WOCK/SEC/SE/2022-23/069 24th February, 2023

BSE Limited Corporate Relations Department P J Towers, Dalal Street Mumbai - 400 001 **Scrip Code: 532300**	**National Stock Exchange of India Limited** Listing Department Exchange Plaza Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 **NSE Symbol – WOCKPHARMA**

Dear Sir/Madam,

Subject: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Investor Call Transcript

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and further to our communication dated February 21, 2023, please find enclosed transcript of the investor call.

The transcript has also been uploaded on the Company's website and can be accessed through the following link:

https://statutory.wockhardt.com/stock_exchange_disclosures.htm

You are requested to kindly take it on record.

Thanking you,
Yours Sincerely,

Debashis Dey
Digitally signed by Debashis Dey
Date: 2023.02.24 15:47:04 +05'30'

Debashis Dey
Company Secretary

Encl.: A/a.

Wockhardt Ltd.
Transcript of Investor Call
21st February, 2023

Snighter Albuquerque: Good evening everyone. And welcome to the investor Call of Wockhardt Limited to discuss the key developments of the company. We have with us Chairman Dr. Habil Khorakiwala and Managing Director Dr. Murtaza Khorakiwala. I hand over to Dr. Habil Khorakiwala for his opening remarks. Over to you sir.

Dr. Habil Khorakiwala: I extend a very warm welcome to all of you. It is after a while, that we are having an investor's conference and we hope that we will maintain this communication with you on a regular basis. This communication today in a way, would be different than the normal investor's communication. Because what we would really want to share with you today is that Wockhardt is in the cusp of significant changes. And I want you to know what is this significance turnaround situation that we expect in next 20 to 24 months. Our Managing director, Dr. Murtaza Khorakiwala will elaborate specifically on these major achievements, accomplishments and the changes which will take place and focus on major milestone we have achieved in recent past in last 12 months, over to you, Dr. Murtaza.

Dr. Murtaza Khorakiwala: Thank you, Chairman and the very warm welcome to the investor community. I'm very happy to be here and share with you some of the changes that and the transformation that is undergoing in our organization and how we intend over the next 12 to 24 months to take that forward.

The first slide is just a snapshot of the organization in the nine months in terms of our financials, revenue, EBITDA and debt. And moving on, this gives you a sense of the organizational structure on slide 4, A global footprint of the organization where we are present outside India and in various markets and it contributes about 75% of our business outside India, 25% is in India and we are present in various segments like generics, branded, biotechnology, injectable and antibiotic discovery, I will share with you a little bit more as we go along into the new developments that have taken place in our business and the promising growth opportunities that are there.

Going on to the next slide, the key highlights I would like to share with you is on our performance that in the last year, what is the entire restructuring that we have done of the US business. And a great opportunity in terms of the agreement that we have with Serum in terms of vaccine manufacturing in UK. And what that may unfold in the coming year and obviously an update and progress into very significant progress we have made in our novel antibiotic portfolio.

Next slide, we have been mentioning in over the last one year that the US business needs to get significantly restructured. And as it was having a significant amount of drain into the financial performance of the company, we have shut down our manufacturing facility at Morton Grove near Chicago and using a simple 80-20 formula, we have identified the product portfolio to be manufactured by a third party and that will be an ongoing continuing business that we will have. As a result of the entire restructuring of the manufacturing, we intend to save about $12 million in losses which we are currently incurring and however we will continue to maintain our sale in the US business as these products will be manufactured from third party certified facility with approximately 40% gross margin.

Moving on to the next slide, we have recently concluded an agreement with Serum Institute for manufacturing vaccine in the UK facility earlier this year. And as a result of that we have received £10 million as a contribution for reserving manufacturing facility for 150 million doses per year of vaccine for 15 years. This is 150 million doses per year for about 15 year agreement. And in addition to a contract manufacturing, there is a joint venture component in the agreement, where there is a profit share of 51:49 in favor of Wockhardt. Today, Serum has identified 2 vaccines and we plan to manufacture these products within the next 12 months after exhibit batches and regulatory approval is received.

We have been significantly committed to our presence in antibiotic over the last 20 years and are probably the only company in the world to have a very comprehensive end to end drug discovery and development program in antibiotics. As you already know, we have about 6 QIDP grants from the US FDA and this means that there is an unmet medical need identified by US FDA and being satisfied by our product profile, therefore they have given us a QIDP approval, which will allow for faster clinical trial and approval of the products.

I share with you a pipeline of the presence of Wockhardt with five products in the development pipeline vis a vis, other entities and other corporations who have between one to two and this just goes to show the strength of the portfolio that has emerged out of our dedicated commitment in research over the last 20 years, positioning us in a way good position as far as antibiotic innovative portfolio is concerned.

We have achieved the success in licensing one of our molecules for China, which you are aware is a licensing deal for China with Jemincare 4873, we have received the milestone payment from Jemincare. As far as our India approval of phase three, we are marketing two products Emrok and Emrok O in India and we are also filed for approval in various emerging market and expect to receive approval in eight emerging markets in the next 6 to 9 months. In India, over the last two years that it has been present, 30,000 patients have used Emrok and benefited from it.

Additionally, our phase three clinical trial for 4873 is going to be concluded in the Indian market sometime in 2024. Let me tell you a little bit about our flagship program that is WCK 5222. And there have been a couple of significant

milestones and developments in this regard. First, there is an increase in the resistance. A new report by CDC in the US hospitals concluded that the resistance to infection on which 5222 works has increased somewhere between 30% to 80% because of two years of COVID-19. This further enhances the potential and makes 5222 even more relevant as a lifesaving medicine. Our global phase three trial which commenced in August 2022 is progressing well and we intend to complete this trial over the next 15 to 18 months and seek approval in markets globally in the US, Europe, China & India and be in the markets sometime in 2025.

You will be happy and proud to know as an investor in Wockhardt that your company has the innovative 5222 product already saved 3 lives of patients in India, even before it is approved and undergoing phase three trials. 50 year old female patient in Vedanta Hospital who had abdominal sepsis and 11 year old boy in global hospital in Chennai who had a bone marrow transplant and an 18 year old boy admitted in AIG Hospital Hyderabad with acute leukemia, 5222 was used on a compassionate basis for saving the lives of these three people when all other medicines that were used by the doctors could not work. It is indeed extremely fulfilling and proud moment for Wockhardt and for all Indians. These were the critical patients who were on ventilators for several weeks, they were cured and discharged from the hospital on completing treatment in 10 days with WCK 5222. And this is indeed beta lactam enhancer and is a new class of antibiotic and therefore it works so dramatically and with a very superior clinical benefit.

Additionally, you will be happy to know that we have established a collaboration with the National Institute of Health in the US, with one of our other lead molecules 677. They are conducting a human phase one clinical trial of MDR gram negative antibiotic targeted for ambulatory settings, this indicates NIH confidence in the novel once a day, much needed outpatient parental antimicrobial therapy for MDR infections in an ambulatory setting.

These developments of the organization over the last 12 months provides a glimpse of the future of your company. It is like an iceberg which you see and are able to see a very small portion. But there is so much underlying strength and opportunities unseen and invisible today. I'm not getting into all the financials which have already been published and I'm sure most of you have seen them. However, I would like to highlight few important and significant aspects. One of the objectives which we had was in terms of deleveraging our organization. Our long term debt external debt over the last five years has gone down from Rs. 3,200 Cr to about Rs. 600 Cr. In terms of our external debt to equity, it has gone down from 0.96 to 0.16. In parallel to deleveraging our organization, our promoter commitment has increased and it has improved from Rs. 208 Cr to Rs. 700 Cr and which could be considered as a Quasi-equity. In addition to the outstanding Rs. 700 Cr loan, another Rs. 500 Cr of promoter loan has been converted into equity and we have received an additional Rs. 250 Cr from investor in the successful rights issue.

Coming to some of the operational parameters, our sales has shown in the current year a quarter on quarter, increase in growth from Rs. 578 Cr to Rs. 699 Cr representing growth of about 20% in Q3 over Q1FY23. Our

EBITDA also shows a steady improvement and has moved in the positive territory and for the last two quarters is positive with Rs. 39 Cr and Rs. 59 Cr EBITDA. Our cash flow position shows that our operating cash flow in the Q3FY23 was a positive Rs 95 Cr. This helps in deleveraging the organization by reducing debt by about Rs. 109 Cr. Additionally, the promoters infused another Rs. 71 Cr in terms of a cash flow which helps in taking care of the investments that we are making in our R&D and NCE portfolio. And therefore, if you see right from the beginning our opening balance, which is Rs. 221 Cr remains at about Rs. 217 Cr for the end of the quarter.

Let me come to the highlights of some of the individual businesses and their performance in the current year. Our UK business without the vaccine has moved up in terms of its growth from Rs. 208 Cr last quarter last year to Rs. 223 Cr, showing a handsome increase in the turnover as well as an increase in the market share in the covered market by more than 1%. We have accelerated our focus in developing and filing new products and as you would see since 2020 in a combined way, we have filed more than 23 products and another 24 products to be filed in 2023 and 2024.

Our India business continues to perform well with a focus on diabetes and Emrok and a pain management portfolio. On a 9 month basis a diabetes business has grown by more than 20% and on QoQ basis from Q2FY23 to Q3FY23, there is a growth from Rs. 150 Cr to Rs. 175 Cr and on 9 monthly basis from Rs. 450 Cr to Rs. 483 Cr. And we have one of the few companies in India that has a complete integrated portfolio of diabetes products, including insulins, glargines and fully integrated guide from R&D to manufacturing to commercialization.

Emerging market business has also shown an improvement and growth in Q3 compared to the earlier quarters and stands at Rs. 148 Cr compared to Rs. 117 Cr. Our distribution among the key markets or the key regions where we are present is Latin America, Asia and Russia CIS. And going forward MENA will become also a very important market in terms of our growth.

Having given you an update on the various businesses and their performance, let me share with you a little bit about how we see the various drivers of growth driving growth for the organization in the years to come. And as you are aware, fundamentally we are focused in four areas which we call as the strategic pillars of growth. First is the main stay pharma business which is there in India, UK, Ireland, US and emerging markets. Second is the vaccine opportunity, which we realized from our collaboration with UK government and now an ongoing collaboration with Serum for manufacturing these vaccines in UK and supplying globally. Third very importantly, is our presence in the biological space in diabetes, where we have the entire injectable insulin portfolio, we have marketed 2 products and additional products are under development and we have introduced in India and various emerging markets and intend to expand this opportunity in terms of markets and products. And overall these targets are diabetes, biological market of about $50 billion. And lastly, but not the least, is our foray and presence and deep commitment in this R&D space of new drug discovery, which I mentioned to you brief a while back.

If you see what are these growth drivers, how they will unlock value and performance in the organization going forward, I see in the first two years that is in a one or two year time frame we will have these diabetes, insulin, glargines and various molecules in emerging market driving a large percentage of the growth. Our collaboration for vaccines with Serum, which is there and which we have signed will deliver the growth in the year. And as an organization, I think our fundamental focus is on improving profitability and cash flow. I think all aspect of the operation is something we are looking at and we have been focused on it in the last year or so and we'll continue that focus in the years to come is on improving our profitability and cash flow. Going forward in a two to three year time frame. Our novel drug discovery portfolio, which we have launched in India and some other new products which are coming will also help in driving some of the growth of the organization.

Let me elaborate a little bit on the growth drivers and what is it that is, how it will drive. I think we are in the insulin and glargine space in India and emerging markets, which is responding about USD 1.5 billion in terms of the covered market, our current presence in this space is about USD 50 million and therefore, there's great opportunity for us to increase our market share. We are registered in more than 25 markets and a large number of new markets we have filed and we have approvals in the last year and in the coming year and therefore it will accelerate our presence with new market launches. It is a limited competition and therefore has the ability to create and develop a sustainable competitive advantage, and I will share that with you in a while as to why this can be a sustainable competitive advantage, we are fully integrated in terms of our manufacturing right from API to formulation to having our own devices and our own IP.

We believe that being integrated right from beginning to ending with R&D, manufacturing, regulatory, trend devices and having our own IP and commercial organization and having an end to end kind of a value chain, it provides us a very sustainable competitive advantage in terms of cost, in terms of value creation, in terms of an end to end integration of all effort and execution and operational. In addition to the existing products, we also have a pipeline of new products including Insulin Aspart and various other analogs which are in the development pipeline.

I touched upon this earlier, but our collaboration with the vaccine with Serum is for 150 million doses per year. It is a multi-vaccine arrangement including COVID and it is a long term 15 year profit sharing arrangement in addition to the CMO arrangement which is there. I had mentioned about COVID and its impact on increased opportunity for 5222 and you would be surprised to know that COVID-19 in the two years that it was a pandemic resulted in the loss of 5 million lives. And the Super bugs which we call as the resistant organisms which are resistant to current antibiotics and result in the loss of life of 5 million people every year. And that is an astounding fact when one looks at it in the context of the pandemic and almost it is like a silent killer.

This is our overall portfolio of products that we have in antibiotic space and we cover from gram negative to gram positive as a first line therapy to life saving product. The entire spectrum of products. Covering different indications and there are different stages of clinical development somehow launched in India, filled with emerging markets, and

two of them, 5222 and 4873 are undergoing phase three clinical trials. So let me finally conclude my communication and share with you from where I covered. What are some of the significant milestones we have accomplished in the last one year? What is the financial performance of the company in the last year? What is broadly the strategy and the growth drivers that we are looking at and now specifically what are the specific milestones which we are focused on in terms of delivering these in the years 24 and 25 and these are.

We will get approval of glargine in some of the key Latin markets like Mexico, Brazil and in MENA. We are going to file our Aspart in India. We will get approval of Emrok and Emrok 2 in the emerging markets. We will complete our phase three clinical trial in India in 2024 and file for approval. We will complete significant part of the phase three clinical trial of 5222 which is being conducted globally and will be filing for approval in 2025. We will initiate our business through the collaboration with Serum and manufacturing in UK. Our US business has already moved and we structured to a third party and we will initiate product supply from these third party shifted products. We are targeting new product launches in India as well as in various other markets. 14 launches in India and 25 launches in UK in 24-25 combined. In 2025 we will launch Aspart and 4873 in India. And by then our US business, which has been a drain on the profitability and cash flows will turn profitable, definitely. As an organization we are working towards clearly being PBT positive in two year's time. I think this was a brief communication we wanted to share with you that Encapsulates, as chairman said some of the very important and key milestones, but more importantly the key areas we are focused on in terms of delivering a better performance and improved financial health in terms of our profitability and cash flows. Thank you for being with us and partaking in this presentation communication. And I would leave the floor open now to any questions that you may have.

Snighter Albuquerque: Thank you, Dr. Murtaza. I request our investors to please take to the chat box or the Q&A box to ask any questions that you may have and we will read out your questions and take them accordingly in a systematic manner. We will give it a few seconds before our investors tag their questions in the chat box. Our first question is from Kishore Aggarwal. Can you briefly help us understand what will be the total cost yet to be incurred in respect of WCK 5222 and how does the company plan to fund it?

Dr. Habil Khorakiwala: I think we are already initiated phase three. And we needed to complete it next 12 to 15 months. And the additional investment required for clinical trial will be about USD 30 million. And we intend to not take out the cash flow from our operation, we are looking at alternate funding, debt funding and some monetization of assets which are not in use. So that's how we intend to fund balance of 5222 Clinical trial.

Snighter Albuquerque: Thank you, Sir. The next question is from Mr. Harish G. What's the revenue growth expected in FY24 and the cash EBITDA in FY24?

Dr. Murtaza Khorakiwala: While we don't give any future guidance, but I must say that I have been fairly heartened by our performance in the last nine months and the growth momentum that we have bought in terms of

our profitability and we have initiated various measures not only on the top line growth, but I think what our focus is on driving profitability. What we have looked at is all aspect of the business we have looked at product wise profitability. We have looked at cost management aspects within the organization and working capital. So I'm very positive that we will maintain the growth momentum that we have gotten this year and it will only accelerate in the coming years. As I mentioned, in terms of the various growth drivers we have, we are having new launches of our diabetes portfolio, insulin and glargine in various emerging markets. Like in MENA, Mexico, Brazil and various other Middle East markets, our new filings in the UK is on a good path, we have had 12 filings in the last year and another 25 filings we'll have in the next two years. So I think all aspects of business are on a right track. We are going well, US business, which was a drain we have restructured and as a result of that, it would bring about a saving in terms of our bottom line because the saving of USD 10 million that we hope to realize, part of it has been realized in this year, significant amount would be realized in the coming year. So all this put together. I think we would see significantly better numbers in the next year and then we will turn completely PBT positive in 2 years from now.

Snighter Albuquerque: Thank you, Dr. Murtaza. The next question is what is the latest status for WCK 5222 trials and how many patients have enrolled for the same?

Dr. Habil Khorakiwala: As we already mentioned that WCK 5222 phase three clinical trial is on, we have enrolled patient in Europe and very soon we will enroll patient in India, US and China. And about 20% of the patients have already completed the clinical trial and as I mentioned in next 15-18 months, we should be completing the clinical trial on 5222.

Snighter Albuquerque: Thank you, Sir. The next question is what will be the peak revenue from vaccine business related to Serum?

Dr. Habil Khorakiwala: See as per our agreement and Serum's understanding, we have reserved 150 million doses capacity. Obviously there are two aspects of income coming out of it. One is we will receive a normal manufacturing cost of making those vaccines as we were receiving earlier from the UK Government. Additionally, depending on the price at which Serum will sell after their marketing cost of 8% to 10%, we will be sharing in the profit. So obviously per dose there is a double value creation. One is a manufacturing link, another is a link and we expect Serum that is what they have said, they are starting with two vaccine within next few months after agreement and I'm sure as we go along, they will receive more license and they will utilize our capacity and I think it will be a game changer for us in terms of value creation and profitability over next several years and it would be a very sustained increasing business year after year.

Snighter Albuquerque: Thank you, Sir. We go to the next question. What is your expected R&D spread over the next two to three years and how do you intend to fund it? Also if you could share how much you intend to spend for Biosimilars and NCE?

Dr. Habil Khorakiwala: Our R&D funding if you have observed that we have maintained certain percentage on our revenue of the same, but within the R&D the mix has shifted away from pharmaceutical R&D to Drug discovery and biological R&D. So our major part of the spend comes out of biological and drug discovery R&D and we intend overall to maintain 8% to 9% of our revenue for R&D.

Snighter Albuquerque: Thank you, Sir. The next question is what is the status of US FDA on our current plans?

Dr. Habil Khorakiwala: See all of us in the industry know that US business has become quite challenging for variety of reasons and as a result of this, we have restructured our manufacturing at MGP level. We are also revisiting our India business, from India to US and currently our focus primarily is on the third party manufactured product to sell in USA and probably we will take in due course of position of exactly how we want to deal with our US opportunities and the business in the coming year and once our plan is ready we will be happy to share that with you.

Snighter Albuquerque: Thank you, Sir. We go to the next question, how will the product mix change in the next two to three years from current levels?

Dr. Murtaza Khorakiwala: As I was mentioning our focus on Biologicals and Biosimilar is only going to grow and expand its presence as a part of the overall business. So currently biologics contribute about 20% of the whole revenue of the organization. It will grow at a much faster rate than the generic business and I expect that in the next two to three years, its contribution to Wockhardt business will improve from 20% to 30%. Primarily driven by the launches of the products in various emerging markets and the new products that we are developing that will come to the market in a medium term of time, but the existing products and the launches in new market increase in the market share that we have, all that would drive growth of biologics. So I think that is one aspect of product mix. Second is I think as an innovative portfolio and NCE portfolio, which is approved in India and we launch in various emerging markets, as that comes into play, that part of the business and portfolio will also increase. But in the first two to three years, I see diabetes, the biologics part of it having a very significant impact.

Snighter Albuquerque: Thank you, Dr. Murtaza. The next question is, is it possible to share the centers in India where the trial of 5222 is being conducted?

Dr. Habil Khorakiwala: We have not yet started in India, the 5222 it is now mainly in Europe. But I think next few months we will initiate this in Indian centers also. And we will let you, I think it will be available in our website whenever we initiate a trial in India, but it is currently it is not yet started.

Snighter Albuquerque: Thank you, Sir. The next question is, is there any plan to out license AMR molecules? And any plans to monetize WCK 5222?

Dr. Habil Khorakiwala: See, we basically have to one way or the other monetize 5222 and there are two aspects of it, because 5222, we are conducting global clinical trials and we do not have presence in many markets in the world. So that is where we will have to monetize. We are also looking at an option of globally to monetize the product and I think these are the we are evaluating the value proposition, which is available, which is possible for us and that is also an option on the table very much and we will take a call at the right time after the phase three clinical trial is over.

Snighter Albuquerque: Thank you, Sir. The next question is, could you share broad monetization potential for WCK 5222 for the company?

Dr. Habil Khorakiwala: I think you put a number at this stage is a little too early. I think we'll have to wait for a while and then make a proper assessment. But I think it will be fairly significant number.

Snighter Albuquerque: Sure, Sir. We go to the next question, what are your thoughts on biosimilar business? The market is already competitive with multiple players in the emerging markets area. What are your thoughts on pricing etc?

Dr. Murtaza Khorakiwala: As I mentioned, I think in my communication there are three of important aspect of our presence in emerging markets in India in a biosimilar space and the components of that strategy are the following. One is we are fully integrated player in a biosimilar space, right from R&D to manufacturing to commercialization and there are not too many players in the world who have that complete integrated play and that provides us the cost competitive advantage, sustainability advantage and the commitment of the organization in a biosimilar space. It's not a space where you have 15 players and 20 players. It's a space where you will have 4-5 players, which appears as they are.

Dr. Habil Khorakiwala: This is very true for a diabetic portfolio. If you look at other biological products, the competitive scenario is much larger. Many more players are there, but when you look from a diabetic portfolio of insulin, glargine, Aspart, it's quite limited in there. Only half a dozen players in worldwide.

Dr. Murtaza Khorakiwala: And in addition to the technology aspect in diabetes biosimilar, I think the fact that one has to put up very specialized manufacturing facilities, API as well as formulation and the kind of investment required and the time that is required to put up the entire facility, get regulatory approval takes a long period of time, so I feel that in fact we are in a very sweet spot as far as the diabetes injectable portfolio is concerned and we will be looking at very significantly unlocking potential in the market and we are very well positioned.

Snighter Albuquerque: Thank you. The next question is, did we proceed to phase three directly without phase two? I could not find any details on phase two study. I assume that it's allowed to do phase three without phase two. Is it based on certain factors related to WCK 5222 which gives us confidence that it will be successful possibly without the need of phase two?

Dr. Habil Khorakiwala: See, this whole program was shared by us to US regulators, EMEA regulators, Chinese regulators and even Indian regulators and the data which we able to produce on a preclinical and phase one data. They were so strong in terms of safety profile because phase two generally you do for safety to a large extent and efficacy also, but phase three is fundamentally both safety and efficacy. So looking at the data and also the very fact that needs are there and the safety profile was excellent, both in terms of preclinical phase one clinical also with the various organs like heart, lung, liver, kidney. So we did a safety profile and all the organs and the data in terms of safety was outstanding actually. And therefore the regulator have made an exception and granted us straight phase three. The second, equally important aspect is Cefepime is already an approved drug. Zidebactam is a new discovery molecule by Wockhardt, and as a result of that, overall they felt that we can straight away more into phase three even if you have noticed in phase three, they have asked us to do one ARM study only. Normally, for a new molecule it is required Two ARM study to establish. So all these advantages we got mainly because of the preclinical data. And phase one safety data. And additionally the unmet need and we have already seen with the compassionate use which have taken place in India even though our clinical trial is for C-UTI, all these products were used which we would be taking HAP/ VAP study that is ventilator study, when person is on ventilator but for all the patients were compassionate use was done. There were cases of lung infection. Some of the Organism which we are talking of, Pseudomonas Acenitobacter, they were involved. And they recovered like magic, on 3rd day there were in one case, ventilator was off. In all cases at therapy on completion, there was a complete remission of all the resistant Organisms.

Snighter Albuquerque: Thank you, Sir. The next question is on the Serum deal of 150 million doses per annum. Has serum guaranteed you minimum doses and what should be the pricing? Also what kind of overall margins can we see in this business?

Dr. Habil Khorakiwala: See, this is a deal which we have and there is a certain minimum quantity which is guaranteed after initial phase. That is one, second we expect significantly more margin per dose of vaccine compared to what we did for COVID-19 vaccines with the UK Government because what is profitable, we'll get our manufacturing cost. Additional there is a profit sharing.

Snighter Albuquerque: Thank you, Sir. The next question is how much revenue from Emrok and Emrok O sales are that we report in nine months, FY 23 and what are the revenue prospects going forward?

Dr. Murtaza Khorakiwala: So in the last few years since we have launched, we have been clocking upwards of Rs. 30 Cr in a financial year. And if you look at in terms of the number of patients who have benefited from Emrok, we have served 30,000 patients since its launch. It has also been used in various cases of COVID where patients had pneumonia and they developed resistant infections like IMSA infections. And in fact, some of the doctors even mentioned to us that it was useful to have Emrok launched right during COVID time because it helped them in dealing with some of the pulmonary and lung infections. More adequately, the clinical performance of the product has been remarkable in India, and there's been a very positive appreciation and also adoption of the product, from a clinical point of view. And we have, as I said earlier, we have filed the various emerging markets and we expect to get approval in about 8 emerging markets in the current year and we will expand that activity to a larger number of emerging markets in the following year.

Snighter Albuquerque: Thank you Dr. Murtaza. The next question is. Could you please benchmark efficacy of WCK 5222 versus other antibiotics recently approved and under trial.

Dr. Habil Khorakiwala: Two things. One is very clear, there is no recent approved antibiotic which works on highly resistance Pseudomonas, Acenitobacter Metallobactam, the one which works on KPC and OXA 18. That is common. The other three are very unique to WCK 5222 even varied existing works there are report that Avycaz which has got off patent recently and getting marketed in India has already there are reported developed resistance against Avycaz. So from that point of view, there are no drugs in the market which comes anywhere near 5222. At the same time, we don't see any drug in the clinical trial which are there in covering the spectrum. The only other drug which covers the spectrum among the new drug is Shionogi drug, but it has such side effects and it has received a black box warning for usage in the US.

Snighter Albuquerque: Thank you, Sir. We move to the next question. Wockhardt has reduced external debt to Rs. 600 Cr. What are the total funding requirements over the next two to three years both on CapEx and R&D in the clinical trial space? And how do you intend to fund in this?

Dr. Habil Khorakiwala: I think I may have answered the question. We expected about USD 30 million of 5222 CapEx we require in next to complete the clinical trial and we are looking for external funding for that purpose basically. And there are no CapEx required for manufacturing because 5222 we have derisked from manufacturing and we are getting it manufactured both API and formulation in approved FDA approved European facility and that is where the clinical batches are being manufactured for clinical trial and those are the companies where we will continue to manufacture commercial usage.

Snighter Albuquerque: Thank you, Sir. The next question is particularly with respect to Serum, with COVID on decline are we confident of the 150 million dosages?

Dr. Habil Khorakiwala: The whole issue is Serum is not looking at COVID as a vaccine. They are a very broad based vaccine manufacturer. Even before COVID was introduced, nearly 50% of world production of vaccine was done by Serum and they have such a strong dominance in the world. Any new vaccine which gets developed, Serum becomes one of the very natural partners for anyone to get manufactured and they have the capacity to manufacture API vaccine. Our arrangement with them is to manufacture the formulation for them in UK so that they have an access to many markets other than WHO markets. And also they get a strategic advantage of getting manufactured in UK of getting the partnership licensing arrangement. So one is not really looking at the COVID extension. But there are many other vaccines which are coming. They are highly valuable vaccine in terms of price and other thing. And that is where the collaboration is what they expect to happen.

Snighter Albuquerque: Thank you for moving to the next question. While closing your manufacturing in the USA, are we also cutting down on our sales?

Dr. Habil Khorakiwala: I think what we have taken our call is in USA we had a manufacturing standing course about USD 25 million. What we have done is we have identified few products which contributed to more than 80% of our topline and more than 150% to 200% of our bottom line. Because these are high margin product and that is where we are getting it manufactured in US and Canada as a third party manufacturing product. So we have really not sacrificed too much of sales. At the same time, we have significantly increased our profitability of our operation in US and the losses which where you are entering that gets covered and we expect that overall margin of our US operation will be about 40%.

Snighter Albuquerque: Thank you, Sir. That was the last question for the day.

Dr. Habil Khorakiwala: So let me just conclude this investor conference. Basically, I'm so happy that so many questions were asked and we had an opportunity to clarify. Dr. Murtaza, our Managing Director has given you very clear perspective of where we are today, where we will be there next 12 months and we will be there in next two to three years. And to just sum it up, I personally feel we are at a very important point in the life of the company and we are at a turning point stage. We went through challenging times in the past. But where we are moving forward is opportunities, opportunities and opportunities. Opportunities in biologics globally, opportunities in vaccine manufacturing with Serum. We are also in discussion with another large company for making their vaccines into our facilities. So UK is going to become an important source of revenue and profits. And most equally importantly, that we are getting very happy that 4873 will be completed clinical trial and launched next year in the other markets, Emrok is getting traction and obviously 5222 we are seeing that clinicals will be over, and we will try to see how to monetize the value coming out of 5222. With these thought thank you very much for being with us and wish you all very best, and even though it is late, I can still wish you all a great 2023.

Snighter Albuquerque: Thank you so much. Sir and we wish you have a good evening. Please if you have any further questions, you can reach out to the Investor Relations team at Wockhardt or at Adfactors. We would be more than happy to take all your questions and address each and every of your questions or E-mail or set a meeting with the management. With that I hand it over to Dr. Murtaza for his closing remarks.

Dr. Murtaza Khorakiwala: I would also like to thank all of you for being a part of the investor conference. And as chairman has summed it up very nicely. We are looking at opportunities, opportunities and opportunities in all areas and we are at a turning point and we hope to come back to you sequentially and deliver on the performance and the results that we have very clearly identified over the next 12 to 24 months. Thank you once again and a very good evening to you and have a great 2023.

Snighter Albuquerque: Thank you, Dr. Murtaza. With that, we end today's investor call. Thank you everyone and have a pleasant evening.

Statutory Declaration: Certain statements in this concall may be forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. These statements are not guarantees of future results.

Note: This Transcript has been slightly edited at few places for clarity and accuracy.