Sonata Software strengthens Travel vertical with acquisition of stake in travel PAAS Rezopia
Note to Investors

As you might have read, the Company has acquired a strategic controlling stake in Rezopia Inc., and almost the complete businesses of Xyka Software Private Limited, the primary service provider to Rezopia's Inc. Some pertinent details with regard to the acquisitions are:

Background

Rezopia has pioneered the development of a cloud based PAAS travel IT solutions platform, allowing large and small travel companies to gain flexibility, faster time to market and lower TCO in meeting customer needs with the latest technology innovations. Travel suppliers like rail, airlines and hotels can use the platform both for selling their inventory as well as extending their core services with value added offerings such as special package holiday offers, Destination specialists and smaller emerging tour operators can use the platform as a core IT backbone for their operations with benefits of low fixed costs, a dynamic technology roadmap and responsive service. These features have seen Rezopia win recognition in the industry such as the World Travel Awards 2013 and the Travel Weekly Magellan Awards 2013 Gold Award.

The acquisition will see Rezopia benefiting from Sonata's ability to support continued investment in its platform development roadmap, the expertise that Sonata has in engineering software products for some of the world's largest ISVs and also the footprint Sonata has with Travel customers in multiple geographies globally.

Sonata Software is focused on innovative solutions for Travel, Retail and CPG verticals driven thru integrating technologies such as Omni-channel commerce, Mobility, Analytics and Cloud. The company counts in its client roster some of the largest global players in the Tour Operator, Corporate Travel, Online Travel and Airline industries.

Structure of the transaction and financial details – Rezopia Inc.,

- Sonata Software North America a 100% subsidiary of Sonata Software Limited acquired 60% of the equity in Rezopia Inc. at an enterprise valuation of $2.4 million;

- Rezopia has reported revenues approximately $1.5 million till August 2014.

- The founders of the Company are Rakesh Hegde, Nirav Chhatrapati, and Bernaad Chetty.

Structure of the transaction and financial details – Xyka Software Private Limited

- Sonata Software Limited under a business transfer agreement has acquired almost all the business of Xyka Software Private Limited, Bangalore, for a consideration of approximately Rs 3.6 crores.

- As part of the business transfer, Sonata will take over the 60+ employees of Xyka Software, related assets and customer contracts.

Others

- Both acquisitions have been funded from Internal accruals.

- We will be consolidating the results of the acquired companies from the quarter ending September 30, 2014.

Should you require any further information, please do contact us.

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