

## CERTIFICATE ON OBJECTS – UNIDENTIFIED ACQUISITIONS – INORGANIC GROWTH

Date: November 7, 2025

To,  
**The Board of Directors,**  
**Capillary Technologies India Limited**  
#360 bearing PID No 101, 360  
15th Cross Rd, Sector 4, HSR Layout  
Bengaluru -560102  
Karnataka, India

And

**JM Financial Limited**  
7th Floor, Cnergy  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Maharashtra, India

**IIFL Capital Services Limited (formerly known as IIFL Securities Limited)**  
24th Floor, One Lodha Place  
Senapati Bapat Marg, Lower Parel (West)  
Mumbai - 400 013  
Maharashtra, India

**Nomura Financial Advisory and Securities (India) Private Limited**  
Ceejay House, Level 11  
Plot F, Shivsagar Estate  
Dr. Annie Besant Road  
Worli, Mumbai - 400 018  
Maharashtra, India

*(JM Financial Limited, IIFL Capital Services Limited (formerly known as IIFL Securities Limited), Nomura Financial Advisory and Securities (India) Private Limited and any other book running lead managers appointed by the Company are collectively referred to as the “Book Running Lead Managers” or the “BRLMs”)*

**Re: Proposed initial public offering of equity shares of face value of ₹2 each (the “Equity Shares”) of Capillary Technologies India Limited (the “Company”) by way of a fresh issue of Equity Shares (the “Fresh Issue”) and/ or an offer for sale by certain existing shareholders of the Company (the “Selling Shareholders” and such offer for sale, the “Offer for Sale”, together with Fresh Issue, the “Offer”)**

1. We, Saini Pati Shah & Co LLP, *Chartered Accountants* have been informed that the Company has filed the Draft Red Herring Prospectus with respect to the Offer (the “DRHP”) with the Securities and Exchange Board of India (“SEBI”), BSE Limited and National Stock Exchange of India Limited (collectively, the “Stock Exchanges”) in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”) and applicable laws, and proposes to file the Red Herring Prospectus with the SEBI, the Stock Exchanges and the Registrar of Companies, Karnataka at Bengaluru (“Registrar of Companies”) and such Red Herring Prospectus, the “RHP”); and subsequently proposes to file the Prospectus with the SEBI, the Stock Exchanges and the Registrar of Companies (the “Prospectus”); and any other documents or materials to be issued in relation to the Offer (collectively with the DRHP, RHP and Prospectus, the “Offer Documents”).
2. In terms of our engagement letter dated February 5, 2025 in relation to the Offer, we have received a request from the Company to certify the details of acquisitions undertaken in the past and probable acquisitions in the future to facilitate inorganic growth, (as set out in the **Annexure A**).
3. The management is responsible for the maintenance of proper books of accounts and such other relevant records as prescribed by applicable laws, which includes collecting, collating, and validating data and designing, implementing and monitoring of internal controls relevant for preparation of **Annexure A** hereto. Our responsibility is to examine the details included in the **Annexure A** prepared by the management regarding the acquisitions made by the Company and other

information set out in the **Annexure A** herein. Our responsibility also includes verifying the arithmetical accuracy of the data set out in **Annexure A**.

4. We have examined the cost of acquisition incurred as set out in the **Annexure A** in accordance with Standard on Assurance Engagement 3400, “The Examination of Prospective Financial Information”, issued by the Institute of Chartered Accountants of India (“ICAI”).
5. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.
6. The projection has been prepared using a set of assumptions that include hypothetical assumptions about future events and management’s actions that are not necessarily expected to occur. Further, actual results are likely to be different as anticipated events frequently do not occur as expected and the variation could be material. Consequently, users are cautioned that this projection may not be appropriate for purposes other than that described above.
7. We have performed the following procedures in relation to the Statement:
  - (a) Reviewed the audited consolidated financial statements of the Company along with the restated consolidated financial information of the Company for six months period ending September 30, 2025 and six months period ending September 30, 2024, and for the financial years ended March 31, 2025, 2024 and 2023;;
  - (b) Reviewed the acquisitions agreements with various parties for all completed acquisitions highlighted in **Annexure A**;
  - (c) Conducted relevant management inquiries and obtained necessary representation; and
  - (d) Verified the arithmetical accuracy of the computation in Annexure A.
8. Based on our examination, to the best of our knowledge and belief and as per information and explanation given to us, we confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.
9. This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the Offer Documents which may be filed by the Company with SEBI, Stock Exchanges, RoC and / or any other regulatory or statutory authority.
10. We hereby consent to our name and the aforementioned details being included in the Offer Documents and/or consent to the submission of this certificate as may be necessary, to the SEBI, RoC, Stock Exchanges and/or any other regulatory/statutory authority as may be required and/or for the records to be maintained by the BRLMs.
11. This certificate may be relied on by the Company, the BRLMs, their affiliates and the legal counsel to each of the Company and the BRLMs appointed in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. We hereby consent to this certificate letter being disclosed by the BRLMs, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or on the request of the Stock Exchanges or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation or (iii) for the records to be maintained by the BRLMs and in accordance with applicable law. We confirm that this certificate can also be uploaded on the repository portal of the stock exchanges/ SEBI as required pursuant to the SEBI circular dated December 5, 2024 and the subsequent requirements of the Stock Exchanges/ SEBI, as applicable.
12. We undertake to immediately communicate, in writing, any changes to the above information/confirmations, as and when made available to us by the management of the Company in writing to the BRLMs and the Company until the Equity Shares allotted in the Offer commence trading on the Stock Exchanges. In the absence of any such communication from us, the Company, the BRLMs and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.

13. All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

Yours sincerely,

**For Saini Pati Shah & Co LLP**

*Chartered Accountants*

**Firm Registration No.:** 137904W/W100622

Radheshyam Mandora

Partner

**Membership No.:** 077372

**Date:** November 7, 2025

**Place:** Mumbai

**UDIN:** 25077372BMOQVU8745

**Encl: As above**

**CC:**

**Legal Counsel to the Company**

**Khaitan & Co**

3<sup>rd</sup> floor, Embassy Quest

45/1 Magrath Road

Bengaluru – 560 025

Karnataka, India

**Legal Counsel to the BRLMs**

**Trilegal**

7<sup>th</sup> Floor, Marksquare

61, St. Marks Road

Bengaluru – 560 001

Karnataka, India

**International Legal Counsel to the BRLMs**

**Hogan Lovells Lee & Lee**

50 Collyer Quay

#10-01 OUE Bayfront

Singapore – 049 321

### Annexure A

1. The Company has spent an aggregate amount of up to ₹4,389.07 million on acquisitions in the past 5 years through their Material Subsidiaries, CPL and CTL. The table below summarizes the key acquisitions that the Company has undertaken in the past five years:

Sr. No.	Acquisition	Year of acquisition	Region of acquired entity / asset	Consideration (in million)	Consideration (₹ in million)	% shareholding/ stake acquired	Nature of acquisition	Acquisition rationale	Acquiring entity
1.	Persuade Loyalty, LLC (renamed to Capillary Technologies LLC)	2021	USA	USD 15.00	1,076.25**	100	Purchase of shares	Persuade complements the product and service offerings and has enabled us to enter the US region	CPL, a wholly owned Material Subsidiary
	Persuade Holdings, Inc.#	2021	USA	USD 10.90	782.08**	100	Purchase of shares		CPL, a wholly owned Material Subsidiary
2.	Brierley & Partners, Inc. (renamed to Capillary Brierley Inc.)	2023	USA	USD 10.06	826.30**	100	Purchase of shares	To strengthen their presence in the North American market and enhance their consulting capabilities. B+P's brand recognition and expertise in loyalty strategy and design consulting complements their existing offerings.	CTL, a wholly owned subsidiary of CPL
3.	Brierley Europe Limited (renamed to Capillary Technologies Europe Limited)	2023	UK	USD 0.0001	0.0082**	100	Purchase of shares	Brierley has been recognised as a leader in the past by a research and advisory firm. Their loyalty consulting and design service offering also complemented their overall offerings and added to their product and service suite	CPL, a wholly owned Material Subsidiary
4.	Assets of Digital Connect business (renamed as "Rewards+ ")^	2023	UK and USA	USD 3.36	277.33**	Not applicable on account of purchase of assets	Asset Purchase	To expand the Company's presence in the European Union market, for loyalty and customer engagement solutions in addition to supplementing their product suite with the rewards and redemption platform.	CPL, a wholly owned Material Subsidiary
5.	Capillary Technologies Inc.	2023	USA	SGD 0.01	0.78**	100	Purchase of shares	To enhance operational efficiency in the USA, CTL acquired 100% stake in Capillary Technologies Inc. from one of the Promoters, CTIPL with the intention of consolidating the businesses in the USA	CTL, a wholly owned subsidiary of CPL
6.	Kognitiv*	2025	USA and Canada	CAD 17.28	1,026.95 <sup>(S)</sup>	Not applicable on account of purchase of assets	Asset purchase	It is a well-established loyalty technology provider operating primarily in the North American market. Acquisition rationale was to operate Kognitiv	CTL, a wholly owned subsidiary of CPL

Sr. No.	Acquisition	Year of acquisition	Region of acquired entity / asset	Consideration (in million)	Consideration (₹ in million)	% shareholding/ stake acquired	Nature of acquisition	Acquisition rationale	Acquiring entity
				CAD 4.39	260.79 <sup>(§)</sup>	Not applicable on account of purchase of assets	Asset purchase	Group's flagship loyalty platform independently while building feature parity and necessary enhancements into their own platform to ensure uninterrupted service for existing customers and enable a smooth transition.	
				CAD 2.33	138.58 <sup>(§)</sup>	100	Purchase of shares		

<sup>#</sup> The entity was closed on June 2, 2023 on account of internal restructuring and there was no continuing business in the entity.

<sup>^</sup> The Company developed a new product named Rewards+, utilising the assets of Digital Connect business acquired from Tenerity LLC

<sup>\*</sup> Kognitiv includes acquisition of shares of Kognitiv Solutions Inc., incorporated in Canada and assets consisting of business intellectual property rights of Loyalty Solutions Holdings US Inc. and certain assets and liabilities of Kognitiv US LLC w.e.f. May 1, 2025.

<sup>§</sup> Conversion rates used for the INR amounts for Kognitiv acquisitions is as of March 31, 2025, being the date of the Asset Purchase Agreement, i.e., 1 CAD = ₹59.43 (Source: www.x-rates.com).

<sup>\*\*</sup> The INR equivalent amount of the consideration has been specified based on the consideration set out in the underlying books of accounts at the time of acquisition

2. Basis the acquisitions highlighted in the table above, demonstrates the ability of the Company to migrate businesses onto its platform. By selecting acquisitions that complement the existing capabilities, the Company ensures seamless integration and synergy through the comprehensive suite of solutions and cross-selling options. The approach towards acquisitions of the Company has allowed it to scale businesses and integrate them into its broader ecosystem. For example, pursuant to acquiring Persuade Group in September 2021, the Company has experienced significant growth in the United States. Persuade Group's revenues increased from ₹ 505.52 million in Fiscal 2023 to ₹ 1,078.08 million in Fiscal 2024 and ₹ 2,121.94 million in Fiscal 2025, representing 19.80%, 20.53% and 35.47% of the revenue from operations of the Company in such periods, respectively. Given Persuade Group's strong customer base, including Fortune 100 and Fortune 500 companies, and cash-positive operations, the Company intended to further invest in North America. Focusing on the expansion of the Company in the North America, the Company subsequently acquired B+P in April 2023 and Kognitiv in May 2025 operating primarily in the United States and North American market.
3. In September 2021, the Company made a strategic investment pursuant to which the Company acquired Persuade Loyalty, LLC and Persuade Holdings, Inc. and completed their first acquisition in the US market. This acquisition gave the Company presence in the US market and access to client base comprising multiple Fortune 100 and Fortune 500 companies as customers, which the Company believes can serve as a growth engine for its operations particularly in North America.