



TANLA + KARIX

ASPIRATION WITH A PURPOSE

Acquisition of Karix Mobile from GSO Capital Partners (a Blackstone company)

Forward Looking Statements

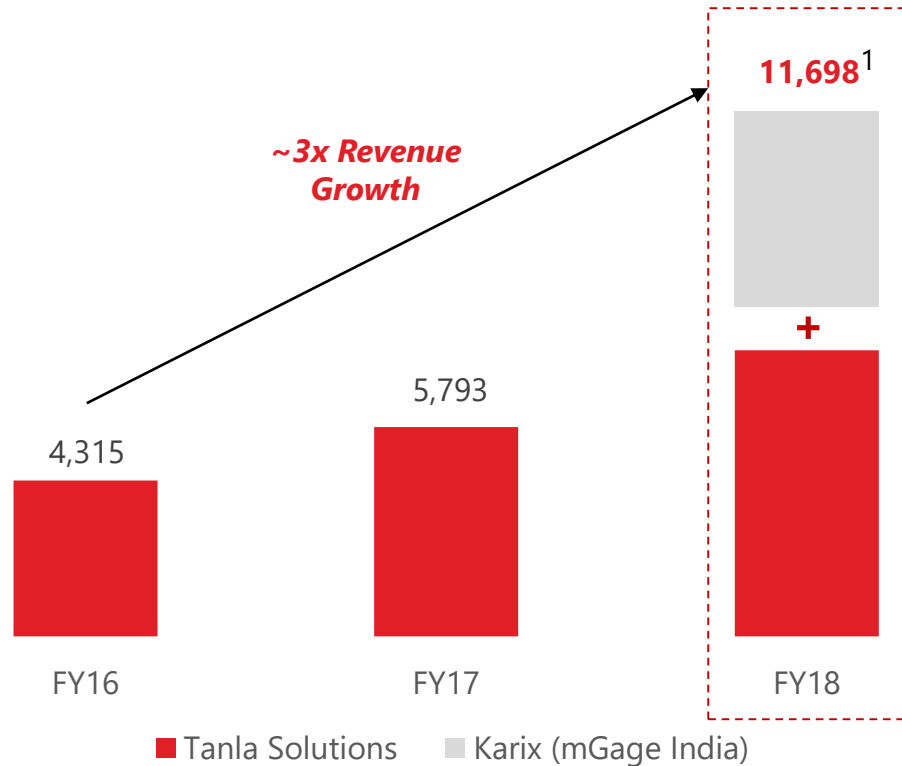
This presentation contains 'forward-looking statements' that are based on our current expectations, assumptions, estimates and projections about Tanla Solutions Limited (the "Company"), our industry, economic conditions in the markets in which we operate, and certain other matters. Those statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources. These statements are subject to known and unknown risks, uncertainties and other factors and they depend on future events and circumstances. Such statements do not guarantee future results or development and the actual results or outcomes may differ materially from those implied by the forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in the services provided by the Company, including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, regulatory changes, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which the Company has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. In light of these and other uncertainties, you should not conclude that the results or outcomes referred to in any of the forward-looking statements will be achieved. All forward-looking statements are based on information available to us on the date hereof, and we do not undertake to update these forward-looking statements to reflect future events or circumstances unless required to do so by law.



Context of the Acquisition

Tanla Solutions to acquire Karix Mobile from GSO Capital Partners (a Blackstone company) for INR 340 Cr

Accelerated Growth through the Inorganic Route



Value in INR Mn



Accelerated leadership in Business Cloud Communications



Significant Enterprise reach and connect



Convergence of enterprise selling expertise and strong telecom partnerships



Maximize profitability



Key Transaction Terms

1

Rationale



- Become a Global Leader in Enterprise cloud communications²
- Deep integration into Enterprise value chain
- Significant upsell & cross-sell opportunities and synergies

2

Structure & Consideration



- Combination of cash and stock of Tanla, with an aggregate purchase consideration of INR 340 Crore³
- On a fully diluted basis, GSO will own approximately 14.6% in Tanla, Promoters 30.6%, Employees 5.6% and Public shareholding 49.2% on completion of the acquisition.
- GSO will have an observer seat on Tanla's board
- The Promoters have to subscribe to 7.9 Mn number of shares to retain their pre-acquisition shareholding of 30.6%. The agreed price for subscription to shares is Rs. 40, subject to SEBI (ICDR) regulations and approval of shareholders

3

Financing



- GSO will receive a cash payment of Rs 112 Crore. This will be funded from Tanla's internal accruals. GSO will be issued a further Rs. 125 Crore worth of Tanla stock at a price of Rs. 56.79 per Equity share.
- Tanla will take over a Debt of Rs 103 Crore.

4

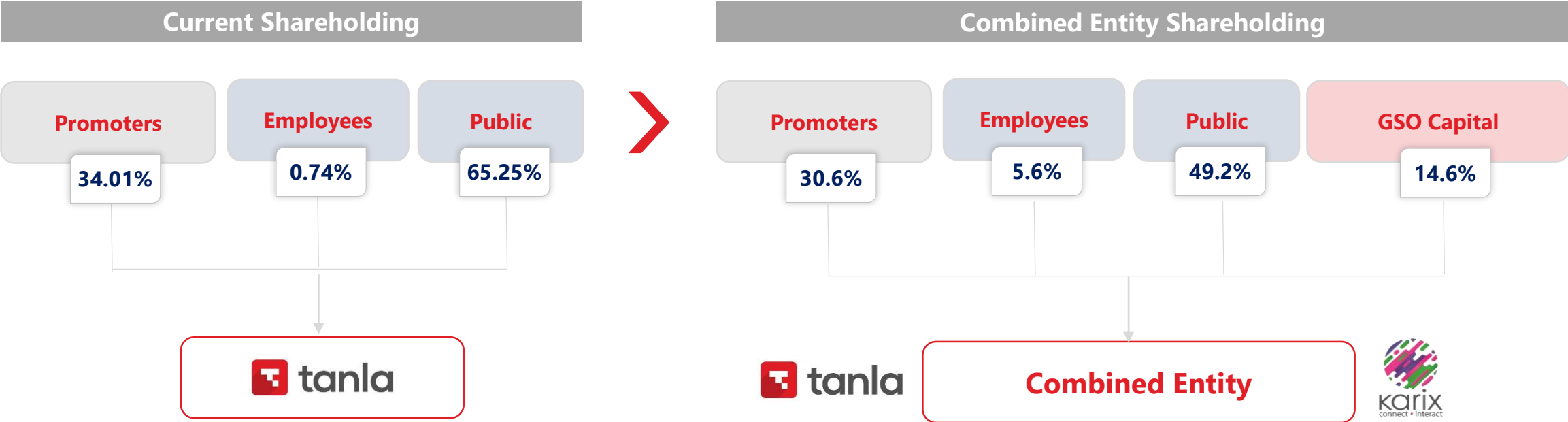
Conditions & Timelines



- This acquisition is expected to close by October 2018 and is subject to approval from Tanla's Shareholders and regulators, if any.



Tanla and Karix post Acquisition



GSO will own 14.6% of the Combined Entity

The figures are subject to changes as per ICDR regulations

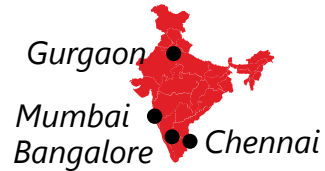


Karix Overview

Karix is a leading cloud communications and customer engagement solutions provider with high market share across industry verticals

Founded in Year 2000, headquartered in Mumbai

250
Employees



99.995%

Platform Availability

33%

Enterprise Messaging Share

Backed by the best of the IT setup, highly scalable cloud infrastructure, industry standard processes and world class security (ISO 9001:20115, ISO 27001)

100% owned by GSO Partners (a Blackstone company)

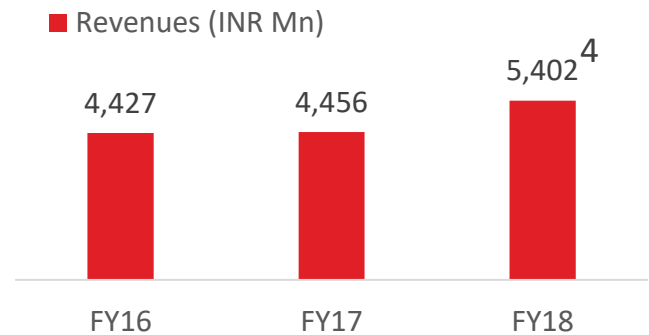
1,500+

Enterprise clients from the leading industries in the country

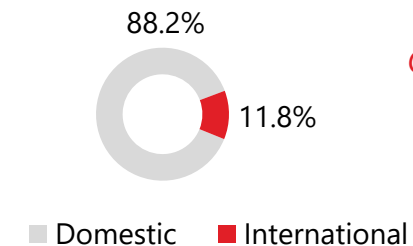


Leading Banking, Insurance & Financial service companies, Retail & FMCG, Social media networks, ecommerce, major brands and media & Government agencies

Revenue Growth



Revenue Segmentation



Growing revenue from marquee Fortune 500 customers



Stronger Together: Strategic Rationale

Creating a global leadership position in Enterprise Cloud Communications for sustained growth







- Expand reach to **1,500+ enterprise customers** across industry segments
- Harvest Karix's **enterprise selling expertise** of consistent growth, built over years to meet new age demand
- **Leverage scale of strong Tanla-Telco partnerships** to reach a potential of 1.5 Mn enterprise customer base
- **Synergize to upsell & cross sell offerings** to enterprises & Telco's across India and globally
- **Build Rationalized yet comprehensive solutions** portfolio that can quickly generate revenues and reduce go to market timelines
- **Accelerates Technology capabilities** around next-generation Business Cloud Communications

Increased customer stickiness and mining of existing customers with enterprise focused offerings



Accelerated Growth: Financial Rationale

Creating solid financial momentum to drive sustained future growth

FY 17-18	 tanla	 <small>connect • interact</small>	 tanla	 <small>connect • interact</small>
Revenue	7,916.1	5,402.0	11,698⁵	
EBITDA	651.9	393.0⁶	1,045	

All figures in INR Mn; FY2018 refers to financial year from Apr - Mar

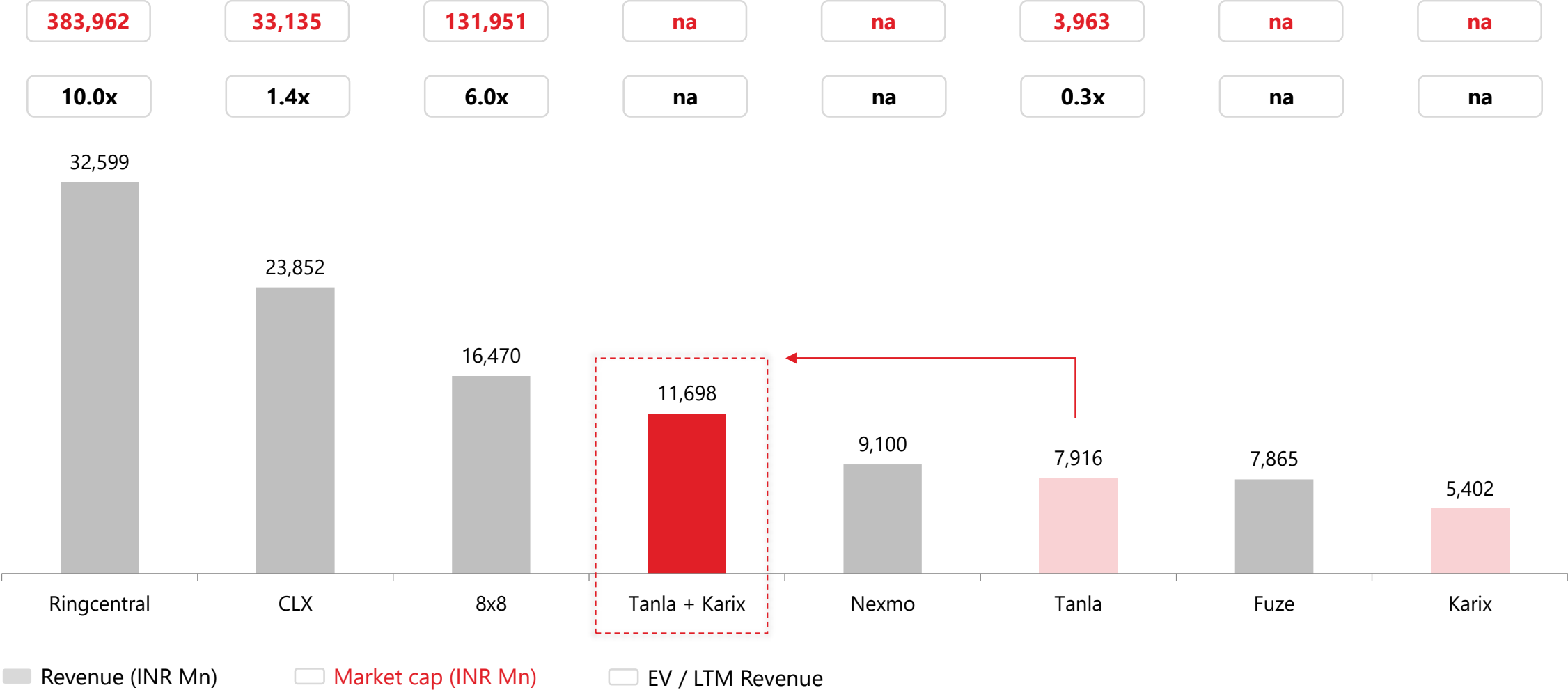
The acquisition would also drive strong operational and cost synergies for the combined entity

⁵ Based on audited financials for the FY2018 after eliminating inter-company transactions of INR 162 Cr

⁶ FY 2018 adjusted EBITDA of Karix



Stronger Position in a Competitive Landscape



All figures in INR Mn; Source: CapitalIQ and market reports as on 4 Jul 2018
 LTM refers to Last Twelve Months



Benefits to All Stakeholders

Customers

- Accelerate velocity of innovation in business communications to enable rapid service deployment with high availability & scaling
- Quick entry, low cost, high value business communications platform-as-a-service by riding on existing in-network Telco deployments
- Rationalized yet comprehensive solutions portfolio

Partners

- Leverage large enterprise customer base & strong feet on street to quickly generate revenues & reduce go-to-market timelines
- Combined business creates solid financial foundation to drive business growth
- Monetize network assets with innovative business communication applications to increase B2B revenue market share

Shareholders

- Stronger financial performance of improved margins and robust cash flows providing higher returns to shareholders

Employees

- Significantly greater career opportunities and participation in industry transformation



Summary

- 1 Tanla becomes the **leading Business Cloud Communications provider in India**, further accelerating its position as a Global market leader in the industry
- 2 Enables us to **directly serve 1,500+ enterprise customers** across large, mid-market and small industry segments
- 3 Brings convergence of **expertise across carrier and enterprise partnerships** to potentially service a customer base of 1.5 million
- 4 Creating **solid financial momentum, combined revenues of INR 11,698 Mn** in FY18





Geese get it!



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