Q3 FY2021 Investor's Conference Call
February 2nd, 2021

SPEAKERS: Mr. François-Charles, Chairman;
Mr. Krish Seshadri, Chief Executive Officer;
Mr. Sanjay Baweja, Chief Financial Officer;
Mr. Sanjay Bhambri, President and COO.

Moderator: Ladies and gentlemen, good day and welcome to the OnMobile Global Limited Q3 FY'21 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Diwakar Pingle of Christensen IR. Thank you. And over to you, sir.

Diwakar Pingle: Thank you, Rayomand. Good evening, good morning to all participants in the call depending on the geography you are in. Welcome to the Q3 FY'21 Earnings Call of OnMobile Global Limited.

Representing the management today, we have FC -- the Executive Chairman; Krish Seshadri -- the CEO; Sanjay Bhambri -- Chief Operating Officer and Sanjay Baweja -- Chief Financial Officer.

The call will start with a brief update for the quarter gone by and a business update by FC and Krish which will be followed by financial performance review by Sanjay Baweja.

Post this, we will have a short product update presentation by Krish on Zoom video conferencing. The link to Zoom was circulated in the call invite / mail sent to you along with the financials and earnings presentation. I would request all participants to please log-in to the Zoom link to view the presentation while the audio conference call is in progress. Kindly do not disconnect the audio call while logging on to zoom.

We will then open the floor for 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. For a list of such 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 FC. Over to you, FC.

Francois-Charles Sirois: Thank you. Thank you everyone for joining the quarter. In terms of work, as you can see the results, financial results are quite good on the cost management and profitability. I am quite happy with the team on that side.

I want to highlight that since we spoke last quarter, we wanted to show the new gaming platform and I'm quite happy today that we'll spend a bit more time and hopefully everybody will be able to connect on ZOOM to see the presentation we make for you, just to explain those things to you what we're building on. And I want to clarify from last quarter also, I saw a bit of confusion between our product line. So I just want to be clear that in the coming quarter, we had actually three products line being pushed by the time we speak next. So, the first one actually is 'Challenges Arena'. Challenges Arena is a quiz game app. It's an app that works for every operator, we're selling it as a B2B OTT OEM and that product is ready, we've sold it to one operator, it's going to go live in this month in India with one operator, so that product is ready to go. And that's the product that we're pushing worldwide right now to many operators so that we can capture some sales in the coming quarters.

The second product, which I'm not sure we talked about or not, mentioned is the Ad RBT products mainly in India, to really cover the declining tones market. We're really pushing now with Ad RBT. It's a product we've been working for many years now and finally it's ready to go. So now we should see some revenues coming in this coming quarter.

And finally, the product that we're all waiting for is the "ONMO Gaming," cloud gaming platform, which Krish will do the demo. I must apologize, we had planned to do the demo in December or January, now we decided for many reasons to wait for this call. We're all very anxious to launch the product. Now, keep in mind that what we're doing has never been done, so it's really cutting edge. And when I say cutting edge, it's not cutting edge just for us, it's kind of a cutting edge globally. Something that even the big players have not done and really mastered. We did file the patent as we mentioned last time, so the patent is done. That's why now we'll be able to share with you. The service is really a service for strong 4G, 5G WiFi which we will launch direct to consumer and B2B for 5G operators. So different than the Challenges Arena products.

I just want to highlight the difference so that we don't get confused when we talk about Challenges Arena or ONMO, the gaming solution, they're two different products. And really when we say cutting edge, sometimes we think about bleeding edge, if you don't bleed a bit, because you're not cutting edge, so it's a bit normal that we're having a bit of delays, when we integrated the Appland Cloud Gaming solution that we have with the Rob0 AI, and all the battles that are done by mobile, actually leveraging Challenges Arena that we've been doing, obviously, will have some

integration issues, when I say issues, they are small issues and there are normal issues, you will see everything that you'll see today that Krish will present is working today. I play an hour a day looking at the games across. So, it does work, we just need a bit of adjustments before we do our official beta. So, I just want to clarify on these fronts.

So, the revenue growth is coming from three products in the next quarters and we're going to be pushing. And I wanted to clarify Challenges Arena versus the ONMO. Clearly, they are two different products; one, really cutting edge, we're going to be shooting out to 5G operators, the other one is addressed to all the operators, OTT OEM devices. So that's the situation. Quite happy. It's a big call today. And we'll have a Q&A session after we've seen the demo, but at least now we can talk about what we're doing, and then we can have a real Q&A session. So over to you, Krish, please.

Krish Seshadri: Great, thank you, FC. Good afternoon, everyone. Warm welcome to you all. Thanks for making time to be on the call. We are really delighted to share progress in Q3 '21.

I'll start by touching upon the business highlights, high level performance of key businesses and the key priorities going forward, followed by a short presentation on both the gaming products that FC mentioned.

So Q3 was a good quarter for us on multiple fronts; revenue was stable QoQ, but if you notice, we registered very healthy margins both QoQ and YoY. So operationally very, very efficient and good quarter for us. It was also a quarter where there was further digitization of our core B2B and B2C products. So, as I mentioned, last quarter, we are digitally transforming the company across several key priorities and products.

So, let me get into those products right away. The Tones business, as you saw the overall revenue grew about 3.2% year-to-date, and that's roughly 2%, quarter-on-quarter growth. If you notice digital revenue actually grew twice as fast as our non-digital revenue. And that was due to growth in digital installed base from 16.3 million to 18 million, that's roughly a 10% increase in the digital tones install base. Not only that, but the strong set per user also increased, it was roughly around 73% now versus 25% for overall, which includes non-digital. So, the digital efforts really, really are having some effect over here. On the Ad RBT product, which FC mentioned, last quarter, we said that we were technically ready to start serving ads, and right now, it's ready. The product is about targeting mobile consumer with voice ads. We are going through

playing them every day and having a lot of fun internally. We've added a lot of features on that which again, I'll be very happy to show in the product presentation. Some of the features are on the social side, we've added some battles, voice chat, we completely redesigned the home page, and you'll see that, it's looking pretty much like a fully fleshed out product.

The one thing I needed to add was, this is a confluence of technologies between our Appland team in Sweden, the Rob0 team in Canada and the Bangalore product and technology teams. And all these teams have come together to build this product. And we continue investing in these teams and hiring people in all three geographies.

A Quick Update on the Q3 Financial Performance. As I said, it was a good quarter, revenue was stable at about Rs 1,461 million. But we registered very, very healthy margins. EBITDA, operating profit and PAT grew by 15% 19% and 49% respectively. And also, cash profit grew by Rs 37 million. So, besides we continue to emphasize on employee safety, as most of our employees continue to work from home globally. And employees participated in employee survey in December. And I'm thrilled to say that they affirm that we are a preferred place to work. And this is a testament to our purpose-led culture.

I'm really quite excited about the opportunities in both ONMO gaming and the contests gaming products that lie ahead for us. And I think we are on the very last leg, as FC said, and we are keeping an eye out on executing to the fullest over the next few months.

So, with that, I hand it over to Sanjay Baweja, our CFO for his comments on the financial performance for the quarter. Sanjay, over to you.

Sanjay Baweja: Yeah. Thank you, Krish. Good evening, ladies and gentlemen, and a very warm welcome to all of you on the call. I would like to wish all of you and your families very happy, safe and healthy new year. Let me quickly elaborate a little more on the financials. Most of you have already seen the Investor Deck that has been mailed to you, as well as hosted on our website and the exchanges. Those of you who is not on our mailing list, please feel free to mail to us or connect our Investor Relations team and we will add you to the distribution list.

Q3FY21 was another stable quarter for us. Krish has talked about it. The gross revenue was at Rs.146 crores flat quarter-on-quarter. As per our stated strategy, to shut down any business that does not

measure up to our stated goals of revenue and profitability, we are continuing to focus on the unprofitable Latin America businesses and are in the process of exiting from countries where we do not have the right pricing power. This effort will be one of the big tailwinds in ensuring our emergence towards the end of this fiscal. As mentioned in my earlier calls, I am reiterating that the same that we are expecting to complete this process substantially this financial as far as the operations are concerned, but closure of the entities may slip into the next fiscal.

From a product perspective, on quarter-on-quarter basis Tones grew by 1.7%, Contest saw a reduction of about 5.8%, Video was flat and Games which is still in its infancy and not in the form that we are about to launch which Krish is going to talk and demonstrate to you, dropped marginally.

On the cost front, our manpower cost declined by 4.9% quarter-on-quarter and 11% year-on-year. Our marketing cost declined by 16% quarter-on-quarter and 10.9% year-on-year. The decline is mainly coming from the Europe region. Our continuous cost optimization effort led to a cost saving of Rs.1.5 crores in this quarter.

During the quarter, EBITDA witnessed growth of 15.2% quarter-on-quarter and 60% year-on-year to Rs.17.7 crores and the double digit margin of 12.7%, up from last time, supported by above-mentioned parameters. Our operating profits also grew by 19.4% quarter-on-quarter and 91.8% year-on-year basis to Rs.14.4 crores for the quarter. The major factor driving profitability growth is our cost optimization efforts and lower spend. Our profits after tax was at Rs.12 crores, a growth of 54% quarter-on-quarter and almost 2x as compared to the last year on a year-to-year basis.

For the nine months for FY'21, our revenue remained stable, EBITDA has more than doubled and operating profit grew by 209% and PAT grew by 228% over last year. This demonstrate considerable improvement in profitability which we are targeting to maintain going forward. During the quarter our cash balances in the book stood at Rs.274 crores, an increase of INR41 crores as compared to INR 232 crores at the end of Q2 FY'21. The rise is primarily due to good collection efficiency. As mentioned by FC and Krish, we will continue to invest in our gaming projects in the US which is expected to be launched in the coming quarters.

A lot of operating metrics and data has been shared in the presentation deck and I'm sure all of you would have had access to the same.

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With this. I now will hand over the call back to Krish on the presentation, post which we will be able to move to the Q&A. Thank you.

Krish Seshadri: Thanks, Sanjay. Just to correct myself revenue was at Rs.146 crores, but anyway, I'll just jump straight into our product presentation. It's on the zoom link. So, feel free to log in.

The presentation is on two different products, the first is our Cloud Gaming B2C Product, and the second one is our Quiz Contest App product, which is more taken to B2B companies, telcos, enterprises, OTC, OEMs.

A lot of progress since the last time we met. And we tested streaming, as I said, in our alpha test across several countries and cities, and we also tested concurrency. What you see on the right hand side is actually our newly designed home page, with a lot of features that we've added, which is sharing control, social features, we've added a lot of battles and challenges and moments, different formats will be coming soon. As I said, we've signed about game agreements that can have about 75 games on the platform so far. Our goal is to get about 100 by the time we get into beta. We have also built moments creation team that can build very unique, curated moments or challenges. Right now, we've got about 600, but that will scale to several thousand by the time we get into beta. So, there's going to be a lot of fun games and moments that consumers will be able to play. And we've also been adding employees across the three regions.

Moving on to the next slide, this is to give you just a glimpse of the last three months. As you can see, the very first visual on the left-hand side is about live play. So right now, we can actually watch someone else playing live and we can play live with that person. This is completely cloud streamed. Again, in October, November, we started working on some of those social features. Not all of them are completely built out. But what you see that actually works, you can share controls, you can go incognito, you'll have a list of watchers who are watching your game, there's voice chat right at the bottom. In December, Jan, I set these integrated games. So those are all the game challenges that you can play. Each game moment is probably a few minutes maybe two to three minutes. These are not full-length games, rightsized content, which is where a market is going, and there is an audience for consuming small snippets of games on the go. I will elaborate more on this. So that's what we integrated in December, Jan, and you know there are a few bugs over there, which we are solving right now. And in January, we've both added battles and leader boards, which may get fun and interesting for you to play battles with friends. And

these friends can be added onto your platform, either through a Facebook Connect or a Gmail ID.

The next slide is basically on key gaming trends that are evolving rapidly and leading to a huge opportunity globally. And to a large extent, our product is built on this thesis. So, mobile is fueling the growth of the gaming industry, and it's over $100 billion today. It's probably the fastest growing segment within the gaming industry, much larger than PC and console games. Cloud gaming, it's a relatively young market right now, but we're at that cusp, at that cutting edge. As FC mentioned, there are very few cloud gaming platforms and companies at scale today. So, we are kind of going to ride along that trend. But our feeling is it will eventually disrupt the games business, just like mobile gaming disrupted.

On the social gaming side, gamers are likely to stay in game, or even longer when there's a sense of community, social connections, and the ability to play with friends. And whenever engagement is very high, it's usually because you've got friends on that platform. So, gamers are 2x more likely to actually stay in games if they see some of these connections. And on the eSports side, that's the new monetization model, gamers are more likely to pay so that you can beat your friends, challenge your friends, and over 40% of eSports audience actually don't necessarily play the games, but they may follow, they may watch, be a spectator and they participate in that process. So, these are the key disruptive trends on which we are kind of building our platform. And the cloud gaming tech is completely built by Appland in Sweden, which we acquired, and we've integrated it. We've been testing and optimizing it.

Game moments is that, there's been a lot of innovation. It's a different way of playing games. The platform will host the short little curated games. And once again, the core technology from the Montreal, Rob0 team, the core capability of that technology and the content management tool that they've built is what we are leveraging and integrating into this two things platform. So as you can see, one and two are very, very cutting edge technologies that are actually coming together. And that's fundamentally what we are right now working on to make it even more seamless.

On the sharing moments, I've already touched a little bit about it. I'll show you some of the screens out there. And same thing with the Xbox, right. So all these screenshots that you're seeing are fundamentally what we play every day. So these are the games that are live. And those are people playing games within the company. So the number one feature is, you play instantly, there are no downloads, and games can be instantly streamed into your mobile

phone without any need for downloading from the Play Store or downloading any APK. This is working as of now, and this is a core piece of our technology. There's no frustrating installation process. No device dependency, you can use Android, you can use iOS.

And I'm really, really excited to say that we are probably one of the first truly mobile gaming solutions. When I say mobile cloud gaming solutions, there are other cloud gaming solutions that stream large screen games to mobile phones, but very few of them stream it directly onto your mobile phone. And our product is built for truly mobile. So, games are designed to be played on mobile, not on consoles with controllers, etc., So no extra devices like controllers are needed to play on ONMO, that's the case to use any other cloud gaming solution on mobile, today you might need to use controllers.

I think just getting on to some of the other features on the platform, which is Discover. It's a very personalized experience. You can watch friends play live, you can discover games and other popular moments and battles, you can track your friends who are playing these games, and all that activities, so that you can then do a challenge or a battle with them. So, all those things are integrated across what you see on the bottom navigation bar.

So, as I said, we're developing 1000s of these short, curated game moments. It's an innovation and curated game moment development. And we're in the process of filing a patent in that area, and almost curates these in a very, very different snackable format. It's a very controlled environment, where plays therefore more heightened gamer interest and engagement. And some of these ONMO generated challenges within the moments are there to ensure that there's replay value for gamers, and especially gamers like going back and playing the same level, the same moment, there are always some cool parts of a game that you actually want to go back and play. And in most cases, you can't, because you'll have to go back to the beginning and do that, or you'll have to go back to a certain level and progress through a level and then go to a certain part. So we avoid that for people because we kind of curate the best moments of the game, the coolest moments of the game. And what are some of those? The back end technology of this has an algorithm which will look at various areas and parameters along which we will curate a game or define a moment. It could be based on a specific game level, which is the most common one, but you'll see that pretty much on most platforms. But in our case, you will be able to play games based on a certain number of moves, or number of coins to collect, or time-based trials, etc., So that's why we have the ability to build 1000s, as opposed to just five or six unique challenges for game.

I think I touched on this already on the game moments. Right now, we have the ability to create about 1,000 moments a month. So hopefully by our beta we should easily cross over 1,000 moments and 100 games.

On the social and co play side, again, some very, very cool features out here that you can see. These are two screens of a player and a watcher. So this is where our cloud streaming technology comes into the picture. You can actually see and share controls with another player. And this is not available or possible in all other competing platforms that you see. So, playing games together online is what current millennials love and key innovations that enable players to play with each other, watch others play, I think, share your screen, the entire communication suite, all these things are there, but it's not there in one place, it's disaggregated across several different players out in the market. So, this is something we are able to do because of our core streaming technology. And, in a way, when I use the word 'seamless', it's a key word for screen sharing and communication because all this is without needing multiple applications, right? You don't need a game, you don't need something else for spectating, go to discord, go to twitch, and then go to a communication suite. We are trying to build all this together in one place.

"Battle and Compete." Once again, we've just built our virtual currency battles, which will allow you to pick a moment, challenge a friend, and you'll be able to play your session and post it. It will appear on the leader board, etc., So as we go through the next few months, we'll start building different types of battles, one-on-one battles, multi-user battles, amity battles which are time bound challenges, with cash, without cash, etc., You might be playing battles, which are synchronous, real-time, some of them may be asynchronous. So there's a lot of innovation and product rollouts that will happen in that space. But as of now we've got one battle format of that. And by, when we launch, we'll definitely have two or three battle formats.

I think there were some questions on competitors. I think I mentioned before, there are people in that competitive landscape, and everyone does a little bit of what the others do. I don't have too much time to get into the details, but broadly speaking, we selected a bunch of different players out in the market. Just to give you a feel for where we are different. That doesn't mean these are not good products. I think everyone has a place in the market. But we are also very different from what some of these companies do. For example, you've got Google Stadia, Blacknut, xCloud, their streaming technology, that's where, our similarity starts and ends. But it's

more focused on delivering PC console games, for example, Xbox One, you can kind of boot that up on your mobile, and it will take some time to boot up on your mobile, but in our case, we are directly streamed on mobile. So there is no console, there is no controllers, etc.,

Facebook, for those who have been following also have launched, Facebook Gaming. It's a very compelling product, it's very good. But once again, we are very different. They're monetizing from ads, which is what Facebook does. They're not into battles and challenges, and having those interesting, curated game moments, which many of you might have been on Twitch, it's a one to many spectating, it works really well for that consumer experience. But our consumer experience is completely different. It's more about seamless, multi-party, co-play, voice chat, battles, and not necessarily just one to kind of 1,000 spectating kind of an experience.

Skillz, MPL, Paytm First Games, Winzo, these are all more or less apps in the same space, except for Skillz, which doesn't fit, it's not Indian, but the others as you know and have been following, you need to download these games, at least their APKs, not necessarily the kind of co-play and sharing that we have, ours is completely stream based, there's no download, there are limited number of challenges out there per game. If you go to some of their games, there might be 10 or 15 challenges. But as I said, in our games, we are chopping, everything down to bite size curated moments. So you'll end up having 1000s of game moment challenges on our platform.

Bunch is a very interesting app. But once again, for a very different use case from what we are building. It's a place where you can go and literally take a small bunch of friends, and play games, most of the games are actually integrated onto that platform, so it's a little limited in the catalog. And in our case, our catalog is going to be much, much bigger than Bunch. So that's just a little flavor for what the competitive landscape would look like.

The high level, go-to-market plan. As I said, we'll be launching B2C first. We completed our alpha internal launch in December. We'll have our MVP of our beta in April. This will start monetization by Q2. And we'll also be ready for a B2B telco version starting the same quarter. Monetization model is primarily eSports. And we are also going to start testing out subscriptions.

The target audience, it's primarily 18 to about 35 or so casual gamers on 4G, 5G, WiFi. And that set of the casual gaming market, which was to a large extent ignored, has actually now revived. They

were called non-core gamers, but non-core gamers today are forming at least 45%, 50% of your gaming audience. So, here we are basically targeting that audience across India, US Canada and a few countries in Europe.

I'll just move on now to the next product. As FC mentioned, this is a B2B product. It's not a cloud streaming product, but it's an app. We internally called it Challenges Arena. And, firstly, Contest is another sub segment within the casual genre of gaming. It has very different characteristics from others. The customer acquisition cost is usually a little lower, and now people have started experimenting with battles over here. As you can see, it's a Contest app on Android and iOS, where you can challenge friends on various quizzes and games. And we've already got 1000s of Quiz Questions in different formats, Text, Pictures, Audio, Video. And you can play quiz challenges and get ranked or you can battle with opponent and get ranked. And we've got a personalization engine, which will throw a certain category to you based on your taste graph, whatever you indicated while signing up.

Just to give you a sense, this is what it looks like. This is a complete product right now. We've been using it for about two to three months internally. And just to give you an example, on the right side, it's a quiz question about Hollywood movies. And, you can go there, you can play that, the payment gateway, and then the challenge loads. And you play with someone or without someone in this case, you get ranked and you appear on the leader board. Or if you want to do the same thing and battle against an opponent, let's say you choose a category of questions, which is cars and bikes. And then it shows you the list of battles. And then you say you want to play against someone, the opponent search starts, and it looks for someone, and finally find someone who's also looking to play the game. And then you battle with that opponent. In this case, it's a question about a very famous bike brand. And either you win, or you lose, the game gets over. And the two people, there scores are, and the result is shown. And you appear on the leader board. So it's a slightly different product from the previous product that we showed.

And the go-to-market plan as FC mentioned, we are launching with one telco in February this month, and launching with telcos internationally, starting next quarter. And not just telcos but there's also interest from other digital companies, OTT partnerships, OEMs for distribution. And our core focus over the next, quarter or two is going to be on internationalization and bringing in local content. And that's part of our robust product growth map over here.

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So right now, I'll just have a very short video on our first product, which is ONMO, our cloud gaming product, post which we will throw it open for Q&A.

Moderator: We will now begin the question-and-answer session. The first question is from the line of Prakash Ramakeshan from Pragya Consulting FCE. Please go ahead.

Prakash Ramakeshan: We are able to understand the products that you explained to us. But we're not getting a sense of how large the financial opportunity is. If you could explain that to us please? Thank you

Krish Seshadri: On the B2C Cloud gaming side, this market is huge billion-dollar market across the globe. So most of these cloud gaming companies have just started. And if you look at comparables in the market, many of them in the eSports, and Battles and Challenges, a good solid company is probably in the hundreds of millions of dollars. So the overall opportunity today is probably in the $3 to $4 billion range, but that will grow over the next four to five years. So we see this as a very big opportunity. I'm not going to give any guidance and numbers right now. But it's a huge opportunity for a lot of people to be out there. The mobile gaming itself is 100 billion and this cloud and eSports side, the entire market will probably be a $10 billion market. These are just market estimates. So that's the overall opportunity size.

Prakash Ramakeshan: No, I'm not looking to hold management to any numbers. That's not the intention here. We're just trying to understand as an investor, this opportunity would be as large as the existing business of the company, would that be fair to say?

Sanjay Baweja: Over time, the estimate is obviously, we should get much bigger than the current business. But that means many, many years and not necessarily immediately. But obviously, since the market size itself is so large, our expectation is that it could be much bigger than what we are doing today.

Prakash Ramakeshan: That`s adequate. Thank you, Sir.

Moderator: Thank you. The next question is from the line is from Jeevan, who is an individual investor. Please go ahead.

Jeevan: I just have one question. What's the company vision for next three to five years, we'll be top in content, gaming, or tones or all of this or any other area that you guys thinking that will join for next three to five years or maybe more? I'm not asking for any financial one. That what will be your target. But focus area mainly. Thanks

Sanjay Baweja:	So, I think the legacy business will continue to be as is, our target is to get more profitable. New businesses, Krish's just mentioned, these are large opportunities, our focus is moving towards that, we believe that our revenue growth will come from these new products that we are going to launch over the next few quarters, and that's where our big focus is going to be over the next three to five years and beyond.
Moderator:	Thank you. Next question is from the line of Yash Chaudhary from Param Capital. Please go ahead.
Yash Chaudhary:	Hi Krish, Congratulations on the good set of operational margins. With regards to the new products that you guys are launching, wanted to know that this ONMO thing, how is it going to be like, we can download it directly from your website or how exactly?
Krish Seshadri:	So as we showed in our product, the ONMO product is a PWA, you don't need to go any into any app store, so you can just go onto your mobile phone, open a browser, and go straight to our onmo.com link when it is ready and you should be instantly able to play. So nothing to download from any Play Store. That's why it's so simple. It's meant to be just easy on any phone.
Yash Chaudhary:	Okay, so since this is browser based, I suppose that there is no issue with regards to user traffic or like how many users can this particular platform handle?
Krish Seshadri:	That's back end core technology. That is something which we shouldn't have a problem.
Yash Chaudhary:	So this ONMO is a separate product, which is in the process of being launched. And this Challenges Arena is another product for which you guys have partnered with the telecom company, right?
Krish Seshadri:	Yes, as FC mentioned, within the gaming space, there are two products. The ONMO is our cloud streaming product, which is as of now going to be B2C. As we said, we will do a beta of that in April. The other one is Challenges Arena, which is our B2B quiz gaming app. And that, as you said rightly will be launched with telco starting this month.
Yash Chaudhary:	So this quiz gaming app feature which would be partnering with the telecom company. So, how exactly would the scheme of arrangement be?
Sanjay Bhambri:	Good Afternoon Sir, So, fundamentally, it's going to be a similar model and the business model the way we work today on the telcos, which is basically on a revenue share. We would launch the

service under the telco brand with our services under Challenges Arena, and there will be a revenue share we will do the product, we will do the fulfillment of the quizzes and distribution of the rewards, and we will get a x-percentage of the revenue of the consumer base.

Yash Chaudhary: So similar to what the tones business and the content business right now going with, right?

Sanjay Bhambri: Exactly.

Yash Chaudhary: Will there be any specific area or geography that you guys will be covering?

Sanjay Bhambri: Challenges Arena is more focused on upgrading the quiz from a legacy to digital format. And it continues to be a mode at the moment targeted at the telcos, whereas ONMO is going to be more focused on direct-to-consumer services, because you need the large masses across the globe to do. As far as specific which geographies we're going to launch, ONMO I think over the next calls, I think FC and Krish will come back and give that as we go closer to the launch, as well as on the CA is concerned our existing spread across all the continents with our customers, existing customers and new customers remains the target is basically global.

Yash Chaudhary: Ok, Thank you.

Moderator: Thank you. The next question is from the line of Milind Karmarkar from Dalal & Broacha. Please go ahead.

Milind Karmarkar: Hi, A couple of questions. One was that, of course, it was my expression, or my thought process that over a period of time, you probably will develop a platform similar to Unity Technologies, which helps other gaming companies to come and build games, or people who actual build games come on to that platform. So just wanted to understand, is that in our plan of things? The second question was that if I look at the normal gaming platforms, there are many, many players in this space. So I wanted to know how we would be different than most of the others, or what would be our USP? So, these are my two questions.

Krish Seshadri: I think, first question on Unity. I mean, Unity is slightly different from what we are doing, we are not in that space, where, that provides core technology for game development, we are not building games over here. So, this is a platform that hosts a set of curated game moments. So, we are not building the games per se, but we

are working with game developers, who will host their games on our platform.

Your second question was on differentiation. I think I touched a little bit in that slide. Maybe I'll just add a little more color to that. So the first thing was on cloud streaming. Now, of course, there are others also who cloud stream, but as I said, if you go to a Stadia or a Blacknut, or an xCloud, the streaming technology there is focused on delivering streaming primarily for, let's say, your Xbox One, or your PC or your console games, and then you have to move that onto your mobile. But in our case, as someone previously asked, what do you do? We just have to go straight into our mobile browser and load the games up. So it's very different, it's only for mobile, there are no controllers, there are no hardware to be bought, and any of those things. So it's a very different experience. If you compare it to other companies, like, let's take the Indian ones, like MPL, or Paytm First Games, etc., I think the only place where we are similar is in terms of battles and challenges that they have. But when it comes to other features, they are not cloud streamed, you need to go to the MPL website to kind of download the app, the APK. And then the number of game challenges that you have there is limited to maybe six or seven game challenges per game, while over here, we are creating and curating and building our game challenges. So you could take a game like, let's say cut the rope or roll the ball. And we could, chop that into maybe 300, 400, very, very interesting, unique moments.

So, we are not hosting complete games on the platform like, some of the other competitors, but we are curating very, very interesting pieces of a game, which people like playing, and they go back to playing those games. So that's just two key differentiators. And there are a few more, which I already explained in the call. I hope that helps.

Milind Karmarkar: Okay. My second question was that, yes, in India, it is true that we don't have a lot of, let's say, competitors, because in your presentation, I saw that you would probably be with a telco outside India as well, and the names which you suggested are all countries which have got well developed gaming companies, and the games are already there on mobile as well. So, how confident are you of tying up with a telco outside India? And, again, as I said, what would be your USP there or it would be the same USP?

Sanjay Bhambri: As I was speaking earlier, fundamentally, from the telco standpoint, at the moment, the key focus is on the Challenges Arena. And one of the key things we have is that we are already working with a lot of telcos across different parts of the world with the legacy part of the service. One straight line is to upgrade the non-digital service

to other digital service, which is the Challenges Arena, point number one.

Point number two is a few of the USPs which we carry is the Consumer Lifecycle Management which we do. So contrary to anyone else which is sitting outside versus we sitting inside an existing operator or most of the operators which we work with, we anyway do the lifecycle management of the consumer for many, many services. So our edge over being able to give a better service and experience because of understanding that consumer, we get a little bit of edge. Over and above the bells and whistles on the platform, which I'm not getting into which basically, obviously we need to differentiate on the platform, which is there. I think these will be few key elements which help us and make us much more confident that the telcos will resonate more with the Challenges Arena because of this. Hope that help.

Milind Karmarkar: One last question from my side, when do you think the gaming revenues will start reflecting in your overall top line?

Krish Seshadri: If you are talking about the new gaming revenues, as I said, so, Challenges Arena, we will launch very soon, so, you should see some revenue growth starting next quarter. And with ONMO, as I said, the quarter after is when we will do the consumer launch, so it will just be after that.

Milind Karmarkar: Ok, Thank you very much.

Moderator: Thank you. The next question is from the line of Dipesh from Emkay Global. Please go ahead.

Dipesh: Thanks for the opportunity. Just want to understand what role we exactly play in the online gaming market. It is 150 billion plus kind of market globally. Now what role we play in overall ecosystem? What kind of value addition we do, if you can help us understand from that context? Earlier, you highlighted differences versus let's say MPL in India or Unity globally. So what limitation our business model brings in terms of revenue monetization or what overall pie we can address, if you can provide some better perspective because I am yet not clear on that part?. Second question about let's say our focus on game and contests going forward. Now whether it would be still B2B, where we use telco to drive monetization for us, or it would be B2C also? And how margin profile difference would be, let's say across four, five business which we generally highlight, whether there will be any material margin difference at gross level across the business? Thank you

Krish Seshadri:	I think there were quite a few questions in this. Maybe I'll have Sanjay address the question on Challenges Arena, and then I'll talk about a little on the margin of ONMO.
Sanjay Bhambri:	The first question was, basically are we going to just remain on the telco or go on to B2C? Sir, as some of us, including FC, Sanjay Baweja, Krish and we were talking about, at the moment, the focus is with the Challenges Arena, which is the trivia and the quiz app. That is at the moment more focused on the telco, which is a regular way of doing business. The ONMO which is the streaming new gaming platform, which we will be rolling out soon, that is more at the moment focused on a B2C model. As we evolve, obviously, they will have variants of it, but at the moment, if I can put the answer, that is basically where the focus is. So just to be clear, we will have both the models, the B2B or telco model for Challenges Arena and ONMO the streaming services for the B2C.
Krish Seshadri:	I think, also, ONMO B2B partnerships with telco will happen after the B2C launch as we indicated in our product presentation. And on the margins end, these businesses is in the monetization model, on the ONMO side, the monetization model is predominantly eSports, which is Battles and Challenges. If you kind of played any of these games in the eSports space, you'll understand how that money is made. When there's a certain take rate that the platform gets based on the money that's used to play a battle. And the margins typically in that business and I'm just talking at a macro industry level is at steady state when these companies have scaled up, the operating margins roughly will be between 22% to 27%.
Dipesh:	I think the first question remains unanswered. It is about more about what role we play in overall ecosystem as well as value addition side. And you said about differentiation, where we are different, what limitation it brings? So first question is more broader. Let's say if I look online gaming market, it is off course of $150 billion globally. Now, the way you explain business, what pie we will address out of $150 billion.
Krish Seshadri:	I think that $150 billion is today's split across mobile, PC and console-based games. And mobile is the biggest pie of that $150 billion, which is $100 billion, and that is the space which we will be in. We are not building games for PCs and consoles. So that's the segment of the market.
Dipesh:	But then we are not making any game also, right, so that $100 billion is ecosystem revenue, it seems to me, you're creating only engine kind of thing where the game developer can host their games, if my understanding is correct, and obviously your part will be much lower than the $100 billion, so I just want to understand

what exactly the kind of network which you create, what will be the market for this?

Krish Seshadri: That part of the market is actually maturing, we're not the only one in that space. So it's a well validated space in terms of business model, in terms of monetization. As I indicated, in the competitive landscape list, there are companies out there, which hosts games, none of those companies are making the games, most of them are hosting full length games on platform. The difference is, as I mentioned, in our case, our value addition is for people who are casual gamers who want bite sized entertainment and content, and they want to go play a very, very specific part of a game. And they want to have fun playing that specific part of a game with friends. So it's not about playing the entire game but playing a part of the game and some of our innovation is in that space.

Dipesh: And so what limitation it brings in terms of revenue monetization, because if it is only bites kind of thing, rather than full game, obviously your addressable market will shrink to that extent. So if you can throw that perspective and how we can compare with the cost and investment, which you are making, whether you make similar kind of return on investment compared to some of the other competitors?

Krish Seshadri: Sure. So see, the way the millennial young crowd plays games today is, it's not that they are sitting and playing a game for two hours a day, they cumulatively will play a lot, but they may play two or three minutes per moment per session, and then come back and play another battle or a challenge. So this doesn't limit us in any way. Actually, it's bite sized kind of episodes. There is an audience for, let's say, watching three-hour movies, and there's an audience for watching shorter versions of entertainment. And in our case, our innovation is in the shorter space. So it's just a very different product proposition. It's a very different consumer experience. And both those models will exist. There'll be a multiplicity of players with different models and different value proposition. We are very clear about what we want to do. I'm sure that other companies are very clear about what they are building. And this is the space that we plan to play in. And you've seen the slide presentation where it talked about our moment creation tool, our content management system, where we have this ability to build these very, very interesting curation of content, because a player goes and plays a certain part of a game and they love playing that part of a game, they like coming back to that particular episode, they love challenging their friends. So that's the space we'll be playing in. And even when you go into some of the other competing platforms, some of them host full length games, some of them also just host a

specific level. So to answer your question, there'll be players across that spectrum.

Francois-Charles Sirois: And Krish, if I can just add for a little bit to understand here. When we say we're changing a bit the paradigm, it's a bit like going the Tik Tok of games, right? Tik Tok, 15 second videos come along and people can actually create their own videos doing this. We're doing pretty much the same thing but using games. So today you can do this. Today, if I want to do a challenge on the game, I have to recall that game or I have to integrate with the game developer in the code. What is unique about our platform is that we are not integrating, the game developer has to do nothing, even they are very surprised, right? Because we can go into anywhere in the game, start the moment at this specific place and stop it anywhere we want, and put any conditions on that moment. And on that specific moment, we can run multiple challenges. But we don't do any code, the AI does the job. That's the beauty of the platform here that we're talking about. So we're able to extract 1000s of game moments, which are like small Tik Tok on the gaming side, and now people can run any moment and do social play challenges. So that's a big shift that we're talking about. And that's why when you say it's cutting edge, it's never been done.

When we talk to game developers, obviously, we plan to partner with game developers and in the model, we're going to share 50:50 revenues within developers. But the key is that they have to do nothing, we can take any game in the world and start doing challenges and cutting moments anywhere. So we think the best game, the best moment, we cut the challenge, and here we go, we're rolling. So this is very, very different. So that's why we're so excited about this platform and the potential.

Now, that being said, marketing wise, we can't just go blast marketing globally everywhere. So the key markets, which for sure we're launching is India, US, is the biggest market for eSport right now, where people make money. And if you look at a couple of competitors, they've managed in the course of the last 10 years to grow businesses in the $200, $300 million revenue range. Luckily for us, their roads been paved, right, so it's easier to go and it's not going to take us 10 years to get to that market, but the US is the biggest market. So we have to be there. And as you know we're very strong in Spain and a couple of countries in Europe, which we will want to be. So initially our launch, it will be in India, in the US and some key countries in Europe. And that's where we'll focus our money.

Now, I want everybody on the call to realize that this is a direct consumer financial model and plan is very different than the

OnMobile traditional B2B selling. That's why we have two sets of products here. And not at all the same parameters when we invest in marketing B2C to acquire subscribers. So we're talking about tens of millions of dollars to be invested in marketing in each market. And, I just want to be very clear with all the investors, one of the challenges we have on the board level is, as you know we have a cash position that is $37 million, we're not saying we're going to take $37 million and drop it in marketing, to launch ONMO, but to be honest with you, that the kind of money that would be required to make this kind of work on the global level, or at least in these key countries.

So right now, we will launch ONMO, we will start spending in marketing. But for sure, we will need partners on the marketing side also. And we're considering even approaching VCs to fund that plan as a B2C plan so that we don't mix up the B2C financial model with the B2B business that we have here. Because today, those two models are within mobile, and within our results, as we've been having the development of this platform and all the investment into our results that we've been carrying along. But there are two separate venture endeavors here. So hopefully, I clarified the point here.

Moderator: Thank you. The next question is from Manan Patel, who is an individual investor. Please go ahead.

Manan Patel: Thank you for the opportunity, Sir. Congratulations for this good product launch and patent. Sir, first of all, I wanted to understand on the patent bit. So what part of this platform has been patented which might or may not be copied by any other companies once you launch this?

Francois-Charles Sirois: So the patent is about the engine to cut moments. So the first thing is about being able to create moments out of a game and recreate challenges on top of the game, and the patents also about the AI and how we actually manage to create to have this engine that goes on top of any game and creates automatically all these moments and challenges.

Manan Patel: Understood. And Sir, as you mentioned that you will have significant marketing budget for all these launches and you mentioned to bring in the investor. So are you planning to put this game into a separate subsidiary company or something like that, is that the plan?

Sanjay Baweja: So, we are working on the structuring part, and we'll come back to this forum as and when we decide, yes, it could be differently done, it cannot be done in the normal business increase or improvement

basis, it will be differently done, we'll come back to this forum when we are ready with the exact structure.

Manan Patel: Understood. And sir, from what I understand you mentioned, because it's a streaming service, it would require a strong network 4G, or maybe 5G also. So in India, would it be a restrictive thing for you, because network might only be strong in probably metros, or top tier cities?

Krish Seshadri: We've done play tests. Part of what you're saying is, right, but at the same time, you require about 10 MB of connection. So people with a 4G connection, or WiFi at home has been able to play, it hasn't been much of a problem. And we've tested this across cities. So there is no real, definite correlation, the top 50 to 80 cities people have played this, and it works fine. But the one thing which I must say is, we will be very careful in choosing the right games for this platform, low latency games will work, but some very, very, high end rich content and games which require multiple moves in a millisecond, I think we will be very judicious about that. And I think that's something even the bigger players in the market do, whether it's Facebook or Google, because cloud streaming is a very, very new technology. And there are hundreds of games out there, which will work on this platform and the games which are not meant for this in India, we will not have it. At the end, people will need to have a good experience. So, our initial tests have shown that, it's reasonably good.

Manan Patel: Understood. And Sir, regarding the strategic, bringing in the investor, are you already in talks with investor and is there significant interest being shown?

Sanjay Baweja: I don't think we can answer this question. The people always keep approaching companies. I don't think it's appropriate for us to answer this at the moment.

Manan Patel: Okay. And what was the revenue potential for Challenges Arena?

Sanjay Bhambri: Fundamentally, as we go live, since is the new model, I think we will have this idea with the next investor call, and then basically, we'll be able to give a better grip on that, so just give us one quarter and we should be able to answer that.

Manan Patel: And Sir, My last question is on the base business. So, do you expect the margin to keep on improving?

Sanjay Baweja: So, the legacy business that we are on we expect the margin to get better, we are working towards ensuring that our costs are well optimized, and also that some of our loss-making units are taken

care of. So once that happens, we believe there will be improvement in the margin.

Moderator: Thank you. The next question is from the line of VP Rajesh from Banyan Capital. Please go ahead.

VP Rajesh: Thanks for the demo. That was very helpful to understand how you are going after the gaming sector. A few questions. So, when you said that you're going to create moments, is it fair to assume that you can do it for any game and these games are not going to be exclusive to you?

Krish Seshadri: I'll answer it and then maybe hand it over to FC also. I mean we can create it for almost all games, but there is some technical compatibility also, so the games go through a certain technical filter. And once it's technically compatible, then, yes, I think we can cut most of these moments out.

VP Rajesh: My second question is there is AI part to it. So for that, you will need a lot of robust data to see how you can play the algorithm. So therefore, if my thinking is correct, where you get the data set for that?

Krish Seshadri: I'll have FC answer that because most of it actually came into us through our Rob0 acquisition, where the AI analytics looks at various drop offs within the platform. And yes, once consumers are there, your AI algorithms get much better, the more data you have, it gets much better. So, any machine learning system takes time, and when there are more people playing on the platform, your algorithms are going to get even more better optimized.

Francois-Charles Sirois: I just want to clarify, the way we use Rob0 is a different way, and we have multiple use to it, for example, the way we actually identify the start of the game, the end of the game, the parameters, who won the game, all this is different than all the analytics behind, okay, how the player stats happening, how good is that player, well, how can we evolve this player, which is different than how the actual gaming experience should be and what are the flaws in our gaming experience and initially was the Rob0 product, Rob0 product was initially to actually be able to read every player playing a specific game and be able to tell the game developer, your player is going to drop out this specific moment, and there's a reason why, and here's the specific moment where you should upsell or, package or something to be able to upgrade that player. So that's actually the different usage that we're doing, we're using that component, but we're also using the component of player analysis and also using that component to be able to actually build the actual game moments here. So I don't know if I answered your question. But the

same engine is used on multiple levels and they don't all require big data to be able to be efficient.

VP Rajesh: So, if I understood your answer correctly, you're saying that you will leverage the Rob0 technology till you get your own user sets, on which you can basically make the reverse algorithm, is that understanding correct?

Francois-Charles Sirois: Yeah, both are right, so we analyze the actual player status and the way the player plays, but we also analyze the actual game how it's done, and how we actually create and carve out moments and challenges from that game. So there are two different usage of the same platform.

VP Rajesh: And my second question is among the competitor's side that you showed on one of the slides, which is the biggest in terms of the users on the platform?

Krish Seshadri: The competitors, see, not all of them have publicly available data. But I think, at least in the US, and Europe, Skillz is reasonably large. And so it's a fairly sophisticated product, but it's again different from us, you need to download the APK, and they don't necessarily have our moments. I think the bigger guys like xCloud, and Google Stadia, they had a beta launch, they are also going through their launches country-by-country and testing things out. So it's too early to kind of comment on some of those players. And Indian players, you know what's happening in the Indian ecosystem with MPL and Paytm First, etc.

VP Rajesh: Ok, Thank you that`s what all I have.

Moderator: Thank you. The next question is from the line of Milind Karmakar from Dalal & Broacha. Please go ahead.

Milind Karmakar: I had one question, which was in terms of how do you compensate the game developer? Is it a sort of a revenue sharing model, or you buy this content or license to split or to create these moments?

Francois-Charles Sirois: It's really a revenue share net of the actual costs of operations, right, so the cost of hosting and the cost of building the customer. So that's what we share with the game developer.

Milind Karmakar: Ok, Thank you.

Moderator: Thank you, we have one last question in queue. We take the last question from the line of Dipesh from Emkay Global. Please go ahead.

Dipesh: Yeah, Thanks for the opportunity, Just a quick follow up to the earlier question, what would be the customer acquisition cost you envisage for us, and considering the churn and all those factors? And second thing is whether we benefit from user time spend on platform. So from monetization perspective, whether we also gain from the number of minutes or number of hours spent on the platform?

Krish Seshadri: I think it's too early for us to comment on how much money we're going to spend on acquiring customers. But to answer your second question, there are drivers of that revenue. And some of the drivers are, it's not just how much time you spend, but how many battles you play. So how many challenges do you do with your friends? So the more moments and challenges that you play, our take rate is going to be on that. So it's not just time spent, but it's a number of challenges played.

Dipesh: Ok, Thank you.

Moderator: Thank you very much. That was the last question in queue. I would now like to hand the conference back to the management team for closing comments.

Francois-Charles Sirois: Well, thank you, everyone. I just want to say it's going to be a big quarter ahead. We are launching all these products. We look forward to next call in May, it's a linear year but in the same time, we'll have the platform live, and we'll have more metrics to share with you on what's happening with ONMO, and how much traction we're getting with Challenges Arena also with the operators. So, I thank you very much. Happy to spend all this time with us today. And look forward to discussing with you next quarter. Thank you.

Moderator: Thank you very much. On behalf of OnMobile Global Limited, that concludes the conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines.