Operator: Good evening, everyone, and welcome to OnMobile Global Limited's Q2 FY27 earnings call. Representing the management today, we have FC, Executive Chairman and CEO; Radhika Venugopal, Whole-time Director and CFO; and Bikram Sherawat, President and COO. The call will start with a brief update on the overall performance during the quarter by FC. Bikram will then share insights on operations, and Radhika will update us on the financials. After that, we will open the floor for the Q&A session.

Before we start, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties that we face. For such risks and uncertainties, please refer to the earnings presentation. OnMobile Global undertakes no obligation to publicly revise any forward-looking statement to reflect future or likely events or circumstances. Having said that, I now hand over to FC. Over to you, FC.

FC – Executive Chairman and CEO: Thank you, Pratik. Thank you all for joining this Q2 call. Up 3.4% quarter-on-quarter, we see both entertainment and gaming revenues up. The subscriber base is up on gaming subscriptions. So, we are back up with most services.

One big thing we do not see in the results, which I know everybody is anxious to hear about, is the ONMO+ results. We also do not see all the work that has been done in the last few months—a lot of work. You saw that we announced the Savex distribution deal yesterday. Savex is a very big deal for us as a partner because they will really push across retailers. You had also seen the Poorvika announcement. If you pass by a Poorvika store, we are currently in 70 stores where we have our boxes.

Next week, Savex is deploying in many other retailers, including quick-commerce and other e-commerce providers, as well as other retailers. Retail deployment is progressing. I must also say that, for Spain, we are all ready. The servers are here, and the boxes are arriving next week. We have a lot of retailers ready to launch in November for Black Friday, which is in the last week of November. We have all types of retailers. More than 350 stores will have our boxes.

It is a very interesting time for us because we wanted to measure the difference, especially during the festive period over the next 2 months, between India, where for most people it is their first gaming-console purchase, and Spain, where most people already have a gaming console and are interested in buying our console. It is a really interesting market.

As we know from the global perspective, many subscribers globally do not have access to consoles because of the price points. When we look at discussions in the multiple markets where we are currently present, it is again the first console for most of these users. Yet in the key global gaming markets today, we see a lot of potential as well. So, it is really a dual-phase approach that we are taking as part of this initial launch.

Our plan is to make sure that we do a great job of marketing in India and Spain first. We have 2 very senior agencies for each market, working somewhat differently. It is interesting to see the difference and how it will translate into the number of units for each market.

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This is what is happening with ONMO+. I know you are not seeing anything in the results, but a lot is happening in the background. With this, I am going to leave Bikram to explain a little more about the operations and what happened in the traditional business as well. Bikram?

Bikram Sherawat – President and COO: Thank you, FC. Good afternoon, everybody. I will take you through the business for OnMobile. FC has touched upon gaming subscriptions, and I will provide a little more detail on that.

This quarter, we ended with around 14.5 million active subscribers, which is a growth of around 5.4%. A lot of that growth came equally from Asia and other regions. In fact, we saw more than 20 customers contributing significant revenue. What we have tried to do in that line of business is spread our growth across multiple operators. That is something very, very heartening for us.

In this line of business, we are also evaluating the use of AI and how it can help us in our digital marketing efforts. I think we are improving our models as we go along. They show us where we need to deploy. Going forward, it will take a few more quarters to improve further. We should be in a position to leverage technology to start making even more efficient decisions. That is something on gaming subscriptions.

On entertainment and communications, as you can see, we have done around 877 million. This remains stable. We grew the revenue by 3.5%. In this business, we have tones, videos, and our master-aggregator business.

On tones, we are in advanced discussions with an operator in the emerging markets to replace its incumbent vendor. That is progressing really well. In Latin America, Brazil and Ecuador are set to go live for us, so that is something we are looking forward to.

In the last call, I explained that we are improving our efficiency by deploying a new platform for our tones business. We are now going to start rolling it out across our operators. Given that the world has moved from traditional legacy-based systems to a lot of cloud-based technologies, and tones are a 2-decade-old service, we are trying to revamp the business and become more efficient. It is going to take us a few quarters to roll it out across all our deployments. That is something we are going to initiate, and it will help us run this business very smoothly and efficiently.

On {? Buzzmo ?}, our enterprise communication suite, we are in advanced discussions with 2 groups, basically 2 telcos in Africa—one group and one individual. I think we would be in a very good position to go live sometime in the next quarter with a few of them.

{? Emocion ?} was stable. We are also in discussions to launch newer services with our operators in Europe.

On the smart console, FC mentioned that this is our top priority. I think the next 4-5 months are very, very crucial for us in terms of what we have been able to learn since going live. Given the announcements we have made with Savex and what we are doing with Poorvika, we are also focused on improving our footprint within the country and improving distribution in the market.

On the B2B front, we are in advanced discussions with telcos in Southeast Asia, the Middle East, Africa, and Europe. We are in back-and-forth discussions almost every week with the telco partners

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about the kinds of models they are considering, the subscriber base they want to commit to for this service, and how they want to bundle the controllers into their existing plans. Those are the kinds of discussions we have reached.

Please be mindful that these discussions happen only once you showcase the product and its capabilities, and conduct either a pilot or a proof of concept. They understand it and try it themselves for weeks at length. So, we have made significant progress in the B2B business.

Overall, our sales pipeline remains healthy. We are looking at closures over the next 3 to 5 months across our lines of business. Our priorities are clear. We are looking at accelerating the business through new deals across our lines of business.

Thank you. I will hand it over to Radhika, who will take us through the financials.

Radhika Venugopal – Whole-time Director and CFO: Hi, everyone. On the Q2 performance review, we delivered revenue of 128 crores, which reflects quarter-on-quarter growth of around 3.4%. The entertainment and communications business grew by 3.5% quarter-on-quarter to 87.7 crores. The gaming business continued its momentum, delivering 3.2% to 47 40.7 crores, supported by a 5.4% quarter-on-quarter increase in the gaming subscription base to 14.5 million.

Gross margin improved to 52.9% in Q2. The comparable number was 51.7% in the previous quarter. This contributed to improving operating profitability. EBITDA improved to 2.4 crores from 1.5 crores in the previous quarter. This is despite all the increments in costs and salaries, driven by revenue growth and improved profitability.

During the quarter, we closed deals with distribution partners for the ONMO console, expanding our reach across e-commerce, quick-commerce, and a wider retail network across India. Cash remains our priority and focus, and we look forward to the coming quarters while expecting growth in ONMO gaming plus.

Thank you.

Operator: Thank you, FC. Thank you, Bikram, and thank you, Radhika. We will now open the floor for the question-and-answer session. Participants who have questions may raise their hands.

We have the first question from Nishita. Nishita...

Nishita: Yes. Hello, am I audible?

Operator: Yes, you are audible.

Nishita: I just wanted to understand. We are getting quarter-on-quarter growth, and that is all good. But year-on-year we are still declining. When can we expect to see year-on-year growth? Can we expect FY27 to show some growth, or is it going to decline or remain flat compared to FY26?

FC – Executive Chairman and CEO: There are 2 things to consider. For the launch of ONMO+, we need some investment, including quite a bit of investment in marketing. It is a D2C product now, which is very different from what we have been doing in the past. Retail and D2C require us to invest in the network. We have to invest in the actual marketing launch. That is why I was saying that

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we have 2 agencies.

This means that the ONMO+ plan, which is very exciting, by the way, needs some money. When we combine the actual operation and launch of ONMO+ with our current operation, the blended rate means that EBITDA is very limited. PAT is actually negative because of the depreciation on the gaming investment, which is the main impact on PAT.

This is why, when you look at it on a combined basis, the actual return on investment, EBITDA profitability, and PAT do not show. As we go along, one of the objectives is to determine how we will fund ONMO+. We will need to raise money, that is for sure, to support the global growth of ONMO+. We will have to decide whether we do it within OnMobile or in a separate entity. That is a different discussion.

But to answer your question, based on the forecast we have today, on a combined basis, yes, EBITDA and PAT will be impacted because of the ONMO+ launches across the world.

Nishita: I understand that EBITDA and PAT will remain impacted, but what about the revenue? When can we see revenue coming in from ONMO+?

FC – Executive Chairman and CEO: Right now, you are not seeing any revenue coming in because of the way we account for it, but also because of the way we are deploying it. That is all combined. You will see it in the coming quarters for sure. But yes, as of Q2, I completely agree that you do not see any ONMO+ revenue in there.

Nishita: In FY27, can we see any revenue coming in from ONMO+?

FC – Executive Chairman and CEO: There are 2 quarters left in FY27. We will see some revenue. The biggest impact will obviously be in FY28. Everything is delayed, and the accounting also makes it delayed. But yes.

Nishita: Based on my understanding, once the revenue from ONMO+ starts coming in, we should get some operating leverage on the investment in marketing and advertising spend that we are already making, so our margins should then get a little better than what they currently are, right?

FC – Executive Chairman and CEO: Our margins will get better than they are, that is for sure.

Nishita: Okay. Thank you so much. That is it from my end.

Operator: Thank you, FC. Thank you, Nishida. Participants who have questions may raise their hands and ask their questions. In the meantime, we have a question in the chat box from Shailendra Agarwal. He is asking, “Broadly, what is the approach to pricing the ONMO console in Spain? Is it similar to India, or is it materially different given the expected volumes?”

Management: It is more expensive in Spain than in India. The target we are taking is that the base entry unit price for 3 months, including the controller and hundreds of games, is priced just below a PlayStation controller. Normally, a PlayStation controller sells for €65. We have priced it here in Spain at €59 as a product launch.

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In India, we are at Rs.4,999, which is about $50 and something. There will always be a price increase between Spain, Europe, and America on one side, and India, Indonesia, Africa, and other markets where we decide to launch on the other side. That is the gap between the 2 markets, and that is the pricing strategy.

The 12-month box will also have one of the values we offer with ONMO+. We really want to provide a lot of value. This includes ease of usage, the quality of the whole service, both the controller and the server performance, and value. Value is really key. You get a lot in that box.

We are going to offer even more games and better features in the 12-month box. The total offer will have much more value than the 3-month box, so that we can obviously get more users on the 12-month pack than on the 3-month pack.

Operator: I hope that answers your question, Shailendra. The next question is from Ashish Vashin. He is asking, "There is absolutely no growth in the legacy business. Even subscription revenues are not growing. What is your view on this?"

Management: Regarding subscription revenue, as we mentioned last quarter, one thing we are really focused on right now is profitability rather than growth for the sake of growth. Many accounts were incurring very high marketing costs compared with the actual ROI. When you look at investment in marketing, the growth, the collections we need to make, the time it takes to collect, and the currency impact in some countries compared with the dollar we invest, some markets were really not efficient.

That is the trade-off. Because we put all our focus on ONMO+ for growth, we did sacrifice some growth in ONMO and Challenges Arena gaming subscriptions. That is for sure. In fact, at the board meeting yesterday, we were discussing some other accounts where we are questioning why we are investing so much in marketing again for long-term growth when the benefits sometimes come much further down the line and, from a cash perspective, it is not the best investment.

You are right that there is an impact on profitability. We still see year-on-year growth. We grew the gaming subscription business by more than 30% last year—around 30-35%. We are still targeting 15-20% year-on-year growth.

As I was saying last quarter, and as I still believe this quarter, we have to view this business more in terms of yearly growth rather than quarter-on-quarter growth. You can see that the actual growth in subscribers is somewhat higher than the actual growth in revenue, and that continues. Depending on when and where we acquire the subscribers, that has a bigger impact on the following quarter.

We are expecting bigger growth this quarter than in the last quarter. In the meantime, we are optimizing some accounts where we do not think retaining the revenue makes sense. This is why you cannot simply look at the actual revenue. We have to look at profitability, which is key, and that is what we are looking into.

Operator: His next question is, "How many units have we sold in India for the console? How much do we need to sell to reach breakeven?"

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Management: We are never going to disclose how many units we have sold or how much money we are actually making by selling these units, for many strategic reasons. We had the same question last quarter, and we are never going to disclose it, at least for the next few quarters.

All I can say is that the market we discussed last time, and which I still see as a significant opportunity, is a market where we could sell millions of units. We are not going to be alone in the market.

When you look at global players and the growth, and just talking about cloud gaming, we package a controller with games and a cloud-gaming offer in one box. We are still the only one in the market to have done that. Even Microsoft and PlayStation have not done that.

When you look at the global players, we are one of 6 or 7 players. The estimate is that within the next 5 years, by 2031, there will be about 150 million paying subscribers on cloud gaming. The industry looks at a monthly pack priced between $8 and $15.

In our case, I prefer to sell units, as we do with the 12-month pack and the 3-month pack. We see that we will take a share of the global market. We are not talking about selling 10,000 units or 100,000 units; we are talking about selling units in the millions.

How much marketing needs to be done to get there? We have made our plans, and that is why I am saying we have to invest. Obviously, we have to invest. It is not just a matter of putting the boxes on the shelf; they will not sell by themselves.

The major learning we have had over the last few months is that, even when we start selling in a store, most people initially do not understand that we are not simply selling a controller. People are used to buying controllers. This is not a controller. It comes with a controller, but it is a complete console experience.

Once the sales representatives in the store understand what comes in the box and look at the performance of the PlayStation and our performance on the screen, they understand that they have something that performs really well. That is when they understand what to sell.

There is a learning curve for us. It is very obvious to us because we have been working on the technology for many years, and it is a natural offering. The box says that it is a smart console, so people should understand that it is a smart console. [laughs] But the reality is that there is a learning process in the market.

We cannot simply expect everybody to wake up one day and say, “I always wanted a PlayStation or an Xbox. This is equivalent.” The product is equivalent, but people have to learn about it.

This is what is happening, and that is why we believe we will have to invest in marketing, education, promoters, and training the salespeople in stores. That is what we are doing.

The same thing has to be done in Spain. When I say we are launching in Spain at the same time, it is because in Spain it is very interesting. We will have stores where people are trained, and stores where the product is only on display. We will see the conversion. How does it work when somebody explains the product to you? When people who are used to buying consoles see it, can they simply

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understand that it is a smart console and buy it, or do they need this explanation? We also need to invest in educating the market.

Based on the feedback we have received from tests in Spain so far, the dynamic is very different from what we have in India. That is why we have to go through the learning process. We are all impatient and say, “Can we move this faster?” That is normal. These steps have to be taken. This is what is happening.

Operator: Thank you, FC. Thank you, Ashish. The next question is from Prajwal. Prajwal, you can unmute your line and go ahead with your question.

Prajwal: Good evening, everyone. I have a couple of questions. I understand that the ONMO console was launched 3 months ago, and even today, the only e-commerce platform on which it is available is Flipkart. My question is, why is it not available on Amazon?

My second question is regarding the release of this product in Spain. What is the strategy? Will it be exactly like the Indian one, where we have only one e-commerce website doing it all, or will we also use physical locations?

Management: Thank you for your question. Let me go back to what happened. When we launched initially, there were major questions. We conducted many tests with professional gamers and in the laboratory, but conducting a laboratory test is not the same as conducting a market test.

When we launched with Flipkart, it was a new category. There was a discussion within Flipkart about whether we should be sold in accessories with other controllers or with PlayStation as a console. They tried to do a bit of both, which was one aspect.

For us, the key learning was to understand the customer reaction to the service, what the data showed, and what emerged from the process. All this learning was really important in determining our next steps.

You are right that we did not sell it directly on our website. Our website will actually be ready in a couple of weeks, and we are also going to sell directly and invest directly in online and marketing campaigns to sell the units. That is different from e-commerce.

You asked about Amazon. We are in discussions with Savex. Savex is a very large distributor. They distribute Meta glasses, HP products, Lenovo products, and Apple products. This discussion took some time. Savex wants to have some exclusivity in certain markets and channels.

Amazon is part of the Savex deal and will be added in the coming weeks. So, that is coming. When I say everything takes time, it is because this is new for us. It is not as though we have been in retail; we have never been in retail before.

What I can tell you, though, is that the retail reception in both India and Spain is fantastic. Even the market test we conducted for advertisements—the agency that conducted the ad test here to determine which advertisement works better in Spain for conversion—is exceeding the number and the level of interest we receive for this kind of product. With not much explanation beyond what we provided online, it is converting better than other types of products that they sell in Spain.

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The question is whether this learning in Spain will be the same as in India. How does it react across online advertisements, in-store retail, stores with promoters, and stores without promoters selling the products? This is all the work we have been doing over the last 3 months since launching on Flipkart. Now we are activating across multiple channels in November and in 2 countries.

To give you a difference in the packs, in Spain we will have a pack that includes a 48-month package and 2 controllers. It will retail at €240. Obviously, when you get to a €200 pack, you are closer to selling a full console at that price, compared with selling a €59 controller or a Rs.4,999 unit.

Those are all the tests we are still conducting in this market. It is not because you do not see it here that we are not working on it. All this is being deployed.

The e-commerce store, the ONMO+ web store, will also be live in Spain in November, in Spanish, obviously, compared with English in India. All this is progressing.

I have the Spanish box here in Spanish. These details matter, but we have to redesign the box in Spanish. We have to make sure it is custom-made for Spain. We cannot simply take the inventory going to India and send it to Spain. We have to have specific inventory for Spain, with different codes on the box. All this is being put in place.

Prajwal: Are there any plans to bundle it with existing mobile operators?

Management: It is interesting, and I am really happy that we have launched in retail. Knowing what I know now, I would probably have launched it in retail earlier.

Mobile operators are mobile operators. [laughs] They have a checklist, and all the analysis has to be completed. Even if you are live, and even if you show them real-time data from real-life users, they take forever.

We are in discussions with a lot of mobile operators. Some of them should already have decided to proceed. I must say that discussions are actually moving faster with broadband providers. Those discussions are more advanced.

Yes, we are currently in multiple B2B discussions. But signing purchase orders with retailers is more straightforward. The retailer looks at the price per unit they are getting, how much they are going to sell, and how much profit they will make per unit. They take the risk, take the boxes, train their promoters, and sell the product.

This is quite surprising because the lead time for closing a retailer is probably one-tenth of the time required to close a B2B operator or broadband provider.

Prajwal: Okay. Thank you. All the best for your Spain launch.

Management: Thank you.

Operator: Thank you, FC. Thank you, Prajwal. Prakash Ramaseshan would like to ask a question. Prakash, you can unmute yourself and ask your question.

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Prakash Ramaseshan: Thank you for giving me the opportunity to ask this question. I have been an investor in OnMobile for quite a while. I am a little disappointed with the numbers, but not so disappointed with the progress you are making. I will tell you how I view this as an investor.

Unfortunately or fortunately, you are a listed company, and listed companies value stability of revenue, predictability, and cash flows. That is what the market likes.

Prakash Ramaseshan: And unfortunately, we are not getting there in any of our segments. Let me state what I believe: our legacy business, our entertainment business, and our ONMO business.

If you can give the market clarity on the topline, EBITDA, and direction for each of these businesses, then the market will have a clearer understanding of the plans. What is happening right now is that you are giving an overall consolidated number, which continues to be negative. Obviously, this is because of the investments you are making in the business for a better tomorrow.

But that cycle has to end, and the company has to reach profitability and growth before the market starts to reward you. We are extremely excited about your plans going forward. But with continuing negative PAT, the market is not going to reward you, and the share price is not going to move.

I would suggest one of 2 options. Either we do this at the parent level and provide clarity to the market, or we find a way to create subsidiaries wherever the business requires capital and raise equity in the subsidiary.

There are options today, at least in the Middle East, to raise equity with a strategic component as well. If you are able to bring businesses to the Middle East, the Middle East can provide capital because of the in-country value opportunity as well.

I am happy to discuss this offline on a call. But I think you have to find a way to raise capital at the subsidiary level so that you can build the business without burdening the cash flows of the parent.

A solution has to be found so that the market knows that the parent will stop investing cash and that there will be net cash returns in the parent. That is my broad thought.

We are very excited about the businesses you are entering, but they all have long cash-flow cycles, involving upfront investment in marketing and returns occurring 2 years down the line. I do not know whether the market has the patience to wait that long.

You will have to undertake some kind of capital restructuring to address how much cash needs to be raised for each business. That would be a solution.

FC – Executive Chairman and CEO: Prakash, thank you. Yes, I did not forget about you. The next time I am in the UAE, I will certainly have coffee with you again.

You are completely right, Prakash. I am not happy with the overall results. When you look at the combined results, that is not where we are going. Even the topline should be higher.

ONMO+ has nothing to do with this topline. It is really the core business that should be higher. To be honest, we do sign contracts, but every time we sign a contract, we lose a contract from an operator somewhere in Africa.

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I will spare you the details, but this quarter we lost 2 small operators in Africa. That directly impacts profitability and, to some extent, revenue. You can see the impact.

I agree. We essentially have 2 businesses within one. It is very simple. The ONMO+ business should not be included in this business.

When I said I wanted to share the results with you, it was not because I do not want to share our plans. I would love to share the plan. It is just that, strategically, it is not a good idea to make all the planning we are doing for ONMO+ public, especially when we are competing against $5 trillion companies in that market.

I also want to make clear that, in this entire market, [pause] there are only a few players. The opportunity we have right now is significant. The market is going to grow 5 times in the next 5 years, which represents huge growth.

If you are not in the market today, you will not be there in 5 years. We are in the market today. That means the players that are here are the players that are here. We are not going to have new players suddenly appearing.

It is a very complex offering to develop. We have invested a lot of capital to make it work. The whole chain is complicated, and there are not that many players. That is great news for ONMO+.

Regarding the negative PAT we are seeing, most of it is the depreciation from gaming that helped us get to ONMO+. So yes, I completely agree, Prakash. We should separate the 2 businesses and be able to show both.

But if I separate them, I have to provide the direct numbers for ONMO+, which I do not want to provide for strategic reasons. I would then have to fund ONMO+ separately to do this. We have a couple of challenges.

Prakash Ramaseshan: You can create a subsidiary for ONMO+, maintain majority ownership through OnMobile Global, and raise capital there with a 5-year plan. When it reaches profitability and there is certainty regarding revenue, profitability, growth, and all those parameters, you can find a way to merge it back. These things are possible.

FC – Executive Chairman and CEO: I completely agree. The auditors will tell you that if we retain a majority holding, we have to consolidate the results. These results will therefore be exactly the same, except that we will have additional investments. All the losses will still flow through for the next 2 years.

Prakash Ramaseshan: Irrespective of that, if you show those numbers separately, it will be clear that these losses are being funded by another partner and that there is a longer-term plan. At least the parent's cash flows will remain protected.

These are just thoughts I am sharing. I am happy to take them offline on a call.

FC – Executive Chairman and CEO: Yes, for sure. Let us take it offline, Prakash. Thank you for still joining this call. We will discuss how we can optimize this and bring in funding in the UAE.

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Prakash Ramaseshan: Fine, sir. Thank you for your insights on ONMO, and good luck with the opportunity in Spain. I think that if you crack one global market, you will have proof of the concept that you can do much more there.

But yes, let us have a conversation offline. Thank you, sir.

FC – Executive Chairman and CEO: Very good. Thank you, Prakash.

Operator: Thank you, FC. Thank you, Prakash. The next question is from Ashish in the chat box: "What percentage of people renewed their subscription when the initial 3-month period ended?"

FC – Executive Chairman and CEO: We are not going to share this data. But one thing I want to share with you is my observation. People on subscriptions always experience subscription fatigue. There is subscription fatigue everywhere.

When we launched the pack, we announced that there was a subscription and that there would be one at the end. But our objective is actually to sell a new pack. I see more value in selling 3-month and 12-month packs than in selling a monthly subscription with renewals.

That is why we are aiming toward unit sales per year and renewal packs rather than a pure monthly subscription. Again, we are not sharing any strategic numbers on ONMO+ for now.

All I can say, as you can see, is that the usage of ONMO+ is well above that of our competitors. Another thing I want to mention is that you probably saw that Xbox has a cap and Nvidia has a waiting list. We do not have waiting lists. We do not have caps, and the product is actually cheaper than both of them.

Operator: The other question he has is: "Are there any plans to raise funds from private-equity investors, given that the window for expansion of the console is very small before competition enters?"

FC – Executive Chairman and CEO: Competition is going to be the competition we know, but they are large competitors. That is true. We need money, for sure.

As much as I try to use all the money we have in OnMobile to invest and get there, I must tell you that we got further than I thought we could with the cash flow we have.

But to Prakash's point and based on what we see here, we need real investment in ONMO+. That can be funded through a fundraising in OGL or through fundraising in subsidiaries. We could do this in the UAE, in a subsidiary in India, a subsidiary in the US, or a subsidiary in Spain for Europe, and split the regions.

We have to determine where we raise the money. But in the next few months, yes, we will be meeting investors to raise money.

Operator: Thank you, FC. We have another question in the chat box from Bharat: "Beyond your distribution tie-ups with Flipkart, Poorvika, Sangeetha, Croma, and Vijay Sales, what direct marketing and consumer-acquisition plan do you have for the ONMO+ smart console in India? What CAC are you targeting per console?"

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FC – Executive Chairman and CEO: We have unit economics for each box. Obviously, we make more on a 12-month box than on a 3-month box.

Apart from all the partners, retailers, e-commerce, and quick-commerce channels, we will sell directly through our website, as I was saying earlier. The reason is to have a direct connection with the market so that we can run our direct advertisements, see how much customer acquisition costs, and close the sale directly.

Obviously, if we do not have to pay a retailer commission, it gives us more money to invest in marketing. Overall, we have unit economics for every channel we use, and each channel has different parameters depending on how much marketing we conduct through that channel and how much we need to invest in promoters and other activities.

The only parameter that is common across all channels is brand marketing—how much brand marketing we need to do on top of all the performance marketing.

Right now, the results we are getting from direct advertisements in Spain indicate that the cost of acquisition could be reasonable without brand marketing or with limited brand marketing. We have to see whether we can scale that approach compared with what retailers expect.

Retailers expect us to invest in the market as well, so that when people walk into the store, they already have an impression of what ONMO+ is. We need to break the perception that we are simply selling a controller. This is not just a controller. We have to educate the market about that.

Market education can involve various activities. I can share that we conducted an activity at a coffee shop where we had 20 or 30 people test the product using screens. The posts they created triggered virality and generated some direct sales on Flipkart.

It is interesting to see that small activities like this can trigger a larger marketing impact than simply going all out and using billboards for brand marketing. For now, we are trying to manage brand marketing accordingly—not spending too much, but still investing somewhat compared with what we are going to do directly in performance marketing.

Operator: Thank you, FC. Thank you, Bharat. We have a follow-up question from Nishita in the chat box: "I just wanted to clarify: PlayStation in Spain is priced at €650, and ONMO is priced at €59?"

FC – Executive Chairman and CEO: Exactly. The price is too low, guys. [laughs] That is good news because we can increase the price at any time. We can wake up one morning and increase it.

We set a very attractive entry price because, first, we could afford it, and second, we wanted to have an impact on the market. At that low price, the price is not linked to the quality of the product. We have a very high-quality product, and normally a high-quality product does not have a very low price.

We compensated on the price because we do not have a brand right now. The ONMO+ brand is not known compared with PlayStation. This is why we will definitely increase the price. This is reflected in our financial models, where we will slowly increase the price next year.

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If you look at the PlayStation price increase, because of the chipset and all the hardware costs that have really doubled over the last year, the PlayStation now costs more. The same applies to Xbox, not just PlayStation.

The actual price increase of the PlayStation pays for our 3-month box. You have to keep in mind that when somebody buys a PlayStation, they amortize it over at least 4 or 5 years. The yearly cost is therefore in the hundreds of dollars, which is what we could probably charge for this service in Spain.

€99 could be a price point, depending on what we include in the first 3 months in terms of value and game value. We have a lot of flexibility to adjust the price right now, which is at least good news.

For now, let us get our first sales, and then we will see how and by how much we increase the price.

Operator: Thank you, FC. Thank you, Nishita. Participants who want to ask a question may raise their hands and ask the question. We have one more follow-up question from Ashish: "What EBITDA margin is expected on the console?"

FC – Executive Chairman and CEO: EBITDA margin on the console depends directly on our ambition to capture the top 50 gaming markets or to follow a strategy focused on a limited D2C market with an extended B2B strategy.

The reason I say this is that going full-fledged into retail with brand and performance marketing in 50 markets obviously requires significant investment, and that investment continues over time.

If we have to do it, we have to do it within the next 2 years because that is when the S-curve happens, and that is when people will actually be more open to a new product like ours.

This is why we are receiving a very good response from retailers today. This product does not exist. Going back to the last question, retailers today are selling a €600 or €650 PlayStation, while our box is €59. The PlayStation at €600 does not come with hundreds of games. We have hundreds of games.

That is a very significant difference. Having a box like this also enables many partnerships. A PlayStation at $600 is not a partnership box. We cannot bundle a PlayStation with multiple items. We can do that with our product.

Depending on the approach we take, my [cut off]

FC – Executive Chairman and CEO: is going to be between a 15% and 25% EBITDA margin, but with huge revenue metrics here. It is not a small business. It is a big business.

Operator: Thank you, FC. We have a follow-up question from Prakash. Prakash, you can unmute your line and ask the question.

Prakash Ramaseshan: FC, if I am hearing you correctly, it gives me the thought that what you actually need is a partner, whether it is a pure-equity partner or an equity-plus-strategic partner, because some of these large telcos also have their own pools of cash.

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They should be able to provide you with significant funding over a period of time through a B2B relationship, which would support your marketing efforts on the other side. Then you could go out and say that a particular partner with access to 220 million customers has taken us on as a strategic partner.

That kind of communication would help you develop your relationships, because the ability to spend substantially on the retail side and use cash for marketing will always be a constraint if you are competing with much larger companies.

The product therefore has to speak for itself. This is why a strategic B2B partner that can provide scale would support your efforts on the B2C side. In any case, we can discuss this offline as well.

FC – Executive Chairman and CEO: But keep in mind that this B2B partner does not need to be a mobile operator.

Prakash Ramaseshan: Right.

FC – Executive Chairman and CEO: I actually see more value in other types of partners. A retailer or a global retail chain can also be a partner.

Depending on what we qualify as a partner, a partner is somebody who is willing to step in and really help us distribute this box everywhere. Such a partner would also contribute toward marketing, volume, and what they already have in the market.

Prakash Ramaseshan: Absolutely. The question is who can influence a customer and give you scale.

FC – Executive Chairman and CEO: Exactly.

Prakash Ramaseshan: If you can achieve scale with one partner, that becomes a talking point for everybody else.

FC – Executive Chairman and CEO: Yes.

Prakash Ramaseshan: Fine. Okay. Thank you.

FC – Executive Chairman and CEO: Thank you.

Operator: Thank you, FC. Thank you, Prakash. We have a follow-up question from Shailendra in the chat box: "Are the latest blockbuster games now available on the ONMO console, or are you going to sell specific packs for them? Can you limit the sale of these packs to your website alone?"

FC – Executive Chairman and CEO: Obviously, we make more money. I will answer the last point first: can we sell it only on our website? We could have a strategy focused exclusively on the web and sell through web-based channels.

I will give you an example. We could expand into markets such as Spain. We have boxes in Spanish, but we could also take the English box and conduct web sales across Europe. Europe has multiple languages, but we could sell online using the specific language and ship English-language boxes to customers. It does not matter because, when they log in, the interface could be in their local

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language, without going through retail.

When you go through retail, you have to print the boxes and have the boxes available in stores in that country. So yes, web sales could be an option and a strategy.

But to be honest, right now we really need partners across different channels because we learn a lot from partners. Although the margin in some channels is very small compared with others that are more attractive, it is a mix of everything.

When we talk about reaching millions of units, I think we need partners. That is the whole message. That is why we signed Poorvika, why we signed Savex, why we are going direct, and why we have a very large global agency in India helping us determine how to sell hundreds of thousands of boxes directly through our website while other partners also sell a lot.

It is a mix of everything. We cannot say today that we already know which channel will perform very well and which will not. We have to do it, assess the economics, and determine which channel is actually strong and worth the effort.

When we sell directly, we also have to handle returns. We need another partner to handle returns. When we sell through a partner, the partner manages the returns.

Depending on the scenario, this is why we are not making a final decision today. We are expanding the number of partners and determining which approach will pay off, and then, obviously, which one generates the highest profitability and EBITDA margin.

At the end, we can decide which channels to retain and which ones not to retain.

Operator: Thank you, FC. I hope that answers your questions, Shailendra. Participants who want to ask a question may raise their hands and ask their question. We have a question in the chat box from Balaji: “What is the Savex partnership? Can you elaborate?”

FC – Executive Chairman and CEO: As I was saying earlier, Savex is one of India's largest retail distributors. They distribute all HP products, all Lenovo products, Meta glasses, and Apple products.

They understand distribution. They distribute to more than 1,000 retail locations across India—actually, more than 1,000 cities. This includes the actual stores, e-commerce, and quick-commerce channels. That is what their organization does.

The fact that Savex says, “This is a key product, and we are going to push it across India,” represents a great partnership. We need people who specialize in retail.

Again, I am repeating this: we are not specialized in retail. Just because we managed to develop a box does not mean that I know how to get the box onto the shelf, get it moving, and manage the entire process.

We need real partners, and Savex is probably one of the best partners we could find in India as a retail-distribution partner. We are very happy that we signed this partnership.

Starting next week, we will start seeing some Savex partners and retailers with our boxes in stores.

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Operator: Thank you, FC. Participants who have questions may raise their hands and ask their questions. As there are no further questions, I would like to hand it over to FC for closing comments.

We have one final question in the chat box: “Do we have any growth targets?” I think we have already answered this, but FC, over to you.

FC – Executive Chairman and CEO: I will answer this in stages.

The entertainment and communications business should grow between 2% and 5%. That is the goal.

For the gaming subscription business, the target for this year is 15–20%. We grew 30% last year. That is the goal.

Both businesses have to be product-EBITDA positive. As we mentioned in the deck, we are targeting an EBITDA margin of about 25% for entertainment and communications. The current margin for gaming subscriptions is 10%; we have to take it to 25%. That is the goal, while we continue to grow and invest in marketing.

We still have to get it to the 20–25% level. That is the cash we are using today to fund ONMO+.

For ONMO+, the growth in the next quarters will obviously become visible in the coming quarters. The extent of that growth really depends on how much marketing we invest and how many partners we obtain.

To summarize, we will obviously need fundraising to support that growth. That is what we are going to do in the next quarter to ensure that we can continue and push forward for FY25 next year.

Operator: Thank you, FC. Thank you, Bikram. Thank you, Radhika. We will conclude this call on behalf of OnMobile Global Limited. Thank you, everyone, for joining. For the remaining questions, we will get in touch offline. Thank you. Thank you, everyone.

FC – Executive Chairman and CEO: Thank you. Thank you all. See you next quarter.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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