

Route Mobile Limited

- Q2 FY2022 & H1 FY2022 update

October 18, 2021

This presentation has been prepared for general information purposes in respect of Route Mobile Limited ("Company") together with its subsidiaries, associates and joint ventures, as applicable (together, with the Company, the "Group") only, without regard to any specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation or form part of any offer or invitation, directly or indirectly, in any manner, or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Company in any jurisdiction, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment therefor. This presentation does not solicit any action based on the material contained herein. Nothing in this presentation is intended by the Group to be construed as legal, accounting or tax advice.

This presentation has not been approved and will not or may not be reviewed or approved by any statutory or regulatory authority in India or by any Stock Exchange in India.

This presentation contains certain forward-looking statements relating to the business, financial performance, strategy and results of the Group and/or the industry in which it operates. Forward-looking statements are statements concerning future circumstances and results, and any other statements that are not historical facts, sometimes identified by the words including, without limitation "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements, including those cited from third party sources, contained in this presentation are based on numerous assumptions and are uncertain and subject to risks. A multitude of factors including, but not limited to, changes in demand, competition and technology, can cause actual events, performance or results to differ significantly from any anticipated development. Neither the Group nor its affiliates or advisors or representatives nor any of its or their parent or subsidiary undertakings or any such person's officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this presentation or the actual occurrence of the forecasted developments. Forward-looking statements speak only as of the date of this presentation and are not guarantees of future performance. As a result, the Group expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this presentation as a result of any change in expectations or any change in events, conditions, assumptions or circumstances on which these forward looking statements are based. Given these uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. Certain numbers in these presentations and materials have been subject to routine rounding off and accordingly figures shown as total in tables and diagrams may not be an arithmetic aggregation of the figures that precede them.

The information contained in these presentations and materials are only current as of the dates specified herein and have not been independently verified. None of the Group, its directors, promoter or affiliates, nor any of its or their respective employees, advisers or representatives or any other person accepts any responsibility or liability whatsoever, whether arising in tort, contract or otherwise, for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this presentation or its contents or otherwise in connection with this presentation, and makes no representation or warranty, express or implied, for the contents of this presentation including its accuracy, fairness, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, and nothing in this presentation or at this presentation shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Past performance is not a guide for future performance. The information contained in this presentation is current, and if not stated otherwise, made as of the date of this presentation. The Group undertakes no obligation to update or revise any information in this presentation as a result of new information, future events or otherwise. Any person/ party intending to provide finance/ invest in the shares/ businesses of the Group shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision.

This presentation includes certain industry data and projections that have been obtained from industry publications and surveys. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance that the information is accurate or complete. Neither the Company nor any of its advisors or representatives have independently verified any of the data from third-party sources or ascertained the underlying economic assumptions relied upon therein. All industry data and projections contained in this presentation are based on data obtained from the sources cited and involve significant elements of subjective judgment and analysis, which may or may not be correct. For the reasons mentioned above, you should not rely in any way on any of the projections contained in this presentation for any purpose.

This presentation is not a prospectus, a statement in lieu of a prospectus, an offering circular, an advertisement or an offer document under the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, or any other applicable law in India.

This presentation is strictly confidential and may not be copied or disseminated, reproduced, re-circulated, re-distributed, published or advertised in any media, website or otherwise, in whole or in part, and in any manner or for any purpose. Any unauthorized use, disclosure or public dissemination of information contained herein is prohibited. No person is authorized to give any information or to make any representation not contained in or inconsistent with this presentation and if given or made, such information or representation must not be relied upon as having been authorized by any person. Failure to comply with this restriction may constitute a violation of the applicable securities laws. Neither this document nor any part or copy of it may be distributed, directly or indirectly, in the United States. The distribution of this document in certain jurisdictions may be restricted by law and persons in to whose possession this presentation comes should inform themselves about and observe any such restrictions. Accordingly, any persons in possession of the aforesaid should inform themselves about and observe any such restrictions. By reviewing this presentation, you agree to be bound by the foregoing limitations. You further represent and agree that you are located outside the United States and you are permitted under the laws of your jurisdiction to receive this presentation. You may not repackaging or sell the presentation. Information contained in a presentation hosted or promoted by the Group is provided "as is" without warranty of any kind, either expressed or implied, including any warranty of fitness for a particular purpose.

This presentation is not an offer to sell or a solicitation of any offer to buy the securities of the Company in the United States or in any other jurisdiction where such offer or sale would be unlawful. Securities may not be offered, sold, resold, pledged, delivered, distributed or transferred, directly or indirectly, in to or within the United States absent registration under the United States Securities Act of 1933, as amended (the "Securities Act"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Company's securities have not been and will not be registered under the Securities Act.

The distribution of these materials in certain jurisdictions may be restricted by law and persons into whose possession these materials comes should inform themselves about and observe any such restrictions.

By accessing this presentation, you accept this disclaimer and any claims arising out of or in connection with this presentation shall be governed by the laws of India and only the courts in the concerned state in India and no other courts shall have jurisdiction over the same.

Route Mobile - Industry Leading Global CPaaS Platform



RML offers a scalable and flexible **Omnichannel CPaaS** platform to enterprises across industry verticals globally

265+ direct MNO connects, overall access to **900+** MNOs (Super Network)

Global footprint across **16+ locations**, serving customers in Africa, Asia Pacific, Europe, Middle East and North America

2,000+ active billable clients. Serving **9 out of top 20** most valuable global Tech brands ⁽²⁾

SaaS solutions for MNOs – Full stack of telecom grade A2P solutions for MNOs

Infrastructure comprising **10 data centers** and **6 SMSCs** globally

400+ employees spread across 4 continents
c. 19% attrition rate in H1 FY2022

By 2026, value of the global CPaaS market will exceed **\$34.2bn**, rising from \$8.7bn in 2021 ⁽¹⁾

₹15,605mn LTM Sep 2021⁽²⁾ Revenue
29% Revenue CAGR FY2019 - FY2021

₹2,068mn LTM Sep 2021 EBITDA
42% EBITDA CAGR FY2019 - FY2021

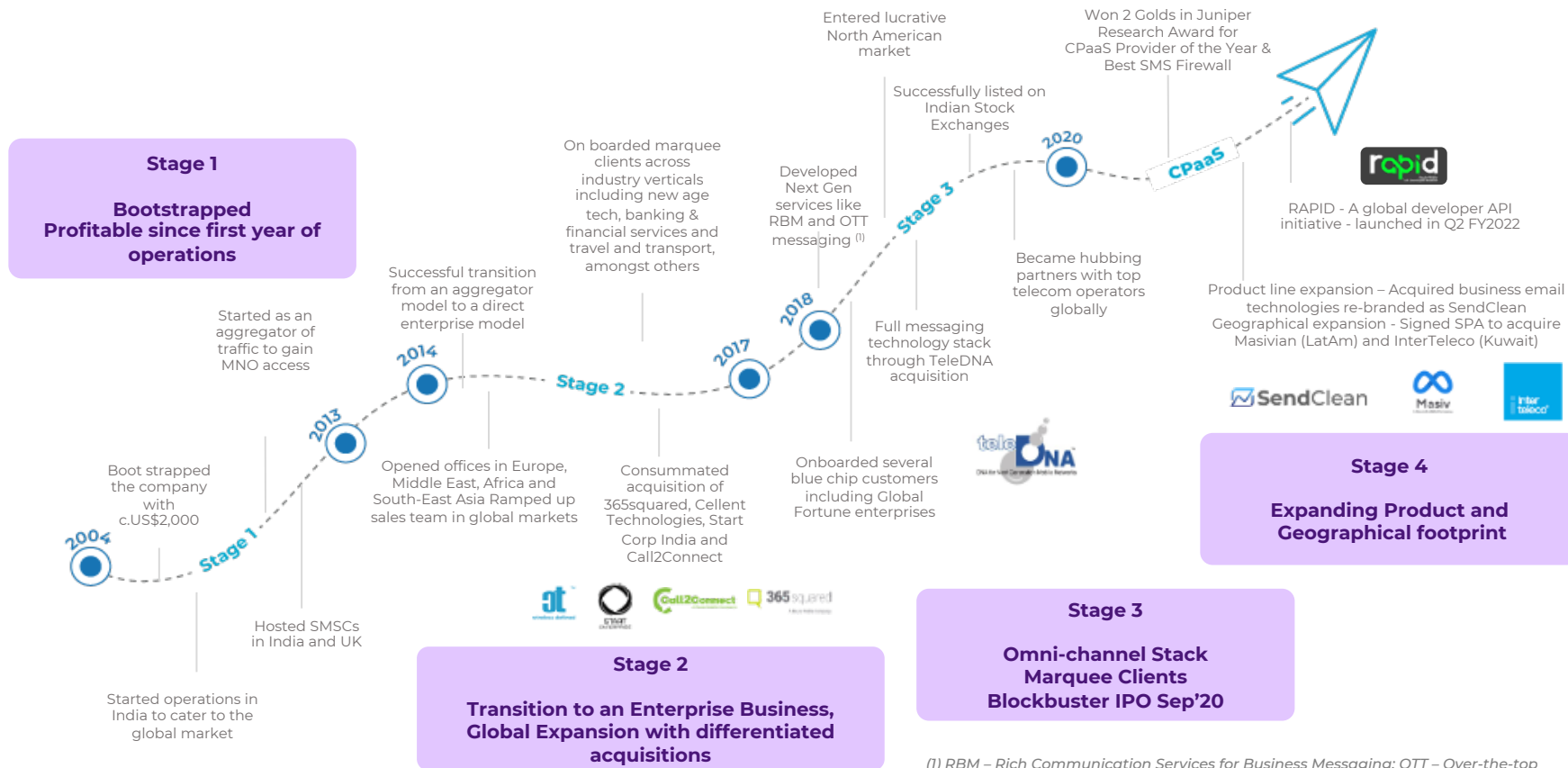
118% Net revenue retention in H1 FY2022

₹4,004mn Net cash and cash eqv. as on Sep 30, 2021

(1) Juniper - CPaaS Future Market Outlook, 2021 | (2) LTM Sep 2021 refers to 12 months period from Oct 1, 2020 to Sep 30, 2021

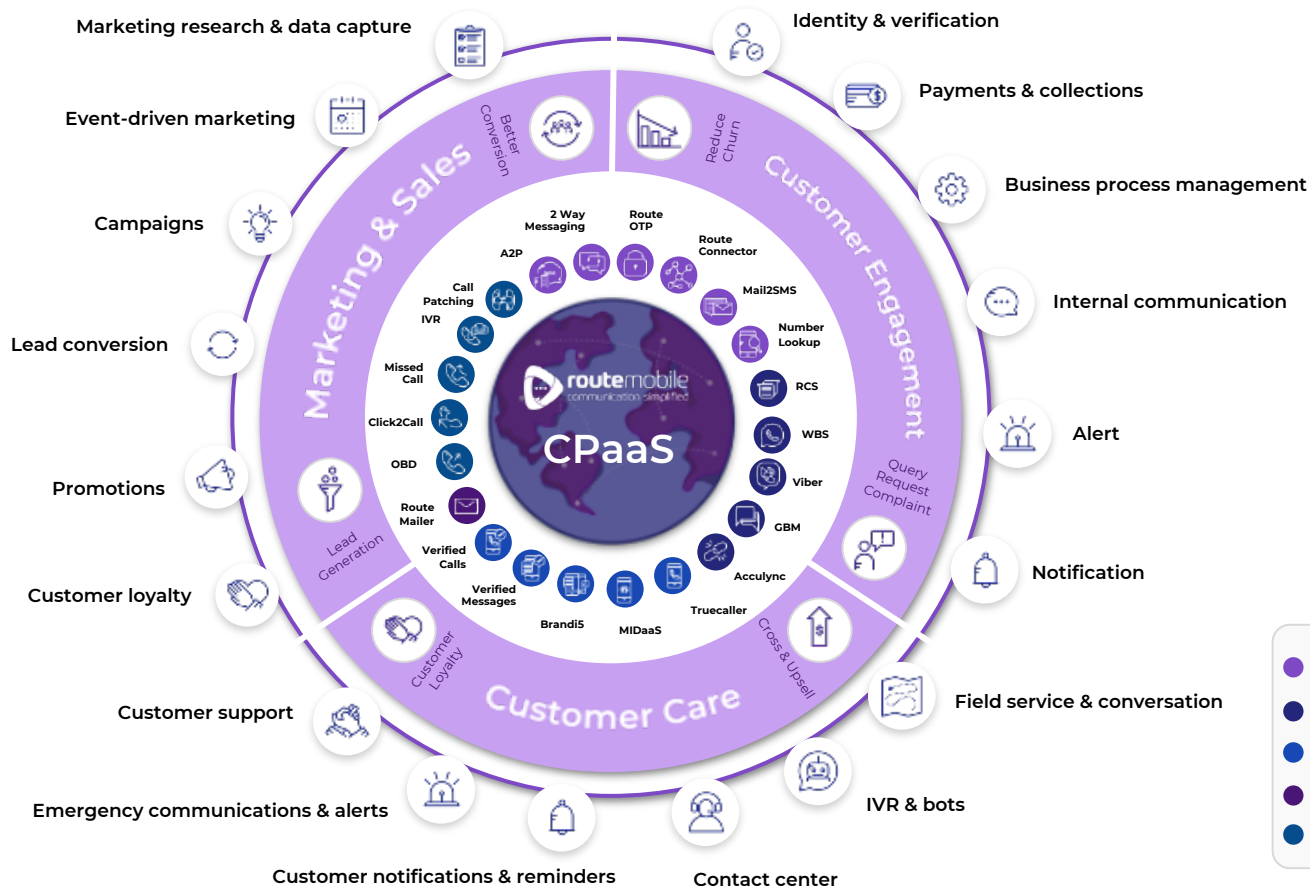
(2) Source: [https://www.visualcapitalist.com/the-worlds-tech-giants-ranked/\(2020\)](https://www.visualcapitalist.com/the-worlds-tech-giants-ranked/(2020))

Systematic roadmap to create sustained growth momentum






(1) RBM - Rich Communication Services for Business Messaging; OTT - Over-the-top

Comprehensive Enterprise Communication



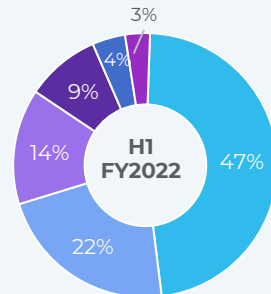
Global Diaspora - Footprint & Super Network



-  Firewall locations - 7 existing + 2 upcoming
-  10 virtualized Data Centers
-  14 Hubs

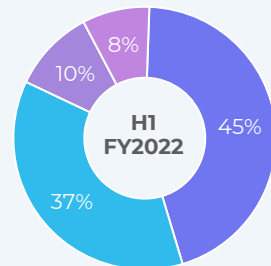
- **400+** Global Employees base
- **265+ Super Network** - Widespread global distribution & reach

Revenue for Top 50 countries by termination



■ India ■ Asia excl. India ■ Africa ■ ME ■ Europe ■ Americas

Revenue by customer (Top 150) HQ by continent



■ Americas ■ Asia ■ Europe ■ Africa

Data as on September 30, 2021

Key Developments

Expansion of Geographical Footprint

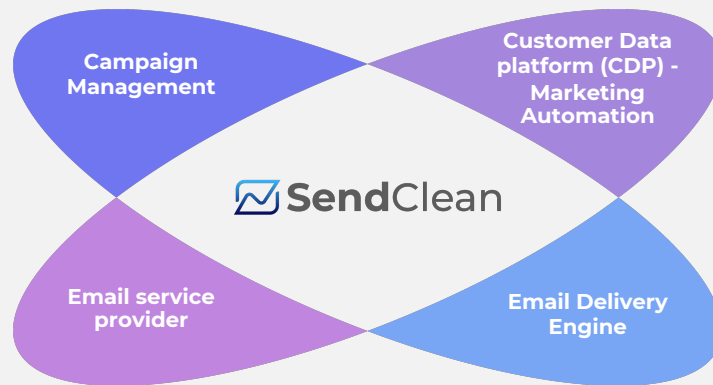


- Signed definitive agreements, on Oct 9, 2021 to acquire 100% equity in Masivian S.A.S ("Masiv")
- Masiv's differentiated cloud communication platform offerings for enterprises create a springboard for growth in **Latin America**
- Total purchase consideration of US\$47.5mn (to be paid out in four instalments) and earn-out of up to US\$2.5mn
- Closing expected in Q3 FY2022, subject to completion of conditions precedents



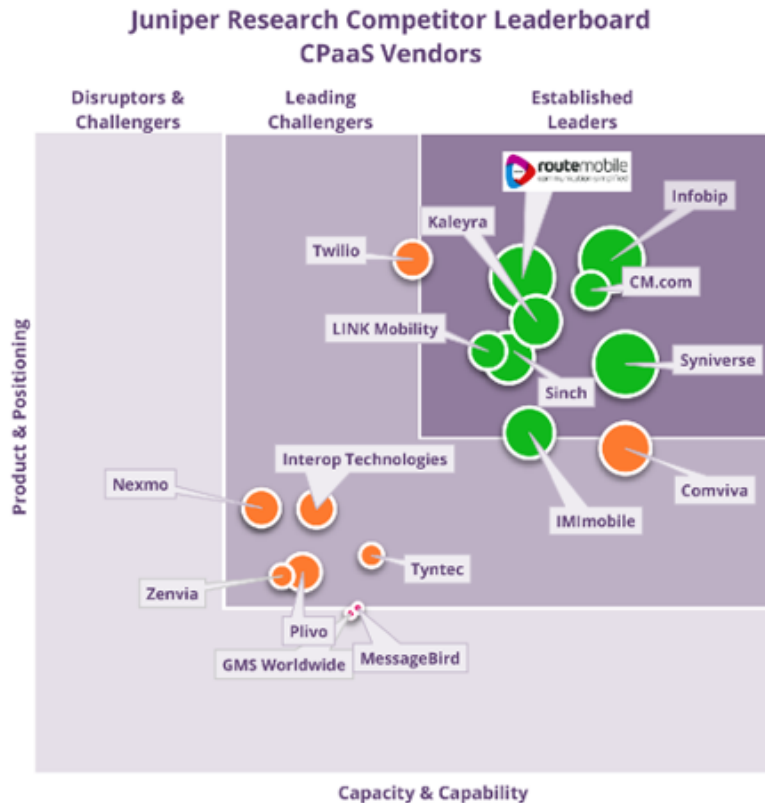
- Signed definitive agreements, on Oct 12, 2021, to acquire 49% equity stake and 90% economic and beneficial interest in Interteleco
- The acquisition will further strengthen Route Mobile's presence in Middle East, through expansion into a new region - **Kuwait**
- Total purchase consideration of Kuwaiti Dinar 652,500 (to be paid out in two tranches)
- Closing expected in Q3 FY2022 subject to completion of conditions precedents

Product Portfolio Expansion



- Acquired email platform, team and associated business on a slump sale basis on Jul 5, 2021, and re-branded it as **SendClean**
- Email continues to be a critical channel of digital communication for enterprises
- SendClean creates cross-sell opportunity within Route Mobile's existing blue-chip customer base
- Total consideration of INR 300mn (to be paid out in two tranches)

Recognized as “Established Leader” by Industry Analysts

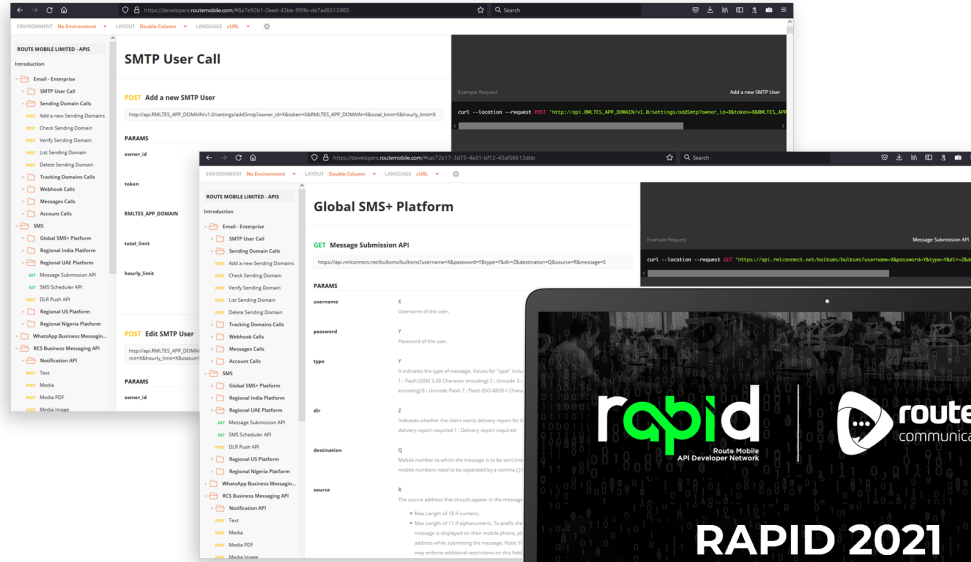


Juniper report assigns highest ratings to Route Mobile on the following parameters:

- Breadth of CPaaS technologies supported
- Capabilities and sophistication of A2P services
- Strength and depth of operator partnerships
- Size of operations in the mobile communications sector
- Market presence

Source: Juniper CPaaS Market Report, 2021

Rapid - A Global Developer API Initiative (launched in Q2 FY2022)



Developers engaged
7,275

100+
countries represented

254+
solutions created

ESOPs

- Nomination and Remuneration Committee of Route Mobile, on Oct 12, 2021 approved the grant of **736,500 stock options** (convertible into 736,500 equity shares of INR 10 each upon Exercise) to eligible employees in the Company (and its subsidiary(ies) under **RML ESOP 2021**. Details of RML ESOP 2021 have been intimated to the Indian Stock exchanges as per regulatory requirements and guidelines

Strengthened Board of Directors

- The Company announced the appointment of **Mr. Bhaskar Pramanik** as an Additional and Independent Director on the Board of the Company on Aug 10, 2021
- Mr. Pramanik is a seasoned entrepreneur and a tech disruptor with a career spanning over 45 years. He has held key National and Global Leadership positions in leading Multinational Technology Companies, across India, Singapore, and the US. Mr. Pramanik was also on the Executive Committee of NASSCOM, the National Committee of CII and AMCHAM, and has been a former Board member of the State Bank of India, former Chairman of Microsoft India and Managing Director at Oracle Corporation and Sun Microsystems in India. He was also the Global VP for Commercial Systems at Sun Microsystems Inc., based out of Menlo Park, CA.
- Having led growth strategies, go-to-market execution, and driving remarkable results with his astute business sense for major global brands, Mr. Pramanik often shares his wealth of experience as a mentor to a number of professionals and colleagues, most of whom are now MDs and senior leaders at various companies in India including SAP, Google, Netaps, Red Hat, Nvidia, Cisco and Thermo Fisher.

Infrastructure expansion for Call2Connect business

- Inaugurated a **1,000 seater BPO center** at Virar, Mumbai, on Oct 15, 2021, to support growth of **Call2Connect** business operations

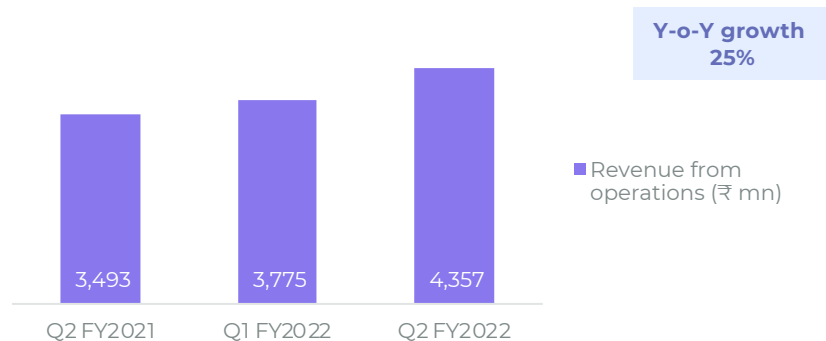
GST related matter

- During the quarter ended Jun 30, 2021, the Department of Revenue of the Ministry of Finance, Government of India has requested Route Mobile to pay GST under reverse charge mechanism on the purchases of messages from its foreign vendors and sale to its overseas customers as per the provisions of IGST Act, 2017 of ₹330mn (excluding interest) for the period July 2017 to March 2019.
- In the assessment of the management, which is supported by legal opinion, the aforementioned services are not chargeable to GST and accordingly no provision for liability has been recognized in the consolidated financial results. However, out of abundant caution, Route Mobile decided to discharge its liability under GST on such import purchases under RCM and claim input tax credit. During the quarter ended Sep 30, 2021, Route Mobile has accordingly discharged GST dues to the extent of ₹311mn for the year 2020-21 and also made part payment of ₹ 5mn on Oct 1, 2021 towards GST dues for the period July 2017 to March 2019.

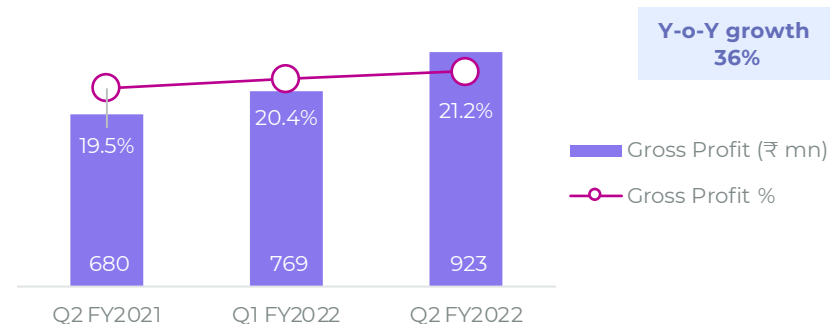
Financial Highlights

Q2 FY2022 – Snapshot

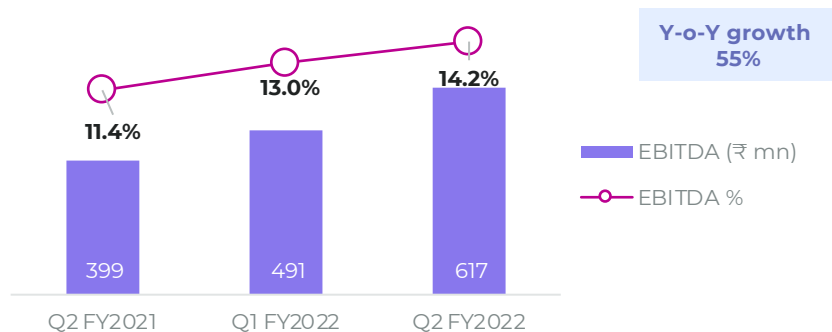
Revenue from Operations (In ₹ mn)



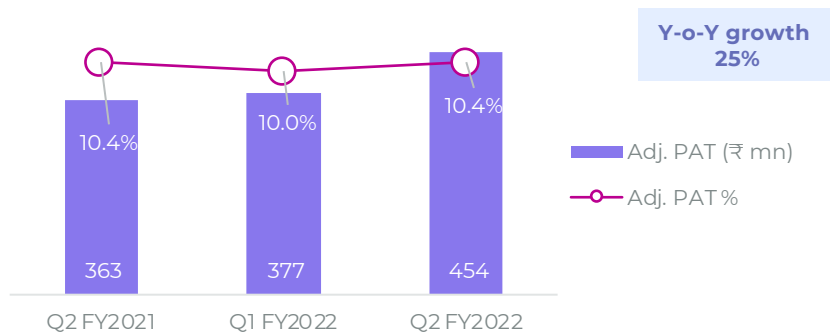
Gross Profit (In ₹ mn) and Gross Profit Margin (%)



EBITDA⁽¹⁾ (In ₹ mn) and EBITDA Margin (%)



Adjusted PAT⁽²⁾ (In ₹ mn) and Adjusted PAT Margin (%)



(1) Net loss on FX transactions and translation is excluded from EBITDA, amounting to ₹57m, ₹36mn and -₹19mn for Q2 FY2022, Q1 FY2022 and Q2 FY2021 respectively.

(2) PAT has been adjusted for non-cash amortization associated with the intangible assets added as a result of purchase price allocation for acquisitions.

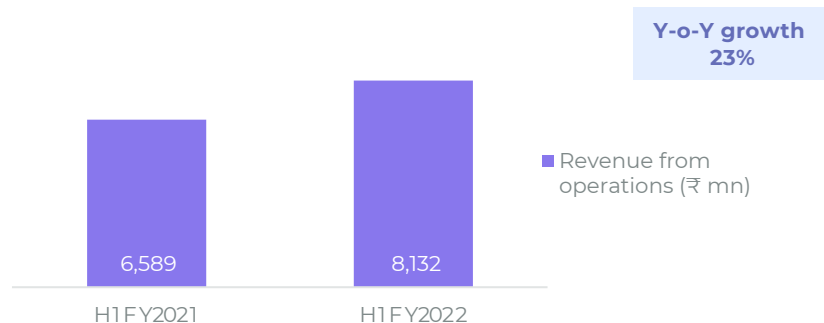
Financial Highlights

For the Quarter ended Sep 30, 2021 (Q2 FY2022)

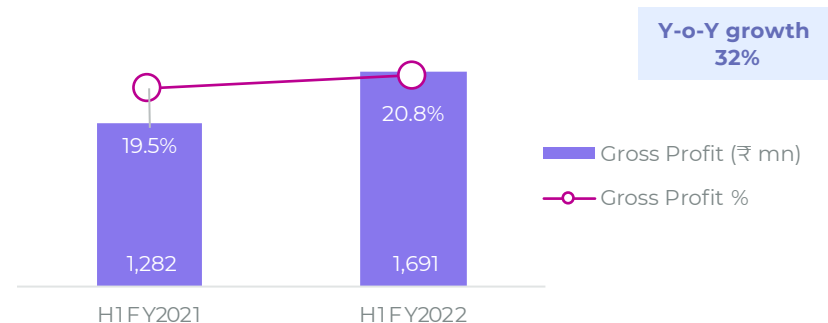
- Closed Q2 FY2022 with revenue from operations of **₹4,357mn** compared to **₹3,775mn** in Q1 FY2022 and **₹3,493mn** in Q2 FY2021
 - Y-o-Y growth of **24.7%** and sequential growth of **15.4%** in revenue
- Recorded Gross Profit of **₹923mn** in Q2 FY2022 compared to **₹769mn** in Q1 FY2022 and **₹680mn** in Q2 FY2021
 - Y-o-Y growth of **35.7%** and sequential growth of **20%** in Gross Profit
 - Gross Profit margin of **21.2%, 20.4% and 19.5%** in Q2 FY2022, Q1 FY2022 and Q2 FY2021 respectively
- EBITDA of **₹617mn** in Q2 FY2022 compared to **₹491mn** in Q1 FY2022 and **₹399mn** in Q2 FY2021
 - Y-o-Y growth of **54.5%** and sequential growth of **25.5%** in EBITDA
 - EBITDA margin of **14.2%, 13.0% and 11.4%** in Q2 FY2022, Q1 FY2022 and Q2 FY2021 respectively
- Recorded Profit After Tax of **₹421mn** in Q2 FY2022 compared to **₹343mn** in Q1 FY2022 and **₹327mn** in Q2 FY2021
 - Y-o-Y growth of **28.6%** and sequential growth of **22.6%** in Profit After Tax
- Adjusted Profit After Tax of **₹454mn** in Q2 FY2022 compared to **₹377mn** in Q1 FY2022 and **₹363mn** in Q2 FY2021
 - Adjusted for non-cash amortization associated with the intangible assets added as a result of purchase price allocation for acquisitions
 - Adjusted Profit After Tax margin of **10.4%, 10.0% and 10.4%** in Q2 FY2022, Q1 FY2022 and Q2 FY2021 respectively

H1 FY2022 – Snapshot

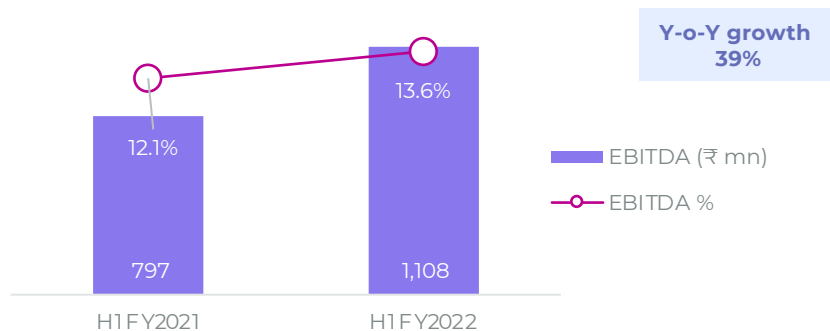
Revenue from Operations (In ₹ mn)



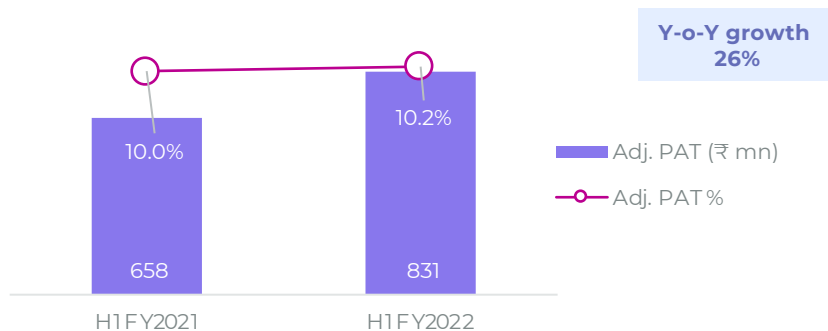
Gross Profit (In ₹ mn) and Gross Profit Margin (%)



EBITDA⁽¹⁾ (In ₹ mn) and EBITDA Margin (%)



Adjusted PAT⁽²⁾ (In ₹ mn) and Adjusted PAT Margin (%)



(1) Net loss on FX transactions and translation is excluded from EBITDA, amounting to ₹92.9mn and ₹2mn for H1 FY2022 and H1 FY2021 respectively.

(2) PAT has been adjusted for non-cash amortization associated with the intangible assets added as a result of purchase price allocation for acquisitions.

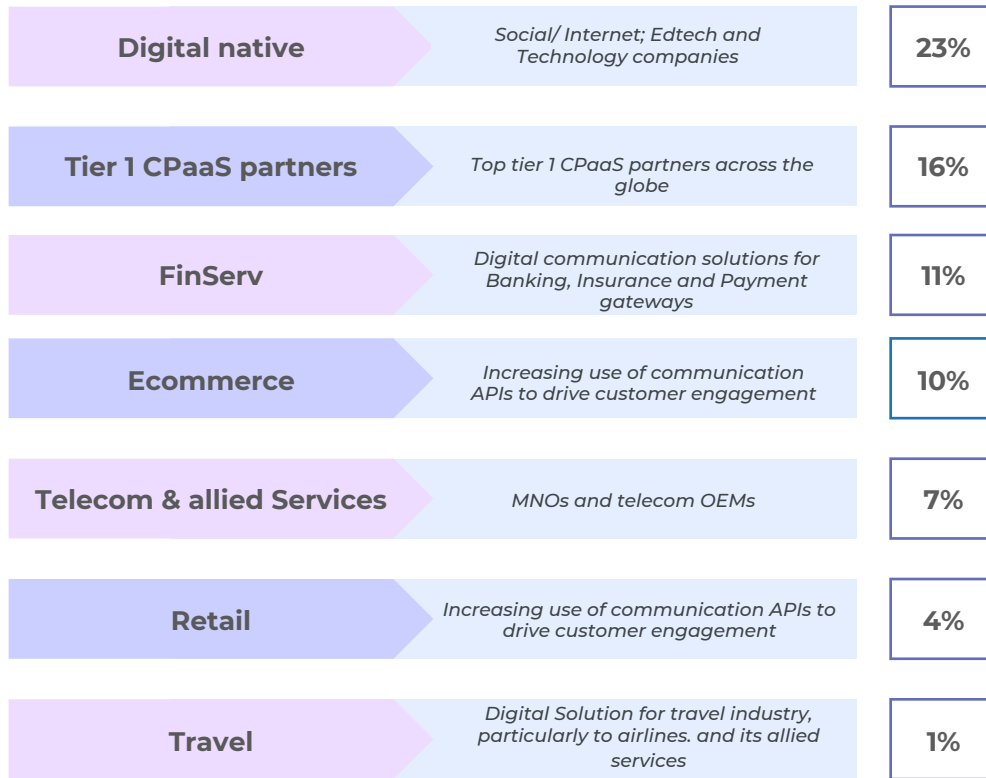
Financial Highlights

For the half year ended Sep 30, 2021 (H1 FY2022)

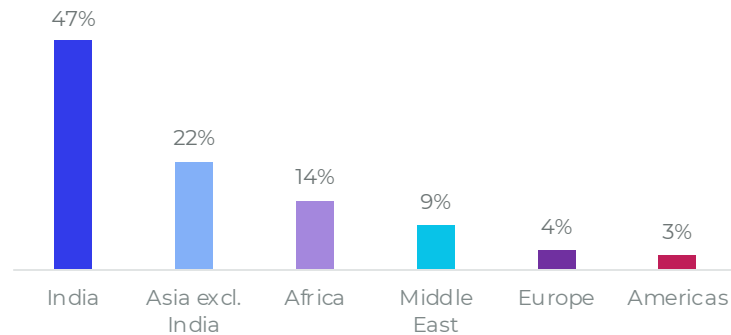
- Closed H1 FY2022 with revenue from operations of **₹8,132mn** compared to **₹6,589mn** in H1 FY2021
 - Y-o-Y growth of **23.4%** in revenue
- Recorded Gross Profit of **₹1,691mn** in H1 FY2022 compared to **₹1,282mn** in H1 FY2021
 - Y-o-Y growth of **31.9%** in Gross Profit
 - Gross Profit margin of **20.8%, 19.5%** in H1 FY2022 and H1 FY2021 respectively
- Recorded EBITDA of **₹1,108mn** in H1 FY2022 compared to **₹797mn** in H1 FY2021
 - Y-o-Y growth of **39.0%** in EBITDA
 - EBITDA margin of **13.6%, 12.1%** in H1 FY2022 and H1 FY2021 respectively
- Recorded Profit After Tax of **₹764mn** in H1 FY2022 compared to **₹597mn** in H1 FY2021
 - Y-o-Y growth of **28.1%** in Profit After Tax
- Adjusted Profit After Tax of **₹831mn** in H1 FY2022 compared to **₹658mn** in H1 FY2021
 - Adjusted for non-cash amortization associated with the intangible assets added as a result of purchase price allocation for acquisitions
 - Adjusted Profit After Tax margin of **10.2%** and **10.0%** in H1 FY2022 and H1 FY2021 respectively

Diverse customer base

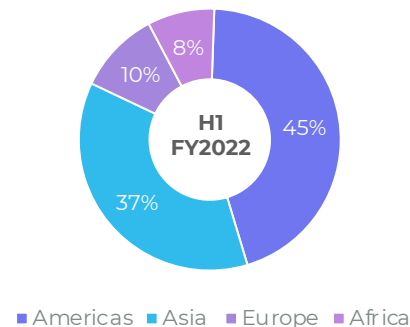
Revenue contribution from select industries in H1 FY2022



Revenue for Top 50 countries by termination ⁽¹⁾



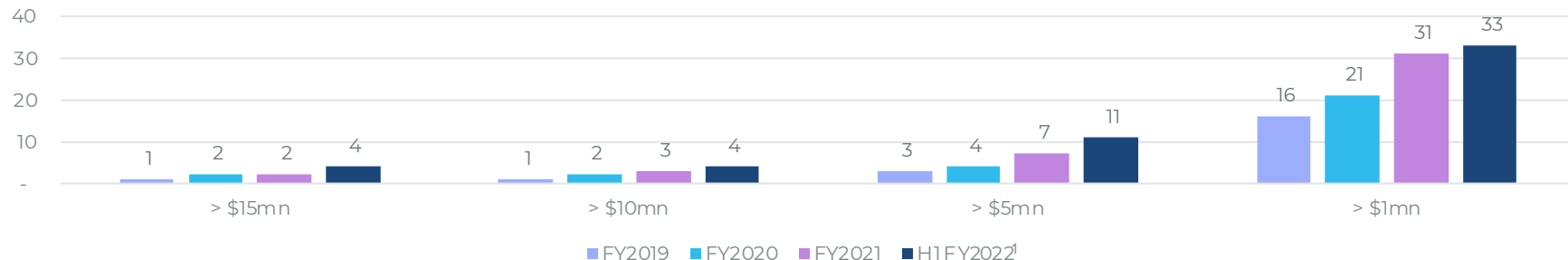
Revenue by customer HQ (continent) ⁽²⁾



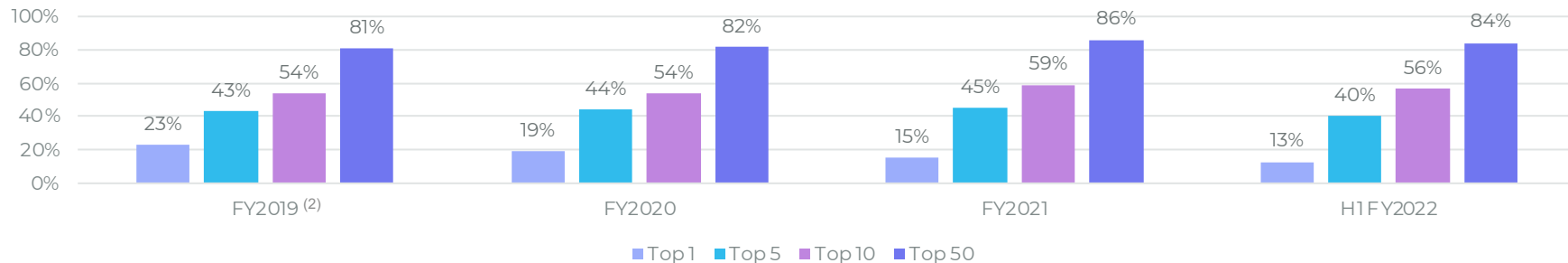
⁽¹⁾ Top 50 countries contribute c.91% of H1 FY2022 revenue from operation | ⁽²⁾ Based on Top 150 customers - contributes c. 95% of H1 FY2022 revenue from operation

Growing number of Multi-million dollar accounts with Improving Client Diversification

Clients by Account Size



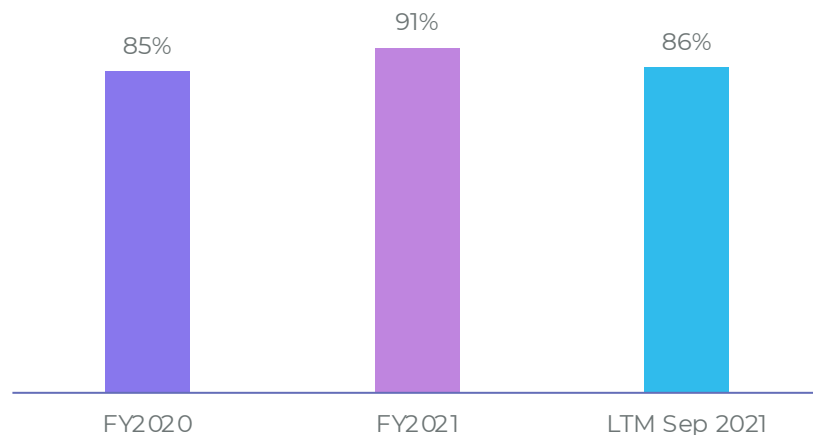
Client Concentration ⁽¹⁾



(1) H1 FY2022 annualized (2) FY2019 excludes the discontinued wholesale voice business

Strong Recurring Revenue

Recurring Revenue⁽¹⁾ as % of Operating Revenue



118% Net revenue retention⁽²⁾

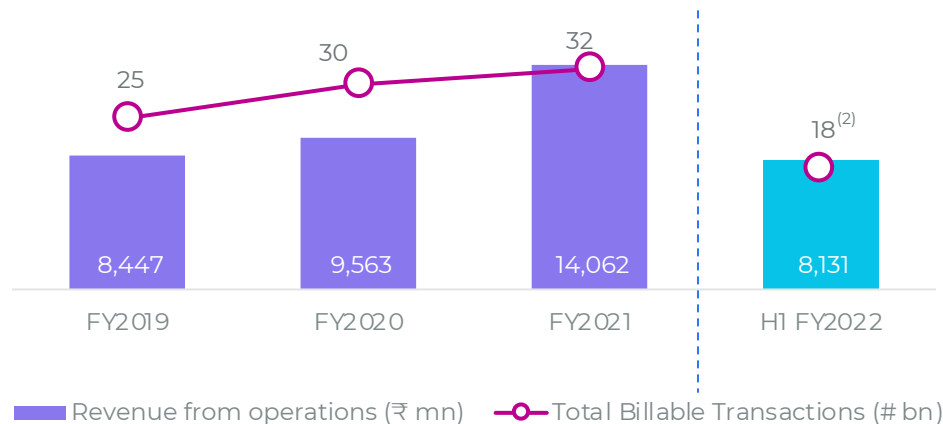
Deep Customer engagement driving high recurring revenues

⁽¹⁾ Recurring customers defined as customers that have been billed in each of the months over the respective period. For instance, a customer billed each month over October 1, 2020 – September 30, 2021 is a recurring customer for LTM Sep 2021

⁽²⁾ Net revenue retention calculated based on comparison of H1 FY2021 revenue with H1 FY2022 revenue

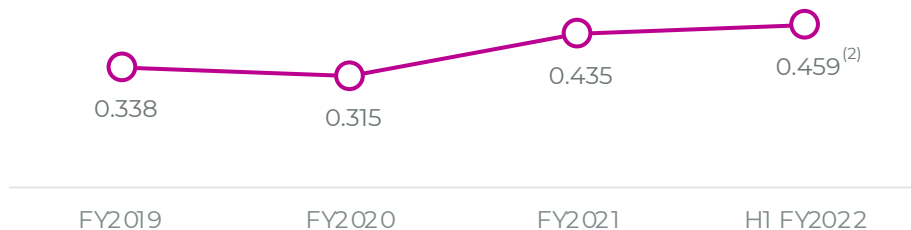
Improving Unit Economics – Revenue

Revenue from operations and Total Billable Transaction⁽¹⁾



Robust growth momentum
23% Y-o-Y growth in H1 FY2022
29% CAGR over past 2 years (FY2019-FY2021)

Revenue per transaction (in ₹)



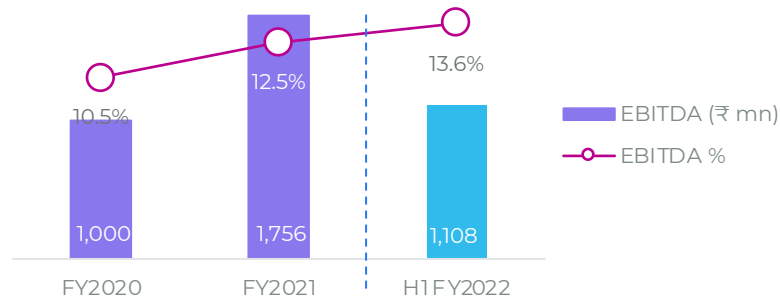
Improving unit economics
Higher revenue per transaction on back of increasing unit pricing

⁽¹⁾ FY2019 includes the discontinued wholesale voice business revenue of INR 1,008mn; Billable transactions in H1 FY2022 excludes RCS transactions

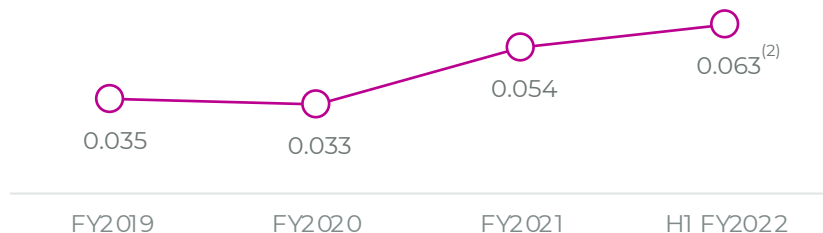
⁽²⁾ Total Billable Transaction in H1 FY2022 includes 1.75bn email transactions processed by SendClean, which resulted in decreased revenue per transaction in H1 FY2022

Improving Unit Economics – EBITDA

EBITDA (In ₹ mn) and EBITDA Margin (%)



EBITDA (In ₹) per transaction



**Non-linear business model creates
high operating leverage**

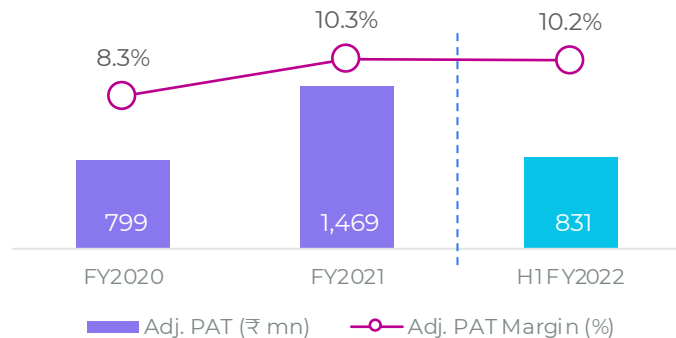
**EBITDA as % of Gross Profit increased from
52% in FY2020 to 63% in FY2021 and 66% in H12022**

(1) Net loss on FX transactions and translation is excluded from EBITDA for respective periods

(2) Total Billable Transaction in H1 FY2022 includes 1.75bn email transactions processed by SendClean, which resulted in decreased EBITDA per transaction in H1 FY2022

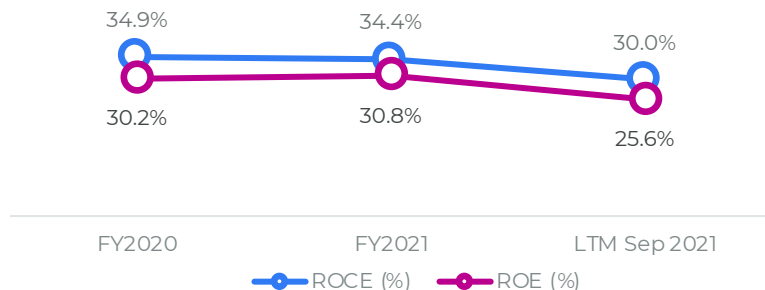
Robust Return Ratios with High Cash Generation

Adjusted PAT (In ₹ mn) and Adjusted PAT Margin (%) ⁽¹⁾



Continued focus on profitable growth

Return on Capital Employed and Return on Equity^(1,2)



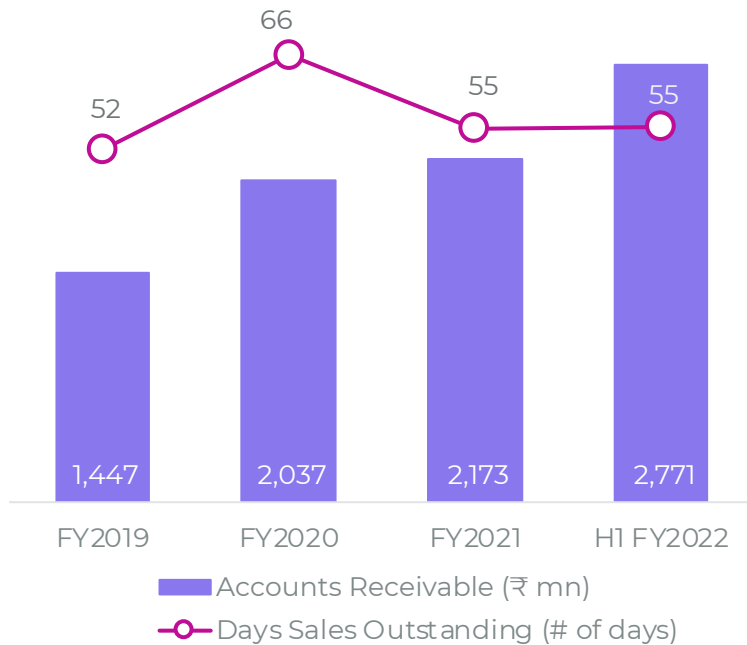
High profitability and efficient capital deployment
resulting in robust return ratios

(1) PAT has been adjusted for non-cash amortization (incurred in FY2020, FY2021 and H1 FY2022) associated with the intangible assets added as a result of purchase price allocation for acquisitions, and for one-time expenses related to payments made under Sabka Vikas Scheme (incurred in FY2020) and one-time stamp duty charges incurred in FY2021

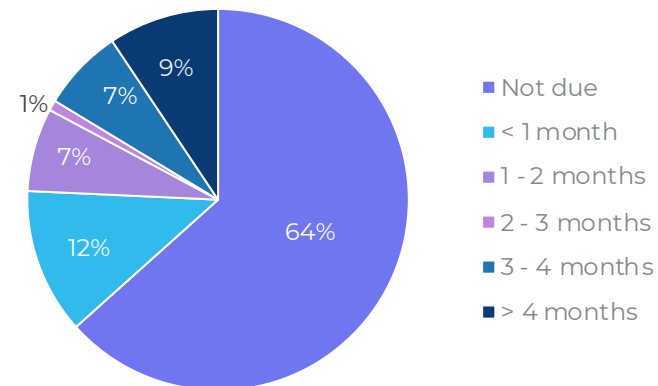
(2) Average of the opening and closing capital employed & equity considered for respective period; Adjusted PAT used to calculate Equity and Capital Employed

Accounts Receivable Analysis

Trend in Accounts Receivable

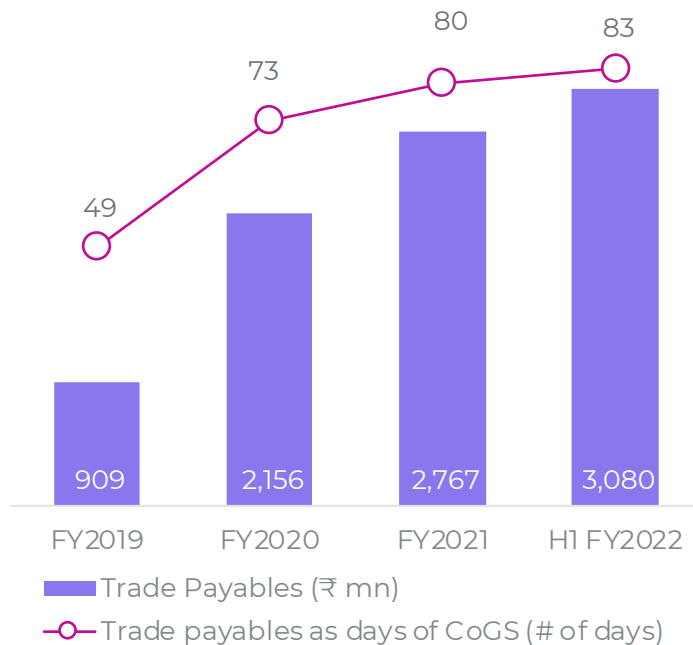


Ageing analysis of Accounts Receivable as on Sep 30, 2021

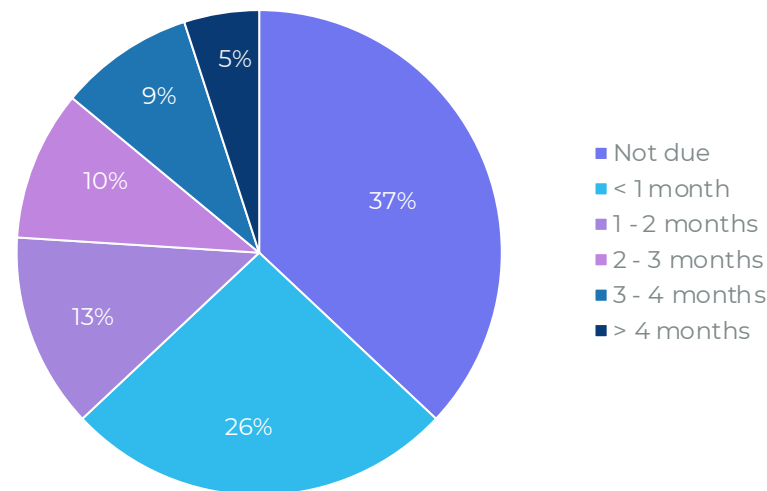


Trade Payables Analysis

Trend in Trade Payables⁽¹⁾



Ageing analysis of Trade Payables⁽¹⁾ as on Sep 30, 2021

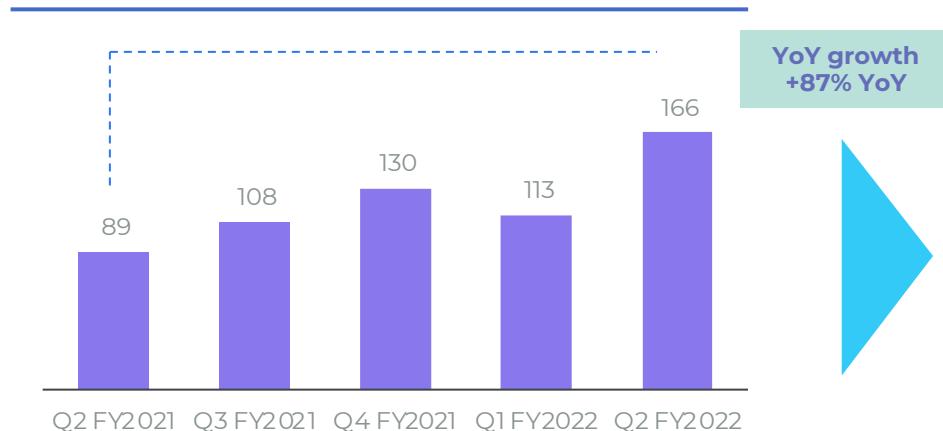


⁽¹⁾ Trade Payables include Outstanding expenses

New Product Revenue Momentum

Next generation messaging channels, viz. enterprise voice solutions, IP based messaging, email and unified communication solutions continue to witness increasing adoption by enterprises

Quarterly New Product Sales (₹ mn)

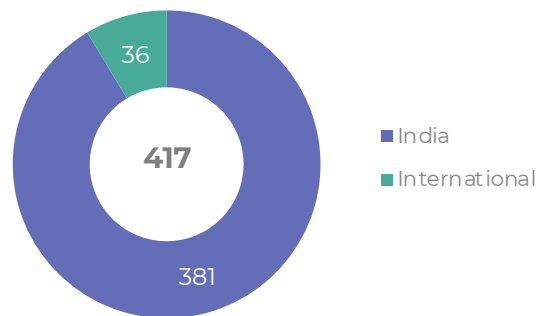


₹ 517mn
Revenue from new products in LTM Sep'21

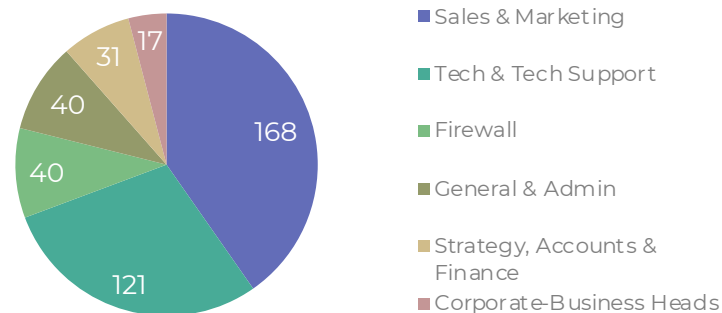
- Continuous focus on cross selling alternative communication solutions to existing blue-chip customer base
- **400+** new customers onboarded in H1 FY2022, across all products

Human Resource Capital

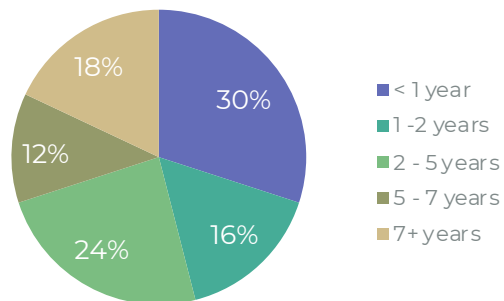
Location wise break-up⁽¹⁾



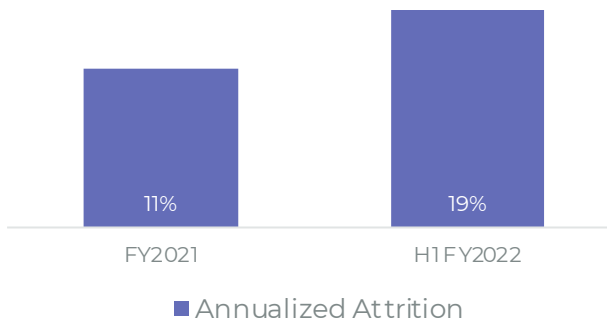
Function wise break-up⁽¹⁾



Tenure with Route Mobile⁽¹⁾



Attrition analysis



⁽¹⁾ As on Sep 30, 2021, Employee information excludes Call2Connect



Thank You