

November 12, 2024

To

BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street, Fort

Mumbai -400001

BSE Scrip Code: 538772

Subject: CEO's Letter to Investors: Q2 & H1 FY25

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

Dear Sir/ Ma'am,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Investors' Update for Q2 & H1 FY25.

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 Daruka

Company Secretary

Encl: a/a

Niyogin Fintech Limited

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CEO's Letter to Investors Q2 & H1FY25

Dear Shareholders,

I am pleased to report that we successfully addressed last quarter's transitory challenges we faced last quarter in iServeU (iSU). Transaction volumes have normalized, resulting in a strong quarter driven by our Program Management segment. As we guided previously, we are pivoting our business model to prioritize Program Management and SaaS revenue streams. This strategic shift is underpinned by the strong traction we have gained in the market and the strength of our contract pipeline.

Today we are one of the leading providers of sandbox solutions in India serving marquee clients such as Canara Bank, SBI Payments, J&K Grameen Bank, CSC E-Governance Services Limited and more.

We have also signed an MoU with PAX Technology, India to launch an all-in-one sandbox terminal which will accept digital payments and play audio notifications. This MoU marks a significant step towards realizing our vision of leading the sandbox and POS market.

On the lending front our AUM increased by 13% QoQ to Rs. 236.2 Crores¹

Our Total Income in Q2FY25 stood at Rs. 72.9 Crores, a sequential increase of 44%.

Some key highlights for the quarter are as below:

1. iSU's overall performance: iSU has resumed its trajectory of profitable growth, achieving a positive EBITDA, driven by a significant increase in sandbox device sales. We have also launched infrastructure that enables credit on UPI for banks and fintechs. We believe this product has significant synergies with our sandbox proposition.

We have an overall order pipeline of 6 lac+ sandboxes against which we have delivered 59,052 devices till end of Q2FY25 and are actively bidding for additional contracts.

2. Program Management: iSU has signed an MoU with PAX Technology, India, a global leader in electronic payment terminals to launch an all-in-one sandbox terminal capable of accepting QR-based payments, NFC, and EMV Dip transactions. As part of the MoU, iServeU will integrate its proprietary platforms, OCTAHub and iSwara, with PAX to enable the all-in-one sandbox terminal to accept digital payments and play audio notifications. iServeU and PAX Technology have also entered a strategic R&D collaboration to develop new products and solutions in this field.

We have also deepened our presence within the NSDL Payment Bank ecosystem by securing a contract to serve as their Technology Service Provider (TSP) for agency banking solutions.

3. Lending and Distribution: Partnership and Alliances continue to be our dominant sourcing channel contributing 85% of the overall AUM (including contribution from co-lending and ecosystem channels). This quarter, we added RapiPay as a sourcing partner. We also added 167 financial partners this quarter strengthening our network to 6,217 partners. Our borrowings increased 18% sequentially to Rs. 62.0 Crores.

We are confident that our new strategic initiatives, coupled with the strength of our team, will continue to drive success and meet our targets.

Thank you for your continued support and confidence.

Key Highlights of Q2FY25

- AUM stands at Rs. 236.2 Crores*, up 13% QoQ
- Total Income grew to Rs. 72.9 Crores in Q2FY25, up 54% YoY and up 44% QoQ
- Adjusted EBITDA (Ex-ESOP) loss consolidated in Q2FY25 to Rs. 0.5 Crores compared to Rs. 6.6 Crores loss in Q1FY25 and Rs. 8.2 Crores loss in Q2FY24
- Non-GAAP PBT loss was Rs. 3.4 Crores in Q2FY25, compared to Rs. 9.1 Crores loss in Q1FY25 and Rs. 10.1 Crores loss in Q2FY24

Key Highlights of H1FY25

- Total Income grew to Rs. 123.7 Crores in H1FY25, up 33% YoY
- Adjusted EBITDA (Ex-ESOP) loss consolidated in H1FY25 was Rs. 7.1 Crores, compared to Rs. 12.5 Crores loss in H1FY24
- Non-GAAP PBT loss was Rs. 12.5 Crores in H1FY25, compared to Rs. 16.4 Crores loss in H1FY24

* Including FLDG given for off book exposure of Rs. 22.2 Crores, FLDG commenced in Q4FY24

Financial Highlights

Our consolidated total income for H1 FY25 was Rs. 123.7 Crores. Adj. EBITDA was negative Rs. 7.1 Crores compared to negative Rs. 12.5 Crores in the last year. Our non-GAAP PBT was negative Rs. 12.5 Crores in H1FY25, compared to negative Rs. 16.4 Crores in H1FY24.

Our consolidated total income for Q2 FY25 was Rs. 72.9 Crores. Adj. EBITDA was negative Rs. 0.5 Crores compared to negative Rs. 8.2 Crores in the corresponding quarter last year. Our non-GAAP PBT was negative Rs. 3.4 Crores in Q2 FY25, compared to negative Rs. 10.1 Crores in Q2 FY24.

Consolidated (in Rs. Crores)	Q2FY25	Q1FY25	QoQ (%)	Q2FY24	YoY (%)	H1FY25	H1FY24	YoY (%)
Total Income	72.9	50.8	44%	47.4	54%	123.7	92.9	33%
Revenue (ex-device sales)	62.8	47.0	34%	47.2	33%	109.7	92.2	19%
Expenses	76.9	60.7	27%	55.6	38%	137.6	105.5	30%
Adj. EBITDA (Ex-ESOP)	(0.5)	(6.6)	NM	(8.2)	NM	(7.1)	(12.5)	NM
Reported Pre-Tax Profit/(Loss) (A)	(4.0)	(9.9)	NM	(11.2)	NM	(13.9)	(18.3)	NM
Depreciation & Amortization	2.6	2.2	17%	2.0	28%	4.8	3.9	22%
ESOP (B)	0.7	0.7	(11) %	1.1	(40) %	1.4	2.0	(30) %
Non-GAAP PBT (C) = (A) + (B)	(3.4)	(9.1)	NM	(10.1)	NM	(12.5)	(16.4)	NM

www.niyogin.com

For further details, please feel free to contact:

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