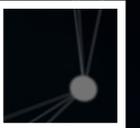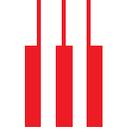Sonata Software

Investor presentation

Nov 2019

Platforms – the secret behind the digital economy's most successful companies

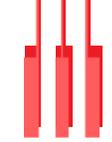OPEN   SCALABLE   CONNECTED   INTELLIGENT

Sonata's approach to Digitizing business using platforms

PLATFORMATION™

Approaches to achieve Platformation

Sonata READY	Sonata ACCELERATE	Sonata CUSTOM
• End-to-end, industry-specific digital business platforms	• Deploy popular horizontal platforms adding required functionality	• Engineer custom platforms that deliver unique digital capability and scalability
Omni channel reservation system for a large Australian rail network built on a travel platform ensuring seamless booking experience	Versatile retail store and e-Commerce integration for a US fashion brand ensuring scalable, omnichannel shopping experiences	A US-based travel company innovating on membership-based business models, increasing bookings by 200%, and scaling service 6X

Enabled through structured Methods and Tools

Applied Sonata's frameworks that help uncover the business & technology needs and priorities of the client, and developed a best-fit roadmap for "Platformation"

Platform Design

Technology Assessment

Implementation Roadmap

BUSINESS ARCHITECTURE
[Platform Design Canvas]

Platform Owners	ENABLING SERVICES (Platform To Partners)	Core Value Proposition	Transactions	Partners
		Ancillary Value Propositions		
Platform Stake-holders	EMPOWERING SERVICES (Platform To Peer Producers)	Infra-structure & Core Components	Channels & Contexts	PEERS (Producers)
	OTHER SERVICES (Platform To Peer Consumers)			PEERS (Consumers)

A mechanism to bring new insights on how the business ecosystem works, and the role of the **platform addressing the motivations of ecosystem participants**

AS-IS and TO-BE STATE
[Assessment on 16 point Framework of Platformation]

API based Integration	Cloud-enabled	Blockchain	Scalable
Micro-services Architecture	Multi-device / Multi- channel capability	CUI & bots	IoT
Robotic Process Automation	Multi-tenancy	Security & Compliance	Telemetry & Self Healing
Data strategy	Data analytics	Intelligent customer experience	Self-learning (Platform machine learning)

A mechanism to assess, evaluate and prioritize implementation of technology enablers to build **connected, intelligent, open and scalable platforms**

PLATFORMATION ROADMAP
[Roadmap & Recommendations]

| Sonata READY	Sonata ACCELERATE	Sonata CUSTOM
Leverage Sonata's IP for platform-led business transformation	Leverage Sonata's experience of assessing, implementing, and supporting leading platforms for business process enhancement	Leverage Sonata's deep platform engineering skills, methodologies, and white-labelled assets to build customized platforms for business differentiation

A recommendation to select the best fit Sonata's solution approach for effective and efficient execution of **digital transformation programs through platformation**
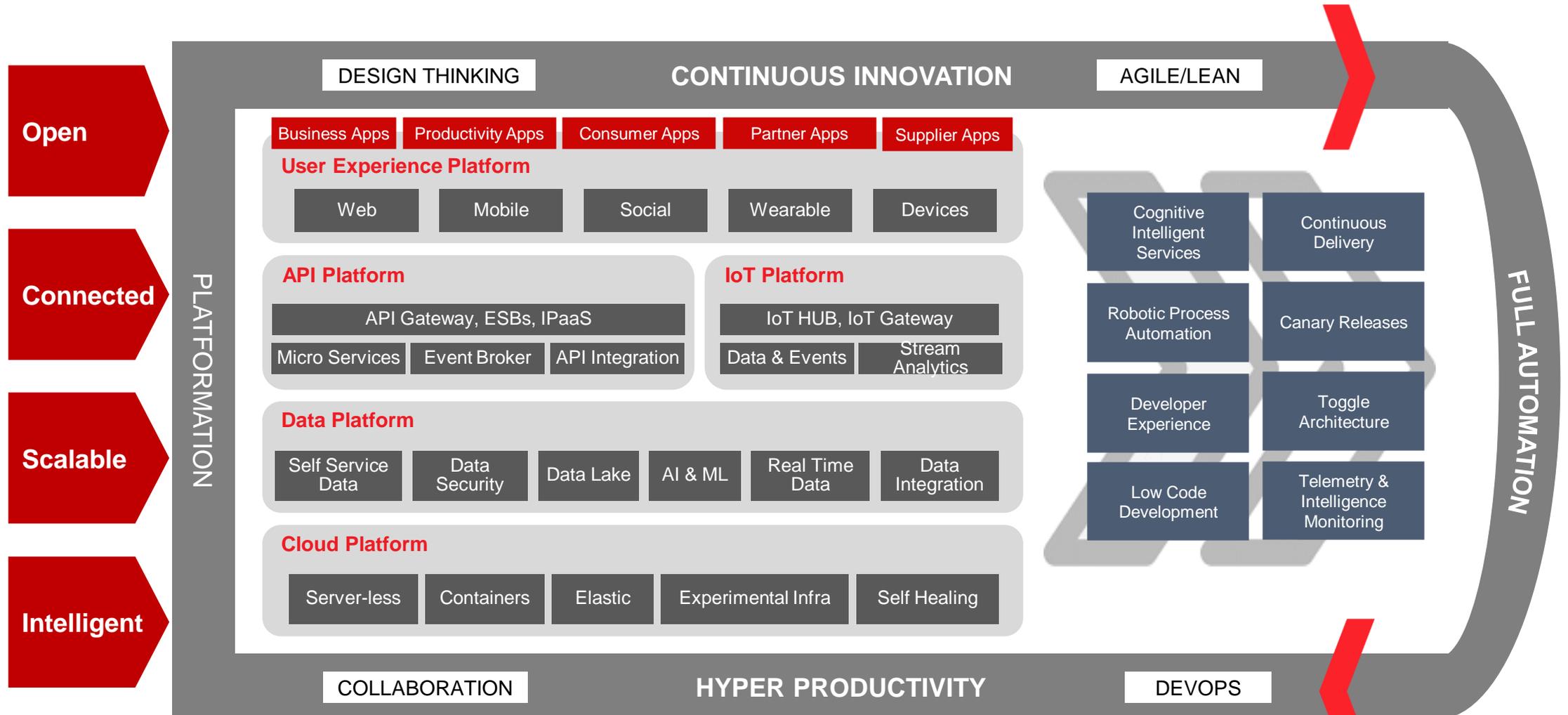
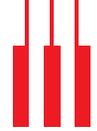Sonata's structured process for Platformation comprises the following :

- Digital Business Process Library & Identification
- CDAT based approach
- Platform Maturity Assessment (Separate Business & Technology maturity assessment)
- **MarchitectureTM aligned to CDAT**
- **Platform Characteristic Requirements (With a 16 point Framework)**
- Technology Architecture to achieve the Platform Characteristics
- Cloud Engineering   (Cloud Native Development)
- Data Platformation methodology (Structured Assessment of Data Infrastructure & Platform)
- **Accelerated Platform Engineering (Solution Accelerators)**
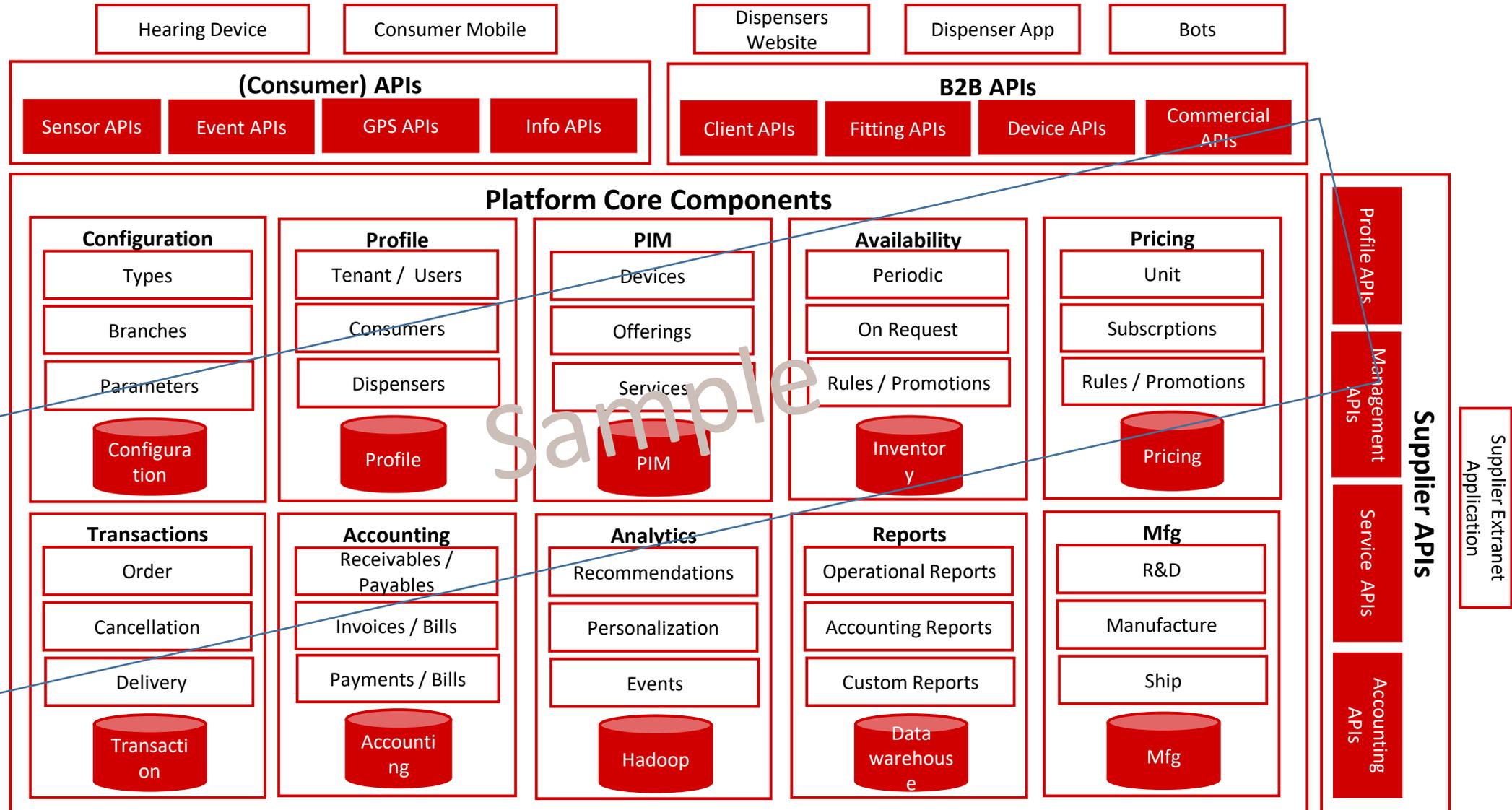- IPs aligned to Platformation
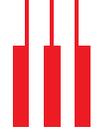
Creating Platforms to anchor the Platformation journey

Technology anchored **Platformation™** brings together digital platform technology excellence, design thinking-led innovation, agile way of working and modern delivery to deliver true digital transformation

Open	
Connected	
Scalable	
Intelligent	

PLATFORMATION

FULL AUTOMATION

DESIGN THINKING CONTINUOUS INNOVATION AGILE/LEAN

Business Apps | Productivity Apps | Consumer Apps | Partner Apps | Supplier Apps

User Experience Platform

Web | Mobile | Social | Wearable | Devices

API Platform

API Gateway, ESBs, IPaaS

Micro Services | Event Broker | API Integration

IoT Platform

IoT HUB, IoT Gateway

Data & Events | Stream Analytics

Data Platform

Self Service Data | Data Security | Data Lake | AI & ML | Real Time Data | Data Integration

Cloud Platform

Server-less | Containers | Elastic | Experimental Infra | Self Healing

Cognitive Intelligent Services | Continuous Delivery

Robotic Process Automation | Canary Releases

Developer Experience | Toggle Architecture

Low Code Development | Telemetry & Intelligence Monitoring

COLLABORATION HYPER PRODUCTIVITY DEVOPS

6

Marchitecture - Platform Architecture sample

Step 7 - Technology Roadmap

EXECUTION

API based Integration 🟡 ①	Cloud-enabled 🟡 ①	Blockchain 🔴 ②	Scalable 🔴 ③
Micro-services Architecture 🔴 ①	Multi-device / Multi-channel capability 🔴 ①	CUI & bots 🟡 ①	IOT 🔴 ②
Robotic Process Automation 🟡 ①	Multi-tenancy 🔴 ③	Security & Compliance 🟡 ①	Telemetry & Self Healing 🔴 ①
Data strategy 🟡 ①	Data analytics 🔴 ①	Intelligent customer experience 🔴 ①	Self-learning (Platform machine learning) 🔴 ②

🟢 Ready & On Board

🔴 Not Initiated Yet

🟡 In Progress

① "Must" have in Near Future

② "SHOULD" have in long term

③ Optional to have – Might not required

- Open
- Scalable
- Connected
- Intelligent

Differentiated Strategy

- IP-led Service Offerings
- Platformation
- **Alliances**
- **Acquisitions and Competency around MS Tech**
- Domestic Business

Platformation™

- ✓ Unique approach to Digital Transformation through Platforms
- ✓ Digital business processes
- ✓ CDAT led Approach & Consulting methodology
- ✓ Platform maturity assessment
- ✓ Platform Engineering and Services
- ✓ IPs and Solution Accelerators

Industry Focus

- ✓ Retail, CPG, Distribution, Service, Manufacturing and Travel focus
- ✓ Enable new and flexible business models
- ✓ Industry Digital Business Processes
- ✓ New services & adjacencies leading to Efficiencies & Innovation
- ✓ Industry aligned Marketecture

Microsoft Full Stack

- ✓ Execution and services through Microsoft full stack platform
- ✓ Primed by Azure and data driven consumption
- ✓ Ready, Accelerate and Custom platform approach
- ✓ Leverage MSFT solution & platform accelerators

Sonata – Microsoft Joint GTM for Digital Transformation

Microsoft's Global strategy

Solution Areas	Partner Practices	KEY EXECUTION PLAN / PLAYS
Modern Workplace	Collaboration	1. Adoption Drive for Teams, Yammer, OneDrive
	Modern Desktop	2. PowerApps Practice
	Security and compliance	3. Upsell motion to M365 E3/E5
	Cloud Voice	4. Bots for Teams
		5. Security
Business Applications	Customer Engagement	1. Dynamics 365
	Operations	2. CE Workloads
	Business Apps	3. Power Platform
Apps & Infra	Cloud Infrastructure and Management	1. Cloud Consulting & Migrations
		2. Managed Services under CSP
		3. Automation & Cloud Management
	Application Innovation	4. App Service, SQL Azure, Containerization
		5. SQL Retiral Migrations
Data & AI	Data Platform & Analytics	1. SQL Modernization
		2. Reporting and Analytics
		3. Cognitive Services

Engage Customers

Empower Employees

Transform Products

Optimize Operations

Microsoft

Digital Transformation Vision of Microsoft

Their GTM Strategy & Approach

11
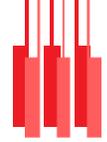
SONATA, A BEST-IN-CLASS MICROSOFT PARTNER (Top 1%)

25 Years
MICROSOFT PARTNER
GISV, lSP, CSP, ISV Dev Centre, SI.
Country Partner India 2014, 15, 17.
Global Alliance Footprint

13 Gold
CERTIFIED COMPETENCIES
Dynamics 365,
Power BI, Cortana
Azure, .Net, Mobility

360^0
PARTNER
MS 4 areas – Business Applications, Apps & Infra, Data & AI and, Modern Workplace
Product Engineering, Professional Support, Delivery, LSP Partner for MS, MCS and ISV/SI Ecosystems.

1000+
TEAM
On Microsoft Technologies with
500+ on Microsoft Dynamics

90 Clients
ACROSS THE GLOBE
USA, Europe, Asia, India, Australia, Middle East

$180 million/annum
REVENUE TO MICROSOFOT
Across the Service Lines

INDUSTRY
FOCUS DIGITAL
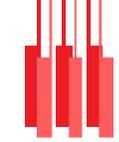Across Retail, CPG, Distribution, Travel, ISV

PLATFORM IP
ON MS DYNAMICS & AZURE-ENABLED
Brick & Click, Modern Distribution, Rezopia, Kartopia, Halosys, Rapid

STRATEGIC
ACQUISITIONS
IBIS Inc US, scalable data systems anz , sopris us

CUSTOMER SUCCESS – POWERED BY MICROSOFT & SONATA

Redefining the Digital Future for Enterprises with Sonata & Microsoft

BUSINESS APPLICATIONS

SONATA PLATFORM IP – RETAIL AND DISTRIBUTION

Brick & Click, Retail Modern Distribution, Retail, CPG ctrm for commodity industry , Built on Microsoft Dynamics 365

****

MICOROSOFT DYNAMICS – END-TO-END SERVICES

Dynamics 365 Upgrade Automation Full-Stack Managed Services, ISV Dev

APPS AND INFRASTRUCTURE

SONATA's PLATFORMS ON AZURE CLOUD STACK

Azure Consumption with Brick & Click, Modern Distribution, Rezopia, Halosys, Kartopia and Rapid, and Custom Apps

****

CLOUD SERVICES AND APPLICATION ENGINEERING

Cloud Enablement and Management Custom Application Engineering

DATA AND AI

SONATA's IP – PLATFORM, ASSETS ON MS BI AND CORTANA

Retina - Retail Analytics; Distribution Analytics; Reusable Frameworks & Assets from Sonata AML Labs

****

DATA, ANALYTICS AND AI SOLUTIONS ENGINEERING

Data Strategy, Data Analytics, AI and ML Leveraging MS BI, Power BI and Cortana

MODERN WORKPLACE

PLATFORM-BASED COLLABORATION SOLUTIONS

Collaboration & Content Management Platforms, Partner Sales and Marketing Portals, Knowledge Management

****

DESKTOP AND OFFICE SUITE PROVISIONING SERVICES

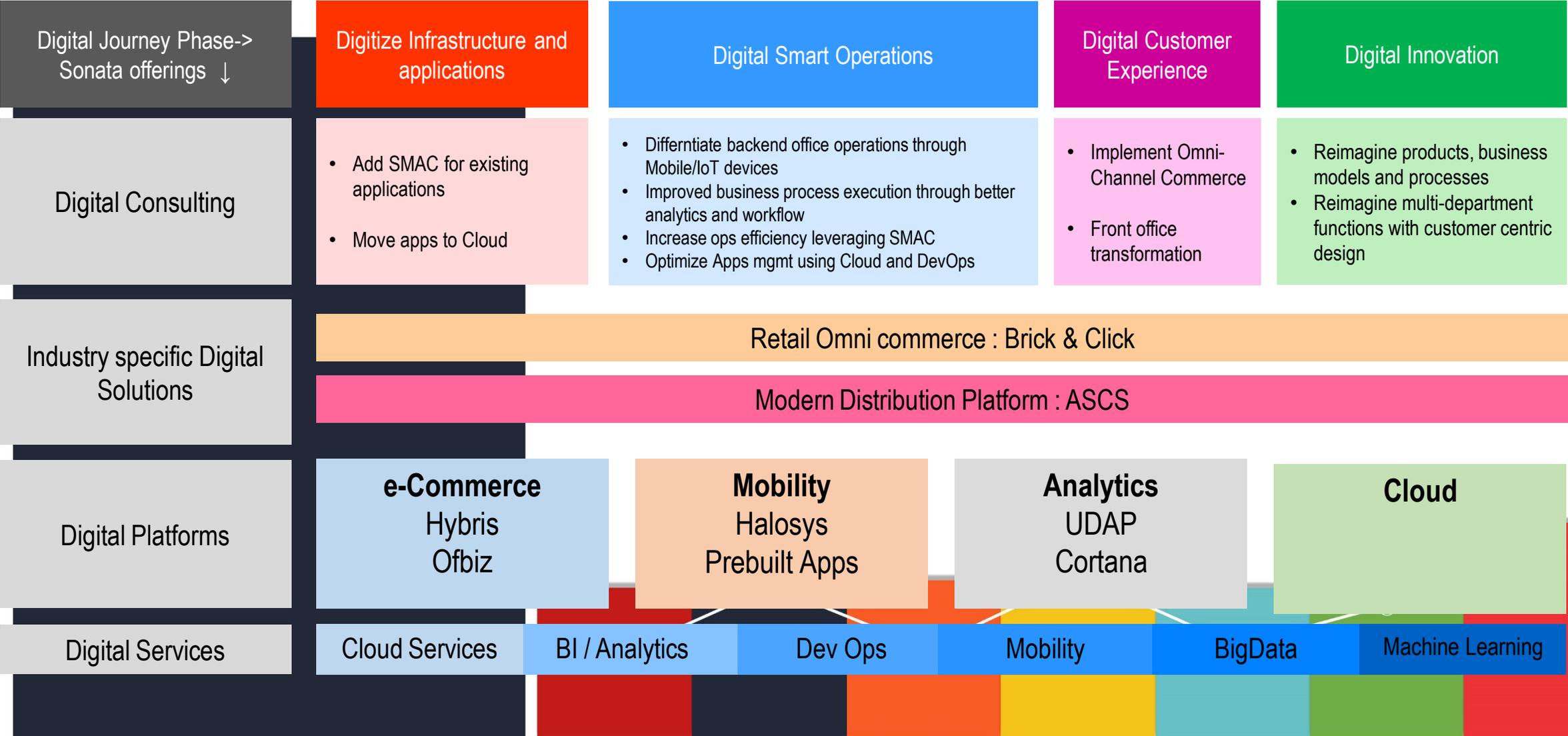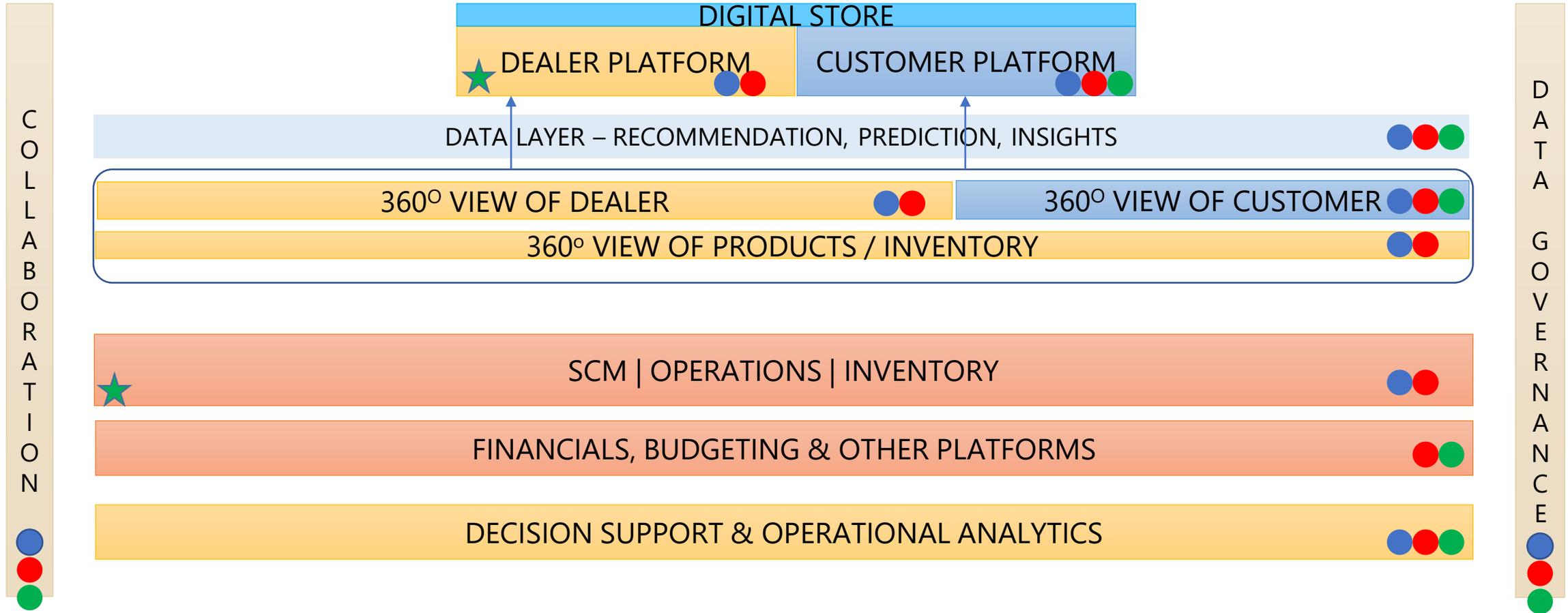Consulting, Implementation and Managed Operations Incl. License Services

Vertical focus

- Retail, travel, distbn &cpg, isv, commodity trading , and services industry – field services.

- Ip – brick and click modern distbn,ctrm, rezopia.

- **Platform led digital transformation**.

- **Digital business process library.**

- **Client digital agenda templates**.

- Track record

Sonata Retail Offerings

Digital Journey Phase-> Sonata offerings ↓	Digitize Infrastructure and applications	Digital Smart Operations	Digital Customer Experience	Digital Innovation
Digital Consulting	• Add SMAC for existing applications • Move apps to Cloud	• Differntiate backend office operations through Mobile/IoT devices • Improved business process execution through better analytics and workflow • Increase ops efficiency leveraging SMAC • Optimize Apps mgmt using Cloud and DevOps	• Implement Omni-Channel Commerce • Front office transformation	• Reimagine products, business models and processes • Reimagine multi-department functions with customer centric design
Industry specific Digital Solutions	Retail Omni commerce : Brick & Click			
	Modern Distribution Platform : ASCS			
Digital Platforms	**e-Commerce** Hybris Ofbiz	**Mobility** Halosys Prebuilt Apps	**Analytics** UDAP Cortana	**Cloud**
Digital Services	Cloud Services	BI / Analytics	Dev Ops	Mobility	BigData	Machine Learning

Sample client digital agenda template

COLLABORATION

DATA GOVERNANCE

DIGITAL STORE

★ **DEALER PLATFORM**

CUSTOMER PLATFORM

DATA LAYER – RECOMMENDATION, PREDICTION, INSIGHTS

360° VIEW OF DEALER

360° VIEW OF CUSTOMER

360° VIEW OF PRODUCTS / INVENTORY

SCM | OPERATIONS | INVENTORY ★

FINANCIALS, BUDGETING & OTHER PLATFORMS

DECISION SUPPORT & OPERATIONAL ANALYTICS

★ **Related Engagement / Proposal with Sonata**

● **Build in Polaris Ready**

● **Build in Polaris Reimagine**

● **Build in Polaris Next**

Retail Categories	Retail Digital Processes			
Unified Process	ML Based Personalized Recommendations & Promotions	Unified Fulfillment & Returns	Unified Pricing & Merchandising	Customer 360 Engagement
In-Store	Clienteling	Queue Busting	In-Store Mobile Shopping	Digital Payments
Ecommerce	AR/Chatbot based customer interaction	Digitized Product discovery	Outbound Marketing	Social Integrations
Operations	ML based Demand forecasting	Loyalty based engagement	RFID based product tracking	Barcode based product movement
Analytics	360 View Of Customer	Predictive Analysis	Web Analytics	Dashboard based decision making
Customer Service	Customer Identification	Virtual Customer Service	Self Service – Portals & Chatbots	Customer Engagement

Sonata Story

- Platformation
- Long term relationships with clients.
- Alliance with Microsoft.
- Ip led .
- Engineering excellence and advanced technologies.
- **Track record of running mission critical operations on cloud with own ip.**
- Over all growth story last 8 years and recognition.
- Talent stability at the top.

Sonata Case Study

Business Challenges

- Outdated rail passenger reservation system

- Client server application has limited features

- Upgradation costs too high and time consuming

- Lack of user friendliness for day-to-day operations

- Reliance on manual process for ancillary product sales

Sonata's Solution

- Rezopia Rail Platform is a next generation rail reservation system capable of addressing all our client's needs, and more.

- Cloud-based platform was able to fulfil a lengthy wish list, ranging from end to end travel reservations, contracts, operations and distribution management.

- Multi-channel booking engine consolidated bookings and generated passenger manifest reports. Users were now able to book not only a train seat with a dynamic shopping cart, but also ancillaries like hotel rooms, transfers and activities.

- In addition, the Rezopia platform was integrated with SAP to send financial data of bookings a XML. AN eNet integration ensured suppliers were automatically paid on their due dates.

Benefits

- Increased business capability with web based application and efficient process for ancillary products sales.

- Train bookings for seat and berths are available in consumer site.

- Effective handling disruptions scenarios caused by natural disasters, track repair work, station interruptions

- Enabled business with platform that supports extending to providing uniform experience to customer for packing train with products like hotel, tours

- Scalable system implemented which can sale up to 6,000 bookings per day

- Omni-Channel booking experience across various distribution channels and devices

Sonata delivers a next-generation reservation system for a government owned railway operator in Australia

Financials

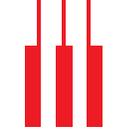# Revenue – last 10 Quarters

INR Crores

International Business: CQGR: 3.8%

IP Led Revenue

Trend - IP Led Revenues (%)

Quarter	Revenues	% of International Services Revenue
Q2'19	47.5	18.0%
Q3'19	51.7	19.1%
Q4'19	63.5	21.7%
Q1'20	69.0	23.8%
Q2'20	72.1	24.2%

Revenues — % of International Services Revenue
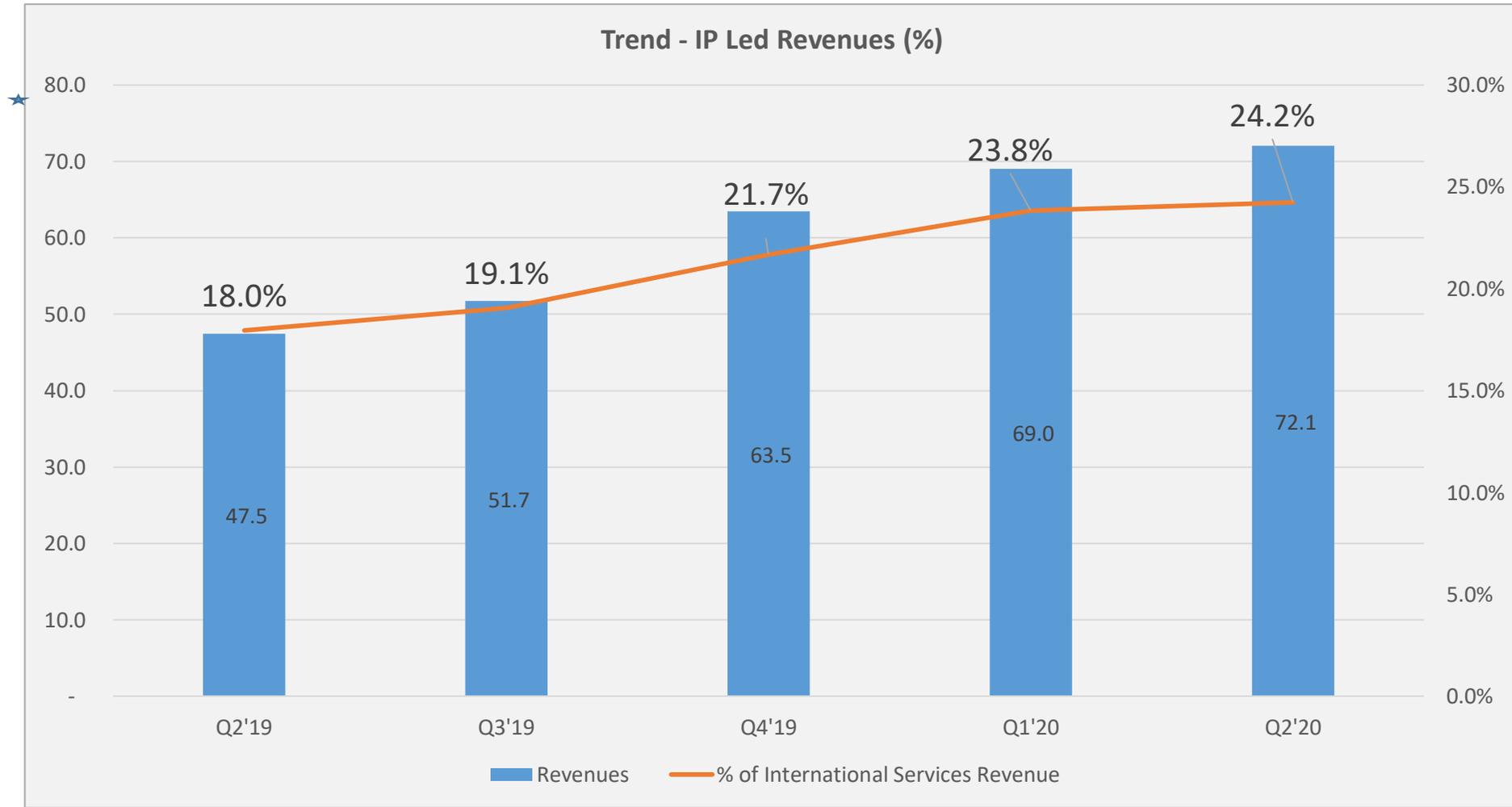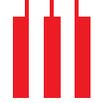
Digital Revenue
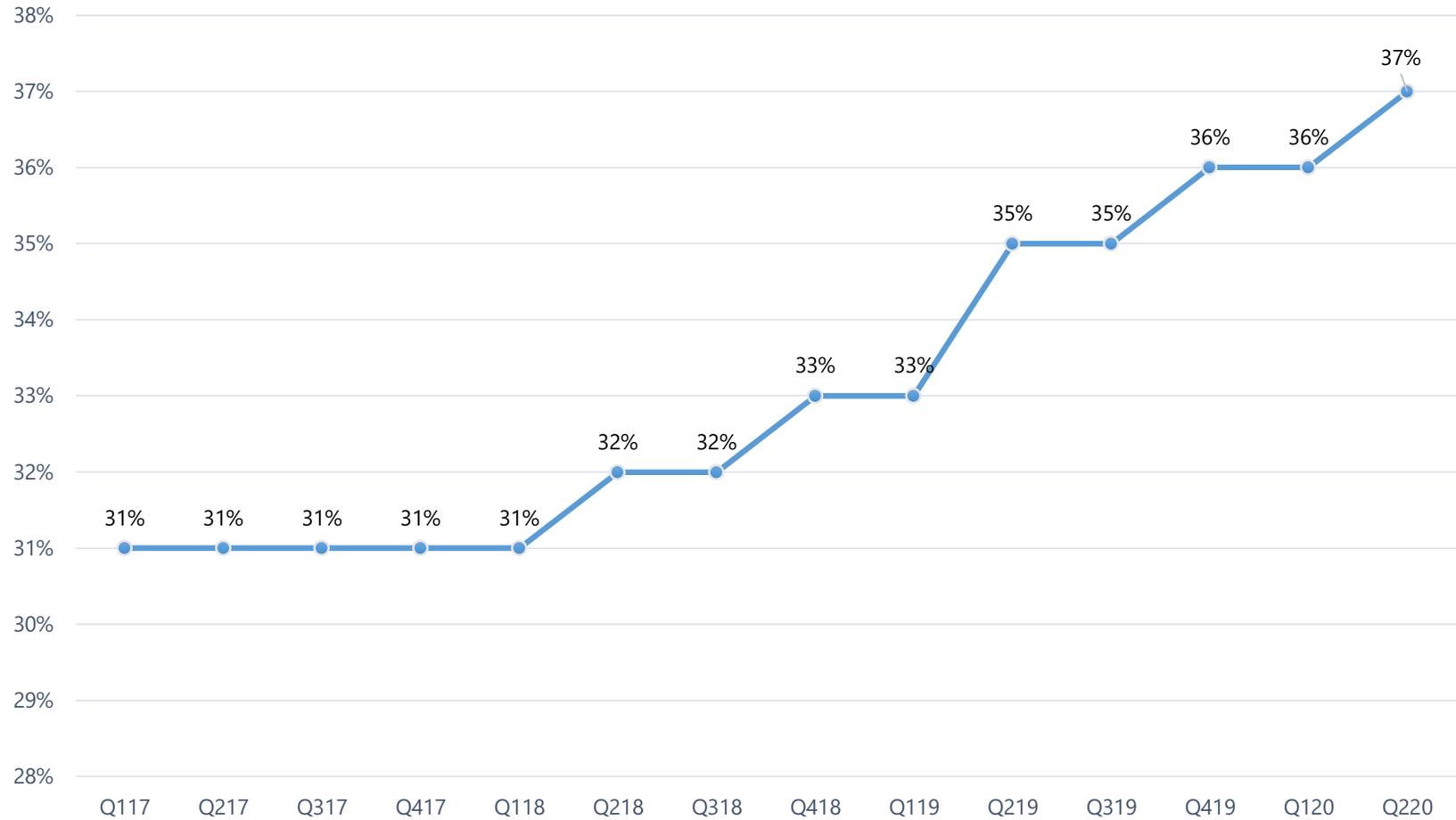
3 Yr CAGR: 23%

New customers provide growth momentum...

Chart Title

Legend: ■ < 1 year ■ 1-3 years ■ 3-5 years ■ 5-8 years ■ >8years

Data:

	< 1 year	1-3 years	3-5 years	5-8 years	>8years
2017-18	5%	15%	0%	8%	72%
2018-19	7%	13%	5%	5%	70%
H1 2019-20	4%	16%	8%	5%	66%
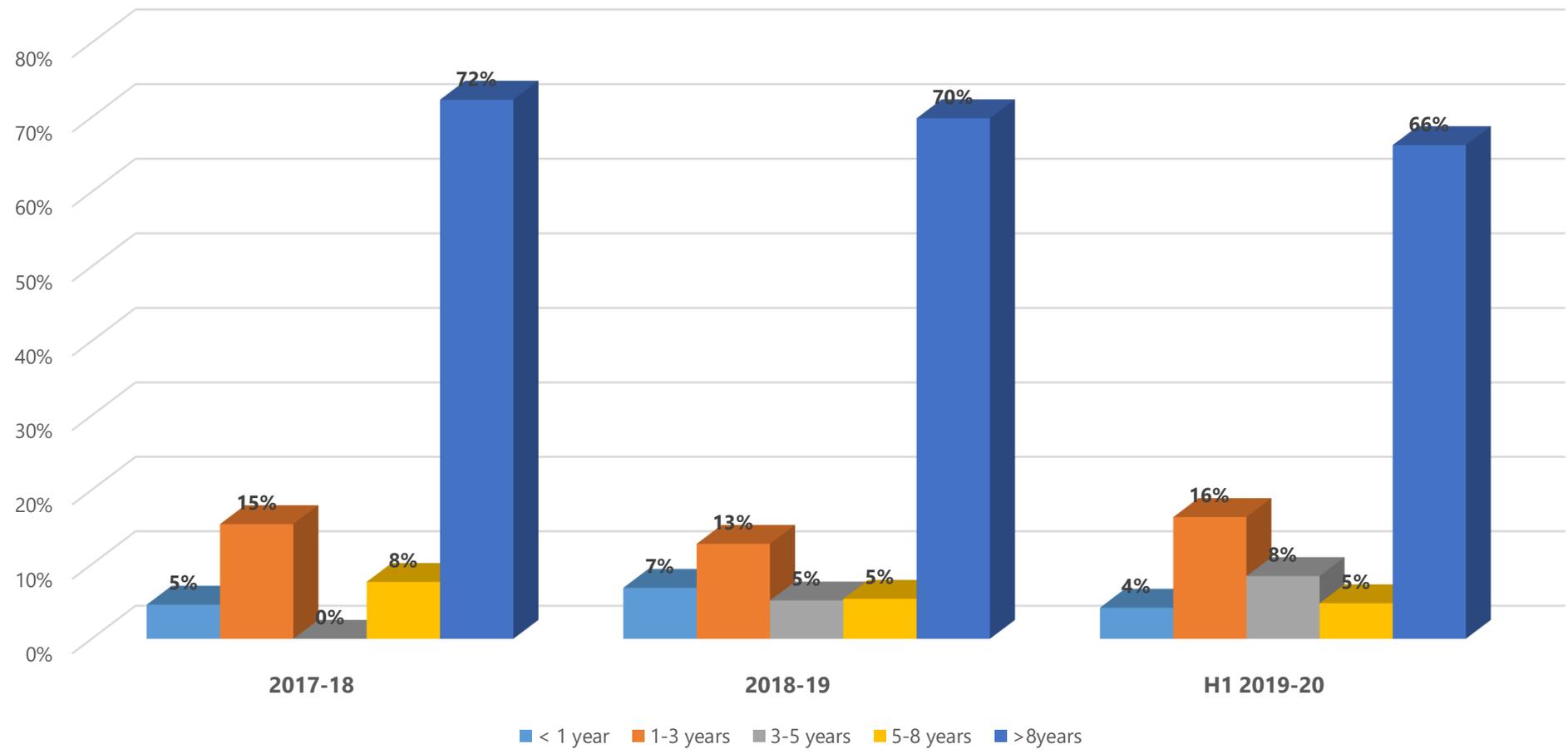
EBIDTA – 10 Quarters
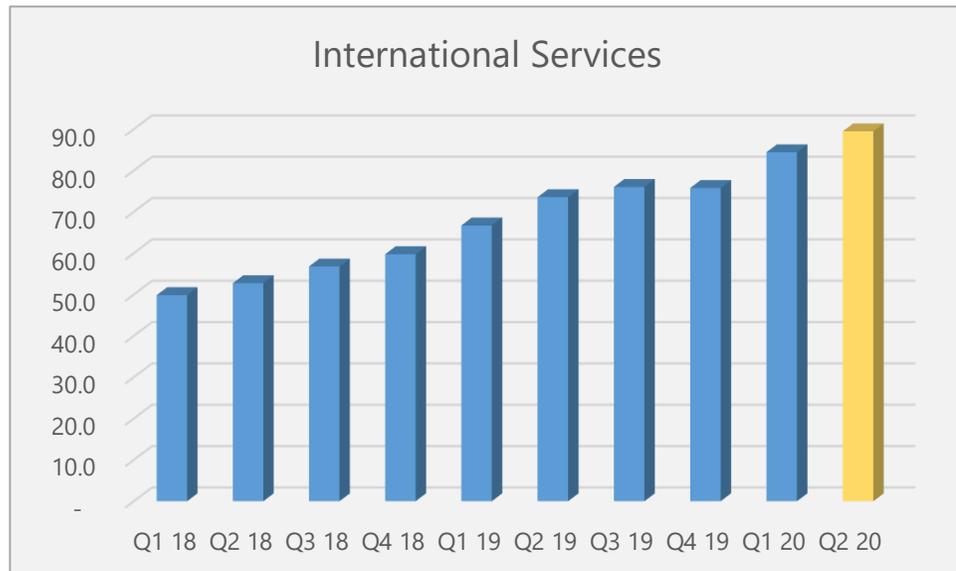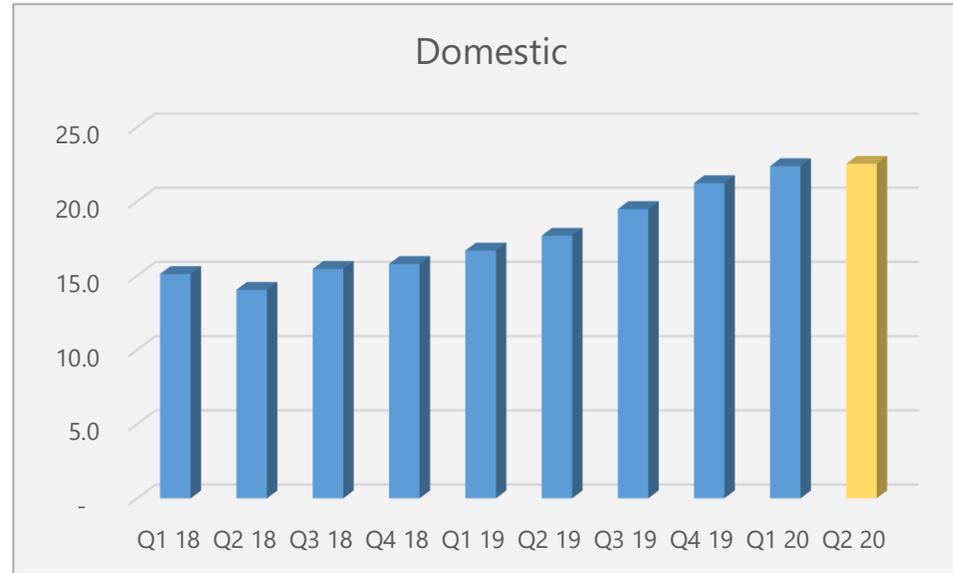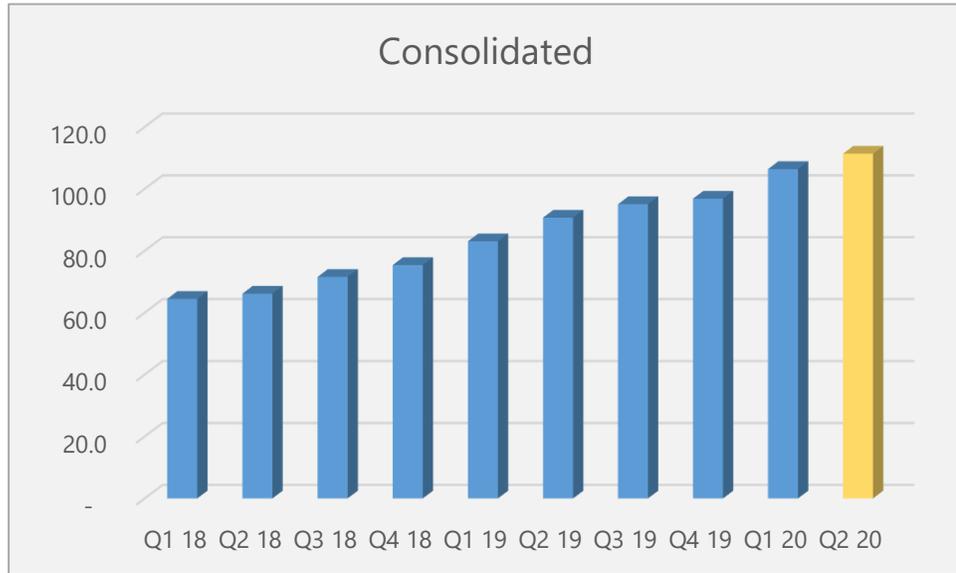
Consolidated CQGR: 5.3%
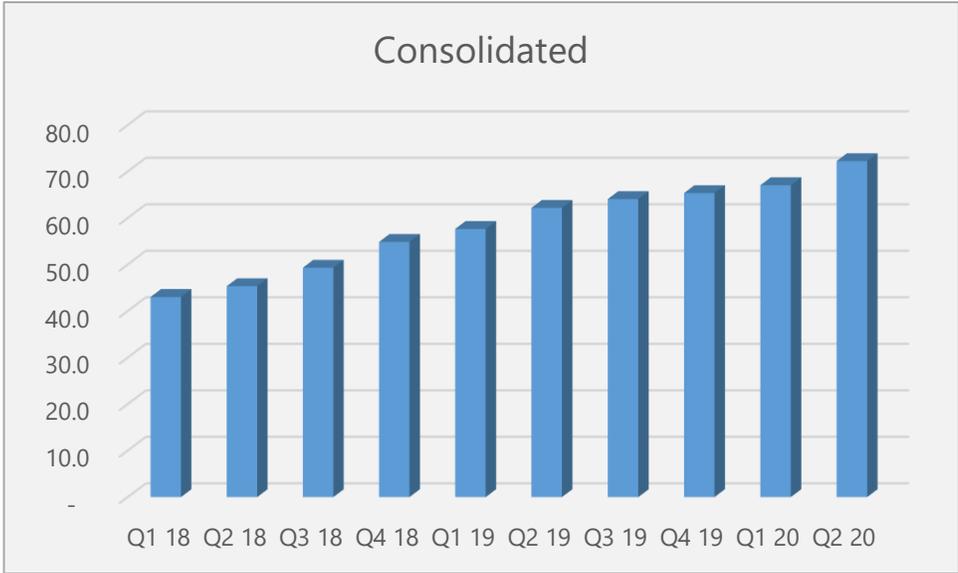
International Business: CQGR: 5.7%

Domestic Business CQGR : 4%

EBITDA Margin Trends last 12 quarters

	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20
Intl Ser	24.6%	20.2%	23.6%	22.5%	23.6%	24.7%	25.9%	26.7%	26.8%	24.9%	27.7%	28.6%
Domestic	3.9%	2.9%	3.5%	7.0%	2.9%	4.1%	3.8%	5.4%	3.5%	4.0%	3.9%	5.6%
Consol	11.3%	8.1%	10.2%	15.5%	9.3%	12.0%	12.1%	15.3%	11.3%	11.6%	12.2%	15.8%

— Intl Ser   — Domestic   — Consol

PAT – 10 Quarters

Consolidated
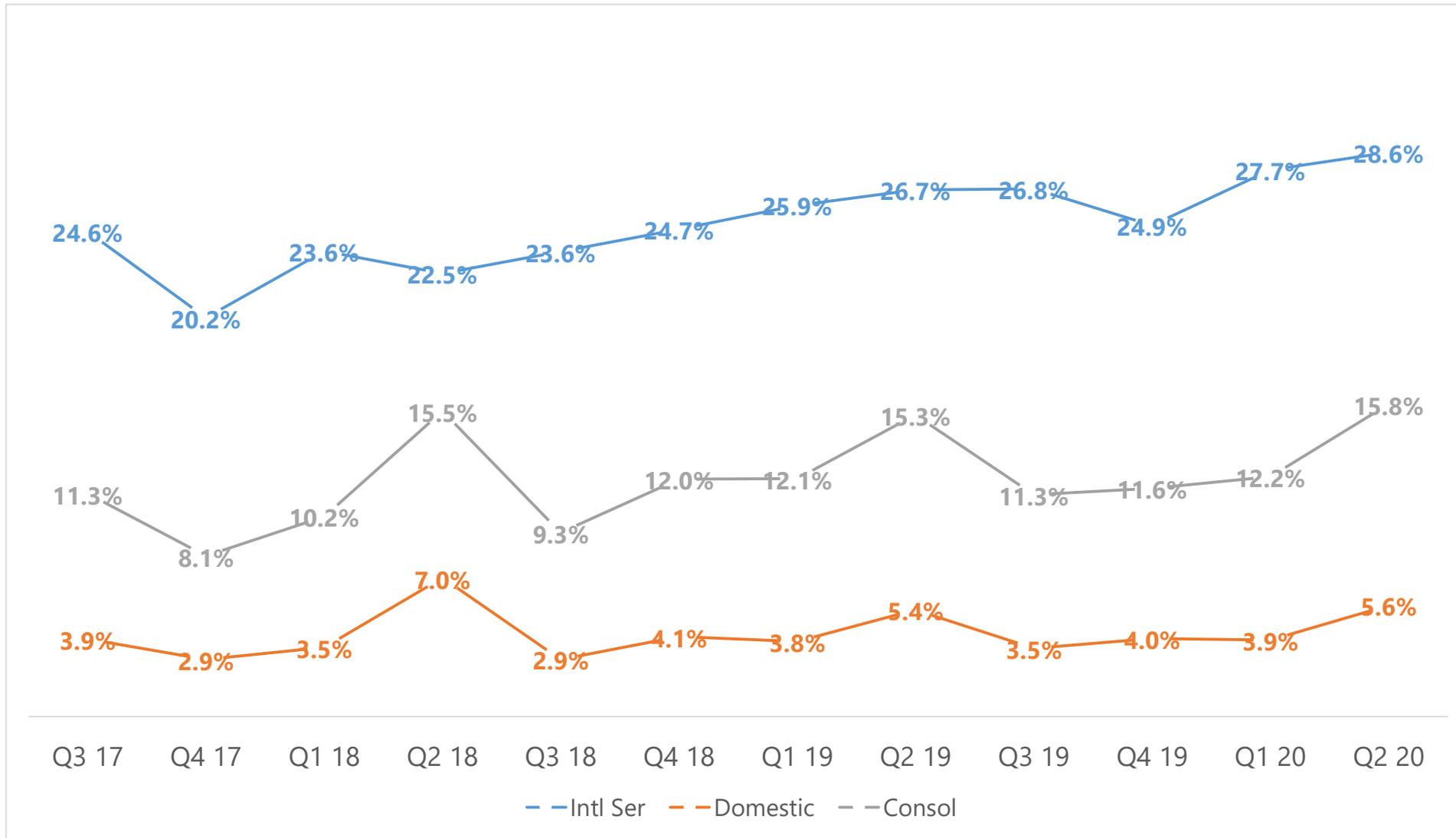
Domestic Business

International Business
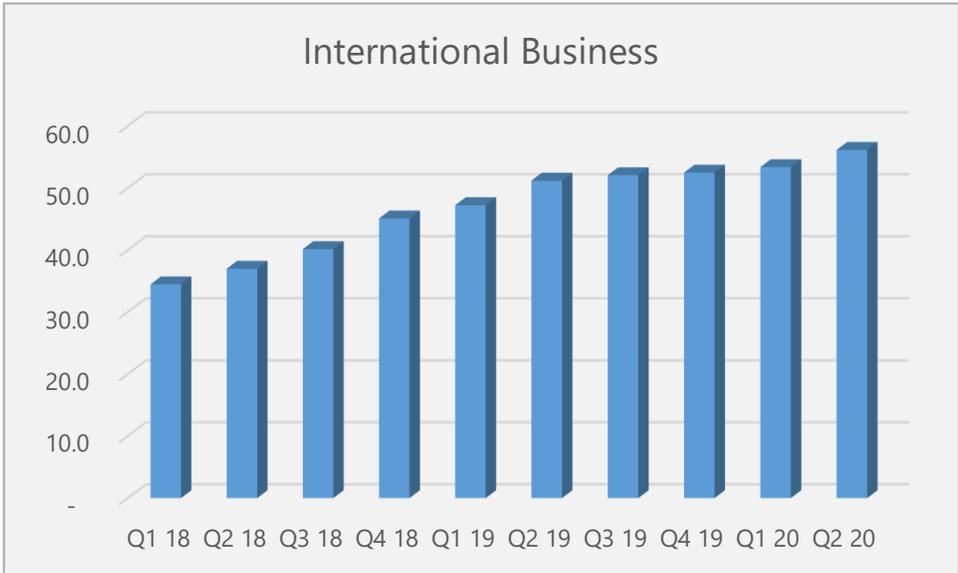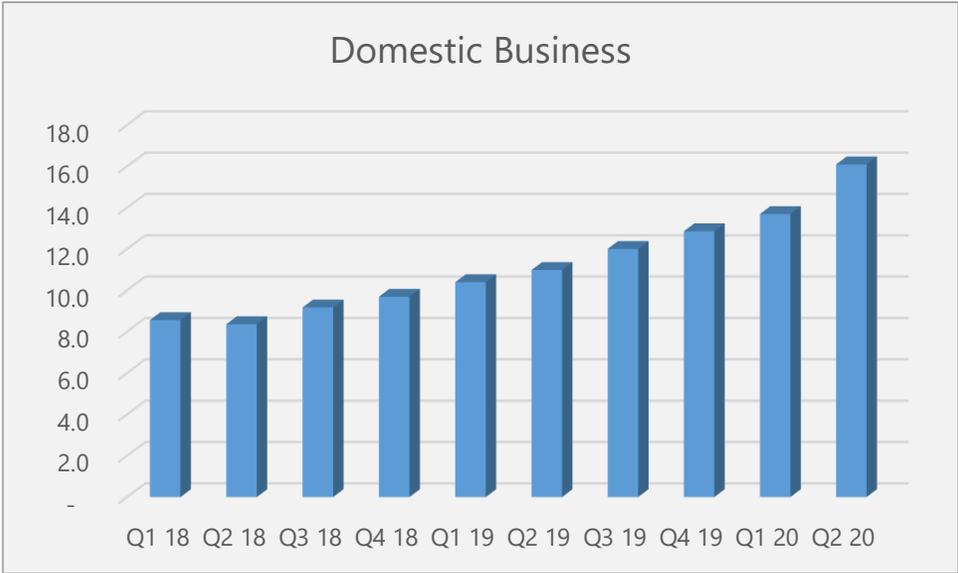
Consolidated CQGR: >5%

International Business: CQGR: >4%

Domestic Business CQGR : >6%

Chart Title

Revenue CAGR of >15.5%

Legend: M&A (bars), Revenues (line)

Year	M&A	Revenues
2014	45.63	483.5
2015	70.14	606.7
2016	34.05	706.8
2017	0.64	821.8
2018	13.36	928.5
2019	39.52	1,120.5

SONATA
SONATA SOFTWARE
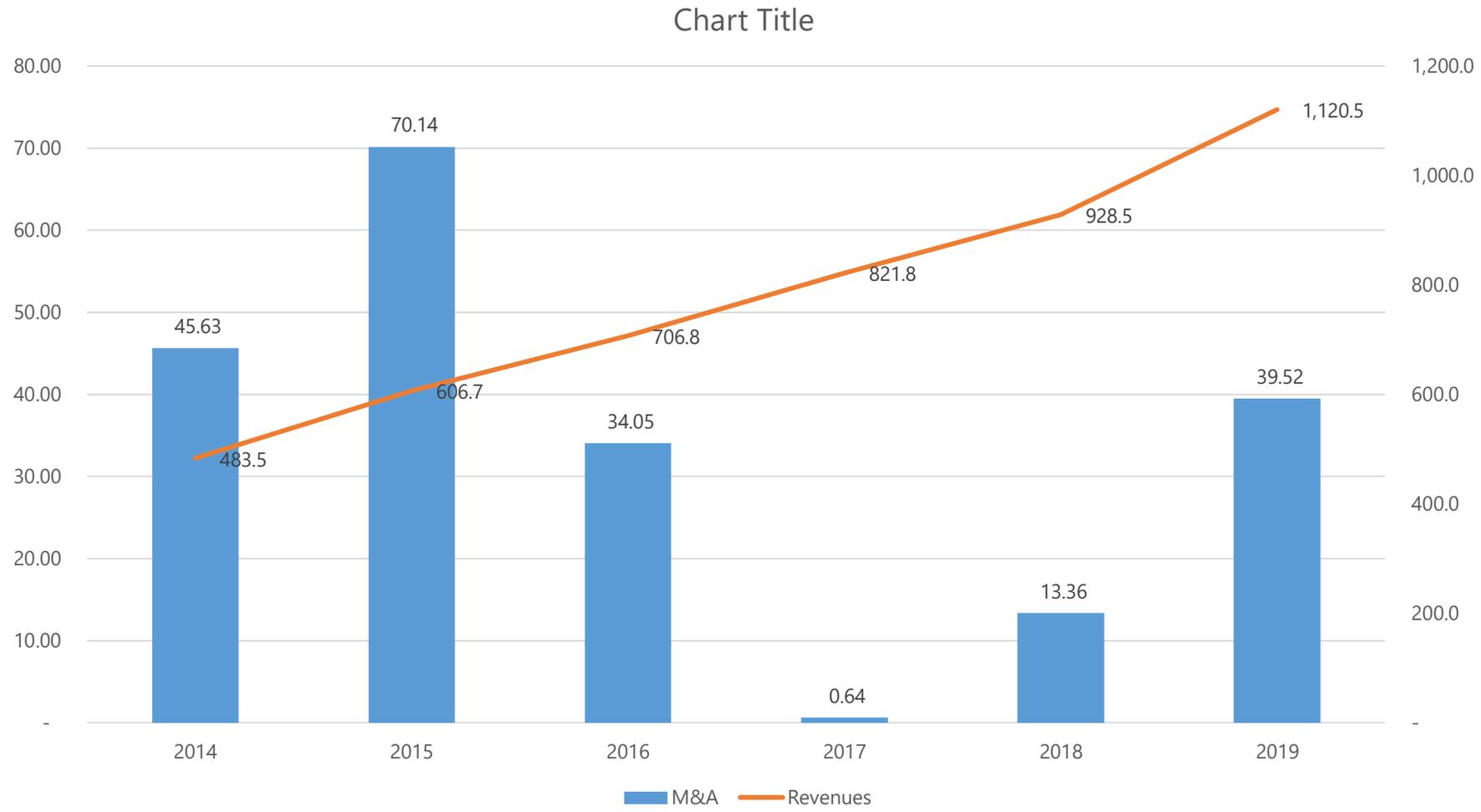
IP & R&D Investments and % of Revenue
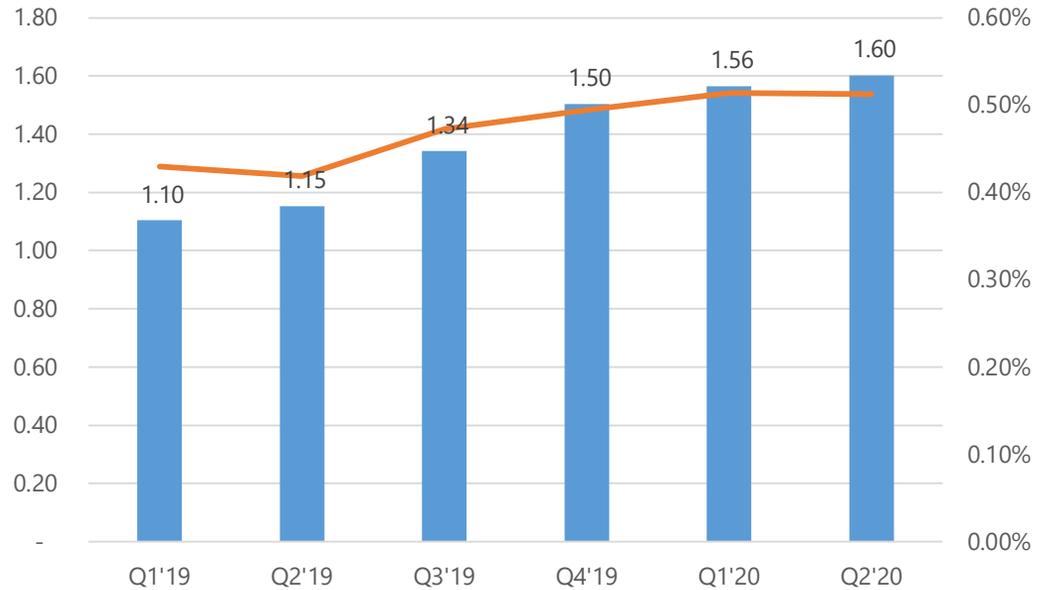
S&M Investments
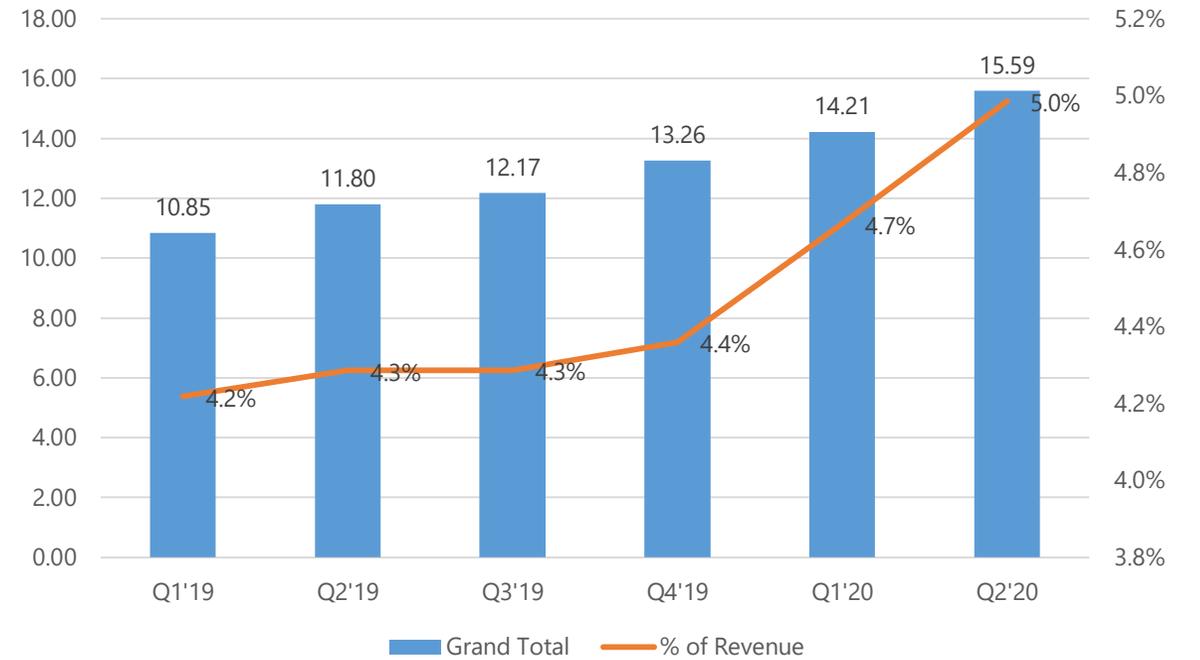
Grand Total — % of Revenue

Revenue & EBITDA per person

Revenue Per Person

	FY18	FY19	FY20 (H-A)
	$41,574	$46,343	$48,984

EBITDA per person

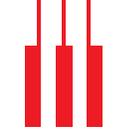|	FY18	FY19	FY20 (H-A)
	$11,031	$12,738	$14,139
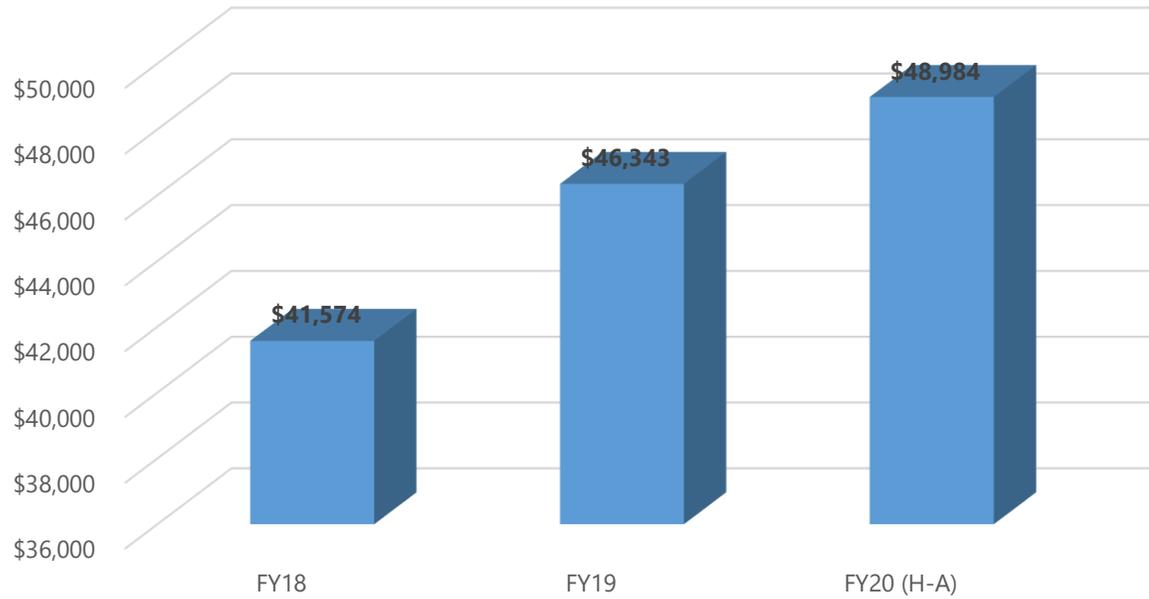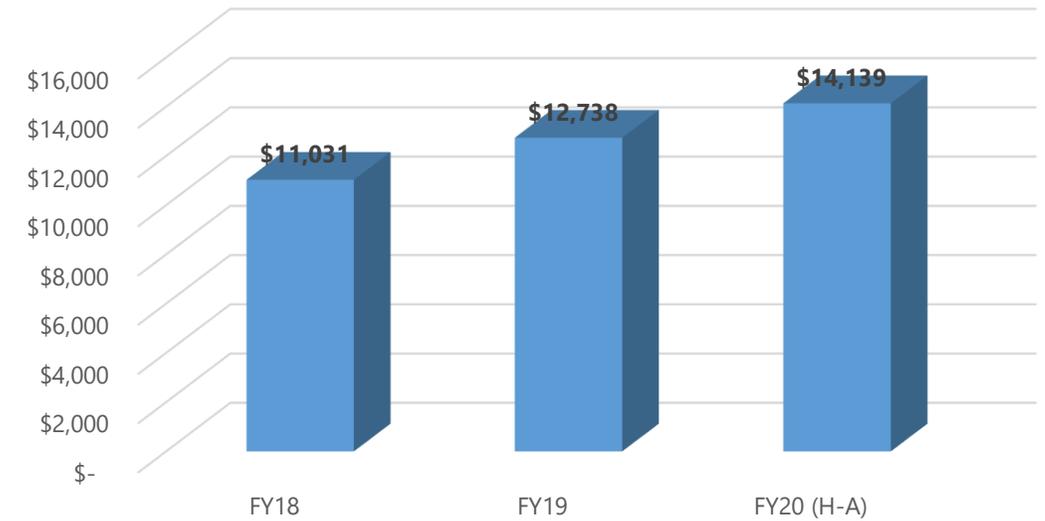
Figures for FY 20 are annualised

Consolidated – ROCE & RONW
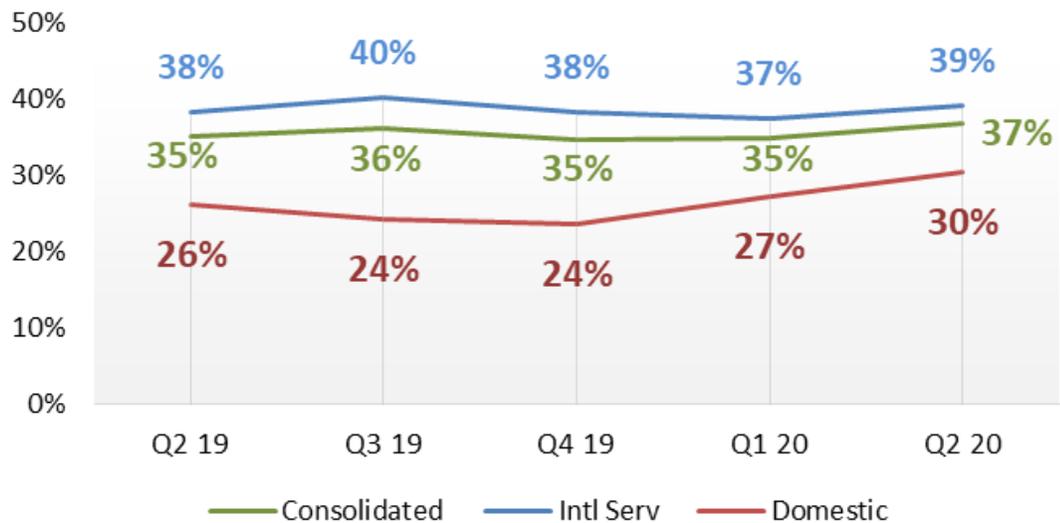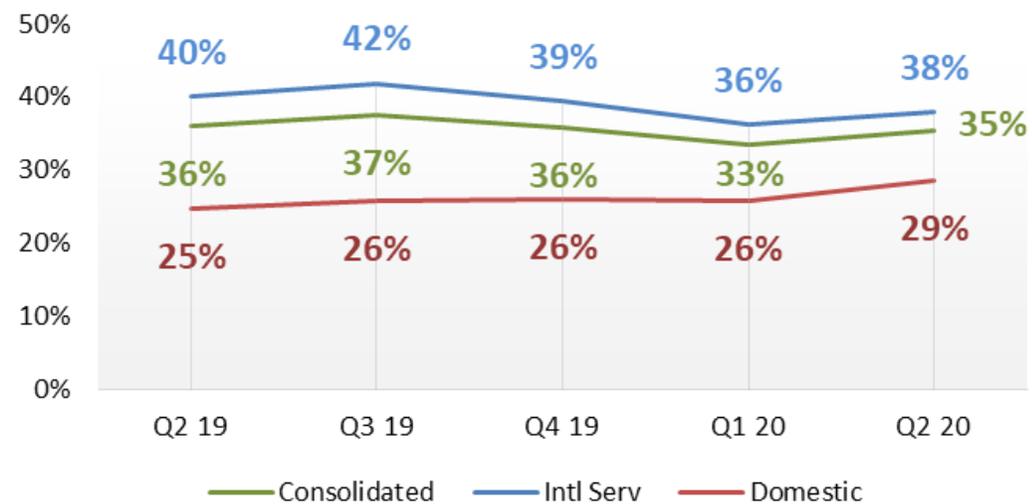
Cash Allocation
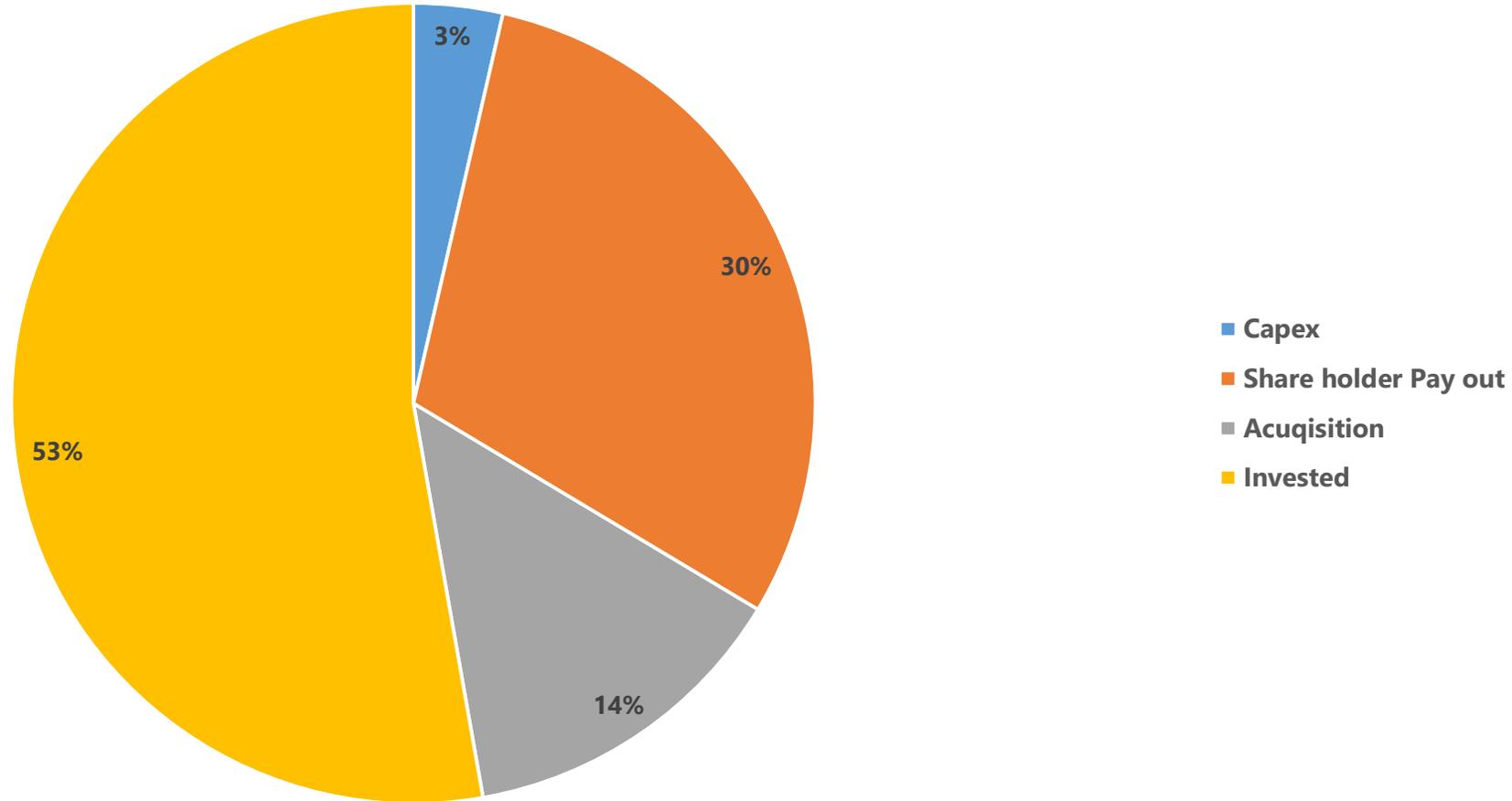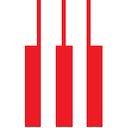

2015 to 2019

- Capex
- Share holder Pay out
- Acuqisition
- Invested

Capital Allocation

Thank you