

## CEO's Update to Investors: Q1 FY2022

In the quarter gone by, the second wave-induced lockdown shook the entire economy and had a major impact on human lives and businesses. The second wave impacted urban as well as rural India, and did have an impact on our transaction volumes, especially the domestic remittance business. Despite the challenges, the resilience of our platform-centric business model came to the fore and revenues grew by 20.0% QoQ and 176.5% YoY. In line with our prior communication of the calibrated transition from a credit-centric business model to a platform-centric business model in December last year, and with Q1 FY2022, we completed two full quarters since our business model was revamped. With our new strategy picking up momentum, we registered a remarkable performance despite COVID-related headwinds. This further affirmed our belief that the path chosen by us to serve the underserved MSMEs and rural individuals is sustainable in the long run.

To re-iterate, our business is premised on an open-tech platform with a transaction-based revenue model. Our objective is to deliver a capable financial services infrastructure platform that powers all distribution/customer-facing businesses. Our execution is focused across two broad vectors – 1) continuously expanding our platform capability and 2) scaling partners. We have made significant progress in both these areas in this quarter.

On the partnerships, we had a few major distribution partner wins this quarter providing us significant coverage in rural India. We will be powering all our partners' distribution front ends with our Rural Tech platform products. This is a big validation of our distribution-neutral platform-centric model. These relationships are massively scalable across products and has the potential to grow our GTVs multifold from our current levels.

On the platform capability, we have been investing in our tech stack so that our services can be consumed as full-stack application, APIs, or SDK. This will allow us to onboard all varieties of partners as we continue to broaden the product stack. We expanded our product stack with SaaS based tax solution in Urban tech and upgraded our domestic remittance product along with Bharat Bill Pay Agent institution. Our transaction led credit is also seeing good traction.

We have a strong partner and product pipeline. The continued adoption of our platform by our partners lends us confidence to scale the business materially.

### Key Highlights of Q1 FY2022

- Total Consolidated Revenues at INR 220.6 million, up 176.5% YoY
- Debt free and net cash balance sheet. Cash and Equivalents at INR 1,682.8 million
- Rural-tech partners stood at 477, up 46.8% YoY
- Rural-tech touch points reached 166,365, up 203.9% from Q1FY2021
- The number of partners on our urban channel increased by 58.5% YoY, to 4,333
- The gross transaction value (GTV) of Rural-Tech for the quarter was INR 11,881 million -5.1% QoQ, impacted by lockdowns in April and May.
- Wealth Tech AUM grew to INR 15,042 million; up 120.3% YoY

## Financial Highlights

Our consolidated revenue for the current quarter was INR 220.6 million. Our Adj. EBITDA was INR 13.3 million compared to INR 14.1 million in the corresponding quarter. Our Non-GAAP PBT was INR -0.3 million in Q1FY2022, compared to INR 3.0 million in Q1FY2021. Our balance sheet remains strong and debt-free as of date.

Our credit loan book is down by 71.4% YoY and now stands at INR 348.1 million against INR 1,219.2 million as of June 30, 2020. This is well-aligned with our articulated strategy of exiting generalized credit to de-risk our balance sheet and focus on transaction led credit.

| <b>Consolidated (INR mn)</b>       | <b>Q1FY22</b> | <b>Q1FY21</b> | <b>YoY Change</b> |
|------------------------------------|---------------|---------------|-------------------|
| Total Income                       | 220.6         | 79.8          | 176.5%            |
| Expenses                           | 207.3         | 65.7          | 215.6%            |
| Adj. EBITDA (Pre ESOP)             | 13.3          | 14.1          | (5.6) %           |
| Reported Pre-Tax Profit/(Loss) (A) | (17.5)        | (12.2)        | NM                |
| Depreciation & Amortization        | 13.6          | 11.1          | 22.4%             |
| ESOP (B)                           | 17.2          | 15.2          | 13.5%             |
| Non-GAAP PBT (C) = (A) + (B)       | (0.3)         | 3.0           | NM                |

The recent RBI guidelines places a limit on the number of statutory audits by an audit firm in a year. Considering the compliance of the aforesaid RBI Circular, the incumbent statutory auditor of the Company, M/s. MSKA & Associates, Chartered Accountants, are ineligible to continue as Statutory Auditor of the Company since they have reached the maximum limit for the number of audits to be undertaken in the current year. Thus, our Board of Directors has approved the appointment of M/s Pijush Gupta & Co. as the new auditors.

Thank you for your support, and we look forward to continuing our journey to becoming India's premier MSME-based fintech ecosystem.

Thank You.

**Tashwinder Singh**  
**Chief Executive Officer**  
**Niyogin Fintech Limited**

**Disclaimer:**

Certain information published herein contains "forward-looking information," including "future-oriented financial information" and "financial outlook" (collectively referred to herein as forward-looking statements). Except for statements of historical fact, the information contained herein constitutes forward-looking statements and includes, but is not limited to, the (i) projected financial performance of the Company; (ii) the expected development of the Company's business, projects, and joint ventures; (iii) execution of the Company's vision and growth strategy, including with respect to future M&A activity; (iv) sources and availability of third-party financing for the Company's projects; (v) completion of the Company's projects that are currently underway, in development or otherwise under consideration; (vi) renewal of the Company's current customer, supplier and other material agreements; and (vii) future liquidity, working capital, and capital requirements. Forward-looking statements are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment.

These statements do not guarantee future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements.

Although forward-looking statements contained in this letter are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.