SE/2026/1116

Date: July 30, 2026

To,
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai– 400051
Maharashtra, India.

Scrip: FIDEL

SUB: Outcome of Board Meeting held on July 30, 2026

Ref.: Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

This is to inform you that the Board of Directors at its meeting held today, i.e. Thursday July 30, 2026 have approved the following:

1. Unaudited Standalone and Consolidated Financial Results for the First quarter ended June 30, 2026

2. 'Nil Report' for statement of deviation or variation for the funds raised by Initial Public Offer, as approved by the audit committee.

The results along with the copy of limited review report duly signed by the Auditors of the Company are enclosed herewith. A copy of the 'Key Takeaways' and 'Nil Report' for statement of deviation or variation for the funds will be filed with the Stock Exchange separately.

The aforementioned documents shall also be available on the Company's website at www.fidelsoftech.com.

The Board meeting commenced at 11.00 am and ended at 12.10 pm and requesting you to take this on your record.

Thanking you.

Yours faithfully,

For Fidel Softech Limited

Sneha Ratnaparkhi

Digitally signed by Sneha Ratnaparkhi
DN: cn=Sneha Ratnaparkhi gn=Sneha Ratnaparkhi c=US United States l=US United States
Reason: I am the author of this document
Location:
Date: 2026-07-30 12:25+05:30

Sneha Ratnaparkhi
Company Secretary
(A42657)

Independent Auditor's Limited Review Report on Unaudited Standalone Financial Results of Fidel Softech Limited for the quarter ended June 30, 2026

To the Board of Directors of
Fidel Softech Limited

1. We have reviewed the accompanying Statement of Un-audited Financial Results of **Fidel Softech Limited** (the "Company") for the quarter ended June 30, 2026, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement which is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act. 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

4. A review of interim financial information consists of making enquiries, primarily of persons responsible for financials and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KIRTANE & PANDIT LLP
FRN 105215W/ W100057
Chartered Accountants

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Un-audited Financial Results, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No.105215W/W100057

KIRTANE & PANDIT LLP
FRN
105215W/
W100057
Chartered Accountants

Anand Jog
Partner
Membership No.: 108177
UDIN: 26108177YKHXLF6802
Pune, July 30, 2026

FIDEL SOFTECH LIMITED
CIN - L72200PN2004PLC020061
Unit No. 202, 2nd Floor, Marisoft 3, West Wing, Pune, Maharashtra 411014
Website - www.fidelsoftech.com; Email : cs@fidelsoftech.com

Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2026 pursuant to regulation 33 of SEBI (LODR) Regulation, 2015

Currency - Indian Rupees Lakhs except EPS

	Particulars	Quarter ended 30th June 2026	Quarter ended 31st March 2026	Quarter ended 30th June 2025	Year ended 31st March 2026
		Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	1,085.34	928.75	1,475.79	4,899.35
II	Other income	70.70	101.81	66.45	451.13
III	**Total Income (I+II)**	**1,156.04**	**1,030.56**	**1,542.24**	**5,350.48**
	Expenses				
	Cost of Services	272.49	266.11	351.04	1,314.21
	Employee benefits expenses	534.87	449.58	615.22	2,336.14
	Finance costs	14.00	14.32	5.00	41.58
	Depreciation and amortization expenses	25.90	6.35	2.12	12.35
	Other expenses	74.45	72.93	120.85	346.58
IV	**Total expenses**	**921.71**	**809.29**	**1,094.23**	**4,050.86**
V	**Profit before exceptional items and tax (III-IV)**	**234.33**	**221.27**	**448.01**	**1,299.62**
VI	Exceptional items:	-	-	-	38.78
VII	**Profit before tax (V-VI)**	**234.33**	**221.27**	**448.01**	**1,260.84**
VIII	Tax expense				
	Current tax	62.50	60.25	115.27	332.37
	Previous Year	-	-	5.51	8.89
	Deferred tax	-2.31	1.46	-3.95	-10.78
IX	**Profit after tax (VII-VIII)**	**174.14**	**159.56**	**331.18**	**930.36**
X	Paid up Equity Share Capital (Face value of Rs 10 each)	1,375.06	1,375.06	1,375.06	1,375.06
XI	Reserves & Surplus				3,805.15
XII	Earnings per equity share				
	(1) Basic	1.27	1.16	2.41	6.77
	(2) Diluted	1.27	1.16	2.41	6.77

1 The above Financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 30th July 2026.
The limited review of the financial results for the quarter ended 30th June 2026 has been carried out by statutory auditors.

2 The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013.

3 Company is operating only in one segment, namely Language Technology Services, IT and Consultancy Services
As part of secondary reporting, revenue is attributed to geographical areas based on the location of the customers as per the details below:

Particulars	Quarter ended 30th June 2026	Quarter ended 31st March 2026	Quarter ended 30th June 2025	Year ended 31st March 2026
Domestic Revenue	55.24	154.96	62.38	482.47
Export Revenue	1,030.10	773.79	1,413.41	4,416.88
Total	1,085.34	928.75	1,475.79	4,899.35

Fidel Softech Limited

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Chartered Accountants

4 Foreign exchange gain of Rs. 27.97 Lakhs for quarter ended 30 June, 2026 has been recorded as part of Other Income and Accordingly, the corresponding comparative figures for the quarter ended 31st March 2026, quarter ended 30th June 2025 and Year ended 31st March 2026 amounting to Rs. 67.25 Lakhs, Rs.45.76 Lakhs, Rs.216.30 Lakhs respectively , have also been regrouped from other expenses to other Income.

5 The previous year's figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation.

For and on behalf of the Board of Directors of
Fidel Softech Limited
CIN: L72200PN2004PLC020061

Prachi Kulkarni

Prachi Kulkarni
Managing Director
DIN: 03618459
Date: 30th July 2026
Place: Pune

Fidel Softech Limited

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Independent Auditor's Limited Review Report on Unaudited Consolidated Financial Results of Fidel Softech Limited for the quarter ended June 30, 2026

To
The Board of Directors of
Fidel Softech Limited

1. We have reviewed the accompanying Statement of Un-audited Financial Results of **Fidel Softech Limited** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiary companies together referred to as "the Group") for the quarter ended June 30, 2026, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement which is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act. 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

KIRTANE & PANDIT LLP
FRN
105215W/
W100057
Chartered Accountants

A review of interim financial information consists of making enquiries, primarily of persons responsible for financials and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated March 29, 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.

5. The Statement includes the results of the following entities:

<u>Parent Company</u>
Fidel Softech Limited

<u>Subsidiary companies</u>
1. Fidel Soft Inc.
2. Fidel Technologies KK
3. Techvine Consulting LLC (step down subsidiary of Fidel Soft Inc.)
4. IM Corporation (step down subsidiary of Fidel Technologies KK)

6. Based on our review conducted as above, and based on the consideration of the review reports of other auditors referred to paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement of Un-audited Financial Results, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. We draw attention to the following matters:
The consolidated financial results include the un-audited results of three entities (a subsidiary and two stepdown subsidiaries), incorporated outside India whose interim financial information reflects total revenue (before consolidation

adjustments) of Rs. 773.61 Lakhs, Rs. 533.42 Lakhs and Rs. 1,529.70 Lakhs for the quarter ended June 30, 2026 respectively and net profit after tax (before consolidation adjustments) of Rs. 39.31 Lakhs, Rs. 45.84 Lakhs and Rs. 57.88 lakhs respectively for the quarter ended June 30, 2026 as considered in the Statement.

The unaudited interim financial results of these entities have been reviewed by other auditors whose report has been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not qualified in respect of this matter.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No.105215W/W100057

KIRTANE & PANDIT LLP
FRN
105215W/
W100057
Chartered Accountants

Anand Jog
Partner
Membership No.: 108177
UDIN: 26108177TCLPCK2761

Pune, July 30, 2026

FIDEL SOFTECH LIMITED
CIN - L72200PN2004PLC020061
Unit No. 202, 2nd Floor, Marisoft 3, West Wing, Pune, Maharashtra 411014
Website - www.fidelsoftech.com; Email : cs@fidelsoftech.com

Statement of Consolidated Unaudited Financial Results for the quarter ended June 30, 2026 Pursuant to regulation 33 of SEBI (LODR) Regulation, 2015

Currency - Indian Rupees Lakhs except EPS

	Particulars	Quarter ended 30th June 2026	Quarter ended 31st March 2026	Quarter ended 30th June 2025	Year ended 31st March 2026
		Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	3,793.23	3,727.42	1,663.81	10,235.86
II	Other income	59.96	126.34	66.35	471.94
III	**Total Income (I+II)**	3,853.19	3,853.76	1,730.16	10,707.80
	Expenses				
	Cost of Services	1,525.27	1,579.36	404.08	4,187.70
	Employee benefits expenses	1,566.44	1,507.80	684.63	3,937.24
	Finance costs	28.80	32.71	5.23	61.46
	Depreciation and amortization expenses	46.55	14.75	6.00	35.77
	Other expenses	258.97	181.23	146.10	614.87
IV	**Total expenses**	3,426.03	3,315.85	1,246.04	8,837.04
V	**Profit before exceptional items and tax (III-IV)**	427.16	537.91	484.12	1,870.76
VI	Exceptional items:	-	-	-	38.78
VII	**Profit before tax (V-VI)**	427.16	537.91	484.12	1,831.98
VIII	Tax expense				
	Current tax	108.53	104.87	119.12	431.75
	Previous Year	-	-	5.57	8.95
	Deferred tax	0.65	-1.49	-3.95	-13.73
IX	**Profit after tax (VII-VIII)**	317.98	434.53	363.38	1,405.01
X	**Profit for the Year attributable to:**				
	(1) Shareholders of the Company	308.14	410.41	363.38	1,380.89
	(2) Minority intrest	9.84	24.12	-	24.12
		317.98	434.53	363.38	1,405.01
X	Paid up Equity Share Capital (Face value of Rs 10 each)	1,375.06	1,375.06	1,375.06	1,375.06
XI	Reserves & Surplus				4,220.65
XII	Earnings per equity share				
	(1) Basic	2.24	2.98	2.64	10.04
	(2) Diluted	2.24	2.98	2.64	10.04

1 The above financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 30th July 2026.
The limited review of the financial results for the quarter ended 30th June 2026 has been carried out by statutory auditors.

2 The financial statements of the Holding Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013.

3 The Group is operating only in one segment, namely Language Technology Services, IT and Consultancy Services
As part of secondary reporting, revenue is attributed to geographical areas based on the location of the customers as per the details below:

Fidel Softech Limited

KIRTANE & PANDIT LLP Chartered Accountants SIGNED FOR IDENTIFICATION

Particulars	Quarter ended 30th June 2026	Quarter ended 31st March 2026	Quarter ended 30th June 2025	Year ended 31st March 2026
Within India	55.23	154.96	62.38	482.46
Outside India	3,738.00	3,572.46	1,601.43	9,753.40
Total	3,793.23	3,727.42	1,663.81	10,235.86

4 Foreign exchange gain of Rs. 27.94 Lakhs for quarter ended 30 June, 2026 has been recorded as part of Other Income and Accordingly, the corresponding comparative figures for the quarter ended 31st March 2026, quarter ended 30th June 2025 and Year ended 31st March 2026 amounting to Rs. 67.25 Lakhs, Rs.45.66 Lakhs, Rs.215.54 Lakhs respectively , have also been regrouped from other expenses to other Income

5 The previous year's figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation.

For and on behalf of the Board of Directors of
Fidel Softech Limited
CIN: L72200PN2004PLC020061

Prachi Kulkarni

Prachi Kulkarni
Managing Director
DIN: 03618459
Date: 30th July 2026
Place: Pune

Fidel Softech Limited

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Statement of Deviation / Variation in utilization of funds raised

Name of listed entity	Fidel Softech Limited
Mode of Fund Raising	Public Issues ~~/ Rights Issues / Preferential Issues / QIP / Others~~
Date of Raising Funds	June 8, 2022
Amount Raised	Rs. 1,349.76 Lakhs.
Report filed for Quarter ended	June 30, 2026
Monitoring Agency applicable / not applicable	Not Applicable
Monitoring Agency Name, if applicable	-
Is there a Deviation / Variation in use of funds raised	~~Yes~~ / No
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	-
If Yes, Date of shareholder Approval	-
Explanation for the Deviation / Variation	-
Comments of the Audit Committee after review	Nil Report Approved
Comments of the auditors, if any	-
Objects for which funds have been raised and where there has been a deviation, in the following table	The object of the Initial Public Offer was 1. Funding working capital requirements; and 2. General corporate purposes.

Original Object	Modified Object, if any	Original Allocation	Amount after re-allocation	Modified allocation, if any	Funds Utilised	Amount of Deviation/Variation for the quarter according to applicable object	Remarks if any
Original Funds raised in IPO	NA	INR 1213.27 Lakhs	INR 1213.27 Lakhs	NA		Variation in the amount of funds actually utilized as against what was originally disclosed-	None
1. Funding working capital requirements; and		1. INR 943.32	1. INR 875.83		1.INR 767.71	The amount of working capital has been reallocated for general corporate purposes as per board approval. (The same is within the limit of 25% of gross proceeds	
2. General corporate purposes		2.INR 269.95	2.INR 337.44		2.INR 337.44		

Deviation or variation could mean:
(a) Deviation in the objects or purposes for which the funds have been raised or
(b) Variation in the amount of funds actually utilized as against what was originally disclosed or
(c) Change in terms of a contract referred to in the fund-raising document i.e. prospectus, letter of offer, etc.

For Fidel Softech Limited

PRACHI SUNIL KULKARNI

Prachi Kulkarni
Managing Director
DIN: 03618459

July 30, 2026

From the Desk of the CEO

Dear Shareholders - Namaskar!

March 2026 was a milestone year for us - as we crossed 100 CR INR as sales revenue for the first time in our history. We started the first quarter - initiating our new **"5X in 5 Years"** journey (₹100 Crore to ₹500 Crore) with the immediate priority to consolidate the global platform we have built over the last two years (post-few acquisitions) and prepare the company for its next phase of sustainable growth.

Looking back, a similar pattern emerged after our IPO in 2022. During the initial two years, we invested heavily in strengthening governance, building leadership, enhancing delivery capabilities & creating a scalable sales and marketing engine. These investments enabled us to accelerate growth over the following two years and successfully scale from approximately **₹25 Crore to over ₹100 Crore** in annual revenues.

We believe we are now entering a similar phase. The next 18-24 months will focus on integrating our recent acquisitions, strengthening operational efficiencies & creating a unified global organization capable of supporting significantly higher revenues.

Financial Highlight for Q1 (April-June) FY 26-27

For Q1 2026–27, the reported values were

Revenue: **37.93 CR INR**	EBITDA: **5.025 CR INR**
PBT: **4.27 CR INR**	PAT: **3.17 CR INR**.

These figures represent the performance for the quarter across the respective metrics. The Company remained profitable and cash-generative during the quarter. The quarter also provides a strong revenue base as we progress through the remainder of the financial year. At the same time, profitability has been affected by the consolidation of recent overseas acquisitions in USA & Japan and by planned investments in new capabilities. Addressing this margin profile while protecting our growth momentum is therefore an important management priority.

Business Highlights

Our business pipeline continued to strengthen across multiple service lines during the quarter.

Key developments included:

- Commencement of operations under an approximately **JPY 100 million annual Managed Services engagement** with a leading global customer in Japan
- Continued stable delivery from our Hyderabad operations, currently representing an annualized revenue base of approximately **₹10 crore**
- **Spoggle.ai**, our data analytics platform and services business, secured projects with an aggregate value of approximately **₹20 lakh**
- Selected to establish a **Japanese Capability Center (JCC)** for the India GCC of a global consulting company. The engagement is expected to represent approximately **₹1 crore in annual revenue** at the present scope

- Receipt of an order through an IM Corporation customer to establish a **Low-Code and AI Offshore Development Center**. The engagement is expected to begin with a small pilot and has the potential to scale, subject to successful execution and customer requirements.
- Initiation of an engagement with a leading Indian OTT platform for multilingual subtitling and data annotation services. The work has commenced across three Indian languages and may expand to additional languages based on customer requirements.
- Continued engagement with several Japanese Global Capability Centers in India. Present revenues from these opportunities remain modest, but they represent an important long-term pipeline for bilingual engineering, consulting, managed services & offshore delivery.

Across customer discussions, we continue to observe recurring demand themes around **AI, automation, low-code development, data analytics, managed services, digital transformation, multilingual data engineering and offshore delivery**.

A Differentiated unique Japan - India Growth Platform

We believe Fidel's most important long-term differentiator is its position at the intersection of **Japan & India**. Both India & Japan are deepening cooperation across technology, manufacturing, digital infrastructure, supply-chain diversification, semiconductors, smart manufacturing, AI & bilingual talent development. Japanese enterprises are increasingly evaluating India not only as a market, but also as an engineering, technology, manufacturing and global delivery base. Fidel has worked across the Japan-India corridor for more than two decades.

Today, our organizational platform combines:

- An established operating presence in Japan and India
- Bilingual Japanese and English delivery capabilities (more than 150+ delivery team in Japan)
- India-based engineering and technology talent
- Local customer relationships and leadership in Japan
- Digital engineering, managed services, AI, data & localization capabilities
- Consulting support for Japanese companies entering or expanding in India

We believe few companies of our size offer this combination within a single organization. Our ambition is therefore broader than becoming a larger conventional services company. We aim to build a respected **Japan-focused Digital Engineering, AI and Language Solutions platform**, connecting Japanese enterprises with Indian technology, talent and innovation.

This opportunity is structural & long term. It may not develop evenly from quarter to quarter, but we believe Fidel has built a unique differentiated platform from which to participate in it over the coming decade.

Strategic Transformation

Over the past two years, Fidel has undergone a significant transformation. We have evolved from a primarily Pune and Tokyo based services company into a global organization with operations across **India, Japan and the United States**. Our India delivery footprint now spans: Pune, Hyderabad, Chennai and supported by our business development presence in Delhi and Bengaluru, together with our teams and customer relationships in Japan and the United States.

In May 2026, Fidel achieved **CMMI Maturity Level 3**, further strengthening our emphasis on process-driven, scalable and consistent delivery.

Our business portfolio has also diversified. In addition to our services capabilities, we now own or operate and deliver proprietary solutions, including:

- **Spoggle** - an AI-enabled data analytics platform
- **Nintei** - a FIX protocol connectivity solution
- Proprietary language technology and localization platforms

Approximately **70% of our revenue is now generated from Technology, Bilingual Consulting and Digital Engineering services** while Language and Data engineering and related Services account for approximately **30%**. This reflects Fidel's evolution from a company historically associated with language services into a broader technology, engineering, data and bilingual consulting organization.

AI is changing where value is created

Rather than viewing AI as a disruption, we see it as a significant opportunity. Within our Language Technology business, customer demand is steadily **moving upstream from translation towards AI data infrastructure and multilingual AI enablement**.

Growth areas include:

- AI Training Data
- Data Annotation & Validation
- Voice & Speech Datasets
- Multilingual Testing
- Multilingual Data Collection
- Language Engineering
- Dubbing & Subtitling
- Enterprise AI Localization

For data-related opportunities, we are also seeing strong opportunities in sectors such as:

- Autonomous Driving Data Operations
- Connected Vehicle Engineering
- Managed AI Data Operations
- Software Defined Vehicles (SDV)
- Multilingual Automotive AI

These opportunities leverage Fidel's unique combination of technology, multilingual capabilities and engineering expertise. While most of these opportunities are through system integrators or partners, Fidel continues to identify direct end-users as well.

Expanding Beyond Traditional Software Services

Our Japan - India consulting practice and our recently established Hi-Tech Solutions business are creating opportunities beyond conventional software development. We are engaging with Japanese companies considering GCCs or engineering centers in India, as well as Japanese / Indian firms seeking support in areas such as:

- Smart manufacturing
- Industrial IoT
- Automation
- Japan /India market access and partnerships
- Factory digitalization
- Data analytics
- Technology infrastructure

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Our geographical presence, bilingual capabilities, engineering resources and local understanding allow us to support customers across consulting, initial setup, implementation, staffing and ongoing operations. Although several of these initiatives remain at an early stage, they significantly broaden our addressable market and strengthen our long-term strategic positioning.

Margin Profile and Management Priorities
One area that we believe deserves specific attention is our profitability. During the past year, our **PAT margins have reduced from approximately 14-15% to around 8.38%**, despite the company continuing to remain **profitable, cash-flow positive and debt-servicing comfortably**.

This reduction in margins is **not a reflection of weakening demand or operational issues**, but rather the outcome of two or few conscious strategic decisions made by management.

1. Investing in Future Growth
Over the last 12-18 months, we continue to invest significantly in building new business verticals including:

- AI & Data Analytics (Spoggle)
- Hi-Tech Solutions & services
- Japan-focused GCC / JCC Consulting
- AI-enabled Engineering Services
- Strengthening our bilingual Japanese delivery capabilities

These businesses require upfront investments in leadership, technical talent, sales, marketing and competency development before meaningful revenues begin to flow. We view these as **strategic investments** that will create larger revenue streams over the coming **6-8 quarters**.

2. Strategic Acquisitions
During the last fiscal year, we also completed acquisitions in **Japan and the United States**. These acquisitions immediately strengthened our**: customer base, geographic footprint, leadership team, service capabilities and revenue visibility.**
However, these businesses currently operate at **lower margins** than our India operations, which has reduced our consolidated profitability in the short term. Our focus over the next 12-18 months is therefore on: integrating operations, improving utilization, increasing offshore delivery, winning higher-value projects and realizing cost synergies.

A good example is the consolidation of **IM Corporation office into Fidel's Tokyo office from August 1, 2026**, which alone is expected to generate annual savings of approximately **US$100,000**, while improving collaboration and operational efficiency.

Balancing Growth and Profitability
Our strategy is not growth at any cost. We remain focused on:

- Maintaining positive cash generation and Growing absolute profits over time
- Protecting balance-sheet discipline and Improving the quality of revenue
- Building recurring and managed-services income

- Increasing offshore leverage and Creating long-term shareholder value

At the same time, we believe it would be short-sighted to maximize near-term margins by underinvesting in capabilities that can support the next stage of growth. We are consciously accepting a degree of near-term margin dilution while building a larger, more diversified and more strategically positioned company. However, this investment must ultimately translate into improved revenue, operating leverage & profitability and management will continue to monitor progress closely.

To summarize -

Area	Current Position	Management Focus
Revenue	Significantly larger consolidated base	Sustain growth while improving revenue quality
PAT Margin	Reduced from earlier levels to approx..8.38%	Gradual recovery through integration, utilization, offshore delivery & improved project mix
Cash Generation	Positive	Maintain financial discipline & adequate liquidity
New Businesses	AI, Data Analytics, Hi-Tech Solutions, GCC/JCC and bilingual delivery remain in investment mode	Build meaningful revenue contribution over the coming quarters
Acquisitions	Integration in progress	Realize cost synergies, cross-selling and operating leverage
Japan–India Platform	Growing customer and opportunity base	Become a preferred bridge for technology, talent, and innovation between Japan and India

Looking Ahead

FY2026–27 is expected to be a year of both **growth and operational consolidation**.

Our priorities remain clear:

- Sustain revenue momentum & Improve operating efficiencies and utilization across our US – Japan – India business
- Integrate our US – Japan acquisitions into a unified global organization while increasing offshore delivery from India
- Expand managed-services, data engineering and recurring-revenue engagements while building AI-enabled service offerings
- Strengthen sales and marketing capabilities
- Develop our Japan - India consulting and GCC platform
- Pursue selective acquisition opportunities with financial discipline
- Gradually improve margins and absolute profitability

Our long-term growth thesis is anchored around five structural themes:

1. Japan–India-USA technology and Hi-Tech engineering collaboration
2. Data analytics, digital transformation & AI enabled services
3. Global Capability Centers and Japanese Capability Centers
4. Managed services, Bilingual consulting and offshore delivery
5. Multilingual AI data, engineering and enterprise language solutions & services

Quarterly performance may vary as we invest, integrate and scale. However, Fidel today has a broader customer base, deeper capabilities, a stronger geographic presence and a larger addressable market than at any previous point in its history. Our ambition extends beyond achieving a revenue target. We aim to build one of the most respected Japan-focused Digital Engineering companies operating between India and Japan.

Fidel is no longer only a language-services (Langtech) company. We are building a Japan-focused Digital Engineering, AI and Language Solutions company - uniquely positioned to connect technology, talent and innovation between India, Japan & USA.

We sincerely thank our shareholders, customers, employees, partners and other stakeholders for their continued trust and support as we embark on the next chapter of Fidel's journey.

Thank you.
Sunil Kulkarni

Sd/-
CEO
Fidel Softech Limited

Disclaimer
This note may contain "forward-looking statements" – these are statements related to future. In this context forward-looking statements often address our expected future business and financial performance and may contain words such as "expects, anticipates, intends, plans, believes, seeks, should or Will.' For us uncertainties may arise from fluctuations in forex, increase in recruitment costs, attrition in key positions and other factors affecting the demand including those of a political, economic, business, competitive or regulatory nature. Actual future results may differ substantially or materially than those expressed in our note.