

Dt. 7th December, 2017

The Listing Dept.,
Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

The Listing Dept.,
The National Stock of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East),
Mumbai – 400 051

Dear Sir,

Sub: Press Release
Ref.: BSE Scrip Code: 532801, NSE Code CTE

With reference to the above, please find attached herewith the press release titled “**Cambridge Technology Enterprises announces its H1FY18 and Q2FY18 results**”.

Thanking you,

Yours faithfully,
For Cambridge Technology Enterprises Limited



T V Siva Prasad
CFO & Company Secretary and Compliance Officer



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Cambridge Technology Enterprises announces its H1FY18 and Q2FY18 results

Successful completion of consolidation exercise and focus on Vision 2020

Expected to realize USD 1 Mn approx. from CI exits in FY18

Strong focus and Investment in AI and ML

Bengaluru, December 07, 2017: [Cambridge Technology Enterprises](#) (NSE: CTE; BSE: 532801), a leading global technology company focused on Artificial Intelligence as a Service (AlaaS) to transform organizations into "AI-first" leaders, today announced its unaudited financial results for the quarter and half year ended September 30, 2017.

Successful completion of consolidation exercise

In 2015, we proposed a two-year business plan for FY16 and FY17 to achieve minimum scale. CTE focused on three areas – building partnerships, acquiring referenceable clients in our chosen verticals and acquiring relevant expertise in technologies. We believed that it will take us two years to get to a minimum scale, after which the markets will direct us to focus on specific verticals and technologies.

CTE had achieved a base of:

- Approx. 350 Employees
- INR 100 Cr Revenues approx.
- 5 Verticals
- 12 Partners
- 10 Offices/Locations

Based on market feedback, we concentrated on providing an integrated offering and creating value with disruptive technologies for our clients. In Q4FY17, we started the exercise of consolidating our base to keep the right pieces and put it all together in a thoughtful manner to improve our profitability and scalability. This was our focus – to build and consolidate things that are profitable and scalable.

In August 2017, we successfully completed our consolidation exercise and post consolidation, we have retained approximately 80-90 percent of various metrics mentioned above.

In order to build and fund Vision 2020, CTE is now embarking on its investment phase. CTE is now building the foundation that can deliver on Vision 2020. The company expects the next 12-18 months to be the investment period and we expect majority of our growth to come post that. As the company expenses all investments in competencies (Eg: Refer to our investments in AWS Events in the press release below), recruiting, training, infrastructure; this will impact net profitability while the company funds this foundation. The company is funding the ongoing expansion through its internal accruals.

| CAMBRIDGE TECHNOLOGY ENTERPRISES UNAUDITED RESULTS | | |
|--|------------------|------------------|
| QUARTER ENDED 30 SEP 2017 vs. QUARTER ENDED 30 SEP 2016 - YoY | | |
| (INR Cr) | | |
| Particulars | 30-Sep-17 | 30-Sep-16 |
| Revenue | 23.7 | 25.3 |
| EBITDA | 4.8 | 5.6 |
| Net Profit | 3.3 | 3.3 |
| EPS (INR) | 1.7 | 1.7 |

| CAMBRIDGE TECHNOLOGY ENTERPRISES CONSOLIDATED UNAUDITED RESULTS SIX MONTHS ENDED 30 SEP 2017 vs. SIX MONTHS ENDED 30 SEP 2016 - YoY (INR Cr) | | |
|---|------------------|------------------|
| Particulars | 30-Sep-17 | 30-Sep-16 |
| Revenue | 46.3 | 49.7 |
| EBITDA | 8.9 | 11.2 |
| Net Profit | 5.6 | 7.3 |
| EPS (INR) | 2.9 | 3.7 |

We finished the consolidation exercise and are reiterating Vision 2020 below.

Reiterating the Vision 2020

For our Vision 2020, our business will focus on the following:

- a. Organic Growth: Over the next three years, on an average we expect an annual revenue of USD 10 Million approximately from each of our four growth drivers i.e. Cambridge Bigdata, Cambridge Bizserve, Cambridge DataScience and Cambridge Innovations.
- b. Upside from equity: We believe it will take us 3-5 years to generate liquidity from our investments. However, CI will potentially realize USD 1 Mn approximately from exits in the current fiscal, ahead of its schedule.
- c. Inorganic Growth: We have the potential to explore inorganic growth opportunities in the areas of Big Data and Data Science.

We expect to achieve USD 50 Million revenues in the next three years from our above streams. As part of our Vision 2020, our business is not linear as investments and efforts have to be made before the next phase of growth.

CI Update: Expected to realize ~USD 1 Mn from exits in 2017-18

Launched in Q3FY16, Cambridge Innovations (CI) invests and partners with early and growth-stage businesses that transform industries and are creating the next generation of transformational businesses based on AI and ML.

We had announced the realization of equity value of USD 250,000 by way of partial sale to a strategic investor of Roadzen in order to assist the entry of one of the most prominent Hong Kong based Chinese investor.

Additionally, the company has reached an agreement to exit some of its investments to realize approx. USD 700,000 in equity value. These are pending necessary approvals. Therefore, CTE will potentially realize USD 1 Mn approximately from exits in the current fiscal.

Performance: Realization from exits as % of:

- Investments made in Year 1 of CI launch i.e. FY16 = ~60%
- Consolidated investments as on Sep 30, 2017 = ~14%

The transaction is expected to be completed by the fourth quarter of current fiscal. Earlier, CI model envisaged that it would take us 3-5 years, in general, to generate liquidity from our investments. The equity value realization has demonstrated the viability and potential of the business plan of CI.

Other Updates:

Organized events with AWS with focus on data decision making using AI and ML

5 city AWS/CTE Event in December 2017: CTE has made significant progress in its relationship with AWS and are organizing a five city event themed '*Beyond Prediction: Using AWS AI/Machine Learning platform for Data driven Decision Making*' in the USA between 05-12 December, 2017.

AWS/CTE Cambridge Envision Event: Cambridge Envision is an efficient, high impact work session engineered to jumpstart our client's transformation into the value of data-driven decision making. Every Envision session is customized to align our client's organizational requirements and goals with Big Data advantage for growth and profitability. In May and June 2017, CTE and AWS conducted a series of events in Alabama and Kansas, USA where experts from CTE and AWS helped the participants design a roadmap for high performance planning and implementation to accelerate their transformation into data driven decision making.

Additionally, we have strengthened our relationship with AWS by achieving competencies in areas like Big Data, DevOps and MSP, making us one of the few organisations in the world with a 100 percent AWS certified Cloud Operations Center with the ability to provide 24/7 management of Public, Hybrid and Private cloud architectures.

We have more than 30 AWS Certified Professionals with 5 AWS Solutions Architect-Professional that demonstrates our Ninja-level Networking skills - capable of designing and deploying cloud architecture on complex AWS and Hybrid cloud integration projects.

CTE is focused on AI/ML and AIaaS

The world is transforming. The convergence of Big Data and Cloud fueled by Artificial Intelligence (AI) and Machine Learning (ML) will be the next game changers and we believe it will be a multi-trillion dollar opportunity. Big Data fueled by AI and ML is the next natural resource, like air and water. We are in the midst of the single largest technological revolution.

The convergence of Big Data and Cloud powered by AI and ML will define industries both new ones and old, transforming data into a valuable knowledge asset and a catalyst for disruption. Every human life and business in this world will be transformed with this disruption and millions of transformative businesses will be created.

AI and ML have been discussed for decades but the convergence of Big Data and Cloud with AI/ML is real now for the following reasons:

- a. **Computing power:** Computing resources available today are exceptional. With access to technologies like AWS, Microsoft Azure, computing power is no longer a constraint.
- b. **Bandwidth:** Better availability of high bandwidth has positively impacted accessibility.
- c. **Big Data:** Access to large volumes of unstructured and structured data is changing the information landscape at our disposal.

Businesses are going to end up with ‘haves and have-nots’ in the AI space. There will be businesses with resources to implement AI solutions and use AI to get to decisions, and there will be businesses standing still in the have-not space. As we approach this future, we will see startups and big companies alike take advantage of AI to re-invent and innovate.

The last generation of trillion dollars were created out of traditional Indian IT technology businesses that were focused on back end and costs. The next trillions of dollars will be created by front end innovation driven technology companies focused on value.

New Client in AlaaS

As a progress, CTE has acquired a client in AlaaS. Based in North America, the client has a strong focus on the BFSI vertical. Under the AlaaS model, CTE benefits from receiving a share in the incremental revenues of its client’s business by deploying its proprietary algorithms. Under this engagement, CTE will own additional IP along with the rights to resell and adapt the IP in Australia, Europe and Asia-Pacific regions.

The solution is aimed at optimizing the client conversion ratio in one of the key lines of businesses of the client by employing a systematic, automated and statistically sound methodology to optimally formulate offers. The solution employs a number of state of the art algorithmic techniques such as contextual multi-armed bandits, and using techniques in the emerging subfield of counterfactual machine learning.

CTE’s broader engagement will help the client in solving a variety of business problems and optimizing their existing processes, a few of which are listed below:

- Deploy cutting edge approaches in AI/ML in the area of contextual multi-armed bandits enabling the system to adapt to changing environment.
- Efficiently ask what-if questions using methods of counterfactual machine learning.
- Leverage AlaaS model for continuous improvements and refinement to the optimization algorithms by deploying the latest research and improvements in the field of AI/ML.
- Access to data scientists, researchers and statisticians with a focus on helping customers address their Data Science problems.
- The application of such a framework can be adapted to other parts of client’s businesses helping to drive a unified scientific framework across the whole business.

The AlaaS model potentially includes:

- Joint and/or customer-owned IP development
- Identification of business opportunities for AI application
- Revenue share business model
- Development of API to leverage AI power
- Management and continuous support for client’s infrastructure as it relates to AI solutions

Appraised at Level 5 of CMMI v1.3 for our services

CTE is appraised at Level 5 of the CMMI Institute’s Capability Maturity Model Integration (CMMI)[®] v1.3 for its services. Being appraised at the highest level of CMMI for its services demonstrates our focus and commitment towards continuous process maturity, innovation and delivering value to our customers. CTE is continually proud to maintain the highest standards of software quality & engineering and be part of a select group of global companies appraised at the highest level.

Aashish Kalra, Chairman of Cambridge Technology Enterprises said, “Big Data fueled by AI and ML is the next natural resource. We are in the midst of the single largest technological revolution. The last generation of trillion dollars were created out of traditional Indian IT technology businesses that were focused on back end and costs. The next trillions of dollars will be created by front end innovation driven technology companies focused on value.”

About Cambridge Technology Enterprises

[Cambridge Technology Enterprises](#) (CTE) is a leading global technology company transforming organizations into "AI-first" leaders. CTE is enabling its customers to create AI solutions that transform their businesses; by helping solve the world's complex and most interesting business challenges with AI. CTE gives organizations unparalleled access to cutting-edge technology by bringing together the best-in-industry using its years of expertise in building solutions for some of the world's largest and most innovative enterprises; leveraging Big Data, Cloud & Machine Learning experience. CTE's products and services address all the transformational AI needs of an organization — from strategic workshops to implementation of transformative business solutions through its AI as a Service (AlaaS). CTE's expertise across multiple domains makes it the preferred choice for organizations seeking an AI Partner to innovate and leapfrog the market. CTE is assessed at Maturity Level 5 for CMMI v1.3 with ISO 27001:2013 certification. For more information, visit www.c7e.co or follow [@cam_technology](https://twitter.com/cam_technology) on twitter.

Forward-looking and Cautionary Statements

Certain statements in this press release may contain statements concerning our future growth prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this press release. The Company assumes no obligation to update any forward-looking information contained in this press release. Any forward-looking statements and projections made by third parties included in this press release are not adopted by the Company and the Company is not responsible for such third party statements and projections.