Dear Analyst,

I am pleased to report on Sasken Group's business performance for Q3 FY25, 31st December 2024. As always, we must highlight that certain statements made here or subsequently in response to your queries concerning our future growth prospects are forward-looking statements. Please refer to Safe Harbor clause in the second slide of our presentation for full details.

Quarter-on -Quarter (Sequential)

Let me share with you our financial performance for the quarter. In Q3 FY25, the consolidated revenues for the Sasken Group went up by 7.0% over the previous quarter to ₹ 144.52 crores. Consolidated Earnings before Interest and Taxes for Q3 FY25 were ₹ 2.39 crores, up by 164.0% sequentially. Consolidated PAT for Q3 FY25 was at ₹ 9.03 crores, down by 26.5% over the previous quarter. PAT margin for Q3 FY25 was at 6.2%. Consolidated earnings per share were at ₹ 6.00 for the quarter. Cash and investment were approximately ₹ 626 crores as of 31st December 2024.

Quarter-on -Quarter (Comparable quarter of the previous year)

The consolidated revenues for the Sasken Group went up by 49.9% to ₹ 144.52 crores. Consolidated Earnings before Interest and Taxes for Q3 FY25 were at ₹ 2.39 crores, down by 20.0%. Consolidated PAT for Q3 FY25 was at ₹ 9.03 crores, down by 49.1%.

Year on Year (Comparable previous year)

In FY25 YTD, the consolidated revenues for the Sasken Group went up by 35.5% YoY to ₹ 402.90 crores. Consolidated Earnings before Interest and Taxes for FY25 YTD were ₹ 5.48 crores, a decrease of 76.3% YoY. Consolidated PAT for FY25 YTD was at ₹ 39.00 crores, down by 36.6% YoY. PAT margin for FY25 YTD was 9.7 %. Consolidated earnings per share, was ₹ 26.01 for FY 25 YTD as against ₹ 40.88 for FY24 YTD.

We continue to build on the momentum created in the previous quarters as visible in the numbers. In Q3 FY25 sales figures have grown both on a quarter-on-quarter and year-on-year basis. This sustained momentum reflects our strategic initiatives and focused execution across key business segments. Consolidated EBIT is improving highlighting our operational efficiencies and commitment to value creation. As we look ahead, our focus remains on delivering customer-centric innovation, strengthening our talent pool, and driving operational excellence. The recent investment in Borqs Technologies is set to complement our capabilities in IoT and 5G, positioning Sasken as a leader in cutting-edge solutions. The positive trajectory of our revenue growth and strategic investments affirms our confidence in the future and our readiness to continue shaping the technology landscape.

New Deals & Order Book

In Q3 FY25, Sasken secured significant wins across multiple sectors worth USD ~28.2 million, which includes new orders of USD ~ 10.9 million and added six new logos. Some of the noteworthy wins of the quarter include:
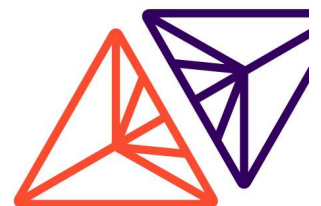
- A multi-year contract with a global smart mobility provider to develop a cutting-edge Digital Cockpit solution.

- Velocity based porting, application integration and test fixture improvement deal from a leading provider of satellite-based communication

- Won a deal to develop next-gen automotive solutions for OEMs from a prominent automotive tier1 player

- Chosen as an IoTization partner by an American premium commercial cooking equipment manufacturer.

- A "Quality as a Service (QAAS)" deal from a core network applications provider specializing in signaling, routing and security management.
- A strategic deal to design industry-leading, high-speed connectivity solutions spanning across data centres, AI, 5G and SSD for a leader in high-speed connectivity provider.

Key Investments and Partnerships:

- **QNX on AWS Graviton:** We continue to invest in QNX on AWS Graviton, enabling OEMs and Tier-1 suppliers to accelerate the shift-left approach in automotive cockpit solutions. This powerful combination enhances efficiency and reduces time-to-market for cockpit systems.

- **Hyperscaler Investments:** Our ongoing investments in hyperscalers strengthen our chip-to-cognition solutions, allowing us to deliver more innovative and comprehensive solutions across the digital landscape.

- **AI and Generative AI Applications:** We are investing in the development of AI and Generative AI-based applications to address various use cases for our clients across different industry segments.

- **Product Security Practice:** Our investments in the Product Security practice enable us to be a trusted partner for customers navigating evolving security challenges and addressing emerging regulations across different geographies.

People

As we close Q3 FY25, I am proud to reflect on the many strides we have made towards enhancing our workplace and strengthening our employee engagement and culture. At the end of the quarter Sasken group headcount was 1877, (~10% QoQ growth) and the attrition for the trailing 12 months was 8.3%.

Our continued focus on nurturing our talent, wellbeing, and sustainable growth is driven by numerous key initiatives this quarter. One of the key highlights of this quarter is the **lowest attrition rate at 6.7%,** an outcome of Sasken's consistent efforts to keep our employees empowered, engaged and upskilled. Our **social media engagement ratings have improved** considerably on various employer review platforms like Glassdoor, Ambition box etc over the past months, which has further solidified our employer brand. As part of our growth strategy, during the quarter, we had 237 gross employee additions, including campus hires into the Sasken Academy, where they are being trained to become industry-ready professionals.

Our commitment to growth is further exemplified through various HR engagement initiatives like buddy system for new joiners, key account focussed initiatives, enhanced employee connects with leadership and HR, organisation wide celebrations of national and regional festivals, Wellness initiatives, a formal DEI charter, all of it driving a good work life balance, sense of inclusivity, team cohesiveness and a shared spirit of accomplishment. The continued success of Sasken Champions League competitions and employee resource group programs like ClubAsana yoga programs have added to our vibrant workplace culture.

Our focus on Learning and Development went beyond completion of mandatory e-learning courses - the Aspire to Lead program and other behavioural trainings, launch of KenGuide mentoring initiative that connected mentees with mentors fostering professional growth to name a few. In addition, we have completed the mid-term performance reviews for FY25, and promotions for H2.

KenXperience Employee Satisfaction Survey saw an excellent 74% response rate and a notable increase in our eNPS score, from 33 in FY24 to 38 in FY25. Employee recognition has flourished, with over 600 employees being felicitated and recognised including honour badges for patent holders. This recognition reiterates our commitment to building best class engineers so that we deliver innovative and advanced solutions to our customers. We are also making remarkable progress in automation and process improvements in our efforts to enhance quick data availability. Our commitment to quality and security remains strong, with successful internal audits and ISO27001(ISMS) & ISO27701(PIMS) external audits. As we move into Q4, we are excited about the future and remain focused on building a strong, inclusive, and innovative environment for our employees. Together, we will keep pushing boundaries and striving for excellence.

Business Highlights

In Q3 FY25, the engineering R&D services industry continued to navigate both challenges and opportunities amidst a rapidly evolving technological landscape. Our commitment to leading in this era of technological disruption remains robust as innovative technologies reshape product engineering and digital transformation. The engineering R&D (ER&D) industry is witnessing significant advancements driven by emerging technologies. The growing adoption of Generative AI is transforming product design for new user experiences, simulation, and testing processes across sectors. 5G and Edge Computing are enabling real-time data processing, leading to advancements in automotive, industrial IoT, and telecommunications. The evolving software-defined vehicles in the automotive industry are redefining the way vehicles are designed and built, with software becoming more prominent. Additionally, the shift towards sustainability is promoting innovations in energy-efficient solutions and materials. Moreover, the integration of digital twins and smart manufacturing is significantly improving both developmental and operational efficiencies, expediting innovation in product development. This dynamic environment presents us with valuable opportunities to enhance our collaboration with our clients and leverage these advancements for mutual growth.

Sasken Japan has achieved significant milestones in the quarter on both business and branding front. The team is seeing good traction with customers, signed up internship program contract with Ritsumeikan University and is progressing well in building scale locally. To enhance brand visibility and engagement, it launched Sasken Japan website and LinkedIn pages in Japanese.

Sasken Silicon is witnessing increased traction in IP and services businesses across the US, Japan, and EU. At CES 2025, Sasken Silicon showcased its innovation by participating and demonstrating the cutting-edge EXA product and had many meaningful conversations. Their strategic development efforts continue to focus on radar, SerDes, IoT, and AI-driven acceleration to drive growth and opportunities.

Automotive Sector:

The industry is propelled by the adoption of new technologies and trends. High-Performance Compute (HPC) platforms are at the forefront of this technological transformation, enhancing the in-vehicle experience. The boundaries between traditional domain controllers, such as digital cockpits, gateway systems, and body control systems, are being dissolved with the evolution of Software Defined Vehicles (SDVs). OEMs and Tier-1 suppliers are increasingly adopting reusable, highly customizable virtualized platforms. As a system integrator, Sasken is uniquely positioned to collaborate with the right partners and play a pivotal role in this significant transformation.

There is a sustained emphasis on telematics and connected vehicles for both four-wheelers and two-wheelers, with manufacturers focusing on cost-effective solutions for telematics units and applications that enhance connectivity. OEMs are exploring different commercial models to use telematics devices as connectivity gateways alongside traditional emergency safety devices.

Additionally, the surge in electric vehicles (EVs) is driving the rapid growth of the e-scooter market in India, with trends such as extended driving ranges, diverse price options, integration of off-road navigation, and integrated digital services. Sasken is working closely with leading two-wheeler OEMs to accelerate the adoption of green initiatives, focusing on solutions like digital connected clusters, navigation, and cloud platform services aligned with sustainability goals.

Emerging technologies such as generative AI (GenAI) and IoT are also being integrated into vehicle performance, safety, and user experience enhancements. Advanced Driver Assistance Systems (ADAS) and autonomous vehicle validation offer further opportunities, particularly as Tier-1 suppliers face cost pressures and OEMs in emerging markets seek innovative solutions.

During the last quarter, we achieved multiple wins in new areas, including digital cockpit platform development for a global OEM, supporting a global Tier-1 for ADAS, cockpit and cluster development, telematics porting on new chipsets for a Japan-based Tier-1, and ADAS development and testing for an EU Tier-1. These successes validate our continuous focus on technological advancements and solution enhancements.

With a continuous focus on emerging trends and the adoption of new technologies, Sasken has developed the Virtual Cockpit platform, which can run on any ARM-based platform, either on Graviton instances in AWS or on ARM-based hardware. This platform provides an end-to-end testing framework in AWS to simplify and expedite the overall product development cycle significantly.

We continue to strengthen relationships with ecosystem participants like AWS, ARM, and BlackBerry and are planning to select proof of concepts to showcase our capabilities at upcoming trade shows.

Satellite Segment:

LEO satellites are dominating innovation due to their lower cost of design and launch. Applications such as satellite imaging are using LEO satellites due to their faster orbital period and low-cost cameras, which provide high-resolution imaging and regular updates. Advanced Air Mobility is a rapidly advancing segment that requires an advanced communication infrastructure with 5G (and 6G

in the future) along with satellite communication, supporting low latency made possible by LEO satellites.

Due to the nature of D2D services, the ecosystem is expanding with many chipset suppliers, new OEMs, and module suppliers emerging. Many MNOs are partnering with satellite service providers to serve remote areas and existing connections using dual connectivity with safety or distress services. The most recent LEO constellations use satellite connectivity derived from LTE. The next generation LEO constellation will use NTN NR with regenerative technology. Experiments are being carried out in laboratories using simulators before NTN NR is adapted in regenerative satellites to support newer services. Our experience in MSS terminal and gateway, which serves IoT and narrow broadband up to 3 Mbps Uplink and Downlink, and VSAT or HTS technology-based broadband product development across terminals, gateways, and applications, gives us an edge in upcoming programs in the satcom industry. We are actively pursuing development opportunities using NTN chipsets, modules, and devices, including proprietary technology-based devices and gateways.

Cellular Communications Industry:

We are seeing an increase in the adoption of O-RAN and the usage of Network APIs for better utilization of AI-based modules to optimize network performance and generate higher speeds. Network APIs are significant as they drive multiple applications such as fraud prevention, network performance optimization, online payments and billing, customer service personalization, device status, IoT remote control, and content delivery. This will help us explore opportunities to leverage generative AI in our services, focusing on reducing network outages, enabling self-healing capabilities, and quickly identifying root causes. This includes experimenting with large language models (LLMs) to analyze network logs, transforming them into context-aware intelligent log analysis modules. Recently, the adoption of V2X is increasing, and SDR platforms are being considered as they provide flexibility in adopting technologies in the segment that uses power sources other than batteries. Our experience across OEMs, NEMs, system integrators, and operators brings end-to-end ecosystem knowledge and experience to all our customers. Our offering of R&D engineering services and the ability to work as an ODM will be an advantage to our customers.

Android and Smart Devices:

In our Android and Smart Devices offerings segment, we continue to witness a growing trend of enhancing user experiences through AI integration, security, and connectivity. AI-on-Edge is gaining traction, enabling real-time processing and reducing dependence on cloud infrastructure, significantly improving response times for applications such as image recognition and predictive analysis. Additionally, 5G integration in Android devices enhances connectivity, enabling faster data transfer and lower latency, crucial for applications like AR/VR and IoT. Enhanced security measures, including biometric authentication and encrypted storage, are becoming standard. Furthermore, foldable devices and innovations in display technology are pushing the boundaries of form factors, offering more versatility in mobile devices.

During the last quarter, Sasken made significant progress in On-device AI by collaborating closely with leading semiconductor partners. Additionally, we are seeing increased interest from customers in manufacturing smart devices in India and other countries. The Government of India has launched "Design Linked Incentives (DLI)" alongside Product Linked Incentives, and Sasken's recent acquisition of Borqs technology further strengthens our position in the Design in India & Make in India initiative.

Digital Space:

In the digital space, we are seeing traction in Gen AI-based assistants for improving customer experience, operator productivity, and operational efficiency. Sasken is also investing in GenAI-based accelerators to expedite software development and QA. These accelerators were demonstrated at the prestigious IZB Event in Wolfsburg, Germany, in October 2024. Among the digital organizations of automotive customers, we are seeing traction for Connected Vehicle Platforms and analytics use cases, Software Defined Vehicles, Digital Twins, customer applications to improve automotive rider experience, predictive analytics, DevOps for onboard (in-vehicle/embedded) software, SRE (Site Reliability Engineering), and DevOps for offboard (cloud-hosted) software.

In the last quarter, we made significant strides with next-generation automotive Tier-1 suppliers and global OEMs. Through these partnerships, we successfully rolled out innovative connected car services, scalable data platforms, cybersecurity consulting, DevSecOps, MLOps, and predictive analytics solutions. Our collaborations with key ecosystem partners, including AWS and Databricks, have also been strengthened. We are actively investing in Gen-AI initiatives and working to enable product and enterprise-focused use cases across various segments to deliver added value to our clients.

Cybersecurity:

We have made notable progress in our cybersecurity practice, showcasing the robustness of our offerings and the growing industry need for strong product security solutions. We secured two deals: one with an automotive major to support compliance with WP.29 regulations, and another with a 5G core network solutions company to enable secure product development and enhance the security of their network solutions.

The increasing focus on regulations like UNECE WP.29 for automotive cybersecurity and the Cyber Resilience Act (CRA) for IoT and connected products is becoming a key concern for our customers. Sasken's strategy of integrating compliance with a "shift-left" approach—embedding security from the design and development stages—is resonating strongly with our clients. Our ability to offer comprehensive solutions, including security by design, regulatory compliance, and vulnerability management, positions us as a trusted partner for customers navigating evolving security challenges. These recent successes reaffirm the strategic direction and investments we are making in our Product Security practice. Looking ahead, we are committed to expanding our cybersecurity footprint, helping our customers build resilient, secure products while addressing emerging regulations.

My team and I are grateful for the trust you have placed in us and wish to assure you of our commitment to do our best for all stakeholders.

RAJIV C MODY

Sincerely,
Rajiv C Mody
Chairperson, Managing Director & CEO