fractal

Quarterly Update Q3 FY2026

March 5, 2026

Safe Harbor Statement

Certain statements in this presentation concerning our future growth prospects are forward-looking statements. These statements are subject to substantial known and unknown risks, uncertainties and other factors, which may cause actual results or outcomes to differ materially from those implied by the forward-looking statements. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements include, but are not limited to, risks and uncertainties relating to the execution of our business strategy, our revenues highly dependent on clients located in the United States, our ability to attract and retain highly skilled professionals, increase in wages, investments to reskill our employees, economic uncertainties and geopolitical situations, technological disruption and innovations, complex and evolving regulatory landscape, including immigration regulation changes, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry

The Company may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Stock Exchanges and our reports to shareholders. All forward-looking statements included in this presentation are based on information and estimates available to us on the date hereof, and we do not undertake any obligation to update these forward-looking statements unless required to do so by law.

Financial Performance

Market leading organic growth and profitability

Q3'26 Fractal Group: We delivered a great quarter, improving on nearly every metric

Growth

INR 8,544m ▲ *21% YoY*
Revenue from operations

114%
Net Revenue Retention (NRR)

77
Net Promoter Score

USD 85K | INR 7.4m ▲ *6% YoY*
Revenue per Billable FTE

Profitability

47% ▲ *17 bps YoY*
Gross Margin

18% ▲ *43 bps YoY*
Adjusted EBITDA margin

INR 1,001m ▲ *10% YoY*
Profit after tax

Other highlights

6.8% ▲ *186 bps YoY*
R&D investments

INR 1,294m ▲ *16% YoY*
Cash flow from operations

6.40 ▲ *6% YoY*
EPS

Fractal Group CC growth for Q3'26 is 14% YoY and 5% QoQ | R&D opex is 4.1% of revenue in Q3'26, 2.8% is capitalized

Q3'26 Fractal.ai: Our existing clients continue to expand their relationships with us
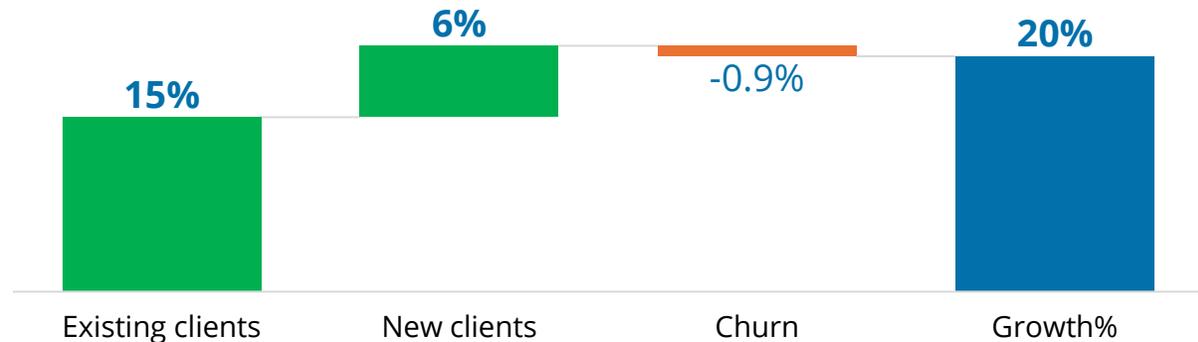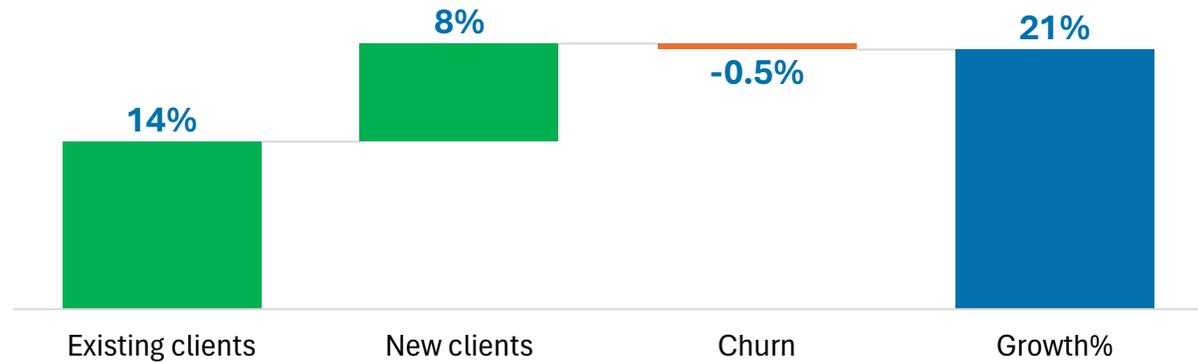
All values in INR m, except %

Net Revenue Retention (NRR)

114%
Q3'26

115%
9M FY26

Existing clients	New clients	Churn	Growth%
14%	8%	-0.5%	21%

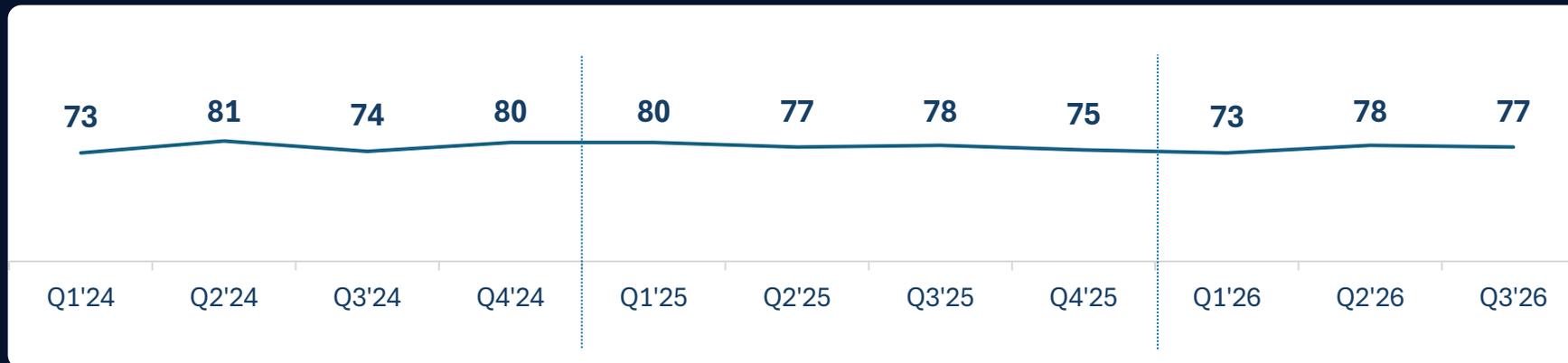| Existing clients	New clients	Churn	Growth%
15%	6%	-0.9%	20%

Net Revenue Retention (NRR) 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

Fractal continues to be one of the most respected brands in AI

## Net Promoter Score (NPS) [1] for Fractal.ai

77

Q3'26

73	81	74	80	80	77	78	75	73	78	77
Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26

[1] Net Promoter Score (NPS) 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. Promoters are clients who score us at 9 or above. Detractors are clients who score us 6 or below. NPS = Promoters% - Detractors% . NPS is presented as a score (Scores above 50 are considered great for consumer brands and above 40 for B2B brands)
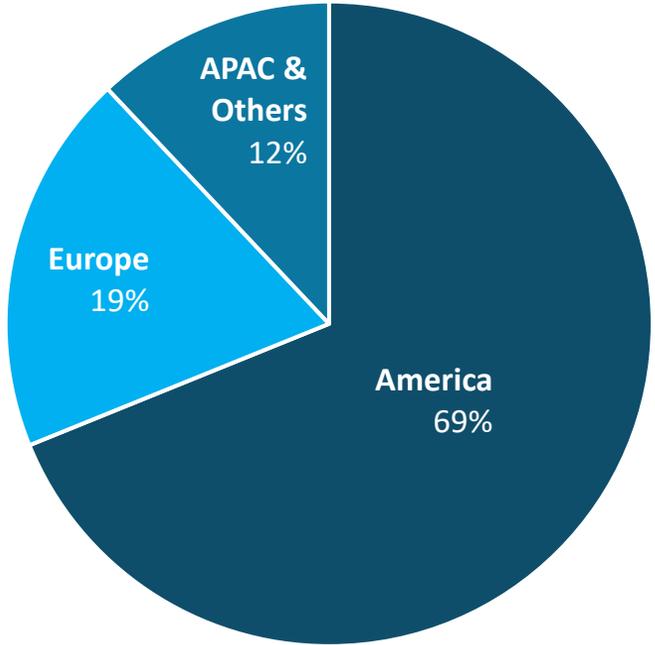
Q3'26 Fractal.ai: We have a diversified revenue base with growth across industries & geographies

Revenue by industry mix (Q3'26) – Fractal.ai
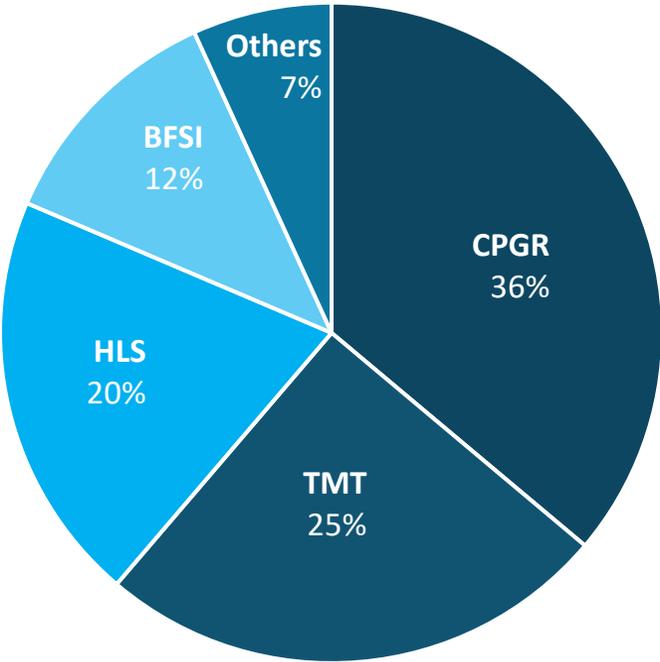
	YoY
CPGR	▲14%
TMT	▼ 2%
HLS	▲78%
BFSI	▲26%
Others	▲48%
Total	▲21%

Pie chart: CPGR 36%, TMT 25%, HLS 20%, BFSI 12%, Others 7%

Revenue by geography mix (Q3'26) – Fractal.ai

	YoY
Americas	▲26%
Europe	▲26%
APAC & Others	▼ 6%
Total	▲21%

Pie chart: America 69%, Europe 19%, APAC & Others 12%

Revenue by geography is based on client billing location

Fractal.ai: 58 clients with $1m+ annual revenue

Fractal has scaled client relationships with significant headroom for growth

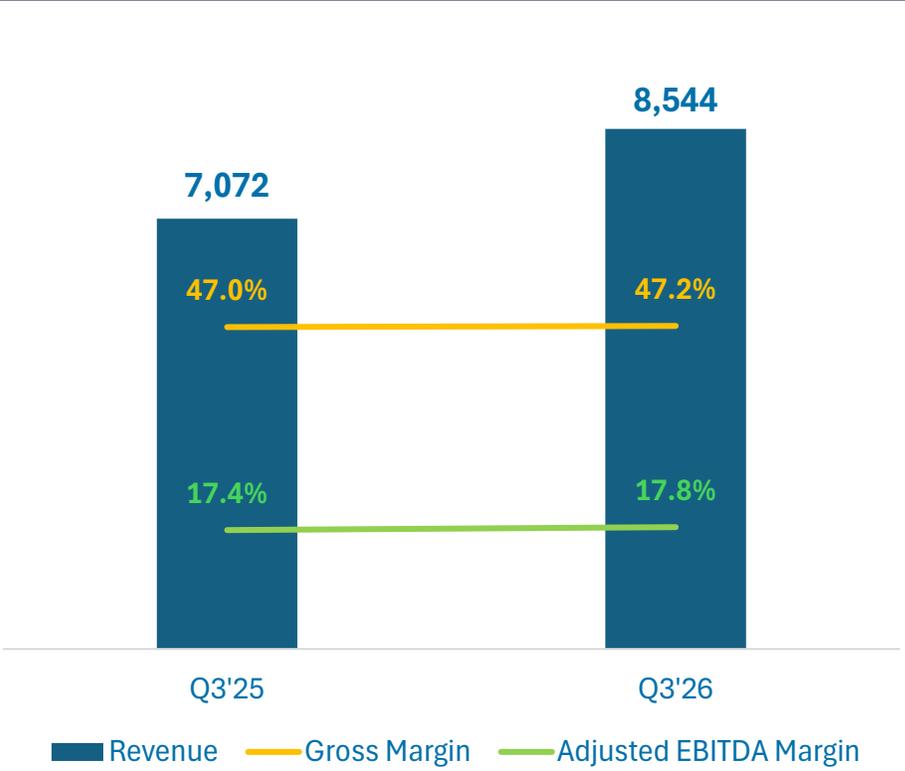## Clients by Annual Revenue Contribution (Fractal.ai)

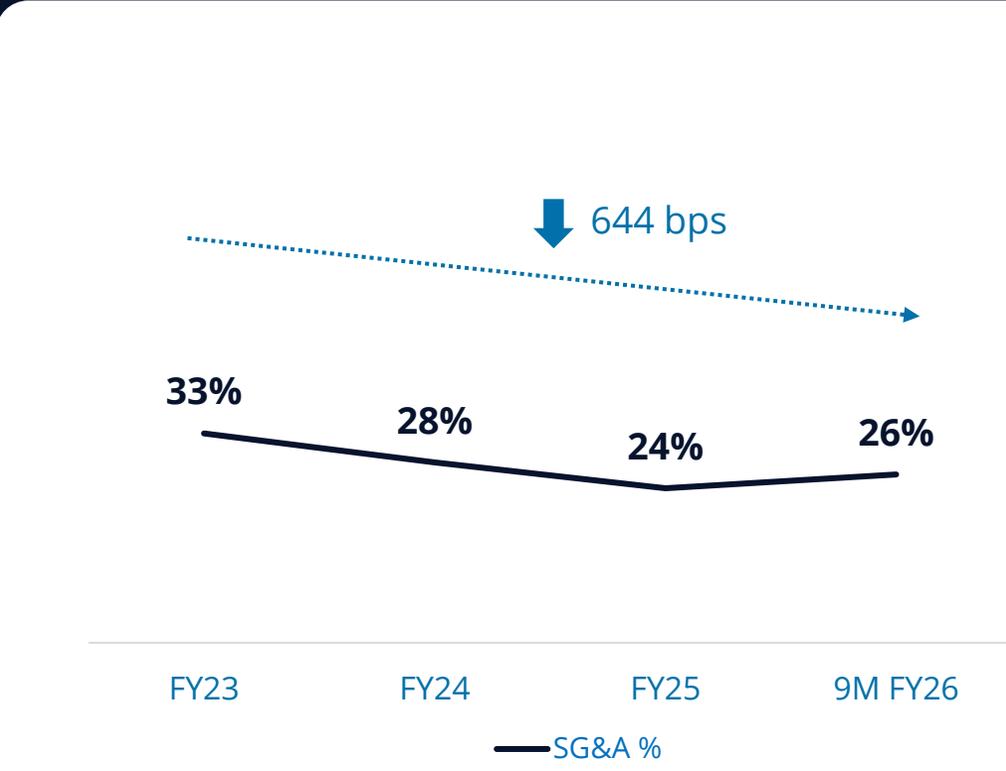|	FY2023	FY2024	FY2025	TTM Dec FY26
>$1m	45	48	53	58
of which, >$5m	10	11	15	18
of which, >$10m	5	5	6	8
of which, >$20m	1	2	5	6

Q3'26 Fractal Group: We have expanded our margins with increased operating leverage
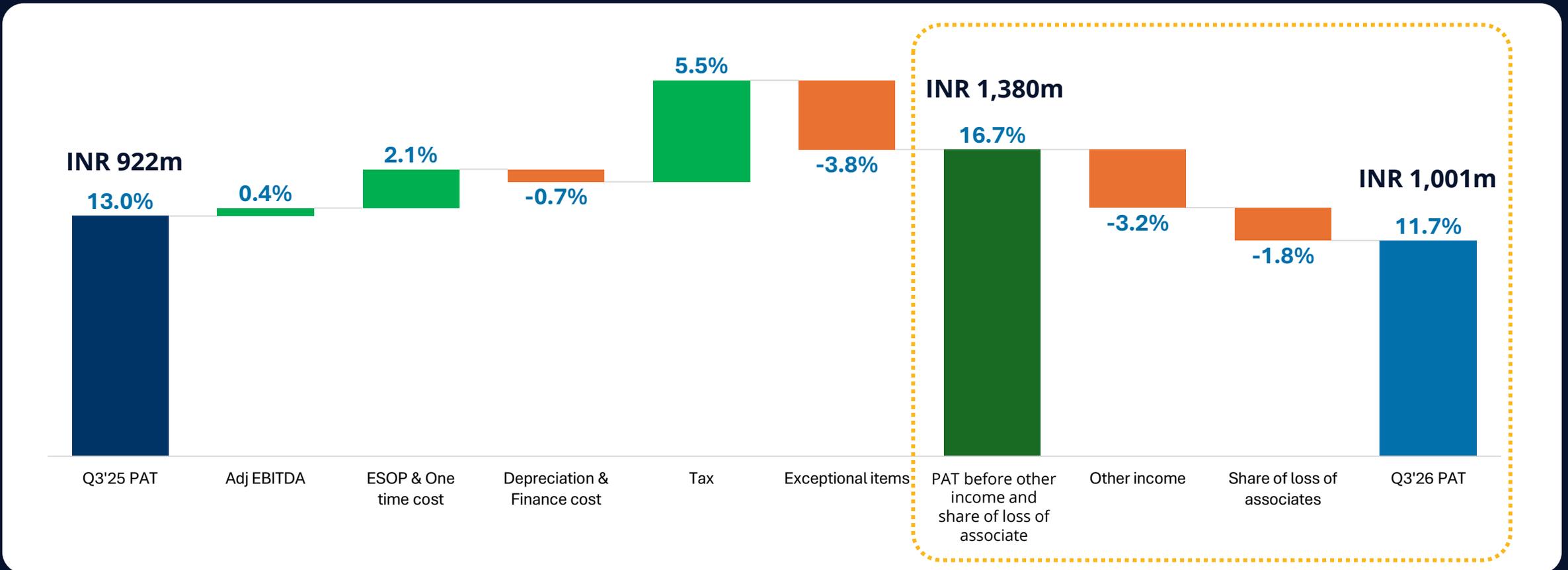
All values in INR m, except %

Improved profitability

- Revenue: 7,072 (Q3'25), 8,544 (Q3'26)
- Gross Margin: 47.0% (Q3'25), 47.2% (Q3'26)
- Adjusted EBITDA Margin: 17.4% (Q3'25), 17.8% (Q3'26)

Legend: Revenue — Gross Margin — Adjusted EBITDA Margin

Operating leverage

↓ 644 bps

SG&A %: 33% (FY23), 28% (FY24), 24% (FY25), 26% (9M FY26)

Fractal Group: Our quarterly PAT crossed INR 1 Bn in Q3'26

All values in INR m, except %

Q3'26 has **deferred tax benefit of 478 bps** and is affected to the extent of **871 bps from non operating items:** Exceptional items (gain on the measurement of deemed stake sale of Qure.ai owing to their fundraise in Q3'25), forex loss on account of mark to market in other income and Qure.ai losses in share of loss of associates

Fractal Group: Cash flow conversion continues to accelerate with working capital management efficiency

All values in INR m, except %

Cash flow from operations
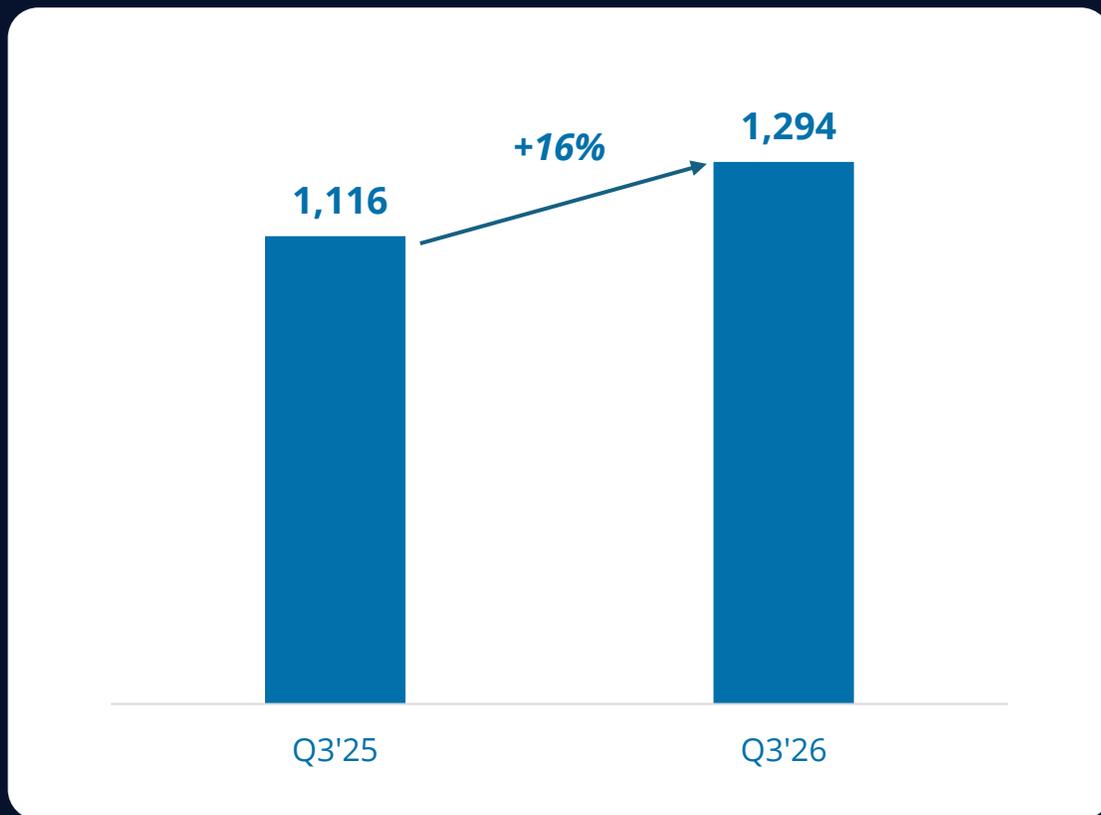
Days of sales outstanding (DSO)

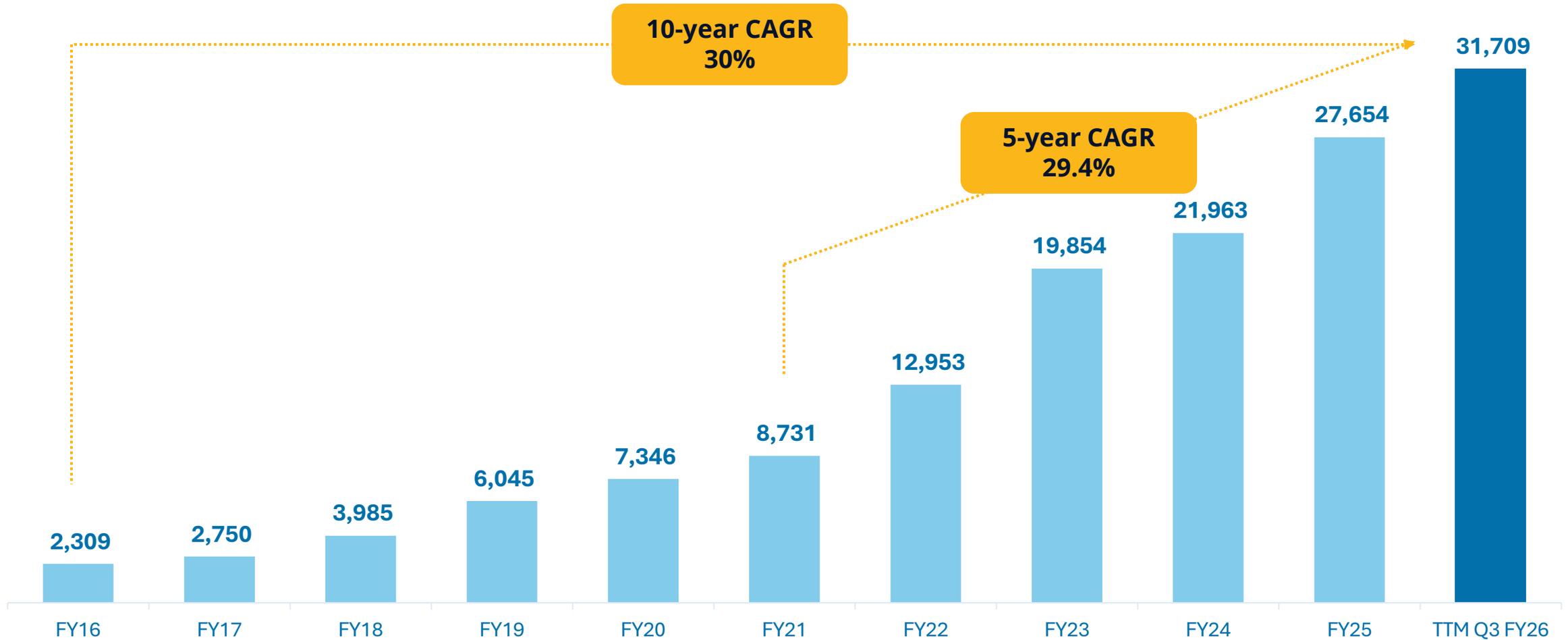Cash and cash equivalents of INR 8,158m include liquid investments and bank deposits

Fractal is well positioned to win the $593 bn Enterprise AI market

Client First	People Focus	Innovation Engine	Financial Profile TTM Dec FY26
76 Net Promoter Score[1,2]	**5,919** Employees[5]	**6+** AI Products	**INR 31,709m, 21%** TTM Dec FY26 Revenue, YoY Growth
127 MWC Clients[1,3]	**0.8%** Selection Rate[6]	**66** Patents & Patent Applications[8]	**46.6%** Gross margin (TTM Dec FY26)
115% Net Revenue Retention[1,4]	Great Place To Work. Certified 10 years in a row (CY2017-26)[7]	**6.4%** of revenues on R&D[4]	**17.0%** Adjusted EBITDA (TTM Dec FY26)

[1] Only for Fractal.ai which does not include Fractal Alpha; [2] 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); [3] Refers to our clients with at least US$10 billion in annual revenue, or US$20 billion market capitalization or serving at least 30 million end-users annually; [4] For 9M FY26; All other data points are on consolidated basis at group level for 9M FY26 unless mentioned specifically; [5] As of December 31, 2025; [6] In Fiscal 2025, we hired 1,514 Fractalites, amounting to 0.8% of the 195,707 applications that we had received; [7] As of February 28, 2026; [8] As of February 11, 2026

We have consistently delivered **industry leading** revenue growth

All values in INR m, except %

10-year CAGR
30%

5-year CAGR
29.4%

FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	TTM Q3 FY26
2,309	2,750	3,985	6,045	7,346	8,731	12,953	19,854	21,963	27,654	31,709

Fractal is seen as one of the most credible AI players in the Retail & Consumer Goods industry

Fractal wins
Microsoft Partner

of the Year 2025

Microsoft

2025 Partner of the Year

Winner
Retail & Consumer Goods Award

In addition, we secured "Preferred Supplier" status with two Mag 7 clients

Preferred supplier status with **two Magnificent 7 clients** and signed **multi-year contracts** to drive enterprise AI in their commercial organization

"Magnificent seven" companies are defined as Microsoft, Apple, Nvidia, Alphabet, Amazon, Meta, and Tesla

Integrated, end-to-end AI capabilities

FUNCTIONAL CAPABILITIES

Supply chain

Financial analytics

Digital Intelligence
and Experience

DOMAIN CAPABILITIES

Banking, Financial
Services and
Insurance

Retail

ESG Analytics

Consumer
Packed Goods

CLIENT PRIORITIES

Personalization Engines

Healthcare &
Life Sciences

Drive
sustainability

Drive business
growth[1]

Drive day-to-day
tactical decisions

Drive operational
effectiveness

Drive product
innovation

Marketing

Technology,
Media & Telecom

AI PRODUCTS

AGENTIC AI

cogentiq
Platform & Products

vaidya.ai
by fractal

PiEvolve

GENERATIVE AI

kalaido.ai

MARSHALL**GOLDSMITH**.ai

CLASSICAL AI

asper
a fractal company

qure.ai

Analytics
Vidhya

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Cogentiq & Research

Fractal is building leading Enterprise AI products

We are building breakthrough products powered by deep AI research

Our AI R&D is a key differentiator

6.8%

of revenue[1]

Research and Development

Fathom-R1-14B

LRM Open-sourced

asper a fractal company

AI for revenue growth management

vaidya.ai by fractal

Multi-modal reasoning medical model

pioneer multi-agentic digital organization

PiEvolve evolutionary agentic framework for machine learning

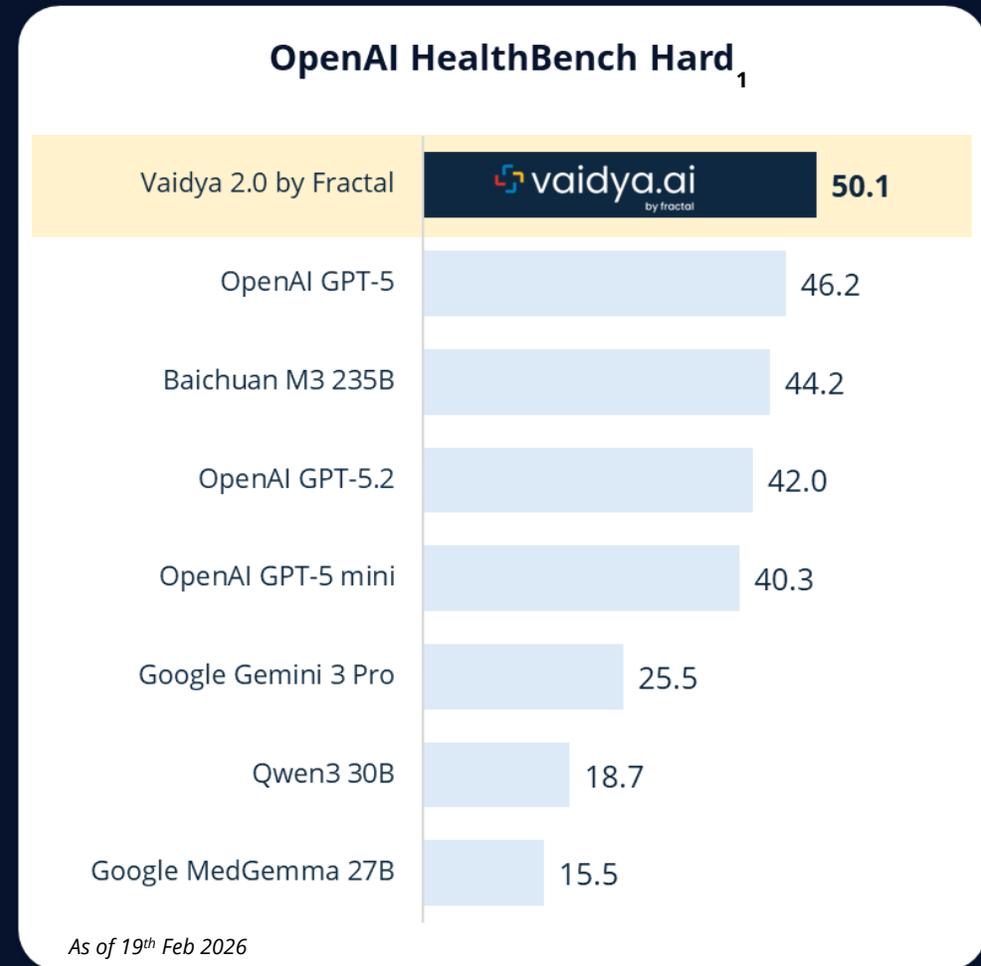## AI products hosted on Cogentiq

cogentiq by fractal

Enterprise agentic AI platform with functional and vertical apps

[1] R&D spends as a % of revenue for Q3 FY26; Research and development investments comprises operating expenditure and capital expenditure relating to research and development respectively
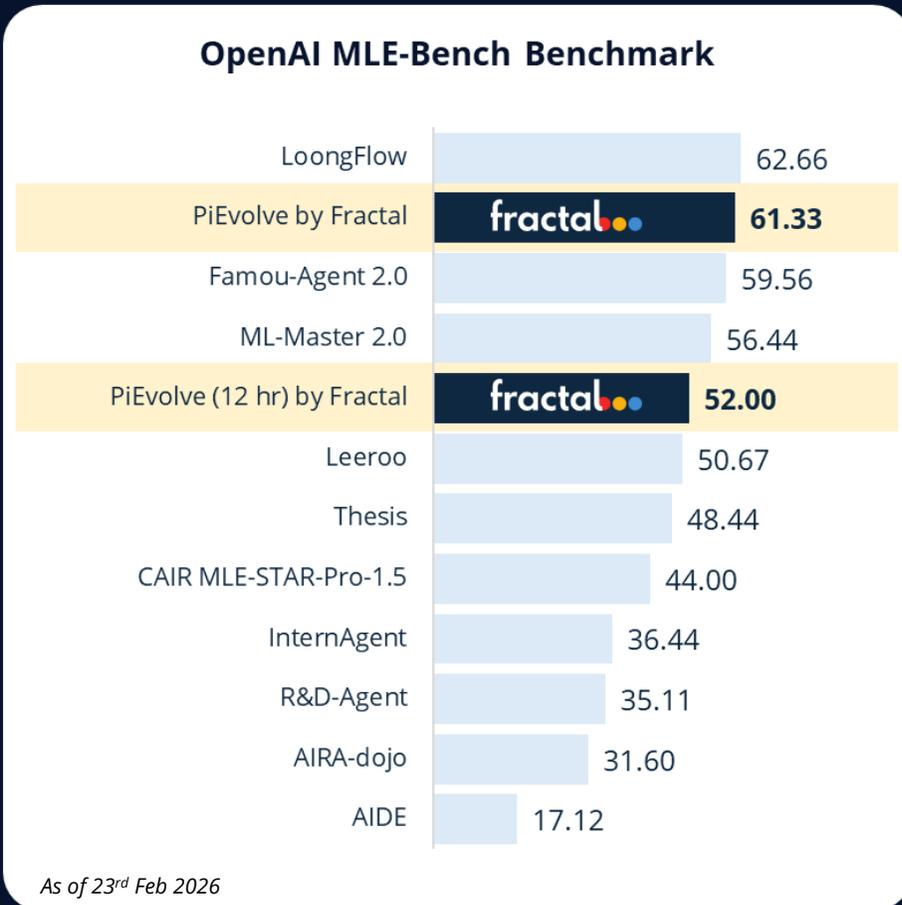
Fractal's Vaidya 2.0 is beating global model benchmarks

Vaidya 2.0: First AI model to achieve a 50+ score on OpenAI's HealthBench (Hard)[1], outperforming ChatGPT-5, GPT-5.2 and Gemini Pro 3 on the toughest healthcare benchmarks

OpenAI HealthBench Hard[1]

Model	Score
Vaidya 2.0 by Fractal	50.1
OpenAI GPT-5	46.2
Baichuan M3 235B	44.2
OpenAI GPT-5.2	42.0
OpenAI GPT-5 mini	40.3
Google Gemini 3 Pro	25.5
Qwen3 30B	18.7
Google MedGemma 27B	15.5

As of 19th Feb 2026

[1] HealthBench (Hard) is OpenAI's most challenging subset of the HealthBench evaluation, designed to assess advanced clinical reasoning across complex diagnostic and management scenarios. The "Hard" split evaluates models on multi-step medical problem-solving requiring synthesis of clinical history, investigations, and evidence-based decision-making, with performance measured against expert-validated reference answers. HealthBench details: https://openai.com/research/healthbench . Scores self-reported in various peer reviewed papers by respective organizations https://openai.com/index/healthbench/

Fractal's PiEvolve is ranked #2 on OpenAI's MLE-Bench[1]

OpenAI MLE-Bench Benchmark

Agent	Score
LoongFlow	62.66
PiEvolve by Fractal	**61.33**
Famou-Agent 2.0	59.56
ML-Master 2.0	56.44
PiEvolve (12 hr) by Fractal	**52.00**
Leeroo	50.67
Thesis	48.44
CAIR MLE-STAR-Pro-1.5	44.00
InternAgent	36.44
R&D-Agent	35.11
AIRA-dojo	31.60
AIDE	17.12

As of 23rd Feb 2026

PiEvolve (12 hr) uses only ~50% of the compute budget.
Note: Unless specified otherwise, models did not have access to web search.

PiEvolve, an evolutionary[2], agentic engine designed for **autonomous machine learning and scientific discovery,** ranks among **the top-performing agents** on **OpenAI's MLE-Bench** outperformed agents from leading AI research labs, including Google, Microsoft and Meta

[1] MLE-Bench is OpenAI's benchmark for evaluating autonomous AI agents on real-world machine learning challenges. It measures end-to-end capability across experimental design, code generation, model training, and optimization, and is widely regarded as the gold standard for agentic ML evaluation. MLE-Bench details: https://openai.com/research/mle-bench.. Scores reported on MLE bench administered and published live by the openAI team mle-bench/README.md at main · openai/mle-bench · GitHub; [2] Unlike agents that follow a single linear chain of reasoning, PiEvolve operates through evolutionary search - generating multiple candidate solution paths in parallel, testing them in real execution environments, retaining what works, and iteratively improving through selection and refinement.

Fractal AI & Alpha

Fractal is delivering breakthrough client results with AI

Large enterprises are beginning to reimagine manufacturing in the age of AI

pepsico

Transforming packaging & production with real-time AI decisioning in LATAM

Across global production lines, AI optimizes 300+ packaging parameters in real time - reducing variability, improving consistency, and throughput elevating overall manufacturing performance.

AI powered route-to-market expansion drives revenue growth

Global CPG major unlocks high-value whitespace to drive smarter coverage expansion

An AI-powered solution estimates store-level sales potential and market penetration - maps covered and uncovered outlets across regions - and recommends priority expansion actions - enabling data-driven district selection, improved field productivity, and scalable revenue growth.

AI is powering freight fulfilment decisions to improve efficiency

Manufacturing giant reduces reliance on high-cost air freight through proactive planning

An AI-powered solution identifies finished goods shipments - from plants and distribution centers to customer locations - at risk of ocean-to-air conversion and recommends next-best alternative fulfillment strategies - enabling earlier planning, reduced expediting, and structurally lower logistics spend.
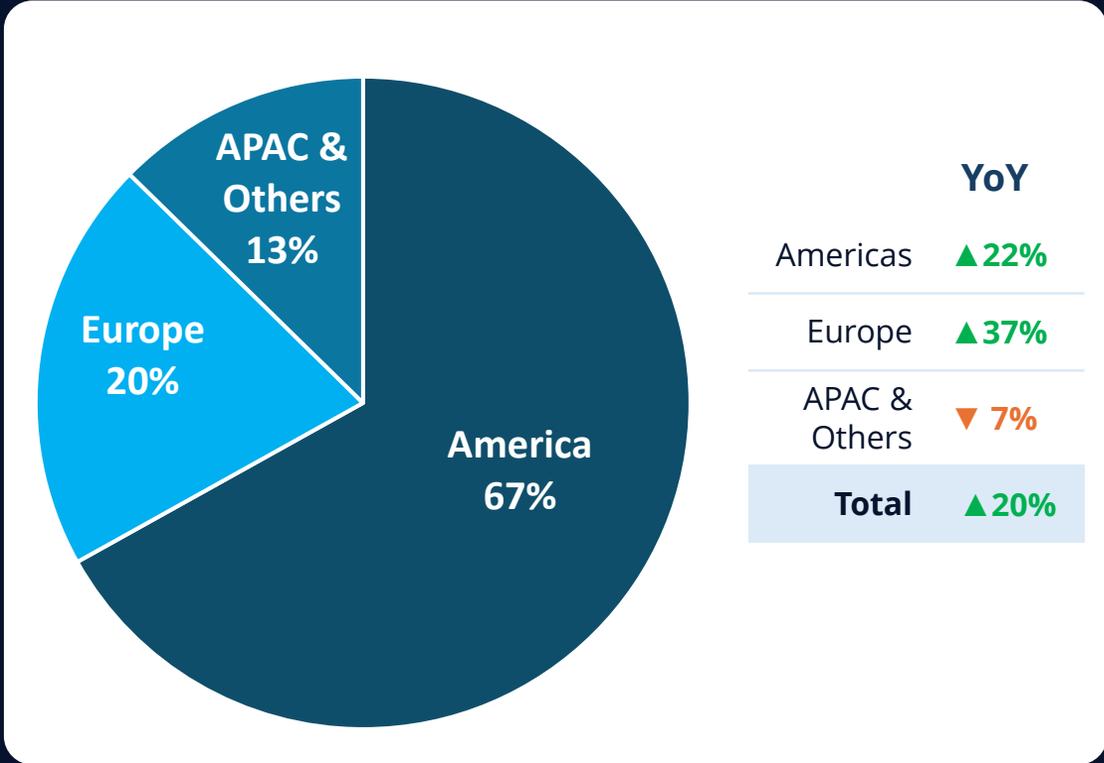
Financial Performance

9M FY26 performance

9M FY26 Fractal.ai: We have a diversified revenue base with growth across industries & geographies

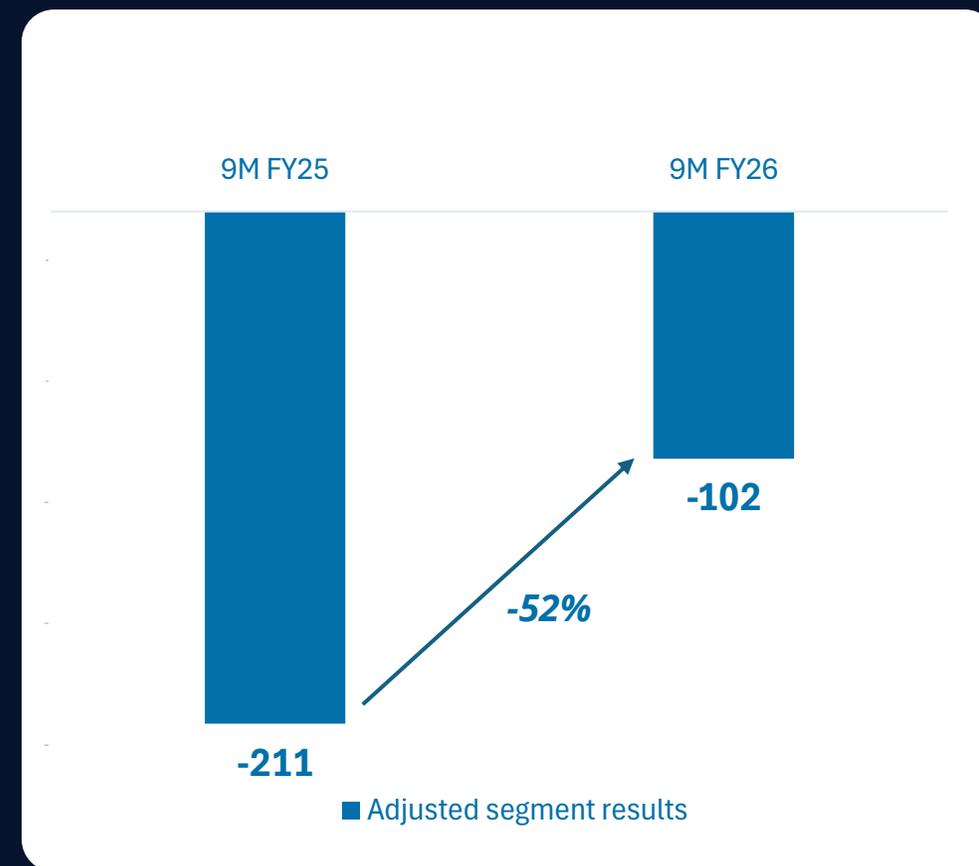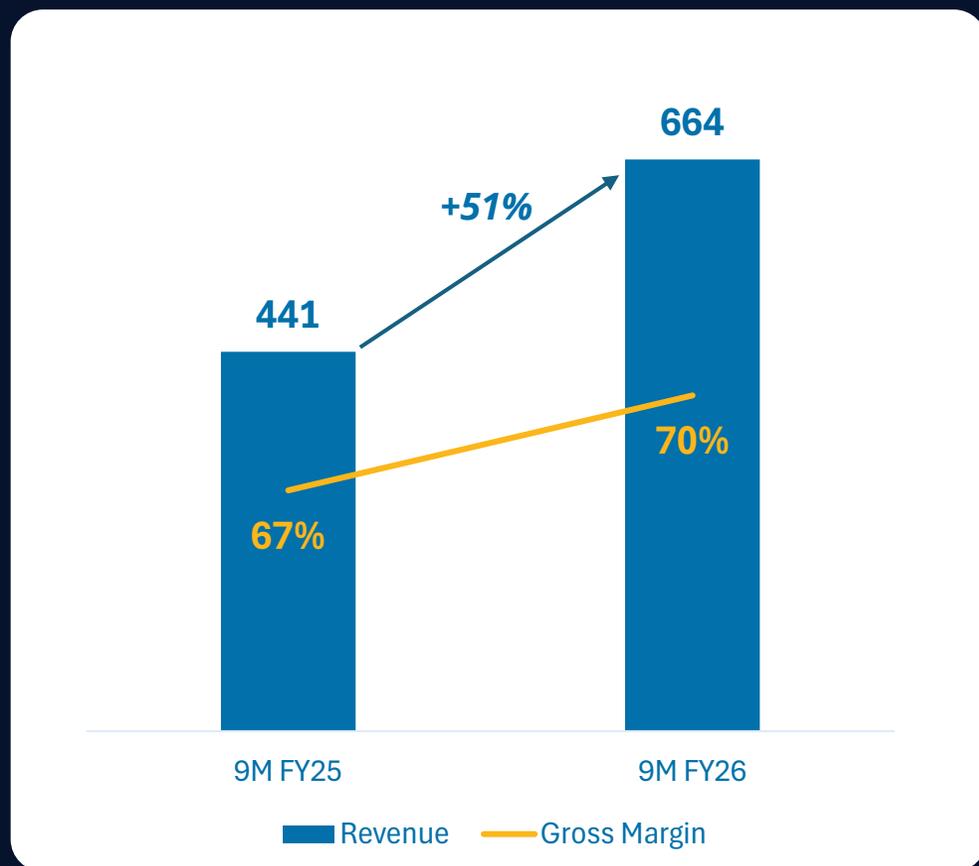## Revenue by industry mix (9M'26) – Fractal.ai

	YoY
CPGR	▲13%
TMT	▲ 6%
HLS	▲60%
BFSI	▲28%
Others	▲29%
Total	**▲20%**

Pie chart segments: Others 6%, BFSI 12%, HLS 18%, TMT 26%, CPGR 37%
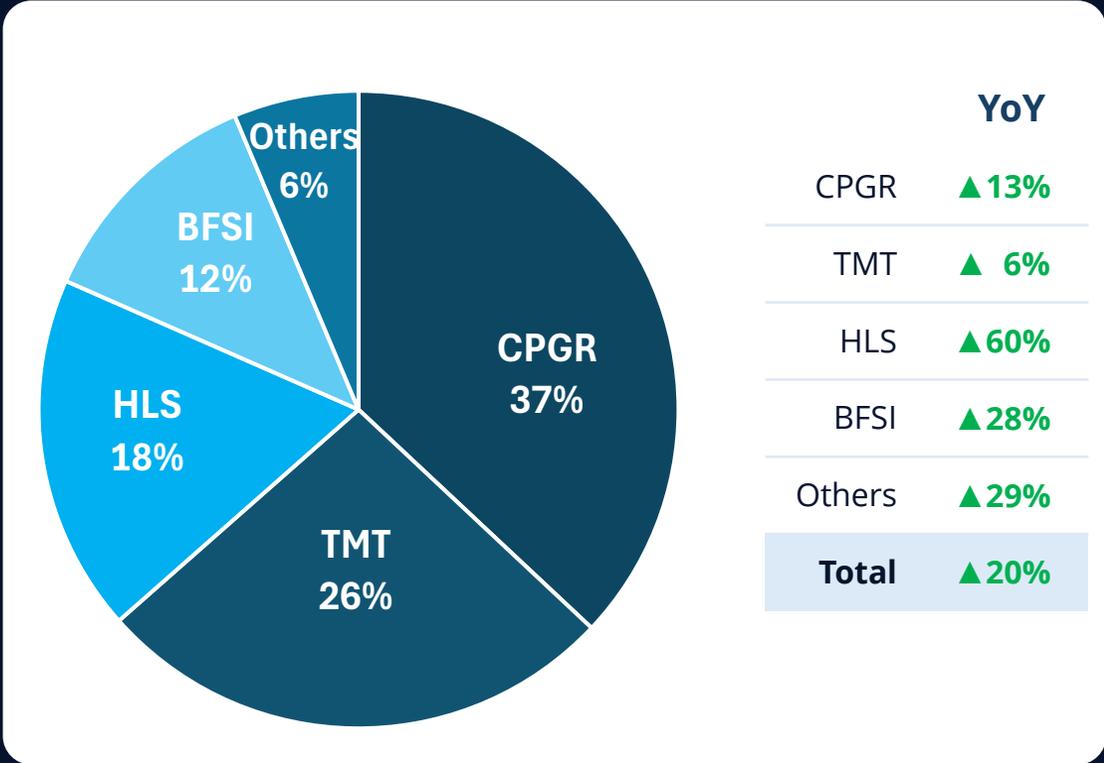
Revenue by geography mix (9M'26) – Fractal.ai

	YoY
Americas	▲22%
Europe	▲37%
APAC & Others	▼ 7%
Total	**▲20%**

Pie chart segments: APAC & Others 13%, Europe 20%, America 67%

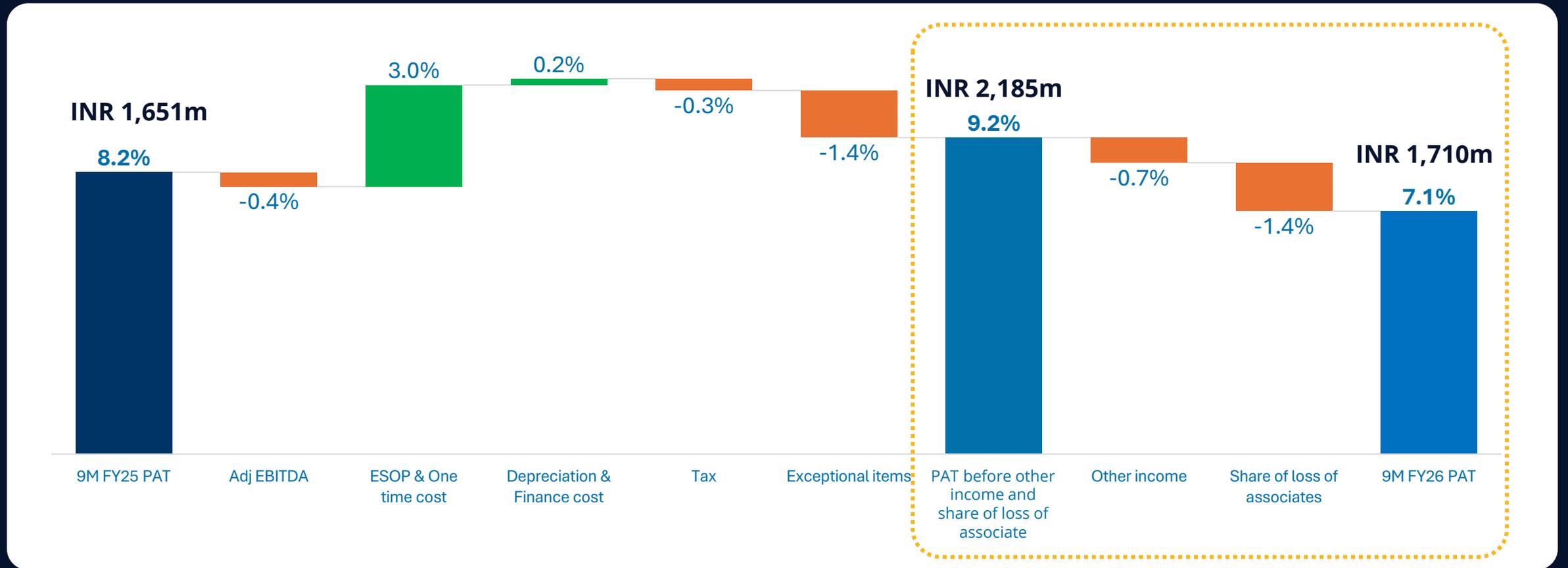Revenue by geography is based on client billing location

9M FY26 Fractal Alpha: Revenue grew by 51% with 276 bps gross margin expansion and 52% reduction in negative adj. segment results

All values in INR m, except %

664

441

+51%

70%

67%

9M FY25   9M FY26

■ Revenue   — Gross Margin

9M FY25   9M FY26

-102

-52%

-211

■ Adjusted segment results

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Fractal Group: 9M FY26 PAT is INR 1,710m

All values in INR m, except %

9M FY26 PAT has impact of **352 bps from non operating items-** Exceptional items (gain on the measurement of deemed stake sale of Qure.ai owing to their fundraise in Q3'25), forex loss on account of mark to market in other income and Qure.ai losses in share of loss of associates

Fractal Group: Revenue per billable FTE has improved by 6% YoY

	9M FY25	9M FY26	Var
Revenue	INR 26,112m	INR 31,709m	▲21%
Average Billable FTE	3,729	4,260	▲14%
Revenue per billable FTE	USD 83.7k INR 7.0m	USD 84.5k INR 7.4m	▲2% *(USD)* ▲6% *(INR)*

Awards and Recognition

Fractal has a stellar reputation for its innovative, inclusive workplace culture

Top 50

India's Best Workplaces for Women

Top 25

India's Best Workplaces in Diversity, Equity, Inclusion and Belonging

Fractal's AI work recognized across national publications

"Best Indian LLM Innovation"
for Fathom

The Economic Times Making AI Work Awards

"AI for Social Good"
for Vaidya.ai

Financial Express FuTech Awards 2025

Fractal Group CEO recognized as 'AI Business Leader of the Year' by ET

Economic Times AI Awards & Conclave 2025

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The Opportunity

AI is accelerating at an unprecedented pace, creating incredible tailwinds

Enterprise AI presents a massive high growth opportunity

Global DAAI Services Market, FY2030P (Fractal's TAM) — ~$310 Bn

Fractal's SAM (FY2030P) — ~$171Bn

CAGR 16.7%

Global DAAI Services Market, FY2025 (Fractal's TAM) — ~$143 Bn

Fractal's SAM (FY2025) — ~$85Bn

CAGR 15.1%
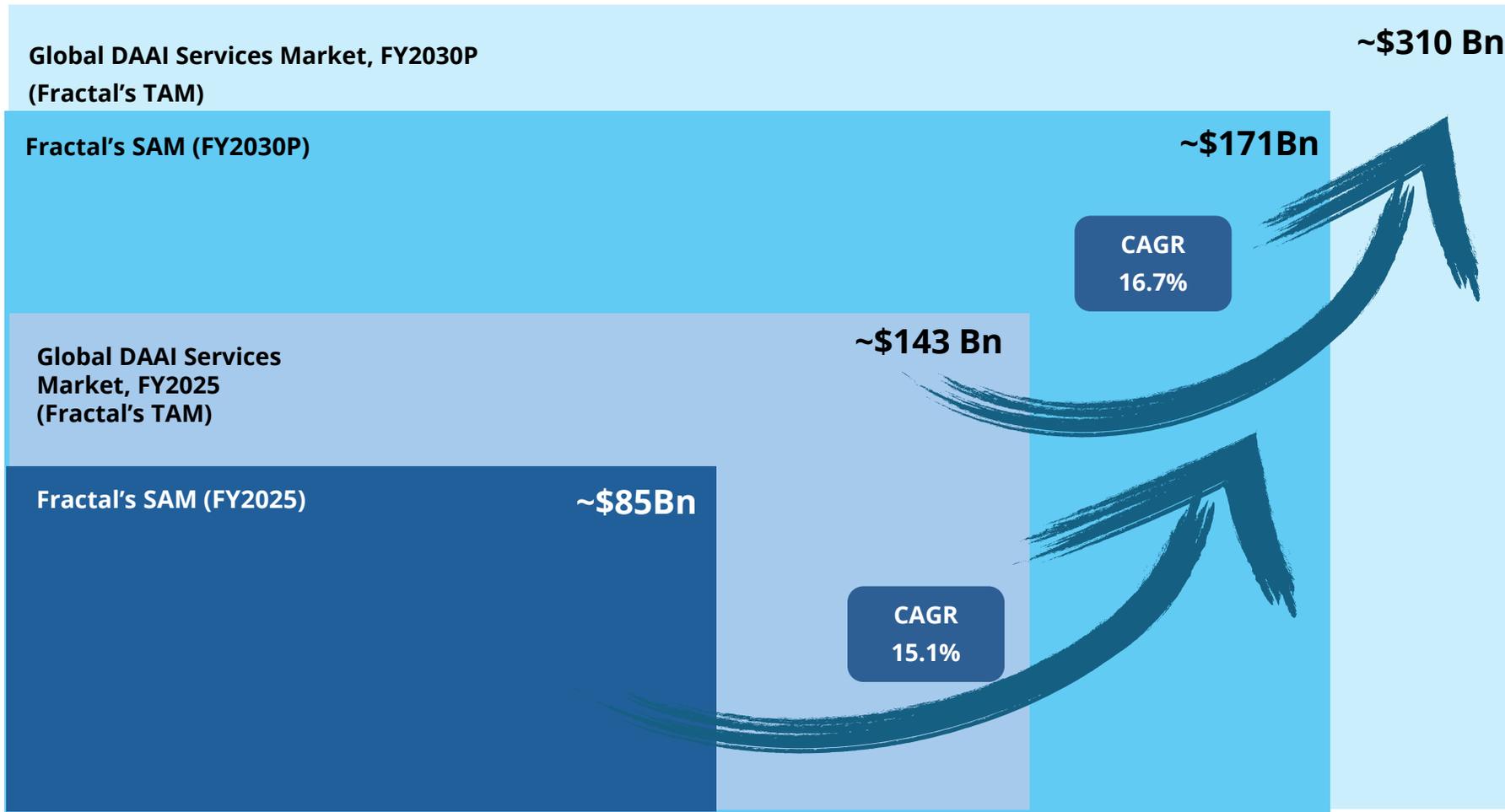
fractal

Thank you

For more details on our performance, prefer refer to the
Shareholders' letter and results at https://fractal.ai/investor-relations

Investor Relations Contact

Phone: +91 22 6850 5800
Email: investorrelations@fractal.ai