

## BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹1 each and the Offer Price is 857 times the Floor Price and 900 times the Cap Price. Investors should refer to “*Risk Factors*”, “*Our Business*”, “*Restated Consolidated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 36, 296, 408 and 501, respectively of the red herring prospectus dated February 2, 2026 (“**RHP**”), to have an informed view before making an investment decision.

### Qualitative factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

#### 1. *Leading Player in a large and growing AI market*

- We are India’s leading pure-play enterprise AI company, recognized globally, with capabilities across the DAAI value chain (*source: Everest Report*). Our revenue from operations grew at a CAGR of 18.0% over Fiscals 2023 to 2025, compared to the DAAI global third-party market’s CAGR of 11.0% (*source: Everest Report*). While we are incorporated in India, we cater to a global clientele, with 92.4% of our revenue in the six months ended September 30, 2025 and 91.6% of our revenue in Fiscal 2025 from clients located outside of India.

#### 2. *Long-standing and growing relationships with marquee, global clients contributing to a diversified revenue base*

- We work with marquee clients across our focus industries of CPGR, TMT, HLS and BFSI. Our clients include Citibank, N.A (“**Citi**”), Costco, Franklin Templeton, Mars, Mondelez, Nationwide, Nestle, Philips, among others.
- Our revenue base is diversified both across, and within, our focus industries. As of March 31, 2025, we worked with 10 of the 20 largest CPG companies, eight of the 20 largest TMT companies, three of the 20 largest BFSI companies, 10 of the 20 largest HLS companies and five of the 20 largest retail companies, based on Fiscal 2025 revenue (*source: Everest Report*). Our revenues from our focus industries grew at a CAGR of 16.8% from Fiscal 2023 to Fiscal 2025. Increased Gen AI adoption is likely to drive the CAGRs for BFSI (16.7%), HLS (18.2%), retail and distribution as well as CPG (15.0%), and TMT (15.7%) over Fiscal 2025 to Fiscal 2030 (*source: Everest Report*).

#### 3. *Deep and integrated technical, domain, and functional expertise*

- We design, build and deliver end-to-end AI solutions for our clients across industries leveraging our technical, domain and functional capabilities and expertise built over our operating history of over 25 years.
- We attribute our growth to our understanding of our clients’ enterprise contexts including enterprise data, different technology stacks, multiple software systems, as well as specific preferences such as data hosting choices, data privacy considerations and security protocols. Our ability to build end-to-end solutions with responsible AI considerations and ability to drive adoption of our AI solutions enables us to address AI implementation challenges faced by clients and provide seamless interoperability for scaling enterprise-wide AI solutions.

#### 4. *Track record of inventing and investing to benefit clients*

- We have demonstrated a track record of inventing, by identifying emerging trends in AI, developing new AI solutions, which is evidenced by investments in R&D, and acquiring businesses to expand our capabilities. As of January 19, 2026, we had 28 registered patents and 38 patent applications. Our commitment to technological research and development is aligned with our belief that the

technology landscape is ever evolving, and it is critical for enterprises to be well-prepared to incorporate the latest techniques and technologies to drive competitive differentiation.

#### 5. ***Experienced founders-led management team focused on building Fractal for the long term***

- Our founders have been leading the business for over 25 years since our inception and have been instrumental in our AI vision and thought leadership. Our co-founder, Srikanth Velamakanni, brings extensive expertise in AI – he was appointed as Nasscom’s vice-chairperson in September 2024, and has, since 2014, actively served Nasscom in various other capacities, showcasing his long-standing commitment to the industry. Srikanth was presented the IIT Delhi Distinguished Alumni Award in August, 2025. Srikanth has also received an honorary doctorate in philosophy (PhD) from NIIT University in October, 2025 in recognition and appreciation of his contributions to the advancement of AI and its transformative impact on enterprise decision making.
- Our co-founder, Pranay Agrawal has been recognized as one of Analytics India Magazine’s Top 20 CEOs of Data Science Service Providers, 2023. In 2019, Indian Institute of Management, Ahmedabad awarded Srikanth and Pranay the Young Alumni Achiever’s Award in the field of Entrepreneurship.
- Our leadership team has a combined average tenure of over 12 years with our Company.
- Our directors have diverse business experience in areas including technology, investment, marketing and consulting and many of them have held senior leadership positions in well-known organizations. We have appointed certain advisors, comprising of industry veterans who bring their experience from several of our focused industries and across a broad spectrum of areas including IT, consulting, and finance. They support and guide us in areas such as business strategy, go to market, and CFO advisory services, amongst others.

For further details, see “*Risk Factors*” and “*Our Business*” on pages 36 and 296, respectively of the RHP.

#### **Quantitative factors**

Some of the information presented below relating to our Company is based on the Restated Consolidated Financial Information. For details, see “*Restated Consolidated Financial Information*” on page 408 of the RHP.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

#### **1. Basic and diluted Earnings per Share (“EPS”) at face value of ₹1 each:**

##### **As per Restated Consolidated Financial Information:**

<b>Year ended</b>	<b>Basic EPS (₹)</b>	<b>Diluted EPS (₹)</b>	<b>Weight</b>
March 31, 2025	14.49	13.36	3
March 31, 2024	(3.12)	(3.12)	2
March 31, 2023	13.39	12.42	1
<b>Weighted Average</b>	<b>8.44</b>	<b>7.71</b>	
Six months ended September 30, 2025*	4.55	4.09	-
Six months ended September 30, 2024*	4.92	4.52	-

\*EPS for the periods ended September 30, 2025 and September 30, 2024 are not annualized.

Notes:

1. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x weight) for each year divided by the total of weights.
2. The figures disclosed above are based on the Restated Consolidated Financial Information.
3. The face value of each Equity Share is ₹1.
4. The above statement should be read with material accounting policies and the notes to the Restated Consolidated Financial Information.
5. The parent Company issued bonus shares in accordance with Section 63 of the Companies Act, 2013 in the ratio of 1:4 (for every one equity share four bonus shares were issued) to all equity shareholders with equity shares on July 29, 2025 as approved by Shareholders. Further, in the board meeting on January 23, 2026, the board approved conversion of 4,523,604 outstanding CCPS into 22,618,020 equity shares in accordance with the terms of the Fractal Shareholders’ Agreement. The weighted average number

of equity shares for the period ended September 30, 2024 and years ended March 31, 2025, March 31, 2024 and March 31, 2023 have been adjusted to reflect the impact of the above as per Ind AS 33 and accordingly Basic EPS and Diluted EPS are further retrospectively adjusted for the above changes.

## 2. Price/Earning (“P/E”) ratio in relation to Price Band of ₹857 to ₹900 per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for Fiscal 2025 on Restated Consolidated Financial Information	59.14	62.11
Based on diluted EPS for Fiscal 2025 on Restated Consolidated Financial Information	64.15	67.37

## 3. Industry Peer Group P/E ratio

There are no listed companies in India or globally which operate in a similar business model as ours.

## 4. Return on Net Worth (“RoNW”)

Year ended	RoNW (%)	Weight
March 31, 2025	12.6%	3
March 31, 2024	(3.9)%	2
March 31, 2023	14.5%	1
<b>Weighted Average</b>	<b>7.4%</b>	
Six months ended September 30, 2025*	3.6%	-
Six months ended September 30, 2024*	4.7%	-

\* Return on Net Worth is not annualized for the periods ended September 30, 2025 and September 30, 2024

Notes:

1. Return on Net Worth (%) = Return on Net Worth is calculated as profit/(loss) for the period/ year divided by Net Worth at the end of the period/ year. For a reconciliation of Return on Net Worth, see “Management’s Discussion and Analysis of Results of Operations – Non-GAAP measures” on page 519 of the RHP
2. As per Regulation 2(1)(hh) of the SEBI ICDR Regulations Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated consolidated statement of assets and liabilities, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Further, Net Worth is calculated by deducting the Remeasurement of defined benefit plans, Exchange differences on translating the financial statements of a foreign operation and Effective portion of gains on derivatives designated as cash flow hedge (net) from the equity attributable to owners of the Company. Equity attributable to owners of the Company comprises of equity share capital and other equity. For a reconciliation of Net Worth, see “Management’s Discussion and Analysis of Results of Operations – Non-GAAP measures” on page 519 of the RHP

## 5. NAV per Equity Share (Face value of ₹1 each), as adjusted for change in capital

NAV	(₹)
As on September 30, 2025	116
As on March 31, 2025	104
After the Offer	
- At the Floor Price	164
- At the Cap Price	164
- At Offer Price	[●]*

\*\*To be determined on conclusion of the Book Building Process.

Notes:

1. Net Asset Value per equity share is Net Worth at the end of the period/ year divided by number of shares outstanding at the end of the period/ year. Number of shares outstanding at the end of the period/ year is an aggregate of number of equity shares, compulsory convertible preference shares (basis as is converted basis) and options exercisable at the end of the period/ year. For a reconciliation of NAV per equity share, see “Management’s Discussion and Analysis of Results of Operations – Non-GAAP measures” on page 519 of the RHP.
2. The Parent Company issued bonus shares in accordance with Section 63 of the Companies Act, 2013 in the ratio of 1:4 (for every one equity share four bonus shares were issued) to all equity shareholders with equity shares on July 29, 2025 as approved by Shareholders. Further, in the board meeting on January 23, 2026, the board approved conversion of 4,523,604 outstanding CCPS into 22,618,020 equity shares in accordance with the terms of the Shareholder agreement. The weighted average number of shares for the period ended September 30, 2024 and years ended March 31, 2025, March 31, 2024 and March 31, 2023 have been adjusted to reflect the impact of the above.

## 6. Comparison of accounting ratios with listed industry peers

There are no listed companies in India or globally which operate in a similar business model as ours. Our Company is a leading pure-play enterprise data, analytics, and AI company, recognized globally, with capabilities across the DAAI value chain. It is placed uniquely among the other industry players, with active investments in expanding its AI and Gen AI software portfolio and R&D capabilities.

Our Company occupies a distinctive competitive position and differentiates itself from the other Industry players across segments as follows:

*When compared to the industry players providing diversified IT services:*

- These industry players offer a broader suite of services beyond DAAI, including IT, cloud, cybersecurity, and ERP services, among others.
- While some diversified IT service providers have built strong DAAI services capabilities and have invested in AI and Gen AI software, they hold relatively fewer patents per 1,000 employees and have not reported any Gen AI foundation model development.

*When compared to the industry players providing pure-play DAAI services:*

- These industry players primarily operate as services firms, delivering bespoke DAAI services and solutions. Many such entities show strong DAAI services maturity in a few specialized functions or industries but may lag in others.
- Across the industry players set as above, there is limited presence of Gen AI-specific software and foundation models. Further, DAAI-specific patent filings are minimal compared to our Company.

*When compared to specific product-focused industry players:*

- These industry players derive a significant portion of their revenue from licensed AI software with services primarily tied to these offerings. In contrast, our Company complements its product portfolio with standalone DAAI services.
- Two industry players have reported a high number of patents per 1,000 employees and significant R&D spending. However, our Company has differentiated itself by developing four Gen AI foundation models – a capability not reported by any other Industry player in the group.

## 7. Key Performance Indicators

The KPIs disclosed below have been used historically by our Company to understand and analyze our business performance, which in result, help us in analyzing the growth of business. The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational key financial and operational KPIs, to make an assessment of our Company's performance in various business verticals and make an informed decision. The key financial and operational metrics set forth below, have been approved and verified by the Audit Committee pursuant to its resolution dated February 2, 2026 (copy made available under "Material Contracts and Documents for Inspection" on page 629 of the RHP). Further, the Audit Committee has on February 2, 2026 taken on record that other than the key financial and operational metrics set out below and certified by our Chief Financial Officer on behalf of the management of our Company by way of certificate dated February 2, 2026, our Company has not disclosed any other key performance indicators at any point of time during the three years preceding this Red Herring Prospectus to its investors. The management and the members of our Audit Committee have confirmed that the KPIs disclosed below have been identified and disclosed in accordance with the SEBI ICDR Regulations, SEBI circular with bearing number SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/28 dated February 28, 2025 and the Industry Standards on Key Performance Indicators Disclosures in the Draft Offer Document and Offer Document ("**KPI Standards**"). Additionally, the KPIs have been certified by way of certificate dated February 2, 2026, issued by Nikunj Raichura & Associates, Chartered Accountants, who hold a valid certificate issued by the peer review board of the Institute of Chartered Accountants of India. and has been

included in ‘*Material Contracts and Documents for Inspection – Material Documents*’ on page 629 of the RHP.

For details of our other operating metrics disclosed elsewhere in this Prospectus, see “*Our Business*”, and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 296 and 501, respectively of the RHP.

Subject to applicable law, our Company confirms that it shall continue to disclose all the key performance indicators included in this “*Basis for Offer Price*” section on a periodic basis, at least once a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the date of listing of the Equity Shares on the Stock Exchanges; or (ii) until the utilization of the Net Proceeds.

The list of our KPIs along with brief explanation of the relevance of the KPI for our business operations are set forth below. In addition, the definition of our KPIs has also been disclosed in “*Definitions and Abbreviations – Key Performance Indicators*” on page 13 of the RHP.

**Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company**

In evaluating our business, we consider and use certain KPIs, as presented below, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Therefore, these KPIs should not be considered in isolation or construed as an alternative to Ind AS financial statements or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that it provides an additional tool for investors to use in evaluating our operating results and trends and in comparing our financial results with other companies in our industry. Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business.

**Details of our KPIs as of and for six months ended September 30, 2025, six months ended September 30, 2024 and for Financial Years ended March 31, 2025, March 31, 2024, and March 31, 2023, is set out below:**

S. No.	Particulars			As at and for the six months ended September 30,		As at and for the financial year ended March 31,		
		Note	Unit	2025	2024	2025	2024	2023
	Financial Measures							
	Our Group							
1.	Revenue from operations	1	₹million	15,590	13,007	27,654	21,963	19,854
2.	Growth in revenue from operations from previous period/ Fiscal	2	%	19.9	N/A*	25.9	10.6	N/A*
3.	Cash flow from operations	3	₹million	(214)	79	3,970	1,595	(306)
4.	Profit/ (Loss) for the period/ year	4	₹million	709	729	2,206	(547)	1,944
5.	PAT Margin	5	%	4.5	5.6	8.0	(2.5)	9.8
6.	Adjusted PAT	6	₹million	1,430	1,356	3,478	(45)	540
7.	Adjusted PAT Margin	7	%	9.2	10.4	12.6	(0.2)	2.7
8.	EBITDA	8	₹million	1,856	1,310	3,980	972	4,368
9.	EBITDA Margin	9	%	11.9	10.1	14.4	4.4	22.0
10.	Adjusted EBITDA	10	₹million	2,332	2,062	4,821	2,321	1,343
11.	Adjusted EBITDA Margin	11	%	15.0	15.9	17.4	10.6	6.8
	Fractal.ai segment							
12.	Revenue from operations	1	₹million	15,184	12,741	27,037	21,615	19,691
13.	Growth in revenue from operations from previous period/ Fiscal	2	%	19.2	N/A*	25.1	9.8	N/A*

S. No.	Particulars	Note	Unit	As at and for the six months ended September 30,		As at and for the financial year ended March 31,		
				2025	2024	2025	2024	2023
14.	Revenue in Fractal.ai segment by industry	14						
	CPGR (Consumer Packaged Goods and Retail)		₹million	5,692	5,076	10,615	9,038	8,047
	TMT (Technology, Media, & Telecom)		₹million	4,134	3,730	8,087	5,867	5,563
	HLS (Healthcare and Life Sciences)		₹million	2,581	1,728	3,745	3,013	2,188
	BFSI (Banking, Financial Services and Insurance)		₹million	1,856	1,435	2,980	2,325	2,842
	Others	13	₹million	921	772	1,610	1,372	1,051
15.	Revenue in Fractal.ai segment by industry, as a % of revenue from Fractal.ai segment	14						
	CPGR (Consumer Packaged Goods and Retail)		%	37.5	39.8	39.3	41.9	40.9
	TMT (Technology, Media, & Telecom)		%	27.2	29.3	29.9	27.1	28.3
	HLS (Healthcare and Life Sciences)		%	17.0	13.6	13.8	13.9	11.1
	BFSI (Banking, Financial Services and Insurance)		%	12.2	11.3	11.0	10.8	14.4
	Others	13	%	6.1	6.0	6.0	6.3	5.3
16.	Revenue in Fractal.ai segment by geography	15						
	Americas		₹million	9,993	8,378	17,988	13,791	13,221
	Europe		₹million	3,219	2,241	4,792	4,291	3,333
	APAC and others		₹million	1,972	2,122	4,257	3,533	3,137
17.	Revenue in Fractal.ai segment by geography, as a % of revenue from Fractal.ai segment	15						
	Americas		%	65.8	65.8	66.5	63.8	67.2
	Europe		%	21.2	17.6	17.7	19.9	16.9
	APAC and others		%	13.0	16.6	15.8	16.3	15.9
18.	Segment results – Fractal.ai segment	16	₹million	2,177	1,526	3,788	1,233	(315)
19.	Segment results – Fractal.ai segment, as a % of revenue from operations - Fractal.ai segment	17	%	14.3	12.0	14.0	5.7	(1.6)
20.	Adjusted segment results – Fractal.ai segment	18	₹million	2,510	2,235	5,084	2,769	2,115
21.	Adjusted segment results Margin – Fractal.ai segment	19	%	16.5	17.5	18.8	12.8	10.7
<b>Fractal Alpha segment</b>								
22.	Revenue from operations	1	₹million	451	275	644	365	190
23.	Growth in revenue from operations from previous period/ Fiscal	2	%	64.0	N/A*	76.4	92.1	N/A*
24.	Segment results – Fractal Alpha segment	24	₹million	(66)	(197)	(283)	(494)	(616)
25.	Segment results – Fractal Alpha segment, as a % of revenue from operations - Fractal Alpha segment	25	%	(14.6)	(71.6)	(43.9)	(135.3)	(324.2)
26.	Adjusted segment results – Fractal Alpha segment	26	₹million	(63)	(179)	(257)	(443)	(539)
27.	Adjusted segment results Margin – Fractal Alpha segment	27	%	(14.0)	(65.1)	(39.9)	(121.4)	(283.7)
<b>Operational KPI</b>								
<b>Our Group</b>								
28.	Total Employees	12	Number	5,722	4,755	5,254	4,639	4,221

S. No.	Particulars			As at and for the six months ended September 30,		As at and for the financial year ended March 31,		
		Note	Unit	2025	2024	2025	2024	2023
	Fractal.ai segment							
29.	Net Revenue Retention	20	%	114.0	119.1	121.3	110.2	151.0
30.	Clients by annual revenue contribution	21						
	>US\$20 million		Number	4	4	5	2	1
	>US\$10 million		Number	7	6	6	5	5
	>US\$5 million		Number	17	15	15	11	10
	>US\$1 million		Number	52	47	53	48	45
31.	Client concentration	22						
	Top 10		₹million	8,229	7,031	14,537	11,809	10,064
	Top 10		%	54.2	55.2	53.8	54.6	51.1
	Top 20		₹million	10,955	9,157	18,831	15,114	13,194
	Top 20		%	72.2	71.9	69.6	69.9	67.0
32.	Net Promoter Score	23	Score	76	78	77	77	73

\*Not applicable, as revenue from operations from Fiscal 2022 and for the six months ended September 30, 2023 have not been included in this Red Herring Prospectus.

**Notes:**

- Revenue from operations is stated as per Restated Consolidated Financial Information
- Growth in revenue from operations from previous period / Fiscal is defined as period on period growth / year on year growth of revenue from operations
- Cash flow from operations is net cash flow generated from / (used in) operating activities
- Profit / Loss for the period / year is stated as per Restated Consolidated Financial Information
- PAT Margin is calculated as profit/(loss) for the period / year as a percentage of revenue from operations for the period / year. For a reconciliation of PAT Margin, see "Management's Discussion and Analysis of Results of Operations – Non-GAAP measures" on page 519 of the RHP.
- Adjusted PAT is calculated as profit / (loss) for the period / year plus (i) employee stock option expense; (ii) ESOP cash bonus; (iii) retention bonus pursuant to acquisition; and less (iv) exceptional items gain/(loss), (v) the tax effect of the aforesaid adjustments; less (vi) share of (loss) of an associate. For a reconciliation of Adjusted PAT, see "Management's Discussion and Analysis of Results of Operations – Non-GAAP measures" on page 519 of the RHP.
- Adjusted PAT margin is calculated as Adjusted PAT for the period / year as a percentage of revenue from operations for the period / year. For a reconciliation of Adjusted PAT Margin, see "Management's Discussion and Analysis of Results of Operations – Non-GAAP measures" on page 519 of the RHP.
- EBITDA is calculated as profit / (loss) for the period / year plus (i) total tax expense, (ii) depreciation and amortisation expense and (iii) finance costs. For a reconciliation of EBITDA, see "Management's Discussion and Analysis of Results of Operations – Non-GAAP measures" on page 519 of the RHP. The changes in EBITDA from Fiscal 2023 to Fiscal 2025 and from the six months ended September 30, 2024 to the six months ended September 30, 2025 are primarily due to changes in revenue from operations, employee benefits expense, other expenses, and exceptional items gain / (loss). For further details of our revenue from operations, employee benefits expense, other expenses and exceptional items gain / (loss) for the six months ended September 30, 2025 and 2024, and in Fiscals 2025, 2024 and 2023, see "Management's Discussions and Analysis of Financial Condition and Results of Operations – Summary Results of Operations – Six months ended September 30, 2025 compared to Six months ended September 30, 2024" on page 511 of the RHP, "Management's Discussions and Analysis of Financial Condition and Results of Operations – Summary Results of Operations – Fiscal 2025 compared to Fiscal 2024" on page 513 of the RHP and "Management's Discussions and Analysis of Financial Condition and Results of Operations – Summary Results of Operations – Fiscal 2024 compared to Fiscal 2023" on page 515 of the RHP.
- EBITDA Margin is calculated as EBITDA for the period / year as a percentage of revenue from operations for the period / year. For reconciliation of EBITDA Margin, see "Management's Discussion and Analysis of Results of Operations – Non-GAAP measures" on page 519 of the RHP.
- Adjusted EBITDA is calculated as EBITDA plus (i) employee stock option expense; (ii) ESOP cash bonus; (iii) retention bonus pursuant to acquisition; less (iv) other income; (v) exceptional items gain / (loss); (vi) share of (loss) of an associate. For a reconciliation of Adjusted EBITDA, see "Management's Discussion and Analysis of Results of Operations – Non-GAAP measures" on page 519. The changes in Adjusted EBITDA from Fiscal 2023 to Fiscal 2025 and from the six months ended September 30, 2024 to the six months ended September 30, 2025 are primarily due to changes in revenue from operations, employee benefits expense and other expenses. For further details of our revenue from operations, employee benefits expense and other expenses for the six months ended September 30, 2025 and 2024, and in Fiscals 2025, 2024 and 2023, see "Management's Discussions and Analysis of Financial Condition and Results of Operations – Summary Results of Operations – Six months ended September 30, 2025 compared to Six months ended September 30, 2024" on page 511 of the RHP, "Management's Discussions and Analysis of Financial Condition and Results of Operations – Summary Results of Operations – Fiscal 2025 compared to Fiscal 2024" on page 513 of the RHP and "Management's Discussions and Analysis of Financial Condition and Results of Operations – Summary Results of Operations – Fiscal 2024 compared to Fiscal 2023" on page 515 of the RHP.
- Adjusted EBITDA Margin is calculated as Adjusted EBITDA for the period / year as a percentage of revenue from operations for the period / year. For a reconciliation of Adjusted EBITDA Margin, see "Management's Discussion and Analysis of Results of Operations – Non-GAAP measures" on page 519 of the RHP.
- Total Employees refers to total full-time employees in our Company and our Subsidiaries

13. Others comprises primarily energy, travel and industrials.
14. Revenue by Industry is revenue from operations split based on the industry in which the client operates
15. Revenue by Geography is revenue from operations split by client billing location
16. Segment results – Fractal.ai segment is calculated as Fractal.ai revenue from operations for the period / year less (i) employee related expenses and (ii) other expenses for Fractal.ai segment.
17. Segment results – Fractal.ai segment, as a % of revenue from operations - Fractal.ai segment is calculated as Segment results – Fractal.ai segment for the period / year as a percentage of Fractal.ai revenue from operations for the period / year.
18. Adjusted segment results – Fractal.ai segment is calculated as Segment results – Fractal.ai segment plus (i) employee stock option expense (including ESOP cash bonus) and (ii) Retention bonus pursuant to acquisition. For a reconciliation of Adjusted segment results – Fractal.ai segment in our Fractal.ai segment, see “Management’s Discussion and Analysis of Results of Operations – Non-GAAP measures” on page 519 of the RHP.
19. Adjusted segment results Margin – Fractal.ai segment is calculated as Adjusted segment results – Fractal.ai segment for the period / year as a percentage of Fractal.ai revenue from operations for the period / year. For a reconciliation of Adjusted segment results Margin – Fractal.ai segment, see “Management’s Discussion and Analysis of Results of Operations – Non-GAAP measures” on page 519 of the RHP.
20. Net Revenue Retention in our Fractal.ai segment measures how effectively we retain and expand revenue from our existing clients over a defined period and is calculated by comparing the current period’s revenue from the clients who existed at the start of the period, with their revenue in the previous period — including the effects of upsells, cross-sells and contractions
21. Clients by annual revenue contribution refers to count of clients with annual revenue of more than US\$1million, US\$5 million, US\$10 million and US\$20 million
22. Client concentration refers to Share of revenue out of Fractal.ai segment revenue from operations for top 10 and top 20 clients
23. Net Promoter Score is used in Fractal.ai segment to gauge client satisfaction and advocacy. Clients rate us on a 10-point scale on their willingness to recommend Fractal, and NPS is calculated as the percentage of promoters (scores of 9-10) minus the percentage of detractors (scores of 6 and below) (Source: iLattice Report)
24. Segment results – Fractal Alpha segment is calculated as Fractal Alpha revenue from operations for the period / year less (i) employee related expenses and (ii) other expenses for Fractal Alpha segment.
25. Segment results – Fractal Alpha segment, as a % of revenue from operations - Fractal Alpha segment is calculated as Segment results – Fractal Alpha segment for the period / year as a percentage of Fractal Alpha revenue from operations for the period / year.
26. Adjusted segment results - Fractal Alpha segment is calculated as Segment results - Fractal Alpha segment; plus (i) Employee stock option expense (including ESOP cash bonus); and (ii) Retention bonus pursuant to acquisition. For a reconciliation of Adjusted segment results – Fractal Alpha segment in our Fractal Alpha segment, see “Management’s Discussion and Analysis of Results of Operations – Non-GAAP measures” on page 519 of the RHP.
27. Adjusted segment results Margin – Fractal Alpha segment is calculated as Adjusted segment results - Fractal Alpha segment for the period / year as a percentage of Fractal Alpha revenue from operations for the period / year. For a reconciliation of Adjusted segment results Margin – Fractal Alpha segment, see “Management’s Discussion and Analysis of Results of Operations – Non-GAAP measures” on page 519 of the RHP.

## Explanation for the KPI metrics

Set out below is the explanation of the KPIs:

S. No.	KPI	Explanation for the KPI
1.	Revenue from operations	Revenue from operations is the income generated from the core business activities making it a key indicator of our company’s performance in its primary business activities
2.	Revenue by Segment	Revenue by segment is revenue from operations split by business segments
3.	Revenue in Fractal.ai segment by industry	We track our revenues by the industries in which our clients operate such as CPGR, TMT, BFSI, HLS and others. Others comprise primarily energy, travel and industrials
4.	Revenue in Fractal.ai segment by geography	We track our revenues based on our clients’ billing location such as Americas, Europe and APAC and others
5.	Growth in revenue from operations from previous period / Fiscal (%)	Period on period / year on year growth of revenue from operations helps us in tracking our business and financial performance of our company
6.	Cash flow from Operations	Cash flow from operations serves as a crucial indicator of our Company’s ability to efficiently manage core business activities and offers critical insight into the strength and consistency of our operational performance and efficiency.
7.	Profit/(Loss) for the period/ year	Profit / (loss) for the period / year enables us to monitor the overall results of operations and financial performance of our Company.
8.	PAT Margin	PAT Margin is calculated as profit / (loss) for the period / year as a percentage of revenue from operations for the period / year

S. No.	KPI	Explanation for the KPI
9.	Adjusted PAT	Adjusted PAT is calculated as profit / (loss) for the period / year plus (i) employee stock option expense; (ii) ESOP cash bonus; (iii) Retention bonus pursuant to acquisition; and less (iv) exceptional items gain/(loss), (v) the tax effect of the aforesaid adjustments; less (vi) share of (loss) of an associate.
10.	Adjusted PAT Margin	Adjusted profit / (loss) margin is calculated as Adjusted PAT as a percentage of revenue from operations for the period / year.
11.	Adjusted EBITDA	Adjusted EBITDA provides information of our normalized operating results and is useful in the understanding of the operational and financial performance
12.	Adjusted EBITDA Margin	Adjusted EBITDA Margin for a period / year equals Adjusted EBITDA for the period / year as a percentage of revenue from operations for the period / year. Adjusted EBITDA % helps us evaluate our Company's operational and financial performance
13.	EBITDA	EBITDA gives an overview of our Company's profitability from its core operations and helps us evaluate the operating performance
14.	EBITDA Margin	EBITDA Margin gives an overview of our Company's profitability from its core operations and helps us evaluate the operating performance
15.	Adjusted segment results - Fractal.ai segment	Adjusted segment results – Fractal.ai provides information of our normalized operating results and is useful in the understanding of the operational and financial performance of the Fractal.ai segment
16.	Adjusted segment results margin - Fractal.ai segment	Adjusted segment results margin- Fractal.ai helps us evaluate Fractal.ai segment's operational and financial performance
17.	Segment results - Fractal.ai segment	Segment results- Fractal.ai gives an overview of the Fractal.ai segment's profitability from its core operations and helps us evaluate the operating performance
18.	Segment results – Fractal.ai segment, as a % of revenue from operations - Fractal.ai segment	Segment results – Fractal.ai segment, as a % of revenue from operations - Fractal.ai segment gives an overview of the Fractal.ai segment's profitability from its core operations and helps us evaluate the operating performance
19.	Adjusted segment results - Fractal Alpha segment	Adjusted segment results – Fractal Alpha provides information of our normalized operating results and is useful in the understanding of the operational and financial performance of the Fractal Alpha segment
20.	Adjusted segment results margin- Fractal Alpha segment	Adjusted segment results margin- Fractal Alpha helps us evaluate Fractal Alpha segment's operational and financial performance
21.	Segment results - Fractal Alpha segment	Segment results- Fractal Alpha gives an overview of the Fractal Alpha segment's profitability from its core operations and helps us evaluate the operating performance
22.	Segment results – Fractal Alpha segment, as a % of revenue from operations - Fractal Alpha segment	Segment results – Fractal Alpha segment, as a % of revenue from operations - Fractal Alpha segment gives an overview of the Fractal Alpha segment's profitability from its core operations and helps us evaluate the operating performance
23.	Net Revenue Retention	Net Revenue Retention in our Fractal.ai segment measures how effectively we retain and expand revenue from our existing clients over a defined period and is calculated by comparing the current period's revenue from the same set of clients who existed at the start of the period, with their revenue in the previous period — including the effects of upsells, cross-sells and contractions.
24.	Clients by annual revenue contribution	Count of clients with annual revenue of more than US\$1 million, US\$5 million, US\$10 million and US\$20 million indicates how effectively we are scaling revenues from our clients over a period and is a key performance indicator of the operational performance

S. No.	KPI	Explanation for the KPI
25.	Client concentration	Revenue earned from our top 10 and top 20 clients as a percentage of total revenue from operations of the Fractal.ai segment. This helps us analyze the revenue concentration of our top clients
26.	Net Promoter Score	Net Promoter Score is a key indicator of our performance as it reflects our clients' satisfaction and is calculated as the percentage of promoters i.e. respondents with a score of at least 9/10, less the percentage of detractors i.e. respondents with a score of 6 and below
27.	Total employees	Total full-time employees in our Company and our Subsidiaries

## 8. Comparison of KPIs based on additions or dispositions to our business

The impact of all material acquisitions or dispositions of assets or business undertaken by our Company during the periods covered by the KPIs, i.e., six months ended September 30, 2025, and September 30, 2024 and for the Fiscals ended 2025, 2024 and 2023, is reflected in the KPIs disclosed in this Red Herring Prospectus. For further details, see “*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*” on page 353 of the RHP.

## 9. Weighted average cost of acquisition, Floor Price and Cap Price

### A. The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)

Details of the Equity Shares or convertible securities issued during the 18 months preceding the date of this Red Herring Prospectus, excluding shares issued under the ESOP – 2007 and ESOP – 2019 and issuance of bonus shares, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“**Primary Issuance**”) are as follows:

Date of Allotment	Name of the Allottees	Number of Equity Shares or convertible securities Preference Shares allotted	Transaction as a % of fully diluted capital of the Company (calculated based on the pre-issue capital before such (%))	Total Cost (₹)*	Weighted average cost of acquisition based on primary issue of Equity Shares or convertible securities (₹)
January 23, 2026	Conversion of 4,523,604 Series B 0.001 % Compulsorily convertible preference shares	22,618,020	13.32%	6,874,497,855	304

\*The acquisition price has been considered as of the date of issuance of CCPS, post adjustment as per the terms of CCPS.

### B. The price per share of our Company based on secondary sale/ acquisitions of shares (equity / convertible securities)

Details of secondary sales / acquisitions of Equity Shares or any convertible securities (“**Security(ies)**”), where the Promoters, members of the Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate director(s) on the board of directors of our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days are as follows.

Nil

- C. Since there are no such transaction to report under (B) above, therefore, information on price per equity share for the last five secondary transactions (secondary transactions where Promoters, members of the Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction), not older than three years prior to the date of filing of this Red Herring Prospectus irrespective of the size of the transaction, is as below:

*Secondary transactions in last three years*

Nature of transaction**	Nature of consideration (Cash/ other than cash)	Date of acquisition/ allotment / transfer	Face Value (₹)	No. of shares acquired/ allotted	Cumulative number of Equity Shares	Acquisition price per share (including securities premium) (₹)*	Total Cost (₹)	Weighted Average Cost (WAC)	Cumulative amount paid for the Equity Shares
A				B		C=A*B			
Transfer	Cash	July 14, 2025	1	1,541	1,541	5,550	8,552,550	5,550	8,552,550
Transfer	Cash	July 15, 2025	1	1,927	3,468	5,550	10,694,850	5,550	19,247,400
Transfer	Cash	July 16, 2025	1	13,513	16,981	5,550	74,997,150	5,550	94,244,550
Transfer	Cash	July 24, 2025	1	5,518	22,499	5,550	30,624,900	5,550	124,869,450
Transfer	Cash	July 25, 2025	1	344,344	366,843	5,550	1,911,109,200	5,550	2,035,978,650
<b>Total</b>				<b>366,843</b>			<b>2,035,978,650</b>		

\* The acquisition price considered is before considering the impact of the bonus shares issued on July 29, 2025.

\*\* "Transfer" refers to the transfer of equity shares by existing shareholders of the Company to another person.

**10. Weighted average cost of acquisition, floor price and cap price**

Type of transactions	WACA** (in ₹)	Floor Price (₹857)	Cap Price (₹900)
Weighted average cost of acquisition for last 18 months preceding the date of this Red Herring Prospectus for primary / new issue of shares (equity/ convertible securities), excluding shares issued under the ESOP – 2007 and ESOP – 2019 and issuance of bonus shares, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	304	2.82	2.96
Weighted average cost of acquisition for last 18 months preceding the date of this Red Herring Prospectus for secondary sale / acquisition of shares equity/convertible securities), where our Promoters or members of the Promoter, Selling Shareholders or Shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	NA	NA
Since there was no secondary transactions in last 18 months which is equivalent or more than 5% of the fully diluted paid-up Equity Share capital, the details has been disclosed for weighted average price per share of the Company based on the last five secondary transactions (secondary transactions where Promoters, Selling Shareholders or Shareholder(s) having the right to nominate	1,110**	0.77	0.81

Type of transactions	WACA** (in ₹)	Floor Price (₹857)	Cap Price (₹900)
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Director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Red Herring Prospectus irrespective of the size of transactions.

<sup>^</sup>As certified by Nikunj Raichura & Associates, Chartered Accountants, by way of their certificate dated February 3, 2026.

<sup>\*\*</sup> Adjusted to give impact of bonus issuance made by our Company on July 29, 2025, for the purpose of calculation of weighted average cost of acquisition.

**11. Detailed explanation for Offer Price/Cap Price along with our Company’s KPIs and financial ratios for the periods presented in the Restated Consolidated Financial Information and in view of the external factors which may have influenced the pricing of the issue, if any.**

1. We are a globally recognized enterprise artificial intelligence (“AI”) company (source: Everest Report). We work with large global enterprise clients to help them navigate the entire life cycle of AI transformation from ideation to adoption to drive decisions in the enterprise.
2. As of March 31, 2025, we worked with 10 of the top 20 consumer packaged goods companies, eight of the top 20 technology, media and telecom companies, three of the top 20 banking, financial services and insurance companies, 10 of the top 20 healthcare and life sciences companies and five of the top 20 retail companies based on Fiscal 2025 revenue (source: Everest Report).
3. Our NPS for our Fractal.ai segment was 76, 78, 77, 77 and 73 in the six months ended September 30, 2025, the six months ended September 30, 2024, Fiscal 2025, Fiscal 2024 and Fiscal 2023 respectively (source: 1Lattice Report)
4. Our revenue from operations increased by 19.9% to ₹15,590 million in the six months ended September 30, 2025 from ₹13,007 million in the six months ended September 30, 2024, and increased by 25.9% to ₹27,654 million in Fiscal 2025 from ₹21,963 million in Fiscal 2024, which represented a 10.6% increase from ₹19,854 million in Fiscal 2023.
5. As of January 19, 2026, we had 28 registered patents and 38 patent applications.

The trading price of the Equity Shares could decline due to the factors mentioned in the section ‘*Risk Factors*’ on page 36 of the RHP and any other factors that may arise in the future and you may lose all or part of your investments.

Investors should read the above mentioned information along with “*Risk Factors*”, “*Our Business*” and “*Restated Consolidated Financial Information*” on pages 36, 296 and 408, respectively of the RHP, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “*Risk Factors*” on page 36 of the RHP and you may lose all or part of your investments.