

September 23, 2022

To,

National Stock Exchange of India Limited BSE Limited

(NSE: RATEGAIN)

(BSE: 543417)

Sub: Transcript of Tenth (10th) Annual General Meeting held on September 20, 2022

Dear Sir / Ma'am,

Please find enclosed the transcript of the Tenth (10th) Annual General Meeting of the Company held on September 20, 2022. The Transcript has been 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. Joshua)
Vice President – Legal & Company Secretary
Memb. No.: F9839



Encl.: As above

TRANSCRIPT OF TENTH (10TH) ANNUAL GENERAL MEETING OF RATEGAIN TRAVEL TECHNOLOGIES LIMITED:

Chairman

Hello everyone.

I Bhanu Chopra, Chairman and Managing Director of RateGain Travel Technologies Limited. I am delighted to welcome you all on behalf of the esteemed members of the Board of to the 10th Annual General Meeting of the company being held today 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 Executive Director, Mrs. Megha Chopra, Mr. Girish Vanvari, Independent Director and Chairperson of Audit Committee and Nomination and Remuneration Committee, Ms. Aditi Gupta, Independent Director and Chairperson of the Stakeholders Relationship Committee. Mr. Nishant should be joining us. He's the nominee director, Mr. Tanmaya Das, Chief Financial Officer and Mr. Thomas Joshua, Company Secretary of the company, who are present through video conferencing for the meeting.

We also have with us Mr. Nitin Toshniwal representing Walker Chandiok & Co LLP, Statutory Auditors and Mr. Pankaj Kumar Gupta, representing Kumar G & Company, Secretarial Auditors of the company are also present through video conference.

I thank all the Members, colleagues on the Board, Auditors and the Management team for joining this meeting over video conferencing.

Now, I would request Mr. Thomas Joshua, Company secretary of the company, to provide general instructions to the Members regarding participating in this meeting.

Company Secretary

Thanks, Bhanu. Good afternoon everyone.

This AGM is being held through the video conferencing and other audio-visual means on the platform provided by NSDL in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing obligations and disclosure requirement Regulations, 2015, the circulars issued by MCA and SEBI in this regard.

The members may please note that the facility for participation at the AGM through video conferencing and other audiovisual means has been made available to the members on First come First serve basis.

The members participating in the meeting can post questions or feedback through the question box option and these questions would be taken up towards the end of the Meeting. As this meeting is being held through video conferencing and other audiovisual means, the provisions relating to the appointment of proxy is not applicable.

The requisite arrangements have been made through the e-voting service of NSDL to enable the Members to exercise their right to vote on the resolution set forth in the AGM notice.

Mr. Shreyansh Pratap Jain, Practicing Company Secretary, has been appointed as scrutinizer for the e-voting during AGM and the remote e-voting process.

The results of the e-voting on the resolution set forth in the notice of AGM along with the report of the Scrutinizer shall be made available on the Investor section of the website of the Company. The website of NSDL and on the stock exchanges.

The statutory registers 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 by the members electronically.

Any Member who wants to inspect the same can send their request to email ID as mentioned in the AGM Notice.

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

Chairman

Before we take up the formal agenda as per the notice, I would like to start about the performance of the company during the fiscal year 21-22 and the general outlook for travel and hospitality industry.

The last 30 months have been full of challenges and volatility continues to dominate much of the world but at the same time, as has been the case with RateGain, it has allowed us to realign our goals, Reconfigure our approach as an organization and Revitalize a passion to solve new problems.

RateGain's vision, as most of you are aware, is to build a revenue maximization platform for hospitality and travel industry that allows them to unlock new revenue opportunity at each step of the traveler journey and helping them acquire, retain and dry wallet share expansion with their guests.

I started my journey to solve a critical need for the travel and hospitality industry, getting reliable, competitive intelligence to help hotels stay competitive across all channels.

Over the last decade, rapid digitization, changing expectations of travelers, new business models, and many more such factors have caused repeated disruptions to travel and hospitality, finally culminating with the global pandemic that reset the entire industry. Therefore, what we started as a journey of solving one pain point slowly change into a mission to drive innovation in an industry that was slow to adopt digital technologies.

Today, with over 2200 plus clients across 100 plus countries, including the top 23 out of 30 hotel chains, the top 25 out of the top 30 OTA's and all the leading car rental companies RateGain's, 600+ employees continue on their mission to deliver innovative technology to commercial teams across the travel and hospitality sector.

Every day we take one step towards our vision of building a revenue maximization platform for the industry that would leverage AIML to make it easy for our customers and the entire industry to maximize revenue, embrace innovation and deliver the perfect trip that every traveler desires. With the world opening up again and the strong recovery in travel demand witness over the last 12 months, RateGain has been able to capture growth with its industry leading solutions, growing its customer base from 1337 Customers to 22,339 Customers as of March 22 and we grew our revenues at the rate of 46.2% to over 366 crores.

Since the IPO, your company has exceeded its revenue projections every quarter and we hope to continue that trend on the back of strong traction and continued product innovation.

Looking at the industry data as well from RateGain, we can confirm that the global travel and hospitality industries headed strongly towards recovery with global bookings expected to touch 1.5 trillion dollars by 2025, growing at a CAGR of over 26% as per focus, right.

With the world reopening and traveling experience emerging as the next big theme, RateGain is well positioned as a leading travel technology provider to capitalize on this trend and grow at levels exceeding 30% in the coming years.

On an ARR basis we are currently exceeding pre covid levels by 20% already. RateGain offers a comprehensive portfolio of revenue maximization solutions that capture every step of the customer journey from the dreaming stage to the culmination of their journey and the growth prospects within the existing segments itself is tremendous.

For instance, our MarTech vertical has a total expected tab of over 4 billion dollars and we have well positioned to capture this growth without innovative solutions.

With our recent acquisition, we now offer an end-to-end digital marketing platform to help our customers drive higher returns and brand engagement.

While the industry has been recovering strongly, there are some structural shifts happening in the industry that are driving the need for innovation and creating a further need for radiance products.

On one end, we are witnessing the rise of the digital first guest with the increased use of devices and expectation of premium customer service and on the other end; we have an industry that is facing a severe labor shortage making it difficult for the industry to meet the need of the guest.

Both of these combined movements is pushing the travel and hospitality industry to rethink on its technology road map and identify gaps to deliver a premium experience. This will further propagate the industry towards moving towards technology innovation and companies like RateGain moving away from costly and hard to change systems to new SAS based solutions that are agile.

The lifeline of the strategy and new technology road map would be the availability of actionable insights with the use of artificial intelligence integrated seemly across each touchpoint and help the industry acquire, retain and expand wallet share to maximize their revenue. To this end, we launch three (3) industry-leading products powered by AI at the end of the year.

Rev AI, Demand AI and content AI that were completely produced in house at what we call RG Labs. This has been the heart and soul of what we've been working on and you will witness an acceleration on new product development at RateGain. This is helping to elevate the positioning of the company as an innovative leader for the industry to capture the resurgence in travel demand and cater to the shifting needs of the industry.

Another important factor that is contributing to the success of your company is the M&A strategy that we follow here at RateGain. Our focus has been to acquire products that fit within our product road map of building an integrated technology revenue maximization platform and to deepen our market presence in key geographies and great closer to our customers.

With a focus approach RateGain has been able to unlock value and accelerate growth post acquisition. This was well displayed in our recent acquisition on my hotel shop where we were able to complete our MarTech offering and expand the reach of their product into new products with our global presence.

The opportunity that RateGain has in building this the future of the industry excites me and our entire team at RateGain. We continue to build and invest in a world class Global Management team with over 600 employees across the Americas, Europe, Middle East and Asia Pacific geographies.

We committed to our people and building an environment for them to thrive in. And for this we were also recently certified as a great place to work.

Along with this, we also won a record 15 awards for our products and people that continue to show and validate the value that we have added over the last one year to our customers.

This includes an award for our new demand AI product and being certified as a great place to work now, 3 years in a row, I take this opportunity to thank you all for playing a pivotal role in building this organization and being a pillars of support and strength and wish for the well being of the stakeholders of the company.

I will now request Mr. Tanmaya Das, CFO of the Company, to update on the financial performance of the company. Thereafter, Thomas would take us through the formal agenda of the meeting.

Chief Financial Officer

Thanks, Bhanu. Good afternoon everyone.

It has been a historical year for RateGain. Our strong fundamentals and steady improvement in key KPIs is a testament to our business model. RateGain's performance showcases how newest tech companies can drive growth as well as profitability in a tough macro environment.

The global environment is improving in favor of travel even though macroeconomic uncertainties continues to persist due to multiple factors. However, high demand shows the industry has grown resilient.

Your company achieved the consolidated revenue from operations of ₹366.6 crore as compared to 250.8 crore last year, registering a growth of 46% year over year. Adjusted EBITDA improved from 9.4% to 10.3%, which has was a growth of 59% in absolute value.

After 2 years of negative, PAT reported we returned to positive PAT this year, registering 8.4 crore PAT in FY22. The adjusted PAT after adding back amortization of acquisition costs stood at 31.8 Crore which is 8.7% of revenue for FY22 registering a multifold, both.

Our revenue model remains highly predictable, scalable, recurring and resilient. The gross revenue retention is 90%, while the net revenue retention stands at impressive 114%, indicating lower churn and expansion of our existing relationships.

The recurring revenues across all our businesses range from 97 to 99%. 75% of our revenue came from subscription revenue. Leisure travel dominated the revenue by type of travel, standing at 95%. US remained our largest market with 62% revenue contribution followed by Europe at 24%.

Your company had raised 375 crore capital through initial public offering and I'm happy to state that we have been utilizing the proceeds for these or it's earmarked purposes. 85 crore was used to repay debt value availed by our UK unit from Silicon Valley Bank as well as the deferred consideration to dhisco acquisition amounting to 25 crore was also paid. With this we have become a debt free company with a strong balance sheet which is well positioned for stable growth.

We see immense growth potential in the industry, especially with the travel recovering strongly. Increased penetration of online travel, the growing relevance of social media, and change in travel behavior. Our all trends that will continue to save the industry over the next 2 to 3 years.

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

Now I would request Thomas to proceed with the agenda. Thank you.

Company Secretary

Thanks Tanmaya.

The notice of the 10th Annual General Meeting along with the audited Standalone and Consolidated Financial Statements of the Company and the reports of Board of Directors and Auditors thereon including the Annexures thereof, for the financial year ended 31st March, 2022, have already been sent by Electronic mode to those members whose email id's are registered with the Company or the Depositories. These documents have also been made available on the Investor section of the Company's website. In view of the above the notice and the reports of board of directors is being taken as read.

Walker Chandiok & Co. LLP, Statutory Auditors, have submitted their report for the financial statements for the year ended 31st March 2022, the Auditors report does not contain any qualifications or modification in opinion or adverse remarks. Hence, the Auditors report is being taken as read.

Now we move on to the agenda items. There are two (2) agendas proposed to be conducted in the AGM. These resolutions are proposed to be passed as ordinary resolutions.

Item number 1 is for - the adoption of the audited standalone and consolidated financial statements of the company for the financial area ended 31st March 22, together with the report of Board of Directors and auditors thereon.

Item number 2 is - the appointment of a director in place of Ms. Megha Chopra, who retires by rotation and being eligible offers herself for reappointment.

All the eligible members of the company present at the AGM who could not exercise their right to vote during the remote e-voting period, which concluded yesterday at 5:00 PM, can exercise their right to vote now through the e-voting platform of the NSDL.

The e-voting window is open now and the same would close at 1:00 PM. Members are requested to follow the instructions mentioned in the notice of AGM and in case of any difficulties, members may connect on the helpline numbers mentioned there in.

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

The first question that we have received is - What are the inorganic initiative that we have planned for the financial year 23?

Chairman

So as you are aware, we actually run a programmatic M&A program here at RateGain, where there is a dedicated team that evaluates all opportunities so as we speak you know there are a number of opportunities that we are evaluating and as you have witnessed in the past, the company is

extremely judicious in terms of you know, fiscal discipline that we have and we wanna make sure that you know, the valuations are right as we sort of go through these opportunities, the key considerations that we look at from an M&A perspective are you know, is this helping us expedite our product road map in terms of our overall vision of what we talk about an integrated Rev Max platform that allows our customers to acquire guests, retain them and have a wallet share expansion.

The second consideration is does this deepen our presence in key markets. We continue to remain very, very focused in US and European markets, so we do look at opportunities that get us a deeper and deeper presence in those markets and opportunistically we would look at competition. If those opportunities do arise, I'm happy to report there are some active conversations that we are having as we speak and I'm you know confident that we will have some information to share with you as in when these opportunities consummate. Like, but like I said, you know valuation is a key metric, but if you look at sort of the overall tech meltdown that's happened, especially in, you know, in the US with the NASDAQ. It is creating some very, very good opportunities for us and we are spending a great deal of time on evaluating and figuring out which one of these make the most modest sense for us.

Company Secretary

Thank you, Bhanu.

With this, we move on to the next question that we have received. The second question is - What are the global travel trends and impact of current macroeconomic environment on the future demand?

Chairman

Yeah. So as I mentioned in my opening remarks, you know, we've seen travel come back with a vengeance. All of us are traveling now both for leisure and business. and what we are noticing is that, you know, there has been very, very robust recovery over the summer and we continue to see very, very strong travel demand and if you also look at the premier research firm in this area which is focused right they have also predicted that the travel growth overall should be, you know, 26% from here on for the next 3 to 4 years.

So, you know, we are seeing similar kind of numbers. There is actually a report that we published which is quoted by most of the media, which is called the Pulse report, which leads down, how do we see in demand in sort of key cities and if I look at the demand is now exceeding pre covid levels in sort of 50% of the overall leisure markets, which account for 80% of overall tourism.

Company Secretary

Thanks, Bhanu.

The next question that we've received is on the target customers. It asks - who are the target customers of the company? Is it the hotel or the travelers? And in case it is the hotels, what segment of hotels are you targeting?

Chairman

Yeah, so we actually go after pretty much everyone, who is a travel provider in the travel ecosystem, whether it's a hotel, airline, car rental company or a travel agent, which is usually these days the online travel agent or tour operators with the largest amount of focus being on the hotels.

So our goal is to provide technology that enables, you know, our customer that is the hotel or the car rental company to acquire the traveler to retain them and engage them and do also have a wallet share expansion with them.

Within the hotel industry, our focus, just to give you a sense, there is about a million hotels that we can go after. But RateGain's focus is largely on enterprise and midmarket hotels which are part of a group, so largely we go after hotels that are part of these big international chains like Marriott, Hyatt, Intercontinental and also the mid-market chains that are from each of these regional areas also.

Company Secretary

Thank you, Bhanu.

We move to the next question. The next question is - what is the growth outlook for the company and how will we achieve it?

Chairman

So the what we have said before and been saying through throughout the IPO roadshow, so our expectation on growth is north of 30% and as you saw you know in the quarterly report quarterly results that have we have published so far since the IPO we've exceeded that by a great margin. We have delivered over 40% growth in each of our quarters. In fact, the last quarter was closer to 60% and given the robust recovery that we see you know, we will continue to see similar kinds of growth. If you look at our business, it's actually divided into three (3) divisions, MarTech, distribution and DAS. We are extremely bullish on our MarTech division, which will continue to grow very, very aggressively.

We are seeing some very, very good wins in the last one year on our distribution side of the business, we are introducing new products both in our distribution and in our DAS lines of business. So on a consolidated basis, we feel very, very confident of delivering north of 30% and anything that we do from an inorganic basis, you know should be a bonus.

Company Secretary

Thank you, Bhanu.

We've received another question which is similar. That is on the outlook on the expansion of the company.

Chairman:

Sorry Thomas, I missed that.

Company Secretary

The question is what is the outlook on margin expansion of the Company?

Chairman:

Tanmaya, do you want to take that?

Chief Financial Officer

Ok, thanks.

So in FY22 last year we registered 10% EBITDA. We operate a very high gross margin level around 75% and as Bhanu stated we are going for 30% organic growth. So most of our growth will flow down to EBITDA and it will give the merge economy of scale and will result in margin improvement.

What we are expecting is that, this year, it will be at 200 to 300 basis point improvement in margins and each year will deliver similar margin expansion during our IPO roadshow we have shown its path to reach 20% plus EBITDA margins in next 3 years and that's the path we are in and we don't see anything to change there.

Company Secretary

Thanks, Tanmaya.

We move on to the next question that is - What would be the impact of ESOP cost for the FY2023?

Chief Financial Officer

So majority about ESOPs got wasted before the IPO, so we had all the costs were booked in in FY22. However, we also have issued a new stock appreciation rights plan to the employees covering almost 20% people in the organization, so that but however we have issued those stock appreciation rights at market value. So, but however there will be some accounting adjustments to that even though we have issued them at a market value, but we expect very minimal cost. I should we should be expecting around a 60% reduction in ESOP cost over a FY22 and FY23.

Company Secretary

Thank you Tanmaya.

As there are lot of questions to being received, we would respond to the unanswered questions raised by the Members within a reasonable time from the conclusion of the meeting. I would now request our Chairman to share his closing address.

Chairman

RateGain has all the building blocks for glorious times and years ahead in terms of marquee customers, key partners, innovation mindset, Global Management team and a strong balance sheet. So I'm very confident about the future.

I hereby conclude AGM of the Company and thank you all for all your participation.