

12th February, 2018

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Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

The Listing Dept.,
The National Stock Exchange of India Ltd
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 9MFY18 and Q3FY18 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 9MFY18 and Q3FY18 results

Bengaluru, February 12, 2018 [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 nine months ended December 31, 2017.

THE OPPORTUNITY

The World is Transforming

The world is transforming. The convergence of Big Data and Cloud with 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 is the next natural resource, like air and water. We are in the middle of the single largest technological revolution.

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:

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

The convergence of Big Data and Cloud has led to the success of AI and ML

Therefore, in the last few years AI has become a reality because of practically infinite storage through cloud technologies, availability of powerful processing resources at low costs and availability of large volumes of data.

AI is a broad term that encompasses a lot of technologies with different capabilities to support decision making. One such technology is ML. ML contributions across industries cover range of functions like customer services, sales & marketing, production challenges, data analysis and predictive analysis for decision making. The data rich organizations have a clear advantage because of ML's ability to learn and improve continuously.

Exponential data growth in terms of unstructured data and real-time data from IoT networks, and economics of digital storage and cloud computing are growth drivers for ML across industries. According to Gartner, 80 percent of enterprise data is unstructured and critical for strategic business decisions, further adding to an inevitable need for AI and ML implementation.

For example, a data lake allows you to store massive amounts of data in its original form, without the need to enforce a predefined schema, enabling a far more agile and flexible architecture, which makes it easier to gain new types of analytical insights from your data. Today, enterprises can build their ML capabilities using data lakes, supported by cloud technologies.

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.

Haves and Have-nots

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 enterprises alike take advantage of AI to re-invent and innovate.

Discovering the power of AI for your business will be the new normal and the first signs of this transformation will be seen in sectors like:

- **Energy:** Advances in disruptive technologies will see potential challenges in Energy sector getting resolved. For instance, in 2016 about 40% of total US energy consumption was consumed by the residential and commercial sectors. These sectors account for nearly all of the energy consumption in US buildings. Powerful computation models built on Big Data and Cloud can help reduce dependency on energy, availability, costs and consumption. In this vertical, CTE serves one of the world's largest energy management and automation specialists.
- **Life Sciences:** The use of transformative technologies to understand the complexities that arise from the combination of a variety of data from areas like clinical research, plants and animal genomics could reveal completely innovative approaches to treatment of diseases. In Life Sciences vertical, CTE serves a global leader in pet nutrition and nutrigenomics.
- **Data Infrastructure:** There is a huge opportunity for Information Management in the areas like data storage, fraud detection and prevention, compliance reporting, risk management to name a few. In this vertical, CTE is working with one of the world's largest companies in storage and information management solutions.

The Future - The Paradigm Shift

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.

As real-time Big Data, AI and ML are breaking down the traditional best practices and structural barriers, creativity and innovation is what is needed to stay ahead of the curve. The result is a brave new world and a transformation of an old world.

CTE'S JOURNEY SINCE 2015

Building the Foundation

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.

In FY15, the base revenues were INR 32 cr and we believed that it will take us two years to get to a minimum scale. We had set out to build a foundation that allowed us to be better prepared to take advantage of this

market opportunity. In FY17 CTE recorded revenues of INR 100 cr while implementing its business plan to focus on the convergence of cloud and big data.

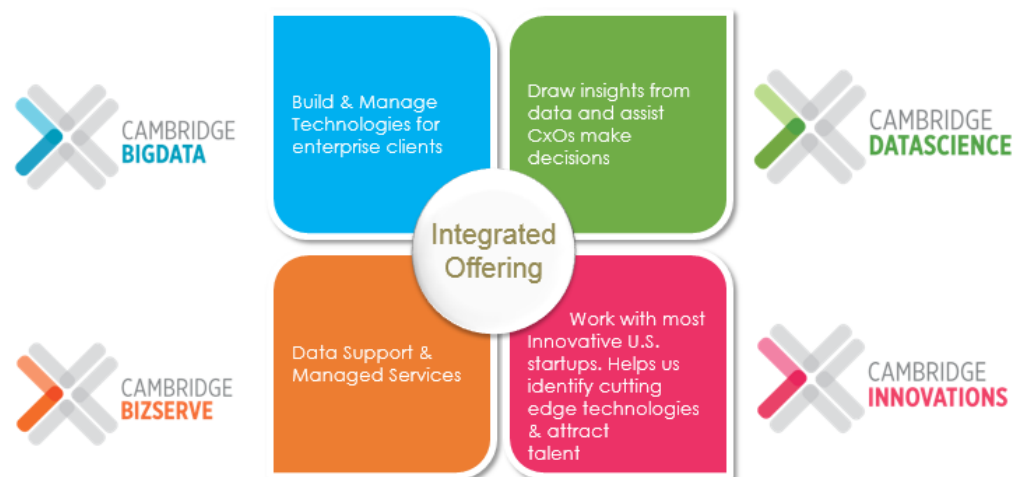
CTE had achieved a base of:

- Approx. 350 employees from ~150 in Jan 2015
- INR 100 Cr revenues approximately from INR 32 Cr in FY15
- 5 verticals
- 12 partners
- 10 offices/locations

Integrated Offering

Today, we stand out because of our unique approach towards the entire lifecycle. To start with, through Cambridge Innovations, we work with the most innovative startups in the US, we serve the large enterprise clients with Cambridge Bigdata, we maintain data for them at Cambridge Bizserve, and provide decision support through Cambridge DataScience.

- Cambridge Bigdata:** Build and manage technologies for enterprise clients.
- Cambridge Bizserve:** Provides data support and managed services for the applications we build.
- Cambridge DataScience:** Assist CxOs make decisions by drawing substantial strengths in insights and data analytics.
- Cambridge Innovations:** Work with the most innovative US startups, helps us identify cutting edge technologies and attract the best talent to work with CTE.



AWS Advanced Tier Partner: CTE is an AWS Advanced Tier and a Marketplace Consulting Partner with competencies in Big Data, DevOps, Enterprise Applications – Oracle and the Managed Services Program. CTE joined AWS Partner Network (APN) in January 2015, rapidly graduating to the standard tier and was promoted to the Advanced tier within six months of re-entering the APN program at AWS.

100% certified professionals: CTE is 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.

Expertise in deployment: The team brings a proven experience of managing over ten million instance hours in the cloud. CTE's best-in-class cloud competency has been instrumental in establishing and managing cloud programs for large and small enterprises alike including Iron Mountain, Recall, Cengage Learning and Pega Systems.

Partnerships: Our partners are an extension of our team, enabling organizations to accomplish better understandings from their data. CTE has strengthened its partner ecosystem with AWS, Microsoft Azure, CA Technologies, Forgerock, New Relic, Pentaho, Oracle, Rackspace, Apica and Tableau.

Self learning organization: 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.

Global Presence and Competency Centers: In line with providing its global clients access to 24/7 development cycle, CTE reinforced its US presence and expanded its offshore delivery centers in India across Hyderabad, Bangalore and Chennai. Furthermore, the company realizes the significance of trained and skilled employees and has invested heavily into training employees through its competency centers in India and the US.

Launched Cambridge Innovations: 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. Cambridge Innovations has over ten investments in its portfolio.

CI partners with the most innovative U.S. startups and helps CTE realize three kinds of value as follows:

- 1. Attract and upskill talent:** Since the launch of CI, CTE has grown its workforce from 250 to 350 approximately. CI enables our employees to work with the best minds in the industry and stay abreast with cutting edge technologies.
- 2. Generate revenues:** CTE generates revenues by entering into contracts with the CI companies and their clients, and build future clients for CTE from a pool of tomorrow's leaders.
- 3. Equity upside:** CI model envisaged that it would take us 3-5 years, in general, to generate liquidity from our investments, but we are pleased to announce that in Q2FY18, we realized an equity value of USD 250,000 by way of partial sale of our investment in Roadzen, Inc. Subsequently, the company has reached an agreement to exit some of its investments to realize approximately 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.

In acknowledgment of the value created by CI, Rohan Malhotra, Co-Founder and CEO of Roadzen said, "CI has been a fantastic strategic investor and a valuable technology partner to Roadzen. As we execute our next set of milestones, we hope to continue working with Aashish and the CI team to reshape traditional auto insurance."

The equity value realization has demonstrated the viability and potential of the business plan of CI.

Performance:

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

Launched Cambridge Bizserve: Launched in Q4FY16, Cambridge Bizserve is a vertical focused to effectively manage business processes and provide business insights through analytics to its clients. Cambridge BizServe has expanded its operations in the Philippines with the inauguration of its new office in Davao City.

Appointment of CTO & Chief Data Scientist: We announced the appointment of Dr. Rajan Lukose as the Chief Technology Officer and Chief Data Scientist in Q3FY17. Dr. Lukose brings the experience of working as Senior Research Scientist at Hewlett Packard Laboratories for over a decade. He also worked at the Xerox Palo Alto Research Center. He has over 25 patents registered in his name and has several laurels including an IBM award in Computational Finance. He has over 20 publications like 'Learning User Purchase Intent From User-Centric Data', 'Local Search in Unstructured Networks', 'An Economic Approach to Hard Computational Problems'. He received a PhD in Physics from Stanford University and had done his thesis on 'Internet Dynamics'. Dr. Lukose is based out of San Francisco, US.

Launch of Cambridge DataScience: Cambridge DataScience was launched in Q3FY17 to assist CxOs make decisions by drawing substantial strengths in insights and data analytics.

CONSOLIDATION EXERCISE

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. Consolidation meant we focused on figuring out the verticals and technologies that are more profitable and scalable. Based on market feedback, we concentrated on providing an integrated offering and creating value with disruptive technologies for our clients.

Successful completion of consolidation exercise

In Q2FY18, we successfully completed our consolidation exercise and post consolidation we retained approximately 80-90 percent of various metrics mentioned earlier.

We announced in our press release titled 'Business Plan Update with Focus on Artificial Intelligence for Vision 2020' that we are focused on AlaaS to transform organizations into AI-first leaders.

Focus on AI-first

Becoming an AI-First Business means getting ahead of the competition and becoming a leader in your industry. It means offering a more personalized and seamless experience for your customers, from the moment they hear about your product or service to the moment they complete their transactions and beyond. It means more productivity from your staff. AI-First businesses have the technology to free their employees from monotonous daily tasks so they can tap into their creativity and focus more on the aspects of business that still require a human touch.

Artificial Intelligence is not a one-size-fits-all solution. It incorporates numerous aspects of technology, platforms, and services tailored to meet your specific business needs. That's why CTE offers solutions ranging from strategic workshops to AlaaS implementation.

CTE has been a leader in implementing cutting-edge IT solutions in a world that is becoming increasingly digital. Today this includes, being at the forefront of an AI-first Business.

There are AI services and solutions that can be integrated into our client's business model to improve the way they do everything from advertise to interact with their current customers. Whether our client is a start-up or a Fortune 500 Company, our goal is to help it analyze its individual needs and challenges, develop a unique plan to meet them, and put that plan into action.

Explaining the AlaaS Model

AI can make immediate contributions towards critical business decisions leading to increased profitability for the organizations. Through the AlaaS model, we enable businesses unlock the value of their data by bringing together unparalleled access to cutting-edge technology and expertise in building solutions for some of the world's largest and most innovative enterprises. We are excited to partner with enterprises on cutting edge technologies, provide superior value and more effective service on revenue generating IPs.

If a business has already recognized AI as the way of the future and are ready to make a complete investment, AlaaS is the best option. We apply our expertise in building AI technology to our client's existing platforms by integrating customized AI solutions via web programs and an API. We host and manage our client's AI applications without them required to put together an internal team. AlaaS elements 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 your infrastructure as it relates to your AI solutions

Along with a fixed management fee, CTE will be eligible to receive substantial share in the incremental growth in the net revenues of the client derived from CTE's algorithm. Working with clients in AlaaS model leads to potential upside in profitability based on performance unlike the standard time and material pricing model.

New Client in AlaaS

As a progress, CTE announced its first client in AlaaS in Q2FY18. Based in North America, the client has a strong focus on the BFSI vertical. 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.

Under the AlaaS model, CTE benefits from receiving a share in the incremental revenues of its client's business by deploying its proprietary algorithms.

REITERATING THE VISION 2020

In Q1FY18, we announced our Vision 2020 to potentially achieve USD 50 Million revenues in the next three years from the following focus areas:

- 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.
- 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.
- Inorganic Growth:** We have the potential to explore inorganic growth opportunities in the areas of Big Data and Data Science.

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, 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.

Aashish Kalra, Chairman of Cambridge Technology Enterprises said, "We are focussed on transforming businesses into AI first leaders and will give ourselves the next 12 months to achieve the right clients for our business because if the convergence in AI/ML and adoption by markets is delayed then we will consider providing other potential services to our dozen plus enterprise clients for whom we have built applications and strengthened our relationships over the years."

CAMBRIDGE TECHNOLOGY ENTERPRISES PERFORMANCE SINCE FY16 (INR Cr)			
INR Mn	Revenues	EBITDA	PAT
Q1FY16	14.0	2.6	1.2
Q2FY16	15.4	2.7	2.8
Q3FY16	16.7	2.3	2.9

Q4FY16	19.7	3.8	2.1
FY16	65.8	11.4	9.1
Q1FY17	24.3	5.6	4.0
Q2FY17	25.3	5.6	3.3
Q3FY17	25.7	6.3	6.1
Q4FY17*	25.2	4.9	4.4
FY17*	100.5	22.4	17.8
Q1FY18	22.6	4.0	2.2
Q2FY18	23.7	4.7	3.2
Q3FY18	23.9	4.1	2.8

*The Company has adopted Ind AS from 1st April, 2017 and therefore, above unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 "Interim Financial Reporting" and other accounting principles generally accepted in India and accordingly the financial results for the quarter and nine months ended 31st December, 2016 have been restated as per Ind AS. Q4FY17 figures are currently as per Indian GAAP and will be restated as per Ind AS along with FY18 annual results announcement.

CAMBRIDGE TECHNOLOGY ENTERPRISES FINANCIAL RESULTS: QUARTER ENDED 31 DEC 2017 (INR Cr)			
Quarter ended	31-Dec-17	30-Sep-17	31-Dec-16
Revenue	23.9	23.7	25.7
EBITDA	4.1	4.7	6.3
Net Profit	2.8	3.2	6.1
EPS (INR)	1.4	1.6	3.3

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 (AIaaS). 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.