

For Immediate Release**Clarification Note**

With respect to the financial results for the fourth quarter and full year ended 31st March, 2018 for Majesco Limited, please note that the Company has adopted Indian Accounting Standard's ("IND AS") and accordingly the financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribe under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The date of transition to Ind AS is April 1, 2017. The impact of transition has been accounted for in opening reserve and the comparative period results have been restated accordingly.

Majesco Q4FY2018 Revenue at Rs 216.7 crore; up 4.5% QoQ and 14.3% YoY

- **Cloud Revenue at Rs 67.9 crore; up 6.4% QoQ and 89.6% YoY**
- **Adjusted EBITDA margin at 9.4%; up 298 bps QoQ and 601 bps YoY**

Mumbai, 14th May, 2018: Majesco Ltd. (MJCO), (BSE: 539289), (NSE: MAJESCO), a global provider of software, consulting and services for insurance business transformation, announced today its financial results for the **fourth quarter and full year FY2018** ended 31st March, 2018.

Review of consolidated financial performance for the quarter ended 31st March, 2018:

- The operating revenue for the quarter under review was Rs 216.7 crore, an increase of 4.5% in rupee terms and up 3.6% in constant currency from Rs 207.3 crore as compared to the sequential quarter Q3FY2018 as well as an increase of 14.3% in rupee terms and 15.9% in constant currency from Rs 189.5 crore as compared to corresponding quarter of the previous year Q4FY2017.
- Total revenue for the quarter under review was Rs 221.6 crore, an increase of 6.1% in rupee terms from Rs 208.9 crore as compared to the sequential quarter Q3FY2018 and an increase of 15.7% in rupee terms from Rs 191.6 crore as compared to the corresponding quarter of the previous year Q4FY2017.
- The Company reported an adjusted EBITDA of Rs 20.4 crore (9.4% of operating revenue) in Q4FY2018 as compared to Rs 13.3 crore (6.4% of operating revenue) in Q3FY2018, up 298 bps sequentially and Rs 6.4 crore (3.4% of operating revenue) in the corresponding quarter of the previous year Q4FY2017, up 601 bps YoY basis.
- Net profit for the quarter under review stood at Rs 10.1 crore as compared to net loss of Rs 12.9 crore in the sequential quarter Q3FY2018 and net loss of Rs 2.6 crore in corresponding quarter of the previous year Q4FY2017.
- The product research & development spends during the quarter stood at Rs 30.0 crore (13.8% of operating revenue) as compared to Rs 29.4 crore (14.2% of operating revenue) in the sequential quarter Q3FY2018 and Rs 28.3 crore (14.9% of operating revenue) in corresponding quarter of previous year Q4FY2017.

Note: Adjusted EBITDA stated above is before ESOPs cost and excluding one-time exceptional item

For the Financial Year ended 31st March, 2018:

- The operating revenue was Rs 806.0 crore for FY2018 as compared to Rs 826.2 crore in FY2017, reflecting a drop of 2.4% in rupee terms and an increase of 0.9% in constant currency terms.
- Total revenue was Rs 817.0 crore for FY2018 as compared to Rs 835.8 crore in FY2017, reflecting a decrease of 2.3% on YoY basis.
- The Company reported an adjusted EBITDA of Rs 39.2 crore (4.9% of operating revenue) for FY2018 as compared to Rs 40.9 crore (4.9% of operating revenue) in FY2017.
- Net profit stood at Rs 2.8 crore for FY2018 as compared to Rs 6.7 crore in FY2017.
- The product research & development spends was at Rs 112.6 crore (14.0% of operating revenue) for FY2018 as compared to Rs 116.6 crore (14.1% of operating revenue) in FY2017.

Other Operating highlights during the fourth quarter and full year ended 31st March 2018:

- **Cloud Revenue:** Total Revenue from cloud-based customers was Rs 67.9 crore (31.3% of operating revenue) for the quarter ended 31st March, 2018 as compared to Rs 63.8 crore (30.8% of operating revenue) in the quarter ended 31st December, 2017 reflecting a growth of 6.4% on QoQ basis and up by 89.6% as compared to Rs 35.8 crore (18.9% of operating revenue) in the corresponding quarter ended 31st March, 2017. For FY2018 Total Revenue from cloud-based customers was Rs 239.9 crore (29.8% of operating revenue) as compared to Rs 159.1 crore (19.3% of operating revenue) in FY2017 reflecting a growth of 50.7% on YoY basis.
- **Recurring Revenue:** Total recurring revenue was Rs 61.1 crore (28.2% of operating revenue) for the quarter ended 31st March, 2018 as compared to Rs 54.0 crore (26.0% of operating revenue) in the quarter ended 31st December, 2017 reflecting a growth of 13.2% on QoQ basis and up by 40.2% as compared to Rs 43.6 crore (23.0% of operating revenue) in the corresponding quarter ended 31st March, 2017. For FY2018 total recurring revenue was Rs 215.4 crore (26.7% of operating revenue) as compared to Rs 196.7 crore (23.8% of operating revenue) in FY2017 reflecting a growth of 9.5% on YoY basis. Total cloud subscription revenue was Rs 19.4 crore (8.9% of operating revenue) for the quarter ended 31st March, 2018 as compared to Rs 18.2 crore (8.8% of operating revenue) in the quarter ended 31st December, 2017 reflecting a growth of 6.5% on QoQ basis and up by 54.5% as compared to Rs 12.5 crore (6.6% of operating revenue) in the corresponding quarter ended 31st March, 2017. For FY2018 total subscription revenue was Rs 72.5 crore (9.0% of operating revenue) as compared to Rs 46.5 crore (5.6% of operating revenue) in FY2017 reflecting a growth of 55.8% on YoY basis.
- **Clients:** The Company added 4 new clients during the quarter. Total client count as of 31st March, 2018 stood at 175. Total cloud customers count as of 31st March, 2018 was 37. In terms of client concentration, the top 5 constituted 32.0% to revenue and the top 10 customers constituted 44.9% to revenue for the quarter under review. For FY2018, top 5 and top 10 customers constituted 28.0% and 42.5% respectively.
- **Customer wins include:**
 - During Q4FY2018, Majesco had four new client wins including:

- ✓ A tier one global property and casualty insurer selected Majesco Billing for their new greenfield to support small commercial products following a rapid five-month process. The insurer has been a client of Majesco for over 12 years.
- ✓ A new insurance start-up based in Arizona, selected Majesco Core Suite for P&C platform on the Majesco CloudInsurer platform to support their market launch and growth strategies in a SaaS model.
- ✓ An InsurTech startup currently in stealth mode, selected Majesco CloudInsurer platform including Majesco Policy for P&C and Majesco Billing as the foundation for their launch of a new MGA for the commercial auto market initially into seven states.
- ✓ A Tier three Insurer selected Majesco P&C Suite on Majesco CloudInsurer as the foundation for their business growth strategy.
- In addition, a tier one specialty insurer extended the relation and signed a three-year agreement for application management services with Majesco to support their worker's compensation operational systems.
- For FY2018, new client wins globally included nine deals in North America, three in the India & APAC region and one in the UK. Total Contract Value (TCV) of new and existing client wins during FY2018 totalled Rs 1,436.1 crore (\$220.3mn).
- Go Lives during the quarter include two Majesco Billing customers including one tier one insurer and one customer who went live with agent portal.
- **12 month Order Backlog:** The 12-month order backlog stood at Rs 606.5 crore (\$92.6mn) as on 31st March, 2018 and in constant currency stood at Rs 591.8 crore as compared to Rs 587.3 crore (\$91.9mn) at the end of Q3FY2018, reflecting an increase of 3.3% QoQ in rupee terms and 0.7% in dollar terms. The same was also higher by 37.7% in rupee terms and 40.9% in dollar terms as compared to the Rs 440.4 crore (\$65.7mn) backlog as on 31st March, 2017. Further, the composition of cloud revenue was 42.2% in the 12 month backlog ended 31st March, 2018 as compared to 29.2% for the period ended 31st March, 2017.
- **Employees:** As on 31st March, 2018, the company had a total of 2,472 employees, of which 2,003 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 31st December, 2017 was 2,473.
- **Cash & Cash Equivalents:** The total cash & cash equivalents in Consolidated Majesco Group was at Rs 398.6 crore as on 31st March, 2018 as compared to Rs 183.4 crore at the end of 31st December, 2017.
- **Borrowings:** Total borrowings at Consolidated Majesco Group as on 31st March, 2018 was Rs 91.9 crore as compared to Rs 73.0 crore as at 31st December, 2017.

Mr. Ketan Mehta, Founder and CEO, Majesco, said: *"I am extremely pleased with our Q4FY2018 results and see that our focus and investments are well aligned with the disruption taking place in the industry. As a result, we had a strong growth of 90% in our cloud business which has moved from 19% to 31% of our revenue year over year basis resulting in significant shift in our business model. As a result of this shift, we improved the profitability of our business and I am happy to report net profits for the company of Rs 10 crore. During the year we announced several new initiatives strengthening our position as a leading platform company in the insurance industry. Carriers are taking notice of our partnership with IBM as we signed one of the largest cloud deals in the industry with MetLife for digital*

transformation. Moreover, we announced our microservices based Majesco Digital1st Platform, a new cloud-only digital platform which offers cutting-edge capabilities designed to rapidly develop and deploy innovative insurance digital solutions in days rather than months or years. Fiscal 2018 was a transformative year. I am excited by the opportunities to support our customer's transition to Digital Insurance 2.0 and grow our business in fiscal 2019 and beyond."

Mr. Farid Kazani, Managing Director, Majesco Ltd., said: "There has been consistent and improved financial performance over the last three quarters with QoQ growth in revenue, expanding EBITDA margins and strong order backlog position. This is highly encouraging especially with the subdued start to the year. The sequential revenue growth of 4.5%, despite a marginal decline in services revenue from on-premise business reflects the successful strategic and fundamental shift in our business model towards cloud which constitutes 31% of the Q4 revenues. The year-on-year growth in the 12 month order backlog by 41% to \$92.6mn ensures good visibility for next year's revenues and improved profitability linked to higher composition of cloud business within the backlog."

About Majesco

Majesco enables insurance business transformation for over 170 global customers by providing technology solutions which include software products, consulting and IT services. Our customers are carriers from the Property and Casualty, Life, Annuity and Group insurance segments worldwide. Majesco delivers proven software solutions and IT services in the core insurance areas such as policy administration, billing, claims, distribution and analytics. For more information, please visit us on the web at www.majesco.com

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Cautionary Language Concerning Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act. These forward-looking statements are made on the basis of the current beliefs, expectations and assumptions of management, are not guarantees of performance and are subject to significant risks and uncertainty. These forward-looking statements should, therefore, be considered in light of various important factors, including those set forth in Majesco's reports that it files from time to time with the Securities and Exchange Commission and which you should review, including those statements under "Item 1A – Risk Factors" in Majesco's Annual Report on Form 10-K for the year ended March 31, 2017.

Important factors that could cause actual results to differ materially from those described in forward-looking statements contained in this press release include, but are not limited to: integration risks; changes in economic conditions, political conditions, trade protection measures, licensing requirements and tax matters; technology development risks; intellectual property rights risks; competition risks; additional scrutiny and increased expenses as a result of being a public company; the financial condition, financing requirements, prospects and cash flow of Majesco; loss of strategic relationships; changes in laws or regulations affecting the insurance industry in particular; restrictions on immigration; the ability and cost of retaining and recruiting key personnel; the ability to attract new clients and retain them and the risk of loss of large customers; continued compliance with evolving laws; customer data and cybersecurity risk; and Majesco's ability to raise capital to fund future growth.

These forward-looking statements should not be relied upon as predictions of future events and Majesco cannot assure you that the events or circumstances discussed or reflected in these statements will be achieved or will occur. If such forward-looking statements prove to be inaccurate, the inaccuracy may be material. You should not regard these statements as a representation or warranty by Majesco or any other person that we will achieve our objectives and plans in any specified timeframe, or at all. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Majesco disclaims any obligation to publicly update or release any revisions to these forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this press release or to reflect the occurrence of unanticipated events, except as required by law.