

September 19, 2023

To,

National Stock Exchange of India Limited BSE Limited

(NSE: RATEGAIN)

(BSE: 543417)

Sub: Transcript of Eleventh (11th) Annual General Meeting held on September 15, 2023

Dear Sir / Ma'am,

Please find enclosed the transcript of the Eleventh (11th) Annual General Meeting of the Company held on September 15, 2023. The Transcript shall also be made available on the 'Investors' Section of the Company's website at www.rategain.com.

Please take the above information on record.

Thanking you.

Yours faithfully,

For RateGain Travel Technologies Limited


(Thomas P. Joshi)
Vice President – Legal & Company Secretary
Memb. No.: F9839

Encl.: As above

TRANSCRIPT OF ELEVENTH (11TH) ANNUAL GENERAL MEETING OF RATEGAIN TRAVEL TECHNOLOGIES LIMITED:

Chairman

Good morning ladies and gentlemen.

I Bhanu Chopra, Chairman and Managing Director of RateGain Travel Technologies Ltd., am delighted to welcome you all on behalf of the esteemed members of the Board to the 11th Annual General Meeting of the Company, being held through video conference.

I hope to find you all safe and healthy, and a special thanks to all of you for joining virtually.

The requisite quorum being present through video conferencing, the meeting is properly constituted and I call this meeting to order.

Before we start the proceedings of the meeting, let me introduce the officials of the Board and the Key Managerial Personnel of the Company.

We have with us Ms Megha Chopra, Executive Director; Mr Girish Vanvari, Independent Director and Chairperson of Audit Committee, Nomination and Remuneration Committee, and Risk Management Committee; Ms Aditi Gupta, Independent Director and Chairperson of the Stakeholders Relationship Committee; Mr Tanmaya Das, Chief Financial Officer; and Mr Thomas Joshua, Company Secretary of the Company are present through video conferencing for the meeting.

We also have with us Mr Nitin Toshniwal representing Walker Chandiok & Co., Statutory Auditors, and Mr Pankar Kumar Gupta representing Kumar G. & Co., Secretarial Auditors, present through video conferencing.

I thank all the members, colleagues on the Board, Auditors and the Management team for joining the meeting.

Now I request Mr Thomas Joshua, Company Secretary of the Company to provide general instructions to the members regarding participation in the meeting.

Company Secretary

Thanks Bhanu. Good morning everyone.

This AGM is being held through video conferencing and other audio/video means on the platform provided by NSDL, in accordance with the applicable provisions of the Companies Act 2013, SEBI Listing Obligations and Disclosure Requirement Regulations 2015, and the circulars issued by the Ministry of Corporate Affairs and SEBI in this regard.

Members may please note that the facility of participation at the AGM through video conferencing and other audio/video means has been made available to the members on a first-come, first-serve basis.

Members participating in the meeting can post questions or feedback to the question box option. These questions could be taken up towards the end of the meeting. As this meeting is being held through video conferencing and other audio/visual means, the provision related to the appointment of proxies is not applicable.

The requisite arrangements have been made for the e-voting services provided by NSDL to enable its members to exercise their right to vote on resolutions set in the AGM Notice.

Mr. Shreyansh Pratap Jain, practicing Company Secretary has been appointed as the Scrutinizer for the e-voting at the AGM and the remote e-voting process.

The result of the voting on the resolutions set forth in the notice of the AGM, along with the report of the Scrutinizer, shall be made available on the Investor section of the website of the Company, website of NSDL, and the stock exchange websites of NSE and BSE.

The statutory register and records as required to be placed at the AGM have been made available and kept open during the continuance of the meeting for inspection of the members electronically.

Any member who wants to inspect the same can send their requests to the email ID mentioned in the AGM notice.

Now I would request our Chairman Mr Bhanu Chopra to address the members attending the meeting.

Chairman

Thanks Thomas. The Company has taken all feasible efforts under the current circumstances to enable the members to participate through video conferencing and other audio/visual means and vote on the resolutions set forth in the notice of the AGM.

Before we take up the formal agenda as per the notice, I would like to share about the performance of the Company during the financial year 2022-23 and the general outlook for travel and hospitality industry.

RateGain has experienced an extraordinary year, completing its first full year since listing. It has been a year characterized by strong and well-round growth across our 3 business divisions. A significant expansion in the operating margins improved the key operating metrics and the successful integration of Adara after the acquisition at the beginning of the year.

While the global landscape continues to evolve and grapple with certain challenges, but one thing remains constant: The resurgent travel demand. While some attributed this to the revenge demand, what we are missing now is strong undercurrents that are setting up the next decade to

be one of the best for the entire travel and hospitality industry. This is evident in the strong performance of key players in the industry across large hotel chains, airlines, car rental companies etc., and will drive them to relook at their technology roadmaps and now is the time for them to focus on their customer experience priorities.

This is where the opportunity lies for innovative technology partner like RateGain to work closely with our key customers, guide them in building interoperable systems to have a unified view of the travellers and help them to unlock the new revenue streams. With the changing expectations of the new traveller, who is looking for more from personalized recommendations, more choices, more control, and to be able to do it from the device of their choice. There is a deeper requirement for brands to look at innovative solutions to be able to engage more effectively with this new age traveller and be able to provide a unified Omni-channel experience.

RateGain has been at the forefront of developing an agile SaaS-based solution to help brands to effectively engage with the traveller at each stage of their journey and help maximize their revenue. Revenue maximization at its heart has the optimization of spending technology cost and the ability to respond at a lightning-fast speed to market changes, and that is what RateGain's interoperable offerings across DaaS, distribution and MarTech are helping companies to across the traveller's journey. Your Company is well positioned to capture the opportunity in the context of this evolving industry dynamics and basis the strengths of our offerings, we intend to double our revenue in the next 3 years from its current levels.

The Company continues to build and add capabilities to that end, and in line with its vision of offering an integrated tech stack for hospitality and travel space that allows our customers to unlock new revenue opportunities at each step of the traveller journey and help them to acquire guests, engage and retain them, and drive wallet share expansion with them.

Today, with our 3000 plus clients across 100+ countries, including the top 23 of the 30 hotel chains, the 25 of the top 30 OTAs, top DMOs, the world's fastest growing airlines and all the leading car rentals, RateGain's 700 plus employees continue on their mission to deliver innovative technologies to commercial teams across the travel and hospitality sector. RateGain has delivered a strong year of performance as it further deepens its relationships with its key customers, continues to add new logos, and does so sustainably.

The Company expanded its customer base to 2942 customers as of March 2023, adding over 540 customers and also grew its revenue at 54.2%, along with a significant improvement in our operating margins. This is not on the back of any operating leveraging taking in, which is one of the strengths of the SaaS-based business models as we continue to scale up. RateGain will continue to consolidate its position in the industry and propel its growth further through strategic investments in R&D and acquisitions to have a larger share of the markets as the industry looks to adopt more technology to engage with travellers.

The Company continues to see good traction and will continue to scale up across all product offerings. We focus on being deeply ingrained with our key enterprise customers and continue to add logos across segments. The Company now has a comprehensive portfolio of revenue maximization solutions across its 13 products. Still, there is a significant opportunity for us to cross-sell these capabilities and deepen our relationship with our key customers.

The inorganic growth approach has been a key cornerstone of our overall strategy and has been hugely incremental for the Company in further widening its moat and being more integral to our customers. Our focus has been to acquire products and complementary capabilities that fit within our product roadmap and to deepen our market presence in key geographies and get closer to our customers.

With a focussed approach, RateGain has been able to unlock value and accelerate growth post-acquisition. This is reflected in the successful acquisitions of Adara, which presents a significant opportunity for us to scale that business up to its past glory and complement our martech offering, making it more compelling for our customers. Adara continues to witness good traction post-acquisition, and its brand recognition across key customer bases has improved considerably as well.

Another key focus area going forward will be the adoption of generative AI and the building of strong and scalable use cases around it by companies within the travel and hospitality sector. Currently, the investments related to developing the right solutions and access to the right dataset to generate accurate and useful results continue to be the constraining factors.

RateGain has its own AI-powered data lake, and traveller data is positioned to solve for use cases across digital marketing and competitive data, helping companies control the cost while improving the outcomes. We continue to explore a tenable and scalable way to use generative AI and crack use cases that have commercial viability in our industry. The opportunity that RateGain has to build this future for the industry excites me and the entire team at RateGain. We continue to build and invest in a world-class global management team with over 700 employees across the Americas, Europe, the Middle East, and Asia Pacific geographies, in line with our focus of doubling our revenues in the next 3 years.

We have made some notable additions to our Senior Management team with the recent appointment of Peter Streble as the President of the Americas. Peter's earlier role was the Chairman of Omni Hotels and the ex-CEO of Wyndham Hotels. He is a hospitality industry veteran with a deep understanding of building and scaling commercial operations and marketing teams. He will be instrumental in creating and driving business development strategies for our American operations. Along with Peter, another travel and hospitality industry veteran who has joined us recently as the Board advisor is David Peller. He will be advising us as we look to scale our technology offerings.

As we expand, we will continue to create new opportunities for our people to grow and put in place best practices to create a conducive and sustainable workplace with the goal of being the employer of choice. Along with this, we have also won numerous awards and recognitions for our products and people that validate the strength of our business model and product offerings. This included being awarded the SaaS start-up of the year by SaaS Bhoomi, a noteworthy recognition.

Before I conclude, I want to express my deepest gratitude to all of you for being the pillars of support and strength for our organization. Your dedication and trust have fuelled our journey. Thank you for being a part of it, and here is to a future filled with growth, innovation, and prosperity for all our stakeholders.

I will now invite Mr Tanmaya Das, our Chief Financial Officer of the Company to provide insights on the financial performance of the Company. Thereafter, Thomas will take us through the formal agenda of the meeting.

Chief Financial Officer

Thanks Bhanu. Good morning everyone.

It has been another standout year for RateGain. Its strong performance across all key areas contributed to record revenue with significant margin improvements. This is a validation of the underlying business fundamentals and showcases the value we are adding to our customers.

With well balanced growth, improved profitability and improvement across all key operating metrics, RateGain continues to move from strength to strength, and it is a true reflection of the efforts of the entire team. The Company witnessed a record of new contracts in the year gone by, and with a healthy pipeline across verticles, we are well-positioned to deliver value to our customers and stakeholders.

Your Company achieved consolidated revenue from operations of Rs 565.1 crore as compared to Rs 366.6 crore last year, registering a growth of 54.2% year-over-year. EBIDTA grew 177% to Rs 84.6 crore with the EBIDTA margin improving significantly from 8.3% to 15% in FY 22-23.

On the back of operating leverage kicking in as we scale up, and this is reflected in the fact that our biggest expense, which is our employee cost fell from 52.2% as a percentage of revenue in FY 21-22 to 44.7% in the year gone by. We witnessed multifold increment in our PAT from Rs 8.4 crore in FY 21-22 to Rs 68.6 crore, an 8X improvement.

We continue to have strong customer relationships, that are helping in building predictable, scalable, and resilient revenue streams and sustainable business models. The gross revenue retention is 90.1% while the net revenue retention stood at 110.4%, indicating lower churn and expansion revenue with our existing relationships. 75.1% of our revenue came from subscription revenue.

We continue to have a diversified revenue mix with 56.1% of our revenue coming from the U.S. and 30.1% from the Europe. Our top 10 customers contributed 32.1% of our total revenue. Your Company had raised Rs 375 crore capital through the initial public offering and I am happy to state that we have utilized over 83% of the proceeds with the most recent utilization going to the acquisition of Adara completed in January 2023. To continue to have a strong, debt free balance sheet and cash position of Rs 341.3 crore as of March 31, 2023.

We seek immense growth potential in the industry, especially with the travel recovering strongly and with companies looking to adopt cloud based agile solutions to be able to better serve their guests. Increasing penetration of online travel, the growing relevance of digital mediums and change in traveller behavior are all traits that continue to shift the industry and guide tech-spends.

Our focus will be to use our existing knowledge, the vast pool of data and our partner network to build capabilities to allow us to better serve our customers and move us closer to our vision of building a revenue maximization platform.

Now, I request Thomas to proceed with the agenda. Thank you very much.

Company Secretary

Thanks Tanmaya.

The notice of the 11th AGM along with the audited standalone and consolidated financial statements of the Company and the reports of the Board of Directors and Auditors, including the annexures thereof for the financial year ended 31st March 2023 have already been sent by electronic mode to those members whose email address has been registered with the Company or depositories. These documents have also been made available on the Investors section of the Company's website.

In view of the above, the notice and the report of the Board of Directors is being taken as read. Walker Chandiook & Co. LLP have submitted their report for the year ended 31st March 2023. The auditor's report does not contain any qualification, modified opinion or adverse remarks. Hence, the auditor's report is also being taken as read.

The following resolutions are proposed to be passed in this AGM as ordinary resolutions.

1. The adoption of audited annual accounts for the financial year ended 31st March 2023, along with the report of the Board of Directors and Auditors thereon.
2. Appointment of Mr. Bhanu Chopra as Director, who is liable to retire by rotation.

The following six resolutions are proposed to be passed in this AGM as special resolutions.

1. Change in designation of Mr. Nishant Kanuru Rao from Nominee Director to Non-Executive Director of the Company.
2. To consider and approve the modification of RateGain employee stock option scheme 2015.
3. Approval for raising of funds through issuance of equity shares through Qualified Institutions Placement (QIP)
4. Approval of RateGain employee stock purchase scheme 2023 and the implementation through trust.
5. Authorization for RateGain employee benefit trust to acquire the equity shares of the Company through secondary acquisition and under the RateGain employee stock purchase scheme 2023.
6. The last resolution being, the approval of provisioning money by the Company to RateGain employee benefit trust for the acquisition of shares of the Company under the RateGain employee stock purchase scheme 2023.

All eligible members of the Company present at the AGM who could not exercise their right to vote during the remote e-voting process can exercise their vote now through the remote e-voting platform of NSDL.

The window of e-voting is open now and the same would be closed at 12:30 pm. The members are requested to follow the instructions mentioned in the notice of the AGM and in case of any difficulties, they may contact the helpline numbers given there.

Now, it is time to take up the questions that we have received through the chat box option.

The first question that we have received is regarding the growth outlook of the Company and how it will be achieved.

Bhanu, Tanmaya, who would like to answer this?

Chairman

As I indicated in my opening remarks, the overall macro trends for travel industry continue to remain quite robust. The travel demand is quite robust and we continue to see that as tailwinds for our business.

If you look at all our key customers, they are recording a record revenues and profits. So, the investments in digitization into acquiring technologies around guest acquisition, retention, engagement, and pricing continue to be in the forefront of their minds, thus helping RateGain as well.

So, we continue to deepen our relationships with these customers, invest in new products and capabilities and as I mentioned in the opening remarks, the goal is to revenue over the next 3 years.

Company Secretary

Thanks Bhanu, for the response.

I move to the next question. The next question that we have received is regarding the outlook on margin expansion.

Chief Financial Officer

I can take that. During our IPO roadshows, we had given a roadmap of improving our margins from 8-9% to 25% over a period of 3-4 years. I am happy to say that we have improved our margins from 8.3% to 15% in FY22-23, which is due to high operating leverage that the Company has. We operate at very high gross margin levels and because of the growth, the growth flows to the EBIDTA and because of the operating leverage, the margin has expanded. We expect the margins to further expand by 200-300 bps every year.

Company Secretary

Thanks Tanmaya, for the response.

I will move to the next question that we have received. Given RateGain is profitable and cash flow is positive, why are you looking to raise further capital?

Chairman

The goal of this QIB is to have a war chest. We continue to see quite good opportunities in this space. We run a programmatic M&A program where we have a database of 350 companies and we continue to add 5-10 companies every month.

So, given the opportunities that we see, we want to have a war chest of cash available to be able to go out and get more aggressive from an M&A perspective. The proceeds are 100% meant for M&A. As you noted, the Company is generating a good amount of free cash flow.

Company Secretary

Thanks Bhanu, for the insights.

Moving onto the next question: What are the global travel trends and impact of the current macro-environment on the future demand.

Chairman

Thomas, I answered this question earlier.

Company Secretary

Ok, as part of the growth outlook. Thank you.

Moving on to the next question that we have, what are the inorganic initiatives we have planned for FY24, if there are any?

Chairman

If you look at our current 3 business lines of DaaS distribution and martech, we continue to find that there are some gaps in our capabilities that are evaluating, and we are either building or acquiring. So, there are a bunch of opportunities that we are looking in the areas of booking engines, payment systems, ancillary revenue, engagement platforms, CRM, loyalty, these are all the capabilities that realize our vision of having one integrated tech stack to acquire customers, retain and engage them and have a wallet share. So, we continue to look at acquiring these capabilities inorganically.

The other thing that we look at is continuing to get deeper in geographies that we operate, which is the U.S. and the Europe. So, if there are opportunities to get ourselves in terms of the customer base, we are looking at those opportunities and if you look at the customer segments that we service for each of our business divisions, DaaS is spread across, distribution is largely hotels and martech is largely hotels and now DMOs, because of the acquisition of Adara.

So, we also want to extend these business lines across different customer segments. So, we also evaluate opportunities in these areas that are beyond hotels but into other customer segments as well. And as I mentioned, there continue to be loads of opportunities in, we are running a programmatic M&A plan here at RateGain and we have a very robust pipeline. And one thing I also want to indicate that we are financially very prudent on what we are willing to pay. So, the price has to be right for some of these opportunities. But I am confident, given the pipeline that we have, we should be able to realize something.

Company Secretary

Thanks Bhanu, for the detailed response.

As there are a lot of questions being received, we will respond to the unanswered questions raised by members within a reasonable time, from the conclusion of the meeting.

Now, I request our Chairman to conclude the meeting with his closing address.

Chairman

So, ladies and gentlemen, there being no other business to transact, I hereby conclude the AGM of the Company and thank you all for the participation and your dignified presence.

Thank you.