



**brightcom
group**



**INTERNET AND TECH PLATFORMS
FOR THE NEXT GENERATION!**

INDEX



CORPORATE INFORMATION	—	56	
KEY METRICS	—	03	
LETTER FROM THE CHAIRMAN	—	06	
MARKET OVERVIEW	—	08	
ABOUT BRIGHTCOM	—	14	
BOARD OF DIRECTORS	—	26	
AGM NOTICE	—	30	
BOARD’S REPORT	—	37	
		172	— MANAGEMENT DISCUSSION & ANALYSIS
		56	— REPORT ON CORPORATE GOVERNANCE
		71	— FINANCIAL STATEMENTS
			STANDALONE CONSOLIDATED

FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



FINANCIAL HIGHLIGHTS 2021-22

REVENUE

Rs. **5019** crores

increased by 75.8%

PAT

Rs. **912.2** crores

increased by 88.86%

EBITDA

rose to 69.78%



ROE

stands at 17.23



Internet and Tech Platforms for the Next Generation

Brightcom group's renowned global presence, including in the US, Israel, Latin America, Middle East, Western Europe and Asia Pacific regions, positions us at the forefront of the Adtech digital landscape, enabling us to support partners in their efforts to leverage and benefit from current global trends. We have the technological platform and human knowledge to do so.

Internet and Tech Platforms for the Next Generation



Amid the massive disruption that the COVID-19 pandemic has caused, a new global media landscape is emerging—and it's the internet and tech platforms for the next generation. The pandemic is far from over, and we will feel its effects for years to come, but the resilient tech and digital space has bounced back in a big way.

The latest generation of internet, tech platforms, applications and services is powered by innovative technology; the most common being the blockchain, advanced robotics, AI, ML, the Internet of Things and 3-D printing. They are already influencing global trade, and their impact will grow in the years ahead.

The key lesson is we're entering an era of continual and rapid evolution where multiple tech trends combine and feed into each other to deliver massive changes. For businesses, this means the days of incremental tech upgrades are gone forever. Continual change is the way of the future with platforms that cater to the next generation.

Internet and Tech Platforms for the Next Generation



This paradigm towards the next generation tech, will have a huge economic potential, and this will facilitate the creation of new services and business models, with special attention paid to the role of the AdTech ecosystem.

Within the next 5 years, 75% or more of the data processing and analytics will run at the edge of the next generation tech. Brightcom with its technology expertise, global footprints and futuristic know-how is well positioned to meet the challenges of the next generation.

Letter from the Chairman



DEAR SHAREHOLDERS

With great pride and joy, I present the annual report for the Brightcom Group. It was an unprecedented year of exceptional growth – 75.8% Business increase – bringing in Rs. 5019 crores, the fastest growth in the Company's history thus far.

The fiscal was also remarkable for the Global Digital Advertising and Marketing space at about \$500 billion, slated to grow to \$800 billion in the next three years, with a high growth clip. All this is fuelled by the growing global Internet users (5.1 billion), Smart Phone users (6.7 billion), E-Commerce economy size

(\$20 trillion, CAGR 25%), and the overall macro trend of Digitization, Digitalization & Digital Transformation of businesses.

Performance & Operations

Your Company has delivered a stellar operational & financial performance, Consolidated Revenues of Rs.5019 Crores (75.8% YOY growth), PAT of Rs. 912.2 Crores (88.86% growth), and EBITDA of Rs. 1504 Crores (69.78% growth). We continue to track two critical parameters of performance: Return on Equity(ROE), which stands at 17.23%; Operating Free Cash Flow (FCF) reached Rs.287 Crores by the end of the fiscal year 2022 and continues to grow. The team has delivered high growth across all our geographies, including North America, Latin America, Asia & Europe. I am incredibly pleased to announce that we have about 250 Global Agency Relationships, 600 Direct Advertisers, 650 odd large publishers and more than 48,000 long-tail publishers. I am proud to note that we have crossed serving 90 billion impressions per month during the year. To top it all, Brightcom continues to remain a debt-free company.

Key Highlights:

Product, People, Events

To be a significant player in the AdTech space, we strongly believe in building effective tech platforms like Brightcom Programmatic, Compass, VoloMP, Proxy-tool, and Pangea. I am also happy to put on record that our relaunched COMPASS has been helping in optimizing Brand / Client advertisements across media formats, thus leading to better eCPMs for all. This has led to higher client satisfaction, thus driving a higher share of ad pie to us. Also, our new platforms, B-local Exchange & Bright Video player, have started contributing to our overall business. It is also crucial for me to state that we have opened our latest office in Berlin, which has developed to be one of the hubs of technology, creativity & marketing. In line with our focus on getting Experts

"Regarding sunrise areas, we would like to invest in cutting-edge areas like AI/ML, IoT and Quantum computing. While we would like to take advantage of appropriate inorganic opportunities that fit our strategic purpose, the cornerstone would be our focus on being highly Capital efficient to get there."



with Stellar track records into our team, we have the following Senior leaders who joined us: Mr. Satish Cheeti as President & Head of Digital Audio Division, Mr. Peshwa Acharya as President of Group Strategy, Mr. Nilendu Chakraborty as Independent Director & Chairman Audit Committee, Mr. Narayan Raju as Chief Financial Officer.

During the year, our local teams participated in various Ad Tech events globally to ensure the salience of Brightcom Group & our platforms in the domain: ATS London 2022, d3con Advertiser day, Advertising Week Europe, AdMonsters, and OPS NYC, to name a few.

Operational Strategy

We remain focussed on domains that will experience robust growth driven by long-term trends in digital marketing & technology like Video as a key Digital medium, Connected TV, Omni channel play and Digital Audio. Thus our strategy is built around driving effective monetization of our publishers, driving Ad effectiveness of our clients, and using Tech Platforms to the hilt, thus creating a virtuous AdTech ecosystem. We will continue with new product introductions, and enter new

areas of growth, both organically & Inorganically, as deemed appropriate. We strongly believe that Digital Audio would be a significant growth area for digital Advertisements. Regarding sunrise areas, we would like to invest in cutting-edge areas like AI/ML, IoT and Quantum computing. While we would like to take advantage of appropriate inorganic opportunities that fit our strategic purpose, the cornerstone would be our focus on being highly Capital efficient to get there.

Looking Ahead

It is a privilege to pursue our passion for creating a better world by integrating technology, science and principles of Physics into various walks of life and business. To achieve long-term business growth, we will invest in strengthening our competitive advantages, be disciplined in capital allocation and stay diligent in our pursuit of efficiencies.

Artificial Intelligence will remain the core driver of all our platforms. AI is being applied across everything we do in the Company. I believe AI will profoundly transform pretty much every sector. One can see the potential in industries like Healthcare, Communication, Energy and Manufacturing, to mention a few. This evolution will continue for another ten years to fully play out, but we see great potential. The question remains on how do you make sure we develop AI so that it does not harm the human race and its intelligence. Humanity has been very good with every technology in harnessing it to benefit the larger society. I am optimistic the same will be the outcome with AI. Other areas that continue to fascinate us are IoT and Quantum Computing.

We firmly believe that when our employees, customers, communities, and shareholders win, we win with them. I take this opportunity to extend my gratitude to our team, staff and business associates across the globe for their commitment and contribution to the Brightcom Group. I take this opportunity also to record my appreciation for my fellow directors in guiding the Company. Last but not least, on behalf of the entire Board of Directors and the management team, I would like to thank you, the Brightcom family, for your continued trust, guidance and support.

Yours Sincerely,
Suresh Reddy

Market Overview

Our company operates in a complex, diversified and growing Digital Advertising Industry (DA) also known as Adtech. Industry experts predict that the DA market has a continuous growth for the next few years. A few key highlights on the DA market.

Digital Advertising overtook Traditional Advertising in 2018 and has been growing ever since. The shift in people's behavior from offline to online has triggered this movement. The Pandemic further accelerated the digital adoption, and the effect is almost permanent. This will lead to robust growth of the Digital Advertising in years to come.

The digital advertisement spend has crossed the \$500 BN mark for the first time in 2022. If that's not impressive enough, the digital advertising market is forecast to continue growing and reach \$681.39 billion in 2023 and rise further to \$756.47 billion in 2024 and \$820.24 billion in 2025.

Projected growth rates:

2023 – 13.1%

2024 – 11.0%

2025 – 8.4%

2026 – 6.8%



Digital Advertising Structure



The DA industry is categorized into three distinctive operators

Advertisers - companies/ad agencies associated with brands, who spend money for marketing and branding their products and services

Publishers - focus in digital marketing, include companies which provide content to websites in addition to companies which attract traffic due to the content provided by them

Intermediaries - specialized marketing companies who connect advertisers and publishers, through their creative marketing campaigns and use of technology for delivering, monitoring and optimizing the ads

Intermediaries are further classified into

Marketing Intermediaries - use technology for delivering, managing and optimizing the digital campaigns of advertisers

Technology Intermediaries - provide technology, services and tools based on the domain inputs of the marketing companies Brightcom Group started as a technology intermediary and developed into a formidable force in marketing intermediary category. The Company utilizes its internally developed technology products, which include OneTag, Pangea, COREG, ProxyTool, and the Brightcom platform to provide digital marketing services to its clients across the globe.

Data Intermediaries - combine location data with business, consumer and contextual information to ensure relevant ad content reaches the right audience at the right time. They specialize in augmenting mobile data, turn a coordinate into a richer context of place, enrich audience profiles, combine location and demographics information with consumer and social data identify lookalike customers.

Digital Advertising Channels



The Digital Advertising industry utilizes several channels to execute advertising campaigns for brands. Some of these media formats include:

Display Ads: Display ads include strategies/techniques/tools for optimally displaying the graphic and/or visual advertisement in various formats

Video Advertising: Advertising within existing video content and running video ads on a static page form the core of this format of advertising. 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, (iii) search engine optimization ("SEO")

Email Marketing: Email 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 qualified purchase inquiries or provide consumer information (demographic, contact, and behavioral), 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).

Social Media: This medium of advertising helps in delivering highly relevant content to the users based on their preferences and interactions within a specific platform. It is considered to be more cost effective, user friendly and with high conversion rate. It also improves brand loyalty.

Digital Out of Home: This medium of advertising helps brands or agencies to render their ads on screens placed at several points like airports, residential / commercial complexes