

Ref: INF/NSE/2026-27/37

Date: October 16, 2026

To,
The Manager - Listing Compliance Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400 051,
Maharashtra, India

SCRIP SYMBOL: INFOLLION, ISIN: INE0NNZ01013

Subject: Submission of Management Commentary for Financial Results – H1 FY 2026-27

Respected Sir/Madam,

Please find enclosed herewith the Management Commentary on the unaudited financial results of the Company for the half year ended September 30, 2026.

The Management Commentary provides an overview of the Company's operational and financial performance and key developments.

The same is also being uploaded on the Company's website at <https://investors.infollion.com/investor-presentation>.

We request you to kindly take the above information on record.

Thanking you,

For Infollion Research Services Limited

AASTHA TALWAR
Digitally signed by
AASTHA TALWAR
Date: 2026.10.16
09:52:26 +05'30'

Aastha Talwar
Company Secretary & Compliance Officer
M. No. 79724

Encl: As above



Earnings Call Commentary

H1 FY 2026-27 | Half Year Results

Unaudited Financial Results
Half Year Ended 30 September 2026

KEY NUMBERS

Revenue: ₹ 60.21 Cr

▲ 20% HoH | ▲ 14% YoY

EBITDA: ₹ 7.71 Cr

▲ 27% HoH | ▼ 11% YoY

PAT: ₹ 6.74 Cr

▲ 24% HoH | ▼ 8% YoY

Financial Snapshot

Consolidated unaudited results for the half year ended 30 September 2026

All figures in this commentary are consolidated (Infollion Research Services Limited and its wholly owned subsidiary, Infollion Research Services Corp., USA) unless stated otherwise. EBITDA is computed as profit before tax plus finance costs and depreciation, less other income; margins are computed on total income.

₹ Lakh	H1 FY27	H2 FY26	H1 FY26	HoH	YoY
Revenue from operations	5,904.34	4,922.68	5,109.29	+19.9%	+15.6%
Total income	6,021.37	5,032.20	5,266.58	+19.7%	+14.3%
Gross margin (on revenue from operations)	40.9%	41.3%	41.2%	-0.4 pp	-0.3 pp
Employee benefits expense	1,283.02	1,150.08	1,017.23	+11.6%	+26.1%
Other expenses	360.56	274.74	219.75	+31.2%	+64.1%
EBITDA	770.95	605.97	867.11	+27.2%	-11.1%
EBITDA margin	12.8%	12.0%	16.5%	+0.8 pp	-3.7 pp
Profit after tax	673.96	541.93	729.97	+24.4%	-7.7%
PAT margin	11.2%	10.8%	13.9%	+0.4 pp	-2.7 pp
Basic EPS (₹)	6.94	5.59	7.53	+24.2%	-7.8%

Business Performance & Growth

Overview of H1 FY 2026-27 operational highlights

Q1 How was the overall business performance in H1 FY 2026-27?

Revenue from operations for H1 FY 2026-27 stood at ₹ 59.04 Crore, the highest half-yearly revenue in the Company's history. This represents growth of 15.6% over H1 FY 2025-26 (₹ 51.09 Crore) and 19.9% over H2 FY 2025-26 (₹ 49.23 Crore). Total income was ₹ 60.21 Crore.

The macro environment has remained stressed, with clients continuing to exercise caution. However, as noted in the Annual Report 2025-26, the Company has been seeing green shoots in the form of improved business activity. The position built in the Indian market is also creating meaningful network effects: a larger and deeper expert base improves the Company's ability to respond to a wider range of client requirements, while a growing base of enterprise relationships creates more opportunities for experts to participate in relevant engagements.

Q2 Revenue grew by about 20% sequentially. What drove the rebound from H2 FY 2025-26?

As highlighted in the previous commentary, client volumes had moderated in H2 FY 2025-26, particularly towards the end of Q4. Revenue from operations increased from ₹ 49.23 Crore in H2 FY 2025-26 to ₹ 59.04 Crore in H1 FY 2026-27. The sequential recovery reflects the stabilisation in the demand environment highlighted in the Annual Report 2025-26, with improved business activity. H1 also generally tends to be stronger than H2 owing to a higher number of working days. In addition, revenue during the half was more concentrated towards Q2, compared with the contraction in revenue seen in February-March 2026.

Margins & Profitability

Understanding the margin trajectory and cost dynamics

Q3 How have gross margins moved during the half?

Gross margin (revenue from operations less cost of sales) was 40.9% in H1 FY 2026-27, broadly in line with 41.2% in H1 FY 2025-26 and 41.3% in H2 FY 2025-26. Gross profit increased by 14.8% year-on-year to ₹ 24.15 Crore. The Company continues to maintain an aggressive stance on pricing.

Q4 EBITDA margin has declined from 16.5% to 12.8% year-on-year. What explains this?

EBITDA for H1 FY 2026-27 was ₹ 7.71 Crore compared with ₹ 8.67 Crore in H1 FY 2025-26. While gross profit grew by ₹ 310.44 Lakh, employee benefits expense and other expenses together increased by ₹ 406.60 Lakh. The cost base built up over FY 2025-26 primarily supports new initiatives and products, especially in L&D and AI, expansion into newer geographies, and the technology platform underpinning this growth.

EBITDA bridge, H1 FY26 → H1 FY27	₹ Lakh
EBITDA - H1 FY26	867.11
Add: Higher gross profit (revenue growth at stable gross margin)	+310.44
Less: Higher employee benefits expense	-265.79
Less: Higher other expenses	-140.81
EBITDA - H1 FY27	770.95

On a sequential basis, EBITDA increased by 27.2% from ₹ 6.06 Crore in H2 FY 2025-26, and the EBITDA margin improved from 12.0% to 12.8%, as revenue grew faster (19.9%) than employee benefits expense (11.6%).

Q5 PAT is lower by 7.7% year-on-year. Were there any one-off items in the comparative period?

Yes. As disclosed in the previous commentary, H1 FY 2025-26 included a one-time net prior period income of ₹ 54.82 Lakh arising from the revision of the accounting policy for expert payments and capitalisation of technology team salaries. Excluding this item (approximately ₹ 41.02 Lakh after tax), H1 FY 2025-26 PAT would have been about ₹ 688.95 Lakh, against which H1 FY 2026-27 PAT of ₹ 673.96 Lakh is lower by 2.2%.

On the same basis, other income for H1 FY 2025-26 was ₹ 102.47 Lakh, compared with ₹ 117.03 Lakh in H1 FY 2026-27. The effective tax rate for the half was 23.0%, and basic EPS was ₹ 6.94.

Expenses & Cost Structure

Cost movements during the half

Q6 Employee benefits expense increased 26% year-on-year. What is the current headcount?

Employee benefits expense was ₹ 12.83 Crore, up 26.1% from ₹ 10.17 Crore in H1 FY 2025-26, reflecting the full-period impact of the 71 employees added during FY 2025-26 and annual increments. The Company's headcount stood at 280 as on 30 September 2026, compared with 271 as on 31 March 2026. The Company has broadly maintained its recruitment pace of the previous year, particularly in the newer service lines and geographies.

As a percentage of revenue from operations, employee benefits expense was 21.7%, compared with 23.4% in H2 FY 2025-26 and 19.9% in H1 FY 2025-26.

Q7 Other expenses increased 64% year-on-year. What are the key drivers?

Other expenses were ₹ 360.56 Lakh compared with ₹ 219.75 Lakh in H1 FY 2025-26 and ₹ 274.74 Lakh in H2 FY 2025-26. The increase was primarily on account of travel and payments to consultants in connection with the Company's global expansion.

Cash Flow & Balance Sheet

Strength of the financial position and capital allocation

Q8 Operating cash flow was ₹ 1.30 Crore against PAT of ₹ 6.74 Crore. Why is the conversion lower in this half?

Net cash from operating activities was impacted primarily by an increase in trade receivables of ₹ 707.61 Lakh during the half. Income taxes paid amounted to ₹ 210.43 Lakh. These were partly offset by increases in other

current liabilities of ₹ 202.81 Lakh and trade payables of ₹ 57.54 Lakh. Net cash from operating activities for the half was ₹ 129.73 Lakh.

The increase in trade receivables reflects the timing of revenue across the year, as explained in the next question. With revenue in H1 FY 2026-27 more concentrated towards Q2, trade receivables were higher as at 30 September 2026, while payments to experts for the corresponding engagements continued to be made within the usual timeline of three days from the call. This timing difference resulted in lower operating cash flows for the half.

Q9 Trade receivables have increased to ₹ 25.45 Crore. What is the reason?

Trade receivables stood at ₹ 25.45 Crore as at 30 September 2026 against ₹ 18.38 Crore as at 31 March 2026, which translates to about 79 days of revenue from operations for the half (about 67 days at March 2026). Revenue contracted in February–March 2026, which was reflected in lower trade receivables as at 31 March 2026. In contrast, revenue in H1 FY 2026-27 was more concentrated towards Q2, which led to a higher level of trade receivables as at 30 September 2026.

Q10 What is the cash position and how has it been deployed?

The Company remains debt-free, with cash and cash equivalents of ₹ 43.12 Crore as at 30 September 2026 (₹ 43.48 Crore as at 31 March 2026). During the half, ₹ 109.43 Lakh was invested in software under development and ₹ 60.00 Lakh in Thermium Private Limited. Infollion is actively looking for strategic partnerships and acquisitions. In the meantime, surplus cash is parked in liquid funds, which are already generating returns that are reflected in other income in the Statement of Profit and Loss.

Q11 What is the investment in Thermium Private Limited?

During the half, the Company invested ₹ 60.00 Lakh in the equity shares of Thermium Private Limited, which has been classified as a non-current investment. The total investment commitment is ₹ 1.20 Crore for a 19% stake, payable over four quarters. This is a strategic investment in an engineering consulting company specialising in decarbonisation, heat pump installations and technical advisory services. It is a significant step for Infollion as the Company explores the convergence of expert networks and hands-on engineering services.

Q12 How have Intangible Assets Under Development and long-term loans and advances moved?

- Intangible Assets Under Development increased to ₹ 635.01 Lakh from ₹ 525.58 Lakh, reflecting investment of ₹ 109.43 Lakh during the half in the Company's proprietary technology platform.
- Long-term loans and advances increased to ₹ 417.98 Lakh from ₹ 241.44 Lakh, primarily on account of TDS recoverable from the Income Tax Department.

Q13 What is the movement in deferred tax during the half?

The net deferred tax liability stood at ₹ 3.17 Lakh as at 30 September 2026 (₹ 6.52 Lakh as at 31 March 2026), resulting in a deferred tax credit of ₹ 3.34 Lakh for the half on account of timing differences.

Strategic Initiatives

New verticals and international expansion

Q14 What is the update on Huksa (L&D vertical)?

Huksa, Infollion's corporate learning and development business, focuses on deep-domain, techno-functional capability building delivered by industry practitioners. Client feedback has been encouraging, particularly for its techno-functional and deep-domain programmes. Huksa currently works with around 55 client organisations across 22 sectors, with nearly 60% repeat business, and its business has more than doubled compared with the same period last year. The focus now is on scaling its Managed Training Services (MTS) offering for investment funds and mid-to-large corporations, supported by an expanding team and geographical footprint, with programmes delivered across India and engagements completed in Sri Lanka and Bangladesh.

Q15 What is the update on the international businesses?

The Company has also commenced operations in the European Union, where the business is currently at the level the MENA business was at last year. The US and MENA businesses are growing at a significantly faster rate than the India business. The non-India business as a whole currently contributes a single-digit percentage of total revenue, and the Company will share full-year numbers at the end of the financial year.

Disclaimer

This document has been prepared by Infollion Research Services Limited for informational purposes only and is intended for the Company's stakeholders. The information contained herein is based on the Unaudited Financial Results (Standalone and Consolidated) for the half year ended 30 September 2026, as approved by the Board of Directors on 15 October 2026 and subjected to a limited review by the Statutory Auditors. Certain statements in this document may constitute forward-looking statements, which involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those expressed or implied. The Company does not undertake any obligation to update forward-looking statements. This document does not constitute an offer, invitation, or recommendation to purchase or sell any securities.