

# FY21 Q4 Earnings Presentation

June 30, 2021



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# Business Update

“We have been successful in penetrating healthcare providers market during the fiscal year 2021 by winning many new customers who are adopting our cloud managed services, healthcare AI and cloud backup/DR solutions in addition to EHR implementation and interoperability service offerings. We have also deepened our relationships with our existing Life Sciences customers and business partners including AWS and Google Cloud – a significant achievement given the business sentiment is not very upbeat across the world due to Covid-19. All our existing yearly contracts have been renewed clearly demonstrating our leadership position in the marketplace.

Our increased investment in Sales and Marketing, Research and Development in SaaS platforms have positioned us uniquely for accelerated revenue growth and we are confident that we can expect double digit growth in FY 22.”

- Suresh Venkatachari, Chairman & CEO

# Company Overview

SecureKloud, a market leader in **Enterprise Cloud Transformation** for highly regulated industries that have stringent Cloud Security & Compliance requirements.

## Location

- HQ: Chennai, India
- US HQ: Pleasanton, CA
- Sales Office: Chicago, IL; East Brunswick, NJ; Pleasanton, CA
- DevOps Centers: Pleasanton, CA and Chennai, India

## Industry Verticals

- Healthcare & Life Sciences
- Automotive
- BFSI
- Media & Entertainment
- Manufacturing & Supply chain

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## Partnerships

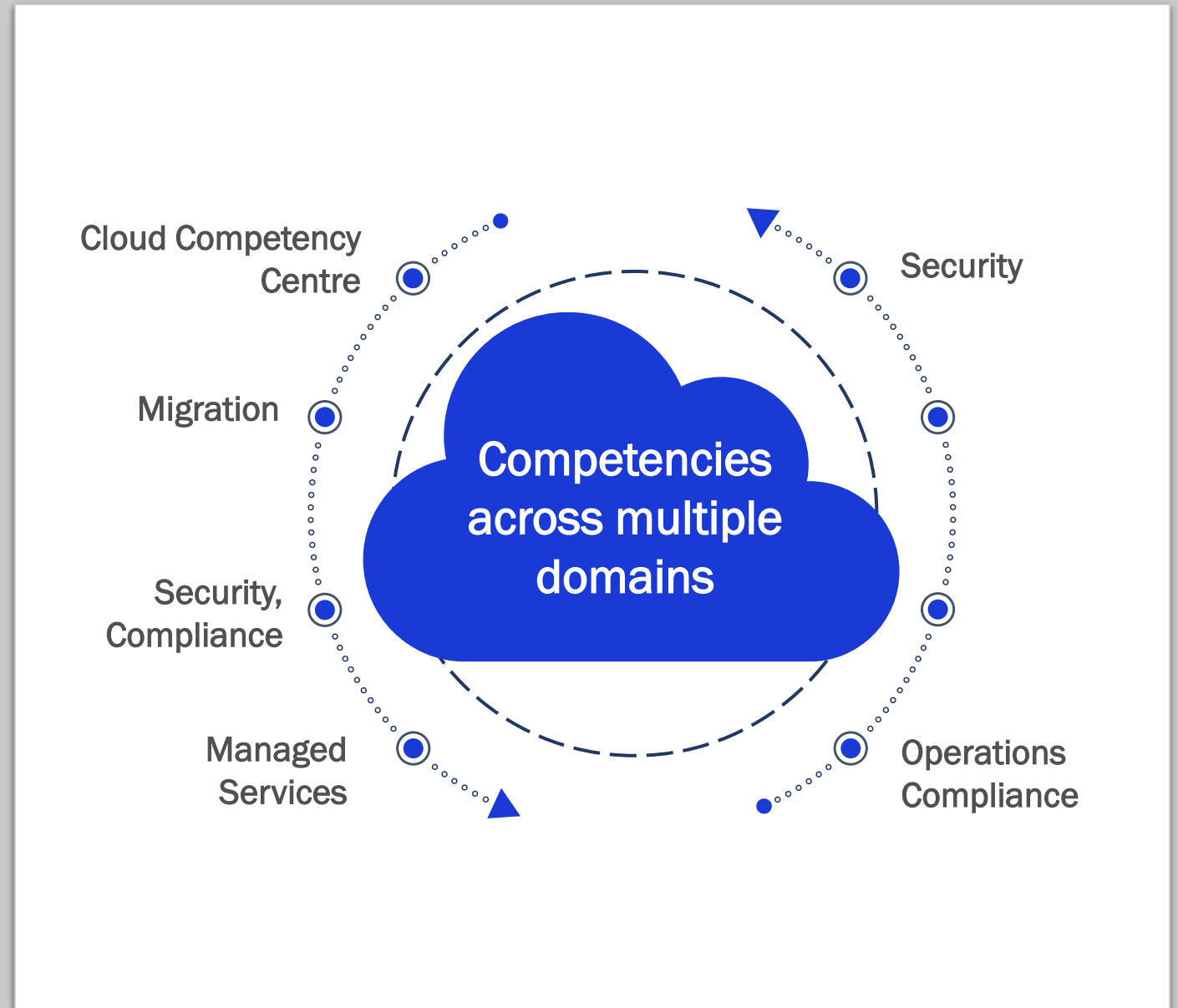
- AWS Premier Partner – 6 years in a row
- 4<sup>th</sup> consecutive year - Audited AWS managed services provider
- Google Cloud Services partner with top 8 healthcare interoperability provider status
- Extensive knowledge and expertise in Microsoft Azure

## Offerings

- Platforms: CloudEz, DataEz, Readabl.AI, CloudAuth, Blockedge
- Cloud and DevOps Automation
- Nextgen Managed Services
- Data Science, Analytics and AI/ML Services
- Cloud Security and Compliance

# Our Cloud Expertise

- Multi cloud automation expertise – AWS, Azure & GCP
- First to market SaaS based CloudEz, DataEz and Readabl.AI platforms for industry verticals
- Enterprise-wide business transformation services
- Industry recognized innovative Cloud and AI solutions





# Security & Regulatory Compliance

- Regulatory Compliance Experts  
✓ HIPAA, GxP, FIPS, PCI-DSS, etc.
- Battle Tested at Highly Regulated Industries
- Chaired & contributed to SAML 2.0 Specification
- HITRUST Certification – self assessed, pending 3<sup>rd</sup> party certification
- ISO 27001:2013 recertification achieved

# FY21 Q4 Earnings

## Business Highlights



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# Growth in Healthcare and Life Sciences

- Added a new customer for Readabl.ai, our flagship Healthcare AI product
- Added three new customers for providing MEDITECH Technical services
- Closed multiple customer contracts to provide MEDITECH/EPIC related technical services and post live Managed Services
- Partnership signed to provide private cloud hosting production and cloud DR solution to our Meditech customers
- Renewed yearly Cloud and DevOps support for several Life Sciences customers
- Renewed our contract with a Global Fortune 500 Life Sciences customer for delivering Cloud and Data Analytics services through CloudEz and DataEz platforms



# Growth in Other Industries

- Signed a multi-year contract with a leading Identity and Access Management vendor to build and manage identity provisioning capabilities for large enterprise applications and cloud providers
- Signed a new cloud transformation project with one of our large existing customers
- Signed a new project for one of our existing customers for developing their Data Platform on AWS
- Signed GNOE acceleration project with one of our existing customers
- Renewed all our enterprise customers in Automotive, AI and Industry technology areas
- Secured multiyear Managed Services contract signed with our key customers

# Recognitions



Google Cloud highlighted HTI as a key partner for Healthcare Interoperability

**HITRUST**<sup>®</sup>

# New Launches



Launched Readabl.ai – a SaaS-based, AI-powered Healthcare Document Workflow



Launched CloudEz – a Hybrid Cloud Management Platform as a SaaS Service on Marketplaces



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# FY21 Q4 Earnings Financial Highlights

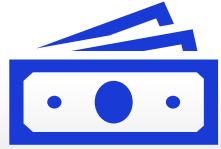
# Consolidated Financial Highlights

(₹ in lakhs)

- Revenue growth of 21.5 % in Q4FY21 compared to Q4FY20
- Q4FY21 EBITDA Rs 317 Lakhs compared to Rs (2,009) Lakhs in Q4FY20
- EBITDA margin at 3.8% in Q4FY21 compared to (29.4%) in Q4FY20
- FY 20 numbers for Q4 and full year have been normalized for one time impact

Key Indicators	Q4 FY21	Q4 FY20	YoY	FY 21	FY 20	YoY
<b>Revenue</b>						
Revenue from Operation	8,293	6,823	21.5%	35,055	38,208	-8.3%
<b>Expenses</b>						
Employee Benefit Expenses	4,782	4,238	-11.4%	19,158	25,499	33.1%
Other Operating Expenses	3,194	4,595	43.8%	12,600	15,292	21.4%
<b>Total Expenditure</b>	<b>7,976</b>	<b>8,832</b>	<b>10.7%</b>	<b>31,757</b>	<b>40,791</b>	<b>28.4%</b>
<b>EBITDA</b>	<b>317</b>	<b>(2,009)</b>	<b>115.8%</b>	<b>3,297</b>	<b>(2,582)</b>	<b>227.7%</b>
<b>EBITDA margin</b>	<b>3.8%</b>	<b>-29.4%</b>		<b>9.4%</b>	<b>-6.8%</b>	
Other Income	(18)	271	-106.7%	(94)	435	-121.6%
Depreciation and Amortisation	177	489	63.8%	1,850	1,957	5.8%
Finance Cost	290	390	25.5%	1,200	1,303	8.5%
<b>PBT</b>	<b>(169)</b>	<b>(2,618)</b>	<b>106.4%</b>	<b>153</b>	<b>(5,407)</b>	<b>97.2%</b>
Tax	(17)	(211)	91.7%	35	279	
<b>PAT</b>	<b>(151)</b>	<b>(2,406)</b>	<b>106.3%</b>	<b>118</b>	<b>(5,687)</b>	<b>97.9%</b>

# Q4 Snapshot (₹ in lakhs)



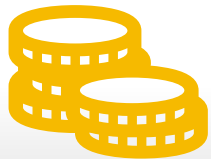
Revenue

8,293



Gross Profits

2,628 (31.7%)



EBITDA

317 (3.8%)

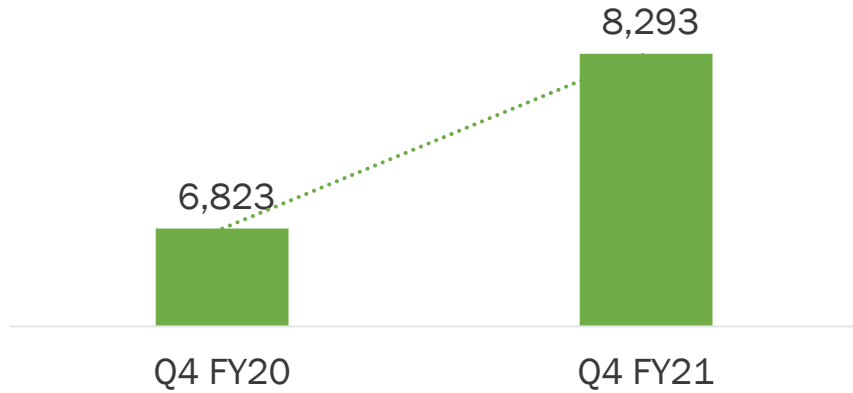


Recurring Revenue

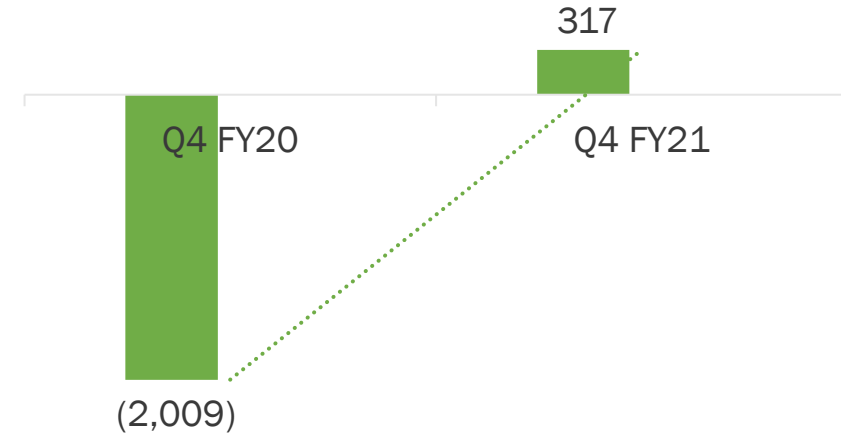
35.2%

# FY 21: Revenue and EBITDA (₹ in lakhs)

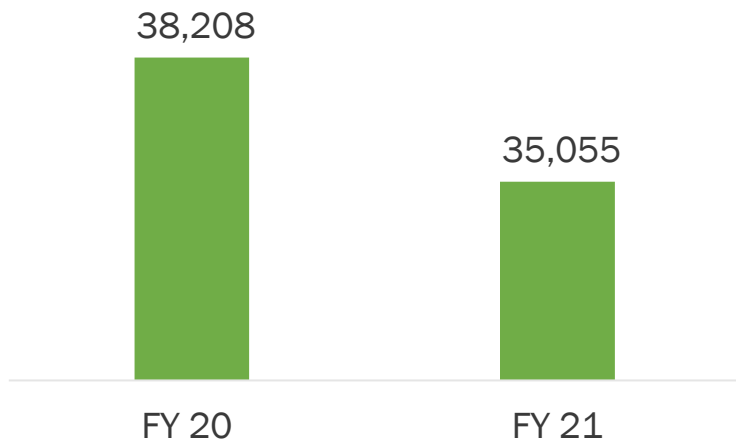
## Revenue Q4 FY21



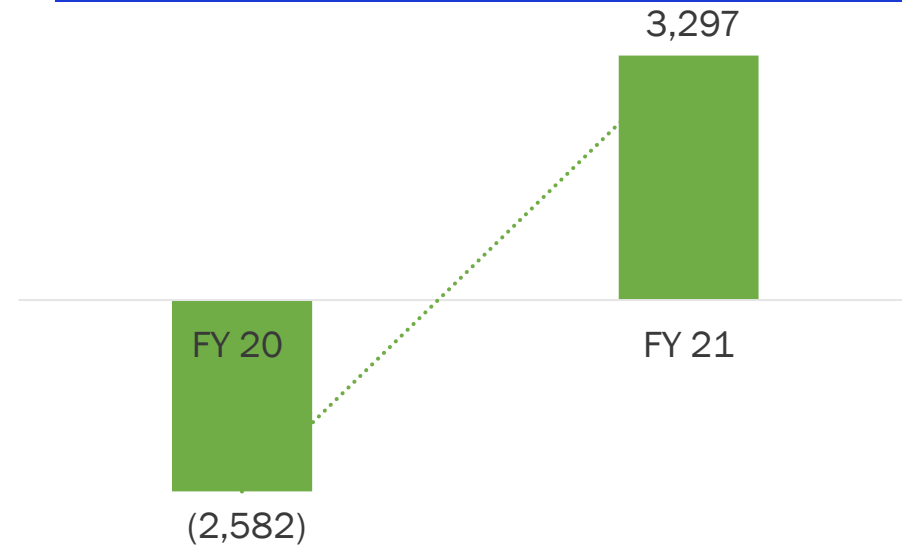
## EBITDA Q4 FY21



## Revenue FY21

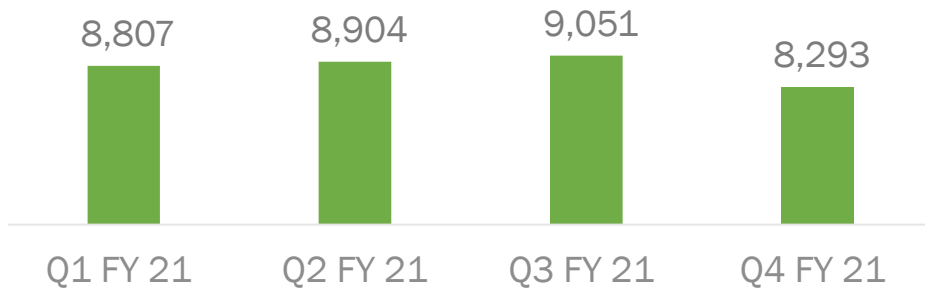


## EBITDA FY21

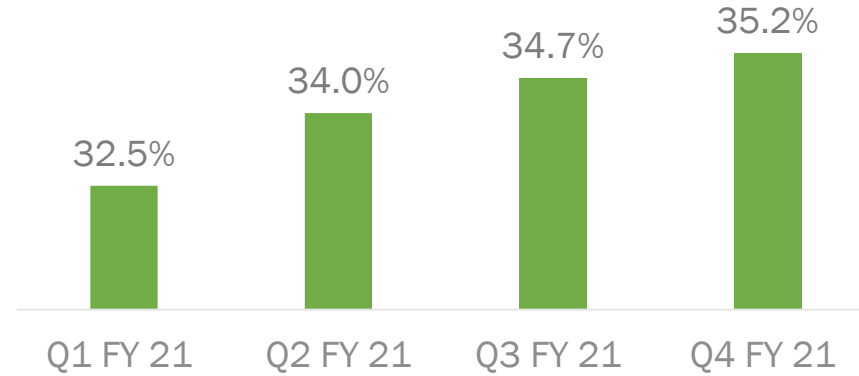


# Quarter Financials (₹ in lakhs)

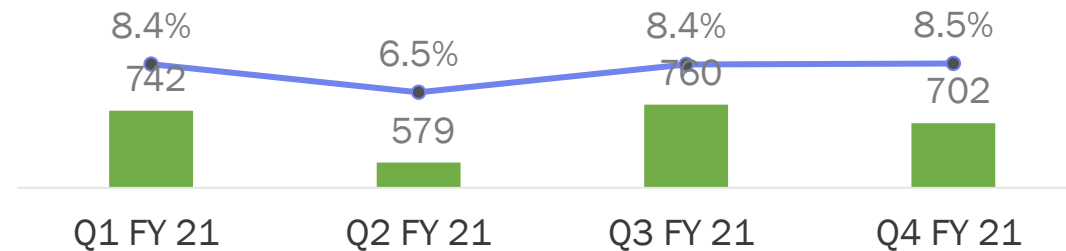
## Revenue



## Recurring revenue

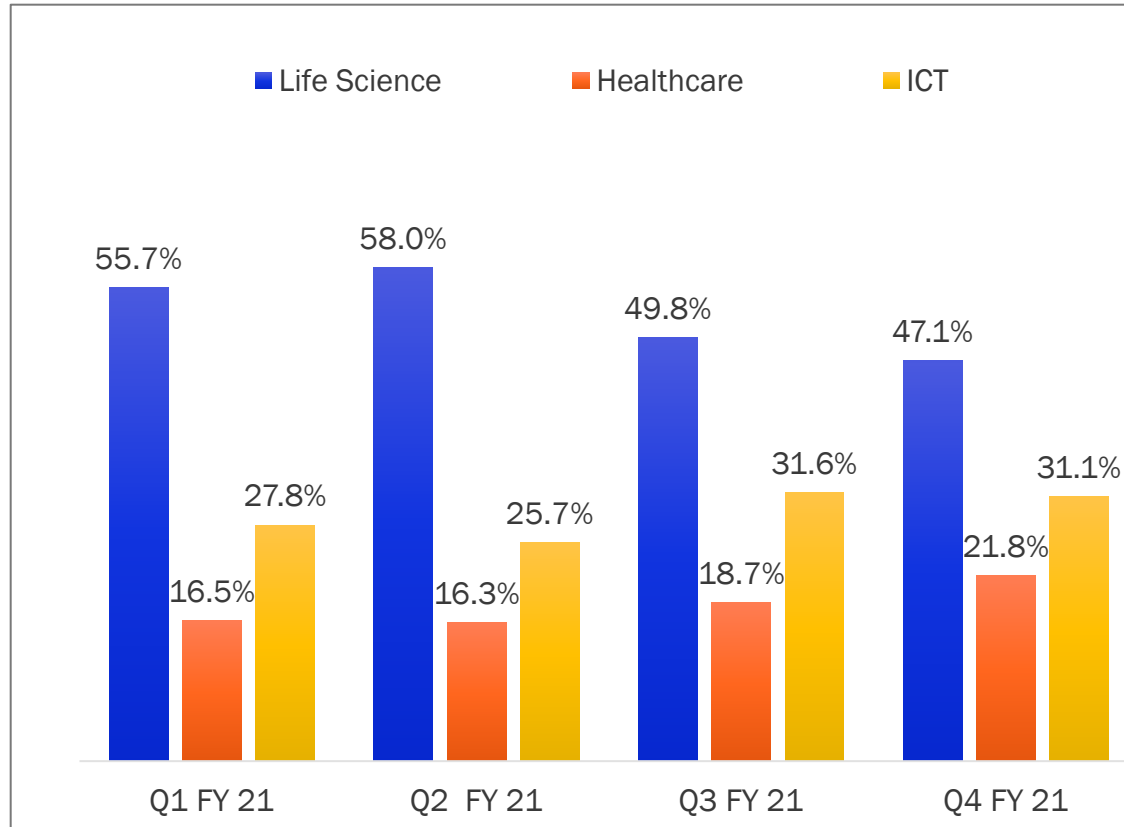


## R & D Expenses and % to revenue

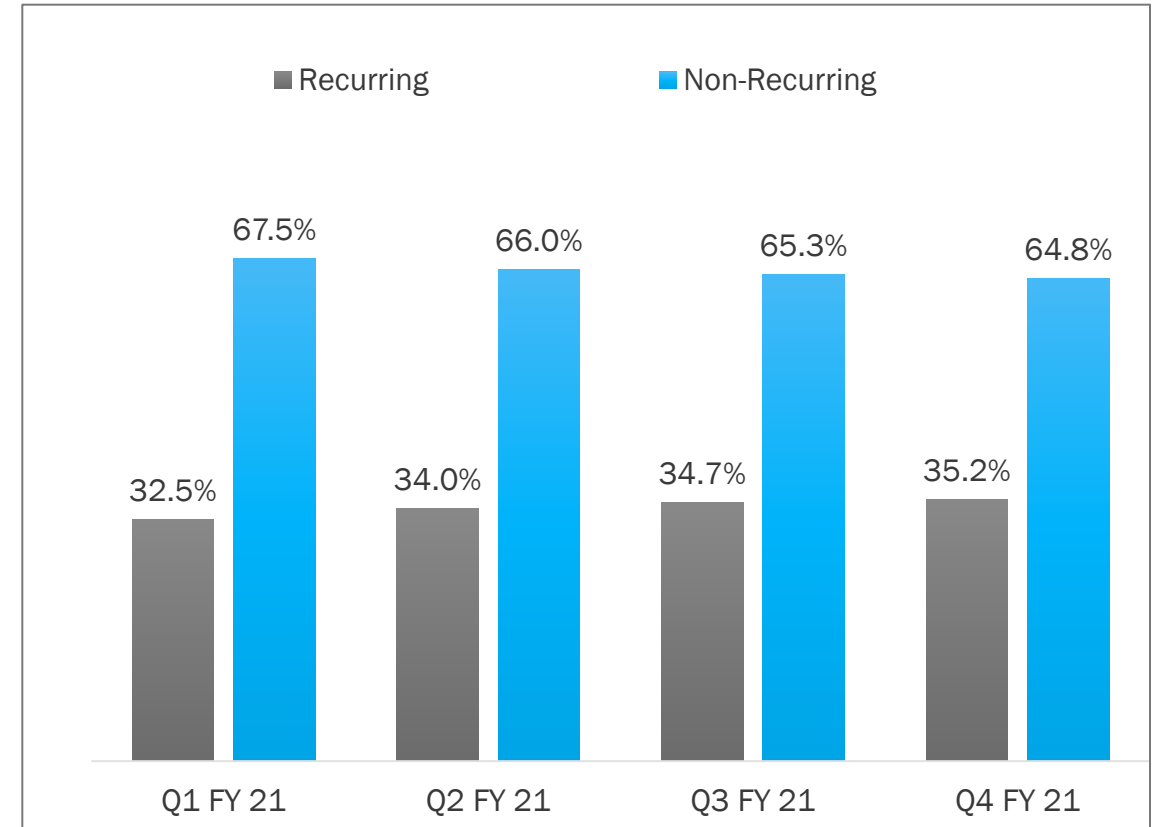


# Revenue Metrics

Overall recurring revenue has gone up to 35.2% in Q4 FY 21 from 34.7% in Q3 FY 21



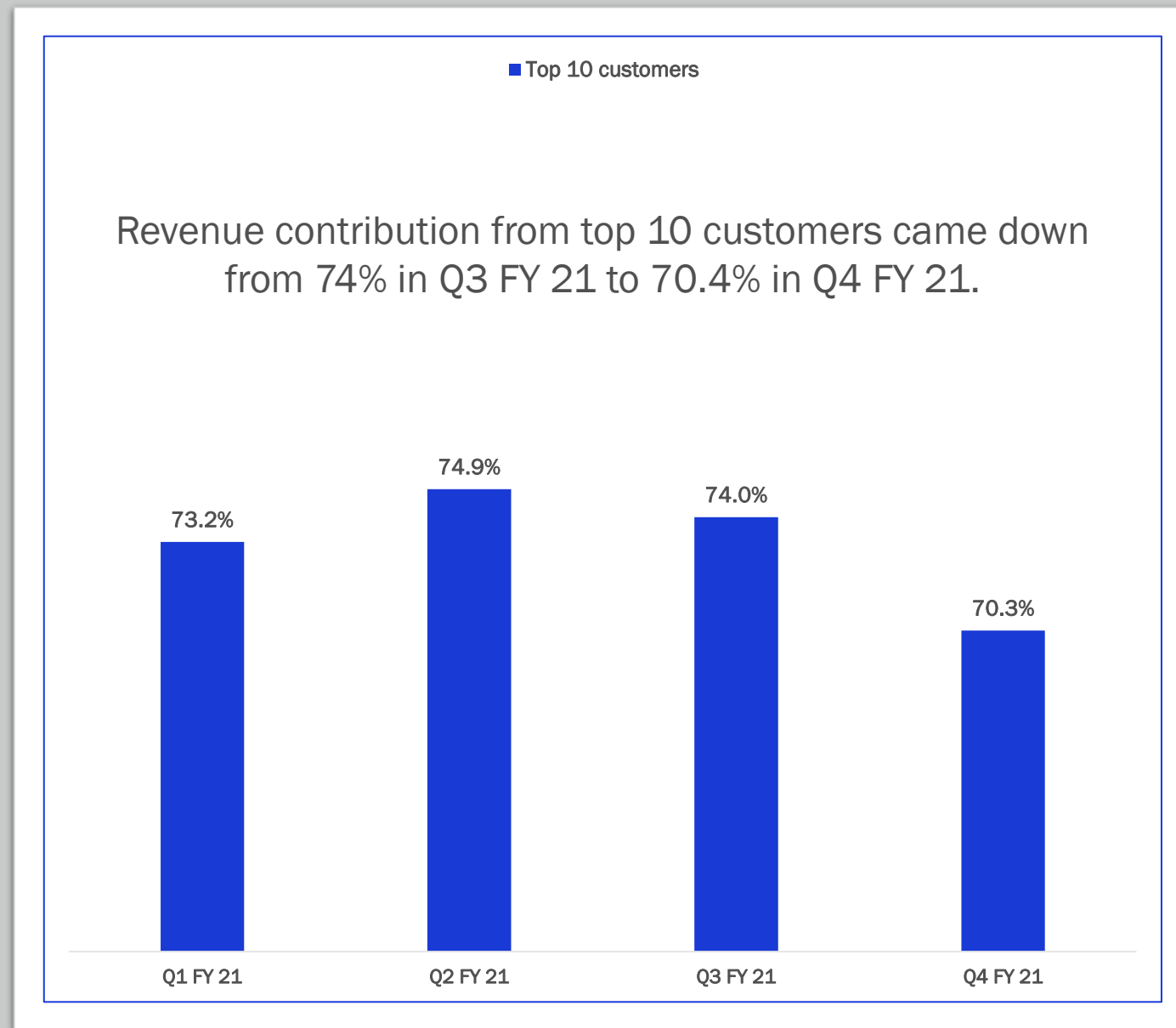
Segmental Revenue



Recurring / Non-Recurring Revenue



# Client Composition and Relationship



# Head count metrics

- Added 32 resources in Q4
- Invested in 18 additional S&M resources during the financial year
  - 12 of them were added in Q4 FY21 in the US and India to accelerate new customer acquisitions
- Ramped up support staff in India
- Head count includes full time and contractors

Head Count (Incl. Contractors)	Q1 FY 21	Q2 FY 21	Q3 FY 21	Q4 FY 21
Software Professional	417	425	432	447
S&M	33	39	39	51
G&A	53	50	49	54
<b>Total</b>	<b>503</b>	<b>514</b>	<b>520</b>	<b>552</b>

Women employees represent 23% of total headcounts

# Statement of Audited Consolidated Financial Results (₹ in lakhs)

Particulars	Quarter Ended			Year Ended	
	31 Mar 2021	31 Dec 2020	31 Mar 2020	31 Mar 2021	31 Mar 2020
	Audited	Un-audited	Audited	Audited	Audited
<b>Income</b>					
a) Revenue from operations	8,293	9,051	6,823	35,055	38,208
b) Other income	(18)	(37)	271	(94)	435
<b>Total income</b>	<b>8,275</b>	<b>9,014</b>	<b>7,094</b>	<b>34,961</b>	<b>38,643</b>
<b>Expenses</b>					
a) Employee benefits expense	4,782	4,597	3,753	19,158	25,015
b) Finance costs	290	287	390	1,200	1,303
c) Depreciation and amortization expense	177	588	(2,140)	1,850	2,157
d) Other expenses	3,194	3,080	5,350	12,600	16,047
<b>Total expenses</b>	<b>8,444</b>	<b>8,552</b>	<b>7,353</b>	<b>34,807</b>	<b>44,522</b>
<b>Profit before exceptional items and tax</b>	<b>(169)</b>	<b>462</b>	<b>(259)</b>	<b>153</b>	<b>(5,878)</b>
Exceptional items	0	0	13,761	0	61,294
<b>Profit before tax</b>	<b>(169)</b>	<b>462</b>	<b>(14,020)</b>	<b>153</b>	<b>(67,172)</b>
Tax expense					
- Current tax	(42)	(45)	(312)	27	0
- Deferred tax	24	(8)	100	8	279
<b>Net profit after tax for the period</b>	<b>(151)</b>	<b>516</b>	<b>(13,809)</b>	<b>118</b>	<b>(67,451)</b>
<b>Total comprehensive income for the period</b>	<b>(154)</b>	<b>516</b>	<b>(13,803)</b>	<b>112</b>	<b>(69,996)</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the company	(116)	238	(12,883)	154	(52,723)
Non-controlling Interest	(38)	277	(920)	(41)	(17,273)
Paid-up equity share capital (Face value of Rs. 5/- each)	1,525.88	1,525.88	1,525.88	1,525.88	1,525.88
Number of equity shares	30,517,605	30,517,605	30,517,605	30,517,605	30,517,605
Weighted average number of equity shares	30,702,537	30,517,605	30,517,605	30,702,537	30,517,605
Reserves (Other Equity) - excluding any revaluation reserve				2,571.42	1,243.32
<b>Earnings per equity share (EPS) [Face value of Rs. 5/- each]</b>					
(a) Basic (Rs.)	(0.37)	0.78	(42.23)	0.52	(164.42)
(b) Diluted (Rs.)	(0.37)	0.78	(42.23)	0.52	(164.42)

# Audited Consolidated Balance Sheet (₹ in lakhs)

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
Shareholder's Funds	4,097	2,769
Borrowings	13,998	11,758
Trade Payables	3,697	5,338
Other Liabilities	4,976	4,061
<b>Total Liabilities</b>	<b>26,767</b>	<b>23,925</b>
Fixed Assets	224	470
Goodwill	12,827	13,830
Intangible Assets	2,894	3,500
Trade Receivables	5,515	5,057
Cash, Bank & Investments	3,448	793
Other Assets	1,858	275
<b>Total Assets</b>	<b>26,767</b>	<b>23,925</b>

# Audited Consolidated Cash Flow Statement (₹ in lakhs)

Particulars	31 Mar 2021	31 Mar 2020
<b>I. Cash flow from operating activities</b>		
(Loss) / Profit for the year	118	(67,451)
<i>Adjustments for:</i>		
Income tax expense recognised in the statement of profit and loss	35	279
Finance cost recognised in statement of profit and loss	1,200	1,303
Exceptional Item - Impairment of Assets	0	52,573
Depreciation and amortisation Expense	1,850	2,157
Net loss/ (gain) on Sale of Property, Plant and Equipment (Net)	0	103
Bad Receivables Written off	0	1,674
Net Unrealised Exchange Gain	(118)	(225)
<b>Operating (loss) / profit before working capital and other changes</b>	<b>3,086</b>	<b>(9,588)</b>
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Trade Receivables	(459)	12,068
Other Non Current Financial Assets	1	(29)
Other Non Current Assets	(51)	(20)
Other Current Financial Assets	(924)	1,707
Other Current Assets	(270)	5,265
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Trade Payables	(1,641)	(2,984)
Other Non Current Liabilities	(4)	0
Provisions (Non-current)	34	5
Provisions (Current)	(17)	1
Other Current Financial Liabilities	558	(844)
Other Current Liabilities	370	1,483
<b>Cash generated from operations</b>	<b>682</b>	<b>7,063</b>
Net Income Tax paid (including interest paid there on)	(338)	(186)
<b>Net cash flow from operating activities (A)</b>	<b>344</b>	<b>6,878</b>
<b>II. Cash flow from investing activities</b>		
Capital Expenditure on Property, Plant and Equipment	(29)	(29)
Proceeds from Sale of Property, Plant and Equipment	7	0
<b>Net cash flow used in investing activities (B)</b>	<b>(22)</b>	<b>(29)</b>
<b>III. Cash flow from financing activities</b>		
Proceeds from issue of Equity Shares (including premium / Share application money)	1,125	0
Borrowings taken during the year	3,421	1,473
Borrowings repaid during the year	(1,180)	(492)
Finance Costs	(1,200)	(1,303)
<b>Net cash flow from financing activities (C)</b>	<b>2,165</b>	<b>(321)</b>
<b>Effect of foreign currency translation adjustment (D)</b>	168	(6,550)
<b>Net (Decrease) in Cash and Cash Equivalents (A) + (B) + (C) + (D)</b>	<b>2,655</b>	<b>(22)</b>
Cash and cash equivalents at the beginning of the year	793	815
<b>Cash and cash equivalents at the end of the year</b>	<b>3,448</b>	<b>793</b>

# Net DEBT Status (₹ in lakhs)

- The Net Debt position of the Company has come down from Rs 10,964 Lakhs in Mar 20 to Rs 10,549 lakhs in Mar 21
- Convertible Note of Rs 3,109 Lakhs will convert to equity on listing of Healthcare Triangle Inc, US

Type	As on Mar 20	As on Sep 20	As on Mar 21
Loan from Banks	5,489	5,370	5,599
Promoters	6,269	6,500	5,289
Convertible - Note	-	-	3,109
<b>Gross Debt</b>	<b>11,758</b>	<b>11,870</b>	<b>13,997</b>
<b>Cash in Hand</b>	<b>793</b>	<b>672</b>	<b>3,448</b>
<b>Net Debt</b>	<b>10,964</b>	<b>11,198</b>	<b>10,549</b>

# OUTLOOK FOR FY22

Witnessing growth in Life Sciences and Healthcare business recovery post second wave of the pandemic

- Focusing on growing the recurring revenues
- Expecting accelerated growth in revenue in FY 22

Continued investment in Sales & Marketing, R&D and SaaS platforms have positioned us uniquely for accelerated revenue growth

- Expecting with confidence, a double-digit growth in FY 22

Thank You



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