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To,

BSE Limited
Scrip Code: 543228

National Stock Exchange of India Limited
Symbol: ROUTE

Sub: Transcript of the earnings conference call for the quarter and year ended March 31, 2026.

Dear Sir/Madam,

We are enclosing herewith copy of the transcript of the Company's Q4 FY26 earnings conference call on strategy update and Audited Financial Results dated Friday, May 08, 2026.

Further, please note that no unpublished price sensitive information was shared/discussed by the Company during the said earnings call.

The same is also available on the Company's website at www.rotemobile.com

You are requested to take the above information on record.

Thanking you,
For **Route Mobile Limited**

Tejas Shah
Company Secretary & Compliance Officer
ICSI Membership No.: A34829

Encl: a/a



Route Mobile Limited
Q4 & FY'26 Earnings Conference Call
May 8, 2026

Management:

1. Mr. Seckin Arian: Chairman of the Board
2. Mr. Rajdipkumar Gupta - Managing Director
3. Mr. Tushar Agnihotri - Chief Executive Officer
4. Mr. Vinay Binyala - Chief Strategy Officer and Investor Relations Officer
5. Mr. Raj Gill - Group Chief Financial Officer.



Route Mobile Q4 & FY26 Earnings Call

Moderator: Good evening, ladies and gentlemen. Welcome to the conference call of Route Mobile Limited to discuss its Q4 and FY26 results. At this moment, all participants are in listen only mode. Later, we will conduct a question-and-answer session. At that time, if you have any questions, please raise your hand and we will unmute your line to. Please lower your hand after you have completed your question.

Before we begin, please note that some statements made in today's earnings call may be forward-looking in nature and may involve certain risks and uncertainties. Kindly refer to slide 2 of the presentation for a detailed disclaimer. Please note that this conference is being recorded.

I will now hand the conference over to Mr. Vinay Binyala. Thank you, and over to you.

Vinay Binyala: Good evening, everyone, and welcome to Route Mobile's Q4 and full year FY25-26 earnings call. I am Vinay Binyala, Chief Strategy Officer and Investor Relations Officer at Route Mobile. Thank you for joining us. We have a full house today, and we appreciate the continued engagement. I would first like to introduce my colleagues at Route Mobile who are joining us on this call today:

Seckin Arikan, Chairman of the Board, Route Mobile, and CEO of Proximus Global

Rajdip Gupta, Managing Director, Route Mobile

Tushar Agnihotri, Chief Executive Officer, Route Mobile

Raj Gill, Group Chief Financial Officer, Route Mobile.

Before we begin, a brief note on the format. We are running this quarter's call slightly differently. In addition to the usual financial results and business highlights, we are dedicating a significant portion of today's session to a strategy update. Given the evolution of our business over the past year, shaped by broader market trends and sharpened internal strategic focus, we felt this was the right time to share that thinking with the shareholders and the analyst community in some depth. We believe it provides important context for the numbers also.

The structure for today's discussion will be as follows. Tushar Agnihotri, our CEO, will open with a business overview and the strategic direction we are pursuing. Seckin Arikan, our Chairman and CEO of Proximus Global, will cover Route Mobile's role within Proximus Global and the larger Proximus Group. I will follow that up with a walkthrough of the growth strategy and business metrics, with Tushar adding color and context where relevant. Raj Gill, our Group CFO, will then take us through the financial results and outlook. We will have time for Q&A at the end. Over to you, Tushar.

Tushar Agnihotri: Good evening, everyone. Thank you for your time today. We have structured this session around four themes. I will cover the business fundamentals, what Route Mobile is, how it is built, and where our differentiation lies. Seckin will provide the Proximus Global context, which is central to understanding the broader strategic picture. Vinay will then walk through the growth strategy in detail, and we will run through the business metrics together. Raj closes out with the financial results and guidance. Let's begin.



I want to use this slide to establish the framework for the details that follows. The straightforward message is the reset is largely behind us, and the business that has emerged from it is structurally healthier. We say that with confidence, and the numbers also reflect the same clearly. Gross profit margins expanded in FY26 as relatively lower margin ILD volume has exited the mix. What remains is a more resilient and more defensible revenue base and, to put a number to that, FY26 was the first time that our annual gross profit crossed INR 1,000 crores. That translated to a 22.9% gross profit margin for the year. The driver was exactly what I have described: the exit of low margin ILD business, partially offset by the growth of higher margin domestic revenues. It is a milestone that reflects quality of earnings, not just scale.

Two growth engines are gaining real traction. One, on the product side, RCS, WhatsApp, and AI-enabled messaging have grown at a 43% compounded annual growth rate over the period FY22 to FY26. That trajectory points towards where the channel mix is heading. On the MNO Solutions side, our firewall and network API products are building into a high margin, recurring revenue stream that sits alongside the enterprise business. We have created a solid pipeline for the AI-driven A2P SMS and voice firewall solutions that we offer to MNOs, and this will reflect in revenue expansion from this line of business in the coming quarters.

Two structural advantages underpin the whole approach.

First, India as our global innovation hub. What we incubate and what we prove in India, we deploy worldwide. The Aakash Education network API deployment is the tangible proof point of that model. We developed and deployed a Network API-driven silent verification solution for the client, which helps them address requirements such as tracking students dropouts during the online registration process. Such solutions can now be extended to customers across the globe.

Second, Proximus Global. Being part of the group provides Route Mobile cross-sell access to 900+ MNO relationships and a global enterprise base that no standalone CPaaS company can access. We are being deliberate about capital allocation, targeted bolt-on acquisitions to deepen platform capabilities, and meaningful returns of excess capital to shareholders. We have also defined robust frameworks to support build versus buy decisions when evaluating product expansion or entry into new geographic markets. The reset was a difficult one. I believe it has made us more focused, more defensible business, and one that is well positioned for the next phase.

For those newer to the Route Mobile story, a quick look at the business fundamentals. 3,100+ enterprise clients, 175 billion messages processed annually, 280+ direct MNO connections across the globe, INR 4,400+ crores in revenue for FY26. What distinguishes us as a preferred A2P SMS solution provider for global enterprises is our direct connect with MNOs globally. These connects are not routed through intermediaries and are direct agreements and platform integrations built over two decades of partnership with such MNOs. That depth of operator partnership is a genuine competitive barrier, and it's our customers' delivery rates and pricing that aggregate-only players cannot replicate. This positions us strongly as a partner for traditional A2P SMS solutions. We have been profitable since year one of operations, and that discipline continues.



In FY26, our cash flow from operations to EBITDA ratio was above 100% + reflecting a healthy, cash generative business. I would also want to talk about our platform evolution story, as it provides important context for where we are taking the business. Route Mobile was built on A2P SMS. That remains a significant part of the business today. But the platform has evolved meaningfully, and we now offer a unified full stack platform that encompasses all channels of communication that an enterprise could require across RCS, WhatsApp, Viber, email, and more recently, Network API products that sit at the MNOs backend, silent authentication, SIM swap detection, and device verification, amongst others capabilities that very few messaging platforms offer. This enables us to deliver cutting edge, secure customer experience solutions to enterprises. The direction is clear from connectivity infrastructure and towards AI-powered intelligence at the enterprise engagement layer. As we move up this value chain, the margin profile improves and customer relationships become structurally stickier. This evolution from pure connectivity to an AI-powered engagement platform is exactly what the growth strategy is designed to accelerate.

Three things that differentiate Route Mobile in the market.

First, global connectivity. Being part of Proximus Global immediately expands our direct MNO access to 450+ carriers, 280+ direct connects from Route Mobile and an additional 170+ direct connects that BICS adds to the ecosystem. This is not replicable in a short time horizon, and it translates into delivery, reliability, and pricing that aggregators cannot match.

Second, a full stack CPaaS platform, SMS, voice, email, RCS, WhatsApp, omnichannel, one single platform one integration, with AI-ready capabilities embedded natively across the channels.

Third, Proximus Global being part of a multibillion-euro telecom group gives Route Mobile access to distribution and technology partnership that a company of our scale simply could not access independently. Seckin will elaborate on this, but I want to flag it here as a genuine structural advantage, not a financial characterization.

A brief walkthrough of the Route Mobile journey, because I think the discipline of how we have built this business is relevant context for assessing the credibility of the plan ahead. We started with two thousand dollars. We built direct carrier relationships systematically, country by country. We listed ourselves on BSE and NSE. We made targeted acquisitions to add capability and enter new geographic markets. We transitioned from an aggregator model to a direct enterprise platform model. The acquisition of Route Mobile by Proximus was the pivotal moment in that journey. It moved Route Mobile from being a well run regional CPaaS company to being the enterprise connectivity and AI platform of a global B2B telecom group. The strategic and commercial implications of that are still playing out, and they are very much in our favor. The current chapter, which Vinay will take you through in detail, is about the next evolution of that journey. With that, let me hand over to Seckin.

Seckin Arikan: Thank you, Tushar. Good evening, everyone. I am Seckin Arikan, Chairman of Route Mobile's Board and CEO of Proximus Global. I want to spend a few minutes on the Proximus Global context because I believe it is important for understanding the full Route Mobile story.



Proximus Global brings together three businesses focused on delivering communications and customer engagement services to global enterprises.

We operate across three core businesses. BICS, our global connectivity platform, Telesign, our digital identity and communications API business and Route Mobile our enterprise CPaaS and omnichannel engagement platform. Each fills a distinct role in the enterprise connectivity value chain. Route Mobile fills the one that is most difficult to build, direct at scale enterprise relationships across a platform that spans messaging, voice, AI, and Network APIs.

None of the other entities in the Proximus Global group do that at the scale and efficiency that Route Mobile does, which makes it, in my view, strategically very important.

Let me be specific about what Proximus Group membership means for Route Mobile in practice, because I believe it is sometimes underestimated. BICS has direct relationships with most of the mobile network operators globally. For Route Mobile, that is a commercial distribution channel. As we seek to expand our RCS delivery reach, we can leverage this mobile network operator access to accelerate our initiatives. When we develop a new network API product, a silent verification solution, a fraud detection capability, we have an immediate path to those operators at global scale. That is an extraordinary advantage for a company of our size. BICS is also enabling a rapid pipeline development for the A2P SMS and Voice Firewall solutions that Route Mobile offers to mobile network operators globally.

Telesign has a deep and established enterprise customer base in the US and European markets. Many of those customers have requirements that Route Mobile's omnichannel CPaaS platform is well-positioned to address. The cross-sell pipeline is active and building gradually. Route Mobile is not executing this plan alone and the distinction matters significantly for how you assess execution risk.

This slide illustrates the scale and the global reach that Proximus Global has as a group. Trusted by several Fortune 500 enterprise clients across the globe. Ability to connect with 5+ billion individuals worldwide, 200+ billion messages processed annually, a truly omnichannel CPaaS platform. Ability to offer enhanced digital identity solutions that are aimed at fraud prevention. What I would ask you to note is the two-directional nature of this relationship. Route Mobile brings enterprise relationships and CPaaS platform capability to the group. The group, through BICS and Telesign, brings distribution reach, operator relationships, and a customer base that amplifies what Route Mobile can achieve independently. As the platform continues to evolve, GenAI, Firewall, Network APIs, those capabilities enhance the value proposition of the entire Proximus Global group for enterprises and operators alike. It is a cycle and it is one we are investing in with conviction.

To close, let me bring together the key reasons why Route Mobile within Proximus Global is a compelling opportunity.

Three reasons this is compelling.

First, absolute operational strategic backing. Joint commercial programs are running with BICS and Telesign. This is active execution, not a future opportunity.



Second, the cross-sell opportunity is near term and measurable. BICS customers who have never been offered CPaaS, Telesign enterprise accounts who have yet not been introduced to Route Mobile's omnichannel suite. These are real conversations underway.

Third, Route Mobile is building an AI-native CPaaS platform at precisely the moment enterprises are accelerating AI adoption in their customer engagement strategies. The demand is clear. The platform is being built to meet it. With that, I will hand it over to Vinay for the strategy detail.

Vinay Binyala: I want to address this directly, because the credibility of our recovery plan depends on a clear-eyed account of what we experienced. Certain headwinds converged in the past 18 to 24 months.

The most significant was structural: ILD A2P SMS – historically a significant revenue driver for us is in secular decline. Certain large enterprises migrated to WhatsApp, RCS, and other OTT channels. This shift has affected every CPaaS business with material ILD exposure.

The second was AIT – Artificially Inflated Traffic. An industry wide clean up triggered a significant decline in A2P SMS volumes globally. As an aggregator, Route Mobile was exposed to that contraction.

Third – Macro. Enterprise CPaaS budgets were cut as part of cost optimization cycles over the past few years in response to high A2P SMS costs in certain geographies. Discretionary communication spend was among the first categories to be reduced.

Fourth – Our new products grew at 11% year-on-year, but from a small base. At approximately 8% of total revenue, they are not yet large enough to offset the ILD revenue decline.

And fifth – post-acquisition integration complexity added a layer of operational challenges that were not purely market driven. We have spent the past 12 months understanding each of these precisely. The strategy I am about to walk through is a direct response to every one of them.

Tushar Agnihotri: If I can add something here when we looked at what happened, the honest conclusion was that some of these headwinds were genuinely outside our control – the AIT clean-up and the macro spending cycle. But some of them, particularly the pace of product mix transition and the integration complexities those were things we could have moved faster on. We have been direct with ourselves about that. The strategy Vinay is about to walk you through reflects the candor. It is a specific plan, not a generic recovery narrative.

Vinay Binyala: This is the playbook, and before I walk through it, I want to highlight an essential fact execution is already underway across every element of this. This is not a forward-looking plan; it is a live program. Route Mobile is making a deliberate shift to platform defensibility.

The architecture has three layers.

At the top – platform strengthening – two pillars.

ELEVATE is about the omnichannel platform scaling RCS, WhatsApp, and OCEAN, moving up the value chain, improving margin quality, and deepening customer lock-in.



INNOVATE is the AI and India innovation hub – GenAI-ready CPaaS, internal AI deployment, and India as the product incubation center for the Proximus Global group.

The middle layer is near term growth execution.

DEEPEN refers to core market penetration. We have 3,100+ clients, the majority using our solutions for a single communication channel. The wallet share opportunity within that base is substantial and requires no customer acquisition spend.

EXPAND drives geographic growth, backed by Proximus infrastructure and Telesign enterprise relationships.

The foundation layer is ACCELERATE – M&A and partnerships. AI-led acquisitions to compress the capability build timeline, ISV and partner ecosystem to expand sales reach and the Proximus cross-sell which I would describe as the most structurally distinctive and underappreciated element of the entire plan.

The five pillars reinforce one another deepening the core strengthens positioning and validates the platform differentiation; platform differentiation, in turn, enables geographic expansion. M&A could help accelerate all other initiatives. It is a compounding engine. That said, M&A will be driven basis a well-defined evaluation framework which helps determine whether build or buy towards the various initiatives such as developing or acquiring specific platform capabilities or entering new markets through organic setup versus local acquisition.

Tushar Agnihotri: I want to add one thing here. When you look at the architecture of this strategy, what gives me personal conviction is that each of these pillars has a clear line of ownership internally and a set of active programs behind it. This is not just a slide built for this discussion. The M&A pipeline is already live and evolving. Piloting products in the India market and then taking them to a global customer base is already underway. The omnichannel platform is actively being sold.

Vinay Binyala: Three focus areas under the first pillar: omnichannel scale – RCS, WhatsApp, and OCEAN. This is our direct commercial response to A2P SMS decline. As enterprise clients migrate off SMS, we need to be the platform they migrate to. RCS and WhatsApp are growing. OCEAN ties the channels together and creates the platform stickiness that makes customer relationships more durable.

We are also witnessing that enterprises are leveraging different channels for different use cases for instance, plain notifications are still transmitted through SMS, whereas interactive customer support use cases are supported over WhatsApp and RCS.

Our OCEAN platform addresses exactly this requirement by enabling all channels through a single platform offering a one-stop shop to enterprises for all their customer engagement requirements.

Next, GenAI-enabled CPaaS enterprises increasingly want to deploy AI-powered customer engagement intelligent chatbots, voice agents, and personalized messaging workflows. We are actively enhancing the platform to be the trusted CPaaS delivery layer for that.



CRM, ERP and CDP connectivity, AI-accelerated deployment pipelines the development work is already underway.

We support ready integrations between our platform and several commonly used CRM, ERP, and CDP platforms.

Firewall and Network APIs is an extremely exciting component of our business offerings. Regarding A2P SMS and Voice Firewall for mobile operators, our AI-powered fraud detection and revenue optimization solutions create recurring managed services revenue streams for mobile network operators and we are witnessing strong operator demand and pipeline build-up for these solutions.

We are also leveraging the Proximus Network API initiative 'Konera' to offer differentiated innovative solutions around Silent Verification, SIM swap, and device location, to enterprises. These solutions create high barriers to entry as they require integrations with mobile network operators.

We are actively pitching these Network API-based solutions to enterprises. These are capabilities that make Route Mobile genuinely difficult to displace.

I would like to highlight three active programs around this theme which we are referring to as Innovate. The Internal AI. We have a live AI program running across organizational functions including customer support, engineering, and deployment. We are driving measurably lower cycle times, better support resolution rates, and faster product delivery. We're scaling this mandate aggressively across every function.

GenAI chat and voice solutions. We're building AI-native conversational agents for both chat and voice channels, not basic FAQ bots. Multi-turn, contextual AI interactions that meet the growing enterprise demand for intelligent customer engagement across chat, voice, and messaging. Route Mobile is positioning as the CPaaS delivery layer for that demand.

Network API deployment: the Aakash Education proof point. We deployed a Network API-powered Silent Verification solution to Aakash Education, one of India's leading largest ed-tech platforms. We are now ready to commercialize this solution across the Proximus footprint globally.

Tushar Agnihotri: I'll add a thought on India specifically, because I think it's worth understanding the philosophy behind the "India as innovation hub" framing. India gives us world-class engineering talent at a cost structure that allows us to take product risks that a Western development center simply can't. We can build, test, prove, and iterate faster. The Aakash deployment took just a few months from concept to live. That velocity is a competitive advantage, and the Proximus Global relationship means that once something is proven in India, we have the distribution to take it global immediately. The combination is genuinely unusual.

Vinay Binyala: Next let's look at core market penetration our highest ROI near-term opportunity, and it sits entirely within the existing client base. We serve 3,100+ enterprise clients, the majority on a single channel today. There is limited to no customer acquisition cost required to capture this opportunity. We visualize three specific plays.



Key Account Management for account deepening, focus on moving clients from transactional, single-product relationships to multi-year, multi-channel platform engagements. The value uplift when clients go multi-channel is significant.

Cross-sell and upsell to drive migration of SMS only clients to RCS, WhatsApp, Voice delivering meaningful revenue uplift with minimal incremental sales cost. In most cases, this will lead to expansion of use cases that we support for the same client.

Solutions led selling- Shifting from API connectivity to platform solution engagements. Larger deals, longer relationships and better margins to be driven. The base is there. The task is to deepen it systematically.

Let's look at our geographic expansion plans with a structural advantage that fundamentally changes the economics of entering new markets. We enter new markets which present higher-than-industry-average growth opportunities. This changes both the risk profile and the return on investments related to such expansion. We have identified certain priority emerging markets, including Mexico and Philippines. These are high-growth, under-penetrated CPaaS markets with strong enterprise demand in BPO, financial services, and e-commerce verticals. These are also large markets for the OTT messaging solutions such as WhatsApp and Viber. In the US, Telesign's infrastructure gives us a lane into the world's largest enterprise messaging market one Route Mobile has had limited direct exposure to historically. In Europe, GDPR are compliant messaging for financial services and logistics, where our compliance credentials carry real weight with enterprise buyers. And overarching all of this the Proximus Network Effect. Every BICS customer is a potential Route Mobile engagement. We are actively converting that opportunity today, especially on the mobile network operator solutions side of the business.

The fifth pillar and the one that compounds the returns on all the others. Organic growth alone will not close the AI capability gap within the timeframe the market requires. Our M&A strategy targets conversational AI and CPaaS-adjacent capabilities – compressing a two-to-three-year organic build cycle into 12-18 months. Our acquisition criteria are clear: AI-native capability, a complementary customer base and a credible path to accretion within two years of closing. These will be small-to-mid-sized acquisitions, primarily for capability, and not necessarily for scale of the target business. We are also evaluating new geographic market entry through potential acquisitions. These will, however, be slightly longer-drawn processes, as the target evaluation will need to be more thorough in terms of immediate value add through the acquisition.

Partner and reseller Go to Market: We look at expanding the ISV and system integrator ecosystem we also expand telco white-label distribution. Scalable and capital efficient approach towards this initiative We have onboarded certain large clients over the past year through our partner ecosystem, and we believe this could be a significant revenue driver if we leverage it in the appropriate fashion.

And the Proximus cross-sell joint go-to-market programs into BICS and Telesign enterprise bases this will deliver high ROI and structurally unique solutions which Route Mobile can bring to the market. No standalone CPaaS company has access to this level.



Tushar Agnihotri: On M&A I'd be clear about our philosophy here, because I think it's worth articulating for the record. We are not looking to make large, transformational acquisitions. We are looking for targeted, capability-led transactions where the technology accelerates the roadmap and the customer base is complementary. The integration risk need to be manageable. The time to accretion need to be defined. We've been through the complexity of a large integration the experience shapes how we approach this. Disciplined, specific, and capital efficient.

Vinay Binyala: Let me now run through the business metrics. The next four slides provide the quantitative picture that sits behind the strategy we've just covered. They cover the new product revenue trajectory, geographic mix, industry vertical breakdown, and the customer cohorts. These are worth looking at carefully, as they explain both the headwinds and the early evidence of recovery.

New products revenue is the most important forward-looking metric in these results, so I'd draw your attention to it. FY25–26 new products revenue came in at approximately ₹3,500+ million. The four-year CAGR since FY22 is 43%. Growth moderated to 11% year on year in FY26 the tougher comparative period and macro environment are reflected in that. As RCS, WhatsApp, and AI-enabled products continue to scale as a proportion of revenue, two things follow structurally greater revenue resilience and rapid growth. FY26 is a base we are building on, not a ceiling.

On the geographic revenue mix, two key observations here India remains the largest termination geography partially a function of ILD domestic shift as international enterprise clients reduced spent, we have grown the domestic business new large domestic customers added and the revenue growth from existing clients. Two observations on the geographic mix. India remains the largest termination geography, ILD volumes declined but were partially offset by domestic volume growth. We added new large domestic customers and witnessed revenue growth from existing clients. The reduction in US-headquartered customers' contribution also reflects the loss of ILD revenue the same structural dynamic we've been discussing throughout. The geographic expansion strategy we've just covered is designed to accelerate the diversification of this mix over the coming years.

Vertical breakdown useful for understanding where the headwinds were concentrated. Financial services remain our largest vertical, and we've seen good growth from domestic Indian FinTech and BFS clients high-frequency, high-stickiness usage patterns, which is exactly the client profile we want to deepen. Digital native declined due to a specific US-headquartered client migrating to alternate channels. E-commerce fell, reflecting the loss of ILD traffic from a global major. The common thread is the ILD and global enterprise exposure we've discussed. Domestic recovery is partially offsetting this, and the product mix shift we're executing is designed to accelerate that recovery.

This slide probably best explains the revenue dynamic for FY26, so it's worth a moment. Two things drove revenue decline despite relatively stable transaction volumes.

First – customer mix shift. ILD revenue was concentrated in a small number of high-value accounts. That revenue was partially replaced by domestic customers, but domestic average revenue per account is significantly lower than ILD. The silver lining: domestic clients carry



relatively higher gross margins, so the profit mix is actually healthier even as the headline revenue compressed.

Second – pricing compression. ILD transactions command a structural pricing premium over domestic routes. The same transaction volume processed domestically generates materially less revenue. This is a pricing dynamic, not a volume problem and it underscores why the product and channel mix transition is central to the revenue recovery story.

Tushar Agnihotri: I'll close this section with a broader reflection. The metrics Vinay has just walked through tell a consistent story the challenges of the past two years were real and specific, and the recovery is real and building. Gross margins are moving in the right direction. New product revenue is on a clear upward trajectory. The domestic customer base is growing. None of those things happened by accident they reflect these strategic choices we've made about where to invest and where to hold the line on quality. The base we're building from is sounder than the one we started this reset from. I'm confident in the direction. With that, I will hand it over to Raj.

Raj Gill: Thank you Vinay, and good evening, everybody. I'll quickly summarize our financial and operating performance during Q4 FY26 and for the full year; then I will look to the future with our financial guidance and capital allocation plans.

Starting with Q4 revenue and gross profit, our Q4 revenue from operations declined by 3.8% year-on-year, driven by the structural SMS market volume declines in ILDO as described earlier. This is partially offset by encouraging growth in our domestic business and non-SMS products. However, looking at the current quarterly trend, revenue grew by 2.2% sequentially to 11,309 million, supported by 45.1 billion transactions during the quarter.

From a gross profit perspective, absolute margin grew 16.6% year-on-year at 2,639 million, while the percentage margin increased to 23.3% as compared to 19.3% in Q4 last year, mainly driven by a shift from lower-margin ILDO volumes, delivery of routing and cost initiatives, along with focus on retention and growth of our higher-margin existing customers.

Turning to EBITDA and profit after tax, adjusted EBITDA for Q4 increased by 11.9% year-on-year to 1,343 million, while being lower in absolute terms than the previous quarter due to seasonality. This represents a ten-quarter record in terms of adjusted EBITDA growth, demonstrating the ability to land gross margin flow-through benefits, as OPEX is constrained mainly to wage indexation and receivables provisions. This all contributes to an EBITDA margin of 11.9%, which is higher than the 10.2% seen in the prior year.

Adjusted profit after tax was 1,144 million, which is up 34.6% year-on-year and 11.6% on a sequential quarter basis. The PAT margin has also increased to 10.1% compared to 9.3% last quarter and 7.2% last year. The strong PAT trajectory is mainly driven by higher gross margin, foreign exchange movements, lower financing costs, and a lower effective tax rate.

I will briefly touch on the full year results before moving on to the final section. Revenue from operations declined by 3.7% year-on-year to 44,082 million. At the same time, gross profit increased by 5.9% year-on-year at 10,073 million, and the margin increased to 22.9% versus 20.8% in the previous year. Adjusted EBITDA grew by 0.4% year-on-year to 5,259 million, and



EBITDA margin expanded to 11.9% compared to 11.5% last year. Profit after tax, adjusted for exceptional items, is higher by 6.7% year-on-year to 3,761 million, with a PAT margin at 8.5%. Our cash position stood at around 1,400 crores as at March 31.

This is our usual adjusted EBITDA and PAT walk, which we produce every quarter.

So now, looking ahead to future ambitions, the team took us through the strategy, growth opportunities, and positioning of Route Mobile. So, let's dive into what this means for the coming financial year.

Revenue is expected to grow by mid to high single digits, driven by the exciting growth playbook and the tangible competitive advantage we see. Our laser focus on moderating cost of sales and driving AI-led OPEX efficiencies will continue to deliver stable margin performance. Therefore, we will deliver the expected increase in revenue while achieving an EBITDA margin of around 12%. It is worth noting that we deliver strong EBITDA-to-cash conversion, and this will continue in the coming year.

Moving on to how this translates to our capital allocation strategy, we will adjust our dividend policy to return a higher portion of our available free cash flow, while leaving room for value-accretive initiatives going forward. Our regular dividend will meaningfully increase from INR 11 per share to a sustainable level of INR 16.5 per share, which represents a 50% increase. This will be payable each quarter as usual.

Thank you all for your kind attention during the prepared section of this call. I will now hand over to the moderator for Q&A.

Moderator: Thank you. We will now begin the question-and-answer session. If you have any questions, please raise your hand and we will unmute your line to ask questions. We have the first question from the line of Kunal Ochiramani. Please go ahead.

Vinay- There is some background noise.

Moderator: We have a question from the line of Amit Chandra. Please go ahead.

Amit Chandra: Hello, can you hear me?

Vinay Binyala: Yes, Amit, we can hear you. Please go ahead.

Amit Chandra: Hello. Thanks for the opportunity, and thanks for the elaborate update on the strategy, which was actually missing. Firstly, we have laid down the plan for growth and terms of recovery for the next year. But if I see the shift that is happening in the industry where most of the traffic has moved from traditional channels to the new channels, and the new revenue stream has been created over the last one year, I see the competition that they have scaled up that WhatsApp, OTT, or that segment of the revenue pretty fast and that has now become 30–35% of the revenue but for us, it has been only 8% of the revenue from the new products. Where we have missed in terms of cross-sell and identifying new opportunities? Is it only related to the transition challenges or is there something lacking in terms of offerings to the clients because that was a big shift and from here on how do we see the new products revenue contributing to growth, from



here on because till we are at a very small part in terms of the overall like revenue mix so that is the first question.

Secondly, obviously in the existing base, we have seen a decline of the ILD portion which was earlier a major like part of the total revenue? So how this shift has been over the next two years, and currently what portion of the revenue is from ILD? I also see the termination and the India portion have been coming down because of the drop in the ILD revenue or is something else to it?

Vinay Binyala: Sure, Amit. Let's take these questions one by one at a time. So, I think the easiest one is on product differentiation. So, I think when you look at the non-SMS product portfolio that we have, in terms of channels, our platform supports all the communication channels that an enterprise could look at, whether it is WhatsApp, RCS, in fact, Viber in certain Asian markets, and email.

So, I would not really say that the platform is in falling short in terms of capability. In terms of scalability also, we have serviced customers where we have supported significantly large transaction volumes on a daily basis for some of our customers on these channels. So, I believe, in terms of technology and platform capability, we are pretty much there in terms of what the market needs.

Also, in terms of what we are doing around the product, we are creating another layer on top of this, where we will be able to address a lot of Gen AI and AI intelligence-related requirements that enterprises are now adopting aggressively. So, Tushar, would you like to add something there?

Tushar Agnihotri: Thank you for the question. Alongside, we are getting some new offerings in the market, something we call Konera, which we launched a few months back in India. That is an intelligent platform we are bringing into the country, which is a part of a generic category of Network APIs, where we leverage our association with telecom operators and give solutions that will be novel to the market. We are testing these solutions along with telcos in the market, and we are pretty hopeful that this will bring in a new customer base and give impetus to our new product focus in the country.

Rajdip Gupta: I think in my last call I also highlighted telecom products, including telco and the enterprise segment. As I mentioned before, the Firewall piece of our business is growing very fast. In fact, I'm proud to say that last month we have achieved the highest amount of revenue ever in our Firewall business. Some of the contracts which we are winning with the help of BICS are going to play a very critical role in the overall growth of our numbers as well. I know the sales cycle for the Firewall deals are longer, but recently we have closed one large deal with Claro, which is now live. We believe that the telco focus of our business, with the help of BICS, is definitely going to play a very critical role in the coming years down the line. So, that is one area where we all need to focus.

AI-native CPaaS solutions is something that we are very serious about, and AI-native Firewall solutions, especially for telecom fraud and digital fraud is the biggest piece where most of the telcos are looking out for a solution. As a company 365 Squared is especially focusing more on these AI-native solutions for the operated solutions.



We have successfully implemented certain solutions in some of the operators, and we are very much in talks with various operators. With the great support of BICS, we do see that business is going to grow multifold in the coming years down the line.

Vinay Binyala: To address some of the other questions you had, Amit, regarding ILD and India termination: ILD, as you rightly pointed out, over the last year we did witness decline. But if you look at the last quarter, we have kind of seen that stabilizing now. So I think whatever decline we were expecting is now in the base. Even in the run rates, I don't think we are not seeing any further threat to that segment of the business. In terms of total contribution to the revenue, I'm not 100% sure if we have discussed this in the public domain in the past, but it is around one-fourth to one-third of our revenue somewhere in that range.

So that's where ILD in terms of our overall business times. India termination, I think you highlighted yourself ILD given the price point that it attracts per transaction. If there is a decline in ILD, it results in a decline in India termination. But that said, we have also offset some of this ILD loss with domestic business wins, which we also spoke about during the presentation.

We are seeing growth in domestic customers not only in India but in other parts of the world as well. That is a big push. As Tushar also mentioned, either with the new products in some of the markets we are still seeing the SMS business grow and some of the emerging markets we are still seeing good growth around SMS and obviously we are pushing hard for the non-SMS components within our portfolio.

Rajdip Gupta: Yeah, and just to add one more point, Amit, I know most of these OTT players are trying out different channel of communication such as WhatsApp or RCS. We are definitely reaching out to them and giving them options to use our channels either on WhatsApp or RCS.

We have onboarded a few large OTT customers who are testing our platform to move traffic from SMS to RCS. The discussion is going on we are at a very early stage, but yes we started generating revenue from these OTT players, RCS especially and some of the WhatsApp use cases.

Amit Chandra: Okay, so just to follow up, in the presentation, of strategy of growth and pillar one, the platform and innovation. So obviously you said that Firewall and Network APIs as focus areas, and we have been growing fast there. So where is that growth getting reflected? Does the 8% revenue from new products also includes Network API revenue, or is it separate?

Vinay Binyala: The next-gen products do not include that revenue, because it is largely still related to SMS. There is a little bit of voice Firewall component to it, but largely it is A2P SMS Firewall solutions that we are deploying for operators. So that revenue is still being accounted under the SMS segment of the business. The next gen you see mainly includes channels like WhatsApp, RCS, email, and other OTT channels.

Amit Chandra: Okay, so any like number what would be the contribution in terms of percentage mix from Network APIs or Firewall? Also, if you can breakup of the current revenue in terms of the old age kind of services versus the new age services and in terms of the strategies that you have laid out firstly SMS, ILD and the AI native services and the firewall network and API solutions and

the current revenue mix in terms of if you can give us some idea it will be better for us to understand how the mix will change maybe in the next one year.

Vinay Binyala: Sure, Amit, so unfortunately, we don't disclose that in the public domain. We will still, you know, evaluate internally and we can come back with communication to the analysts and shareholders around this. But in the past, this has not been public information. So we'll figure out what's the best way to provide some guidance around this. But in terms of, you know, the non-SMS portfolio, as you see in the presentation, it's around 8% and we are identifying ways in which we can grow that business significantly. And on the AI, it is still kind of a new solution that we are bringing in. So in terms of revenue contribution, it will take some time, but what it will also do in parallel is it will drive adoption of the non-SMS platform itself. Because the solution becomes more attractive for an enterprise, we will see the channel adoption and revenue around the WhatsApp and RCS channel also pick up when we deploy these AI capabilities.

Rajdip Gupta: I think, Amit, the more focus on AI coming forward at Route Mobile is more mainly how we can enable customer faster onboarding. And I think through AI we are going to make certain changes in our platform very soon and you will definitely see the outcome of those changes in the coming quarters. Because as far as the platform is concerned, as Vinay has mentioned, we have everything what market needs, but there are certain AI capabilities required with the current platform. I think we are definitely already have a plan to do that and we already have some kind of engagement on that. And very soon you will see that impact of AI on our revenue as well.

Amit Chandra: Okay, one last question on guidance. You are guiding mid-to-high single-digit so obviously we are guiding from mid to high single digit. So is it, so this appears to be a bit lower in terms of the kind of initiatives that you're taking. So in terms of the, you know, in terms of growth. What segments will drive this, and secondly, on the margins, you know, obviously we are targeting around 12% and we are seeing a mix towards the higher margin, you know, revenue streams, so if you know, once the mix changes, we, you know, the margin should have been higher, so why we are, you know, sticking around to the current levels, are we also...

Rajdip Gupta: Amit, I think last one year we have not given any kind of a guidance, if you remember, you know, like, and market was always expecting some kind of a guidance. And we would love to be a little conservative in giving the guidance, but at least we are coming up with a guidance this year. And you are right; this mix will definitely add value to our overall growth and plus EBITDA margin as well. We are confident about growth driven by product mix, new markets, and domestic expansion. These give us confidence to provide guidance this year, and we will strive to overachieve. But yes, we are confident this year that there is a growth and there is a product mix. There is a market, new market where we are focusing on. We're talking about the domestic market setup as well. And I think all these things really give that kind of a confidence to the management that we need to give some kind of a guidance to the market, which we were not giving in past, at least we have started. And we will definitely try to overachieve our number.

But on record, I will say the guidance which we have given, at least we are positive that there is a growth. And that's exactly how we need to look at.

Amit Chandra: Thank you.

Moderator: Next question is from the line of Shweta Sharma.

Shweta Sharma: Hello, am I audible?

Vinay Binyala: Yes, please go ahead.

Shweta Sharma: Thank you so much sir, could you provide a volume-wise breakup for domestic and overseas?

Vinay Binyala: Just give us a moment. I mean, we can do this. I mean, can we take this offline. We can share the data. I mean, but it we need to figure out. I'm sorry, but I just need to check if this has been discussed in the public domain in the past. I'm not 100% sure if this has been a metric which we disclosed with only for, you know, competitive reasons. I mean, we would not want to hold back information, but for it opens up a bit of our competitive advantage in the market. So let me just figure out what's the best way to address this. We can take this offline with you.

Shweta Sharma: Okay, okay, sure, sir. Also, my second question is, could you quantify the difference in gross margin between your traditional A2P SMS business and these new AI driven solution? Also, what percentage of your 175 billion transaction are now solution based rather than just delivery based?

Vinay Binyala: Yeah. Sure, so the margin difference depends upon the solutioning that we do around the channel as well. So, you know, typically if you look at the portfolio margin today, large part of that is obviously coming from the SMS business that we do. On the firewall, the margins are higher because that is more product oriented business and we have customers where it is being used on a license basis plus the value add for the customer is significantly higher there. So the firewall generates additional revenue for the operator where they are okay to share a larger part of the benefits with us. So the margins there could be anywhere in the range of, you know, depending on the type of engagement, it could range from 30% to all the way up to 60, 70%. So that is on the firewall. On the channel side of the business, I mean, the portfolio gives you a good guidance of where we stand. But as we talk about AI and other solutioning around the channel, that could generate additional margin because some of those platform capabilities could easily generate significantly higher margin as compared to the portfolio margin. So unfortunately, I'm not able to give you an exact breakdown of product-wise margin at this point. Once again, you know, because you understand the market is highly competitive and you would not want to open up all of our cards in the public domain on product wise, geography wise, margins that we generate.

Shweta Sharma: Okay, sure, sir. No issues. Sir, if you're not able to provide the exact number, can you provide a breakup of growth like domestic and overseas in terms of volume growth?

Vinay Binyala: We have seen volume growth in India domestic business, and we have seen volume growth in rest-of-world domestic business. The only segment where we saw a decline last year was ILD and the international traffic coming into India. We see similar kind of growth rates in India and non-India domestic clients. The only where segment challenges which again, as I mentioned earlier, which have bottomed out and we believe is in the base now is the ILD business where last quarter we've seen no further drop in that business either. So we believe that is also in the base. So, moving forward, I think as we provided the guidance as well, we should start witnessing recovery in the business.

Shweta Sharma: Okay, so if my understanding is correct, so domestically and overseas, when we see volume growth, it's the same as the last quarter, right? Growth in terms of percentage, like it's the same and in quarter or it's the same as YOY. What the?

Vinay Binyala: Sorry, I don't think we've disclosed in the previous year as well, but I mean we have seen consistent in the previous year. If you look at FY25, we still had a slight decline, I mean a slight growth in the domestic side of the business, slight decline in ILD. So, the trend is similar, but what we are saying is by the end of Q4, we are not expecting any further drop in the ILD business, either at least from the run rates that we are seeing and what we are hearing from the clients, I think we bottomed out there. And on domestic over the last two years, we've seen growth coming in. So, the trend kind of remains where it is. Only moving forward, we should now see recovery in the business.

Shweta Sharma: Okay, okay. Thank you so much, sir. That's all from my side.

Moderator: Thank you, Shweta. Next question is from the line of Dipesh Kumar Mehta. Please go ahead.

Dipesh Kumar Mehta: Yeah, thanks for the opportunity. I have 4 questions, so I start with one by one. First, I just want to understand what we were organic capex plan and M&A investment plan in next two to three years. If you can give some sense about how we are looking some of this investment.

Vinay Binyala: Sure, the organic CapEx is not significant, as you've seen in the past also. So, I think our internal budgets are around Raj, you want to highlight that number on the organic CapEx?

Raj Gill: Yeah, I mean, it's we do have some organic initiatives, but it's not a meaningful number. So, and pretty much a flat year on year, but we are we are looking at some internal development to support platform growth and move to omni-channel products.

Tushar Agnihotri: On M&A, we are evaluating a couple of targets, and of course, we'll build at the right time, we will share the opportunities.

Rajdip Gupta: Yeah, but just to add Dipesh, just to add Dipesh, the any M&A, I think probably will do something in AI based.

Dipesh Kumar Mehta: I know. I think in those couple of areas which you highlighted, the reason for asking this is about the cash which we have on balance sheet, what we generate every year and what is our payout. So, if I look, our payout is roughly around 30%. Our cash is roughly 40% of market cap. Yield on cash is less than 4 percentage for us. Now, if I combine all these number CapEx, which we is roughly around 30-40 per annum dividend, we declare 140 crore. Or random kind of number last two year I'm combining. So roughly around 200 to 250 crores we spend on organic capex, we spend on dividend in this two year, we tried some point FCF which we generated is more than 1000 crore. Now, if we don't do envisaging any, let's say, very large acquisitions. Then why we are accruing cash on balance sheet? That is what I try to understand, even though payout which you indicated.

Rajdip Gupta: So Dipesh, let's go one-by-one. To answer your question, as I said, we are definitely evaluating certain targets for acquisition. We want to make sure that any acquisition we do should adds value to our current existing portfolio, especially in AI, because AI is a need for the market today, and we believe AI will add a lot of value add to our offering.

We are evaluating some targets in this space and will announce them soon. As far as the cash is concerned, the management and board are very much aware of this. We are definitely looking at various other options to deploy the cash and we will definitely share updates in the coming quarters what are we doing in cash. For now, we believe this cash will mainly be used for acquisitions we are planning soon.

Dipesh Kumar Mehta: So, are we envisaging our M&A investment will be higher than our FCF and cash on balance sheet in the next three years?

Vinay Binyala: So, it depends. The M&A acquisition sizes are not very large. These are more capability add-ons. We are not acquiring for scale. There are a few geography expansion targets, but as I think we mentioned in the presentation as well, the evaluation cycle around those will be more complex. But in terms of the product capability, there are a few ideas and areas which we are evaluating very closely. And those are not very large acquisitions.

Raj Gill: Yeah, look, Dipesh, if you are focusing on the cash balance at the end of the year, a couple of points. We utilize a meaningful amount of cash on vendor prepayments, which is a usual practice and gives good commercial benefits. That is always a good use of cash.

We also ended the year strongly in terms of cash collections, with a lot of internal focus, which drove the cash balance at year-end.

Dipesh Kumar Mehta: I understand. What would be the reason for the low yield on cash? The yield is meaningfully lower than the market rate. Can you provide some sense of the cash breakup and why it is low?

Raj Gill: Yeah, overall interest income is up year-on-year, but we are looking at moving all our funds into higher interest-bearing fixed deposits. However, focus remains on other uses of cash. We will review our cash balances and optimize them in the coming quarters.

Dipesh Kumar Mehta: So, on cash we have 1,400 crores cash, and excluding forex gains, it is not yielding even 3% if I look at quarterly numbers. That's why I'm trying to understand the composition of the cash deployment.

Vinay Binyala: So, Dipesh, we can get back to you offline on this, but I think what Raj is also saying here is that, you know, we can relook at the treasury policy and identify what would be the ideal way to, I mean, the idle cash or, you know, the temporarily unutilized cash, what could be the best return on it? It will be a bit of a treasury decision which we need to relook at. So, is that the way to put it?

Dipesh Kumar Mehta: Sure. Coming back to the new product side, I think if I look, let's say, our growth versus some of the peers which are listed in reporting number. Now we have capability. We have platform ready, but numbers are lacking in terms of last couple of years. Can you provide what kind of changes we are making in now with whatever, because from technical capability you said we are there from. Platform perspective, we are there. We have more than 3000 enterprise clients with us. Still, the traction is not visible. And I am referring to ours to three years where WhatsApp become very sizable portion of some of our peers number. Can you provide, let's say, what changes you are making and now we can participate effectively?

Rajdip Gupta: So, Dipesh, just to add to your question, you know, like Rajdip here, so we also want to make sure some of the deals on this OTT channels are profitable to the organization. It is not just I want to follow the same SMS fundamentals on these deals. It is very critical for us if we want to sell a solution and we want to really solve the customer problem and customer is paying for that solutioning part. And we really want to focus on these kinds of customers who are paying higher margin to our portfolio. It is not just a game of bulk messaging where I can just go and lower the price and win the price use case. If that is the case, I could have grown multi-fold in last few years down the line. We have taken a collective call as a group. We really want to sell our solution as a solution company, and we will solve the customer problem and customers should value the solution which we are building for them.

That is where I see is value. It's a long, sticky business model we want to create out of OTT channels like RCS or WhatsApp or email and we will stick to that and we will make sure and one of the reason if you see a growth in our gross margin is because of that we let many other small businesses to go where we were either bleeding or we are doing lots of small low margin games. If you onboard a customer at very large scale, trust me, you really need to spend lots of capex in terms of serving that customer. So, there are certain calls is very, very important. Some of the use cases of metro is a very classic use case. Like we are deeply integrated with that entire platform of metro ticketing, and which where are hardly getting replaced by anyone, but our margins are very high on those solutions so I think at the end of the day you need to see what are you trying to build for the long term and how will you create value to your customers it is not about winning more volume or increasing your revenue and so it what kind of customer you are winning and what kind of margin you are making is very critical for us.

Tushar Agnihotri: Dipesh, as Rajdip said, you know, we are very carefully choosing our customers. We actually trying to ensure that the platform we provide to our enterprises, that fetches of money, then pure margin play and getting into a game of margins and dropping of prices. So, a choice of customers purely basis, you know, what kind of bottom lines we can draw from them. And our focus is more forward looking. So we're building those solutions which will fetch us returns over a long period. And then we are not going to get into complete volume game here of creating margins by pure volumes here. So one is that, you know, of course, we are creating value add on a platform to fetch us more monies. And alongside we're focusing on new age products, you know, which perhaps is available only with a couple of partners in the country. So the network API, which we touched upon, the 'Koner' is something which we have unique, and we don't have much competition around that. And we're fairly hopeful the investments we're making there, along with the AI capabilities, which we are partnering with and building on a platform, is going to fetch us good returns in the quarters to come.

Dipesh Kumar Mehta: What will be the market growth in alternate channels? Can help us understand and let's say whether you expect in next couple of years we will reaching to market growth rate based on the strategy which we have laid out for us.

Tushar Agnihotri: So if you look at market expansion by OTT channels, if you actually look at today, roughly 60% market is dominated by SMS. And we clearly see a shift happening towards RCS and WhatsApp. And all will depend how I am able to orchestrate a customer journey on these channels. from the pure play giving them options which are available with the brand to concluding the sales over there. Now, this is evolving. You know, earlier it was pure play a menu based, you know, workflows which were there on the WhatsApp or RCS channel, which is clearly moving towards AI. And those are the capabilities which we need to work on and build on a platform so that we are future ready. And that's where our focus is we're keeping a focus and eyes there to ensure that we're ready and we scale at the right time. And we're keeping, as I said, keeping margins coming from a platform and not purely from the OTT unit pricing margins in.

Dipesh Kumar Mehta: Fair point, I think we all are trying to understand, let's say market is at 60 percentage, we are at 92 percentage dependency on SMS. The segment, which is growing, we are limited share, and that's why our growth rate compared to Mark.

Rajdip Gupta: No, no, I think Dipesh, there is a firewall revenue also, which is also calculated as a part of messaging, which is different, so your assumptions might be different, but again, I'm telling you as a growth trigger point, it is firewall, network API, OTT channels along with email is going to also you need to understand we were in a from last two years doing this integration with BICS and Telesign which is now completely over and we do see a value in terms of how we can create a cross-sell upsell opportunity within the group and that will also going to play a big role in upcoming quarters.

Dipesh Kumar Mehta: I have last two questions, just I give it right now and then maybe you can answer. First is about the network API opportunity. You mentioned a couple of times. Just want to

understand, let's go to the size and scale of this opportunity in our next three-year perspective. India and then outside India and how you are looking across this market. And second question is about some of the financial data related. I think we indicated some kind of trade receivable written off in the notes. Can you quantify the number? What was the number in quarter four and what led to it in terms of the written off trade receivable and what would be the OCF EBITA expected for the year.

Rajdip Gupta: So, I think the idea of network API, if you see, is a very early stage. You know, a network API is a layer which is within the operator ecosystem lying from a very long time. Because of the digital fraud increase in multiple reason, I think network API is going to play a very critical role in terms of mitigating the risk of digital fraud. And I think that is where people started believing, most of the financial institution, they started believing that OTP-less authentication could be the one right way to use network API, SIM swap. I think there are many other KYC use cases can be used directly with the operator infrastructure. It's a very early stage to quantify, but what we can see the value out of it is going to be phenomenal. In coming quarters, you will start seeing some of the more use cases as what Aakash education we have deployed recently. We are in talks with multiple customers as an initiative of 'Koner' product. Launched by Proximus Global, so we may not quantify at this point of time, but I, as far as the potential is concerned, our network API is huge. That's what I can tell you, and on the other side, other question, Vinay or Tushar, if you can just add.

Vinay Binyala: Yeah, so on the financial receivables, Raj, you want to take that?

Raj Gill: Yeah, look, I mean, in terms of receivables, there was, I mean, the total quantum is less than less than 5 crore, but it's a range of smaller customers, so no one big individual customer, but more of a cleanup exercise. I mean, some of the, I think an average is probably that 10 or 15 lakhs per customer. So, a bit of a cleanup exercise there. So no big one item.

Vinay Binayla- Yeah, it stands, I think 0.4% of revenues, yeah, not significant.

Moderator-Thank you, Dipesh. Next question is from the line of Shubham Jain. Please go ahead

Shubham Jain: Hello.

Vinay Binyala: Yes, Shubham, we can hear you. Yes, go ahead.

Shubham Jain: Sir, I believe my questions are answered, but I just had a few small queries. Sir, I believe my questions are answered, but I just had a few small queries. So firstly, you mentioned that the worst is behind us, but I don't see any sign of growth in your revenue. I mean, if we see Tanla as a peer, it has grown relatively better than us. And what is the cause for that? And secondly, when we enter into partnerships with our global partners, what type of arrangements are we getting into? And so third is network.

Rajdip Gupta: Are you talking about revenue or what comparison are you making?



Shubham Jain: Yeah. So, from a revenue as well as a margin point of view, I believe they are similar.

Rajdip Gupta: But first, you should correct your understanding on the revenue side, because we are not here to talk about any other company. We can talk about Route Mobile. In terms of overall revenue, I think we are the largest right now in India.

We cannot comment on how others are growing. We can only talk about Route Mobile on this call. So, I request everyone to stick to Route Mobile. Any questions related to Route Mobile and our growth; we are happy to answer.

Shubham Jain: Sure, sir. So, second would be that you have mentioned the worst is behind us, But the guidance that you have provided for FY27 doesn't really indicate any sign of recovery. I mean, from 11.9 to 12, I don't think that's even a growth or any. Please help me understand. I mean, what's happening inside the company or what sort of expectations do you actually have? Sorry, I'm just new to the business, so I'm trying to understand what's happening.

Vinay Binyala: Sure, Shubham, I will take that and then Tushar or Rajdip can add. But if you look at the numbers, you know, what we have been saying is that what has been, what has gone out of the system was ILD revenue, which comes at significantly higher realization rates, which is being replaced by a domestic business in various markets. And in most of the markets, domestic rates are significantly lower than what ILD rates would be. So that means replacing a single ILD message is a significantly larger volume of domestic traffic. So that is where the growth rates will take some time to start looking like bigger numbers because the base effect will creep in. I mean, the base effect will start creeping in now. So that is where, you know, that the growth rates for the next year are where we are looking at. And as Rajdip pointed out earlier, the internal initiatives are designed towards ideally, you know, achieving something above those growth rates. So that is where we are targeting. But essentially what we are saying is in the most likely scenario is what we've indicated in the guidance and that is where we are driving aggressively towards.

Shubham Jain: Sir, could you give us an overview of what was the product mix before all those headwinds arrived and what has been the product mix currently and what is your expectation of it changing going ahead?

Vinay Binyala: So Shubham, on the product mix, there is one more point which I need to clarify, which probably missed out in some of the other responses earlier. So on the product mix on WhatsApp, particularly if you look at it in India, we have seen volume increase happening for us. So in terms of volume, it has gone higher in terms of contribution, but the pricing on WhatsApp itself was revised during the year. So that is where the realizations went low. So the revenue growth is not really reflective of the kind of business that we are winning on WhatsApp. So that is 1 challenge in terms of that 8% of revenue coming from non-SMS products. Ideally, it should have been higher if the pricing had remained steady. And moving forward, I think we are not giving a product wise guidance, but we are looking at good growth around those products, the non-SMS product portfolio.



Shubham Jain: Okay, sir. Lastly, what is our ILD exposure currently in the revenue mix?

Vinay Binyala: As mentioned earlier, it is around quarter to one-third of revenue and somewhere in that range.

Shubham Jain: So is it bound to eventually reduce more?

Vinay Binyala: So ideally, you know, we would want the contribution of other products to increase and that would automatically take ILD lower, but it will not be a one year or a two year outcome because the volumes are large, it will take time for that contribution to go down significantly. But because we are driving growth through other channels, you would expect that to gradually, you know, keep shrinking.

Shubham Jain: Okay, and so lastly, I believe I asked a question earlier on the type of arrangements that we have with our global partners. Could you elaborate on that? As in, from a, I mean, from a, how do we share our revenues? How do we pay them if you could help us understand?

Vinay Binyala: Are you referring to go-to-market partnerships with system integrators and ISVs, or something else?

Shubham Jain: I mean Proximus and similar partners.

Vinay Binyala: Okay, so those are clearly related party transactions which are defined through agreements at arm's length basis. So the way it works is I'll give you an example of what we do with Telesign. So Telesign needs to send a lot of SMS traffic into India and other markets where Route Mobile is able to provide them the best cost. So we have our cost and we have agreements which define how much we can markup those costs. And we charge Telesign and BICS when they send us that traffic. So it's well defined in the related party agreements where and it's all transaction oriented per transaction we charge them and we charge a margin on top of our cost.

Shubham Jain: Okay, sir, that's it from my end. If I have anything else, I'll get back to the group. Thank you, sir.

Moderator: Thank you, Shubham. Next question is from the line of Kunal Ochiramani. Please go ahead.

Kunal Ochiramani: Am I audible?

Vinay Binyala: Yes, Kunal, we can hear you. Please go ahead.

Kunal Ochiramani: So, sir, revenue per billable transaction fell from twenty-nine paisa to twenty-five paisa, which is 14% decline in a single year, and domestic SMS Indian pricing has come to 10 paisa per message, and operators are capturing 70 to 80% of messaging economics as source. So, RCS is being priced below SMS for some players to gain share. Which are which you also agree that is distorted pricing? So, my question is, what exactly is the pricing floor for A2P SMS in India, and do you believe that RCS will reprice upwards once operators

set up floor, or will it simply commoditize at SMS level and compromise your blended realization further? And also, just wanted to understand, when you say that you have an assumption that our revenue will grow at mid to higher single digit, what kind of pricing revenue per transaction we are taking for FY27 versus FY26? This is my first question.

Tushar Agnihotri: So, Kunal, the RCS pricing you just touched upon is largely because there's no interconnect arrangement among the telcos. For the first year when Google launched the service, there was some understanding, but they still among the telcos, when they terminate messages on the other network, there are absolutely no charges. For those reasons, there was some degree of flexibility on coding and the pricing to the markets. But I guess that's changing now. There is what we hear that there is some discussion which is happening among telcos, which will definitely take the prices upwards. So, we're hopeful that this will help the market and this will not cannibalize, as you correctly mentioned, the A2P SMS market. On overall, Vinay would you like to add.

Vinay Binyala: Sure, so in terms of the pricing that you mentioned, how have we taken it in the guidance that we provided? So, Kunal, it is a little bit more complicated at our end because India is one part of the business, but then we also have business in some of the other geographies. So, the way we really do our planning is, you know, we have individual business teams that look at various markets, different categories of customers. And we do a bottom-up build-out when we look at a plan for the subsequent year. And that is how we have approached it. So it's a mix of various parameters, you know, insert. So, it's basically looking at customer additions in certain markets. Mix is also changing, so there are various moving parts there, but the basic way we've done it is, you know, certain customer volume assumptions and pricing for those customers. That's how we really arrived at the guidance.

Tushar Agnihotri- And lastly, because the volume basis growing with domestic markets where Vinay earlier mentioned the pricing is much lesser compared to the ILD. So we do not expect a dramatic shift upwards in the unit pricing or unit realizations on the revenue side.

Kunal Ochiramani: My second question is, our growth implies that we will again grow at mid to higher single digit, while Indian CPASS market is essentially volume saturated domestically, like every large enterprise is already using it. OTP growth is slowing as app based, Authentication expands for non-financial use cases, and new volume is only coming from geographic expansion or market share shifts. So, given this, how do we see genuine long-term CAGR assumption for next five years? What percentage of growth will come from India and international?

Rajdip Gupta: Kunal, as we have already laid down in our presentation, we are opening up new geographies. We are setting up a new office in the different locations. Different domestic market is going to be our new focus. Some of the product line which we just shared whether it's OTT or SMS or email. I think we do have a plan in the firewall solution along with network API. All this, see, even if you see that there is a drop in SMS volume, but the digital use cases are increasing day by day in almost all the emerging countries. And we as a company already well position



ourselves in most of the emerging countries, including the Latam as well. Right. So I think we do see potential in terms of overall growth, the way we are working on our strategy right now. There are certain markets in Latin America, like Mexico, Brazil is a big market where we're definitely trying to do something over there. Philippines is another market for us. Australia is going to definitely a different market for us. So, I think all these things will definitely add overall growth story. So, for us, it's like Route Mobile is not a India-centric company. We always serve customers globally, including Middle East, Africa. And we do see believe that digital adoption in these markets are going to increase multifold, especially in Latin and Africa and we will definitely get advantage of that growth in coming years.

Kunal Ochiramani: So and lastly, these questions have been pressed a lot of times by investors in previous calls also. Since half of our enterprise value is still in cash and we are generating some 600 crores operating cash annually. And if we are at the same run rate in next three to five years, Our cash balance will significantly exceed our enterprise value. So, can you tell us specifically, in order of priority, what would you intend to do with this capital if M&A pipeline, what geographies, and if no M&A materialization in the next 18 to twenty-four months, will board consider this? Special dividend or buyback, or, and critically, is this capital allocation decision made is made by Route Mobile Board independently, or does it require Proximus Group sign off given their seventy-five percent ownership and their they have a huge debt burden also?

Rajdip Gupta: No, no, not at all. Every decision is made by Route Mobile board. And there is a representative of Proximus Global as a part of the Route Mobile board. The Route mobile board is capable enough to take call on behalf of Route Mobile. We have a very smart board member. They do understand business. They contribute To our day-to-day growth, and as far as the cash is concerned, as we already mentioned, and there are multiple discussions we are having on various many times in a year that how to use this cash acquisition could be the first choice, but there could be all other discussion which you have shared as and when we come to some conclusion, we will definitely come back to you. But if you read our update, I think from this financial year, we have increased our dividend to 16 rupees, 16.5 rupees from 11 rupees. So, we are definitely trying to create value to our shareholders. And that is one of the priorities for us in coming years down the line as well.

Kunal Ochiramani: Understood, sir, even after we are generating 600 crores of cash and as committed dividend will be 104 crores, we will still have some 400, 500 crores operating cash flow or free cash flow every year after dividends and this pie will eventually increase. So I hope that the board considers it and.

Rajdip Gupta: Yes, sure.

Kunal Ochiramani: Thank you, this was helpful.

Moderator: Thank you, ladies and gentlemen. That was the last question. This concludes our conference. Please feel free to share unanswered questions at



investors@routemobile.com.

Thank you for joining us, and you may disconnect your lines.