

## CEO's Update to Investors: Q2 FY2022

Dear Investors,

Wishing everyone a very Happy Diwali.

Q2 FY2022 was an execution focussed quarter. We continued to witness the benefits of our platform-centric model as our revenues grew by 18% QoQ similar to Q1 FY2022. I would also like to highlight the fact that we have already recorded revenues of ~INR 480 million in the first half of FY2022 itself, compared to FY2021 where revenues for the full year were ~INR 500 million. The key outcome of our repositioned strategy has been the change in our revenue model. Our revenue model, today, is largely non-balance sheet transaction-led and is ~78% of the total revenues. The sustainable nature of such a revenue model reflects in our performance, with our GTV levels in excess of INR 20 billion in this quarter. Our performance, therefore, has been a validation of the path we have set forth for ourselves.

Q2 FY2022 saw us reach a few critical milestones for our business. Apart from expanding our business with partners like Common Service Centers (CSC), Bharat Financial amongst others, we added a significant number of marquee partners such as Sahej, Bajaj Finance, and Hermes iT, we also added Airtel Payments Bank to augment our bank partnerships. The other significant change we have made to our platform is that we have now become device agnostic and offer micro-ATM services in the "Bring your own device" model to enable an open architecture which widens our platform TAM significantly as we can now target a wide range of devices which are already installed. As a result, an embedded micro-ATM solution for POS players has also been launched this quarter, a solution that helps micro-ATM transactions through existing POS devices. The model is being rolled out in strategic partnership with Atos Worldline.

The significant market opportunity coupled with the market acceptability of our platforms has given us the confidence to invest in building this business further. We believe this business has significant operating leverage and acquiring scale both in terms of distribution footprint and product breadth is critical. I am therefore pleased to inform you that the Board has approved an investment plan to further our business build. The plan is to invest upto INR 1 billion to hyper scale the business in the next 2 years. The money will largely be utilized in building the talent and technology to help bring in incremental products and service capabilities on our platform. All this, coupled with our expanding distribution network and growing product acceptance, positions us to take full advantage of the market opportunity ahead of us.

### Key Highlights of Q2 FY2022

- Total Consolidated Revenues at INR 259.9 million, up 230.5% YoY
- Debt free and net cash balance sheet. Cash and Equivalents at INR 1,714.3 million
- Rural-tech partners stood at 518, up 45.9% YoY
- Rural distribution touch points reached 198,593, up 199.9% YoY

- The number of partners on our urban channel increased by 43.0% YoY, to 4,636
- The gross transaction value (GTV) including payouts of Rural-Tech for the quarter was INR 21,003 million up 12.1% YoY\*
- Wealth Tech AUM grew to INR 18,244 million; up 120.7% YoY

\*GTV growth for Q2FY21 and Q2FY22 is including retailer payouts, in line with industry standards. In Q1FY22 the same was excluding payouts

## Financial Highlights

Our consolidated revenue for the current quarter was INR 259.9 million. Our Adj. EBITDA was INR 8.4 million compared to INR 13.0 million in the corresponding quarter. Our Non-GAAP PBT was INR (5.5) million in Q2FY2022, compared to INR 2.1 million in Q2FY2021. Our balance sheet remains strong and debt-free as of date.

Our credit loan book is down by 71.1% YoY and now stands at INR 277.9 million against INR 962.6 million as of September 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.

Consolidated (INR mn)	Q2FY22	Q2FY21	YoY Change
Total Income	259.9	78.6	230.5%
Expenses	251.5	65.6	283.3%
Adj. EBITDA (Pre ESOP)	8.4	13.0	(35.8) %
Reported Pre-Tax Profit/(Loss) (A)	(18.8)	(5.0)	NM
Depreciation & Amortization	13.8	10.9	26.8%
ESOP (B)	13.4	7.1	87.4%
Non-GAAP PBT (C) = (A) + (B)	(5.5)	2.1	NM

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**

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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.

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