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UNICOMMERCE ESOLUTIONS LIMITED



(Please scan this QR code to view the RHP)

Our Company was originally incorporated as 'Unicommerce eSolutions Private Limited' at New Delhi as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated February 2, 2012, issued by the Registrar of Companies, Delhi and Haryana ("RoC"). Our Company was converted from a private limited company to a public limited company pursuant to a special resolution passed by our Shareholders on December 19, 2023, and the name of our Company was changed to 'Unicommerce eSolutions Limited'. A fresh certificate of incorporation dated December 26, 2023 consequent upon change of name on conversion to a public limited company was issued by the RoC. For further details on the changes in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 181 of the red herring prospectus of our Company dated July 30, 2024 filed with the RoC ("Red Herring Prospectus" or "RHP").

Registered Office: Mezzanine Floor, A-83, Okhla Industrial Area, Ph-II, New Delhi 110 020, India; Corporate Office: Landmark House, Plot Number 65, 6th and 7th Floor, Sector 44, Gurgaon, 122 003, Haryana, India; Tel: +91 9311749240; Website: www.unicommerce.com; Contact Person: Monish Pal, Compliance Officer; E-mail: complianceofficer@unicommerce.com, Corporate Identity Number: U74140DL2012PLC230932

ACEVECTOR LIMITED (FORMERLY KNOWN AS SNAPDEAL LIMITED), STARFISH I PTE. LTD., KUNAL BAHL AND ROHIT KUMAR BANSAL ARE THE PROMOTERS OF OUR COMPANY

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1 EACH ("EQUITY SHARES") OF UNICOMMERCE ESOLUTIONS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE AGGREGATING UP TO ₹[●] MILLION (THE "OFFER"), THROUGH AN OFFER FOR SALE OF UP TO 25,608,512 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION ("OFFER FOR SALE").

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND THE WEIGHTED AVERAGE COST OF ACQUISITION			
NAME OF THE SELLING SHAREHOLDERS	Type	NUMBER OF SHARES OFFERED/AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹ PER EQUITY SHARE)*
AceVector Limited (formerly known as Snapdeal Limited)	Promoter Selling Shareholder	Up to 9,438,272 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	23.52
SB Investment Holdings (UK) Limited	Investor Selling Shareholder	Up to 16,170,240 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	30.87

*For notes please refer cover page of the RHP.

We provide e-commerce enablement Software-as-a-Service ("SaaS") platform in the transaction processing or nerve centre layer that enables end-to-end management of e-commerce operations for brands, sellers and logistics service provider firms.

The Offer is being made through the Book Building Process pursuant to Regulation 6(2) of the SEBI ICDR Regulations.

QIB Portion: Not less than 75% of the Net Offer | Non-Institutional Portion: Not more than 15% of the Net Offer | Retail Portion: Not more than 10% of the Net Offer.

One of the Corporate Promoter of the Company has transferred certain Equity Shares through secondary sale at a price of Rs. 95.95 per Equity Share on May 22, 2024 and June 11, 2024. For further details, please see next page of this ad and "Capital Structure - Secondary transactions of Equity Shares" on page 88 of the RHP.

PRICE BAND: ₹102 TO ₹108 PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH.

THE FLOOR PRICE IS 102 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 108 TIMES THE FACE VALUE OF THE EQUITY SHARES.

THE PRICE TO EARNINGS RATIO ("P/E") BASED ON DILUTED EPS FOR FINANCIAL YEAR ENDED 2024 FOR THE COMPANY AT THE UPPER END OF THE PRICE BAND IS AS HIGH AS 93.10 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 87.93 TIMES AS COMPARED TO THE NIFTY P/E RATIO OF 23.03 TIMES (AS ON JULY 25, 2024).

BIDS CAN BE MADE FOR A MINIMUM OF 138 EQUITY SHARES AND IN MULTIPLES OF 138 EQUITY SHARES THEREAFTER.

ASBA[#]

Simple, Safe, Smart way of Application!!!

[#]Applications Supported by Blocked Amount ("ASBA") is a better way of applying to Issues by simply blocking the fund in the bank account. For further details, check section on ASBA. Mandatory in public issues. No cheque will be accepted.

In accordance with the recommendation of the Committee of Independent Directors of our Company, pursuant to their resolution dated July 31, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Offer Price" section of the RHP vis-à-vis the weighted average cost of acquisition of primary and secondary transaction(s) disclosed in the "Basis for Offer Price" section on page 107 of the RHP.

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ON THE INFORMATION INCLUDED IN THE RED HERRING PROSPECTUS AND THE TERMS OF THE OFFER, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE OFFER AVAILABLE IN ANY MANNER.

In relation to price band, potential Investors should only refer to this price band advertisement for the Offer and should not rely on any media articles/ reports in relation to the valuation of the Company as these are not endorsed, published or confirmed either by the Company or by the BRLMs.

RISK TO INVESTORS - (For details refer to section titled "Risk Factors" on page 29 of the RHP)

- Technology related risks:** We provide a comprehensive suite of products. If we fail to develop and innovate our technology-based expertise in a timely and effective manner, our brand, competitive edge and market share may lose or may face resistance from our existing or potential clients. We may experience disruptions, outages, and other performance problems with our technology infrastructure due to a variety of factors, including introductions of new functionality, human or software errors, capacity constraints and denial-of-service attacks, which may reduce the quality of our products or interfere with our clients' use of our products, leading to reduction in demand, decrease in revenues, and increase in our costs.
- Risk associated with maintaining existing clients or attracting new clients:** Our business is subscription based, and clients are not obligated to renew and may not renew their subscriptions. If we fail to attract new clients and maintain and expand new and existing client relationships, our revenue from subscriptions may grow slower than expected, may not grow at all, or may decline. Further, a portion of our business is attributable to certain large clients. The contribution by our top 10 clients to our revenue from contract with customers has decreased from Fiscal 2023 to Fiscal 2024.

Particulars	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Contribution by our top 10 clients to our revenue from contract with customers (amount in ₹ million)	283.56	289.04	189.44
Contribution by our top 10 clients to our revenue from contract with customers (in %)	27.38%	32.10%	32.09%

While we have witnessed an increase in number of clients in the last three fiscals, we cannot assure a similar account growth rate or at all.

- Ecommerce industry related risk:** Our revenues are based on transaction volumes on e-commerce platforms and are typically a function of the growth of online sales of our clients. Our business, results of operations, financial condition, cash flows and prospects will suffer to the extent the ecommerce industry in India, in particular our ecommerce enterprises and clients, do not use of the internet as a medium of commerce in India do not continue to grow.
- Competition risk:** Some of our competitors have made or could make acquisitions of businesses that allow them to offer more competitive and comprehensive solutions, accelerate the adoption of new technologies that better address client needs, or develop and expand their product offerings more quickly than we do. Our inability to anticipate or effectively react to competitive challenges, could materially and adversely affect our business, financial performance, cash flows and prospects.
- Absence of listed industry peers in India or abroad:** There are no direct listed companies in India or internationally with whom our business model can be

compared that matches the size and scale of our business operations. Our competitive position and any valuation exercise undertaken for the purposes of the Offer may not be based on a benchmark with our industry peers in India or abroad.

- Dependency on dropship volumes of our clients:** A portion of our e-commerce business is dependent on the dropship volumes of our clients. If our clients are able to develop their own system to manage their dropship operations, increase utilisation of their in-house services, or reduce their allocation of dropship volumes to us, our business, financial performance, cash flows and growth prospects would be materially and adversely affected.
- High employee benefits expense related risk:** Employee benefits expense constitute the largest portion of our total expense. Our employee benefits expense as a percentage of our revenue from contract with customers and as a percentage of total expenses were as follows:

Particulars	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Employee benefits expense as % of revenue from contract with customers	62.71%	68.87%	71.79%
Employee benefits expense as a % of total expense	70.64%	73.74%	77.83%

Our high employee benefits expense may make us less competitive, and any further increase in our employee benefit expense may reduce our profitability.

- Our Company will not receive any proceeds from the Offer. The Selling Shareholders shall be entitled to proceeds from the Offer for Sale.
- Our market capitalization to revenue multiple and price to earnings ratio may not be indicative of the market price of the Equity Shares on listing or thereafter.

Particulars	Price to earnings ratio (Diluted basis)	Market capitalisation to revenue from contract with customers [#]
At Floor Price i.e. ₹ 102	87.93	10.09 times
At Cap Price i.e. ₹ 108	93.10	10.68 times

Note: Financial information for our Company is derived from the Restated Financial Information for Fiscal 2024.

[#] Market capitalisation has been computed as floor price or cap price, as the case may be, x number of shares outstanding as on the date of the Red Herring Prospectus. Market capitalisation to revenue from contract with customers is calculated as market capitalisation divided by revenue from contract with customers for Fiscal 2024.

- Highest average cost of acquisition of Equity Shares for the Selling Shareholders in the Offer is ₹ 30.87, and Offer Price at the upper end of the price band is ₹108.
- The weighted average return on net worth for our Company for FY 24, 23 and 22 is 18.98%, 12.48% and 14.53%, respectively. The weighted average return on net worth for last three fiscals is 16.07%.

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12. Details of weighted average cost of acquisition (“WACA”) of all Equity Shares transacted in last three years, eighteen months and one year immediately preceding the date of the RHP.

a) Equity Shares

Period	Weighted Average Cost of Acquisition (in ₹)**^	Cap Price/ upper end of Price Band is ‘x’ times the Weighted Average Cost of Acquisition^	Range of acquisition price: Lowest Price – Highest Price (in ₹)^*
Last 1 year	22.21	4.86	Nil**-95.95
Last 18 months	22.21	4.86	Nil**-95.95
Last 3 years	23.43	4.61	Nil**-95.95

****Acquisition price of Equity Shares issued pursuant to bonus issue of Equity Shares is Nil.**
***Adjusted for sub-division of equity shares from face value of ₹10 each to face value of ₹1 each and bonus issue of Equity Shares in the ratio of 255 Equity Shares for one Equity Share held.**
^As certified by B.B & Associates, Chartered Accountants pursuant to the certificate dated July 31, 2024.

b) Preference shares

Period	Weighted Average Cost of Acquisition (in ₹)**	Cap Price/upper end of Price Band is ‘x’ times the Weighted Average Cost of Acquisition^	Range of acquisition price: Lowest Price – Highest Price (in ₹)**
Last 1 year	65.42	1.65	65.42-65.42
Last 18 months	65.42	1.65	65.42-65.42
Last 3 years	33.72	3.20	30.87-65.42

**** Pursuant to the sub-division and the bonus issue of Equity Shares, appropriate adjustments to the conversion ratio of outstanding Preference Shares was made and the conversion ratio was accordingly adjusted to 2,560:1, i.e., 2,560 Equity Shares for every Preference Share held.**

^As certified by B.B & Associates, Chartered Accountants pursuant to the certificate dated July 31, 2024.

13. Weighted average cost of acquisition compared to floor price and cap price:

Type of past transactions	WACA (in ₹)*	Floor Price (i.e. ₹ 102)	Cap Price (i.e. ₹ 108)
WACA of primary issuances during 3 years prior to the RHP	33.98	3.00 times	3.18 times
WACA of secondary issuances during 3 years prior to the RHP	65.42	1.56 times	1.65 times

As certified by B.B & Associates, Chartered Accountants, by way of their certificate dated July 31, 2024.

14. The two BRLMs associated with the Offer have handled 33 public issues in the past three years, out of which 9 issues closed below the offer price on listing date.

Name of the BRLMs	Total issues	Issues closed below IPO price
IIFL Securities Limited*	29	7
CLSA India Private Limited*	2	-
Common Issues of above BRLMs	2	2
Total	33	9

***Issues handled where there were no common BRLMs.**

Set out below are the details of the transfer by one of our corporate promoter, AceVector on May 22, 2024 and June 11, 2024:

Date of the Transfer	Name of the transferor	Name of the trans-feree	Nature of transaction	Number of Equity Shares transferred	Transfer price per Equity Share (in ₹)	Total consideration (in ₹)
May 22, 2024	AceVector Limited	Absolute Returns Scheme	Secondary Sale	5,21,104	95.95	4,99,99,928.80
May 22, 2024	AceVector Limited	Siddharth Sundar Iyer	Secondary Sale	14,59,093	95.95	13,99,99,973.35
June 11, 2024	AceVector Limited	Akshat Greentech Private Limited	Secondary sale	14,59,093	95.95	13,99,99,973.35
Total				34,39,290	-	32,99,99,875.50

BID/OFFER SCHEDULE

ANCHOR INVESTOR BID/OFFER PERIOD:
MONDAY, AUGUST 5, 2024*

BID/OFFER OPENS ON:
TUESDAY, AUGUST 6, 2024

BID/OFFER CLOSES ON:
THURSDAY, AUGUST 8, 2024^

***Our Company in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date, i.e., August 5, 2024.**
***UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.**

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company in consultation with the Book Running Lead Managers on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹1 each and the Offer Price is [●] times the face value, and Floor Price is 102 times the face value and the Cap Price is 108 times the face value. Investors should also see “Risk Factors”, “Summary of Financial Information”, “Our Business”, “Restated Financial Information”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 29, 70, 144, 213 and 270, respectively, of the RHP, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are as follows:

- Largest e-commerce enablement SaaS products platform in the transaction processing or nerve centre layer, in terms of revenue for the financial year ended March 31, 2023 (Source: Redseer Report), acting as the nerve centre for business operations of our clients. For more information on comparison with the peers of the Company, please see “Industry Overview – Unicommerce Capabilities and Competitive View” section on page 141 of the RHP;
- Comprehensive and modular suite of products with a wide range of plug-and-play integrations makes us an integral part of our client’s tech stack;
- Large, growing and diversified base of marquee Indian and global clients with long-term relationships and the capability to upsell or cross-sell new and additional products;
- Proprietary technology platform built for scalability and high adaptability to accommodate various uses across different industries;
- Consistent track-record of fast, profitable growth with strong cash flows over the past three financial years; and
- Strong governance practices, experienced management, and marquee investors.

For details, see “Our Business – Our Strengths” on page 151 of the RHP.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, see “Restated Financial Information” and “Other Financial Information” beginning on pages 213 and 266, respectively of the RHP.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic earnings per equity share (“Basic EPS”) and diluted earnings per equity share (“Diluted EPS”) (face value of each Equity Share is ₹1):

Fiscal/ Year	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2024	1.30	1.16	3
March 31, 2023	0.64	0.58	2
March 31, 2022	0.60	0.55	1
Weighted Average	0.96	0.87	

Notes:

- The figures disclosed above for Basic EPS and Diluted EPS are derived from the Restated Financial Information.
- Basic EPS= Restated profit for the year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the year.
- Diluted EPS= Restated profit for the year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the year plus weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares / after considering effect of split and bonus approved by Board and the Shareholders vide their resolutions, each dated October 27, 2023).
- The Company has pursuant to the Board resolution and Shareholders’ resolution, each dated October 27, 2023, sub-divided equity shares having face value of ₹10 each into 10 Equity Shares having face value of ₹1 each. Further, the Company has pursuant to the Board resolution dated October 27, 2023 approved the issuance of 58,180,800 bonus Equity Shares (“Bonus Equity Shares”) at a ratio of 255 Equity Shares for one Equity Share held by the Shareholders.
- Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- The weighted average number of Equity Shares outstanding during the years 2022 and 2023 are adjusted for sub-division of equity shares of face value of global: ₹ 10 each to Equity Shares of face value of ₹1 each and bonus issue in the ratio of 255 Equity Shares for every 1 Equity Shares held, as approved by the Board and Shareholders vide their resolutions, each dated October 27, 2023.

- The weighted average Basic EPS and Diluted EPS is a product of Basic EPS and Diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight.

B. Price/Earning (“P/E”) ratio in relation to Price Band of ₹102 to ₹108 per Equity Share:

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Basic EPS for year ended March 31, 2024	78.46	83.08
Diluted EPS for year ended March 31, 2024	87.93	93.10

C. Industry Peer Group P/E ratio

We believe that there are no listed entities in India, the business portfolio of which is comparable with our business.

D. Return on Net worth (“RoNW”)

Fiscal Year	RoNW (%)	Weight
March 31, 2024	18.98%	3
March 31, 2023	12.48%	2
March 31, 2022	14.53%	1
Weighted Average	16.07%	

Notes:

- Return on Net Worth (RoNW) % = Restated profit for the year attributable to equity shareholders of the Company divided by net worth of the Company as at the end of the year.
- Net Worth = Aggregate value of equity share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses but does not include reserves created out of revaluation of assets and write-back of depreciation.
- Weighted average=Aggregate of year-wise weighted RoNW divided by the aggregate of weights (RoNW x Weight) for each year/Total of weights.
- The figures for Restated profit for the year attributable to equity shareholders of the Company and total equity to calculate Net worth and RoNW are derived from the Restated Financial Information.

E. Net Asset Value (“NAV”) per Share

Particulars	Amount (₹)
As on March 31, 2024	6.83
As on March 31, 2023	5.14
As on March 31, 2022	4.10
After the completion of the Offer	
- At the Floor Price	6.83
- At the Cap Price	6.83
Offer Price	[●]*

Notes:

- Offer Price per Equity Share will be determined on conclusion of the Book Building Process.
- Net assets value per share = Net asset value per share is calculated by dividing net worth by weighted average number of equity shares outstanding at the end of the year adjusted for the split in the face value of the equity shares, issue of Bonus Equity Shares and CCPS.
- Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- The figures for total equity are derived from the Restated Financial Information.

* To be updated at Prospectus stage.

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F. Comparison of accounting ratios with listed industry peers

There are no listed companies in India or abroad whose business portfolio is comparable with that of our business and comparable to our scale of operations. Hence, it is not possible to provide an industry comparison in relation to our Company.

G. Key Performance Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. Our Audit Committee through its resolution dated July 30, 2024 approved the list of KPIs for disclosure in the Red Herring Prospectus. Further, the Audit Committee has confirmed that only the below KPIs have been disclosed to investors for raising funds at any point of time during the three years' period prior to the date of filing of the Red Herring Prospectus and which are required to be disclosed in the "Basis for Offer Price" section, have been verified and audited by B.B. Associates, Chartered Accountants in accordance with SEBI ICDR Regulations and have been disclosed in this section. Further, the KPIs herein have been certified by B.B. Associates, Chartered Accountants pursuant to certificate dated July 30, 2024.

A list of our KPIs for the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022 are set out below:

(in ₹ million, except non-monetary data)

Particulars	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Revenue from contract with customers ¹	1,035.81	900.58	590.32
Total Income	1,094.34	929.70	613.63
Total Expense	919.55	841.11	544.46
Gross Margin % ²	78.52%	77.63%	78.02%
Profit Before Tax	174.79	88.59	69.17
Profit for the year	130.78	64.76	60.10
Profit for the year Margin % ³	12.63%	7.19%	10.18%
EBITDA ⁴	144.17	65.30	50.39
EBITDA Margin % ⁵	13.92%	7.25%	8.54%
Adjusted EBITDA ⁶	181.61	108.29	71.60
Adjusted EBITDA Margin ⁷	17.53%	12.02%	12.13%
ARR ⁸	1,060.05	1,068.55	687.14
Revenue from contract with customers / employee ⁹	3.32	2.73	2.21
Number of items processed (in million)	772.32	565.69	410.25

Notes:

- (1) Revenue from contract with customers is total revenue generated by our Company from SaaS income, excluding other income sources.
- (2) Gross margin percentage represents the margin generated by the business after deducting the direct costs incurred to serve the clients, divided by revenue from contract with customers during the respective year. Direct costs include server hosting expense, software services and support cost attributable to business operation.
- (3) Profit Before Tax Margin % represents Profit Before Tax as a % of revenue from contract with customers for the respective year.
- (4) EBITDA refers to earning before interest, taxes, depreciation and amortisation which has been arrived at by adding total tax expense, finance costs, depreciation and amortisation expense and reducing other income to the profit for the year. The depreciation and amortisation expense for the year ended March 31, 2024 includes the depreciation of right of use of assets as per IND AS-116 "Leases". Hence, the same is not comparable with the previous year.
- (5) EBITDA Margin % represents EBITDA as a % of revenue from contract with customers for the respective year.
- (6) Adjusted EBITDA represents adjusted earnings before interest, taxes, depreciation and amortisation which has been arrived at by adding share-based payment expenses (part of employee benefits expenses) to EBITDA. EBITDA refers to earning before interest, taxes, depreciation and amortisation which has been arrived at by adding total tax expense, finance costs, depreciation and amortisation expense and reducing other income to the profit for the year.
- (7) Adjusted EBITDA Margin % represents Adjusted EBITDA as a % of revenue from contract with customers for the respective year.
- (8) Annual Recurring Revenue ("ARR") is defined as revenue from contract with customers in the most recent quarter of the respective periods multiplied by 4.
- (9) Revenue from contract with customers / employee represents revenue from contract with customers divided by number of employees at the end of the respective periods.

A list of operational KPIs for the time periods indicated therein is included below:

Particulars	For the quarter ended March 31, 2024	For the quarter ended March 31, 2023	For the quarter ended March 31, 2022
Count of order items processed (in million)	772.32	565.69	410.25
Enterprise clients	795	672	470
SMB clients	2,707	3,009	2,404

Explanation for the KPI metrics

Sr. No.	KPI	Explanations
1.	Revenue from contract with customers	Revenue from contract with customers is used by our management to track the revenue generated by our Company from SaaS income. This does not include other income
2.	Total Income	Total Income includes the total revenue of our Company after considering income from all sources and helps us assess the scale of the business
3.	Total Expense	All expenses of the business incurred by our Company including employee benefit expense, server hosting expense, depreciation and amortization expense, finance costs and other expenses
4.	Gross Margin (%)	Gross margin percentage represents the margin generated by the business after deducting direct costs (like server hosting expense, software services) incurred to serve the clients from our revenue from contract with customers.
5.	Profit Before Tax	Profit before tax provides information about the profitability of the business pre-tax
6.	Profit for the year	Profit for the year provides information about the overall profitability of the business post-tax
7.	EBITDA	EBITDA provides information regarding the operational profitability of the business
8.	EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of the business
9.	Adjusted EBITDA	Adjusted EBITDA provides information regarding the operational profitability of our business after deducting share-based payment expenses, which is a non-cash expenditure
10.	Adjusted EBITDA Margin (%)	Adjusted EBITDA Margin is an indicator of operational profitability and financial performance of the business after deducting share-based payment expenses, which is a non-cash expenditure
11.	ARR	Annual Recurring Revenue refers to revenue from contract with customers in the most recent quarter of the respective periods multiplied by 4 and is used to understand the growth of our Company.
12.	Revenue from contract with customers / employee	This measure is used to understand the productivity on a per employee basis for our Company
13.	Number of items processed (in million)/ Count of order items processed	This refers to the number of items processed by our clients as a part of products offered by our Company and represents the scale of operations
14.	Enterprise clients	Clients who have use our enterprise plan
15.	SMB clients	Clients who use our standard or professional plan

For details of other operating metrics disclosed elsewhere in the Red Herring Prospectus, see "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 144 and 270, respectively, of the RHP.

H. Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs are not intended to be considered in isolation or as a substitute for the Restated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these KPIs should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results, when taken collectively with financial measures prepared in accordance with Ind AS.

I. Price per share of the Company (as adjusted for corporate actions, sub-division and including bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOS 2019 and issuance of Equity Shares pursuant to a bonus issue) during

the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

Date of Allotment	Name of allottees	Number of Equity Shares or Preference Shares allotted*	Transaction as a % of fully diluted capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested) ^{^^}	Price per Equity Share or convertible securities (₹)	Weighted average cost of acquisition based on primary issue of Equity Shares or Preference Shares
July 6, 2024	SB Investment Holdings (UK) Limited	32,340,480	29.09%	30.87	33.98
July 6, 2024	B2 Capital Partners	6,328,320	5.69%	30.87	
July 6, 2024	Dilip Ramachandran Vellodi	3,819,520	3.44%	65.42	

*(i) SB Investment Holdings (UK) Limited held 9,858 Series A CCPS and 2,775 series B CCPS which were converted to 32,340,480 Equity Shares (adjusted for sub division of equity shares and bonus issue) (ii) B2 Capital Partners held 2,472 Series B CCPS which were converted to 6,328,320 Equity Shares (sub division of equity shares and bonus issue) (iii) Dilip Ramachandran Vellodi held 1,492 Series A CCPS which were converted to 3,819,520 (adjusted for sub division of equity shares and bonus issue).

^{^^}Percentages have been calculated based on the pre-*Offer capital before such transactions and excluding ESOPs granted but not vested. The fully diluted paid up capital and vested options were 102,434,048 and 8,733,952 respectively, after taking into effect of bonus and subdivision of face value of equity shares.*

J. Price per share of the Company based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, Selling Shareholders or shareholders with rights to nominate directors during the 18 months preceding the date of filing of this RHP, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

Name of the acquirer/ transferee	Name of the transferor	Details of transferor (Promoter / promoter group entities or selling shareholder(s) or shareholder(s) having the right to nominate director(s))	Date of acquisition/ transfer of Equity Shares or Preference Shares	Number of Equity Shares or Preference Shares acquired	Price per Equity Share or Preference Shares (in ₹)	Total Cost	Transaction as a % of fully diluted capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested) ^{^^}	Weighted average cost of acquisition based on secondary sale/ acquisition of Equity Shares or convertible securities
Jagdish J Moorjani and Vidya J. Moorjani	AceVector Limited	Promoter	December 22, 2023	3,82,146 [^] Equity Shares	65.42 [^]	2,49,99,991	0.35%	65.42
Rizwan R Koita	AceVector Limited	Promoter	December 22, 2023	3,82,146 [^] Equity Shares	65.42 [^]	2,49,99,991	0.35%	
Madhuri M. Kela	AceVector Limited	Promoter	December 22, 2023	18,34,301 [^] Equity Shares	65.42 [^]	11,99,99,971	1.66%	
Mithun Soni	AceVector Limited	Promoter	December 22, 2023	1,17,701 [^] Equity Shares	65.42 [^]	76,99,999	0.11%	
Anchorage Capital Scheme I	AceVector Limited	Promoter	December 22, 2023	38,56,618 [^] Equity Shares	65.42 [^]	25,22,99,950	3.49%	65.42
Anchorage Capital Scheme II	AceVector Limited	Promoter	December 22, 2023	47,38,612 [^] Equity Shares	65.42 [^]	30,99,99,997	4.29%	
Rajesh K Parikh	AceVector Limited	Promoter	December 22, 2023	1,52,860 [^] Equity Shares	65.42 [^]	1,00,00,101	0.14%	

Note: For the purpose of above table multiple transactions over a span of rolling 30 days have been combined together.

^{*}Pursuant to the sub-division of equity shares of face value of ₹10 each to face value of ₹1 each and the bonus issuance of Equity Shares, appropriate adjustments to the conversion ratio of outstanding Preference Shares was made and the conversion ratio was accordingly adjusted to 2.560:1, i.e., 2,560 Equity Shares for every Preference Share.

[^]Adjusted for sub division of face value of equity shares from face value ₹10 each to ₹1 each and bonus issue of Equity Shares.

^{^^}Percentages have been calculated based on the pre-*Offer capital before such transactions and excluding ESOPs granted but not vested. The fully diluted paid up capital and vested options were 100,897,280 and 9,623,040 respectively, after taking into effect of subdivision of face value of equity shares from face value of ₹10 each to face value of ₹1 each and bonus issue of Equity Shares.*

K. The Floor Price and the Cap Price as compared to the weighted average cost of acquisition based on Primary Issuances/ Secondary Transactions as disclosed in paragraph I and J above, are set below:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share/ Preference Shares)	Floor price (i.e., ₹ 102)	Cap price (i.e., ₹ 108)
Weighted average cost of acquisition (WACA) of Primary issuances	33.98 [^]	3.00 times	3.18 times
Weighted average cost of acquisition (WACA) of Secondary transactions	65.42 [^]	1.56 times	1.65 times

[^] Adjusted for subdivision of face value of equity shares from face value of ₹10 each to face value of ₹1 each and bonus issue of Equity Shares.

[^]As certified by B.B & Associates, Chartered Accountants, Chartered Accountants, by way of their certificate dated July 31, 2024.

L. Justification for Basis of Offer price


Detailed explanation for Cap Price being 3.18 times of weighted average cost of acquisition of primary issuance price and 1.65 times of secondary transaction price of Equity Shares (as set out above) along with our Company's KPIs and financial ratios for Fiscals 2024, 2023 and 2022 in view of the external factors which may have influenced the pricing of the Offer.

- We are India's largest e-commerce enablement Software-as-a-Service ("SaaS") platform in the transaction processing or nerve centre layer, in terms of revenue for the financial years ended March 31, 2023 (Source: Redseer Report), that enables end-to-end management of e-commerce operations for brands, sellers and logistics service provider firms.
- We are also the only profitable company among the top five players in this industry in India during Fiscal 2023 (Source: Redseer Report).
- For the quarter ended March 31, 2024, we had an annual run-rate of processing 791.63 million order items for 795 enterprise clients and 2,707 SMB clients.
- Comprehensive and modular suite of products with a wide range of plug-and-play integrations makes us an integral part of our client's tech stack.
- Our products are sector and size-agnostic and are designed to meet the business needs of various types and sizes of retail and e-commerce enterprises, both online and offline.
- We have an extensive suite of technology and partner integrations, which, till March 31, 2024, comprises 131 Marketplaces and WebStore integrations, 101 Logistics Partner integrations and 11 ERPs, POS and other systems integrations.
- Strong governance practices, experienced management, and marquee investors.

The Offer Price will be determined by our Company in consultation with the Book Running Lead Managers, on the basis of the demand from investors for the Equity Shares through the Book Building process. Investors should read the abovementioned information along with "Risk Factors", "Our Business" and "Restated Financial Information" beginning on pages 29, 144 and 213, respectively, of the RHP, to have a more informed view.

For details, please see "BASIS FOR OFFER PRICE" on page 107 of the RHP.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF NSE AND BSE.



UPI-Now available in ASBA for Retail Individual Bidders and Non Institutional Bidders applying in public issues where the application amount is up to ₹500,000, applying through Registered Brokers, Syndicate, CDPs & RTAs. Retail Individual Bidders and Non-Institutional Bidders also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021 and CBDT circular no. 7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023 and any subsequent press releases in this regard.

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by UPI Bidders. For details on the ASBA and UPI process, please refer to the details given in the Bid Cum Application Form and abridged prospectus and also please refer to the section "Offer Procedure" on page 327 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. The Bid Cum Application Form and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges" and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpI=yes&intmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpI=yes&intmid=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. Axis Bank Limited and HDFC Bank Limited have been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Offer related queries, please contact the Book Running Lead Managers ("BRLMs") on their respective email-ids as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail Id: ipo.upi@npci.org.in.

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, bank strike or similar unforeseen circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the other members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank(s).

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"). The Offer is being made in accordance with Regulation 6(2) of the SEBI ICDR Regulations through the Book Building Process wherein not less than 75% of the Offer shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs", and such portion, the "QIB Portion"). Our Company in consultation with Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), out of which at least one-third shall be reserved for allocation to domestic Mutual Funds only, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion (defined hereinafter). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation will be added to the remaining QIB Portion for proportionate allocation to QIBs Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders, of which (a) one-third of such portion shall be reserved for applicants with application size of more than ₹2,00,000 and up to ₹10,00,000; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹10,00,000, provided that the unsubscribed portion in

either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 10% of the Offer shall be available for allocation to Retail Individual Bidders ("RIBs") in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter) in which the corresponding Bid Amounts will be blocked by the SCSBs, or under the UPI Mechanism, as applicable to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, please see the section entitled "Offer Procedure" on page 327 of the RHP.

Bidders/ Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders using the UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders using the UPI Mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/ Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021 and CBDT circular no. 7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023 and any subsequent press releases in this regard.

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