



PRESS RELEASE

Niyogin Fintech announces FY21 results Consolidated Total Income at INR 506.3 mn

Mumbai, India | May 19, 2021

Niyogin Fintech Limited (BSE: 538772), a publicly listed fintech platform, today announced its **results for the fourth quarter and year ended March 31, 2021.**

***Commenting on the Company's performance for FY21, Tashwinder Singh, CEO, Niyogin Fintech Limited said,** "We are pleased to share with you our financial results which have vindicated our platform-based business model. We passed a milestone with total revenues crossing INR 500 mn for the full year. The acquisition and integration of iServeU is a significant turning point for us as we broaden our market access and product stack to deepen our customer connect. Even as we negotiate the short-term pandemic headwinds, we continue to focus our energies on multiple opportunities unfolding over the long term."*

Key Highlights of FY2021

- Successful integration of iServeU into the Niyogin system
- Consolidated revenues crossed INR 500 mn, up 80.5% over FY20, an important milestone
- The gross transaction value (GTV) of iServeU is INR 57,581 mn, an increase of 46.2% year on year.
- Rural distribution touch points reached 131,082 up 142.9% from FY20
- Wealth AUM grew to INR 9,837 mn; up 31.2%
- The number of partners in urban channel increased by 108.7% year over year to 4,017.

About Niyogin Fintech Limited

Niyogin Fintech Limited (www.niyogin.com) caters to India's underserved MSMEs and rural individuals, and is engaged in diversified segments such as Rural Tech, Credit, and Wealth Tech. In MSMEs, Niyogin counts on the strong customer connect of its partners (typically financial professionals) to drive business growth on a revenue sharing model. The Company further operates on a hybrid model wherein it provides technology solutions across its different segments to its partners, who in turn handle the physical leg of customer servicing for a revenue share. In rural areas, the Company has been empowering the retail "Kirana" stores to offer payments and financial transactions to customers in their vicinity.

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Disclaimer:

This press release may include statements of future expectations and other forward-looking statements based on management's current expectations and beliefs concerning future developments and their potential effects upon Niyogin and its subsidiaries/ associates. These forward-looking statements involve known or unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. 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 are not guarantees of future performance and undue reliance should not be placed on them. Important factors that could cause actual results to differ materially from our expectations include, amongst other: general economic and business conditions in India, our ability to successfully implement our strategy, our research and development efforts, our growth and expansion plans and technological changes, change in laws and regulations that apply to NBFCs, increasing competition in and the conditions of the NBFCs, changes in political conditions in India. Neither Niyogin, nor our Directors, or any of our subsidiaries/associates assume any obligation to update any particular forward-looking statement contained in this release. 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.

CEO's Update to Investors: Q4 & FY2020-21

FY2021 was a pivotal year in our Company's journey - we pivoted our business model from credit centricity to platform orientation and completed the acquisition of iServeU – a rural payments platform. We further upgraded the management team to build bandwidth for execution of our priorities.

We completed the integration of the iServeU acquisition in Q4FY21. We believe this is a significant turning point for us as we broaden our market access and product stack to deepen our customer connect. We have expanded our distribution footprint in Rural India throughout the integration phase. This distribution build has been done by penetrating newer geographies and adding significant partnerships at both local as well as enterprise level. In parallel, we have added to our existing payments product stack with more offerings to accomplish basic banking services, insurance and credit. This is expected to strengthen our prowess as a financial inclusion platform.

We continue to make investments and build new product partnerships in our financial intermediary led Urban Tech distribution. This model has created a large MSME market access and our focus is on monetizing through a unified platform with a curated product stack. This year we added secured credit, unsecured credit, insurance and B2B SaaS products in collaboration with leading companies and platforms. We are pleased to report that we have successfully onboarded all retail (Urban Tech) partners on our SaaS based wealth platform. While the emphasis in FY2021 was to pivot this network to a pure fee-centric model and broaden the product stack, through FY2022, the focus will be on beginning the process of monetizing this network.

The pandemic has further reinforced the need for MSMEs to scale the digital divide and adopt faster, and we believe our technology led service offerings will aid the same. We also brought several new products into our fold. We expect to see the adoption of these products in FY2022 to power our growth.

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The next billion of India are being delivered financial inclusion on the foundation of the JAM (Jan Dhan-Aadhar-Mobile) vision. This market now stands at ~USD 56 bn made up largely of domestic remittances and AEPS/M-ATM transactions. During the year, we added new products both on the credit and non-credit side targeted towards this market segment. On the credit front, our initiation of transaction-led credit is expected to fuel a self-perpetuating cycle wherein retailers would transact higher volumes on the platform and spur growth. Our retailers bring in their own capital to drive the AEPS, M-ATM & DMT services which is recycled on daily basis. Thus, in effect the retailer's transaction throughputs are constrained by capital access. Our credit program removes this barrier, for select retailers, and provides capital access to expand the payment throughputs and the retailer funds the cost with the transaction spread earned. This credit access drives greater transaction throughput and accelerates income augmentation, thus creating a self-perpetuating cycle with better control and lower credit risk.

On the non-credit front, we added Aadhar pay – the digital-to-digital solution – to our product stack, which previously had only cash-to-digital and digital-to-cash solutions. Incrementally we have now launched micro-insurance on both the Rural and Urban platforms.

Moneyfront, our digital wealth platform with its array of offerings - SaaS-enabled tech platform for financial professionals, analytical wealth services for large corporates, and B2C financial planning platform made rapid strides. Our product extensions during the year enabled a 31.2% increase in AUM to INR 9,837 mn. The minor impact of advance tax-induced withdrawals at the quarter end was subsequently reversed, with the AUM being at INR 11,099.5 mn in April 2021.

Financial Highlights

Our consolidated revenue for the current quarter was INR 183.9 mn, with full quarter of the iServeU consolidation. Our EBITDA losses reduced to INR -40.2 mn compared to a loss of INR -55.0 mn in the corresponding quarter. Our Non-GAAP PBT was INR -40.7 mn in Q4FY21, compared to INR -61.1 mn in Q4FY20, primarily driven by management overlay taken in our loan book on account of second wave of COVID-19. Our balance sheet remains strong and debt-free as of date.

Consolidated (INR mn)	Q4FY21	Q4FY20	YoY Change
Total Income	183.9	85.1	116.0%
Total Expenses	239.8	152.1	57.6%
EBITDA	-40.2	-55.0	NA
Reported Pre-Tax Profit/(Loss) (A)	-55.9	-67.0	NA
Depreciation & Amortization	15.1	11.3	33.6%
ESOP (B)	15.2	5.9	157.6%
Non-GAAP PBT (C) = (A) + (B)	-40.7	-61.1	NA

On a full year basis, we reported a revenue of INR 506.3 mn, an increase of 80.5% YoY. We reported an EBITDA of INR -20.0 mn as compared to an EBITDA of INR -202.6 mn in the prior year. Our Non-GAAP PBT was at INR -39.1 mn as against INR -207.6 mn in the preceding year.

Consolidated (INR mn)	FY21	FY20	YoY Change
Total Income	506.3	280.5	80.5%
Total Expenses	578.8	527.0	9.8%
EBITDA	-20.0	-202.6	NA
Reported Pre-Tax Profit/(Loss) (A)	-72.5	-246.5	NA
Depreciation & Amortization	50.1	40.9	22.5%
ESOP (B)	33.4	38.9	14.1%
Non-GAAP PBT (C) = (A) + (B)	-39.1	-207.6	NA

Part of our results were impacted by us taking an upfront management overlay of INR 34 mn in Q4FY21 on our legacy loan book because of the lockdown being reimposed in the second half of March and continuing in April and May 2021. As detailed earlier, we expect our new loan book to perform significantly better because of our transaction data led cash flow-based lending. While the current pandemic induced lockdown has impacted us in April 2021 and may continue to do so in the first half of FY2022, we remain positive about the long-term prospects of the market opportunity and the business.

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.

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Investor Presentation


MAY 2021

Niyogin Fintech Limited

