



January 21, 2022

Investor Update

Q3 21-22



Ashok
Everything I do will be about creating great results and making great business!

Safe Harbor

The CPaaS business is evolving at a fast pace in India with very little information available in the public domain on the overall market. The financial community has always sought a response on the total market size, key drivers of the industry and the competitive landscape in this space. In order to provide more transparency and to help understand our business better, we are providing indicative data around the market size and our relative share (assuming the indicative data). This indicative data has been arrived at basis our detailed internal analysis. This is being done with an intent to provide an indicative picture of the industry and address queries about the CPaaS space. This must not be seen as a positioning statement of the company, and one should not rely on the company's disclosure for their assessment of the market size.

This presentation contains statements that include information concerning our possible or assumed strategy, future operations, financing plans, operating model, financial position, future revenues, projected costs, competitive position, industry environment, potential growth opportunities, potential market opportunities, plans and objectives of management, as well as assumptions relating to the foregoing that involve substantial risks and uncertainties. All statements other than statements of historical fact could be deemed forward-looking in nature. Such statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, although not all forward-looking statements contain these identifying words, you can identify forward-looking statements by terminology such as “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “plan,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” “shall,” and variations of these terms or the negative of these terms and similar expressions. The forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements, expressed or implied by the forward-looking statements. It is advisable not to place excessive reliance on any of the forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. Additionally, these forward-looking statements, involve risk, uncertainties and assumptions based on information available to us as of 20/01/22, including those related to the continued impacts of COVID-19 on our business, future financial performance and global economic conditions. Many of these assumptions relate to matters that are beyond our control and changing rapidly, including, but not limited to, the timeframes for and severity of social distancing and other mitigation requirements, the timing of headwinds from COVID-19, the availability of vaccinations, the continued impact of COVID-19 on new or existing customers, business decisions and the length of our sales cycles, renewal timing or billings terms, particularly for customers in certain industries highly affected by COVID-19.

If the risks or uncertainties ever materialize or the assumptions prove incorrect, our results may differ materially from those expressed or implied by such forward-looking statements. We assume no obligation and do not intend to update these forward-looking statements or to conform these statements to actual results or to changes in our expectations, except as required by law.

This presentation contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information wherever possible, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to place excessive weightage to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information, wherever referred. Certain statements that might or might not be forward-looking statements represent our management's beliefs and assumptions only as of the date of this presentation. Accordingly, we make no representations as to the accuracy or completeness of that data nor do we undertake to update such data after the date of this presentation.

By receiving this presentation you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of our business. Any logos or trademarks other than Tanla, Karix, Gamooga, Trubloq & Wisely included herein are the property of the owners thereof and are used for reference purposes only.



State of the business: leading innovation, growth and value creation

High Growth Best in Class
margins and free cash flow profile

4x
Revenues

8x
EBITDA

9x
PAT

1004
Gross Margin%
Basis points increase

883
EBITDA%
Basis points increase

815
PAT%
Basis points increase

in 5 years from FY2017-21

Accelerated Innovation

wisely

- 3 patents awarded
- Exclusive multiyear partnership with VIL
- Co-sell partnership with Microsoft

TRUBLOQ

- World's first block chain enabled CPaaS stack
- Trusted by over 50,000 enterprises

CPaaS Market leader in India

800B
Interactions/year

42%
Revenue market
share

63%
DLT volume
market share

Enterprise segment market leader

30%+

Market share in India



Choice of leaders across industry

9/10
Banking
E-commerce

8/10
Financial services
Information
Technology

7/10
Healthcare Consumer
goods
Social Media Retail

1300
Customers across
segments

60%+
of total revenues contributed by 50
of our top 100 customers, retained
for more than 5 years

Powering digital communications for the world's largest
vaccination drive for covid-19 on CoWin platform through NIC &
NHP, India with record-breaking performance of 30,000 TPS

Listed in Indices



dun & bradstreet

featured in Next top 100
companies in India

Gartner

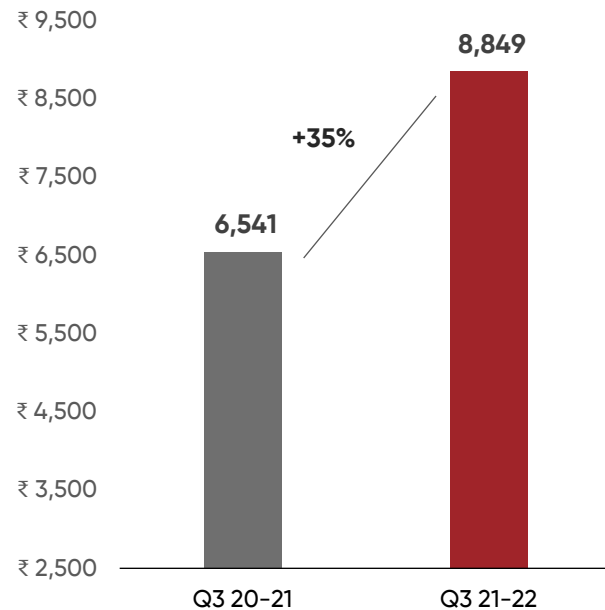
recognizes Tanla In the latest
CPaaS market guide as a key
global solution provider in the
developer market

Solid performance across all metrics

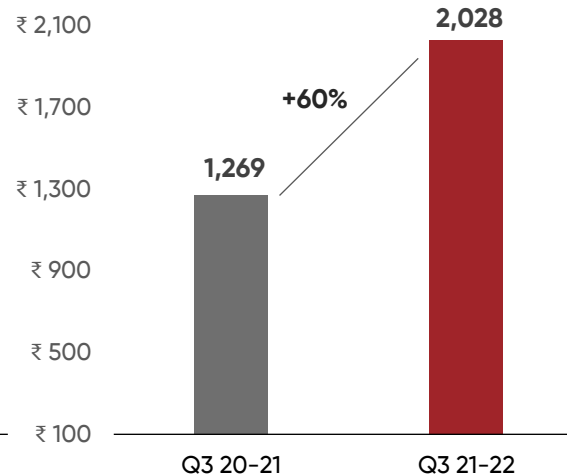
Key financial metrics

(₹ million)

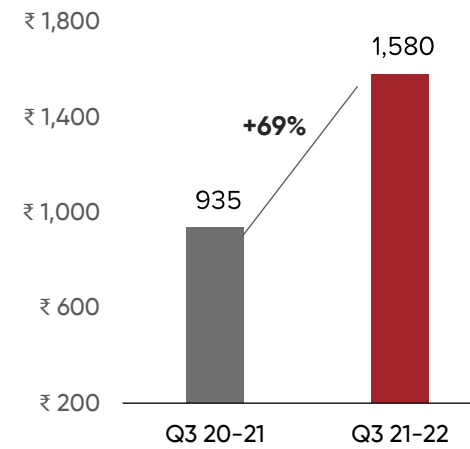
Revenue grew 35%
year-over-year to
₹8,849 million



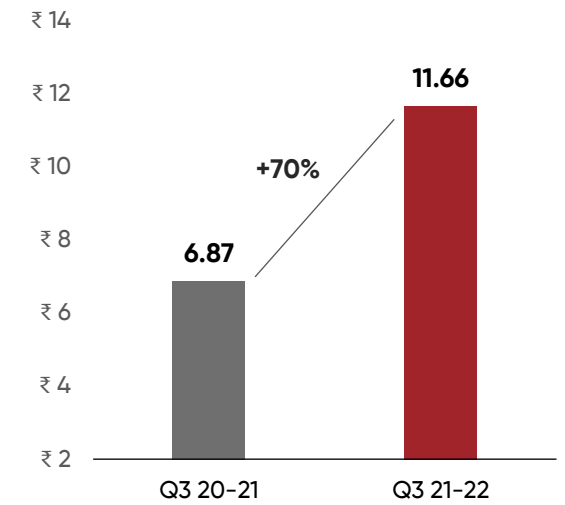
EBITDA grew 60%
year-over-year to
₹2,028 million



PAT grew 69%
year-over-year to
₹1,580 million



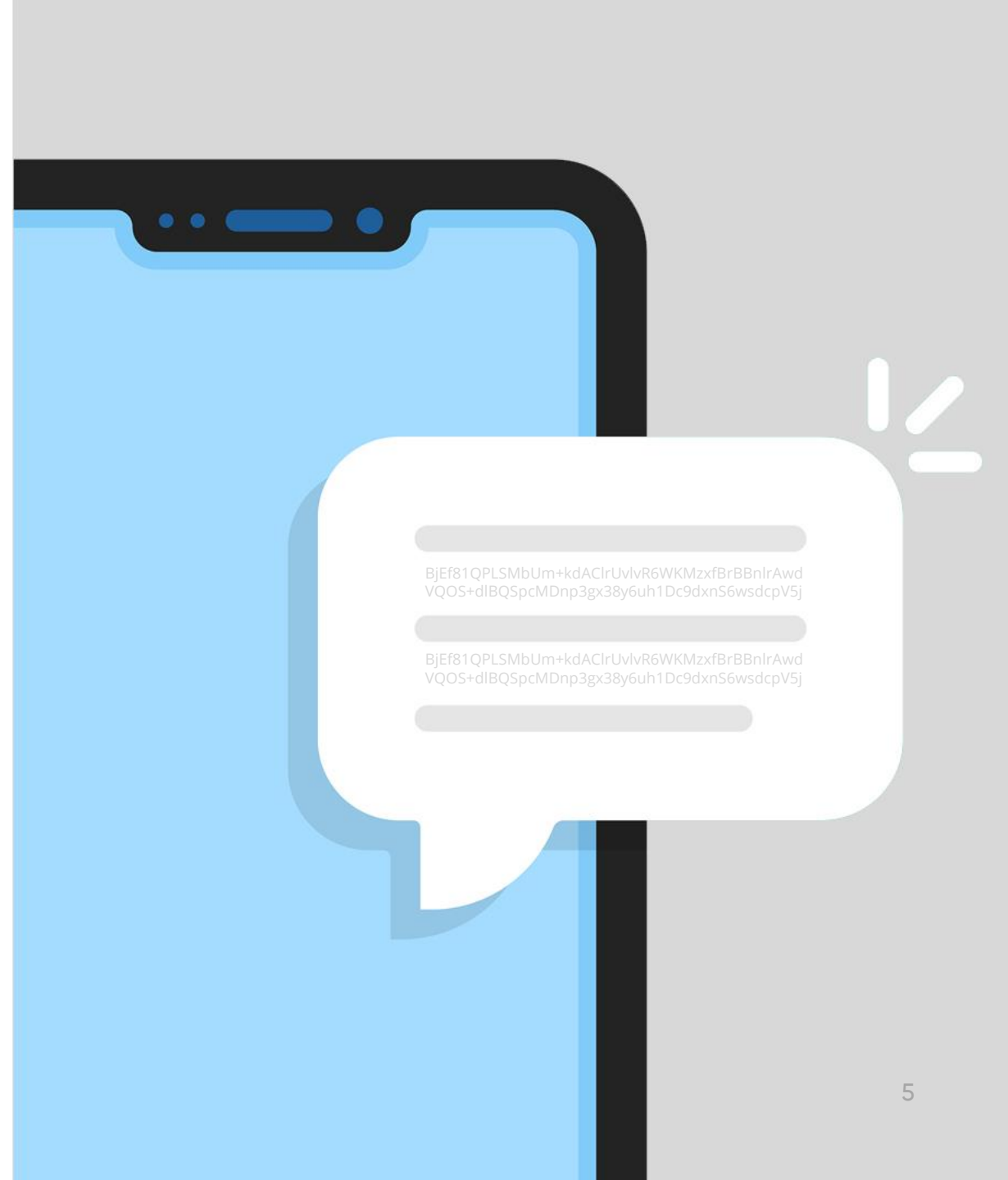
EPS grew 70%
year-over-year to
₹11.66





CPaaS platform offering a digital marketplace for enterprises and suppliers, with a global edge-to-edge network delivering private, secure and trusted experiences

- ***Onboarded 2 of the top 10 Indian banks for secure and critical notification service.***
- Successfully integrated and started processing messages for a large registrar and transfer agency that constitutes over 70% of India's average assets under management.
- ***Exclusive multi year partnership with Vodafone Idea Limited (Vi)*** for deployment of Wisely to secure, encrypt and enhance performance for the entire international messaging traffic on the Vi network
- ***2 major features*** have been released in the platform
 - AI enabled multi channel delivery engine to reach customers at the right time and the right channel with the right content
 - New app enabling for seamless integration of any enterprise applications.



TRUBLOQ

Largest blockchain platform in the world in-terms of scale, transactions, and capacity. Protecting billion+ mobile subscribers from unsolicited commercial communication including spam & fraud

31bn

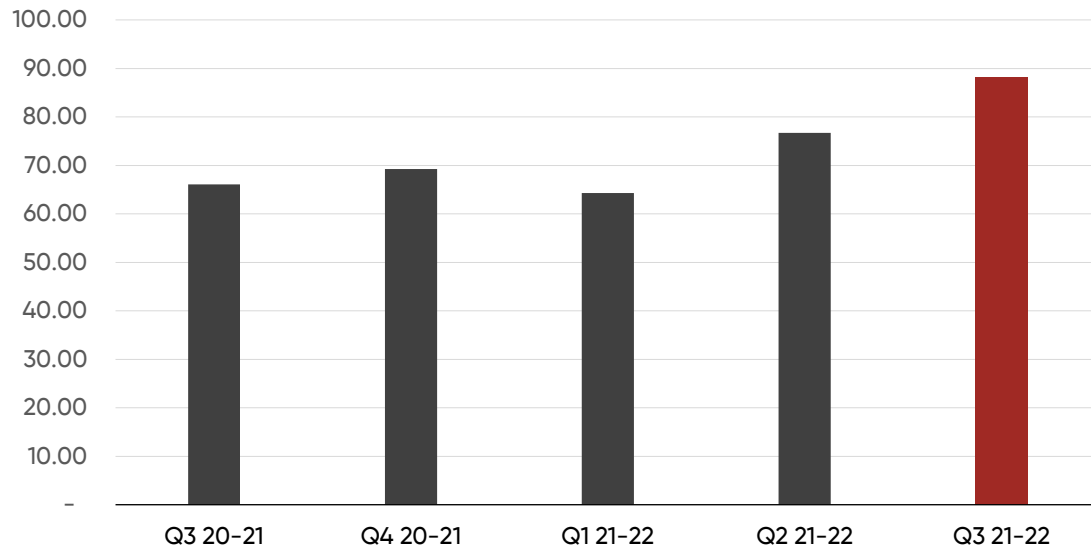
Transactions in Dec 2021

Daily average of 1bn

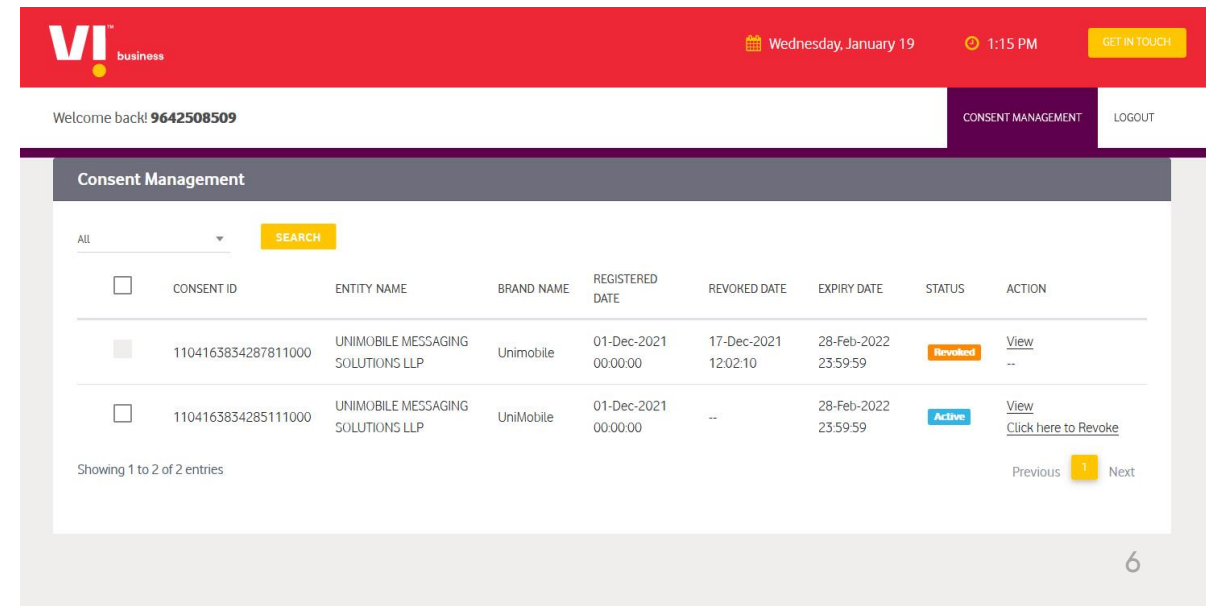
Volume market share-63%

- Scrubber portal went live to ease Tele Marketer Operations.
- Consent management module released for mobile users to effectively manage their consents.

No of transactions (bn per quarter)



Q3 21-22 growth in volumes by 33% year-over-year



Building better conversations: How Rapido empowers customers through a suite of engagement solutions

- Integrated driver on-boarding process on WhatsApp
- Conversational promotional campaigns to maximize bookings
- 60%-70% increase in number of people who engaged with WhatsApp
- 52% increase in App downloads and 56% re-activation among the dormant segments



Dhani Loans and Services, a leading next gen online financial services company built a great customer engagement with SMS & Voice

dhani loans & services

- High volume campaigns with 24X7 support
- Scalable infrastructure: Increase daily traffic to 20-24mn with 80% average successful deliverables
- Spot early warning and potential brand crisis
- Increase in customer retention



Tanla's solutions help one of the largest PSU bank to deliver meaningful experiences and better engagement for its customers

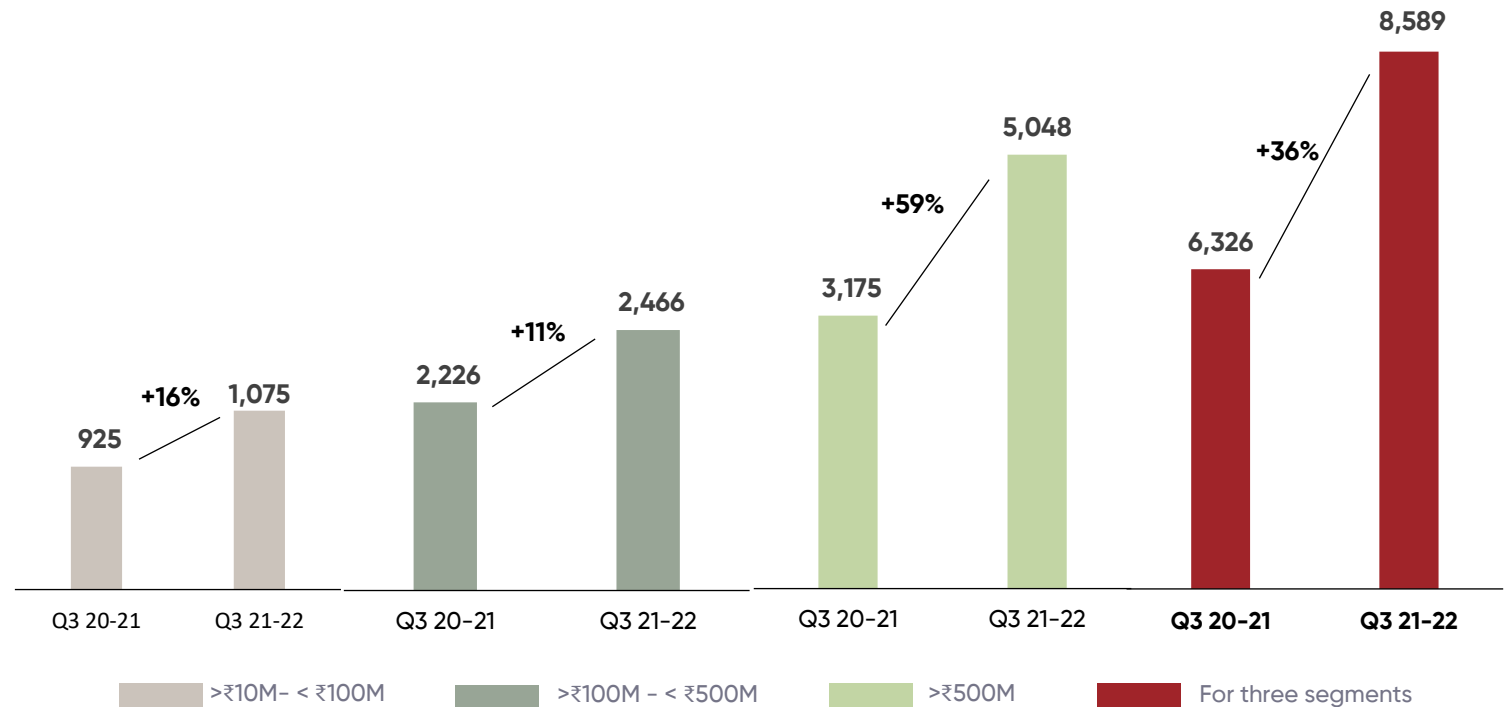
- Launched "Virtual Connect" on WhatsApp which is their "Always on" service for information and service on demand
- This has been made available in 4 different Indian languages and another 4 will be launched soon
- Customer interactions grew by 10x over 2 months, reducing call volumes at the call centre



Revenue expansion across customers segments

(₹ million)

- Customers with revenue > ₹10M+ have grown 36% YoY
- Customers with revenue > ₹500M contributed 57% in Q3 21-22 as against 49% in Q3 20-21



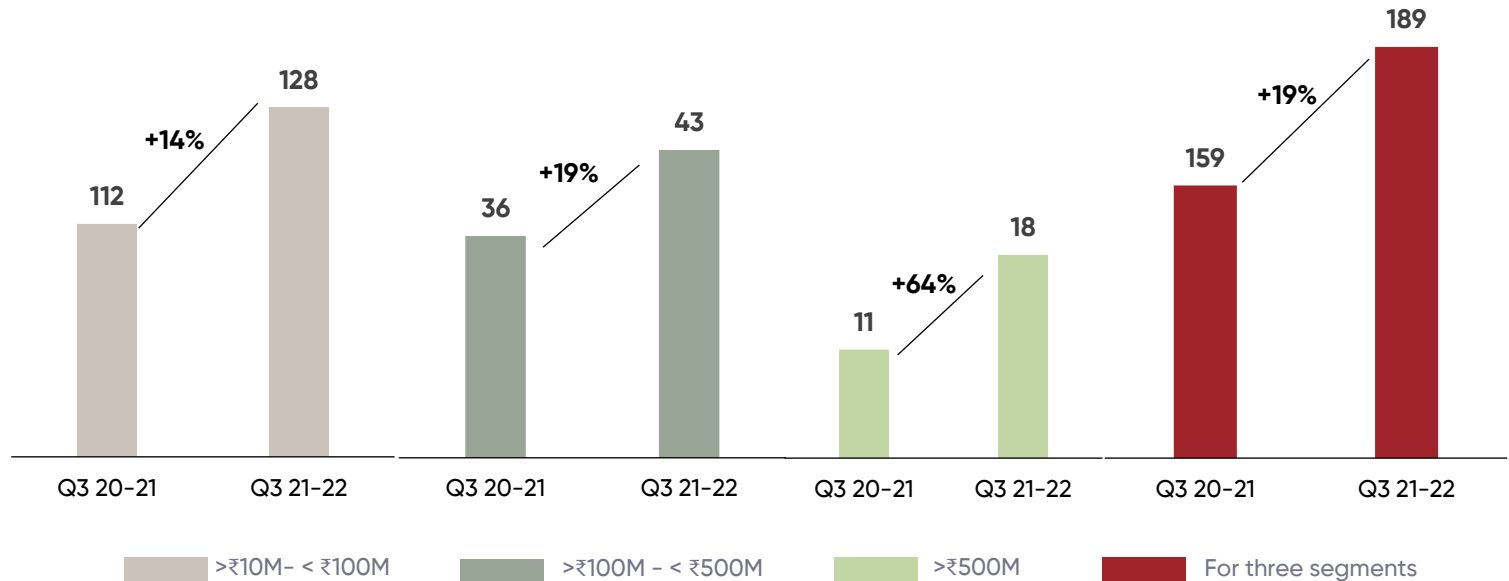
Customer segments are arrived at on a quarterly annualized basis (quarter revenue multiplied by four)



Deepening existing customer relationships

(No of customers)

- 189 customers with annual revenue of ₹ 10M+ up from 159 customers in Q3 20-21
- 18 customers with revenue > ₹ 500M up from 11 in Q3 20-21
- Increase in count due to smaller customers scaling to ₹10M+ revenue



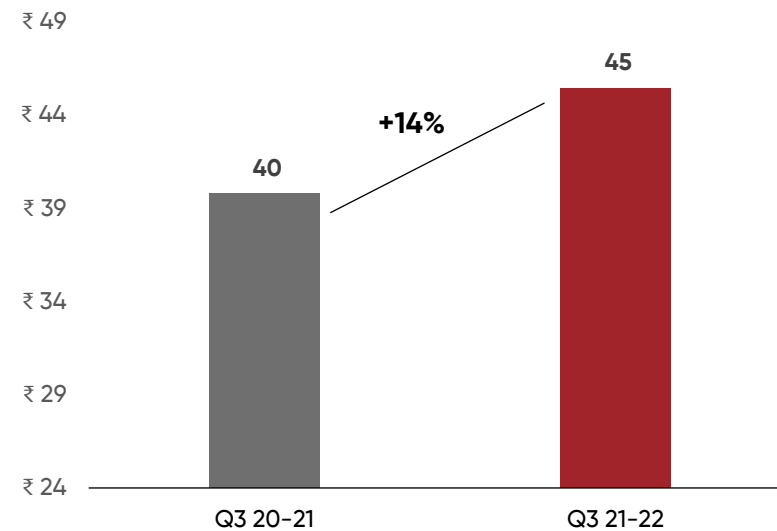
Customer segments are arrived at on a quarterly annualized basis
(quarter revenue multiplied by four)



Average ₹10M+ customers continue to grow

(₹ million)

Average revenue from ₹ 10M+ customers at ₹ 45 million, growth of 14% YoY



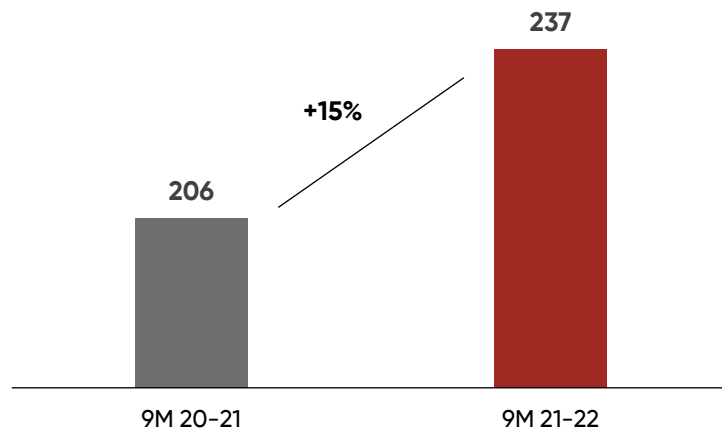
Customer segments are arrived at on a quarterly annualized basis
(quarter revenue multiplied by four)



New customers addition driving growth momentum

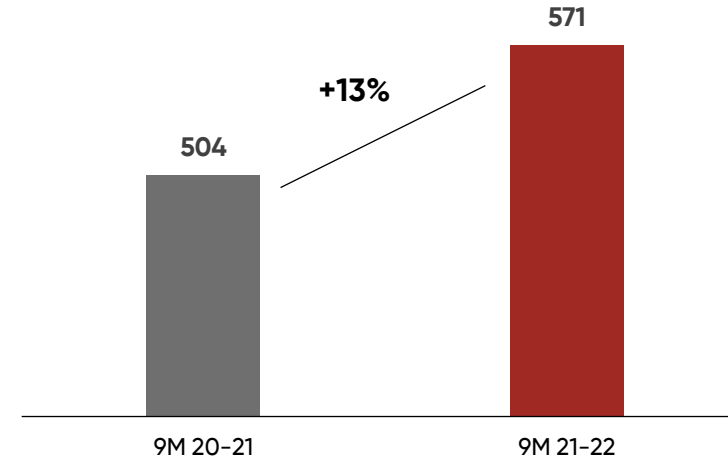
(No of customers)

In 9M 21-22, we added 237 new customers as against 206 additions in 9M 20-21



(₹ million)

Revenue from new customers for 9M 21-22 at ₹ 571 million as against ₹ 504 million in 9M 20-21



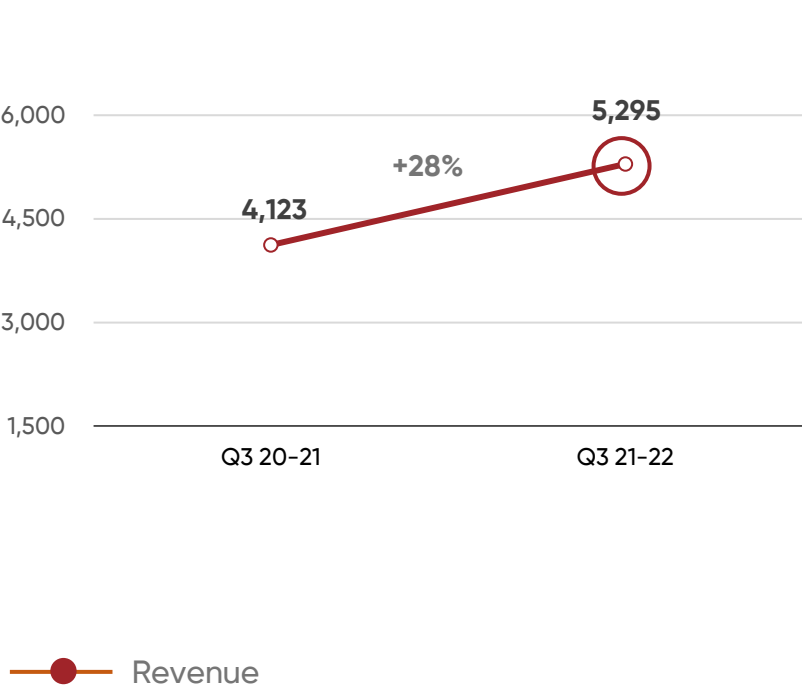
New customers include every unique contracting entity added during the quarter



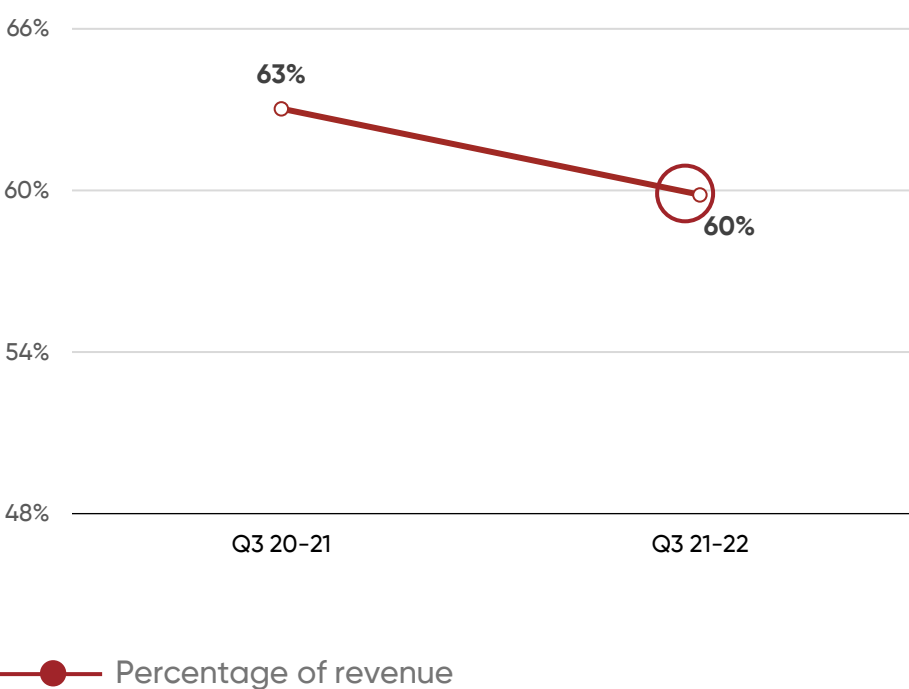
Reducing customer concentration

Revenue from our top 20 customers is increasing

(₹ million)

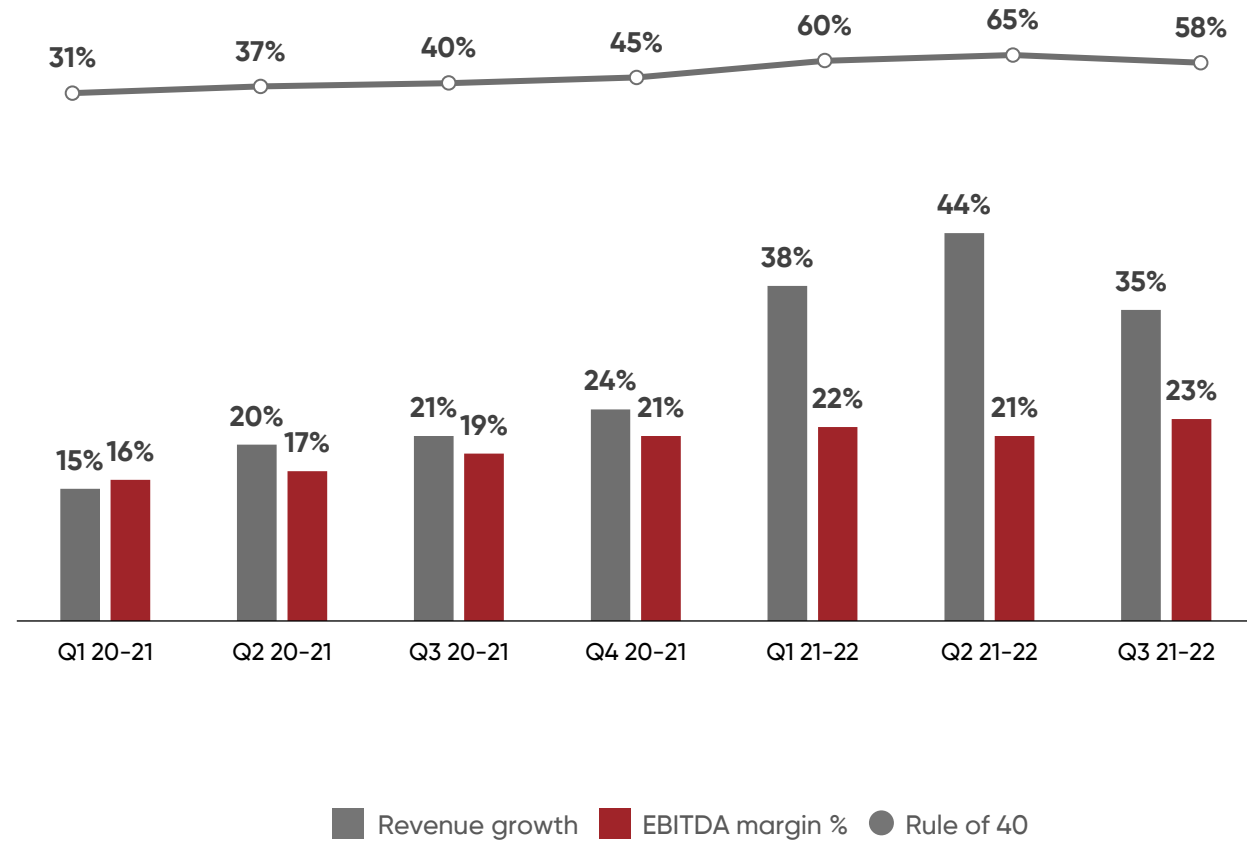


Top 20 customer concentration as a % of revenue is decreasing



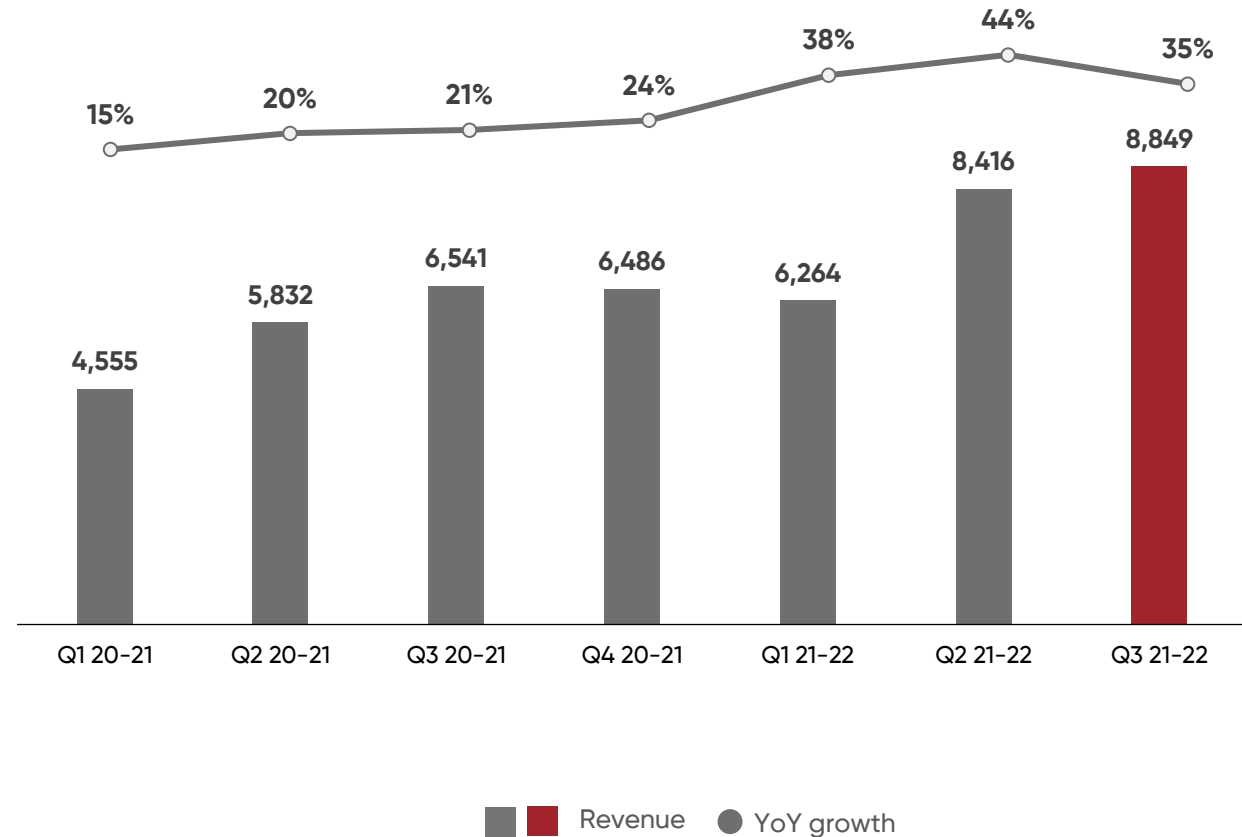
Operating above Rule of 40

- SaaS companies target to operate at Rule of 40 (revenue growth + EBITDA%)
- Consistently operating at levels significantly higher than Rule of 40



Strong consistent Revenue growth

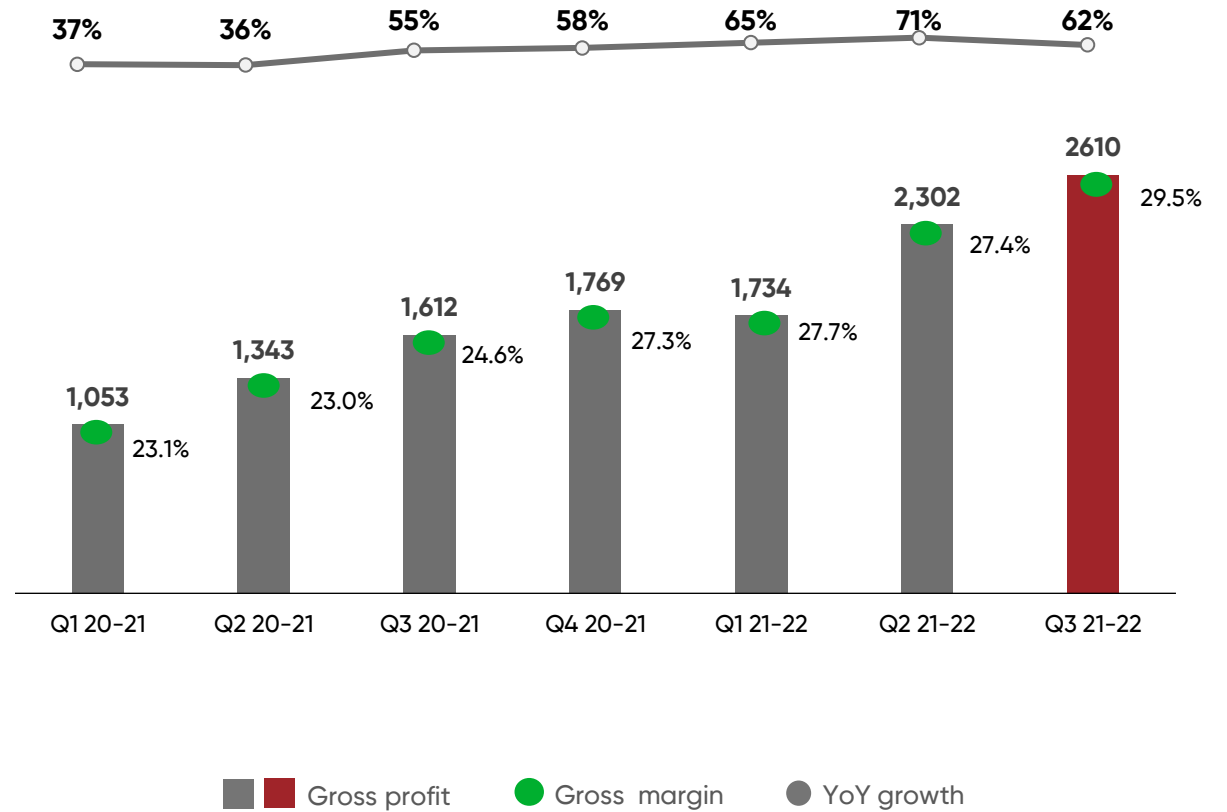
- Revenue growth led by increased volumes, price increase and growth in OTT channel
- Growth driven by BFSI, Wholesale and Government



Continued expansion in Gross Profit

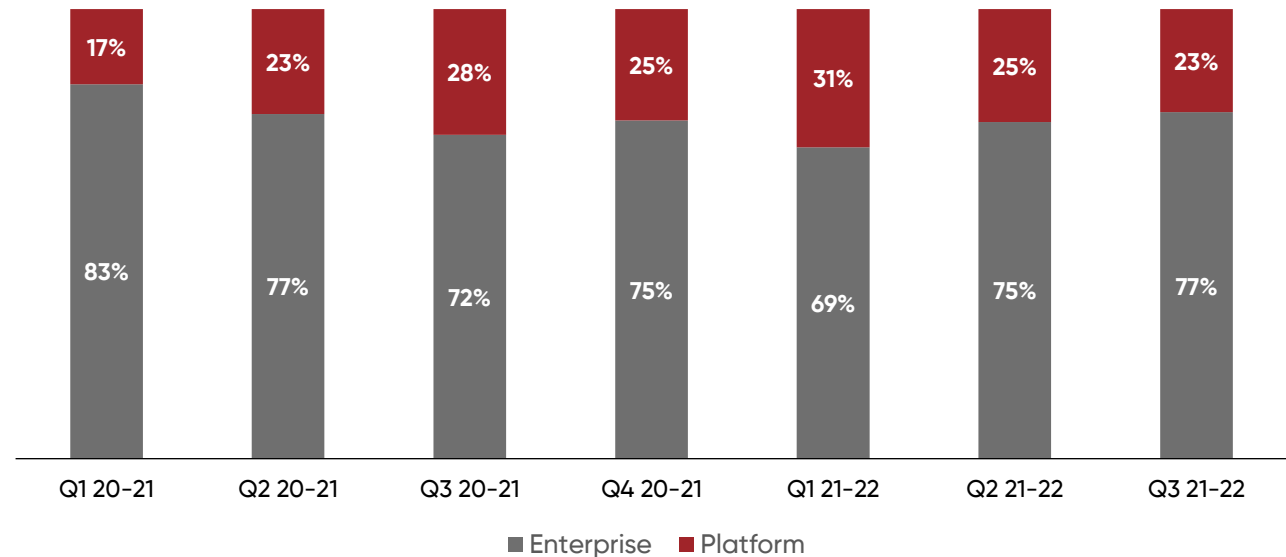
(₹ million)

- Gross Profit growth of 62% YoY
- Gross margin % has improved 486 basis points year-over-year in Q3 21-22
- Platform business gross margin contribution to total at 23% in Q3 21-22



Gross margin mix

- Enterprise business gross margin at ₹ 2012 million in Q3 21-22, up 73% YoY
- Platform business gross margin at ₹ 598 million in Q3 21-22, up 33% YoY



Note:

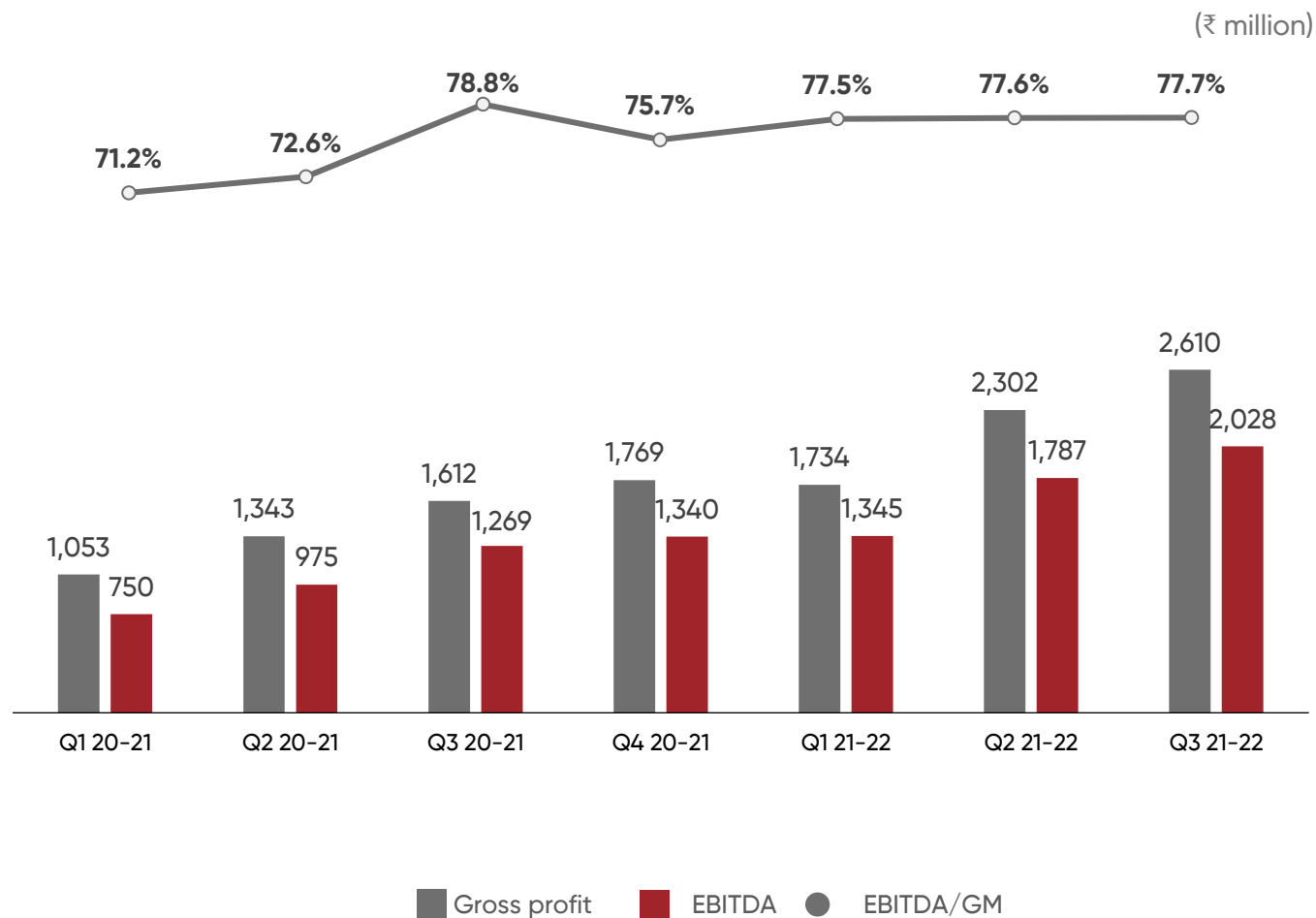
Platform business refers to revenue generated from "Platform as a service offering" where only cloud and hosting charges is a direct charge on revenue

Enterprise business refers to revenue generated based on total transactions processed at an agreed price per transaction, through multiple channels like SMS, emails, WhatsApp and others. Cost of services for enterprise business mainly consist of transaction fee paid to mobile carriers and other suppliers.



Improving efficiency metrics

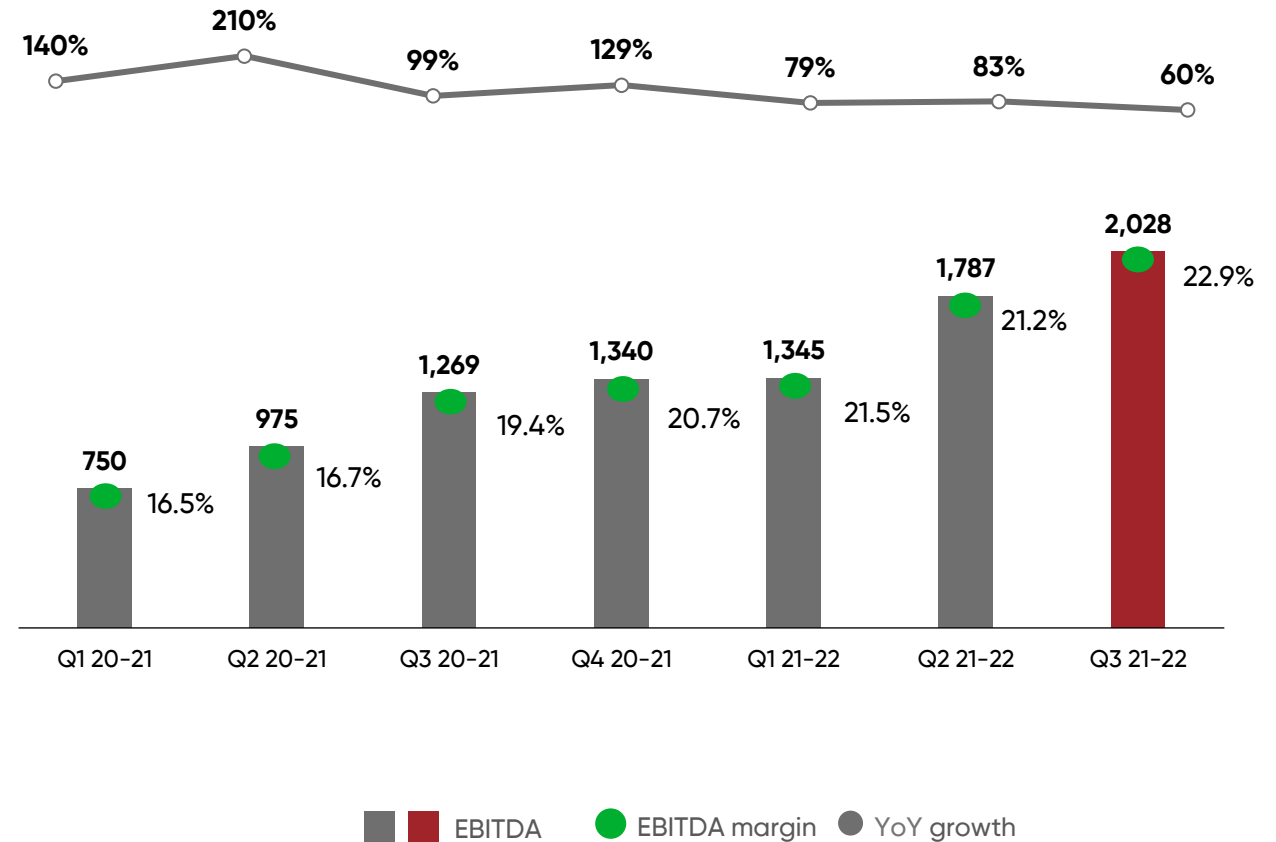
- Consistent conversion of Gross profit to EBITDA
- Salary cost at 14.5% of gross profit in Q3 21-22, as against 12.4% in Q3 20-21
- Other indirect cost at 7.7% of gross profit in Q3 21-22, as against 8.8% in Q3 20-21



Quarterly EBITDA cross ₹ 2Bn

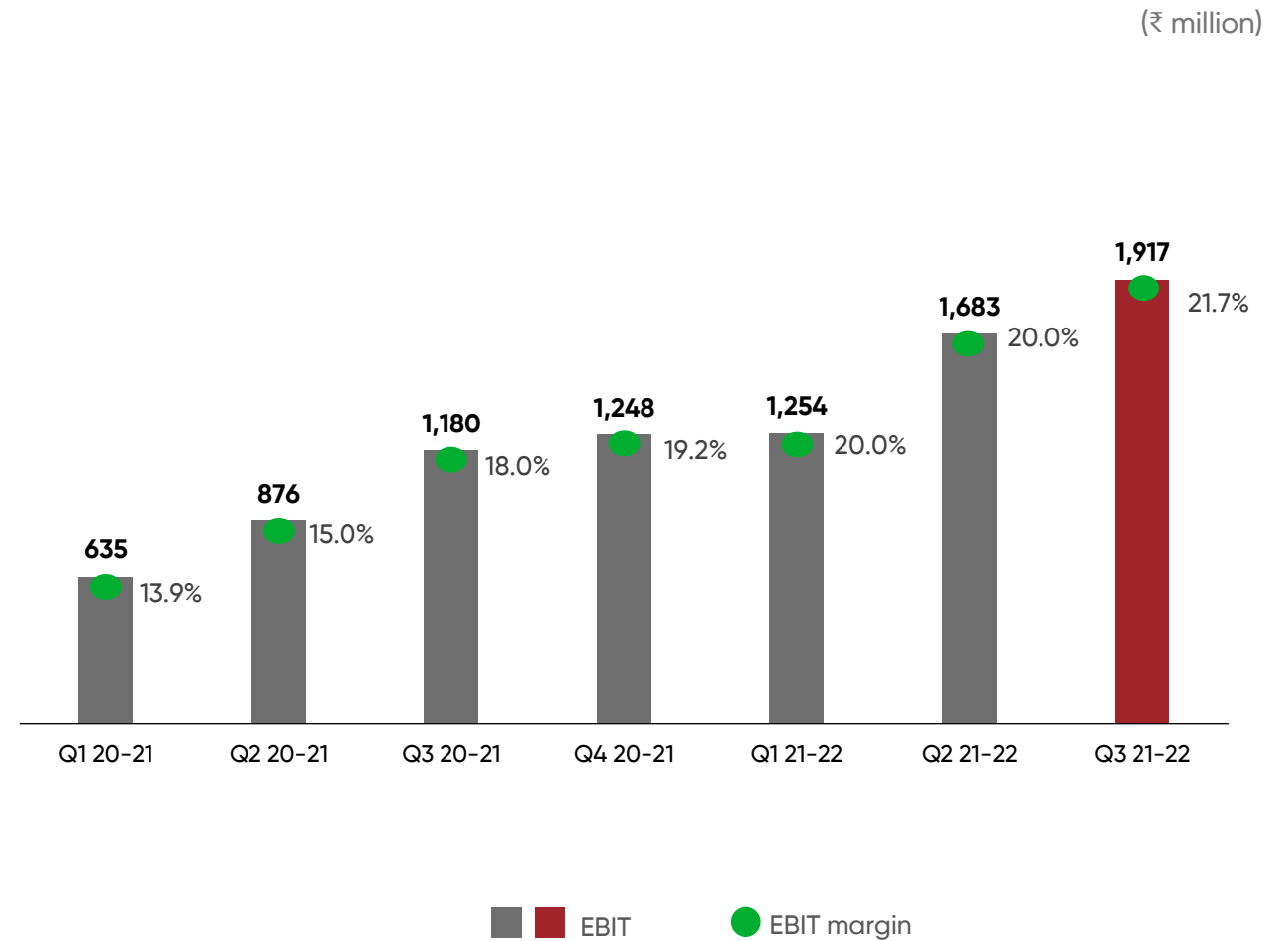
(₹ million)

- EBITDA growth of 60% YoY
- Salary cost has increased to 4.3% of revenue from 3.1% in Q3 20-21, primarily driven by new additions and RSU cost
- Other expenses have remained constant as a % of revenue



EBIT grew by 62% YoY

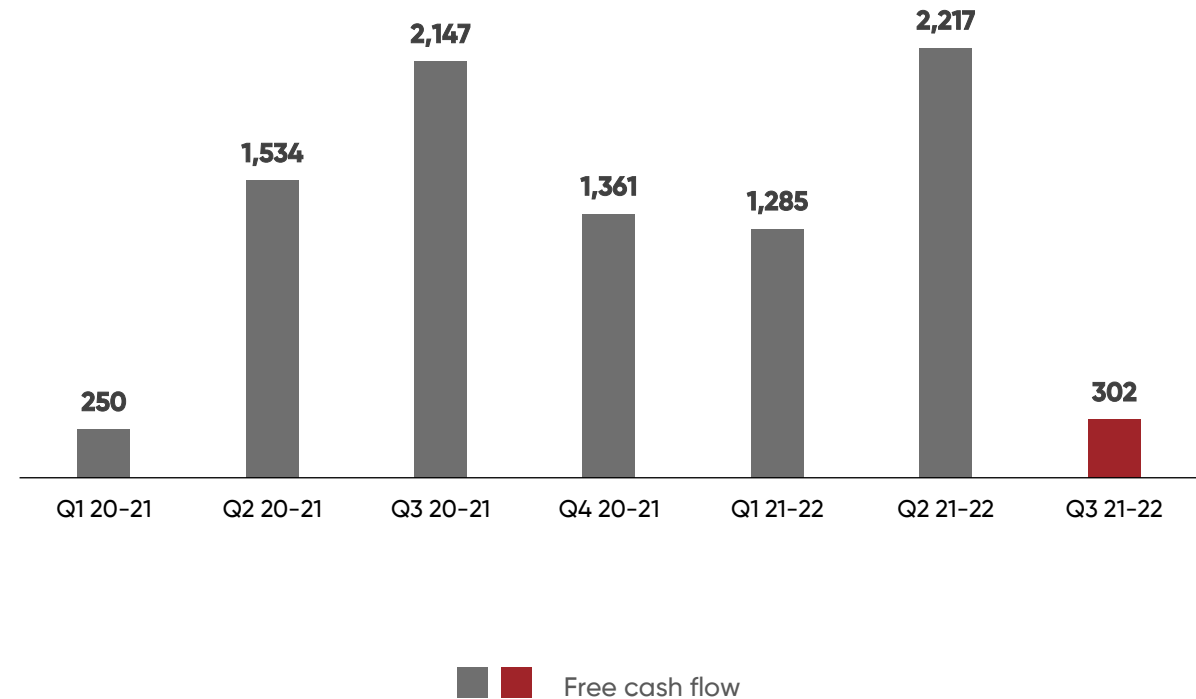
- EBIT has improved 363 bps in Q3 21-22
- Depreciation increased primarily due to capitalization of Wisely



Free cash flow profile

(₹ million)

- Free cash flow at ₹ 302 million for Q3 21-22 is lower on the back of very strong cash flows in Q2 21-22
- Combined free cash flow for 9M 21-22 would be at 95% of profit after tax
- Lower cash flow due to:
 - Increase in DSO from 48 days to 54 days in Q3 21-22 due to spill over of collections
 - Price revision in ILD had a positive cash flow impact in Q2 21-22 and corresponding negative impact in Q3 21-22 due to difference in payment terms between our customers and suppliers

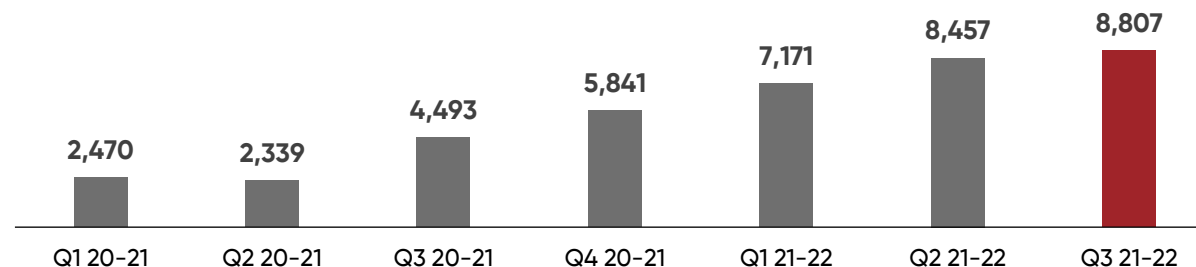


Cash & cash equivalents

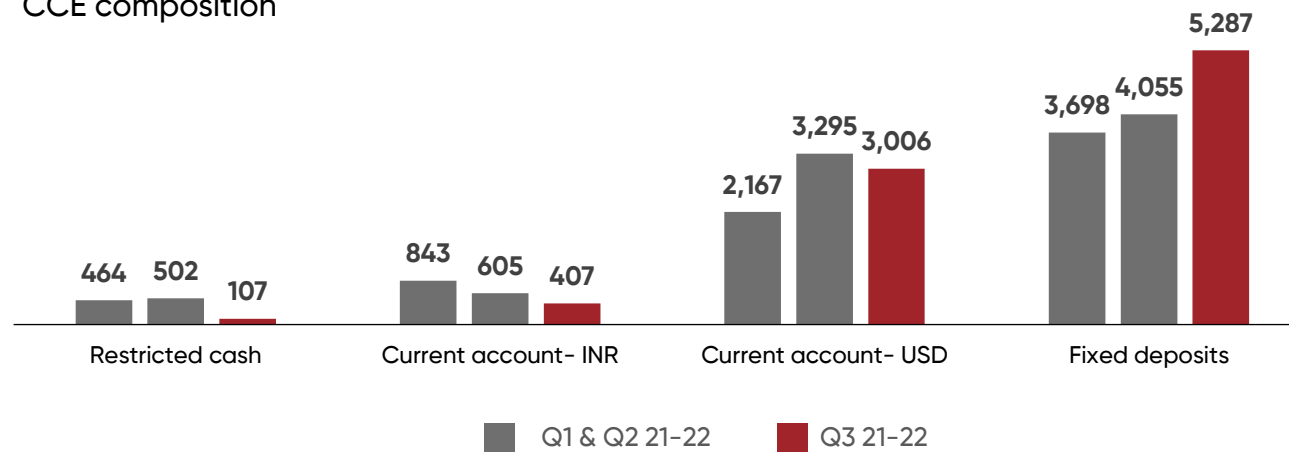
- Restricted cash balance decreased due to revision in cash credit limits held across various banks

(₹ million)

CCE



CCE composition



Restricted cash held as margin money for bank guarantees and cash credit limits
Current account -USD balances are held with overseas subsidiary/branch

Cash & cash equivalents break up

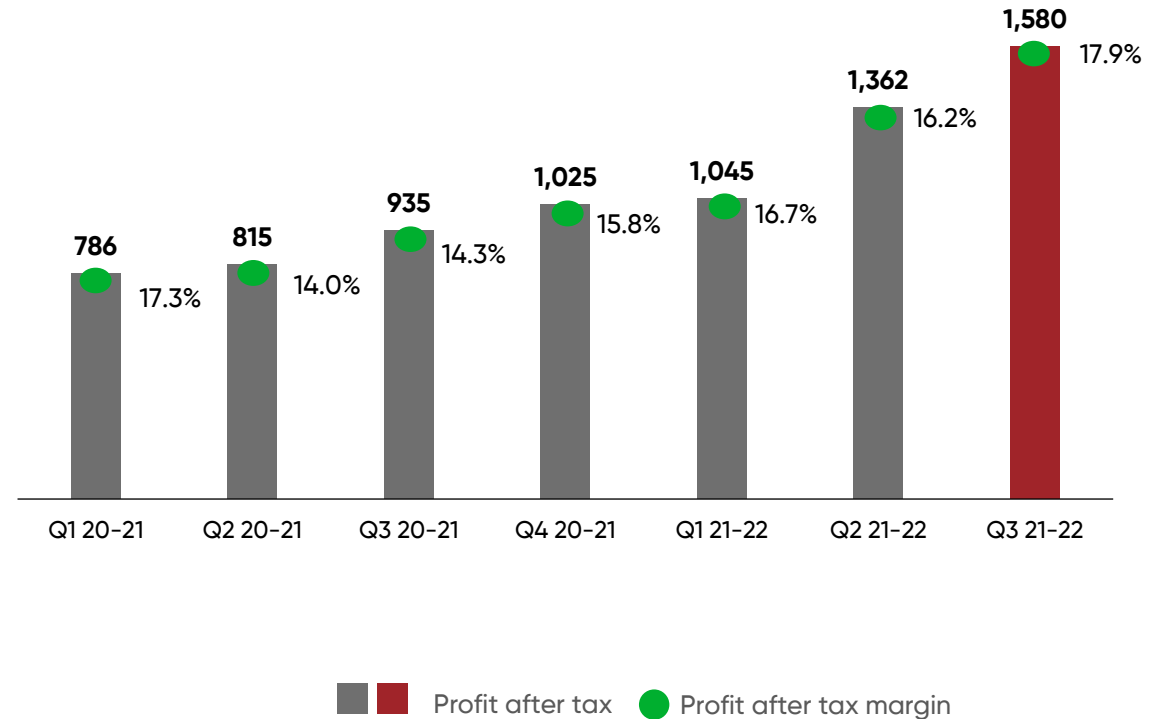
| In ₹ millions, unless otherwise stated | Current accounts-INR | Current accounts-USD | Fixed Deposits | Restricted cash | Total |
|--|-------------------------|-------------------------|-------------------|--------------------|--------------|
| HDFC Bank | 349 | 358 | 2,601 | 78 | 3,386 |
| HDFC Limited | - | - | 1,600 | - | 1,600 |
| LIC Housing Limited | - | - | 200 | - | 200 |
| State Bank of India | 7 | - | 418 | - | 425 |
| Axis Bank | 36 | - | 345 | - | 381 |
| Kotak Mahindra Bank | 14 | - | 95 | - | 109 |
| Citibank | - | 492 | - | 2 | 494 |
| DBS Bank (Singapore) | - | 2,156 | - | 27 | 2,183 |
| Others | 1 | - | 28 | - | 29 |
| Total | 407 | 3,006 | 5,287 | 107 | 8,807 |



Profit after tax grew by 69% year-over-year

(₹ million)

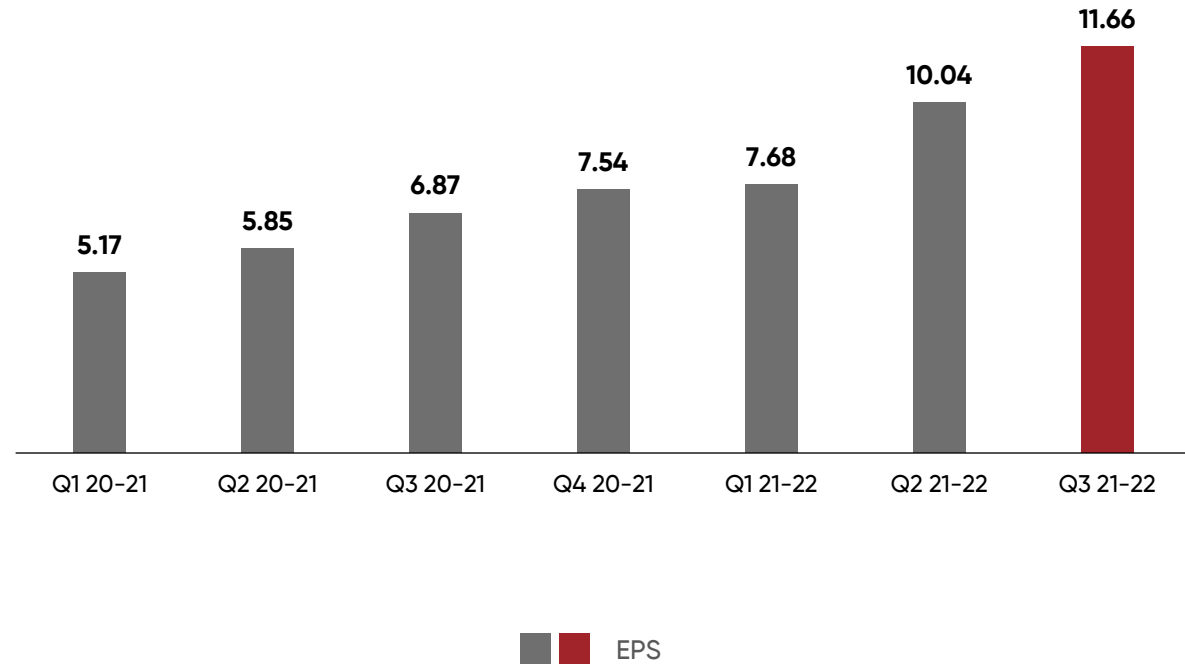
- Profit after tax at ₹ 1,580 million in Q3 21-22, up 69% from Q3 20-21
- Profit after tax margin improved by 356 basis points to 17.9% in Q3 21-22



EPS grew 70%

(₹)

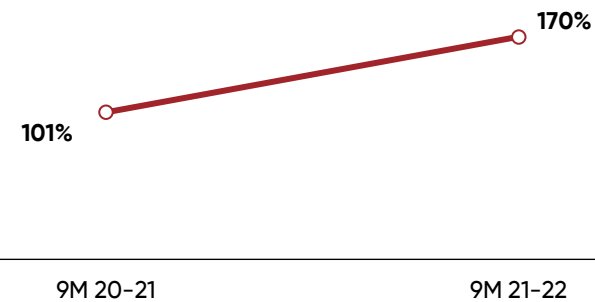
- Earnings per share at ₹ 11.66 in Q3 21-22, up 70% from Q3 20-21
- EPS growth driven by combination of PAT growth and lower equity shares due to buyback



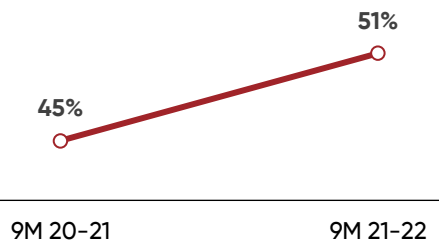
Strong ROCE

- **ROCE at 170% excluding cash**
- **Reflects cloud focused innovation led business model**

ROCE (excluding CCE)



ROCE(including CCE)



ROCE- Return on capital employed
CCE- Cash & cash equivalents



Strong balance sheet

₹ 12,057 million

Strong Equity and Reserves

₹ 8,807 million

Robust build up of cash & cash equivalents

170%

ROCE (excluding cash & cash equivalents)

Debt free



ESG achievements in Q3 21-22

Environmental



Steps towards creating a greener and cleaner tomorrow

Towards Net-zero

- MoU discussions with department of irrigation, Khammam District, Government of Telangana for plantation in the District.
- Onboarded En3 LEED consultant to advice on obtaining IGBC Green rating for the innovation and experience centre in Hyderabad.

Environmental advocacy

- Tied up with LearnEd, an education service provider to implement Project Green Baton - volunteering 1% of employee time to create awareness and impact activities in students in the age group of 14-25.

Social



Giving back to the society and developing our employees

For our employees

- Capacity building of employees on ESG
- Commence data collection for ESG reporting

For the community

- Tied up with Labour Net – Sambhav, an NGO, for skilling and placement program, identified 100 youth for training post counselling

Governance



Integrating ESG in our business and formally committing to ESG principles

Transparency & Good Governance

- Launched Supplier Code of Conduct (SCoC) towards responsible sourcing; 3 sessions held on sensitization of suppliers on SCoC
- ESG Updates to Stakeholders – Investors Presentation

ESG targets in Q4 21-22

Environmental



Steps towards creating a greener and cleaner tomorrow

Towards Net-zero

- Determine Carbon Neutrality Boundaries
- Sign MoU with Irrigation Dept Khammam for tree plantation around Bethupally lake. Tie up with implementation partner & commence plantation of trees
- Fix targets for the LEED certification in new building and work towards achieving the same

Social



Giving back to the society and developing our employees

For our employees

- Capacity building of employees on ESG
- Commence data collection for ESG reporting
- Open volunteering options in environment & education projects

For the community

- PILLARS initiative to improve learning levels in rural school – Byju's Digital Classrooms implementation
- 1% of Tanla's digital platform towards increasing awareness towards cause aligned to UN SDGs
- Complete the skill training of 100 selected youth

Governance



Integrating ESG in our business and formally committing to ESG principles

Transparency & Good Governance

New Policies to be Launched :

- Integrate D&I into Hiring Policy
- Waste Management Policy
- E-waste policy
- Procurement Policy

Stakeholder Engagement Policy

- Launch of Yajus – Our ESG Culture
- Awareness training on principles of BRSR to relevant stakeholders
- ESG updates to stakeholders





Every interaction is an opportunity, and
every experience matters

Welcome to the
future of CX.



Sonia
I am motivated by a common purpose:
delivering a stellar customer experience.

Appendix



Profit & Loss account: Third Quarter & 9M 21-22

| In ₹ million, unless otherwise stated | Q3 21-22 | Q3 20-21 | Δ % | 9M 21-22 | 9M 20-21 | Δ % |
|---------------------------------------|----------|----------|-----|----------|----------|------|
| Revenue from operations | 8,849 | 6,541 | 35 | 23,529 | 16,929 | 39 |
| Cost of services | (6,239) | (4,930) | 27 | (16,882) | (12,921) | 31 |
| Gross profit | 2,610 | 1,611 | 62 | 6,647 | 4,008 | 66 |
| Operating expenses | (582) | (343) | 70 | (1,486) | (1,014) | 47 |
| EBITDA | 2,028 | 1,269 | 60 | 5,161 | 2,994 | 72 |
| Depreciation & amortization | (111) | (89) | 24 | (307) | (303) | 1 |
| EBIT | 1,917 | 1,180 | 63 | 4,854 | 2,691 | 80 |
| Finance cost | (3) | (2) | - | (10) | (10) | - |
| Other income | 41 | 24 | 69 | 115 | 204 | (43) |
| Profit before taxes | 1,955 | 1,202 | 63 | 4,959 | 2,885 | 72 |
| Tax expense (including deferred tax) | (375) | (267) | 41 | (972) | (349) | 178 |
| Profit after tax | 1,580 | 935 | 69 | 3,987 | 2,536 | 57 |
| Earning per share | 11.66 | 6.87 | 70 | 29.37 | 17.79 | 65 |
| Weighted average shares outstanding | 136 | 136 | - | 136 | 142 | - |



Balance sheet- December 31,2021

| In ₹ million, unless otherwise stated | Dec 31, 2021 (Unaudited) | Dec 31, 2020 (Unaudited) | In ₹million, unless otherwise stated | Dec 31, 2021 (Unaudited) | Dec 31, 2020S (Unaudited) |
|---------------------------------------|-----------------------------|-----------------------------|---|-----------------------------|------------------------------|
| ASSETS | | | EQUITY AND LIABILITIES | | |
| Non-current assets | | | Equity share capital | 136 | 136 |
| Property, plant and equipment | 270 | 289 | Other equity | 11,921 | 7,772 |
| Platforms | 560 | 97 | Total equity | 12,057 | 7,908 |
| Customer Relationships | 288 | 413 | Financial liabilities | | |
| Brands | 12 | 48 | Lease liabilities | 544 | 36 |
| Technology | 19 | 47 | Other financial liabilities | 3 | 3 |
| Non-Compete | 32 | 38 | Provisions | 15 | 50 |
| Goodwill | 1,346 | 1,346 | Other non-current liabilities | - | 50 |
| Intangible assets underdevelopment | 277 | 325 | Total Non Current Liabilities | 562 | 139 |
| Capital work in progress | 75 | - | Current liabilities | | |
| Right-of-use-lease assets | 558 | 40 | Trade payables | 6,617 | 4,780 |
| Financial assets | 103 | 47 | Lease liabilities | - | 9 |
| Deferred tax assets (net) | 370 | 443 | Other financial liabilities | 2,858 | 2,130 |
| Other non-current assets | 205 | 519 | Other current liabilities | 127 | 59 |
| Total non current assets | 4,115 | 3,652 | Short term provisions | 2 | 11 |
| Trade receivables | 5,212 | 4,260 | Liabilities for current tax (net) | 219 | 16 |
| Cash and bank balances | 8,807 | 4,493 | Total Current liabilities | 9,823 | 7,005 |
| Other Financial assets | 3,851 | 2,451 | TOTAL EQUITY AND LIABILITIES | 22,442 | 15,052 |
| Other current assets | 457 | 196 | | | |
| Total current assets | 18,327 | 11,400 | | | |
| TOTAL ASSETS | 22,442 | 15,052 | | | |



Condensed Cash flow statement

In ₹ million, unless otherwise stated

| | Q3 21-22 | Q2 21-22 | Q1 21-22 |
|--|----------|----------|----------|
| Cash flow before changes in working capital | 2,125 | 1,836 | 1,381 |
| Changes in working capital | (1,527) | 846 | 137 |
| Cash generated from operations | 598 | 2,682 | 1,518 |
| Taxes | (180) | (326) | (142) |
| Cash flow from operating activities | 418 | 2,355 | 1,375 |
| Net investments in tangible and intangible assets | (116) | (139) | (91) |
| Interest and other income | 41 | 31 | 43 |
| Cash flow from investing activities | (75) | (107) | (48) |
| Issue of Shares | 11 | - | - |
| Buyback of shares | - | (819) | - |
| Dividend paid | - | (135) | - |
| Interest paid on lease liabilities | (4) | (8) | 2 |
| Cash flow from investing activities | 7 | (963) | 2 |
| Cash flow for the period | 351 | 1,286 | 1,330 |
| Cash and cash equivalents at the beginning of period | 8,457 | 7,171 | 5,841 |
| Cash and cash equivalents closing balance | 8,807 | 8,457 | 7,171 |



Free cash flow profile

| In ₹ million, unless otherwise stated | Q3 21-22 | Q3 20-21 | Δ % |
|--|----------|----------|------|
| Operating cash flow | 418 | 2,252 | (81) |
| Capital expenditure | (116) | (105) | +11 |
| Free cash flow | 302 | 2,147 | (86) |
| Free cash flow in percent of total revenue | 3.4% | 33% | - |
| Free cash flow conversion rate | 15% | 169% | - |



Key metrics: Third Quarter 21-22

Gross Profit

+486bps

29.5%

Q3 20-21 Q3 21-22

EBITDA

+352 bps

22.9%

Q3 20-21 Q3 21-22

PAT

+356bps

17.9%

Q3 20-21 Q3 21-22

Gross Profit to
EBITDA conversion

-105 bps

77.7%

Q3 20-21 Q3 21-22

ROCE
(excluding CCE)

+6,900 bps

170%

Q3 20-21 Q3 21-22



