

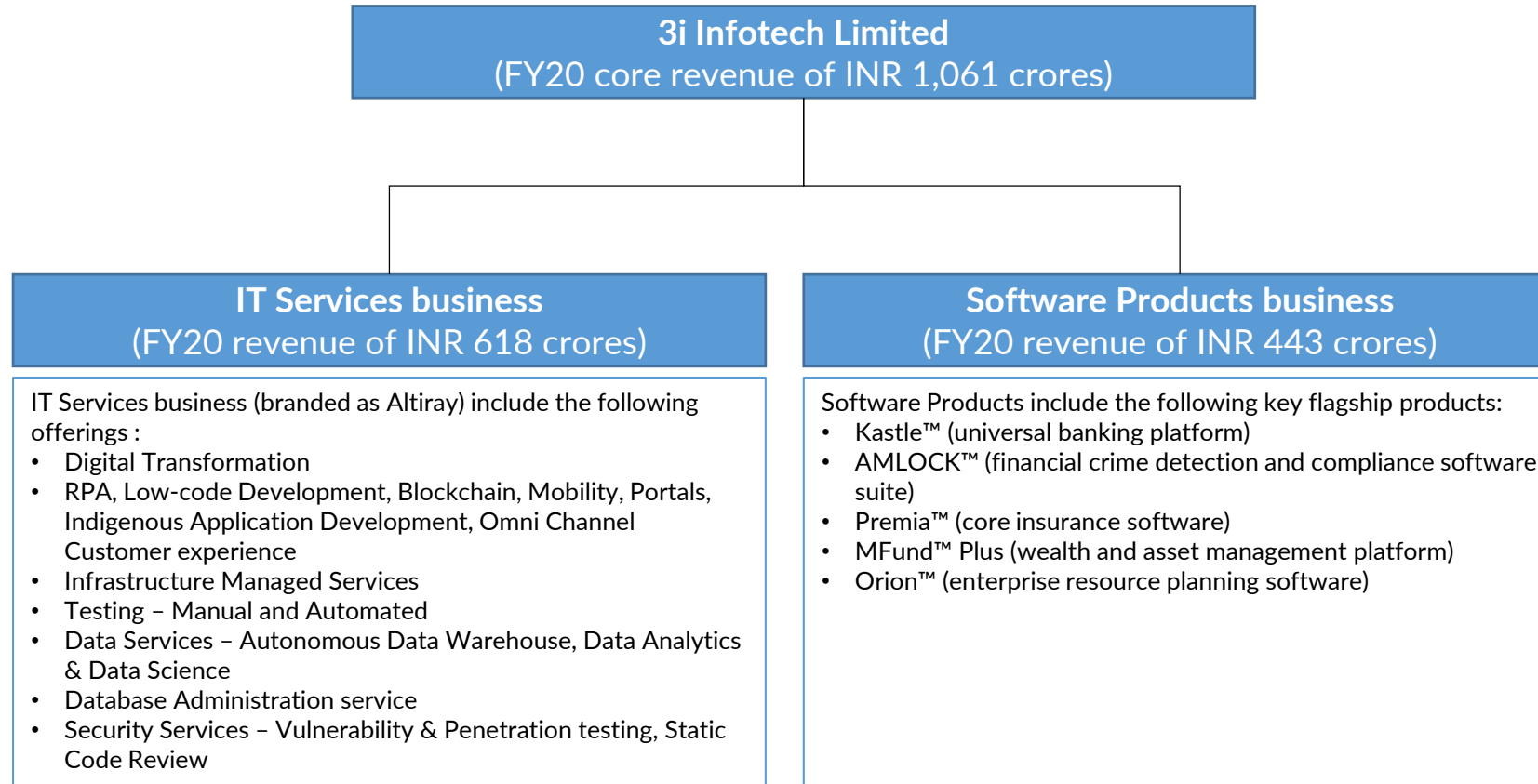
Investor Update

February 15, 2021

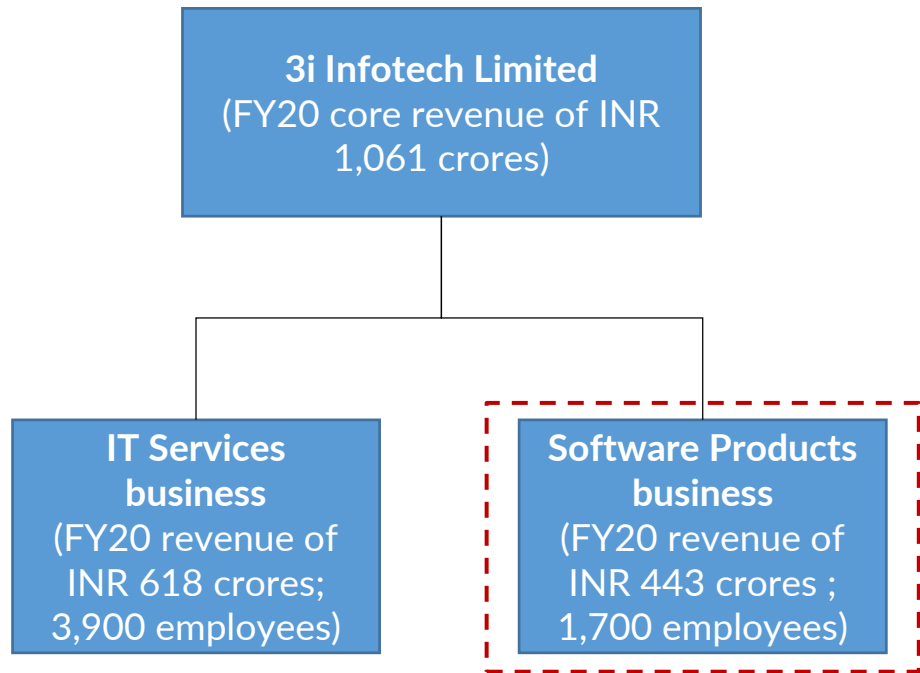


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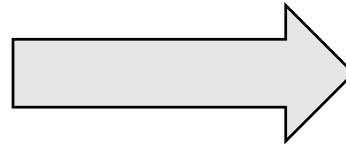
3i Infotech – Company Background



The Slump Sale Transaction



*Software Products
business transfer to
Azentio Software*



Transaction overview

- On 28 Dec, 2020, 3i Infotech entered into definitive agreements to sell its Products business to the Azentio Software Group for a total consideration of INR 1,000 crores, on a going concern basis
- The proceeds of transaction will be used to repay all existing debt (including FCCB and RPS) and the Company will have a cash surplus post this transaction
- Azentio Software Group is wholly owned by funds advised by Apex Partners, a leading global private equity advisory firm
- The transaction is expected to close in March 2021



3i Infotech to pursue strategic growth initiatives in the IT services business

3i Infotech will become a debt free Company

- Consideration from the sale transaction will be used to repay the existing lenders (Including foreign currency convertible bondholders and redeemable preference shareholders)
- Post the transaction, 3i Infotech will become a debt-free company with surplus cash balance of INR 150 crores. The residual IT Services business has a revenue of INR 618 crores and EBITDA of INR 40 crores
- The transaction will revitalize growth and accelerate value creation for all stakeholders of 3i Infotech, including customers, employees and shareholders

3i Infotech will continue to pursue strategic growth initiatives in the IT services business

- 3i Infotech will continue to pursue strategic growth initiatives in the IT Services business, supported by a stronger balance sheet.
- Key strategic initiatives and focus areas for the company include:
 - Strengthen capabilities and expertise in core service offerings of consulting and business optimization
 - Invest in digital services roadmap, centered on emerging technologies, such as AI, Blockchain and RPA
 - Help customers add agility and innovation in their digital transformation initiatives
 - Augment our Global Delivery Model to provide customers the best resources from our vast talent pool across the globe



Update on Capital Reduction

Background

- The Company has a large equity base, combined with high negative reserves, resulting in inefficient capital structure
- Objective – Reduce the number of equity shares outstanding, keeping the face value the same at INR10 and reduce the negative reserves to make the capital structure more efficient
- Positive impact expected on share price – Market capitalization spread over fewer number of shares
- Capital Reduction ratio – 10 :1; Current equity base of 161 crores shares will be reduced to 16.1 crores shares
- Negative Reserves of INR 2,115 crores would get reduced to INR 636 crores

Current status

- Company filed Scheme of Arrangement with NCLT on May 25, 2020
- Shareholders meeting for approval conducted on July 21, 2020
- Shareholders approval received
- Matter pending with NCLT

Impact on sale transaction

- Slump Sale of Products Business is completely independent of the Capital Reduction exercise
- Capital Reduction is connected with the equity base of the Company and intended to make it more efficient
- Proportionate shareholding of all equity shareholders will remain unchanged after Capital Reduction as well as Slump Sale of Products business



Thank You



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