February 12, 2026

To
The Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
Maharashtra, India

To
The Listing Department
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051
Maharashtra, India

Scrip Code: **544617**
ISIN: **INE606N01019**

Scrip Symbol: **EXCELSOFT**

Subject: **Transcript of the earnings call of Q3 & 9M FY 2026 with Analysts and Investors held on February 09, 2026.**

Dear Sir/Madam,

In continuation of the earlier intimation dated January 30, 2026, regarding the earnings conference call with investors, the Company conducted the earnings conference call on February 09, 2026.

As an outcome of the conference call and Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the earnings conference call with Analysts and Investors pertaining to the un-audited financial results and operations of the Company for the quarter and nine months ended December 31, 2025.

The said transcript is also available on the Company's website at. https://www.excelsoftcorp.com/wp-content/uploads/2026/02/Transcript-of-Earning-Call-Q3-9M-FY-2026-09022026.pdf

Kindly take the above information on record.

Thanking you,

For Excelsoft Technologies Limited,
(Formerly known as Excelsoft Technologies Private Limited)

Dhananjaya Sudhanva
Chairman & Managing Director
(DIN: 00423641)
Place: Mysore

Enclosed: Transcript of earning call

"Excelsoft Technologies Limited Q3 & 9 Months FY26
Earnings Conference Call"

February 09, 2026

MANAGEMENT:	**MR. DHANANJAYA SUDHANVA – CHAIRMAN & MANAGING DIRECTOR, EXCELSOFT TECHNOLOGIES LIMITED**
	MR. PRASHANTH H M – HEAD (STRATEGY), EXCELSOFT TECHNOLOGIES LIMITED
	MR. SUBRAMANIAM RAVI – CHIEF FINANCIAL OFFICER; EXCELSOFT TECHNOLOGIES LIMITED

Moderator:	Ladies and Gentlemen, Good Day and Welcome to the Excelsoft Technologies Limited Q3 & Nine Months FY26 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Sharma from AdFactors PR. Thank you and over to you sir.

Amit Sharma: Thank you Huda. Good Morning, Everyone. Welcome to the Q3 & Nine Months FY26 Earnings Conference Call of Excelsoft Technologies Limited.

Today, from the Management we have with us, Mr. Dhananjaya Sudhanva -- Chairman & Managing Director; Mr. Prashanth H M -- Head of Strategy; Mr. Subramaniam Ravi -- Chief Financial Officer; and also the Adfactors IR Team.

We will begin the call with the Opening Remarks from the Management after which we shall open the forum for the Q&A Session.

I must remind you that this conference may include forward-looking statements about the company which are based on the beliefs, opinions and expectations of the management as of the date of this call. The statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict.

I now hand over the conference to Mr. Dhananjaya Sudhanva for the opening remarks. Thank you and over to you sir.

Dhananjaya Sudhanva: Thank you very much. Good morning, everyone who has joined the call today. Thank you for joining us to discuss Excelsoft Technologies Financial Results for the 3rd Quarter and First Nine Months of FY26.

I am pleased to report that Excelsoft has delivered another quarter of robust performance characterized by healthy top-line growth, fueled by our education technology divisions and our products as well.

Throughout the first nine months of the fiscal year, we have maintained discipline in executing our core strategic pillars.

1. **First is 'Market Expansion':**

We are scaling out our geographical footprint and deepening our international presence. We have diversified into newer geographies and acquired newer customers in geographies which previously we had not addressed. The examples will come through in the next presentation, my colleague, Prashanth will make. We have done it through establishing sales teams in geographical locations that matter to our business and also through contracts with partners in the local geographies like the US and UK to help us bring in the network in those countries.

2.   **The second one is 'Client Optimization':**

Growing our existing customer accounts via cross-selling products to customers who are services customers and cross-selling services to customers who have been typically product customers is the cross-selling. There is a certain amount of revenue growth and very healthy order booking that has happened in this quarter on account of cross-selling aggressively. Typically, higher value, higher margin sales in platform-led engagements.

Operational excellence, strengthening our balance sheet to ensure sustainable long-term value creation was a key emphasis and collectively the leadership team has worked towards strengthening our balance sheet, and Ravi, our CFO will talk about it.

We also are endeavoring to bring in a lot more financial discipline. We are engaged with one of the big four consulting firms in India. They are currently doing a business process and controls audit on Excelsoft and eventually we will have one of the big four as our statutory auditor for the next financial year.

The global demand for secure, scalable and tech-enabled assessment and high-state testing solutions is accelerating. It is driven by the digital transformation happening in broadly the education and skilling sector including professional certifications which are becoming very important particularly in vocational space. And public sector examinations, which are large in number which deliver volumes to us, is also seeing growth. This momentum is directly reflected in our robust deal pipeline growth and order inflows particularly in the last few months, which are substantial in nature which are recent orders and contracts.

We have secured several landmark collaborations that underscore our leadership in the assessment space. Our partnership with AQA in the UK, which is one of the world's most prestigious and arguably the largest examination certification and awarding bodies in progress. We have formally signed an agreement to do joint R&D and to explore collaboration of new-generation products in the AI and testing area which will roll out later this year. This momentum is directly reflected in our deal pipeline and recent order inflows. This is a pioneering innovation in high-stakes assessment where a large assessment organization and large technology prowess come together and use ethical AI in high-stakes testing.

AI has been an important feature as you would see that adoption of AI generally in the IT sector has been prevalent. In our case, AI adoption in the use of test and assessment technology has been primarily focused in the domain of assessments and testing. So, the kind of headwinds you see in IT services area due to AI, we do not see in our area because of the niche nature of our business. We are not seeing any headwinds.

We also have invested and continue to invest quite heavily in building our own AI hardware infrastructure. In fact, the entire stack from GPU farms to multiple large language models to building micro apps on top of that which we can use for native-AI testing and native-AI assessments. We are ensuring that we do not follow industry trends but actively shape them.

We have been invited in many prestigious conferences around the world to speak in these conferences as thought leaders in the industry we are in particularly with AI enablement.

Looking ahead, our roadmap remains focused. We will scale our core platforms. We will capture larger shares of the international markets that we work in. It could be education and publishing companies, the government markets and the institutional markets. We are pioneering AI-enabled cloud-native solutions that differentiate Excelsoft on the global stage.

We have implemented AI at the network edge, and moving all hardware we have, including laptops and servers to become AI-enabled which means we will be a fully AI-enabled infrastructure.

This is not on the cloud. This is a data center approach which is very much in our facility. So, it is secure and the data is secure and meets all the standards.

With that, I would now like to hand over the call to our Chief Strategy Officer – Prashanth, and CFO – Ravi, subsequently, who will walk you through the Highlights for the Quarter and the Nine-Month Period. Following their remarks, we will be happy to take your questions and now over to Prashanth.

Prashanth H M: Thank you, sir. Thank you. Good morning, everyone.

The 3rd Quarter and the First Nine Months of FY26 have been a period of exceptional momentum for Excelsoft marked by significant progress across our strategic, operational, and product development initiatives.

The strategic direction we took a couple of years ago of providing emphasis on repeatable, licensable products particularly in the assessment business and at the same time continued focus on services has been yielding excellent results which makes us very confident of a predictable, sustainable, stronger growth.

This buildup of revenues and profits is a result of the direction we took earlier, and we are seeing this result, and we are very confident that we will be able to continue this momentum in future years as well.

Among many other customer wins and contract renewals that we had during the period, a primary highlight this quarter is our partnership with the Civil Services Commission of the Philippines. In collaboration with ASEAMETRICS, Excelsoft will provide power the civil services digital examination starting in 2026. Leveraging our SARAS eAssessment platform, this multi-year engagement validates our ability to deliver high integrity, large-scale digital assessments and establishes a clear path for recurring platform-driven revenue repeating our success in other civil services examinations that we have delivered in the past.

We have also solidified our UK footprint through a major multi-year engagement with VTCT Skills which is Vocational Training Charitable Trust, to deploy our next generation SARAS eTesting platform facilitating 300,000 vocational and technical examinations delivered online every year.

Beyond these strategic wins, our financial performance has been bolstered by a 58% growth in our education technology services vertical this quarter. This surge reflects a broader market trend where clients are investing heavily in system integrations, cloud transitions and custom development. This vertical continues to contribute meaningfully alongside our learning design and content solutions division which has turned around in the last quarter significantly.

These results signal a fundamental shift in our business model as we evolve from a traditional solution provider to a platform-led recurring revenue business.

Our revenue profile remains globally diversified yet anchored by strong regional performance. North America continues to be our primary market, contributing 72% of Q3 revenue, while we see accelerating traction in Europe and UK. India and the broader Asian markets also remain vital particularly in digital learning and services-led assignments.

This geographic reach is matched by the extraordinary stability of our client base. We have added 10 new clients during the nine-month period, yet our top-10 customers maintain an average tenure of nearly 11-years. Top 10 customers have been with us on an average of 11 years. In this volatile market, this 80% revenue contribution from long-term partners provides us with a highly predictable cash flow and a robust foundation for cross-selling.

Operationally, our global teams across Mysore, Hyderabad, Noida and our international hubs have demonstrated seamless delivery during peak examination cycles and delivery cycles, and we remain committed to strengthening our engineering and AI capabilities to maintain our competitive edge as mentioned by our chairman, Mr. Sudhanva.

On a different note, we have successfully withdrawn the Rs.300 crores corporate guarantee and also released the Rs.165 crores fixed deposit lien that was marked earlier. These milestones reduce contingent liabilities and provide us with the financial flexibility to aggressively invest in innovation and growth through organic and inorganic means.

With this, I now hand over the call to our CFO, Mr. Subramaniam Ravi, to take you through the Detailed Financial Performance of Q3 FY26 and Nine-Months FY26.

Ravi Subramaniam: Thank you, Prashanth and good, morning everyone.

Let me now walk you through the Financial Performance for the Quarter and Nine-Months-ended December 31st, 2025:

Q3 FY26 versus Q3 FY25 year-on- year. The revenue from the operations for Q3 FY26 stood at Rs.710 million compared to Rs.549 million in Q3 FY25, registering a robust growth of 29.5%. This growth was driven by strong contributions from the educational technology services segment, which increased by Rs.171 million representing a 58% year-on-year growth. The EBITDA for Q3 FY26 stood at Rs.197 million compared to Rs.180 million in Q3 FY25 marking a growth of 9.15%. EBITDA margins were 27.7% compared to 32.8% in the prior year. The reduction in the margin is primarily attributed to a 61% increase in other expenses which rose from Rs.98 million to Rs.157 million, driven by higher vendor stock resources cost as well as legal and professional fees.

The employee benefit expenses increased by 31.5% to Rs.356 million which is reflecting our continued investment in talent and engineering capabilities.

Profit after tax for Q3 FY26 was Rs.103 million compared to Rs.96 million in Q3 FY25, registering a growth of 7.7%. PAT margins were 14.5% compared to 17.4% in the prior year.

We have implemented the new labor code, the impact of which is to the tune of Rs.40.7 million on increased gratuity and leave encashment policy. After factoring in the net of tax impact of this exceptional item, the profit after tax for Q3 was Rs.133 million, reflecting a growth of 40% and PAT margin was at 18.8% compared to 17.4% in the prior year.

Nine Months FY26 versus Nine Months FY25 Year-on-Year Comparison:

For the nine months, the revenue from the operations stood at Rs.1,914 million compared to Rs.1,634 million in nine months FY25, representing a year-on-year growth of 17.13%.

Revenue from the Assessment and Proctoring Solutions increased from Rs.400 million to Rs.506 million, reflecting a growth of 26.5%.

EBITDA for nine months FY26 stood at Rs.472 million compared to Rs.441 million in nine months FY25, growing by 7%. EBITDA margins stood at 24.74% compared to 27% in the previous year. The decline in margin is attributable to increase in other expenses, primarily due to higher legal and professional fees mentioned earlier.

PAT for nine months FY26 was Rs.268 million compared to Rs.142 million in nine months FY25, showing a significant growth of 88% due to large reductions in the current tax. The PAT margins for the prior period at 14% with a growth of 530 basis points. Factoring in the impact of the new labor code implementation, PAT was Rs.298 million which means a growth of 110%.

The Segmental Performance:

In Q3 FY26 Educational Technology Services contributed the largest share of revenue at 65.7% followed by Assessment and Proctoring Solutions at 21%, Learning and Student Success Solutions at 9.6% and Learning and Design and Content Solutions at 3.6%.

For nine months FY26 Educational Technology Services contributed 57.5%, while Assessment and Proctoring Solutions contributed 26.4%, Learning and Student Success Solutions 10.7%, and Learning, Design and Content 5.3%.

Geography and Client Concentration:

North America remains our largest geography contributing 72.2% of Q3 revenue and 65.7% of nine months revenue, Europe and UK contributed 18.3% in Q3 and 21.5% in nine months.

Revenue concentration among the top five customers stood at 72.2% in Q3, reflecting our long-term relationship with the major global clients.

With this now I will open the floor for Q&A Session.

Moderator:	Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.
Deepak Poddar:	Thank you very much for this opportunity and many congratulations for good numbers. Sir, just first I wanted to understand in terms of your seasonality, I mean, is there any seasonality in our business or one can see linear quarter-on-quarter growth?
Prashanth H M:	You are right. It is not a linear quarter-on-quarter growth. It is typically heavier on the second half. If you look at the quarter wise, traditionally, last several years Q4 is the heaviest, that means it is upwards of 30%. That has been the trend. 30% of the total revenue for the year is what we clock in Q4 and that has been a trend for the last several years and this year could be no exception.

Deepak Poddar: Okay. I got it. And secondly, on your order book and inflow, I mean, you mentioned that you are seeing very, very robust deal pipeline and order inflow in the last few months. Can you throw some more light, I mean, what sort of order inflow we have received and what is the deal pipeline and where do you see it going forward?

Prashanth H M: What Mr. Sudhanva in his opening remarks mentioned is about the deal wins, are a number of wins which include both new customers that we have acquired as well as renewals from our existing customers. Renewals meaning an existing project that is renewed or maybe a new project with the same customer. So, on all accounts we have had wins in the last quarter and of course in the last nine months. Many of those wins that we have had, we were not able to announce for reasons that for want of customer consents, but for what we have got consents, we have announced, like the Philippines Civil Services Exams that we announced the Vocational Training Charitable Trust, we announced AQA partnership is what we announced. All these are very significant large opportunities that we are going after and we have won already.

Deepak Poddar: Is it possible to quantify what would be your order book right now in terms of rupees crores?

Dhananjaya Sudhanva: I am not sure if we are allowed to, but if we are allowed, we will send you a note on all the new order wins.

Prashanth H M: Sir, we are not giving guidance at this point in time. Once we decide on that we will be able to publish.

Deepak Poddar: Yes sure, that would be helpful. And just my last thing is on AQA. So, you mentioned about that partnership. So, what is the opportunity size we are seeing there and when revenue from AQA can start and what is the typical margin profile you expect in this AQA deal?

Dhananjaya Sudhanva: Firstly, the AQA is a massive size, because globally they are one of the biggest as I said earlier biggest assessment and certification authority. We have agreed that we will do two things -- one is a joint research and development to explore the horizons of where assessment and digital assessments, particularly online digital assessment, is going including technology. We have had multiple workshops, and as we speak, we have our team from AQA here in Mysore, talking through the scope of work we will be doing on the AQA contract. The contract is nearly finalized. So, it will be a contract signed this quarter and we will start seeing revenues starting next quarter and revenues will grow and build up over the next few years as the number of exams that are put through our system increase. So, it is a very strong and robust relationship, and it is pretty much sealed.

Deepak Poddar: Okay. So, you are saying revenue will start from this first quarter. But at the peak what sort of opportunity size we are seeing, I mean, how much revenue we can expect from here maybe next two, three years or something like that?

Prashanth H M:	Sir, we are afraid we will not be able to disclose too much around it, sir, but you will soon see an announcement on that once the deal is closed.
Dhananjaya Sudhanva:	I can give you a feel that it will be large because there will be several million answer scripts that eventually we will be putting through our platforms. There are two platforms for conversion of exam scripts which are handwritten. There are so many different kinds of handwriting and then an AI-based tool for auto marking these questions with a human check at the end of the process. So, broadly that is what I can say. We will give you the numbers ASAP.
Deepak Poddar:	Understood. And the margin profile in it will be similar to your company level margin profile or better?
Prashanth H M:	Definitely better and not below, it is mostly licensed, it will be better than the company average.
Deepak Poddar:	Understood. That would be it from my side. All the very best.
Dhananjaya Sudhanva:	Thank you.
Moderator:	The next question is from the line of Praful Rai from Arjav Partners. Please go ahead.
Praful Rai:	Sir, hi, this is Praful. I have just one question. In this quarter, we said the margins came down because of some sort of one-off things. So, can you quantify what is the total impact of these one-off things on the margins in the current quarter?
Prashanth H M:	Sure. Yes, we wanted to bring it up ourselves as well. Thank you for reminding us. Sir, the legal and professional fees that Mr. Ravi mentioned about which is particularly driven by legal and professional fees towards the acquisition opportunities that we were going after. See, we engaged external consultants, investment bankers to look for target acquisition companies in different geographies and the investment bankers were on a retainer as well as we did both financial due diligence and legal due diligence of one company. This is an exceptional item. This is one-off expense in the quarter which was to the tune of roughly almost Rs.2.9 crores. So, Rs.2.9 crores is what the expense towards this one-off item on legal and professional services. So that if you add that back into the EBITDA, the EBITDA margin would be 32%, which is in line with the previous period. So, what you see as 27% in the note that Mr. Ravi gave, it spoke about a 27% EBITDA margin, which actually is 32% if you factor in the one-off expenses towards that.
Praful Rai:	Is there any other one-off?
Prashanth H M:	The other one that we spoke about was the impact of labor code which is that is mentioned.

Praful Rai: Third, is on the acquisition side. We have been actively looking for it. Are we close to any transaction materializing?

Prashanth H M: Sir, we have been evaluating like what I said we have done the due diligence of one company already both legal and financial, but I am afraid we may not be able to announce on this call right away until we sign it off, sir. But be rest assured that we are actively looking for, at the same time we are very careful about the companies, we are not going too bullish and just like that acquiring, we are making a very, very clear and careful diligence of those companies both from the strategic alignment point of view as well as the possible risks that we see in the integration and the synergies. So, we are very careful about the target companies and we will make sure that we have the right one when we are ready for one. So, we will announce soon.

Praful Rai: How far are we to do any meaningful acquisition in terms of timelines, do you have any sense of time, because you have already spent some Rs.3-odd crores, it is really a serious activity you are pursuing. I will not hold you for it, but what is your sense of the timeline?

Dhananjaya Sudhanva: We have an American company where we have completed due diligence and we are discussing valuations. As always, sir, as you would know there will be a little bit of a higgle-haggle towards before we converge on the valuation. That is the stage we are in with an American company which we target to acquire. There are a couple of other targets in the UK, where due diligence has started, we have not yet got into the valuation stage.

Praful Rai: Okay. What is the net cash of balance we have as we speak?

Dhananjaya Sudhanva: Without the IPO procedure or including it?

Praful Rai: The IPO is we are done that is the money we have in our kitty too. What is the total cash we have?

Ravi Subramaniam: Rs.421 crores.

Praful Rai: Net cash balance means net of all outstanding debt is that?

Ravi Subramaniam: Yes.

Praful Rai: Okay. Thanks a lot.

Moderator: The next question is from the line of Sana, an individual investor. Please go ahead.

Sana: Hello, thank you for the opportunity, sir. Good morning. Sir I wanted to ask like few questions. Is the actively evaluating inorganic growth opportunities?

Prashanth H M: As Mr. Sudhanva responded in the earlier question of Mr. Praful, we are looking at inorganic growth opportunities via strategic acquisition. But like what I said earlier we are not acquiring for the sake of growth alone, we are very careful, we are we want to be acquiring companies which can provide strategic value and integration should contribute to a higher output than one-plus-one.

Dhananjaya Sudhanva: Let me complement that. The sales team that come in so that we can quickly enlarge the sales team and capability in those geographies and most importantly diversifying our geographical concentration. Hence we are looking at acquisition targets in the other countries as well. So, if we are successful that we will be diversifying our geographical markets.

Sana: Okay. So, your voice is like getting echoed. Another question I have is, what are our primary growth drivers for over next two to three to four years?

Prashanth H M: Right. So, the primary growth drivers are multifold -- one is from the growth of revenues via existing customers where we look at both mining the existing customers for additional projects and growth in the existing projects. As you would know, the model that we work with is where we the pricing model is on a per test if it comes to assessments and per user in the learning and so on and so forth. So, if our customers are able to deliver more tests, their tests succeeding in the market, the benefit of that translates in higher revenues for us as well. So, if we do a good job on the platforms that we provide to our customers and they succeed in their business, the number of tests that they deliver increases, and therefore our revenue also will increase. That is the primary thing. Then there could be additional projects or additional exams for instance in some of these exam bodies or in the services area we would get additional projects with our customers. So, mining for additional business in the existing customers is another major strategy that we obviously have. Going beyond the existing customers is where we are looking at new customers. New customers are both in existing geographies and in new geographies. We are expanding into newer geographies via partnerships as well as having our own increased sales presence in our existing markets. So, all these would definitely add better revenues to the top line. Added to the top line growth alone would not make the company grow across the board. So, we are looking at additional product lines as well. We are strongly looking at AI into the products and I think we should speak more about what kind of products that we have been looking at particularly in the AI front. In the traditional assessment business, what comes to your mind is an online examination that happens on the screen, right? But then assessment is even broader. For instance, skills examinations is another area where the world is moving towards digital transformation. As mentioned earlier, (VTCT) Vocational Training Charitable Trust is one of the customers whom we have won who are a vocational training. That is skills assessments body. So, hard skills like plumbing, carpentry and masonry, these kind of hard skills are also to be assessed, particularly in those geographies, those markets where they give a lot of impetus importance in the certification and skills assessment. There is huge potential for implementing online digital platforms for skills assessments. We are moving in that direction. We already have customers to testify the ability to deliver. The another area is the handwritten exams. Even world over today most exams are

handwritten, right? So, paper and pencil-based. If you have an answer script where you have answers written, how do market? That is what Mr. Sudhanva mentioned earlier. And this is typically called as an e-marking platform where we are using AI to bring in a sort of a process where you use two different AI pipelines where you extract the handwritten text, make it machine readable, and use AI for marking as well. So, in addition to the known new products, we also would want to mention that we have an innovation lab, we have new products coming out of that innovation and R&D lab where a healthy team of engineers, 65 people constantly look at how newer technologies like AI, Quantum and others can impact our products. So, we are consistently improving those products when we want to add on.

Dhananjaya Sudhanva: We have developed new products which will be rolled out next month, six new products in broadly the area of assessments driven by technology using AI and Quantum Computing as Prashanth mentioned, and we will launch officially these six products which have in the output of our innovation group.

Sana: Sir, can we expect 25%-to-30% of CAGR growth over next three to five years along with margin expansion?

Prashanth H M: Ma'am, we have decided not to give any guidance as yet. The moment we decide that we will provide guidance, we will be able to quantify and mention. But I would like to still talk about our prior year performances. We have consistently grown over the past several years and particularly in the last two years our strategies that we have come up with like what I mentioned in the note also, the strategies that we have had, one, grow consistently on our services as well as put a lot of impetus efforts on the product lines, particularly like the new product that we are mentioning and all of that. So, the growth that we have seen in the last one year is definitely something that will outpass in the future years. That much is what I can talk to you about. We will not be able to provide a number.

Sana: Okay, sir. Thank you so much, and all the very best.

Prashanth H M: Thank you very much.

Moderator: The next question is from the line of Pulavarthi Sai Kiran from Pulavarthi Advisor. Please go ahead.

Pulavarthi Sai Kiran: Hi, thanks a lot for taking my question. Just one quick question is that you mentioned multiple times that artificial intelligence is something used in your business. If you can just elaborate in terms of your capabilities regarding the same and how it helps you in getting more business, and then how it differentiates from your competitors that will really help?

Dhananjaya Sudhanva: Sir, firstly, the entire workflow of building and delivering exams benefit significantly from native integration of AI. I will take one example, sir. If we were to look at an Indian example of JEE or UPSC coaching centers, I am taking an Indian example, even though we do not work with them yet,

there are so many tests which need to be compiled -- there are practice tests there are mock tests and in one year of coaching there are many lot of testing that is done. Put together these tests, there are rules generally. They want to make sure that there is no repetition from previous years. There is a new approach to the question itself and the test itself in how they are composed from a problem-solving approach, because every year it has to be more challenging, preferably when compared to previous year. To do that manually is time-consuming and can also be error-prone. Using AI, you have a large question bank of let us say last 10 years. It will be more in the example I am giving you. In fact with other customers we are working with in US and UK there is a very large question bank and test banks. Of what has been delivered over the last 20 years we use that and apply AI models to make sure that the new set of questions which are generated, are actually different, and test the problem solving skills from a different way. They can even change the question type for example. If there was a descriptive question, AI can break it down into multiple objective types of questions. So, just on the item authoring side it gives them a lot of flexibility. And then the entire workflow is just not item authoring, it is about managing the item repository. The question repository is about composing tests. Composing tests also require a lot of manual effort. AI is a good scaffolding there to make sure that some of their fundamental rules of how they compose tests is assisted by AI. And then there is the delivery again. So, in each one of the stages of workflow, AI comes in very handy to make sure that repetition is not there, errors are not there in the exams that are delivered and the ability to analyze the outcomes of these tests is smart and high. So, AI make an impact on the entire workflow of our product offering. Prashanth, do you want to add?

Prashanth H M: Yes, of course. There are many other areas also including the eMarking that you described earlier where AI plays a significant role. Traditionally, if you look at the LLMs available in the market and try to use that for example to extract the handwritten text, right? So, it typically would be a 65% to 70% accuracy is what we have more. We have delivered a 98.6% accuracy on the AI-based extraction of handwritten text. How was that possible is because of the ability to use multiple LLMs on our own hardware and adding the right kind of weights for different models which are good in one thing or the other, some for the image and processing, some for text and things like that. By using the right combination of different LLMs we were able to get 98.6% which is very, very unprecedented kind of accuracy in the handwritten text extraction. So, use-cases are across the board. For example, we use AI in the proctoring area where you have an individual student attending an exam sitting somewhere else and he is watched over by a set of AI tools helping an individual human proctor or human in which later sitting somewhere else, right? So, such enablements are possible via AI. There are more than 18 different use cases that we have already worked on and several more in the pipeline.

Dhananjaya Sudhanva: There is one more use case which is being talked about quite a lot these days, which is anti-cheating software. How do you prevent cheating in exams even though it is online and how do you detect and how do you make sure that it becomes fool-proof? AI-based proctoring products are the solution. We were one of the early-movers and we are seeing increased adaptation of our AI-based proctoring software for various high-stakes exams around the world. That is another thing I wanted to add. The

last thing, sir, for your question. AI has become fashionable and obviously benefits are being seen. There is competition, lot of players in the IT field are embracing AI in different ways. IT services would use it in a certain way. And in some ways, we have seen recent reports even from yesterday that IT services segment faces headwinds due to AI. In our case, because the products are AI-native it delivers all the benefits, but we do not face headwinds because there is a significant benefit and value proposition that gets passed on to our customers. So, yes, there is competition. Yes, we have to watch out for competition. We have our team who attend all the relevant conferences, give us an analysis of competition. We have to work hard to stay ahead of competition all the time and hence our team of research and innovation. We have a market intelligence team which is feeding into the research innovation team and we are able to use that as an input to improvise and innovate.

Pulavarthi Sai Kiran: Great, sir. That is really helpful. Just one question. In your opening remarks, one of the first pillars you mentioned is that trying to expand and penetrate deeper into your core market is people on the ground on the marketing side. If you can just elaborate a little further what are the initiatives which you have taken in the last maybe two, three quarters or maybe recently that will be really helpful?

Prashanth H M: Right. Traditionally we have had a very lean sales team in the geographies, we would operate primarily from India but have a very few people in the USA for instance in the UK. We want to expand that. Our direct presence in those markets is primarily to provide the frontline sales efforts as well as proximity to the customers. When you are closer to the customer, you can do better account management, you can win more projects, you can mine better and all of those happens. So, that with that intent we are expanding. We already have given the mandate to manpower consultants and our own efforts as well. We have been successful in adding a few people already in the US, in Middle East, Singapore, and we are many more adding into the sales force, they are all in the various stages of the of hiring.

Dhananjaya Sudhanva: And one nuance in this approach, sir, is, we have hired consultants in each of these geographies. Consultants who have worked earlier with our clients but have retired or moved on to some other company and now have become independent consultants. They have a network in these countries, for instance, we have consultants in the US, one, for government business the other one, for the publishing business. Both were part of those systems retired or moved on to the other companies which do not conflict with what we do or what they were doing with the earlier companies. But, I have a great network. A sales team around the consultant is helping us a lot, because the consultants are able to give us new leads which the sales team is going after. So, that model is working well for us in the US and in the UK, sir. They are senior people, they are seen as thought-leaders in the industry

Pulavarthi Sai Kiran: Got it. Thank you. A few data-keeping questions, sir. First, the IPO expenses are taken into the P&L this quarter considering IPO happened in November?

Prashanth H M: No, sir, IPO expenses have not been considered into the P&L.

Ravi Subramaniam: It goes into the share premium account. Around Rs.70 lakhs which was spent before this filing DRHP in all those stages, advised by the consultant and PrLM not to show as IPO expenses and not to adjust against the share premium account which only it is taking to the P&L directly, Rs.70 lakhs is already done in this quarter itself.

Pulavarthi Sai Kiran: Understood. Rs.250 crores was your cash on books as of September, and Rs.180 crores new cash you have taken into the IPO, and out of that you had spent Rs.30 crores for the land and the rest of the Rs.150 crores is yet to be spent for upgrading your infrastructure and M&A, is my understanding right or is there any change over there?

Prashanth H M: Just a small correction. Not all the Rs.180 crores is available because that would be net of IPO expenses. Okay, we are doing that. What you said is correct.

Pulavarthi Sai Kiran: Understood. The upgrade of infrastructure is already happening or is it still work in the progress or is what is the stages?

Prashanth H M: It would be implemented in the two years.

Dhananjaya Sudhanva: We have identified some of the more modern clouded GI devices. So, we are going from outside and we have already identified vendors and placed orders. So, we will actually start from the edge of our network in implementing AI and buying AI devices and tools and work inwards to every single person's laptop.

Moderator: The next question is from the line of Sarang from Courser Park Advisors. Please go ahead.

Sarang: Hi, good morning, sir. Thank you for the opportunity. Are we already seeing productivity gains from deploying AI, and is this leading to repricing of existing contracts with the customers or are we absorbing all the monetary benefits?

Dhananjaya Sudhanva: Partly passing it on to the clients but largely absorbing it ourselves. The approach has been that the tools that we use already for developing and deploying for customers get benefited from the new AI models and new AI tools. So, it is not as though the core tools that we use, we stop using and everything we use is used to deliver to customers with AI. It will take some time as AI is evolving as we are finding out new things about AI new models coming up, some ethical considerations, etc., we have carefully calibrated our approach of how much of AI and how we will implement it in our product and how much of risk appetite for AI does the customer have. Each customer has a different risk appetite. Some customers are very aggressive on using AI, some customers are still worried about ethical considerations and risks of using AI. So, it is a balanced approach we have to take sir from customer-to-customer. As far as we are concerned, we are capable of retrofitting AI and using

all AI mixed mode models which Prashanth explained, and we are happy to pass on the benefit to the customer. Definitely, it will benefit us for sure, because the from the requirements gathering to deployment in the company is a lot of these steps are AI-driven, for instance, test cases construction, the QA, all of it is AI-driven. That is internal. So, we made a choice on how we will use it. As far as customers are concerned, they will pick and choose what parts of the platform that we provide them should be enabled and what need not be any. So, it is at this point in time a time test.

Sarang:	Yes, okay. Secondly, what would be the R&D expense for this quarter and nine months? And how much would we have expensed and how much would we have capitalized for the same?
Ravi Subramaniam:	We have a product development expenses, Rs.2.7 crores, okay, this is the capitalized. R&D expenses, okay, right now we do not have the number, we will let you know that exactly.
Sarang:	Sure. Lastly, the professional legal fees that you had called out to the extent of Rs.2.9 crores, since we have not yet announced any acquisition yet, right? Could this expense continue in the near-term considering the impending due diligence on the UK company? And also I believe that last year we had done EBITDA margin upwards of 40% in Q4. Can we expect similar margin profile this year?
Prashanth H M:	Sir, on the expense towards the acquisition side, so there are two parts that I mentioned -- one is on the due diligence, the other was the retainership. The retainership has already stopped. So, there would not be any retainership in Q4 for the investment bank, right? So, to that extent it would be reduced. And the due diligence of the other targets that we are talking about, is an internal due diligence being done now, it is our own people diligence on the tech and the customer diligence that is being done. There is no outgo of any fees towards those two diligences. When we are ready for the financial and legal diligence is when we may occur incur expenses, which we are not sure whether we will incur in the current quarter. So, that way the EBITDA margins in Quarter 4 will not be strained.
Sarang:	Sure, got it. On the legal processing, I got it. And the EBITDA margin for Q4 which was 40% last year, can we maintain that considering the mix would not change much?
Prashanth H M:	It is not different from not only last year but it has been a trend. The EBITDA margins in the last quarter is always the highest. That is driven by the highest revenue in the quarter as well. So, I do not see a reason why the trend should continue.
Sarang:	Got it. Thank you and all the best.
Moderator:	Due to time constraints that was the last question for today. I now hand the conference over to Mr. Dhananjaya Sudhanva, Chairman and Managing Director. Over to you, sir.

Dhananjaya Sudhanva: Thank you. This is Dhananjaya Sudhanva. As we close our earnings call, I would like to reflect on the journey ahead. Excelsoft stands on a strong foundation built over more than two decades. With our expanding global presence, strengthened product capabilities and strategic partnerships with other organizations, particularly in other geographical territories, and with organizations like AQA and VTCT which have large footprints in their own areas of qualifications and occasional training, we are uniquely positioned to lead the transformation of our digital assessments and learning. The industry is undergoing a fundamental shift towards secure, scalable and AI-enhanced platforms and Excelsoft is deeply aligned with these long-term trends as we have explained earlier. Our focus will continue to be on responsible innovation, strengthening our talent pool, deepening client relationships and strengthening new sales in each one of these territories, executing with excellence across our businesses, minimizing any customer problems in the field or customer escalations, which we have minimized now. We remain committed to building sustainable long-term value for all stakeholders, our shareholders, most importantly, our employees, our customers, our partners, and the community we operate in is they are also stakeholders, and it is very important for us to leave us sustainable long-term value for all these stakeholders. And I thank you once again for joining us and we look forward to interacting with you regularly in the quarters ahead. These sessions help us a lot, the questions that come, help us introspect, help us improve on what we are doing, help us identify gaps in what we may not be doing, and hence this session and other sessions I am sure we will be very valuable to our business to grow the business in a sustainable manner and in a profitable manner. So, thank you all very much and have a good day.

Prashanth H M: Thank you very much.

Moderator: On behalf of Excelsoft Technologies Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.