

FIDEL SOFTECH LTD

A Japan Moat. A Global Growth Platform.

20+ years of Japan experience • 18 quarters of consistent growth • 100 CR INR → 500 CR INR in 5 years aspiration

FY 2026-27 Q2 presentation

Ticker Symbol: FIDELSOFT
INDIA – JAPAN – USA

Building a differentiated Japan-focused Digital Engineering, Managed IT operations, AI & Language Solutions & Services company

Disclaimer

This communication contains certain forward-looking statements relating to the Company's business outlook, growth aspirations, expected operational improvements, proposed acquisition and future financial performance.

Such statements are based on management's current expectations and assumptions and are subject to various risks and uncertainties, including changes in market conditions, foreign exchange fluctuations, employee costs, customer demand, competition, regulatory developments, acquisition completion and integration risks, and other business factors.

Actual results may differ materially from those expressed or implied in these statements. The Company undertakes no obligation to update such statements except as required under applicable law.

About Fidel in short -

20+ yrs

Japan experience

A relationship and operating moat that takes decades to build.

102 CR INR

FY26 revenue

Up from ~25 CR INR in FY22.

18 Qtrs

consistent growth

A sustained post-IPO execution track record.

500 CR INR

5-year aspiration

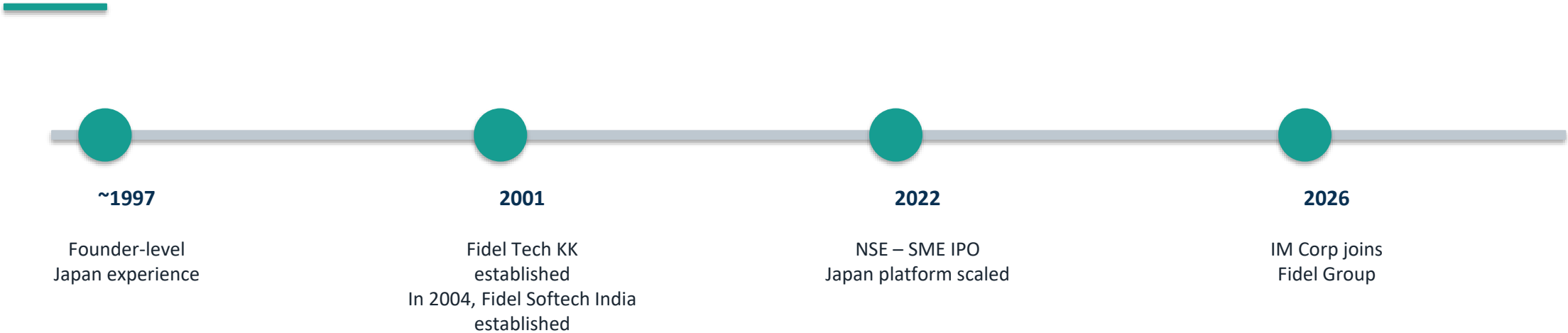
Next scale milestone by FY30–31.

The core idea

Fidel is not trying to become another generic IT services company.

We are building around an asset that is hard to replicate: deep Japan operating experience, bilingual delivery, local relationships and India execution - then layering AI, data, managed services, enterprise solutions ,hi-tech solutions and selective M&A on top.

20+ Years in Japan Is Not a Slide — It Is a Moat



Why this matters to investors

- Japan is difficult to enter: trust, language, local delivery and long sales cycles create natural barriers.
- Fidel combines Japan-side client access with India-side technology and delivery economics.
- The same platform can support Japanese companies going global - and global companies entering Japan /Asia.
- This differentiation is organizational and relationship-led; it cannot be copied simply by hiring a sales team.

A Bi-Directional Japan Platform

JAPAN

Local relationships
Bilingual PM / PMO
Managed operations
Enterprise access

FIDEL

Japan-focused Digital Engineering,
AI & Language Solutions

INDIA + GLOBAL

Engineering scale
AI & data talent
Localization
Cost-efficient delivery
Post Delivery support

Japanese companies → India / global

Global companies → Japan

Why Japan Can Be the Differentiator / Multiplier

Existing platform

Local entity, delivery capability, bilingual teams and long-standing relationships.

Cross-sell engine

IT, managed IT operation & cybersecurity services, enterprise solutions, localization, bilingual staffing, AI/data and hi-tech (electronics /smart manufacturing) .

India linkage

GCC / BOT model, offshore engineering, bilingual support and market-entry assistance.

Acquisition leverage

Japan acquisitions deepen access (a team of 150+ members in Japan); integration can convert presence into wallet share.

The opportunity is not only “revenue from Japan.” It is to use Japan as a differentiated access point for multiple Fidel business units.

Why Fidel Can Be Different

Hard-to-copy moat

~20+ years of Japan experience, local relationships and bilingual operating capability.

Platform, not a single service

Ability to combine consulting, implementation, localization, staffing and managed operations with cutting edge cybersecurity, AIOps, DX, datacenter support services

Demonstrated execution

Scaled from ~25 CR INR to 102 CR INR and built a multi-quarter growth record.

Clear ambition

500 CR in five years (5X in 5 years) - with profitable growth and disciplined capital allocation.

Multiple growth vectors

Japan, US, AI/data, managed services, enterprise solutions, localization and hi-tech (smart manufacturing / electronics & semicon) .

A SME listed company with a differentiated Japan identity, a proven growth engine & a much larger addressable opportunity ahead.

Key Highlights of Q2 26-27



Financial

37.97 Cr INR/ 4.62 Cr INR

Revenue / PBT

0.12 % Revenue growth over Q1 of FY 26-27

QoQ Growth

64.05% Revenue growth of YoY compared to Q2 FY 25-26

YoY Growth

PAT Rs. 3.60 (Consolidated)

Q2 FY 26-27

Business



6 new Japanese
Clients added

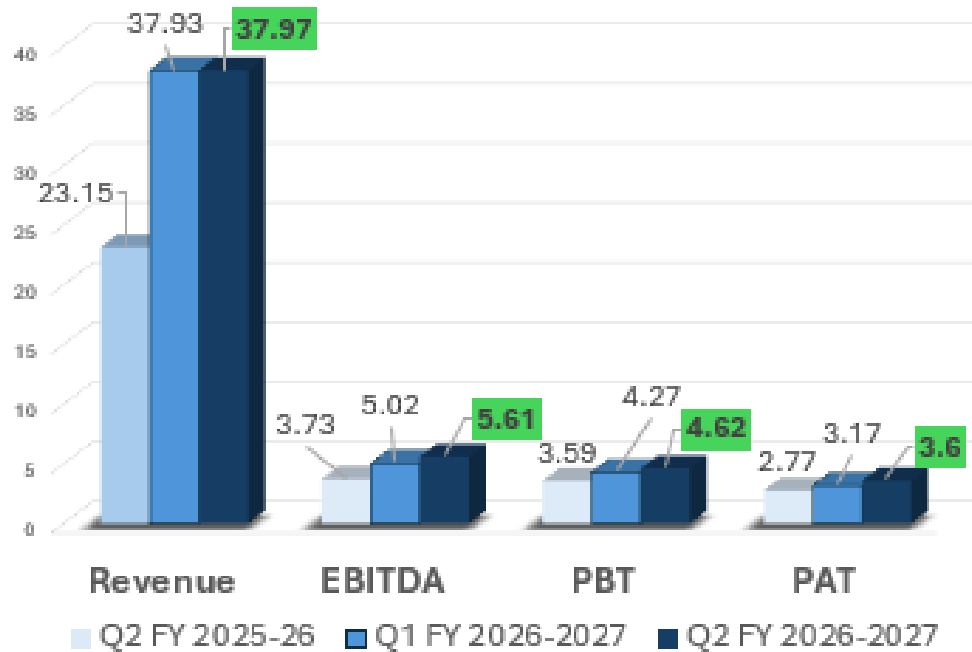


Offshore project
initiated through
Techvine US



Hi-Tech solution
machine data
connected to
cloud for a
manufacturing
firm

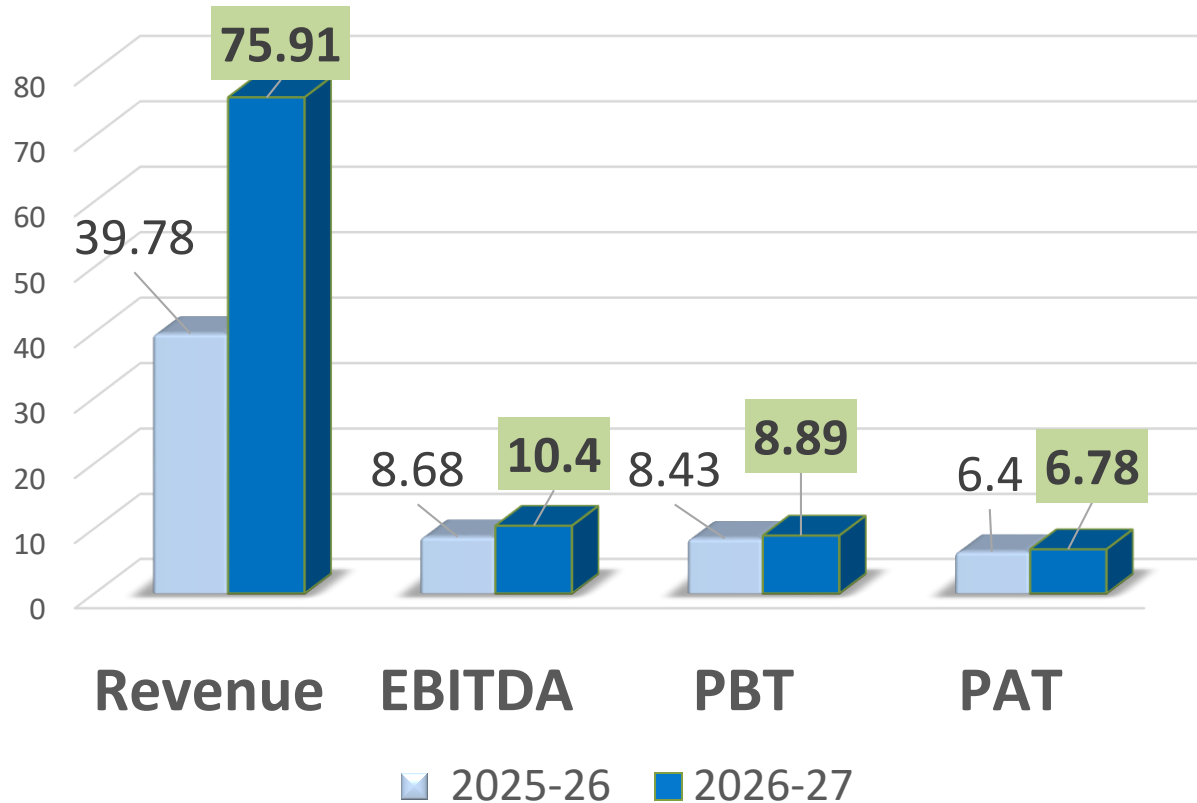
FINANCIAL RESULTS _Q2 (QoQ) (Consolidated) (In Cr)



	Q2 FY 2025-26	Q1 FY 2026-2027	Q2 FY 2026-2027
Revenue	23.15	37.93	37.97
EBITDA	3.73	5.02	5.61
PBT	3.59	4.27	4.62
PAT	2.77	3.17	3.60

- Last 3 Q, we are ensuring that the revenue is sustainable despite an uncertain global business environment
- Reduction in profit margins- Consolidation due to strategic investments and acquisitions – continue to focus on quality margins

FINANCIAL RESULTS _Half Yearly (Consolidated)(INR)

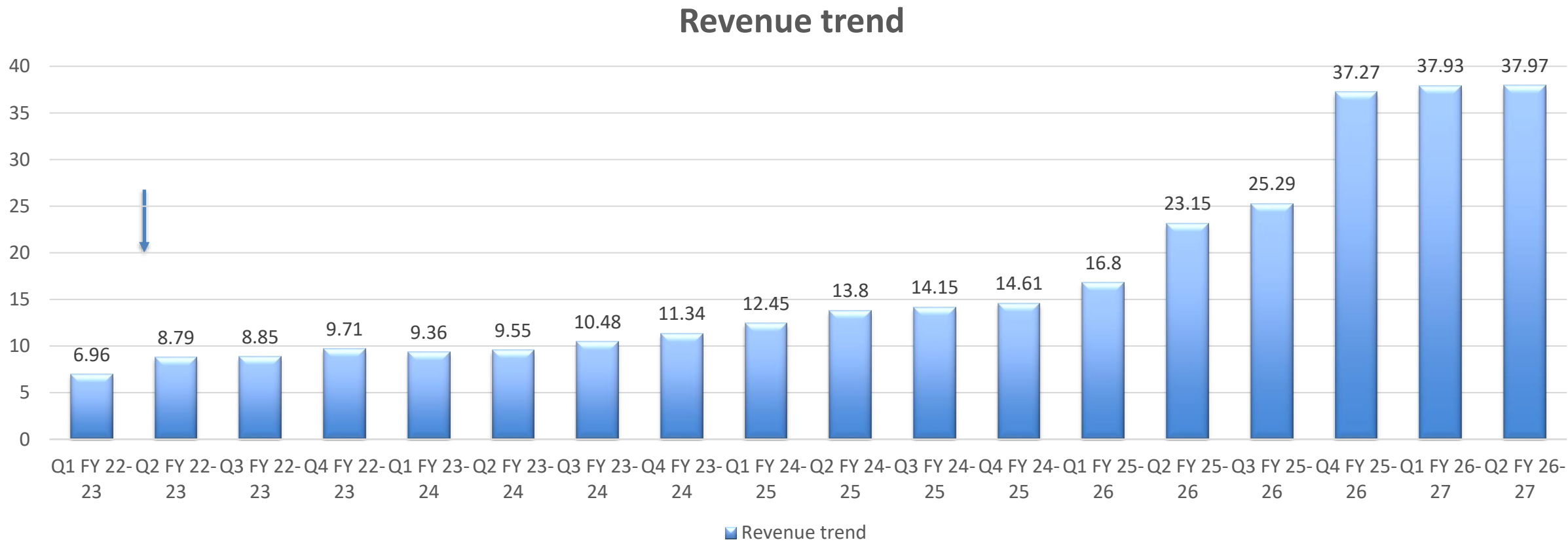


- 88% of revenue comes from US & APAC markets, currently operating at single-digit PAT margins (scale-up phase)
- High growth with slight margin moderation due to scaling and investments
- Outlook: Similar mix expected next year, with margin improvement potential as overseas scale matures

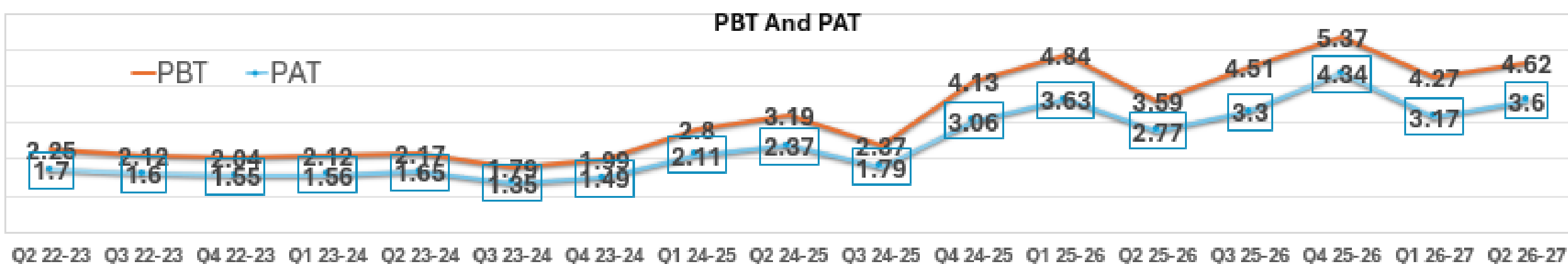
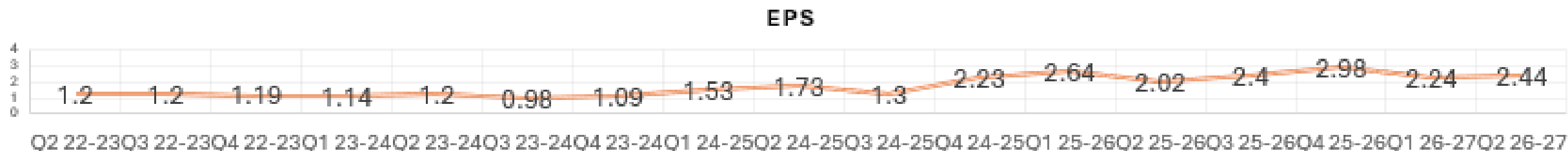
Particulars	2025-25	2026-27	% Increase
Revenue	39.78	75.91	90%
EBITDA	8.68	10.64	22.5%
PBT	8.43	8.89	5.44%
PAT	6.40	6.78	5.83%

18th Quarter - Consistent Performance since IPO (Rs. In Cr)

Revenue

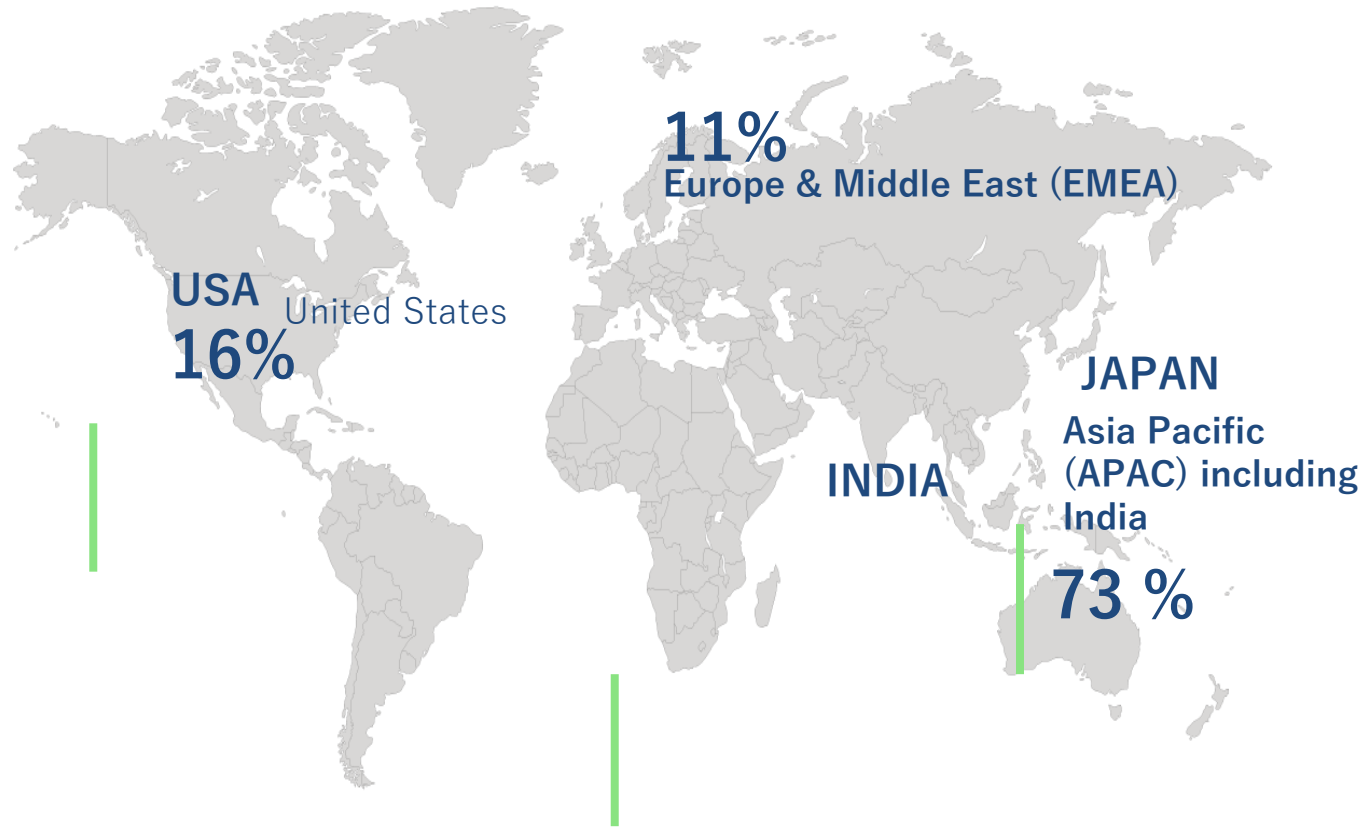


18th Quarter - Consistent Performance since IPO (Rs. In Cr)

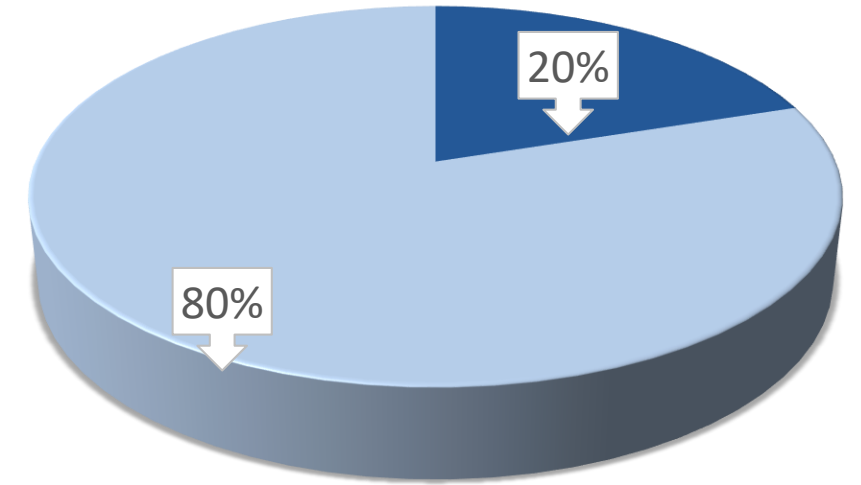


- Positive cashflow, profitability and PAT
- We continue to strive to achieve double digit EPS

Geographical Performance



Division based performance –



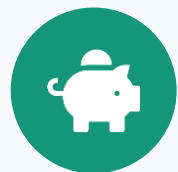
■ Localization ■ IT Consulting

IT Consulting & Services continue to stabilize & grow. Language localization work continues while multilingual data engineering work, OTT subtitling, software localization shows growth

Financial Discipline & Capital Allocation



Growth funded responsibly - without diluting existing shareholders so far



Cash Flow

+VE Cashflow

Adequate liquidity for operations, growth and macro stability.



Debt Profile

2–3.5%

low-cost JPY borrowings rate

5–8 year tenure, naturally hedged through Japan revenues. Used only as a strategic growth enabler, primarily for acquisitions.



Capital Allocation

0%

equity dilution

So far growth has been achieved without issuing new equity - fully protecting existing shareholder value while expanding scale.

Shareholders Update

Market Snapshots – as on 30th September 2026

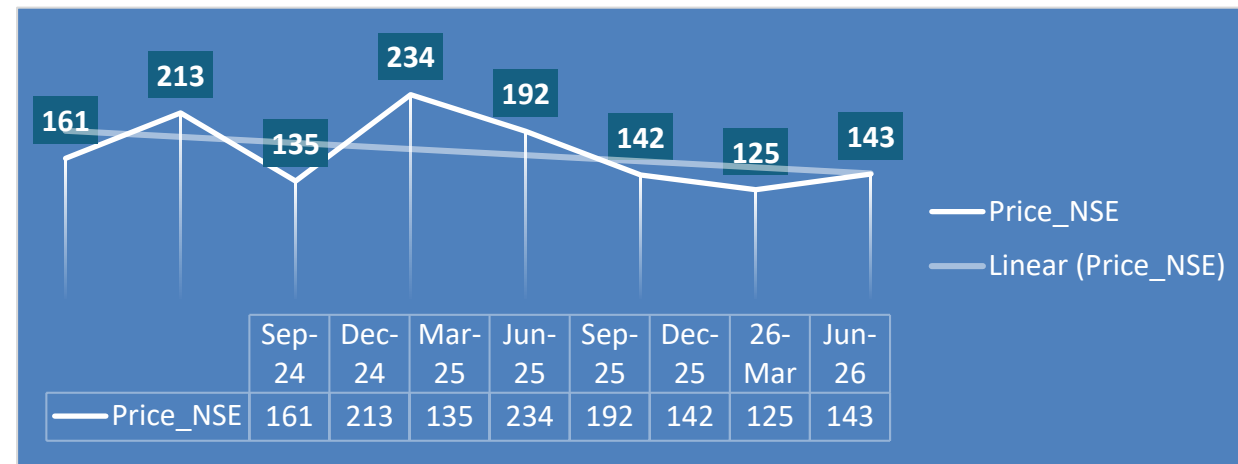
Market Capitalization
Rs. 242.21 Cr

Earning Per Share
4.68 (H1 2026-2027)
(last year FY 2025-2026 – 10.04)

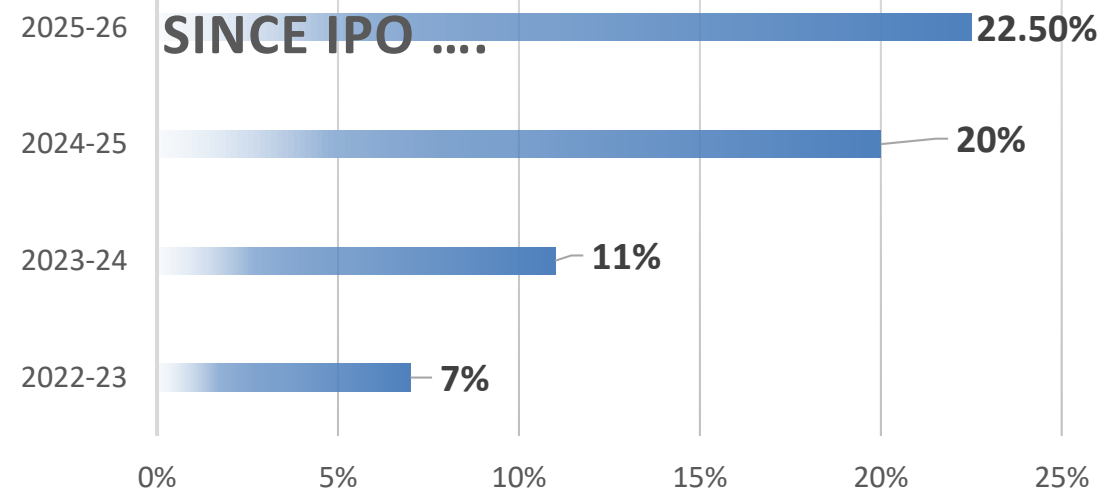
52 Weeks High/Low
200/108.10

Return on Capital
Employed
21%

Return on Equity
24.33%



CONTINUED TO PAY DIVIDEND



Business Overview

Business Highlights - Part1

- **Cross-selling and offshore delivery through Techvine USA :** During the quarter, we initiated an offshore project for a client relationship originating from Techvine USA. So far, Techvine's business has been largely focused on high-end consulting services. This is our first offshore engagement through Techvine's customer base. Although this transition took longer time, we believe that as customers become more comfortable with the offshore delivery and Centre of Excellence model, opportunities for additional engagements could increase – resulting in better margins.
- **Stable Hyderabad operations:** Our Hyderabad operations continued to deliver steadily, with a modest increase in activity driven by new seasonal projects.
- **Expansion of Japanese customer relationships in India:** We added approx.. six new Japanese customers in India during the quarter. These are primarily JP manufacturing firms or GCCs in India. Our initial engagements have been in consulting, language services & related support activities. While these are small engagements, they provide opportunities to develop longer-term relationships and introduce additional Fidel services as these customers expand their Indian operations.
- **Growth in OTT and multilingual services:** Our OTT-related business continued to expand, with two additional languages added during the quarter. We have also automated much of the underlying workflow using AI, helping improve productivity and turnaround times.

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.**

Business Highlights - Part2

Operational integration & cost optimization remain important priorities as we bring our acquired businesses together. During the quarter, we made progress in several areas:

- Integration of IM Corporation in Japan: IM Corpn Japan relocated to Fidel's Japan office in August 2026. The consolidation of office facilities is expected to result in annual savings of approx.. \$100,000 USD.
- Replacing third-party software with internally developed solutions: We previously used a SaaS-based ERP system for managing language localization projects, costing approx..30 lakh INR annually. Using AI-assisted development tools, we developed our own ERP solution & discontinued the 3rd party subscription resulting in cost savings.
- Improved resource utilization in Japan: We have reduced the bench at IM Corpn through better resource sharing and cross-selling opportunities between Fidel & IM accounts.

These are small initiatives, but collectively this shows the opportunities available through group integration, shared resources & a broader use of technology. We expect operational integration & cost optimization to remain continuing priorities over the coming quarters.

AI-Related Developments

AI continues to be an important area of investment and business development for Fidel. During Q2, we conducted several demos and Proofs of Concept (POCs) for prospective customers. However, conversion of these opportunities into larger commercial engagements has been slower than anticipated. At the same time, we are beginning to see practical benefits from AI adoption within our own operations.

Key developments included:

- Deployment of a 3 member Forward Deployed Engineering (FDE) team for a client.
- Use of AI-assisted development to replace a 3rd party SaaS applications with internally developed solution.
- Increased automation of internal workflows, particularly in language services & operations

Our approach is to develop practical AI capabilities that can be applied both internally and for our customers. We believe that this hands-on experience will help us build stronger AI-led service offerings over time.

Business Outlook

- We have also secured several new engagements that are expected to contribute from Q3 onwards.
- **Asset management software dev project:** Fidel has secured a contract valued at approx. 100K USD for the dev of an asset management software platform for the India office of an global financial services & capital markets client. The project involves domain-specific workflows & AI-assisted software development. Execution commenced in Q3. This engagement further strengthens our presence in fintech services/solutions.
- **Data center technology market research:** Our Japan-India consulting activities have resulted in a market research engagement involving datacenter tech and an emerging Japanese optical-chip-based technology approach. The initial engagement is relatively small but we see opportunities to develop additional capabilities, implementation & support services in the broader datacenter ecosystem.
- **Multilingual data services:** We continue to see demand for multilingual datasets including voice & text data. These requirements complement our existing language services & new AI data-related capabilities.
- **Hi-Tech and industrial digitalization:** Our Hi-Tech solutions team has secured an project to help a manufacturing customer connect industrial machines & visualize operational data through cloud-based dashboards. DX in SME manufacturing firms has opportunities to combine engineering, IoT, data analytics and digital transformation capabilities.

Balancing Growth and Profitability

We continue to focus on balancing revenue growth with profitability. While growth in Fidel's India standalone business is subdued, we are seeing more business opportunities at Fidel Tech Japan & IM Corpn, where customers require local delivery, onsite support or a combination of onsite and offshore capabilities.

Our focus remains on improving margins through better resource utilization, operational consolidation, AI-assisted automation & an increased proportion of offshore delivery. We believe these measures will help us build a more efficient operating model as the group continues to scale.

New Acquisition

Subject to all approvals, compliances

Softenger Pvt Ltd: Why This Acquisition

Strategic fit

- Reinforces existing competency as well as adds new ones - Managed IT operations / AiOps / data center services, cybersecurity – since 1999
- Strengthens Fidel's Managed IT Operations BU (today ~10-15 Cr)
- Access to 60+ clients (Japanese clients, banks, telecom, SI firms, insurance firms)
- Cross-sell opportunities to these clients across new geographies ASEAN (Singapore, Malaysia), ME (Dubai)
- Access to 1200+ staff with 100+SMEs, 500+ certified engineers, bilingual (Malay / Chinese) engineers (Fidel has access to bilingual Japanese engineers)

Softenger (subsidiaries & related co.) snapshot

- Revenue FY26: 212 Cr (FY25: 157+ Cr)
- EBITDA ~11 Cr; PAT 8-9 Cr; Zero debt (OD limit ~4 Cr)
- ~1200+ staff; 100+ SMEs, 500+ certified engineers
- Offices: India, Singapore, Malaysia, Dubai
- 80-85% of business from account management; contracts of 1-3 years; some clients for 20+ years
- Founder exit due to succession issues; Current directors, key staff, One founder to continue

Deal Structure and Financials

(subject to compliances & approvals)

Item	Details
Deal value	~34.5 Cr (India, Singapore, Malaysia) + ~4 Cr (Dubai); 100% acquisition
Payment	Cash plus share swap
Valuation	~3.5-4X EBITDA
Revenue by country	India ~80 Cr INR approx; Singapore ~80 Cr+ INR approx; Malaysia ~40 Cr INR approx.; Dubai ~8 CR

New Fidel has a potential to look like -

- Combined: 1,600+ people, Global geographic spread in 6 countries (India, Japan, Singapore, Malaysia, Dubai, USA), ~380-400+ Cr INR revenue, ~25 Cr INR+ PAT
- Fidel’s aspirational goal of 5X in 5 years (by 2030-31) gets shortened to ~3-3.5 years

Other Updates

Outreach Programs and Employee Engagement Activity



AI Hackathon
Winners



Pune Mayor and Japanese
Delegates



Traditional Day
Celebration



Global BFSI Leadership
Summit



Global Capacity Centre
Summit



Indo American Corporate
Excellence

Five Engines Behind the 5X Aspiration

- 1 Japan /ASEAN deepening**
Cross-sell into existing relationships; expand managed services and enterprise accounts.
- 2 US expansion**
Build new logos in AI/data and digital engineering while deepening acquired accounts.
- 3 AI-enabled services**
Use AI to increase delivery productivity and create new data/AI service lines.
- 4 BU scale-up**
Run business units with clear revenue, margin, pipeline and capability ownership.
- 5 Selective M&A**
Acquire capability, customers or geography - not revenue for revenue's sake.

Fidel Softech - with Japan as the moat – India as delivery base and global services as the growth platform.

**20+ years in Japan cannot be recreated overnight.
Our task now is to convert that advantage into scale.**