

25<sup>th</sup> January, 2021.

To,  
The General Manager,  
The Department of Corporate Services – CRD,  
BSE Ltd,  
PJ Towers, Dalal Street,  
Mumbai – 400 001

Dear Sir/Madam,

**Sub: Press release on Financial Performance – Third quarter results**

**Ref: Scrip Code: 532407**

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With reference to the subject cited above, please find enclosed a copy of the press release on financial performance of MosChip Technologies Limited with reference to third quarter unaudited financial results.

Kindly take the above information on your records.

Yours truly,

**For MosChip Technologies Limited**

A handwritten signature in blue ink, appearing to read 'Suresh Bachalakura'.

**CS Suresh Bachalakura**  
**Company Secretary & Compliance Officer**

Encl: as above

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**Moschip Technologies Limited**  
**( formerly MosChip Semiconductor Technology Limited )**

CIN: L31909TG1999PLC032184

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## MOSCHIP THIRD QUARTER UPDATE

### Background:

The Hyderabad based BSE Listed, **MosChip Technologies Ltd. (MosChip)**, a Semiconductor & Embedded systems company with below expertise:

- 20+ years of track record in Semiconductor & Embedded Product Design. Its unique combination of product development expertise and in-depth expertise ranging from Chip Design, Systems design and Firmware development makes MosChip, a perfect “**Chip to Cloud**” company.
- First fabless semiconductor company in India and over the years it had shipped millions of connectivity-based chips to customers all across the world.
- Leveraging its experience and expertise MosChip, over the years, has been offering design services and Turn-Key ASIC solutions to industry leaders.
- MosChip’s production proven SerDes IP supporting various protocols is a key value proposition to our customers. Moschip continues to invest in the next generation PAM4 serDes technology with the development at advanced stage.
- MosChip’s training division “Moschip Institute of Silicon Systems” has been providing high quality training in VLSI and Embedded System Design and it has been supporting the growth of Moschip with handpicked talent graduating from the Institute.
- In addition, MosChip has been providing “Internet of Things” (IoT) solutions in the areas of Asset Tracking and Telematics and providing solutions for street lighting, smart metering, Telematics and Industrial IoT.

### Quarterly Update:

MosChip’s restructuring measures along with operational changes, over the last few quarters, have been yielding positive results and paving way for long term sustainable growth.

As the world is slowly getting out of the COVID-19 pandemic, new market opportunities are emerging for both semiconductor and product design services due to large investments flowing into the areas of Semiconductors, Artificial Intelligence, 5G and IoT solutions.

MosChip is poised to be part of such emerging opportunities by continuing to focus on its inherent strengths in services, turnkey solutions, IP, IoT & Training.

## Financials performance

### - Q3 FY21 vs FY20

There is an increase in income from operations by 32% when compared to same quarter of the previous year, the Group has posted EBIDTA positive for 3 quarters in a row in FY 21. The management has effectively worked on product mix / productivity / operational efficiencies resulting in increased EBIDTA.

- EBIDTA for the quarter ended 31 Dec 2020 is Rs 283 lakhs as against Rs (336) lakhs for the same quarter of previous year, resulting in an increase by 184%.
- EBITDA to income ratio for the quarter ended 31 Dec 2020 is 10.2% as against negative 16.0% for the same quarter of previous year.

### - 9 Months FY 21 vs FY 20

There is a marginal decrease in income from operations when compared to corresponding 9 months of previous year, the decrease is inline with the long-term strategy of the Group to reduce focus on smart-lighting business due to working capital challenges.

Through there is no significant increase in income from operations the Group has achieved good operational margin by focusing on product / revenue mix

- EBIDTA for the nine months ended 31 Dec 2020 is Rs 523 lakhs as against Rs (1006) lakhs for same period of previous year, resulting in an increase by 152%.
- EBITDA to income ratio for the nine months period ended 31 Dec 2020 is 6.7% as against (13.1%) for the same period of previous year.

### - Q1, Q2 & Q3 FY21

	In Lakhs		
	Q1FY21	Q2FY21	Q3FY21
	Unaudited	Unaudited	Unaudited
Total Income	2,401	2,523	2,778
EBITDA	138	102	283
EBITDA %	5.7%	4.0%	10.2%

The Group has achieved positive EBITDA in last 3 quarters with consistent growth in income from operations / Margins.

- There is an increase in income from operation when compared to previous quarters, which has contributed to better EBIDTA from 4.0% in Q2 FY 21 to 10.2% in Q3 FY 21.
- The Decrease in EBIDTA from 5.7% in Q1 FY 21 to 4.0% in Q2 FY 21 is partially attributed to annual salary hikes.

## Market Opportunity:

The global semiconductor market was estimated to be \$510 Billion in 2019 and expected to grow to \$725 billion with a CAGR of 4.7% during the forecast period. The growth of this segment is attributed to the demand for laptops, mobile phones and other consumer devices along with emerging applications in IOT, Artificial Intelligence, Machine Learning and Automobile applications. The global semiconductor market has been largely resistant to the widespread economic disruptions caused by the COVID-19 pandemic and mostly limited by the supply chain challenges. With India becoming one of the largest consumer of Electronics and the Indian Government's focus on designing and manufacturing locally opening additional opportunities to companies like Moschip, who has a strong track-record.

*"MosChip's stable performance for the last three quarters of current fiscal year is a result of various changes brought in and is an encouraging news for our associates and shareholders. Moschip's continued focus on the quality and commitment to our customers and investment into emerging technologies, expertise and IP is our key differentiator"*

-Venkata Simhadri, MD & CEO

**SAFE HARBOR:** *This release comprises certain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those mentioned in such forward-looking statements.*

*The risks and uncertainties including but not limited to, those risks and uncertainties, viz, our ability to compete in highly competitive semiconductor industry, ability to define, develop and sell new products, dependency on subcontractors for the supply and quality of raw material, dependency on markets considering the cyclical nature of the industry and our ability to attract and retain technical manpower. MosChip may from time to time make additional forward looking statements in any manner and does not undertake to update any of these forward looking statements that may be made from time to time by or on behalf of the company.*