ESDS SOFTWARE SOLUTION LIMITED

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Ref. No. ESDS / 2026-27 / 27

Date: November 21, 2026

To
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai, MH – 400001
Scrip Code: 544898

To
Listing Department
National Stock Exchange of India Limited
C-1, G-Block, Bandra-Kurla Complex
Bandra (E), Mumbai, MH – 400051
Scrip Symbol: ESDS

Sub: Clarification on the news article published on the Company's agreement with Sharon AI – Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has come across a news article published in The Morning Context on 19th November, 2026, on the Company's agreement with Sharon AI for GPU capacity in Sydney, Australia ("**the Sydney AI factory**"). The article raises questions on the economics of the agreement, the Company's customer contracts and the Company's role, with reference to statements made on the earnings call held on 2nd November, 2026.

The Company wishes to assure its shareholders that the Sydney AI factory is on track. All GPUs are installed and in final testing, the entire capacity is contracted with customers on a take-or-pay basis, handover is expected in mid-December 2026, and billing will start in January 2027.

In the interest of fair and uniform dissemination of information to all stakeholders, and in line with the Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, the Company is placing on record its clarifications on the points raised in the article. The details are set out in **Annexure A**.

The Company will continue to make all disclosures required under Regulation 30 of the SEBI Listing Regulations, including an intimation when the Sydney AI factory goes live.

This disclosure will also be made available on the Company's website at www.esds.co.in

Kindly take the above on record.

Thanking you
Yours Faithfully
For **ESDS Software Solution Limited**

PRASAD DEOCHAND DEOKAR
Digitally signed by PRASAD DEOCHAND DEOKAR
Date: 2026.11.21 21:39:40 +05'30'

(Prasad Deochand Deokar)
Company Secretary & Compliance Officer
M. No. A34350

Annexure A

Clarifications on the Sharon AI agreement and the Sydney AI factory

The Sydney AI factory, the Company's first outside India, is on track. It is installed and in final testing, and all of its capacity is contracted with customers on a take-or-pay basis, so the Company's payments to Sharon AI are matched by its customers' payments to the Company. Handover is expected in mid-December 2026, and billing starts in January 2027. The clarifications below address the points raised in the article.

1. **The project is on track**

All 8,208 NVIDIA B300 GPUs have been installed in Sydney, and the cluster is in final testing. Handover to the Company is expected in mid-December 2026, and billing will start in January 2027. The delivery schedule was revised by mutual agreement with Sharon AI, and customers have been kept informed. The revised timeline is in line with the one Sharon AI published with its quarterly results declared on 16th November 2026. The Company chose to complete full testing of the cluster before taking handover.

2. **The revised timeline does not add to the Company's costs**

Monthly charges payable by the Company to Sharon AI, and by customers to the Company, begin only after the cluster is accepted. Payments on both sides therefore start together. The deposit placed with Sharon AI is refundable if Sharon AI does not deliver as per the contract.

3. **The Company's cost under the agreement**

The Company's commitment to Sharon AI is as disclosed in the prospectus, approximately US$ 1.26 billion over 60 months, or about US$ 21 million a month (about ₹2,400 crore a year), at a fixed per GPU per hour rate for the full term. The figure of ₹ 3,000 crore a year mentioned during the earnings call of 2nd November, 2026 was an approximation in the flow of conversation. The contracted amount is approximately US$ 1.26 billion over 60 months, equivalent to approximately US$ 21 million per month.

4. **Expected earnings**

Customers will pay the Company about US$ 30 million a month, against about US$ 21 million a month payable to Sharon AI. This leaves about US$ 9 million a month before operating costs and tax. The profit figures referred to during the earnings call of 2nd November, 2026 were approximate in the flow of conversation. Based on the contractual economics, the Company's current estimate of profit after tax from the project is approximately US$ 4–5 million a month, a margin of approximately 14-17% on revenue.

5. **Customer commitments match the Company's commitment**

The entire Sydney capacity is contracted with customers on a take-or-pay basis, which means customers pay for the full capacity whether or not they use it. The term and exit provisions of the customer contracts mirror the Company's agreement with Sharon AI. The Company is therefore protected against the risk of low

utilisation described in the article. Customers have also committed funds upfront, before the cluster goes live. Customer names are confidential under the contracts as is standard in the industry.

6. Security deposit of US$ 140 million

In May 2026, the Company placed a cash deposit of US$ 140 million (equivalent to ₹ 1,336 crore) with Sharon AI instead of letters of credit, as agreed between the parties. No letter of credit or bank guarantee is outstanding or required in addition. The deposit was funded from an advance of US$ 140 million received from customers and did not draw on the Company's own cash. Customers committing capital up front, before a single GPU goes live, shows the confidence they place in ESDS.

The deposit will be adjusted against service fees over the contract term and is therefore shown as an advance to vendor.

7. Customer advances as at 30th September, 2026

The customers' advances shown in the balance sheet as at 30th September, 2026 include (a) advances received before 31st March, 2026, which are disclosed in the prospectus, and (b) the advance of US$ 140 million used to fund the security deposit placed with Sharon AI referred to in paragraph 6. The advances received before 31st March, 2026 remain unutilized in the group's bank accounts. No major advances were received in the quarter ended 30th September, 2026.

8. The Company's role

As disclosed in the prospectus, Sharon AI owns the hardware and the data centre capacity. The Company's customers contract with it for a complete managed service i.e. cluster operations, a 24x7 network and security operations centre, model training and GPU-as-a-Service, under one contract with one accountable party. This model allows the Company to add capacity without heavy investment in land, buildings or GPU hardware, while the Company continues to build its own GPU capacity in India.

9. Further updates

The Company will inform the stock exchanges when the Sydney AI factory goes live and will continue to make all disclosures required under SEBI Listing Regulations. Customer contract terms will be disclosed to the extent required by the regulations.

Cautionary statement: Amounts payable to Sharon AI and receivable from customers are denominated in US dollars. The rupee figures in this disclosure are approximate conversions and will vary with the US dollar–rupee exchange rate. As both payments and receipts are in US dollars, exchange-rate movements will change the rupee value of the revenue, cost and profit reported by the Company, but not the margin earned in US dollars. Timelines and profit figures are expectations, not guarantees, and the Company will update them only as required by law.