niyogin

Date: November 09, 2022

To
BSE Limited
25th Floor, Phiroze Jeejeeboy Towers,
Dalal Street, Mumbai – 400001
BSE Scrip Code: 538772

Sub: Investor Presentation – Q2 FY23

Dear Sir/Madam,

Pursuant to Regulation 30 (6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") read with Part A of Schedule III of the Listing Regulations, we are enclosing herewith the Investors' Presentation for Q2 FY23.

Pursuant to Regulation 46 (2) (o) of the Listing Regulations, the aforesaid information is also being made available on the website of the Company i.e. *www.niyogin.com*

Thanking You,
Yours faithfully,
For Niyogin Fintech Limited

NIYOGIN FINTECH LIMITED

Neha Agarwal

Neha Agarwal
Company Secretary & Compliance Officer
A41425

Encl: a/a

Investor Presentation

Q2 FY2023

Niyogin Fintech Limited

Executive Summary

Vision : To be the Core Neo-banking infrastructure company providing "BaaS" solutions

FY2022

₹107 Cr
Revenues doubled & crossed the ₹100 Cr mark, up 111% YoY

₹50 Cr
First tranche investment in iServeU (subsidiary)

₹87 Cr
Cash & Cash Equivalents and zero debt; stable balance sheet

~247K
Partner BC agents (retailers), up 89% YoY

₹8720 Cr
Gross Transaction Value (GTV) including payouts, up 51% YoY

FY2023 - 25

₹500 Cr
Revenues generating company, plan to grow 5x

₹50 Cr
Additional investment to be done, as per our Hypergrowth Plan

10-12%
EBITDA

1.5-2.0 Mn
Partner BC agents (retailers) to grow 6-8x

₹100K Cr
GTV including payouts, plan to grow by >11x

H2 FY23 Gameplan

Key priorities

- Focus on scaling up business from current enterprise customers
- Invest in building the platform, improving current products, and launching new products to provide full-stack financial services to our customers
- Hiring top-quality talent with relevant experience and providing best in class retention policy in the industry
- Aggressive new customer acquisition by lowering barriers for partners to start a business with us (Opex v/s Capex business establishment)
- Focused approach on increasing user retention and activation rate
- Forging stronger partnerships with banks and device suppliers to negotiate better deals to improve the bottom line

01

Quarterly Highlights

Q2FY23 Highlights

Operational Updates

Business Update

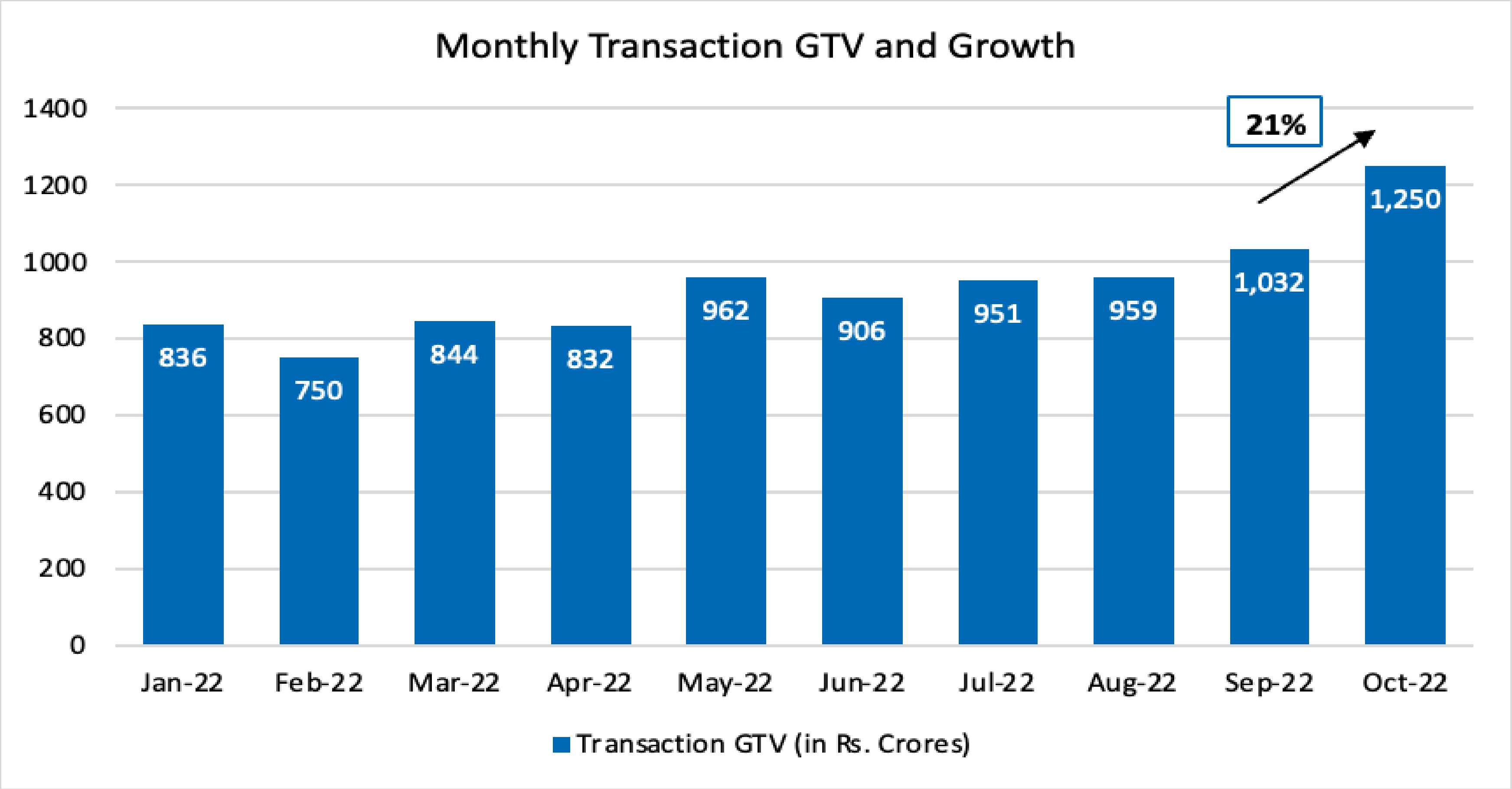
- Platform-centric build continues with product expansion (Neobank, Prepaid cards, Switching)
- Consolidated revenues grew 1.8% YoY and dropped 3.6% QoQ due to shortage on availability of devices
- Monthly GTV crossed the INR 10,000 mn mark in September 2022.
- GTV grew 40.1% on a YoY Basis and consolidated revenues (ex-Device sales) grew 33%.
- To boost our device sales, we have tied up with a few manufacturers for some of the large device supply contracts and modified our platform to allow integration of existing devices that retailers may have procured from other suppliers.

Distribution Build

- 49,828 rural retailers added in Q2FY23
- Rural Tech retailer base at 378,526, up 90.6% YoY
- Retail partner base (Urban Tech) at 5,051; up 9.0% YoY
- Rural Tech activation rate in Q2FY23 is at 11.9% as against 11.4% in Q1FY23

Q2FY23 Highlights

Monthly GTV Trend : J-Curve is in sight



Q2FY23 Highlights

Tech Updates

- Onboarded a major PSU payments bank on AePS, M-ATM and IMPS switch and the Agent Management System.
- A large PSU bank has chosen iServeU's Aadhaar Payment stack to run its Aadhar pay program.
- Our Agency Banking Solution, India's first scale at demand cloud native technology, has been chosen by a major private bank to run its BC program.
- iServeU developed a proprietary biometric fraud detection method using AI techniques, this solution was a finalist at Google Cloud's Hackathon.
- iServeU has been selected in Fincluvation program (An initiative by Department of Post & India Post Payments bank) to digitize the money order service.

Q2FY23 Highlights

Financial Update - Consolidated

P&L Update

- Total Income for the quarter at INR 264.5 mn; up 1.8% YoY
- ESOP charge for the quarter at INR 16.2 mn
- Adj EBITDA (ex-ESOP) of INR (67.7) mn
- Non-GAAP (ex-ESOP) PBT of INR (82.8) mn

Balance Sheet Update

- Loan book (net of provision) stood at INR 512.0 mn; down 6.5% QoQ
- We remain a zero debt and net cash company
- Cash position stood at INR 903.3 mn against INR 954.8 mn in Q1FY23.

Q2FY23 Highlights

Financial Snapshot

Consolidated (INR mn)	Q2FY23 (Sep 30, 2022)	Q2FY22 (Sep 30, 2021)	YoY change
Total Income	264.5	259.9	1.8%
Total Expenses	332.3	251.5	32.1%
Adjusted EBITDA (ex-ESOP)	(67.7)	8.4	NM
Reported Pre-Tax Profit/(Loss) (A)	(99.0)	(18.8)	NM
Depreciation and Amortization	15.1	13.8	9.2%
ESOP (B)	16.2	13.4	21.0%
Non-GAAP PBT (C) = (A) + (B)	(82.8)	(5.4)	NM

2.4%

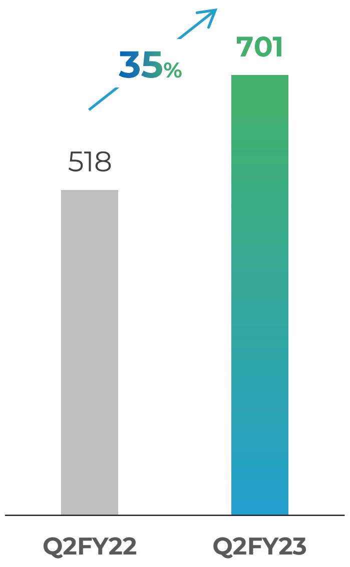
Revenue growth.

Businesses building to scale

Rural Platform

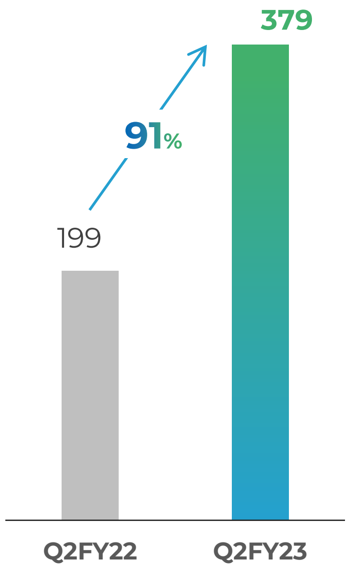
Consistent increase in rural-tech partners..

No. of BC partners (#)



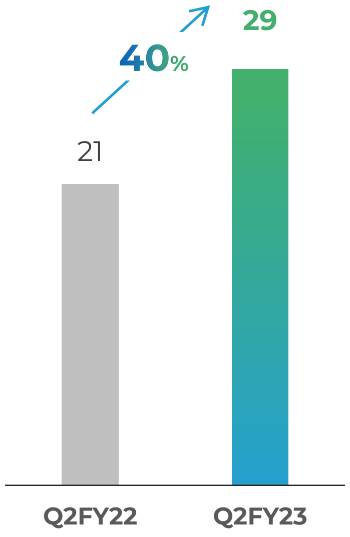
..leading to manifold growth in retailers..

No. of Partner BC agents (#'000s)



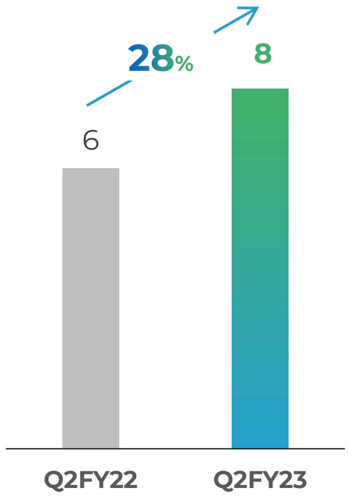
..resulting in increase in GTV..*

Transaction GTV with payouts (INR bn)



..and rise in transaction volumes.

Transaction Volumes (# mn)



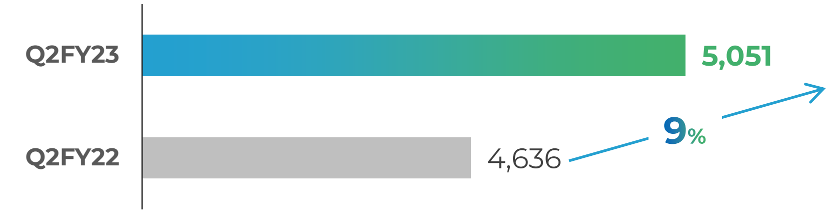
GTV – Gross Transaction Value
*GTV is including retailer payouts and in-line with industry standards.

Businesses building to scale

Urban Platform

Niyogin partners

(#)



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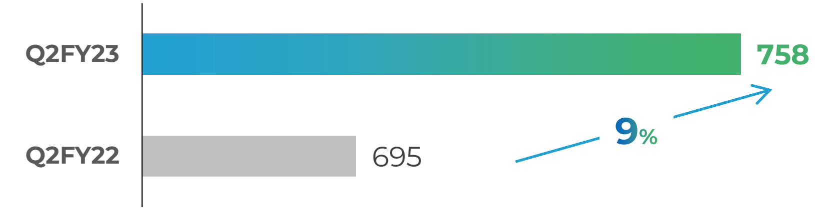
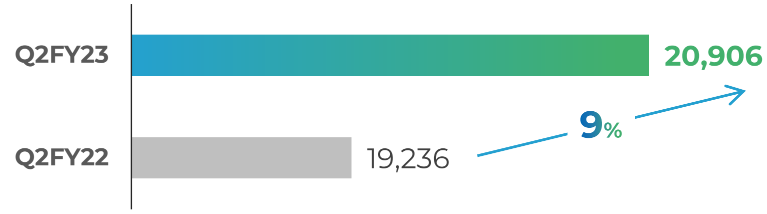
Market access (Low CAC) via Niyogin partners

MSME market reach via partners* (#'000s)



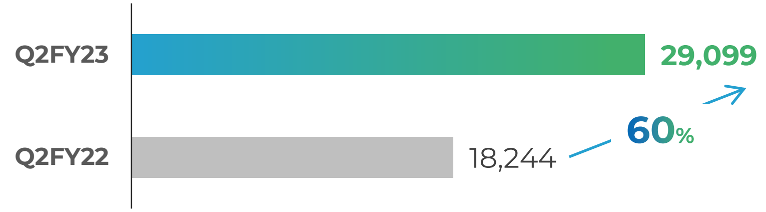
Wealth Tech Customers

(#)



Wealth Tech AUM

(INR mn)



* internal estimates

03

Way Forward

Our Hypergrowth Plan

Way forward

What are we building?

A fintech platform infrastructure that powers businesses to deliver contextual financial services to their customers.

What it will take?

Building an open platform that offers different financial products which can be rapidly adapted for various products

Stellar team with top quality talent

Aggressive customer acquisition strategy

Acquiring Licenses

Forging strategic partnerships on demand & supply sides

Entails an investment of up to INR 1 bn of which INR 0.5 bn is done

Product & Tech Roadmap

Milestones for FY2023

	Q1	Q2	Q3
Financial Inclusion Stack	Insurance ✓	IRCTC Train Ticketing Services ✓	No Updates
	LIC premium payment ✓	Own switch for IMPS - go live ✓	
	Own switch for M-ATM - go live ✓		
	Own switch for AePS - go live ✓		
Neobanking & Cards Stack	Prepaid Card ✓	Self initiated Digital journey for Account Opening ✓	Card Management System
	Agent assisted Account Opening ✓	Mobile banking Application with Partner Bank ✓	Issuer switch with Partner Bank
Transactional Banking Stack	POS ✓	CMS	Virtual Accounts
		BBPS COU Switch ✓	UPI on own switch - go live
CRM Solutions	No Updates	Lending CRM launch for partners ✓	Insurance CRM for partners
			BNPL Stack

Product Delivery Infrastructure

Building our platform

End Consumers

B2C | **B2B** | **B2G** | **C2G** | **G2C** | **C2B**

Service Infrastructure Layer

- API Integration
- SDK Integration
- Ready to Use

Embedded Services

- Payment services
- Lending
- Cards
- Digital Banking
- Investments
- Insurance Plans

Platform Powered by Niyogin

- Network Provider
- Computing Provider
- Sponsoring Bank
- Credit
- Asset Management & Banks
- Insurance Companies

Unit Economics – Enterprise Business Model

Our plan is backed by internal estimates

- Significant opportunity for value creating through the enterprise model
- Scale will provide the operating leverage to profitability
- Two models evolving in the enterprise segment

Option 1 – TSP Model (Pricing basis Transaction Volumes)	Year 1	Year 3
Financial Transactions (monthly)	1	5
Non- Financial Transactions (monthly)	3	12
Total Transactions (monthly)	4	17
Annual Transaction Volumes (# Crores)	48	204
Yield (INR)	0.1	0.1
Annual Revenue (INR Crores)	5	20
Direct Cost (INR Crores)	(1)	(4.1)
Gross Margin (INR Crores)	3	16.2
Gross Margin (%)	**75%**	**80%**
Incremental Indirect Cost (INR Crores)	(2)	(6)
EBITDA (INR Crores)	2	10.2
EBITDA Margin (%)	**40%**	**50%**

Option 2 – Partner Model (Pricing basis Transaction Value)	Year 1	Year 3
Financial Transactions (monthly)	500	2,500
Non- Financial Transactions (monthly)	-	-
Total Transactions (monthly)	500	2,500
Annual Transaction Value (INR Crores)	6,000	30,000
Yield (%)	0.4%	0.4%
Annual Revenue (INR Crores)	24	120
Direct Cost (INR Crores)	(20)	(96)
Gross Margin (INR Crores)	4	24
Gross Margin (%)	**15%**	**20%**
Incremental Indirect Cost (INR Crores)	(3)	(6)
EBITDA (INR Crores)	1	18
EBITDA Margin (%)	**5%**	**15%**

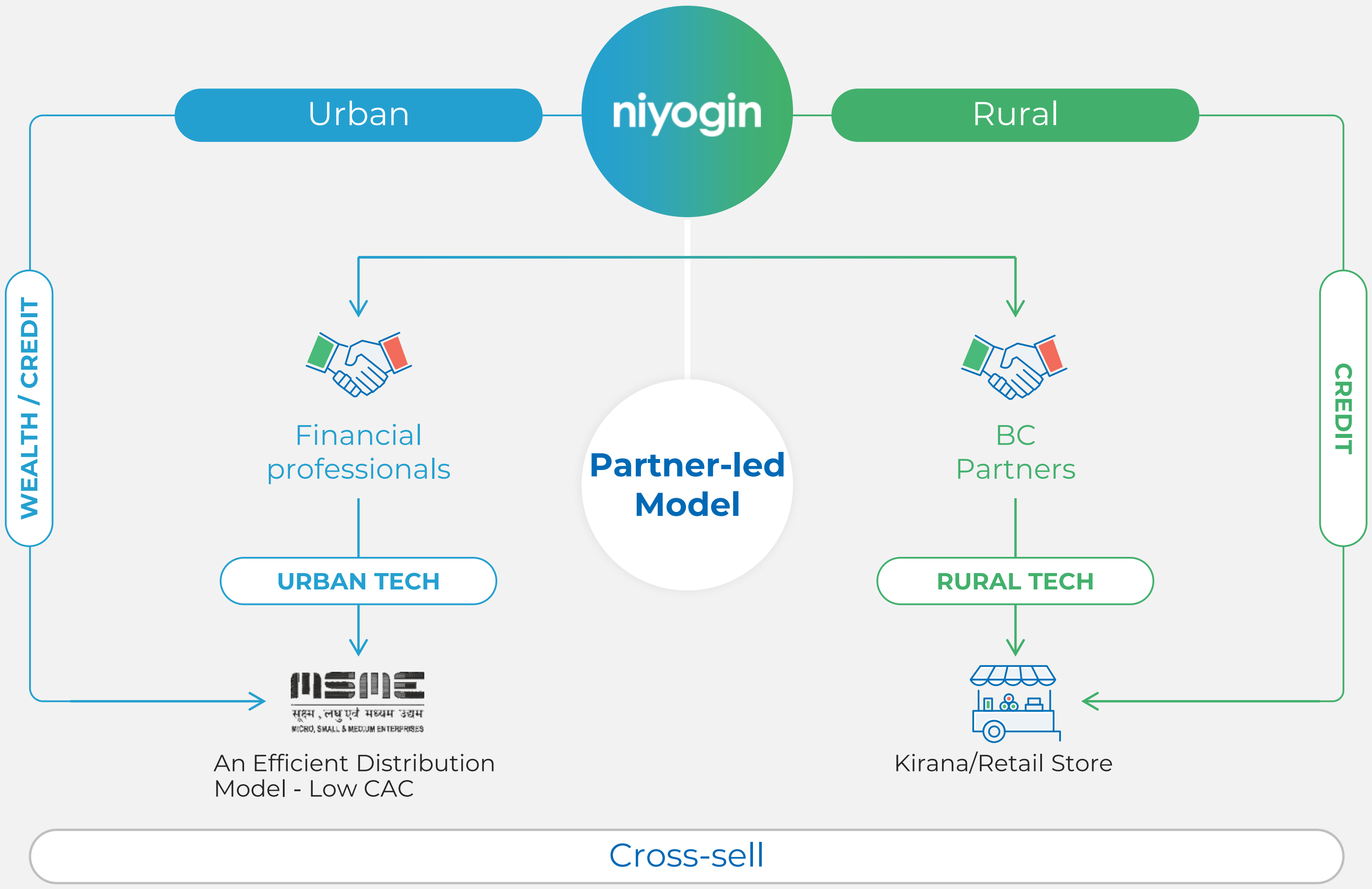
Note: internal estimates: Indicative numbers based on certain assumptions

04

Business Model & Our Segments

Our Business Model

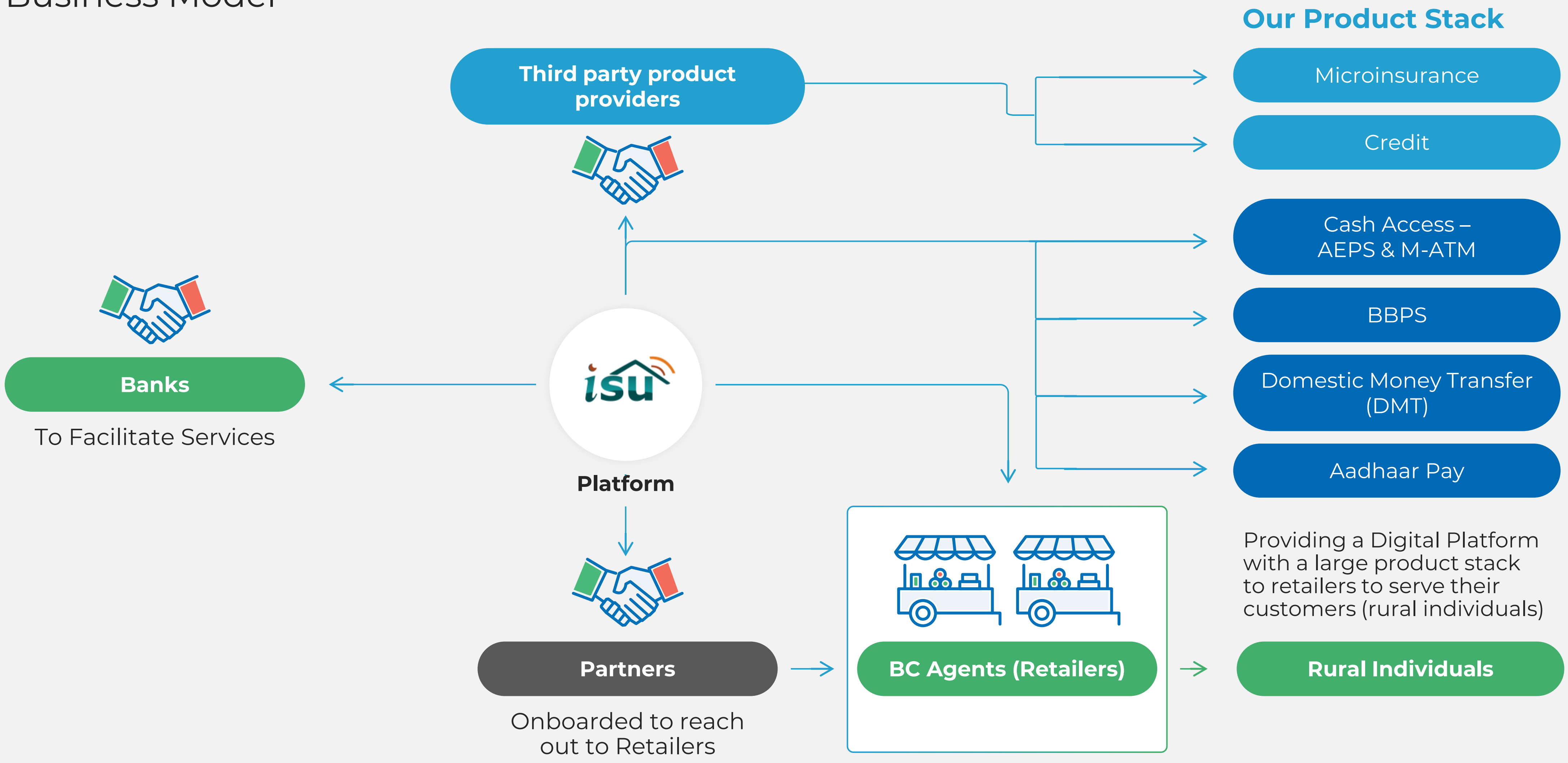
How do we do it?



Building the "Neobank" platform infrastructure to power MSMEs

Rural Tech

Business Model



Rural Tech - Target Customer Segments

Supporting our Partners on their digital journey

Business Correspondents

Provide tech stack to BCs for providing financial inclusion, transactional banking and other services through different form factors – API, SDK and Plug N Play depending on BCs tech capabilities.

Banks

We work in the capacity of TSP or program manager with banks for launching digital programs like Financial Inclusion, Neobanking, Prepaid Cards etc. where we provide tech stack along with referring customers to banks.

Neobanks/Fintechs

Provide tech stack for any enterprise or fintech to become a neobank in matter of few weeks with end-to-end solution from account opening to issuance to mobile/internet banking.

Rural Tech - Use Cases of our Solutions

Our various partnerships & our offerings to them

With 1 Bank

50,000+ Banking access points

5 Crore+ Account holders

- Acting as a TSP[1] to the said bank
- Offerings to their network – M-ATM, AePS, IMPS, Account opening, CMS, BBPS, Train ticket booking

With 1 G2C Provider

500,000+ Agents

738 Districts

- Acting as a TSP[1] to the enterprise
- Offerings to their network – M-ATM, AePS, Kiosk Banking Solution, Lending & Insurance CRM, UPI, BBPS, Domestic Money Remittance

With 1 Microfinance

- Offering Collection solutions for collecting monthly EMI payment through UPI and Aadhar Pay

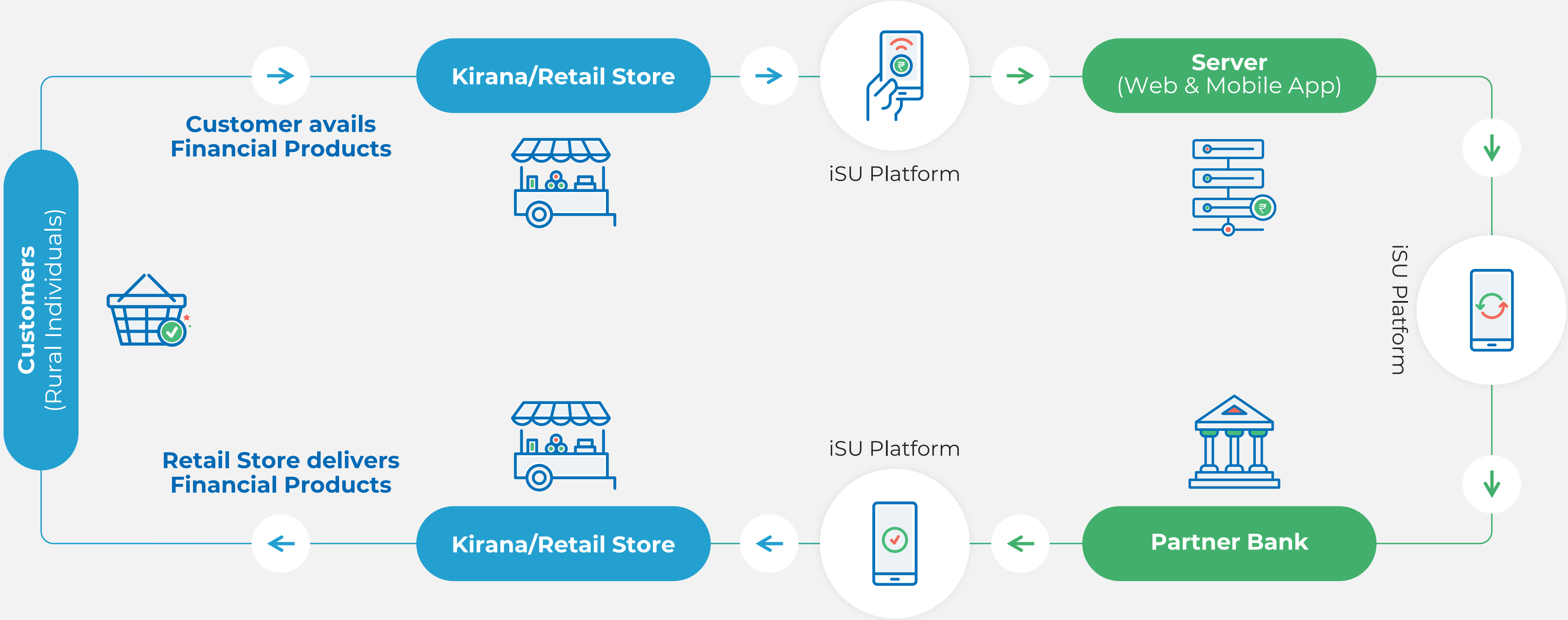
With 1 Leading Fintech

- Offering – BBPS payment stack and Neo-Banking stack for digital banking and prepaid cards

Note: 1) TSP – Technology Service Provider

Rural Tech

Transaction Flow



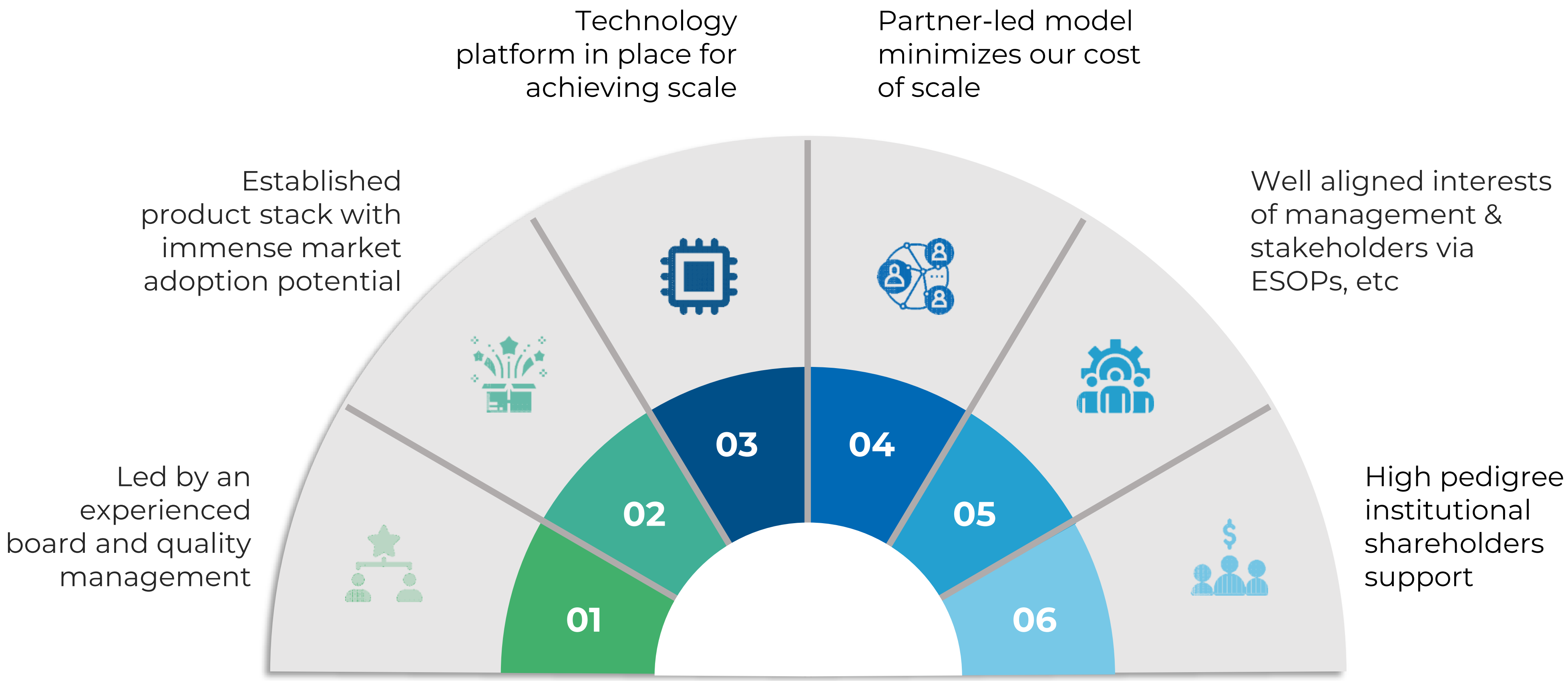
Flow of financial products through our tech platform

05

Investment Rationale

Differentiating Factors

Why we will win?



Investment Rationale

Why Niyogin?

Unique - India's early stage listed fintech company

India's unique early stage listed fintech company straddling the **Rural Tech, Credit** and **Wealth Tech.**

Large addressable market

Targeting MSMEs and retailers :

- 63 mn MSMEs* and 70 mn rural retailers
- AEPS - US$31 bn~(3-yr CAGR @98%)
- DMT - US$20 bn# (3-yr CAGR @17%)
- Unmet credit - US$300 bn@

Tech-centric model

Scalable tech platform with a partner-led distribution model across urban and rural India which gives us:

- A low CAC market access
- Fee/ commission-led revenue
- Opportunity for transaction-led credit

Delivering impact

Profit with purpose enterprise to drive financial inclusion through our:

- Rural reach
- Accessibility to banking services
- Partner model enabling income augmentation

M&A - A force multiplier

We are open to synergistic M&A opportunities in the startup ecosystem.

Building the "Neobank" platform infrastructure to power MSMEs

*msme.gov.in; ~NPCI; @RBI; #Internal estimates

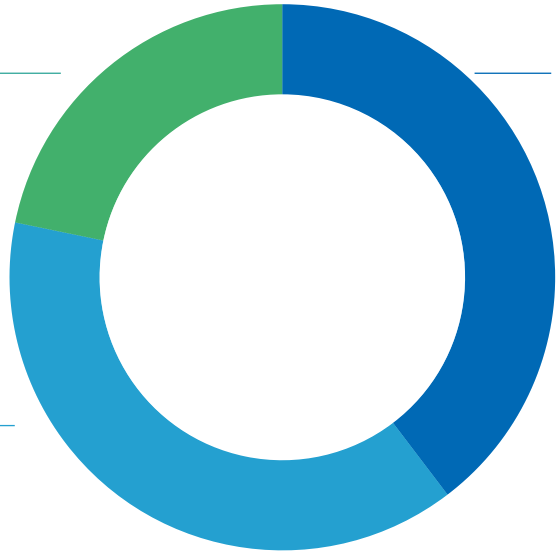
Our Investors

Supported by top institutions

Top Institutions

- Ward Ferry Asian Reconnaissance Fund Limited
- Carmignac
- Alchemy Group
- Lucky Investment Managers

Shareholding Pattern



Note: As of September 30, 2022

06

About
Niyogin

About Us

Who we are & Who do we serve?

We are India's unique early stage **public listed fintech company** committed to delivering impact-centric solutions to MSMEs through Rural Tech, Credit and Wealth Tech using our partnership led model.

Our Team

Board of Directors

Amit Rajpal
NON-EXECUTIVE CHAIRMAN,
CO-FOUNDER

CEO – Marshall Wace Asia;
Ex-Morgan Stanley

Gaurav Patankar
NON-EXECUTIVE DIRECTOR,
CO-FOUNDER

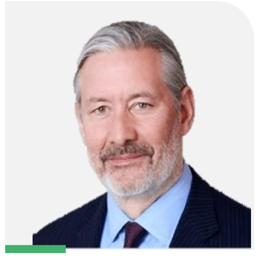
Ex-BNY Mellon, Lockheed Martin

Tashwinder Singh
MANAGING DIRECTOR,
CHIEF EXECUTIVE OFFICER

Ex-Citigroup, KKR

Subhasri Sriram
INDEPENDENT DIRECTOR

Director – TVS Electronics;
Ex-Shriram City Union Finance



Eric Wetlaufer
INDEPENDENT DIRECTOR

Director – TMX group;
Ex-CPPIB; Fidelity

Kapil Kapoor
INDEPENDENT DIRECTOR

Chairman-InfoEdge India;
Ex-Nestle; ex-Global COO, Timex

Ashby H.B. Monk
INDEPENDENT DIRECTOR

Senior Research Engineer, School of Engineering , Stanford University;
Co-founder-Long Game Savings

Our Team

Management

Tashwinder Singh
CHIEF EXECUTIVE OFFICER

Ex-Citigroup, KKR

Abhishek Thakkar
CHIEF FINANCIAL OFFICER

Ex-Avendus Capital, Aegis Logistics, Deloitte

Debiprasad Sarangi
CHIEF EXECUTIVE OFFICER, RURAL TECH

Ex-iCash Card

Mohit Gang
CHIEF EXECUTIVE OFFICER, WEALTH TECH

Ex-HSBC, Citi

Pankaj Chaudhary
CHIEF BUSINESS OFFICER

Ex-KKR, Citigroup, EY

Neha Agarwal
COMPLIANCE OFFICER

Ex-Essel Infraprojects

Noorallah Charania
CHIEF OPERATING OFFICER

Ex-Aditya Birla Group, RBS, HDFC Bank

Salima Charania
MARKETING HEAD

Ex-Times Professional learning

Trivenika Avasthi
INVESTOR RELATIONS OFFICER

Ex-L&T, Yes Bank, Equirus Capital

Niyogin - History

How did we get here?

2017

- Acquired M3 Global Finance, a BSE listed NBFC4, and renamed Niyogin Fintech Ltd
- Raised capital of ₹2,348 mn from institutional investors

2018

- Initiated business with the **Credit** segment offering small ticket unsecured business loans (UBL)
- Focus on market access through CA network

2019

- **Acquired 50.01% in Moneyfront**, a digital platform, adding **Wealth Tech** to its product stack

2020

- **Acquired 51.00% in iServeU,** a US$500 mn GTV platform adding 5 products under a new segment – **Rural Tech**
- SaaS based B2B product went live under Wealth Tech

2021

- Achieved cash breakeven
- Announced the Hypergrowth plan

Rural Tech

- Initiated and scaled transaction-led credit
- Upgraded DMT product & BBPS agent institution
- Expanded product use cases - Aadhar Pay for Collections & POS for M-ATM
- Key wins – NSDL Payments Bank

2022

- Revenues crossed INR 1000 mn mark

Rural Tech

- 378K+ touchpoints
- Key wins – India Post Payments Bank
- M-ATM Switch went Live with NPCI
- Monthly GTV crossed the INR 10,000 mn mark in September

Note: All years are Calendar Years

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Thank You

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