

See Beyond, Rise Above

Contents

30th Annual General Meeting

Friday, July 24, 2020
4:00 PM IST

Video Conferencing and e-Voting
persys.co/agm2020

Members are requested to follow the instructions provided in the **Notice of 30th Annual General Meeting** in order to attend the AGM via video conferencing and to e-vote.

Remote e-Voting Period

- 1\ 12:01 AM IST on Tuesday, July 21, 2020 — 5:00 PM IST on Thursday, July 23, 2020
- 2\ During the AGM

Read this Annual Report online:
persys.co/ar2020

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State of Our Business

Foreword

2020 marks the 30th anniversary of Persistent’s founding. We are proud of the company we have built and our valued employees, partners and clients who have made our success possible.

Our journey has taken us from building market leading software products for ISV partners to becoming a global leader of digital transformation.

2020 also brought a global event few anticipated. We are grateful for the fast flexibility of our team to work remotely while providing continuity to our partners and clients.

Organizations now realize the urgent imperative in moving to become digital-first and we are well positioned to help clients make that transition. With our digital mosaic approach we are building the ideal and unique combination of powerful cloud-based platforms, applications and tools for our clients, working with many of the leading cloud companies as partners.

We are excited to continue this journey.

Persistent at a glance after 30 years

\$501M Revenue	10,600 Industry & Tech Experts	1,000 Active Clients Annually	17 Countries
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Boutique mindset focused on enterprise clients moving their digital presence to the cloud.

Diverse, open and innovative business partner ecosystem for maximum flexibility.

30-year legacy of leadership in software engineering and digital transformation.

Trusted security and dedication to data privacy across our enterprise.

State of Our Business

Message from the Chairman

Dear valued Shareowners,

As I write this for our 30th Annual Report, for FY 2019-20, we are experiencing an unprecedented pandemic that has resulted in economically challenging times.

I pray that you and your families are safe and in good health.

Ensuring the safety and well-being of our employees and their families was our highest priority and I am glad to report that all are safe and doing well. We enabled work from home as soon as lockdown was announced and I commend our HR and IT teams in getting this executed quickly and ensuring all customer commitments were met without delay.

We believe **work-from-anywhere** will become the new norm, creating new business models and opportunities.

In this time of need, as a responsible corporate citizen, we must also contribute. I am proud that Persistent donated ₹25 Crores (US\$3.3 million) to relief and research for COVID-19 globally. Many employees also made voluntary contributions to support their local communities.

But crisis also provides new opportunities. With zero travel, we actively engaged with our customers and partners on video calls to explore how we could be meaningful partners. These relationships are the foundation of our business in the years to come.

We also achieved several significant milestones during the year. We crossed the **10,000 employee mark** and exceeded **half a billion dollars** in revenues for the first time. We have a new leadership team in place with CEO Chris O'Connor and President Sandeep Kalra now leading the company. Last but not least, we celebrated **30 years of incorporation** on May 30.

The revenues for the year were US\$501.6 million, or ₹35,658 million — a **5.9% revenue growth** year on year. The profit for the year was ₹3,402 million. We also completed a share buyback and paid shareholders a dividend of ₹12 per share.

The technology roadmap for the future is robust, and the current crisis has only accentuated the need for businesses to deploy digital technologies urgently.

We continue to build software products for those defining technology and partner with market leaders. Our digital mosaic approach helps enterprises manage the complexity of choice and integration to rapidly deploy digital solutions.

The 30-year journey of the company has been exciting and rewarding, and I would like to thank all the stakeholders for their support over the years. I look forward to your continued support.

Difficult situations test the character of both individuals and companies. How we respond defines our identity and our future course.

Anand Deshpande

Founder, Chairman and Managing Director

Message from the CEO

It's our privilege to present the progress of Persistent. At the end of year, we announced the achievement of **US\$500 million in revenue**.

FY20 was one of thoughtful transition. From the start we recognized that Persistent possessed an excellent technical foundation of varied ISV and enterprise clients, a focused set of industry leading partners and expertise in banking, financial services, healthcare, life sciences and industrial sectors. Our challenges were in our own structure and that we were unknowns of a sort in the market. We therefore focused on our team's market leading capabilities, sales alignment and our core values by gathering Persistent together under one revitalized brand. We grew accounts, business units learned how to share clients and revenue accumulated — in particular, the Technology Services Unit prospered. Finally, we created a follow-on anthology to Anand's thought leadership that strategically teaches clients how to embrace the hybrid cloud digital world.

In March 2020, in a single week, the Persistent team went home. 10,600 of us left the office. We figured out how to segregate our family time and became a closer team. For 90 days all of Persistent's global employees met in a virtual online coffee break where we supported one another, swapping thousands of pictures and stories. Persistent's most valuable asset, our women and men around the world, and their families, were safe.

In times of uncertainty, you gather those you trust and collaborate for the way forward. With our

clients and partners we embraced distance working and the latest collaboration platforms. We don't expect to go back to "pre-COVID" but live in the new reality where the **digital imperative has only accelerated and become a mandate for survival**.

Our transition efforts are serving Persistent well. Digital transformation expertise is now recognized as a must have requirement from ISVs and enterprises alike. Together with partners such as AWS, Salesforce, Microsoft, IBM and others we are coaching the market about the future of work. While clients face their own budget challenges, the impact of COVID-19 presents opportunities that leverage our technical and industry strengths. Amazingly, while we are physically distant, we are effectively closer to our partners and clients.

Today, Persistent is a forward-looking global solutions provider delivering digital business acceleration and modernization for enterprises.

Our new structure enables solution leadership with ISVs as well as enterprise clients. Persistent is focused on our clients' unique digital mosaic, made up of best-in-class platforms, software and services strategically selected to create distinct value. We know the methodologies for success, best practices and partners required to build the optimal digital mosaic. The result is expanded client conversations and new opportunities.

We are actively laying out our plans for the next phase of growth.

\$1 billion is on the horizon.



We exited FY20 as one company, with a clear strategic focus on the market, our leadership team strengthened, and the added expenses associated with transition behind us.

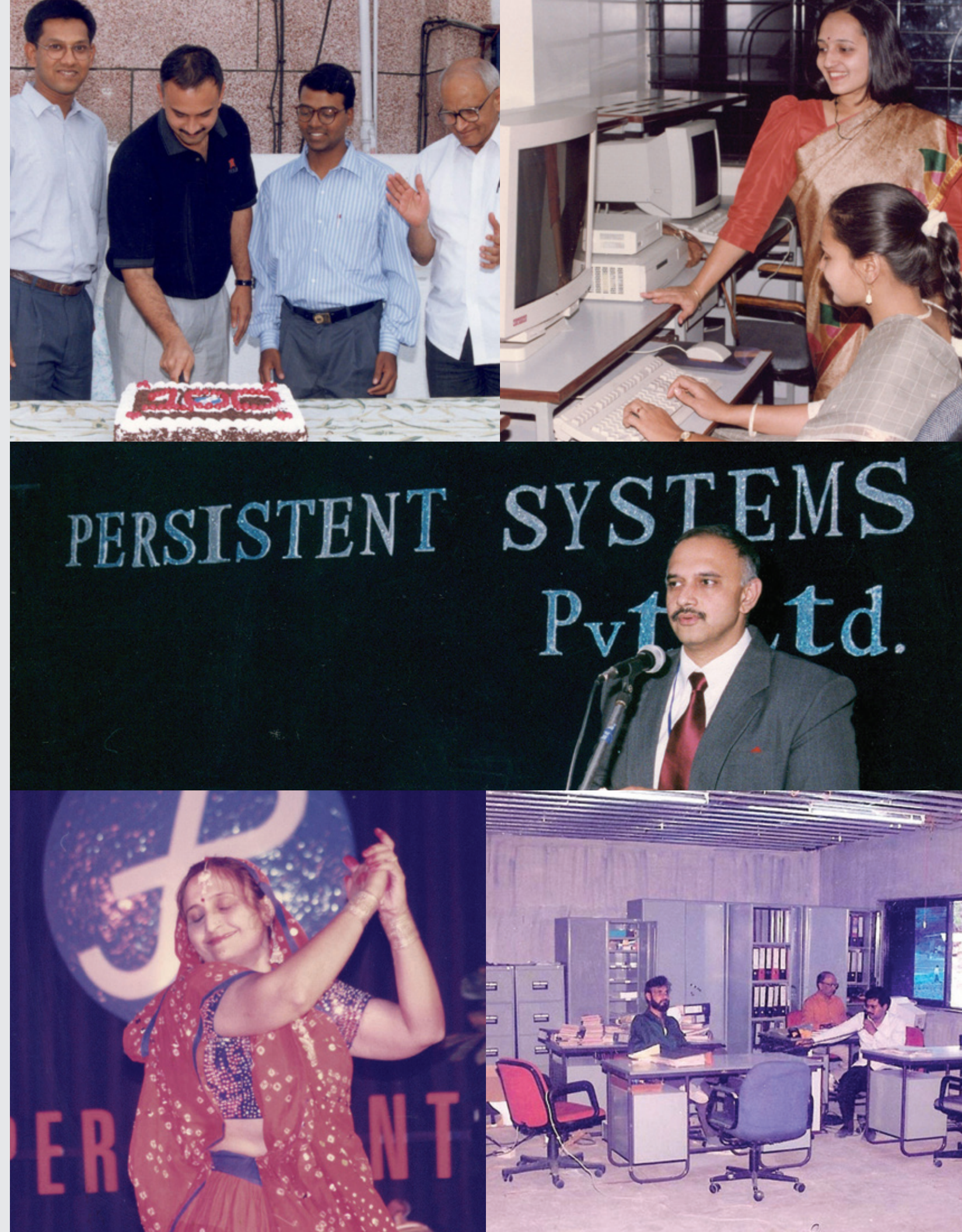
Christopher O'Connor
Executive Director and Chief Executive Officer

Our 30-Year Journey

From our humble beginnings in India in 1990 to today's presence in 17 countries, and a diverse group of over 10,600 employees, we have always made it our mission to stay closely connected to our clients and employees.

Technology shifts have disrupted every industry — from new business models to new ways of engaging clients to highly simplified and automated ways of getting work done.

Over the last 30 years, we have invested in building solutions, establishing partnerships, and getting our teams skilled to help our clients navigate these shifts and achieve business differentiation through elegant compositions of technology.



Our 30-Year Journey

1990 — 2001

Technology provider for database product companies

When founder Anand Deshpande returned to India from his Ph.D. studies in the US, he was inspired by N. Vittal’s call to establish software export businesses in his home country.

That was 30 years ago and the start of the Persistent journey.

The early years were very difficult. Funds were limited, India was not known for software, communication infrastructure was poor and there was no internet. However, with grit, tenacity and support from family and friends, the team soldiered on.

Persistent enjoyed early success working with database companies, but it was a small project from Microsoft in 1992 that proved to be a turning point, giving the small team the confidence to begin approaching other leading technology companies. Illustra Technologies, Red Brick Systems and Hewlett-Packard were early supporters. While these companies have also evolved, they continue to be our customers.

The advent of the internet in the mid-90s spurred innovation and new opportunities for Persistent to build a boutique brand as a technology provider.

From the beginning the founders knew that the success of the business depended on the strength of the team and so established a culture of technical excellence. We set up lasting relationships with IIT Bombay and with all the leading engineering colleges in the region, while hosting international events such as VLDB in 1996.

Corporate governance and social responsibility have always been part of Persistent’s DNA. The company appointed independent directors in 1996 and established a tradition of donating 1% of profits to charity early on. The employee stock option plan was set up in 1998 and Intel 64 Fund was the first external investor in 1999.



When Anand started Persistent, he called me and told me about his new company. I really liked the idea that he went back to his country to start there, rather than stay in the US. I had some budget and we needed some work done and this was the first contract that Persistent signed.

François Bancilhon
CEO of O2 Technologies 1991 — 1997, customer #1



Why the name Persistent?

The word ‘persistent’ is a technical term referring to the persistence of data on disks compared to data that is transient or not persistent when in the main memory and disappears when you shut down the machine.

The first time I walked into a Persistent office was in Kapilvastu, which was also the first day the team had moved in. Everyone, including Anand, was busy setting up their workstations and the rest of the office. That oneness and humility I experienced that day has stayed with me throughout. Over the years, taking on multiples roles as the company expanded has truly been a very fulfilling journey for me.

Manikhandan A B, part of team Persistent for 25 years and counting



Our 30-Year Journey

2001 — 2009

Innovation partner for the world’s leading software product companies

The Y2K challenge helped India build credibility in the software industry, spurring many new competitors.

But Persistent’s customer base of technology companies was affected by the dot-com bust in 2001. To succeed it was imperative we focus on a market segment we could lead. So, while the competition was intense in IT outsourcing, Persistent focused on Outsourced Product Development, establishing processes to build distributed agile teams and partnering with the world’s leading product companies to build software contributing across the entire product lifecycle.

The company and its team grew from strength to strength, building and delivering major software products. Investments were made in research and in strengthening the company’s infrastructure, with new development centers added in Pune, Goa and Nagpur.

Our rapid growth during this time caught the attention of Norwest Venture Partners and Gabriel Venture Partners, two leading Silicon Valley venture capital firms who invested in Persistent.

Dr. Promod Haque joined the Board and Persistent began to adopt international business best practices.

By now all the major technology companies were customers, working on technologies that would define the future of computing — Persistent was one of the first companies implementing cloud technology and big data solutions. By 2008, we saw cloud, analytics, collaboration and mobility as the disrupting technology trends of the coming decade.

With high-quality work plus high standards of ethics and integrity came the ability to attract the best people. Business continued to grow rapidly as Persistent was recognized for its innovation and creativity.

As Persistent was setting up for a potential initial public offering, the global financial crisis hit.



Bhageerath
2001



Aryabhata-Pingala
2006

My association with Persistent began in 1999 when we chose them to be our software partner at Covad Communications. We immediately recognized that the Persistent team would bring technical expertise, deep collaboration and quality execution. They were integral to our success and have since built a well-deserved reputation as an excellent partner to many other businesses.

Anjali Joshi, EVP of Engineering at Covad Communications 1998 — 2004



Investment by Intel 64 Fund LLC to setup Worldwide Competency Center for IA-64 platform



Secured investment from Norwest Venture Partners and Gabriel Venture Partners worth \$18.8 million



I left Persistent in 2014 after 14 years but am still very much a part of it in my current role. As Executive Director of ACM India, the world’s largest computing society, I have an office at a Persistent facility in Pune - we even use it as our HQ address — which just shows you never really leave Persistent. It will always be with you.

Dr. Hemant Pande, part of team Persistent for 14 years

Digital transformation — the catalyst for building software-driven businesses

The silver lining of the global financial crisis was that it gave us an excuse and a fresh opportunity to meet customers’ senior executives to reiterate our support and commitment to them during testing times.

The meetings also helped us highlight the role we played as product development partners and extend our role to become implementation partners. This helped broaden our footprint from product development to implementing technology solutions. Persistent, now as a strategic partner, entered into revenue share agreements, as well as taking responsibility for all phases of the product lifecycle.

In 2010, as the global economy slowly recovered, Persistent became one of the first IPOs in the Indian market. It was an overwhelming success, helping to establish Persistent as a global brand.

Persistent was now a listed company. We were getting noticed and this was a period of global expansion, setting up centers around the world and ushering in a global outlook and work policies branded Life@Persistent.

We also continued our commitment to social causes. Persistent Foundation, created in 2009, introduced programs across education, healthcare and community development.

By now, digital disruption forced every business to re-evaluate their business models and evolve to become robust and agile. Digital transformation was about becoming a software-driven business.

Persistent’s unique proposition of building products for technology companies and implementing technology solutions for their customers put us in a unique position to respond to the market’s needs as customers began the journey of digital transformation.



2.5x employee growth

37 offices across 17 countries over 5 continents

Captured opportunities arising from the global digital disruption

Cloud

Analytics

Mobile

Social

14 acquisitions

Over 10 years across US, UK, France, Switzerland, Germany, India and more.

Establishing our global Salesforce practice

PARX youperience



Persistent completes Initial Public Offering, which is oversubscribed 93 times.



Kiran Girls’ Scholarship and Mentoring Program — a flagship project of Persistent Foundation.