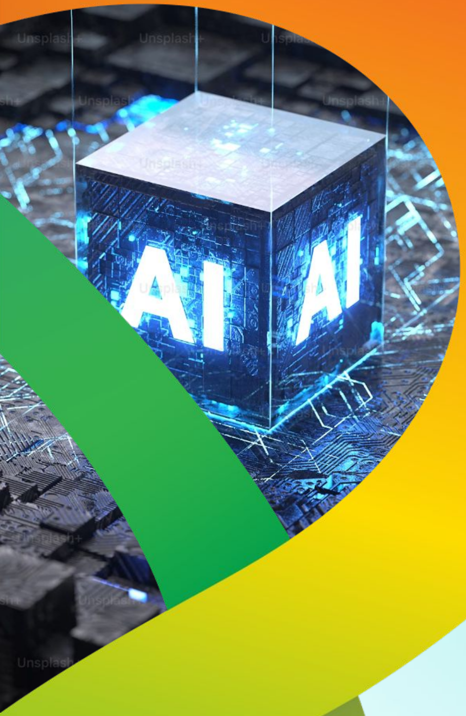


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# Corporate Update

*February 24, 2026*

# Global Market Leader in Loyalty and Engagement Management

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## Global reach tapping into the unique needs and preferences across regions


**Select Countries and Cities with Offices or Customer Presence**

**Offering AI-powered Cloud-native Products and Solutions to Large Enterprise Customers Globally monetized through long term subscription contracts.**

## Awards & Recognitions

FORRESTER WAVE LEADER 2025 Loyalty Platforms [1]

Gartner

QKS Group SPARK Matrix™ 2025 LEADER

Everest Group PEAK MATRIX® LEADER 2025 LOYALTY PLATFORMS

## Clients

ADITYA BIRLA GROUP, Abbott, asics, IndiGo, Domino's, PUMA, UNITED COLORS OF BENETTON., METRO digital

**410+** Brands

**20** Fortune 500 Customers

**1.8 Billion+** Consumers on the Platform

**99.999%** Product Uptime

**47** Countries

**16** Global Offices

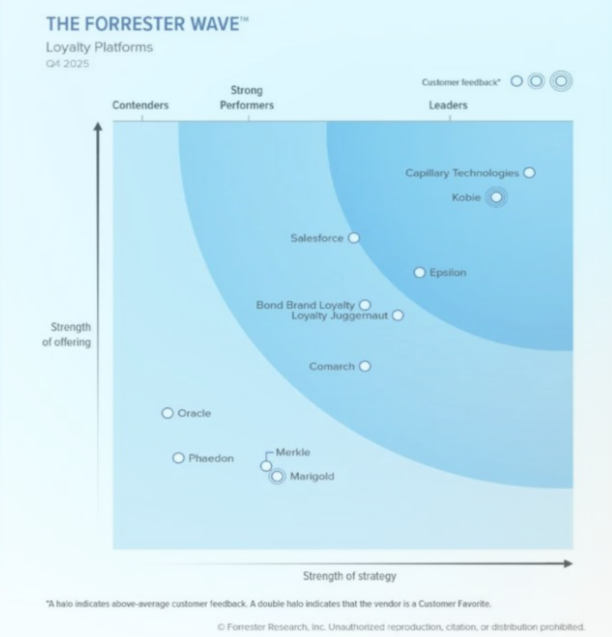
**700+** Employees Worldwide



1. Capillary was named a leader in the Forrester Wave (™): Loyalty Platforms, Q4 2025

# Independent Recognition – Forrester Wave™

The Forrester wave (™): Loyalty Platforms, Q4 2025

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## Capillary Technologies named a Leader in Loyalty Platforms.

**— The Forrester Wave(™): Loyalty Platforms, Q4 2025**

**** Highest among all vendors in both Current Offering and Strategy***
**** 5/5 Score in 22 out of 27 Criteria***

## What We Think Got Us Here:

### AI-First Platform Approach

Capillary has extensive genAI capabilities, including its aiRA (AI assistant) and Nudge Framework, to help marketers build and optimize promotions conversationally

### Supports Complex Program

Capillary excels across most capabilities including program flexibility, UX, and AI-driven insights. Its platform supports complex programs, including coalition, subscription, and gamified formats.

### Customer Feedback

Customers praise Capillary's usability, AI enablement, and promotion flexibility.While some customers aren't ready to take on full genAI features today, they appreciate Capillary's forward-leaning approach to innovation.

# Our Growth & Profitability Levers

## Growth

### NRR Expansion

Expanding Total NRR led by organic expansion from our three levers of expanding existing customer revenue, viz.,:

- platform usage overages and inflationary increases,
- product upgrades and service upsells, and
- new brands, geographies and business units

### New Customer Wins

Accelerating momentum with targeted Fortune 500 enterprise wins and larger deal sizes across global markets, driving future revenue predictability.

### M&A

Rapidly integrating acquired businesses to unlock significant cost synergies, streamline operations, and enable cross-selling of core loyalty modules.

## Profitability

### NRR linked margin expansion

Incremental revenue from existing customers comes at higher gross margin, improving profitability

### Leverage on non-CoGS Cost

~60% of our costs are linked is non COGS related to technology, S&M, Corporate functions, which do not grow linearly with revenues

### Integration of Customers from M&A

Post integration with our platform customers move from a ~30% gross margin to a ~65% margin, leading to better profitability and cash flow generation, making our M&A a 4 -5 year cash pay back engine.

# Inorganic Growth Strategy: Disciplined Acquisitions of Loyalty companies in a Fragmented Market

## Fragmented North America Loyalty Market

**$8bn**
**North America Loyalty TAM (2024)**

- **Numerous small to mid-sized firms with dedicated customer bases**
- **Limited Resources of small – mid sized firms, often hindering ability to invest in modernizing platforms**
- **75% - 80% of US Enterprises already using some loyalty solution**
- **Smaller firms operate on outdated systems and lack the capital necessary for technological upgrades**

***Prime Candidates for Acquisition by Larger Entities***

## Disciplined Approach To Acquisitions

### Targeting Small-Mid Sized Businesses

Target companies with enterprise customers and significant presence in US

### CAC Substitution – Migrating Customers to Capillary's Platform

**Migrating acquired customers to platform**, with aim to boost EBITDA & Gross Margins and generate additional free cash flows

### Complementing Existing Capabilities

**Ensuring seamless integration and synergy** by selecting acquisitions that complement our existing capabilities

***Continue exploring inorganic growth opportunities in North America and selectively expand into evolved markets such as Europe***

Note: Figures rounded off to nearest whole number

# Proven M&A Playbook: Transforming Acquisitions into Value Creation Engines

### *Acquisition History*

| **Persuade** September 2021 | **Rewards+** June 2023 | **Brierley** April 2023 | **Kognitiv** May 2025 |
| --- | --- | --- | --- |
| *Investment of* ***~₹ 107 cr.*** | *Investment of* ***~₹ 39 cr.*** | *Investment of* ***~₹ 111 cr.*** | *Investment of* ***~₹ 122 cr.*** |
| *At revenue multiple of* ***~ 2x*** | *At revenue multiple of* ***~ 0.4x*** | *At revenue multiple of* ***~ 0.8x*** | *At revenue multiple of* ***~ 1.4x*** |
| *Payback achieved in* ***4.6 years*** | *Payback achieved in* ***2.5 years*** | *Payback estimated in* ***4 years*** | *Payback estimated in* ***3.9 years*** |

**~4 years cash pay back on M&A**

***Consistent 20%+ ROIC delivered signaling Capillary's ability to turnaround businesses and achieve profitability***

# Acquisition Opportunity: Session M

**The acquisition of Session M strengthens Capillary's footprint in North America, LATAM and adds to our APAC portfolio and unlocks multi-industry growth by leveraging Session M's enterprise relationships and global talent.**

# Session M: Business Overview

| | |
|---|---|
| Founded | **2011** |
| Parent Company | **Mastercard** |
| Headquarters | **US** |
| Enterprise Customers | **40+** |

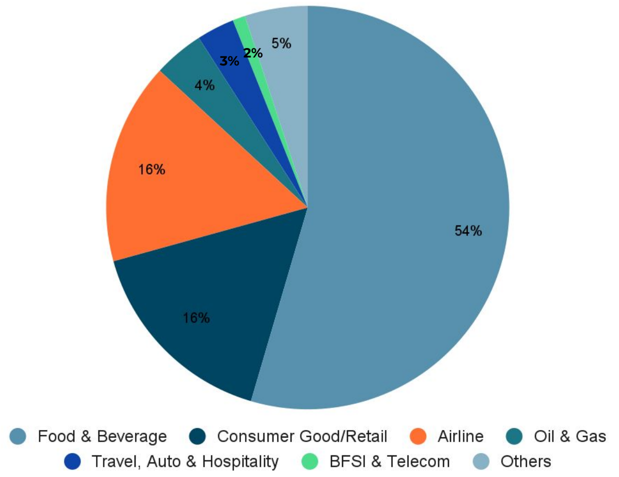
| | |
|---|---|
| Fortune 500 Companies | **5** |
| Consumer Profiles | **800M+** |
| Countries Served | **35+** |
| Industry Verticals | **7+** |

*Source: Company information as of June 2025*

# Comprehensive Product Suite Powering Niche Client Base Globally

## Industries Served

***As a % of CY25 Revenue:***




## Leading Customers

***A leading global QSR operator serving tens of millions*** *of customers daily across 100+ countries, with one of the largest franchise networks and digital loyalty ecosystems worldwide.*

***One of the world's largest global airlines*** *by passenger traffic, operating an extensive domestic and international route network, supported by a high-scale loyalty and rewards program with millions of active members.*

***A premier global specialty coffee retailer*** *with a strong omni channel presence, operating thousands of company-owned and licensed stores worldwide and supported by one of the most successful digital loyalty programs in retail.*

# Acquisition Rationale: Key Synergies

| | |
|---|---|
| **Synergistic Business Model** | ❖ The loyalty platform is highly synergistic with Capillary's core business model, enabling seamless customer integration and accelerating cross-sell opportunities across the combined client base |
| **Niche Clientele** | ❖ **Blue-chip customers:** Immediate access top customers across various industries<br>❖ **Deep relationships:** >5-year tenures indicating strong stickiness and enterprise trust |
| **Brand Recall** | ❖ **Regional alignment:** North America is Capillary's core market; SessionM derives 70%+ revenue from the Americas (including South America)<br>❖ **Market impact:** Strengthens brand recall, visibility, and leadership in Capillary's key geography |
| **Industry Access** | ❖ **Strong vertical focus:** QSR and Retail contribute ~70% of SessionM revenue<br>❖ **Strategic access:** Direct entry to category-leading customers in high-value segments<br>❖ **Growth impact:** Enhances Capillary's credibility, market penetration, and long-term growth potential |
| **Favorable Deal Dynamics** | ❖ **Attractive valuation**: For a base consideration of $20M, subject to customary closing adjustments towards net debt, working capital and other adjustments as set out in the definitive agreements<br>❖ **Value upside:** Provides access to $35Mn+ revenue |
| **Efficiency Play** | ❖ **Strong fit:** Clear efficiency and margin expansion opportunity within Capillary's lean operating model<br>❖ **Profitability outlook:** High confidence in achieving EBITDA profitability in Year 1 post-acquisition |

# Combined Value Proposition

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**$82M** ARR

**110+** Customers
**20** Fortune 500 Companies

**Retail , Healthcare , BFSI**
Top 3 industry verticals

North America **(55%)**
EMEA **(18%)**
Asia **(27%)**

sessionm
A Mastercard Company

**~$35M** Continued ARR

**40+** Customers
**5** Fortune 500 Companies

**Food & Beverage, Airlines, Retail** Top 3 industry verticals

North America **(70%)**
LATAM **(14%)**
EMEA **(3%)**
Asia **(13%)**

capillary sessionm
A Mastercard Company

**~115M+** Combined ARR

**150+** Customers
**25** Fortune 500 Companies

**Strengthened focus on Food & Beverage, Airlines, Retail**

North America **(~59%);**
access to other geos such as LATAM

# What Does This Mean in the Long Term?

| | |
|---|---|
| **Acquisitions in FY 26** | ❖ We have undertaken two acquisitions in FY 26 - Kognitiv and Session M |
| **Integration** | ❖ In the initial post-acquisition period, we will integrate approximately 60 customers from the two acquisitions onto our platform |
| **Timeline** | ❖ The integrations will be done over the next 24-36 months with an estimated completion by the end of CY 2028. With our integration timelines, we estimate these acquisitions to reflect stable post-integration operations in CY29. |

**Projected FY30 Adjusted EBITDA** **~₹398 Cr**

# Capillary's Long-term Outlook

**ORGANIC BUSINESS -** *Customers on Capillary platform*

**20%+** Organic Annual Growth Rate

**2x+** Operating leverage on non-COGS cost

*Levers of NRR expansion:*
- *platform usage overages and inflationary increases,*
- *product upgrades and service upsells, and*
- *new brands, geographies and business units*

*Acquisition of new customers*

*Margin growth through*
- *Gross Margin increase through NRR*
- *Below gross margin costs grow at much slower pace than revenue*

**INORGANIC GROWTH** - *Kognitiv, Session M, future M&A*

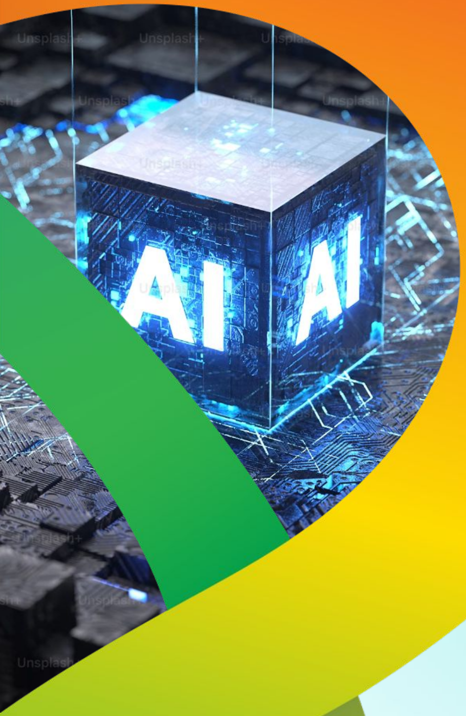
**~75%** Revenue Retention through integration

**45%+** Free CashFlow post Integration

*Customer integration in 24-36 months*

*Investment payback in 4-5 years*

*ROIC of 20%+*

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# Thank You

*For any queries, please reach out to investorrelations@capillarytech.com*