

MEDIA RELEASE

DRC Systems India Limited Announces Financial Results for the First Quarter FY 2023-24

- Consolidated income for the quarter up 59 % Y-o-Y to INR 711 Lacs.
- Consolidated profit after tax for the quarter up 59 % Y-o-Y to INR 111 Lacs.
- Consolidated EBITDA for the quarter up 20 % Y-o-Y to 186 INR Lacs.

Gandhinagar, India, 28th July, 2023: Information Technology and Software Consultancy Services provider, DRC Systems India Limited “DRC Systems”, “the Company” today announced its audited financial results for the First Quarter (Q1) ended June 30, 2023.

Consolidated Financial Highlights –Quarter Ended June 30, 2023

Figures in INR Lacs

Particulars	Q1 FY'24	Q1 FY'23	% change YoY	Q4 FY'23	% change QoQ
Revenue	711	447	59%	677	5%
EBITDA	186	154	20%	203	-8%
Profit Before Tax	142	102	39%	159	-11%
Profit After Tax	111	70	59%	119	-6%
Net Margin	16%	15%		11%	

Consolidated Performance Review for the quarter:

- Company’s revenue from operations was INR 711 Lacs during the quarter, up 59% Y-o-Y primarily due to strong growth witnessed in both the local and export markets.
- Profit before tax for the quarter was INR 142 Lacs up 39 % YoY and Profit after tax was up 59% Y-o-Y at INR 111 Lacs with the support of favorable growth, improving productivity and maximizing operating performance.

Investment in Nighthack Technology Private Ltd

- The Board of Directors at its meeting held on July 28, 2023, has approved to make investment to acquire approximately 45% stake in Nighthack Technology Private Limited (“Nighthack”) for an amount not exceeding INR 1 Crore. Post investment, Nighthack would become an Associate Company.

- The Bangalore-based tech company has Artificial Intelligence, Machine Learning and Blockchain technology capabilities, where it specializes in working on research projects and concepts with experts from academia and builds prototypes which become the backbone of large-scale applications.
- Nighthack Technology brings in one of the most scalable products, the 'University Management System', which has domestic and international scalable opportunities. This strategic investment will work in favor of DRC Systems, as it will allow it to build comprehensive edutech solutions for the education sector, targeting the university ecosystem across the globe, including India. DRC Systems has an array of clients from various sectors, with the education sector forming the major set of clients.
- "Investing in Nighthack Technology is in alignment with DRC Systems' long-term business growth strategies. We are already strong in providing edutech software and services in the primary & secondary education space, and with this strategic investment, we further plan to expand our edutech offerings to universities and colleges in addition to the existing software development synergies," said Mr. Hiten Barchha, Managing Director, DRC Systems India Ltd.

Joint Venture Agreement in UAE for offering Platform as a Service on LCNC (Low-Code, No-Code Platform)

- DRC Systems EMEA LLC-FZ, our UAE based Wholly Owned Subsidiary has entered into a Joint Venture Agreement with EZMS LLC FZ, a Company based in UAE to form a Joint Venture Company.
- The JV will develop LCNC Platform in Middle East region to various Government Departments, Corporates and Free Zones. Free Zone are popular in Middle East countries, that offers tax breaks and other incentives to businesses. There are more than 40 multi-disciplinary free zones in UAE alone, followed by Saudi Arabia (4), Qatar (2), Bahrain (3) and others.
- "We are developing an advance platform technology, that will offer 'Low-Code. No-Code' (LCNC) platform to businesses. It's a revolutionary product, where businesses in these Free Zones can build & manage their digital presence at the snap of a finger," said Mr. Hiten Barchha, Managing Director, DRC Systems India Ltd.

Other Corporate Developments

- The Company has acquired 100% stake in DRC Systems USA LLC ("DRC Systems USA"). Post-acquisition, DRC Systems USA became a Wholly Owned Subsidiary of the Company.

"Our performance has been experiencing significant growth and we anticipate this trend to continue throughout the upcoming quarters. We have been making astute decisions regarding cost management and investments, as well as attracting high-quality clients, resulting in a noticeable increase in repeat customers. Our dedication to technological advancement is evident from our recent investment in Nighthack Technology Pvt Ltd., a company specializing in AI, ML, and Blockchain technology. With our acquisition of a majority stake in Nighthack Technology, we are positioned to make a substantial leap forward in our edutech software and



services business. Our joint venture with a company based in the UAE aims to expand our reach more aggressively and secure lucrative long-term business opportunities in Free Zones. Currently, we are operating in 5 Free Zones within Middle East countries, and through this new partnership, we anticipate obtaining more similar ventures for our business portfolio,” said Hiten Barchha, Managing Director, DRC Systems India Limited.

About DRC Systems India Limited

DRC Systems is an IT services and Consultancy Company in India focused on providing viable and lasting solutions to businesses. We are focused on innovation and creativity to lead the change, since its advent in 2012. With competent teams of developers, project managers, and strategists, we help our customers overcome their business challenges with customized software development. Our services and solutions help businesses scale the market. Over the years, we have diversified our service offerings through a mix of organic growth and strategic transactions. We believe the wide range of services that we offer enables us to build stronger relationships with our clients and cross sell our services. Our customer base is spread across geographies and majorly to Europe, USA, Middle East and Asia.

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