April 13, 2020

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code: Equity - 505537
    Pref - 717503

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
NSE Scrip Code: Equity - ZEEL EQ
    Pref - ZEEL P2

Dear Sirs,

Sub: Conference call on April 13, 2020

Further to today’s investor call with respect to an additional investment in Margo Networks Private Limited (SugarBox), a subsidiary of the Company, which was hosted on Microsoft Teams, enclosed please find a copy of the presentation that was discussed during the call.

Thanking you,

Yours faithfully,

For Zee Entertainment Enterprises Limited

-sd-

Ashish Agarwal
Company Secretary

Encl : As above

Note: Due to ongoing COVID -19 pandemic outbreak and consequent lockdown, this intimation is being submitted without signature of the authorized person.
SugarBox
Business Summary
Introduction to SugarBox

**Without SugarBox**
Only users with internet connectivity can use Apps. Experience dependent on reliability of connection. User bears the cost of data

**With SugarBox**
Users without internet connectivity can use Apps seamlessly & without data cost
Even when the SugarBox doesn’t have internet access, users can continue to access App data stored on the server

SugarBox’s patented technology stores relevant App data on a local server and also manages other technical requirements like user registration, personalization, Ad delivery & Payment processing; enabling digital services to work without depending on internet access
Disruption it Creates

- Apps will **continue to work seamlessly**, even in areas with **bad or no network** (Zee5 or Flipkart working in an aircraft)

- Even users **without a data pack or free Wi-Fi internet access** will be able to access Digital services (An est. 300 mn users in India with a Sim, but no active data pack)

- Apps will get **access to user context** – travel, home, office, mall, café, etc. In the digital world, only Google & Apple have this data (and its measured in Gold)

- Reach out to consumers at the right time & **provide instant gratification** with an experience guarantee (First network in the world to be able to do so)

- Financial viability is based on **zero data charges** to consumers! (First network in the world to achieve this)

- **Ad delivery guarantee** to partners like GroupM & Payment guarantee for partners like PayTM (Current failure rates lie in the range of 15% for both)
To use services supported on the SugarBox platform, a consumer connects to SugarBox Wi-Fi, at a POI. The consumer will now be able explore & access all services via the SugarBox App (one-stop shop) substantially improving the fragmented user experience today and driving incremental value.
SugarBox Presence – Feb’20 vs Jun’22

Feb’20 Network Overview = 250 POIs
- Hyderabad Metro
- Chennai Metro
- Navi Mumbai Buses
- Gram Panchayats
- Public Places
- Hotels & Co-living

Feb’20 Network Reach = 0.7 mn
- 0.003
- 0.056
- 0.05
- 0.06
- 0.1
- 0.4

-35x Scale-up from today

Jun’22 Network Overview = 8,300 POIs
- Suburban Trains
- Intercity Trains
- Metros
- Future Projects
- Buses
- Gram Panchayats

Jun’22 Network Reach = 27 mn
- 0.5
- 0.4
- 0.1
- 0.1
- 0.5
- 12

- This is the first year in decades that the Telecom sector has shown negative growth at the back of a 34% price hike and expiry of free data offers from operators
- On 05/03/20, Telcos made an application to TRAI to set a floor price for the industry, which will result in a data price hike of 6x to 10x from today’s prices, drastically impacting the numbers of active data subscribers in the coming year
- SugarBox will enable seamless digital access for over 300 mn users monthly and is critical in getting the Next Billion Users connected, not just in India, but the world over

1 POI = 1 physical space / Train / Metro / Bus | Network Reach = Aggregate Daily unique users across all SugarBox POIs
SugarBox app: Stream videos on metro trains now

Chennai: Chennai Metro Rail Limited has introduced a video streaming smartphone application that will have downloadable content in several languages to stream videos on metro trains. The app titled ‘SugarBox’ is an online streaming platform which has servers to support it in all metro trains. People can download the app from Play Store or Apple store. Minister M C Sampath inaugurated the service at Central Metro Station on Friday. ENS

On Metro, stream free movies on your mobile

Hyderabad: Listen to your favourite music, download movies or watch a TV series of your choice on your mobile phones while commuting, says Reddy Stations where the facility is available include Ameerpet, JNTU, Begumpet, Nagole, Uppal, Miyapur, KPHB, Kukatpally and Secunderabad (East). Reddy also told Rohit Pranipe, CEO, SugarBox Networks, which is partnering with HMRL in the venture, to include knowledge related movies and videos, e-learning, shopping, food delivery, last-mile connectivity, e-hailing options on the network to cater to the needs of all commuters.

Chennai metro to provide free wifi, downloads via SugarBox

Chennai Metro Rail Limited (CMRL) has partnered with SugarBox Networks to provide free wifi and free downloads on its mobile app named SugarBox. The app will be available on all metro trains in Chennai. The app will provide free wifi and free downloads to commuters on board the metro trains. The app will also provide information about upcoming events, tourist attractions, and weather updates. The app will be available on both Android and iOS platforms. The app will be launched on 20th February 2023.
Case Study

Statistics for Zee5 at Hyderabad Metro in February 2020

- **400k daily commuters**
  Travel for on an average for 30 minutes

- **Bad mobile network, patchy data**
  At stations possible to stream limited content, but large patches have unstable mobile data

- **Consumers rely on pre-loaded content**
  Habituated to deal with bad network by downloading Music / shows at home or office

- **Enter Sugarbox**
  SugarBox Edges are installed at major stations & in all trains at Hyderabad metro

- **Zee5 provides relevant content**
  Curated selection of Movies, TV Shows, Originals, Music and Videos across Hindi, English and Telugu

- **27k DAUs, 110k MAUs and existing user delight**
  Avg. session time of 14 minutes
  3x increase in Data consumption since Oct’19
  5x Network throughput vs a telco network
Ongoing Projects

- **RailTel Tender**
  - Tender awarded
  - 7,032 rakes + 6,077 stations
  - 19 mn Daily travellers + 270 mn Monthly Uniques
  - Exclusivity for 10 years
  - Installation yet to be commenced

- **Mumbai Suburban**
  - Tender awarded
  - 135 rakes
  - 4 mn Daily travellers + 9.6 mn Monthly Uniques
  - Exclusivity for 5 years, to be merged with the RailTel tender from Y6
  - Pilot train installed

- **Hyderabad Metro**
  - Contract awarded
  - 48 rakes + 40 stations
  - 0.4 mn Daily travellers + 1 mn Monthly Uniques
  - Exclusivity for 6 years
  - Installation in all rakes and 10 stations completed

- **Chennai Metro**
  - Tender awarded
  - 42 rakes
  - 0.15 mn Daily travellers + 0.4 mn Monthly Uniques
  - Exclusivity for 10 years
  - Installation in all rakes completed

- **Navi Mumbai Municipal Buses**
  - Tender awarded
  - 472 buses + 11 terminus
  - 0.3 mn Daily travellers + 0.75 mn Monthly Uniques
  - Exclusivity for 5 years
  - Installation will commence in HI of FY22 (est.)

- **Common Services Centres**
  - Pilot awarded
  - 100 Gram Panchayats
  - 1 mn Daily Unique Users
  - Installation in 50 Gram Panchayats completed
  - Total opportunity of 340,000 villages reaching 600 mn Daily users
Scope & Scale of Work

- **Largest planned deployment** of an infotainment solution worldwide
- **Scope of Project** – 7,700 rakes (Intercity + Suburban + Metros) + 500 Buses + 6,077 stations
- **Scale of Project** – 75,000 Edge Servers
- **Daily Ridership** – 25 mn commuters
- **Monthly uniques** – 300 mn commuters
- **An opportunity** to unlock 2.5 bn hours of captive digital consumption per month
- **Access to native Apps** for consumers using SugarBox’s patented technology
- **Offline monetization** enabled using SugarBox’s patent-pending technology
- **Long-term Exclusive contracts** (Minimum 5 year contract, most for 10 years)
Deployment Outlay*

Railways Pilot (10 Trains)
By 30/04/20
- 1 Suburban
- 5 Premium Intercity
- 4 Intercity

Phase 1
By 31/12/20
- 148 Suburban
- 113 Premium Intercity
- 671 Intercity
- 50 Gram Panchayats

Phase 2
By 30/06/21
- 344 Suburban
- 354 Premium Intercity
- 2,025 Intercity
- 372 Buses

Phase 3
By 31/12/21
- 1,761 Intercity
- 150 Metros

Phase 4
By 30/06/22
- 1,761 Intercity
- 200 Metros

*Subject to delay due to Covid-19 impact on operations, equipment procurement & availability of permissions for installation
SugarBox operates in a Revenue model which has already been adopted by Internet Services across industries (including OTT). Revenue to SugarBox, acts as a replacement cost for Services (they pay us instead of a Telco / Cloud computing company).

**Revenue**
- Ad Revenue Platform Fee (OTT)
- Subscription Platform Fee (OTT)
- Platform Fee (As a %) of Gross Partner earnings across all other industries

**CapEx**
- SugarBox DC Hardware
- SugarBox Edge Hardware

**OpEx**
- Fixed Fee + Rev Share
- Internet Connectivity
- Equipment OpEx
## Fund Utilization & Key Highlights

### Total Fund Utilization (Y1 + Y2) = Rs. 5,220 mn

<table>
<thead>
<tr>
<th>Particulars</th>
<th>(In INR mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peak Fund Requirement (Y1 + Y2)</td>
<td>5,220</td>
</tr>
<tr>
<td>Total CapEx</td>
<td>12,470</td>
</tr>
<tr>
<td>Break-even</td>
<td>Y4</td>
</tr>
</tbody>
</table>

- Rev Share, Marketing & Operating Expenses are variable costs and come into effect only when the expected rollout, uptake & monetization is achieved.

- In addition to the Zee Investment, balance CapEx will be procured on vendor lease / vendor long-term finance from the likes of Qualcomm, HPE, Cisco, etc. and through internal accruals.
- Life of hardware installed in trains & metros is 10 years. Life of all other hardware is 5 years.
- The hardware is also interchangeable across POIs, with ~10% wastage / loss during the interchange.
Strategic Nature to Zee

- Part of Zee’s broader digital strategy that expands their presence beyond OTT & AdTech
- Enables Zee to contribute to the growth of digital & benefit from the success of the entire ecosystem
- In line with Zee’s core vision of becoming a global Media Tech company & building disruptive products for the masses
- An ecosystem play (similar to DTH in the broadcast domain) that offers an additional distribution platform for Zee’s content across categories
- Strong synergies with existing businesses of Zee, including Zee5 and other digital businesses
- A key piece in Zee’s overall pursuit of offering relevant content to consumers across platforms
THANK YOU