KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001-2015 Certified Company)

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CERTIFIED ISO 9001 | UKAS MANAGEMENT SYSTEMS 001

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Hardware Technology Park,
TSIIC Layout, Raviryal (V),
Hyderabad – 501 510. Telangana, India.

Date: 4th September 2026

To **The Listing / Compliance Department** **Bombay Stock Exchange Limited** **Phiroze Jeejeebhoy Towers** **Dalal Street** **Mumbai – 400 001**	To **The Listing / Compliance Department** **National Stock Exchange of India Ltd** **Plot No.C/1, G Block, Exchange Plaza** **Bandra – Kurla Complex, Bandra (E)** **Mumbai – 400 051**
BSE Scrip Code: 532686	**NSE Symbol: KERNEX**

Dear Sir/Madam,

Sub: Submission of Investor Presentation

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to submit herewith the **Investor Presentation** of Kernex Microsystems (India) Limited.

The presentation provides an overview of the Company, its business, KAVACH opportunity, order book, manufacturing capabilities, financial performance, business opportunities, diversification initiatives and business outlook.

The Investor Presentation is also being made available on the website of the Company.

This is for your information and dissemination to the members of the Exchange.

Thanking you,

For **Kernex Microsystems (India) Limited**

Badari
Narayana Raju
Manthena

Digitally signed by Badari Narayana Raju Manthena
DN: c=IN, o=Personal, postalCode=500049, l=K.v. Rangareddy, st=Telangana, street=Flat No-402 Plot No-162 And 163 Sriganesh Residency Kukatpally, Hafeezpet, Telangana India- 500049-, title=4568, 2.5.4.20=57b0b5aef529dcc01eb6a1a5e43836553d1b82b72945748c4e44a1f5d8f0b9fa, serialNumber=2d08151532a52f51447f9062d8078ee84355a44f834319f99d615511136732d2, email=mbnraju9@yahoo.com, cn=Badari Narayana Raju Manthena
Date: 2026.09.04 08:29:18 +05'30'

M B Narayana Raju
Whole-Time Director
DIN: 07993925

KERNEX
Delivering Railway Safety

SCALING INDIA'S RAILWAY
Infrastructure and Beyond

Q1 FY 2026-27 Performance Overview: Operational Velocity and Long-Term Horizon

KERNEX MICROSYSTEMS (INDIA) LIMITED

Kernex — Company Overview / Resources

30+ years in Railway Safety Systems · NSE & BSE Listed · Hyderabad, India

TRACK RECORD

30+ Years

Railway safety systems design & development since 1991 (STPI), ACD Pioneers, KAVACH OEM
ISO 9001:2015

PUBLIC MARKETS

NSE & BSE

Listed on both exchanges since 2005
NSE Symbol: KERNEX
BSE Code: 532686

CAMPUS

10 Acres

265,000 sq ft infrastructure ·Located at Hardware Park <6 km from Shamshabad Airport
Global Offices : Egypt , US (AGI WOS)

MANPOWER

740+

R&D, Engineering, V&V, Production, QC & Testing, Projects

In-House Laboratories

- Environmental Test Labs — Burn-in Testing, Thermal Cycling, Vibration Testing, Bump Testing (or Repetitive Shock Testing)
- Dedicated Verification & Validation (V&V) labs
- Factory Acceptance Testing (FAT) units
- Loco Brake Interface test lab

Current Manufacturing and Production Capacity (Per Annum)

- 6,000 Loco Kavach units
- 1,000 Station Kavach units
- 500 RIU units
- 120 Level Crossing Gates— Scalable to 300

*Capacity Note: All manufacturing lines are structurally scalable to support increased order volumes to meet surging market demand.

CORE SECTORS & CAPABILITIES

Railway Safety and Signalling Systems
Kavach, ABS, Level Crossing Systems

Digital Telecommunication and Telemetry
Wireless Networks, SCADA, Data Transmission

Turnkey Project Execution
Complete Project Lifecycle Survey – installations and Commissioning - Maintenance

Embedded & IoT Products
SIL 4 Certified Products

Electronics Manufacturing Services (EMS)
In House Manufacturing and Enivronmental Stress Screening (ESS Test Facilities)

Certifications & Operating Credentials

Approvals and Operating milestones underpinning the Company's Kavach Delivery Capability

INDUSTRY FIRST

First Kavach OEM interfaced with four Electronic Interlocking systems

Kavach must interface with the electronic interlocking installed at each station, and every interlocking vendor requires a separate integration and approval cycle. Interfacing with four systems allows deployment across sections irrespective of the interlocking already in place.

INDUSTRY FIRST

First OEM to operate Vande Bharat commercially with Kavach

On-board Kavach running on a Vande Bharat trainset in commercial passenger service — validation of the system under live operating conditions rather than trial running.

RDSO APPROVAL

Approved by RDSO for Kavach Version 4.0

ISA certified SIL 4 solution (CENELAC Standards). Kavach Version 4.0 is the specification governing the national rollout. Approval is a precondition to bid, placing the Company within the limited set of suppliers eligible for current and forthcoming tenders.

The Company has succeeded in passenger trails at a speed of 160 km/h and proven interoperability with other OEM Kavach Systems.

DELIVERY MILESTONE

632 Route Km commissioned on North Central Railway

Commissioned and handed over two Kavach projects for the operations to the North Central Railways against 751 Route Km contracted.

CERTIFICATION FOR LEVEL CROSSING CONTROL SYSTEM (LXCS)

SIL 4- Certified Level Crossing Control System (LxCS)

Kernex has developed its Level Crossing Control System to Safety Integrity Level 4 (SIL 4), the highest safety integrity level under the CENELEC functional safety framework.

INTERNAL DEVELOPMENT

Development of NMS and Automation of designs

NMS & Design Automation: Developed an integrated Network Management System (NMS) for Kavach, enabling centralized monitoring, configuration, diagnostics and health management of KAVACH installations across railway networks. The Company is also automating KAVACH design and engineering workflows, reducing manual intervention, minimizing design errors and significantly shortening project implementation cycles.

Financial Performance

Standalone · ₹ in Crores unless stated

Q1 FY26-27 MOMENTUM *

REVENUE
₹502.03 Cr
Single Q1outperforms the entire previous financial year

EBITDA (MARGIN)
₹163.03 Cr
Strong operational execution and scaling efficiencies

PROFIT BEFORE TAX
₹147.86 Cr

PAT (MARGIN)
₹109.57 Cr (21.8%)

EPS
₹65.21
Face value ₹10

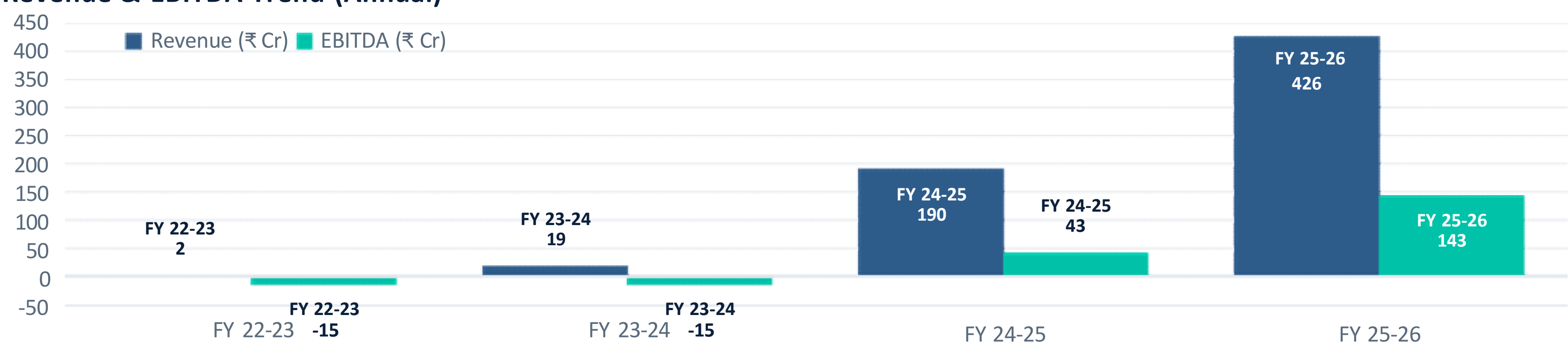
FY25-26 REVENUE
₹425.81 Cr
vs ₹189.65 Cr in FY24-25

FY25-26 EBITDA
₹143.39 Cr

FY25-26 PAT
₹80.01 Cr
18.8% margin

FY25-26 EPS
₹48.07
Face value ₹10

Revenue & EBITDA Trend (Annual)

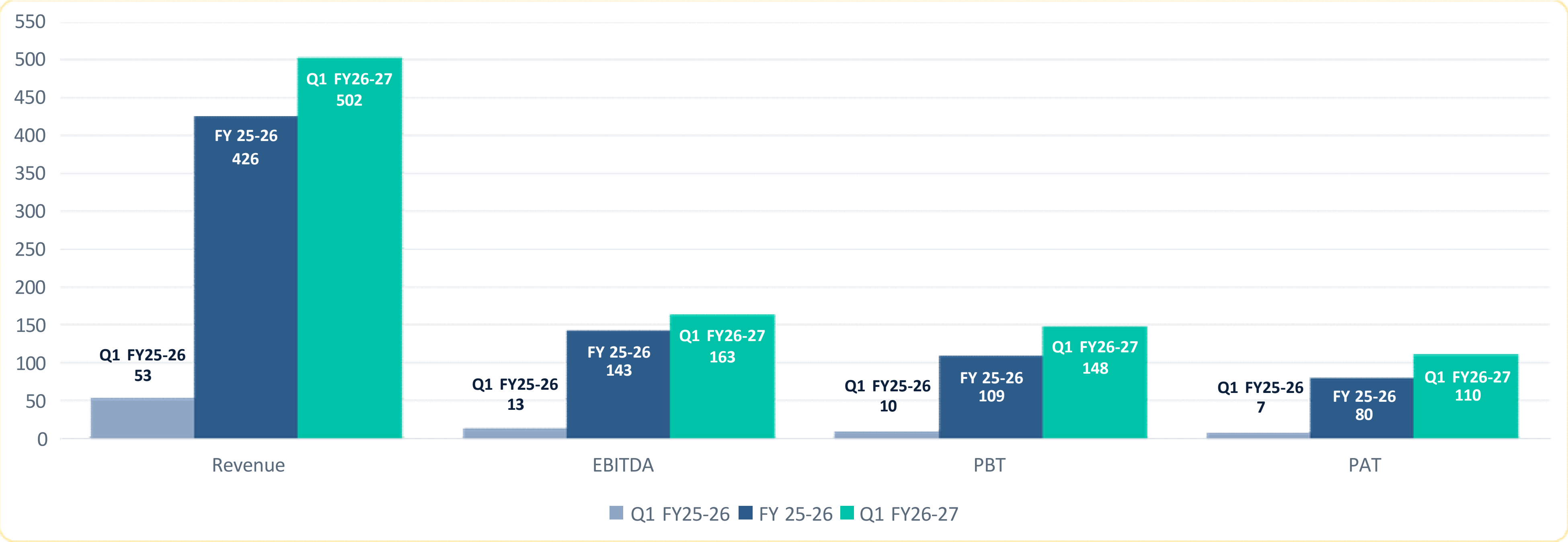


**Note*: Annual Financial results (FY) are audited, while quarterly results have been subjected to a Limited Review by the Independent Statutory Auditor.*

Quarterly Financial Highlights — Standalone

₹ in Crores unless stated ·

STANDALONE



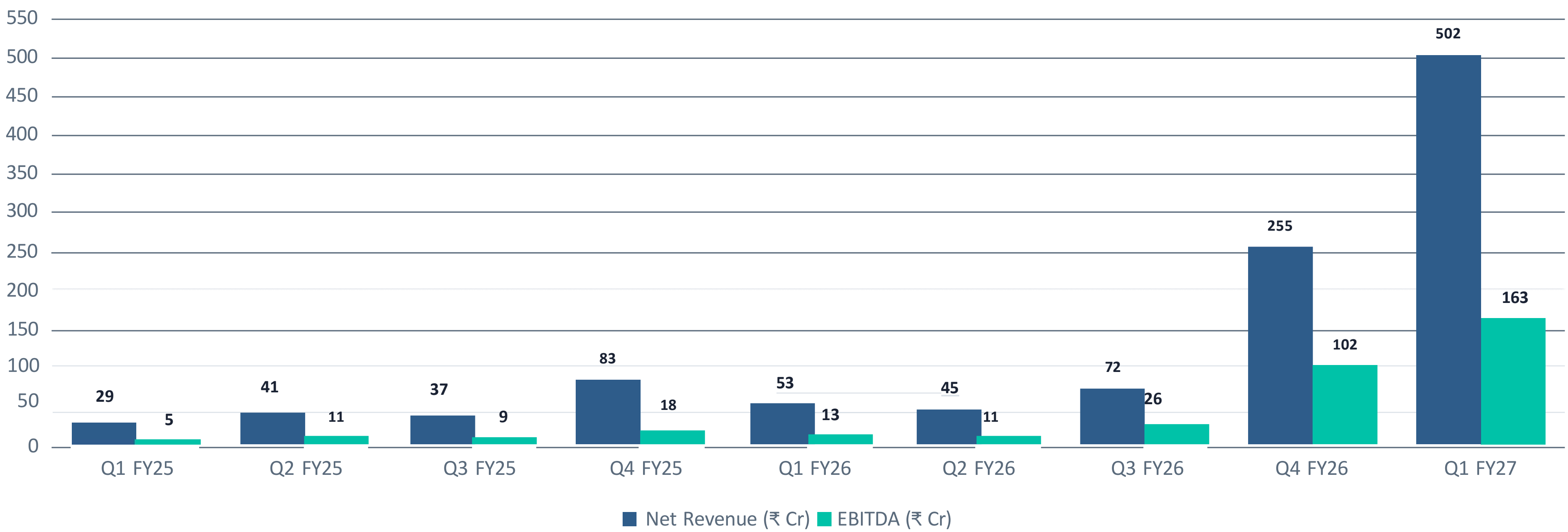
Basic EPS ₹65.21 in Q1 FY 26-27 vs ₹4.39 in Q1 FY25-26

**Note*: Annual Financial results (FY) are audited, while quarterly results have been subjected to a Limited Review by the Independent Statutory Auditor.*

Quarterly Operating Trend — Standalone

₹ in Crores unless stated · Q1 FY 2024-25 through Q1 FY 2026-27

Net Revenue & EBITDA by Quarter (₹ Cr)

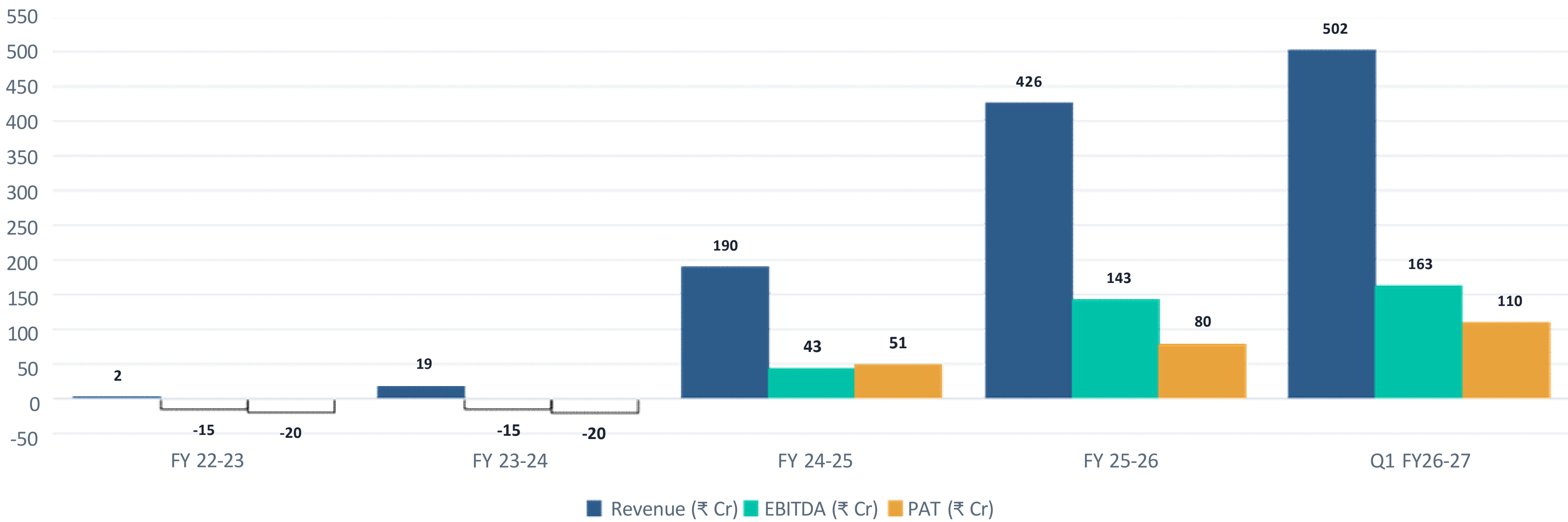


Note: *Annual Financial results (FY) are audited, while quarterly results have been subjected to a Limited Review by the Independent Statutory Auditor.*

Standalone Financial Snapshot — 4-Year Trend

₹ in Crores unless stated · FY 2022-23 through Q1 FY 2026-27

Revenue, EBITDA & PAT Trend (₹ Cr)



Margin Trend	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Q1 FY26-27
PAT Margin (%)	-992%	-106%	27%	19%	22%

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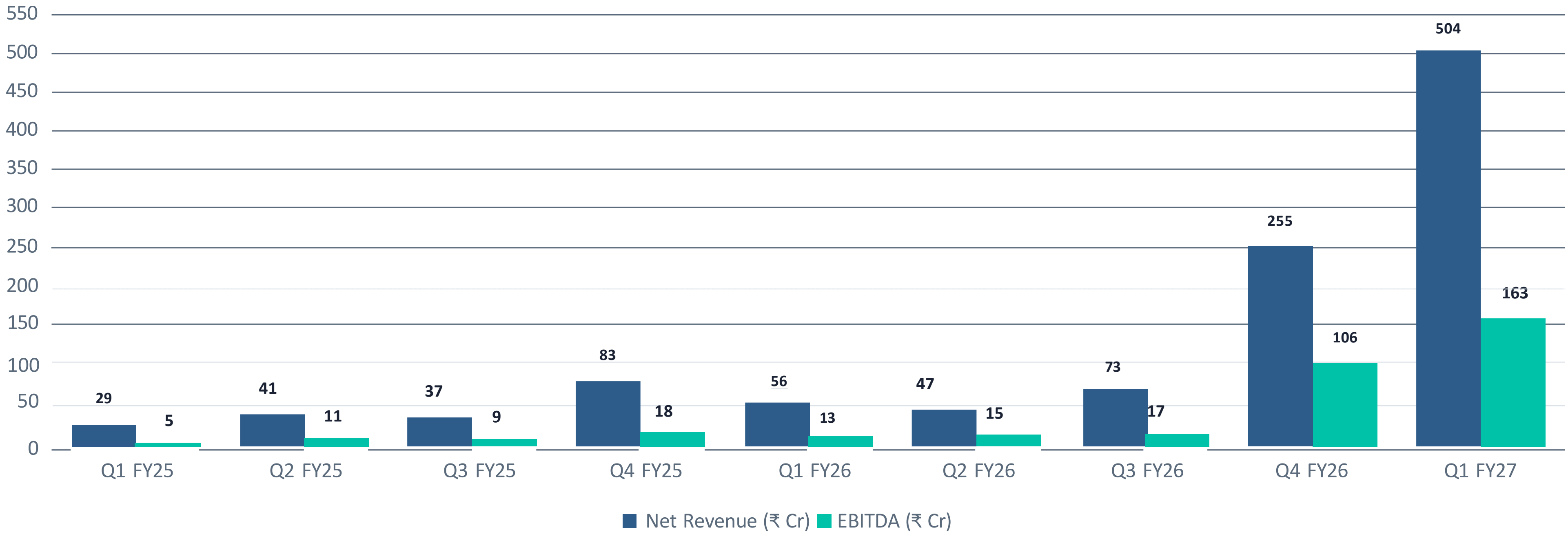
Quarterly Operating Trend — Consolidated

₹ in Crores unless stated · Q1 FY 2024-25 through Q1 FY 2026-27

Net Revenue & EBITDA by Quarter (₹ Cr)



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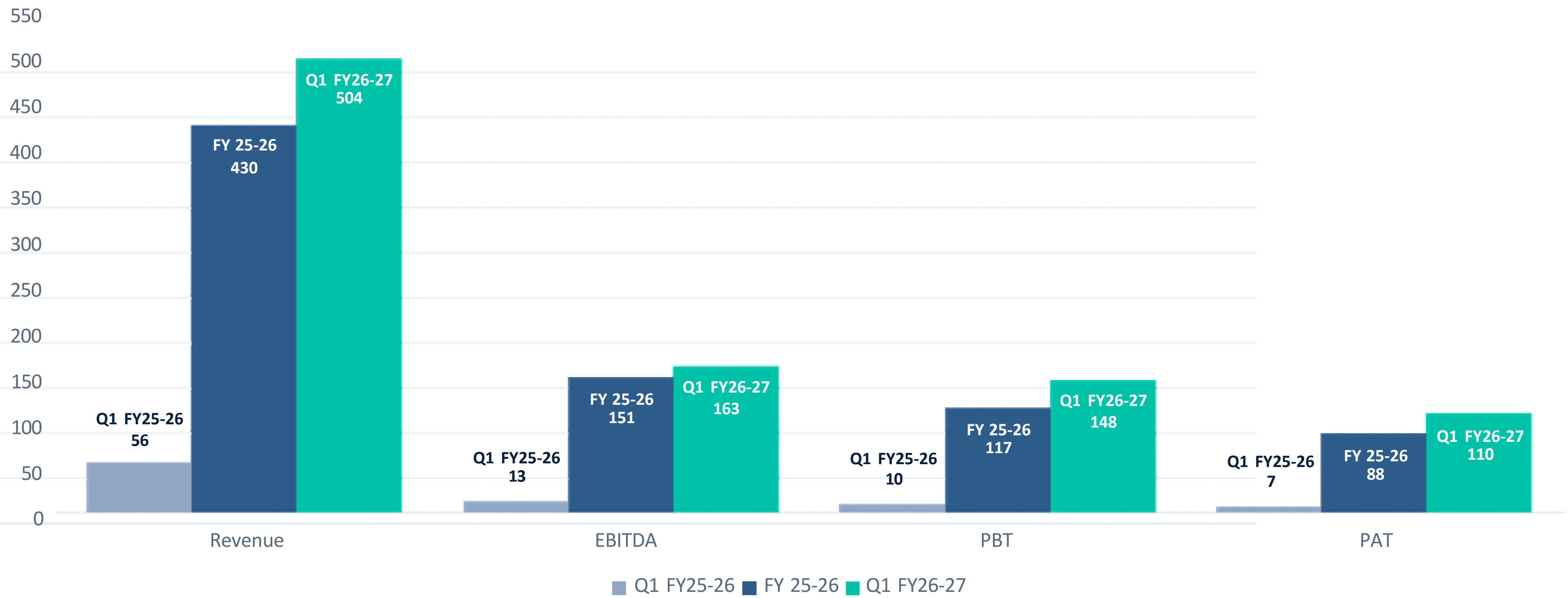
Quarterly Financial Highlights — Consolidated

₹ in Crores unless stated

CONSOLIDATED



Basic EPS ₹65 in Q1 FY 26-27 vs ₹4 in Q1 FY25-26

**Note*: Annual Financial results (FY) are audited, while quarterly results have been subjected to a Limited Review by the Independent Statutory Auditor.*

Order Book Position

| All values inclusive of GST | KMIL share of contract value

Total Orders Received

₹5,174 Cr

–

Executed by KMIL

₹1,687 Cr

33% of total value delivered

=

Balance Order Book

₹3,487 Cr

67% remaining to execute

Split by nature of work (₹ Cr, incl. GST)

Nature of work	Total Orders	Executed	Balance	% Executed
EPC — Turnkey Trackside Kavach	1,304	416	888	32%
Supply & Commissioning — On-Board Kavach	3,870	1,271	2,599	33%
Total	**5,174**	**1,687**	**3,487**	**33%**

What is the EPC portion? Turnkey trackside Kavach — survey, design, supply, erection of towers and the OFC / UHF communication backbone, installation, testing and commissioning — executed for zonal railways and DFCCIL through consortium and JV structures, with KMIL holding a 35–80% share of each contract.

What is the on-board portion? Design, supply, installation, testing and commissioning of on-board Kavach 4.0 equipment on locomotives and train sets for the Railway production units — CLW, BLW, PLW and ICF— contracted directly at 100% KMIL scope.

Contracts with the highest execution achieved

On-Board Kavach 4.0 — **₹1,271 Cr** — 50% complete

North Central Rly A — 408 RKM — **₹142 Cr** — 93% complete

North Central Rly B — 342 RKM — **₹139 Cr** — 87% complete

Integrated Coach Factory (ICF) — on-board — **₹34 Cr** — 98% complete

Working Capital — Scaling with the Order Book

Fund and Non-Fund Based Limits sanctioned by the Banking Consortium | ₹ Crore

₹655 Cr
Total limits
₹490 Cr sanctioned + ₹165 Cr in process

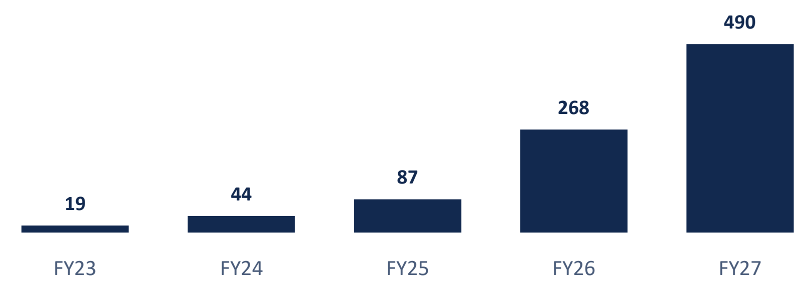
25.8x
Growth since FY23
From ₹19 Cr to ₹490 Cr sanctioned

₹281 Cr
Undrawn Headroom
Available against total limits

Limits, Utilisation, and Headroom

Financial year	Sanctioned	Outstanding	Balance
2022-23	19	6	13
2023-24	44	34	9
2024-25	87	51	36
2025-26	268	198	70
2026-27	490	373	116
Under sanction / Enhancement	165	–	165
Total limits	**655**	**373**	**281**

Sanctioned limits have scaled with the order book



A further ₹165 Cr is under sanction and enhancement, taking total limits to ₹655 Cr.

Funding the order book: Sanctioned limits have been enhanced in step with the growth in operations, rising from ₹19 Crore in FY23 to ₹490 Crore in FY27, with a further ₹165 Crore under sanction and enhancement. Total limits of ₹655 Crore leave ₹281 Crore of undrawn headroom to support execution.

Alongside these facilities, operating cash flow generated from contracts already executed is being redeployed into the delivery of the existing order book and into mobilisation for forthcoming awards — so that growth in the order book is funded by a combination of enhanced bank lines and internal cash generation, rather than by external limits alone.

Kavach Market Opportunity & Status- up to FY 29

Figures in Route KM (RKM)

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TOTAL ADDRESSABLE

81,000 RKM
Indian Railways network

3,300 RKM
Dedicated Freight Corridor

ORDERS AWARDED (TILL FY26)
24,000 RKM
of 81,000 RKM network

COMMISSIONED TILL FY26
2,569 RKM
10.7% of awarded book

NEW EPC PIPELINE
41,000 RKM
FY27-29

RESIDUAL OPPORTUNITY
16,000 RKM
Beyond FY29

New EPC Order Pipeline

FY27	FY28	FY29
10,000 KM	15,000 KM	16,000 KM

Total new EPC orders expected: 41,000 KM cumulative across FY27-29.

Source: Indian Railways website

Expanding Fleet Baseline: Indian Railways adds ~approx 5 new locomotives daily (~1,900+ per annum), continuously growing the national rolling stock asset base.

- Mandatory Regulatory Tailwinds: Per Mandate 100% of newly manufactured rolling stock must be eventually outfitted with (ATP/ KAVACH) modules prior to commissioning.
- Compounding Project Pipeline: This steady, structural production pace expands Kernex's addressable market automatically, ensuring predictable, multi-year revenue visibility. Recurring project pipeline separate from the existing retrofitting backlog.

Structural Lifetime Economy 2030 and Beyond: KAVACH is not a finite project rather the KAVACH rollout is a multi-decadal structural shift in Rail Safety Infrastructure:

- Deployment is Just Step One -there are decades of Revenue Visibility through Software Upgrades, Modification Mandates, and AMCs.

Competitive Growth: The absolute volume of modernization required across the country creates an expansive runway and Kernex views industrial scaling as validation of the immense addressable market. Kernex holds a distinct first-mover advantage over new entrants with fully certified technology systems already deployed or in advance stages of execution across major Railway Zones. Deep execution experience and expertise, expanding infrastructure, cutting edge technology, and continuous optimization will continue to retain Kernex in the years ahead as a strong leader positioned to capture domestic demand as well as aggressively pursue emerging export opportunities globally.

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VALUE EXPECTED — INDIAN RAILWAYS

₹34,200 Cr

VALUE EXPECTED — DFC

₹287 Cr

Total RKM (Broad Gauge)

IR: 81,000 · DFC: 3,300

Future Kavach Projections — FY27 to FY29

FY27: order book in hand & FY27–FY29: Kavach pipeline | All values inclusive of GST

₹3,487 Cr
Order book in hand
Secures the FY27 execution base

₹5,420 Cr
Potential Kavach projects intake

₹8,907 Cr*
Total executable base (Excluding AMC Revenue)
In hand plus expected new orders

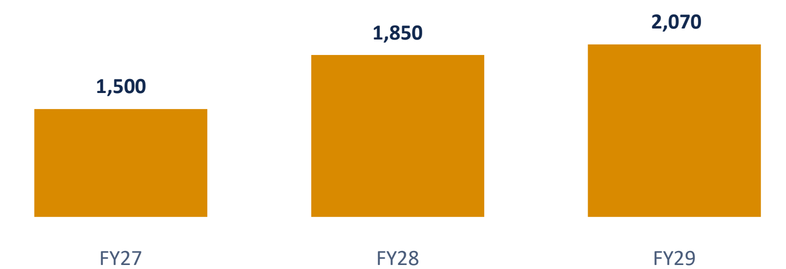
Execution Base by Financial Year (₹ Cr, incl. GST)

Source of execution	FY27	FY28	FY29	Total
Order book in hand	2,100	900	487	**3,487**
New Kavach orders	-	1,250	1,750	**3,000**
AMC Revenue	5	50	185	**240**
Total execution base*	**2,105**	**2,200**	**2,422**	**6,727**

****Cumulatively the execution base builds from ₹2,105 Cr in FY27 to ₹4,305 Cr by FY28 and ₹6,727 Cr by FY29. A further ₹2,420 Cr of these awards executes from FY30 onwards.***

New Order Intake Builds Year on Year

Expected Kavach awards to KMIL (₹ Cr, incl. GST)



Capacity build-out ahead of demand: The Company is expanding capacity in advance of order inflow. Recruitment of technical and project personnel is under way on a forward-looking basis, and engineering, installation and commissioning resources are being mobilised ahead of anticipated awards, so that execution capability is established before contracts are received. This positions Kernex to deliver to the quality standards and timelines committed to Indian Railways.

Basis of projection: FY27 represents the balance value of contracts in hand, apportioned by reference to current contract completion dates. FY28 and FY29 are derived from the 41,000 Route Km Kavach pipeline of Indian Railways, DFCCIL and On-Board Kavach with each year's award assumed to be executed evenly over the two subsequent financial years. The 20% share is indicative and reflects prevailing market conditions; it may prove higher or lower and will be revised as and when orders are awarded. Figures are stated inclusive of GST — net of GST, the ₹6,396 Cr execution base equates to ₹5,420 Cr.

Business Diversification Roadmap

Transformation from a railway-safety product company to a diversified rail-technology and critical-infrastructure enterprise, with no single vertical dependency.

Four initial growth domains

1 Train Control & Safety

ABS, CTC & Moving Block • CBTC for Metro Railway

Centralized Train Control & Moving Block: Centralized and automatic route setting across entire sections, replacing conventional station-by-station operations. Moving Block technology enhances line capacity on existing tracks by maintaining train separation based on real-time train positions rather than fixed blocks. CBTC (Communication-Based Train Control) extends this principle to metro rail systems, enabling sub-two-minute headways and driverless operations.

Kernex is currently developing CTC and Moving Block technologies to strengthen its advanced signalling portfolio. The Company has also secured an Automatic Block Signalling (ABS) order, with a 35% share valued at approximately ₹38 Cr (including GST).

2 AI, BIM & Digital Twin

Rail Digital Twin • AI-BIM for EWDFC, HSR & RRTS

Asset modelling carried through design, construction and operation, with AI-assisted BIM for dedicated freight, high-speed and regional rapid transit corridors. Positions the Company on the data and lifecycle side of large rail programmes, alongside equipment supply.

3 Traffic & Infrastructure Management

Yard Management • Water Bodies Monitoring • ITMS

Rake and wagon identification, weighbridge integration, shunting control and collision avoidance within yard limits, integrated with plant systems.

Yard Management: Kernex's first Yard Management win at Jindal Steel Plant (₹15.90 Cr) establishes a scalable solution framework, creating a repeatable opportunity across ports, mines, steel and cement industries in India and global markets.

4 New Business Lines

Disaster Mgmt. & Data Centres • Rail & Metro Projects • O&M • Video Display & Simulators

Selective entry into adjacent infrastructure and services, including operations and maintenance mandates that carry recurring revenue rather than one-time project value.

Why these domains: Each draws on capability the Company has already built for Kavach — safety-critical systems engineering, RDSO-certified on-board and trackside equipment, communication backbones and interlocking interfaces. Yard management additionally opens an industrial customer base in the private sector, alongside the Company's existing railway clientele. The programme is at an early stage; its financial contribution will be reported as contracts are secured.

Five New Sub-Sector Business Lines & LxCS Opportunity

Detail behind the diversification domains — the addressable opportunity and target market for each of the five new lines.

#	SUB-SECTOR	BUSINESS OPPORTUNITY	TARGET SECTORS & CUSTOMERS	5YRS REVENUE POTENTIAL (in CRS)
1	**Yard Management System**	Digitalisation of large industrial yards — real-time tracking of assets, vehicles, wagons and material on an integrated control dashboard; AI planning cuts wagon detention, turnaround time and congestion.	Steel plants, coal mines, ports, freight terminals, power plants and logistics parks — SAIL, JSPL, Tata Steel, Coal India, NTPC; private sidings and container terminals.	200 - 250
2	**Intelligent Traffic Management**	Rapid adoption of AI-based traffic management by State Governments, municipal corporations, Smart Cities and highway authorities to cut congestion, accidents, violations and emergency response time.	ATCS, ANPR, RLVD, speed detection, AI video analytics and e-Challan; ICCC with GIS dashboard — cities, highways, industrial townships, airports and campuses.	1,500 – 1,850
3	**Data Centre & Disaster Recovery**	Strong growth in data centres and disaster-recovery sites, with rising demand for geo-redundancy, BCP, immutable backup, SOC/NOC and cybersecurity.	Government, PSU, Railways, Metro, Power, Defence and Smart Cities — targeting ₹50–200 Cr projects as prime or consortium partner.	500 - 750
4	**Video Display & Simulators**	Demand for high-fidelity simulation, training and mission-rehearsal systems — image generators, visual terrain databases, projection/LED and cockpit displays, motion and instructor stations.	Defence and aerospace — HAL, IAF, Army, Navy, DRDO; full-mission and UAV aviation training; rail and metro driving and OCC simulators; mining and power.	230 - 260
5	**AI–BIM Digital Twin, DFCCIL**	EWDFC requires centralised digital asset visibility across track, bridges, OHE, traction power, signalling, telecom and stations, with AI-based failure prediction and inspection optimisation.	DFCCIL EWDFC as the entry point, extending to EDFC/WDFC, Indian Railways, high-speed rail, RRTS and metro networks.	1,000 – 1,500

In addition to the above, the Company has a significant opportunity to expand its business through its SIL 4-certified Level Crossing Control System (LxCS), a proven railway safety solution successfully implemented in Egypt. The Company sees opportunities to scale LxCS across international railway markets, with a potential business opportunity of approximately ₹150 Cr over the next two years

Entry Strategy & Value-Chain Progression

Common thread: leverage Kavach, signalling and railway electronics with AI, IoT and system integration; enter through partnerships; build recurring AMC/O&M and platform revenue.

	SUB-SECTOR	ENTRY STRATEGY	PROGRESSION
1	**Yard Management System**	Leverage Company expertise in railway safety, IoT, AI, RFID/GPS and system integration; establish the Jindal Steel Plant award as the reference implementation and replicate across industries.	Project integration → Standard KMIL YMS platform → **Digital-twin autonomous yard**
2	**Intelligent Traffic Management**	Enter via Government, ULB and Smart City projects alongside established camera, traffic-controller and enforcement partners; build a modular multi-OEM platform with open APIs.	System integrator → AI solution provider → **Smart mobility platform owner**
3	**Data Centre & Disaster Recovery**	Enter through technology, OEM and EPC partnerships; bid ₹50–200 Cr Government and PSU projects; build capability in BMS, cloud, network and cybersecurity.	Partner → System integrator → **KMIL-owned integrated platform**
4	**Video Display & Simulators**	Partner or form a joint venture with established simulator and visual-system specialists; develop in-house visual terrain database, image generation and AI synthetic environments.	Partner → System integrator → **Indigenous product and IP owner**
5	**AI–BIM Digital Twin, DFCCIL**	Position the Company as AI–BIM and digital-twin integration partner; begin with a defined EWDFC pilot section, demonstrate measurable benefits, then scale corridor-wide.	EWDFC pilot section → Corridor-wide rollout → **Reusable rail digital-twin IP**

Disclaimer

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