

December 08, 2025

Bombay Stock Exchange Limited,
Dept. of Corporate Services,
14th Floor, P.J. Towers, Dalal Street,
Fort, Mumbai - 400001
Scrip Code: 538891/Scrip ID: M CLOUD

National Stock Exchange of India Ltd.,
Dept. of Corporate Services,
Exchange Plaza, Bandra- Kurla Complex,
Bandra (East), Mumbai - 400051
Symbol: M CLOUD/Series: EQ

Sub: Intimation regarding Shareholders Communications.

Respected Sir/Madam,

With reference to the above-cited subject, please find enclosed the communication made to the Shareholders.

We had previously circulated this update with our shareholders via email. In continuation of our commitment to transparency, we are now submitting the same communication to the Exchange for wider dissemination.

We extend our sincere appreciation to all stakeholders who reached out with their encouraging messages and stood by the Company.

Your trust and continued support mean a great deal to us.

Thanking You,

Yours Faithfully,
Magellanic Cloud Limited

Joseph Sudheer Reddy Thumma
Managing Director
DIN:07033919



Open Letter from Magellanic Cloud Limited Global CEO & MD

To Shareholders & Investors

This quarter has been challenging and turbulent across the capital markets, and I will not deny that it has impacted **Magellanic Cloud Limited [NSE: MCLLOUD | BSE: MCLLOUD]** and its shareholders as well. In the last fortnight, our stock has seen a decline of nearly 64%. It is natural for this to raise questions, concerns, and speculation. Yet, despite the sentiment - we stand stronger today than at any point in our past.

Company Fundamentals

- Revenues grew **6.6%** from ₹560 crores to ₹597 crores, and EBITDA rose **4.2%**, underscoring steady year-on-year performance and financial strength.
- Secured a **₹140+ crore order pipeline** in e-surveillance from Indian Railways & NHAI
- Drone division **clocked orders every quarter** this financial year
- Achieved **CMMI certification**, validating operational maturity & process excellence
- Formed strategic **global partnerships** with leading technology companies

Our philosophy on acquisitions

Every acquisition I pursue has a clear and deliberate purpose — whether it is **new technology, new geography, domain expertise, or strategic capability**. I work closely on every step: how to monetize the acquisition, what product can be carved out, how it can be positioned in the market, and how to scale it in the next one to two years.

This philosophy has served us well.

Twice in the last five years, we applied this same playbook with remarkable success. **One acquisition grew fivefold under my stewardship.** The other is currently on the same trajectory — strengthened by the large orders we have recently secured in that vertical.

These are not markers of weakness. These are indicators of growth, execution, and momentum.

So, if fundamentals have strengthened, and growth pipeline has scaled multi-fold, why does the stock chart suggest otherwise?

So, what went wrong?

A sentiment-driven correction fueled by fear-based selling. When markets become uncertain, emotion often overtakes logic. Investors move on headlines, chatter, and herd psychology rather than underlying business performance. Fear magnifies volatility — but it does not change intrinsic value.

As Warren Buffett said: ***“In the stock market, people who panic end up giving their profits to people who stay patient.”***

Short-term price movements reflect perception, not performance. Real value is created through execution, innovation, discipline, and trust — and that is exactly what we continue to build.

A word on rumors — and a request from my heart

Rumors may seem harmless in conversation, but in the market, they carry weight.

Behind every share lies a family, a future, someone's lifetime savings and trust. Misinformation does not just move prices, it impacts people.

To those circulating unverified narratives whether knowingly or unknowingly all I wish to say with respect and clarity:

“Let us not create fear for profit. Let us not allow whispers to erode shareholder wealth.”

We welcome healthy debate and difficult questions- they make us stronger. But let such conversations be fact-based, informed and responsible. If we must discuss, let it be about our products, innovation, execution and strategy - not mere speculation.

A personal note from me

After 25 years in the United States, I came back to India - not for comfort, but for purpose. And that purpose is Magellanic Cloud.

I returned to build a company this country & world can be proud of - **a technology powerhouse driven by deep R&D, innovation, and long-term vision, creating impact, opportunity and value for years to come.** This is not just another business for me - it is a dream built with my mind, body and heart.

This conviction is what led us to invest aggressively into Drone R&D, expanding our IP, deepening capabilities, and positioning ourselves for leadership in a fast-evolving market where India is emerging as a global player.

Where we stand today

My focus remains steadfast and unwavering.

Silence is sometimes mistaken for uncertainty. In our case, it reflects work - deep, foundational work, the kind that compounds quietly before it becomes visible.

In times like this, I remind myself of a simple truth:

- We are not failing.
- We are being misunderstood.
- And time will make that distinction clear.

To every stakeholder who stands with us

“Thank you for your patience, trust, and belief. We will repay it not with words, but with outcomes.”

Warm Regards

Joseph Sudheer Reddy Thumma
Global CEO & Managing Director

DIN: 07033919