

Date: 04th August, 2025

BSE Limited, Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	National Stock Exchange of India Ltd., Listing Department Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
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Scrip Code: 540879

Symbol: APOLLO

ISIN: INE713T01028

Subject: Updates – Communication to Shareholders by the Managing Director of the Company

Dear Sir/Madam,

Please find enclosed herewith a letter addressed to the shareholders of the Company from Mr. Baddam Karunakar Reddy, Managing Director of the Company. The said letter is being issued to communicate key updates and developments concerning the 1st Quarter of FY2026 Company.

This update is provided for the information to our stakeholders.

We request you to take the above on record.

Thanking You

Yours Faithfully

FOR APOLLO MICRO SYSTEMS LIMITED

RUKHYA PARVEEN
COMPANY SECRETARY & COMPLIANCE OFFICER

APOLLO MICRO SYSTEMS LIMITED

Regd. Off: Plot No. 128/A, Road No. 12, IDA-Mallapur, Uppal Mandal, R.R. Dist – 500076, Telangana, India.
Tel No: 040 – 27167000 – 099, Fax No: 040 - 27150820
cs@apollo-micro.com, www.apollo-micro.com
CIN No: L72200TG1997PLC026556

To:

All Shareholders

Subject: Apollo Micro Systems Ltd Achieves Record Q1FY26 Performance

Dear Shareholders,

I am pleased to report that Apollo Micro Systems has commenced FY26 with exceptional momentum, delivering the strongest-ever first-quarter performance in our company's history. This achievement is a direct reflection of our focused strategy, operational excellence, and the unwavering dedication of our talented team.

Q1 FY26 Highlights

In Q1 FY26, we recorded robust revenue growth of 46% year-on-year, reaching ₹1,335.8 million, compared to ₹912.0 million in Q1 FY25. This growth was primarily driven by the seamless execution of our strong order book and the transition of several high-value systems into full-scale production.

On the profitability front, our EBITDA (excluding other income) increased by 83% to ₹409.4 million, up from ₹223.7 million in the same quarter last year. Our EBITDA margin improved by 600 basis points, reaching a new high of 31% as compared to 25% in Q1 FY25 underscoring the strength of our operating leverage and execution efficiency.

This performance also translated into robust bottom-line growth. Our Profit After Tax (PAT) more than doubled, registering a 110% year-on-year increase to ₹176.8 million, compared to ₹84.3 million in Q1 FY25. Our PAT margin expanded by 400 basis points, improving to 13% from 9% year-on-year and quarter-on-quarter.

We are pleased to inform our valued shareholders that we have successfully secured our first export order valued at USD 13.37 million, approximately ₹113.81 crores. This milestone marks a pivotal moment in our company's growth trajectory and reaffirms our commitment to expanding our global footprint.

This achievement is not only a testament to the strength of our products and capabilities but also highlights the trust and confidence that international clients are placing in us. As we continue to execute on our strategic vision, this order underscores our potential to unlock substantial opportunities in new markets.

As we look toward a horizon brimming with opportunity and purpose, we are driven by a singular, unshakable belief: India must lead not only in strength, but in the science and sovereignty of strategic innovation. It is with immense pride and unwavering resolve that we present to you our roadmap a blueprint not merely for growth, but for greatness.

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Strengthening the Core: R&D as the Engine of Innovation- Innovation is not an option it is our obligation to the future. In a world of evolving threats and boundless technological potential, our commitment to Research & Development stands as the cornerstone of our vision. We are laying down a strong, future-ready foundation with a dedicated investment of INR 100 Crores in FY26, designed to accelerate breakthroughs in defence systems, high-end electronics, and next-generation strategic platforms.

This investment will empower us to lead where others follow to develop homegrown technologies that are not only state-of-the-art, but also proudly and powerfully Made in Bharat.

Pursuing High-Value, High-Complexity Projects-In parallel, we are scaling new heights by targeting large-ticket and complex defence programs that demand deep expertise and high-performance execution. These projects technical, intricate, and transformational are where our capabilities meet opportunity.

We are strategically aligning our resources to pursue missions that offer superior margins and limited competition, positioning ourselves as a preferred partner in high-stakes, mission-critical environments.

Becoming a One-Stop Solution for Munitions and Strategic Platforms- Our integrated approach will set us apart. We are proud to offer end-to-end solutions across the munitions and weapons value chain from the formulation of high-energy materials and precision propellants, to cutting-edge testing infrastructure and full-system integration.

By consolidating these capabilities under one roof, we emerge as a comprehensive partner for India's strategic needs, reducing reliance on fragmented supply chains and ensuring quality, speed, and control.

Rooted in Bharat. Expanding Beyond.- Our journey is deeply rooted in the soil of Bharat, aligned with the spirit and ambition of Atmanirbhar Bharat and Make in India. We are fortifying our domestic presence by harnessing indigenous technologies and capabilities that reflect the soul and strength of our nation. At the same time, we are extending our footprint across the globe, exporting trust, reliability, and innovation proudly wearing the badge of Indian excellence on the world stage.

Ascending the Value Chain: Becoming a Global OEM- Our future vision is crystal clear: to rise as a Global Original Equipment Manufacturer (OEM) delivering high-reliability, full-spectrum solutions to the world's most demanding defence environments. By moving up the value chain, we transform from supplier to strategic partner, providing complete platforms, not just parts.

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Sustainable Growth: Organic and Inorganic Synergy- To realize this vision, we are embracing a dual-engine strategy organic growth fuelled by innovation, and inorganic expansion through strategic acquisitions.

With agility, ambition, and a bold spirit, we are building a company that is future-ready, globally competitive, and fundamentally resilient.

The recent geopolitical developments, particularly the escalation of tensions between India and Pakistan, have further accelerated the demand for indigenous, mission-critical defence solutions. Several of our systems were successfully tested and demonstrated during this period, attracting significant interest from key stakeholders across India's defence value chain.

As we look ahead, our focus remains steadfast:

To innovate with purpose,

Deliver with precision, and

Deepen strategic partnerships that move us closer to building a self-reliant and technologically advanced defence infrastructure for India.

We are proud of the bold strides we continue to make not only in delivering stellar financial results but in shaping the future of Indian defence innovation. I reaffirm my words with our slogan “***We Commit, We Deliver***”, ***Jai Hind!!***

Thank you once again for standing with us.

Karunakar Reddy Baddam
Managing Director

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