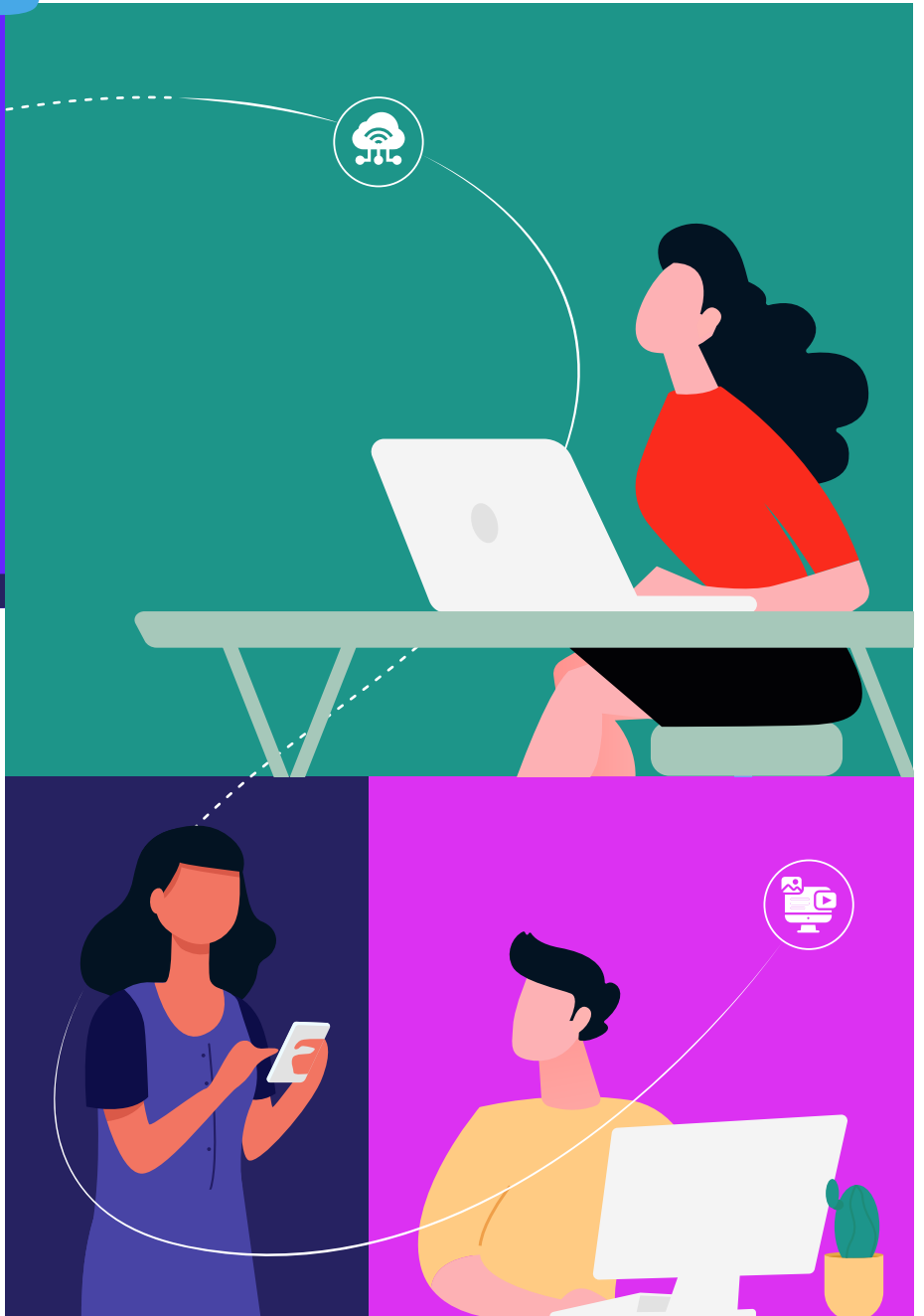


Leading through technology.



Winning with people.

Annual Report
2020-21



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READ OUR
REPORT ONLINE



Leading through technology. Winning with people.

Technology and teamwork are enabling us to stay ahead of the curve and sustain our winning edge in the markets where we operate.

We are witnessing a fabulous transformation in the way we live and perceive the world around us. On the one hand, we see new and innovative ideas taking shape. On the other hand, we observe a massive digital transformation in the way existing products and services are being offered to diverse customers across geographies.

We closely observe the evolving operating environment to pursue those opportunities that help us expand and enrich our offering and leverage our core competence. Our teams push hard on the innovation pedal to bring more value to the table and take challenges in their strides.

Our performance during FY2020-21 was encouraging, despite headwinds. The current financial year will see many more exciting initiatives on all fronts. From digital media, software development to future technologies our horizon continues to expand.

FINANCIAL HIGHLIGHTS

2020-21

6.07% ↑

₹ 2,855.80

Revenue

10.37% ↑

₹ 886.20

EBITDA

9.75% ↑

483.01

Profit after Tax

↑ Growth in 2020-21 over 2019-20. In Crores



About Brightcom Group

We, at Brightcom Group, have constantly evolved ourselves, since we commenced our journey in 1998. Having started off our journey as USA Greetings, we renamed our business as Ybrant Technologies in 2000. Soon after, we renamed our business to Lycos Interned Limited in 2010 following the successful acquisition of Lycos. Finally, we renamed our business to Brightcom Group Limited in 2018.

Throughout the course of our journey, if there is one thing that has remained constant, it is our undeterred will to provide the best services to our customers. We are engaged in the business of providing Ad-Tech, software and IT development, and future technology services. We provide our customers access to billions of internet users who visit our network of brand publishers spread across the world.

We have 14 operating technology companies, which provide services that successfully deal with the complexity, interactivity and dynamic nature of the internet and deliver technology solutions to our clients. We sell targeted and measurable online advertising campaigns and programmes for advertisers and advertising agency clients, generating client leads, online sales and increased brand recognition on their behalf with online consumers.



KEY FACTS



22
Total office locations



463
Team size



400TH
Rank among Fortune 500 companies in 2020

>80
MILLION

Audiences reached*



>200
MILLION

Actions and engagements*



>500

Total campaigns daily



>70
BILLION

Impressions served*



7
Platforms for ad-tech solutions

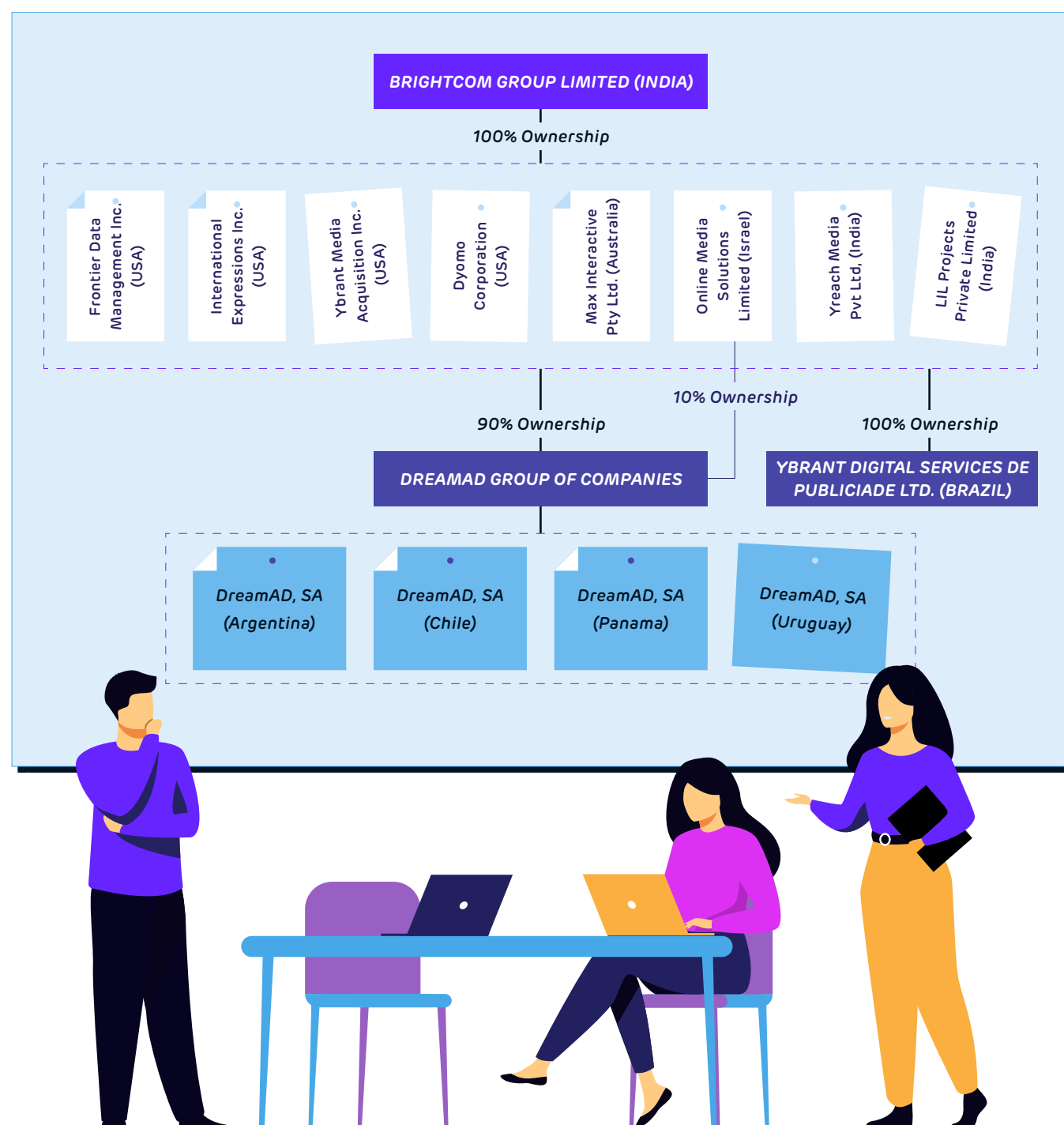
*Monthly

OUR DISTINGUISHED CLIENTS



Our corporate architecture

Our corporate structure is decentralised and helps in swift decision-making and execution. The focus is on creating sustainable value for all stakeholders in an era of major change.



Our cutting-edge portfolio of services

We offer a wide variety of services to our clients worldwide, which are categorised into three primary divisions:

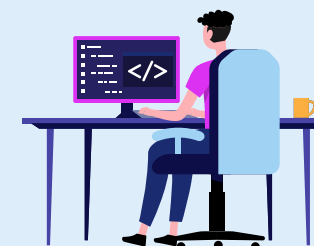
1 DIGITAL ADVERTISING



Online Media Solutions Limited
Brightcom Group India (Digital)
International Expression Inc.
Frontier Data Management Inc.
Dyomo Corporation

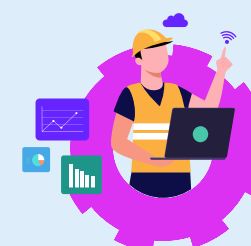
Dream AD, SA
Max Interactive Pty Ltd.
Yreach Media Pvt Ltd.
Ybrant Digital Brazil

2 SOFTWARE DEVELOPMENT



LIL Projects India Ltd. (Software)
Brightcom Group India (Software)
YReach Media

3 FUTURE TECHNOLOGIES



LIL Projects India Ltd. (Software)
Brightcom Group India (Software)
YReach Media

Our software development services are based out of India, whereas the rest of our services can be availed from different geographies.

Our products and brands

Our products and brands bring value to the table by developing and deploying platforms that always connect the right product to the consumer, who really needs it.

1

ONETAG

Generates a tag by the One Tag system, which is implemented on the publisher's website or ad-server to trigger the banner display from the Company's system every time an impression is called. It is one of the most efficient seller-side tracking platforms.

2

COREG

COREG or Co-Registration allows a consumer to opt-in for multiple offers while registering for one primary offer.

3

VOLOMP

It is an email marketing tool used by affiliate marketers with functionality for setting sending limits with an in-built tracking algorithm.

4

BRIGHTCOM

It is a platform that allows the programmatic trading of ads, primarily video based. It allows for seamless integration and maximum yield over video and display, both mobile and desktop. It provides a visual analytics interface and also quality and advertising fraud monitoring mechanism.

5

PROXYTOOL

It is a Firefox installable tool bar with user authentication and admin functions.

6

PANGEA

It is a proprietary optimisation approach which enables quality conversions with full users funnel tracking to achieve optimum results.

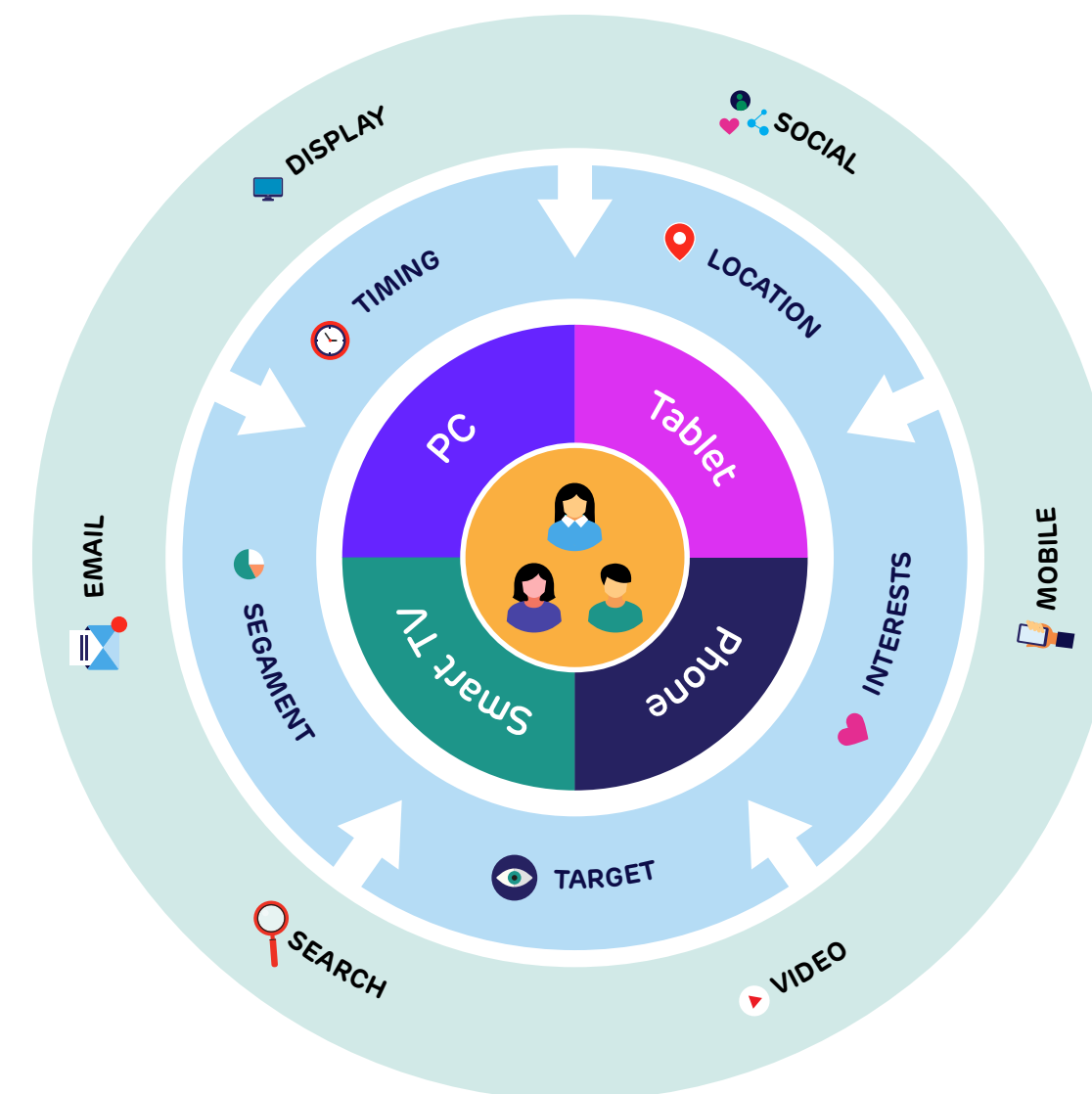
Division-wise services offered

SUBSIDIARY	BRANDS USED BY SUBSIDIARY	PRODUCTS USED BY SUBSIDIARY
Online Media Solutions	Oridian	Onetag, Pangea, Brightcom
Dyomo		
DreamAD	DreamAD	Onetag, Pangea
International Expressions, Inc		VoLoMP
Frontier Data Management	MediosOne	Onetag, Pangea, COREG, ProxyTool
Max Interactive Pty Ltd.	Max Interactive	Onetag, Pangea
Ybrant Brazil		Onetag, Pangea



Our operating framework

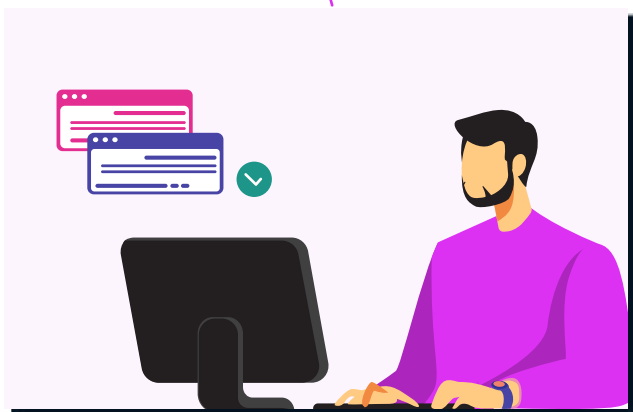
The platform for content delivery to the audience is rapidly changing, and the aspirations of consumers are changing too. We are working with fast growing market players to deliver the right content to the right audience on a large number of platforms by optimising the right technology.



Select platforms → Optimize with technology → Show on all devices → Find your audience


Our extensive footprint across the world

Our presence spans a large number of geographies across cultures, addressing diverse requirements of marquee clients and finding the right audience for them.




Our transformation over the years

Ever since inception, we have constantly evolved with changing times. Our overriding objective is to serve better all our customers and stakeholders in a dynamic operating environment.



1998-2000

In 1998, the founders, Suresh Reddy and Vijay Kancharia, formed USA Greetings in USA and renamed it Ybrant Technologies in 2000.



2004

Changed name to Ybrant Digital and started offering tools and services to digital ad networks.

2005

Acquired email marketing platform, VoloMP for \$2.25 million.



2007

Raised \$ 30 million from a few private equity firms.

Acquired AdDynamix in US for \$10 million.

2006

Acquired MediosOne in US for \$4.5 million, thereby entering into front end digital marketing space.

2009

Raised \$20 million from Everest Capital. Acquired Dream ad based in Argentina for \$11.5 million. Acquired Max Interactive based in Australia for \$8.3 million.

2008

Acquired Online Media Solutions in Israel for \$13 million giving a foothold in European digital markets.



2010

Raises \$18 million from Oak India and Batterymarch. Acquired LYCOS from Daum Communications for \$36 million.



2015

LYCOS Gets Listed on the National Stock Exchange of India. Announces Lycos Life Division.

2014

Changed name to Lycos Internet Limited. Agrees to acquire minority stake in Jobookit Holdings Ltd.

Lycos TV adds Cool New Content to its Entertainment Channel.



2011

Ybrant Digital and LGS Global propose to merge.

Acquire stake in Web 3.0. Facebook chooses Ybrant Digital as an official marketing API partner.

2016

Brightcom. Apollo Lycos JV and LIFE fitness band launched. Ranked #4 in Video Seller Trust Index.

Chosen as Top Alternative Ad Network in MonetizeMore's 2016 roundup.

Compass platform nominated as finalist for Best Ad Tech Tool at Synopsis Model D Awards 2016.

LYCOS Life band features in '10 best fitness bands in India - 2016'.

2017

Tops Pixelate's Video Trust Index (International). Launched Israeli Ad-Tech Map Ranked #345 in Business World Real 500 List.

2018

Lycos Internet Limited Changed to Brightcom Group Limited.



2020

Featured among Fortune India 500 for the year 2019

2019

Expanded offerings in Artificial Intelligence and Machine Learning.



Message from the Chairman



DEAR SHAREHOLDERS,

When an unprecedented pandemic hits the entire world, staying the course was probably one of the most challenging hurdles business leaders faced during 2020. As the old Chinese saying goes, there is an opportunity in every challenge

Coming to online media and advertising, we saw the following stages during the course of the year: Initial fear, followed by a considerable drop in product campaigns, quickly made up by a massive surge in digital traffic, that to a significant increase in Ad spending by online players globally. We were no different in closely monitoring and fielding the opportunity to the best of our abilities. I have to surely commend the great spirit and talent our teams globally displayed in navigating this super scary business crisis. Unconventional spirit has been a driving force throughout our history — inspiring us to do things like tackling such situations by using all we have, be it technology, reach and regional presence, to our advantage. The world moved from working from offices to the 'work from home' paradigm, cutting down wasted time on the commute and unnecessary travels. Post-pandemic, we have entered a world where the average online hours for citizens globally multiplied by at least twofold. The final outcome has turned out to be way sweeter than we expected.

People are consuming more digital content by watching more videos, playing more games, listening to more music, reading more books, and using more apps than ever before. The key to building helpful products for users is our commitment to keeping their data safe online. As this online behaviour evolves, we invest in security technologies and privacy tools, infrastructure, data management, analytics to keep up with the new surge in online traffic.

I wanted to take this opportunity to talk a bit about how our business model works and how we make money. Our advertising products aim to deliver relevant ads at just the right time and to give people useful commercial information, regardless of the device they're using. We also provide advertisers with tools that help them better attribute and measure their advertising campaigns. Our advertising solutions help millions of companies grow their businesses, and we offer a wide range of products across devices and formats. We generate revenues primarily by delivering both brand advertising and performance advertising.

Brand advertising helps enhance users' awareness of and affinity with advertisers' products and services through videos, text, images, and other interactive ads that run across various devices. We help brand advertisers deliver digital videos and different types of ads to specific audiences for their brand-building marketing campaigns. Performance advertising creates and delivers relevant ads that users will click on, leading to direct engagement with advertisers. Most of our performance advertisers pay us when a user engages in their ads. Performance advertising lets our advertisers connect with users while driving measurable results

We have built a world-class ad technology platform for advertisers, agencies, and publishers to power their digital marketing businesses. We aim to ensure great user experiences by serving the right ads at the right time and by building deep partnerships with brands and agencies. It's essential to measure the effectiveness of advertising so that businesses get the best advertising ROI. We have allocated substantial resources to stopping bad advertising practices and protecting users on the web. We focus on creating the best advertising experiences for our users and advertisers in many ways, ranging from filtering out invalid traffic, blocking the bot vendors when necessary to ensure that ads do not fund spurious traffic.

Another area of deep interest is leveraging AI and machine learning to enhance our service and products, which will provide the best solutions to our clients. Across the company, machine learning and AI are increasingly driving many of our latest innovations. Within Brightcom, our investments in machine learning over a few years have enabled us to build more innovative and more helpful products. Machine learning powers Compass, Brightcom and many of our newer platforms. Despite our growing size, we still cherish our roots as a startup. Whenever possible, we intend to empower employees to act on great ideas regardless of their role or function. We will strive to hire great employees with diverse backgrounds and perspectives. We work to provide an environment where these talented people can have fulfilling careers addressing some of the biggest challenges in technology and society. Our employees are among our best assets and are critical for our continued success. I want to use this opportunity to thank our shareholder community, especially our long-term ones, who have stayed the course through the most challenging periods of the company. Also, like to welcome a large community of new investors who have joined the "Brightcom family" bandwagon. I assure you that your company's management team will continue to work smartly to take on all the best business opportunities presented to us during this unprecedented growth phase of the digital marketing and media industry. Thank you again for your confidence in BCG and its management.

SURESH REDDY

Chairman & CEO

When an unprecedented pandemic hits the entire world, staying the course was probably one of the most challenging hurdles business leaders faced during 2020. As the old Chinese saying goes, there is an opportunity in every challenge.



Our scorecard for the year

REVENUE (₹ IN LAKHS)

FY 2020-21	2,85,579.82
FY 2019-20	2,69,231.84
FY 2018-19	2,58,024.09
FY 2017-18	2,42,074.31
FY 2016-17	2,45,131.85

EBITDA (₹ IN LAKHS)

FY 2020-21	88,620.35
FY 2019-20	80,297.06
FY 2018-19	75,683.00
FY 2017-18	71,329.30
FY 2016-17	72,999.90

EARNINGS PER SHARE (EPS) (₹)

FY 2020-21	9.51
FY 2019-20	9.24
FY 2018-19	9.32
FY 2017-18	8.546
FY 2016-17	9.01

NET WORTH (₹ IN LAKHS)

FY 2020-21	3,25,960.88
FY 2019-20	2,82,646.14
FY 2018-19	3,00,375.65
FY 2017-18	2,82,520.78
FY 2016-17	2,40,855.32

PROFIT BEFORE TAX (₹ IN LAKHS)

FY 2020-21	66,000.50
FY 2019-20	61,714.26
FY 2018-19	60,855.11
FY 2017-18	59,034.75
FY 2016-17	61,901.53

PROFIT AFTER TAX (₹ IN LAKHS)

FY 2020-21	48,300.81
FY 2019-20	44,010.47
FY 2018-19	44,397.61
FY 2017-18	40,700.63
FY 2016-17	42,924.62

RETURN ON CAPITAL EMPLOYED (%)

FY 2020-21	20.17%
FY 2019-20	21.96%
FY 2018-19	20.62%
FY 2017-18	21.33%
FY 2016-17	26.20%

EBITDA PERCENTAGE ON SALES (%)

FY 2020-21	31.03%
FY 2019-20	29.82%
FY 2018-19	29.33%
FY 2017-18	29.47%
FY 2016-17	29.78%

Evolution of the advertising landscape

The global advertising industry is worth approximately US\$ 647 billion in 2020 and is projected to grow at 5.2% CAGR from 2021-26. This may be attributed to the steadily rising consumer expenditure capacity for acquiring internet access, subscribing to newspapers and magazines, and television and radio, coupled with video gaming and regular visits to movie theatres (Source: IMARC).

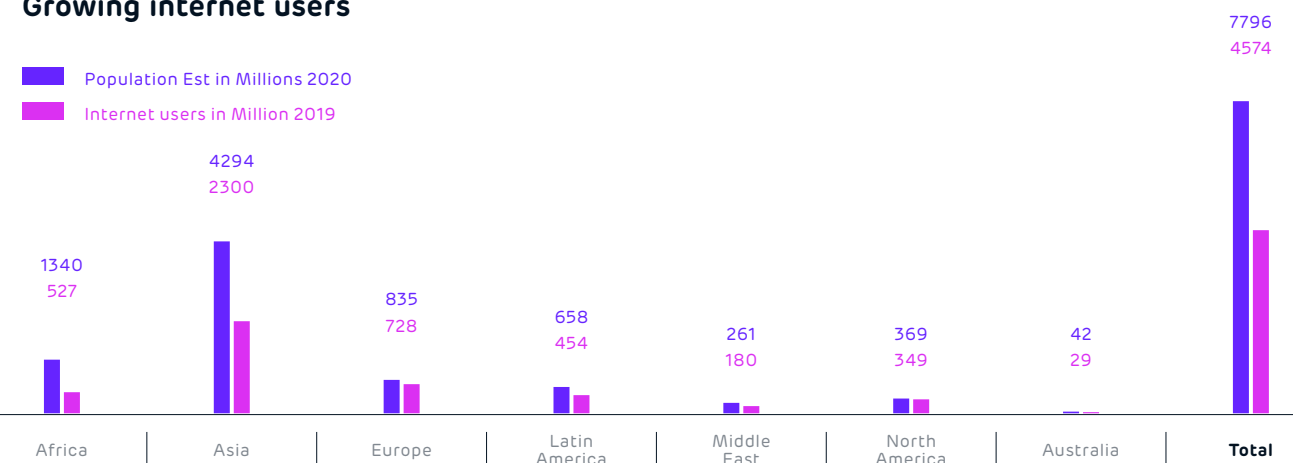
However, the emergence of digital advertising has been a game changer and has significantly changed the entire advertising landscape. The widespread acceptance of mobile phones and wireless devices, coupled with growing internet penetration, has resulted in the exponential growth of digital platforms.

US\$ 647 BILLION

Global market value of the advertisement industry in 2020

Growing internet users

Population Est in Millions 2020
Internet users in Million 2019



DIGITAL ADVERTISING CHANNELS

Display Ads

Display ads include strategies, techniques and tools for displaying graphic and visual advertisements in various formats. Digital ads are deployed through standard web and wireless applications, emails, static (e.g. html) and dynamic (e.g. asp) web pages. It can also appear in ad formats such as banners, buttons, and interstitials.

Video Advertising

Advertising within existing video content and running video ads on a static page represent the core of this advertising format. Video on desktop, tablets and mobile are device-dependent parts of this channel.

Search Marketing

Search marketing includes: (i) pay per click (PPC or CPC) on a search engine, (ii) paid inclusion and (iii) search engine optimisation (SEO).

E-mail Marketing

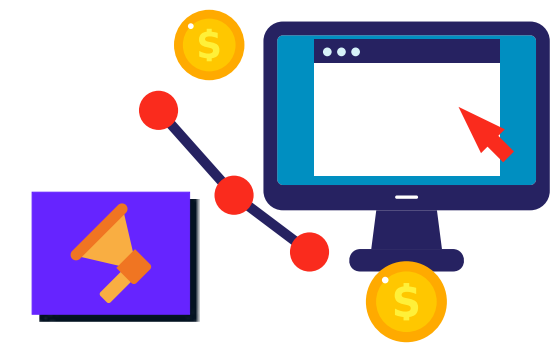
E-mail marketing includes banner ads, links or advertiser sponsorships that appear in email newsletters, email marketing campaigns and other commercial email communications.

Lead Generation

Lead generation includes advertisers paying fees to internet advertising companies that refer to qualified purchase inquiries or provide consumer information (demographic, contact, and behavioural), where the consumer opts for being contacted by a marketer (email, postal, telephone, and or fax). These processes are priced on a performance basis (e.g. cost-per-action, lead or inquiry), and can include user applications, surveys, contests or registrations.

Classifieds and Auctions

Classified and auctions include advertisers paying fees to internet companies to list specific products or services (e.g. online job boards)



Growth drivers

Median age

India's median age is 28.4 years, which makes it one of world's youngest countries. The country's predominantly young population is well-versed with emerging trends and technologies, which is projected to drive the demand over the foreseeable future.

Rising population

India is the world's largest democracy with ~1.4 billion population, which puts it in the league of the high-potential markets of the world.

Growing internet penetration

The total number of internet users in the country has risen from 795.18 million in December 2020 to 825.30 million in March 2021, registering a quarterly 3.79% growth rate [Source TRAI]. The country's digital revolution has only just started and is likely gain momentum.

Smartphone users

The advent of smartphones has taken over all other media in the country. Smartphone users in India have increased from 34 million in 2010 to 748.32 million in 2020 (Source: Statista).

Internet advertising

With more than half the population left to opt for mobile internet subscription, the potential of the Indian advertising market is immense. India is the fastest growing internet advertising market in the world and is projected to grow at a CAGR of 18.8% during 2020-25. (Source: Business Insider)

India Advantage

India is one of the hotbeds of digital advertisement. Currently accounting for 33% of the overall advertisement market, digital ad expenditure is projected to grow by 10x over the next decade and account for ~85% of the total advertisement market. The digital advertising market is estimated to reach a market value of US\$25-30 billion by US\$ billion in 2020.

