



Corporate Profile

Innodata (NASDAQ: INOD) is a global provider of business process, information technology and professional services that are focused on digital enablement.

Innodata Services

- ▶ Build and maintain information products for publishers and information providers
- ▶ Production and distribution of e-books
- ▶ Build workflows for businesses to facilitate the creation, management and consumption of digital information

MARKET DATA

Stock symbol: NASDAQ: INOD

Price at 3/31/14: \$2.91

52-week range: \$2.21 - \$3.50

Market capitalization: \$73 million

Enterprise Value (EV): \$44 million

Diluted shares:** 25 million

Fiscal year end: December 31

Institutional holdings: 24%

Analyst coverage: Noble Financial Capital Mkts; Sidoti & Co. LLC

KEY STATISTICS

Over 5,000 employees

Global operations in the US, Philippines, India, Sri Lanka, Europe and Israel

Services world's 3 leading information provider and 4 leading leading digital retailers

Customers - approximately 200+

Industries served: publishing, information, media, entertainment, aerospace, defense, financial services, government, healthcare, insurance, manufacturing and law

Our Competitive Strengths

Deep Domain Expertise

Innodata has more than 15 years of enterprise experience in co-creating knowledge-intensive, data-rich content for leading publishing companies and information providers. Innodata has also provided digital content and data enrichment, consulting or technology services for world's three leading information provider and an array of leading enterprises. Innodata has produced more than 1.3 million e-books since the beginning of the e-book explosion and is now a trusted partner to all of the major e-book platform providers.

Global Scalability

Innodata's global operations teams operate with an efficiency that allows it to scale to meet the challenges of individual publishers as well as the largest content providers.

Defined Approach

Helping content providers solve their biggest challenges, Innodata employs structured, defined approaches to driving revenue, reducing costs and managing risks. These approaches, which combine Innodata's consulting, technology services, data and content enrichment and expert knowledge of publishing, allow Innodata to serve publishing and enterprise content providers at the highest, most strategic levels.

ePublishing Leadership

Innodata has emerged as one of the largest producers of technology and processes for transforming books into e-book formats that are required for distribution and sell-through on tablets and eReaders. Innodata is at present producing and distributing e-books across 25+ global platforms and e-bookstores. Innodata has established strong relationships with all the major e-book retailers — Apple, Sony, Amazon and Kobo. The strategic relationship we forged with Apple in 2010, in which Innodata became Apple's Digital Publishing Services Partner, remains active.

Business Challenges

- ▶ Information industry dominated by a small number of large players
- ▶ Non recurring revenues: 30%
- ▶ Revenue concentration: Top 5 customers comprised 56% of Q1 2014 revenues
- ▶ e-Book sector is nascent and investments are unpredictable

Q1 2014 FINANCIAL AND OPERATING HIGHLIGHTS

Revenues: \$14.1 million

Gross Margin: \$3.8 million (27% of Revenue)

Pre-tax Income: -

Diluted EPS: \$0.01

EBITDA: \$0.7 million

Cash and investments:** \$29.2 million

Total Assets:** \$52 million

Total Debt:** \$0

** At March 31, 2014

INNODATA RECENT HIGHLIGHTS

Content Services

- ▶ In Q1 2014, selected by a large European based information provider to provide end-to-end content creation and management services to two of their divisions. Expected to yield approximately \$10 million of revenue per year
- ▶ Received ISO 27001, DPA, HIPAA certifications

Innodata Advanced Data Solutions (Synodex)

- ▶ Brought onboard a senior sales executive with 20 years of experience in selling complex services and solutions to life insurance companies.
- ▶ Completed 48 distinct pilots with 39 different insurance companies
- ▶ Signed 2 significant contracts – one with a large insurance company (*potential to result \$1.3 million in revenue per year*) and one with a major reinsurance company (*potential to result \$2.5 million in revenue per year*)
- ▶ 35 piloted companies are active prospects
- ▶ Reinsurance Group of America (RGA) announces strategic relationship with Synodex in February 2014
- ▶ Incurred \$13 million in operating expenses and \$6 million in cap-ex from inception

MARQUIS CLIENTS



High Value Services

As domain experts in all aspects of the publishing and content development supply chain, Innodata is increasingly viewed by our clients as a trusted advisor and strategic partner. This comes as a result of our ability to focus on the core challenges facing senior level publishing and enterprise executives: increasing revenue, reducing costs and managing risk. Specifically, Innodata helps executives address new product development in a print-to-digital world; tablet and ePlatform transformation; monetizing existing content; and organizational excellence.

Innodata's defined approach to addressing these challenges is powered by detailed methodologies which combine to deliver high-value services. From solution visualization to agile content development and technology blueprinting, Innodata's clients value our ability to conceive solutions and execute them with precision.

New Growth Opportunities

In Q1 2014, the company announced that its Synodex subsidiary had signed two new contracts, with initial terms of two years and three years, which have the potential to result in approximately \$3.8 million of revenues annually. Commencement of services under the contracts is contingent on the clients' obtaining third-party and internal approvals.

"We are pleased with these new Synodex contracts," stated Jack Abuhoff, Chairman and CEO. "The contracts underscore that we're significant players with a seat at the innovation table of the insurance industry.

Abuhoff continued, "Moreover, we have been seeing a significant uptick in potential new business in our Content Services segment. A large European-based information company selected us to provide end-to-end content creation and management services to two of its divisions. We signed a letter of intent with one of these divisions and expect shortly to finalize a letter of intent with the other. The executed LOI and the draft LOI each anticipate signing five-year definitive agreements. The business contemplated by the LOIs could yield approximately \$10 million of revenue per year."

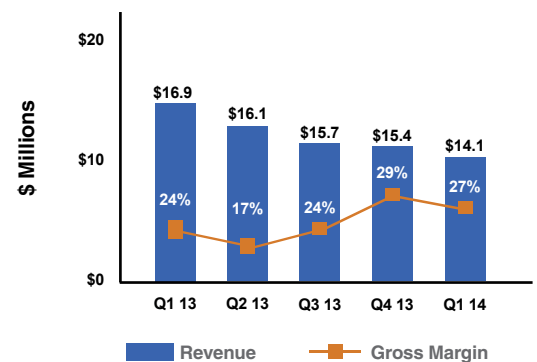
Market Opportunity

Information and publishing is a \$753 billion industry consisting of more than 7000 companies that create, publish, and aggregate content for the corporate, academic, government, healthcare, and consumer markets¹. Many of Innodata's clients specialize in the scientific, technical and medical (STM) segment (estimated revenues of \$29.8 billion)¹ and the legal, tax and regulatory (LTR) segment (estimated revenues of \$17.5 billion)¹. Moreover, rapid digital adoption by consumers and professionals are driving even greater opportunity.

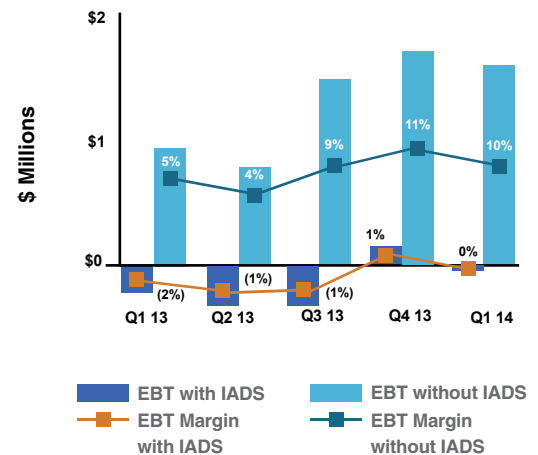
In addition, as enterprises consume larger amounts of more complex data, the need for advanced analytics is increasing, and Innodata is uniquely positioned to capitalize on this growing market.

(1) Source: Outsell

Revenue & Gross Margin

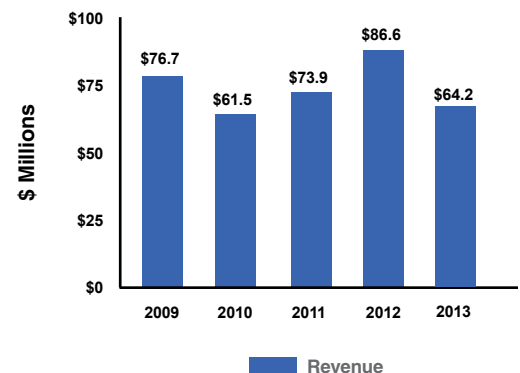


Earnings Before Tax (EBT) *



* Excludes IADS one time non-cash impairment change of \$5.5 million in Q3 13

Annual Revenues



EXECUTIVE LEADERSHIP

Jack Abuhoff, *President & CEO*
Ashok Kumar Mishra, *EVP & COO*

O'Neil Nalavadi, *SVP & CFO*
R. Douglas Kemp, *SVP Product Innovation*

Amy Agress, *VP & General Counsel*

CORPORATE CONTACT

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For information on how Innodata can help to solve your business problems, email us at solutions@innodata.com or visit us at www.innodata.com

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