TRACXN TECHNOLOGIES LIMITED

February 05, 2024

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001
Company Code: 543638

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400051
Company Code: TRACXN

Sub: Transcript of the Investor/Analyst Earnings Call held on Wednesday, January 31, 2024

Dear Sir/Madam,

This is in continuation to our letter dated January 31, 2024, wherein we had informed regarding the video link of the earnings call with analysts/investors for the quarter and nine months ended December 31, 2023 (Q3 Results).

In this regard, please find enclosed herewith the transcript of the said call.

The transcript is also available on the Company's website i.e. https://cdn.tracxn.com/investor-relations/financials/FY24_Q3_-_Earnings_Call_Transcript_aZz_XNUsRn2amI-TGGyzv.pdf

Kindly take the above said information on record.

Thanking you.

Yours faithfully,
For Tracxn Technologies Limited

MEGHA TIBREWAL
Digitally signed by MEGHA TIBREWAL
Date: 2024.02.05 18:49:01 +05'30'

Megha Tibrewal
Company Secretary and Compliance Officer
Membership No. A39158

Encl.: A/a

Place: Bengaluru
Date: February 05, 2024

Tracxn Technologies Limited

Q3 FY24-Earnings Conference Call

Jan 31st, 2024

Management:
Ms. Neha Singh, Chairperson and Managing Director
Mr. Abhishek Goyal, Vice Chairman and Executive Director
Mr. Prashant Chandra, Chief Financial Officer

Host and Moderator:
Mr. Sidharth Agrawal, Systematix Shares and Stocks (India) Ltd
Mr Sameer Pardikar, Systematix Shares and Stocks (India) Ltd

Moderator: Yeah. Good evening, ladies and gentlemen. Thanks for joining us today on the 3rd Quarter FY24 Earnings Call of Tracxn Technologies Limited. On behalf of Systematix, I would like to thank the management of Tracxn for giving us the opportunity to host this earnings call. Today on the call, we have with us Ms. Neha Singh - Co-Founder, Chairperson and Managing Director, Mr. Abhishek Goyal - Co-Founder, Vice Chairman and Executive Director and Mr. Prashant Chandra - CFO. I would now like to hand over the call to Neha to give her opening remarks and take us through the PPT. And after that we will open it up for Q&A session. Please use the Raise Hand option to ask the question or you can also submit your questions in the Q&A box at the bottom of your screen. Thanks, and with that over to you, Neha.

Neha Singh: Thanks a lot Sidharth. So, welcome everyone. Thanks so much for joining us today for our earning call for the 3rd Quarter and the 9 months of the financial year FY24. We are very excited to present our results for this quarter. In terms of format, we would like to run through a short presentation and share some key insights for the period. I will also give some commentary along which will be helpful in the overall understanding. And we can.. We'll follow that up with the Q&A session. Please.. You know.. request you to please take note of the standard disclaimers for this presentation.

Quick recap on our business. So, Tracxn is a data and software platform for the private markets globally. If you look at the public market, it has created multiple large companies, many of which are highly cash rich, profitable companies. As private markets are becoming large and important, it will also create platforms like these, and we are building a global platform in this space. Our customers include venture capital funds, private equity funds, investment banks, as well as M&A and innovation teams of large corporates, including multiple Fortune 500 corporations. Also, it's a global platform. So, 66% of our revenue is international and we have customers in over 50 countries.

I would like to begin by summarizing the financial performance for Q3 and 9 months of FY24. To set the context, we have one business, one legal entity. So, you will not see terms like 'standalone' or 'consolidated'. All the numbers that we talk about is for the business overall.

Revenue from operations for Q3 FY24 was 21.1 crore, which is an annualized run rate of about 84.6 crores. Total income was 22.2 crores, which is an annualized run rate of nearly 89 crores. Coming to profitability, EBITDA for the quarter was positive 1.9 crores. Also, to add, this EBITDA includes all the non-cash expense like ESOP charge. PAT for the same period was positive 2.2 crores. Moving to margins, the EBITDA margin was 8.8% and the PAT margin was 10.5%.

I will also quickly summarize the YTD numbers or the financials for the first 9 months of the current financial year. Revenue from operations was 62.5 crores, which is an 8%

increase on a year-on-year basis. Total income was 65.5 crores, which is a 9% increase on a year-on-year basis. In terms of profitability, EBITDA was 3.9 crores for the first 9 months. PAT was 5.1 crores for the first 9 months. In terms of margin, EBITDA margin was 6.3% and PAT margin was 8.1%. The business continued to generate positive free cash flow. The free cash flow for the first 9 months of FY24 was 6.7 crores. Cash & cash equivalence stood at nearly 70 crores, which is an increase of 27% on a year-on-year basis, or an increase of 14.9 crores in absolute terms on a year-on-year basis.

In the subsequent slides, I will be covering each of the metrices we talked about in the summary in more detail, starting with revenue. Revenue from operations is essentially revenue from platform subscriptions. So, 100% of our revenue is subscription based; there is no services or one-time implementation component. So, it's a fairly high-quality revenue. Also please note that this is accrued revenue. So, though we do prepaid billing and collections like most other financial data platforms you may have used, we only recognize revenue for the time duration falling within the reporting period for which the services was made available. So as discussed earlier, revenue from operations for the first 9 months for FY24 was 62.5 crores, which is a growth of 8% on a year-on-year basis. The total income for the first 9 months of the current financial year was 65.5 crores, which is a growth of 9% on a year-on-year basis. We've also added the historical data for the last 3 financial years for your reference here.

EBITDA for the first 9 months of FY24 was 3.9 crores. Please note, that this includes all the non-cash expense, primarily ESOP expense. If we exclude these non-cash expense, the adjusted EBITDA will be 7.1 crores. PAT for the first 9 months of the current financial year was 5.1 crores. Again, if we exclude the non-cash expense which is primarily ESOP expense and also deferred tax, the adjusted PAT will be nearly 10 crores or 9.8 crores to be exact. Just a point to note here. In terms of the PAT calculations, you will see a component.. a tax component, which is the tax amount set off with the deferred tax asset. So, this is a non-cash component as we don't have to pay taxes, as we have accumulated losses, but this non-cash expense is included in the PAT calculations from this year onwards. This PAT of for Q3 FY24 of about 2.2 crores is the highest quarterly PAT that we have seen till date.

Coming to margins, the EBITDA margin for the 9 months FY24 was 6.3%, which is an expansion of.. 3% on a year-on-year basis. PAT margin for the same period was 8.1%. PAT margin for Q3 of the current financial year was 10.5%, which is the highest quarterly PAT margin that we have seen till date.

Moving on, one of the other metrices that we track closely for the business is, what part of the incremental revenue goes into bottomline. So, we saw this metric increase this quarter with the revenue growth increasing and the expense stabilizing. In the previous years, if you see, it has been much higher. So, in FY21 and FY22, it was close to 80%. In FY23, which is when we increased the average team size by about 23% and this metric had reduced to 31%. And earlier in this financial year, there were some questions around when do we.. what do we expect this number to be going forward? So we had mentioned that we expect this number to be you know over 50% soon within this financial year. And if you see last quarter itself, which is Q2, it had come close to that metric of 50%. And in this quarter of Q3, it has increased even further, which should be exciting to see. So, for the cumulative first 9 months of the current financial year, the percentage of incremental revenue going into bottomline is 43%. This is obviously much higher than what we saw in the last financial year, and very good to see the increase and you know going back this number going back to the norm.

Coming to expenses, our total expense for the 9 months FY24 was 58.7 crores, which is a 5% increase over the same period last financial year. If you see this expense growth rate is lower than the CAGR that we have seen across the last two years, which is what we had indicated in the last quarter also. On the right-hand side of this slide, we have also given the expense breakup across the key components. The key components are the same as what you had seen previously. Just to summarize, the first component includes bulk of our expenses, team cost. So for the first 9 months of FY24, this was 88% of the total expense. It has been in the same range across the last two financial years as well. So, if you look at FY22 and FY23, this contributed to 89% and 88% respectively of the total expense. Also note that all our team is in-house, so there's no outsource or contract workforce. The second largest item is cloud hosting, which accounted for 3.2% of the total expense, as we do a lot of data processing and analytics. This is followed by rental expense. The other interesting aspect to note is that we do not have a large paid marketing expense line item, because we do not have a large paid marketing spend, either digital marketing or offline based, typically required for customer acquisition. The reason for this is that, because we are a data company, we produce a lot of content, and hence are able to use that to get a lot of organic traffic. So, we are able to acquire leads fairly efficiently, which is reflected in our expense breakup also.

Moving to doing a deep dive into the expense growth rates, if you see the year-on-year expense increase for the last two financial year, it had increased from 7% in FY22 to 16% in FY23, which is the last financial year. So, this was primarily on account of increase of headcount. We had indicated earlier that this should get eased. Right. So, in line with that, in Q1 and Q2 of FY24, the year-on-year expense growth rate had come down to 9% and 7% respectively. For Q3 FY24, it has remained flat on a year-on-year basis. So, if you look at the cumulative first 9 months of FY24, it has come down to a 5% year-on-year growth rate as compared to 16% seen in the first 9 months of the previous financial year, which is FY23. So, this again is very much in line with what we had indicated earlier.

In this slide, we have given details of the main drivers for that. So, employee cost, which contributes to nearly 90% of the overall expense. We have given the average headcount across the last year and the last five quarters. So, if you see the average headcount had increased from 684 in FY22, to touching the peak of around 900 in the last quarter of FY23. This increase in headcount was due to various growth initiatives undertaken last year. In Q2 it has come back to.. In Q2 it had come back to 783, and in Q3, it came down to 742. This headcount number got optimized to do various automation and efficiency initiatives.

Moving to the revenue side, I wanted to talk a little bit on the market. So, in line with what we had indicated in the last two quarters, if you look at 2023 calendar year overall, it was a very muted year for private markets. So, I'm sure you would have also read a lot of commentary, which has come about that in press, but just to put it into perspective, if you look at the deal activity among the private market investors, so if you see the global tech funding, it was at a near six-year low. Global funding in 2023 was down nearly 44% in 2022. Similar was the trend in India, where it was down nearly 70% in 2023 over the previous year. This is more stuck in the late stage. So, one proxy for the late-stage activity is the number of new unicorn startups that got created, or the new private companies that got valued at over a billion dollars. The current run rate, if you look at it, of the unicorns which got created globally, which is a proxy of the investment activity in the late stage. So, this was the lowest it has been in the last seven years. Right. In India, you know you only saw two new unicorns got created in 2023, down from a peak of nearly 44 in 2021.

Even if you look at M&A activity, it has been fairly muted. So, if you look at the M&A deal value in 2023, it was the lowest in the last decade. Even if you look at IB fee, the Investment Banking M&A Advisory Fee, it was one of the lowest it has been in the last 10 years.

On the question of when it is expected to improve and bounce back? So, last time we had mentioned that typically there’s a.. we see a lag of about 2 to 3 quarters between the private tech and the public tech. With the public markets starting to see a good run this year, it is likely to also see a bounce back in the private tech. Right, so, we’re already seeing some recovery happening in the private markets.

If you look at the quarterly funding trend in the private markets, you see early signs that recovery has started happening. So, if you look at the year-on-year growth rate, the decline which had been happening for the last few quarters, that has started to reverse. So, this is the same trend that you see in the global funding stats, as well as, you know closer here in India. This is also something that we are seeing anecdotally around, which is that the deal activity seems to have picked up. So, Q3 was slower than earlier anticipated, but directionally, you know it is still improving. So, on the whole good news is that, looks like private market deal activity seems to be bouncing back.

Coming to some of the business metrics that we are seeing, we continue to see greenshoots. So last quarter, for instance, we had mentioned that if you look at the deferred revenue, we had seen the downward trend reverse and slight acceleration in Q2 of the current financial year. So, we continue to see the deferred revenue growth close to nearly 20% growth rate, which is fairly healthy. The deferred revenue for Q3 FY24 grew to 33 crores, which is a 19% year-on-year increase. So, this is also an increase on a sequential Q on Q basis.

In terms of some of the other metrics, platform engagement metric continued to look very healthy, and following the historical upward trend. If you look at the platform usage, which here is in terms of the number of exports and Myanalyst data queries that we have.. That you know the customers have sent, so if you look at that metric, that metric has nearly doubled across the last two years. Engagement has increased both on the overall level, as well as on a per user level. So, this is a very healthy trend. As you can see, we typically observe a small dip in the platform engagement during 3rd quarter because of the holiday season, but the overall engagement continues to follow the upward trend.

Apart from this, we at our end, have been investing heavily across various growth initiatives. So, these span across the go-to-market, funnel of marketing, sales, and account expansion. We believe as the markets open up further, we should see more acceleration in the new customer acquisition, as well as customer expansion.

I will also take a couple of minutes to.. to recap some of the growth initiatives we have been aggressively working on, and we are very excited to present the results that we are seeing from them. So, one of the very interesting growth initiatives that we talked about previously, is scaling our organic traffic. Right, so, because we are a data company, we are able to use a lot of data that we own to launch a large set of public pages, right, which generate a lot of customer traffic. For instance, someone is searching for fintech companies in Sweden or SaaS companies in California, they come across our pages, and we are able to generate leads through that. So, if you look at our organic search traffic, we got across all our pages, traffic of about 12.2 million in the first 9 months of the current financial year. So, three things regarding that. One is that, this is a very large traffic funnel that we've been able to build. Second, it has also grown rapidly, as you see across the last few quarters. For instance, it has grown to about seven times in the last 3 years. Third, we continue to work on this aggressively and expect it to increase even further.

Another interesting growth initiative is press mentions. As we’ve mentioned previously, whenever media talks about data on private markets or startups or emerging technology sectors, we want them to quote data from Tracxn. Our recent initiatives like launching reports with media, data contributions, regular columns in some newspapers, etc., have resulted in a multi-fold increase in press mentions that we have received across various respected media outlets. Advantage of press mention is that, a lot of people discover our data for the first time through media, and then come to our website and generate a high intent lead. Also, we believe this goes a long way in building a brand as a data company and it also helps in our sales conversion and hence our revenue growth.

Another interesting growth initiative that we have mentioned about in the data side earlier, is that we are expanding coverage in financials and captable data sets for private companies on the platform. So, for context, we today have private company financials in over 20 countries and private company captables in over 15 countries. These data sets were particularly in demand by certain customer segments like private equity and investment bank among other segments. For for illustration, an investor wants to scan an upcoming space, like a single speciality hospital chain or a D2C or internet-first brand in a particular country. Then in addition to the set of interesting companies and market landscape, we would also want to find out and filter on the companies which have, say, a revenue of more than 50 crores. So since now we generate sufficient cash flow, we have invested in increasing the throughput of these data engines also. Right, so, we believe that this will help us accelerate the growth in future, particularly in customer segments of private equity and investment bank. Just by going by numbers, the number of financials on the platform increased by 4x in just one year of 2023. Or in other words, we added three times more number of financials on our platform in just the last year than what we have added across all these years since the launch of the module. Similarly, captables increased by 1.5x in just one year. We also launched a new legal entity database with about 10 million legal entities.

Another set of initiatives underway are for improving paid customer engagement, as well as account expansion, to enhance growth of revenue from existing customers. A separate team has been set up to increase the penetration of paid licenses within existing accounts, thereby moving from more reactive upgrades to getting upgrades done more proactively. We've also set up a separate team within our customer success for various engagement initiatives aimed at increasing the user level and account level engagement through initiatives like better platform education, periodic touch points, talking about hero features, personalization, and more.

Moving on to some of the other financial metrics. So, the company generated positive free cash flow of 6.7 crores for the first 9 months of FY24. If you see, this is a decrease over the 9 months of FY23 last year due to pending tax refunds, which we expect to be realized in the coming quarters. So, we expect this number should come back to a much higher number next quarter. The cash and cash equivalents stood at 70.3 crores, which is a very healthy increase of nearly 15 crores on a year-on-year basis, or a 27% increase on a year-on-year basis. So interestingly, despite these investments in various growth initiatives, the company generated positive free cash flow and increased cash and cash equivalents.

In the subsequent slides, we have covered some of the other KPIs for our business. On the first slide, we covered the number of customer accounts, number of user accounts. So, we closed December '23 at 1,224 accounts and 3,543 users, which is a growth of 3% and 4% respectively on a year-on-year basis.

In terms of the other KPIs, the contract price or the invoicing amount for the 9 months FY24 was 66.2 crores, which is 11% increase over the first 9 months of the last financial year. The last graph talks about the entities' profile, which is a proxy to the amount of data added onto the platform. So today, we track more than 2.5 million entities, including private companies, funds, etc. globally.

In terms of some of the other interesting characteristics of the business, so 66% of the revenue for the first 9 months of FY24 was from outside India. This has been in a similar range across the last three financial years as well. These customers span over 50 countries. The top 5 countries within this show a similar spread to where you have large corporates and large private market investors. The top 5 countries for us by number of customer accounts are India, US, Singapore, Germany, and UK.

Additionally, we also serve a diverse and rich customer base across the investment industry, including venture capital funds, private equity funds, investment banks, as well as corporates across M&A teams, innovation teams, and others like government agencies and universities. So, this gives us a large investable market to tap into.

So, this covers most of the key updates from the recent period. In the subsequent slides, we cover the business overview. I'll skip going over these slides, but please feel free to check it out offline. Subsequently, we have also given some slides with the detailed financial statements, which you may go through for more details offline.

Thanks. That's all the key points that I wanted to share. Passing it back to Siddharth for any Q&A that the group might have.

Moderator: Yeah. Yeah thank you Neha. And now we will start the Q&A question. Participants can raise their hands or write down their question in the Q&A box at the bottom of your screen. Once we call out your name, you can unmute yourself and ask your question. We will wait for a minute. And what I see is that, we have a question from Aditya, Aditya Iyer - So could you explain the divergence between QoQ revenue growth, which was flattish, and the QoQ growth in deferred revenue at approximately 5%? How does one read the deferred revenue as a lead indicator going forward?

Neha Singh: Sure. So let me take a stab at it, and maybe I'll also ask Prashant to add on this subsequently. So, so you know as we had mentioned, we do cash collection and invoicing upfront. So, a part of it is recognized you know in this particular period, which is what you see as accrued revenue. And the other part is there in the deferred revenue. All the part in the deferred revenue will eventually flow into the accrued revenue. And you know even if you look at the accrued revenue, which has been growing at nearly 20%, and the cash and cash equivalent has also increased to a healthy pace, so I think this is the revenue that you've collected, but you know it's yet to be.. to flow into the accrued revenue. And maybe Prashant can you know add to that.

Prashant Chandra: Right. Hi, I hope you are doing well. Yes. So, just to add to what Neha said, see for every bill that we raise, either it is recognized as revenue or it goes to the deferred revenue, depending on the underlying service period. So, if the bill covers you know .. a part of the bill covers the current period, and the card part of the bill covers the future period, so it is split between the two buckets accordingly. So, in a way, it is the revenue in waiting. So subsequently, I mean like as in when the T period is elapsed and we have rendered those services, that revenue will be recognized. I hope I was able to answer your question, Aditya.

Moderator: Yeah. Thank you. Next question is from Sriram Rajan. Shriram Rajan, you can unmute your line and ask the question, please. Sriram, are you there?

Sriram Rajan: Hey hi. Yeah. I suppose I'm audible. Thanks, Neha. I think, I would like to express my appreciation for the quality of the presentation and the detailed content and the robust free cash flow. I think it's not easy to generate this level of cash flow so early in the business. So, I wish to express my appreciation. Just few questions. So on just continuing from where the previous question on the deferred revenue, do we understand this to be that… suppose the company starts.. stops all sales activities, then you will.. You will have 33 crores of revenue to invoice. Is that all we have?

Prashant Chandra: Yes, yes that's.. that’s broadly correct, because all this is basically based on the advanced billings. So, you know we still will have to perform the services to accrue these… to recognize this revenue. But yes, it's sort of done.

Sriram Rajan: So, if you look at an annual basis, we just have about one less than a fourth of, maybe slightly more, 30% of the revenue as backlog at this point in time. So, the rest of it has to be earned as you go forward. An annual, a revolving annual cycle, not the annual cycle as of March 31, but if you take 12 months from today, you've got 30 crores of your revenue and the balance 90 crores has to be earned. Is that a correct way of looking at it, assuming you do approximately 88 crores of business this year.

Prashant Chandra: Right. No, so.. so, the way to look at is basically, you know it is it is tied up with the the number of billings that is being done, right. So, so while this number is somewhere around 4 ½ to 5 months of revenue, basis the previous year's financials, but as we go, right, so we'll keep billing more and keep recognizing some part of it, and then adding it to the deferred revenue. So, its a.. you know the both are in.. the numbers are moving in tandem.

Sriram Rajan: In tandem. So, how about renewals of the past that happened? Those are not part of this deferred revenue or…?

Prashant Chandra: They will be. They will be. In case if the renewal entails a period, which is you know going into the next year, so it will still be considered in the deferred revenue.

Sriram Rajan: Okay, fine. I understand. So this is.. that's clear. Thank you. Just two questions on revenue itself. The EBITDA margin has dropped sequentially. Any reason for that?

Neha Singh: Yeah. So actually the, the drop has been fairly low.

Sriram Rajan: Yeah, that's true that's correct.

Neha Singh: If you see from 10.1% to 10 point… yeah, actually 9.5 to 8.8, but yeah, the PAT margin has increased. That's primarily because of you know… I think the revenue you know being in the same range, the cost you know has probably… I think that if you look at the topline increase, bottomline increase, slightly.. a slight difference is there, but approximately I would say it's in the same range. Yeah.

Sriram Rajan: It's not material. Okay. Understood. Also, your.. your customer accounts sequentially has dropped. It used to be 1,258, it's dropped to 1,224. Some customers have opted out of our platform or something like that?

Neha Singh: Right.. Yeah.. So, if you look at the customer you know Q on Q, there's slight you know drop, which is there, which is a function of the overall you know… the macro that we see. And to go into little bit specific, for instance, even by geography, if you see… so like India and US actually grew for us you know well between 10 to 15%, but Europe was fairly slow. This specific geography was sort of you know.. you would sort of see more impact. I would also like to you know point another interesting metric. Like if you look at the number of users, they have actually increased by more than a 100. Right.

Sriram Rajan: Right.

Neha Singh: So that's also a function of some of the expansion initiatives that we have been working on. And, you know one of the things that we saw is a cutback from the smaller accounts, which is sort of expected in a you know slow market, but at the same time, for some of the larger accounts, we were actually able to grow there, right. So that was very encouraging.

Sriram Rajan: Good. That's clear. Thanks. I understood this. Just a small point Neha. I think, the revenue is.. The needle has not moved much sequentially. And even if you look at annually, it's been… it's it's grown 8%, but still, for a young company like Tracxn, it's not as significant as we would expect it to be. Otherwise, like superb! You have extracted every single bits out of this business in terms of efficiency. At least it looks like that for us. I think this topline is what was going to help plough the 50% incremental EBITDA. So, if you could just give some colour or guidance on that as to when can we see that needle move?

Neha Singh: Right right. Right, so just talking about the you know revenue growth rate, see like, if you look at a lot of the stats, it's one of the lowest it has been in the last you know 10 years. Like if you look at the private market activity. So, two reasons specifically you know on the.. on the revenue growth rate. One is the macro that we talked about. So, if you look at you know the overall funding, it's a good proxy for that. You saw the recovery happen in you know… it was still down obviously on a year-on-year basis, but you saw some recovery happen in Q1 and Q2. Q3 was rather flat. So, it was lower than expected. So, that was a similar trend we saw that we saw in the customer base as well. So that is one.

Second, if you also deep dive a little bit on the growth rate, so you know on Q3 in specific, for instance, like I'm saying India and US actually grew at between 10 to 15% for us. But the overall growth rate was slower because, you know the Europe was which contributes to another little less than one third you know; that grew at a slower pace. But if you look at some of the other metrics you know, that looks sort of healthy. Like if you look at, like we talked about the deferred revenue, which is growing at you know nearly 20%, cash and cash equivalent have increased. And on your question of going forward and when do we expect? So, most people actually expect that the markets should improve in 2024 and you know to be better than 2023, which was probably the bottom. And you also see you know, like some of the funds talk about this in the press, like you know SoftBank gave a announcement that they'll start doing investments more, you know from this year onwards, mainly because the.. the valuations have corrected in the private tech, right. So similarly, you know few other investors also talked about. So, I think, the people are the general consensus is that the marked activity should improve and that is a similar trend that you should see in our.. going forward as well.

Sriram Rajan: Okay. Last question Neha. Thank you. This is very detailed. So, you're already one month over into Q4. So, you will have a colour of how this quarter looks. Are you seeing that improvement or we'll need to wait for FY25 for us to see that?

Neha Singh: Right. So, I think it is a bit early. I think we'll have to probably still wait it out to see you know, how does this unfold? But we definitely expect that you know within… you know not sure about this quarter, but like one or two quarters, that should.. you know that again the growth rate should go back to the previous levels.

Sriram Rajan: Thank you, Neha and team. I think it's a wonderful presentation and I wish you the very best. Thank you.

Neha Singh: Thanks a lot Sriram.

Moderator: Thank you, Sriram. Next question is from Mr. Mihir Manohar. Mihir are you there? Okay, we'll take one question from Mr. Aditya in the chat box - So, what explains the quarter and quarter growth in cash and cash equivalent at 7 crores for the quarter?

Neha Singh: Right. So, it's the same thing that you know, whenever we do sort of invoicing, a part of it is goes into the bottomline…sorry, the revenue, and a part of it you know comes as deferred revenue and increase in cash and cash equivalent. So you know, like on a year-on-year basis, we saw nearly 15 crore increase, and a part of it is actually poured in Q3. Even if you look at collections, typically it's more for us in the later half of the financial year than the first half. And maybe Prashant can add you know, on this.

Prashant Chandra: Right. So, Aditya, the way to reconcile this is, that our PAT is basically 2.2 crores. If you take off the non-cash components of about 2 crores, it comes to about 4 crores. So that's that's 4 out of 7. The other 2 is basically the movement in the deferred revenue. So basically, we do an advance billing, so that is being taken care by those things. So, I think that explains the you know the bulk of the movement in the cash and cash positions. The rest one is basically because of the timing difference of the receipts of the revenue. So, from a business standpoint, it's a very straightforward thing that all the revenue received basically contribute to the inflow and the expenses are the only outflows. So, that ways whatever is in the deferred revenue is basically which will hit the revenue and then will eventually affect the PAT. But we do collect cash upfront. So yeah, that comes into the cash balance.

Moderator: Yeah, thank you. Harsh Kundnani, would you like to ask your question? Yeah, Harsh, would you like to unmute yourself and ask your question?

Harsh Kundnani: Yeah, sure. Am I audible right now?

Moderator: Perfect.

Harsh Kundnani: Yeah hi Neha. Hi Abhishek. Thanks for the opportunity. Just a couple of small clarifications from my end. So, I think last quarter, we were carrying out this exercise where you know some of the inactive users you know were taken out from the platform. Is that exercise over or is that still ongoing? That is the first question. And secondly you know, in the same breath of where do we see this user per customer account settling? Because I think that is being trending upwards. So where do you think this number should settle in the next.. say couple of years, in the medium term?

Neha Singh: Sure. Thanks a lot, Harsh. So just to take on the first question, which is essentially… you know we had done this exercise of taking out some of the you know 'active users' that we had given to the some of the accounts. And you know so, the way we.. just to explain and put that into context, the way we do it is that, you know for the accounts that we are working on, one of the growth or one of the expansion initiatives is that we would give them a few.. like complimentary users to have you know other team members also use it. And you know once we have we go into the next renewal cycle, we expect a part of them would actually become paid users, right. And whenever we actually do that, we have a sort of a time.. A timeout as well, this will be there for so much time. Within that, obviously the customers are free to upgrade. And this also helps us in generating sort of more trials within the existing user base, and for us to have some users for upgrade when we are having the discussion in the next renewal cycle, right. So, we had done this one exercise when we had done the tightening. That is somewhat an ongoing exercise that we continue to do. Right now, what we have done is that you know, all the users have a limited time period. Whenever we give them, we extend it with the expectation that this will be for a particular time period. And within that, when they upgrade, we actually help them to do that. So, you. You.. so most of the impact I would say on the user base you know has been done. And going forward, you will only see marginal impact of that happening. But this is a exercise that we continue to do for expansion. So that is the first question. Hope that answers that.

Harsh Kundnani: Yeah, thank you.

Neha Singh: On the second part, which is you know, how do we see this number of user per account trending? So currently, if you look at it, it has been you know a little less than 3 users per account. My sense is that, you would probably see this number to be in the same range because of two reasons. One is, we continue to do lot of expansion initiatives. So you know, though our average user is about 3 users per account, our highest customer would be paying us you know for more than 30 users as well. So that is another exercise that we continue to do, which is expanding with existing accounts. But on the second hand, we also are signing up a lot of you know new users at small packs, which is you know two user, three user packs. So, my sense is that, you may see this number to be in the same range going forward because of this mix which happens.

Harsh Kundnani: Understood. That's helpful. Thank you.

Moderator: Yeah. Thank you, Harsh. Sameer Dosani, would you like to unmute yourself and ask your question? Sameer Dosani?

Sameer Dosani: Yeah, am I audible?

Moderator: Yeah, loud and clear.

Sameer Dosani: Yeah. So on.. need your, you know comments on how how to think about Europe? As you said, it's less than one third of our revenues now. But what's the sense you're getting? Is the drag is over, is behind us in terms of customer churn? That is my first question. And second is, you know you've been speaking about, you know increase in sales efforts, etc. So, can you quantify like the pipeline? You know how how how does it.. how does it you know look like versus 9 months or 12 months ago in terms of pipeline? So, yeah, those were my two questions. Thanks.

Neha Singh: Thanks a lot, Sameer. So just to take your first question, which is, you know what do we see about Europe? So, so yes, that is true that, you know Europe has been slower to grow than some of the other regions. But this is something that we are.. You know now we have started actively working on. So, we are doing you know some of the other initiatives that is specific to that region. And you know, in our case, we can actually do that because its a you know its a we can.. We can run sort of pilot in a few countries. So, we are you know doing a few initiatives in Europe, and you know we'll see how that results come out. I think maybe in the next.. You know within this this coming.. Within the quarter or next quarter, you'll also see some results on that front. So, I think this is something you know that, we have recognized and, you know we are actively sort of working on. So that is one on the Europe.

The second on the sales pipeline, You know and how do we see? So, the actually overall, if you look at the volume of the lead that we have, that we've been getting, which is you know through the marketing initiatives or through a lot of other things that we're doing, that has increased. That has increased significantly than what we had you know even 12 months back, right. A part of it is through the organic search pages that you know that we have created. Today, we get to traffic about 16 million annualised visits, right? That is huge. That is much higher than what this number was 12 months back. Plus, some of the other initiatives that we're also doing you know in terms of sales, which actually gives us leads. So, if you look at the leads pipeline, that has increased. But we are seeing some slowness in terms of conversions, because obviously, the market is slower, so you know there's some delay in sort of conversions, which happens. So that is why you don't see a lot of it translate into numbers in the current financial year. But we are hopeful that you know so we continue to sort of invest in this marketing initiative, because we are hopeful that whenever the market opens up, you will see more results of that happening, right? So coming.. so just to summarize, the pipeline has increased you know much than what it was you know even 12 months back, but you'll probably see the results of it you know only partly now, you know and hopefully more going forward.

Sameer Dosani: So, ballpark, can you share something like… what was this 12 months back? What was the kind of growth rate in pipeline? You would have a qualified pipeline…

Neha Singh: So I think, just to answer, as in, the pipeline is actually through multiple channels that we cater to. So, one is basically the organic leads that we got. So, as I was saying the, you know the 16 million traffic versus the others you know, that is one metric which is there.

Sameer Dosani: Okay…. Okay…..Okay, alright. I got it.

Neha Singh: It probably is across channels, so maybe it's not comparable to one on one.

Sameer Dosani: Got it. Got it and and… Yeah, No issues. Is there, is there… like I think the last price hike would have taken like 2-3 years back, if I'm not wrong, is there some planning in terms of taking a price hike, etc.? So, so that is it. And I don't know from an IT services standpoint, I think the pay hike or the salary hikes is one of the headwinds. I'm not sure whether it affects you and when do you plan to take it in your…… in your financial year?

Neha Singh: Price hike for the customers, you mean to say, right? Customer contracts.

Sameer Dosani: Yeah. Customer contracts. You have taken it in 2021 or 2022, if I'm not wrong So, yeah.

Neha Singh: Right, Yeah, So, so in terms of price hike, we don't have you know a sort of an annualised price hike, like some of the you know i think the older financial data platforms have on a year-on-year basis. We'll probably have that you know that later in our life cycle. Currently what we actually work on, is also trying to increase the realized pricing, right. So not just the pricing, but the realized pricing. What that means is that typically, you know when we sell the account, we are selling to say like three users, but the team size is of say like 20 users. So, we also see a lot of scope in terms of increasing our users, and hence, increasing the realized pricing. So, if you see, the realized pricing has marginally increased. Like you know like last financial year it was 6.7 lakh, you know now it is 6.8 lakh, last quarter, 6.9 lakh. So, it has you know marginally increased, which is because we've been able to grow within the existing account, sign up larger accounts, right. So that is one initiative that we actively work on, you know instead of just the price hike. But you will see this impact on that in the in the realized pricing, I would say, right. Hopefully that answers the question.

Sameer Dosani: The salary hike, is it a big headwind for you? How should we think about it? Like in IT services, it tends to be a headwind. So…Yeah.

Neha Singh: Right. So… So, for us for salary hike, so, for us, it's not so much of a cost plus basis, because it is more productized, it is high gross margins. So, we invest, the way we look at it is we invest across different teams. So, either it's data team or it's it's product and tech team. So, for us, a lot of this cost is fixed cost, right. So even if we increase the customer base by, you know say double, we don't have to increase the cost base by that, because for us, a lot of the variable component of the team is actually fairly less, right, because you're talking about high gross margin. So that is why it is not so much of a of a headwind that we see. What we expect is probably, a nominal sort of increase in the in the salary that you would see on a ongoing basis. My sense is that, maybe between 5-10%, right.

Abhishek Goyal: And just to add to that, I think a lot of these IT services companies, they do appraisals once in a year and together for everybody. In our case, it is distributed. So, every month roughly between 5-10% of headcount get their appraisal. So, we do appraisals by joining date once in a year. So, it is spread out. We don't expect a step jump once or twice in a year. Hopefully that sort of answers sort of the part of your question.

Sameer Dosani: Yeah, that answers the question. That answers the question. Thanks for that. And last, if I can squeeze in, ESOP is there an increase in the pool required? Can this pool that you have, can go on for next 2-3 years? How should we think?

Neha Singh: Yeah. Right, so, in terms of the ESOP pool, actually, there's no new ESOP pool which has been created since quite some years. So, this is the same ESOP pool that we had pre-IPO, which is about less than 11% of the captable, which is there, which is still existing. We feel that we don't need to create an immediate expansion of the ESOP pool you know immediately. And we may be able to… we still have an allocated ESOP pool and we may be, we may figure out some ways to recycle as well, later on. So, we don't see an immediate need to create a additional ESOP pool.

Sameer Dosani: Okay, thanks thanks. All the best for that, for the future.

Neha Singh: Thanks a lot Sameer…

Moderator: Yeah, thanks. So next question is from Mr. Akshay Sovani.

Akshay Sovani: Hi Neha and Abhishek. Am I audible?

Moderator: Yes, you are.

Neha Singh: Yes

Akshay Sovani: Yeah. Hi. So, a while back, you said that your biggest customer is 30 users, right. I mean, that is your largest. So, what are these types of customers? And, are there a lot of them who have, say, 20, 30, 50 users or these are few and far?

Neha Singh: Right. Yeah.. Thanks a lot Akshay. So just to answer that, these are your usual customers as well, your private equity funds, your investment banks or your large corporates. It's just that, you know, we have been able to grow to more users within that within that organization. So, if you look at some of the some of the large PE funds, you know VC funds, they're typically you know, between like 30 to 50 people. And we've been able to sell within these two more than, say, 30 people. And similar is the case with some of the large corporates as well, wherein we work with their M&A

teams and their innovation team; so multiple teams that we work with, right? Just to put that into numbers. So, we had given this number last financial year. So, we actually give this number you know out in Q4, which is the number of accounts which are of more than 40 lakhs or more than 30 lakhs annualized billing. So, I'll just read out the numbers from last year, which was FY23. So, in FY23, the number of accounts which is more than 30 lakhs were about 22, the number of accounts more than 40 lakhs were 12 right, which is in the last financial year, accrued revenue in the last financial year. We see these numbers improving. So, you know hopefully, in this year, when we present it by the end of the year, you will see these numbers would have, you know increased slightly more than what it was last year. So hopefully, that answers the question.

Akshay Sovani: Yeah… and related to this, do we have anything in our product that makes it unique or customizable to the user, so that password sharing is avoided and every associate or everyone would… I work in a private equity and it's common to like multiple users use the same resource right. So, anyway we customize it so that everyone would want to have their own login?

Neha Singh: Right. Right.. No, that's a good question. So, at our end, we are actually able to track multiple simultaneous logins. And in fact, this is also one of the ways which which we use for upgrades. So, if we see one login getting shared at multiple IPs, and we are able to track it because it's a cloud-based platform… we are able to track it you know easily, we allow up to a few devices you know, because people may be using it on the laptop or on their you know mobile, etc. And after it crosses, we actually also ping the customers and ask them for upgrade. So, so just to answer, we are able to detect you know if the login is being shared.

Secondly, coming to our platform, if you look at our usage right, our usage is a very high velocity usage. So, if you look at our usage in terms of DAUs to MAUs or weekly actives to monthly actives, so that is fairly high. So just to you know put into perspective, nearly 40% of our users log in every day right, and nearly 70% of our users log in every week, because it's a very… it's not a one-time use case. To give you an example, if you are a private market investor or you know if you're looking at the space, you're typically meeting, say, 4-5 companies every day. And for before every meeting, you want to check out you know more information about the company, who else exists in that market, what are the global peers, etc? What is the shareholding like, etc, right? So you are typically doing that multiple times in a day. So, for us, it's not a one-time use case, but it's a very high use case product, and that is why people also end up using multiple times, right? So that was also one of the ways wherein you can actually like increase your user base, because you know firstly, it's used very high. Second is that you can you also personalize it. So you can also set up alerts, etc., and that goes to you, you know, as a user. So, because of these things, it's more you know driven by like individual users. And, you know whenever we would see more login happening, we actually use this as an opportunity to sort of also upgrade, right. So hopefully that answers the question Akshay.

Akshay Sovani: Yes. And typically, who's the decision maker? I mean, is it…. is it a mid-level associate principal? Is it… Is it mid-level or is it top down, that the CEO decides that this is a good resource and I'll have say 5 logins for my company? Why I'm asking this is because most of your sales are run through India, through video conferencing, etc. But at some point, would you need feet on the ground, especially if you want to crack these 30, 50, 100 kind of accounts?

Neha Singh: Right. Thanks…. Thanks for that. So just to answer that, who's the decision maker? So that… that varies. Typically, it's the mid person or… So, we typically end up working with the business users who are actually the decision makers. So, this is across the level. It is not so much top down always, because of the fact that the teams that we work with are smaller. So, unlike wherein if you're selling to a large corporate where the decision may be made top down, in our in our use case, a lot of the customers that we work with, are you know not more than say 100 people, right, like a typical PE fund or a VC fund or even within the corporate wherein we work with their M&A teams, right? So, these are sort of more compact teams, and hence we are able to you know sort of connect with the decision maker more easily. So that is on the question of who's the decision maker.

The second is that you know, whether we will need feet on street or not? So currently, for instance, the inside sales you know is sort of working for us because you know we are able to do that across geographies. We will try out a little bit of feet on street for specific segments, wherein we see the need for it. I think you know it's still early. But you know, as that is required for a few segments, for instance, for large accounts or for a particular type of segments, like universities and other segment wherein you know you require more feet on street, so we are also experimenting with having those type of things for specific customer segments.

Akshay Sovani: Thank you.

Moderator: Yeah, thank you. Our next question is from Akshay Jogani. Akshay, would you like to unmute yourself and ask your question, please?

Akshay Jogani: Yeah… Yeah. Hi…. Hi…. Hi Abhishek, Neha, Prashant. Thank you for the opportunity. So, I have a couple of questions. One is, can you spend some time on, if any other product that we have for the next one year? What are the key major areas that you want to work on and what are the exact things from that? Second is, talk about legal entity database. Give us some colour, what is the use case and why was it so? What is…. What is the requirement that it kind of served and would it lead to a new type of customer that would buy the product… yeah..?

Abhishek Goyal: So, first on legal entities. So… may be forr last 2-3 quarters, we have been talking about increasing our coverage on captable and financials, which was in line with a lot of demand from IBs and private equity firms. And so, we have been scouting that data across countries, and in many countries, we have been able to find financials data that are linked to legal entities. So today we have extracted roughly 10 million and a significantly larger numbers on the way. So that helps us cater to a lot of private equity firms and investment banks that work.. that has been working, starting to work with us.

If you're talking about the pipeline, I think upcoming, maybe 3-4 quarters, we are planning to work towards some sort of LP database because we are starting to get a lot of requests there. When we started this company, we used to tell ask funds, what is your largest budget? And everybody would talk about sourcing as the largest expense or sourcing as the key leverage in how they work. And now when we talk to people, a lot of people now say that we spend a lot of money on raising capital. So, can you build tools for us? Can you build some LP database? Can you do some fund performance data so that it becomes easier to raise capital? So, we have started to work on that. We are continuing to scale on regulatory data points. We are trying to go to as many countries as possible, get financials, get lot more captable. So, cap table is something which very few people provide globally. We have round by round captable and.. and that is a very interesting data point for our customers. So, we continue to try to scale that.

Similarly, I think we talked about legal entities already. We continue to deploy a lot of resources around using AI for data generation, accuracy building, making data richer. So that is another big initiative that we are working on. So these are 3-4 top initiatives that we are working on in terms of data products.

Akshay Jogani: Sure. Just one follow up. When you talk of captable and LPs… sorry, not cap table, but LP database. Should I should I think of a pipeline equivalent over time? Is that how one should sort of think of this? They are the ones who end up getting budget on fund performance. So, is that a fair way to see it?

Abhishek Goyal: So, it is a step in that direction. But I think, these kinds of products take a very long time to build. So, I wouldn't say it would reach there in 1-2 years. I think it's a step in that direction. We are not thinking their market as the inspiration. We are working from a perspective of what our customers are asking us. So, it organically started because we keep meeting customers regularly and we heard that as a constant thing. And this is one question I ask everybody, what is your biggest budget today? Because people ask a lot of small features, but that needle moves when you solve one of the largest budgets. So, when we started, consistently sourcing used to be the biggest budget. We both worked in sourcing team in some way. So, we used to be part of that budget. Now, a lot of conversation is around making reducing friction on fund raise. So again, we will build tools what our customers ask. We are not driving based on what that exists in the market today. We are constantly working with our customers to figure out what they need today. And usually, the end result might be slightly different than what exists today, and that has been our philosophy with respect to product building.

Akshay Jogani: Sure that's, that's really helpful. Thank you.

Moderator: Thank you. Next question is from Mr. Kunal Manuja.

Kunal Manuja: Hi.. Hi Neha. Hi Prashant. Hi Abhishek. So, my first question is regarding, if you have any Capex data available from your side? What… what Capex do you see in next 2-3 years? So, I wanted to work from…. that is my first question. My second question is regarding the receivables part, which you reported on balance sheet for FY… FY23. So, what are those receivables for? And the last question is regarding legal and professional fees, which you had reported on the income statement. I wanted to know what that is for. Thank you.

Neha Singh: So, I'll firstly pass it on to Prashant, first on the capex.

Prashant Chandra: Right. Hi Kunal. Hope you're doing well. So, starting with the Capex data. So, you know… if you look at our historical financials also, our Capex requirement is limited to only you know typically the IT assets like laptops and desktops. So.. and which generally I mean like.. sustained for a while, given that the requirement is.. is more or less, you know sort of defined. And we do not require any servers or whatsoever, because our servers are basically cloud hosted. So, that… that.. there is no Capex required over there. So yeah I mean like..and, going forward also, we don't see that there will be a major Capex requirement at one shot. I mean like.. so, if at all it will be required, you know it will be mostly the replacement of the current assets and which will happen gradually over a period of time.

Kunal Manuja: So, it is based on our revenue, right? Like if there are more customers….. , no… it is not?

Prashant Chandra: Correct… So, it is not. I'll come to the second part, which is the receivable. So, the receivable that you see on the balance sheet is basically the… the bills, basically the collections which are pending from our customer. So typically, we are a B2B business. And so, we bill to the enterprises and then there is a you know payment cycle which kicks in and then they pay. So, at any point of time, we'll have some receivables which are pending collections, and eventually they are collected and sort of knocked off. I hope I was able to answer your question on receivables? Yeah.

Kunal Manuja: So, for this question, like it is prepaid, right? The amount is prepaid if I'm not wrong?

Prashant Chandra: Correct... Correct…. It is prepaid, but there is a… because every organization will typically require… So, in a consumer business, you can still ask for immediate payment, and you know for some of our customers, we even do that. But for some enterprises, they still take some time for processing the invoice, right... So, but… so for that period, we will have some receivables outstanding and then eventually as they get collected, then you know the receivables keep on moving on that line.

Kunal Manuja: Okay, I got it.

Prashant Chandra: Yeah… And this legal and professional charges, what you see is basically… you know that's more of a convention to use that term, but it's actually all the consultants and sort of associated services like listing fee and all of those things which go into that bucket. So, not necessarily the you know the legal in the law sense, basically. Yeah. So, it's mostly the consultants and all ancillary services which we are taking from our.. for our day-to-day operations.

Kunal Manuja: Okay. Yeah, I got it. So last question. I have also seen like your PP&E has been reduced from reduced to 70% like. It has reduced by 70% like, it is not….. It is quite a large decrease in PP&E. What, what do you comment on that?

Prashant Chandra: The property plant and equipment, you mean to say?

Kunal Manuja: Yeah, yeah PP&E. Yeah Yeah.

Prashant Chandra: Yeah. Sorry and , unlike I said, I mean like this is like mostly the… the… you know the assets which have been there for a while and you know thankfully they're working fine as well. So that's why the depreciation has you know obviously eroded the net block, but they still continue to serve the serve the purpose. So that's why you will not see lot of Capex which is happening and you know pulling it up back. But eventually, when we do replace and then you know so that that amount of limited Capex is done and the gross blocks comes back again.

Kunal Manuja: Ok.. Thank you… thank you….. Thank you Neha. Thank you Abhishek. Thank you Prashant.

Moderator: Yeah. The next question is from Shivam in the chat box - Can you throw some colour on dip in free cash flow for the quarter?

Prashant Chandra: Neha, should I pick that one?

Neha Singh: Yes. Please, do.

Prashant Chandra: See, you know so thinking about the cash flow, I mean like from a business perspective, like I said, the cash inflow is the revenue receipts and the outflow is essentially all the expense, amongst which the salaries are the biggest line of expenses. So, any deviations that you see, is mostly temporary in nature. And eventually, it will catch up back to the trajectory of the revenue growth, right. So, like in this particular case, the dip that you see is basically you know… we had some income tax refunds pending yet. And so, the way to look at it is basically when we bill to our domestic customers, so…they have to deduct TDS. So that 10% of TDS which gets rejected is sent to the tax department. And we get a refund when we file the ITRs and you know the department process it. So yeah this, so that timing difference is something that you know moves the needle here and there, but essentially, it will all catch up back to the trajectory again.

Moderator: Sure. The next question is from Ashwini Kumar Singh in the chat box - Is the 5% expense growth achieved this year going to be sustained going forward in FY25? And second question is, is the first quarter of the calendar year more meaningful than the other quarters when it comes to renewables, new signups?

Neha Singh: Sure. I'll take that. Thanks… Thanks, Ashwini. So, just to take the first question, which is the expense growth rate of 5% that you know we have been able to achieve, is that the same that we expected to going forward? So, you know we had said earlier that we expect this year to be you know single digit, so less than 10%. So, you know that is where this, this year will end up being. Good chances that next year may also end up you know being less than 10% is what we have a sense. We'll probably.. you know we do have sort of linear increase plan, in some of the teams, like the sales team, etc. But on the whole, including everything, you might expect it to be around that range only for for this year, as well as for the upcoming year. So hopefully, that answers question the first part of the question.

On the second part of the question, which is, you know is there any seasonality in terms of the first quarter of the calendar year, and you know is it more meaningful than the other quarters? So, if you look at historically, so, there is no… I would say there's no seasonality per se, because we sign up customers across the years. Typically you know, if you look at our customer base, nearly half our private market investors which do not have sort of a seasonality you know, they may be like slightly lesser available in say some parts, which may be summers in US or the year end, etc. But apart from that you know, they don't have any seasonality. Some of the corporates have the seasonality, in a sense that when the first quarter of the year is beginning, which is, for outside countries, it may be the first quarter of the calendar year for Indian corporates, it may it may be you know the April to June quarter. So, there may be some seasonality. But because of the fact that the customer base spans across private market investors and corporates, there is no particular seasonality that you see. In terms of the collections in general, we have seen that the collections are sort of initially were more in the second half than the first half because of some of the historic accounts that that have been there. But as we keep adding more accounts, you'll see that difference also sort of becoming more equalized, right. So just to answer that, not so much seasonality. There's minor seasonality that's there because the older customers you know were were more… Sort of had moved to annualised in the second quarter, and you know because of some of the corporate accounts, but it may not be meaningful. So hopefully that answers the question.

Moderator: Yeah, thank you Neha. We have one question on Nilesh Doshi - Hi, is there any market for us in new geographic regions? For example, the Middle East and Southeast Asia?

Neha Singh: Yeah, thanks Nilesh for the question. So, if you look at our customer base, we already have customers in Middle East as well as in Southeast Asia and countries like Singapore. So, in fact you know, we work with multiple entities within Singapore, as well as some of the you know.. Some of the corporates or the funds which are based in Middle East. I would say, these are smaller geographies for us currently, if you compare it to some of the other larger ones, you know like in India or a US. Having said that you know, whenever the way we do it is that, you know whenever we have… so organically, we, we acquire a lot of customers. So today, for instance, we have customers in over 50 countries. And whenever we have a critical mass in a particular geography, we invest also in building more deeper coverage in those geographies, so that we are able to acquire more customers right. So, you see us, for instance, even some of the data points that we talked about earlier that we have launched right, like the legal entity database that we launched, so if you look at the 10 million, it spans across you know, countries like a UK, US, as well as India, which is some areas… some of the geographies wherein we have sort of good customer base right. So, just to summarize it, we already have customers in these geographies. Whenever it crosses a particular threshold, we also start adding more resources towards increasing the coverage in those geographies, which helps us in deeper penetration within the customer segments. Right. Hopefully, that answers the question Nilesh.

Moderator: Yeah.. right. Okay, so we have one question from Satyam Agrawal - Hi, just wanna ask that, what makes our software different and more useful than something like PitchBook or Crunchbase? And what is our market share in India US.. yeah India and US?

Neha Singh: Sure. Thanks Satyam for that question. So just to summarize that, if you look at the total number of players which exist in the private market landscape globally, it's fairly limited, right. It is not as much as say in a horizontal software, like an HRMS space or a CRM space, where you have you know dozens of players. Here, globally you have about 6-7 players, which is sort of meaningful. Currently, there is a fair amount of differentiation which exists within the offering, right. So, for instance you know, there are some players which just focus on sales and marketing, which is also reflected in the price point, you know, and then there are some mid-price point products which sell to.. which sell to investors, right. So currently, if you look at it, there's fair amount of differentiation which exists in the offering, and that is why when we sell to customers, we have to sell independently, our offering and it's not so much of a replacement. So most.. So nearly, so just to give you some approximate stat, nearly 50% of the customers that we sign up new, have not used any platform earlier and about you know 20 to 30% are probably using you know multiple platforms, right? So, so it's not so much comparable. You still have to.. There's a fair amount of differentiated data which exists in our platform, and we have to still sell you know independently when we're selling to customers.

Coming to the next part of which is, what is a market share? So currently, the market share if you look at more across different players, is actually single digit percentage, because of the fact that this is… there's also adoption.. like the software adoption happening in this market, right. So, you know coming to the same stat, like bulk of the customers that we sign up new, have actually not used any platform right. So, this is also testament to the fact that the penetration currently of you know all these software is you know… everyone is actually typically at single digit percentage of the overall addressable market. So hopefully that answers the question.

Moderator: Yeah… Right. So, I believe that you know we have run out of time. And so, in the interest of time, we will have to close this call now. In case you have any other further questions, you can reach out to the management at investor.relations@tracxn.com. I will now pass it on to Neha and Abhishek to give their closing remarks.

Neha Singh: Yeah, thanks a lot Siddharth, and thanks everyone for joining us today. I hope you have a good understanding of the recent business update, and we've been able to address some of your queries. As Siddharth mentioned, you know if you have any follow up queries, please feel free to reach out to any of us. I'm at neha@tracxn.com or you can reach out to Abhishek and Prashant, or you can write to our investor relation team, right. So, thanks again, and hopefully you have a good rest of the day.

Moderator: Yeah.. Thank you. Thank you to all.

Disclaimer: This transcript has been edited to remove and / or correct any grammatical inaccuracies and inconsistencies in language that might have occurred inadvertently while speaking.