

17th January, 2022

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI – 400 001
Scrip Code : 532755

National Stock Exchange of India Limited
Exchange Plaza, 5th floor,
Plot No. – C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
MUMBAI – 400 051
NSE Symbol : TECHM

Sub: Approval of proposal for acquisition of 100% stake in Com Tec Co IT Ltd and an investment for a minority stake of 25% each in SWFT Technologies Ltd. and Surance Ltd.

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Company through its wholly owned subsidiary viz., Tech Mahindra London Limited approved the proposal to acquire 100% equity shares in Com Tec Co IT Ltd (hereinafter referred to as CTC or Target) and 25% equity shares each in SWFT Technologies Ltd. (hereinafter referred to as Swift) and Surance Ltd. (hereinafter referred to as Surance)

In this regard, please find enclosed herewith, Disclosure containing the details pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 as Annexure I. A press release and Investor presentation is also enclosed for the information of the stakeholders.

A Conference call with Analysts and Investors will be hosted by the management to discuss about the acquisition. The call is scheduled at 7:30 PM IST (10:00 PM in Hong Kong and Singapore, 2:00 PM in London and 9:00 AM in New York) on January 17. The relevant call details are enclosed.

This is for your information and record.

Please acknowledge receipt of the same.

Thanking you,

For Tech Mahindra Limited


Anil Khatri
Company Secretary



Encl.: As stated above

Annexure I

Sr. No.	Items for Disclosure	Description
1	Name of the target entity, details in brief such as size, turnover etc.;	<p>The target entity is Com Tec Co IT Ltd (https://ctco.eu/), headquartered in Europe with more than 720 employees. For the financial year ended 31st December, 2020, CTC had revenue of EUR 71.3 million and for the 9 months ended 30th September, 2021, it had revenue of EUR 58.8 million. CTC is a specialized digital engineering and outsourced product development organization.</p> <p>In addition to the above, Company is acquiring 25% equity shares each in SWFT Technologies Ltd. (hereinafter referred to as Swift) and Surance Ltd. (hereinafter referred to as Surance). These are early stage InsurTech SaaS ventures with a proven technology, business model and an installed base. These platforms are founded by the same founder group as CTC.</p>
2	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length";	No
3	Industry to which the entity being acquired belongs;	IT Services
4	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	<p>The CTC acquisition will enable TechM –</p> <ul style="list-style-type: none"> (i) in building differentiated capabilities in end-to-end digital engineering; (ii) to establish a strong Eastern European presence with over 720 highly-skilled IT professionals in contemporary technologies and processes. (iii) with deep digital transformation expertise in the insurance sector. <p>Surance and Swift – the two InsurTech platforms address existing white spaces in the insurance industry.</p>
5	Brief details of any governmental or regulatory approvals required for the acquisition;	None
6	Indicative time period for completion of the acquisition;	Immediate closing



7	Nature of consideration - whether cash consideration or share swap and details of the same;	Cash
8	Cost of acquisition or the price at which the shares are acquired;	Tech Mahindra will pay total consideration of up to EUR 310 million including earnouts for the CTC acquisition, EUR 16.5 million for the minority investment in Swift and EUR 3.5 million for the minority investment in Surance.
9	Percentage of shareholding / control acquired and / or number of shares acquired;	- 100% for CTC; and - 25% each for Swift and Surance with an option to acquire another 20% equity shares in the next 2 years.
10	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	<p>CTC is a specialized digital engineering and outsourced product development organization with development centers in Latvia and Belarus. It offers high-end digital engineering services to some of the largest insurance and reinsurance organizations globally.</p> <p>Com Tec Co IT Ltd was incorporated in 2011. Last 3 years total turnover for CTC is as follows: - CY20: EUR 71.3 million CY19: EUR 57.6 million CY18: EUR 36.6 million</p> <p>Swift is a SaaS-based digital customer engagement platform. It offers multiple functionalities for insurance sales & distribution and is designed for digital brokers, price comparison websites, and insurers wanting to directly reach their customers through digital channels.</p> <p>Surance is an end-to-end personal cyber insurance solution that focuses on vulnerability assessment, cyber protection, and cyber insurance coverage.</p>

For Tech Mahindra Limited


Anil Khatri
Company Secretary



Tech Mahindra Bets Big on Digitally Transforming Insurance Industry; Acquires Com Tec Co IT Ltd and Invests in two Leading InsurTech Platforms

Acquisition of Com Tec Co IT Ltd will significantly enhance digital engineering capability and establish scalable nearshore delivery presence in Europe with over 700 highly skilled IT professionals

New Delhi – 17th January, 2022: Tech Mahindra, a leading provider of digital transformation, consulting, and business re-engineering services & solutions, today announced 100% acquisition of Com Tec Co IT Ltd (CTC) for €310 million including earnouts and synergy linked payouts. CTC is an IT solutions and service provider serving the insurance and financial services industries with development centres in Latvia and Belarus. The acquisition will enable Tech Mahindra to tap onto the potential industry disruption in the Insurance sector, expand its offerings to high-end digital engineering services for some of the largest insurance, re-insurance and financial services organizations globally and scale its nearshore delivery presence.

Tech Mahindra is also investing a cumulative amount of €20 million, in SWFT and Surance, for a 25% ownership in each of these two InsurTech ventures funded by the same founding group as CTC. SWFT is a SaaS-based digital customer engagement platform. It offers multiple functionalities for insurance sales & distribution and is designed for digital brokers, price comparison websites, and insurers wanting to directly reach their customers through digital channels. Surance is an end-to-end personal cyber insurance solution that focuses on vulnerability assessment, cyber protection, and cyber insurance coverage.

Vivek Agarwal, President - BFSI, HLS, and Corporate Development, Tech Mahindra, said, *“The Insurance industry is currently undergoing a significant transformation which is driven by new emerging business models, that are powered by disruptive digital technologies. In order to enable this digital transformation, we are investing in strengthening our capabilities to support insurers in accelerating their transition to cloud-based platforms and provide end-to-end engineering with a strong European nearshore presence. We welcome the CTC team into the Tech Mahindra family, and we expect to achieve significant market and service line synergies through this combination.”*



Through these investments, Tech Mahindra will bolster its global leadership and demonstrate its commitment in building differentiated capabilities for accelerating the digital transformation in the insurance, reinsurance, and financial services. CTC's expertise and experience in delivering marquee solutions for customers will complement Tech Mahindra's offering to provide end-to-end digital engineering, Artificial Intelligence, Machine Learning and DevSecOps capabilities. The acquisition will also help Tech Mahindra to scale its European presence with over 700 highly skilled IT professionals in contemporary technologies and processes.

Avraham Shaked, Co-Founder, Com Tec Co IT Ltd, said, *"Since our inception over 20 years ago, we have scaled sustainably entirely through customers' recommendations and delivered award-winning strategic solutions for them in the insurance and reinsurance industry. Becoming a part of a global entity like Tech Mahindra will give us immediate access to global scale and create a tremendous growth and development opportunity for our people and the business."*

The acquisition underlines Tech Mahindra's focus on digital growth, under the NXT.NOW™ framework, which is focused on leveraging next generation technologies to deliver disruptive solutions today, and further enable digital transformation, meet the evolving and dynamic needs of its customers.

About Com Tec Co IT Ltd

Com Tec Co IT Ltd is an international digital services provider helping leading Global 500 organizations in the insurance / reinsurance industry envision and realize some of their crucial and challenging digital transformation initiatives. It has offices in Cyprus, Latvia and Belarus.

Visit their website - <https://ctco.eu/>

About Tech Mahindra

Tech Mahindra offers innovative and customer -centric digital experiences, enabling enterprises, associates and the society to Rise. We are a USD 5.1 billion organization with 141,100+ professionals across 90 countries helping 1123 global customers, including Fortune 500 companies. We are focused on leveraging next-generation technologies including 5G, Blockchain, Cybersecurity, Artificial Intelligence, and more, to enable end-to-end digital



transformation for global customers. Tech Mahindra is one of the fastest growing brands and amongst the top 15 IT service providers globally. Tech Mahindra has consistently emerged as a leader in sustainability and is recognized amongst the '2021 Global 100 Most sustainable corporations in the World' by Corporate Knights. With the NXT.NOW™ framework, Tech Mahindra aims to enhance 'Human Centric Experience' for our ecosystem and drive collaborative disruption with synergies arising from a robust portfolio of companies. Tech Mahindra aims at delivering tomorrow's experiences today, and believes that the 'Future is Now'.

We are part of the [Mahindra Group](#), founded in 1945, one of the largest and most admired multinational federation of companies with 260,000 employees in over 100 countries. It enjoys a leadership position in farm equipment, utility vehicles, information technology and financial services in India and is the world's largest tractor company by volume. It has a strong presence in renewable energy, agriculture, logistics, hospitality and real estate. The Mahindra Group has a clear focus on leading ESG globally, enabling rural prosperity and enhancing urban living, with a goal to drive positive change in the lives of communities and stakeholders to enable them to Rise.

[Connect with us on \[www.techmahindra.com\]\(http://www.techmahindra.com\) || Our Social Media Channels](#)



For more information on Tech Mahindra, please contact:

Abhilasha Gupta, Global Corporate Communications and Public Affairs

Email: Abhilasha.Gupta@TechMahindra.com; media.relations@techmahindra.com



- Acquisition Update ● ● ● ● ● ● ● ● ● ● ● ● ● ●
- January 2022 ● ● ● ● ● ● ● ● ● ● ● ● ● ●

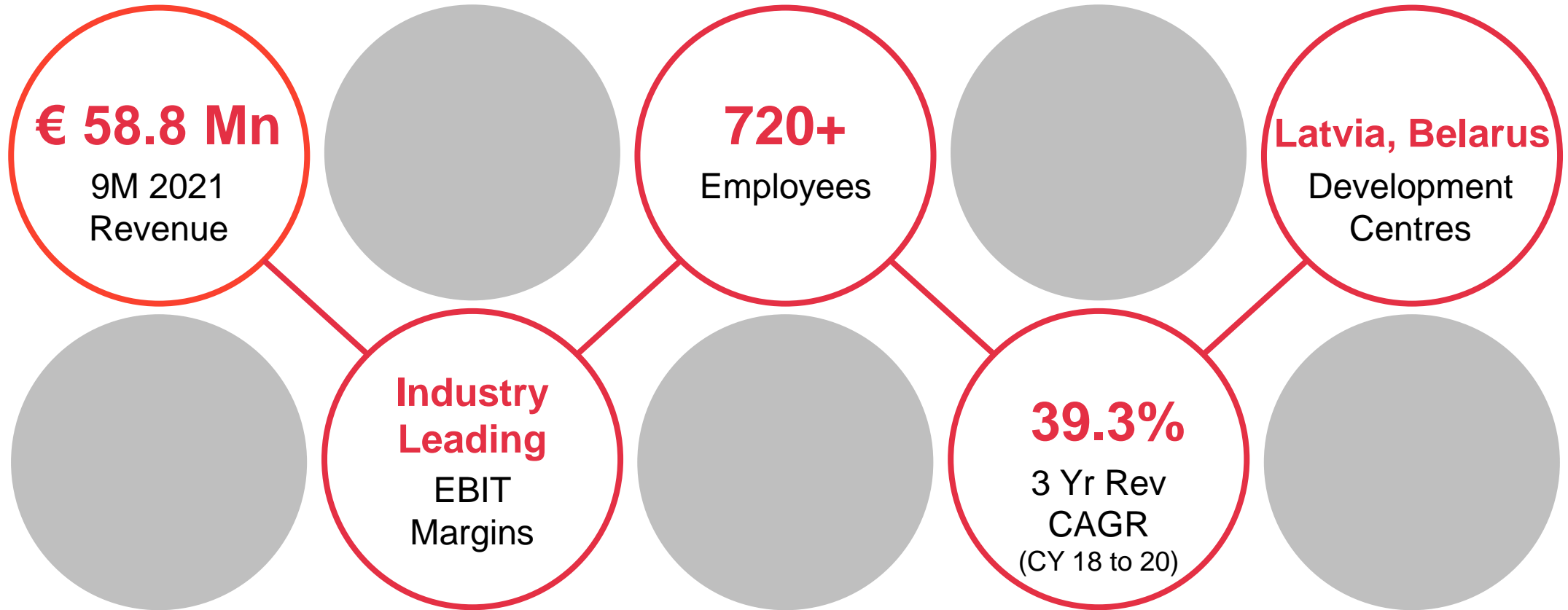
Transaction Details

CTC

Total transaction consideration for the CTC acquisition is €310 Mn (including performance linked earnouts and synergy linked payouts)

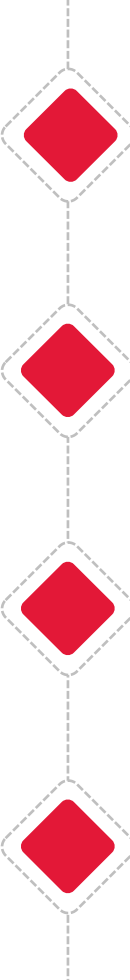
Insurtech Platforms – SWFT & Surance

Combined primary investment of €20 Mn for a 25% stake in both the platforms



CTC Business Overview

Digital
Engineering
and
Outsourced
Product
Development
for the
Insurance
Industry



CTC provides Digital platforms and applications, and Digital transformation-based services, including Product Engineering, Cloud Engineering, UX/UI Design, AI/ML, Cyber Security Services.

CTC is an software outsourced product development company which differentiates through its high quality digital tech talent and deep expertise of insurance products and systems architecture acquired through years of experience.

In over 20 years of experience, CTC has built and delivered end-to-end customized, mission-critical software and platforms for insurance companies and has accumulated a portfolio of award winning digital transformation initiatives and software technologies.

CTC team comes with a strong experience in insurance/reinsurance IT, a deep understanding of digital engineering and cloud, and a proven track record of organic growth and efficient delivery.

SaaS InsureTech Platforms


SWFT

Swift is a SaaS based platform, which offers multiple functionalities for insurance sales and distribution and enables digital brokers, price comparison websites and insurers directly reach their customer through digital channels

Surance

Surance is an end to end personal cyber insurance solution focusing on vulnerability assessment, cyber protection and cyber insurance coverage

Strategic Rationale & Scale-up



These are InsurTech SaaS ventures with proven technology and business model and an installed base which addresses white spaces in the insurance industry



TechM's investment into Swift and Surance will be utilized towards geographical expansion into large insurance markets, building dedicated sales and marketing team and ongoing new feature and functionality enhancement.

Strategic Rationale

Digital engineering

CTC brings to us a highly skilled pool of tech talent (Agile Full stack capability, Architecture, UI/ UX, Cloud, AI/ML) with an excellent track record of delivering end-to-end Digital Engineering and Outsource Product Development programs for their clients

Scalable Eastern European Hub

We will add 720+ IT professionals, in Latvia (85%) and Belarus (15%), to our exiting talent base in the region. This will enable us to offer additional services and capabilities to our global client base.

Deep domain expertise in Insurance and Reinsurance

Digitization of products/ platforms is the key driver of growth and transformation in the Insurance industry and CTC has deep embedded knowledge through 20 years of delivering solutions to the industry

Value Creation

EBIT Margins and Returns

- CTC has industry leading margins and on a full consolidated basis will be accretive to TechM EBIT margins
- The transaction will be accretive across key financial parameters – EPS, FCF and ROCE

Synergies and Integration

- The business will be co-branded as Tech Mahindra CTC and become part of our operations and an integrated management team will be responsible for the business.
- The team will focus on driving identified areas of synergy – including but not limited to cross-sell and scale up of digital engineering capabilities

Insurance Global scale-up

- Scale our global insurance business by creating E2E digital transformation propositions and integrated offers for Insurers
- Create a focussed Insurance sub-vertical team

Tech
Mahindra

Tech Mahindra to host Conference Call to discuss Acquisition of Com Tec Co IT Ltd (CTC) on January 17th, 2022

Pune, India, 17th January 2022: Tech Mahindra (NSE: TechM), a leading provider of digital transformation, consulting, and business re-engineering services & solutions, today announced the 100% acquisition of Com Tec Co IT Ltd (CTC), an IT solutions and service provider serving the insurance and financial services industries with development centers in Latvia and Belarus Tech Mahindra Ltd.

The Stock Exchange notification, Press Release and Investor Presentation will be available on Tech Mahindra's website

<https://www.techmahindra.com/en-in/investors/>.

A Conference call with Analysts and Investors will be hosted by Tech Mahindra's management to discuss the acquisition.

To participate in the conference call, callers can dial the relevant numbers mentioned in the schedule given below.

A replay of the conference call will be available after the call until January 23rd, 2022.

The call is scheduled at 7:30 PM IST (10:00 PM in Hong Kong and Singapore, 2:00 PM in London and 9:00 AM in New York) on January 17th, 2022.

The transcript of the conference call will be uploaded on <https://www.techmahindra.com/en-in/investors/>

Schedule

Program	Date	Web Site	Telephone
Announcement of Acquisition	Evening of January 17 th , 2022	www.techmahindra.com	
Conference Call <u>7:30 PM IST, January 17th, 2022</u>			Universal Dial-in +91 22 6280 1217 +91 22 7115 8118
Replay of Conference call <u>Dial-in Number: +91 22 7194 5757/ +91 22 6663 5757</u> <u>Playback Code: 96452</u>			USA toll free 1 866 746 2133 UK toll free 0 808 101 1573 Singapore toll free 800 101 2045 Hong Kong toll free 800 964 448

In addition to the dial-in details provided above, you can use Diamond Pass to connect to the call directly without having to wait for an operator.

[Click here for your Diamond Pass](#)



Or Copy this URL in your browser :

<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=5548249&linkSecurityString=1662103757>

For further information, contact:

Kaustubh Vaidya

Head - Investor Relations

E-mail: Kaustubh.Vaidya@TechMahindra.com

Karthik Mathiyalagan

Manager – Investor Relations

E-mail: Karthik.Mathiyalagan@TechMahindra.com

Disclaimer

Certain statements in this release concerning the future prospects of Tech Mahindra Limited (“the Company” or “TechM”) are forward-looking statements. These statements by their nature involve risks and uncertainties that could cause the Company’s actual results differ materially from such forward looking statements. The Company, from time to time, makes written and oral forward-looking statements based on information available to the management of the Company and the Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

