

Operator: Good day and welcome to the Affle 3i Ltd. Q1 FY27 earnings conference call, hosted by Elara Capital. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference call, please signal the operator by pressing * and then 0 on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Karan Taurani from Elara Capital. Thank you, and over to you, sir.

Karan Taurani – Elara Capital: Thank you, madam. Good morning, everyone. On behalf of Elara Capital, we welcome you all to the Q1 FY27 conference call of Affle 3i Ltd. I take this opportunity to welcome the management of Affle 3i Ltd., represented by Mr. Anuj Khanna Sohum, who is the Chairperson, MD and CEO of the company. With him, we have Mr. Kapil Bhutani, who is the Chief Financial and Operations Officer of the company. Before we begin the discussion, I would like to remind you that some of the statements made in today's conference call may be forward-looking in nature and may involve some risks and uncertainties. Kindly refer to slide 2 of the company's earnings presentation for a detailed disclaimer. I will now hand over the call to Mr. Anuj Khanna Sohum for his opening remarks. Thank you, and over to you, Anuj.

Anuj Khanna Sohum – Chairperson, MD & CEO: Thank you. Good morning, everyone, and thank you for joining the call today. I trust all of you are keeping in good health. Q1 FY27 marks our 14th consecutive quarter of sequential top-line growth, and we recorded our highest-ever quarterly revenue, EBITDA, PAT and consumer conversions. During the quarter, we delivered revenues of Rs 7.47 billion, representing growth of 20.4% year-on-year. This is robust and resilient, despite the negative impact of regulatory and macroeconomic headwinds in some customer segments like R&G. More than 95% of our revenues witnessed growth of more than 25% year-on-year, adjusting for that impact, reaffirming our consistent execution on the medium-term guidance that we have committed to our stakeholders. Total EBITDA for the quarter stood at Rs 1.67 billion, representing growth of 20% year-on-year and reflecting sequential EBITDA margin expansion as well as year-on-year growth, with cumulative EBITDA at 22.4%. Profit after tax for the quarter stood at Rs 1.28 billion, growing by 21.7% year-on-year. This proven performance of our differentiated CPCU business model reinforces our compounding growth story.

As we deepen our verticalization strategy, strengthen direct advertiser integration and expand our audience intelligence capabilities, we continue to enhance the scale and competitiveness of our AI-powered consumer platform stack across connected devices, including mobile, CTV and now other edge-tech autonomous intelligence connected devices. These structural advantages provide a strong foundation for our sustained growth as we build on our vision of 10X. India and global emerging markets continue to anchor our business growth, growing by 20.2% year-on-year and contributing 72.2% of our revenues in Q1 FY27. Our disciplined sales execution, deeper customer engagements and continued new-logo additions have also strengthened our presence across developed markets, which grew by 20.7% year-on-year and contributed 27.8% of our revenues. Developed markets account for a disproportionately high share of the steadily growing global advertising budget. Accordingly, we remain focused on progressively increasing our participation across these markets and aligning our revenue mix more closely with the underlying global advertising budget mix.

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Alongside our market expansion initiatives, we are also very committed to strengthening the way we operate. The strategic acquisition of AdColony assets enhances our publisher ecosystem and audience intelligence capabilities, further reinforcing our ability to deliver premium consumer conversions with measurable ROI for advertisers globally. We aim to unlock a significant competitive advantage by activating more than 100,000 mobile apps to reach more than 500 million connected devices in developed markets this year. Building on the launch of YouApp and Affle's AI, we have also enhanced the capabilities of our AI-powered consumer platform stack through new AI-led innovations designed to empower mobile app marketers, growth managers and advertisers with deeper consumer intelligence and full-funnel campaign visibility. By combining AI-driven campaign intelligence with real-time performance analytics, these capabilities enable faster, data-driven decision-making, smarter campaign optimization and stronger marketing outcomes.

In parallel to our organic growth initiatives, we would like to transparently update our shareholders that we are making strong progress on the inorganic acquisition, or the larger inorganic acquisition, as we enter the phase of due diligence by third-party advisors appointed by us. We aim to close the larger M&A by early 2027, and the identified targets will accelerate our expansion across developed markets by providing deeper and differentiated access to customers and verticals. This quarter, we have featured 5 successful case studies in our earnings presentation. The first case study showcases how our conversion-first CTV and cross-screen capabilities maximized new converted diners and first orders for a leading QSR app in India. The next 3 case studies highlight how leading travel brands across emerging markets leverage our AI-powered campaign optimization, proprietary audience intelligence and bid optimization capabilities to target high-intent travelers, driving stronger booking performance and consumer engagement.

The fifth case study demonstrates how a leading German quick-commerce player leveraged Affle's consumer platform to scale its presence in a new European market, the Netherlands, by combining AI-powered keyword intelligence, App-Genie AI and App-Growth Intelligence to target and convert high-intent grocery shoppers with sustained efficiency. Affle continues to be recognized as a technology thought leader across industry forums. This quarter, our platforms won 3 prestigious awards at the Connected TV Asia Symposium 2026, including Best CTV AdTech for Addressable TV and Best CTV Technology Company of the Year. We were recognized at the e4m India Digital Marketing Awards 2026, including Best Campaign [inaudible] use of mobile and mobile monetization. We also received the gold award for the best cross-channel programmatic campaign at the Agency Reporter Programmatic Asia Awards 2026. Further reinforcing the global recognition, our platforms continue to be recognized across multiple categories and Singular's largest latest quarterly trend reports.

We continue to strengthen our technology IP portfolio through sustained innovation. Our robust IP portfolio, representing 300 plus unique enforceable patent claims, spans fraud intelligence, human versus non-human data distillation, precision targeting, contextual and gesture-based advertising, and next-generation AI-native ads and engagements across key industry verticals, reinforcing our differentiated and defensible position as the digital advertising ecosystem continues to evolve rapidly. As we look ahead to the upcoming festive quarter, we remain encouraged by the demand environment across our key markets. With a disciplined strategy, a resilient business model and a clear roadmap for the next phase of Affle's growth journey, we are well positioned to sustain our

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momentum and create long-term value for our stakeholders. With that, I now hand over the discussion to our CFO, Kapil Bhutani, to take you through the financial details of the quarter. Over to you, Kapil.

Kapil Bhutani – Chief Financial and Operations Officer: Thank you, Anuj. Good morning. I hope all of you are keeping safe and well. Building on our 7-year track record of consistent growth as a listed entity, we have started FY27 with a strong financial performance in Q1. Our disciplined growth is focused on operational efficiency and supported by robust profitable growth. Let me now take you through our financial performance in Q1 FY27. On a consolidated basis, we delivered year-on-year growth of 20.4% in our revenues from operations, 20% growth in our EBITDA and 21.7% growth in our profit after tax. We reported consolidated revenue of Rs 7.47 billion during Q1 FY27, marking 3.1% sequential growth over our robust growth in Q4 FY26. This was driven by broad-based momentum across industry verticals in both India and international markets. Our standalone margin on...

Management: On a standalone basis, our India revenue grew by 20.4% year-on-year and 9.2% quarter-on-quarter. On an adjusted basis, our India revenue increased by 18.1% year-on-year and 5.9% quarter-on-quarter. Our revenues grew across geographies, as India and emerging markets expanded by 20.2% on a year-on-year basis and 4% sequentially, while developed markets expanded by 20.7% year-on-year and about 1% sequentially. Our continued investment in scalable platform operations and intelligent automation has enhanced productivity and operational efficiency. This has supported our business growth with a disciplined workforce, thereby strengthening our operating leverage while sustaining healthy profitability. Consequently, we posted EBITDA of {? 1.68 billion ?}, an increase of 20% year-on-year and a robust 4% sequential growth. Our EBITDA margins also improved from 22.3% to 22.4% quarter-on-quarter. Further, we did not see any major volatility in points rates in the current quarter, as seen in Q4.

Sorry. Coming to operations, our inventory and data costs stood at 63.2% of revenue from operations and remained broadly in line with the previous quarter. Our employee cost increased by 3.4% sequentially, primarily on account of annual increments, appraisals and an increase in bonuses of rupees... Year-on-year, our employee cost increased by 7.8% despite higher outflows due to the impact of currency. Our operations have been executed efficiently with team strategies led by an AI-supported workforce as we continue to scale our global revenue.

During the quarter, our other expenses stood at 5.6% of our revenues from operations and increased by INR 2.3 million quarter-on-quarter due to our ongoing spending on business promotion activities to support expansion across developed markets. We achieved profit before tax of Rs 1.58 billion, reflecting growth of 22.1% year-on-year and 6.6% quarter-on-quarter. Further, we grew our profit before tax from operations by 4.7% sequentially. Our profit after tax stood at Rs 1.28 billion, an increase of 21.7% year-on-year and 7.5% quarter-on-quarter. Our PAT margin improved to 16.6% of total revenue, up from 16% in Q1 last year. On a sequential basis, our PAT margin improved marginally by 14 bps, with an effective tax rate of 18.6% for the full year; this is based on the full-year basis of FY26. We continue to prioritize efficient working capital management and, as such, there were no material changes in our collection risk. The company is on track to achieve a robust OCF-to-PAT ratio for the full year. We achieved 110% operating cash flow to PAT in FY26. This upfronting of higher OCF from last year is being reflected in the OCF for the current quarter.

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We believe that as we move to Q2, OCF-to-PAT ratios will normalize.

Backed by our strong performance and balance sheet and disciplined capital allocation, we remain well positioned to pursue both organic and inorganic growth opportunities in line with our 10X vision. We continue to invest in scalable technologies, strengthen our global revenue mix and execute with financial discipline as we create long-term value for our stakeholders. With this, I end our presentation. Let's open the floor for questions.

Operator: Thank you very much, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press * and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press * and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We have our first question from the line of Karan Taurani from Elara Capital. Please go ahead.

Karan Taurani – Elara Capital: Hi. Thank you, and congratulations on a great quarter. My first question would be on this geopolitical impact. You mentioned that 95% of the markets grew by 25% and above. Could you throw some light here in terms of which markets exactly saw the negative impact? Obviously, one does not know how much time this can last. But could we say that organically, if things were to be normal, we are on track to report growth of at least about 25% on an annualized basis, assuming that the second half would see higher growth because of the festive period and other factors? Can you throw some light on this, please?

Management: Thanks for that question. I think what I was mentioning was that due to regulatory and macroeconomic headwinds, certain customer segments were impacted. We already know that RMG had an impact last year. RMG was a contributor, but this period it is not. Similarly, there were certain areas of impact that we saw in Fintech in certain categories. But overall, when we normalize it, we see that our business gives me a lot of confidence and even deeper conviction because, on an adjusted basis, 95% of our revenues have actually seen more than 25% year-on-year growth. How long will it take for the market forces to adjust? We see 25% growth across 100% of the business, and we will see how that works out. But I think the internal confidence in the ground momentum is very, very strong, and it gives us a lot of conviction to provide medium-term guidance that if analysts are modeling us at 20% growth, they should derive confidence from the fact that 95% of the business is actually growing at 25% plus.

Karan Taurani – Elara Capital: On gross margins, they have been coming off for quite a few quarters. Obviously, this is on the back of investments in some new markets, as pointed out by you. But is there any update on that? When could gross margins see a recovery, or do you think margins, data costs and other factors will lead to gross margins remaining in a similar band for now?

Management: We are doing quite a few things strategically to enhance the competitive moat of our company, especially in developed markets. I think the strategic acquisition of the assets of AdColony is a meaningful addition to what we will unlock as a significant and sustainable competitive advantage. As we activate more than 100,000 apps, as we discussed, we believe we will reach more than 500 million connected devices in developed markets. This will help not only with margin expansion but also with greater ROI delivery to our advertisers and potentially even better performance for the publishers with whom we will integrate. This is definitely the direction

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that we are taking. Margin expansion should happen based on the efforts that we are already making, and that is fundamentally lifting it up.

One of the reasons why you also see an impact on the margin is that, as was mentioned in the last earnings call, if you look at the CPC rate, the average CPC rate is now above 60 rupees. But if you look at it on a currency-adjusted basis, that means we are actually passing some of the benefit to advertisers because of the currency adjustments that are happening. That has impacted the margins a little in the short term. But overall, our business is robust. We are able to create enough value for the advertisers even with these macroeconomic and currency-related headwinds, and yet our margins are actually expanding from a bottom-line perspective. If you look at our profit before tax, it has grown 22% versus revenue growth of 20.4%, and that actually shows that the margin is expanding. Yes, we are negotiating these regulatory and macroeconomic headwinds very well while creating value not only for our customers in terms of delivering ROI, but also for our shareholders. I think you will see better margin expansion within this financial year, especially in developed markets.

Karan Taurani – Elara Capital: Sure. Thank you, that's it from my side. I'll join back the queue.

Operator: Thank you. We have our next question from the line of Vijit Jain from City Group. Please go ahead.

Vijit Jain – City Group: Hi. Thanks for the opportunity, and congratulations on a great, broad-based level of business growth in the quarter. My first question is on AdColony. It has been a few months since you acquired it, and I heard you talk about the 100,000 app unlocks and the 400 to 500 million devices that you aim to leverage with this acquisition. It would be great to know where this stands right now in terms of live app integrations, and whether getting to that 100,000 app unlock requires sales effort from your side. A general sense of what it requires to get to that level of app integrations would also be very helpful to understand. That's my first question.

Management: Thanks for that question. It is an organic, natural course of business execution where we are taking the technology and brand assets of AdColony to the market. AdColony is a very well-established brand name in the adtech ecosystem. In fact, in 2020-2021, we had an opportunity to look at the acquisition of AdColony as an entire company, not just the assets that we acquired, but the entire business and entity of AdColony. At that time, the price we were asked to bid was around 400 million.

AdColony is a big name in the ecosystem, and what we have now managed to do in 2026, which I see as a windfall strategic gain, is to buy those strategic assets. We can now organically, in the normal course of business, with our own existing teams and as part of our business development activities, activate the apps that we already deal with through SDK integration during the year, without incurring dramatically new costs or anything like that. This will unlock deeper reach, a deeper audience and consumer intelligence across 500 million connected devices in developed markets going forward. This is the kind of strategic advantage that we will unlock in the course of this business. AdColony is meaningful and it will happen in the normal course of business. It is not that we have to invest any humongous amount of ongoing capex. I see this as an organic unlocking of value by utilizing the technology and brand assets that we have acquired.

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Vijit Jain – City Group: Understood, thanks. My second question is that you said in your opening remarks that global advertising budgets in general—and I am guessing this is more specific to the areas in which you operate—are growing faster in developed markets than in emerging markets right now. Is that understanding correct? Is that what you were alluding to? It would be great to understand why you think that is happening. That's my second question, and then I will follow up with the last question after that.

Management: India and emerging markets will continue to grow meaningfully for us in a sustained way. We do not see any challenge in that. In fact, we are very bullish about it. In terms of developed markets, what we are saying is that, with the organic as well as inorganic investments that we are making, we will calibrate upward because, if you look at the total advertising spend in the world, developed markets would easily account for more than 50% of the advertising budgets that are being allocated or spent in those markets, given the size of the markets and economies. Therefore, we are also looking at investing in and capturing more of that advertising budget mix for ourselves because we are a global player. When we work with our advertisers, we want a meaningful percentage of that wallet share. It is our ambition to achieve that.

The most effective and efficient path in terms of capital allocation and value creation is what we are going to navigate toward, both organically and inorganically. The AdColony acquisition is one very clear example of that. Had we acquired it in 2020–2021, we would have paid 400 million for it. But we have been very prudent, we have waited, we have been patient, and we have taken the assets that we value and that we know we can use to unlock value. Developed markets are clearly a focus area and represent a huge runway for unlocking long-term growth over the next 5–10 years. Because our base is so small, we can grow fast, and there is a long way to go because we are still small. The addressable market is very large in developed markets, and that is what we are highlighting here. In emerging markets, we have a great competitive advantage in India and other emerging markets, and I think most competitors are finding it hard to keep up with that.

Vijit Jain – City Group: Understood, thank you. My last question, everyone is building out AI and agentic AI in this digital platform. I would like to understand how the cost of data assets has generally moved in response to that. When I look at the broader industry, some of the walled gardens on the social media side have reported higher yields in general on their ads, whereas other large platforms are seeing a lot of competitive pressure. Some of the open-web platforms, specifically Trade Desk, have clearly seen a lot of competitive pressure. In general, for you as a player in this ecosystem, especially in developed-market markets, how have these costs moved? Is there any specific advantage or opportunity that you are seeing from that?

Management: I can tell you that you have asked a very tactical question related to costs and so on. But I would like to tell you that the essence of what is happening with AI is much more strategic and impactful. If you look at the discussion I made, specifically around autonomous agentic intelligent connected devices, I mentioned very clearly what we are talking about.

For example, a mobile phone is a device that works with human input. You have to click, touch and do something to make it work. But it has agentic intelligence in it. You can have AI agents inside your mobile device assisting you in your human experience and in what you are doing. You will also have autonomous intelligent devices. For example, a smart TV, as we call it today, is smart and

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context-aware: it knows who is watching it and what kind of content should be shown. But it will become even more autonomous and even more agenticly intelligent.

You would see vehicles becoming more autonomous and having agentic intelligence. You will see screens outside homes and in retail stores not just being smart screens that show content, but perhaps having a camera that can see who is approaching. If it is a sports person walking nearby, the kind of content it would show would be different from what it would show if an older person or an adolescent were walking by. A lot of screens and a lot of connected digital devices will see autonomous agentic intelligence. That is the kind of AI disruption that we are seeing and working toward, and we are making sure that our innovations and patent portfolio cover all of that, not just in emerging markets like India but also in developed markets where we have covered those patents.

When we look at AI, I see that people are often using AI as an automation tool. That is where the discussion is about cost savings or the cost-benefit analysis of AI. I think that is very basic, very tactical and a no-brainer. Anything that you can automate with AI, you should absolutely go ahead and do. But what we are talking about is much further ahead in terms of human versus non-human content. What is being created by humans? What is being created by AI? Are you showing an ad to a human or to an AI? Are you showing an ad on content created by a human or on content created by AI? Human-versus-non-human data distillation technology will be a key differentiator, and we are already not only working toward that but also ring-fencing that IP.

My answer to you is that we are seeing a lot of advantage, and we are keeping ourselves future-proof and future-ready with respect to AI at a very strategic and deep level.

Vijit Jain – City Group: Understood. Thank you so much. Those were very helpful answers, and I will jump back into the queue.

Operator: Thank you. We have our next question from the line of Deepak Saha from Ashika Institutional Equities. Please go ahead.

Deepak Saha – Ashika Institutional Equities: Thanks for the opportunity, and congratulations on a great set of numbers. I have just one question. If we look at last week in the US, one of the SSPs reported its numbers, and CTV is growing quite rapidly, at almost 35–36%, with very strong commentary around CTV. If we look at your presentation, there is a very interesting case study on CTV conversion for Domino's. I am trying to understand the unit economics for CTV and our broader strategy for CTV, because the base would be relatively smaller on this CTV channel. How are we seeing CTV as a space growing? That's all from my side.

Management: I know which SSP you are talking about, and quite frankly, I am not particularly impressed by any channel-specific commentary. One of the biggest differentiators and competitive advantages that Affle's platform offers is that we are a consumer platform. What do I mean by a consumer platform? It means that we are a consumer-centric platform that maps and ensures we engage with the consumer across the entirety of the connected devices through which this consumer engages during their journey. This includes mobile, and the same consumer who is on their mobile phone may also be watching CTV at home.

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The same consumer might leave home, go to their car and have another autonomous or agentic intelligent connected device in their car. That same consumer may go into a pharmacy for a healthcare-related issue or to a retail store for their usual grocery shopping in a physical setting, and may have another screen with which they engage there. These are called AI CIDs, which are autonomous or agentic intelligent connected devices.

When we, as a consumer platform, look at a consumer whom we want to drive toward a conversion, we can show that user an ad on a mobile screen, on CTV or on other AI CIDs, and drive one efficient conversion with that consumer for our advertiser. This could involve branding and driving an offline conversion, or it could involve online performance and driving an online conversion. This is what we are doing.

In terms of how consumer attention is moving between mobile, CTV and other devices, we believe that the advertising budget, the number of impressions or the amount of engagement that we want from the consumer on those devices should be directly proportional to the consumer's own attention on those devices, and to where we get the maximum conversion-to-attention ratio. At the moment, CTV is showing very positive engagement with our consumers.

For example, the case study that we showed demonstrated conversion-first CTV and cross-screen capabilities. That is what I mentioned in our conversion-first-focused case study. We have a methodology in which CTV works with smart QR codes or other engagement models on mobile phones to drive conversions.

Other companies that do not have a consumer-platform-based approach are simply selling inventory at a particular touchpoint. In my opinion, that business is commoditized. They are selling whatever a buyer is asking for and trying to make their margin on it. I am glad they are making some money for now. But the core difference in our approach is that we are consumer-centric. If the consumer is spending more time on CTV and we can drive conversions from there, Affle is absolutely focused on it. We are conversion-centric, and the channel on which we show an ad—whether mobile, CTV or other AI CIDs—will depend on our algorithm. We are seeing good outcomes at the moment with CTV in combination with mobile.

Deepak Saha – Ashika Institutional Equities: That's really helpful. Just one quick follow-up on the developed-market side. If you can help us understand CTV unit economics, my understanding is that they would be fairly higher, but at the margin level they would stay more or less the same, while the absolute flows would be relatively higher. Is that the right way to think about it?

Management: Yes, that is the right way to think about it. The volumes that we are dealing with in terms of Affle's servers and our consumer platform stack at the backend are much higher because we are globally anchored in emerging markets in a strong way and are now calibrating upward in developed markets as well. The volume of business and the volume of traffic that we are handling for the level of revenue that you see is much higher. I would say it is 5 times higher because in emerging markets there are many more users and many more connected devices connecting, whereas in developed markets you get paid more for a lower level of activity.

In terms of our comparative advantage, we are seeing 2 things. First, we are able to run an almost 22%–23% EBITDA business anchored in emerging markets, which is extremely hard to do given the

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volume of activity that we have to handle and the harsher unit economics. When we go to developed markets, the mathematics is slightly different, but it is to our comparative advantage and favor because our technology stack is handling a much larger volume of data with great efficiency, and we are able to filter, distill and manage it well.

When we go to developed markets, we are seeing better unit economics in that sense. I would not go into the exact margin profile and CPC numbers, but it is sufficient to say that it is an easier journey for us in developed markets than what we have been used to in terms of the unit economics of emerging markets.

Deepak Saha – Ashika Institutional Equities: That's really helpful. Thank you, and all the best for the upcoming quarters.

Operator: Thank you. Ladies and gentlemen, to ensure that management is able to address questions from all participants in the conference, please limit your questions to 2 per participant. Should you have a follow-up question, we request you to rejoin the queue. A reminder to all participants: please restrict yourself to only 2 questions per participant. Should you have a follow-up question, we request you to rejoin the queue. The next question is from the line of Kavish Parekh from 361 Capital Market. Please go ahead.

Kavish Parekh – 361 Capital Market: Hi, thanks for the opportunity, and congratulations on a good set of numbers. In the broader global industry today, are you seeing any early signs of an impact from slowing smartphone adoption globally as high memory prices push device costs higher? Are you witnessing any moderation in the incremental device additions that you typically record each quarter, or any impact on replacement cycles across your key markets? That's my first question.

Management: Thanks for that question. No, we are not seeing any impact. What we are seeing instead is that consumers are spending a lot more time per consumer per device. The time spent on digital content consumption is increasing across the board and across markets, and I think that trend will continue.

We do not really look at whether the device is necessarily new or old. What we are looking at is the consumer's attention and the time spent. In terms of the pure number of devices, including connected devices and mobile devices, we are seeing a steady and consistent number and pattern without any particular deviation from what you described. It could also be that some people, instead of buying a new device, are purchasing a second-hand device, not upgrading or keeping their phone active. We are seeing the number of connected devices follow a consistent pattern, and there is no impact at this moment on all the data that we review.

Kavish Parekh – 361 Capital Market: Understood. My second question is on the OCF-to-PAT conversion. This OCF-to-PAT conversion was relatively weak this quarter at about 41%. You did mention earlier that we also saw a couple of quarters of weak cash conversion last year, which subsequently normalized by year-end. Could you explain in a little more depth what drove this weak conversion in Q1 FY27? Is this an active decision to deepen penetration across certain geographies or verticals? Does it pertain to that?

Management: No, it is just the flow of funds. If I had a 110% OCF-to-PAT ratio, that means I collected about 40–45 crores of operating cash flows in March, right ahead of the year-end. When you are left with fewer receivables to be collected over the next 90 or 80 days, these figures are affected. There was upfront of the cash flows. This will normalize as we move into Q2 and Q3. You will see OCF-to-PAT ratios of about 80–85% by Q3.

Kavish Parekh – 361 Capital Market: Got it. Lastly, on the strong growth and margin performance, could you help us understand the impact of currency movements in this quarter and perhaps over the last few quarters? What part of our cost base is dollar-denominated, and how did the movement of the dollar affect revenues and costs? How much did it contribute to the reported growth? Costs other than data and inventory seem to be fairly well controlled despite part of them being impacted by the dollar. Some clarity on this would be helpful.

Management: As I mentioned in my commentary, this quarter saw stable USD movement against various currencies, not only INR. Therefore, we did not see any additional impact compared with Q4 or Q3, when there was a spike in the USD against other currencies. Seventy-two percent of our business is largely coming from emerging markets and India, where we see the USD as relatively stable.

Management: With respect to the other currencies and the ROIs that have to be guaranteed, including the profits for the clients, we need to adjust the CPC rates because billing may happen in dollars, but we also need to adjust the CPC rates to the ROI required in the clients' local currencies. Only 20% of our business is dollar-to-dollar in the US. For the rest, we have to adjust the CPC rates to the ROIs promised. We are not a service company where we can have a rate card and then convert all the revenues into dollars. This is an ROI-based, CPC-based business in which we need to calibrate the cross-currency ROIs for clients.

We saw a steep increase in US currency rates over the last quarter, and that affected our take rate, or what you can call the inventory cost, in Q4. In this quarter, if you look at it sequentially, we are largely flat because the dollar movement was not as steep.

Kavish Parekh – 361 Capital Market: Great, thanks for that. All the very best.

Management: Thank you.

Operator: Thank you. The next question comes from the line of Anmol Ganjoo from DAM Capital. Please go ahead.

Anmol Ganjoo – DAM Capital: Hi, thanks for the opportunity. I had a couple of questions. Firstly, if we look at increasing penetration in developed markets, which are the key areas or industries that you want to target through organic or inorganic routes? In addition, given that this market is relatively more mature, do you think it can have an overall impact on our growth rate going forward? In this quarter, if we look at growth excluding currency, our developed-market growth would be in the range of 11–12% year-on-year. Is that market experiencing slower growth overall, and as we increase our presence there, can it affect our overall growth rate?

Management: I do not quite agree with that analysis, Anmol. Yes, they are mature markets in the sense that the addressable market is large, and it is possible that growth from an overall high-level macro perspective may be lower. But the fact that we are entering with a smaller base, a differentiated business model and a differentiated technology stack means that we see ourselves growing by at least 20% plus in developed markets consistently.

We see many growth opportunities there. We see growth opportunities in gaming, e-commerce and entertainment, and we are also seeing positive growth in areas such as healthcare. We have a very strong thesis across some of the top 10 verticals in which we are deeply verticalized. When we enter this market with our approach as a consumer platform and a CPCU business model covering the entirety of the consumer journey, we should be very optimistic and very clear that at least 20% growth is a sensible level to peg there.

I mentioned earlier that internally, when we execute, all our business plans are pegged at 25% growth. We are very convinced and are seeing the right kind of momentum on the ground to realistically peg ourselves internally at that level. When our external stakeholders and analysts are modeling us at around 20%, I do not see why that should be tapered down because of developed markets, given that the addressable market is so large, we are small, and we are giving you a very clear thesis of our differentiated execution pathway. Anmol, are you there? Hello?

Anmol Ganjoo – DAM Capital: Yes. Thanks for that. My second question is regarding SDK integrations for us in developed markets. Are you seeing greater willingness among premium app publishers to integrate Affle's SDKs? How should we think about potential SDK penetration within developed markets?

Management: Thanks for that question. I answered it in the context of our acquisition of AdColony's strategic assets, which include the technology stack and the SDK. They also include the AdColony brand. The AdColony brand has goodwill and a reputation, especially in developed markets, where publishers have made money by integrating the AdColony SDK for the last decade or almost 2 decades.

With that kind of reputation, our execution pathway very clearly shows that within this year we will activate 100,000 mobile app publishers, and that should result in 500 million connected devices in developed markets. That is a significant competitive advantage being unlocked in the process.

It is not just about what AdColony stood for. AdColony powered by Affle will have unique differentiators in the way we unlock value for the ecosystem. We will see this in due course, but this is again an organic business development journey for what we were already doing. It will give us an accelerator because of the AdColony brand and the trust that it has in the ecosystem. Affle may have a shorter runway in developed markets, but with AdColony we are bringing a lot of credibility as we engage with brands and advertisers to deliver performance to them.

Anmol Ganjoo – DAM Capital: Sure, understood. Very clear. Thank you so much for answering my questions.

Operator: Thank you. We have our next question from the line of Omkar from Shree Investment. Please go ahead.

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Omkar – Shree Investment: Good morning, and congratulations on a consistent performance. I have a question regarding the new large acquisition that you were discussing. Can you give us a ballpark indication of what it could look like for Affle and how large it could be? What could the margin profile look like? Earlier, the margin profile used to be lower for the acquisitions you had made, and that had dragged down your overall margins. How could it look this time?

Management: Thanks for that question. First of all, with respect to our M&A, our board and management have always been very transparent with our shareholders throughout the process because we know it is a meaningful decision for the future. We have been very clear all along, whether we had shortlisted a certain number of companies, conducted due diligence on a few of them or reached the current stage where we have appointed third-party due-diligence advisors to conduct deeper due diligence on the target.

We are looking to complete the process by early 2027. In terms of our approach, we are very clear that any acquisition we undertake has to be accretive to the bottom line, support a sensible margin profile for the business and, very importantly, not slow us down on our growth trajectory.

I would sign on the dotted line and invest only if I am convinced that, under Affle's leadership, the combined entity—the existing business as well as the new inorganic acquisition—would continue to deliver at least 20% growth and meaningful bottom-line performance, growing our earnings per share and our cash flows meaningfully overall. That is the mindset with which we are going to execute. You should be very comfortable that we are not looking at something that will either slow us down or fail to be accretive to the bottom line.

Omkar – Shree Investment: You mentioned that investors should not be worried about slowing down, but actually this should enhance your growth rate, right? You are talking about large-size acquisitions.

Management: Absolutely. The enhancement in growth is not due to the inorganic business alone. What I am saying is that the combined entity, on an organic basis going forward, would still grow above 20% and would be accretive. What is important to understand is that we are not just accumulating size. We are ensuring that even at a larger size, our speed, velocity and efficiency, as well as the spirit and DNA of the organization, remain on track. We are not going to do something that would fundamentally change that thesis. Does that make sense?

Omkar – Shree Investment: The other question is about the 10X target that you had mentioned. Practically, if you look at the numbers, it would require around 25–26% growth for a decade from the date on which you announced the 10X target. Over the last 1–2 years, growth has been somewhere around 20%, or approximately 21%. Is this more of a backward-looking growth rate than the forward-looking growth you are talking about because of the M&A and other initiatives you will undertake?

Management: When we made the 10X growth target with a decadal view, we also mentioned that we would hopefully achieve it in half the time of the decade. Our past track record shows that we achieved 10X in 5 years, and I would like to maintain that.

To achieve 10X in 5 years, we need a combination of more than 20% or 20% organic growth, along with meaningful and important strategic acquisitions that, when combined, should also continue to grow at a 20% plus growth rate. If we achieve that, the next milestone for us should be \$1 billion of revenue, which should be around the corner in the next few years with organic growth as well as an acquisition. I think we are very well on track for the 10X plan that we have.

I tell my team internally that I am 48 years old, and I think I have at least 2 more decades ahead of me in terms of providing meaningful and productive leadership to Affle. I would like to see at least 2 to 3 10X growth cycles during that period, hopefully taking us to a much greater height, where Affle deserves to be. That is the mindset with which we are navigating this journey. I think you should see the first 10X journey in the next few years; it should not take so long.

Omkar – Shree Investment: Just one clarification on that front. When can we actually see the numbers you are talking about on the ground? The last 5–6 quarters have been around 20%, which is why I asked this question. When can we see acceleration?

Management: My answer is that the last few quarters at 20% should give you the right kind of confidence. We have also told you that the other step change will happen through acquisitions. I have already told you about the strategic acquisition of AdColony and how we will organically unlock differentiated competitive advantage there.

We have given you guidance that the larger M&A is going to happen. We have consistently told you that we have been working on it for the last year or so. We have also raised the appropriate amount of funding to get ourselves ready for that. We have given you a consistent timeline: third-party due-diligence partners are now working on it, and we will close the transaction in early 2027. We will report back to you on the progress and maintain transparency to the extent legally permitted.

You should have a lot of confidence in that thesis because 20% organic growth is the right level of anchoring, and the 6 quarters in which you have seen that growth should validate the thesis. Along with that, a step change from acquisition-based M&A is the way to reach 10X growth. With the acquisition, we want to ensure that the combined entity continues to move forward with the same growth velocity and efficiency, both in terms of revenue growth and margin expansion. That is our thesis, that is how we are executing, and we are absolutely on track. Thank you, Omkar, and we will keep you updated on the performance [inaudible].

Operator: Thank you. We have the next question from the line of Samarth Patel from Equirus Securities. Please go ahead.

Samarth Patel – Equirus Securities: Thank you for providing me the opportunity. My first question is that, if I look at this particular quarter, direct customers contributed around 79% of revenue, compared with around 74% for the full year FY26. This is a sharp step-up. Is this a one-off or a genuine mix shift that we are currently seeing, and how do you expect the agency channel to trend from here onward?

Management: For us, serving the advertiser either directly or through its agencies is not something we distinguish between. We do not show any strategic preference one way or the other. What is most important for us is that, whether the advertiser has a billing relationship with us directly or

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through its agencies, it must have a direct technology integration with us.

That data integration of advertiser intelligence and audience intelligence is extremely important to the way we execute our consumer-platform, CPCU-based business model. Therefore, 100% of our business has direct advertiser integration. It is important to report, from a revenue standpoint, what portion of revenue is flowing directly from advertisers versus agencies. But from a strategic point of view, you should view it as direct advertiser integration, through which we deliver conversions for the advertiser using our technology integrations.

Our relationships with agencies are very strong and I think they will continue to strengthen. In certain emerging markets and industry verticals, advertisers have a tendency to work directly with our platform because we are very strong in these markets. It could be slightly different as we grow, expand and calibrate in developed markets. Therefore, this percentage will change based on how we evolve from here. The calculation might also be slightly different depending on the kind of acquisition we undertake.

I would not provide guidance on that, but what is very important for you to note is that the end advertiser has a direct technology integration with us. That is the most important aspect here.

Samarth Patel – Equirus Securities: That was very helpful, sir. My next question is about our vertical mix across categories E, F, G and H, specifically in India for this particular quarter. Could you provide any qualitative view? Which verticals grew the fastest? That would be really helpful.

Management: Absolutely. Categories E and F are the categories that are robust and doing very well for us across the board. In category G, RMG, the recovery phase is still continuing, and I think that is well understood. In category H, healthcare and hospitality are also doing very well at this moment, and we have very strong conviction there.

Overall, in categories E, F, G and H, I would rank them as E, F, H and G in terms of how we are performing in India and emerging markets. But if you look at developed markets, it would be E and G performing better at this moment than F and H. We still see strong momentum and possibilities ahead in F and H, but this is just providing you with a qualitative view.

Samarth Patel – Equirus Securities: Understood, sir. That was really helpful, and that's it from my side. Thanks for providing me this opportunity.

Management: Thank you.

Operator: A reminder to all participants: please restrict yourself to only 1 question per participant. Should you have a follow-up question, we request you to rejoin the queue. Ladies and gentlemen, please restrict yourself to only 1 question per participant. Should you have a follow-up question, we request you to rejoin the queue. The next question is from the line of Sagar Karkhanis from Ashika Institutional Equities. Please go ahead.

Sagar Karkhanis – Ashika Institutional Equities: Thanks for this opportunity. I wanted to understand, in the developed markets, whether we see higher growth going forward in the US market or whether higher growth will come from the non-US market. Thank you.

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Management: We expect meaningful growth in developed markets. We are very convinced by the kind of case studies we have built, the inroads we have already made and the team that we are building. We have very strong momentum at this moment, and we see competitive advantage in the way we are executing.

We have not split the growth between the US and non-US markets. But we are seeing meaningful growth in the US. The US is the largest market, and I would say that the US is where the strategic focus will be, both organically and inorganically. The US should be growing across categories E, F, G and H for us. The verticalization strategy is working, the CPCU business model is working, and the consumer-platform business approach across mobile, CTV and other AI CIDs is working very well for us.

Sagar Karkhanis – Ashika Institutional Equities: Great, sir. Thanks for that. Thank you, and all the best.

Management: Thank you.

Operator: We have our next question from the line of Sanjil Adha from Bastion Research. Please go ahead.

Sanjil Adha – Bastion Research: Thank you so much, sir, for the opportunity, and congratulations on a very good set of numbers. I wanted to highlight that the press release mentioned an investment of 136 crores in Bobble, and in a recent press release, the company filed for bankruptcy due to non-payment of debt and interest. As a prudent company, have we written off this amount or made a provision for it? Sooner or later, this could be the case because either we will have to write it down or, since the company is no longer doing any further business, take some similar action. I wanted to hear your views on that. What are we doing on this matter?

Management: Thanks for that question. Fundamentally, our management and board believe that Bobble, as a technology and keyboard platform with over 15 million to almost 15-18 million active users in India, is a valuable asset. We strongly believe, and this has been validated by some of the court orders from Singapore arbitration as well as the Indian High Court, that it is not being managed well by the management of that company.

The court orders granted our company inspection rights to inspect how it was being managed and mismanaged. Even after the court orders and the SIAC orders, the management denied us those inspection rights. To avoid several of these clear court orders that had gone against the company's management, we believe that, for a very paltry sum of 5 crores or something, they have allowed these insolvency proceedings to happen.

The matter is before the courts. We have appealed and challenged it. We believe that something inappropriate is happening, and we will take appropriate action on the advice of our lawyers. We are also evaluating what should be done in this regard. Therefore, our auditors, audit committee and board have all approved the appropriate level of disclosures that need to be made, which addresses your question.

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I think we will be prudent and take a decisive step in the next few quarters. At this moment, our view is that we need greater clarity and inspection ability regarding the underlying asset to determine its absolute and reliable value.

Sanjil Adha – Bastion Research: Sure, sir. Thank you.

Management: Thank you. Kapil, do you want to add to that? I hope I have answered it appropriately, but if there are any clarifications you need to provide from a legal perspective, please complete it on my behalf.

Kapil: From the accounting perspective, as discussed, and since it is an ongoing case, there is no reliable basis for making a permanent impairment provision on the asset. As discussed, the impairment would be tested once the appeal is decided in NCLAT.

Management: Thank you.

Operator: We will take that as the last question of the day. I would like to hand the conference over to the management for closing remarks.

Management: Thank you very much for your continued support and belief in our journey. As I mentioned, we are on course for our 10X growth plan, and we will deliver it well ahead of the end of the decade. Our track record shows that we have done it in 5 years before, and I would like to achieve it again.

It will be a combination of an organic growth model at a sensible level of around 20%. We have shown you clear evidence of why that is reasonable. We are also transparently providing guidance on what we are looking to do inorganically. Therefore, there is a lot of conviction that we will achieve our 10X growth plan sensibly.

While achieving that, we will maintain our velocity in terms of growth as well as bottom-line efficiency. With that, thank you very much, and stay tuned.

Operator: Thank you. On behalf of Elara Capital, that concludes the conference. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.