

NSE & BSE / 2021-22 / 129

February 10, 2022

The Manager,
Corporate Services,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051

The Manager,
Corporate Services,
BSE Limited
14th Floor, P J Towers, Dalal Street,
Mumbai 400 001

Ref: Symbol: PERSISTENT

Ref: Scrip Code: 533179

Dear Sir/Madam,

Sub: Intimation pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR /CFD /CMD/ 4/2015 dated September 9, 2015

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Regulations'), we wish to inform about the following transaction:

Persistent Systems Limited ("**the Company**" or "**Persistent**") has entered into an Agreement with Data Glove IT Solutions Private Limited ('Data Glove India') on February 10, 2022 to acquire its assets. Along with this transaction, the Company, through its wholly owned and step-down subsidiaries will acquire the assets of Data Glove Inc., USA and its affiliate entities based out of Australia, UK, Canada and Singapore. Persistent, through its German subsidiary will also acquire the equity of Data Glove's subsidiary in Costa Rica.

The acquisition is subject to customary closing conditions, which are expected to be completed within 4-5 weeks. Accordingly, the Company will inform the closure of the transaction to the Stock Exchanges.

In this regard, please find enclosed intimation and the details of the said acquisition as prescribed under Reg. 30(2) and (6) of the Regulations read with Schedule III to the Regulations and the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 as Annexure.

Please acknowledge the receipt.

Thanking you,

Yours Sincerely,
For **Persistent Systems Limited**

Amit Atre
Company Secretary
ICSI Membership No.: A20507

Encl.: Annexure

Persistent Systems Limited, Bhageerath, 402 Senapati Bapat Road, Pune 411 016, Maharashtra, India
CIN - L72300PN1990PLCO56696

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Annexure

No.	Items of Disclosure	Description
1	Name of the target entity, details in brief such as size, turnover etc.;	<p>Assets of Data Glove Inc, USA along with assets of its Indian subsidiary and of affiliate entities based out of Australia, UK, Canada, and Singapore. Additionally, Persistent Systems Germany GmbH will acquire Data Glove's subsidiary in Costa Rica.</p> <p>Data Glove Inc, USA, along with its Indian subsidiary and affiliates in other countries are collectively referred to as the "Data Glove Group".</p> <p>Data Glove Group specializes in providing services across the entire Microsoft Product Suite including Azure based digital transformation, data modernization, cloud advisory services, business application innovation, workspace modernization and intelligent automation.</p> <p>Data Glove Group had a consolidated revenue of \$48.96 M for the year ended December 31, 2021.</p>
2	Whether the acquisition would fall within related party transactions 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 "arm's length";	<p>The acquisition does not classify as a related party transaction.</p> <p>The promoter/ promoter group have no interest in the underlying assets or entity been acquired.</p>
3	Industry to which the entity being acquired belongs;	Cloud and Application Transformation, Infrastructure and Managed 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);	Through this acquisition, Persistent will enhance its partnership with Microsoft, strengthen expertise in Azure-based digital transformation and other offerings in the Microsoft stack, as well as expand its geographic footprint and talent pool.
5	Brief details of any governmental or regulatory approvals required for the acquisition;	To the best of our knowledge, no governmental or regulatory approvals are required for the proposed acquisition.
6	Indicative time period for completion of the acquisition;	It is expected that the acquisition will be completed (Closing of the proposed transaction) within 4-5 weeks or as soon as thereafter subject to satisfaction of customary closing conditions.
7	Nature of consideration – whether cash consideration or share swap and details of the same;	The purchase consideration shall be in cash only.
8	Cost of acquisition or the price at which shares are acquired;	The total purchase consideration payable for the acquisition of Data Glove Group is \$90.50 M. This includes:

		<ul style="list-style-type: none"> • Upfront payment – \$50.69 M to sellers, subject to customary adjustments for working capital, debt and cash on closing. • Earnout – Founders of Data Glove Group will be eligible for a maximum earnout of \$34.88 M over next two years. This amount is contingent on achievement of certain performance thresholds. • Retention and Performance-Based Payment – Key employees of Data Glove Group will be eligible for an aggregate amount of \$4.93 M over the next three years contingent on employment continuity and business performance.
9	Percentage of shareholding / control acquired and / or number of shares acquired;	Post-closing, Persistent, through its wholly owned subsidiaries and affiliates, will acquire the assets of Data Glove Inc., its Indian subsidiary and its affiliates in geographies mentioned above. Additionally, 100% ownership of Data Glove IT Solutions Limitada, Costa Rica will be acquired by Persistent Systems Germany GmbH.
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 acquired entity has presence and any other significant information (in brief)	<p>Incorporated in 2010, Data Glove Group specializes in providing services across the entire Microsoft Product Suite including Azure-based digital transformation, data modernization, cloud advisory services, business application innovation, workspace modernization and intelligent automation.</p> <p>Consolidated revenue of Data Glove Group for the historical period is as follows: CY21: \$48.96 M CY20: \$38.51 M CY19: \$37.30 M</p>