May 13, 2023

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 Thursday, May 11, 2023

Dear Sir/Madam,

This is in continuation to our letter dated May 11, 2023, wherein we had informed regarding the video link of the earnings call with analysts/investors for the quarter and year ended March 31, 2023 (Q4 & FY 2023 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. www.tracxn.com.

Kindly take the above said information on record.

Thanking you.

Yours faithfully,
For **Tracxn Technologies Limited**

PRANAV
NARENDRA
KORANNE

Digitally signed by PRANAV
NARENDRA KORANNE
Date: 2023.05.13 12:31:56
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Pranav Koranne
Interim Company Secretary cum Interim Compliance Officer

Encl.: A/a

Tracxn Technologies Limited

Q4 FY23-Earnings Conference call

May 11th, 2023

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

Moderator: Yeah, good evening, ladies and gentlemen. Thanks for joining us today on the fourth quarter and fiscal 23 earnings call of Tracxn Technologies Limited. On behalf of Systematics, I'd 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, Abhishek Goyal, Co-Founder, Vice Chairman, and Executive Director, and Prashant Chandra, Chief Financial Officer. I would now like to hand over the call to Neha to give the opening remarks and present the PPT and after that we will open it up for Q&A. 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, Sidharth. Welcome everyone, thanks so much for joining us today for our earning call for the fourth quarter and the financial year FY23. We are very excited to present our results. In terms of the format, we would like to run through a small presentation, which will share some of the key highlights of the period. I'll also give the commentary along, which will be helpful in the overall understanding and then we'll follow it up with a Q&A session. Request you to go through the standard disclaimers for this presentation.

A quick recap on our business, Tracxn is a data and software platform for the private markets globally. If you look at the public markets, 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 Teams, Innovation Teams of large Fortune 500 Corporations. It's a global platform, so nearly 70% of our revenue is international and we have customers in over 50 countries.

Neha Singh: I would like to begin firstly by summarizing the financial performance of Q4 FY23. To set the context, we have one business, one legal entity, so you'll not see terms like standalone or consolidated. All the numbers that I'll talk about is for the business overall. Revenue from operations for Q4 FY23 was 20.3 crore, which is a 19% year-on-year increase. Total income was 20.1 crore. Coming to profitability, EBITDA was 0.7 crore, also to add this EBITDA includes all the noncash expenses like the ESOP charge etc. PAT for the same period was 1.2 crore. Moving on EBITDA margin was 3.4 crore and PAT margin was 6.1 crore - sorry 3.4% and PAT margin was 6.1%.

To summarize the financials for the financial year FY23, revenue from operations was 78.1 crore, which is a 23% year-on-year increase. Total income was 81.2 crore, which is a 25% year-on-year increase. In terms of profitability, EBITDA for FY23 was 2.6 crore. PAT for FY23 was 5.3 crore. The PAT that you see in the audited financials is higher of about 33.1 crore. This is primarily due to the recognition of deferred tax assets of about 23 crore and a write back of IPO expenses, which was previously expensed and reimbursed to the company during this period of about 4.5 crores, hence you should exclude that. So, the EBITDA and PAT numbers that you see in this slide as well as in all the subsequent sections have been adjusted for this deferred tax and IPO reimbursement. Also, please note that the bottom-line numbers include all the noncash expenses as well as mentioned earlier including things like ESOP charge. Moving on the EBITDA margin for the year was 3.3%, PAT margin was 6.8%. The other interesting aspect of the business is that it also generates free cash flow, which has been increasing. In FY23, the business generated positive free cash flow of 11.9 crore, which is an increase of 143% on a year-on-year basis. Cash and cash equivalents stood at 60.3 crores, which is an increase of 32% on a year-on-year basis or an increase of 14.5 crore on an absolute basis.

Neha Singh: In the subsequent slides, I'll be covering each of the matrices we talked about in the summary in more detail starting with revenue. Revenue from operations is essentially revenue from platform subscriptions, 100% of this revenue is subscription based, there is no services or one-time implementation component, so this is fairly high-quality revenue. Also, please note that this is accrued revenue, so though we do prepaid billing and collections like most of the financial data platforms you may have seen, we only recognize revenue for the time duration falling within the reporting period for which the services was made available. As discussed earlier, revenue from operations in FY23 was 78.1 crore, which is a 23% year-on-year increase, total income was 81.2 crore, which is a 25% year-on-year increase. We've also added the historical data for the last three financial years for your reference. EBITDA for the financial year was 2.6 crore. If you exclude the noncash ESOP expense, this increases to 8 crores. This 2.6 crore EBITDA is an increment of 4.5 crore or on a year-on-year basis that is from a negative 1.9 crore to positive 2.6 crore. In terms of margin, the EBITDA margin for FY23 was 3.3%, this is an expansion of 6.3% on a year-on-year basis. So, this continues to be an interesting aspect that you see in our business, which is the margin expansion that happens. On similar lines, PAT of the financial year was 5.3 crores. If you exclude the noncash ESOP expense, this increases to 10.8 crores. This 5.3 crore PAT is an increment of 5.7 crore on a year-on-year basis that is from a negative 0.4 crore to a positive 5.3 crores. In terms of the margin, the PAT margin for FY23 as mentioned earlier is 6.8%, which is an expansion of 7.4% on a year-on-year basis. One of the key reasons for this margin expansion is that significant part of the incremental revenue goes to the bottom line. To be specific, if you look at the revenue from operations for this year and compare it to last year, we added an incremental revenue of 14.7 crores, out of this 31% or 4.5 crore went into incremental EBITDA. Again, this is not one off, even if you look at the last two years from FY20 to 21, 84% of the incremental revenue from operations went into increased EBITDA and from FY21 to 22, 77% of the incremental revenue from operations went into incremental EBITDA, right. So, to summarize, since the cost to serve incremental customer is limited, a significant portion of the incremental revenue goes into bottom line. The exact percentage of this may vary across the periods primarily based on the investments across various growth initiatives that is done during those periods. Coming to expenses, our total expense for FY23 was 75.7 crores, this is a 16% increase over previous year. If you see this is higher than what you would have seen in the previous year primarily because of some of the growth initiatives that were done during this period. We believe that this will help us accelerate revenue growth in future by helping us expand our sales effort as well as penetration within certain customer segments. I'll cover this in more detail in the subsequent slides.

On the right-hand side of the slide, we have given the expense breakup of this cost across the key components. The key components are the same as what you would have seen in previously. Just to summarize, first bulk of our expense is team cost. So, in FY23, 88% of the total expense was in this head, which has been in the similar range in the last two years as well. So, in FY21 and 22, this was 88% and 89% respectively of the total expense. Also, to note, all our team is in-house, so there is no outsourced or contract workforce. The second largest item is cloud hosting, which accounted for 3.3% of the total expense as we do a lot of data processing and analytics. This was followed by rental expense. The other interesting aspect is that we do not have a large paid marketing line item because we don't have large paid marketing spend neither digital marketing nor 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 a lot of that to generate organic traffic. So, we are able to get leads fairly efficiently, which is also reflected in our expense.

Going deeper into expense, this time we have also given the cost bridge of FY23 as compared to the previous year, the key drivers for this and what to expect going forward. To summarize, the total expense for FY23 was 75.7 crores, which is an increase of 10.2 crore over previous financial year. The key components of this cost bridge are the following three: the first is the employee expense, which increased by 8.4 crore over last financial year. This was primarily due to increase in headcount for various growth initiatives. Average headcount for FY23 was 23% higher than the previous financial year. Second, we saw an increase of 0.6 Crore in the rental expense on account of employees returning to office and lastly the remainder 1.2 crore of the cost bridge increase was due to other expenses comprising of compliance and governance related costs post listing. Going deeper into the first component of the cost bridge, employee cost for FY23 was 67 crores, which was higher by 8.4 crores from the previous year. The main driver for this as mentioned is the increased headcount due to various growth initiatives undertaken this year. On the right-hand side, we have given the average headcount across the last year as well as the four quarters of the current financial year - of the last financial year I'm sorry. So, to see the average headcount increased from 684 in FY22 to touching a peak of nearly 900 in the last quarter of FY23 and this is the same trend that you see in the total employee expense across the four quarters as well. To give a sense of what to expect going forward, most of the sizable step up required has been done. So, for the upcoming quarters, the headcount increase that is expected is much lesser than what you would have seen in the previous couple of quarters. Additionally, we are also seeing the head count number getting optimized due to various automation and efficiency initiatives. So, in April of the current financial year, the average headcount decreased to 837 and the ending headcount was down to 822. So, though the employee expense may not decrease to the same degree as the headcount, but you can expect the upcoming increase in this expense line item would be much lesser than what was seen in the previous couple of quarters. Moving further to the two remaining items components of the cost bridge. The second was rental expense which increased from 1.2 crore in FY22 to 1.8 crore in FY23. You can see that the quarterly expense, the trend which has been mentioned on the bottom, the increase has been primarily due to the capacity expansion on account of employees returning to office. Going forward, the rental expense is expected to continue to be in the same range as in the exiting quarter as we don't have any further immediate capacity expansion planned. The remaining 1.2 crore increase was due to other items like compliance and governance related costs and other expenses. So, to summarize on what to expect in terms of the total expense increase, since most of the nonlinear step up that was required has been done both in terms of headcount as well as other expenses like rental, the expense increase in the upcoming quarter should likely be lesser. Hence as we mentioned also in the last call that we expect bulk of the incremental revenue to continue going into bottom line within the next few quarters.

Neha Singh: Moving to revenue growth, we have given more color this time around the growth drivers and other initiatives that we are doing. Starting with revenue bridge, to help you understand the components of the revenue growth we have split the revenue into revenue accrued from new and existing customers. To add, revenue from new customer is essentially revenue from customers that had accrual for the first time in that particular financial year and revenue from existing customers as the name suggests is revenue from all other customers that was acquired previously. So, coming to the right-hand side top chart, revenue growth from the existing customers, one of the advantages of subscription business is that bulk park of a given year's revenue comes from customers that have been previously acquired without incremental sales effort. Additionally, a part of the growth also comes from the existing customers. The growth from existing customers from us primarily happens due to expansion in terms of number of licenses or seats. Typically, an account starts with smaller sets of licenses, say two or three licenses, and then grows overtime. Even if you look at our average realized pricing, it is close to 6.7 lakhs per account per year, while we have multiple customers paying us also more than 40-lakh annually primarily based on user expansion. So, coming to numbers, in FY21 the total revenue from operations was 43.8 crores. This set of existing customers contributed to a revenue of 50.7 crores in the subsequent financial year of FY22, which is a growth of 6.9 crores. On similar lines in FY22, the total revenue from operations was 63½ crores and this set of existing customers contributed a revenue of 64.9 crore in the subsequent financial year of FY23, which is a growth of 1.4 crores. If you see the market conditions also during this period of FY23, this was marked by a decline of nearly 50% in terms of the global funding dollar deployed and I'm sure you would have heard a lot about funding winter being talked about from the last couple of quarters, so though the funds were sitting on an all-time high or nearly high levels of dry powder they were going slow on new investments. Moving to the chart on the right bottom, it shows revenue from new customers across the two last financial years. Interestingly, despite the market conditions our new acquisition was at an all-time high, higher in FY23 as compared to FY22. This is primarily due to two reasons; one is that the addressable market is large, so there's a lot of latent demand which exists. Second, the other is that we have also been investing aggressively in our sales and marketing initiatives. We expect both these buckets of revenue to accelerate further as the markets improve in the next couple of quarters.

Coming to some revenue metrics, we have given two new sets of revenue metrics for revenue and client growth. On the left-hand side, we have shared the number of accounts which gave us a revenue of more than 20-lakh, 30-lakh, 40-lakh across the last three financial years. So, if you see the number of clients grew consistently across all these three buckets across the last three financial years. It is also interesting to see that despite the market conditions during the last financial year large accounts have continued to grow for us also indicating the fact that there's not much pricing pressure that exists in the market and customers are willing to pay more if you deliver value and also there's continued headroom to grow the average realized pricing. On the right-hand side, we have shared the split of revenue across the four geographical regions, which are India, rest of APAC, EMEA, and Americas. In terms of revenue contribution FY23, India and Americas contributed to nearly 30% each, EMEA contributed to 27%, rest of APAC contributed to the remaining 10%. In terms of growth, India and Americas grew at nearly 30%, EMEA was the slowest as compared to other regions growing at 8%. Also moving towards volume growth, the number of accounts ending quarter four were 1,230. If you look at the incremental accounts added, it has been improving on a Q&Q basis with Q4 being higher than the last two quarters.

Neha Singh: I'll also take a couple of minutes to talk about some of the recent growth initiatives we have been aggressively working on and I'm very excited to share the results that we've also been seeing from them. One of the very interesting growth initiatives is scaling our organic traffic. So, because we are a data company, we are able to use a lot of data that we own to launch large set of public pages which generate a lot of customer traffic. For instance, someone is searching for say 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 that we got across all our pages, so this was nearly 9 million in FY23. The current run rate is even higher of about 15 million annually. So, three interesting things regarding that; one is that this is a large traffic funnel that we've been able to build. Second is that this has been growing rapidly in the last few quarters, right for instance if you take the current run rate it is more than double of what it was just 18 months back. Third, we continue to work on this aggressively and we expect it to increase even further. The other interesting growth initiative is press mentions, as we have 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 multifold 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 very high-intent lead. Also, we believe that this goes a long way in building a brand as a data company, it also helps our sales conversion, and helps our revenue growth.

Another interesting growth initiative that we've mentioned about earlier on the data side is that we are expanding coverage in financials and cap tables datasets on private companies on platforms. For context today we track financials of private companies across 15 countries and cap tables across 10 countries. These data sets are particularly in demand by certain customer segments like private equity and investment bank among other segments. For illustration and investors looking to scan an upcoming space like single specialty hospital chains or a D2C or an Internet first brand in a particular country, and in addition to the interesting companies and market landscape they would also like to find the ones which are say more than 50 crore of revenue scale. Since we now have sufficient cash flows, we can invest in increasing the throughput of these data production engines. We believe that this will help us accelerate revenue growth in future, particularly in the customer segments of private equity and investment bank.

Neha Singh: Moving to some other financial matrices, interestingly, despite these investments in various growth initiatives, the company generated positive increasing free cash flow and also increased cash and cash equivalents both on and year-on-year as well as on a sequential Q-on-Q basis. The company generated free cash flow of 11.9 crore in FY23, which is a 143% increase or an increase of 7 crore from last year. Cash and cash equivalents is 60.3 crores, which is an increase of 14½ crore on year-on-year basis. We have also added the data for free cash flow for the last few years and you can see that this has been consistently increasing across the last two years as well.

In the subsequent slides, we have covered some of the other KPIs of the business. In the first slide, we covered the number of customer accounts, number of user accounts. So, we closed March 23 at 1230 accounts and 3420 users, which is a 13% and a 10% year-on-year increase respectively. Please note here that there's some difference between number of users and the number of paid licenses. For instance, if you do a cleanup of some of the old nonpaying customers of paid accounts, it reduces the number of users, but does not have impact on the revenue right, in fact it also helps us in sort of upselling to some of the accounts. Additionally, we also plan to add the data on number of licenses soon. In terms of the other KPIs, contract price or invoicing amount for FY23 was nearly 82 crores, which is an 18% year-on-year increase. The last graph talks about the number of entities profiled which is a proxy to the amount of data added on the platform. So, today we track more than 2.1 million profiles including private companies, funds etc. globally.

In terms of some other interesting characteristics of our business, so 68% of our revenue for FY23 was from outside India. It has been in the similar range of about 70% across the last three financial years. These customers span over 50 countries. The top five countries within this show a similar spread to where you have large corporates as well as private market investors. The top five countries for us by number of customer accounts are India, US, Singapore, UK, and Germany. Additionally, we also serve a very diverse and rich customer segment across the investment industry including venture capital funds, private equity funds, investment banks, as well as corporates across M&A teams, innovation teams etc., and others like government agencies, universities. This also gives us a very large addressable market to tap into.

Neha Singh: I also wanted to take a minute to talk about some of our generative AI initiatives and I'm sure you would have heard a lot about it recently. It has interesting applications for many businesses in general. Our aim is to be also pioneer in using generative AI as a technology company both on the front end for the users as well as on the back end for our development and operations. So, we have listed down some of the projects we are working on currently, which spans across the user facing ones right making it easier for users to query and get results or in other words they should be able to access a lot of our data through chat interface as well as on the back end once which is on the back end ones which includes those for our production as well as for our operations. This covers most of the key business updates from the recent period. In the subsequent slides, we have covered the business overview. I'll skip going over these slides, but feel free to please you know check it offline. Additionally, we have also given detailed financial statements which people can also go through for more details and that's all the key items that I wanted to share. I'll pass it back to Sidharth for any Q&A that the group might have.

Moderator: Yeah. Thank you, Neha, for the wonderful presentation. So, requesting the audience if anyone wants to ask a question, please use the raise hand option or you can also put it in the Q&A box right at the bottom of your screen. I think I have the first question from Nikhil Chandak. Nikhil, please unmute your line and go ahead.

Nikhil Chandak: Hi, can you hear me Sidharth now?

Moderator: Yeah, yeah, perfect Nikhil. You can go ahead.

Nikhil Chandak: Yeah perfect. Hi Neha, so you know my question was on the last part which you covered on the generative AI aspect. Now, I'm just trying to think you know as AI develops more and more over the next few years, how big a threat is you know that AI for the Tracxn business as in instead of paying Tracxn an annual fee, somebody could be using a free open source AI tool say two years, three years down the line and that may really impact the revenue which you get from a customer because he may have a free AI tool to use, open source tool to use after three years. So, how do you address this and how big a threat do you think this is to the business at large?

Neha Singh: Sure. Thanks, Nikhil. So, actually we don't see this as a threat. Actually, we see this as a great opportunity for us to be able to use it and leverage it for our business. To give you a small example right, today we have - we are a company based out of India, but we track information about private companies across 50 different countries. We have customers in 50 different countries for instance we are able to help funds in Germany find out German based companies through the platform or funds in UK you know get local companies through the platform. We have been able to do this because of technology right because technology has allowed us to be able to do this. Secondly, for instance we track a lot of regulatory filings which is in non-English language, which is in the local language. We are able to standardize it, assimilate it, parse it, and make it very actionable, insightful for our end users right. So, this has all been possible because of technology, so we see it as a great enabler for us to be able to build like a we continue to build a global data platform and you know I don't think like the customer segment that we serve you know just like in public markets you know there is a very structured information in private markets there is even more unstructured information that is available, so I think this will help us you know sort of build more of a powerful company and you know I think that is why we are also very excited about all these developments that is happening. Hope that answers the question, Nikhil.

Nikhil Chandak: Yeah, no you have a fair point. It's just that you know the situation today and few years down the line might be very different the way the technology is really evolving and you know which is why this question keeps coming again and again. Nevertheless, the other thing I wanted to check is would you look to also expand on to the listed side, so you know the platform obviously is most specifically oriented to the unlisted companies across the world, but to increase the monetization or you know breadth of offerings would you look to go on the listed side as well?

Neha Singh: So, currently we see a lot of opportunity in the unlisted space both in terms of the customer segments like if you look at our customer segments you know there is across investment industry, VC, PE etc., there's corporates which is a large portion which is using it for M&A or for their digital transformation needs, so this segment and you know on the other hand if you look at a typical LP allocation today for most LP asset classes between 10% to 15% is to private assets. So, we believe that just as in the public market you know there have been large companies which have got created, you know we feel that the private market is like a large opportunity. It's a very unserved need right and you know like even if you look at - even though the markets are probably down this financial year, we have still been able to grow some of the large accounts right. So, there is a payability as well, which exists in this market right. So, currently a lot of our modules focus around serving the private market and the corporate segments that we have customers in and as well as continue to expand geographically. Thirdly, we have got some requests you know that some of the data that for instance we track for instance, we track your headcount data on a monthly basis or a lot of other things which may also be relevant for listed players or if you're if you're a listed investor and if you want to look at large unlisted companies within that peer set, so we may have some of those modules, but I guess our core customer base who uses it for a day in and day out would be the private market and the corporate as a universe and we think that in this market itself we can create like a large company.

Nikhil Chandak: Perfect. Thank you so much. I'll come back in the queue. Thank you.

Neha Singh: Thanks, Nikhil.

Moderator: Thank you, Nikhil. Our next question is from Nitin Padmanabhan. Nitin, you can unmute yourself and ask your question.

Nitin Padmanabhan: Yeah, Hi. Good evening, Neha & Abhishek. So, just was curious, so this year our revenue to EBITDA conversion was much lower than at around 31% and I presume a lot of this is driven by the high employee cost, do you think this sort of reverts to around the 60%-65% range or one should sort of assume this to be lower, so that's the first question. The second is that, if I look at the current quarter and I just look at the trend over the last three quarters, the trend in customer account growth seems to be quite nice, it seems to be on an improving profile, but what we have seen in the current quarter is that the realizations have sort of dropped, so just wanted your thoughts on how are you looking at realizations on a going forward basis, is it - are you sort of taking in lower realizations to get in more accounts or how should we think about it on a going forward basis? Thank you.

Neha Singh: Thanks, Nitin. So, I'll just take the first point, which is basically what is the incremental revenue, so this year it has been 31% as you are correct and what do we expect going forward. So one of the reasons why we have also given like you know the detailed cost bridge and what are the key drivers for it and you can also see that, and we have also sort of mentioned that we expect that should go back to more than the majority like that is more than 50% within you know a couple of quarters, and you can see some of the leading indicators of this from the cost bridge that we have actually shared. So, for instance from you know just as the headcount trend right, so most of the step up that we had - so there were a lot of growth initiatives that we were doing, and some required a step up; one is in terms of the head count, which increased. So, the average headcount increased by 23% this year versus last year that was one and then there was some other step up which was done you know in rental as well as some of the other compliance and governance cost, so most of the step up that we needed have been done, so that is why the expected incremental step that is required is much lesser so it should be more, it'll go back to the linear you know sort of the increase and you are already seeing that you know in the headcount numbers for instance that is why we have also shared like the April one, which is sort of the indicator that you know it's already sort of becoming you know it's already getting rationalized, so that is why you would expect that this number should go back to majority; when I say majority it's like more than 50% within the next couple of quarters, which is the incremental revenue going into bottom line, right. So, hope that answers the first question. Now, coming to the second question, which is right, sorry?

Nitin Padmanabhan: Yeah, sorry. So, the decline in headcount that we have sort of shown on a closing basis for April, where is this decline happening in terms of the kind of people that was the only thing, I was keen on and would that have any impact on the growth initiatives or the incremental account growth that we're seeing, just your thoughts there?

Neha Singh: Right, right, yeah. So, just to add to that, the headcount which increased was primarily you know in addition to the other teams was primarily across 2 main teams; one is your sales team you know that we had talked about the sales team expansion and the other was in data operations, which because we had a sort of greater coverage of financials and cap tables which is required for certain customer segments, which we believe, which will help us increase the penetration within the customer segment. So, basically the growth was in these two different teams and the headcount reduction was also actually in these two teams apart from some of the other ones primarily because whenever you do bulk hiring it is typically followed by an optimization phase because not everyone is able to become productive, so that is one and the second thing is that we also continue to do some automation and efficiency initiatives, which helps us to keep optimizing the number of for instance headcount that is required per module, right, so that also gets optimized. So, this headcount does not have any impact on the revenue, in fact we continue to sort of aggressively grow towards both increasing the top of the funnel as well as increasing the sales the conversion part right. So, this actually does not have any impact on that, right. Hope that answers the question, Nitin?

Nitin Padmanabhan: Yes, it does, but just one data point as well, so we have the numbers for let's say in Q1 fiscal 23 on how this split between these various employee groups, if on an annual basis if you could give that so that it sort of for us to sort of compare would be helpful?

Neha Singh: Yeah, so I can give the numbers as on April end, which is the same the 820 people that you see. The split across the departments that we have shown earlier, so the current split looks like this, so there are about 90 people in tech and product, there are about 230 people in sales, marketing, customer success, there about 450 people in analyst and data operations, and about 50 in other business functions, right. So, hopefully that gives you the same split as what we had given earlier.

Nitin Padmanabhan: Sure, yes, it does. Thank you.

Neha Singh: Now, coming to the second question, which is across the last you know quarters that you see, which is the customer increase that we have been seeing. So yes, the incremental customer has been increasing. In terms of the average realized pricing, if you look at last year versus this year, we've increased it marginally. So, last year it 6.5 lakhs, today this year it has been 6.7 lakhs, Q-on-Q there might be some difference, you know what is the trend basically, probably to expect, so in terms of the new customer acquisition, it will continue to be probably you know we'll start with like a small seats, like one seats or three seats so that will continue to grow smaller. On the other side, we are also working a lot towards increasing the number of seats within the existing organization. But my sense is that, I'm not sure about how much change you would probably see, my sense is that it would probably be the ASP might remain in the same range and obviously we continue to aggressively grow on the you know addition of new customers if you see the net account has been increasing or even the deferred revenue has increased, so there we continue to invest.

Nitin Padmanabhan: Sure. I was just curious because the bulk of the revenue is from existing customers and the sequential annualized drop of 3.1% is what I was curious about, so the drop seems large considering that the existing base is very large and the new base is the new customers are smaller, so why does it really fall in a single quarter to that extent and lead to a flattish revenue, I just was trying to understand the dynamic there.

Neha Singh: Right, right. So, maybe you can probably annual maybe better, more indicative, so annually if you look at it is very - it has increased marginally from 6.5 to 6.7 maybe that is more indicative than the quarterly.

Nitin Padmanabhan: Sure. Fair enough. Thank you so much, Neha. All the very best.

Neha Singh: Thanks, Nitin.

Moderator: Thank you, Nitin. Our next question is from Pradyumna Chaudhary. Pradyumna, you can go ahead.

Pradyumna Chaudhary: Yeah, hi, can you hear me?

Moderator: Yeah, yeah, loud and clear.

Pradyumna Chaudhary: Yep. So, the first question is what I see is during Q4 there's been a growth in customer accounts even on a quarter-on-quarter basis, however, the revenue has stayed flat, so why is that so?

Neha Singh: Right. So, that is one of the reasons also in Q4 specifically that we saw you know apart from the other ones, which is there is, there was some flux that was also there you know initially like if you look at Q4, it also had the SVB crisis though it did not impact us directly, but some of the customers portfolio company had exposure, so some of them were busy, so we saw some delay in sort of the renewal which was happening. So, if you look at it some of the customers we got in a little later, so this is the same sort of the flux that we had seen when like COVID had just started, when there was some delay in sort of renewals or the customer onboarding that we had seen, so I think that was probably one of the things. We also like saw some momentum you know in March - at the end of March when probably things were sort of more this thing, that might be one of the reasons why you will see the ending customer, so the ending customer account would have done slightly different than the incremental just the revenue increase.

Pradyumna Chaudhary: Understood and second in the beginning of the call you mentioned that due to the markets being not so good some of the customers probably they invested - they didn't increase the investments towards platforms and stuff, so somewhere do you think it indicates a slightly less essential nature of a platform because like, if I were to look at the listed space and if a customer was using Bloomberg so because the markets were bad I do not see that customer getting like not renewing Bloomberg right, so from that perspective can you please answer that yeah?

Neha Singh: Yeah, sure. So, actually in terms of the - so in terms of the essential actually if you look at our DAU to MAU is actually fairly high, so it is not something that people use it you know on an annualized basis or you know this is something that people use on a daily basis, for instance if you're a private market investor and you're meeting like five companies in a day, for every company you have to see you know what is the information about it, what is the competition landscape, who else exists in that market, what are the large global peers within that, more information about like financial, cap tables, you know shareholding, historical valuation etc., so this is something that you do you know every day and most of the people - most of our customers say that you know they have this tab always open, so it's a fairly essential thing it's a very high you know DAU to MAU that is there. In terms of the you know that impacting market activity, so if you look at just the number you know the dollar deployed that was like 50% lesser, so it just said the number of deals that people are doing right. So, how much busy they are, the number of deals that they are working on was much lesser this year because of lot of things which is also there. So, what we hear from customers is that you know they're still sitting on a lot of dry powder which is there, but they're also waiting for like the some valuation reset to happen or something to happen and that's why they're probably doing that and like one of the ways in which we had expanded a lot is you know basically based on the number of users right. So, if people are little active - little lesser active, people are little lesser prone to sort of expand, but you know I think that that was probably be expected to be only sort of transient and we expect that you know that should go back to higher level you know soon. Hope that answers the question.

Pradyumna Chaudhary: Understood. Yeah, yeah, and lastly, I just wanted a couple of data points. One was as you alluded to a high DAU by MAU, so if you can give us an idea of that and secondly the latest like the latest quarters customer retention rate and the net dollar retention rate, these two questions.

Neha Singh: Got it, got it, okay. So, on the DAU to MAU, our DAU is fairly high, so approximately more than 40% of the users log in every day right and DAU to MAU is more than 40%, weekly actives to monthly actives is more than 65%, so it's fairly you know high sort of engagement on both levels, that's on the first part. On the second part of customer retention and dollar retention, so we have actually not gone into these metrices. We plan to sort of give more metrices you know as you've seen we've probably expanded the set of metrics that we have given so we probably you know plan to add this. We've given you know another set of metrices which is sort of helps to explain that dynamics which is you know your revenue from existing and the new customer acquisition which also sort of people wanted to understand you know that you know how is the new sales sort of panning out versus the other one. So, we have given that, we probably plan to give sort of more metrices around this going forward.

Pradyumna Chaudhary: Understood. Thank you so much.

Moderator: Yeah. Thank you, Pradyumna. Our next question is from Sameer Dosani. Sameer, you may unmute yourself and ask your question.

Sameer Dosani: Yeah, can you hear me?

Moderator: Yeah, loud and clear, Sameer. Please go ahead.

Sameer Dosani: Yeah. So, thanks for the opportunity. Sir, is my understanding correct that you said a lot of these customers that we added were in, were added towards the end of Q4 that is why revenue growth is not reflecting the kind of accounts growth we have seen, that's correct?

Neha Singh: That is to some extent correct, yes.

Sameer Dosani: Okay, and second

Neha Singh: That is also probably reflected in some of the deferred revenue etc. yes, but yeah, go on please.

Sameer Dosani: And second is when I look at NRR right, so revenue growth from existing customers last year was 15%, this year it's only 2%, so what should we understand from this and what would be the trajectory for obviously this year was a much tougher year for your customer base, what should we understand where this number settles in the next few years? Thanks.

Neha Singh: Yeah, so we expected it should be between those two, so it should you know I think last year 2022 was a bit higher than usual because of a lot of activity and obviously this year was much lower. So, steady state might be you know somewhere in between that those two numbers.

Sameer Dosani: Okay and also if you look at customer additions - customer account additions has been pretty - has been much better and has been on the improving trajectory. From your pipeline, your conversation with your prospective clients, how should we understand this trajectory, should we keep - should this number keep improving for the next few quarters as - how should we understand that number? Thanks.

Neha Singh: Right. So, on the customer addition, we definitely expect that you know that should increase because of like if you look at the new customer addition both in terms of - just in terms of also the revenue that we are doing because of a lot of GTM initiatives that we have done you know today we are reaching out to a lot more people, lot more people are coming into our top of the funnel as leads right like just if you look at the traffic that we get you know that has increased nearly 2X in just the last 18 months right. So, we get lot more leads today you know across all our pages and you know our sales conversion has probably you know despite the scale the conversion has probably remained the same rate, so we are able to sort of you know reach out to more customers, so both in terms of one is the new acquisition you know sort of continuing to sort of increase and hopefully the existing expansion also improves than what it was last year, we should see this number you know in continue to increase.

Sameer Dosani: So, Q3-Q4 is not seasonally strong, there's no logic as such right, so it's just organic increase that we're seeing because of the market conditions improve plus our own actions?

Neha Singh: Yes, that's correct.

Sameer Dosani: Okay and also if you look at and I think this question is somewhere answered, but if you look at customer a user per account right it has gone down from 2.9X to 2.75 somewhere around that, so is this a factor that new customers are opting for lower users at the start or you're seeing existing customers also cut a number of logins? What is that a factor of, if you can explain that science?

Neha Singh: Yeah, sure. So, the new customer count, so I think it would mostly be the former which is essentially a lot of the new customers you know when they start they want to start small, they want to start with like 1 seat or 2 seat, one license or two license, and the other thing is that you know you hope to continue to start to you know grow existing customers, so I think primarily it might be that your mix of essentially you know like you're seeing lesser upgrades in your existing and then you are signing up new customers in your one or two seats.

Sameer Dosani: Understood, understood. So, circling back to that you know that that question of you know that there's a lot of customers have been added towards the end of the quarter, so that means the user - the revenue per customer account is just an aberration and maybe may recover next quarter, so that's how we should see it right?

Neha Singh: Yes, so it is nothing else, no, no, no, pricing at all and there's no pricing pressure that we actually see, so nothing else apart from that we see different in that sense.

Sameer Dosani: Sure, sure, Thanks. Thanks for that and all the best.

Neha Singh: Thanks, Sameer.

Abhishek Goyal: Thank you Sameer. Sidharth. Sidharth, you are on mute.

Neha Singh: Sidharth, you are on mute, I think yeah, so.

Moderator: Oh, Sorry about that. Thank you, Sameer. Our next question is from Miten Shah. Miten, you may unmute yourself and ask your question.

Miten Shah: Hi, am I audible?

Moderator: Perfect.

Miten Shah: Yeah. Thanks for giving me the opportunity and first of all heartiest congratulations to team on giving good set of numbers, so we hope we see some traction in the Tracxn of share price tomorrow as shareholders, okay. Now, coming to the questions, the first thing, I'm talking on behalf of my wife who is actually the shareholder, so pardon me for that, so the first question would be like you know I would just like to know who exactly are peers of Tracxn in this industry, whether from listed or unlisted?

Neha Singh: Sure. So, we are in a vertical industry which is different from horizontal in a sense that the number of players that we compete globally are only a handful, they are not like dozens which you see in some of the other vertical segments like an HRMS or CRM which is there. For us in the, because we are in the private market you know data business, globally there are only about five or six players that exist in that space, which includes you know all the other ones that exist like you know a Crunchbase, a CBinsights, or a Pitchbook etc., which are primarily there in the private market data space. Having said that you know I think that is fair amount of differentiation which sort of exists across a lot of the players which you know which are there today. I hope that answers your question.

Miten Shah: Sure. Thanks a lot, and is there any fair idea of you know what would be our market share you know amongst these peers, and I meant and are we able to yeah, yeah

Neha Singh: Yeah, yeah, right. So, currently - so interestingly like nearly 50% of the customers that we acquire started using the platform for the first time you know when we get the stats from our sales team so our current market penetration is single digit right and even if we like today we are at 1200 accounts or typically you know organizations that we work with the addressable universe is of 100,000 or nearly 1 lakh more than 1 lakh organizations, so we have single digit percentage of the market. Even if you grow to five times, you'll still be single digit percentage of the market right and most of the other players are also single digit percentage of the market. So, that is why you know I think right now it's a fairly sort of unserved market as well.

Miten Shah: Fair enough. Just one more question if you don't mind, so we hear a lot of recession sort of kicking in slowly in the US and as we derive almost 30% you know revenues from the Americas, so have you seen any slowdown you know of in fetching the new customers or are there any you know retention in the existing customer?

Neha Singh: Right, right. No, so actually recession for us in our market I think private market probably started about 3-4 quarters back, in fact like we had got the question on the recession, in two quarters back in the quarterly call, you know so that is also, so I think in our market probably it started about 3-4 quarters back you know just as it probably started in the public markets at the end of 2021, which is where it also started in the private markets because they are fairly linked right. So, right now I think that has already happened, so what we see from the stats is that at least if you look at the investment funding which is happening it looks like the bottom is already passed us and it looks like the quarter you know is becoming flat - the subsequent quarters are becoming flat or is looking to improve, we probably have to wait one or two more quarters to actually see, but you know interestingly despite all this America still grew at nearly 30% for us right and you know in addition to like India, which is 30% so that continues to grow fast. Obviously, Europe was slower, but you know I think probably what we get sense from also the customers probably the worst is sort of behind and we expect things to you know probably improve.

Miten Shah: Perfect, perfect. One more last question, if you don't mind if I may ask for?

Neha Singh: Yes.

Miten Shah: Yeah, we see an improvement in the free cash flow year-on-year, so are there any thoughts that you know whether this be used for organic or inorganic growth is company looking for any and is there any dividend policy that the management has thought about?

Neha Singh: Right, right. So, that is obviously one interesting aspect of our business that it generates like despite all the initiatives that we are doing. If the business continues to generate increasing free cash flow and even if you look at our cash and cash equivalent, it is increased both on a year-on-year basis as well as on a sequential quarter-on-quarter basis right, so this is one interesting aspect because of the business nature. In terms of how do we plan to do that, so we haven't sort of formalized the policy, but it will probably be across all these things you know across inorganic you know continue to invest in organic, inorganic, as well as you know either doing like a dividend or buyback, so probably it will be across these budgets, we haven't finalized the plan. We'll probably whenever you know we do that, we'll do that, we'll probably also announce more about it. In terms of organic inorganic, I think our current plan is to continue to show the margin expansion for the first couple of quarters after the listing which is one of the things that people really liked about our business and obviously you know we do plan to do inorganic expansion that might happen maybe like a couple of quarters down because even if you look at financial data companies in the public space, they had been fairly acquisitive like if you look at all the large you know once they have been fairly acquisitive, so obviously this is some lever that we do plan to do that, but maybe a couple of quarters down.

Miten Shah: Correct. Is the company eyeing presently for any strategic acquisition otherwise?

Neha Singh: No, immediate plan as of now.

Miten Shah: Fair enough. I mean that answers all the queries and thanks a lot for answering.

Moderator: Thank you, Miten. We have a repeat question from Bhargav Buddhadev. Bhargav, you may go ahead. Kindly unmute yourself.

Bhargav Buddhadev: Yeah, hi Neha and Abhishek, can you hear me?

Neha Singh: Yeah, hi Bhargav, yes.

Bhargav Buddhadev: Yeah, so first of all congratulations for the customer addition it has improved sequentially. My first question is if I read the slide 16, is it correct that the revenue from the existing customer has gone up by 30% in FY23?

Neha Singh: FY23, so it has gone up by 1.4 crores from existing customers, so the way to read it is like if you look at FY21, the revenue was 48.3 crores, I'll actually just go back to that slide, so the revenue was 43.8 crores in FY21, which increased to 50.7 crores, which is an increase of 6.9. The same if you look at this trend in FY21, it increased from 63½ to 64.90 you know increase of 1.4 crores. So, I hope that answers your question.

Bhargav Buddhadev: How should we read these 65 crores in 23 was 50.7 and 22 is that correct or is there something missing?

Neha Singh: No. So, the existing set actually changes like if you look at in FY23, all the customers that were in - that also came up in FY22 and prior to that became sort of your existing customers, so that is why.

Bhargav Buddhadev: So, your existing customer definition is about a year and more?

Neha Singh: Yeah, so it's a new customer essentially anyone that came in that financial year, which gave us the revenue for the first time in that financial year and existing customer is everyone else, everyone who was on boarded before that year, before that period.

Bhargav Buddhadev: And this increase in existing customer addition is primarily led by user base addition or is it also realization led?

Neha Singh: It is primarily led by the user that we increase in the customers.

Bhargav Buddhadev: Okay, okay. So, there's no realization pressure right on the existing customer?

Neha Singh: There is no pricing pressure that is there like even if you look at the large customer accounts that we have like if you look at the number of customers which are there in more than 20 lakh, more than 30 lakh, more than 40 lakh buckets, they have actually increased, so there's no pricing pressure per se that sort of exists.

Bhargav Buddhadev: And fair to say that going forward also you are not seeing any price negotiation which is indicative of any pricing pressure?

Neha Singh: No. So, there is no pricing pressure that we see from customers. We are in fact also looking to you know sell to a lot of large accounts which is more users to begin with, so we are also doing a lot of those initiatives, so there is no - so this is not something that we hear from the customers a lot.

Bhargav Buddhadev: Okay. Last question is over the course of next two years, what is the growth which you see in your fixed cost, which is your employee and the fixed part and the other expenditure?

Neha Singh: Right. So, you can expect what it was probably you know I think last year was a little bit of aberration in terms of the total expense and you can probably see the trajectory which has been there earlier which is less than 10% is what you can expect you know on a steady state going forward.

Bhargav Buddhadev: And on your cash on the balance sheet you mentioned to the earlier participant's question that you are not looking at any acquisition, but is buyback also under consideration given that the stock price is also below the IPO price?

Neha Singh: So, I think both of these are - so in terms of acquisition you know like immediately there is no plan, we do plan to do an organic expansion, I think we'll probably - we'll have to time out as to you know when we actually do that. Secondly, coming to the buyback, I think we do - so I think we haven't finalized it, but you know obviously this would be something which is of interest to us, but we haven't sort of finalized around you know doing that immediately.

Bhargav Buddhadev: Okay, okay. Thank you for your answers and all the very best.

Neha Singh: Thanks.

Moderator: Thank you, Bhargav. Our next question is from Ayush Vimal, would request you to kindly unmute yourself.

Ayush Vimal: Hi Neha, hi Abhishek. Thanks for giving me the opportunity. I just have two qualitative questions on the business. The first is, over the last year have you seen you know emerging use cases for this database you know going beyond the realm of private market investors who tend to be more cyclical with the macroeconomic cycles have you seen corporations or banks or other organizations using this database more often and if so can you highlight what are the new emerging use cases that that you've seen?

Neha Singh: Sure. So, I'll take this. So, in fact that customer base if you look at it, so actually you'll find it interesting that today corporates by revenue is actually equally large as compared to the private market segment, so when I say private market it includes VCs, PEs, IBs etc. When I say corporates, it includes the M&A teams, innovation teams etc. of the corporates right. So, today actually by revenue, corporates are actually equally large for us you know as compared to the private market and we continue to actually have interesting sort of use cases within them. To give you a small you know couple of examples within corporate ones which is there, so today we work with more than 70 Fortune 500 corporations and a couple of the use cases are as follows; so, one is that M&A team from a team is fairly straightforward anyone who's looking to do M&A investments they use this. The second is your innovation team or a digital transformation team, so for instance anyone who's looking to do vendor discovery right, so you can you know whenever you're looking to do vendor discovery for any of the emerging spaces right like bank is looking to find out e-KYC vendors or companies looking to find emerging vendors within their industry you know they are able to use our platform to do that, so that's another very large use case that we see plus there is also other use cases for instance sales and marketing. So, anyone who's looking to target the private market as a customer segment, they find our data very interesting, so we already have some customer segments for that use case and we can actually go more deeper also within that. So, actually within that also there are fairly interesting use cases that we already see, and you know once we have sort of sizable customers, we also invest in the building more modules and data that they need.

Ayush Vimal: Fair enough. The second question I had was you know I observed the noticeable decline in the number of employees in the month of April, do you see this and you know data entry and entity profiling is a very, very manual process do you see this changing over the next few years to be a more automated process you know which might involve lesser number of employees?

Neha Singh: Right. So, two parts, so one is you know the employee decline has been primarily in the same team wherein we had increase in the team so it is still higher than what it was you know two years back, but whenever you do a sort of a bulk hiring it is also you know not everyone is able to become productive etc., so you know so that little bit of optimization happens. Coming to the second point which is on just the you know the data operations team, so actually we do a lot of automation you know at our end and across different data modules that is there. If you look at the breadth of data modules it's a lot right like for instance like public market companies give you a fairly structured information about financials, private companies they have filings which is in PDFs or images across various languages not just English right, like if you go to different countries it's available in non-English language, so we are able to extract that information for instance we have financials in more than 15 countries cap tables in more than ten countries we track companies in all these countries and their other data points that we also track like even the press filings, transaction information that we track in a lot of non-English as well as English language countries , so there is a lot of automation that we have to build right just the fact that we have 2 million entities, we added 400,000 last year itself right. So, that is just an example of you know you require a lot of automation for this. Having said that, there will always be a human in the loop curation that will be required, like even if you look at financial data companies right like those all information is fairly structured in there, they also have like large data teams, which exist and in private market I think it's even more unstructured. So, for us I think we'll continue to have that human in the loop for all our data modules. What we have seen is actually the amount of supervision that is required or the curation that is required for data modules reduces over time right so that is the efficiency and automation that brings in. So, for instance the number of people that was required to just capture the global transaction information right, we capture global transactions, any funding round happening across all the countries, the number of people that would be required in that unit would have reduced what it was probably two years back. So, that is the kind of you know efficiency that we keep working on, but at the same time we constantly on launch new data models etc. So, yes there is a lot of automation that you'll continue to see, but I think we will always have this human in the loop also which will exist.

Ayush Vimal: Right and just one more question, are we even looking to expand the breadth of services that we provide you know for instance we can provide services like expert services or tailored services to specific clients for a fee and that might be very logistic to that existing offerings, so is something like that on the cards?

Neha Singh: Right, right, so, we actually have a fairly rich product road map, and this is actually a result of the request of the customer themselves have sent us. So, for instance, we also the service called My Analyst wherein we get you know about 1000s of requests every quarter, which is you know like people are looking at different sort of data points or different sort of use or analysis that they want help on and this also becomes a funnel for you know module that we have to launch. So, we actually have fairly rich set of modules, and we know a lot of things which people have requested us, which we think, which will help us in sort of like getting more deeper into the customer workflow and helping us increase the price point and the user penetration over time. So, yes, so all these are part of the road map which is there.

Ayush Vimal: I have just one minor point, you know, do we have IP tracking on the platform which prevents users you know from using and sharing login IDs and using a single account?

Neha Singh: Yes, yes. So, just like you know in your mail client you are able to see that you know you're logged in into sort of more locations, so similarly you know as a back end because it's a cloud hosted, we are able to track the IDs of the devices which is there. We are able to you know get it at the back end and this is also a way in which our team sort of helps to upgrade, so we allow a little bit of you know sharing for instance someone is using your laptop or a mobile or an iPad etc., we allow them a little bit of parallel usage and once it crosses a particular more location or you know different locations then we actually our team also reaches out to them ask them if they want to buy more logins for the team member, so this is also something that we are able to track and also helps us in upgrade.

Ayush Vimal: Alright. Thank you so much, that's it.

Moderator: Yeah, thank you, Ayush. Now, we'll take Pratyush's question. It's on the chat window so I'll read it aloud. This quarter billing was only 22.4 crores, which was down 3% QoQ and up only 13% YoY, why have Billings been weak?

Neha Singh: Got it. So, actually billings if you look at it, I think even if you look at last year, it should probably have a similar one like it also like you know for instance 80% of the revenue is from nearly existing customers and there is a little bit of pattern which is there in terms of where you have some of the customer concentration. So, I think that is a similar pattern that you would also see you know even last year. Secondly, if you look at some of the other things you know for instance like the other things like deferred revenue etc., have increased. So, you know I think contract price you know might have some seasonality as you would have seen even last year. Hope that answers the question.

Moderator: Fine. Now, we take Nitin's question. So, Nitin Padmanabhan, you may unmute yourself and ask your question.

Nitin Padmanabhan: Yeah. hi, am I audible?

Moderator: Perfect, Nitin. Please go ahead.

Nitin Padmanabhan: Yeah hi. Thanks for the opportunity again. So, Neha from what I understood the disconnect between customer growth and revenue growth was driven by two factors. So, one is new customers coming towards the end of the quarter and second renewal is also being delayed, which is possibly reflected in the lower revenue per customer, is that understanding right and if it is right does it mean that the revenue growth should outpace the customer growth in the following quarter, is that a fair understanding?

Neha Singh: So, yes. The first one is a fair understanding, which is basically something just the timing of you know where the customers had sort of signed up, so that would be correct. In terms of what to expect going forward, so I think there I think we may have to see because I guess we are also you know working towards a lot of new customer acquisition and you know that typically happens at a lower ASP than the other one, so going forward whether you know historically if you actually see the revenue growth has been higher than the customer growth, so maybe it will come back to that same level, but I think we'll have to probably see.

Nitin Padmanabhan: Yeah, because I see a similar kind of thing that happened even in the past, so I'm just trying to correlate what really happened, so if you look at Q2 fiscal 22 you had the same thing wherein in a quarter the realized pricing went down by 5.8%, but the very next quarter it was up 7.4%, is it because of the nature of renewals being delayed is that a large sort of variable within that and can a similar thing happen or am I reading it wrongly?

Abhishek Goyal: So, mostly when you require a lot of new customers ASPs go down and if you see some expansion among the existing customers, the ASPs go up. So, my sense is that as market opens up and if we see some kind of - if it will start buying more seats then you will say ASP growing up. My sense is the ASP is not going because people have not bought a lot more seats in last few months.

Nitin Padmanabhan: Understood and second just your thoughts on EMEA. So, EMEA has been sort of relatively weak for the year So what are you seeing in that market and what are your thoughts there?

Abhishek Goyal: So, I think we have done a lot of growth initiatives. Some of them have not resulted into good results in Europe, so we are now doing some specific region-specific initiatives, so that to get some new lead generation there. So, I think we are working actively on EMEA, or Europe specifically more aggressively now.

Nitin Padmanabhan: Sure, fair enough. Thank you, Neha, thank you, Abhishek, and all the very best.

Abhishek Goyal: Thank you, Nitin.

Neha Singh: Thanks Nitin.

Moderator: Thank you, Nitin. Our next question is from Rohit Balakrishnan. Rohit, you may unmute yourself and ask your question.

Rohit Balakrishnan: Am I audible?

Moderator: You're slightly on the lower side, but it's fine.

Rohit Balakrishnan: Okay. I hope this is better. So, this is like my first call, so pardon my basic questions. Typically, I mean do you have a sense that I mean your customers do they use products beyond I mean do they use Tracxn and let's say also use the other products that you mentioned or is it like it's either between you guys or the competition, can you just maybe give a sense on that?

Neha Singh: Yeah. So, actually, so when we acquire customers nearly 50% of the customers that we acquire actually use only one platform like you know I started using us and then there's some obviously about you know 30% of the customers that we acquired are using more than one, so I would say bulk of the people are using probably one platform and there are some people who use more than one. Having said that, currently the differentiation that exists, so it's not like to like, it's not just the same data sort of which exists across the platform, so there's a fair amount of differentiation which exists. Hope that answers your question.

Rohit Balakrishnan: Yeah, and I don't know if this is the right platform, but can you talk a bit about what are those differentiations?

Neha Singh: So, actually you know if you look at our platform and quite a things that we you know offer for instance have coverage in emerging technology that is much more deeper you know if a large bank wants to figure out again what is happening in FinTech, what are the emerging areas, what is happening in what are the e-KYC solutions, if they want to go niche in a particular area there's no other platform that sort of exists that that gives you that level of information, similarly if today you want to figure out all the companies in D2C brands coming up or so there's a lot of you know differentiation which exists. One is that whole sector-based coverage, which is very interesting, which you know private market investors really value. Second is some of the data points that we have you know in terms of the cap tables etc., that we do that is fairly unique, there's a lot of other data points that also exist maybe you know we can just actually you can check out the platform and then that should be very apparent of the kind of differentiation which exists.

Rohit Balakrishnan: Got it. Okay, fine, yeah. Thank you. That's pretty much it, thank you.

Neha Singh: Thank you.

Moderator: Thank you, Rohit. Neha, we have - I believe it's the last question it's on the chat window from Virendra Verma, I will read out the question verbatim. I'm new to the company business need to know how the data for companies is sourced globally and what are the costs involved to get this data?

Neha Singh: Sure. So, in terms of - so essentially, we track private markets and anything that's relevant to private market investor corporates essentially, we track it on the platform. In terms of how we source the data that's broadly divided into three buckets. One is your whole publicly available data, so just like you know you're looking for any particular themes like if you're looking at GRC software companies or you're looking at kitchen automation companies, you'll go to a search engine, you'll search for a company, get a set of results. So, one is your whole publicly available data about companies you know from their websites etc., so we track more than half a billion entities today on the back end, so that's one source of information. The second source of information is a proprietary information that we build. So, for instance the whole understanding that you know these company is into insurance tech or this companies into an Internet first bank or this company is a single specialty hospital chain, so that whole taxonomy, so you know out of the 800 plus member, we have nearly 90 members sector focused analyst team, so that's the second proprietary information that we built. The third is basically based on regulatory filings, so we capture - so just like you know public companies have to do a lot of filings, even private companies have to do a lot of filings across all the countries you know on transactions, on annual filings etc. and we are able to track those right in a variety of like English, non-English language, in a variety of parsed, as well as image format that is their information, so that's the third source of information that we have which is the regulatory. So, these probably comprises of the three key sources of information. Coming to the second part of the question, is the cost so we actually have the whole stacks, so we don't license the data, so in a sense that you our cost to source the data is fairly minimal. We spend a lot in processing the information and making the actionable for the end users and that is also reflected in our P&L, right. So, hope that answers the question.

Rohit Balakrishnan: Yeah, perfect.

Moderator: I guess all the questions are done and no more hands are raised. So, with that I would like to thank the Tracxn management for giving us the opportunity to host the call. I'll now pass it on to Neha and Abhishek to give their closing remarks. Thank you very much.

Neha Singh: Yeah, thanks Sidharth and thanks everyone for joining us today. I hope we were able to give you a good understanding of recent business update and we have also been able to address some of your queries. In case there are any follow-up queries, please feel free to reach out to us - any of us. I am at neha@tracxn.com or you can reach out to Abhishek and Prashant, or you can write to our team at investor.relations@tracxn.com, right. Thanks again and hope you have a good rest of the day.

Moderator: Yeah. Thank you very much, Neha and Abhishek, all the best to you.

Abhishek Goyal: Thank you. Thank you everyone for joining.

Prashant Chandra: Thank You.

Neha Singh: Thank you.