



# AFFLE (INDIA) LIMITED

## Issue highlights

- Incorporated on August 18, 1994, Affle (India) Limited (“Affle”) is a global technology business company. It has two business segments viz. The **Consumer Platform** that delivers new consumer acquisitions, engagements and transactions through relevant mobile advertising. It aims to enhance returns on marketing spend through delivering contextual mobile ads and reducing digital ad fraud, while proactively addressing consumer privacy expectations. The **Enterprise Platform** primarily provides end-to-end solutions for enterprises to enhance their engagement with mobile users.
- Affle primarily earns **revenue from Consumer Platform** on a cost per converted user (“CPCU”) basis, which comprises user conversions based on consumer acquisition and transaction models. Their consumer acquisition model focuses on acquiring new consumers for businesses, which is usually in the form of a targeted user downloading and opening an App or engaging with an App after seeing an advertisement delivered by Affle. Their transaction model is usually in the form of a targeted user submitting a lead acquisition form or purchasing a product or service after seeing an advertisement delivered by them.
- Affle also earns **revenue from Consumer Platform** through awareness and engagement type advertising, which comprises cost per thousand impressions (“CPM”), cost per view (“CPV”) and cost per click (“CPC”) models. These models are relevant for brand advertisers who want to build awareness and recall and engage users online to transact with them offline/online.
- As at March 31, 2019, their Affle Consumer Platform had approximately 202 crore consumer profiles, of which approximately 57.1 crore were in India, 58.2 crore were in Other Emerging Markets (which comprises Southeast Asia, the Middle East, Africa and others) and 86.7 crore were in Developed Markets (which comprises North America, Europe, Japan, Korea and Australia). During Fiscal 2019, the Affle Consumer Platform accumulated over 30,000 crore data points, which power their prediction and recommendation algorithm for their Affle Consumer Platform.
- Affle is in the process of integrating the consumer profiles and the related consumer data points of the **Vizury Commerce Business**, the **RevX Platform** and the **Shoffr Platform** with their Affle Consumer Platform.

## Brief Financial Details

(Rs. In Cr)

	Unaudited		Restated Ind:		
	Proforma Condensed Combined	AS Consolidated Summary	Unconsolidated Summary		
			2019	2018	2017
	As at March 31,				
	2019	2019	2019	2018	2017
Share Capital	24.29	24.29	24.29	24.29	24.29
Reserves	48.12	48.12	21.98	5.88	(3.26)
Net worth	72.41	72.41	46.27	30.17	21.03
Revenue from Operations	268.61	249.40	117.79	83.76	65.63
Revenue Growth (%)	-	-	40.63%	27.62%	-
EBITDA as stated~	74.04	70.31	24.75	16.77	3.52
EBITDA (%) as stated~	27.56%	28.20%	21.01%	20.02%	5.36%
Profit Before Tax	63.53	59.80	23.54	13.60	0.80
Profit for the year	51.79	48.82	16.68	8.83	0.33
Net Profit as % to Revenue	19.28%	19.57%	14.16%	10.54%	0.50%
EPS (Rs.)	21.32	20.10	6.87	3.64	0.14
RONW(%)	-	67.40%	36.05%	29.28%	1.57%
Net Asset Value (Rs.)	-	29.81	19.05	12.42	8.66

Source: RHP, ~EBITDA to Total Comprehensive Income

## Issue Details

**Fresh Issue of Equity shares aggregating upto Rs.90 Cr and Offer for sale of upto 4,953,020 Equity Shares.**

## Issue highlights

**Issue size: Rs.457 Cr – 459 Cr**

**No. of shares: 6,169,236-6,161,073 Equity Shares**

**Face value: Rs.10**

## Issue summary

**Price band: Rs.740 - 745**

**Bid Lot: 20 Shares and in multiple thereof**

**Post Issue Implied Market Cap:**

**Rs.1,887 Cr – 1,899 Cr**

**BRLMs: ICICI Securities, Nomura Financial  
Registrar: Karvy Fintech Pvt. Ltd.**

**Issue opens on: Monday, 29<sup>th</sup> July'19**

**Issue closes on: Wednesday, 31<sup>st</sup> July'19**

## Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	05-08-2019
Refunds/Unblocking ASBA Fund	06-08-2019
Credit of equity shares to DP A/c	07-08-2019
Trading commences	08-08-2019

## Listing: BSE and NSE

## Issue break-up

Cat	No. of Shares		% of Issue
	No. of Shares	Rs. In Cr	
QIB*	4,626,927 - 4,620,805	342 - 344	75%
NIB	925,385 - 924,161	68 - 69	15%
Retail	616,924 - 616,107	46 - 46	10%
<b>Total</b>	<b>6,169,236 - 6,161,073</b>	<b>457 - 459</b>	<b>100%</b>

\*Company may allocate up to 60% Shares of the QIB Portion to Anchor Investors.

## Shareholding (No. of Shares)

	Pre issue	Post issue^	Post issue#
No of shares	24,288,314	25,496,367	25,504,530

^@ Upper price Band #@ Lower Price Band

## Shareholding (%)

	Pre-Issue	Post-Issue
Promoters & Promoters Gr	92.17%	68.38%
Public	7.83%	31.62%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## BACKGROUND

### Company and promoters

The company was incorporated as 'Tejus Securities Private Limited', on August 18, 1994. As on January 2006, the company was owned and managed by Mukesh Tulsyan, Raj Pal Singh Rana and certain other shareholders. Subsequently in January 2006, the entire equity share capital of Tejus Securities Pvt. Ltd. was acquired by Anuj Khanna Sohum, the individual Promoter, along with Anuj Kumar and Madhusudan Ramakrishna (collectively, the "Tejus Acquirers"). As on the date, the Promoters of the company are Anuj Khanna Sohum and Affle Holdings; and they hold, in aggregate 83.46 % of the issued and paid-up Equity Share capital of the company.

**Anuj Khanna Sohum** is the individual Promoter, Chairman, Managing Director and Chief Executive Officer of the company. He has co-founded Anitus Technologies Pte. Ltd. and Seclore Technology Pvt. Ltd. He is a technopreneur with over 18 years of experience in leading technology products/ platforms-based businesses.

**Anuj Kumar** is the Director and Chief Revenue & Operating Officer of the company. He has over 17 years of experience in advertising and technology platforms-based business roles.

**Kapil Mohan Bhutani** is the Director and Chief Financial and Operations Officer of the company. He has been associated with the company since August 5, 2014.

**Charles Yong Jien Foong** is the Director of the company and the Chief Architect & Technology Officer of Affle International. He has been associated with Affle Global since 2008. He has over 19 years of experience in product management and solution consulting/architecture.

**Mei Theng Leong** is the Non-Executive Director of the company and the Chief Financial & Commercial Officer, International of Affle International. She has been associated with Affle Global since March 2017. She has over 19 years of experience in accounting and finances.

**Bijynath, Naresh Chand Gupta, Sudhir Jatia, Sumit Mamak Chadha and Vivek Narayan Gour** are the Non-Executive Independent Director of the company.

**Vipul Kedia** is the Chief Data & Platforms Officer of the company. He has been associated with the company since November 6, 2006. He has 13 years of professional experience.

**Parmita Choudhury**, is the Company Secretary and Compliance Officer of the Company. She has been associated with the company since April 29, 2019. She has over 6 years of experience working as company secretary

**Viraj Sinh**, is the Managing Partner - International of the company. He was earlier part of AD2C India and later joined the company pursuant to 2017 Scheme. He has over 15 years of experience in business management and sales.

**Madan Sanglikar** is the Managing Partner - South East Asia of the company. He had joined AD2C India as chief executive officer in 2011 and he was thereafter transferred to the Indonesian Subsidiary. He has experience in the field of media and has in the past held the position of principal partner – invention at GroupM Media India Pvt. Ltd.

The company has won several Certificates of Recognition/ Certificates of Appreciation awards:

#### Award

- 5 awards at Indian Digital Media Awards in 2019, comprising "Best Use of Experiential Tech for Digital & Physical Experiences", a special award for DishTV (Gold), "Best Use of AR or VR", a special award for DishTV (Gold), "Best Use of Web Based Games" for 5 Star (Silver), "Most Effective Use of AI, Data Analytics, Machine Learning for a Campaign and Business Optimisation" for Goibibo (Bronze) and "Best Campaign - Use of Mobile and Mobile Monetization", for Goibibo (Bronze).
- "Technology Excellence Awards 2019" for Affle's Mobile Advertising Platforms from Singapore Business Review.
- "Ad Network of the Year", AgencyCon. Indian Agency Awards and Summit, 2019.
- "Most Admired AdTech Platform (Gold)", a Special Award, from ACEF Global Customer Engagement Forum 2019.
- "Best Technology Platform (Gold)" from DIGIXX for mFaas in 2019.
- "Best Use of AR/VR in a Marketing Campaign (Silver)" for DishTV at India Digital Awards 2019, from IAMA and Times Now.
- Nine awards at the MOBEXX Awards 2018, comprising three Gold, three Silver and three Bronze awards.

## OFFER DETAILS

The Offer	
Fresh Issue	Upto 1,208,053 <sup>^</sup> - 1,216,216 <sup>~</sup> Equity Shares <i>(<sup>^</sup> at upper price band and <sup>~</sup> lower price band)</i>
Offer for Sale*	Up to 4,953,020 Equity Shares
<b>* Offer for sale by :</b>	<b>Shares up to</b>
Affle Holdings Pte. Ltd. – The Promoter	4,953,020 Equity Shares

### Shareholding of the Promoters and Promoter Group of Affle (India) Ltd:

	Pre-offer		No. of Shares offered	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Affle Holdings Pte. Ltd. - Promoter	18,368,939	75.63%	4,953,020	13,415,919	52.62%
Anuj Khanna Sohum -Promoter	32	-%	-	32	-
Affle Global -Promoter Group	4,017,911	16.54%	-	4,017,911	15.76%
<b>Total</b>	<b>22,386,882</b>	<b>9.00%</b>	<b>4,953,020</b>	<b>17,433,862</b>	<b>68.38%</b>

### Brief details of Affle Holdings Pte. Ltd – The Holding company of Affle (India) Ltd:

Incorporated on July 16, 2008 in Singapore, Affle Holdings is engaged, through its subsidiaries, in the business of research and experimental development on IT & product development for mobile software & technology.

Affle's individual Promoter, Anuj Khanna Sohum, is the promoter of Affle Holdings. Further, he also controls Anuj Khanna Investments Pte. Ltd., and Fess Old New Pte. Ltd., the shareholders of Affle Holdings, the corporate Promoter of Affle (India) Ltd.

Key Shareholders of Affle Holdings Pte. Ltd are :

Shareholders	Ordinary Shares	% Ownership
Fess Old New Pte Ltd	8,742,074	28.11%
Affle Global Pte Ltd	4,081,259	13.13%
D2c Inc.	2,825,385	9.09%
Microsoft Global Finance	1,937,376	6.23%
Anuj Khanna Sohum	1,878,275	6.04%
Anuj Khanna Investments Pte Ltd	1,851,232	5.95%
Bennett, Coleman & Co. Ltd	1,614,480	5.19%
Itochu Corporation	1,174,167	3.78%
Other Shareholders	6,990,845	22.48%
<b>Total</b>	<b>31,095,093</b>	<b>100.00%</b>

## OBJECTS OF THE ISSUE

Objects	Amount
Funding the working capital requirements of the company	68.93
To achieve the benefits of listing of the Equity Shares to enhance the visibility and brand image;	-
General Corporate Purposes	[ • ]
<b>Total</b>	<b>[ • ]</b>

## BUSINESS OVERVIEW

Affle (India) Limited (“Affle”) is a global technology business.

Affle has 2 business segments:

Platform	Details
Consumer Platform	<ul style="list-style-type: none"> <li>• New consumer conversions -(acquisitions, engagements and transactions) through relevant mobile advertising;</li> <li>• Retargeting existing consumers to complete transactions for e-commerce companies through relevant mobile advertising; and</li> <li>• An online to offline (“O2O”) platform that converts online consumer engagement into in-store walk-ins.</li> </ul>
Enterprise Platform	<p>The Enterprise Platform primarily provides end-to-end solutions for enterprises to enhance their engagement with mobile users.</p> <ul style="list-style-type: none"> <li>• The “Affle” branded consumer intelligence platform that deliver consumer acquisitions, engagements and transactions through relevant mobile advertising (the “<b>Affle Consumer Platform</b>”);</li> <li>• The “RevX” branded mobile only self-serve programmatic platform that delivers consumer acquisitions, engagements and transactions through relevant mobile advertising (the “<b>RevX Platform</b>”);</li> <li>• The “Vizury” branded retargeting media business for e-commerce companies and the push notifications offerings for e-commerce companies on a software as a service model (the “<b>Vizury Commerce Business</b>”); and</li> <li>• The “Shoffr” branded online to offline platform that converts online consumer engagement into in-store walk-ins and transactions (the “<b>Shoffr Platform</b>”).</li> </ul>

The Consumer Platform aims to enhance returns on marketing spend through delivering contextual mobile ads and reducing digital ad fraud, while proactively addressing consumer privacy expectations.

As at March 31, 2019, their Affle Consumer Platform had approximately 202 crore consumer profiles, of which approximately 57.1 crore were in India, 58.2 crore were in other Emerging Markets (which comprises Southeast Asia, the Middle East, Africa and others) and 86.7 crore were in Developed Markets (which comprises North America, Europe, Japan, Korea and Australia). During Fiscal 2019, the Affle Consumer Platform accumulated over 30,000 crore data points, which power their prediction and recommendation algorithm for their Affle Consumer Platform.

Affle is in the process of integrating the consumer profiles and the related consumer data points of the Vizury Commerce Business, the RevX Platform and the Shoffr Platform with their Affle Consumer Platform. **Their Consumer Platform is used by business to consumer (“B2C”) companies across industries, including e-commerce, fin-tech, telecom, media, retail and FMCG companies, both directly and indirectly through their advertising agencies.**

Their Consumer Platform utilises user-intent indicators derived from behavioural signals, marketing attribution and transactional data, which are received in real time and accumulated over time, which increases their ability to predict a user’s likely interests. The accuracy of the prediction and recommendation algorithms for their Consumer Platform improve with every advertisement they deliver, as the systems incorporate new data, while continuing to learn from previous data. In addition, the Consumer Platform enhances their customers’ ad content with rich media experiences, including interactive videos, games and augmented reality. This paired with data-centric scientific targeting and retargeting enables a higher likelihood of consumer engagement, such as downloading an App or completing a transaction.

For Fiscal 2019 on a Proforma Basis, the revenue from their Consumer Platform represented 97.2% of the revenue from contracts with customers. For Fiscal 2019 on a consolidated basis, the revenue from their Consumer Platform contributed 97% of their revenue from contracts with customers.

Affle primarily earns **revenue from Consumer Platform** on a cost per converted user (“CPCU”) basis, which comprises user conversions based on consumer acquisition and transaction models. Their consumer acquisition model focuses on acquiring new consumers for businesses, which is usually in the form of a targeted user downloading and opening an App or engaging with an App after seeing an advertisement delivered by Affle. Their transaction model is usually in the form of a targeted user submitting a lead acquisition form or purchasing a product or service after seeing an advertisement delivered by them.

Affle also earns **revenue from Consumer Platform** through awareness and engagement type advertising, which comprises cost per thousand impressions (“CPM”), cost per view (“CPV”) and cost per click (“CPC”) models. These models are relevant for brand advertisers who want to build awareness and recall and engage users online to transact with them offline/online.

The Consumer Platform benefited from broad access to mobile ad inventory through their relationships with publishers and data platforms. Affle encourage publishers to provide them with access to their mobile ad inventory by offering a platform through which they can tap into their advertisers’ marketing budgets and manage their inventory yields. They also have access to mobile display advertising inventory through real-time-bidding advertising exchanges. For each campaign, Affle bid for the consumer profiles which has a higher likelihood to transact on the basis of their data intelligence. Their proprietary optimization algorithm enables them to buy media efficiently and at high scale, giving them the ability to drive high volumes of CPCU-led campaigns at efficient prices.

Affle also provides end-to-end solutions for enterprises to enhance their engagement with mobile users, such as developing Apps, enabling offline to online commerce for offline businesses with e-commerce aspirations and providing enterprise grade data analytics for online and offline companies (collectively, the “**Enterprise Platform**”).

For Fiscal 2019 on a Proforma Basis, the revenue from the Enterprise Platform represented 2.8% of their revenue from contracts with customers. For Fiscal 2019 on a consolidated basis, their revenue from the Enterprise Platform represented 3% of the revenue from contracts with customers.

The sales and marketing team as at May 31, 2019 comprised 51 persons across their 6 offices, 1 sales agent in Malaysia and through referrals from existing customers. Their customers include the companies for which they undertake a mobile ad campaign as well as the advertising agencies acting for such companies.

Company’s business is asset light and scalable as shown by the fact that their employee benefit expenses, depreciation and amortization expenses and other expenses have remained relatively unchanged despite significant changes in their revenue in the last 3 fiscal years.

Affle has 3 registered patents in the United States with multiple patent claims in areas of advertising via data communication clients, online search system, method and computer programme and method and system for extending the use and/or application of messaging system. They also have 10 pending patent applications in India covering various algorithms in the area of digital fraud detection. As part of their acquisition of the Vizury Commerce Business, Affle acquired 2 pending patent applications in India and 3 pending patent applications in the United States, only 1 of which they intend to pursue, which is in the field of partner pixelling for user identification.

As at May 31, 2019, Affle had 236 full time employees across their 6 offices located in Gurugram (India), Mumbai (India), Singapore and Jakarta (Indonesia) and Dubai (UAE).

In connection with the Offer, Affle undertook a corporate restructuring in which they incorporated the Singapore Subsidiary and it acquired all of Affle Global’s business, intangible assets and all of the equity interests in the Indonesian Subsidiary, effective July 1, 2018. Affle Global was engaged in the same business as the company (“Affle”) outside India and Indonesia and used Affle’s solutions. The Indonesian Subsidiary was engaged in the same business as the company (“Affle”) in Indonesia and used Affle’s solutions. Affle Holdings, the corporate Promoter, owns 100% of the issued shares in Affle Global.

With effect from September 1, 2018,

- Affle acquired the Vizury Commerce Business in India, associated records, the brand name “Vizury” and other intellectual property rights and domain name credentials in India, by way of a slump sale on an “as-is-where-is” basis from Vizury India and
- The Singapore Subsidiary acquired the brand name “Vizury” and certain other intellectual property in connection with the Vizury Commerce Business in Dubai and Singapore from Vizury Dubai and Vizury Singapore, both of which are affiliates of Vizury India.

*(In order to give potential investors a better understanding of what the consolidated results of operations for Affle and the Vizury Commerce Business would have been had they been operating as one group for all of Fiscal 2019, Affle has prepared the unaudited proforma combined statement of profit and loss for the year ended March 31, 2019 for illustrative purposes, which gives effect to the Vizury Transactions as if they occurred on April 1, 2018).*

- On May 18, 2019, but with effect from February 19, 2019, the Singapore Subsidiary acquired the Shoffr Platform Business by way of a slump sale on an an “as-is-where-is” basis. This acquisition strengthened their business by providing integrated consumer journeys and allowing brands to transparently attribute the impact of digital advertising on in-store footfalls and transactions.
- On June 28, 2019, but with effect from April 1, 2019, the Singapore Subsidiary acquired the RevX Platform Business by way of a slump sale on an an “as-is-where-is” basis. This acquisition strengthened their Affle Consumer Platform for both new user acquisition and retargeting.

## COMPANY PRODUCTS AND SERVICES

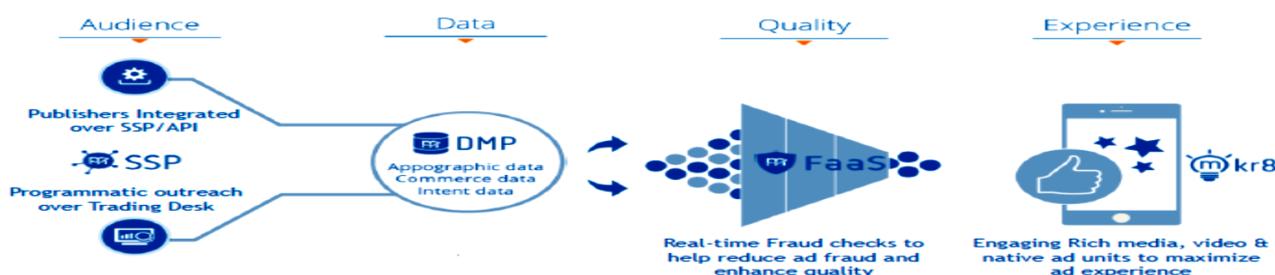
### Consumer Platform

The Consumer Platform comprises the Affle Consumer Platform, Vizury Commerce Business, the RevX Platform and the Shoffr Platform.

Company’s Consumer Platform delivers consumer acquisitions, engagements and transactions through contextual mobile advertising for B2C companies across industries, including e-commerce, fin-tech, telecom, media, retail and FMCG companies, both directly and indirectly through their advertising agencies. The Consumer Platform aims to enhance returns on marketing spends by delivering relevant mobile advertisements and by detecting and reducing digital fraud, while proactively addressing consumer privacy.

Affle utilises user-intent indicators derived from behavioural signals, marketing attribution and transactional data, which are received in real time and accumulated over time, which increases their ability to predict a user’s likely interests. The accuracy of the prediction and recommendation algorithm improves with every advertisement they deliver, as the system incorporate new data, while continuing to learn from previous data. The company enhances their customers’ ad content with rich media experiences, including interactive videos, games and augmented reality. This paired with data-centric scientific targeting and retargeting enables a higher likelihood of consumer engagement, such as downloading and opening an App or completing a transaction.

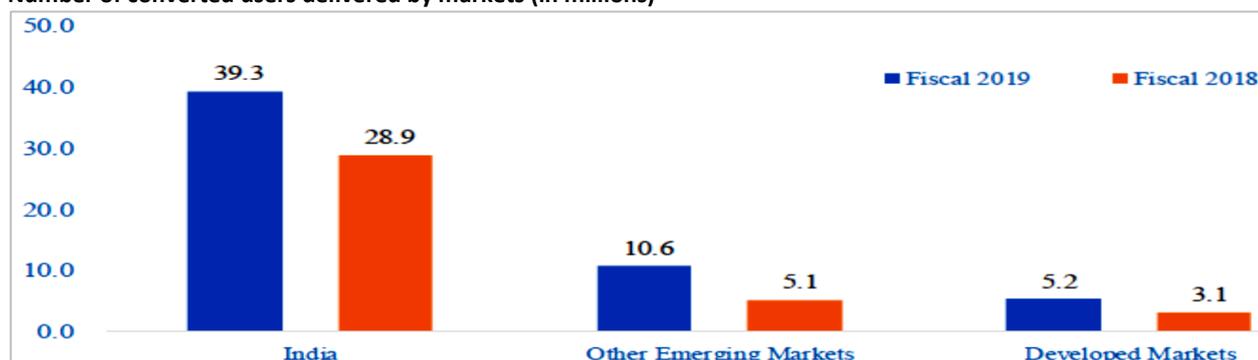
#### The key focus areas for the Consumer Platform:



Affle primarily earns revenue on a CPCU basis, which comprises user conversions based on consumer acquisition and transaction models.

The chart shows the number of converted users in India, Other Emerging Markets and Developed Markets (a) for Fiscal 2019 on a consolidated basis and (b) for Fiscal 2018 delivered by Affle, Affle Global and the Indonesian Subsidiary combined.

Number of converted users delivered by markets (in millions)



Platform	Details
<b>Consumer Platform</b>	
<b>MAAS</b>	<p>MAAS is Affle's mobile audience as a service platform. It is an integrated mobile advertising platform, which leverages audience data and helps optimise mobile advertising spends for the customers. When the customers execute their campaigns on the MAAS platform they also get access to company's other platform modules, which blend and integrate with MAAS.</p> <p>The key component of MAAS is its optimiser module, which helps Affle to optimise return on investment for their customers by leveraging multiple data points from their platform and from their customers.</p> <p>The MAAS platform has several components and offers different interfaces for customers, operations and data-based optimisations.</p>
<b>mKr8</b>	<p>mKr8 is Affle's mobile ad authoring platform that allows the creation of engaging rich media and video advertisement units that can be used across multiple media channels. Using mKr8, Affle can build dynamic advertisements on the basis of phone sensors (such as camera, location, and accelerometer) and global sensors (such as weather conditions, stock markets and air quality).</p>
<b>mSSP</b>	<p>mSSP is Affle's supply side platform that is intended to enable publishers to maximise monetization from their mobile advertisement inventory. It connects to multiple advertisers to source demand and allows publishers to place these on their mobile applications and websites via application programmatic interfaces ("APIs") or real time bidding platforms. mSSP allows for multiple advertisement formats to be served, including App install advertisements, native advertisements (which are a form of paid media where the advertisement experience follows the natural form and function of the user experience in which it is placed), banner advertisements (which are advertisements embedded into a web page that are intended to attract traffic to a website by linking to the advertiser's website) and video advertisements.</p> <p>mSSP allows publishers to manage all their advertisers via a single dashboard and offers complex bidding techniques, such as header bidding with server-side auctions to reduce latency constraints of traditional header bidding and allows publishers to evaluate bids from hundreds of exchanges, demand side platforms and networks, and direct demand in real-time.</p>
<b>mDMP</b>	<p>mDMP is a data monetization platform that enables insight-driven audience marketing using Appographic data (Apps used by a user), intent data (click or other action initiated by user), behavioural data (in-App actions) and transaction data (purchases by users). It helps process, visualise and synchronise data across marketing and inventory channels. mDMP allows marketers to reach out to the right audience by choosing from a wide range of segments.</p>
<b>mFaaS</b>	<p>mFaaS platform processes large amounts of data to detect patterns of indicative or definitive fraud on a device, network and shared eco-system knowledge level. It detects and flags potentially fraudulent conversions and transactions on 15+ reason codes, which include click spamming, conversion hijacking, App version frauds, BOT/simulator activity and many internet protocol (IP) related fraud types. mFaaS utilises 2 primary interventions as part of its core detection technology: (a) device-based detections, including use of the gyroscope and other sensors for human compared to rack identification; and (b) server-side detections, including IP pools and device attributes. mFaaS helps to detect fraud on a real time basis, thus minimising wastage of marketing spend. mFaaS is designed such that it can be used by advertisers, advertising agencies, advertising networks and publishers to optimise return on marketing spend by helping weed out fraudulent traffic.</p>
<b>Enterprise Platform</b>	
<b>App Development</b>	<p>Affle develop Apps for third parties using their ARC (Affle Reusable Components) platform, which allows them to leverage pre-built components so that they can build high quality enterprise grade Apps in a cost-efficient way. Their Apps include government automation Apps, e-commerce and retail Apps, travel Apps, self-care Apps, ticketing Apps, healthcare Apps, social/chat Apps, OTT/streaming Apps and workforce management Apps.</p>
<b>mTraction CDP</b>	<p>mTraction CDP is an end-to-end user data, intelligence, and engagement management platform for enterprises across multiple sectors and industries. Its data analytics suite enables insights on usage analytics, marketing attribution, and utilises these for rules-based customer engagement to maximise the return on a customer's marketing spend.</p> <p>mTraction CDP allows the capturing of usage events and attribution of data points using its software development kits ("SDK") or server to server ("S2S") integrations and to visualise these as complex data sets, e.g., cohorts of revenue and user retention. Its segment builder allows creating user segments on the basis of each of these data points and sends customised messages to users using its push notifications module.</p> <p>mTraction CDP offers private cloud type of deployment options making it an attractive product for enterprises and governments that have access to a lot of personally identifiable user data and need a secure and trusted platform to store, segment and utilise it.</p>

Platform	Details
<b>Markt</b>	Markt is Affle's commerce platform that enables offline, businesses and enterprises to conduct end-to-end online commerce. It is an enterprise grade, omni-channel, commerce platform consisting of multiple custom-built modules that offer web service APIs for easy and fast integration. The platform is modular in nature and can integrate with any custom interfaces or systems. Markt's key modules include a catalogue management system, inventory management, order management, payments handler, and delivery management.  Markt supports 2 primary implementation scenarios: offline to online store enablement; and offline to online marketplace enablement.
<b>Vizury Commerce Business</b>	
<b>Mobile App Retargeting</b>	Targeting of advertisements to App users who have dropped off an App without making a purchase with the objective of driving them back to the advertiser's App. These ads are delivered on other Apps, Facebook and also through push notifications on the advertiser's App.
<b>Mobile App Re-engagement</b>	Targeting of advertisements to App users who have been inactive with the objective of re-engaging them with the advertiser's App.
<b>Web Retargeting</b>	Targeting of advertisements to website users who have dropped off a website without making a purchase with the objective of driving them back to the advertiser's website.
<b>RevX Platform</b>	The RevX Platform offers services and solutions that enable marketers to engage, acquire and retain consumers through personalised dynamic ads. The RevX Platform is an intelligent cloud for mobile advertising and analytics that combines audience intelligence, App store intelligence and artificial intelligence to drive marketing outcomes in a brand-safe, programmatic ecosystem.
<b>Shoffr Platform</b>	The Shoffr Platform drive sales of customers products and services from online marketing to offline conversion, including customer relation management, catalogue management and order management, via enablement of programmatic, personalization and data science.

## COMPANY'S KEY CUSTOMERS

Affle works with emerging customers who will help them to grow in the various countries, where these customers provide services. They are engaged to run ad campaigns either directly by the advertisers or indirectly via advertising agencies.

Global advertising spend is managed largely through 6 major advertising agencies: **WPP (GroupM); Publicis; Omnicom (OMG); Dentsu Aegis Network (DAN); Interpublic Group (IPG) Mediabrands** and **Havas**. (Source: Frost & Sullivan Report). Affle currently work with all of the top 6 global advertising agency groups and with other mobile focussed advertising agencies, such as **M&C Saatchi Mobile**, and with domestic advertising agencies, such as **Interactive Avenues** and **Madison**.

Affle has run mobile advertising campaigns for:

E-commerce and Mobile app companies/brands		Other Industries
<ul style="list-style-type: none"> <li>Amazon,</li> <li>Flipkart,</li> <li>Goibibo,</li> <li>Zee,</li> <li>Dunzo,</li> <li>Dailyhunt,</li> <li>Meesho,</li> <li>Games 24x7,</li> <li>Shipt,</li> </ul>	<ul style="list-style-type: none"> <li>Jobang</li> <li>BookMyShow,</li> <li>Wynk,</li> <li>ALT Balaji,</li> <li>PhonePe,</li> <li>Gojek,</li> <li>Spotify,</li> <li>Sivvi</li> </ul>	<ul style="list-style-type: none"> <li>Airtel,</li> <li>Reckitt Benkiser,</li> <li>Johnson &amp; Johnson,</li> <li>McDonalds,</li> <li>Nissan,</li> <li>Air Asia,</li> <li>Axis Bank,</li> <li>Citibank,</li> <li>BTPN</li> </ul>

## Key Customers – Case Studies

Customer	Description	Case study details
<b>BookMyShow</b> (Movie/Event Ticketing App/Website in India)	Background	Bigtree Entertainment Pvt. Ltd. ("Bigtree") is India's premiere comprehensive ticketing, information and analysis solutions provider. It owns and operates BookMyShow, a movie and event ticketing App/website. (Source: <a href="http://www.bigtree.in/">http://www.bigtree.in/</a> accessed on Jul 2, 2018).
	Objectives	Bigtree engaged Affle to grow BookMyShow's consumer base and help acquire more users for its mobile App in India and also do real time tracking and data analytics of its mobile App users.
	Solution and Results	Affle utilised their Consumer Platform to help BookMyShow meet its objectives. With the existing consumer profile information, Affle used their predictive algorithm to identify

Customer	Description	Case study details
		<p>potential users who were interested in movies and likely to purchase from BookMyShow using its mobile App. The relevant and recent movie ads for BookMyShow were then shown to these identified users inside apps and/or websites that they frequently visited.</p> <p>Affle's Consumer Platform further built its consumer intelligence each time a user (a) clicked on BookMyShow's ad (thus showing intent); (b) downloaded BookMyShow's App (thus showing interest); (c) had an active session on BookMyShow's App (showing purchase intent); or (d) made a purchase from BookMyShow (showing conversion of the targeted user to becoming a consumer for BookMyShow). Affle tracked all of this data, which was integrated with BookMyShow's App.</p> <p>This campaign was executed in the period from April 2017 to March 2018 during which Affle helped deliver over 350,000 App users for BookMyShow.</p>
<b>ALTBalaji</b> (Video on Demand Platform in India)	Background	ALT Digital Media Entertainment Limited ("ALTBalaji") owns and operates ALTBalaji, a subscription-based video on demand platform that was launched in India in 2017. (Source: <a href="https://www.altbalaji.com/about-us">https://www.altbalaji.com/about-us</a> accessed on July 2, 2018).
	Objective	ALTBalaji engaged Affle to grow its consumer base and acquire more users for its mobile App in India during its launch phase. ALTBalaji wanted to target only those users who were likely to subscribe and pay for mobile entertainment content.
	Solution and Results	<p>Affle utilized their Consumer Platform to help ALTBalaji meet its objectives. With the existing consumer profile information, Affle used their predictive algorithm to identify potential users who were frequent users of video and entertainment content on their mobile and had shown some affinity to e-commerce in the past. ALTBalaji's ads were then shown to these identified users inside Apps and/or websites that they frequently visited.</p> <p>Affle's Consumer Platform further built its consumer intelligence each time a user (a) clicked on ALTBalaji's ad (thus showing intent); or (b) downloaded and paid for ALTBalaji's App (thus showing interest).</p> <p>This campaign was executed in the period of April 2017 to March 2018 during which affle helped deliver more than 1.5 million App users (paid) for ALTBalaji.</p>

## COMPETITIVE STRENGTH

- **Leading position in India; a high growth market with substantial barriers to entry.**

According to Frost & Sullivan, Affle is a leading ad tech solution provider in India. As at March 31, 2019, the Affle Consumer Platform had approximately 57.1 crore consumer profiles in India. Affle provides services across the value chain in digital advertising, spanning the areas of DMP, DSP/SSP, fraud detection and ad network. Affle has increased their breadth of the service offerings, especially to e-commerce and mobile app driven companies, following the acquisition of the Vizury Commerce Business and the RevX Platform.

The ad tech market in India is fast growing, with a market size of US\$30.49 crore in 2017 and will likely grow at a CAGR of 39% to US\$80.8 crore by 2022. (Source: Frost & Sullivan Report). The Indian market presents high barriers to entry given its unique challenges, such as a disjointed demographic, which is just getting habituated to digital applications (such as the use of e-commerce, digital payments, etc.) and low CPCU. In the last two calendar years, only about 25% of all Internet users in India have shopped online. Frost & Sullivan believes that this makes it a more challenging landscape for marketing tech to be able to discern the users who have the highest propensity to transact online.

India can be a hard market to sustain, even for market participants who are globally successful. The range of CPCU in India is quite low compared to the global market. Frost & Sullivan believes that achieving profitability in such a price-sensitive market is possible only for companies that are familiar with the dynamics of consumer profiles and have a track record of working alongside brands locally for years. (Source: Frost & Sullivan Report). Therefore, company's extensive consumer profile data, proprietary technology and local knowledge makes them better placed compared to global peers to deliver profitability in India.

- **Proven international track record**

For the Fiscal 2019 on a Proforma Basis the revenue from contracts with customers outside India was Rs.157.19 crore, which was 58.5% of the total revenue from contracts with customers. For Fiscal 2019 on a consolidated basis, the revenue from contracts with customers outside India was Rs.140.54 crore, which 56.4% of the total revenue from contracts with customers,

Affle's key international markets are Other Emerging Markets (which comprises Southeast Asia, the Middle East, Africa and others) and Developed Markets (which comprises North America, Europe, Japan, Korea and Australia). They have 3 international offices: Singapore; Jakarta (Indonesia); and Dubai (UAE). As at May 31, 2019, the international offices had 11 sales staff and their India offices had 13 sales staff focussed on international markets. As at May 31, 2019, Affle also had 1 sales agent in Malaysia. The global ad tech market is expected to grow at a CAGR of 10% from US\$3,400 crore in Fiscal 2017 to US\$5,400 crore in Fiscal 2022. (Source: Frost & Sullivan Report).

- **Profitable, low-cost business model built on an asset light, automated and scalable platform**

Company's platform is the result of over 13 years of focused research and development and investment. Their platform is supported by a flexible and scalable infrastructure, built in-house using cloud computing infrastructure and consists of their proprietary machine and deep learning algorithm for prediction and recommendation that operates in real time and at significant scale. As at May 31, 2019, the company had 236 employees, of which 209 were in India.

**As at March 31, 2019, the Affle Consumer Platform had approximately 202 crore consumer profiles. For Fiscal 2019, the Affle Consumer Platform accumulated over 30,000 crore data points. This gives the company a deep data-driven understanding of consumer intent and behaviour.**

Consumer profiles and data points are the primary building block that support their Consumer Platform. The Consumer Platform uses predictive algorithms to recommend mobile users who are most likely to engage with a particular advertisement and on that basis, Affle choose to display targeted and personalised mobile display advertisements to particular users. By dynamically matching what to be users' intent or interest with relevant advertisements, Affle is able to deliver more relevant and engaging experiences to consumers, which are therefore more likely to lead to the desired action, such as the downloading of an App or the purchase of a product or service, on the basis of which they earn revenue. Therefore, having significant number of consumer profiles and data points enables the company to expand into markets and deliver results to their customers for the Consumer Platform more quickly and at lower costs.

- **Growth driven, global customer base**

Affle works with customers who are likely to grow, which will help the company to grow in the various countries in which their customers provide services. The company is engaged to run ad campaigns either directly by the advertisers or indirectly via advertising agencies. Affle currently work with the top 6 global advertising agency groups (WPP (GroupM); Publicis; Omnicom (OMG); Dentsu Aegis Network (DAN); Interpublic Group (IPG) Mediabrands and Havas) and with other mobile focussed advertising agencies, such as M&C Saatchi Mobile, and with domestic advertising agencies, such as Interactive Avenues and Madison.

They have run mobile advertising campaigns for some of the largest e-commerce and mobile app companies / brands in the world, such as Amazon, Flipkart, Goibibo, Zee, Dunzo, Dailyhunt, Meesho, Games 24x7, Shipt, Jabong, BookMyShow, Wynk, ALTBalaji, PhonePe, Gojek, Spotify, Sivvi, and well-known companies in other industries such as Airtel, Reckitt Benkiser, Johnson & Johnson, McDonalds, Nissan, Air Asia, Axis Bank, Citibank, and BTPN.

- **Addressing digital fraud and data safety issues that are prevalent in the industry**

Company' mFaaS platform helps to detect fraud on a real time basis, thus minimising wastage of marketing spend. It processes large volumes of click and conversion data using multiple algorithms to detect patterns of indicative or definitive fraud. mFaaS sets them apart from their competitors as its offers a real time solution for addressing fraud, which is a major issue for online advertising. mFaaS also helps advertising agencies, advertising networks and publishers to optimise the spend on marketing for their customers by helping weed out significant amounts of fraudulent traffic. mFaaS has been recognised and awarded as the industry-wide Best Big Data Technology Platform of the Year at the IMAI India Digital Awards in 2017. Affle has filed 10 patents in relation to mFaaS in India.

mTraction (v4.0) CDP is accredited under the Accreditation@SG Digital (SG:D) programme by the Info-communications Media Development Authority ("IMDA"), a Singapore government statutory board under the Ministry of Communications and Information. Factors considered for technical assessment include a security assessment, reliability and usability and maintainability assessment. Business sustainability, scalability, leadership and management are other areas of assessment.

The Vizury Commerce Business and RevX Platform expand their engagement with e-commerce companies to include retargeting services and their Vizury Commerce Business expands their reach in the Middle East and Africa

- **Experienced and dedicated Key Management Personnel**

Affle has an experienced and dedicated team of Key Management Personnel, with significant experience in all aspects of their business operations. Anuj Khanna Sohum, who is the founder, Chairman and Chief Executive Officer, as well as the individual Promoter, has over 19 years' experience in leading technology products/platform-based businesses. Anuj Kumar, the co-founder and Chief Revenue and Operating Officer and a Director, has 18 years' experience in the field of advertising and technology platforms-based business role. Charles Yong Jien Foong, the Chief Architect and Technology Officer and a Director, has over 20 years' experience in building product management and solution consulting/architecture. Vipul Kedia, the Chief Data and Platforms Officer, has over 14 years' experience in consulting and ad tech. All of the above persons have been associated with company business for over a decade.

The Company Board is also advised by Richard Humphreys, director of Affle Holdings, and Jay Snyder, independent observer on Affle Holdings' board of directors. Richard Humphreys has previously served as President of Saatchi & Saatchi Advertising Worldwide, and he later set up the Adcom Investors in the United States, and has significant experience in advising media and advertising companies around the world. Jay Snyder, currently principal at HBJ Investments LLC has served as a Public Delegate, United States representative at the 55<sup>th</sup> UN General Assembly, a member of the US Advisory Commission on Public Diplomacy and as Commissioner of the New York State Commission for Public Authority Reform. He has also worked with Biocraft Laboratories in various positions, retiring as its Vice-President of Research and Product Development and member of the steering committee of the board of directors.

The Key Management Personnel are ably supported by their employees. As at May 31, 2019, they had 236 employees, 100 of whom are R&D personnel focusing on areas of machine learning, artificial intelligence and fraud analytics, among other areas.

## KEY BUSINESS STRATEGIES

- **Enhance the revenue from existing and new customers in India and acquire new consumer profiles beyond Tier 1 cities**

The company intends to continue to grow their business in India by increasing the revenue from their existing customers by deepening the relationships with them. They have conducted mobile ad campaigns in India for a number of well-known e-commerce and mobile app companies / brands, such as Amazon, Flipkart, Jabong, BookMyShow, and PhonePe. The Indian e-commerce market was US\$3,850 crore in 2017 and is likely to grow at a CAGR of 12.4% to US\$6,920 crore by 2022. However, with further increase in avenues for digital payments, accelerated broadband penetration, and an increasing number of product options across the breadth of the country, the market has the potential to grow to US\$13,000 crore over the same time period. Over the last 2 calendar years, approximately 25% of all internet users in India have shopped online and the number of e-commerce shoppers is forecast to grow at a CAGR of 33.7% from 10 crore in 2017 to 32 crore in 2022. Frost & Sullivan expects this growth to be driven by retailers and brands diversifying their presence and widen their distribution with integrated online-offline models to gain access to customers beyond those in Tier 1 and Tier 2 cities. (Source: Frost & Sullivan Report). They also intend to continue to grow their revenue by gaining new customers in the fast-growing e-commerce market, through their existing sales team in India and through referrals from existing customers.

Affle has partnered in the past with **Micromax Informatics Ltd.** in order to enhance their consumer intelligence and they intend to continue to do that in the future, which will enable them to increase their consumer intelligence in Tier 2 cities, Tier 3 cities and rural markets. In addition, they will encourage their customers to put more emphasis on ad campaigns that focus on consumers in Tier 2 cities, Tier 3 cities and rural markets, which will increase their consumer profile base in those areas.

- **Expand the international business**

As at March 31, 2019 on a Proforma Basis, Affle had approximately 202 crore consumer profiles, of which approximately 57.10 crore were in India and 144.90 crore were outside of India. For Fiscal 2019 on a consolidated basis, their average CPCU was Rs.25.3 in India, Rs.60.2 in other Emerging Markets and Rs.114.1 in developed Markets.

The company currently has business development teams outside India in Singapore, Jakarta (Indonesia) and Dubai (UAE). Their plans for increasing their business development efforts outside India is to build business development teams in North America during fiscal 2020 to service the service North America market. This is to win more

advertising campaigns with local and international companies operating in the regions by demonstrating their successful track record internationally and through their on the ground presence to deliver better support and build more trust with the market participants.

- **Drive further penetration in the top customers and deliver more converted users for large e-commerce companies, such as Amazon**

Revenue from the Top 10 customers and Top customer and second top customers:

	Fiscal 2019		Fiscal 2019		Fiscal 2018		Fiscal 2017	
	Consolidated		Unconsolidated					
	Revenue	% of Revenue from Operations	Revenue	% of Revenue from Operations	Revenue	% of Revenue from Operations	Revenue	% of Revenue from Operations
Revenue from the top 10 customers	160.88	64.50%	85.87	72.9%	68.62	81.9%	41.63	63.4%
Revenue from the top customer	54.87	22.0%	54.87	46.6%	51.23	61.2%	22.53	34.3%
Revenue from the second top customer	51.96	20.8%	-	-	-	-	-	-

Company's goal is to deliver more converted users for large e-commerce companies, such as Amazon, Flipkart and Gojek globally by being part of their expansion plans. They have delivered converted users for Amazon and its related group entities in 21 countries across North America, South America, South East Asia, Europe and Middle East and Africa in Fiscal 2019 on a consolidated basis. Amazon has been helping sellers in countries where it does not have a presence reach out to their customers in countries outside their home geographies. It hosted merchants from more than 100 different countries last year and helped them connect with customers in 185 nations. (Source: Frost & Sullivan Report).

- **Continue to invest in and develop the technological capabilities**

The company intends to continue devoting substantial resources on their research and development efforts. As at May 31, 2019, they had 100 full-time members in their research and development team. They expect to expand their research and development efforts by recruiting more employees. The company plans to continue to invest more in research and development into: artificial intelligence, machine learning and deep learning in identifying and classifying their consumer profiles; a combination of data science and artificial intelligence, machine learning and deep learning in identifying fraud; moving to cloud agnostic platforms to enable multi-cloud deployments; and using database lakes that utilise multiple best of breed database technologies to distribute the data load and reduce costs and in some cases increase the speed of processing.

- **Continue to develop the award-winning fraudulent data detection and prevention platform**

Company's platform mFaaS sets Affle apart from their competitors as its offers a real time solution for addressing fraud, which is a major issue for mobile advertising. Their fraud detection technology needs to continually evolve to counter and stay ahead of persons engaged in ad fraud. They intend to continue to build more fraud checks to detect and prevent mobile advertisement fraud and hence ensuring actual returns to their clients. The company has currently filed for 10 patents in India.

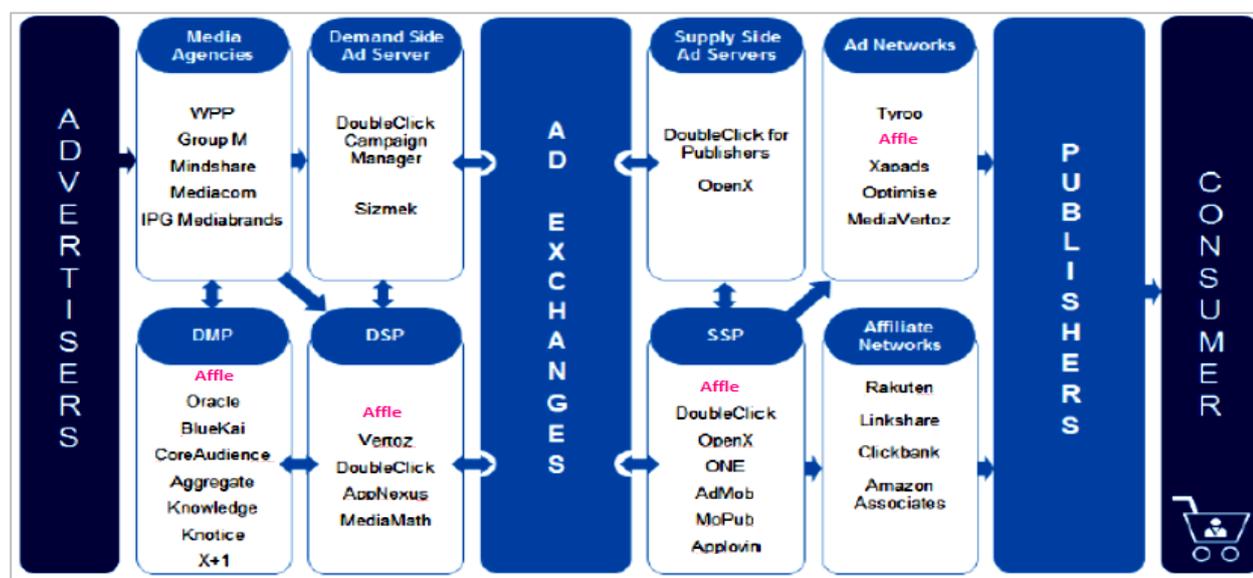
- **Continue to selectively pursue acquisitions**

There are over 100 companies around the world which offer one or more components of the digital advertising technology. Only a few companies operate internationally such as Affle, InMobi, Criteo, Trade Desk, Freakout, Mobvista and YouAppi, among others, thereby providing Affle with opportunities for consolidation. (Source: Frost & Sullivan Report). The company has in the past successfully acquired and integrated businesses including Markt in March 2018 as it had an offline to online commerce platform through which Affle could enhance their platform propositions for e-commerce companies.

Affle is currently considering acquiring certain media re-targeting businesses (catering to e-commerce clients) of a company, and has entered into a non-binding term sheet. However, they have not entered into any binding agreement yet in relation to such contemplated acquisition.

## OVERVIEW OF THE INDIAN ADVERTISING INDUSTRY

### Digital Advertising Value Chain



(Source: Frost & Sullivan)

### Business Models in Ad Tech Comparison by Companies, 2018

	Media based	Performance based	Flat Fee	Software-as-a-Service ("SaaS")
Affle	Y	Y	Y	
Vizury	Y	Y		Y
InMobi	Y	Y	Y	
RevX	Y	Y		Y
Vserv	Y	Y		Y
The Trade Desk	Y	Y	Y	Y
Criteo		Y		
FreakOut	Y	Y		
Mobvista	Y	Y	Y	

Source: Frost & Sullivan analysis.

### Comparison of Leading Competitor Profiles Company Profiles, Ad Tech, 2017

Company	Value chain Coverage	Vertical Focus	Geographical Presence
Affle	In-house DMP, In-house DSP/SSP, Fraud Detection	E-commerce, entertainment, banking and financial services	India, U.S. & Europe, SEA
InMobi	DMP, DSP, SSP, Fraud Detection	Retail, finance, e-commerce, food and beverages, hospitality, gaming,	India, China, USA, Dubai, London, France, Malaysia, South Korea, Australia, Indonesia, Japan
Criteo	Customer acquisition, dynamic retargeting, audience match, predictive bidding, product recommendation	Retail, travel, hospitality, e-commerce	95 countries
Mobvista	In-house DMP, In-house DSP, Fraud Detection	Mobile games, banks, news	China, SEA, India, U.S., U.K.
RevX	In-house DSP, In-house DMP, Creative Services	E-commerce, travel, gaming and food apps	Middle East, South East Asia, India
TAB	In-house DSP, Ad network,	Gaming, utilities, entertainment, transportation, lifestyle, betting and travelling	U.S., Korea, U.K., India, Germany, Brazil, Japan, Saudi Arabia

Source: Frost & Sullivan

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