

IDAL/2025-26/SE/56

December 15, 2025

National Stock Exchange of India Ltd.
BSE Ltd.

Scrip Symbol - INTELLECT
Scrip Code - 538835

Dear Sir/Madam,

Sub: Update on the Joint Venture between Intellect Design Arena Limited UK and ITIXA Limited

Ref: Intimation vide letter bearing ref. IDAL/2025-26/SE/11 dated August 21, 2025

This is in furtherance to our earlier communication dated August 21, 2025, regarding the Memorandum of Understanding (MOU) signed between our wholly-owned subsidiary, **Intellect Design Arena Limited, UK**, and **ITIXA Limited** (a Group Company of System Holdings Limited) for the establishment of a Joint Venture entity in GIFT City, Gujarat.

We wish to inform you that both parties have mutually agreed not to proceed with the proposed Joint Venture and to allow the MOU to expire without renewal. The existing business relationship between System Holdings Limited (parent company of ITIXA Limited) will continue as is without any material impact whatsoever.

Strategic Rationale The primary objective of the proposed Joint Venture was to provide AI-enabled bookkeeping, payroll, and business support services specifically targeting the Small and Medium Enterprise (SME) sector in the United Kingdom.

Since the signing of the MOU, the Company has conducted a rigorous assessment of the evolving market dynamics in the UK. Following the UK Government's Autumn Budget in October 2024, the operating environment for UK SMEs has shifted significantly. Key regulatory changes—specifically the increase in Employer National Insurance contributions to 15% and the reduction of the secondary threshold to £5,000—have introduced new financial pressures on the target customer base.

In light of these developments, it has been determined that the economic climate for UK SMEs has become unfavourable for the immediate launch of the specific services envisaged under this JV. As a result, the commercial assumptions underpinning the original business case no longer meet the Company's stringent thresholds for capital allocation and risk-adjusted returns.

Impact on the Company We wish to clarify that this decision is a result of prudent strategic reassessment and does not reflect any inability to execute on the part of Intellect Design Arena Limited. The cancellation of this specific MOU will have no impact on the Company's existing operations, financial standing, or its broader growth strategy in the UK and European markets.

Intellect Design Arena Limited

Registered Office: 244 Anna Salai, Chennai - 600 006, India | Ph: +91-44-6615 5100 | Fax: +91-44-6615 5123

Corporate Headquarters: SIPCOT IT Park Siruseri, Chennai - 600 130, India | Ph: +91-44-6700 8000 | Fax: +91-44-6700 8874

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Intellect Design remains committed to its core strategy of delivering mission-critical technology to the global financial sector and will continue to deploy capital into high-growth opportunities that offer superior long-term value for our shareholders.

Information as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in Annexure A enclosed herewith.

Kindly take the above information on record.

Yours Truly,
For Intellect Design Arena Limited

Prakash Bharadwaj
Company Secretary and Compliance Officer
ACS-37214

Encl: As above

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Annexure A

Particulars	Details
i. Name of parties to the agreement;	Intellect Design Arena Limited (UK) and ITIXA Limited
ii. Nature of the agreement;	Memorandum of Understanding (MOU) - Joint Venture <ul style="list-style-type: none"> Date of execution - August 26, 2025 Date of expiry - November 27, 2025
iii. Details of amendment and impact thereof or reasons of termination and impact thereof	<p>Reason for Termination: The primary objective of the proposed Joint Venture was to provide AI-enabled bookkeeping, payroll, and business support services specifically targeting the Small and Medium Enterprise (SME) sector in the United Kingdom.</p> <p>Since the signing of the MOU, the Company has conducted a rigorous assessment of the evolving market dynamics in the UK. Following the UK Government's Autumn Budget in October 2024, the operating environment for UK SMEs has shifted significantly. Key regulatory changes—specifically the increase in Employer National Insurance contributions to 15% and the reduction of the secondary threshold to £5,000—have introduced new financial pressures on the target customer base.</p> <p>In light of these developments, it has been determined that the economic climate for UK SMEs has become unfavorable for the immediate launch of the specific services envisaged under this JV. As a result, the commercial assumptions underpinning the original business case no longer meet the Company's stringent thresholds for capital allocation and risk-adjusted returns.</p> <p>Impact: We wish to clarify that this decision is a result of prudent strategic reassessment and does not reflect any inability to execute on the part of Intellect Design Arena Limited. The cancellation of this specific MOU will have no impact on the Company's existing operations, financial standing, or its broader growth strategy in the UK and European markets.</p> <p>Intellect Design remains committed to its core strategy of delivering mission-critical technology to the global financial sector and will continue to deploy capital into high-growth opportunities that offer superior long-term value for our shareholders.</p>

For Intellect Design Arena Limited

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