

May 15, 2024

To

BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street, Fort

Mumbai -400001

BSE Scrip Code: 538772

Subject: CEO's Update to Investors: Q4 & FY2024

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 Q4 & FY2024.

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 & Compliance Officer

Encl: a/a

Niyogin Fintech Limited

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niyogin

CEO's Letter to Investors Q4 & FY2024

Dear Shareholders,

I am pleased to report that we concluded FY24 on a strong note with two key developments. We broke even at the EBITDA level in Q4FY24, an important milestone in our journey. Additionally, the NFL Board has approved the signing of definitive documents to acquire 'SuperScan.' The year however was a mixed bag with some challenges marring the scale-up of one of our most promising payments offering which slowed our stride. However, we were able to innovatively solve for these challenges demonstrating our commitment to building a resilient business.

As we enter FY25, we feel confident and ready to embrace what we define as the "Year of Monetization" for us.

Some key highlights for the quarter are as below:

- 1) **Capability expansion:** I am pleased to announce that our Board has approved, the signing of definitive documents for the acquisition of 'SuperScan' developed by Orbo.ai 'SuperScan' is an AI enabled toolkit that utilizes Optical Recognition (OCR) technology for conversion of unstructured data to structured input. Niyogin plans to consume and monetize this solution within its partner network. The toolkit can be used to clean and enhance the quality of scanned documents as well as enhance the digital legibility of physical and archived digital documents.

SuperScan leverages advanced technologies such as artificial intelligence (AI), Computer vision, and natural language processing (NLP) to help BFSI companies streamline their workflows, enhance their customer service, drive down operational costs, and mitigate risks effectively. SuperScan's differentiated capabilities allow users to reduce their manual input costs by up to 80%, improve their risk management activities and secure their data. Its ability to work with limited connectivity will allow its users to expand their financial access to underserved low/no connectivity regions of India. The toolkit is of strategic importance for Niyogin as it will allow us to provide value add to BFSI customers by way of high reduction in their KYC costs, empower us to streamline our fintech customers credit infrastructure costs and build financially inclusive platforms.

Niyogin plans to consume and monetize this solution within its partner network. SuperScan comes to us with some marquee BFSI clients with immense cross-sell potential. We are optimistic about the potential of this technology and its ability to create value for the dynamic needs of India's BFSI sector.

We plan to house this toolkit in our recently incorporated subsidiary, Niyogin AI Private Limited. This will aid in greater transparency and simplicity in our financial reporting.

As we enter an acquisitive phase in our business, where we are actively evaluating complimentary bolt on acquisitions with attractive valuations. We are looking at capabilities which can help us expand our product portfolio, expedite go-to market duration, and expand our geographical presence.

2) **New Business Opportunities:**

Our BaaS business solidified marquee long-term contracts from some prominent financial institutions this quarter. These contracts have the potential to change the way we conduct our business in coming quarters. Some of these contracts are as below:

Sound box Platform – We will be providing a sound box platform supporting nearly 5 lakh sound boxes for a leading PSU Bank. We expect to start executing this order Q1FY25 onwards.

Device Management Program – We will be delivering devices loaded with our technology for a leading bank. As guided previously we will continue to bid for selective device sales related contracts with lucrative economics.

Prepaid Card Stack – We have made significant headway in terms of development & integration of the product. We anticipate volumes to start kicking in by Q2FY25.

- 3) **Provisioning:** As per guidance last quarter, the provisioning issue in iSU is largely behind us with strong visibility of recoveries against the provisioning undertaken. I am happy to report that iSU has seen some recoveries amounting to INR 1.2 Cr. to this effect for Q4FY24. Going forward we expect to see this trend to continue.
- 4) **iSU's Overall Performance-** I am happy to report that iSU on a standalone basis also turned EBITDA positive this quarter. Despite the sequential contraction in topline we were able to capitalize on internal efficiencies and strong recoveries to end this quarter on a positive note.

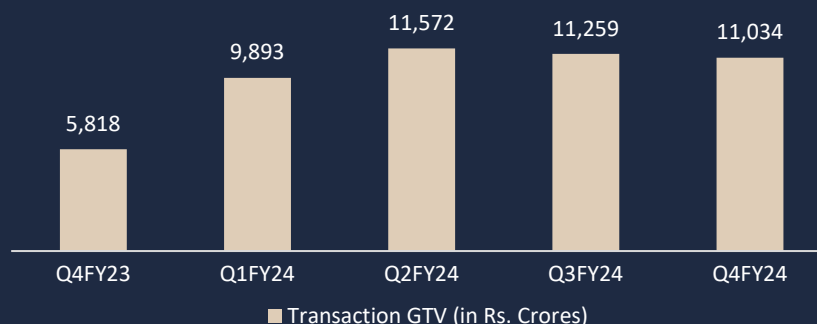
Commentary on the Quarterly Performance

During the quarter, our AUM increased by 13% QoQ and stood at Rs. 179.0 Crores. On the Lending side, AUM is experiencing a steady growth. We welcome the recent clarification from the regulator on DLG guidelines which apart from providing the clarity for the industry, also creates a significant opportunity for a tech first NBFC like us. We expect it to have a positive impact for both our lending as well as the distribution franchise.

Our partnership model and digital first approach has started yielding favourable results. I am happy to report the fintech channel now constitutes nearly 45% of our AUM mix, up from 20% since its launch in October 2023.

Our BaaS (Banking as a Service) business saw a muted quarter owing to subdued UPI volumes till mid Feb'24. During the quarter, Revenue, ex. of device sales, stood at Rs. 47.6 crores, down by 13% QoQ as GTV growth remained muted and take rates remain subdued. Devices sales saw a significant uptake this quarter and increased to Rs. 3.7 Cr. We processed nearly 30 million transactions. The normalization of UPI product economics is expected to have a positive impact on take rates. The pivoting of the business to also focus on SaaS solutions along with the Financial Inclusion solutions will help the company materially.

Quarterly Transaction GTV and Growth



Key Highlights of FY2024

- AUM stands at Rs. 179.0 Crores, up 95% YoY
- Revenue (ex-device sales) grew to Rs. 194.3 Crores, up 79% YoY
- Adjusted EBITDA (Ex-ESOP) loss consolidated in FY24 to Rs. 13.8 Crores down from Rs. 17.2 Crores in FY23
- The Gross transaction value (GTV) including pay-outs was Rs. 43,754.1 Crores in FY24, up by 192% YoY¹
- UPI sandbox platform and the prepaid card management system were the key products developed in FY24

Key Highlights of Q4 FY2024

- AUM stands at Rs. 179.0 Crores, up 13% QoQ ¹
- Revenue (ex-device sales) grew to Rs. 47.6 Crores in Q4FY24, up 46% YoY and down 13% QoQ
- Adjusted EBITDA (Ex-ESOP) in Q4FY24 is positive compared to loss of Rs. 1.3 Crores in Q3FY24 and loss of Rs. 0.6 Crores in Q4FY23

- The Gross transaction value (GTV) including pay-outs was Rs. 11,034.0 Crores in Q4FY24, up by 90% YoY and down by 2% QoQ ²
- ~60 new relationships were added to the ISU business in Q4FY24

1. Including FLDG given for off book exposure of INR 13.0 Cr., FLDG commenced in Q4FY24

2. As per industry standards, retailer pay-out included in GTV

Financial Highlights

Our consolidated revenue for FY2024 was Rs. 198.0 Crores. Adj. EBITDA was negative Rs. 13.8 Crores compared to negative Rs. 17.2 Crores in the last year. Our non-GAAP PBT was negative Rs. 20.0 Crores in FY2024, compared to negative Rs. 23.3 Crores in FY2023.

Our consolidated revenue for Q4 FY2024 was Rs. 51.3 Crores. Adj. EBITDA was positive compared to negative Rs. 0.6 Crores in the corresponding quarter last year. Our non-GAAP PBT was negative Rs. 2.3 Crores in Q4 FY2024, compared to negative Rs. 2.3 Crores in Q4 FY2023.

| Consolidated (in Rs. Crores) | Q4 FY24 | Q4 FY23 | YoY (%) | Q3 FY24 | QoQ (%) | FY2024 | FY2023 | YoY (%) |
|------------------------------------|---------|---------|---------|---------|---------|--------|--------|---------|
| Revenue (ex-device sales) | 47.6 | 32.7 | 45% | 54.6 | (13) % | 194.3 | 108.6 | 79% |
| Total Income | 51.3 | 36.3 | 41% | 53.8 | (5) % | 198.0 | 117.2 | 69% |
| Expenses | 54.3 | 39.6 | 37% | 55.4 | (2) % | 220.9 | 145.3 | 52% |
| Adj. EBITDA (Ex-ESOP) | 0.0* | (0.6) | NM | (1.4) | NM | (13.8) | (17.2) | NM |
| Reported Pre-Tax Profit/(Loss) (A) | (3.0) | (3.3) | NM | (4.8) | NM | (22.9) | (28.1) | NM |
| Depreciation & Amortization | 2.2 | 1.7 | 29% | 2.1 | 5% | 8.1 | 6.1 | 33% |
| ESOP (B) | 0.7 | 1.0 | (30%) | 0.3 | 158% | 3.0 | 4.8 | -38% |
| Non-GAAP PBT (C) = (A) + (B) | (2.3) | (2.3) | NM | (4.5) | NM | (20.0) | (23.3) | NM |

*Less than INR 1 lac of Adj. EBITDA

We are deeply dedicated to the pursuit of innovation and the maintenance of operational excellence. We are dedicated to delivering sustained value to our stakeholders, a resolve that recent challenges have only served to reinforce.

www.niyogin.com

For further details, please feel free to contact:

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