



PRESS RELEASE

Niyogin Fintech board approves the hypergrowth plan entailing upto INR 1 bn investment
Quarterly gross transaction value crosses INR 20 bn
Q2FY22 Consolidated Total Income at INR 259.9 mn, up 230.5% YoY

Mumbai, India | November 01, 2021

Niyogin Fintech Limited (BSE: 538772), a publicly listed fintech platform, today announced its results for the second quarter and half year ended September 30, 2021.

Commenting on the Company's performance, Amit Rajpal, Co-Founder, and Non-Executive Chairman, Niyogin Fintech Limited said, "We are excited by the Board's decision to approve the hypergrowth business plan that entails an investment of upto INR 1 billion to create the most comprehensive financial inclusion platform offering in the market enabling the business to scale rapidly and build multiple-interlinkages with open architecture and in a modular format. Given our strong balance sheet, we can support such investments and this sets us up for exponential growth over the next 2 years."

In addition, Tashwinder Singh, CEO, Niyogin Fintech Limited said, "Our business model has been validated with sustained operational and financial performance. We recorded an 18% sequential revenue growth as we crossed INR 20 billion in GTV this quarter. Our decision to invest incremental capital in the business will enable us to expand the addressable market and add multiple products to make this the most comprehensive fintech Infrastructure platform. This will be a holistic system for our partners, experienced as a standalone Application, API or SDK depending on their requirements."

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

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 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 stores to offer payments and financial transactions to customers in their vicinity.

For further details, please feel free to contact:

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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: 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.

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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

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.



Investor Presentation

Q2 FY2022

Niyogin Fintech Limited

