Fractal Analytics Limited

Fact sheet Q3’26

March 5, 2026

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Letter to Shareholders

Dear Shareholders,

Artificial Intelligence has been a promising technology for more than seventy years. For much of this time, AI simply wasn't good enough. The gap between promise and performance has narrowed dramatically over the last three years. And now, AI is poised to radically transform how enterprises work, make decisions, and build products.

Problems that once took months to solve now take minutes. Capabilities that once required years of custom engineering can now be delivered through intelligent agentic platforms. Most enterprises are still in the early stages of realizing what this means for how they operate. The economic value AI will create has barely begun to materialize.

Fractal has spent more than two decades preparing for this opportunity.

What we do

Large organizations make thousands of decisions every day, across pricing, supply chains, logistics, inventory, product strategy, and customer experience. Most of those decisions happen inside complex systems where data is fragmented, processes are manual, and the cost of error is high.

Fractal builds AI that connects directly to enterprise data and workflows, helping companies make better decisions.

Consider two examples.

- For revenue growth management, our AI helps companies understand demand, optimize pricing and promotions, and grow their category. These are decisions that happen daily, across hundreds of SKUs, in markets that move constantly. Getting them right is worth billions of dollars.
- In supply chain, our AI moves products through global logistics networks at the lowest cost while maintaining on-time delivery and the right inventory levels. The difference between a well-run supply chain and a poorly run one shows up in working capital, service levels, and competitive position.

These problems sit at the heart of how modern enterprises operate. When Fractal improves these decisions, companies grow faster, operate more efficiently, and create greater economic value.

Enterprise AI

Consumer AI has a forgiving error tolerance. A system that performs correctly 90% of the time is genuinely useful when the stakes are low.

Enterprise AI operates under a higher standard. When AI is influencing pricing decisions, logistics routing, or inventory commitments, accuracy is the prerequisite for adoption. Clients need systems they can trust enough to run their businesses on.

This is why the gap between AI capability and enterprise deployment remains so wide, and it is where Fractal has built its advantage. We have earned trust inside complex enterprise environments, one decision system at a time.

Letter to Shareholders

Why Fractal

One number captures the strength of our model better than any other: Net Revenue Retention of 114%.

When an enterprise begins working with Fractal, the relationship grows. We earn trust with one decision system, then earn the right to the next. Over time, Fractal becomes embedded in how the organization operates, less like a vendor and more like a core part of the decision-making infrastructure.

This reflects the nature of enterprise AI adoption. Organizations move carefully. They start with a use case, prove the value, and expand. Fractal is built to accelerate that journey at every stage.

Our results reflect this foundation.

Revenue this quarter grew 21% year over year to INR 8,544 million, driven by expansion within existing client relationships and new enterprise wins. Adjusted EBITDA margin reached 18%. Operating cash flow was INR 1,294 million.

From 2016 to today, Fractal has grown at a compounded annual rate of roughly 30%, including 29% over the past five years. During this period, we have built a strong reputation with our clients, reflected in a Net Promoter Score above 70, and long-standing relationships built on client focus, AI innovation, and a strong workplace culture.

For many years Fractal has been something of a best-kept secret in the world of AI. Our reputation has grown steadily, even as our public visibility remained limited. Becoming a public company helps close that gap by bringing broader awareness to the work we have been doing.

The road ahead

Enterprise AI adoption will unfold over many years.

Even if AI capabilities stopped improving today, most organizations would still need years to absorb what is already possible. The gap between what AI can do and what enterprises have actually deployed remains wide. That gap is where Fractal operates.

As AI performance improves, the range of decisions it can support will expand. Entire workflows will be redesigned. The companies that will define the next era of enterprise AI are those with the domain expertise, client relationships, and track record to deliver reliably. Fractal has spent more than two decades building all three.

The age of enterprise AI is only beginning. And we intend to shape it.

Thank you for your trust.

Srikanth Velamakanni
Co-Founder and Group Chief Executive
Fractal

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Results for the quarter ended December 31 , 2025

All values in INR m, except %

Revenue	YoY growth	YoY CC growth
INR 8,544m	21%	14%

Gross Margin	Adj. EBITDA	R&D Investment	NPS*
47.2%	17.8%	6.8%	77

PAT	Adj. PAT	Cash flow from operations
11.7%	17.6%	INR 1,294m

Segment revenue

Fractal.ai

INR 8,362m
+21% YoY

Fractal Alpha

INR 213m
+29% YoY

Industry mix (Fractal.ai)

CPGR	TMT	HLS	BFSI	Others
36.1%	25.1%	20.2%	11.8%	6.8%

Geography mix (Fractal.ai)

68.9% Americas | **19.1%** Europe | **12.0%** APAC & others

Client metrics (Fractal.ai)

Metric	Q3'26	Q2'26	Q3'25	9M FY'26	9M FY'25	FY'25
Net Revenue Retention	**113.5%**	112.3%	114.5%	**114.8%**	118.2%	121.3%
Net Promoter Score	**77**	78	78	**76**	78	77
Client concentration						
Top 10	**52.7%**	53.1%	52.6%	**53.1%**	54.1%	53.8%
Top 20	**70.7%**	72.3%	69.2%	**71.3%**	70.2%	69.6%
Clients by annual revenue contribution						
>US$20 million	**6**	4	4	**6**	4	5
>US$10 million	**8**	7	6	**8**	6	6
>US$5 million	**18**	17	14	**18**	14	15
>US$1 million	**58**	52	50	**58**	50	53
MWCs (number)	**127**	122	126	**127**	126	113
% of revenue from MWCs	**83.3%**	80.2%	80.9%	**80.9%**	81.5%	80.8%

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Results for the quarter ended December 31 , 2025

Other financial metrics

Metric	Q3'26	Q2'26	Q3'25	9M FY'26	9M FY'25	FY'25
Fractal Group						
Revenue	**8,544**	7,985	7,072	**24,134**	20,079	27,654
Growth in revenue from operations from previous Fiscal/ period	**20.8%**	19.3%	24.1%	**20.2%**	NA	25.9%
Gross Margin %	**47.2%**	46.2%	47.0%	**46.3%**	45.2%	45.9%
Adj EBITDA	**1,521**	1,195	1,228	**3,853**	3,290	4,821
Adj EBITDA Margin	**17.8%**	15.0%	17.4%	**16.0%**	16.4%	17.4%
EBITDA	**1,117**	908	1,360	**2,973**	2,670	3,980
EBITDA Margin	**13.1%**	11.4%	19.2%	**12.3%**	13.3%	14.4%
R&D Investment %	**6.8%**	6.4%	5.0%	**6.4%**	5.1%	5.2%
Profit/ (Loss) for the year	**1,001**	332	922	**1,710**	1,651	2,206
PAT Margin	**11.7%**	4.2%	13.0%	**7.1%**	8.2%	8.0%
Adjusted PAT	**1,501**	752	1,300	**2,931**	2,656	3,478
Adjusted PAT Margin	**17.6%**	9.4%	18.4%	**12.1%**	13.2%	12.6%
Cash flow from operations	**1,294**	1,074	1,116	**1,080**	1,195	3,970
Fractal.ai segment						
Revenue	**8,362**	7,763	6,914	**23,546**	19,655	27,037
Growth in revenue from operations from previous Fiscal/ period	**20.9%**	18.8%	23.4%	**19.8%**	NA	25.1%
Gross Margin %	**46.3%**	45.6%	46.5%	**45.6%**	44.7%	45.3%
Adj segment results	**1,558**	1,327	1,319	**4,068**	3,554	5,084
Adj segment results Margin	**18.6%**	17.1%	19.1%	**17.3%**	18.1%	18.8%

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Results for the quarter ended December 31 , 2025

Other financial metrics

Metric	Q3'26	Q2'26	Q3'25	9M FY'26	9M FY'25	FY'25
Fractal.ai segment						
Segment results	**1,327**	1,103	979	**3,504**	2,505	3,788
Segment results Margin	**15.9%**	14.2%	14.2%	**14.9%**	12.7%	14.0%
Fractal Alpha segment						
Revenue	**213**	247	166	**664**	441	644
Growth in revenue from operations from previous Fiscal/ period	**28.9%**	51.6%	66.4%	**50.7%**	NA	76.4%
Gross Margin %	**74.9%**	63.0%	69.6%	**69.7%**	67.0%	69.8%
Adj segment results	**-39**	-53	-32	**-102**	-211	-257
Adj segment results Margin	**-18.3%**	-21.5%	-19.3%	**-15.4%**	-47.8%	-39.9%
Segment results	**-44**	-55	-36	**-110**	-233	-283
Segment results Margin	**-20.7%**	-22.3%	-21.7%	**-16.6%**	-52.8%	-43.9%

Other operational metrics

Metric	Q3'26	Q2'26	Q3'25	9M FY'26	9M FY'25	FY'25
Total employees	**5,919**	5,722	5,036	**5,919**	5,036	5,254
Attrition %	**15.0%**	15.7%	15.9%	**15.0%**	15.9%	16.3%

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Results for the quarter ended December 31, 2025

Profit and loss statement (Fractal Group) In INR million

Particulars	Q3'26	Q3'25	Growth YoY %	9M FY'26	9M FY'25	Growth YoY %
Revenue	8,544	7,072	20.8%	24,134	20,079	20.2%
COD	4,513	3,747	20.4%	12,959	11,006	17.7%
Gross Margin	**4,031**	**3,325**	**21.3%**	**11,175**	**9,073**	**23.2%**
Gross Margin %	**47.2%**	**47.0%**	***0.2pts***	***46.3%***	***45.2%***	***1.1pts***
Research and development expenses	348	283	23.0%	972	865	12.3%
Sales and marketing expenses	1,110	923	20.3%	3,305	2,551	29.6%
General and administrative expenses	1,053	891	18.1%	3,045	2,367	28.7%
Adjusted EBITDA	**1,521**	1,228	**23.9%**	**3,853**	**3,290**	**17.1%**
Adjusted EBITDA %	**17.8%**	17.4%	***0.4pts***	***16.0%***	***16.4%***	***-0.4pts***
ESOP expenses	230	265	-13.4%	560	783	-28.5%
Retention bonus pursuant to acquisition	6	79	-92.9%	12	288	-95.9%
Exceptional items	-1	-266	-99.8%	47	-237	-119.8%
Other income	-17	-237	-93.0%	-370	-456	-18.9%
Share of loss of an associate	186	27	595.4%	631	242	160.7%
EBITDA	**1,117**	1,360	**-17.9%**	**2,973**	**2,670**	**11.3%**
EBITDA %	**13.1%**	19.2%	***-6.2pts***	***12.3%***	***13.3%***	***-1.0pts***
Depreciation and amortization	357	242	47.5%	992	684	45.1%
EBIT	**760**	1,118	**-32.0%**	**1,981**	**1,986**	**-0.3%**
Finance costs	112	98	14.3%	345	465	-25.8%
Profit / (loss) before tax expense	**648**	**1,020**	**-36.5%**	**1,636**	**1,521**	**7.5%**
Current tax	146	173	-15.5%	430	393	9.4%
Deferred tax	-499	-75	564.5%	-504	-523	-3.6%
Net Income	**1,001**	**922**	**8.5%**	**1,710**	**1,651**	**3.5%**
Net Income %	***11.7%***	***13.0%***	***-1.3pts***	***7.1%***	***8.2%***	***-1.1pts***

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Results for the quarter ended December 31, 2025

Profit and loss statement (Fractal.ai segment) In INR million

Particulars	Q3'26	Q3'25	Growth YoY %	9M FY'26	9M FY'25	Growth YoY %
Revenue	8,362	6,914	20.9%	23,546	19,655	19.8%
COD	4,490	3,701	21.3%	12,817	10,869	17.9%
Gross Margin	**3,872**	**3,213**	**20.5%**	**10,729**	**8,786**	**22.1%**
Gross Margin %	***46.3%***	***46.5%***	***-0.2pts***	***45.6%***	***44.7%***	***0.9pts***
Research and development expenses	273	239	14.3%	750	679	10.6%
Sales and marketing expenses	1,043	854	22.2%	3,100	2,357	31.5%
General and administrative expenses	998	801	24.6%	2,811	2,197	27.9%
Adj segment results	**1,558**	**1,319**	**18.1%**	**4,068**	**3,554**	**14.5%**
Adj segment results %	***18.6%***	***19.1%***	***-0.5pts***	***17.3%***	***18.1%***	***-0.8pts***

Profit and loss statement (Fractal Alpha segment) In INR million

Particulars	Q3'26	Q3'25	Growth YoY %	9M FY'26	9M FY'25	Growth YoY %
Revenue	213	166	28.9%	664	441	50.7%
COD	54	50	6.4%	201	145	38.1%
Gross Margin	**160**	**115**	**38.8%**	**463**	**295**	**56.9%**
Gross Margin %	***74.9%***	***69.6%***	***5.3pts***	***69.7%***	***67.0%***	***2.8pts***
Research and development expenses	74	43	70.7%	221	187	18.5%
Sales and marketing expenses	67	69	-2.7%	206	195	5.5%
General and administrative expenses	57	35	63.0%	137	125	10.1%
Adj segment results	**-39**	**-32**	**19.6%**	**-102**	**-211**	**-51.7%**
Adj segment results %	***-18.3%***	***-19.3%***	***1.0pts***	***-15.4%***	***-47.8%***	***32.5pts***

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Glossary (1/2)

Term	Definition
Revenue	Revenue is revenue from operations as per restated consolidated financial information.
Growth in revenue from operations from previous period/ Fiscal (%)	Growth in revenue from operations from previous period/Fiscal is defined as period on period / year on year growth of revenue from operations.
Profit/(Loss) for the year/period	Profit / (loss) for the year/period is stated as per restated consolidated financial information.
PAT Margin	PAT Margin is calculated as profit/(loss) for the year/period as a percentage of revenue from operations for the year/period.
Adjusted PAT	Adjusted PAT is calculated as profit/(loss) for the year/period 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.
Adjusted PAT Margin	Adjusted PAT Margin is calculated as Adjusted PAT for the year/period as a percentage of revenue from operations for the year/period.
Adjusted EBITDA	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.
Adjusted EBITDA Margin	Adjusted EBITDA Margin is calculated as Adjusted EBITDA for the year/period as a percentage of revenue from operations for the year/period.
EBITDA	EBITDA is calculated as profit/(loss) for the year/period plus (i) total tax expense, (ii) depreciation and amortization expense and (iii) finance costs.
EBITDA Margin	EBITDA Margin is calculated as EBITDA for the year/period as a percentage of revenue from operations for the year/period.
Adjusted segment results	Adjusted segment results is calculated as Segment results; plus (i) Employee stock option expense (including ESOP cash bonus); and (ii) Retention bonus pursuant to acquisition
Adjusted segment results Margin	Adjusted segment results Margin is calculated as Adjusted segment results for the year/period as a percentage of revenue from operations for the year/period.

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Glossary (2/2)

Term	Definition
Segment results	Segment results is calculated as revenue from operations for the year/period less (i) employee related expenses and (ii) other expenses for Fractal.ai segment
Segment results Margin	Segment results Margin is calculated as Segment results – for the year/period as a percentage of revenue from operations for the year/period.
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 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
Clients by annual revenue contribution	Clients by annual revenue contribution refers to count of clients with annual revenue of more than US$1 million, US$5 million, US$10 million and US$20 million
Client concentration	Client concentration refers to share of revenue out of Fractal.ai segment revenue from operations for top 10 and top 20 clients
Net Promoter Score	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:1Lattice Report)
Cash flow from operations	Cash flow from operations is net cash flow generated from / (used in) operating activities
Total Employees	Total Employees refers to total full-time employees in the Company and its subsidiaries
MWCs	MWCs are "Must Win Clients", who we define as our clients (i.e. we recognised revenue from them in the trailing 12 months) who are enterprises that meet one of three criteria: (1) over US$10 billion in annual revenue, (2) over US$20 billion in market capitalisation, or (3) over 30 million end-customers
Employee Attrition %	Employee attrition % (including our Key Managerial Personnel and members of our Senior Management) is calculated by dividing the total number of employees who have left the company voluntarily in the trailing 12 months immediately prior to the ending date of the period/year divided by the average of the opening and closing headcount of such period/year.

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