

ROUTE MOBILE LIMITED

Disclosure Document

(Pursuant to Regulations 16(2) and 23(3) of the SEBI (Share Based Employee Benefits), Regulation, 2014)

PART A: Statement of Risks

All Investments in shares or Employee Stock Option (Stock Options / Options / ESOPs) under Route Mobile Limited - Employee Stock Option Plan – 2017 ("Route Mobile Limited ESOP Plan -2017" / "Plan") are subject to risk as the value of shares may go down or go up. In addition, the options / SARs are subject to the following additional risks:

1. **Concentration:** The risk arising out of any fall in value of shares is aggravated if the employee's holding is concentrated in the shares of a single company.
2. **Leverage:** Any change in the value of the share can lead to a significantly larger change in the value of the Options / SARs.
3. **Illiquidity:** The Options / SARs cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their benefits before they are exercised.
4. **Vesting:** The Options / SARs will be cancelled if the employment is terminated prior to vesting. Even after the Options / SARs are vested, the unexercised Options / SARs may be cancelled if the employee is terminated for gross misconduct.

5. Risks Relating to the Equity Shares

- Significant trading volumes of the Equity Shares on the Stock Exchanges could impact the price of the Company's Equity Shares.
- In case Company offers additional Equity Shares in the future, diluting the interests of existing Shareholders, the same could adversely affect the market price of Equity Shares.
- There is no guarantee that the Company will declare any dividends.

PART B: Information about the Company

Brief History of the Company:

Route Mobile Limited ("the Company") was incorporated as 'Routesms Solutions Private Limited', a private limited company under the Companies Act, 1956 on May 14, 2004 at Mumbai, Maharashtra. Subsequently, upon conversion to a public limited company pursuant to a special resolution of the shareholders of our Company dated February 15, 2007 the name of Company was changed to 'Routesms Solutions Limited' and a fresh certificate of incorporation was issued by the RoC on April 17, 2007. The name of Company was subsequently changed to 'Route Mobile Limited' pursuant to a special resolution of the shareholders of our Company dated March 8, 2016 and a fresh certificate of incorporation was issued by the RoC on March 16, 2016.



I. Main Objects and business of the Company:

Main Objects:

The main objects contained in Memorandum of Association of the Company are given below:

To establish, promote, purchase, set up or connect with any database, network data and information processing centers and bureaus either on its own or as franchise centre for dissemination of knowledge and information related to computers, communications and information technology industry including print, video, CD-ROM, electronic media and digital media, intranet, internet modems, fax modems, video conferencing, E-Mail, voice mail, voice response systems, multiplexers, hubs, VSATS, cable, wireless network, SAP/ERP solutions and satellite communication. to Enterprise Messaging Solutions, Software Development, IVR Solutions (In bound and Out Bound), Voice Call, Voice Mail, Email Marketing, SMS Hubbing, Mobile application, Java Games, Games Development, Bulk sms (International and domestic), WAP services, USSD Services, Voice Platform Solutions, Operating as an operator, Procuring and Using MCC and MNC, Procuring and distribution of Wholesale Voice, Operator License, VMN Platform and Services, Short Code Services and Platform, Hosting SMSC, SMSC Platform integration, Procuring and providing SS7, Sigtran Connectivity, call centre setup, operating BPO & KPO, providing call centre Software, applying for Spectrum, providing telephony service Mobile & Fixed Line and also providing advertising services to client on mobile impression, Internet impression (CPC & CPI), Lead management services, lead generation services. Engaging in advertising services such as internet advertising, mobile advertising, outdoor advertising, print advertising, TV & radio including all digital media advertising & Audiotex/Voicemail Services.

The main objects clause and objects incidental or ancillary to the main objects contained in the Memorandum of Association enable our Company to undertake its existing activities.

Business of the Company:

We provide cloud-communication platform as a service ("CPaaS") to enterprises, over-the-top ("OTT") players and mobile network operators ("MNOs"). According to the ROCCO Report 2020, we were ranked as a tier one application-to-peer ("A2P") service provider internationally. Further, we were ranked second globally as a tier one A2P service provider in 2017. (Source: ROCCO Report 2017). We were also ranked first for value added services' provided, our implementation process' and our uptime performance' among tier one vendors. (Source: ROCCO Report 2017).

Our enterprise solution comprises two primary components - the front-end that provides an interface for enterprises to integrate with, and a back-end which is directly integrated with over 240 MNOs, and provides access to over 800 MNOs across the globe, as of June 30, 2020, enabling us to leverage their SMS and voice channels for digital communication (Super Network"). Further, the backend is also integrated with OTT business messaging solution providers, and is capable of supporting Rich Communication Services ("RCS") business messaging, offering multiple channels of communication to enterprises. Our omni-channel platform enables enterprises to leverage various modes of digital communication to engage with their stakeholders - including customers, employees and vendors.

Our range of enterprise communication services include application-to-peer ("A2P") / peer-to-application ("P2A") / 2Way Messaging, RCS, OTT business messaging, voice, email, and omni-channel communication. Further, we also offer SMS analytics, firewall, filtering and monetization, SMS hubbing and Instant Virtual Number ("IVN") solutions to



MNOs across the globe. Our clients include some of the world's largest and well-known organisations, including a number of Fortune Global 500 companies.

We were incorporated in 2004 and are headquartered in Mumbai, India. As of June 30, 2020, we have serviced over 30,150 clients, cumulatively since inception, across sectors including social media, banking and financial services, aviation, retail, internet/ e-commerce, logistics, healthcare, hospitality, media and entertainment, pharmaceuticals and telecom. Our global operations included nine direct and 12 step-down subsidiaries serving our clients through 18 locations across Africa, Asia Pacific, Europe, Middle East and North America. Consistent with our strategy of pursuing inorganic growth to deepen our relationship with MNOs and broaden our product and service portfolio, we acquired 365squared Limited with effect from October 1, 2017, which operates in SMS analytics, firewall, filtering and monetization. Further, we also acquired Call2Connect, effective April 1, 2017, a company which offers voice, non-voice and consulting BPO services to some of the largest enterprises in India.

Our operations are internally aligned into the following business verticals: (i) enterprise; (ii) mobile operator; and (iii) business process outsourcing ("BPO").

2. Abridged Financial Information:

- ❖ Copy of latest financial results for the year ended March 31, 2020 is available on website of the Company:
- ❖ Copies of Annual Report(s) of the Company for the previous year's / periods are available on website of the Company, viz www.routemobile.com.
- ❖ Financial Information for the last five years is available with the Company Secretary and Corporate Governance Department of the Company and the employees can contact the same for obtaining copies thereof, if required. However, in view of the Scheme, Financial Information for the last five years is not comparable with the Financial Results available for the latest Financial Year ended March 31, 2020.

3. Risk Factors:

I. Risks Related to Company and our Industry:

- ❖ We depend in part on the success of our strategic relationship with third parties, particularly our direct relationships with mobile network operations ("MNOs"). Our inability to enter into or maintain such relationships, particularly with MNOs may adversely affect our business, financial condition and results of operations.
- ❖ Failures, defects, delays and other problems involving the technology systems and infrastructure on which we rely for providing our services and solutions to our clients may adversely affect our business, financial condition and results of operations.
- ❖ Our Company, Subsidiaries, Promoters and Group Companies are involved in certain legal and other proceedings. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have a material adverse effect on our financial condition and results of operations.
- ❖ Our business and operations are subject to various risks relating to our recent acquisitions, including risks relating to the integration of these acquired businesses with our existing operations. We may in the future continue to make strategic acquisitions to grow our business and further diversify service offerings. An inability



to identify, complete and successfully integrate such acquisitions could adversely affect our business prospects, results of operations and financial condition.

- ❖ We operate in a highly evolving market and any inability to respond to such changing conditions could adversely affect our business and results of operations.
- ❖ We face foreign exchange risks that could adversely affect our results of operations and cash flows.
- ❖ Our revenues depend on a limited number of clients and a loss of such clients could adversely affect our financial condition and results of operations.
- ❖ Our global operations expose us to numerous risks, including sometimes conflicting legal and regulatory requirements, and violation of these regulations could adversely affect our business and results of operations.

II. External Risk Factors:

- ❖ Our MNO clients are subject to extensive government regulation of the telecommunications industry in India.
- ❖ We may be adversely affected by changes in technology.
- ❖ Unfavorable conditions in our industry or the global economy or reductions in spending on information technology and communications could adversely affect our business, results of operations and financial condition.
- ❖ There have been allegations in recent years that there may be health risks associated with the use of portable mobile communication devices which could adversely affect our business.
- ❖ The markets in which we operate are subject to the risk of natural and manmade disasters including earthquakes, floods and storms.
- ❖ Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.
- ❖ Differences exist between Indian GAAP and other accounting principles, which may be material to investors' assessments of our financial condition.
- ❖ Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.
- ❖ Investors may not be able to enforce a judgment of a foreign court against us.
- ❖ Any downgrading of India's debt rating by an international rating agency could adversely affect our business.

4. Continuing Disclosure Requirement:

Copies of all documents that are sent to the members of the Company, including the annual accounts of the company as well as notices of General Meetings and the accompanying explanatory statements are available on the Company's website at www.routemobile.com.



Part C: Salient Features of Route Mobile Limited – Employee Stock Option Plan – 2017 (“Route Mobile Limited ESOP Plan -2017” / “Plan”)

A copy of the Plan is enclosed, you are advised to refer to content of the Plan - 2017 for complete details governing and regulating the Employee Stock Options (Stock Options / Options / ESOPs) granted. The following are only the salient features of the Plan:

S. No.	Separations	Vested Options	Unvested Options
1	Resignation / Termination (other than due to Misconduct)	All the Vested Options which were not exercised at the time of such resignation/ termination can be exercised immediately after, but in no event later than three months from the date of such resignation/ termination.	All the Unvested Options on the date of resignation / termination shall stand cancelled with effect from that date.
2	Termination due to Misconduct	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Retirement	All the Vested Options as on date of Retirement can be exercised immediately after, but in no event later than three months from the date of such Retirement.	All the Unvested Options as on date of Retirement shall stand cancelled as on the date of such Retirement unless otherwise determined by the Nomination and Remuneration Committee.
4	Death	All the Vested Options as on date of death can be exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than twelve months from the date of death of the Option Grantee.	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir in the manner prescribed for the Vested options.
5	Permanent Disability	All the Vested Options as on the date of incurring such disability can be exercised immediately after, but in no event later than twelve months from the date of incurring such incapacity.	All the Unvested Options as on the date of incurring such disability shall vest immediately and may be exercised by the Option Grantee in the manner prescribed for the Vested Options.
6	Transfer or deputation from / to Company, Subsidiary Company, Holding Company, or associate company.	All the Vested Options as on date of such transfer or deputation, can be exercised as if the employment / service is continuing, unless otherwise decided by the Nomination and Remuneration Committee and such decision shall be final.	All the Unvested Options as on date of such transfer or deputation shall continue to vest as per original vesting schedule unless otherwise decided by the Nomination and Remuneration Committee and such decision shall be final.

