



“OnMobile Global Limited
Q3 FY26 Earnings Conference Call”
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MANAGEMENT: **MR. FRANCOIS SIROIS - EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER**
MR. RADHIKA VENUGOPAL - WHOLE -TIME DIRECTOR AND CHIEF FINANCIAL OFFICER
MR. BIKRAM SHERAWAT - PRESIDENT AND CHIEF OPERATIONS OFFICER

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

Pratik Jagtap:

Good evening and welcome to Q3FY26 Earnings Call of OnMobile Global Limited. Representing the Management today, we have FC, Executive Chairman and CEO; Radhika Venugopal, Whole-Time Director and 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 Bikram 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.

Francois Sirois:

Thank you, Pratik. Thank you all for joining this Q3 call. Let me start by welcoming on our Board of Directors, Mao Mohapatra, long-time veteran of the industry knows inside out how it operates. He was CEO of Comviva, a Tech Mahindra company, which operates in the same field as OnMobile for 18 years plus. So, I'm really happy accepted to join the Board. He is going to help us a lot on how we sees both operations and sales. So Mao, welcome on board.

Now let me talk about the quarter. Good quarters on gaming. As you can see the growth, it's above our target. Normally, as we always do, is between 10%, 15% sometime 20%. Now it's a bit above. Bikram will talk about this. You saw where we're heading. I mean, we finally were closing into our first objective of getting towards the \$2 million a month in the coming quarters. Our view was, okay, it's not going to stop there, right? This business is growing. As we know, gaming is growing and our subscription business is growing. So, I view a stable 10%, 15% quarter-on-quarter. It might have some up like we have this quarter, some down, but the reality on a yearly basis, that's what I see still going forward.

Mobile Entertainment, we had some growth on some products. We had some degrowth in some other products. The onetime license also is a bit lower this quarter than the other. So that's why there's a bit of a gap. If we were to maintain the same onetime that we had in Q2 and Q3 that would have given us a big lift. We're hoping that in this fourth quarter, we do sign additional licenses, which would balance out this side of the business.

I'm just going to talk 2 minutes on something we didn't talk about, which we did talk in the last quarter is the gaming console. I know there's a lot of questions about it. I'm going to address them now. Just to let you know that the team has been working very, very hard on the go-to-market strategy. We will announce something clear as we launch. So that's why it's not been launched as we know in Q3. And this is why it's not part of this deck. Now, it doesn't mean nothing is happening. A lot is happening, a lot of details on the detailed strategy for the go-to-market. Keep in mind also, it's a bit different as a console, different than the operation we used to do, meaning that we need to design our own controller. So, the design is ready for our production. The gaming controller, the box because we're selling boxes now. The games are

different, it's not really mobile gaming, it's console gaming. So we need console games. Servers. Servers are different. We need very, very advanced servers and deployment. All this makes it a more complicated launch than what we do just on the software side normally. This is why it takes more time, but if you remember right, a quarter back, I said we need 2 quarters to do an announcement. So, this is why it's not part of this deck, but we're really working out, and the team is really working hard on this. The service looks very good, getting some real good gamers testing the service and giving us fantastic feedback. In the coming months, you should have more news about it. To this, I'm going to let Bikram give us the details on the operation and then Radhika. Bikram?

Bikram Sherawat:

Thank you, FC. Good afternoon, everybody. I like by saying Happy New Year to everybody, we are in February. Q3, we continue to deliver our momentum we spoke about in Q1 and Q2. We delivered across all our key lines of business. FC has already mentioned about gaming. Our overall revenue grew by 4.5% quarter-on-quarter to INR 1,369 million. It was driven mainly by gaming and our steady performance in our mobile entertainment business, which is key to our business as well. Now gaming accounts for overall of 1/3 of our revenues, and it cements its place as the growth pillar for the organization. Our gaming subscriber base at the end of Q3 was 13.7 million. ONMO, our social gaming service, continues to grow quarter-on-quarter. The higher revenue in quarter 3 was because of the seasonal effects of festivals. With festivals in many countries in the markets we operate in Africa, et cetera, in other parts of the world, people get more recharges because the salary is given twice and what we got more revenue per subscriber, and resultant transactions were higher.

In addition to that, as we look forward to the new financial year as well and the remaining part of this financial year, we are in conversations with 6, 7 new customers with whom we would want to close deals and launch thereafter soon our gaming subscription business. So, we are bullish about it. In December, we launched our gaming platform with a major client in Africa. If you remember, 2 quarters back, we announced a new product around gaming, the gaming platform, which is on a fixed fee and license. This is the first launch of the gaming platform, which we did in Q3, and we are in conversation with a few other customers, which we plan to close in this quarter. We have closed new gaming deals for ONMO in South Asian countries and Middle East, which are going to see the light of the day in the coming new months.

Regarding Mobile Entertainment, it remains stable and profitable business for us. In operators, they are bringing additional revenue through deeper customer engagement. So what we have done is during the seasonal period, festival periods launched specific marketing campaigns, which are topical around content and music for tones business. As we have consistently maintained, this segment provides the strong cash foundation we need to scale up our gaming and new lines of business. Our operational focus for the mobile entertainment is on protecting margin renewing long-term customer relationships. So, a dedicated focus is to ensure our contracts are renewed before time and selectively expanding wherever we see clear returns.

Our Buzzmo product line enterprise solution product, we have entered late-stage commercial discussions with 3 prospective industry leaders. We plan to foray into a couple of BFSI

customers as well in Africa. So we are trending towards expansion, which we would see in the next financial year for Buzzmo.

Geographically, if you see the regional performance of OnMobile, right, our best-performing regions in quarter 3 have been Middle East, Asia and Latin America. These regions, we have deepened our relationship with the telcos and increasing the acceptance of our gaming proposition. And what we want to do as we go forward is broadband this and take it to the other regions beyond the already strong regions I've already mentioned about.

Overall, before I conclude, our ambition remains centered around gaming, recurring revenue growth. We've achieved around \$1.6 million in December. We continue to focus and grow this significantly. We have already stated the numbers we want to reach to. Looking ahead, we grow our gaming subscription business, expand our footprint on license deals and fixed fee deals as FC has spoken about. And at the same time, we stayed disciplined on profitability, leverage our engagements for licensing revenue and ensure our mobile entertainment business remains profitable and continues to grow. Thank you.

I will now hand it over to Radhika who will give us details about all our numbers.

Radhika Venugopal:

Thank you, Bikram. Good evening, everyone, and thank you all for joining us. Moving on to financial performance. In Q3FY26, our revenue was INR 137 crores, which was up by 4.5% quarter-on-quarter. EBITDA stood at INR 8.1 crores, which is a 16% growth quarter-on-quarter as compared to the previous quarter, if I see it on a normalized basis. This is excluding the capitalization of intangibles. Gaming growth trajectory remains intact. Our gaming subscription revenue was INR 44.6 crores. This is up from last quarter, and this is up by 29.6% last quarter. Gaming subscription monthly run rate now touched \$1.6 million in December. Within mobile entertainment, revenue stood at INR 91.6 crores. There was a slight decline of 4% quarter-on-quarter. Our operational efficiency continues to improve. People cost was at INR 27.8 crores. This was flat on a quarterly basis and down from last year by 5.4%. Marketing was at INR 25.2 crores, which is higher by 8.8% on a quarterly basis and 4.4% on a year-on-year basis. This is in line with our growth in gaming revenues. Other OpEx was at INR 10 crores this quarter. This is a reduction of 10% from last quarter. Our DSO stood at 123 days. This was slightly higher due to the festival and vacation season because of which the collections were delayed, which will be collected in quarter 4. This quarter, we have booked onetime exceptional cost of INR 4.6 million, and this is pertaining to gratuity expenses, which is accruing from the new labor code rules. We closed the quarter with a gross cash of INR 138.5 crores and our PAT stood at INR 3.5 crores. Thank you.

Pratik Jagtap:

Thank you, FC, Bikram and Radhika. We have the first question from Revanth.

Revanth:

Sir, I see the gaming subscriber base at 13.7 million in Q2 and Q3 presentation. Is it the same that the gaming subscriber base still remains the same? Or is it some typo error in the presentation?

Bikram Sherawat: So, the way it is, what we show as a gaming subscriber base is the average at the end of the quarter, what is the subscriber base at the end of the quarter. In quarter 3, what we witnessed is that we had a peak in end of September, and we peaked up and because of the festival season and the transactions which we were able to do throughout the subscriber base, we had a peak of around 400,000, 500,000 more subscribers than 13.7 million, which tapered down to 13.7 million at the end of the quarter. So, it's not a typo because of more chargeability, more transactions and people balance being more in quarter 3, which we have seen as a seasonality is where we saw the revenue increase in the quarter 3.

Revanth: That means with the same subscriber base, we could increase the monthly revenue of \$1.6 million. Is my understanding, right?

Bikram Sherawat: The market revenue mix changed for us. Whatever the market revenue mix was in quarter 2 versus quarter 3, there was a difference, and that's how we were able to get there.

Revanth: Okay. My next question would be on marketing cost. I see INR 10 crore increase in marketing cost the same, like quarter-on-quarter like September versus December with not much change in the revenue. Can you throw some light on the increase in marketing cost by such extent?

Radhika Venugopal: Marketing cost has increased, and that is in line with revenue. So, if you see INR 131 crores to INR 136 crores of increase in revenue. marketing cost has increased from INR 23 crores to INR 25 crores. There is almost a 9% increase in marketing. And this is in line with the increase in gaming subscription revenue. So gaming subscription revenue has increased by 29.6% quarter-on-quarter, and this has led to increase in marketing. As a percentage of gain subscription revenues, this has come down.

Revanth: If I understand differently previous when compared to September '24 or December '24 we have increased our subscriber base drastically, but the marketing costs did not increase to such an extent. But just for a quarter, we have increased it by almost 100 million. Is it due to that we are incurring more cost to acquire a customer? Is it becoming difficult for us to gain more customers for that reason we are spending more on marketing?

Radhika Venugopal: No, it is not because of difficulty in acquiring customers. As Bikram mentioned, this it varies from market to market. Certain new markets when we enter, we'll have to spend higher on marketing. And the initial acquisition cost on subscribers will be higher. So that's the reason you might see some fluctuation in marketing quarter-on-quarter. If it is a mature market, the marketing cost tapers down and comes down. But in new markets, as we enter, then we'll have to pump up marketing initially to acquire the subscribers, our customers.

Revanth: Like is it possible to give the new market that you have entered this quarter?

Radhika Venugopal: So, there has been increase in multiple markets in multiple geographies. Bikram, can you take up this question, please?

Bikram Sherawat: Yes. So basically, currently, we are live with around 67 telcos out of which we continue to see where all the marketing is most efficient. And the marketing, which we do across the globe in our telcos, the spread shifts based on the response which we get on the customers. We don't publish the markets we are currently live, but what I can tell you is that right now, as we speak, in new sales discussion, we are talking to around 6, 7 telcos across markets. In the quarter 3, we had expansion in Southeast Asia. We had expansion in Middle East. We had expansion in our operators in Latin America.

Revanth: That answers my question. And coming to the next question on other income. Till 2024, like '24, '25 financial year, we don't see much income as a part of other income, but starting from FY '26, we could see a monthly run rate of almost INR 100 million. Is it something relating to the cash reserves that we have in our balance sheet? Or is it due to some investments that we are getting this income?

Radhika Venugopal: Other income, what you are seeing in the P&L is mainly pertaining to the interest on income tax refunds which we received. So this year, we have high amounts of interest on income as compared to last year, in fact, we got higher income tax refunds, and that has contributed to higher interest higher other income, which you're seeing in the lines.

Revanth: And does that mean this should be one-off this year?

Radhika Venugopal: Yes. Most of it we have received, but there are some more in the pipeline. So interest on income tax refund, we will not be able to forecast, but most of it is done as of now.

Revanth: Okay. Coming to my next question on guidance. For FY '26 guidance, it was provided as almost close to double digits on gaming and 20% EBITDA. I'm talking about EBITDA margins of close to double digits for gaming for FY '26. And FY '27, 20% EBITDA margin guidance is given. Are we on track on this guidance or any change that we are planning to make on this guidance?

Francois Sirois: Well, 2 things. If you see in the deck here in FY '26, right, we finished this quarter, we're right now in the fourth quarter, right, finishing. We had said that gaming will go to about 50% growth. So, we're very close to that in the range right now. And that's -- I mean that still remains, right? We have 1 quarter ago. So the math is there. For the year '26, right, which is FY '27. So starting in April, Yes, I mean the profitability of gaming is starting to really compound. Now that we have basically a run rate of \$20 million, \$25 million going to \$30 million plus, during the year, starting in April. Now the profitability is on gaming.

Keep in mind, this quarter, there's no CapEx. Every single quarter that you have for the last 5 years, we had CapEx every quarter. This quarter is the first quarter that these results have 0 CapEx because even in Q2, there was a bit of CapEx. So all the investments that we do and we do investment, right, is it costs money to do the gaming console. It costed money to do the gaming platform, which we invested last year. Now we capitalize a bit on the gaming platform. But as for the console, all the cost of the actual development of the virtual console is in our results. So that change also that will change in the mix as we launch the gaming console and

start making money on the console. It will have an impact on our cash flow, meaning that we need to finance the controllers and servers will get financing, but the controllers the shipment. And then by the time we get paid back, this will have an impact on the cash flow, but all the actual OpEx to operate and develop the console, now is going to turn into operational mode of making money on it. So yes, I mean, it's the same guidance that we've mentioned in the past that for the year, '26, '27 starting in April, the gaming will be profitable.

Revanth: As of now, is it EBITDA positive? Or are we still in losses on gaming division?

Francois Sirois: As of now, Q3, the contributing margin is positive. It depends on what do we put into the contribution margin right now in gaming is positive, inclusive of the cost to invest to do the gaming console.

Revanth: Okay. And previously in two quarters back con call. So, there was some discussion on DeOSphere partnership. Are we going with the DeOSphere partnership because we have invested almost like INR 15 million to acquire some chips and other things. Can you throw some light here?

Francois Sirois: DeOSphere right now is on the ice. As I mentioned last quarter, I mean it's the relationship was not going good. And that's why we stopped booking new revenues. right now, it's really on the ice. So I'm not positive about it. So, I'm not counting on anything with the DeOSphere.

Revanth: Anything positive to that we can hear in FY27 for regarding DeOSphere partnership.

Francois Sirois: I cannot comment on it, but honestly, I don't see it.

Revanth: Okay. Also, any tentative deadline for the gaming console that you're planning to launch in the market?

Francois Sirois: Yes. We're working right now very hard to get this up and ready in the next quarter. So within the next quarter, you'll see we'll do a formal press release as we launch obviously. But yes, that's the goal.

Revanth: Also, FC when you're saying gaming console, is it like Xbox or a PlayStation? Or is it something different? Because I didn't hear anything about this so I thought of asking you. Sorry for my ignorance.

Francois Sirois: It's a box and controller. And basically, the key is as you buy the box and instead of having in the box, a full-blown play station, all you have to do, right, is you actually scan the code with your phone or your smart TV and you start playing in 1 minute. When you buy an Xbox or a PlayStation it takes you a good hour to plug it on the TV, right, and get it working. We're using very advanced gaming cards and servers and the performance that we're getting is basically almost better than any console out there.

Revanth: For this gaming console, are we using the same game that we already have? Or are we developing something new games?

Francois Sirois: We're not developing, because I mean, these games cost hundreds of millions of dollars to develop, right? So this is not mobile gaming, it's really console gaming. Just to give you a thought, there are least 1 million games on the App Store, right, on mobile gaming. There's probably 10,000 games on the console and PC and out of 10,000 games, there's 1,000 of them which are fun to play. And out of this, there's 100 of them who capture 80% of the money and even 90% of the money. And out of the top 100, you have the top 20, which are really, expensive. That's you need tens of millions of dollars to get the license on these. So the key is to be able to offer a console with a bouquet of the 200 games, which are very fun to play, included. Then if you want to use your money and buy additional games, as you know, these games are sold at \$50 a game, right, or more sometimes. So then you can actually go and purchase your own license and add it to the console. But the key is to have a service that for the price of a controller today, you get the controller, you get games and you activate through any device in 1 minute.

Pratik Jagtap: Okay. Thank you, Revanth. We have next question in the chat box from Jitendra Bhutoria. So he is asking any update on Chingari investment?

Francois Sirois: Chingari, operationally, it's going good. Now we are in negotiation, as I mentioned last quarter, to be able to start selling some of our shares in Chingari. So the key is that within this new financial year that starts in April, the key is to start getting money back from that investment.

Saurabh Upadhyay: I just want to pick up from where the previous plan let regarding the console. So where is the manufacturing for the console are we importing this? And what stops from anybody else sourcing the same console and developing games on that. So if you could clarify?

Francois Sirois: Yes, 2 things. Cloud gaming is not new, right? As we know, I mean, that's what we've been doing with mobile gaming. There's other service providers that only do cloud gaming. The problem you have with cloud gaming is that very gamer specific, right? It's not friendly onboarding, quite difficult, quality of service is a problem depending on your operator. So we wanted to make sure that we really deploy, first of all, full-blown server capacity. We wanted also to have a full-blown console experience. So that's why we're actually providing the controller. Controller has to work on every device. So that's to be able to sync up rapidly on your phone, your TV or computer in 1 click, not something complicated. Game onboarding also, that's why we're signing up games and have games part of it so that within the box, you can actually start playing in 1 minute, that you don't have a long process, when you actually use cloud gaming and you buy your own games or there's a long process of onboarding. So we're trying to really make it friendly, right? I mean as friendly as when you go and buy Xbox or a PlayStation actually more -- even more friendly because you still have to plug that Xbox on the TV, and you still have to put the DVD in and link it up. It's quite burdensome even in that process. So we're trying to make it really, really easy to onboard customers. And the quality of the stream, right, 60 frame per second very high-quality video and a very good experience. So that's basically what we do. So you're right. I mean anybody can start doing this. Now to do this, you need to have the

streaming technology right. You need to have your own controller. It took us one year to get the spec right on the controller and get a price that makes sense and be ready for production. It is produced right now in China. We are talking to get it produced in India also. But right now, it was easier for us as a first step to start with China because they're already producing a lot of the current controllers in the market in China. So, we use the same type of factories. But it is different, right? It's different in terms of operation than what we do. Today, nobody in the market has done a box complete with a controller sold direct-to-consumer. I mean, the closest example of this is Google with Stadia 5 years ago. But if you remember right, they had a big issue with the streaming technology and the experience the customer was really bad. Now 5, 6 years later, technology is impeccable. So that's why we're doing this.

Saurabh Upadhyay:

If I may just continue with understanding the gaming console better. So what is the price point that we are looking at? How are we planning to distribute it? And how will we market the games on it? Is there going to be a Play Store? Or what are the channels that we will be working with?

Francois Sirois:

Yes, we'll have 200 or 500 games included and then you can add your own game. And if you don't have your game, then you can actually go 1 click, go to a store, purchase the game using Steam, uploading your license onto the console. The go-to-market is both, we're going to do D2C with B2B, meaning that we're approaching mobile operators for doing this, plus we're looking at the D2C strategy. So, we're doing both.

Saurabh Upadhyay:

Any comments on price point? When you speak of D2C are we already in conversation with existing electronic retail chains, any big names you could port or what is the plan there?

Francois Sirois:

Well my answer is going to be just very simple, yes. I'm not going to comment more. For the price point, a PlayStation controller, Xbox controller sells for in promotion \$50, but normally it's like \$60, \$65. So, for that same price range or even lower. The key is to be able to have multiple months of gaming servers, the games included in the controller. So that's the price range. Basically, you have a full-blown console for the price of a controller.

Saurabh Upadhyay:

Got it. And you said you're trying to get this up and running by next quarter. So, would it be fair to assume that it should be up and running by Q2 of next financial year?

Francois Sirois:

Yes, for sure. I mean, again, I want to manage everybody's expectations, right? It's new for us. To be honest, OnMobile does not sell anything physical today. So that's new. And I just want to manage everybody's expectations, right? The team, although we've been procuring this a lot and working a lot, things will go wrong in some places. So, we need to start with small quantities. Although we have some people asking for huge quantities, right? We can just start and say, okay, we're going to ship 250,000 controllers in one shot. It doesn't work, right? You have to be able to start with small quantities, see how it goes, fix anything that goes bad in the process. And when I say that goes bad, it doesn't mean that the controller will not work, right? It's just that anything in the process, shipment, the truck, problems with customs, problem with customer care, returns, right, because now we have to manage returns. So it's so this is new to us. So we have to start with small quantities. And that's why I want to start quicker than later because I

want to know right away what's not going to work so we can fix it right away. Before, we get to bigger quantities and then it's a bigger problem. We need to fix it with small quantities so that when we have big quantities, it goes very smoothly. So that's the plan.

Pratik Jagtap: Thank you, Saurabh. So, we have the next question from Ashish Bhasin.

Ashish Bhasin: Yes. See, one of the query is that there is a loan of INR 88 crores in the balance sheet, which has been shown as a current liability short-term borrowing. So just wanted to know a color on that. What is that loan and what is the maturity for what it is being used when we have a cash balance of more than INR 130 crores. So just want to get some color on that.

Radhika Venugopal: This is short-term borrowings, what you're seeing. That's basically the working capital facilities, what we have across the globe, both in India and outside India. These are not term loans, and these are only used to cover up our working capital requirement and typically, it varies from 30 to 90 days.

Ashish Bhasin: Okay. One more question is that I wanted to check that whether is CA and ONMO is slowing down because the number of subscribers have dipped this quarter. Even for ONMO the increase in the number of subscribers is not that great. So, what would be we can assume in that?

Francois Sirois: Well, if you look CA ONMO grew because that's the mobile subscription, the CA and ONMO, it grew by 30% revenues this quarter. As Bikram was explaining, it's a mix, the up and down on number of subs we finished the last Q2 with a big peak. So, keep in mind all the acquisitions that we started in Q2 and continued in Q3, that's why the revenues did not get captured in Q2, got captured in Q3 because you peaked up. So that growth of Q2 carried on in Q3, and we got some metrics. All the metrics went well this quarter. The number of transactions per user went off, the revenue per transaction went up, plus we have this push from Q2. So that's why it's a special quarter, honestly. There's no way we can plan a 27% to 29% growth every quarter. We got it this quarter. That's why from my point of view, the normal growth from this point on is 10%, 15%. This is what the gaming business should do for both CA and ONMO 10%, 15% a quarter

Pratik Jagtap: Thank you, Ashish. We have one question in the chat box from Amit Kumar. So he is asking any plan for dividend to shareholders?

Francois Sirois: Well, to be honest with you, as much as I love to have a dividend, right now we are really focused on launching this console. And I just want to be clear also cash-wise. Right now, we'll be doing a test with small quantities. But as we grow cash wise, this has an impact on the cash required. So right now, I mean, we need to launch a gaming console, see how big we can make it because there's multiple scenarios, small ones and bigger ones. I think the market is really big. As we share on this deck, and that's why we decided to go into this. 50% of the gaming market is mobile gaming, and 50% of the market, the other is console, which we never cross into console and it's separated between Sony with the PlayStation, Microsoft with the Xbox and then PC gaming.

But again, on these key games, most of the market is on that top 100 games, right, and almost in the top 20.

So, it's really a market which is totally new, most markets where we are operating today, including India. There's 150,000 console being sold in India. That's it, very, very small for what hundreds of millions of gamers. Nobody can afford a \$500 console. Big difference between \$500 console and \$50 less or even lower console. So that's where the numbers can be and the goal is to do that strategy not just in India, but across all Africa, Asia, there's a lot of places. In Africa, in some cases, PlayStation cost \$800 because of taxes in Africa and all this. So it's even worse. So all this to say, the more we're going to be successful with the console, the more money we need. I just want to be clear, it looks more like the traditional telecom success where you need to provide not in India, but in other markets, you need to provide a device and the more you have subscribers, the more device you have to pay the same thing here. We're selling the controller, but still, the more we sell, the more we need on the cash flow. So all this to say that, yes, I really hope that we'll have a dividend, but it's not going to be this year. We have to get the console and then we can look at how much profit we're making and then reinvest it into dividend or more growth.

Revanth: FC, when I dissect the amount September versus December, with a monthly recurring revenue increasing our EBITDA on gaming would definitely increase and it would contribute more to the EBITDA and profitability. But when you compare September '26 versus December '26 the MMR has increased and probably the EBITDA and other should increase. But in case it went the other way around way the profit had decreased, I know that marketing expenses had increased by INR 100 million. In spite of all these things, there is something I feel the numbers are not matching in terms of quarter-on comparison, September versus December with all segments included. Because when the gaming increases and EBITDA being positive, it would contribute more to the profitability and EBITDA, but it's the other way around here. Is it something like the previous like EBITDA on gaming in September is good and the EBITDA in December is quiet? Can you give some information on this.

Francois Sirois: Keep in mind also that in EBITDA, there's a CapEx that we had in Q2 that we don't have in Q3. So, we're not comparing the same EBITDA.

Radhika Venugopal: You should compare like-for-like. If you remove the INR 16 million of expenses, which were capitalized in quarter 2, the comparison would be INR 70 million in EBITDA in quarter 2 versus INR 81 million EBITDA in quarter 3. So, there is an increase of EBITDA if I calculate it on a normalized basis.

Revanth: Okay. Radhika only in Q3, we have this expect capitalized expenses part of OpEx?

Radhika Venugopal: Part of P&L. Only in Q3 it is not charged off to P&L. There is INR 16 million cost, which was capitalized. But from Q3 onwards, we are charging it off the P&L. Quarter 1 and quarter 2 has INR 21 million and INR 16 million, respectively, which is capitalized and not a part of OpEx

Revanth: Can you throw some light on EBITDA margins on gaming and other businesses?

Radhika Venugopal: We don't do segmental reporting. As FC mentioned, gaming P&L. I'm not talking about the EBITDA. The contribution margin is positive. So what do you mean by contribution margin, this comes before allocation of all common expenses and corporate costs.

Pratik Jagtap: Thanks Revanth. The next question is from Balaji.

Balaji: In the last quarter, like someone asked about demo about Buzzmo. So is it possible to upload on any social media platforms since it's not here?

Francois Sirois: You're totally right, totally forgot to do a demo in Buzzmo. Bikram, we could upload it somewhere?

Bikram Sherawat: Two things we are doing, Balaji. There is an experiential zone we are working on, which we will upload on our website in a few weeks' time. You can have a look. And on social media, especially on LinkedIn, there are certain posts, which we have put explaining what the feature capabilities are. Specifically, once it is uploaded on the website, Balaji, there will be an intimation, which will go on the social media where people can come and try and see the experience, which we will do.

Pratik Jagtap: Thank you Balaji. We have a question in the chat box from Jitendra. He's asking if the QIP plan still remains or it has been shared. Any plans for boosting investor confidence?

Francois Charles: No, I mean it's not been shelved. We need to raise money. I just want to be very clear our current operations are profitable. The gaming console depends on the success, as I mentioned, we'll need money. So it's very important for me that we're out there in the market with clear products so that the investors can see the product, that the market reflects at least all the investment we've been doing on that product because right now, to be honest with you, at INR 49 raising money is not advisable. And the amount of money that we need depends on how much that initial success on the console, how much money we really need, right? Because if we don't need money, there's no point to raise money, especially not at INR 49. If we need a lot of money because it's successful, I hope it reflects in the price and we can raise. But that's exactly I'm hoping during the summer that we can actually reactivate all this and close around.

Pratik Jagtap: So next question to follow up to that. So next look in Q1 of next year, like FY '27, Q1?

Francois Charles: So, 2 quarters down, right. I mean, Q1 for sure, we'll have some good indications on at least 1 of our first test for the console. For QIP, yes. But as I was saying, right, I mean, we need to get the feedback from the first console, so that we can really have a clear view to the investors of here's the product, here's how it performs, here's what we need because honestly, guys, the business today is profitable. The only investment we're doing today is on the console. We've done a lot of investment in the past for gaming. Now all this investment is translating on the current growth of 27.5%, growing with a range of 10%, 15%. Mobile Entertainment and even with Buzzmo right, we're selling license, growing the business as usual. So, the only reason we

would need money and do a QIP is for the gaming console. We need to have just a bit more data on the feedback, have everything ready, start selling some small samples, get the feedback so that we can complete the plan of how much money we need so that we can go out to the market and raise money.

Pratik Jagtap:

We have the next question from Jash Bhurjee.

Jash Bhurjee:

I had a question about the presentation. There's written \$3 million monthly recurring revenue that has been guided. Is this just on the current gaming business? Or this is added towards the gaming console product that we have. So, we are assuming that we should be reaching such numbers?

Francois Charles:

Just to be clear, 18 months ago, we gave the guidance that we would hit \$2 million a month, right, in about 18 months. Now we're pretty much there around so we did \$1.6 million in December with the current growth of 10%, 15% in 1 or 2 quarters, we're there. So, the indication that within 18 months, we should continue the growth that we have, right, for me, I mean the product has not finished growing. The current gaming products. So it has to keep on growing. So I mean \$3 million is a target that we took with the team that normally with a growth of 10%, 15% a quarter, that's where we should be. We'll make the math. So basically, that's the guidance. And then it's also the target for team. I mean we have to have a target that's reasonable with the team, while we do other products. The gaming console is totally separate. And to be honest with you, it can be a lot can be small. We have to be out there. As I was saying, it's a new product. It's not purely digital. It involves way more around it. So it's not part of this.

Jash Bhurjee:

Perfect. Got it. Any targets would we have in the gaming console?

Francois Charles:

We need to be on the market to know this.

Jash Bhurjee:

Understood. And any time frame that you potentially have internally?

Francois Charles:

Yes. As we discussed, right, within the next quarter, 1.5 quarters, we should be out there.

Jash Bhurjee:

And another question, please. There are few deals which we did in Qatar and Sri Lanka. Have we received the payments for it?

Francois Charles:

Some payments were received. Did we receive all payments, not yet. But that's unfortunate, right? That's why we're at 122 days DSOs. It's always the case, right? Operators retain payments, we have to pay others. That's why Radhika was talking also about our credit margin, right? Cash has to run with pay content providers waiting for payment from operators. So it's not new business, right? It's the business has always been like that.

Pratik Jagtap:

We have the next question from Saurabh Upadhyay.

Saurabh Upadhyay:

FC, I'm back on this. So just understanding the console again. So since we are importing this from China, I mean, you would certainly have an understanding of the components, et cetera,

that will go into this hardware keeping the global political uncertainty in mind, would you be able to share your thoughts or articulate any potential risks that you see going forward? That's one.

Second is have we onboarded any people who have experience in the hardware business, specifically in the gaming console business? And how are we preparing to hit the market from that standpoint?

Pratik Jagtap:

Yes. Just 2 things, the controller, we've been working on it for 1 year now to get it ready from China. We are working with manufacturers in India, because I think that'd be better. Just unfortunately, last year, it was not clear how we could get it produced in India. Now after looking at the market, we think we could be able to produce it in India also. All the work that was done, it seems simple, right? It's only a controller, but just to get it differently, to make it sure it works on every device and that we have the spec and that it's a high-quality controller also not a cheap thing. We wanted something high quality but low price with volume. So that's why it took a bit of time to get it there. You're right, there's a big exposure. One day, I mean, we all saw what happened with TikTok, Overnight, TikTok in India out. The last thing we want to be live and then we can buy from China for any reason. So that's why we need to get other manufacturers, and I'm happy to say that we're in discussion with somebody in India. So hopefully, this goes quite fast right after our test that we can actually produce also directly for India. This is not only for the Indian market. As you know, we say we're going to be shipping controllers around the world, but we have to do that first test in India. I think it's our local market. We have to get local feedback and then see what needs to be adjusted for other markets.

Do we have anybody from the console industry. If you remember, right, we have Steven Robert still on the Board of ONMO, which was at Sony PlayStation, for a long time. But guys, we have a lot of gamers that are playing console in the team, but I don't have anybody from the actual console industry except for Steven that actually on the technical front that came with. Let's keep in mind also that the console per se is all hardware. It's all the hardware and the servers. So it's mostly software based. There's no so it makes it very, very simple to address this market now that it's all except from the controller that the actual box is in the cloud and not in the box

Saurabh Upadhyay:

Will there be any events organized around the games that we are offering on the console?

Francois Charles:

There will be I mean, there will be, for sure, an announcement. There will be, for sure, a marketing budget. But keep in mind, again, I repeat that the first will be a small test. So I mean, we're not going to blast like crazy, and I want to make sure everything works. It's a different kind of launch. But yes, we have to make sure that the first devices get sold also, right? We don't want to be stuck with the first launch and it doesn't sell. So we need to make sure that marketing is appropriate. And that's why we need partners also, right, to get their views also on how do you market this.

Saurabh Upadhyay: Sorry, my question was more specific to events with regards to competitive gaming. And maybe I'm running ahead of what our plans are. But are there any thoughts around that to bring in more gamers, more participation?

Francois Charles: Yes. I mean again, that's an interesting point, like the competitive gamers and the top gamers already have a console. So yes, we could displace a console. But right now, the market is not to try to convince somebody to put their PlayStation aside and play with this. The market is everybody that dream of having a PlayStation that could not afford it to buy it. And the ratio is not 10:1, It's probably 100:1. How many people in India dream of having a PlayStation at least 100 million and how many bought one, it's 150,000 a year. So it's really a huge spread. So this is the key here.

Pratik Jagtap: Thank you, Suarabh. We have a follow-up question in chat box from Jitendra. Kindly share if there is any large business expected from Vodafone? As in the past, we did about INR 80 crores per year, given Vodafone seems to be back on track in India. So any thoughts on that?

Bikram Sherawat: So basically, on the existing business, which is towards what we do with them, we will continue to hold on to the same numbers. There are a couple of discussions which we are doing with their enterprise team and the gaming team, where we are working with their enterprise team to take our services as a bouquet when they go and sell to their enterprise customers. These are around gaming and Buzzmo. It would take us at least a quarter and a little bit more to conclude that, please be very mindful of the fact that Vodafone Enterprise team themselves are also competing in the market against other people for this business. If that happens, then we would be able to see a decent growth in the business with Vodafone. So there are a couple of engagements which we are working on Vodafone.

Pratik Jagtap: Thank you Jitendra, so next question is from Jash.

Jash Bhurjee: Yes. Related to the gaming console, who would be a likely competitor in this field, anyone that you have sized up or internally you guys have seen?

Francois Charles: Well, if you look at it today, nobody packaged a controller with basically a virtual service and games together. So, it's quite a bit of an endeavor to all do it. So right now, I mean, the competitors are the console, cloud gaming, where somebody a bit more technical will actually get subscribed to cloud gaming service and use their own controller to connect. But that's not retail per se. It's not used to really address the same market, the easiness of onboarding is not the same.

Do I see Microsoft Xbox and PlayStation moving more and more towards that direction, for sure. I mean, as I said before, I don't see why they would do another console instead of having just a full-blown cloud service bundle with a controller and their game packs. So that's coming, but that's exactly the opportunity also. They're not there yet. I think the operators, again, I mean, that's the pitch to operators. Why wait until the console business gets virtual when the operator

can actually hit that market right now. A bit like the App Store. Why did the operator let the App Store to Google and Apple, right, instead of doing something on the same pitch again.

That's why this is really a big industry, and that's where the operators should move in because it makes a lot of sense to have servers deployed in the operator. The servers been guaranteed from A to Z to the device. And most operators sell, yes, they have the mobile service, but they also have Wi-Fi with TV to bundle a controller for every TV they sell is a no-brainer. So that's the pitch to the operators also. A lot of them want to use this as a 5G service also because as you know, 5G doesn't have that much features, except more bandwidth, but for what, right? So that's a lot of operators are thinking about this for their 5G service. So that's the plan here.

Pratik Jagtap: Thank you Jash. So we have a follow-up question from Revanth.

Revanth: 2 or 3 quarters back, we had said that you will be investing almost \$15 million in GPU which will be used for the DeOSphere as we don't have any concrete agreement or working with DeOSphere, is the GPU still lying idle or are we using this to some other purpose?

Francois Charles: No, we didn't if you remember right, that's where I was also raising money funds or financing the servers or using the QIP. That's why we're in a rush to do the QIP. But then the metrics did not work, right? That was the problem we had with the business case with DeOSphere. The actual metrics or how much we would spend in servers and the actual money in, money out. I mean it was not interesting. It was in itself very complicated. So that's why we went back into discussion with them at the end, so we never bought the servers.

Pratik Jagtap: Thank you, Revanth. We have a question in chat box from Saurabh. What kind of margins are we expecting on the console itself? What is the critical mass of user for it to be profitable? And where will we host the games?

Francois Charles: To be honest with you, it's a bit too detailed. I'd love to share this with you once we have it up and running. I'll just give you 1 metric that we're debating. I mean that has a direct impact on the business case, the engagement. You sell the box, how many people actually go and play, what's the engagement that they play month-to-month-to-month. The business case is at 60% engagement. It could be 40% engagement. It could be 20% engagement. And this metric has no impact a bit, but not too much on how many boxes you sell. So you could sell a lot of boxes and have an engagement of 20%, like you can sell less boxes to more professional gamers but they're engaged at 60%. So obviously, it has a direct impact on the cost of servers and the biggest cost in there, aside from the controller is the server, controller, we get the money back. It's cash flow, servers actually cost to maintain.

So just the whole business case is based on this. So that's why I'm saying we have to be out there to know exactly the actual normal gamer buying this box. The average gamer buying our box, what is this engagement, and what is the actual cost, how much time they play, how many boxes do we sell? How fast do we sell the box? How fast do we get paid back? So and the cash flow.

So before I can confirm anything, right, that's why we have to be out there selling boxes, looking at the metrics and coming back with more data to you.

Saurabh Upadhyay:

So do we have we done any market research just to understand if a strategy to and penetrate the market with, let's say, an inexpensive console, just to get users to buy in versus selling it at a decent margin to make the money on the console. So have you done any market research to understand the consumer behavior yet so that we can strategize accordingly? Or are we just going to launch the product and then figure our way out?

Francois Charles:

No we're working with our partner on this also to figure out what's the right price. But again, yes, there's a strategy where we could make it very low thinking that people would just subscribe. But again, we're not today in the industry of manufacturing, selling controllers and boxes. So I want to be careful before we launch. That's why I want to do this. We want to do this test to get more data. And I want to make sure this test is somewhat lucrative. It's easy to bring a price down. It's very difficult to bring a price up. So that's why we're targeting more the current pricing of a current controller because we're offering way more. We're going to games and a full console with the controller. If we needed to do additional discount or get obviously, we'll make money on subscription, add-on options, better quality videos, selling games will make a profit on selling games. There's a lot of long-tail revenues that can be on.

But still, I would prefer to have today, especially if today it doesn't exist in the market. So, there's no point also to bring it down to half the price and then losing more money. I want to make sure that the business case stand by itself, at least to start. So but that's exactly the test about.

Saurabh Upadhyay:

Where are we hosting these games from?

Francois Charles:

On our servers. We do a contract with the game aggregators. We get 200 games. We need to onboard them on our servers, and we have the game right on our server.

Saurabh Upadhyay:

Forgive my ignorance, where are these servers based out of? Are we engaging with a third-party?

Francois Charles:

Every region where we launched. So in India, for example, with our servers in Bangalore, Delhi, Mumbai across to make sure that we serve the key markets. If we launch in Spain here, we'll need servers across Spain. Right now, you don't need a server in the same city. So it's very helpful, but you ideally need a server in the country. We need servers in each country that we launch. Thank you.

Pratik Jagtap:

Thank you, Saurabh. We have a question in the chat box from Shailendra. He is asking are we defocusing from videos and its share of revenue has declined significantly and have we lost any telecom clients for our video services?

Francois Charles:

Yes, you're right. Actually, this quarter, big down is on videos again, but we're working, as I was mentioning many quarters back, we were working on a new service currently in negotiations. So as soon as it's confirmed, we should restabilize the video revenues. But as we said, the video,

mobile video service subscriptions, it's always going to be there. This quarter, there was a down on videos, and that's why we want to launch a new service to rebalance it out.

Pratik Jagtap: He is asking the follow-up question. In gaming business through telecom operators, what percentage value capture that we get? So, if telecom operator is making \$1 from subscription, do we capture \$0.10 or \$0.20?

Francois Charles: So, a normal App Store, not the telecom operator, it's 70-30. That's how much the AppStore, they take 70%. They let 30% to the app developer. In our case, it goes sometimes up to 70% like the App Store, but because of the billing and easiness to be able to use the service. And sometimes the promotion that the operator does and no more around it. So, it ranged from 70%, which is the best that they keep. Sorry, I mixed it up. It's 30% for the App Store, it's 70%, it's a cost of 30%. In our case, 70% the best up down to the minimum is 45%. But in those cases, there's a lot of promo or a lot of service from the operator. So it's 45% to 70%.

Pratik Jagtap: Thanks Shailendra. We'll take it as a last question for the call today, and over to the FC for closing comments.

Francois Charles: Thank you all. We really look forward to our next call. I hope I have more news on the gaming console. And thank you for being there always. So, we'll speak to you, end of May. Thank you.

Pratik Jagtap: Thank you, FC. On behalf of OnMobile Global Limited, we conclude the earnings call. Thank you, everyone, for joining.

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