the cost element, which we are quite conscious of in terms of how do we keep it in a check situation, so that our various cost element as a percentage of sales shouldn't increase significantly from what we have been delivering so far. Upper end of the segment is what of the 36%-37% of what we have been guiding is what we will be looking at achieving for the full year also.

Saion Mukherjee: Okay. Thank you. I will join back.

Gawir Baig: Thanks, Saion.

Moderator: Thank you. We take the next question from the line of Gourav Bhama from JM Financial. Please proceed.

Gourav Bhama: Hi, sir. Good afternoon. Firstly, congratulations on a great set of numbers. I just had two small hygiene check questions. In the presentation, there are two particular numbers that I wanted to inquire about. The first is 56.4% commercial molecules contribution to revenue and the second is 9.8% R&D services contribution to revenue. Is it on a quarter basis or a half yearly basis, sir?

Gawir Baig: This is half year.

Gourav Bhama: Thank you, sir. That's it from my end.

Moderator: Thank you. We take the next question from the line of Damayanti Kerai from HSBC. Please proceed.

Damayanti Kerai: Thank you for the opportunity. My question is regarding two opportunity segments, which you indicated could be interesting. If you can share any update on how biosimilars and generic GLP semaglutide opportunities are shaping up for you? Do you have any visibility of these segments contributing meaningfully towards the revenue in near term?

Ajay Bhardwaj: Again, we are progressing steadily in that area. As you can imagine, we have to produce PV batches and all the rest of it, which is what is going on. Then we have to get the plant approved by FDA. In the near term, you and I may define near term differently, but it won't happen in the next two quarters. But, we will see after that, some positive traction in these areas where we are

doing biosimilars and then the GLP in the biosimilars. Then GLP-1, that's an opportunity which we are working with quite strongly. We are working with a bunch of innovators as well in this whole area.

The the point I am trying to make is, that this is going to be a very active field and Anthem will arguably have one of the strongest positions in this space, because we are fully integrated all the way backward, because most of the people who are doing these products, particularly the first one that's going off patent, Semaglutide, most companies are looking to get the fermentation fragment from outside, primarily China. Anthem is not going to do that. Anthem will work. It has developed the technology to make the fermentation fragment as well. So, that will give us tremendous advantage on cost of goods control. We will be most vertically integrated among these players. We have sampled quite a few of them to, they have ambitious plans and since we are a B2B player, we are working, we have sampled many of them. We expect to be supplying the GLP-1 to our customers in India.

Damayanti Kerai: Okay. So, next year when the innovator patents expire in India, at that time, during that time, this could be very meaningful addition to your revenue, right? Can we think in that way?

Ajay Bhardwaj: Well, absolutely. I would say it will add to our revenues. Yes. you are right. Everybody is expecting it to be a significant product.

Damayanti Kerai: Okay. I think you have one unutilized plant, right? The plant which was indicated for that queue product. What is the status right now? You said you are planning to repurpose that for other products.

Ajay Bhardwaj: Very good point. That is the one that is going in for Biosimilar. That is the one which we have completely repurposed without any significant investment that has been retooled to develop that Biosimilar, which is already a marketed Biosimilar. We are going to be the first, the second source, then the first source because they are shifting production out of the west.

Damayanti Kerai: Okay. My last question is on the CAPEX. Apart from that Rs. 1,000 Cr CAPEX, which you have budgeted for Unit-IV in say next 1 to 2 years, what kind of spend you foresee?

Gawir Baig: Damayanti, largely it will be for Unit-IV itself because Unit-II is complete now. Unit-III fermentation is something what we have to complete, which will happen by the end of this year. For Unit-IV, the major CAPEX is on account of this Rs. 1,000 Cr. Otherwise, replacement CAPEX will not be significant for us because we expense out a significant portion as repairs and maintenance on our on plant and machinery and other things which happens during the course of the year. So, major CAPEX is on Unit-IV, which is Rs. 1,000 Cr for our phase 1 expansion.

Ajay Bhardwaj: Unit II is almost fully built out. Unit-III, as Gawir said, there's fermentation, which will be completing soon. I don't think there'll be any more significant CAPEX in Unit-III. So, all our

energies will now move to Unit-IV and also making sure that we fill up these expanded capacities in Unit-II and Unit-III. That's where our whole focus is now.

Damayanti Kerai: Okay. Thank you for the response. I will get back in the queue.

Ajay Bhardwaj: Thank you.

Moderator: Thank you. We take the next question from the line of Tushar from Motilal Oswal Financial Services. Please proceed.

Tushar: Thanks for the opportunity. Just on the balance sheet side, the inventory has been much lower compared to March '25 numbers, if you could elaborate on that?

Gawir Baig: On balance sheet side, with respect to inventory, we would have mentioned that a portion of a particular product we were sourcing significant intermediates from an outsourced vendor, which was a client approved outsourced vendor. Now, for this year, we have got approvals and now we are manufacturing the intermediate in-house. So, whatever we had procured from the outsourced vendor, that inventory has reduced and now it has been converted into raw materials because we are doing the in-house manufacturing of that. Because of which the inventory has reduced. That's largely the reason.

What we have also seen is that some of our customers who have asked for a sort of a check on the inventories, what they have at their end on the respect to their product have been filed or which have in commercial supplies, they are looking at reduction of their inventory. So, they have asked us to reduce our inventory for the manufacturing of those products, because of which we have brought down the inventory days to about 105 days or so versus what it was in H1FY25 as well FY25.

Tushar: Got it. Is it that which is why while the number of molecules for us in the commercials have increased, but somehow certain base molecules or certain molecules which we were already supplying, there is some amount of temporary sort of constraint in terms of supplying to the customers? Which is why probably the revenue growth, if I have to think about, let us say subsequently for next 12 to 24 months, while the new molecule business will shape up nicely, but let us say base molecules will have some time to again pick up, is that the way to understand?

Gawir Baig: I will answer this question across two parts. One is the new molecules which have been commercialized right now, four molecules have been commercialized. These molecules will take some time in terms of delivering significant numbers. Because they have just gone commercial, the clients will be planning for the launches of these particular products in various markets where they are looking at launching this product. It will take some element of time to ramp up on the new molecules which have just gone commercial.

With respect to the existing 10 molecules what we have, see the revenues from our existing molecules have been robust. The products are also doing quite well for our customers. There is significant amount of growth in the products as well. But every customer does a status check in terms of how much inventory is there in the market, how much they want to keep in the entire supply chain. When they do a check on that, they look at reducing some element of inventory which is overfilled or oversupplied. Hence, there could be a reduction in our inventory because we have got indication from them for the next year or so in terms of how much we want to supply.

But on an overall basis, existing business is also growing significantly for some of these customers and we anticipate that our supplies to these customers will also continue to grow in the similar lines. New products will help us in terms of growing further.

Tushar: Got it, sir. As far as Unit-III is concerned, first of all, which geographies these products apply from a regulatory standpoint?

Ajay Bhardwaj: Tushar, Unit-III will also be focused towards our highly regulated markets. As I have said before, we follow one system. In the interim, while we wait for FDA to come and approve that, we are supplying a lot of quantities for their studies and this is what we did in Unit-II also. We expect that with one or two projects which we might just, in the near future, we file with FDA and get FDA to come in and approve the unit. The aim will continue to be to supply to the regulated markets because that's what we are, that's where our customer base is. The second part is that, like the GLP-1 and all that, we will definitely supply the rest of the world as well. But the standards that we follow are the highest level of CGMP. So, that will continue to be our strategy.

Tushar: Got it, sir. From that perspective, once the facility gets commissioned, subsequently at least to generate the stability data and get the product qualification; that timeline to be considered before getting the meaningful revenue from that. So, effectively FY28 to be the timeline to think of the revenue per se from Unit-III?

Ajay Bhardwaj: I can disclose one piece of information now that we have about already about Rs. 55 Cr is the WIP in Unit-III already. By the end of the year, we hope to add another few tens of crores. So, we are already seeing revenue being generated there in Unit-III. Our idea would be to push this number to say Rs. 100 Cr - Rs. 150 Cr, by which time we would be supplying. This has been our strategy. We don't like to keep our plants vacant. After that, by which time we would have filed some product from there and get FDA to come in and inspect it. After that, you see a big kick up in revenue, because by then also some commercial molecules will be in there. This is how our strategy is. We are already building up a Unit-III sales.

Tushar: Sorry to harp on this, but this is as of now more of the lab business probably because the products are under development?

Ajay Bhardwaj: No, it is pilot scale business, lab to pilot scale.

Tushar: Understood. Interesting.

Ajay Bhardwaj: When we say pilot scale, it would mean quantities of 5, 10, 20, 30 kilos that type of quantities, which then are used by our customers for various day filings, doing their thing. Meanwhile, we supply to other rest of the world things. Also, we will be using Unit-III for our specialty ingredients. So, it's always a mixed bag. Idea is, we have made this investment but to make this investment sweat quickly.

Tushar: Great. Thank you, sir.

Ajay Bhardwaj: Thanks, Tushar.

Moderator: Thank you. The next question we take from Srinath from Spark Asia Impact Managers Private Limited. Please proceed.

Srinath: How the sales has been for the European and North American markets QoQ and YoY? Whether you have seen any impact on R&D spending by US biotech companies due to the US R&D?

Gawir Baig: With respect to Europe, sales is the highest for us, followed by US sales. But one thing I would like to mention over here, the clients that we supply are global clients. Based on the requirement in terms of where they want us to supply, whether they want us to supply to the European CMO who is doing the formulations or they want us to supply to the US counterpart, US CMO where the formulation is eventually done, we supply it. It should not be construed that if you are supplying to Europe, then that is for a European customer; if you are supplying to US, that is for a US customer because these are all global giants and we supply based on their requirement across geographies. In terms of Europe sales, it has mirrored the growth, what we have mirrored the growth for Q2 FY26. H1 Europe sales has been at a decent growth of about 25% odd vis-à-vis H1 FY25 and same way for the US sales as well.

Ajay Bhardwaj: To answer your second part of your question, Srinath, are we seeing some effect of the funding? But we hear mixed voices. We have a good addition of new customers, which always points to, I think in the past, what has changed is in the past, every project was probably getting funded, but now they are very selective. There is new funding available. When I talk to our clients they say we see green shoots, the winds are changing. But we are seeing a steady flow of new good customers. But yes, in the past, anybody who had a project, they would get funding. That's not the case now. Investors are more selective. Luckily, we have very good people on the ground, what we say our sales force, our feet on the ground, and we are able to get the funnel of good new inquiries is still being maintained.

We are not unduly worried in both cases, that even if there is now new funding sort of becoming opening up, that's also good for us. For up until now, we haven't really, really seen the impact of this drought of funding, not on Anthem at least.

Srinath: Okay, got it, sir. My last question is, what would be the utilization levels for custom synthesis and fermentation for the quarter, sir?

Gawir Baig: Not for the quarter, but at least for the half year, I could say that it is the same levels as what we had disclosed in the prospectus. So, custom synthesis, bearing the CP 6 and CP 7 expansion, we have done about 70% utilization on the existing base and fermentation was about 55% utilization.

Ajay Bhardwaj: We have been quite busy with that large scale fermentation. We expect that with the new addition of fermentation and projects waiting to go, customers are waiting for us to have that so that they can buy the product from us. That should happen also in the next quarter or at the most, the before the end of the year.

Srinath: Okay. Thank you, sir.

Ajay Bhardwaj: Thank you, Srinath.

Moderator: Thank you. We take the next question from the line of Bansi Desai from J.P. Morgan. Please proceed.

Bansi Desai: Thanks for the follow up. Just on Unit-IV, you mentioned Rs. 1,000 Cr of CAPEX, what would this translate in terms of capacities for us?

Gawir Baig: Bansi, in terms of capacity, what we are looking at is close to about give or take 400 kiloliters on custom synthesis and fermentation about 100 odd kiloliters, give or take, because this is the initial plan as we progress towards the civil work and we feel that there's a possibility of changing the mix down the line.

Ajay Bhardwaj: Based on inquiries and customer requirement, in our business, we have to be very flexible and agile. We have a plan right now. However, when we build these shells, we can internally completely modify it and before we order equipment. As Gawir said, for fermentation, we are planning at about 100 to 200 KL depending on some projects and the custom synthesis is 400 KL. Basically, it will double our capacities. This is in the first phase.

Bansi Desai: So, all of this should get commissioned in the next two years' time?

Ajay Bhardwaj: Yes, absolutely. That's the goal.

Bansi Desai: Thanks for that. It's quite encouraging to hear that on peptides, we are now engaging with the innovators as well. I understand that we have 16 KL of capacities today and there with NeoAnthem coming in, but I would assume you would have plans to further scale up as well in your Unit-IV. Any colour or any thoughts on that as to what capacities you would be planning to add, especially on the peptides or GLP-1 side?

Ajay Bhardwaj: Peptides, the way we have, in Unit-III itself, we can double it. We have kept room to add more capacity there. That's why I said when we build, we build shells. We finish the civil work so that we don't disrupt any of that, and the fit-outs can come quickly. With our customers, we are engaging on a very continuous and high-level at the moment, if they say, we need to double this, in six months, we can have all the fit-outs. So, at 16 KL, it can become 32 or even 40 KL very soon. In the Unit-IV, because we are adding more fermentation, the sum of that, it can go into the fermentation part of GLP or peptides. Then we will definitely have, we have in mind, creating capacity, which can quadruple or at least triple what we have now.

Bansi Desai: All right, just last one. In terms of large customers, we have mentioned in the past that we have a relationship with 3 of the top 5. Have we added any more, maybe in early stage, if you can comment on that?

Ajay Bhardwaj: Yes, Absolutely, without naming them, we do have our major engagement going on, which will again show us dividends, not immediately, but in the near term, with two major global pharma companies. I mean really major.

Bansi Desai: That's great to hear. Thank you, sir.

Ajay Bhardwaj: Thank you, Bansi.

Moderator: Thank you. We take the next question from the line of Sanjay Kumar from Ithought PMS. Please proceed.

Sanjay Kumar: Thanks for the opportunity. First set of questions on peptides. I think we have 10 peptide programs. Am I right? If you can give the breakup of these programs, how many are for GLP-1s or both generic and others in the pipeline or other therapies, like say peptide drug conjugates, if you can give a sense of your peptide programs?

Gawir Baig: These are all non-GLP novel peptides where we are working on for our CDMO customers, the 10 peptide programs and in an early stage at this point of time. The intent of building up the commercial facility was to ensure that as these programs move from early to late phase and late phase to commercial, if it does move, then we have the capacity to go ahead and service this program.

Alongside when the GLP opportunity came in, we also realized that we have the capability and because of fermentation being there, we are completely backward integrated. We took up GLP program as a separate program, which can help us in terms of utilizing our facility that we have, that we have set up. But the peptide program, which you did talk about the 10 programs are novel peptides, non-GLP, early stage programs right now.

Ajay Bhardwaj: In some of these peptides, there's a lot going on in this space. They are being looked at as you said, peptide drug conjugates in oncology, in metabolism, in other therapies. Peptides are really

finding a very strong voice. When you talk to these innovators in obesity also, they're saying we are developing peptides now, which will put all these GLP 1s into shade. We don't know, we are not privy to what their thing is, but they are very, very confident that the future is in peptides. This will tackle both metabolism, heart attack obesity all those things as well in addition to oncology.

Peptides have a very big runway. One has to look beyond just the GLP 1s and Anthem is, that's where we want to position ourselves. GLP one is more immediate but there is much more room to grow in the peptide space. But again, the time frames are anywhere between 2 years to 5 years. But what we do today, that's what's going to be the anchor for tomorrow.

Sanjay Kumar: Got it. These generic GLP 1s, have we done the process validation for semaglutide? Have we, are we going to file DMF for semaglutide? What is our strategy? Do we have any signed deals for generic sema?

Ajay Bhardwaj: Yes, we are doing PV. Have we signed deals at the moment? No. But are we working with companies? Have we signed it with, any of the very big players? No, but we are working with them to be in their supply chain and it will happen for sure.

Sanjay Kumar: Okay. On capabilities within peptides, like what peptide length can we synthesize today? Can we do continuous synthesis, hybrid synthesis? You also said that you are completely backward integrated. Does it mean you'll make amino acids in-house, do the production in-house and also do the synthesis in-house?

Ajay Bhardwaj: No, not amino acid. That is a completely different business. But we will, starting from amino acids, but some of the things, see, for instance, many of the peptides are biosynthetics. There is a fermentation bit followed by a synthesis bit. Even the fermentation bit Anthem develops. So, there the assembly is done by the microorganism. I will just take an example like semaglutide, which is P29, is the fermentation. 29 amino acids are assimilated or are constructed by fermentation. That fermentation bit Anthem will do also. But most people who are in peptides do not have, and this cannot happen in a small scale, you need large scale fermentation and that's where Anthem is already present.

The strategy for many of the people that we are working with, and these are significant global companies, is we will buy the P29 and then we will do the assembly of the rest of the chain. That is where Anthem begs to differ. We will have to make P29 plus the assembly. That's where we are fully integrated and we are not going to make amino acids.

Moderator: Thank you. We take the next question from the line of Ankush Mahajan and I would request him to please limit your question to one.

Ankush Mahajan: Thanks for the opportunity. If we see that the first half strong action in the revenue, that is 26% growth, and we already have incremental four molecules in the commercial phase, then we see

that the CP 6, CP 7, 130 kiloliter already installed. Considering Unit-III, that's a Rs. 350 Cr plus Rs. 100 Cr of CAPEX; can we see the similar rate revenue growth for the next six months and for FY27?

Ajay Bhardwaj: These 4 new commercial molecules are just now recently been approved. Yes, we have supplied quantities and it depends on what our customers want today. Some of these are in the pre-launch phase, they're working out their launch strategies. Also, remember that sometimes these companies are biotech companies and once they have an approved product they get acquired. We are not at all privy to what will happen at that end. But having approved product in a new indication or a new product in an existing indication can very often be a goldmine for them. So, for us also, it becomes downstream, it becomes a very valuable product.

In terms of growth, we have said that if you look at Anthem's history, our CAGR is 20% odd there for the last 10-15 years. We hope to be able to maintain that and that is what we are focused on. At the end of the year, in our business, quarters can be lumpy. I will be very honest and I am going to reiterate that. Some quarters can be exceptional because customers say, I want all this in this quarter. But, in other quarters, it can be a little down. But at the end of the year, how we perform, it depends on what we have done throughout all the quarters.

I would ask all of you to just bear that in mind. Going forward also in the next 5 years to 10 years, there will be QoQ variations are possible. But are we trending upwards? So far, our track record has been we have always trended upwards, and we will continue to do that this year also.

Moderator: Thank you. As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Gawir Baig: Thanks a lot, everyone, for joining this call. This half year has been a decent performance for us. We have delivered good revenue growth as well as EBITDA, PBT and PAT growth. Thanks to all of you for showing continued interest with Anthem and for taking out time in terms of asking us questions to get to know about our business in much more detail. We look forward to your continued participation with Anthem, and we will speak to you again next quarter. Thanks a lot, everyone.

Ajay Bhardwaj: Thank you, everybody. It was, as always, a pleasure and we will continue to engage with all of you going forward as well. Thank you.

Moderator: Thank you. On behalf of Anthem Biosciences Limited, that concludes this conference. Thank you for joining us and you may now disconnect your line.