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BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 517214

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block
Bandra – Kurla Complex, Bandra (E)
Mumbai – 400 051

Scrip Code: DIGISPICE

Sub.: **Transcript of the Investors/Analysts Conference Call held on 14th August, 2025**

Dear Sir/Madam,

Pursuant to Regulation 30 read with Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the transcript of the Investors / Analyst Call held on 14th August, 2025 with senior management team.

The transcript will also be available on the website of the Company at <https://investorrelations.digispice.com/information.php?page=transcripts>

You are requested to kindly take the above on record and acknowledge the receipt of the same.

Thanking you.

Yours faithfully,

For **DiGiSPICE Technologies Limited**

(Ruchi Mehta)

Company Secretary & Compliance Officer

DiGiSPICE TECHNOLOGIES LIMITED
Q1, FY' 26 Earnings Zoom Webinar
August 14 , 2025

Management Participants:

Mr. Dilip Modi	Chairman, DiGiSPICE Technologies Limited & Chief Executive Officer, Spice Money Limited
Mr. Sunil Kapoor	Whole Time Director & Chief Financial Officer, Spice Money Limited
Ms. Aastha Garg	Head Investor Relations, Spice Money Limited

DiGiSPICE Technologies Limited
Q1 FY '26 Earnings Zoom Webinar
August 14, 2025

Amit Kumar Sharma: Good morning, everyone. A very warm welcome to the Earnings Zoom Webinar of DiGiSPICE Technologies Limited for Q1 FY '26.

We have with us Mr. Dilip Modi, Chairman of DigiSpice Technologies Limited, Mr. Sunil Kapoor, Whole-Time Director and Chief Financial Officer, Spice Money Limited, and Ms. Aastha Garg, Head Investor Relations, Spice Money Limited.

Before we begin, I would like to state that some of the statements made in today's discussion may be forward-looking in nature. The actual results may vary as they are dependent on several external factors. A statement in this regard has been included in the result presentation sent to you earlier.

We will commence the call with the Management taking you through the operational and financial performance for the period under review, following which we will have an interactive Q&A session.

I would now like to invite Mr. Dilip Modi to commence the presentation. Over to you, sir. Thank you.

Dilip Modi: Thank you, Amit. Thank you so much. Let me join Amit in welcoming you all to the Quarter 1 call for DiGiSPICE Technologies. It is always a pleasure to connect with everyone who are interested in the story that we are building here at Spice Money.

It is really a journey that we have been on for the last five years and something that we, at Spice Money, are very passionately building out. And it is so nice to get this opportunity to share with all of you how we are building the business, what's happened in the previous quarter and also talk about the journey going forward.

So, let me start by first walking you through some of the introductory slides around our core business, and then we will dive straight into the numbers. So, can we move to the first slide, please? Can we move forward?

So, friends, what we are building out at DiGiSPICE Technologies is a rural fintech platform business. This is something, like I said, we have been building for the last five

years. The main, you know, the three key strategic building blocks for our business in the rural fintech space, and I will talk through each one of them with you.

Our leading platform is called Spice Money. This is one of India's number one AePS platforms. And when I say AePS, it is Aadhaar-enabled Payment System, which is an NPCI product.

So, effectively, what we have done with the Spice Money platform is onboarded over 1.5 million small merchants who we refer to as Spice Money Adhikaris on our Spice Money app. And they are doing transactions in deep rural India in small towns, about 250,000 villages and 6,000 blocks*. And basically, they are using our platform to enable consumers in their community to withdraw cash from their bank accounts, deposit cash into their bank accounts. They are enabling MFIs and NBFCs on cash collections, enabling customers to do their bill payments at a merchant point nearby to them.

This is something which is really enabling digitization of cash at scale because effectively now, instead of going to, you know, traveling to a bank branch or an ATM machine to deposit or withdraw cash, consumers in small towns are able to do so at a merchant point near them who is onboarded as a Spice Money Adhikari. So, effectively, it is a B2B2C platform. And through this platform, we are enabling multiple financial services to be delivered in deep rural India. Something that we will talk about as we go forward.

Spice Pay is our new platform that we are building. This is our entry into the UPI space. Here we are building out for both consumers and merchants. So, while Spice Money is our platform for agents, Spice Pay is our platform for consumers and merchants. Here we have secured a license from the Reserve Bank of India referred to as PPI.

This is a prepaid instrument wallet license, which has been secured by us, which allows us to open a digital wallet for both consumers and merchants and enable them to put cash into the wallet, withdraw cash from the wallet, but more importantly, do digital payments from the wallet.

So, our goal here is to bring on board now to UPI, both consumers and merchants, both on the send side and the receive side. And this is our focus on digitizing payments in what predominantly are cash-first markets in small towns.

So, we have been focusing on building Spice Money as the agent platform, which will continue to scale, both in terms of number of agents and number of transactions. And

*Inadvertently mentioned as '6,000 blocks' instead of '6,500 blocks'

now we are looking forward in parallel to be building out our payments platform referred to as Spice Pay for entering the UPI space and enabling the next set of UPI users to come on board from small towns.

On top of both of these, we will be building out our lending business, both for merchants and consumers. We have already started our lending business for agents, which have started reflecting in our numbers. Our goal here is to ensure that we can enable accessible, affordable credit to agents, consumers, and merchants living in small towns. So, overall, we refer to, do you know what we are bringing out? The Spice Bharat Stack, which is agent-led distribution, customer and merchant transactions, and credit-led growth. These are the three key strategic building blocks for our business.

Moving forward, I will just quickly take you through some of the key metrics that we have achieved over the last period. Can we move to the next slide, please?

So, this is to give you a summary on some of our key metrics. So let me start right at the top. We have to date, as of the end of June, 2025, registered close to 15.8 lakhs agents on our Spice Money Adhikari platform. We have achieved a coverage of over 2.5 lakh villages. We, on an average, serve about 2.5 crore (25 million) customers on a monthly basis who come to our agent points to do financial transactions. And we are a 1,000-people strong company.

In terms of some of the key product metrics, one of the key metrics that we track right up front is the customer cross-transaction value, which is a combination of the value of all the transactions done on our platforms. For the quarter ended June '26*, we have closed at Rs. 32,760 crores, which is a 28% year-on-year growth over the same quarter last year.

In the AePS segment, which is our core product, we are a clear market leader. We have over 18% market share in the Off-Us AePS market. When I mentioned Off-Us, these are non-bank pipes where the bank pipes are referred to as On-Us, while where we work with acquirer banks, these are Off-Us pipes where we cater to customers of all banks. Our market share has also grown 7% year-on-year. So, you know, we are consolidating our market share in this segment of AePS.

In terms of partners, enterprise partners for our collections business, we have closed this quarter with 74 enterprises, which is, you know, we have added over 9 enterprises

* June'26 to be read as June FY'26

in the last one year. And in terms of collections GTV, we have done close to Rs. 14,000 crores in the previous quarter, which is a 57% growth year-on-year.

In terms of the lenders that are live on our Bharat Bill Payment System EMI product, this is again something that we have licensed from the RBI. And here we have over 190 plus lenders who have now been enabled on the Bharat Bill Payment System platform, for whom we are able to do EMI collections using our Spice Money agent network.

CASA, which is Current Account Savings Account, is a product that we entered a couple of years back. We have, end of Quarter 1 FY '26, crossed a key milestone of opening a million accounts. So, 11.4 lakh lifetime accounts that we have opened. And for the quarter, this is a 145% year-on-year growth.

This we do with two key banks whose, you know, we open for them both savings account and current accounts for consumers in small towns. Over time, as we have opened these accounts, the float balances in these accounts have also grown to over Rs. 200 crores, signifying a 57% year-on-year growth.

The fourth key product that we have been focusing on is disbursement of credit. Again, for the quarter gone by, we have done close to Rs. 110 crores of credit, which is a 165% year-on-year growth. So, this is some of the key product metrics that we are seeing on our Spice Money platform business.

In terms of financials and P&L, the four key metrics that we track, revenue, gross margin, EBIT and PAT. So, on revenues last quarter, we came in close to Rs. 123.8 crores, which is a 13% year-on-year growth, on gross margin, close to Rs. 49 crores, which is 18%.

So, if you look at the revenue of Rs. 123 crores, this is about 38 bps on our customer GTV. If you look at gross margin of Rs. 49 crores, this is 15 bps on our customer GTV, but effectively close to 39% of revenue.

That's our gross margin. On EBIT, we came in close to Rs. 10 crores, Rs. 10.2 crores, which is about 8% of our revenues. And PAT, we closed at Rs. 6.9 crores, which is about 5% of our revenue. As you can, see on mostly all the numbers we have grown year-on-year. So, we will go into details on the P&L slide as we move forward.

Let me go to the next slide, please, and just share with you some of the key highlights for the quarter gone by.

So, one big call out that we want to do is the fact that now the company has secured a PPI license in perpetuity from the Reserve Bank of India. This is a license that we had for some time, but in the quarter gone by, now this has been provided to us by the regulator in perpetuity, which gives us a window to build out this business, to bring on board now to UPI consumers in a very systematic way over a period of time.

Just to share with you some of the key highlights of our business. So, our focus in the Spice Money Adhikari platform is to drive scale and leadership for some of our core financial services. Just to give you a sense of the kind of numbers we track, AePS, where we are a clear market leader. In this segment, we do about Rs. 5,000 crores of monthly AePS GTV. This is basically cash withdrawal and cash deposit using Aadhaar. On cash collections, which is the CMS GTV, cash management services, we do close to Rs. 4,000 crores of GTV on a monthly basis. So effectively, our Spice Money Adhikari Network, agent network is doubling up both as an ATM and a collections network in deep rural India for both consumers and enterprises.

Account opening, this is something that is part of our drive as a nation to get people to transact using their bank accounts. We at Spice are playing our role within that. On a monthly basis, we are opening over 50,000 accounts every month, and this is becoming a strong way for our customer acquisition engine.

We have also now started hitting a run rate of close to Rs. 40 crores of monthly credit disbursements using our Spice Money agent network. Our goal here is to drive financial inclusion at scale, given the size and reach of our network.

We also are enabling close to Rs. 450 crores of monthly bill payments, which creates a recurring traffic at our Adhikari Network. So, consumers are coming in to pay their EMIs, consumers are coming in to pay their electricity bills, also bills relating to credit card, FASTag, DTH, and as the number of billers add up on the BBPS platform, we are able to enable more and more of those billers to use the reach of our network to be able to allow their consumers to be able to pay their bills at a point closer to where they live.

Finally, on the drive scale and leadership, one of the things that we are committed to invest in is a digital-first growth plan, where effectively we are using digital to make sure that we can drive onboarding, adoption, engagement and growth across all our channels. So, as small merchants and consumers in small towns go digital, we as a platform want to be the leading platform that they use when it comes to consuming financial services.

One of the big call-outs that we wanted to do in this quarter is one of the things that we are doing in terms of driving productivity and distributor partner engagement. Why we are calling this out is because it is very important for us to use automation and tech to drive productivity. We as a company, while we have a tech business, we have an appetite to invest in feet-on-street. We truly believe that to serve rural India, you need a combination of technology and people. And therefore, we have put in the field a significant size sales force, which we have enabled with tech.

So, this is what we call our Sales Force app. This has been custom-built in-house for scale, where we can, on a real-time basis, monitor both our partners, field sales executives, as well as our own field teams. We have put in place a daily beat plan, which is geo-tagged to improve visibility, accountability, and coverage.

So, it is a true play of people and tech that is working on the ground. It allows us to drive clear targets, clear metrics on a daily basis, and also ensures that as the app gets adopted by our partners, field sales executives, as well as our own sales team, it drives higher returns in terms of effort to outcome.

It also ensures that we can engage with our partners to make sure that we can drive a lot of activities on the ground. Now, what this means is for many of our product partners, whether it's banks, NBFCs, MFIs, all kinds of companies, they can leverage this feet-on-street that we have got on the ground, which is tech-enabled, to help them drive many outcomes.

Going forward, our goal is to continue to drive operating leverage by bringing more and more products onto our platform. In this financial year, we have outlined for ourselves insurance and investment and savings products as two core new areas that we are looking at to enter beyond accounts and credit. And this is something that you hear from us as we move forward in the year.

And the other area that we are being approached and being discussed with multiple banking partners is the opportunity for them to reduce traffic at their branches and use our agent points as one-person branches where they can enable their consumers to gain services which normally they would get in a branch at a point closer to where they are. So, we are working with them to figure out cost-effective solutions to be able to serve their customers at points closer and therefore it offers us another additional income stream which are more branch-linked and more linked to what we refer to as kiosk banking.

So, effectively, driving scale, making sure that we can get more products, which are relevant to our consumers and small businesses that live in small towns, drive agent income through multiple product adoption, and making sure that as an organization, we continue to drive a very tech-enabled feet-on-street to ensure that as we deliver more financial products, we also have people on the ground who can help in driving adoption, KYC collections.

So, on the whole, we are building out a phygital play, which involves both feet-on-street, agents, and both of them are going to be enabled with significant tech to serve small businesses and consumers in their community.

So with that, let me hand over to Sunil, who will just quickly walk us through the numbers. Over to you, Sunil.

Sunil Kapoor:

Thanks, Dilip. This slide contains about the consolidated profit and loss for the company. And for the quarter, we have growth on the customer GTV, about 2% because we are working on some new engines and the platform revenue is the Core revenue, where we have a 6% growth quarter-on-quarter. And so, consequently, the gross margin is also 6.5% growth.

And if we see on the indirect cost side, there is some one-time cost in the previous quarter. However, there is also operational efficiency with respect to the more aligning the cost with the output on the gross margin. And we are having an efficiency over there. And so our indirect costs on year-on-year basis 5% have grown.

And if we see on the EBITDA side, that is the Rs. 6.5 crores. Compared to the previous quarter, it was only Rs. 70 lakhs. So, it is a 9x jump. Of course, the base was lower. But on the platform side also, it is a 2.5x increase. And on the EBIT side, we have clocked Rs. 10.2 crores EBIT number against Rs. 5.2 crores in the previous quarter, which is also almost a 50% growth.

And consequently, that is a PAT is a Rs. 7 crore number against the previous quarter of Rs. 2.6 crores. And if you see that this Rs. 7 crore PAT compares to the last year also, that is in the last year, we have Rs. 6.5 crores for the whole year for the continued business. And in comparison to this, we have achieved the same in this quarter.

And discontinued business standpoint of view, if you see that discontinued business has drastically now not impacting the results of the continued business and that has become a negligible cost to carry on. And the resultant PAT is Rs. 6.9 crores against the Rs. 1.5 crores in the previous quarter.

And we hope that this performance we intend to continue in the coming quarters also considering our new engines which can contribute for the future growth maybe start kicking in, in the coming quarters.

Thanks. I am handing over this PPT to Aastha to take us forward with respect to the business updates.

Aastha Garg:

Hi. Good morning, everyone. I will be covering the key business updates for the quarter gone by. Can we move to the next slide, please, Mona? Yes.

So, I will be starting with the agent base. We have been working on expanding our reach pan-India and also deepening our market presence. If you look at the agent numbers that we have done in the last years, we have fairly grown by a CAGR of approximately 25% in the first four years, which is FY '21 to FY '24. And then if you see the quarter-on-quarter growth also, we have been growing every quarter. And now at the end of Quarter 1, FY '26, we are approximately a base of 15.8 lakh agents who are sitting across 2.5 lakh villages and approximately 6,500 blocks across pan-India.

I will also cover the region-wise breakup of showing where our strengths majorly lie in the business. So, if you look at the core areas where our SMAs are today sitting, majorly 85% of our total SMAs are sitting in the northern, eastern and central regions. While strategically, we have made a push in the last one year to grow our base in the southern and western regions as well. And if you see that we are also now having approximately 15% of our total SMA base in the southern and western regions.

So, as we move forward, I think our focus will remain on strengthening our presence in the underserved areas and ensuring broader financial access to people in these areas as well. Mona, next slide, please.

So, now covering the major GTV and gross margin trends for our business. So, looking on the CICO side, I think the CICO industry, specifically AePS product, has seen major industry regulations in the past few years. And on the Off-Us side, the industry has not grown as significantly as the On-Us side of the AePS industry. But still, our AePS GTVs have shown consistent quarter-on-quarter growth as well as if we see the growth in this quarter as compared to the last year, same quarter. We have grown both in both these periods and hence our market share has now crossed 18%.

And one of the major reasons for this has been the introduction of subscription packs. This has led to a stickiness of Adhikaris on our platform and enhanced the throughputs that these Adhikaris do on our platform and ensured continuous growth of the business

volumes. So, we will continue to drive AePS further, and also now we are driving AePS cash deposit also in the AePS overall space.

Then the second big pie that we have grown in the last couple of years has been the collections business. Though this business has been seeing some huge margin pressures due to some competitive pricing that is happening in this space overall, we have been still being able to maintain a sustained growth in our GTVs and gross margins in the collections business.

And the third pie for us, which is the financial services distribution pie, we can see that on that side also, we have grown both year-on-year and quarter-on-quarter. So, we hopefully will maintain growth on all the product angles going forward. Can we now move to the next slide, please?

So, coming to the gross margin contribution mix. So, we have been working into diversifying our product portfolios over the last few years. AePS and Micro ATM, which were our key business attracting the customer footfall, was almost covering 70% of our gross margins a couple of years back.

But today, if we see the numbers, we have approximately 55% of our gross margin still coming from AePS and Micro ATM. But this was approximately 63.6% in the last year same quarter. Also, on the subscription pack side, there has been a huge jump from approximately 8% gross margin to now 12.4% margin coming from this product.

On the collection side, this has now started contributing approximately 20% of our overall gross margins. Though we see that the collection GTVs is nearly as high as the AePS GTVs, but the gross margin bps on this business is slightly lower than AePS. But still on the scale point of view, we are scaling well on the collection side as well.

Now on the overall financial services distribution business front, whether it is distributing banking or lending products for various partners that we are working with or digital services products, we can see as a whole pie, this has now started contributing approximately 10.5% of our total business, which was approximately 6% in the last year's same quarter. So, we have been expanding on majorly all fronts in our business lines. Next slide, please.

So, now I will be starting with the detailed updates for each of our business lines. I will start with AePS first. So, looking at our overall AePS cash withdrawal numbers, we have seen on the industry side that the industry has grown by approximately 3.4% quarter-on-

quarter and 10% year-on-year, while our growth in Spice Money has been more than the industry growth, which has led to the growth in our overall market share in this business.

Looking at the customer footfall also, there are approximately 4.5 crore customers who transact with us on a quarterly basis on AePS cash withdrawal. And we have been significantly able to grow our success rate of transactions from approximately 63.8% in Financial Year '24 to now touching 71.3% in Q1 Financial Year '26. So, this has been a significant improvement, and this has led to increase in our business volumes.

The major reasons for this, as I already highlighted, has been introduction of subscription packs. We can see that the subscription packs have grown consistently quarter-on-quarter for the last five quarters. And also, there has been a fair bit of renewal in these packs as well. So, this is helping us drive Adhikari stickiness and retention continuously and helping us grow on our business volumes.

The next big opportunity in this space is the AePS Cash Deposit product. If we look at the numbers of AePS Cash Deposit, we can see that we have grown significantly and we have closed the GTV for this quarter at Rs. 328 crores, up from approximately Rs. 124 crores in the last year same quarter. So, this has been a huge growth driver. And we see that as more and more banks go live on this product, we have a good opportunity to grow in the payment space on the back of this product as well.

Covering some major key levers for future growth on this business, I think, like I already mentioned, we will continue to expand to the lower density districts, specifically south and west, to ensure growth on our cash withdrawal product. Also on the cash deposit side, we will be working with banks as they go live to distribute this product to ensure that the savings need for the customers in the rural Bharat are met through this product.

We will continue also to drive subscriptions as we have already been doing. And on the industry lever side also, we feel that the changes that are coming in the AePS industry, specifically face authentication and upgradation of devices to the L1 devices will help us grow further into these underserved biometric regions from the face-auth product. And also, these L1 devices will have majorly lower fraud and better AePS performance ratios as compared to the previous set of devices that we were having on this product.

Also, on the SHG side, we are working with NPCI and banks to enable this cash withdrawal and deposit product for a new segment, which is not really on AePS cash withdrawal product now. So, this will help us drive further growth into AePS front. Can we move to the next slide?

Coming to our collections business, first I will start with the cash management services business where, like I already mentioned, we have focused really on this product in the last couple of years and we have seen a significant growth coming in the product. From our last year numbers growing significantly by 56% in year-on-year numbers, while our quarter-on-quarter numbers have held stable at a run rate of Rs. 13,000 crores per quarter on the GTV front. Though I already mentioned that this product and industry has become highly price competitive, but we are aiming to grow more enterprise partnerships so that we are able to scale on this business further because there is a huge opportunity headroom that is still available in this business.

Coming to how our enterprise partnerships look like, we have expanded approximately on all fronts, specifically NBFC and logistic partnerships in the last one year. And the contribution from the cash logistics has specifically grown in the last one year.

Looking at the average GTVs for our large SMA counters also, we have seen that these large counters are growing business volumes month-on-month and quarter-on-quarter. And hence, their average GTVs are increasing. And this is helping us drive business volumes on the collections product.

Covering the major opportunity ahead in this business, I would say that we will be working with enterprises to offer them tailor-made solutions for their overall needs. And also, we will work with them for deeper API integrations so that we can scale on the digital front as well because the next big opportunity on CMS is Bharat Bill Payment System, which I will be covering next. Can we move to the next slide, Mona?

So, coming to Bharat Bill Payment Systems, we can see that this has been a focus area for us, but our GTVs has fairly held stable on Rs. 1,300 crores for a quarter. But this has been on the GTV front.

If you look at the repeat customer base, that we have clearly focused on and we have been able to grow our repeat customer base from approximately 34.4% in Financial Year '24 to approximately 58.8% in Q1 FY '26. So, this repeat customer base has helped us strive growth for our EMI as well as utility payments as well as if you see the average ticket size, the average ticket size has grown continuously for us in the last five quarters.

So, if I talk about the key levers for driving future growth into BBPS EMI payments, I think we will be leveraging Spice Pay. That is our PPI-based UPI product for driving digital bill payments as well as we will be working to build end-to-end customer solutions in partnership with the enterprises that we are working with.

Also on the other payment side, we are working to grow as many service categories as much we can in the utility payment space. And today we are live with approximately 18 categories. Credit card and electricity are the two categories that have significantly expanded in the last one year and will continue to drive growth into two to three big categories in this space. Next slide, please.

Now coming to our current accounts and savings account distribution product. Like we already spoke about, we have now crossed 11.4 lakh accounts that we have opened till date, which is a huge 2.5x growth year-on-year and a 13% growth quarter-on-quarter.

For the SMAs who have opened more than five accounts with us, those SMAs have also increased fairly. And we have seen a continuous growth in our float balances as well. And the closing float as at June has touched Rs. 225 crores with the average balance of more than Rs. Rs. 2,000 that reflects a healthy average balance that is being maintained in the accounts that we are opening for India. And for driving further growth into this product, we are also coming with new variants which are tailor-made for the customers who are sitting in these target segments that we are serving.

Also, like Dilip already mentioned that we are now driving cross-sell into insurance and investments and those are the products that you will be hearing us talking about soon as we go and launch them. And also our focus will be on building float balances. And this will be a major retention strategy. And our target is that we can touch 1 lakh accounts on a monthly basis that we open as we drive growth in this product. Let's move to the next slide, please.

So, coming to the credit distribution product, we can see that the secured lending has emerged as a major business for us that we have been focusing on in the last one year. And if you see the secured loans, we have closed at approximately Rs. 87.2 crores loan disbursements in Q1 FY '26, which is up by 1.4x quarter-on-quarter and 3.2x year-on-year as compared to the last year same quarter. Overall, we have disbursed approximately Rs. 110 crores loans including the unsecured business.

If we look at the categorization of loans that we are distributing today, gold loans is a significant driver and it is covering approximately 70% of our overall loans, which is Rs. 68 crore gold loans distributed in this quarter. And approximately 19.2 other category loans, for example, commercial vehicle and other category loans we have distributed.

For driving growth into this space, our focus will remain on scaling into three to four more categories on the secured credit side as well as activating more partnerships, both on the secured loan as well as the secured credit card side.

Also, we are leveraging the data that we have on Spice Money and Spice Pay transaction data into building insights for the kind of leads that we generate for our partners, as well as we are trying to use the tech and AI to enable better underwriting models for the partners that we are working with in this space.

So, now I would like to hand over back to Dilip for taking you through our journey ahead.

Dilip Modi:

Thank you, Aastha. So, let me close on the next slide by just sharing with you our roadmap. We have a very simple strategy wherein today we have built Bharat's largest assisted ATM network, these one-person ATM points, one-person branch points, which we refer to as Adhikaris across deep rural India.

Cash withdrawal continues to be our biggest use case. So, whether it is subsidies, remittances or even regular withdrawals from the accounts, our goal is to get as close to the customer as possible to help them save on time and cost of travel.

AePS-led cash deposit is the next big theme that we are going to work on to enable consumers not only to be able to withdraw cash conveniently at a point next to them, at a merchant point next to them, but also be able to deposit cash. This, we believe, will enable us to contribute to digitizing small cash for small consumers and small merchants in small towns at scale.

So, today we have about Rs. 5,000 crores of cash withdrawals. As we showed you, our cash deposit GTVs are growing and we hope to be able to do similar numbers as cash withdrawal going forward. So, this is really a function of more banks coming on board. So, our goal is to make sure that our core platform business which is on cash withdrawal cash deposit continues to scale both in depth and width.

On the back of this, the collections is a next big pillar that we are building, wherein we have already now got one of Bharat's largest rural cash collection networks. Again, our goal is to save on time, cost and risk of carrying cash, which is collected by MFIs in small towns and taken to the branches in the bigger towns.

We want consumers going forward to be able to directly deposit their EMIs at their merchant point close to them. So, that is going to be our big focus, which is BBPS-led EMI and utility collections. We really don't want consumers or agents to have to travel to small towns to collect cash or consumers being able to do it at a time and place at their convenience. So both on ATM and collections, we will continue to drive both depth and width of our network, as well as products on the back of it.

The third big pillar is financial services. We want to build Bharat's deepest financial distribution grid. We want to make sure that as more and more product manufacturers, whether it is on credit, savings, investment, insurance, or any other financial product want to cater to small businesses and consumers in small towns, we can become the platform of their choice.

As Aastha said, our goal here is to invest in tech-led integrations. We are working at Spice to build a full-stack API-led both integration and a cross-sell model to enable our Adhikaris to earn more, but more importantly, for small businesses and consumers to get more.

The challenge in small towns is that of unit economics. It is not economically viable for banks to open branches. So, they end up going digital using app. But consumers who want to consume financial products need assistance. So, we have a third channel for banks and various other product manufacturers to use, which is basically a human channel enabled with tech. And these are agents who are sitting in their communities.

They enjoy their trust in the communities. They have knowledge about their communities. So, whether it is about KYC or it is about collection or even recovery, you know, they can play a big role in helping banks, NBFCs, MFIs and other financial institutions to both build products as well as distribute products at scale and make sure we can bring down the risk of collection.

Spice Pay is our contribution or our journey towards enabling new to UPI consumers to come on board today. UPI is the success story coming out of India, nearly 400 million consumers now in UPI. We want to contribute to the next 100 million.

So, we are working to ensure that both consumers and merchants can be onboarded onto the UPI platform and then making sure once we have them on our platform doing UPI transactions, what are the other financial products that we can enable for them? So, both our assisted network as well as our own neo-banking app in the form of Spice Pay will play a role in ensuring that we can drive distribution of financial services in deep rural India.

And finally, as part of financial inclusion, credit is a big enabler to grow income. We want to make sure that small businesses in small towns get access to affordable credit, which is backed with alternate data, and making sure that we are able to leverage our Adhikari network as well as our Spice Pay platform to be able to both generate alternate data, to be able to enable cash flow lending both to our agents and the merchants in small towns

and making sure that we are able to drive growth of affordable, accessible credit in deep rural India.

So, I would like to close by saying that we are on a mission to drive a digital-led financial inclusion agenda for the country. We at Spice Money want to make sure that we can make our contribution to bring more and more consumers and small businesses into the formal financial fold.

Thank you so much for your time. We will be more than happy to answer any questions that any of you may have. Over to you, Amit. Thank you.

Amit Kumar Sharma:

Thank you, Dilip. Participants, post this opening brief, we will open this forum for the Q&A sessions for the participants. Any participants who wishes to ask question may please raise your hand to ask your question directly or may also type your question in the chat box. First question comes from Mr. Pankaj Prasoon, who has raised your hand. You can please ask your question.

Pankaj Prasoon:

Good morning, everybody. Pankaj Prasoon this side. I have a couple of questions because I am tracking DiGiSPICE for a long time. So, after a long time, I had seen that quarter-on-quarter basis you are playing the positive result. Otherwise, it was very choppy. So, I hope this trend will continue. My first question is that only. So, can you explain that this trend will continue, that we will not have much choppy earnings going forward? It is kind of a stable kind of business now.

Dilip Modi:

Pankaj, thank you for your question. You know, we are in monsoon weather, so effectively, there are clouded skies, but effectively we are working towards the blue skies in terms of, you know, removing the choppiness in our numbers.

Pankaj, thank you so much. I think, one of the things I just want to emphasize is, yes, we are beginning to see operating leverage play out. Over the last two to three years, we have been investing the gross margins that we have earned in our business back into building products and building services effectively. If you see the gross margin in our business over the last five years, it is consistently grown year-on-year.

So, really, you know, from a growth point of view, we have been growing net income, which is gross margin. But we have been reinvesting that back because we know that we are in a business that needs constant innovation, constant investment. So, it is not like we are making losses. It is basically reinvesting back our earnings back into growth engines. And this is an area where we will continue to do.

However, I believe that our core platform business today in terms of the investments that we have made both in feet-on-street as well as the backend is kind of more or less matured in terms of the investments. So, any growth in top line should fall to the bottom line from the Spice Money Adhikari platform business.

Spice pay and credit are two big engines we are working on. You know UPI is a space that we have to tread carefully. While there is growth, there are challenges when it comes to economics. So, we are hoping that we can build an economically viable model for even in the UPI space linked to the wallet. And credit, of course, has clear income opportunity. But then again, there is risk that comes with it.

So, as a platform business, we want to work with our partners to make sure that we can minimize risk as much as possible. So, we are trying to make sure that, foundationally, we lay in place all the building blocks that will help us build a robust financial services play for Bharat.

So, Pankaj, fingers crossed. I am hoping that we can continue to deliver on operating leverage, but we will not slow down on investment. So, effectively, it will be a combination of both operating leverage and investments.

Pankaj Prasoon:

So, my next question is, what is the roadmap to scale up the EBITDA?

Dilip Modi:

So, the roadmap for EBITDA scale-up is effectively income growth. So, more products, more agents, more products per agent. So, today, if you look at it, EBIT, why we say EBIT more than EBITDA, Pankaj, is because for us, the other income, basically, when Adhikaris work with us and invest in working capital, that is also part of the growth in business. So, therefore, we encourage anyone looking at this business financially to look at EBIT and not just EBITDA. But we are hoping that this number will grow in line with growth and income.

We are hoping that we can use technology to drive some automation in terms of cost efficiency. But we believe that feet-on-street in our business is very essential. So, this is something that we know that our small businesses and agents in small towns need this physical interaction. So, we definitely want to keep investing in that. But like I mentioned right up front that we want to make it more tech-enabled so that we can drive productivity better.

So, I think Pankaj, short of giving you guidance in terms of what the numbers would look like, but effectively, like I said, I think our costs are more or less going to be held and

therefore whatever growth we see in income will more or less come into the bottom line.

Pankaj Prasoon: So, what is the vision for the management? Where do you want to take this company?

Dilip Modi: So, we want to be, you know, our mission is to make sure that we use tech to transform banking for Bharat. We want to be a leading financial services platform for small businesses in small towns. And we want to make sure that as a platform, we have financial products on one hand and businesses and consumers at the other end. So, Pankaj, our goal is to become the gateway for financial services for small businesses and consumers in Bharat.

Pankaj Prasoon: So, what kind of risks do you see in this here?

Dilip Modi: Lots of risks. There is regulatory, as Aastha outlined, AePS as an industry, there are issues around fraud that we have to constantly look out for. We are very excited about face authentication because it has brought down fraud significantly. I think there is hardly any fraud happening using face-auth.

We are working in a market where the other risk is that, you know, getting enough on the supply side, making sure that there are enough financial product partners who want to serve this part of India and can work at an economic side. That is why we are trying to bring down the unit economics significantly in terms of delivery or distribution so that people can make enough margins and drive more scale in terms of numbers of products sold.

So, I would say one is just not I would say risk, but just working with the regulatory environment to make sure that we can grow in a responsible way. Second is having enough supply of products on the partner side and being able to build products that work like micro nature of products, small credit, small insurance, small savings. So, making sure that we can get enough supply.

And I guess, competition. As urban markets more and more get mature, players will look at smaller towns and markets and that is why we are getting ourselves organized in terms of ring fencing our agents and also building in UPI kind of products. So, as more competition comes in, we are ready to face competition.

And finally, I think just customer moving towards digital. Will it happen faster? And therefore, will they stop withdrawing enough cash? Will they start transacting directly from their bank account? That is a risk and that is something that we are hoping to

counter with our own Spice Pay product to enable consumers to be able to do UPI on our Spice platform.

So, these, I would say, broadly are the four risks that we see. But it is a journey, and every day we try and navigate and try and do as many possible mitigation measures for risk.

Pankaj Prasoon:

So, couple of more questions. As you mentioned that increase of market share due to subscription packs. Can you help me understand how do these subscription pack function and in which service do SMA get a better or higher benefit?

Dilip Modi:

So, basically, Aastha, you want to just call out how the subscription pack works?

Aastha Garg:

Yes. So, sir, basically, in the subscription packs, what we have bundled for an agent is that whenever he subscribes to a pack, he will get additional benefits on doing volume with us. So, for each of our major products, for example, AePS, mATM, even DMT in some packs, we give them additional benefits if they drive volume up over a given GTV and as well as in some packs, we give them benefits like free devices that they have to procure. So, all of those things help them get greater income.

So, today, if a Adhikari knows that he is doing a certain set of volume with us, he knows that if he will subscribe to this subscription pack with us, he will definitely earn more month-on-month. So, paying that one-time upfront fee is not something that he minds. And even on the renewal side, if this pack ends in three months, he definitely looks forward to renewing this pack. Why? Because he knows that the income that he is generating every month is much larger than the income he would have generated if he had not been on this pack.

So, that is why the renewal I called out when I was presenting as well has also started growing and every month we see approximately 65% of the packs that we sold are renewals. So, that is as high as renewals today that we are doing on monthly basis.

Pankaj Prasoon:

So, one last suggestion from my side. So, our face value is 3, right? I will suggest management to make it 10. That sounds good. I think it will not change any metrics. But 3 is hardly I have seen any company having face value of 3. Let us make it 10.

Dilip Modi:

Understood, Pankaj. Thank you for your...

Pankaj Prasoon:

This is a sincere suggestion. I will speak to Amit also and separate you.

Dilip Modi: Yes, thank you for your suggestion, sir.

Pankaj Prasoon: Thank you. This is from my side.

Dilip Modi: Thank you, sir.

Amit Kumar Sharma: Thank you, Pankajji. Great to have a discussion with you like always. The next question comes from Aniket Redkar from the chat box. He says, although DiGiSPICE is largely a service and platform driven company, the rural fintech ecosystem depends on devices like micro ATMs, biometric scanners and POS machines, many of which have components sourced globally. With the U.S. revising tariffs on Chinese origin electronics and tech components, do you foresee any increase in procurement costs for hardware supplied?

Dilip Modi: Yeah Aniket, you know, let me just take this on. You know, we are actually trying to move beyond having to supply devices. So, first is, we do not see this. I think there are companies, you know, this is not a very tech-heavy kind of a hardware play. So, there is now local domestic capability that is built on. We work with companies that work domestically. Most of the components now we are able to procure domestically. So, I don't think in the whole biometric space, this is a challenge.

And as we move forward towards face-auth adoption, I think the need for these devices are also significantly coming down. If you look at it, you know, what is going to grow is face-auth for AePS kind of transactions and more QR-based for UPI kind of transactions. So, I think, directionally, we are kind of moving away from add-on devices beyond your smartphone. So, that is directionally where we are going.

Amit Kumar Sharma: Thank you, Dilip. Next question is from Utsav Bahety. Utsav Bahety asks, Hi, congratulations for the awesome set of numbers. Has the AePS market seen consolidation of any sorts as there was a big headwind period for the segment? Has the headwind eased for the sector or are we still facing some headwinds?

Dilip Modi: So, thank you for your compliments, Utsav. It is a journey we are on, and we continue to stay on it. In terms of the AePS market, Utsav, I would say that the headwinds like, you know, the industry as Aastha was showing us the numbers, it has not been growing, right? And the Off-Us industry. And the reason it's not been growing is because there continue to be a lot of restrictions that are put on transactions done on Off-Us versus On-Us networks by the banks.

In the middle, there were concerns around fraud for the whole industry. And that is where new guidelines came in. But a lot of clarity has happened on the guidelines. And that has really helped a lot because many banks, kind of, were waiting for clarity, but that has come now.

There is a new category called AePS Touchpoint Operators that you can refer to on the RBI website that they have categorized this industry within. And there is a lot more clarity around KYC onboarding to tackle this issue of fraud. Face-auth, as I said, a new technology is coming in to reduce fraud.

So, I would say with clarity, I think there will be more confidence in the ecosystem to support the Off-Us AePS industry. So, we are hoping that this will reduce the headwinds and create new tailwinds with products like AePS-led cash deposit.

So, I would say that the crosswinds perhaps have reduced and perhaps the headwinds are there, but we are hoping that we create new tailwinds to overcome whatever headwinds exist.

Amit Kumar Sharma: Thank you, Dilip. And thank you, Utsav. Next question comes from Magesh. Is there any plan to merge WSFx with DiGiSPICE?

Dilip Modi: Magesh, no, there is no such plan to merge. These are two independent listed companies and there is no such plan in place.

Amit Kumar Sharma: Next question comes from Utsav. And in terms of the legacy business, are we finally done with all the winding up formalities?

Dilip Modi: So, yes, Utsav, as you can see from the numbers, our discontinued business numbers from a kind of closure cost perspective have significantly come down, only about Rs. 10 lakhs loss for the previous quarter. So, all the formalities with respect to people exits, transfer of contracts, all of that has been completed.

What is still remaining is the legal entities that were running these businesses. And you would see that on our balance sheet that we have a lot of subsidiaries in Africa, Southeast Asia as part of our VAS business that we used to do earlier in DiGiSPICE Technologies. So, those entities are still remaining.

We are going through the process of either closure or sale of those entities, country by country. We have exited, for example, the one in the Middle East. We are close to exiting the one in Indonesia. So, that is a roadmap. It takes its own time because if we go

through our legal process of closure, each country has its own timeframe. But we are keeping the costs very, very tight. So, I would say that the legacy issues relating to the legacy business are hopefully behind us.

Amit Kumar Sharma: Thank you, Dilip. Next question comes from Nimesh Pandya. Hi, good morning. What is the renewal percentage from the subscription packs?

Dilip Modi: Aastha?

Aastha Garg: So, like, sir, I have already mentioned that renewal now is one of the big pies of our overall subscription packs that we sell each month. More than 50% of our packs that we sell are renewal packs every month. So, basically, we can say that renewal as a percentage has been growing in the last one year.

Amit Kumar Sharma: Thank you, Aastha. Next question comes from Shweta B.K. It is a direct question. Please go on.

Shweta B.K.: Thank you for the opportunity. I wanted to understand the way we are reaching out through marketing, advertising, and what is our total spend on that?

Dilip Modi: So, Shweta, our focus is to onboard agents in small towns. The way we acquire these agents is through a distribution network that we have on the ground, which is our partner network. So, in every district, we have distribution partners who have feet-on-street to help us with onboarding.

We have, as a kind of a BC network, which is a business correspondent network, every onboarding on the AePS platform needs a physical verification. And therefore, we do need feet-on-street, ours' or partners', to be able to acquire agents to do AePS + + business. So, effectively, a lot of it is feet-on-street led.

In terms of marketing, you know, we are focusing more on digital channels to drive engagement once we onboard an agent on our platform. So, whether it is, you know, whatever are the different digital channels, we do invest in them.

This is an area that we have only recently started doing more in. And we will be able to call out these numbers as we go forward because right now they are not too substantial. But as the pace matures, our ability to drive adoption of new products on the agent platform using digital channels is something that we will be able to call out with numbers in the coming, I would say, years, not quarters.

And in terms of Spice Pay, yes, this is a new product that we are looking to build for consumers and merchants. Again, our Adhikari channel becomes the first port of call to acquire these merchants and consumers. But we are testing digital onboarding journeys to figure out how we can use digital channels to also onboard more agents, more consumers, more merchants. But right now, most of our marketing and focus is more kind of feet-on-street-led and more with our sales team on the ground, going and educating our agents around the products that we have on our platform.

Amit Kumar Sharma: Yes, Shweta. Does that answer your question? Shweta? I think her question has been answered. Yes, Shweta, go on.

Shweta B.K.: So, yes, it is kind of interesting, and I think it is a good way forward. So, thank you for the clarity.

Dilip Modi: Thank you, Shweta.

Amit Kumar Sharma: So, thank you, Shweta. Next question comes from Aniket Redkar. How do you see the competitive intensity in rural fintech? Are there specific players like banks, Paytm, Jio posing increased competition? How is DiGiSPICE differentiating? Should I repeat the question?

Dilip Modi: No, I have heard the question. Thank you, Amit. Sorry. So, Aniket, basically, as I said that as urban markets mature, everyone is kind of fighting it out in the urban markets. Rural markets are something they will follow up on.

However, to serve rural market is not the same way to serve urban market. The unit economics is very different in rural. And so, I don't believe that the playbook used in urban can be replicated in rural exactly in the manner in which it has been played out. You know, rural does need a combination of digital and physical. And rolling out a network of agents is very different than rolling out a digital payment acceptance product for merchants. So, I would say that we do have a unique position on the ground.

Having said that, banks are looking to open up their kiosks. So, kiosk banking is growing. So, obviously consumers have options to either come at our Adhikari points and transact or go to the bank kiosk. So, that continues to be competition that we face on the ground.

I would say that we are seeing that there is opportunity because we see the banks as a collaborative partner for us to extend their reach of banking. So, we are hoping that we would be able to work with banks to reduce their cost of rolling out physical access

points. But at the end of the day, so we see them also that the moment a branch comes up, there is interest. And then, any other services get outsourced to the Adhikari point.

On other players who are purely fintech companies, you know, we will have to wait and watch some of the larger players that you mentioned here, how they think about the rural ecosystem and distribution of financial services in rural India. You know, we are focusing on what we are observing on the ground and based on what we believe can help us to grow and serve small business consumers better. We will obviously alter and navigate our way through as we see competition come in with more clarity on strategies they use. Right now, we don't see it. So, when we see it, we will see how to navigate through that.

Amit Kumar Sharma: Another question from Aniket. As you deepen API integrations with banks, NBFCs and government DBT schemes, what is the roadmap for the platform modernization and cost savings?

Dilip Modi: So, this is a big focus area, Aniket. And that is why when I was answering Pankaj's question on profitability, I believe that one of the big areas that we will have to invest in is technology and automation. And developing the kind of API stacks where we are able to drive will require platform modernization. It has taken us some time and we continue to work through it in terms of modernizing our current platforms.

So, that is a journey we are on. I think it will take another year or so to be able to completely be able to move out of legacy into more modern kind of platforms. And of course, this will going forward as we will scale translate into better economics as well.

We have already started seeing that use of AI in the space of customer service has begun to drive cost savings for us. So, you know, tech will continue to be a big driver for us, both in terms of growth and efficiency.

Amit Kumar Sharma: Thank you, Dilip. Next question comes from Nimesh Pandya. What measures do you take to minimize churn and retain agents across a large network?

Dilip Modi: So, Nimesh, I think, you know, all our agents have options to use platforms of multiple players. So, they definitely toggle wherever they can or wherever they need to between one and the other. So, there is usage churn.

We use a lot of monitoring mechanisms to be able to monitor when we see drop in usage churn to make sure that we can take steps to control it. Obviously, what we are

concerned more about is user churn. But usage churn is a leading indicator towards user churn.

I think our agents are basically looking for better service when consumers come to their outlets to withdraw cash, deposit cash, do any financial transactions. Their transactions should not get stuck. If they get stuck, they should be resolved ahead of others. So, things like those are kind of points that add up to churn. And so we have a big focus on predicting and controlling churn. And churn is very important.

Like you said, we have a large network. So, obviously, especially Northeast Central, we have to guard our network from churn and competition pressures. So, this is something that we have as a track in the company that is continuously focusing to make sure that we can offer more products to drive more income.

And subscription is a good way for us to get our agents to kind of commit to transacting for a certain period of time because of the fact that they get benefits if they subscribe to a one-month, two-month, three-month, 12-month pack. The longer period they subscribe, the more benefits that come to them.

So, basically, it is driven by more products and also through better service, both at a tech level as well as at a transaction level. If we find that certain transactions are getting stuck, how do we solve for it ahead of others? And therefore, the success rate of transactions on our platform are very important. Sunil, you want to just add to anything?

Sunil Kapoor:

Yes, Dilip. I think this subscription packs provide the stickiness to work with us and for those agents. And this helps their earnings and we intend to increase as Dilip mentioned it out that more products. So, we intend to introduce more and more products for their earnings. And that creates a stickiness. And I think rather than managing churn, we are focused on how we can increase the income of Adhikaris to not to look for another platform which is available in the market.

Amit Kumar Sharma:

Sunil, thank you. I think that was the last question in the forum. I now hand over the stage to Dilip for his closing remarks. Over to you, sir.

Dilip Modi:

Once again, let me thank all of you for having taken the time out to join us this morning. This is something we do every quarter. More than happy to entertain any further questions or clarifications that you have. We are truly excited by what we are building here at Spice.

Financial inclusion is a big agenda that we have as a country and digital-led financial inclusion is something that the regulator continues to guide us as a fintech sector to drive. We at DiGiSPICE have a unique opportunity of focusing on a part of India that many fintechs are not. And so to that extent, we have an early mover advantage to be able to consolidate our position in small towns in India, which tomorrow will drive the future GDP growth of India.

So, we are committed to this journey. As one of the speakers, Pankaj, said that it has been a choppy journey and we want to keep it and make it as smooth for all of us as we go forward. But it is a journey of impact and growth.

So, thank you very much for your time and we hope to stay connected. Please do reach out to us, and thank you again for your interest in what we are building. Thank you.

Amit Kumar Sharma: Thank you. With this, we conclude the call. You may please disconnect the lines now.

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