

February 13, 2023

To
BSE Limited
25th Floor, Phiroze Jeejeeboy Towers,
Dalal Street, Mumbai – 400001
BSE Scrip Code: 538772

Ref.: Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Sub: Investor Update – Q3 FY 23

Dear Sir/ Madam,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**"), we are enclosing herewith the Investors' Update for Q3 FY23.

The aforesaid information is also being made available on the website of the Company i.e. www.niyogin.com

Yours truly,
For Niyogin Fintech Limited

Neha Agarwal
Company Secretary & Compliance Officer



Encl: a/a

Niyogin Fintech Limited

(CIN L65910TN1988PLC131102)

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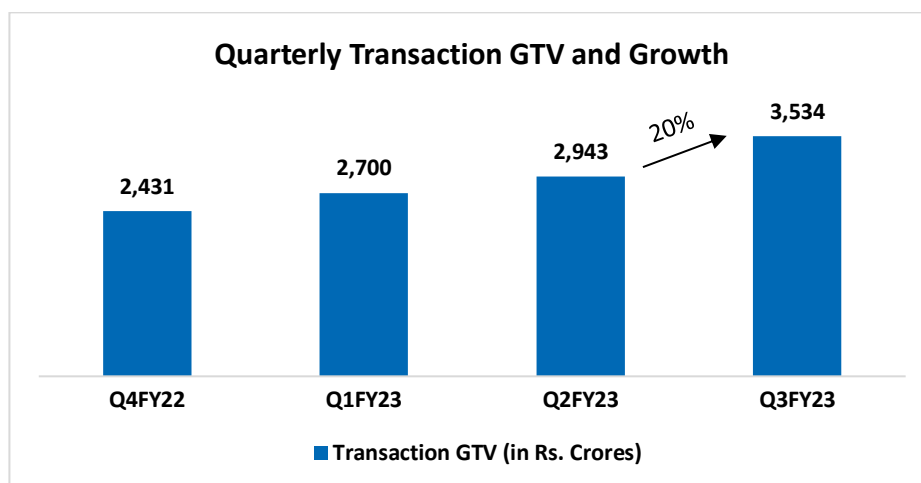
CEO's Update to Investors: Q3 FY2023

Dear Investors,

Our vision is to create a digital platform that serves as a one-stop solution to meet the financial and non-financial needs of MSMEs. We operate a tech-centric partner-led model in rural and urban India delivering 'Banking as a Service' with lending capacity. Our network gives us cost-efficient market access and powers several MSME partners to augment their income while delivering solutions to their clients. From a customer standpoint, we have been focusing on three segments – Business Correspondents (wanting to deliver financial inclusion), Neobanks/Fintechs (wanting a full stack neo-banking platform) and Banks (wanting to launch digital programs).

Q3 FY2023 saw us making significant progress on execution. We expanded our footprint, launched new products and inked new partnerships. Our partner retail footprint grew an exponential 51% QoQ from over 378,000 to more than 573,000. The jump was the result of incremental onboarding by our enterprise clients. The gross transaction value (GTV) grew +20% QoQ, as we transacted more than Rs. 3,500 Crores worth of transactions on our network in this quarter. We transacted over 87 lakh transactions in this quarter up from 77 lakhs in Q2FY23.

While September 2022 was the first month when we crossed the Rs. 1000 Crores GTV mark, I am pleased to share that we went on and crossed the Rs 1500 Crores GTV mark as well in January 2023, demonstrating the J-Curve for our business. We anticipate that in the coming quarters, the volume of transactions and the GTV will grow to match our expanding footprint as our partnerships strengthen and mature. The increase in retail footprint and the growing number of enterprise clients will drive growth in transaction volume and revenues. By leveraging the strength of these relationships, we aim to position ourselves as a key player in the industry and continue to drive success.



Some of the key milestones we achieved in Q3 FY2023 are as follows:

- A large payments bank has gone live with our IMPS, AEPS, mATM and Prepaid card solutions
- A large PSU bank has gone live with iServeU's Aadhaar Payment stack to run its Aadhar pay program
- We have started development of our Agency Banking Solution, which happens to be India's first "scale at demand" cloud native technology with a major private bank to run its BC program
- Common Service Centre (CSC) went live with our Aadhar Pay solution

We reported an increase of ~53% in GTV on a YoY basis and revenues (ex-device sales) also grew ~50% on a YoY basis. This is in-line with the fact that fast growing business like ours often experience evolution of product mixes. The consolidated revenue is at Rs. 27.0 Crores, a 2.0% increase on sequential basis. While the revenue looks flattish, there is a significant change in the quality of revenues. Our J-curve trajectory is reflecting this pivot as we move away from leaner margin streams like hardware sale to richer margin products like API solutions. Our agility in responding to device shortages allowed us to move away from our closed-loop approach wherein our APIs could integrate solely with hardware sourced in-house. However, with time, as our APIs evolved, they can now integrate with third party hardware thus affording us the opportunity to focus on richer products. We believe that as we scale up and gain recognition, the contribution from products like API infrastructure solutions and lending will steadily increase.

We are delighted to inform you that our outstanding loan book crossed Rs. 100 Crores this quarter, a significant stepping-stone in our lending journey. The lending business is pivotal to our growth story and we are creating the right lending models to make sure we are able to appropriately monetize our networks.

We continue to remain excited by the potential of the market and the ecosystem we are operating in (as an API Infrastructure provider with lending capability). As mentioned earlier, we are targeting to be a Rs. 500 Crores revenue company by FY25. We are on the path to increase our GTV from approx. Rs. 9,000 Crores in FY22 to over Rs. 1,00,000 Crores in the said three-year period and expect to deliver 10-12% EBITDA.

Key Highlights of Q3 FY2023

- Outstanding loan book crossed Rs. 100 Crores
- Revenue (ex-device sales) was up 49.3% YoY
- Debt free and net cash balance sheet. Cash and Equivalents at Rs. 89.9 Crores
- Our Total distribution touch points (Rural Tech) at the end of Q3FY23 reached 573,223 up 150.6% YoY
- The Gross transaction value (GTV) including payouts was Rs. 3533.7 Crores in Q3FY23, up 52.8% YoY*
- Wealth Tech AUM grew to Rs. 2,625.2 Crores; up 15.5% YoY

*GTV growth of Q3FY23 against Q3FY22 is including retailer pay-outs which is in-line with industry standards.

Financial Highlights

Q3 FY2023

Our consolidated revenue for the current quarter was Rs. 27.0 Crores. Our Adj. EBITDA was Rs. (6.2) Crores compared to Rs. (0.2) Crores in the corresponding quarter last year. Our Non-GAAP PBT was Rs. (7.7) Crores in Q3 FY2023, compared to Rs. (1.5) Crores in Q3 FY2022. Our balance sheet remains strong and debt-free as of date.

Consolidated (in Rs. Crores)	Q3 FY2023	Q3 FY2022	YoY (%)
Total Income	27.0	27.7	(2.7)%
Expenses	33.2	27.9	18.8%
Adj. EBITDA (Pre-ESOP)	(6.2)	(0.2)	NM
Reported Pre-Tax Profit/(Loss) (A)	(8.7)	(2.5)	NM
Depreciation & Amortization	1.6	1.3	18.8%
ESOP (B)	1.0	1.0	(5.1)%
Non-GAAP PBT (C) = (A) + (B)	(7.7)	(1.5)	NM

Overall, it is an exciting time for our company, and I am confident in our ability to continue driving growth and success in the future. Thank you for your continued support.

Tashwinder Singh

Chief Executive Officer & Managing Director

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.