Dear Analyst,

I am pleased to report on Sasken Group's business performance for Q1 FY25, ended 30th June 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 begin by walking you through our financials for the quarter. In Q1 FY25, the consolidated revenues for the Sasken Group went up by 13.2% over the previous quarter to ₹123.36 crores. Consolidated Earnings before Interest and Taxes for Q1 FY25 were ₹2.19 crores, an increase of 1,584.6% sequentially. Consolidated PAT for Q1 FY25 was at ₹17.69 crores, up by 2.7% over the previous quarter. PAT margin for Q1 FY25 was at 14.3%. Consolidated earnings per share were at ₹12.03 for the quarter. Cash and investment were approximately ₹692 crores as of 30th June 2024.

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

The consolidated revenues for the Sasken Group went up by 25.3% to ₹ 123.36 crores. Consolidated Earnings before Interest and Taxes for Q1 FY25 were at ₹2.19 crores, a decrease of 70.5%. Consolidated PAT for Q1 FY25 was at ₹17.69 crores, down by 31.2%.

During Q1 FY25, our sales figures have grown both quarter-on-quarter and year-on-year, demonstrating a positive trajectory as we continue to focus on successfully implementing our 60x4x3 account mining-based growth strategy. Although in short-term we may see decline in EBIT margins, as we are making significant investments in enhancing our capacity and capabilities to meet growing market demand. Aligned to our 60x4x3 strategy, we are focused on strengthening customer relationships to increase our wallet share, expanding our sales team to better serve clients, and driving revenue growth. While lower margins are expected in the near term, we are confident that these strategic investments will enable sustainable margin improvement and growth. As revenue volumes increase, we foresee steady margin improvements.

New Deals & Order Book

In Q1 FY25, Sasken secured significant wins across multiple sectors worth USD ~11.5 million, which includes new orders of USD ~ 9.9 million. Some of the noteworthy wins of the quarter include:

A strategic deal with a leading technology company to provide QA and development support for their display and audio systems, encompassing testing, validation, and thermal management; A long term strategic deal with the pioneers in 5G Open RAN provider to develop critical Layer 1 & Layer 2 features and provide system testing services; Partnership with a global satellite communications conglomerate to deliver impact and design analysis and test automation solutions; A multi-year deal with a global leader in semiconductors to provide confidential compute solutions in SaaS model for a spectrum of its clients through DevOps, Validation & Test Automation services and design IPs for a large, advanced

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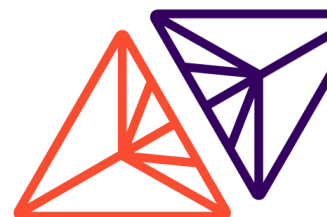
process node SoC. In the last quarter, in recognition of our expertise in patent infringement examination, we are commissioned by a patent services trust, to investigate potential infringement of their portfolio of wireless patents and help protect their investments towards developing the intellectual property.

Key Investments and Partnerships:
- We continued our investment to expand scope in our in-house automotive simulation test framework; to significantly cut down "on road" testing requirements as well as in our android device test framework.
- We are continuing our investments in the areas of artificial intelligence, especially GenAI task force for R&D in areas intersecting with our offerings.
- Sasken Technologies Japan is partnering with Ritsumeikan University, Kyoto, Japan, for "Dynamic task scheduling algorithms based on Generative AI" as research collaboration.
- Focus on strengthening relationships with ecosystem players in the areas of cybersecurity, AI, and hyperscaler's to market our service offerings.
- Actively strengthening Security Center of Excellence to demonstrate our wholesome secure by design experience to our customers.

People

As of Q1 FY25, the headcount for the Sasken group stood at 1622 and the attrition for the trailing 12 months was 9.60%. As we reflect on our achievements and set our sights on future goals, we remain committed to fostering a workplace where every employee can thrive as we believe our employees are vital to our success. We are dedicated to fostering a supportive environment that nurtures talent, encourages diversity, and prioritizes work-life balance. Our efforts to promote retention is showing positive results in a steady drop in attrition. Employee retention at our organization has reached an all-time high, with quarterly attrition dropping significantly to just 9.3% in Q1 FY25 from 14.9% in the previous year. This positive trend is aligned with our organizational vision of achieving 60x4x3 and has resulted in a net headcount increase for FY25.

Our commitment to talent development is evident through ongoing campus recruitment drives nationwide and initiatives like the Aspiring Managers Program, which commenced successfully with 20 participants. The positive response to our initiatives is evident, as seen in the completion of round 1 of the Great Manager Institute survey with an 88% response rate and 80 qualifying managers. Additionally, our social media presence and employer branding efforts are being revitalized on multiple fronts.

Culture and inclusivity are core to our ethos, as demonstrated by our Pride Month and Yoga Month celebrations and setting up of a yoga club. We are expanding our physical presence with new office spaces in Chennai and Kolkata. Our efforts have been recognized as we won the prestigious Mercer Mettl HRedge Award for best skill transformation initiative within the IT industry at "The Economic

Times' ETHRWorld" for our KenMAP learning platform. We are also pleased to share the revision of our Variable Pay Policies across job levels, aligning them with individual and organizational performance goals.

Looking ahead, Sasken remains committed to fostering an inclusive and innovative workplace where every employee can thrive, driving towards our overarching goals with unwavering dedication and enthusiasm. This quarter's achievements highlight our relentless pursuit of excellence and our continued success as a Great Place to Work in our industry.

Business Highlights

In Q1 FY25, the engineering R&D services industry experienced a mix of challenges and opportunities amidst a rapidly evolving technological landscape. Our dedication to standing out amidst technological disruptions remains steadfast. New age technologies are reshaping the product engineering and digital transformation landscape, offering new avenues for advancement. With the advent of GCCs, we see there are strategic shifts occurring, with full product ownership for global markets being shifted out. This presents a great opportunity for us to capture as we start working closely with them.

In the **Automotive** sector, several key trends are shaping the industry. Software Defined Vehicles (SDV) is taking a center-stage and various initiatives in the industry towards this are underway. It is a need and an opportunity for us to be part of this and we are taking initiatives to bolster our capabilities and offerings to address this market opportunity.

There is continued focus on sustainability and is evident through the increasing adoption of electric vehicles. The India 2-wheeler E-scooters market continues to grow at a fast pace driven by government policies and sustainability initiatives. Trends include expanded driving range, diverse price ranges, digital services, and a shift towards logistics and delivery solutions. Sasken is working very closely with leading 2-wheelers OEMs to accelerate technological adoption with focus on solution for green initiatives aligned to their sustainability charter, advance digital connected cluster, navigation, and cloud platform services.

There is also a strong emphasis on vehicle performance, safety, and user experience, with the integration of advanced technologies such as (Gen)AI and IoT. ADAS and autonomous vehicle validation, as well as Tier-1 cost pressure and emerging market OEM requirements, present further opportunities.

During the last quarter we have had significant success, including winning long-term strategic bid with a German automotive multinational OEM, for platform consolidation, enabling us to provide a cost-efficient long-term maintenance solution for their 4G/ 5G telematics platforms.

We have continued our focus to strengthen our relationship with ecosystem participants – AWS, ARM and Blackberry and road mapping select PoC's to market our capabilities and exhibit in tradeshows.

In the satellite segment, the March 2024 specifications of 3GPP Release 17/18 integrated NTN access into the 5G system. This release extends IoT and Machine-Type Communication (MTC) support, including satellite coverage. It also introduces new topics such as AI/ML, XR/VR/AR, and energy efficiency. The inclusion of NTN access in the 5G system enables new services like voice, image, video, and higher data rates, beyond emergency and text messages using the NTN system. This integration promises multiple advantages by reusing cellular technology to lower costs and reduce integration challenges and effort.

In addition to Tier 1 SoC suppliers, new NTN chipsets are being developed with support from mobile satellite services operators and NTN service providers. Existing L and S band MSS operators have formed the Mobile Satellite Services Association (MSSA) to provide integrated and scalable terrestrial and NTN services by combining 100 MHz of L and S band spectrum. This will enable current and future services. As a result of the MSSA alliance, new devices are planned for release in 2024 and 2025. These new developments will open-up new opportunities for Sasken. This quarter, Sasken engaged in NTN system development with an NTN system supplier and began contributing to VSAT system development, designing multiple components for LEO constellation for a satellite operator.

In the Communications industry, we are experiencing the fastest rollout of 5G networks in history, alongside a significant shift toward next-generation networks driven by the transformative power of artificial intelligence (AI). The integration of NTN into the 5G system is enabling applications in the automotive and UAV sectors to seamlessly transition between terrestrial and non-terrestrial coverage areas. AI has the potential to revolutionize our solutions and services by optimizing networks, enabling self-diagnostics, enhancing network security, and improving customer analytics, thereby elevating overall customer experiences.

We are actively exploring 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. Additionally, we are supporting modem platform design and R&D services for new SoC suppliers by providing consultancy and licensing existing IPs.

In our **Android and Devices** offerings segment, we are continuing to witness a growing trend of On-device AI integration in consumer devices such as smartphones and rugged enterprise devices. This integration promises enhanced productivity in image processing and search use cases. In the upcoming year, we anticipate efforts to directly integrate large language models into end devices, reducing reliance on cloud infrastructure. Camera and Vision AI on Edge devices-based applications are also gaining momentum across various segments.

During the last quarter, we continued to make progress in the On-device AI domain, collaborating closely with our leading semiconductor partners. We have also strengthened our relationships with key ecosystem participants, including Google Enterprise, Qualcomm IoT, and 3PL's.

In the **Digital** space, we are seeing traction in Gen AI based Assistants for customer support, productivity improvement in software development, improving customer experience, Connected Vehicle, Platform Engineering and analytics use cases above Connected Vehicle platform, Software Defined Vehicles, Digital Twins, Customer Applications to improve automotive rider experience, different B2B applications for automotive OEMs to partner with different entities in the supply-chain, predictive analytics, DevOps for Onboard (In-vehicle/embedded) software, SRE (Site Reliability Engineering) & DevOps for Offboard (cloud hosted) software.

In the past quarter, we have made progress by entering into new partnerships with next-generation automotive tier-1 suppliers and global OEMs. Through these collaborations, we have successfully delivered innovative connected car services, scalable data platforms, cybersecurity consulting, DevSecOps, MLOps, and predictive analytics solutions. Our relationship with key ecosystem participants, namely AWS and Databricks, has also been strengthened. We have continued to invest in Gen-AI initiatives and working towards enabling product and enterprise-focused new use cases across different segments that would help add value to our clients.

In the **Cybersecurity** space, we have further strengthened our partnerships with cybersecurity toolchain providers, lifecycle management providers, orchestration platforms, and VAPT (Vulnerability Assessment and Penetration Testing) service providers, enabling us to offer a secure-by-design experience and VAPT services to our customers across different segments.

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.

Sincerely,

Rajiv C Mody

Chairperson, Managing Director & CEO