

Tanla acquires ValueFirst from Twilio, further strengthens its undisputed market leadership in India

HYDERABAD, India — June 8, 2023 — Tanla Platforms Limited (NSE:TANLA, BSE:532790), India's leading CPaaS player announced two transformative acquisitions today.

1. Signed a definitive share purchase agreement to acquire 100% of ValueFirst Digital Media Private ("ValueFirst") Limited from US-headquartered Twilio, the customer engagement platform that drives real-time, personalized experiences for today's leading brands, for an all-cash consideration of \$42 million (₹346 crores), subject to upward closing adjustments in the range of \$2.5 million – \$3.5 million). The acquisition is expected to close in July 2023, subject to closing conditions.
2. Separate from the transaction with Twilio, signed a binding term sheet to acquire 100% of ValueFirst Middle East FZC for a cumulative consideration of ₹20 crores through a combination of primary investment and a secondary purchase from the existing shareholders, subject to closing conditions. ValueFirst Middle East FZC has presence in UAE, Saudi Arabia and Indonesia markets and gives Tanla a strong global footprint. This acquisition is expected to close by September 2023.

At an aggregate level across these two distinct acquisitions, Tanla is acquiring entities with ~₹950 crores revenue and ₹52 crores recurring EBITDA. Vishwadeep Bajaj, the founder of ValueFirst will lead both the acquisitions. ValueFirst Digital Media Private Limited will issue RSUs for key talent worth ₹50 crore (basis the SPA transaction value) vesting over 2 years, to drive performance and retention.

ValueFirst is one of the pioneers in the CPaaS space in India and has been a leading player for more than 20 years. It offers enterprises the ability to connect with their customers globally across multiple communication channels, serving 1000+ enterprises. With a strong belief in customer centricity, 80%+ of ValueFirst's topline is contributed by customers with a greater than three years of relationship.

The acquisition of ValueFirst will further strengthen Tanla as an undisputed market leader in the Indian CPaaS space with 35%+ share. In SMS, Tanla will further strengthen its revenue market share to ~45%. In addition, this acquisition will help scale other key channels like WhatsApp with a sizable ~15% share.

ValueFirst has a strategic fit with Tanla. The customer footprint is significantly complementary i.e., ~40% of ValueFirst revenue comes from customers that are net new to Tanla. Tanla has ~50% share in large enterprise segment which will now be strengthened by another 20% share in the mid-market enterprise segment.

Our acquisition of ValueFirst Middle East FZC will provide a complementary geography footprint giving Tanla strong momentum in Saudi and Indonesia and a critical mass of 10% market share in UAE. These are large markets with a total addressable market of ~INR 20,000 crore. Leading ValueFirst solutions will be leveraged to drive at-scale impact in these geographies. For instance, Value First's Surbo (an NLP driven chatbot platform for messaging channels) can also be leveraged through focused cross sell interventions in select amenable sectors such as e-commerce, BFSI and Telecom. Surbo has 150+ active customers at a scale of 100Mn+ conversations per month.

Uday Reddy, Founder Chairman & CEO, Tanla Platforms Limited said, "Acquisition of ValueFirst will further strengthen our undisputed market leadership in India. We only believe in purposeful acquisitions and have had an incredible track record with Karix acquisition, which has seen 20x EBITDA growth over the last 5 years. I am confident we will embark on a similar journey with ValueFirst to unlock massive value."

Khozema Shipchandler, President, Twilio Communications said: "Tanla is a leading CPaaS provider in the Indian market as well as a longtime customer and partner of ours, making them a natural fit and ideal home for ValueFirst's customers and employees. Twilio remains committed to India as well as our strategic partnerships and large employee base in the region."

Vishwadeep Bajaj, CEO & Founder of ValueFirst said, "I am very excited to join Tanla, the largest CPaaS player in India and I am confident that we will benefit from significant synergies and scale to address the needs of our enterprises better. I would like to thank Twilio for their support to growing our business over the past couple of years."

Tanla and ValueFirst are confident that this acquisition will lead to mutually beneficial synergies, facilitating the creation of a more comprehensive CPaaS platform. Tanla believes there is a significant value unlock through multiple revenue synergy levers such as acceleration in international markets like KSA, UAE and Indonesia and cross-sell of complementary products driving revenue synergies. In addition to the revenue synergies, sourcing benefits will improve the cost structure for ValueFirst.

Through this strategic move, Tanla reaffirms its commitment to deliver innovative communication services to empower customers and enable companies.

For further details visit <https://bit.ly/23tvf>

Invitation to the conference call:

Tanla will host a conference call and live webcast to discuss the acquisition on June 9, 2023, at 4.30 PM IST.

Conference call details:

Interested parties may listen to the call by dialing +91 22 6280 1141 / +91 22 7115 8042, or if outside India, by dialing the toll-free number - the United Kingdom 08081011573, United States 18667462133, Hong Kong 800964448, and Singapore 8001012045. You can also hear the audio cast at <https://bit.ly/tvfincall>

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About Tanla

Tanla transforms the way the world collaborates and communicates through innovative CPaaS solutions. Founded in 1999, it was the first company to develop and deploy A2P SMSC in India. Today, as one of the world's largest CPaaS players, it processes more than 800 billion interactions annually and about 63% of India's A2P SMS traffic is processed through Trubloq, making it the world's largest Blockchain use case. Wisely, our patented enterprise grade platform offers private, secure, and trusted experiences for enterprises and mobile carriers. Tanla Platforms Limited is headquartered in Hyderabad. Tanla is listed on two national exchanges, the NSE and BSE, (NSE: TANLA; BSE:532790) and included in prestigious indices such as the Nifty 500 and BSE 500, Nifty Digital Index, FTSE Russell and MSCI.

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