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"OnMobile Global Limited Q1 FY26 Earnings Conference Call"

August 14, 2025

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CHIEF EXECUTIVE OFFICER

MR. RADHIKA VENUGOPAL - GLOBAL CHIEF

FINANCIAL OFFICER

MR. BIKRAM SHERAWAT - PRESIDENT AND CHIEF

OPERATIONS OFFICER

MODERATOR: MR. PRATIK JAGTAP – ERNST & YOUNG – INVESTOR

RELATIONS



Pratik Jagtap:

Good day and welcome to Q1FY26 Earnings Call of OnMobile Global Limited. Representing the Management today, we have FC, Executive Chairman and CEO; Radhika Venugopal, Global CFO; Bikram Sherawat, President and COO. The call will start with brief update about the overall performance during the quarter by FC. Radhika will update on financials, and then Vikram will share insights on operations. After that, we will open the floor for the Q&A session.

I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties that we see. For such lists and considerations, please refer to the earnings presentation. OnMobile Global undertakes no obligation to publicly revise any forward-looking statement to reflect future or likely events or circumstances.

Having said that, I now hand over the floor to Mr. FC. Over to you, FC.

François Sirois:

Thank you. Thank you all for joining this quarter call. Good quarter. I'm quite happy.

Last year, we discussed the importance of signing important contracts. This quarter we had both, the traditional business growing, and we signed important contracts with Buzzmo, which was our Enterprise Connect service, which is now renamed Buzzmo as a global product. So the first big contract was signed. And as you can see from the results, Mobile Entertainment business up 13%. It's good because it's been many quarters that it's been dragging us. So, to have this push - as we said, it was stabilized. We felt the traditional business was stabilized. Now at least it's back on growth. So that's a good one for this quarter.

Second of all, the number of subscribers on Gaming is still growing. So that's great. We have some sales also coming on the Gaming platform. So that's also great.

As I shared with you last quarter, we really focus on profitability and cashing in some assets that we have on our balance sheet. So, you saw our cash position increase. We have other assets on the balance sheet that I see that we can capture and transform into cash. We also have an operating budget where we want every single quarter to be cash flow positive, generating cash for every single quarter from this point. So, we're past the stage where Gaming is needing a lot of money. Gaming is making money and Mobile Entertainment is, as usual, making money, but now with growth. And as you can see, it has an impact on our PAT, has an impact on our cash. And at least it gives us a good position to be able to look at opportunities differently now. But the focus for the coming quarters is really cash generation.

One thing that you'll notice, I'm sure, is the DeOSphere revenues. We've decided to be precautious and defer the revenues on DeOSphere. We have a fundamental issue with their software. So, it's one thing to book revenues, another thing to make profit, and it's another thing to have operational issues with software, obviously. So, we really need to sit down with DeOSphere and align with this. And to be cautious, we decided to defer the revenues. But as you can see that has an impact on our profitability. To this, I'm going to pass it to Bikram and Radhika for the finance.



Bikram Sherawat:

Thanks, FC. Good afternoon, everybody. I'm very pleased that our FY26 has started on a strong note.

We are actually growing in our key business. FC spoke about profitability. We are improving our profitability. When I talk about sales, we are building a pipeline that gives us confidence for the coming year. Our focus going forward is actually driving sustained growth of our Mobile Entertainment business and rapid scaling of our Gaming business. And we are going to enhance our margins through these diversified revenues, which come from both of these streams. Specifically on Mobile Entertainment, where we have grown by 13%, right, we have delivered a solid progress. This has been supported by new greenfield deployments in our Tones business. We have renewed our large customers on our Tones on multiyear contracts, and we've had positive developments, where our business operations' focus across key markets has helped us increase revenues. Revenues grew strongly over Q4, and our Tones base stands at around INR 57 million right now. While we did experience a deal closure of one service for Tones closer to home, we still achieved a healthy expansion of our user base. Despite this and other regulatory challenges, our diversified portfolio and reach helps us maintain the momentum, and we continue to adapt and adjust our approach in the markets where we need to focus beyond the current ones.

The same is demonstrated in our effort in the direction of the license deal. FC just mentioned about one key deal. As I outlined in the last quarter also, license deals are a large lever of profitability. And yes, we have had one key win in Q1 for our enterprise communication offering, Buzzmo. It actually reflects a very big milestone in OnMobile's history. It's a 5-year deal with a Middle East operator, and we have multiple more opportunities which are under discussion for this line of product.

Coming to Gaming, Gaming continues to be our growth engine. Our subscriber base crossed 12 million, growing double digit, and it's up to around 58%, 59% from last year. The total Gaming ARPU has grown steadily since last quarter, with ONMO ARPU consistently leading the way. Gaming subscription has grown by 25.2% on the year-on-year, and it reflects strength of our content mix and our proposition as preferred to gaming partners for telcos. We touched upon and showcased about the Gaming platform and our discussions with telcos. We are expanding this offering, and it's going to evolve into a full-blown gaming and digital content landscape, which is powered by tech. And there are many active engagements which are underway with Tier 1 telcos. In fact, we've got one win already for our Gaming platform.

Looking ahead, we continue to focus on Mobile Entertainment. We will deepen our Gaming monetization, take our products to new geos, and focus on securing multi-year recurring revenue streams on licensing as well. With a strong start in Q1 and a healthy pipeline, we believe FY '26 is going to be the year for faster growth and stronger profitability.

Thank you. I'll hand it over to Radhika, who will take us through the financials.

OnMobile Global Limited August 14, 2025

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Radhika Venugopal:

Thank you, Bikram. Good evening and thank you for joining us. I'll cover the Q1FY26 performance now.

In Q1FY26, revenue was recorded at INR 127.6 crores, which is an increase of 1.2% year-on-year and up by 10.2% quarter-on-quarter, excluding DeOSphere revenues, which we deferred. EBITDA improved to INR 6.5 crores at a margin of 5.2%, and this is 7x year-on-year. Profit after tax came in at INR 15.6 crores. Gross margin expanded to 54.4% versus 51.1% in the last year same quarter, reflecting the mix and cost discipline.

Gaming continues to be a growth engine. Gaming subscribers reached 12.04 million, growing at 58% year-on-year and 13% quarter-on-quarter. Gaming subscription revenue was at INR 31.7 crores, up by 25.2% year-on-year. In June, Gaming subscription on a monthly run rate basis reached USD 1.3 million. Within the Mobile Entertainment segment, revenue was at INR 95.6 crores, which is up 13% quarter-on-quarter, and we closed the quarter with a gross cash of INR 108.6 crores, reflecting positive operating cash flows and statutory refunds.

Operating discipline remains a focus. Our people cost was INR 26.9 crores, which was down 9.7% quarter-on-quarter, and 6.6% Y-o-Y. Marketing was at INR 24 crores, which is down 1.5% quarter-on-quarter and up by 5.6% year-on-year based on the subscription revenue growth. Other OpEx was at INR 10.67 crores, which was down 14.4% on a quarter-on-quarter basis. Our days sales outstanding stood at 106 days.

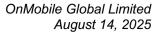
As a matter of prudence, we have deferred revenue recognition from DeOSphere contract while we work with the partner to address software restriction concerns that affect SLAs. This does not change our commitment to quality of earnings and risk management. Our priorities are clear, which are profitable growth, higher operating cash flows, disciplined capital allocation and relentless execution. So, we are executing a two-pronged growth plan, scaling subscriptions and monetizing Gaming platform.

On profitability, we are focused on operating leverage. The step-up in gross margin and the reduction in OpEx sequentially are trends which we intend to sustain while reinvesting selectively in growth. Capital allocation will remain prudent. With INR 108.6 crores in gross cash, we will prioritize working capital discipline, business scale-up and product innovation. We will choose quality of revenue over speed as always. Q1 demonstrates resilient top line, expanding margins and strong cash. With accelerating subscription momentum, a scalable platform and trusted telco partnerships, we remain confident in delivering growth and discipline through FY26.

Thank you, and I look forward to your questions. Over to you, Pratik.

Pratik Jagtap:

Thank you, FC, Bikram and Radhika. We have our first question from the line of Deepak Poddar.





Deepak Poddar: So first, I just wanted to understand, in this first quarter, our revenue mix from Gaming was 25%

as compared to the fourth quarter, it was 47%. So, on an absolute basis, that means our Gaming

revenue has declined quarter-on-quarter?

Francois Sirois: Keep in mind, we've deferred the revenues from DeOSphere, right, which was considered as

gaming.

Deepak Poddar: Okay. How much was the impact of this DeOSphere contract?

Francois Sirois: Radhika, you can answer this, the exact impact?

Radhika Venugopal: Yes, it is INR 43 crores.

Deepak Poddar: Okay. So, INR 43 crores revenue, I believe, would have come in first quarter if this would not

have been deferred.

Francois Sirois: Yes.

Deepak Poddar: Okay. So how do we see that going forward? Do you expect this revenue to come back. I mean

what is the future pace of action?

Francois Sirois: On DeOSphere?

Deepak Poddar: Yes.

Francois Sirois: Yes. I mean, honestly, we really have to have a deep discussion with our partner here and realign.

This is why we deferred the revenues as prudence. They have very big customers. We can do very big business. But we have to assess on the other front the issues that we have today, and it needs to make sense. Money is not just one piece of the equation. You need to be able to operate in a decent manner. And right now, this is why we've deferred, and we can't answer more to your question because we really have to line up with our partner here and make sure that we can fix

this situation.

Deepak Poddar: Okay. But is there a possibility that in future this revenue doesn't come at all? I mean, is that a

possibility also?

Francois Sirois: There's a possibility we decide not to continue in this modus operandi because it does create

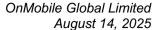
issues. And there's a possibility that we onboard their big customers and that we will continue.

So, this is the situation right now.

Deepak Poddar: Fair. So now on the back of assuming this DeOSphere contract doesn't come through and I think

earlier we were guiding for about 50% growth in our Gaming revenue. So, I mean, last year, it was around close to INR 207 crores. So, 50% growth. So how should we look at this guidance

right now in terms of Gaming revenue growth?





Francois Sirois: Putting aside DeOSphere, I still see the Gaming subscription business, as we've given, right, we

target to be at \$2 million a month by end of March in 2026. So, in the next 8, 9 months, 10 months, we will be at a run rate of basically \$24 million a year. Now, if you take the 1.33, we're basically at \$16 million a year on subscription revenues, right? So, I really see the subscription

revenues growing from \$16 million to \$24 million, which is 50% growth.

Deepak Poddar: So, on an average, maybe this year, we might look at \$20 million kind of a number?

Francois Sirois: Yes, exactly. If you take the average between \$16 million run rate and then going to \$24 million.

Deepak Poddar: Around INR 180 crores, INR 190 crores as compared to what we did about INR 200 crores. And

what sort of margins one should expect in the Gaming?

Francois Sirois: You see, the margin is really increasing. Just to highlight the marketing cost that we had last

year, right, we mentioned it a lot, right, because we activated so many accounts. It was really costly to launch a new account, start the marketing. So, our cost of marketing was very high. Now if you look year-over-year, right, our marketing grew by 5%, but the revenues grew by 25%. So, this is because we optimized the marketing, right? I really believe that from this point we can optimize marketing more so that the growth that's coming is bringing way more profit than what we have as a base. We still target a good 25% EBITDA margin on Gaming, and I don't

see why it should not be at least that amount.

Deepak Poddar: 25% EBITDA margin. And is this something which we can achieve this year itself? Or this year

will it be difficult because of smaller scale?

Francois Sirois: Honestly, now we're still deploying new customers, right, we're still optimizing. So, I'm saying

within the next 12 to 18 months that this is the target.

Deepak Poddar: Next 12 to 18 months. And what is our EBITDA margin currently in this Gaming? I mean this

INR 32 crores revenue that we did in the first quarter, what was the EBITDA margin we saw in

first quarter in Gaming?

Francois Sirois: Gaming was breakeven.

Deepak Poddar: Breakeven at INR 32 crores kind of a revenue?

Francois Sirois: Keep in mind, we're investing still in new gaming products, right? We're still developing the

Gaming platform. We still have many aspects to it. So, all this development right now is covered

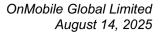
in our operation. We don't capitalize.

Deepak Poddar: Okay.

Francois Sirois: When we built ONMO 3 years ago, right? We invested a lot of money that went into

capitalization. So, two things that happened, right? So now our revenue base is obviously bigger

for all the Gaming service, and everything that we build we reuse for our new service. So, the





additional development, although it's costing a bit of money, is nothing compared to the investment that we had to do to build our Gaming infrastructure. And now the critical mass is attained so that we still grow and make investment in Gaming and start making profits. So now we're basically breakeven on Gaming and all the next phase of growth is going to be profitable.

Deepak Poddar: Fair. I got it. And on the traditional business side, Mobile Entertainment, now that we have seen

growth and some new contracts are coming through. So, what sort of growth target we have for

this year, FY26 as a whole?

Francois Sirois: It was 5%. We grew this quarter at 13%. It's both, right, the base business that grew a bit and

this new contract with Buzzmo. This new contract is license-based. So obviously, it's more lucrative than just the base business. As Bikram was mentioning, right, we've put a lot of effort on their sales team to really push big contracts. We have a lot of big contracts in the pipe. So now our expectation is that every quarter, we have a good line of contracts that adds to our core

business. And these contracts have a bit more margin than what we have in the core business.

Deepak Poddar: So, what's the growth range we are looking at in this Mobile Entertainment?

Francois Sirois: I would say 5% for now. It could be higher than 5%. But for now, just to be conservative, on a

yearly basis we aim at 5%.

Deepak Poddar: Okay. So that's very conservative, right, I mean 5% growth that you're referring to.

Francois Sirois: Of course, now we just did 13%, right? But we have to continue the trend, right?

Deepak Poddar: 13% is now quarter-on-quarter growth. What's your Y-o-Y growth in this first quarter of Mobile

Entertainment?

Francois Sirois: Radhika, we're down, right, year-over-year?

Radhika Venugopal: Right. 4.9% down year-on-year.

Deepak Poddar: So, 4.9% we are down. So, in that terms, the run rate we are down, I mean.

Francois Sirois: On the last 12 months. But the next 12 months, we're going to be up 5%, at least.

Deepak Poddar: 5%. Okay, okay. Now I understand. And what sort of margin range are we expecting in the

traditional business?

Francois Sirois: Well, traditional business has always been running at a 15%, 18% EBITDA margin. Now that

was on a stable or declining base, right? It's very tough to make profit when you decline. You're just eating up your profit because it's always like the contract, the most lucrative one, that you lose. So, to be honest with you, with a good growth of 5%, 10%, that could go back also in the

20%, 25%. But for now, the target is 15% to 18% on traditional.



Pratik Jagtap: Thank you Deepak. We have the next question from the line of Slade Alexander.

Slade Alexander: I just wanted to follow up on an investment that had been made earlier. So, the start-up, the

Chingari investment, you all had mentioned last time that now this is kind of a write-off, it's just a pure VC play. So how much do you all expect to recover from this investment, firstly? And also going forward, now with the cash balance, are you all looking at any kind of investments in start-ups or anything? Because I think initially that QIP that had been talked about, half of it was also for M&A kind of purposes and half was for the CapEx. So, I understand the QIP has been put on hold for now, but you all were intending to look at some acquisitions, right? So, I just

wanted to know if that is still on the table.

Francois Sirois: Yes, thanks for this question. Yes. Chingari, clearly, as I said last time, and it still remains, right,

we had some synergies that we thought we could have with ONMO. There's no synergies. We are in discussion with them and with potential buyers to sell our investment. It's not closed yet. Hopefully, in the coming quarters, we'll be able to dispose of our investment. Our target is to at least get the value that we have on books today. So, the value that we have today on books, that's part of the assets. When I say we have assets on books that we want to convert into cash, that's one of the assets that I want to remove from our book and it's going to stay in our books, obviously, but in the cash section, not in the investment section. Investment in start-ups, to be honest with you, my view is we're not a venture capital and needs to have a lot of synergies. So, my view of M&A is not buying a start-up. My view of M&A is buying a company that's been out there for multiple years that's making profit, and that we together could make even more profit because there are synergies, right? So that's the kind of M&A I see that we could do.

Obviously, having a positive cash position and the possibility to do a QIP to finance the acquisition helps. Raising debt is always a bit difficult on a global level because most enterprises that we deal with, we deal in multiple countries in Africa and Asia and other countries where it's a bit difficult to raise debt. So, it's probably equity. So, to have a cash position that's healthy and being able to do a QIP to do an M&A is something that would make it feasible. Now we just have to make sure that we find the right acquisition and that it makes sense and that the risk is reduced by buying them, not increased, right? So, it's all a question of risk management. But yes, it's still a possibility that we, in the next 12, 18 months, close on an M&A that could be

Pratik Jagtap: Thank you Slade. Participants who have questions, can raise hands.

Francois Sirois: No other questions?

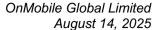
Pratik Jagtap: As of now, none.

Francois Sirois: Simple results. That's good. It doesn't bring questions when it's simple.

Pratik Jagtap: There is one question in the chat box from Tarun Kumar. He is asking, can you show some of

your products?

significant.





François Sirois:

Yes. And thanks. I had promised this, that we would show. Actually, we have a new product that I want to show you, but we're negotiating right now with some key operators, and we want at least to have one sign before we show our future product. What we're going to try to do, I'm not going to wait the next quarter, because next quarter is actually in November. We have the AGM that's coming up on the 23rd of September. So, at the AGM, we'll use the opportunity to showcase the products, the gaming platform that we have in our updates on ONMO and CA so that you can see the products. And hopefully, if we can sign a term sheet with one of our key customers on the new product, we'll be able to show them our new product also. So, thanks for your patience. I know I said that we would showcase the products, but let's wait another month for the AGM to do so. And I promise on the AGM we'll showcase some products.

Pratik Jagtap:

There are two more questions in the chat box. First one is from Tarun, can you bifurcate how cash has increased this quarter?

François Sirois:

Radhika, do you want to comment on this?

Radhika Venugopal:

INR 60 crores was pertaining to income tax refund. The rest from operating cash flows.

Pratik Jagtap:

Hope that answers your question, Tarun. The second question is from Arun Kumar, are you exploring any new opportunities outside of Gaming and traditional Mobile Entertainment business?

Francois Sirois:

To be honest with you, I've looked at many opportunities, but I like to focus. I really think that already by serving the operators on both Mobile Entertainment, which can be large, because in Mobile Entertainment, we have our communication platform also, Buzzmo, right, and Gamize, which is touching a bit of gaming, but a bit of SaaS-based engagement. So, when we add this plus the Tones business, plus the news videos business, plus all of gaming, Honestly, I think we are well diversified. The key is really to capture the gaming market. As you can see, the gaming market is really big. We have huge opportunities. All the operators in the world need a gaming strategy. If you look in the App Store, 60-plus percent of the revenues in the App Store, Google and Apple are gaming. So that's a huge opportunity for mobile operators, and we see it, right? The more we pitch gaming, the more business we get. So again, our subscription revenue is going up, it's one thing, the Gaming platform that we start selling as a license but also capturing part of the in-app purchase and the advertising also. 50% of the mobile gaming revenues are advertising and we were not doing any advertising. So now we're starting to push advertising also in gaming. So, to be honest, I think we have enough business lines. So no, I'm not planning to add anything from this point.

Pratik Jagtap:

There is next question in the chat box from Tarun, can you explain in detail about DeOSphere contract? And is it such a big revenue component?

Francois Sirois:

Yes, it's a big revenue component because we have a deal where they actually leverage on our global network, right? So, all the global networks we have, they get access in each POP. They have servers and they can deploy their software. And this is the exact problem, right, because



we give them access to all the global networks that we have, which is basically some cost for us. To operate, we have a global network. And that's what we realized talking to DeOSphere is that we could actually monetize this. That's why I'm saying monetization is one thing, profitability is another thing, and the way the software operates, is something totally different, right, software operation. And right now, we're in a situation that's kind of awkward, right, where their software is being deployed globally on our servers, and that causes problems that we need to address with them. So that's why, as you can see, we've deferred the revenues till we can really solve the problems we have with DeOSphere.

Pratik Jagtap:

The next follow-up for that is, what happens if it doesn't go through?

Francois Sirois:

To be honest, guys, I really believe in synergies. We've done this not just to make money. We've done this because there were synergies with Gaming, and that's why we booked them in the Gaming revenues. The way it is right now, we don't see synergies. Again, I see a problem, but I don't see synergies. So, I need to address the problem and make sure we see the synergies, right? So, if there's no synergies with Gaming, there's no point for us to really go deeper. So, we really need to understand that component, which was the initial component why we've done that deal. So I mean, if it's not there, to be honest with you, we have so many opportunities in Gaming. Focus is key, right? We can't just do everything. So, let's focus and that kind of revenues will get, and I'm not worried with the new products that we're talking to operators right now. This is the kind of revenue's we have anyways elsewhere. So, I'm not feeling like we're losing anything here.

Pratik Jagtap:

There are two more questions in the chat box. This is from Mithun Aswath. He is asking what is the reason for the share fall in the Q-o-Q revenues? Also, when will be the Gaming business become a significant part of business, so margins become meaningful? Also, cash went up sharply on a Q-o-Q basis. Is it sustainable or a blip?

François Sirois:

Okay. Let me address the first point, right? The only reason that the revenues went down quarter-on-quarter is because we deferred the DeOSphere revenues. Putting aside the DeOSphere revenues, we grew 10% quarter-on-quarter. That's the first one. So, there's actually growth, just that we deferred the DeOSphere revenues. The cash, as you can see, there was a great increase. I still see an increase on monetizing assets that we have on our balance sheet. As I was mentioning earlier, we have the investment in Chingari. We have other assets on our balance sheet. And we have a policy in this year's budget now that Gaming is breakeven and that all the additional growth is actually bringing profit, the traditional business was making profit and with growth is bringing more profit. We have a budget where every single month, or every quarter for us, the cash position will grow. So, it grew quite a bit in this quarter. I'm not expecting this kind of growth every quarter, although if we do monetize our position with Chingari, it will grow again by pretty much the same amount. But in the next quarters, yes, this cash position will grow. That's the goal. And the profitability or the cash position that we have on the operation will grow. What was the question in between? Sorry, I missed one.



Mithun Aswath:

Yes. It was basically when will the Gaming business become a significant part of the overall revenue so that your margins will expand and become meaningful.

François Sirois:

So, as you remember right, we invested \$35 million in ONMO. So, a lot of investment went into CapEx. So, the capitalization was there. This year, we stopped capitalizing. All the development that we're doing is within the current P&L. So, there's no confusion, right? There's no, "Oh, we did that much profit, but we capitalized all this, and the cash position is going down." That's why you see the cash position going up. That's why you see the PAT going up. And the actual Gaming business is big enough to absorb all the development we're doing. So basically, right now, we're on a run rate, as I was saying earlier, of \$16 million. Sorry, I like to work on U.S. It helps me a bit. So \$16 million. We still plan to grow by March, April next year to \$2 million a month, which is a run rate of \$24 million. So, all this growth from \$16 million to \$24 million is very lucrative because it goes on top. And all the development right now is paid in the current USD 16 million base, right? So, all our costs are covered. So right now, we're breakeven on Gaming. And the profitability that's coming along is mostly profitable, all the growth coming along profitable. And the Entertainment business was profitable and is even more profitable with growth, right? So, if you ask me when do we start seeing big, big growth in Gaming and profitability, obviously, in the next 12 to 18 months, that's where I think we're going to be able to show a good 25% EBITDA margin.

Pratik Jagtap:

We have next question from the line of Slade Alexander.

Slade Alexander:

Yes. So just a quick confirmation. So last time on the previous call, you had given guidance of USD 300 million, right, in the next few years. So, I just wanted to confirm, do you still feel that way? Are we still going to achieve that? Are we on track for that? Because it seemed a bit optimistic. I just wanted to confirm that it's still on.

François Sirois:

So, I had said between the next 3 to 5 years, right, just to be clear. I didn't say that. I think the question was, how do you see the long-term vision, right? And I said in 5 years, yes, we can do probably \$300 million. I still feel this way, right, because the market on Gaming is huge. Now the question is, how do we take that market, right? And one discussion that we had on the Board yesterday, is how much risk we want to do, how much investment we want to do, right? The Gaming market is a market where the gaming players today are making a lot of money, and they're very difficult to talk to because we're not really considered as a gaming player per se yet.

Now we're growing, right? So how much money and how fast we want to go. And in some cases, I love to go fast. The reality is that trying to go too fast, we're going to waste more money and we're not going to capture the revenues, right? So we have to take the good pace. And I think we're on a good pace right now, and then we will grow from this point for sure. My aspiration is within 5 years, yes, we could capture \$300 million. I agree with you it's a big number. But keep in mind that the key gaming players today are making a huge amount of money. And it's not us alone, right? If you're just OnMobile, I'd say, yes, it's a bit tricky. It's the strategy that we have that we sign an operator. Each operator in itself is quite big. Gaming for them is quite big. And when we offer them the gaming, all the revenues they make in gaming goes, a big portion of it,



through our P&L. So, if we do the strategy right here, yes, I believe we can do \$300 million of revenues because we'll be basically managing all of gaming for an operator into 100 operators, right? There's no reason that in the next 5 years, we don't have the same 100 operators that we have today fully integrated with the gaming platform, and all the gaming revenues that they capture is through our platform and a big part of these revenues is booked on our balance sheet, right? So this is why I still believe this is feasible.

Pratik Jagtap:

Thank you Slade. We have another question in the chat box from Arun Kumar. He is asking, in a previous call, you mentioned about licensing the infrastructure that OnMobile has created over the last decade with telcos for AI and ML purposes in countries where big players like Google, AWS don't have much presence. Can you expand a bit more on that and if that strategy is going to bring new revenue stream?

Francois Sirois:

Just to be clear, that's the contract we did with DeOSphere, and that was the DeOSphere technology enabling AI at very low cost on servers. And this is why I was mentioning earlier that we had to defer the DeOSphere revenues because their software is bringing other type of problems that we did not anticipate. And for now, if we don't see the synergies with gaming and it brings more problems than solutions, then that's what we have to address. So, for now, I can't answer the question because we really need to sit down with DeOSphere and address this problem. But yes, DeOSphere has a very big customer in AI and gaming running, and the premise was to be able to run on the same gaming server AI-based solution using different resources and maximizing the actual hardware so that on the same hardware, your cost goes down, because while you do gaming, you can actually do AI and you reduce the cost of operating a gaming server. But you can understand that this nice vision works in theory; in practice, a different story. So now we have to address this with our partner.

Pratik Jagtap:

We have the next question from Mithun Aswath.

Mithun Aswath:

The question for you, Francois, obviously, we've seen ups and downs in the company over the last few years, but now we seem to be on some sort of trajectory. Obviously, maybe the market is not reflecting that because it may have lost patience or whatever. But I'm just trying to think from you as a promoter of this company, the market cap is hardly INR 500 crores or so, would you want to do some sort of buyback? Or would you want to buy a creeping stake in this company at these levels? Is there any thought of doing that?

Francois Sirois:

To be honest with you, I've looked at in the years. I've been a Chair on this company for 11 years now, right? So, I looked at every single alternative, including, just to be clear, on privatization. 7 years back, I was like, "We should privatize the company." At this price, it's ridiculous, right? For many reasons, there's always a problem. It's very complex to do so. So, we basically have 50%, 48% of the company. For now, my vision is not to increase that. Would I like to have a partner on board? Certainly. Do I think we can get a partner on board with our vision on gaming? Certainly. Can this partner buy, back to your point, a big part of the company and be a partner with us? It's feasible. Now to do so, I need a bit more time, right, to finish the gaming strategy, right? And you're right, we've been having some ups and downs. The ONMO story, we really



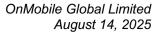
wanted to go D2C, if you remember, when we launched it. We launched it in India first with a nice ad. Cost was up to the roof on marketing. We realized really quickly that it was not a good strategy. We realigned. Now I think we really pushed the ONMO story. It took us a bit more time on marketing, to be honest, to optimize marketing. Like every business, we underestimate the time it takes to establish a new business. You cannot do new business in 18 months, right? It takes a good 3 years. And basically, that's what we have, right? We're 3, 4 years into our gaming strategy, and it took us 2 years to build the initial pillars, 3 years to really optimize the gaming for Challenges Arena, for ONMO. Now to be honest, if I benchmark our current revenues, we started from scratch in Gaming. Our current revenues is at \$16 million, going to \$24 million. If you look in gaming companies, there's not that many mobile gaming companies that started at 0, after 3 years is at \$16 million revenues going to \$24 million. And actually, as I was mentioning on the other call, there's other players in the industry that are valued more than OnMobile and they have in gaming revenues less than half of our revenues. But yes. I mean, if I look at the stock market and I compare to Nazara, right, I mean, it's almost like the Bitcoin, right? I'm not a fervent supporter. The Bitcoin price for me just doesn't make any sense, and Nazara's multiple is for me the same thing as Bitcoin, right? So yes, do I believe in the stock value at this current price? Yes, for me, it's very low, low mark. But again, I don't control the stock price, and I'm not going to manipulate our stock price either. So, the stock is whatever you shareholders feel it is. And hopefully, with the deployment of our gaming strategy, more and more investors in India will like the story and start buying the stock, right? But yes, I agree with you. We had a couple of ups and downs like any story, and for me, it's important to have a very good operation, very steady. And as you can see, now we're in line with cash. And that's why it could be very easy to say, "Oh, wow, we have huge opportunities in gaming. Let's put money there, there and there." We're very prudent on where we put our money, right? So, for me, increasing cash position is key, and we're going to be prudent and from this point on just grow the business and grow gaming. So, I hope that answers your question.

Mithun Aswath:

Yes. Just an added question. Yes, I think in India the only guys who really succeeded are these cricket sort of not betting. I don't know what you want to call those apps. Is there some thought of entering that space? Because that seems to be where a lot of money has been made by those who have obviously, a lot of spend as well.

Francois Sirois:

Just to refresh your memory, when we launched ONMO, we had real money gaming into ONMO exactly that point, right, because a lot of players were making money, a lot of money with real money gaming in India. And we tried to do social gaming with money. To be honest with you, we wasted 1.5 years' and we wasted at least \$5 million to \$10 million on real money gaming. And the reason is very simple. As soon as you put INR 1 that you can win, you get 100 hacksters trying to take that INR 1. And it was unimaginable, the number of people frauding the system, trying to hack this, hack this or this to win INR 1. And the whole team instead of doing all the social features and having a very strong platform, which we have now, because we had that INR 1 that you could win, right, or INR 10, it was crazy. After 9 months, we said, "Time out. That's it. No more real money gaming." It just wasted all our energy in the wrong direction. Plus keep in mind that a lot of game developers don't want to be in real money gaming. So, we wanted a platform that game developers could hop on. They were like, "Oh, no, if there's real money





gaming, we're not hopping on." And a lot of operators do support real money gaming, but a lot of them don't, right? So, it had a very bad connotation. So even if we wanted to just do it half and for fun, we could not. So that's why we're not re-entering the real money gaming sector at all.

Pratik Jagtap: Thank you Mithun. We have the next follow-up question from Deepak Poddar.

Deepak Poddar: Just wanted to understand on the Gaming division, let's say, if you do average of \$20 million

this year, so at INR 32 crores kind of a revenue, we are breaking even. So, at INR 170 crores to INR 180 crores kind of revenue, which would be average INR 45 crores per quarter kind of a run rate. So, what sort of EBITDA margin we can see at INR 170 crores, INR 180 crores given we are in the investment mode? And you're targeting 25% maybe next 12 to 18 months. But at

these levels, what sort of EBITDA margin one can do?

Francois Sirois: Radhika, do you remember what we have in the plans, maybe 5%, 10%? In total, right?

Deepak Poddar: Yes, in Gaming revenue, INR 170 crores to INR 180 crores revenue. So, what sort of EBITDA

margin we can see in the current day?

Francois Sirois: Radhika, am I wrong with 10%? Is that the number we are aiming for?

Radhika Venugopal: Yes, it will be upwards of 10%.

Deepak Poddar: It will be upwards of 10%.

Radhika Venugopal: Yes, 10%,

Deepak Poddar: Okay, I got it. And secondly, on traditional business, I mean, given this first quarter, INR 32

crores breakeven. So, the remaining revenue that we are left with is around INR 93 crores that is traditional business revenue, and there the EBITDA margin I'm getting at is 6.7%, right? So how come we are getting 15% to 18%? Because at this revenue, we are getting around 6.5%, 7% kind of EBITDA margin in your traditional business. So, this 15% to 18% EBITDA margin that

you said, I'm not able to understand.

Francois Sirois: It's the contributing margin, right, per product line. Below the line, we have the head office cost,

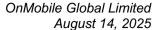
the global cost, the shared costs.

Radhika Venugopal: The allocations are not included in that. What you're seeing as EBITDA in the reported results

is after allocating all the corporate costs, common costs. What we are talking about when we talk about the separate segments of Gaming and traditional business, it is a contribution margin

before allocation of common or general admin expenses.

Deepak Poddar: So, we are talking about gross margin?





Radhika Venugopal: No, it's not a gross margin. Gross margin is only after deducting the direct costs, like admin

costs. When I talk about contribution margin, it is after deducting marketing expenses, the expenses pertaining to the manpower who are working on that particular project, et cetera. But what is excluded is the general corporate expenses and admin expenses, like the rent of the office or any legal and professional charges, which are general, the statutory audit fees, which is

general. All these costs, common cost of running the business, it is not included.

Deepak Poddar: Okay. So, when we said 10% Gaming margins and 15% to 18% traditional margin, we are

talking about contribution?

Radhika Venugopal: On traditional margins.

Deepak Poddar: And what is the annual fixed cost we are talking about that gets subtracted separately from the

number?

Radhika Venugopal: So, on a quarterly basis, it comes to around INR 10 crores to INR 12 crores. So it keeps

fluctuating depending on the optimization measures, et cetera, what we do. This is only on the OpEx. And there is corporate manpower, the common people who are working, et cetera, which will be around INR 5 crores, INR 6 crores of cost. So, these costs are separate, and it's allocated

to P&L, but it doesn't come above the contribution margin.

Deepak Poddar: So, what gets subtracted from this contribution after we arrive at contribution.

Radhika Venugopal: It's all the legal costs, legal and professional charges, statutory audit charges, statutory audit

costs, rentals and other office running expenses, travel costs, which are pertaining to general

travel costs, et cetera. All these costs get deducted from the contribution.

Deepak Poddar: Plus the people cost, the corporate people.

Radhika Venugopal: Only corporate people, yes.

Deepak Poddar: Yes. So that amounts to INR 10 crores to INR 12 crores plus INR 5 crores to INR 6 crores, so

around INR 15 crores to INR 18 crores per quarter?

Radhika Venugopal: Yes.

Francois Sirois: And Deepak, just to tell you, because every year, I look at the entire list of cost. And this year,

just in this quarter, we reduced it by 14% quarter-on-quarter. So we're really looking at cost reductions on every front. So, it's the cost of doing business, as we say here. But there's a lot of

them that we're trying to optimize here.

Deepak Poddar: Okay. Fair enough. But as it stands, around INR 15 crores to INR 18 crores of this cost comes

per quarter. That they are subtracted?



Radhika Venugopal: You can say around INR 15 crores to INR 16 crores. And please keep in mind, it's across the

globe, and these also include international locations and countries where your compliance costs

and other legal costs may be quite high to run the business over there.

Deepak Poddar: No, fair enough. Not a problem. I mean, it's just that I'm trying to arrive at a number. So, this

INR 15 crores to INR 16 crores quarterly gets subtracted from whatever contribution profit we

get. I mean my understanding is correct, right?

Radhika Venugopal: Yes, that's all.

Deepak Poddar: Okay. Fair enough. Okay, okay. That's very clear.

Pratik Jagtap: Thank you Deepak. We have next follow-up question from Mithun Aswath.

Mithun Aswath: I just wanted to understand. You've done about INR 31 crores in Gaming revenue this quarter,

and you mentioned that \$12 million run rate, what is the kind of guidance you have for FY '26?

Francois Sirois: FY '26, the guidance around, as I was saying, we should finish the year or start the next year at

around \$2 million a month. So that's the run rate, right. So now we're at \$16 million in June, going to \$24 million basically. So, the average is going to be between \$18 million and \$20

million of revenues this year.

Mithun Aswath: Right. And at that \$20 million mark, what is the kind of margins we would make on the Gaming

business? Just the Gaming business.

Francois Sirois: Yes, yes. And keep in mind, it's not optimized for an operation that stays at \$20 million because

we're growing at \$24 million, but we're also growing, and the same operation team is actually working on the gaming platform and other gaming services. So just keep that in mind, right? So it's about a 10% margin, I'd say, at the \$20 million average for the year, 10%. And that's why

I'm saying over the next 12 to 18 months, it should be \$25 million.

Mithun Aswath: Right. And just one last one. Is there any thought of raising capital or do you need capital at this

stage to expand? Or are you working within the means that you have right now?

Francois Sirois: Right now, I think we have a very good gaming team. All the gaming development is paid by

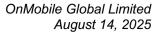
the current gaming operation. And for now, there's no plans to raise money, although I had plans to raise money on gaming. And the reason for it is that instead of running, I want us to go step by step, and if necessary, then raise the money. But we need to make sure that the return on investment makes sense. And just to add one point, though, is that, initially, as you know,

it's a bit complicated, because to raise money in ONMO Inc., we need to have all the revenues under ONMO Inc., right? It's very tough to raise money into a subsidiary that doesn't have the revenue, right? And OnMobile Global is public in India and we have global 40 entities in the

ONMO Inc. is based in the U.S., right? So, our goal was to raise money in the U.S. Tax-wise,

world, where, for a tax reason, we need to have entities everywhere in the world. So the Gaming revenues is everywhere in the world. So it just makes it a bit more complex to do a VC type of

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investment raising money in the U.S. like we wanted to do. So that's just the reality of the business, right? So, I mean the good news is that everything is centralized under OGL public in India. So, if we need to raise money, it will most probably be in OGL, right, for gaming.

Mithun Aswath: Yes. Just one last one. You mentioned you have cash of about INR 100 crores right now. What

are these other assets that you can monetize in the current year to increase the cash balance?

Francois Sirois: Chingari, the Chingari investment that we have. So, if we can sell our position, that's going to

have a nice bump up on our cash. Every quarter, we're going to make money. So that's going to have a nice small bump on our cash, but still, we make money instead of using money, which is different than the last 5 years. So that has an impact. And we have other assets on the balance

sheet here and there that we can monetize also. So that will have a small impact also.

Mithun Aswath: How big would that Chingari investment be now?

Francois Sirois: How much do we have, Radhika, in our books in rupees?

Radhika Venugopal: We have INR 60 crores.

Francois Sirois: So that's the target, INR 60 crores.

Mithun Aswath: Got it.

Pratik Jagtap: We have one more question in the chat box from Arun Kumar. He is asking, we also had a target

2 years back to complete deployments of gaming solutions with 200 global operators by 2025. Is that still on plan? Or the focus now is to optimize the current accounts before moving to new

without putting the timeline?

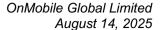
Francois Sirois: Yes. So, it became rapidly a mess. And I'm just really open with all of you here. You go in

gaming, right, we started at 0, right? So we started at 0, went up to 40 rapidly, went up to 80. Now we're at 120 plus deployed, right? And when I say a mess is that we realized that the marketing that we're doing in each region is different. It's not like a global marketing campaign going in 120 operators going to 200. It's 120 different campaigns going in each country and each operator, which needs to be optimized individually. And honestly, in the last 2 years, that's where it took us more time. And that's where we said, "Time out. Instead of adding, going to 200, let's make sure we make money in these 120. Once we make money on the 120, then we can expand

a bit more."

Now as you can see, the cost of marketing has been reduced. I think we can make way more revenue for each operator that we have today in the 120. Are we going to add from 120? Yes. Can we get to 200? We can. I'm just taking more time. Instead of running on sales and onboarding more operators, and then we're stuck on the marketing operation that's difficult, to really grow the revenues within each operator where we're already deployed. Because it's not just the marketing cost, right? We have a cost of deployment of the solution also. So it was like

cost, cost, cost. So that's why we built up so much cost in the past, and that's why now it's





profitable, because we're going more slowly onboarding new operators, but making sure that the current operators are making money. So that's the situation.

Pratik Jagtap: We have another question in chat box from Tarun. He is saying, you can raise big money in

India. SMEs are raising big money. You should do something to bring investor confidence. Plus adding to that, he's saying, we have been waiting for 3 months for the demo now and it is again

postponed.

Francois Sirois: I know. And I really look forward to show you the demo. Again, to be honest with you, if we

would not be public, I would pop the demo right away, right? But unfortunately, it's a public company, and whatever I show you, we have to make sure that everybody can see it. And we have to make sure that we have onboarded at least one customer before I can show you the demo. It is taking a bit more time than planned, as usual. I'm sorry about that. Hopefully, we can show

you the demo at the AGM in one month.

Pratik Jagtap: There is a last question. We can take it from the chat from Mithun. He just wants to understand,

Vodafone was a client, any chance of adding them back?

Francois Sirois: Actually, VI is a customer. Bikram, do you want to answer this question?

Bikram Sherawat: Yes, I'll do that. Vodafone, we are working on multiple fronts currently as well. So, FC

mentioned on gaming. One of the largest ad-based gaming services which we are running in the world, we are running with Vodafone India. We are powering their tones business. In fact, we have launched in the last quarter a bundle pack. The 199 plan in Vodafone now sells ringback tones by default. They are adding more content catalog to that. And we have 0.5 million subscribers there using that already. We plan to go to 1 million by December. And there are discussions ongoing to expand our footprint from a couple of our other Mobile Entertainment

services, which we are working with Vodafone.

Pratik Jagtap: We will take this as the last question, and I will hand it over to FC for the closing comments.

Francois Sirois: Thank you all. Thank you all for so many questions. Thank you for joining. Again, I see a lot of

positive developments in the company. I look forward to the next call. But I also look forward to the AGM to be able to show at least some of our products, and hopefully, the new one also.

So, thank you all for joining, and see you at the Annual General Meeting. Thank you.

Pratik Jagtap: Thank you, everyone, and thank you for joining the call.

Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.