



CONTEXTUAL AND DIGITAL

Leading the Transformation Agenda

INVESTOR AND ANALYST SUMMIT 2019
July 30, 2019

Safe Harbor Statement

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to our ability to manage growth, intense competition among Indian and overseas IT Products companies, various factors which may affect our cost advantage, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Intellect Design Arena has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry.

Intellect Design Arena may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.

INVESTOR AND ANALYST SUMMIT 2019

Agenda



01 Market Opportunity

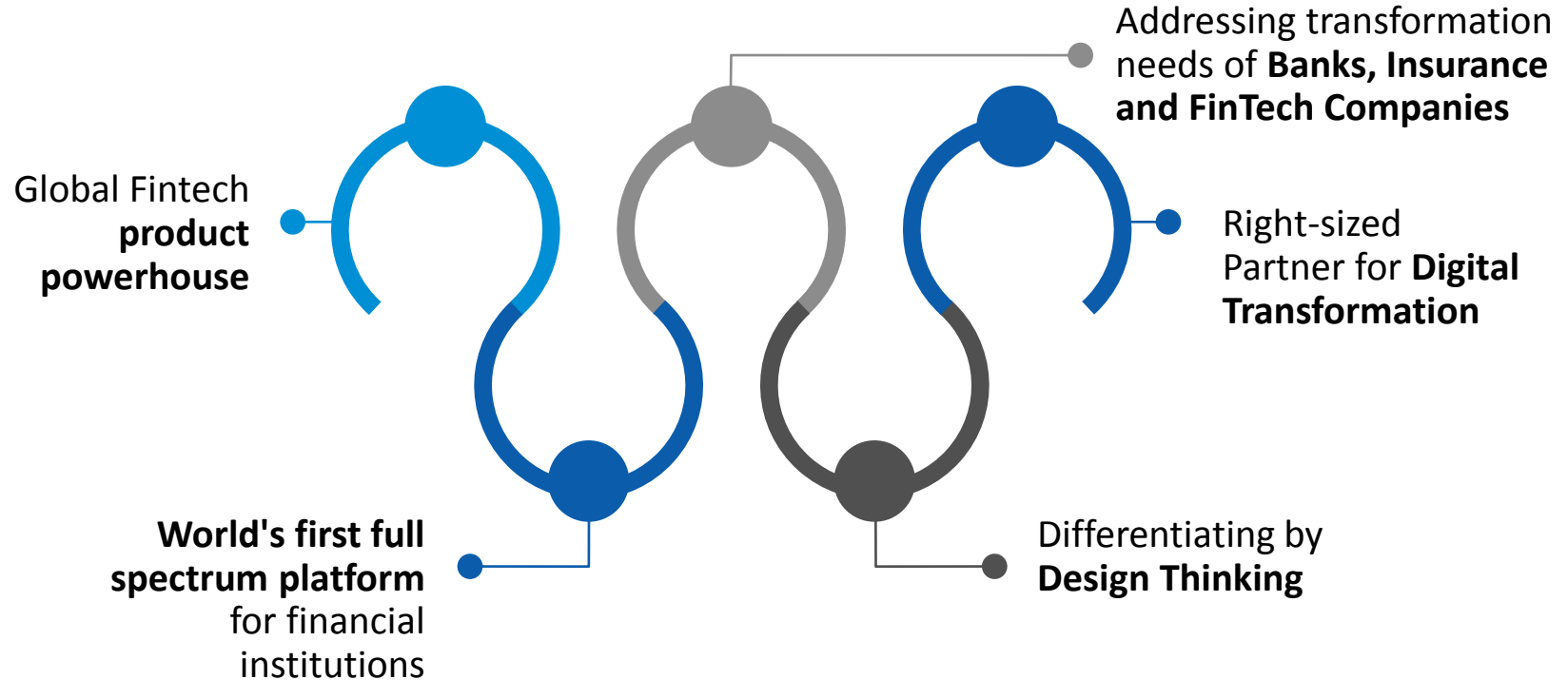
02 Intellect Journey

03 FY 19 - Promise Delivered

04 Four Elements

05 Our Confidence about the Future

Designed to deliver **the Digital promise**



MARKET OPPORTUNITY

Software spend in FinTech -
\$300 Bn

50% growth in product
business i.e. \$20 Bn to \$30
Bn between FY19 to FY23

Tailwinds for 'Buy' replaces
'Build' - Moving from 7% to
10%

Need to accelerate
Technology Change and
Demand for Contextual
Experiences

Who do we compete with...

Consumer Banking: Temenos, Finastra, TCS, Finacle and Oracle

Transaction Banking: Finastra, ACI Worldwide, CGI and Bottomline

Risk, Treasury and Markets: Sungard, Finastra and Calypso

Wealth: Avaloq

Insurance: Carpe Data and Planck

OUR WINNING DIGITAL STRATEGY

We address the
global technology
requirements of

- Banks – Corporate and Retail
- Financial Institutions – Central Banks, Non Banking Financial Houses,
- Capital Markets - Mutual Funds, Brokerage Houses, Custodians,
- Insurance Carriers

What problems
do we solve

- Complexity of multiple generation of Platforms
- Banking systems which are built on 90's technology with Band-aid Digital
- Complexity of Customer data
- Leveraging Technology to drive 'Exponential' Operating cost reduction

Dimensions of Complexity

Dimension 1

Complexity of
disparate
Architectures

Dimension 2

Complexity of Data
Management and
Integration across
platforms

Dimension 3

Complexity of
Innovation and
multitude of Products

Dimension 4

Complexity of
Changing Security,
Regulation and
Compliance.

Dimension 5

Complexity of
aligning multiple
generations of
Technology to
current state

INTELLECT'S PRODUCT STORY

**Why do
customers rely on
Intellect?**

WHAT IS OUR **PRODUCT STORY** – Intellect's roadmap



5 steps to drive sustainable and scalable Product Business

- Step#1 : Building a product around an identified market need
- Step#2 : Winning first reference
- Step#3 : Design branding and marketing; Acquire first 10 Customers
- Step#4 : Aggressive Selling and Premium pricing
- Step#5 : Partnerships, Strategic Alliances and Mining

It takes 3 years to move from Step 2 to step 4.

.....
Over 60% of our product investments deliver to this time frame
.....

Life Time Value (LTV) of one successful product is typically \$200 Mn to \$500 Mn

INTELLECT 1.0 – 2015-2018

Phase of growth and investment – Several Products were in Steps # 2 and # 3

- Investments in Product development
- Investments in Sales & Marketing – Brand building, gaining Market acceptance, winning Analyst endorsements
- Investments in building Leadership bandwidth and building expertise
- Expanding Customer footprint
- Sharpening execution

Resulting in

- Acquiring marquee logos
- Recognition as Category Leaders
- Winning key deals

INTELLECT 2.0 – 2018-2021

Industrialization, Monetization and Customer Centricity

- Aim is to move more Products to Steps # 4 and # 5
- Industrialization – Scaling
 - Making processes robust and repeatable
 - Ensuring D-3 OTIF , defect free delivery
- Monetization – Unlocking the value of IP investments
 - Better Pricing and Revenue realisation
 - Alternatives in Pricing models to maximize revenue
- Customer Centricity – Fostering rewarding partnerships

What we said at Investor Summit 2018

01

15 Product Portfolio is designed for predictability and sustainability

04

License revenues and average deal value moved up since last year

02

Sequential Maturity of each business
FY 19 - iGTB
FY 20 - iGCB
FY 21 - Intellect SEEC
FY 22 - iRTM

05

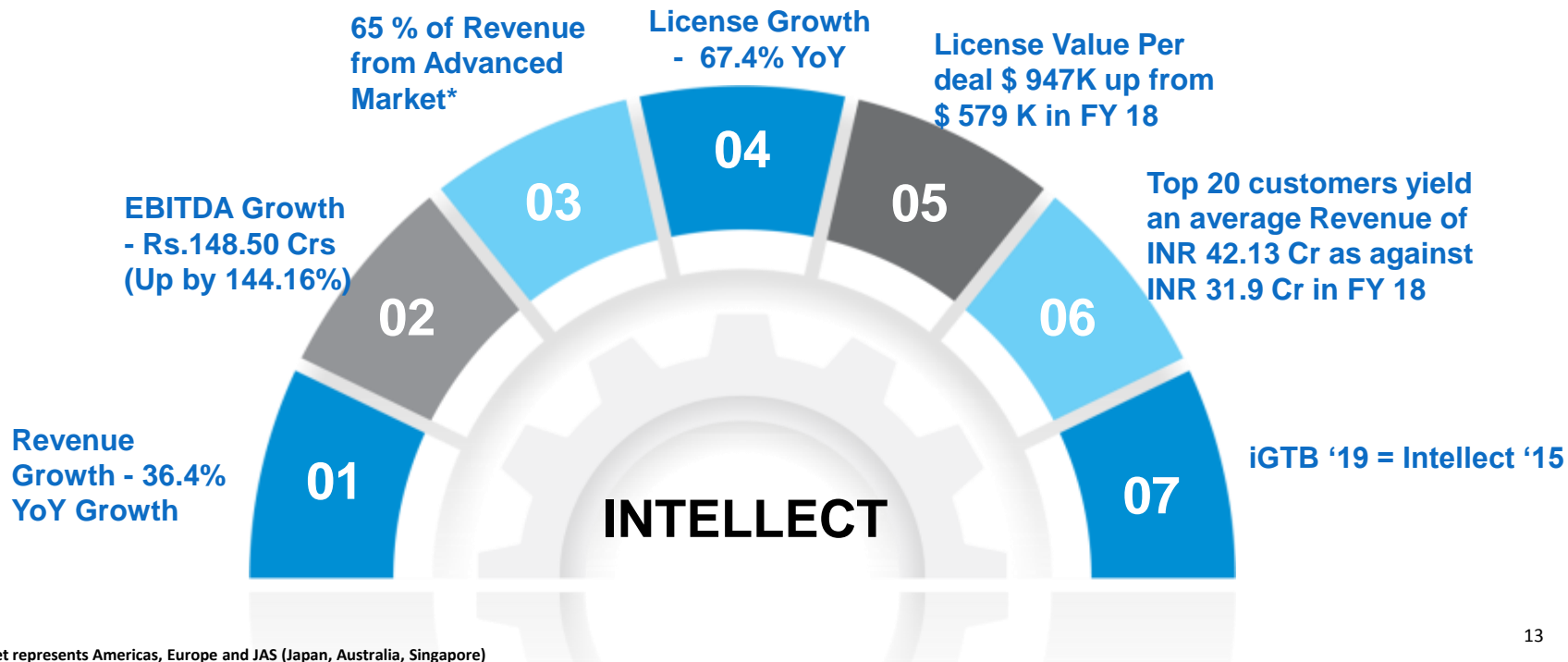
Market opportunities and our unique strengths provide assurance of a continued strong performance

03

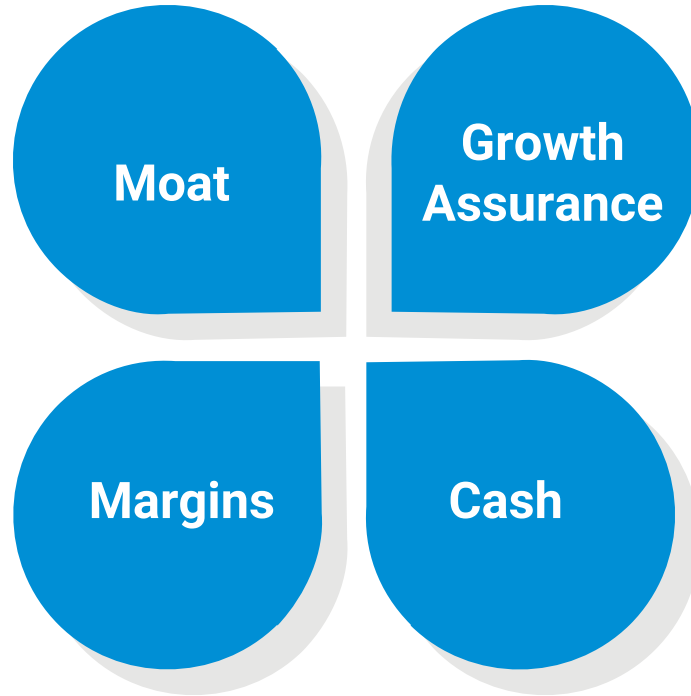
We delivered against the four expectations in FY 18: Moat, Growth, Margin and Cash

2018-19

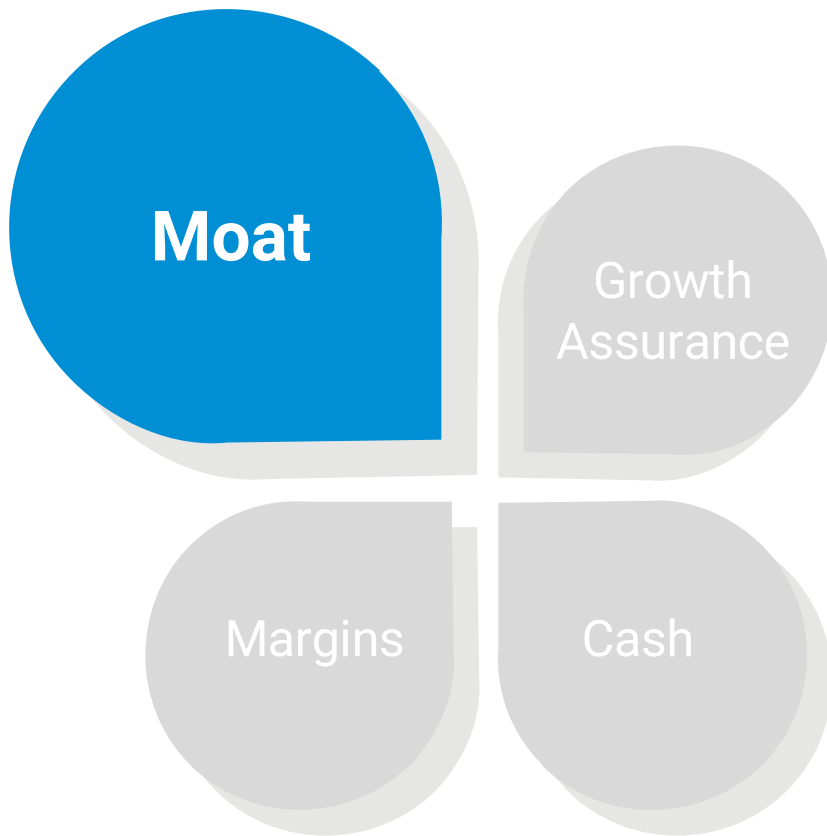
PROMISE DELIVERED



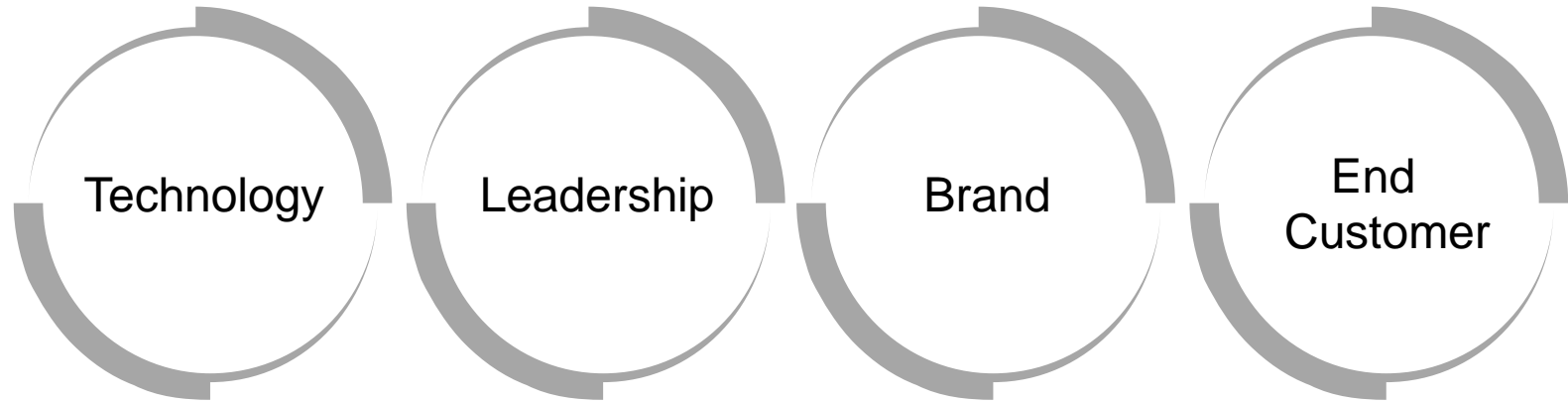
Having delivered in FY19, where do we stand on the Four Elements ?



Four Elements



4 ELEMENTS OF MOAT – THE GOLDEN QUAD



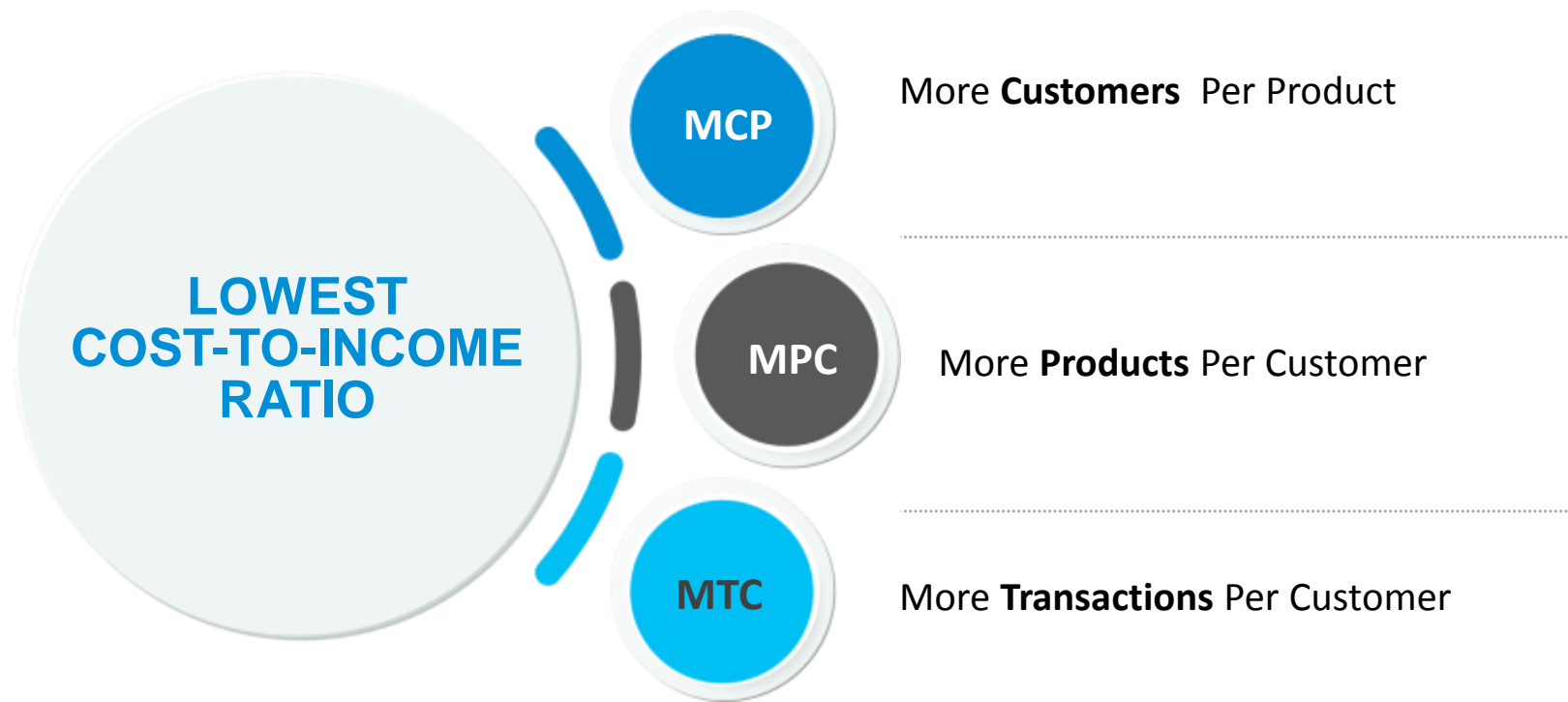
TECHNOLOGY

Cloud Native. API Ready. Microservices based Open Architecture

Powered by AI & ML

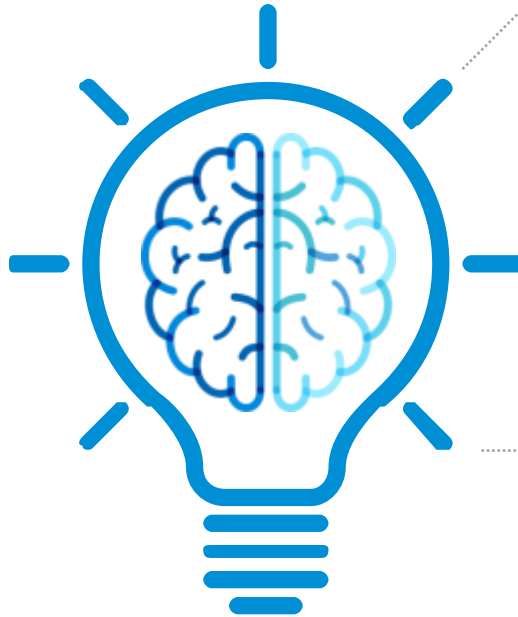
Culture comes first...

We developed our World view of banking from 'first principles'



And defined 3 Laws of Design Thinking...

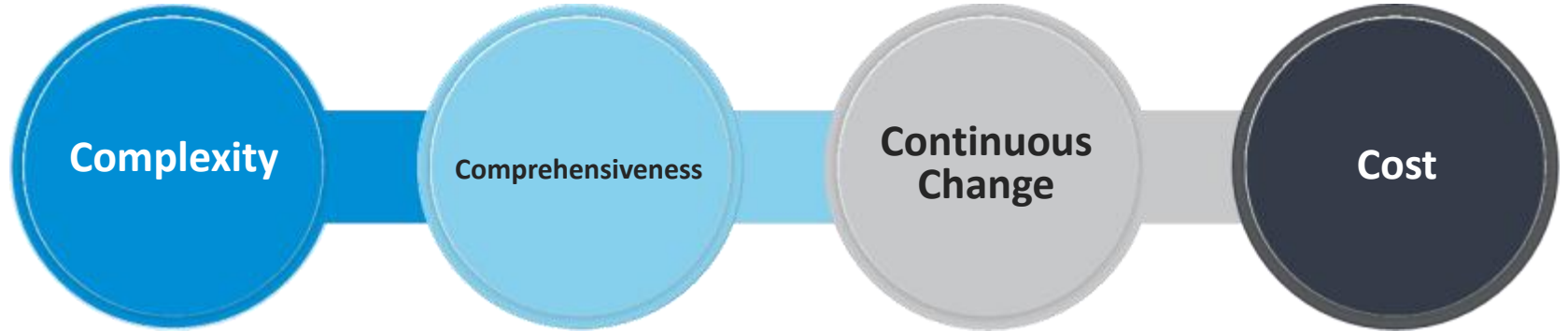
Design Thinking
Law # 3
Theory of 1000gm,
100gm & 10gm



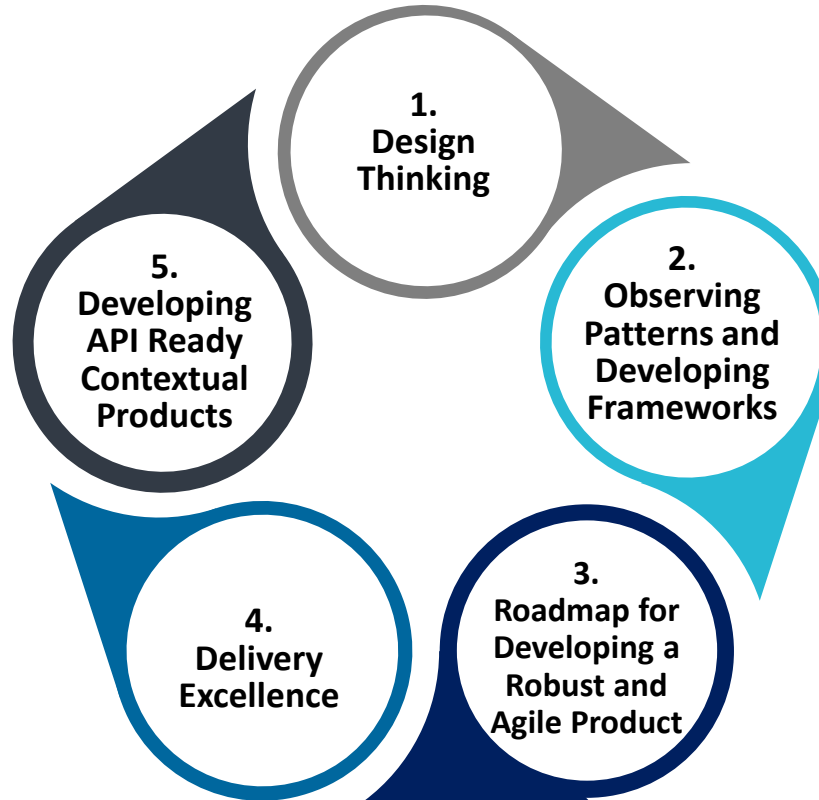
Design Thinking
Law # 1
Less is More

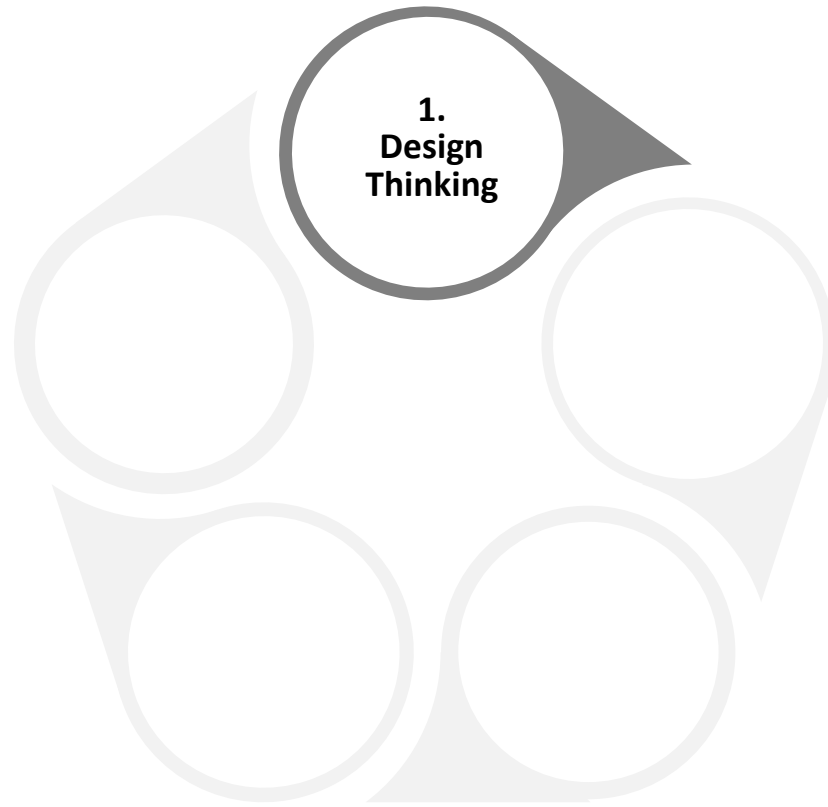
Design Thinking
Law # 2
Last 2% is 200%

... To address the mapping **of Four Cs**



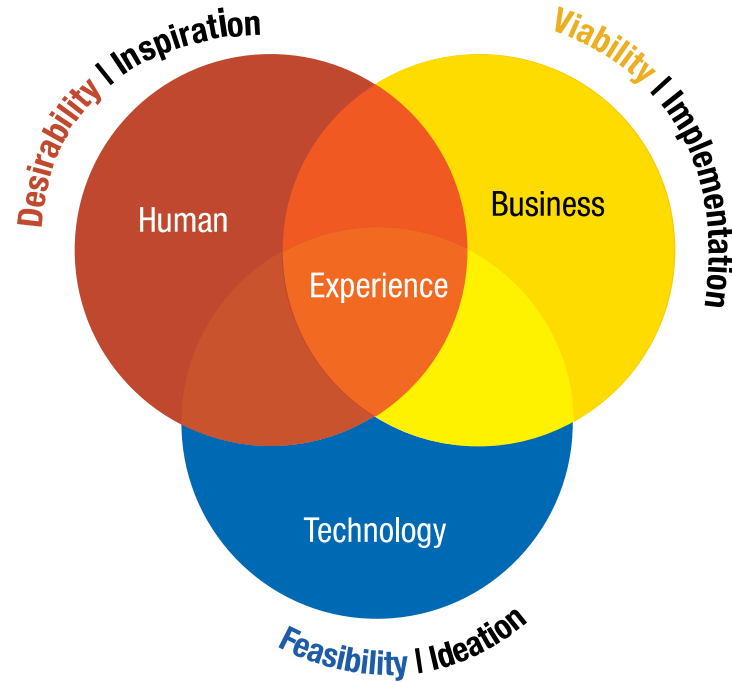
We came with a 5 Step Process





What is Design Thinking?

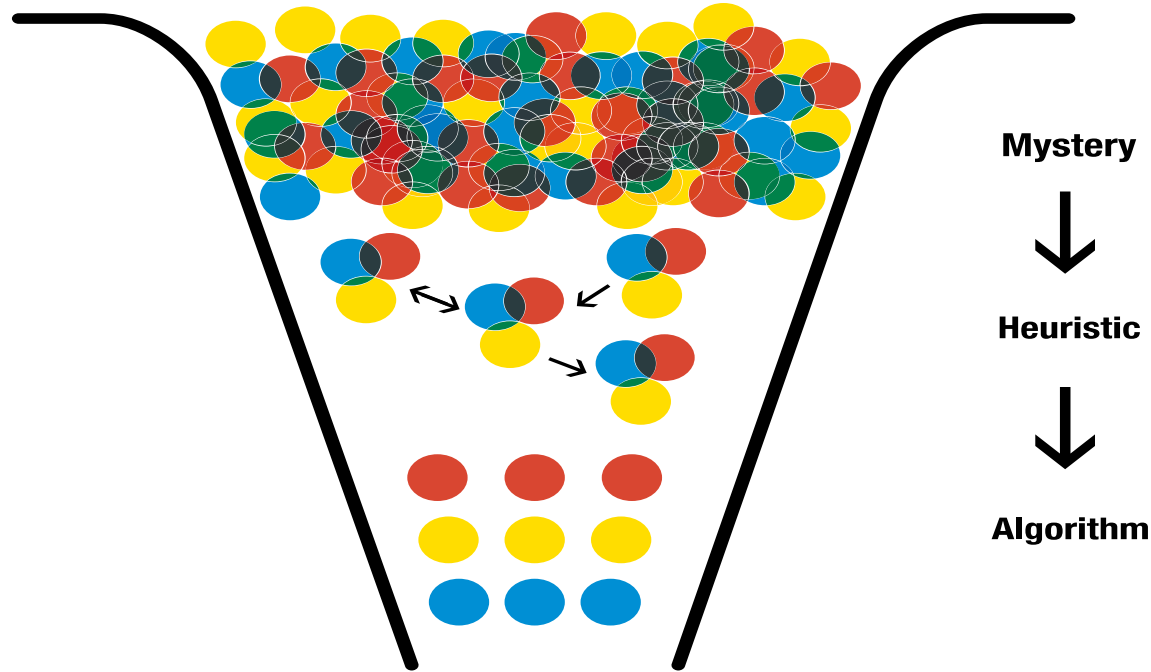
1.
Design
Thinking



Source: IDEO

What is Design Thinking?

1.
Design
Thinking



Source: The Design of Business, Roger Martin, 2009

What is Design Thinking?

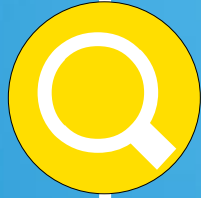
1. Design Thinking



Understanding Requirements

Stated

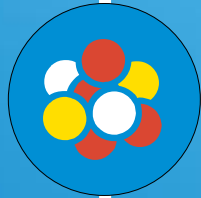
Unstated



Observing

Patterns

Anti-patterns



Connecting The Dots

Within the Box

Outside the Box

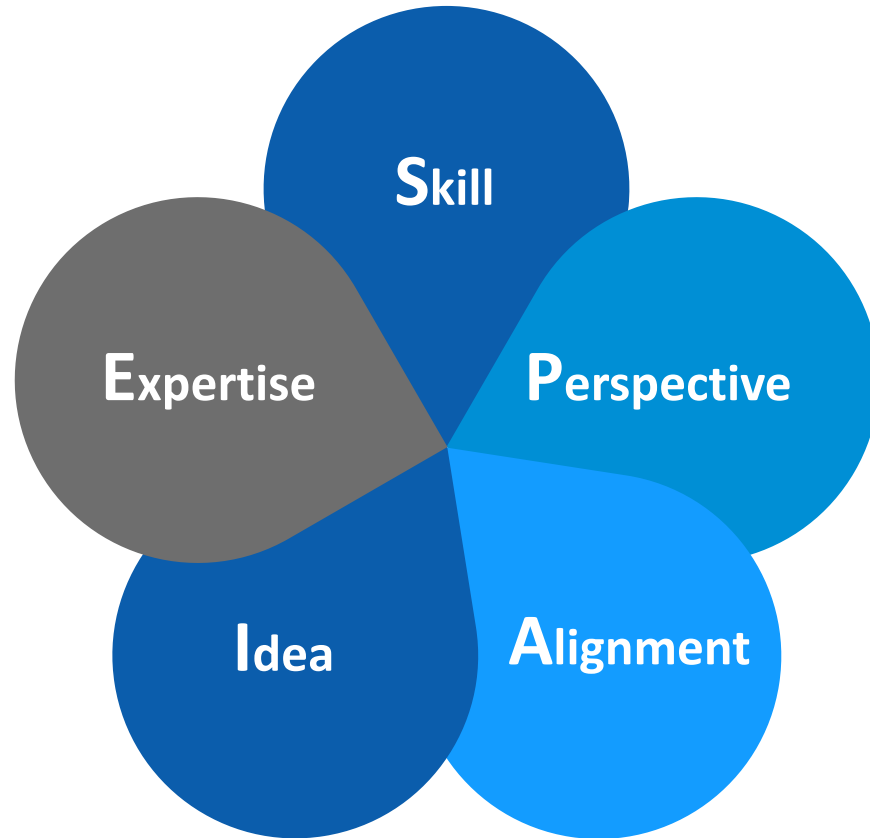


Unearthing Blind spots

Don't know what I

Don't know

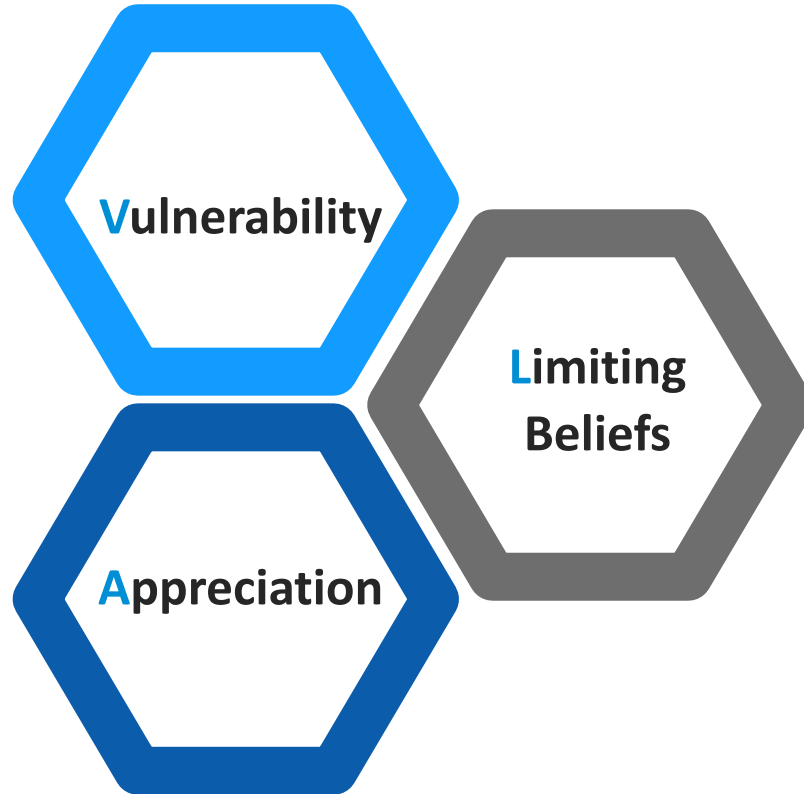
Five Growth Enablers - SEPIA



Five Friction forces - DCAFE



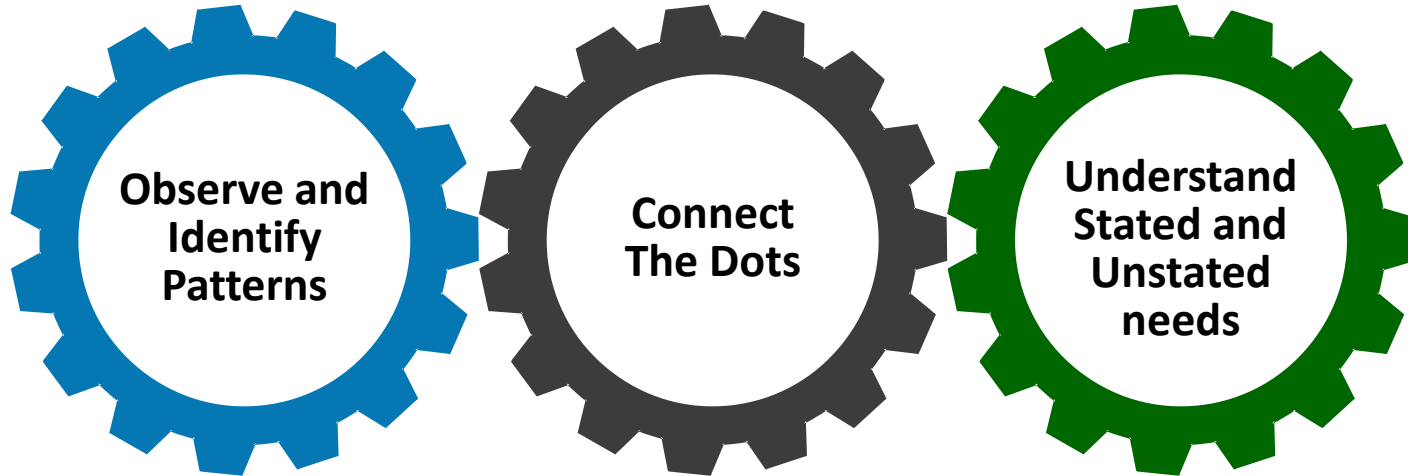
Three forces to watch - VAL





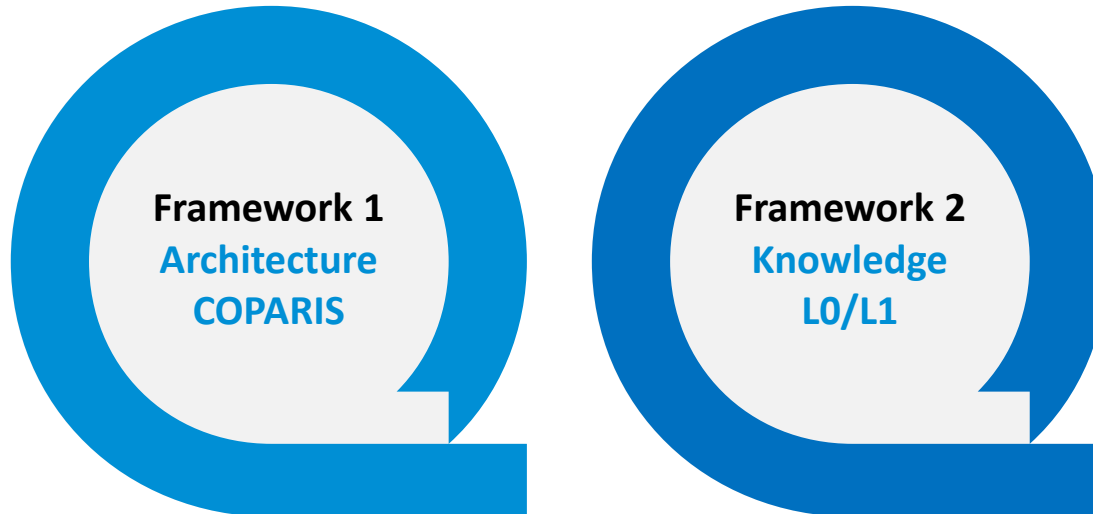
Using Design Thinking, **we came up with Frameworks**

2.
Observing
Patterns and
Developing
Frameworks



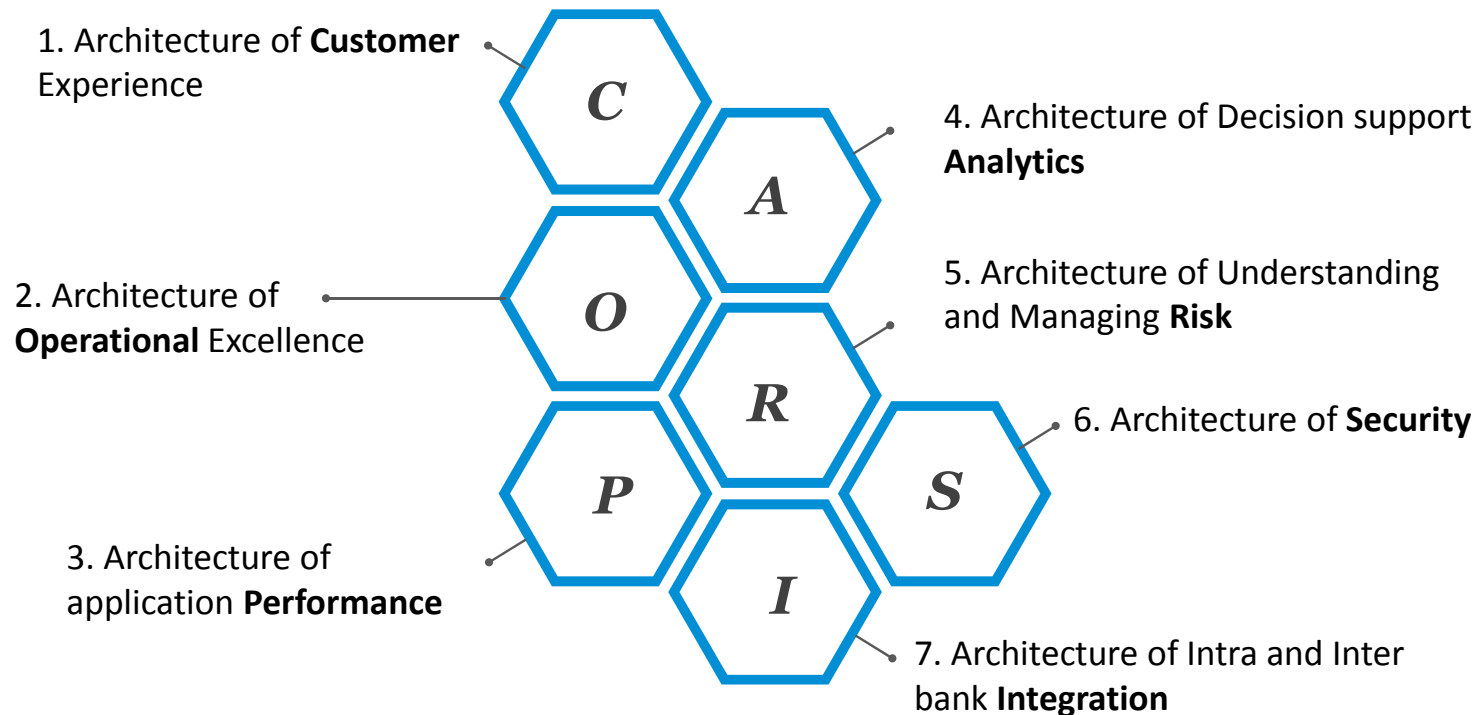
Frameworks

- Frameworks are required to attack the Complexity and simplify the landscape
- They also ensure comprehensiveness of the Solution to the problem statement



Framework 1 – Architecture - COPARIS

We knew that to make Bank 2.0, Bank 3.0 or Bank 4.0 to work we need fundamental rethinking on Architecture



Framework 2 – Knowledge - L0 / L1

Banking is **extremely complex** and has huge a knowledge base

Our challenge was to **'Connect the dots'** between various knowledge packets spread around Products, Operations and Technologies

We were inspired by Chemistry's Periodic table and **designed 'Periodic table'** of Banking

This Periodic table was internally referred to as Level 0 of Knowledge **Framework or simply L0**

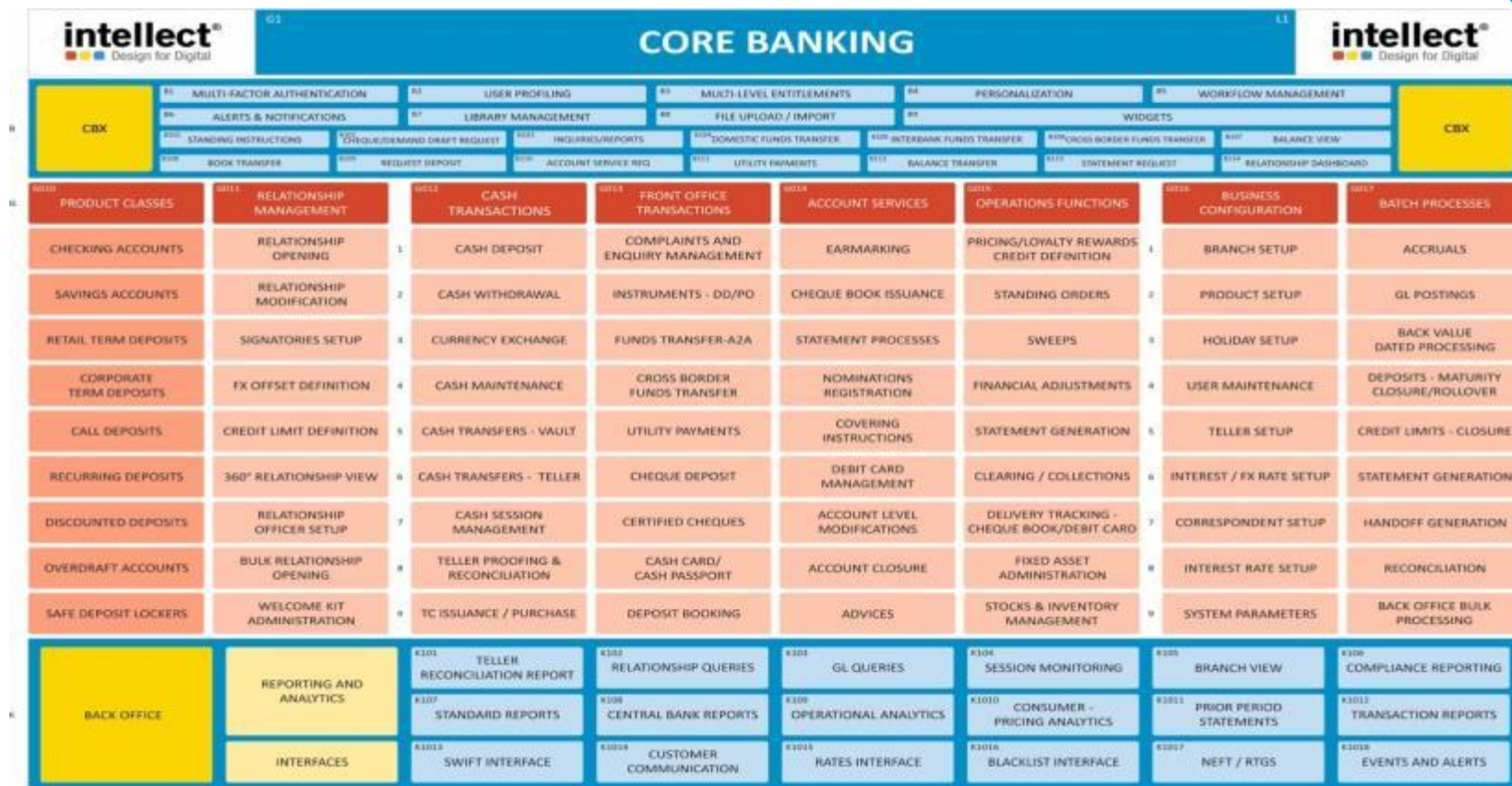
L0 - Global Universal Banking

2.
Observing
Patterns and
Developing
Frameworks



L 1 - Level 1

L1 – Intellect Digital Core - IDC



L 2 - Level 2

L2: Remote Deposit Cheque – User Journey

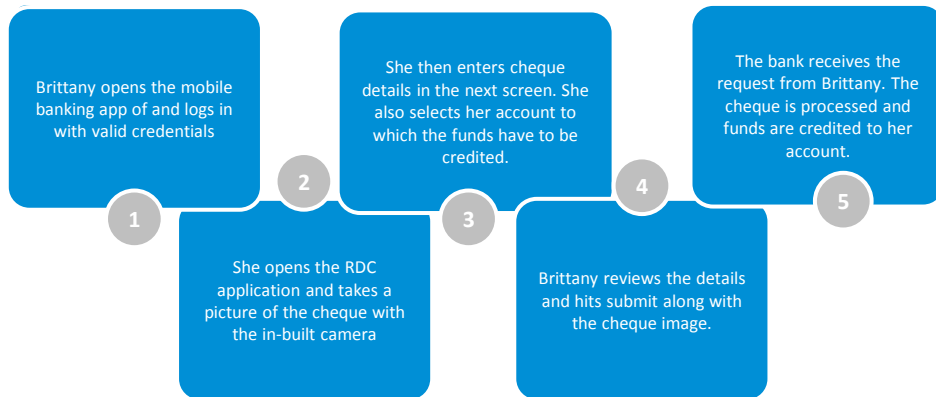
Persona

Brittany is 30 years old and works as a telecom engineer.

Scenario

Brittany received a cheque from one of her friend and she doesn't have time to walk into the branch and deposit the cheque.

Process Flow



Key takeaways

Remote
Deposit
Capture

0
1

Quick & easy

0
2

Paperless

0
3

No need to visit branch
anymore for depositing
a cheque.



L 3 - Level 3

L3: Remote Deposit Cheque – Confluence Documentation

2.
Observing
Patterns and
Developing
Frameworks

The screenshot displays a Confluence page for 'Digital Face 18.2' with a sidebar menu containing various navigation items. The main content area is titled 'Remote Cheque Deposit' and includes a process flow diagram at the top. Below this, the 'User Journey' section lists 13 steps for initiating a cheque deposit. A large image of a remote deposit cheque from Citibank (Hong Kong) Limited is overlaid on the page. The cheque is dated 16-Apr-07 and payable to TODAYNIC.COM INTERNATIONAL LIMITED for HK \$ 831.00. It is signed by ASIAPAY HK LTD TRADING AS PAYDOLLAR.COM. The wireframe section at the bottom identifies the image as 'DFXXX_WF01: Remote Cheque Deposit Opening Page Wire Frame'.

Remote Cheque Deposit - Digital Face 18.2

https://intellect-face.atlassian.net/wiki/spaces/DF/pages/584417434/Remote+Cheque+Deposit

Digital Face 18.2 / Remote Cheque Deposit

The request goes to IDC for approval

The status of the request is visible in front office (Approved/Pending/Rejected)

User Journey

Initiate Cheque Deposit

1. Customer Logs into the DF
2. Customer Clicks on "Remote Cheque Deposit"
3. RDC App opens where customer can:
 - a. Select the account to be deposited
 - b. Capture the image of the cheque
4. If the cheque image capture is successful
5. If Customer feels that the image is not clear, they can re-capture
6. The image is then sent to the BOT
7. BOT reads the cheque and populates the fields
8. There can be two scenarios:
 - a. If the BOT is able to read the cheque
 - b. If the BOT is unable to read the cheque
9. All the fields are populated
10. The fields which can not be populated are highlighted in red
11. Customer checks the details and confirms
12. Confirmation screen will be displayed
13. Two options will be available for the customer:
 - a. If customer clicks on Initiate Remote Cheque Deposit
 - b. Customer can view the status of the cheques that are remotely deposited by clicking on View Cheque Deposit Status option.

WireFrames:

DFXXX_WF01: Remote Cheque Deposit Opening Page Wire Frame

Remote Cheque Deposit Wireframe:

Citibank Citibank (Hong Kong) Limited NON NEGOTIABLE A/C PAYEE ONLY 16-Apr-07

DEBIT TODAYNIC.COM INTERNATIONAL LIMITED

HK \$ 831.00 HK \$ 831.00

For and on behalf of paydollar.com

ASIAPAY HK LTD TRADING AS PAYDOLLAR.COM

399 209



Roadmap to develop a Robust and Agile Product

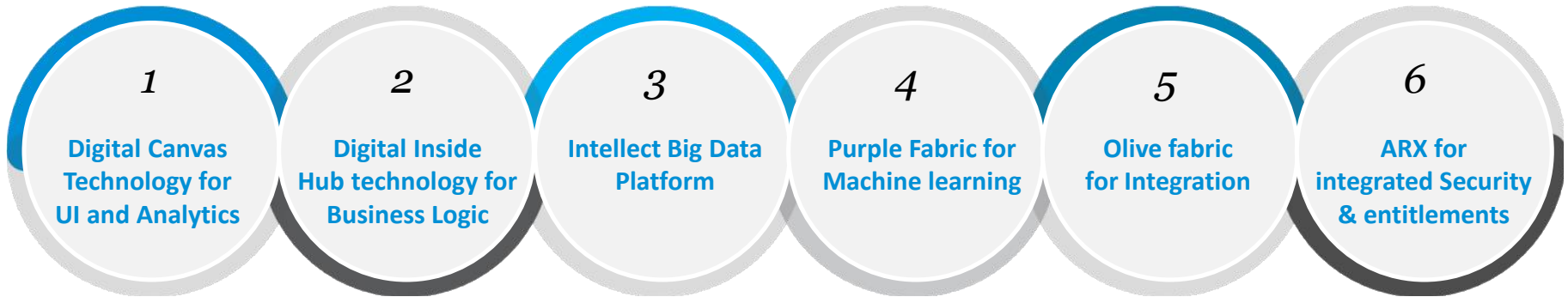


- We realized that coding was the biggest source of defects, instability and rigidity
- So to build a robust and agile product, we needed low coding technologies that would minimise code
- We therefore invested heavily in Low Coding platforms first

6 LOW CODING PLATFORMS

3.
Roadmap for
Developing a
Robust and
Agile Product

- We designed and invested in 6 Low Coding Banking Technologies on which we built our Products



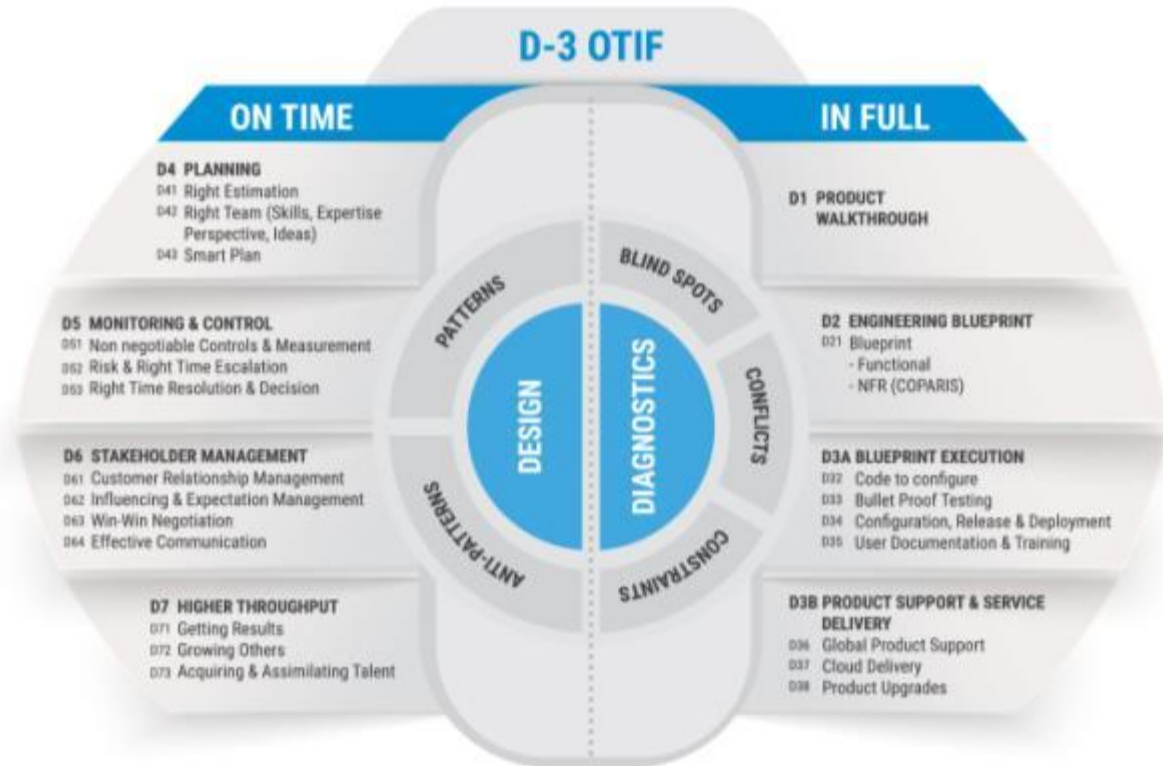


Delivery Excellence

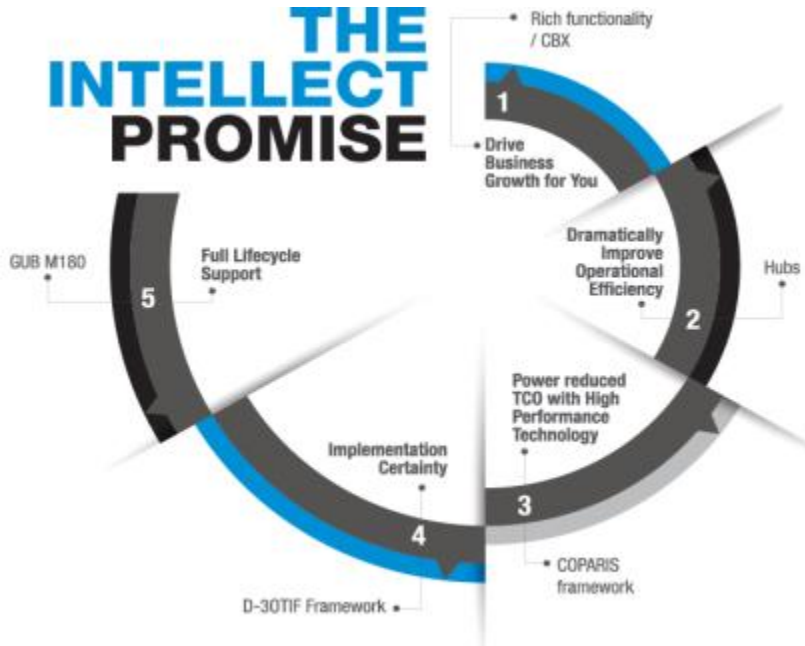
- Delivery was considered a mystery, prone to defects, failures scope/ time/ cost over-runs
- So, we developed a robust Delivery Excellence Framework
- To deliver our Brand Promise of D-3 OTIF



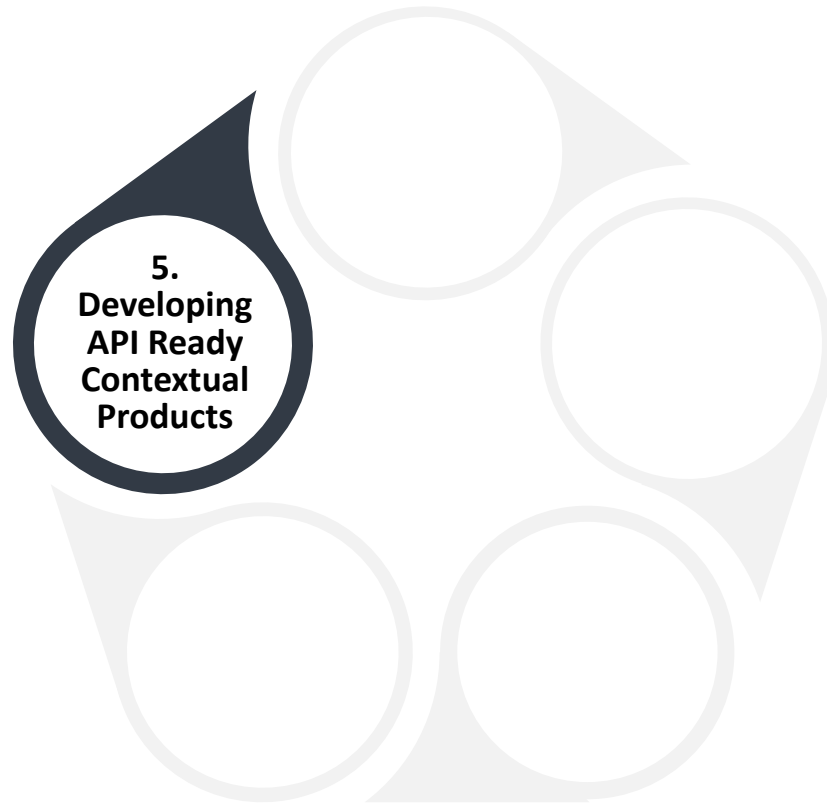
Delivery Excellence - D-3 OTIF



Implementation certainty and **Model Bank based on Best in Class User Journeys**



- Our Products integrate Business, Operations and Technology and bring value add in terms of Business Benefits, Operational saves and contemporary technology
- Delivery Excellence and Support models ensuring Life cycle value by ensuring D-3 OTIF and providing life time support



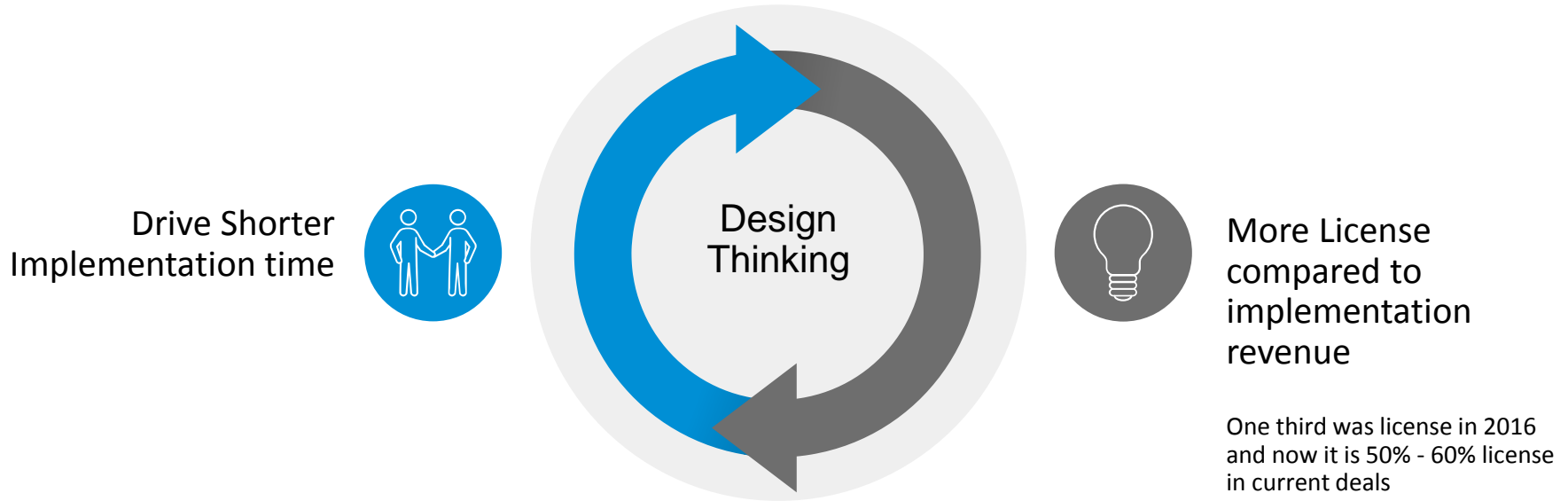
API first and Contextual Products

Connecting to API lead architecture and AI/ML

5.
Developing
API Ready
Contextual
Products



How Design Thinking approach **Benefits Intellect**



LEADERSHIP

LEADERSHIP TEAMS

- Designing the Business for the Best-in-Class people
- Stable Leadership Team. High retention
- 100 + leaders from Financial and Technology world of each with around 25 years of experience
- Diversity and Inclusiveness. Nationality Agnostic.

BRAND

Product Acceptance in Leadership Quadrant

Intellect's cutting-edge digital technologies and products have been recognized by renowned global analysts and research firms



IBS ranks Intellect no. 1 amongst top vendors worldwide in IBS Sales League Table for 2019

Intellect Design Arena ranked amongst top vendors worldwide in IBS Sales League Table for 2019.

- Ranked No. 1 for Retail Banking Systems Worldwide
- Ranked No. 2 for Payments & Cards Management, and for Domestic Leaders – Suppliers;
- Ranked No. 3 for Digital Banking & Channels Worldwide and
- Ranked No. 4 for Digital Banking Experience Platform (Domestic Leaders - Suppliers).



Aite Group has profiled Intellect SEEC as a "Full AI suite provider" in its report titled, "P&C underwriting: Changing the global dynamics with AI"

Aite Group, a global research and advisory firm profiled Intellect SEEC as a "Full AI suite provider". It mentions that the clients using Intellect's services see a reduction in time needed for underwriting decision-making, reduction in cost from premium data sources, reduction in time for new business case processing, and improvement in decision accuracy & consistency by using their AI and ML solutions.



Intellect has been recognized as a 'Global Pursuer' and a 'Global Player' for Combined Deals & New Named Deals in the Global Banking Platform Deals Survey 2019

Forrester acknowledged Intellect Design Arena as a 'Global Pursuer' for new named deals and a 'Global Player' for combined deals in the Global Banking Platform Deals Survey 2019 by Forrester Research, Inc.



Novarica recognized Intellect SEEC for the Novarica Impact award at the its report titled "Research Council Study-Insurance Technology Case study compendium 2019"

The Novarica Research Council Impact Awards has recognized Intellect SEEC for the Novarica Impact award in IT Digital Innovation practices (IT Practice or Infrastructure) at the its report for the companies like Amerisure and StarStone, who used Intellect's underwriting workbench platform hosted on AWS that leverages multiple AWS capabilities.



iGTB rated as LEADER in the space of "AI in the UI" at the Celent report titled 'AI in the UI: Leaders Differentiate Themselves - Vendor spectrum - Corporate Banking Edition'

AI based UI Development (AI-UI) Artificial Intelligence (AI) is currently one of the most popular topics in the industry with seemingly endless applications in everything. iGTB has been rated as LEADER in the space of "AI in the UI" at the Celent report titled 'AI in the UI: Leaders Differentiate Themselves - Vendor spectrum - Corporate Banking Edition'.

Fifth iGTB Oxford School for Transaction Banking

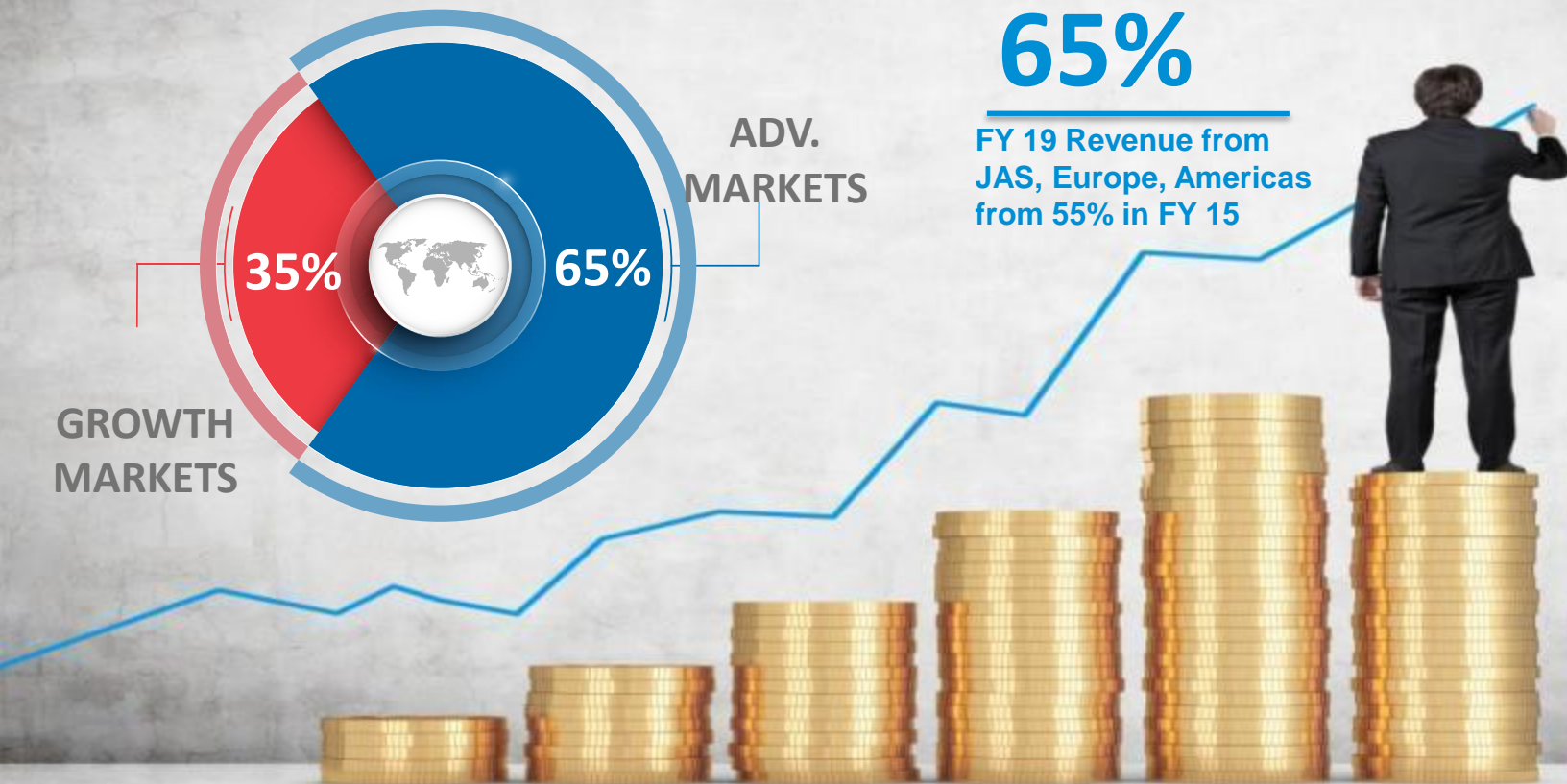
Fifth iGTB Oxford School of Transaction Banking proved a phenomenal success with overwhelmingly positive feedback, an unprecedented NPS score of 94.4% and an average 4.6/5 session rating. This senior, by-invitation school, with a curriculum including maturity levels and design thinking set by Andrew England, Strategy Director, iGTB, attracted a cohort of senior bankers from 21 banks worldwide, who join the existing community of now over 175 alumni.



**END
CUSTOMER**

Focus on Advanced Markets

2



WORLD'S BEST BANKS 'BANK ON' INTELLECT



240 +

Over 240 Customers

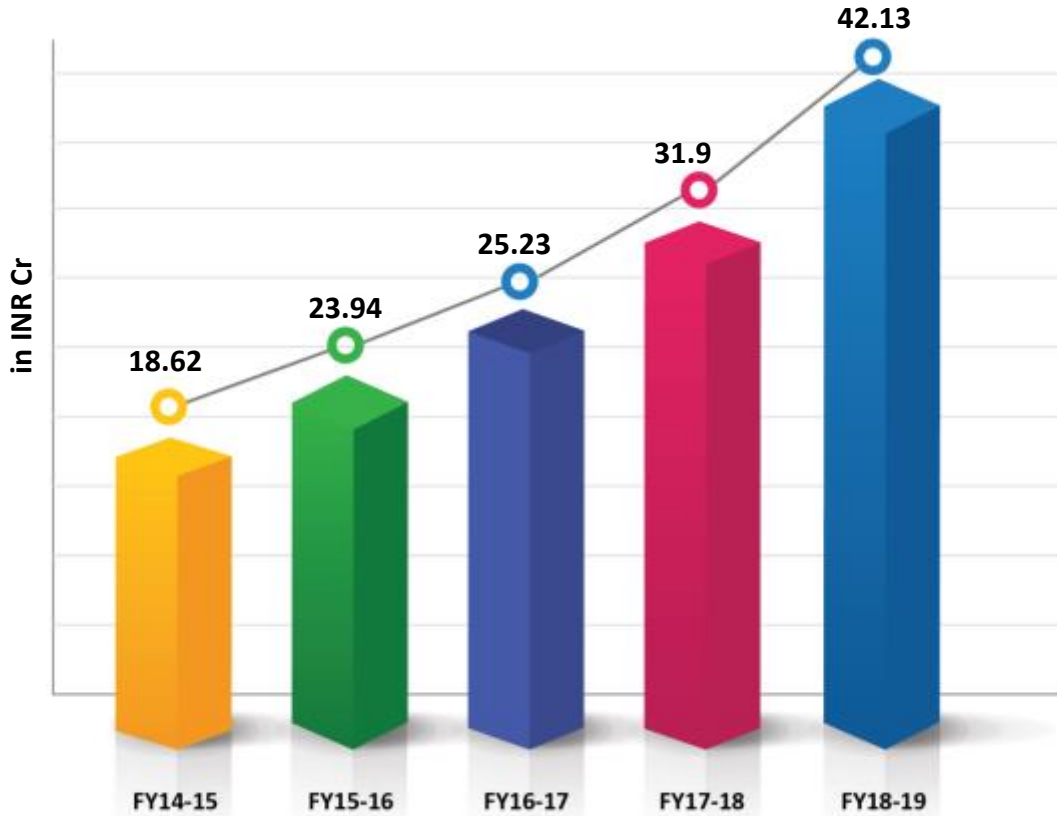
91

Serving clients in
91 countries

RELY ON INTELLECT

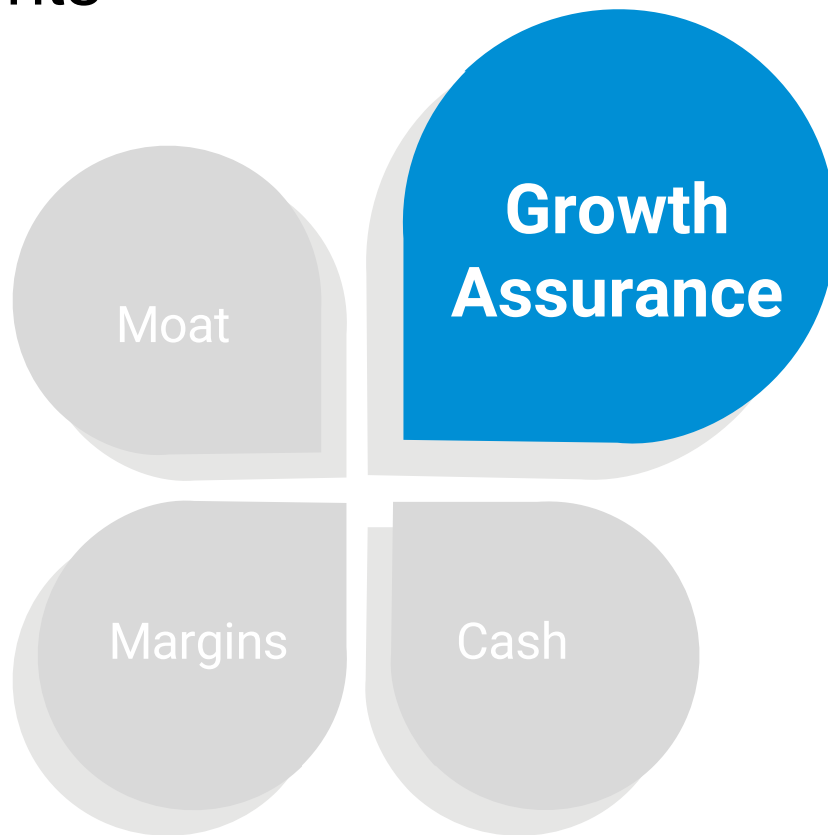
One of the **Top 3 Financial Institutions in Advanced /Growth Markets**



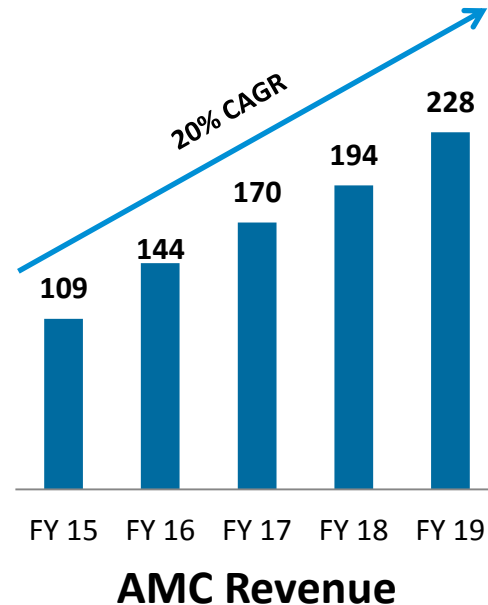
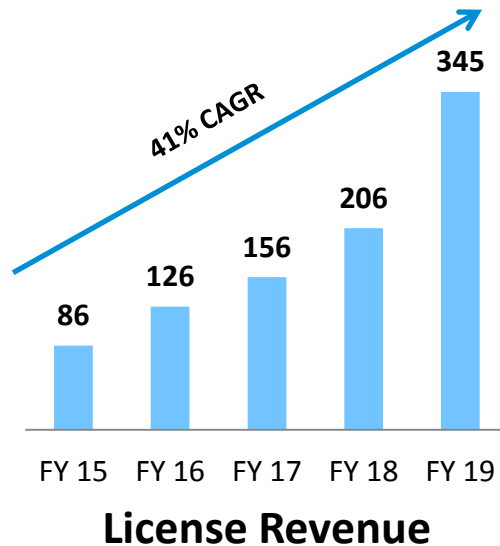
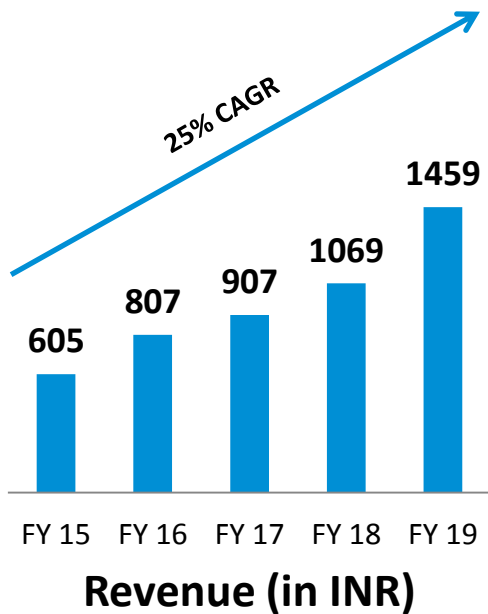


In FY 19, Our Top 20 customers yield an average Revenue of Over INR 40 Cr

Four Elements



Highest CAGR amongst IT Product Companies



Healthy Pipeline

Destiny Deals

41

.....

Active Pursuits – Q1FY20

- The current funnel of Intellect is around INR 3580 Cr (\$ 515 Mn), out of which INR 3275 Cr (\$ 474 Mn) is accounted by 133 opportunities
- Average deal size in Q1FY20 stands at INR 16 Cr (\$ 2.3 Mn) against INR 12.5 Cr (\$ 1.8 Mn) in Q1FY19

Destiny Deals – Q1FY20

- Average deal size of destiny deals stands at INR 41 Cr (\$ 5.9 Mn) in Q1FY20
- 41 destiny deals in Q1 FY 20 against 34 in Q1 FY 19
- Destiny deals contributes 69% of total opportunity funnel in Q1FY20 against 56% in Q1FY19

Active Pursuits

High value active pursuits

40+

- 7 pursuits are of value more than **INR 50 Cr each**
- 14 pursuits are of value between **INR 30 Cr to INR 50 Cr**
- 20 pursuits are of value between **INR 20 Cr to INR 30 Cr**

Q4 FY19 Active Pursuits	Won	Lost	Added	Q1 FY20 Active Pursuits	Remarks
6	-	-	1	7	6 deals from Q4 FY19 1 new deal added
14	1	1	2	14	1 deal Won 1 deal Lost 12 deals from Q4 FY19 2 new deals added
19	2	2	5	20	2 deals Won 2 deals Lost 15 deals from Q4 FY19 5 new deals added

Strong Order backlog

Q1 FY20

License Based

(License, AMC*, Implementation, etc.,)

INR 1128 Cr

Subscription/Cloud Based

INR 400 Cr

(GeM project)

INR 300 Cr

(Other Cloud deals)

Q4 FY19

License Based

(License, AMC*, Implementation, etc.,)

INR 1135 Cr

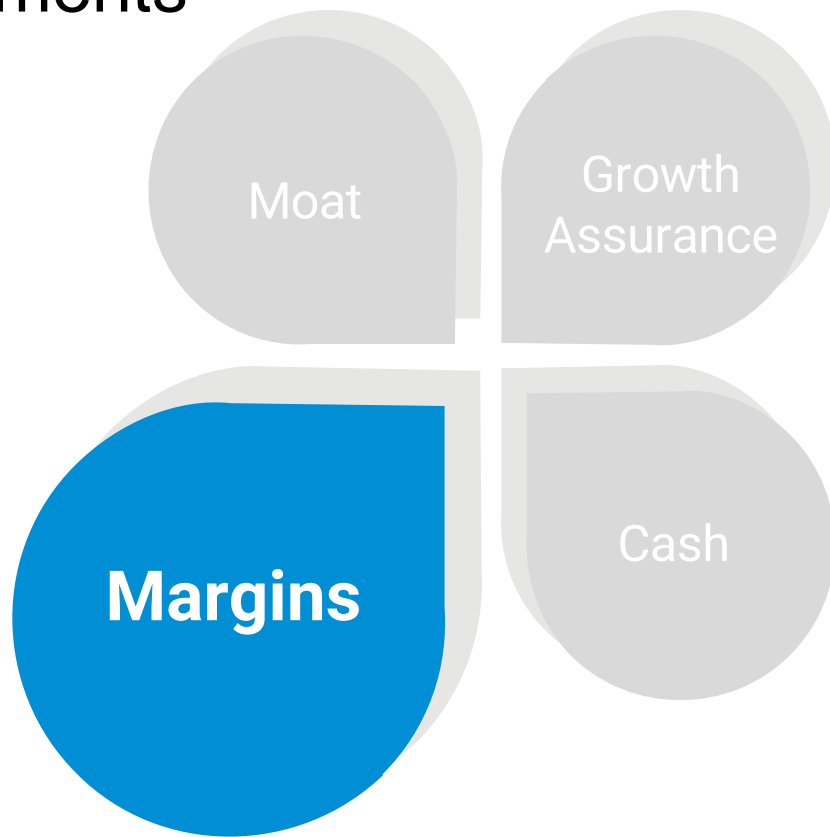
Subscription/Cloud Based

INR 295 Cr

(Excluding order backlog of GeM project)

Repeat revenue from existing customers stood at 88% (Q1 FY20)

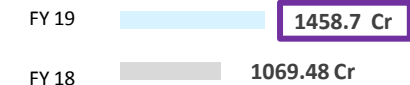
Four Elements



Annual FY19 – Registering 36.4% growth

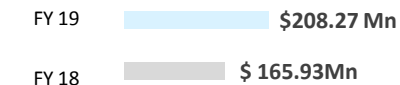
FY 19 REVENUE (INR)

1458.7 Cr ↑ 36.4%



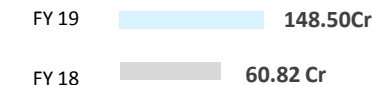
FY 19 REVENUE (US \$)

\$ 208.27 Mn ↑ 25.5%



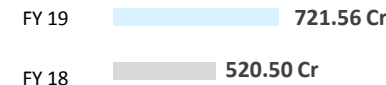
EBITDA (INR)

148.50Cr ↑ 144.16%



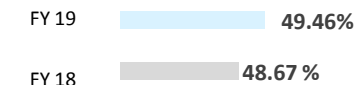
GROSS MARGIN (INR)

721.56 Cr ↑ 38.63 %



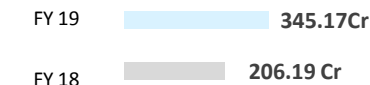
GROSS MARGIN %

49.46%



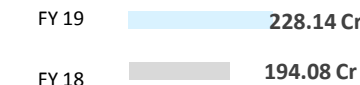
LICENSE (INR)

345.17 Cr ↑ 67.40%



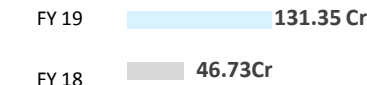
AMC (INR)

228.14 Cr ↑ 17.55%



PAT (INR)

131.35 Cr ↑ 181.10%



Collections for
FY 19 (INR)

1310.80 Cr

Investment in Product
Development (Capitalised)

116.71 Cr

Deal Wins in FY19

47

Large Deal
Wins

12

Implementations
(Go Lives)

50

CSR contributions

2.33 Cr



SG&A costs now at 31.21% of revenue in FY19

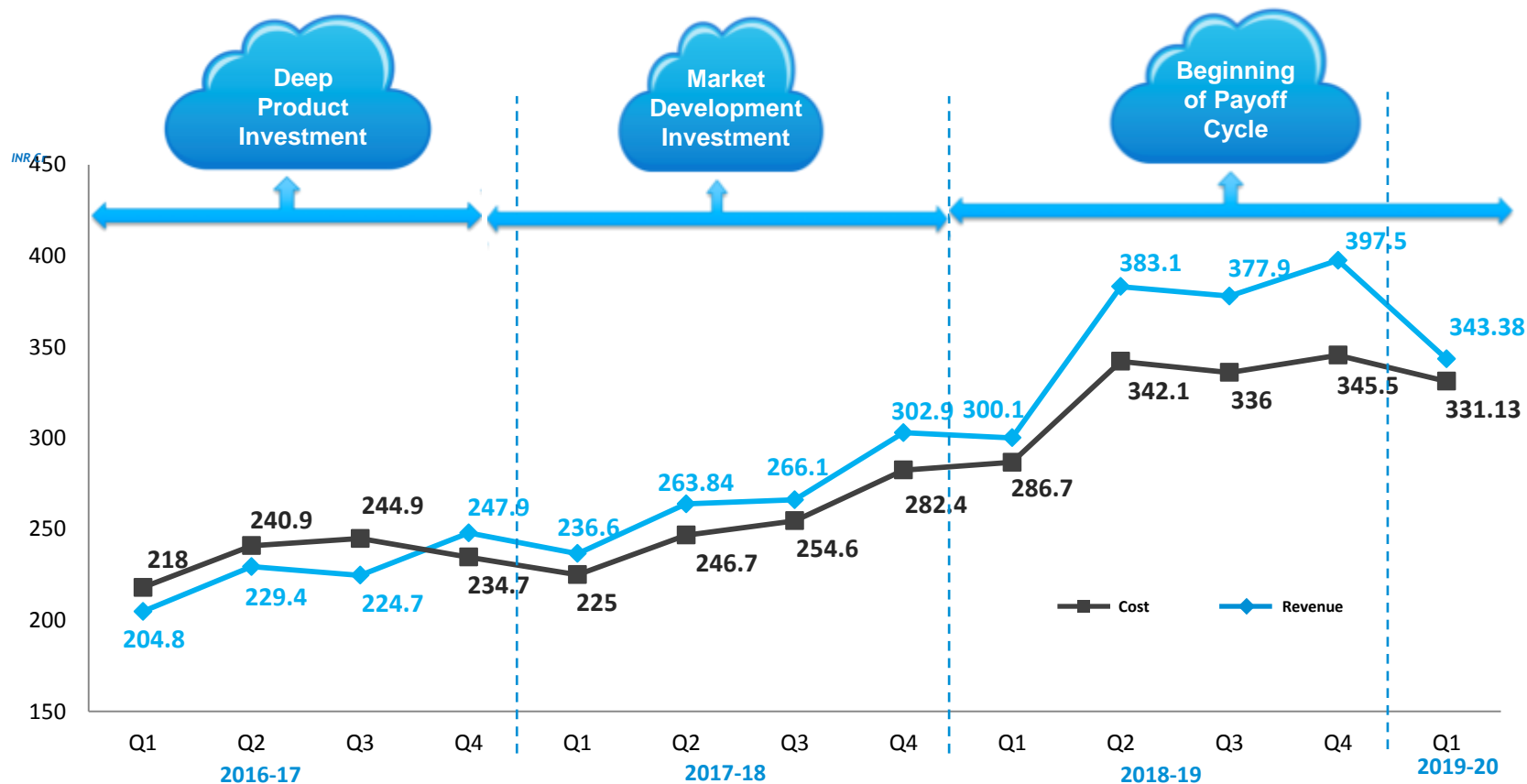
From 35.22% in FY18 and 43.62% in FY 17

Research, Engineering and Product development costs now at 14.91% of revenue in FY 19

From 17.18% in FY18 and 18.88% in FY17

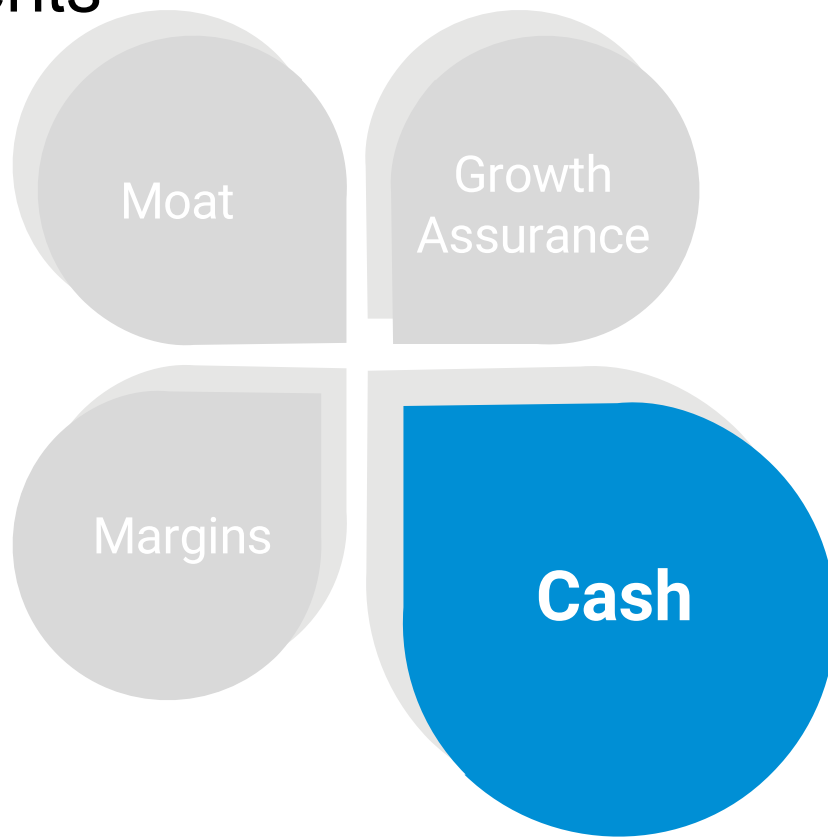
We have invested additional INR 7 Cr in research proactively in FY 19 to support our destiny deal wins

Total Revenue & Cost Trend

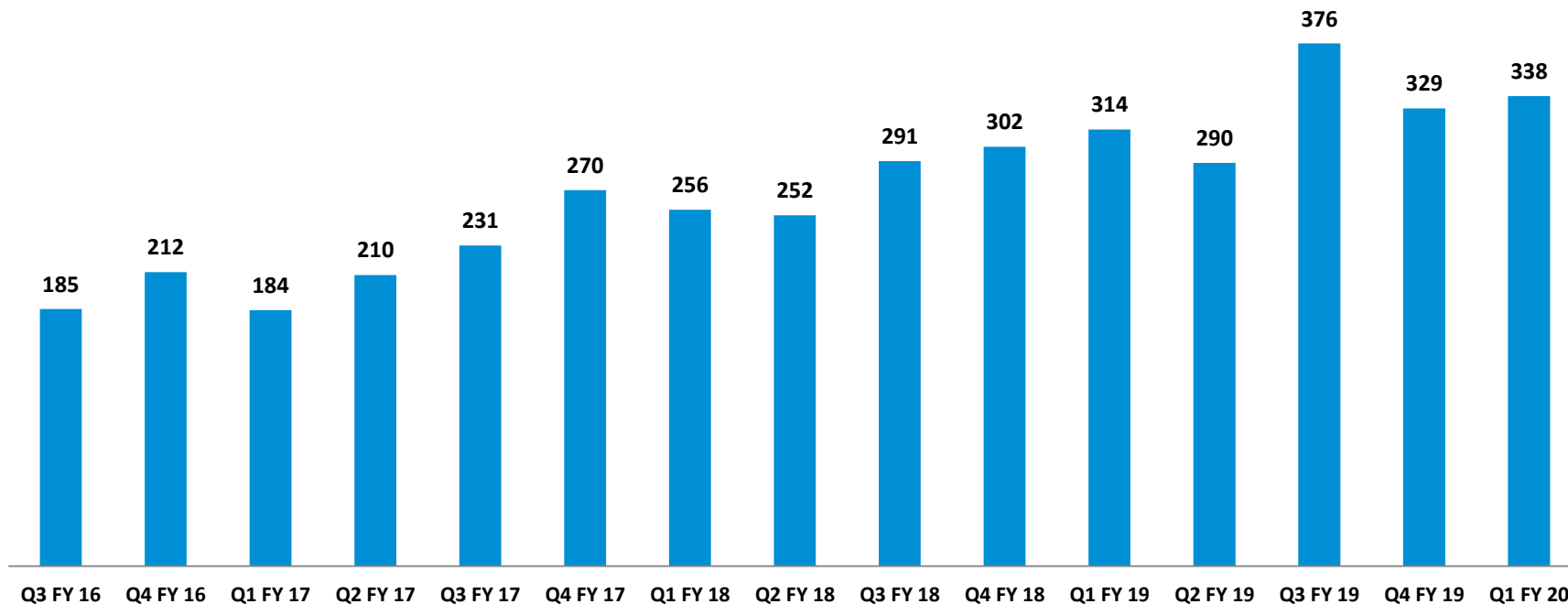


Operating Leverage Play now in evidence

Four Elements



Collections

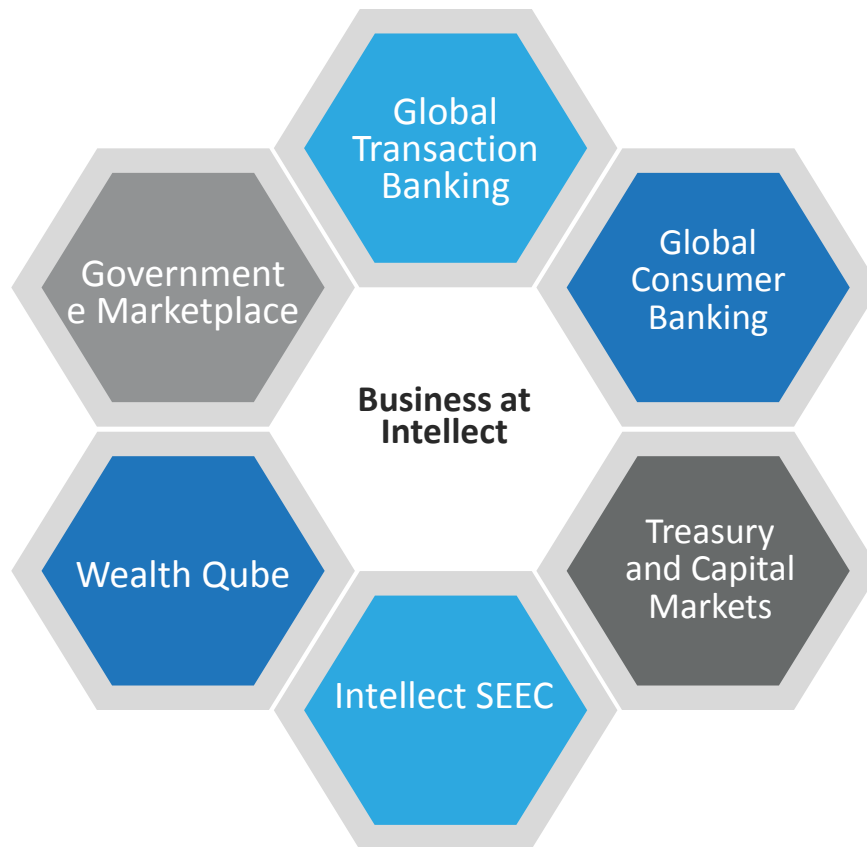


*INR Cr

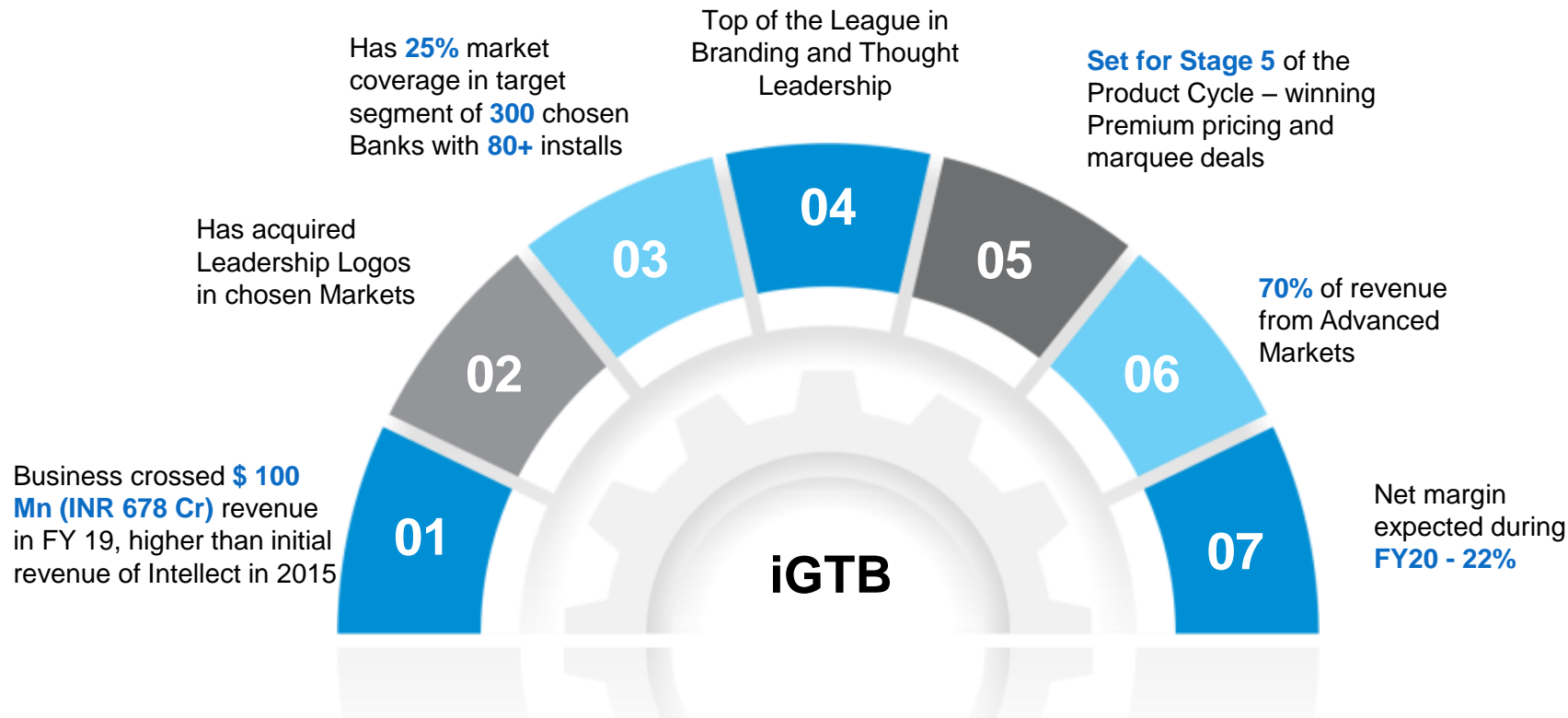


**CONFIDENCE
ABOUT THE
FUTURE**

Key Business Developments



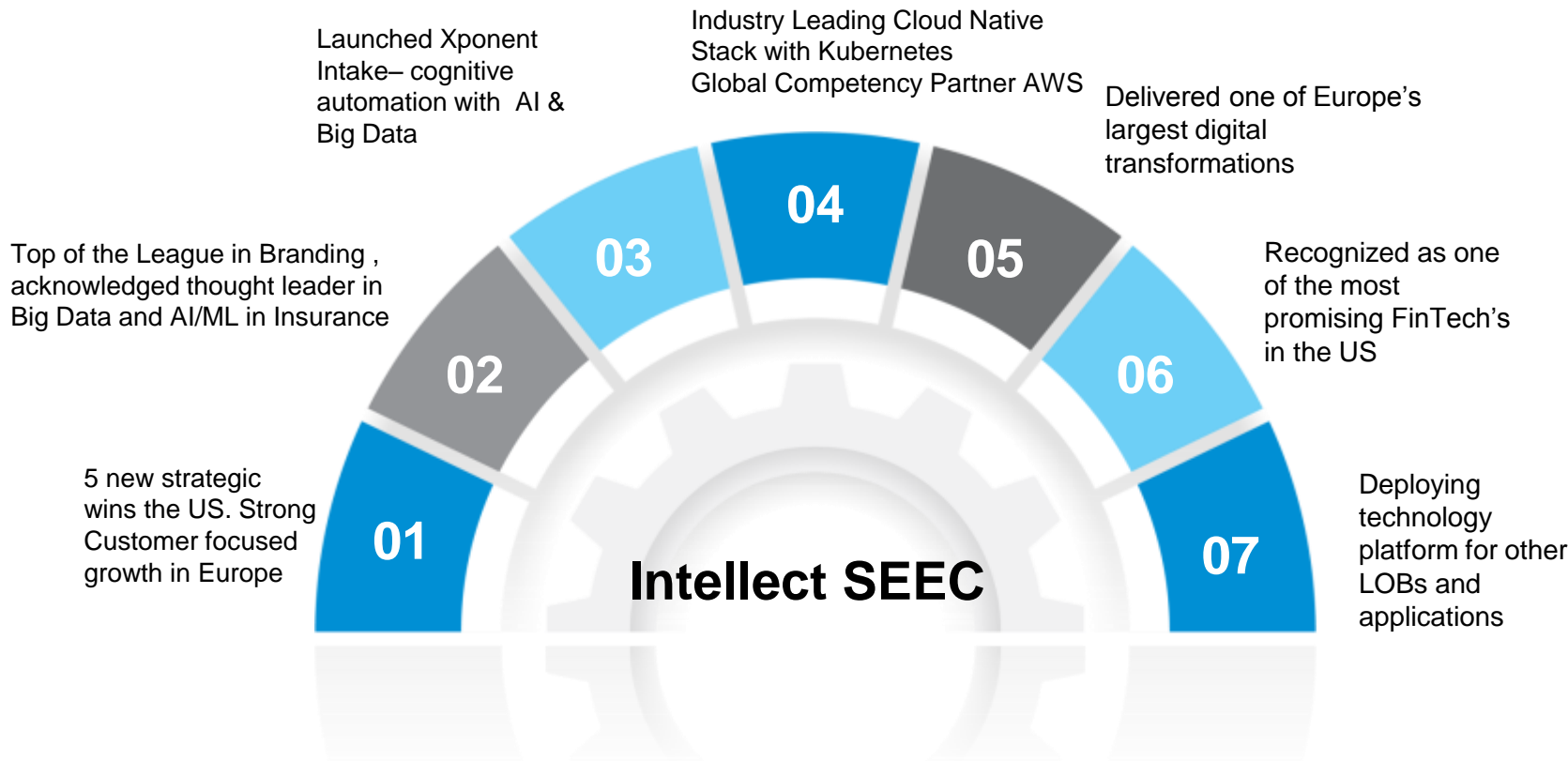
Promise **Delivered**



Business in the Profitable Trajectory



Pioneering Deployment of AI/ML & Big Data



Intellect Risk, Treasury and Markets

- Intellect Risk, Treasury and Markets (iRTM) - Covers the comprehensive suite of products to address the requirements of banks and capital markets participants.
 - Capital Cube - Single real time Platform combining Treasury & Asset Liability Management offering six dimensional benefits to Treasurers across Banks, InsureCos and NBFCs
 - Capital Alpha - A multi asset, multi exchange, multi channel, multi lingual integrated platform providing contextual and real time trading
- 76 implementations
- Focus for FY 20
 - Strengthening the Sales Funnel – increasing Wins


Intellect Wealth Qube

- Wealth Qube-2020 – structured around 6 offices, 23 Desks, 121 Tools with the Relationship Manager at the Center
- Promise of 20% increased sales revenue ; 20% increase in Business productivity
- For Global wealth Management, Private Banking, Broking, Asset Management, Trust Banking platforms.
- Established first 5 new accounts
- Intellect Wealth Qube runs in over 13 financial institutions, across 10 countries.
- Partner led Sales
- RM office and Trust Banking Product to be made available on Cloud
- Focus in FY20 – Increase Wins and Installation base

Government e Marketplace

- Managed Service Provider for Government e Marketplace – won amidst global competition
- Government e Marketplace is an End-to-end online marketplace for products & services for Central & State Govt. departments and PSUs
- Went live ahead of schedule in FY18. Scalable to handle multi-fold Business growth
- Revenue model of share in GMV – Cumulative GMV already over Rs. 20,000 Crs, ahead of RFP projections
- Central Government's commitment to make Government e Marketplace single point sourcing platform with targeted GMV over Rs. 1 lakh crs. Portal to widen access to MSMEs
- McKinsey states that Government e Marketplace's economic value add would be USD 25 bn in FY24-25. With 25% savings delivered, this translates into USD 100 bn worth of procurement from Government e Marketplace .
- Transaction based revenue model, linked to procurement value on Government e Marketplace; higher procurement, higher revenue

Potential Risks and Challenges



Ability to predict deal
closure quarter on
quarter

The diagram features a horizontal dotted line with two dark grey circular markers. Above the first marker is a light blue rounded rectangle containing the text 'Ability to predict deal closure quarter on quarter'. Above the second marker is a darker blue rounded rectangle containing the text 'Cloud Adoption in Enterprise space'.

Cloud Adoption in
Enterprise space

Way Forward

Competitive positioning

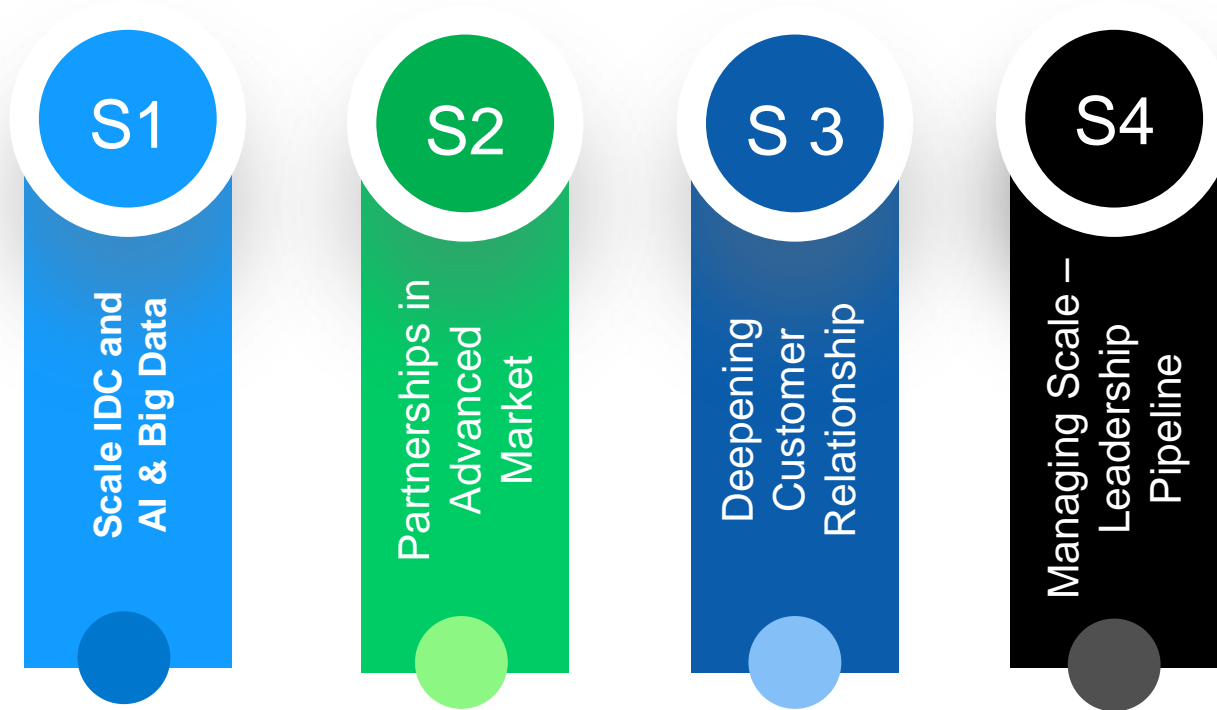
- Strong as evidenced by repeat business by 85.1%
- Increased pricing power through brand and ability to generate referencing
- Niche play in Central banks and Treasury
- Opportunity to upsell and cross sell vigorously

Multiple structural drivers underpinning third party software spend

- Pace of Digitisation in Financial services
- Open banking : providing access to bank data to third party vendors thru APIs for innovative services
- Contextual and AI are the need of the hour of the financial institutions
- Financial institutions are more ready for 'Buy' rather than 'Build' driving higher sales for product companies
- Regulation



Way Forward





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8012 FinTech Design Center
to Experience Intellect