Management Discussion

Andrew Morawski - Additional Director, Oracle Financial Services Software
Good afternoon. My name is Andrew Morawski. I am a Non-Executive, Non-Independent Additional Director of the company. This is my first OFSS AGM and I'm joining the meeting from the US through video conference. Thank you.

Jane Murphy - Chairperson, Oracle Financial Services Software Ltd
Thank you, Andrew. Now let me go to the executives. I have with me Mac or Makarand Padalkar, Managing Director and Chief Executive Officer of your company and Vinay or Avadhut Ketkar, the Chief Financial Officer. Sorry, Vinay. I would like to begin by sharing an important update regarding leadership changes which we announced yesterday. I believe many of you have already had the opportunity to review these announcements along with our Q1 results. First, Mac has decided to not take up any extension or reappointment to his original tenure as part of his retirement plans.

Furthermore, to make way for a smooth transition, he will step down as the Managing Director and CEO of the company with effect from end of day today, 23rd July after his distinguished tenor leading the company. He will continue to be with us for some time to assist the new management. On behalf of the Board of Directors and all of the shareholders, I would like to place on record our deep appreciation for his invaluable leadership, commitment and significant contributions to the company's growth and success. We thank him sincerely for his dedicated service and wish him the very best in his future endeavors.

Next, I'm also pleased to inform you that the board has appointed Vinay Ketkar as a successor to Mac. Vinay is currently our CFO and will assume the office of Managing Director and CEO with effect as from tomorrow 24th of July. Vinay has been an integral part of the company's leadership team and brings with him deep knowledge of our business, strong financial and strategic acumen and extensive experience in the financial services technology industry. On behalf of the Board, I extend our warm welcome to Vinay and wish him every success in his new role. And finally, I'm also pleased to let you know that another veteran, Mr. Manish Bhandari, Our current Chief Accounting Officer, will assume the position of Chief Financial Officer and take over from Vinay effective tomorrow. I wish Mac a happy retirement and congratulate Vinay and Manish for their new roles.

Before I move on, let me request Mac and Vinay to speak a few words. Mac?

Makarand Padalkar - Managing Director and Chief Executive Officer, Oracle Financial Services Software
Thank you, Jane, for those kind words. I'm going to miss all of you, the Board members and the management team. And I wish company all the success and wish Vinay and Manish and the new management team all the very best. I'm sure the company will continue to grow under your stewardship. So Vinay, would you like to say a few words?

Vinay Khadkar - Chief Financial Officer, Oracle Financial Services Software
Thank you. Thank you, Mac. Thank you, Jane, and I thank all the board members for entrusting this big responsibility and the recognition. I'm hugely humbled by this opportunity. So thank you and I'll do my best to serve all the stakeholders of the company. Look forward to engaging with every one of you. At the same time, I take this opportunity to thank Mac for his contributions to the company, his vision and his stewardship. So wish Mac all the best for the future and thank you.

Jane Murphy - Chairperson, Oracle Financial Services Software Ltd
Thank you Vinay and welcome to your new role. Now let me call Onkar, our company secretary and also request him to confirm the quorum for the meet.

Onkar Nath Banerjee - Company Secretary and Compliance Officer, Oracle Financial Services Software
Thank you, Jane. Good afternoon. Dear shareholders, I'm Onkar Nath Banerjee, Company Secretary and Compliance officer of the company joining from Mumbai. I am pleased to confirm that the necessary quorum for the meeting is present. Thanks, Jane.

Jane Murphy - Chairperson, Oracle Financial Services Software Ltd
Thank you, Onkar. We shall now commence the proceedings of the meeting. Quorum being present, I call the meeting to order and declare this 37th Annual General Meeting of Oracle Financial Services Software Limited open. This meeting is being conducted virtually in compliance with the regulatory guidelines. The statutory auditors, the secretarial auditors and the scrutinizer are attending this meeting. Dear shareholders, good afternoon and welcome again to the 37th annual general meeting of your company. Thank you for joining us today. On behalf of the Board of directors, it is my privilege to welcome you and address you as Chairperson of Oracle Financial Services Software Limited.

Today we come together to review the company's performance for the financial year ended 31 March, 2026, consider the audited financial statements and transact the other items of business set out at the notice convening this meeting. I am pleased to report that your company delivered another year of strong and consistent performance. During fiscal year '25 and '26, revenue increased by 12% to INR76.7 billion, while net income grew by 11% to to INR26.4 billion. We sustained a healthy net margin of 34% and our operating margin remained at industry leading 44% reflecting the strength of our business model, disciplined execution and continued focus on operational excellence.

The Board also declared two interim dividends during the year amounting to INR400 per equity share of INR5 each. Your company has consistently balanced rewarding shareholders with maintaining the financial strength needed to invest for future growth. As always, dividend decisions are made with the long term interest of all stakeholders in mind. Our continued success is built on business model that combines deep financial service domain expertise with world-class technology. Today, our solutions support financial institutions across the globe enabling mission-critical banking operations around the clock. This global footprint together with unwavering focus on innovation and customer success remains one of our greatest competitive strengths.

Looking ahead, the global business environment continues to be shaped by geopolitical developments, evolving customer expectations, regulatory changes and rapid technological advancements. While these dynamics introduce uncertainty, they also create significant opportunities for companies that innovate while executing with discipline. Artificial intelligence is already one of the most significant drivers of change. AI is increasingly becoming integral to how banks modernize operations, strengthen risk management, improve regulatory compliance and deliver more personalized customer experiences. As AI capabilities continue to evolve, they will play an increasingly important role in enabling more intelligent, automated and resilient banking platforms.

Your company is well positioned to help customers navigate this transformation. During the year, we

further expanded our cloud services portfolio while continuing to embed AI capabilities across our banking solutions. These innovations are enabling financial institutions to streamline operations, enhance decision making, strengthen risk management and regulatory compliance, improve operational resilience and respond more effectively to evolving customer expectations and an increasingly dynamic regulatory environment. We are also leveraging Oracle's industry leading AI and cloud technologies combined with our deep financial services expertise to help banks accelerate their digital transformation and deliver better business outcomes.

Our commitment to innovation continues to be recognized by leading industry analysts. During the year, your company received recognition from IDC, MarketScape, Chartis and Sellent across multiple solution areas including AI-enabled trade finance, loan origination, digital core banking, limits in collateral management and risk management. These recognitions are an endorsement of our technology leadership and more importantly of the value we create for our customers every day. I encourage you to read the Management Discussion and Analysis section of the annual report, which provides additional insights into these achievements and the opportunities ahead/

For fiscal year '26, '27, our priorities priorities remain clear. We will continue strengthening our products, accelerating innovation, deepening customer relationships and creating long term value for all for all of our stakeholders. I am confident that your company is well positioned to capitalize on the opportunities and deliver sustainable growth in the years ahead.

Before I conclude, I would like to extend a warm welcome to Simon De Montfort Walker, Andrew Morawski and Vinay Ketkar who joined our Board since the last AGM. I also wish to express our sincere gratitude to Vincent Secondo Grelli and Sunny Singh and Makarand Padalkar for their valuable contributions and dedicated service during their tenure as directors. Finally, I would like to thank our employees for their commitment and dedication, our customers for the continued trust, our shareholders for their confidence and support and Oracle Corporation for its enduring partnership. Thank you for your continued trust and support. I wish you and your families good health, happiness and and continued success. Thank you.

As I mentioned in my address, AI presents an opportunity to transform products and customer experience, improve productivity, strengthen resilience and unlock new adventures of growth, new avenues of growth. To help us better understand this transformation, I'm delighted to invite our new and fellow Board member Simon to share his perspective. Simon, from your vantage point across the industry, what are you seeing in the financial services organizations? How is our company uniquely positioned to help them navigate this transformation and create long term value?

Simon De Montfort Walker - Director, Oracle Financial Services Software
Thank you, Jane. It's a really remarkable time. Certainly artificial intelligence is a major technical shift and for those of us in the industry, really likely the largest one we'll see in our careers. It's fundamentally changing how businesses operate, how they service their customers and ultimately how they compete and how we compete. We have a really a direct view, a direct seat for how financial services is changing and ultimately how we need to change with it. Financial services industry is often an early adopter of many innovations. Some products and services are based on cutting edge technology. And in other really highly regulated areas, technology evolves much more slowly.

Our customers are continually thinking about their tech footprints, their strategies, balancing cutting-edge technology with really traditional tools that are required given some of the regulations

they deal with. We do believe AI is different than many previous technical changes and trends. It's not simply really another layer of automation, but is ultimately changing and reshaping how financial institutions engage with their customers, manage their risk, combat financial crimes, optimize their operations and make decisions really in real time. It's also materially changing technical architectures.

Our customers are combining traditional deterministic applications with agents to automate massive swaths of their operations in very, very fundamental ways. The conversations we're having with customers are also changing and evolving. A year ago, I think I would say a lot of the AI focus frankly was on experimentation. Our customers were learning new tools, trying to put them to work and testing them. Today, most of our leading customers are really thinking about how they embed AI into their core business, how do they deliver measurable business value with those tools and how do they do so with the trust of their customers, with the trust of their regulators and their shareholders.

Financial institutions, we should remind everyone, operate in a highly regulated environment. Success in AI will depend not only on innovation, but also on governance, transparency, security and frankly the quality of the underlying data. In fact, how our customers really manage the runtime, the moment where they use these tools to create trusted agents trust in their AI is emerging as a key conversation that we think OFSS and Oracle is really uniquely positioned to help with. We have cutting edge AI capabilities, deep industry expertise and proven ability to deliver into banks in over 100 countries with compliant enterprise ready tools and controls.

For decades, the company has partnered with many of the world's leading financial institutions supporting some of their most critical business functions. That deep domain expertise, combined with Oracle's tech leadership and AI innovation provides an incredibly strong foundation for how we can help customers adopt AI, but do so with confidence. When I speak to customers across continents, it's really clear that they're looking for a host of things, better business outcomes, faster decisions, highly personalized customer experience that build on strong retention and unearth new cross sell opportunities. But they're also looking for much stronger compliance and risk management. So it's not just about efficiency, it's also about really control and managing those. Those are really precisely the areas that Oracle Financial Services has long delivered value.

As AI becomes embedded across the value chain, I believe trusted tech partners partners will become even more important. Institutions will increasingly seek partners who understand both technology, but also the complexities of banking and insurance and really ultimately how all those tools come together to help them. This is where Oracle's industry suite of products can help expand the value we bring to customers. From a Board perspective, we're encouraged by the company's strategic direction and its continued investment in innovation. We believe that our company is well positioned to support customers through this transformation while creating sustainable long term value for our shareholders. Thank you, Jane.

Jane Murphy - Chairperson, Oracle Financial Services Software Ltd
Thank you, Simon. That was very enlightening. I'm sure that our shareholders watching this webinar will greatly benefit from this exposition. Let me now turn to the business of the meeting. The statutory registers are open and accessible electronically during the continuance of the meeting to any member attending the meeting. My dear shareholders, all of you would have received the web link to access the notice to this AGM and the company's annual report for the financial year 2025, 2026 at your registered email address and where an email address was not registered, a letter containing the web link was mailed to your registered postal address.

So the notice of the meeting is taken as read. There are no qualifications in the statutory auditor's report and secretarial auditor's report and these reports taken as read. Pursuant to the notice of the AGM, there are four resolutions under ordinary business and one resolution under special business for this meeting. First, under the ordinary business, resolution number one is for adoption of the company's audited, standalone and consolidated financial statements for the financial year ended March 31, 2026 and the reports of the Board of Directors and the auditors thereon. Resolution number two is for the confirmation of first interim dividend of INR130 per equity share and the second interim dividend of INR270 per equity share totaling INR400 per equity share already paid as the final dividend for the financial year ended on March 31, '26.

Resolution number three is for appointment of a Director in place of Kimberly Woolley who retires by rotation and being eligible, offers herself for reappointment. Resolution number four is for the appointment of a Director in place of Gopala Ramanan Balasubramaniam who retires by rotation and being eligible, offers himself for reappointment. For the next resolution under special business, I would be considered as an interested party. Hence, I request Mac to take the chair for this resolution.

Makarand Padalkar - Managing Director and Chief Executive Officer, Oracle Financial Services Software
Thank you, Jane. Under Special Business, Resolution number five is for payment of commission to the directors of the company excluding Managing Director, Whole Time Director not exceeding in aggregate 1% of the net profit of the company as per the finance -- per financial year for a period of five years commencing April 1, 2027 to March 31, 2032. Back to you, Jane.

Jane Murphy - Chairperson, Oracle Financial Services Software Ltd
Thank you, Mac. Most of you have already cast your votes on these resolutions through the remote e-voting facility which was open until yesterday. However, if you have not yet voted, you may do so during this meeting and up to 15 minutes after its conclusion. We will now move to the next part of the AGM. We have received questions and speaker requests from the shareholders. I request Vinay to provide the guidelines for the Q&A session.

Questions & Answers

Vinay Khadkar - Chief Financial Officer, Oracle Financial Services Software
Thank you, Jen. So now we will begin the question answer session. We have received a number of requests already from the shareholders who wish to speak at the AGM and we have sent confirmation emails with a sequence number and we have provided a separate link to join this meeting. I trust you have set up your audios and videos according to the guidelines in the emails interview. Our moderator will now briefly explain the modalities, but I request all the speakers to please adhere to them. When your sequence number and the name is announced by the moderator, please join the meeting. Keep your remarks brief, avoid repeating questions and kindly adhere to the two minute limit please so that everyone gets the opportunity to speak. Thank you and over to you, Shalaka.

Shalaka - Analyst
Thank you, sir. We will call the speakers in the order of the sequence number which has been communicated to each of you in our email. So please be alert when your sequence number is next.

Once your sequence number and name are announced, your line will be opened and you will receive a request to unmute your audio and video. Kindly accept the request and join by switching on the audio and video button at the center of your screen. If you wish to use only audio, you may do the same. Further, before you begin, please state your full name and the place from where you are joining.

In order to efficiently conduct the proceedings and accommodate as many speakers as possible, each speaker will be allotted two minutes. Please keep your remarks and questions brief and to the point. If you've already shared your questions with us, there is no need to read them out again. Also, if an earlier speaker has already raised a similar question or made the same point, we request you to avoid repeating it. The Board will respond to your queries after all the speakers have spoken. I now invite our first speaker, Ms. Celestine Elizabeth Mascarenhas. Ma'am, your line is now open. Please make sure to unmute your audio and start your video before you start your two minutes.

Celestine Elizabeth Mascarenhas - Analyst
Hello. Am I audible?

Shalaka - Analyst
Yes, ma'am, you are.

Celestine Elizabeth Mascarenhas - Analyst
Thank you. Thank you very much. Respected chairperson Jane Murphy, M.D. And CEO Makarand and now Ketkar, other honorable directors abroad also on this Board, my dear shareholders, in this VC meet, I am Mrs. Cellestine Elizabeth Mascarenhas us from Mumbai. First of all, I thank the company secretary Mr. Banerjee and his team for sending me an annual report, also registering me as a speaker at my request. Thank you so much. Our annual report is very simple. But there are lots of facts and figures self explanatory adhering to all the norms of corporate governance. Our working is good. A good dividend of INR400 per share. Mind boggling. Thank you very much, madam and your team. Now I of course congratulate for the CSR work done.

And now I come to my queries. Madam we have two verticals banking solution and analytics solutions. In which of these we are doing very well, which gives us very much revenue and how much is spending on AI, Gen AI and cyber security? Now today there is a news item in the various channels that Oracle is selling a part of the OFSS. Could you throw some light if a part is sold? See, my humble request is to you please see the staff who are working for many years are taken care. Because after 40 years in India you don't get any jobs, madam. So difficult and they have to look after their families. They have to pay the EMIs. So madam, I really recommend.

Shalaka - Analyst
Sorry for interrupting, but your two minutes are about to run out.

Celestine Elizabeth Mascarenhas - Analyst
Okay, okay. I end up. Thank you very much for giving me this opportunity to speak. And maybe I may send something by email. Thank you once again. Namaskar.

Shalaka - Analyst
Thank you, ma'am. The next present speaker is speaker number six, Mr. Anil Babubhai Mehta. Sir, your line is now open. I request you to unmute yourself before you begin Your two minutes.

Anil Babubhai Mehta - Analyst
Am I audible?

Shalaka - Analyst
Yes, sir. You are

Anil Babubhai Mehta - Analyst
Sir. Thank you. Good afternoon, this is Anil Babubhi. I attend this annual general meeting of the company from my residence Kandivali, Mumbai. From our side we have only two questions. The question number one, looking to the global situation, how much the growth can we expect and how much it will be affect to our revenue and the bottom line in the current FY2026, '27? And what is the second question and what is the AI effect on our business? With this we are as a shareholder supporting all the resolution. And thanks to the secretary of department for the cooperation and support and all the best for the bright future of our company. Thank you.

Shalaka - Analyst
Thank you, sir. Inviting the next present speaker, speaker number eight, Mr. Hariram Chaudhary. Sir, your line is now open. Please unmute yourself before you begin, your two minutes start now.

Hari Ram Chaudhary - Analyst
I'm starting my video also. I'm starting my video. I started my video also. Madam Chairperson, my name is Hariram Chaudhary. I speak into Santa Cruz Dombey. Madam Chairman, I will be very short. First of all I will speak about -- I praise the company secretary and the other staff members and the CFO for bringing out the voluminous annual report and other staff members for having maintain the touch to the shareholders in joining today's meeting. Madam Chairman on CSR I would like to speak how much amount we have spent. Whether the amount is more than 2% of the net profit. We the chairman of the CR committee and you are members of the CR. And my last question is that this dividend and safe of how many shareholders have been sent to IUPF who is our Nano officer and whether and are we helping those shareholders who are approaching us to get the sales back and division back from the IPO. And with that I conclude. Thank you Chairman and secretary. My name is Hariram Chaudhary.

Shalaka - Analyst
Thank you sir. Inviting speaker number nine is Prakashini Ganesh Chanoy. Ma'am, your line is now open. Please unmute yourself before you begin. Your two minutes start now.

Prakashini Ganesh Chanoy - Analyst
Am I audible?

Shalaka - Analyst
Yes ma'am, you are.

Prakashini Ganesh Chanoy - Analyst
I am Prakashini Ganesh Chanoy from Bombay. Respected honorable chairperson madam, other dignitaries on the board and my fellow shareholders. Good afternoon to all of you. I received the AGM report well in time, which is colorful, informative, transparent and contains all the information that for the corporate governance. I thank the company secretary and his team for the same. The Chairman, the Chairperson madam and the Board here for has given a beautiful picture regarding

the company and its working in all parameters. I just at the outset I'm thankful to the board for recommending the model for the financial year '25, '26. I'm also glad to note that the company is doing outstanding work in the in the field of CSR activities.

Now my questions. My first question is what is the attrition rate? And my second question is how much is spent on AI applications? And my next question is how do we adopt digital technology to increase the productivity? Kindly highlight the roadmap -- future roadmap for growth due to global situation. What is the business model? Chairperson madam, last but not the least, I honestly request you please continue with VC so that people all over will have an opportunity to express their view. I wish the company good luck for a bright future and pray God that the profit of the company shall reach the peak and due course. I strongly and wholeheartedly support all the resolutions put forth in today's meeting. Thank you, Chairperson madam.

Shalaka - Analyst
Thank you, ma'am. Inviting the next speaker who's currently present in the meeting. Speaker number 12, Parimal Mithani. Sir, your line is now open. Please unmute yourself before you begin. Your two minutes start now. Yes, sir. You're audible.

Parimal Mithani - Analyst
Yeah. Thanks for the opportunity, ma'am. I just wanted to know what does the parent think about the Indian entity and the road ahead over next five years. And if you can throw some light on how AI integration is happening at the financial level in terms of software and all that will be helpful. Thank you.

Shalaka - Analyst
Thank you, sir. Inviting speaker number 14, Shwetcha Jain. Ma'am, your line is now open. Please unmute yourself before you start.

Shwetcha Jain - Analyst
Hi. Am I audible. Hello, am I audible?

Shalaka - Analyst
Yes, ma'am, you are.

Shwetcha Jain - Analyst
Yeah, thank you. Ma'am, I have couple of questions. My first question is ma', am, what I understand is 15% of our sales comes from licenses. So what I understand is this is the on premise installation of our product. If is my understanding correct? If it is, then what I want to understand is how much of the revenue comes today from SaaS or cloud based product sale. And also I want to know that, when we do a SaaS or cloud based product sale, what do we -- you must be charging something as a one time installation and something as an annual maintenance cost. So what is this and how much does it differ from our traditional license sale? And where do we show it in the P and L in terms of the line item? How do we account it?

Also between the different revenue streams such as the license maintenance and the consulting fee. I understand that maintenance is the only recurring revenue. So is that understanding correct? Also if you could help me understand between these three streams, what are the margins? Another thing that I want to understand is between these three revenues, how would the margin profile differ especially as we internally adopt more AI and agentic AI to upgrade ourselves and as our customers

also are adopting AI themselves? So do you see these revenue streams getting impacted because of this going forward and how much of this impact can have on our EBITDA margins overall? The fourth question that I have is Ma'am, what kind of capex are we planning to do?

Shalaka - Analyst
Ma'am sorry for interrupting. Your two minutes are about to be over, so I request you to wrap your question.

Shwetcha Jain - Analyst
So how much capex are we planning to do over next two years between cloud and AI adoption and how much we've already done in cloud and AI in last two years? If you could help me understand that. Also I want to understand that our largest customer is 51% of our revenue. So how do you see this concentration risk and how can we diversify?

Shalaka - Analyst
I'm sorry for interrupting,. But your two minutes are up. I request you to wrap your question.

Shwetcha Jain - Analyst
Thank you, thank you.

Shalaka - Analyst
Inviting speaker number 15, Mr. Nalin Shah. Sir, your line is now open. Please make sure to unmute your audio and start your video before you begin. Your two minutes start now.

Nalin Shah - Analyst
Very good afternoon. Madam, we want to just understand that the deal which was done about that $100 million perpetual leasing agreement, [Technical Issues]

Shalaka - Analyst
It appears we are experiencing a technical difficulty with Mr. Nalin Shah. Okay then, thank you, everyone. That brings us to the end of the speakers session. We will now take a short break. When we resume, the Board will respond to the questions and comments raised by the shareholders.