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November 6, 2026

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400 001
BSE Scrip Code: 532348

The Secretary
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot no. C/l
G Block, Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
NSE Symbol: SUBEXLTD

Dear Sir/Madam,

Sub: Transcript of Earnings Call

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Transcript of Earnings Call of the Company held on November 4, 2026, for the quarter and half year ended September 30, 2026.

The same is also available on the website of the Company at https://www.subex.com/investors/announcement-filing/#inverstor-and-analyst-call-fy27

Kindly take the same on record

Thanking you,

Yours faithfully,
For **Subex Limited**

RAMU AKKILI
Digitally signed by RAMU AKKILI
Date: 2026.11.06 12:43:48 +05'30'

Ramu Akkili
Company Secretary & Compliance Officer

Encl: as above

Subex Limited

Q2 FY27 Earnings Conference Call

Event Date/Time : 04/11/2026, 11.00 Hrs

Event Duration : 57 mins 42 secs

CORPORATE PARTICIPANTS:

Mr. Pratik Jagtap

EY Investor Relations

Mrs. Nisha Dutt

Managing Director & CEO

Mr. Sumit Kumar

Chief Financial Officer

Mr. Harsha Angeri

Head – Corporate Strategy and AI

Mr. Ramu Akkili

Company Secretary & Compliance Officer

Q&A PARTICIPANTS:

1	**Parth Dalal**	: Individual Investor
2	**Ajay Desai**	: Individual Investor
3	**Haider Kachwalla**	: Individual Investor
4	**Sanjyot Khare**	: Individual Investor
5	**Patrick Mathias**	: Retail Investor
6	**Abhishek Kale**	: Individual Investor
7	**Mahesh Kumar**	: Individual Investor

Moderator

Good morning, ladies and gentlemen. I'm Sashmitha, moderator for the conference call. Welcome to Subex Limited Q2 FY27 Earnings Conference Call.

As a reminder, all participants lines will be in listen only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touch tone telephone. Please note this conference is recorded. I would now like to hand over the floor to Mr. Pratik. Thank you, and over to you sir.

Pratik Jagtap

Thank you, Sashmitha. Good morning, and welcome to the call for quarter ending September 30th, 2026. Members of the management who are present for the call are Ms. Nisha Dutt, Managing Director and CEO; Mr. Sumit Kumar, CFO; Mr. Harsha Angeri, Head, Corporate Strategy and AI; and Mr. Ramu Akkili, Company Secretary and Compliance Officer.

I would like to start the conference call by going through the Safe Harbor clause. Such statements in the presentation concerning our future growth prospects are forward-looking statements, which involves several risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.

These risks and uncertainties relating to the statements include, but are not limited to, fluctuations in earnings, our ability to successfully integrate acquisitions, competition in our areas of business, client concentration, liability for damages in our contracts, withdrawal of tax incentives, political instability, unauthorized use of intellectual property, and general economic conditions affecting our industry.

With this, I now hand over the call to Nisha to take it forward. Over to you, Nisha.

Nisha Dutt

Thank you, Pratik. Good morning, everyone, and thank you for joining us for the Earnings Call. Firstly, before we start, our apologies to all of you. I believe that we have had some technical glitches this morning in the inbound numbers that was circulated, because quite a few of you had to wait quite long to actually join the queue. So, our apologies in advance, and thanks for being patient, actually. So, with that, we'll start.

So, we delivered another quarter of growth in Q2 FY27, with the revenue increasing 7.7% QoQ and 24% YoY. This marks five consecutive quarters of QoQ growth, which I believe is one of the highest streak since the company was listed. Our EBITDA margin stood at 20.8%, while PAT falls at 16.7%. EBITDA and PBT grew QoQ, even with annual wage increase in Q2. So these results reflect continued progress in both growth and profitability. More importantly, they demonstrate that the operating discipline that we have been building over the last 3 years is beginning to translate into tangible financial performance.

For a company that has spent the last few years rebuilding its foundation, this matters. We have spoken consistently about what this rebuilding required, a greater predictability and execution, sharper choices about where we compete, a more sustainable cost structure, and an unwavering focus on customer. These priorities have not changed, but what is changing is our ability to translate that discipline into growth. This quarter, I believe, is further evidence of that progress. I'm also conscious that a turnaround is not defined by a strong quarter or even by a series of strong quarters. The real test is if we can make the growth repeatable, profitable, and sustainable, and that remains our focus.

Today, rather than spending time reiterating the quarterly development, which we have already covered in our investor presentation, today I'd really like to use this opportunity to talk to you about something which is equally important, which is where Subex grows from here, because restoring business, and you guys know that, you know, some of you have been with us on this journey. You know that we have been talking about a turnaround, but restoring the business was never intended to be the destination. What we are trying to do is to create the foundation from which we can build the next phase of Subex.

So, where is our future headed? So I want to spend some time today just talking about where we go from here. So let me begin with a simple observation. The history of telco in many ways is the history of flow. In vice there are value moved through calls, the ability to measure, build, reconcile, and protect those flows, what are fundamental to economics of the industry. Then came the data era. The nature and scale of traffic changed dramatically, but the underlying principle remained. Wherever value flowed, there was a need to understand it, account for it, and protect its integrity.

Subex has spent more than three decades operating precisely at this intersection. Across networks in more than 100 countries, we have developed an understanding of how economic value moves through complex systems, and where it leaks, where it's misallocated, where it is vulnerable to exploitation. Now, we believe a third kind of flow is emerging, white flows, data flows, and increasingly intelligence flows. AI changes the very nature of what moves across the networks and platforms. We are moving towards a world in which software does not merely process information or recommend actions.

AI systems and agents increasingly will make decisions, initiate transactions, interact with other systems, and execute activities with varying degree of autonomy, and that changes something very fundamental. When intelligence begins to act, decisions themselves can become economic events. So a wrong answer from a system today may be inconvenient, but a wrong action, if taken by an agent, for instance, can have a direct financial consequence. It can create an incorrect settlement, authorize a fraudulent transaction, misallocate revenue, or trigger a chain of actions that may be very difficult to reverse.

So in other words, as intelligence becomes more autonomous, the question is no longer whether simply a system can detect the anomaly after it has occurred. It is whether we can establish that the decision itself was appropriate, authorized, economically sound, and executed within the right boundary. And we believe this creates new and increasingly more important layer of value in the technology ecosystem, and that I would call as the integrity of decisions.

Today, enormous investments are flowing into making AI systems more capable, and not just by us, but even by telcos themselves. We believe that the next challenge will be making those systems trustworthy enough to act, particularly when their decisions carry significant economic consequences, and this is

where we truly see the opportunity for Subex. There are three reasons why we believe we have credible foundation to pursue this opportunity.

First, our domain expertise is deeply rooted in the economics of telcos. For decades we have worked with operators to identify where value is created, where it's lost, how it can be protected, and that experience has given us something more valuable than an understanding of transactions alone. It has given us an understanding of relationships, dependencies, behaviors, exceptions, that determine whether a transaction is economically legitimate. As AI systems begin to participate in this transaction, that domain intelligence becomes increasingly relevant. The technology may be changing, but the underlying problems of trust, accountability, and economic integrity are not disappearing. If anything, I think they are becoming a lot more consequential now.

Second, we see an opportunity to position Subex as a platform neutral integrity and decision there. Telcos are making substantial investments in their own AI platforms, data infrastructures, and automation capabilities. We do not believe our future depends on replacing those investments or owning every component of that AI stack. Our opportunity is to build capabilities that work across these environments, help customers govern critical decisions, protect economic outcomes, and establish accountability regardless of the underlying technology. So think about how the composition of network activity itself is changing.

Historically, networks were designed predominantly around human initiated activity. Someone made a call, you sent a message to someone, you consumed data, you initiated a payment. Increasingly what we are seeing is machines, bots, and autonomous agents will initiate and execute activities on behalf of people and enterprises. This creates an entirely new problem of skill and accountability.

So for instance you know, answering the questions around who authorized the action. Was it within the intended boundary? Like, we know that every agent is given a boundary. But who is going to check, whether you know was it within the intended boundary? Was the economic outcome legitimate? Who is accountable when something goes wrong? And in that sense, we are witnessing the very reinvention of the old principle of maker-checker mechanism. Except this time, the maker might be an autonomous agent, and the checker itself might be intelligent and decision, you know might be intelligent. And the decisions actually might occur at a scale and speed that traditional controls were never designed to handle, because traditional controls were designed to handle more human traffic, right?

This is a traffic at a very different scale. So, importantly, this is an opportunity that does not require us to bet on which AI platform ultimately wins, and that's not the battle that we are in. Our ambition is to make integrity relevant across platforms, rather than we being dependent on any single one.

Third, we believe that this opportunity has potential to create a compounding advantage. Our historical business has given us deep exposure to complex network and transaction environment. As we introduce AI led capabilities into this environment, we have an opportunity to translate that experience into better models, stronger decision frameworks, and more effective controls.

Every new deployment can deepen our understanding of additional patterns, risks, and relationships, subject of course to customer permissions and data governance. But I think that these learnings can strengthen the intelligence that we bring to subsequent deployment. Over the time we believe that this can create a reinforcing cycle between an expertise, product intelligence, and customer outcomes and that is the advantage that we want to really build. One rooted not merely in technology, which can be easily replicated, but in accumulated intelligence of how complex economic systems actually behave.

So I want to emphasize that, we don't see this opportunity confined to traditional mobile network operators. The telco landscape itself is changing. I'm sure most of you have by now heard about satellite and Non-Terrestrial Network, NTNs, that are beginning to challenge established assumptions about connectivity, network boundaries, and economics of service delivery.

New entrance technologies will create more heterogeneous networks, new commercial relationships, and potentially new forms of revenue leakage, fraud, and settlement complexity. At the same time, mobile money, digital financial services, and enterprise platforms are becoming both interconnected and increasingly automated.

So across this environment, we see a common challenge emerging. As the number of participants, transactions, and autonomous decisions increase, the need to establish economic integrity becomes more important, not less. And we believe that the underlying capabilities that we have developed in telco can provide a foundation for addressing some of these adjacent opportunities. But I also want to be equally candid about what this means for Subex today.

This is a strategic direction that I'm talking about. This is not a claim that we have already established ourselves in this market. We intend to pursue it with the same discipline that guided our research. Our first responsibility remains trending and scaling our core business. Business assurance, fraud management, and our managed service capabilities remain central to our near-term growth and profitability. Alongside this, we are advancing AI led capabilities that address real customer problem, including more intelligent detection investigation, increasingly autonomous workflows with appropriate human oversight.

So we intend to focus capabilities in customer environment, demonstrate measurable economic value, and build outward from there. We are not interested in pursuing AI for the sake of AI, or in expanding into adjacent markets because they appear attractive. The question that we will continue to ask is whether our domain intelligence gives us genuine advantage? Where we can use that advantage to translate into measurable customer value and sustainable business for Subex. That will determine the pace and direction of our investment.

So as I look at the journey ahead, I see two responsibilities that must progress together. One, is to continue to build a stronger, more predictable, and more profitable business. The other, is to ensure that business we are strengthening remains relevant to the next generation of industry problems. We cannot afford to do one at the expense of other.

The last 3 years have been about restoring discipline, credibility, and the ability to execute, but the next phase has to be about using that foundation to build a business with greater strategic relevance and the

larger opportunity that we see. Our ambition over time is to move closer to decisions that determine financial outcomes rather than remaining solely in the systems that analyze those outcomes post factor.

So this is a meaningful evolution, I believe, from where the Subex began. It's also natural extension of where we have spent three decades learning to do this. So we are not trying to build a better version of the Subex of yesterday. If there's one thing I'd want you to remember, it's that. my goal is not to build a better version of the Subex of yesterday. We are positioning Subex for where value is moving next, and that's moving to the intersection of intelligence, decisions, and economic integrity, and we intend to earn this position through execution, customer trust, and demonstrable results.

So before I move into the quarterly financial performance, I'd like to highlight the appreciation and the value of our minority investments in PrivaSapien and OnGrid. Based on the latest valuations available to us, these investments have appreciated approximately 5x and 2x respectively relative to their original investment values. So these investments represent another dimension of the value we have sought to create through our strategic choices, and this appreciation further strengthens our consolidated network. With that, let me quickly go through the financial performance for the quarter. All numbers are in INR.

Revenue for the quarter stood at INR 85.59 crores against INR 79.45 crores for the previous quarter. This reflects a 7.7% growth. Normalized EBITDA for the quarter was at INR 17.77 crores as against INR 16.87 crores of previous quarter. Normalized PAT for the quarter is INR 14.3 crores against INR 16.9 crores for the previous quarter. PAT for quarter is at INR 14.29 crores as against INR 14.22 crores from the previous quarter. Cash and cash equivalents stood at now INR 198 crores as of quarter end, as against INR 184 crores at the end of previous quarter.

Thank you for your time, and I'll now be happy to take your questions and comments.

Moderator

Thank you, ma'am. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press, * and 1 on your telephone keypad, and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again. Participants are kindly requested to restrict with two questions in the initial round and join back the queue for more questions.

First question comes from Mr. Parth Dalal. He's an Individual Investor. Please go ahead, sir.

Parth Dalal

So my question is that if AI lets operators run fraud and give assurance for themselves, what replaces your managed services revenue in next 2 years?

Nisha Dutt

Sorry Parth, your line is a little bit unclear. Can you repeat your question?

Parth Dalal

Can you hear me now?

Nisha Dutt

Yes.

Parth Dalal

So my question is, if AI lets operators run frauds and assurance themselves. What replaces your managed services revenue in next 2 years?

Nisha Dutt

That's an interesting question. I don't think it necessarily replaces your managed service, right, because the managed services -- so there are two things to understand here. First of all, there are a lot of OpCo's that use our revenue assurance and fraud management systems, but our system is not the only one that is getting used in a telco environment. Telco environment typically has multiple systems that they use, including their own, actually, many times. So it's not necessarily true that when we are in a telco that ours is the only system that is getting used. So that part of the matter is true even today.

Our managed services is around our product, right. So we don't do managed services around some competitor products and other products. So our managed service revenue is pretty much around maintenance of our products, upgrades, upsells, and all that. But I think fundamentally, one thing that's important to understand why people use us continuously is because a vendor like us works across multiple telcos, right. So we work across hundreds of telcos.

And what that does is, that gives you the advantage of understanding cross-telco patterns, and understanding how the -- for instance, a fraud is emerging from one geography and traveling to another. So fraud is very artificial, right. So this is where managed services becomes important. And that is where I would say that why people actually use us.

One of the things that I was also talking about in my opening, right. Who finally will sign up on the economic integrity? Actually, that's us right now in the system. Will managed services start getting replaced just because they have their own systems? I don't think that would be the case, because that is true even today, actually. That does not mean that my managed services is shrinking. But what we are definitely doing at our end is to making our own managed services a lot more efficient. So I don't think managed services as a concept goes away, but the way managed services gets delivered definitely can be a lot more efficient, and we are also ourselves looking at managed services, AI agents, and all that. Can agents do a lot of managed services for me today?

So we are also actually looking into that direction, but I think just to clarify, existence of one does not necessarily mean that the other is not needed right now.

Parth Dalal

Got it. Thank you.

Nisha Dutt

All right.

Moderator

Thank you, sir. The next question comes from Ajay Desai, an Individual Investor. Please go ahead, sir.

Ajay Desai

Yeah. Good morning, and congratulations on good set of number. We had a lot of problem in terms of joining the call, and maybe next time we need to look at it. Second is regarding this creation of visibility among investors and having those investors meet every month, you know probably. So if we can continue with that for next few months, probably by year end, when we have a full year of numbers, probably our valuation also will start reflecting some better things. So if you can give us some plan, your plan, in terms of meeting investors, how is the thought process?

Nisha Dutt

Thanks, Ajay. I think the intention -- definitely management's intention is to continue the engagement. Obviously, whenever we are in silent period, we kind of go off the radar a little bit. We can't do NDRs at that time. But now that with results being declared and today we are doing the earnings call, we'll again, pick up pace on going out and meeting investors.

So we definitely plan to continue this, and we are working with UI, actually, on a plan. So maybe we'll publish a plan you know, and to the investors, so that you know which are the cities that we are coming to or the dates and all that. We'll work with them and probably publish a plan. Definitely the intention is to keep the momentum, if not increase the momentum right now. We are going to do that.

Ajay Desai

Yeah. Sure. Thanks.

Nisha Dutt

Thank you.

Moderator

Thank you, sir. The next question comes from Mr. Haider Kachwalla, an Individual Investor. Please go ahead, sir.

Haider Kachwalla

Hello. Am I audible?

Nisha Dutt

Yes, you are Haider

Haider Kachwalla

Ma'am, thank you for giving the qualitative guidance in the opening remarks. But if you could call out on a more quantitative guidance in terms of numbers, so at least we have something to look forward to. If you could just give some remarks on that as well.

Nisha Dutt

I think I get this asked all the time. In terms of giving a lot of forward-looking guidance, we cannot do that. I will say that, like I said in my opening remarks, growth remains a priority for us. When I talk about sustainable growth, to me it's not just going QoQ, it's also making sure that the growth does not come at the cost of your bottom line. So we want to make sure that our margins are durable and we are able to sustain margins in a certain range. It may not remain exactly same every quarter, obviously. That's understood, but we want to maintain some level of margin durability while we grow our business.

So growth is a key focus, because I think we have a good handle, and we have done the bottom line for, I think -- we have done many quarters now. Maybe, you know, nine or 10 quarters, we have been demonstrating a very robust bottom line or I would say, a fairly healthy bottom line. So right now the whole focus is to see how we can grow sustainably, and that remains the focus.

Where we are going we definitely want to you know -- aspiration is obviously to do, I would say that a high single digit, double digit. I mean, that is where we are headed. Directionally, that's where we want to go. And the whole company is sort of geared towards seeing that if we can capture that opportunity in

the market. I think same thing, I mean you know EBITDA path should continue in the same way, I would say.

Haider Kachwalla

Ma'am, but even if you're saying that you won't growth to be delivered on a sustainable basis, I'm seeing that you have grown by around 20%, 25% this quarter on a YoY basis. But in constant currency terms, you're getting the benefit of INR depreciation. You're not actually you know --

Nisha Dutt

But Haider, there's a 24% INR depreciation. I mean that's kind of -- even you know that.

Haider Kachwalla

In the first 1 year – ma'am, in the past 1 year.

Nisha Dutt

I will tell you. Over last 1-year, I don't know the numbers handy, but I will tell you the broad guideline, right? Do we benefit from INR depreciation? We do, as do all other companies. But our INR benefit is around, I would say, a 2% or 3%. And YoY be around 10% or maybe 8% -- QoQ, it's been flat, actually, so yeah.

Haider Kachwalla

Ma'am, I agree on a QoQ basis it doesn't change, but on a YoY basis?

Nisha Dutt

YoY basis it's probably – no, it will be around 8% to 10%. Yes, you're right about that. I think those numbers, anybody can tell me.

Haider Kachwalla

Ma'am but then growing 10%, 12% on a YoY basis and then calling out a sustainable and higher growth figure, I don't think that is matching with what you are saying.

Nisha Dutt

No, Haider, actually all the telco vendors, today okay -- so I think this player needs to be placed in a little bit of context. First of all, telco industry itself grows only about 2-3%. Telco growth is only 2-3%. We are one of the highest growth telco vendors. I can challenge you on that, and you can go look at the data. I do extensive data analysis. Today we are one of the highest growth vendors.

Most of the vendors in our space comparably have actually degrowth. We are actually growing 3-5x of the growth of the industry right now. So for me that's actually very good. And I know the baseline I'm coming from. We were actually flat and degrowing. So I think from that perspective to expect that this will on a constant currency basis, this will become a 25%, 30% growth, that will take time. That does not happen in a year. I think in a year, giving you, delivering a 14%, 15% growth is, in my opinion, no small feat actually. Given what the state of the industry is and what the rest of the industry and telco vendors are doing right now.

Haider Kachwalla

Understood, ma'am. Lastly, on the cash on the books, so it is definitely very heartening to see you carrying around INR 200 crores of cash on your books, which is roughly 20%, 25% of the market cap. So if you could give some guidance on what this utilization of cash would be if you will be investing in R&D acquisitions, or whether even considering a buyback to create a higher value for shareholders?

Nisha Dutt

So our cash utilization, we will be looking at some inorganic growth opportunities, the first utilization of cash that we are looking at. We are actively sort of figuring this out. So we are actively running a pipeline right now to see if there are good opportunities for us. But primarily the utilization of cash is going to be that.

R&D of course, you know R&D we do use – R&D increased expense. We do actually increase the, or I would say increase intensity of R&D every year, but that does not flow through the balance sheet. Our R&D is not capitalized. It's a P&L. So all our R&D expenses go through the P&L. So there, I don't think that cash itself directly comes into play. So a lot of our cash utilization is going to be on the inorganic growth.

In terms of buybacks, we can't do a buyback right now, because I think all of you on the call are aware that we have negative retained earnings. So we cannot do a buyback right now, actually. So we'll try and see if at some point of time that becomes a viable option, but currently that's not an option for us.

Haider Kachwalla

Okay. Understood, ma'am. Thank you very much.

Nisha Dutt

All right. Thank you.

Moderator

Thank you, sir. The next question comes from Sanjyot Khare, an Individual Investor. Please go ahead, sir.

Sanjyot Khare

Hello. Hi, Nisha. Congratulations on a good set of numbers.

Nisha Dutt

Thank you.

Sanjyot Khare

Good to see QoQ, the revenue and margins are improving. And even last quarter, it's good to see that margins are still maintained even after, I think, you had given annually a wage hike to the company employees. That's really good to see.

Knowing that we are growing for last two quarters about 7%, 8%, and second half is generally better for the company, so can we expect this growth to accelerate in second half, H2? Hoping to see crossing a INR 100 crore revenue per quarter very soon on that. Are we seeing any challenges to already order one, for the execution of the order one and accelerating the growth?

Nisha Dutt

Nothing major right now, Sanjyot, actually. I mean, in the sense that, I think, we are – sort of I feel we are on a good growth trajectory right now. The challenges are not any different from what I think everyone knows, which is Middle East. Middle East seems to be going hot and cold. Depends on which week you are talking about. Sometimes it really escalates, and sometimes it's just muted. So we don't know how Middle East is behaving right now. So there is some impact, but that is a little bit baked into where we are right now.

I think Middle East is one impact, and of course, US and elections are always, I don't know, a wildcard. How that plays out, it remains to be seen. But yeah, other than the geopolitical issues, which I think are visible to everyone, some of it has already been baked into our planning. I'm not expecting anything different for the next two quarters, unless there is a black swan event or there is something that majorly happens, which we haven't foreseen right now. So other than that, I think we are, okay, right now.

Sanjyot Khare

That's great. My second question is about last quarter. Subex has announced that Subex should be buying a share from the market for the, I think, employee fund. I think employee fund is sponsored.

Nisha Dutt

Yeah. ESOP. ESOP for us.

Sanjyot Khare

So, is that something you want to implement in Q3?

Nisha Dutt

Yes. We will be actually looking at it. We may not do it in one go. We'll space it out a little bit, but we will be doing it. Typically when trust is buying shares, I think the only constraint that we have is that we have to do the buyback only when there is no UPSI on hand. So that's one constraint that we have, but yes, we will be actually executing that for sure.

Sanjyot Khare

Great. Sure. I'll fall back in the queue. Thank you, and all the best.

Nisha Dutt

Thank you.

Moderator

Thank you, sir. The next question comes from Patrick Mathias from Retail Investor. Please go ahead, sir.

Patrick Mathias

Good morning to all of you, and congratulations on a good set of numbers. You delivered what we guided last quarter or we are confident about. I like your opening remarks in terms of what opportunity AI presents, in terms of the impact on the telecom ecosystem, the new clause, the economic impact etc., nice vision and approach.

I wanted to understand a little bit more on are there any specific areas that we are targeting? Are we going to use point product approach? Are we going to create a AI platform that will address this? Can you be a little bit more specific on the details? And what is the size of market that we will be addressing through AI as a lead technology to transform our business? I mean, as you mentioned, that we are not looking at incremental steps anymore. We are looking towards transforming Subex towards maybe Subex 3.0. So I wanted to understand a little bit more details on this.

Nisha Dutt

Sure. First of all, in terms of the TAM, I think there is an investor presentation that's out in public domain. We have identified or I would say defined our TAM as 4.3 billion right now, so that sort of you know remains. But that said, I feel that what we are looking for is -- again, our approach is not to take a very low platform approach, because what we are seeing is platform approach is not very scalable, and also a lot of telcos have invested in their own AI stacks, right? So when you go with your own platform, then it becomes a conversation about whose platform is better, whose models are better, and that's not really where we want to play anymore, because that does not give us any distinct advantage.

So what we are trying to do is to see if we can package our domain knowledge and what we understand and create modular and independent stacks, right. We have a road map, actually, technical road map that we have also published some point. Basically, what we are trying to do is, we are trying to move towards, architecture of autonomy. We call it, you know, AOA, where we want to make sure that everything that we are doing, we are able to qualify our agents to do that, and this is all in independent stacks, right? Where agents will have autonomy, and they can work with each other. They can use protocols like A2A, MCP, and all that. So that's where we are actually going with this.

So to answer your question, not so much platform thing, but more of, I would say, a modular independent point solution. Because fraud is evolving so quickly, right, or even assurance issues. So I feel that if you were to take a platform approach, our platform may not be able to finally answer everything that may come. It’s very hard to -- and I think it's an investment that's not worth making the world that way it's evolving today. That's not an investment that's worth making for us anymore.

I think we are better off doing, like, independent stacks that are interoperable with underlying telco stacks that they may be already sitting on, for instance. They may be committed to a Snowflake or Databricks or DataRobot. Whatever stacks or DataDay that a telco is committed to, we should be able to sort of orchestrate our point solutions on those stacks. This is how we are actually approaching this.

Patrick Mathias

I'm in total agreement with the point product. You wanted the products approach. And given our size and what our overall exposition, etc., that might be the right way to go. One suggestion or a request is, if this can be articulated or included in a public release in terms of what is our approach, and what are we going to do, that might give a better picture to investors in terms of where Subex is headed getting into the future.

The current understanding of most of the investors is that we haven't perennially stuck up into part of -- coming out of a lot of our issues, and there is no next step. I mean, we have done maybe incremental things in the past. We might have taken a shift left approach 5 years ago, but that did not work out as anticipated. Now, that we are clear in our objective in terms of focusing on our core strengths, and AI presenting a new opportunity, that opportunity, our approach, AOA as you mentioned, nice terminology, if you can expand on that and clearly articulate in a couple of slides as to what we are working on in terms of transforming our company, that might get well received by the investor communities.

Nisha Dutt

Point taken, Patrick. I'll do that actually. We do have – actually we have this well-articulated, and we present this in our bids and all that when we work with teclos. But I think we haven't sort of done it to investors and outside. So we'll continue to do that. Actually, I'll work on this. I'll take this as an action, and we'll get this. Next time we hit the road, we will do it with all this articulated and fleshed out properly. We'll do that.

Patrick Mathias

Thank you.

Nisha Dutt

Thank you.

Patrick Mathias

That's all for today.

Nisha Dutt

Thank you, Patrick.

Moderator

Thank you, sir. Participants are kindly requested to restrict with two questions in the initial round and join back the queue for more question. Next question comes from Abhishek Kale, an Individual Investor. Please go ahead, sir.

Abhishek Kale

Hello. Good afternoon. Am I audible?

Nisha Dut

Hi. Yes, Abhishek, you are.

Abhishek Kale

Hey, Nisha, it's been almost a year and a half that we have started adding new logos, new geographies, right? If it is possible, can you share how they have contributed to our numbers? I mean, what percentage? Ballpark, if it is possible, doable, can you share that? The new logo that we have added in those last 1, 1.5 years.

Nisha Dutt

Okay. So in terms of – okay, so I think it's hard to kind of do deal-by-deal, but I will give guidance on you know broadly or aggregate how does this pan out for us.

Abhishek Kale

Yeah. That is actually fine.

Nisha Dutt

So basically the way to understand is that, one is, in any given year, whatever revenue numbers that we hit, right, so we enter the year – so ours is a very backlog driven business, right. We kind of sell this year, then we each start for a few years after that. So it's a backlog business. In any given year whatever revenue numbers that you see, 70% of it is recurring or backlogged. That is, I open my account with a recurring set, and then the balance comes from the new orders that we win in the year.

Now, whatever orders we win in the year, the way it manifests, whenever you win an order, typically in the first year of implementation, because that is the year when we implement the product. In the first four quarters, you will see that we will take about whatever that deal value we have announced. Typically you know again, it has some variations, but I would say that you know broadly speaking, about 40-50% of the revenue will be taken off that money, whatever the deal value is within the first year.

So it sometime is 20-30%, sometimes it's 40-50% depending on how the contract is structured. But broadly it's in that range. And rest of it, once the implementation is done and for us there is a milestone called Go-live. Once our product is live in a production environment of a customer, after that it becomes a

straight line. From there on, it's a straight-line payment, which is usually an MS or an AMC that they are paying us. So rest of it comes subsequent financial years.

So if I have said that, for instance, to be very simple, if a deal is worth 1 million dollars, so you can expect that in the next four quarters, I would have taken maybe 400-500k of that, in next four quarters. Then after that, whatever that INR 500k is remaining, if the deal was 3 years, then it's kind of you know straight lined from then on for 36 months, or if it is 5 years, then it spreads over that time period. So typically, that's how it pans out for us.

There is a license value, which is taken usually upfront, and license is recognized over the course of implementation. Then there is an implementation of the project, which is we are implementing the product, which we call as Professional Services. That value is typically you know -- it depends on, 40-50% or whatever the value of the deal that comes in as we implement the product for the next 1-year. And once the product is live, then it goes into the maintenance mode and services mode and all that. And services mode typically, we kind of do a straight-line approval. So that's our model.

Abhishek Kale

Okay. Nisha, one follow-up. I think already we have discussed this in the past two calls as well, that this time to make money for the lack of better terms from signing a deal to getting the product implemented, I think last time you said the window was 45 days, and you wanted to keep getting closer to a quarter's worth of saving in terms of time.

Nisha Dutt

That's correct.

Abhishek Kale

Have you made progress? I mean, have you shortened the window any further during this quarter? And probably, the AI SDLC, I think that was what was referred to in our deck as well, as for the employee training.

Nisha Dutt

That’s right.

Abhishek Kale

Is that showing this -- any effect towards shorting this window?

Nisha Dutt

So AI SDLC part is primarily for development of the feature. So that's for our core engineering. It's not so much for the implementation. In core engineering, what we have been able to do is we are using AI SDLC, and we are sort of pushing it a lot more into the market with our engineers. What we have been able to do is, we have been able to deliver a lot more features in the same time frame.

Let's assume that in a quarter we were supposed to do 10 features in a sprint. What we have seen is that we have been able to do 14, 15 features. So our ability to do it more has actually become much better with AI SDLC. I think that's one thing.

The other is, if you have seen announcements around FraudZap agents, even the agent, that deal that we won, all that was actually delivered using AI SDLC. So I think in that sense it's working for us. I would still say that it's not where we need to be. I mean, have we reached our benchmark numbers? No. I think a lot more needs to be done, but that's an effort that we are continuously driving with engineering.

The second aspect on the delivery timeline crashing is, it comes more from liability actually. So what we are doing is, internally we are working on Library of Controls. So basically what that means is that, can you create reusable? Reusability in your deployment? So basic preconfigured controls, right? So can you have a library which then helps you sort of do that faster?

So where we are is that we have made significant progress on our HyperSense. In the sense that HyperSense library of controls is something that I would say is a lot more advanced. We are starting to work on our ROC, you know, Library of Controls, which is I would say, a little bit more early stages in that time. So we are doing it product stack by product stack. For any HyperSense, we are seeing a lot more time crash, which is almost -- actually, I would say that last two or three implementations that happened on HyperSense happened way before time line, that we had given to the customer. When we went and measured it, it was almost you know a 15% gain that we have made there.

So we are seeing that times are starting to crash for us. 15% or 20%, we are seeing straight away. That HyperSense, we have been able to, reduce the deployment timeline. ROC is something that we need to start making a similar effort on that stack. We are starting that, but it's not as advanced, to be honest.

Abhishek Kale

May I please ask one more question?

Nisha Dutt

Yeah. Sure.

Abhishek Kale

Are there any POCs from, or any other line of businesses that we are trying to see if our existing expertise can be utilized. Is there any work? Because I think last con call report that you had shared that we are actively working with some companies and doing some POC. So can you, if possible, can you share more information on that?

Nisha Dutt

For POC's actually we have done – so I think what we have been able to do is our -- like I was explaining earlier to Patrick, we have done actually POCs on Architecture of Autonomy, like AOAs; we have done agents, we have done MS agents, and new AI's like you know social engineering and all that.

So we are doing POCs with customers. Some of the POCs have been closed. Actually, they have closed successfully technically, and we are trying to figure out the commercials of how do you convert the POC and now create a commercial value out of it, with customer obviously, to see how we can negotiate some of those. But net-net what has happened in the last quarter is that three POCs closed, I would say, technically they were successful. In the sense that whenever you do a POC, you are aware of the fact that we will have an exit criteria, right, for a POC.

Abhishek Kale

Absolutely.

Nisha Dutt

What is it that we have to sort of demonstrate for POC. So we have been able to do three technical POCs and demonstrate that we met all the exit criteria successfully. Where it is right now? The sales team is sort of making it into a commercial arrangement and starting to, negotiate with customers and see if we can convert those POCs into commercial value for us. Yeah, three more have happened actually in the last quarter.

Abhishek Kale

Thanks for sharing the information. I'll get back in the queue. Thank you.

Nisha Dutt

Thank you.

Moderator

Thank you, sir. Next question comes from Mahesh Kumar, an Individual Investor. Please go ahead, sir.

Mahesh Kumar

Good afternoon, Nisha. Congratulations for the good growth after many, many quarters.

Nisha Dutt

Thank you.

Mahesh Kumar

And second congratulation is for taking cash reserve. When you took over, it was INR100 crores. Now it is INR 197 crores.

Nisha Dutt

That's correct.

Mahesh Kumar

So congratulations for this.

Nisha Dutt

Thank you.

Mahesh Kumar

Now my first question is regarding your opening remarks for future of Subex. So whatever I heard from you, are you hinting at building AI agent orchestration and governance technology? That is question related to that feature. If so, then we may have to change the name of the company from Subex to something else, okay? So you can answer this question.

Nisha Dutt

Okay.

Mahesh Kumar

And the second question is, if this squad of AI agent, which we have announced recently, is it the same thing which we discussed six months back in the investor call, where your Chief Strategy Officer was telling me that, they are trying to implement in a laptop, because customer doesn't want to invest in GPU server. Is it the same customer?

Nisha Dutt

No. It's not. It's a different customer. In fact, this you know I should -- I don't want to openly acknowledge this. It's a little bit of a self-congratulatory thing, but I want to give a shout out to the team that I have on the call. There are a lot of people on the call, our sales, presales, our AI team, so I do want to give a public shout out to them. Because one of the great things that happened for us, Mahesh, and this was kind of really good for us was, between the conversation that this deal that we announced of AI agent, this actually literally closed in 90 days for us.

From the first conversation that we had with a customer and pitched to him saying that, "Look, we want to do this for you." While it was actually inking the deal, it was a 90-day sprint, and we were able to sort of close to the 90 days. And I think that is unheard of in telcos, and it was fantastic actually for us.

In that sense, it's not the same customer that we were talking about. But there are customers who still complain about the GPU and all that, but this is not that customer. But the other thing is that our agents are now -- I mean, to answer that question, our agents are now working on our MicroPro. So it's a multi-agent, and we are able to move from detection to investigation.

But in terms of my opening remarks, I think where we are going with this or where we see the opportunity, it going to be an agent orchestration there? We have already been able to establish that. I think where I want to take it a little bit step further, and see if we are able to almost create --I think of it as a decision assurance and economic integrity layer. Because what we are seeing is that while an agent may have the right authorization or might be following SOP, it still may not be the right economic decision, actually, because of the decision that it may end up taking.

So what we are trying to go towards is more creating an economic integrity there, which becomes finally, the verification there for all the, know, actions that are taken by humans and by agents.

Mahesh Kumar

That is what I'm calling governance.

Nisha Dutt

It is sort of a government there.

Mahesh Kumar

AI agent, orchestration, and governance technology.

Nisha Dutt

Governance, correct. You are right about that. I think of it more in terms of making sure that economic integrity is at the core of everything that we do. We want to be seen as people who are trusted with that, and I want to sort of move towards that direction strongly to make sure that we are able to validate everything that happens in that ecosystem. So yeah, that's where we are sort of going. You're right about that.

Mahesh Kumar

If you are planning for that, then you will need a zero-trust security in your framework.

Nisha Dutt

That is correct. You're right about that. That, we are actually already done.

Mahesh Kumar

Is this squad of agents scalable to 100 or 200 agents?

Unidentified Corporate Participant

Yeah, Mahesh. Yes, it is scalable. That's how the architecture is. These agents will have multiple kinds of activities that it will do. So like the recent thing that we announced is primarily investigation. But there are other agents – I mean since you understand this technically, there are manager agents that will have a bigger picture. There are routers, even if you're familiar with the decision models that are coming now that can actually route, both work wise and also cognition wise to the right agents to do the work, to judge, etc.

And for us, the other important criteria is to do it at a certain scale, because some of this gets audited. So it has to be very repeatable. It's not just so that I can find high fraud investigations. But I should be able

to do 50,000 and get it always right. So that's a -- so there's a lot of engineering or scaffolding, as we call it, that goes around the core agent also.

Mahesh Kumar

Are you getting more and more requests from other customers for this type of solution?

Nisha Dutt

We have started pitching. So we have pitched to a lot, and honestly, we are in commercial conversations with quite a few. My challenge to the team is that, we have made a great start, 90 days start. We have to see if we can sort of accelerate this further. We are actually in active conversations with quite a few customers, because people have realized the productivity gain of something like this.

Mahesh Kumar

Thank you. I will join the queue if our time is there.

Nisha Dutt

Sure. Thank you, Mahesh.

Moderator

Thank you, sir. Next is a follow-up question from Sanjyot Khare, an Individual investor. Please go ahead, sir.

Sanjyot Khare

Yeah, thanks for the opportunity. Just now, I think you mentioned about there is a good response to AI agent squads offering of the company and that's good to see that. Another product which is a partner ecosystem, like partner management. I think in last six months or about nine months, we got two big orders on the same platform. Are you seeing that this product now is getting more kind of – are you seeing more response to this product, and more such big deals will be happening in the middle of the financial year?

Nisha Dutt

So this was our strategy, Sanjyot. Actually we – so PEM has always -- Partner Ecosystem Management, or we call PEM internally, this is a product that has existed in our offering for a long time. So it's not a new product, firstly. What we did was, we came back and we said that we have to modernize this track, and we started reinvesting in that product aggressively. Because historically what I have seen is that PEM has been a good profitability generator for us. Actually, the bottom line on this product is pretty good. So we went and aggressively started reinvesting in the product, and we are modernizing it. We are adding newer features to it, and market has responded quite well to it, actually.

So our strategy is to push a lot more time into the market. At the same time, while we are making these decisions and sort of modernizing and adding features, there is a market dynamic also that's played out, which is, there are some people that used to compete with this in product, right? Some other vendors. There has been quite a bit of consolidation in those cases. So what that has done is, that's also opened up the opportunity for us. So it's almost like I think of it as, you know, opportunity needs preparation. We were preparing to sort of modernize it, give it new features, make it you know, I would say, next generation compatible, and then the market also opened up at the same time. So it's worked out well for us.

So yeah, I think you are right. A lot of the deals that we have announced recently have been in this case actually. So should we continue to see this momentum? I would think so. Because even as we speak, there are quite a few bits that are going on around this product, actually.

Sanjyot Khare

And second, another observation in the presentation. There is a region wise revenue and definitely, India revenue is very miniscule, like about 3% of revenue is what we are seeing. Though like it is still improved -- I think increased from 2% to 3%. Now just the question about like, is Indian telecom industry even like a new -- I mean a Jio platform has really grown up in their launch on this IPO and everything. Plus even Vodafone is also now getting lot of funds and all. So are we seeing that the India traction will grow for the company, or company is not keen to do much business in India?

Nisha Dutt

So I think if you look at – so actually we would love to do more business in India, but I am sure a lot of investors on this call have taken Jio shares as well. I'm sure that you are today, you know, are beneficiaries of some of that. But if you read the Jio prospectus, which we did, it actually explicitly says that they will do their own stacks. They will maintain their own stack. They will build their own stack. It's actually a part of their prospectus.

So do I see that there is going to be a big uptick because of Jio's, let's say, blockbuster listing? Honestly, I don't think so for us, because Jio's approach has been building their own. They are cooking in their own kitchen, right? So they are making their own kitchen. It's not to say that we don't make efforts to kind of

work with them, but are you going to see a big uptick in India business? To be very honest, I don't see it right now. So we already work with Vodafone. We will try and see if we can expand our business in Vodafone, but other than that, I don't particularly see that pie growing meaningfully.

Sanjyot Khare

Sure. Thanks, Nisha, for the answer, and I'm wishing you all the best.

Nisha Dutt

Thank you so much, Sanjyot.

Moderator

Thank you, sir. Due to scarcity of time, that was the last question for the day. Now I hand over the floor to Ms. Nisha for closing comments. K.

Nisha Dutt

Thank you so much. I think I do see there are some questions that went unanswered. So for all of you that we couldn't get to today, please write to us, we'll definitely make sure that we respond to you. Overall, thank you for your thoughtful engagement today. We definitely value these conversations, because we learn as much as you do through these calls. This also gives us useful perspective to us thinking about the business and the road ahead.

So what I would like to say is that, there is much to look forward to, but there is also a lot of work that needs to be done. Thank you for your continued interest and support. I look forward to our next conversation, but before I go, a very Happy Diwali to all you and your loved ones. I hope that you all have a great festive season, and we'll see you next quarter. Thank you so much.

Moderator

Thank you, ma'am. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabaha's conference call service. You may disconnect your lines now. Thank you, and have a pleasant day.

Note: 1. This document has been edited to improve readability

2. Blanks in this transcript represent inaudible or incomprehensible words.