



Annual Report 2019-20

Digital Transformation Through Innovation for Healthcare & Life Sciences

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From the Chairman & CEO



Dear Investors,

The financial year 2019-20 has been a year of opportunities and challenges for us as we embarked on a transformational journey with a sharp focus to enhance the depth of relationship with our existing customers, acquire new direct customers while disengaging from intermediaries. I am very pleased to say that this strategy is paying off as your Company is seeing revenue growth from our key customers and new direct customer acquisition gaining momentum.

Global economies are in tailspin and governments are responding in kind by allocating over \$10 Trillion. IT industry is expected to have an enormous market potential as IDC estimates world wide ICT spending to reach \$5.7 Trillion by 2023. Equally important is that pharma and life sciences industry segments are attracting a lot of investment during this time and their spending in public cloud infrastructure is growing significantly as evidenced in increased business from some of our existing pharma customers this year. Given all this, I am confident that your Company is very well positioned to grow in the coming years.

We are continuing to invest heavily on our platforms and frameworks such as CloudEz, EzIAM, EzMFA and DataEz. We will continue to enhance our platform and frameworks to stay competitive and ensure that the first mover advantage is not only maintained but enhanced through our domain-centric, platform based cloud transformation offering that is sought after by our customers.

In order to provide enhanced focus to Healthcare and Pharma/Life Sciences customers, we launched a fully owned subsidiary Healthcare Triangle Inc., (HTI) that has been welcomed by all our existing customers/prospects.

HTI is established to bring together People, Process and Technology to create transformational business capabilities for our customers.

While the customers have continued to place their confidence in us, there have been some challenges faced by your Company during this year. One of the biggest challenges is the increased number of H-1B visa rejections. There is a significant drop in H-1B visa approvals and the rejections rate stood at 32% in FY 2019 compared to 6% in the year 2015 and that is only increasing rapidly. This immigration issue has directly impacted us in executing several projects, loss of opportunities, increase in staff expenses due to hiring of more contractors and local employees thereby contributing to lesser revenue and margin. However, this is being mitigated through effectively transferring the work to our facilities in Chennai.

Additionally, as part of our transformational strategy, we made a decision to slowly disengage with intermediary customers in order to stay focused on our direct customers to enhance our depth of engagement with these direct customers as we see a huge growth potential in these accounts. While the immediate impact of this strategy is reduced revenue, we believe our overall financials in terms of revenue, profitability and cashflow will improve substantially in the future.

In the first quarter this year, the Board accepted the recommendation from the Audit Committee to revise the accounting policy on intangibles, resulting in a one-time write off Rs 486 Crs in Q1 of FY 2019/20. It has also been decided that future product development expenses shall be classified as R&D expenses and charged to the P&L, ensuring true reflection of profitability without the impact of amortization.

The other major challenge was COVID-19 that started unfolding in the beginning of February 2020. This has resulted in delays in getting new projects as customers/prospects are uncertain of their business at this time. Additionally, customers have started asking for discounts impacting our profitability. On the positive side, we have more companies moving onto the cloud because of issues related to COVID-19, presenting us with opportunities. In short, we assess the short-term impact of COVID-19 to be reduced revenue while on the longer term more and more companies will start moving to cloud thereby ensuring steady growth for your company.

We will continue to stay focused on bringing world class compliance, security, cloud infrastructure provisioning, data governance, data management, advanced analytics and data asset development services and solutions, while at the same time bringing new and simplified services to the market that will help connect the stakeholders in the healthcare and life sciences ecosystem. Our advisory and consulting services will also be available to help connect the ecosystem, including data centric services that extend across traditional boundaries and help fuel interactions between providers and life sciences companies.

While there has been challenges that have immediate impact this year, we are confident that we have a sound and robust strategy in place for the future that will ensure we stay in the forefront of technology and ahead of our competition, enhancing our depth of engagement with our customers, acquire new direct customers and improve our profitability from operations and we have already started seeing the results. Overall, this was a period of transformational journey that will position us to win more customers and grow our business.

Thank you
Yours Sincerely,
Suresh Venkatachari
Chairman & CEO

Business Highlights

Our accomplishments this year underscores our fundamental objectives of our transformational strategy that we rolled out at the beginning of the fiscal year.

Execution of the strategy has begun to pay off as demonstrated by our increased business from existing customers as well as the acquisition of direct customers in pharma, Healthcare as well as other industry verticals.

Digital Transformation in Pharma Vertical

- HTI is now providing 24/7 enterprise cloud network support to large global pharma clients. In addition, HTI is their execution partner for AI/ML development on Microsoft Azure platform
- Acquired a California based life sciences client to deliver their enterprise cloud transformation as well as cloud service qualification and compliance
- A large life sciences customer signed a long-term partnership with HTI for their cloud transformation and to build their multi-cloud platform across AWS, Azure and Google
- Won Cloud Security and compliance project along with on-boarding their application, for a major life sciences client
- Leveraging DataEz, our data lake platform-as-a-service as well as AnalyticsEz our data analytics platform-as-a-service offering, HTI was able to increase revenue from two of our major customers in the pharma and life sciences verticals with potential for future growth
- We have signed four SoWs with a new life sciences client on restructuring and building their entire infrastructure on AWS to design and build data lake, DevOps Management migration of IAM to Google FSSO and migration of databases to AWS RDS and implement elastic cache
- Renewed annual contracts with two top global pharma clients and continued delivering cloud DevOps, multi-cloud transformation and operations
- Engaged in building next generation multi-cloud one-click data analytics platform for a leading pharma client
- Engaged on multiple new opportunities with several leading and well-known pharma and life sciences companies across US and Europe

Delivering Value with Innovation and Expertise in Healthcare Services

Epic Practice

- We acquired a healthcare customer to be their exclusive EPIC Community Connect implementation partner in 2020
- Signed a contract with a major hospital to be their exclusive Community Connect implementation partner in 2020
- Extended EPIC advisory ser-

vices with number of existing hospitals across US

MEDITECH Practice

- Executing a signed SOW with a major hospital network of 40 hospitals, to upgrade their MEDITECH servers that has a potential to grow further
- Secured several medium to

large go-live support, ambulatory go-live support as well as Meditech implementation projects across several of our Meditech hospital clients

- Selected as Vendor of Choice (VOC) for Kootenai Legacy support to provide various Health IT implementation services over next 2 years

Cloud

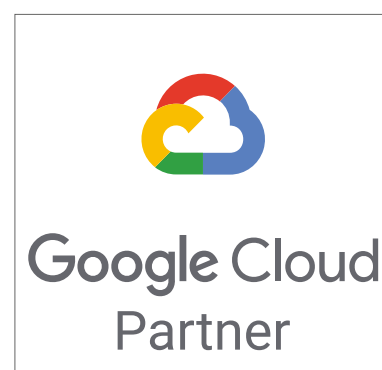
- Won a MFA (Multi-Factor Authentication) implementation contract on Microsoft Azure for a prominent hospital chain
- Engaged with AWS Workload Migration Program (WMP) and work on a partnership to market backup and DR-as-a-service for MEDITECH. As a result, successfully acquired a backup & DR customer and kicked off implementation
- Began work with two large healthcare companies systems on DocuRoute (a document management system for healthcare industry) Proof of Concept to automate analysis and routing of inbound fax and scanned patient related documents
- Completed Multi-factor Authentication implementation using MS Azure MFA for a MEDITECH EXPANSE hospital
- Executed a security assessment project for a large medical information systems supplier

Growth from New Industries - Manufacturing, Automobile and Aviation

- 8K Miles extended IT Infrastructure Managed Services and SOC (Security Operations Center) contract, thereby extending over 5 years of our engagement with California based major SaaS/PaaS technology company
- After successful delivery of cloud-native multi-tenant IoT solution, 8K Miles extended the engagement with 24x7 managed services with a leading global innovative systems partner of automotive manufacturer
- Added a digital workplace software company as one of our managed services customers
- Won a cloud DevOps outsourcing contract from a top automobile manufacturer in the world. As part of this win, 8K Miles established cloud CoE (Center of Excellence), cloud DevOps and analytics teams for the client to achieve their cloud transformation objectives
- Won a contract with computer vision and artificial intelligence company, to build highly available and scalable Microsoft Azure cloud infrastructure as well as Azure data analytics services. This engagement has future potential for us to deliver a multi-cloud strategy and beyond

Partner Highlights

- 8K Miles continue to enhance and grow our existing AWS Premier Partnership across number of competencies
- 8K Miles continue to enhance and grow our existing Microsoft Gold Partnership
- 8K Miles has signed up Google Cloud Partnership in India. We already have partnership in US. This India GCP partnership will explore opportunities in domestic, APAC, ANZ territories
- 8K Miles is entering into a technology and business partnership with one of the subsidiaries of Apple to setup workflow integration for various SaaS applications
- Renewed AWS MSP (Managed Services Provider) competency as well as ISO-27001 Information Security Management certification



Client Testimony

The following are the testimonials from our top clients attesting their journey of long-term partnership with HTI and 8K Miles.



HTI helped us implement MEDITECH as a beta site. Without their help and organizational skills, I don't think that we could have managed. We have limited staff and the work they did was exceptional and professional. I could not recommend them higher.

David A. Travis, DO, FACC
Chief Medical Information Officer
Grand View Health

The HTI Team was exceptionally accommodating and flexible with our project needs. The success of our ambulatory build is in large part because of our Cornerstone consultants. Go Live support team was outstanding!

Robert Reynolds
Information Technology Director
Mary Rutan Hospital



We have been looking for someone to help us with FedRamp certification and 8K Miles was the right team to do this with. The team is very responsive and have helped us analyse our AWS infrastructure in a very methodical manner. Discussions and engagement activities have been to the point and the team is knowledgeable and ready to help with any questions.

Atul Ahuja
Project Manager,
Axero Solutions





HTI's expertise was extremely important. All of their associates are very knowledgeable and easy to follow as they teach. I am able to write my notes with ease because of their customization. If you get Cornerstone to help with training, you will hit the jackpot.

Shehab Saddy, MD
Geriatric Medical Center of the Monterey

Working with HTI has been a professional and positive experience. They are budget conscious, knowledgeable, flexible, accountable, highly responsive and above all, they seem genuinely invested in the success of our rural facilities.

Tianna Fallgatter, MPH
Rural Program Manager
Association of Washington Public Hospital Districts



Very professional and extremely responsive multi skilled team to take on any cloud related project in AWS. The first level team is backed by a strong experienced team.

Swami Nathan
CEO,
Sustainable Certification Pty Ltd

8K Miles has successfully enabled us to adopt an all-in native cloud approach that supports our key initiatives around security, data lake and DevOps. Their deep knowledge of cloud operations, engineering, and new AWS platform-centric approaches, make them a valuable partner we can trust and rely on.

Richard Chennault
Former Head of Cloud and Data Services
Life 360

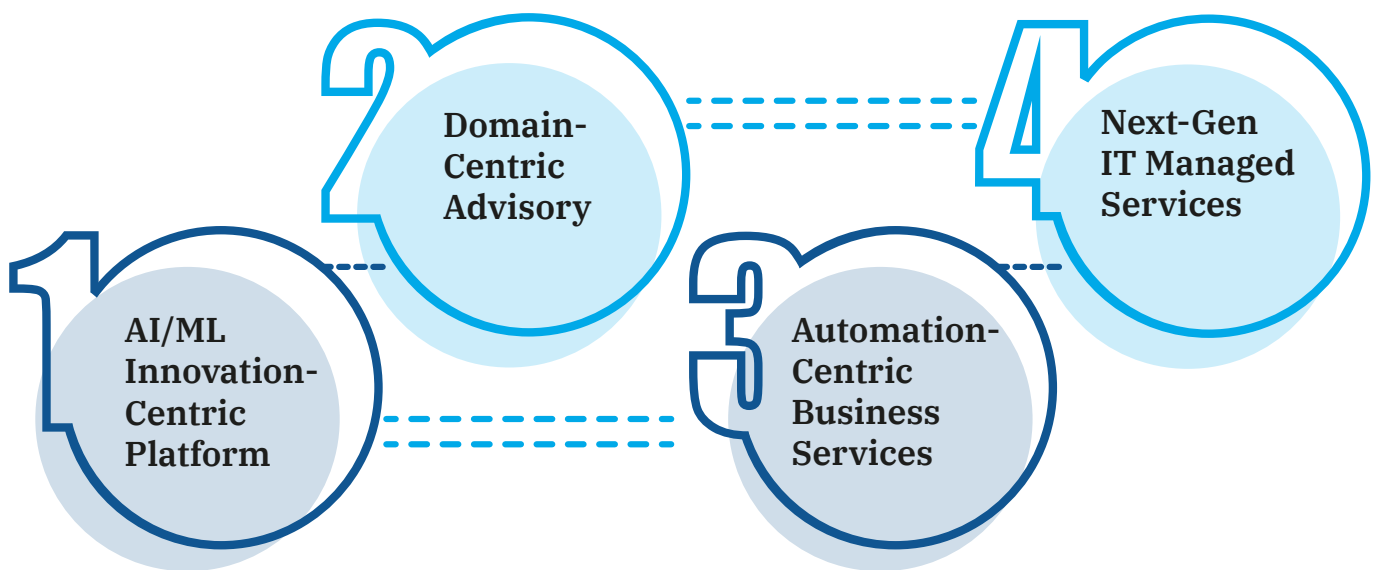


8K Miles - Ahead of Competition closer to customers

8K Miles uniqueness comes from our deep expertise in Public cloud combined with the domain knowledge in regulated industries like Pharma and Life Sciences/

Healthcare. Our platform centric approach to cloud transformation makes our solution holistic. This means that our clients can rely on us for end-to-end and all aspects

of the Cloud, Data, Identity, Continuous Security and Compliance. This holistic approach, as described in the diagram below, entails four fundamental pillars.



The first pillar is the AI/ML platform that forms the foundation of our solutions ensuring Continuous Security, Compliance and Governance of the underlying infrastructure as well as the data held by the **platform and in transit leveraging Artificial Intelligence/ Machine Learning technology**. This has been the key to 8K Miles being the pioneers of technology over last 12 years.

The second pillar, our **Domain-Centric Advisory** - helps enterprise clients adopt proper technology strategy after carefully reviewing

and considering different approaches and options available around different cloud providers like AWS, Azure and GCP. 8K Miles is very effective in its advisory services because of two key factors:

- Strong understanding of technology, gained by building and delivering our own IP
- Domain expertise and knowledge

Thirdly, implementation of enterprise solutions enabling **Business Services Automation** leveraging both the advisory as well as our Platforms along with

latest development tools and methodologies like DevSecOps.

And lastly, upon successful implementation of the solutions, 8K Miles is also able to operate the enterprise IT solutions using our **Next-Gen IT Managed Services** such that our clients can be sure that their applications are continuously running, fully supported and monitored 24x7.

Such an end-to-end approach makes us very unique in the marketplace and sets up high entry-barriers to our competitors



Reduce risks



Lower the costs



Accelerate time to ROI realization