August 18, 2026

To, **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. **BSE Scrip Code:** 543932	**To,** **The National Stock Exchange of India Limited** "Exchange Plaza", Bandra – Kurla Complex, Bandra (EAST), Mumbai – 400 051 **NSE SYMBOL: IDEAFORGE**

Sub: Transcript of Earnings Call for the quarter ended June 30, 2026 of ideaForge Technology Limited ("the Company").

Dear Sir/Ma'am,

This is further to our letter dated August 11, 2026, whereby the Company had submitted the link to the audio recording of the Earnings Call hosted by the Company on Tuesday, August 11, 2026 at 11.00 a.m. (IST) post announcement of Unaudited Financial Results (Standalone & Consolidated) for the quarter ended June 30, 2026.

Regulations 30 and 46 read with sub-clause (ob) of Clause 15 of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015., please find enclosed the transcript of the Earnings call held on Tuesday, August 11, 2026. The Transcript is also available on Company's website at below link:

Link: https://ideaforgetech.com/uploads/Other/Transcript_11082026.pdf

Kindly take the same on your records.

Thanking you,

Yours faithfully
For ideaForge Technology Limited

NILESH RANJAN JAYWANT
Digitally signed by NILESH RANJAN JAYWANT

Nilesh Ranjan Jaywant
Company Secretary & Compliance Officer
Membership No. A26554

Encl: as above

“ideaForge Technology Limited

Q1 FY27 Earnings Conference Call”

August 11, 2026

MANAGEMENT: **MR. ANKIT MEHTA – CHIEF EXECUTIVE OFFICER AND WHOLE-TIME DIRECTOR – IDEAFORGE TECHNOLOGY LIMITED**
MR. VIPUL JOSHI – CHIEF FINANCIAL OFFICER AND WHOLE-TIME DIRECTOR – IDEAFORGE TECHNOLOGY LIMITED

MODERATOR: **MR. PARTH PATEL – MUFG INTIME INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the ideaForge Technology Limited Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touch-tone telephone. Please note that this call is being recorded.

I now hand the conference over to Mr. Parth Patel from MUFG Intime. Thank you, and over to you.

Parth Patel: Thank you, and good morning. On behalf of MUFG Intime, I welcome you all to ideaForge Technology Limited Q1 FY27 Earnings Conference Call. From the management side, we have Mr. Ankit Mehta, Chief Executive Officer and Whole-Time Director; Mr. Vipul Joshi, Chief Financial Officer and Whole-Time Director.

I hope everyone had an opportunity to go through our investor deck and press release that we have uploaded on our exchange and company's website. A short disclaimer I would like to say before we begin the call. This call may contain some of the forward-looking statements, which are completely based upon our belief, opinion and expectations as of today. These statements are not a guarantee of our future performance and may involve unforeseen risks and uncertainties.

With this, now I hand over the call to Mr. Ankit Mehta. Over to you, sir.

Ankit Mehta: Thank you. Good morning, everyone, and thank you for joining us for ideaForge's Q1 FY27 Earnings Conference Call. I'm joined today by our CFO, Mr. Vipul Joshi and our Investor Relations team.

I will begin with the highlights of the quarter, progress on our key developmental programs and how we are positioned for the year. After a muted FY25, the Indian drone industry witnessed demand revival in FY26, and many of our long-term bets and investments were materialized into our order book and financial performance.

While FY26 was a turnaround year after a short blip in FY25, FY27 so far has been about building on that foundation that we have created over the years. Quarter 1 marked a steady start to the year, supported by continued execution and advancement across key strategic developmental programs.

Let me start with a few highlights. First, we delivered more than 20% of our FY27 opening order book, recording revenue from operations of INR68.6 crores and closed the quarter with a positive EBITDA.

Second, we have made significant progress on our key developmental programs, advancement on combat drone capabilities like air-launched effects and fuel-hybrid long-endurance capability for ZOLT, the first technical demonstrator of YETI completing tethered hover test, multiple market-ready developments on FLYGHT CLOUD, improvements on EW resilience stack and DGCA Type Certification for our Q6 V2 GEO UAV.

Third, our deployed UAV fleet crossed 1 million customer missions. These missions were carried out in some of the most challenging terrains and conditions, providing us with learnings that help us drive our product and technology development efforts.

Fourth, we secured the capital required to fuel our next phase of growth, raising INR500 crores through a qualified institutional placement and receiving a Letter of Intent for financial assistance of up to INR151 crores for our middle-mile logistics UAV YETI under the Government of India's RDI Scheme.

Fifth, the demand environment moved in a positive direction with an announcement of INR20,000 crores worth of drone procurements through Fast Track mode and substantially expanded delegation of financial powers to defense forces field commanders, signaling towards increased procurement activities in FY27 and onwards.

Let me take each of these forward. On the execution and order book front, we entered FY27 with an opening order book of more than INR300 crores, and our priority for the year is conversion of the opening order book into revenue. We delivered more than 20% of the same in the first quarter.

We also reported a positive EBITDA, marking another quarter of improving financial performance. While global supply chain disruptions and component availability continue to pose challenges, we remain focused on completing delivery of the remaining order book of INR256.8 crores by Q3 as per customer timelines.

Coming to the technology and product side, our approach to new products and technology development has been to own the consequential technologies and deliver a complete solution to our customers. At ideaForge, we have always focused on engineering ownership on the layers that are most difficult to build and replicate and also turn out to be the most consequential for real missions and business health.

The consequential technologies in the present context include resilient communication systems that can withstand jamming, resilient navigation systems that can operate despite jamming and spoofing attempts, secure command and control software, edge compute for intelligence and specialized mission payloads.

This approach provides a significant cost advantage as compared to the competition's need to use state-of-the-art imported technology. It gives us technology sovereignty and reduces exposure to denial or withdrawal of technology and sabotage threats. It allows us to adapt faster when customer requirements evolve rapidly and retain control over the security and performance of the system.

Along with this, we have built several layers of technology like BlueFire Touch ground control software for real-time mission control, FLYGHT app and FLYGHT web for remote drone flight requests and real-time monitoring and FLYGHT CLOUD for data storage, post processing, AI analytics, reports and automation to provide complete solutions to our customers.

This enables customers to adopt secure and resilient mission-critical UAV platforms that can also deliver final outcomes without needing the customer to orchestrate between multiple providers for all of these necessary but complex layers.

In Q1, we made significant progress in the development of combat drone capabilities like air-launched effects and fuel-hybrid long-endurance capability for ZOLT. We are also in advanced stages of developing combat capabilities like long-range strike platforms and loitering munitions along with our partners.

With these new capabilities and our in-house strength around resilience communication infrastructure for collaborative autonomy, we would be targeting to participate in the upcoming large opportunities from Indian defense forces.

YETI achieved its first technical demonstrator milestone, completing a tethered hover test with all subsystems integrated with the second technology demonstrator already in the design phase. Our Q6 V2 GEO received DGCA Type Certification, opening up advanced GIS use cases across large-scale mapping, urban planning and digital twin applications. Six of our UAV platforms are now type certified by DGCA.

Furthermore, we developed and released market-ready capabilities on FLYGHT CLOUD, including automated video summaries, AI-enabled event annotation and event search and workflow automation for several use cases. This intelligence layer from FLYGHT CLOUD helps turn raw aerial data from hours of drone flights into insights that our customers can act on.

In Q1, we also strengthened our electronic warfare resilience tech-stack, extending our advantage in the ecosystem as more procurement programs make EW resilience and GNSS denied navigation mandatory. Our continuous development efforts on this front convert into a stronger competitive position.

Many of these developments start as an experiment, which we have started to showcase through ideaForge Labs. In Q1, we showcased multi-UAV operations across mixed platform categories, air-launched effects where one platform deploys another mid-flight munition drop and tactical deployment trials. These are experiments rather than released capabilities, and that is precisely their purpose. Labs is our way to share that experimentation never stops at ideaForge.

I'm elated to share that during the quarter; our deployed fleet crossed the milestone of 1 million customer missions. Across our fleet today an ideaForge drone takes off somewhere in the world every 2 minutes.

These are real missions flown by real operators in challenging conditions from altitudes higher than the Siachen Glacier, temperature as low as those found near both the poles to the high temperatures of Middle East and the Thar Desert to operating in the coastal environments in the open sea.

And now even in EW contested environments, each one has fed something back to our engineering and the choices we make in product development. With this field experience and a global patent portfolio of 112 patents filed, we continue to push the frontiers of UAV technology.

To fuel all of these developmental efforts and our working capital needs, we have also strengthened the financial foundation of ideaForge. We completed a qualified institutional placement raising INR500 crores with participation from marquee domestic and global institutional investors. The proceeds are directed towards product development, working capital and capability building.

Separately, we received a Letter of Intent for assistance of up to INR151 crores from the Technology Development Board for the advancement of our YETI program under the Government of India's RDI scheme. It is a low-cost long-term debt funding released against developmental milestones. We are among the first companies to be supported under this framework, which we read as a statement of where the countries or the country intends its sovereign deep tech capability to be built.

The environment around us is becoming structurally more favorable and the procurement frameworks are also now aligned to faster and broader adoption of drones more than ever in our nearly 2-decade journey. On the capital procurement side, the reported opportunity pipeline is the largest our industry has seen.

Public reports of INR20,000 crores of drone procurement under the fast-track procurement route from the Indian Army are now seeing the light of the day with one opportunity in the RFP stage, others remain in the approval pipeline with the expectation of RFPs in the second half of the year.

Further, the Defense Acquisition Council has cleared capital acquisition proposals worth INR52,000 crores, including a jet-based kamikaze drone system and a naval shipborne unmanned aerial system, underscoring increasing importance of drones in the armed forces' plans.

On the revenue procurement front, the Indian Ministry of Defense has nearly doubled the operational procurement limits for field commanders of Indian defense forces through revision of the delegation of Financial Powers to Defense Services 2026. We are also getting positive signals from the field, and we believe that this development would accelerate procurement activities in Q3 and Q4. We continue to see regular cycles on the civil side of the business that lean towards increased procurement activities in Q3 and Q4.

Let me now take you through the financial performance for the quarter. Revenue for the quarter stood at INR68.6 crores compared to INR12.8 crores in Q1 FY26. Gross profit stood at INR33.6 crores compared to INR7.9 crores in Q1 FY26 with a gross margin of 49% in the quarter and 61.7% in Q1 last year.

EBITDA stood at INR4.3 crores compared to negative INR15.1 crores in Q1 FY26. PAT stood at negative INR2.6 crores compared to negative INR23.6 crores in Q1 FY26. Our order book as of June 30, 2026, stood at approximately INR256.8 crores. We plan to execute and deliver this order book by Q3.

Our focus for the rest of the year centers around a few key areas. We continue to focus on executing the open order book aligned with customer timelines. We will deepen ownership of critical technologies while further strengthening our ability to deliver complete solutions to customers across platforms, payloads, software, analytics, services and life cycle support. And lastly, we will expand into combat drones, enterprise applications and international markets where our technology and operational experience provide a meaningful advantage.

Thank you. We can now move to the Q&A.

Moderator: Thank you very much. The first question is from the line of Dipen Vakil from Phillip Capital. Please go ahead.

Dipen Vakil: Thank you for the opportunity sir. Sir, my first question is, so first of all very elaborative opening remarks. So, thank you for that. And also, one thing that I felt was missing was a commentary on your US operations. So, if you can help us with the scale up that is happening in your export and US operations. And what kind of market and opportunity size can we expect from your US operations? And if you can give us some number around it?

Ankit Mehta: Thanks, Dipen. So, from the US operations side, our focus for the present time has been shifting to 2 areas. One is that we are working with our partner to operationalize the JV that we have signed up over there.

And secondly, we have a couple of regulatory approvals that we need to get, particularly around Blue SUAS certification which is the work in progress because it's only after we get the certification, which has now become more open and application process as compared to earlier that we will be able to gain substantial progress on the defense and federal side of the house in US.

So that's work in progress for us. And therefore, we are taking a little bit of time to fuel both t work towards operationalizing the JV and the Blue sUAS certification. With respect to rest of the international market, we continue to look at partnership opportunities in Europe and Middle East, whereas in the bothSouth America and Africa, we have live opportunities.

We have our partners now looking to buy our what is known as not-for-resale units, NFR units. We have orders in for those as well now, but we are working towards increasing our presence in some of these geographies where we believe we can get more traction without the need for joint ventures alone.

Dipen Vakil: Got it, sir. Sir, any idea on the market size for the US space? What kind of market and opportunities can we expect once we get those approvals and all the certification?

Ankit Mehta: See, many US programs that are coming up right now like the conflict programs around drone dominance, et cetera, most of them run into several tens of thousands of crores, tens of thousands of dollars at this point in time. In fact, I feel that at least one of the programs that is live right now is about a USD30 million program, where they have many players who will be participating.

So, there are many such programs that are coming up. Again and again, there is a very rapid pace of adoption in defense right now that's happening there. And we are exploring towards participating in those, once these certifications, which do take time come through as well.

Dipen Vakil: Okay. Got it, sir. Sir, my second question is on the lines of the order inflow that we expect going ahead, sir. Sir, while we have capabilities, we are field tested and at the same time we are getting funding from the government side of it also. But still from the government side, while there is a requirement, orders are not coming in.

So where is the disconnect or where is the gap from the government expectations or from some criticality that order movement is slow, not only for you but the entire drone space as a whole? So, can you help us understand that a little bit?

Ankit Mehta: Dipen, like I mentioned, there are some opportunities that are already in the RFP stage. These are the large FTP opportunities, which have a specific cycle of conversion from approval at DPB to final order placement, whereas those large opportunities are in progress at various stages of approval within the armed forces.

With respect to the run rate business on the revenue side where the Army commanders' power have been enhanced, typical cycle of that business when there is no EP-linked timeline is roughly that they start fructifying around Q3 and Q4 timeline itself. So that's typical unless and until there is an EP program running. So, we'll expect a bunch of that at that time.

Moderator: Dipen, we request you to reach in the queue for follow up question. The next question is from the line of Tushar Khurana from Peace Wealth. Please go ahead.

Tushar Khurana: Hi. Thank you for the opportunity. Sir, my first question is regarding there an article recently that was demonstrating that Indian armed forces have release RFI for 2,715 logistics drones. And as I understand, there is another company by the name of BluJ Aero which has also already very recently tested, flight tested their logistic drone.

So, I want to understand how YETI is placed in that RFI that has been released by the Indian Army. And how different or similar is BluJ Aero logistics drone with the YETI, if you can add some comment on that?

Ankit Mehta: So, this RFP that has come out that has largely focused on the altitude at which they want to operate these systems, as I understand. They have not yet looked at or specified they are seeking information from the market as to what capabilities are available in the market to serve at these altitudes. So obviously, we will be responding to the RFI.

However, in terms of your question around BluJ, in my opinion, there are not just BluJ, but there are a lot of people who have been delivering and demonstrating logistics drones across the Indian ecosystem. I think what will matter is that at what altitude can people operate these systems at and what is the max payload that they can carry and up to what distance can that payload be carried.

For example, YETI, in my opinion, is the only platform in the world from whatever we have searched that is designed to take off at 6,500 meters takeoff altitude. No other platform that we are aware of has an ambition of this scale. Neither have we seen too many efforts that look at that altitude carrying up to 200 kgs.

Now depending on the payload, the range of operation at 200 kgs might be restricted to 50 kilometers at a payload of 50 kgs might extend up to even 200 kilometers. So that is the kind of challenge that we have taken on YETI. So, it is slated to be the most challenging yet the most, you can say, required platform because logistics in those altitudes is the hardest problem that our forces have to face every day.

Our vision with YETI is to make the world flat and whatever high-altitude areas that exist in our country, if we can serve them from the Terai at the fastest possible pace with high capability like this, I think we would have really changed the ecosystem and the game.

Tushar Khurana: That's great to hear. So just a follow-up on this. So how big opportunity size can this be for us if, say, the RFI, which has been released for 2,700 just to begin with, so what could be the opportunity size for us in this space for YETI?

Ankit Mehta: See, Tushar, the thing is that right now, it is at an RFI stage. We are not aware of what is the final specifications at what altitude that the customer finalized. All of it being required in the YETI domain may also not happen. Therefore, it may be too early to comment on that. I just know that if this converts into a fast-track procurement case, budget for each fast-track procurement case is up to INR2,000 crores.

That's what happened in a fast-track procurement case. And capital procurement does not have a budget limit. So, it will depend on which mode this comes through, and that will define the budget for the opportunity.

Tushar Khurana: Okay. And sir, my second question is regarding this first RFP that has already bee- like you mentioned in your presentation. So, for which category of the drones is this RFP for? And have we also bid for it? And are we going to bid for all the combat drones RFPs as well?

Ankit Mehta: So, this one particularly is centered around the hybrid variant of our ZOLT platform. And yes, we have participated in it. And we are also going to continue to put efforts towards participating in any combat-related platforms as well that come through. Within the category of systems that we build presently, we don't bid for each and every category. So, some we will have to let go for sure.

Tushar Khurana: And what is the size of this RFP which has been announced?

Ankit Mehta: I think, again, it's an FTP opportunity. So, my assumption is that the budget would be up to the value that I had mentioned. In terms of the opportunity itself, it's an ISR opportunity presently, this one.

Tushar Khurana: Okay. And sir, it is heartening to see our current order book is 60% defense and 40% civil. But can you just help me understand the customers or whether it is government or private for the civil and in which segment are these civil orders for? That's my last question.

Ankit Mehta: So, this was not the split of our order book. This was the split of the revenue we delivered. And in terms of customers, it is split between a few customers on the homeland security side on the civil side and some private customers as well.

Tushar Khurana: And the current order book is how much defense and how much civil?

Ankit Mehta: That we don't disclose at this point in time, Tushar, typically, but it's heavier towards defense.

Tushar Khurana: Okay. Thank you so much. All the best.

Ankit Mehta: Thank you.

Moderator: The next question is from the line of Nikhil Gupta from Vaayu Capital. Please go ahead.

Nikhil Gupta: Thank you for the opportunity. Hi Ankit, as always, its nice speaking to you. My first question is on our combat capabilities. So, - it's still not clear to me that are we still focusing on air launching another combat from our existing platforms or adding missiles or munitions to our as a payload to our existing platforms? Or we are also working on increasing our capabilities towards developing airframes, which are variant of existing platforms like ZOLT and SWITCH?

Ankit Mehta: Nikhil, both. We are doing both. There are variants that we are creating of our quadcopter platforms that can act as Kamikaze systems as well as we are doing the evolution on the air-launched effects. So, if you look at the air-launched effects, it's another drone only carrier munition, which will go and do the mission.

So essentially, when we do that, we are developing an airframe that can actually go and act like a Kamikaze system as well. So, I mean, when we do one, we do both as well. That's what happens.

Nikhil Gupta: Right. So, the last question is on our inorganic growth. So now we have like done the QIP and also, we can see that there is a lot of tailwinds in the industry and there's a lot of participation. So, are we looking on any inorganic growth? I mean, there are few companies which may have similar DNA as ours, and we may lack some capabilities.

So, I think we should go for some inorganic growth in that segment so that we can add our capabilities. So just wanted to know your opinion and your thoughts on the broader sense?

Ankit Mehta: We are open, Nikhil. If we find a partner with the right mindset, the right capability depth as well as the right value for the market, we are open. As you can see, the combination of the 3 is harder to find. And therefore, we continue to evaluate, but there is no specific target that we have in mind that fits all 3 of these because see, we build from first principles. And to build from first principles is a slightly harder problem than to system integrate capabilities that others have built.

Nikhil Gupta: Right. Thank you so much for your answers. Good luck.

Ankit Mehta: Thank you.

Moderator: Thank you. The next question is from the line of Rajveer Singh from Vivek Investment Managers. Please go ahead.

Rajveer Singh: Hi Ankit. Thanks for the opportunity. My first question is on the combat drones and loitering munitions and long-range strike platforms that you've spoken about. Can you help us understand whether these are still primary R&D and development programs or whether you are already seeing identifiable procurement opportunities and customer requirements? That is my first question.

And my second question is that can you build a software plus autonomy mode? I mean, hardware can potentially become commoditized. So where do you believe ideaForge's strongest long-term moat will reside, whether it will be in EW resilience, autonomy, communication, software or system integration? So, your thoughts on this?

Ankit Mehta: Thanks, Rajveer. You know, ideaForge, we decide to go after a domain. And once you decide to go after a domain, there are some experiments that you do to build foundational capability of that domain. And there are specific projects and programs that you deliver that will basically meet some of the customer requirements that are visible to us in the domain. So, you will see that our development is a mix of both.

The platforms that we intend to release and develop need to be ones that we are aware of our customers wanting to deploy and therefore, they have that developmental effort. However, to initiate the development of a domain, you run some experiments which allow you to develop familiarity with the domain and that you choose to do in the fastest possible way. So that's a mix of how development typically happens in any new domain for us.

In terms of our moat, like I very clearly articulated during the call as well, my speech as well that ideaForge looks at moat in 2 domains, right? One domain is, in terms of hardware, what are the technologies that are not yet commoditized? And do we have control over those technologies or not? Are we going to pay a disproportionate premium to the market for acquiring those capabilities? Or can we build them ourselves?

Today, I'm glad to report that we own most of the consequential technologies along with having spent years building the technologies that were consequential at that point in time. For example, when we started ideaForge, there was no autopilot company that could give us an autopilot that we could use. And nothing was available in open source. So, we built our own autopilot. We built our own regular communications system, we built our own resilience stack around GNNS and communication.

So today, we own communication, which is non-commoditized. We own GNS denied navigation, which is non-commodized, and we own payload, which is a specialized domain as the class of the platforms goes up. So, we own the consequential parts of what is going inside a drone. So, we continue to keep a tap on what else could cover, which is not yet commoditized.

Secondly, with respect to intelligence, there is no debate in my mind that ultimately, we need to deliver an outcome to the customer. The customer is not getting their outcome merely by operating a drone. And therefore, the intelligence that enables and the orchestration that delivers a mission to the end customer, the mission outcome to the end customer is another stack that we've worked progressively on, and we now have a pretty robust stack for a few use cases that is also delivered now because we have that stack, we deliver it as a drone as a service as well in many places.

So, we are a mix of both. And I think both are important for a business like ours because while the technology will get commoditized in pieces, we will always continue to look at where the puck is going rather than where the puck has been to try and contain and retain more that is necessary for the market. It helps us in building tightly integrated, better performing, more reliable solutions for our end customers.

Rajveer Singh: Perfect. Thanks for answering my questions Ankit.

Ankit Mehta: Thank you.

Moderator: Thank you. The next question is from the line of Neelotpal Sahu from JM Financial. Please go ahead.

Neelotpal Sahu: Hi sir, good morning. Am I audible?

Ankit Mehta: Yes.

Neelotpal Sahu: Congratulations on the strong execution. I just wanted your thoughts on the ordering prospects. So how much of these prospects do you see converting like in the near term in '27, FY27? Or do you see most of them getting pushed out to '28 and '29 given that they are still at the approval stage? And if you can quantify some of it?

Ankit Mehta: See, we are expecting a lot more outcome from the revenue programs and the run rate programs in the present year. There are certain other opportunities which are not linked to any specific opportunity that again have visibility for the year.

In terms of the programs around fast track procurement, some of them as they get to RFP towards the end of the year, we will see a slip into FY28 for some of them. For at least a couple of them, we expect that the outcomes may happen within this year itself.

Neelotpal Sahu: So, what in your assessment could be a ballpark quantum of inflows that you think convert to orders for the year?

Ankit Mehta: That we are not presently projecting, Neelotpal.

Neelotpal Sahu: Understood, sir. Understood. Also, I just wanted to understand since we did deliver a very strong execution in a challenging environment, are we seeing any major supply chain constraints in executing our sort of order book by Q3 or those are largely procured?

Vipul Joshi: So, due to the current ongoing geopolitical conflicts, there is a pressure on the supply chain of thermal cameras and the electronic supply chain also is seeing a certain pressure where the timeline delays are happening. We are reviewing them very closely and getting prepared for deliveries on time for our customer timelines.

Neelotpal Sahu: Got it, sir. And also, just one last question. Anything on exports that we see materializing in this year aside of the opportunities in the U.S. where we are still working on the certification?

Ankit Mehta: Yes. So, like I said, we have seen good interest from partners across the world right now. Many of them are investing in our NFR systems as well. And therefore, as we do more and more demonstrations and some of our live opportunities come to fruition as the year progresses, we should see some conversion. But I mean, we will continue to report as we get those orders in hand.

Moderator: I request you to rejoin the queue for a follow-up question. The next question is from the line ofGaurav Chaudhary from Systematix Group. Please go ahead.

Abhijeet Singh: Yes. Am I audible?

Ankit Mehta: Yes Gaurav.

Moderator: Yes sir.

Abhijeet Singh: Yes. Thank you for the opportunity. I'm Abhijeet Singh from Systematix. And sir, first question is versus having more and more capabilities in-house in terms of a drone, like you mentioned in the previous comment about having communication and certain payloads now that we are doing in-house versus, let's say, 5 years back, we might have been outsourcing them.

So, versus comparing these 2 scenarios wherein we have more and more capabilities in-house and have more of an integrated manufacturing, how do you see the competitive advantage in terms of bidding in both domestic and international markets from this perspective, having more and more your manufacturing capability for a drone? So, if you can throw some colour on how you think about this particular aspect?

Ankit Mehta: So, in terms of having more and more of our own capability, it is very important to understand that we essentially do that for reasons that we find that the capability that we are trying to acquire from our partners or other providers in the market is available at a very high premium that we believe our customers cannot afford in the long term. And therefore, we invest behind those capabilities.

Number two, in terms of manufacturing and partnering with other partners across the globe, we are continuing to build a more open ecosystem around us. For example, we support third-party payloads on our platforms. in order to participate in a collaborative manner, we have a lot of variants we can create because we are happy to have our partners and their systems integrated into our systems if there are opportunities that require us to do that kind of a partnership.

So, we are not as concerned about it being a bottleneck for any of the expansion on other areas because we are open. We will partner with people with the right capabilities for the right applications. At the same time, having control over some of these things as a core part of what we do gets the benefits like we mentioned, we can be more competitive as well as we don't have dependencies that can cause denial or risk that usually some of these platforms have started to show up as in the global ecosystem and environment.

Abhijeet Singh: Yes, sir. Understood. Sir, what is the current level of indigenization that we have? Let's say, we do INR100 product, what is the kind of value that gets imported for the components there? And how much do we do in-house versus that?

Ankit Mehta: Last year's number?

Vipul Joshi: So roughly about, you can say, 20%, 22% of our revenue is an import substitute. And you can say our international content across our product line is roughly about 60% to 65%.

Abhijeet Singh: 65% is the imported?

Vipul Joshi: No, indigenized run rate.

Abhijeet Singh: Okay, all right. Thank you, sir. I'll get back in queue.

Moderator: Thank you. The next question is from the line of Alisha Mahawla from TRUST Mutual Fund. Please go ahead.

Alisha Mahawla: Sir, my question was that considering the challenges or the pressure we've seen in Q1 with respect to gross margin and the fact that you're looking at executing the order book we have over the next 2 quarters and geopolitical issues or the supply chain constraints are not resolving anytime soon, do we expect this pressure to continue while we execute this order book?

Ankit Mehta: No. So, Alisha, if you see the product mix was more see our usual product mix, like, for example, last year was 70-30. And this quarter, it was 60-40, which is the kind of variation that happens in our business because of what we deliver in a specific quarter.

Today, because EW resilience is a necessity on the defence side, that business has more margin contribution than the civil business, which is not delivering an EW resilient product. And therefore, you see a little bit of gross margin movement there. But it is not going to substantially move us away, like we had mentioned from the 50%-55% odd number that we had given for the year as a blended expectation. So, we do not expect that number to be shifting on an overall basis.

Quarter-on-quarter, like in our business, it depends on the deliveries and stuff that we're doing. So, a little bit of colour on that hopefully helps resolve that. So, there is no pressure in that one sense on the overall GM expectation because of the challenges. It's just timeline of supply that we are struggling with sometimes.

Alisha Mahawla: Sure. And all the material that is required to execute this order book over the next 2 quarters, that is in place. We don't see any delays because of the supply chain disruption?

Vipul Joshi: We are not anticipating delivery delays as of now. As I also answered in the previous question that there are challenges in terms of the thermal supply chain and some of the electronic supply chains overall timelines are shifting. But as of now, it is not impacting our overall time commitments to the customers.

Alisha Mahawla: Okay, thank you.

Moderator: Thank you. The next question is from the line of Midhun James from Moat PMS. Please go ahead.

Midhun James: Hi. Thanks for the opportunity. I believe, reading the reports and all that, we are actually in a decadal kind of an opportunity in terms of drones and anti-drone systems where we are seeing a lot of demand across armed forces world over. And ideaForge has got a right to win based on the pedigree, lineage and the vintage. But are we moving fast enough?

For example, do we have capabilities in the HALE and MALE category and all that? So, can you put some more colour on the defence capabilities that we are trying to start off? And which are the new segments, especially I'm talking more from the defence perspective,which are the new areas, opportunities that we are pursuing currently?

Ankit Mehta: Midhun, it's a great observation that we are at that inflection point that seems to be a very imminent and very opportune moment for the industry in terms of how much we can do. We have purposefully presently stayed away from runway dependent systems because we believe that there are certain challenges with respect to the nature of those systems, the quantities that can be procured and overall developmental time frame for those systems.

If you look at most of the players in the ecosystem are able to get to the market with this particular class of systems with partnerships with somebody who has already done it presently because building it grounds up will take longer. And therefore, we won't enter that category for sure.

Apart from that, capabilities that require operations from a backpack, from a rucksack, from a pickup truck or a container portable system, in these 4 broad categories, we continue to develop capabilities. And yes, I think given that we own the subsystem layer as well, we are accelerating our deployment and development journey on many programs at this point in time.

One of the capabilities like we mentioned is the capability around combat drones. We are working towards hybrid propulsion for some of our systems. And like we also mentioned, we are looking at one-way attack systems as well as on the software side, we have multi-UAV operations, swarming and many other facets that we have the entire hardware infra built around.

We have the work that is on in terms of evolving it towards more intelligent operations. So, edge compute, edge AI, there are many, many facets that we have built over the last few years, which we are now bringing together to deliver advanced capabilities to end customers.

Midhun James: Sure. I understand your point. And another, the second question would be that since you have a lot of capabilities in terms of is your in-house capabilities in autopilot payloads, GNSS-denied navigation, software stack and all that, are we looking at not only being an OEM, but also being a Tier 1 supplier to some of these OEMs, we see a lot of companies getting into the drone business, especially looking at the defence procurement and all that?

So, since you have the capabilities and traditionally, what we have seen is that most of the money is made by the Tier 1 suppliers rather than the OEMs and platforms. So, do you have any thoughts related to that?

Ankit Mehta: So one of the things that we're doing is that when we partner with certain collaborators of our, we enable them by taking their airframes and populating them with our subsystems and building capability, which is a mix of that hardware capability and our entire avionics and GNSS-denied and resilient navigation stack. So those are the kind of things that we are presently working towards because it's more convenient to handle that when we look at it.

Supplying a subsystem is an area that, again, is under exploration, but we haven't yet arrived at the final configuration that is explorable there. It takes a lot of effort actually to support other people in their development. So, we are exploring what is the right way of doing it, while we have to balance everything that we need to do for the opportunities today.

Midhun James: And last one, if I can speak to one more yes, sure, I'll get back on the queue.

Moderator: Thank you. The next question is from the line of Deeya Jain from Sapphire Capital. Please go ahead.

Deeya Jain: Yes, thank you for the opportunity. So how do we look at revenue and gross margin for FY27 and for the coming years?

Vipul Joshi: So, Deeya, while we do not disclose or give forward-looking projections on the numbers of top line, as we have also noted historically that for this year, our blended gross margin would likely hover between a 50%, 55% range. Subsequent years, as Ankit has enumerated that right now the opportunity sizes and the shift with all the fast-track procurements also coming in foray as well as the Army commanders' powers announcement is bringing in a sizable opportunity for our size of drones. And hopefully, that will start to show up in the order book from Q1 FY and into delivery in the subsequent 18 months.

Deeya Jain: Okay, sir. And in terms of capex, how much are we targeting in the coming years?

Vipul Joshi: Right now, we do not have a capex plan other than our regular product developmental efforts that will continue in pushing the boundaries for our continued programs that are already there.

But there's no plan on setting up any factory setup for enhancing our capabilities because right now, we're only using a single shift model. We can enhance and go to 3 shifts in the same space.

Moderator: The next question is from the line of Pratik Singh from Helios Capital. Please go ahead.

Pratik Singh: Ankit, just to understand what is the kind of opportunity in the non-order book space? You said your FY27 pipeline of regular revenues and repeated orders is pretty strong. So, can you just give a sense or some ballpark numbers around that? Would be helpful.

Ankit Mehta: So, Pratik, what you're saying is beyond the FTP and the revenue opportunities you're saying.

Pratik Singh: Yes, correct.

Ankit Mehta: Yes, I won't be able to share...

Pratik Singh: I'm just trying to get more sense like since your current order book is executable till 3Q FY27. So, I'm just trying to understand how do you bridge that remaining 3 months of FY27? Is there any non-order book related revenues, which usually flow through throughout the year?

Ankit Mehta: Yes, yes. So, we have,one is our run rate business where on the civil side and the defence side also command level procurements happen. So that continues to happen through the year. So those powers have been enhanced for the armed forces. So that's something which is what we are excited about, and we should see that fructify in Q3, Q4 time frame, outcomes of that.

And in terms of other opportunities, there are some other opportunities as well that we are pursuing, which we can't necessarily speak about right now.

Moderator: The next question is from the line of Shaurya Yadav from Growthsphere Ventures. Please go ahead.

Shaurya Yadav: I just want to know like there is some circulation of RFP regarding the 100 kilometers and 50 kilometers ISR drone. And the field trial was supposed to happen this July. So, have ideaForge performed in this technical trial for 100 kilometers?

Ankit Mehta: Those are the opportunities that are under evaluation right now. Trials have not happened yet.

Shaurya Yadav: Okay. And for the 50 kilometers, any idea?

Ankit Mehta: I don't think there was anything for 50 kilometers right now.

Vipul Joshi: All of are at RFI stage only. RFPs are only converted at 100 kilometers. The remaining RFPs are in progress at the moment.

Shaurya Yadav: Okay. And for the U.S. retail market, given there is a strong presence of Skydio and DJI in U.S. market. So what white space is being targeted by ideaForge like where we can make a differentiation against the Skydio and DJI for U.S. market?

Ankit Mehta: See, our specialization is around being able to operate in extreme cold environments and extreme hot environments. And secondly, we are one of the best assets globally for persistent surveillance operations. So, these are the 2 areas that we focus on and customers appreciate our platforms due to the long flight time that we offer while being able to operate in these challenging environments. And also, high altitude capability.

Moderator: The next question is from the line of Shashank Jha from SB Capital. Please go ahead.

Shashank Jha: So basically, sir, I'm more interested in noting the market share you can capture. Suppose the Indian government put a tender of INR10,000 crores. So how much of it can come to you. There are many bigger defence players, like Adani is also going, Tata is also going. So how much market share we can capture?

Ankit Mehta: Shashank, in terms of market share, I think what remains to be seen is in what shape and form these opportunities come and whether there is a ready product that can be pitched or near-ready product that can be pitched for these opportunities or not. Since some of those details are not yet frozen, I cannot suggest specifically a market share. But what I can say is that our attempt is to participate in maximum opportunities of whatever is going to come.

So, we are geared up for maximum participation at this point in time. And once the opportunities become real and come for bidding, we will be able to address what's possible from what is coming up from our segment.

Shashank Jha: And, sir, just as a follow-up question. So, what is the success rate? Suppose you participate in 100% of the tender. So how much success rate you expect from there?

Ankit Mehta: That I think is entirely dependent on the final requirements that the customers have for that particular product because competition is determined by the depth of the specifications that the customer asks. So, I'll probably be able to comment only on a case-by-case basis. Wherever the specifications are challenging, participation is usually low and less products exist that can clear such tough challenges.

Wherever the requirement is slightly more lenient, you end up having more competition. So, it will entirely depend on the colour of what comes up. So, it will be a case-by-case basis.

Vipul Joshi: And Shashank, since the opportunity are distributed between an ISR plus combat, some of the combat opportunities will also see how our partner readiness will be for those opportunities. So, it is not just the ISR readiness of ideaForge, but also the combat readiness of some of our partners and related to specifications coming in these RFPs will determine the success ratio of outcomes.

Ankit Mehta: However, I just want to reiterate that our effort is to participate in maximum at this point in time.

Moderator: Ladies and gentlemen, we take that as the last question due to the interest of time. And now I would like to hand the conference over to the management for the closing comments.

Ankit Mehta: Thank you, everyone, for your questions and for your continued engagement. I would want to reiterate that opportunity cycles, product mix, delivery schedules, supply disruptions, working capital requirements and customer acceptance can vary our quarterly results. However, we are focused on managing these variables and building a strong and resilient business to create long-term value. Thank you once again for your support and confidence in ideaForge. Jai Hind.

Moderator: On behalf of MUFG Intime, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.