

Press Release

Infibeam Avenues Limited Announces Q2 FY20 Financial Results

Reports Strong YoY Consolidated Profit After Tax Growth of 241% to INR 259 Mn and Declares Interim Dividend of 10%

Gandhinagar, India, October 25th, 2019 – Infibeam Avenues Limited (“Infibeam” or “The Company” or “IAL”) (BSE: 539807; NSE: INFIBEAM), today announced its financial results for the quarter ending September 30, 2019. During the quarter, company recorded strong growth in operating margins and profitability.

The company attained growth on multiple dimension- value & volume of transactions processed in India and international markets, growth in number of merchants, international expansion of payments in new markets and strategic collaboration for expansion of payments and platforms business in the MENA regions. Democratised digital payment growth in India contributed to increase in volume of transactions processed to INR 145.6 Billion, up 12% YoY, and Profit After Tax to INR 259 million, up 241% YoY.

Standalone Financial Highlights for Quarter Ended September 30, 2019

- Revenue INR 1,515 Mn, an increase of 12%, YoY
- EBITDA INR 351 Mn, up 191%, YoY
- EBITDA Margin improved to 23% compared to 9%, YoY
- Profit After Tax INR 100 Mn, compared to a loss of INR 45 Mn, YoY

Consolidated Financial Highlights for Quarter Ended September 30, 2019

In the last fiscal year, the Company decided to focus on the core businesses of digital payments and enterprise software platforms. In sync with this strategy, Company divested its non-core businesses i.e. online e-commerce market place, and technology platform solutions for small & medium enterprises. However, the company continues to offer technology platforms to government and large enterprise clients. The revenues in prior quarter ended September, 2018 and year ended March 31, 2019 include the revenue of non-core business as mentioned above which is not reflected in current quarter ended September 30, 2019.

- Revenue INR 1,684 Mn, decrease of 41%, YoY*
- EBITDA INR 563 Mn, an increase of 83%, YoY
- EBITDA Margin improved to 33% compared to 11%, YoY
- Profit After Tax INR 259 Mn, an increase of 241%, YoY

** Revenue decrease from divestment of non-core business. Comparable revenue of core business increased > 12% Y-o-Y.*

Business Highlights for Quarter Ended September 30, 2019

- Number of Merchants using payment & software web services over 1 million
- Number of successful payment transactions processed 34.4 Mn, an increase of 20% YoY
- Value of Successful Payments Processed was INR 145.6 Bn, an increase of 12% YoY

Standalone Financial Highlights: Q2 FY 2020 (in INR million)

Particulars	Q2 FY 2020	Q2 FY 2019	% change YoY
Total Revenue	1,515	1348	12%
EBITDA	351	121	191%
EBITDA margin	23%	9%	-
Profit Before Tax	175	(3)	-
Profit After Tax	100	(45)	-

Consolidated Financial Highlights: Q2 FY 2020 (in INR million)

Particulars	Q2 FY 2020	Q2 FY 2019	% change YoY
Total Revenue	1,684 *	2,844	(41)%*
EBITDA	563	308	83%
EBITDA margin	33%	11%	-
Profit Before Tax	336	91	270%
Profit After Tax	259	76	241%

* Revenue decrease from divestment of non-core business. Comparable revenue of core business increased > 12 % Y-o-Y.

Commenting on the Q2 performance, Mr. Vishal Mehta, Managing Director, Infibeam Avenues Ltd., said: “During the quarter we have taken initiatives to grow our digital payment and enterprise software platform in India and international markets while focusing on delivering robust operational performance. We have made strategic alliances and launched our payments platform in Saudi Arabia and plan to further expand in other international markets.”

BUSINESS AND OPERATIONAL HIGHLIGHTS

The Company has continued its sharp focus in growing web-services business, which is an enabler for digital transactions, data centre infrastructure and enterprise software platform for government and enterprises. Despite competitive landscape the company has maintained its pace and invested significant capital and resource to build market

leadership in India and in the Middle East. The Company's robust and scalable business is based on transaction based revenue model, allowing us to maintain strong financial health, generation of positive cash flow and profitability. As part of International expansion strategy, the company has recently made steady inroads into select markets which includes Kingdom of Saudi Arabia and other international markets.

During the quarter, to unlock shareholder value, the company announced demerger of its SME e-commerce service and marketplace business. The Board of Directors of the Company on the recommendation of the Audit Committee has considered and approved the composite scheme of arrangement amongst Infibeam Avenues Limited, Suvidhaa Infoserve Private Limited "Suvidhaa", DRC Systems India Private Limited "DRC" and NSI Infinium Global Private Limited "NSI" and their respective shareholders and creditors. The Scheme is subject to requisite statutory and regulatory approvals and sanction by the respective shareholders and creditors of each of the companies involved in the Scheme.

Under the proposed scheme of arrangement, the company will demerge its SME e-commerce and e-commerce marketplace businesses of NSI to Suvidhaa while the Theme park & Event business to DRC Systems. Subsequently, subject to regulatory approvals, both the entities, Suvidhaa and DRC will be listed on the stock exchanges (BSE/NSE). Swap ratio for demerger will be as follows –

- Suvidhaa will issue 197 equity shares for every 1500 equity shares to the shareholders of Infibeam Avenues Limited.
- DRC will issue 1 equity share for every 412 equity shares to the shareholders of Infibeam Avenues Limited.

Through the demerger, Infibeam Avenues will continue to focus on Digital Payments and Enterprise Software Platform for large enterprises and the government. Further, through strategic alliances with the demerged entities, the company aims to create enhanced value for the shareholders and specialization for sustained growth.

Digital Payment - CCAvenue

 Infibeam Avenues' payment platform CCAvenue is a pioneer in the digital payments space with a rich domain experience of nearly two decades. CCAvenue is a comprehensive Fintech Platform offering multi-channel payment processing services via the brand CCAvenue to an estimated over 70% of India's retail e-Merchants. CCAvenue is a PCI DSS 3.2.1 compliant payment gateway platform and is India's largest direct debit engine, with nearly 250 payment option connecting to more than 55+ Indian banks on a real-time basis to process payments through net-banking and also processes all types of credit cards, debit cards and digital wallet including UPI payments. We are amongst the leading online payment solutions provider in India and UAE and first in India offering maximum number of Wallet & EMI options.

The Digital Payment business continues to grow with rising acceptance among users and growing number of merchants adapting various digital payment modes. The company has added many marquee clients in the quarter and continues to focus on growing business from the education sector.

After establishing its footprint as a leading digital payment facilitator in India and the U.A.E, the company is launching its payments business in another high opportunity market in the Middle East, the Kingdom of Saudi Arabia (KSA). The company has collaborated with Riyadh Bank to offer digital payments solution to eCommerce businesses in the country.

The collaboration will allow the company to expand its payment platform in Saudi Arabia at a time when there is an upsurge in the country's eCommerce market. The overall revenue of this eCommerce market in KSA is estimated to cross US\$ 7 Billion in 2019 and set to reach US\$11 Billion by 2022. CCAvenue's payment solutions will cater to all the major industry verticals including e-retail, petroleum, real estate, tourism, hospitality, finance and education. The tourism sector is currently experiencing remarkable growth with millions of tourists visiting the Kingdom annually. The real estate business is also thriving with high investment in infrastructure. The government has planned the development of a US\$ 25 Billion entertainment mega city outside Riyadh.

Riyad Bank is one of the largest financial institutions in KSA and the Middle East, which offers advanced financing solutions through its wide network of more than 340 branches. Employing more than 5,600 employees, Riyadh Bank has the highest national employment rate of 93% being among the Saudi organizations. Having strong corporate and retail franchise along with decades of rich expertise, Riyadh Bank is at the forefront of financing and arranging syndicated loans for major projects in the oil and petrochemicals sector. Riyadh Bank's unique solutions cater to the needs and requirements of all economic segments in the retail business.

Few Merchants:

India: Indigo Airlines, Oman Air, Emirates, MakeMyTrip, Cleartrip, AirAsia, Airtel, Jio, Idea Cellular, HPCL, LOCL, BPCL, Jabong, Myntra, Snapdeal, GEM

UAE: At The Top (Burj Khalifa), DHL, Tejari (Esupply- Dubai government), 6thstreet.com, Brandsforless, Emaar Properties, Nakheel Properties, HTC Mobiles, Manipal University, Axiom Telecom

Digital Payments Operational Performance Q2 FY 2020

- Payments processed in Q2 FY 2020 grew 12% YoY
- Collaborated with Riyadh Bank to launch operations in Saudi Arabia.
- Launched Digital Payment solution in partnership with HDFC Bank for Electricity Department, Government of Goa.

Enterprise Software Platform - Enterprise & Government

During the quarter the platform business put up a buoyant performance as the company continued to focus on specific verticals holding immense promise for future. The Company has recorded significant growth on account of scaling of bill payments and GeM(Government e-Marketplace) segments which further fuel growth of the platforms businesses.



Government e-Marketplace (GeM): An end-to-end online marketplace for procurement of products & services for Central & State Govt and PSU's. Infibeam Avenues is a key technology partner for the GeM platform. GeM is built on Company's proprietary BuildaBazaar enterprise platform. GeM is one of the significant revenue contributors to our platform business. We earn on the value of each transaction on GeM platform; higher the procurement value,

higher the earnings for the company. As per the estimate from India's Commerce & Industry Minister, "GeM will be doing transactions worth US\$ 25 billion in three years and US\$ 100 billion in seven to eight years"

GeM annual procurement grew three-folds to INR 173 billion in FY19 on account of increase number of registration of government buyers and added many products and services on platform. In the first half of FY20 the government has already procured goods and services worth INR 120 billion. The bill payment business under the brand name BillAvenue is growing rapidly on account of partnering with multiple agent institution and adding new billers. The ResAvenue business continues to grow with growing room nights booked through the platform.

GeM Performance Q2 FY 2020

- Over 292,000 sellers & service providers.
- 39,695 buyer organisation
- Nearly 1.4 million products
- 2,250 start-ups on boarded
- 56,000+ SME sellers and service providers

BillAvenue® Interoperable bill payment solution built on Bharat Bill Payment System (BBPS) infrastructure. Market share expansion in India by offering Digital Bill Payments services – online and offline. Existing Bill Payment Categories enabled on BBPS which includes Mobile & Landline, Electricity, Gas and DTH, followed by emerging categories like Credit Cards, Insurance, Education, Club, Housing Societies, Taxes and B2B Invoicing.

Top Agent Institutions (BillAvenue): Get Simple Technologies, Unimoni Financial Services, Vakrangee, BLS International Services Limited, Payism Technologies India, PayBingo, Instant Global Paytech, Triotech Solutions, MIMO Technology, Muthoot Fincorp, MindsArray Technologies, Hermes It Solutions, Nucleus Software Exports, Machnet Technologies, Netwin System, Software I, Suvidhaa, Tapits Technologies, Dogma Solft Limited, VK Venture , Li digital (Money on Mobile)

Top Billers (BillAvenue): Sabarmati Gas Ltd, GAIL Gas Ltd, Dish TV, Vadodara Gas Ltd, D-Vois Communications Pvt Ltd, Videocon DTH, Municipal Corporation (Ahmedabad, Jalandhar, Amritsar, Ranchi, Solapur, Silvassa)

BillAvenue Performance Q2 FY 2020

- Average Daily Bill Processing of INR 2.0 crores
- 31 billers and over 500,000 active agents in 2600 Indian cities and towns
- 138 live agent institutions
- Partnering with offline AIs across India – Large addressable market compared to online users
- Further expansion by targeting offline payments through our investment in Instant Global Paytech Pvt. Ltd.

This platform offers a central hub for distribution of hotel inventory. The platform offers Direct Connect through complete Central Reservation Solution (CRS) and Channel Connect through technologically advanced channel management solution. Over 1000+ hotels are live on ResAvenue platform which is also integrated with major online travel agents (OTAs). Over 2500+

ResAvenue®

room nights are booked every day through ResAvenue platform. Fragmented market and digital adoption driving strong growth.

Esteemed Merchants-International: Damac Maison Cour Jardin, Damac Maison Canal Views, Damac Maison Mall Street, Damac Maison Royale The Distinction, Radisson BLU Hotel Apartment Dubai Marina, Two Seasons Hotel & Apartments, Habtoor Palace LXR, V Dubai - Curio Collection by Hilton, Zaya Nurai, Hilton Hotels and Resorts, City Seasons Hotels, Millennium Hotels and Resorts.

Domestic: Poppys Hotel, The Umrao, MGM Hotels and Resorts, Gokulam Hotels and Resorts, Welcom Heritage, VITS Hotels, Chhattisgarh Tourism, Beyond by Sula, Old Kent, Daiwik Hotels, Swosti Group of Hotels, Spruce Tree Resorts, Sandesh The Prince, Marriott Pune, Marriott Bangalore, The Westin Mumbai.

ResAvenue Performance Q2 FY 2020

- Over 2,500 room nights booked everyday on the platform

Data Center Infrastructure



Tier III Data Center: During the fiscal year 2019 the Company forayed into the segment of infrastructure or data center as-a-service. The data center will enable the company to run applications at very high speeds in a highly secured environment. It has received Tier III design certification from Uptime Institute as it is equipped with fully redundant and dual-powered servers, storage, network links and other IT components. It is designed to have an uptime of 99.98%.

Data Center key Developments

- Data Center is ready to provide Infrastructure as a Service “IaaS” and Blockchain Platform.
- Launching Virtual Machines on Intel and Mainframe and Containers on-demand on Mainframe, first time ever on LinuxONE in next quarter.
- Migrating captive workload to own data center which is expected to be completed by end this financial year.

Business Outlook: India & International

- Grow merchant base and enhance reach across India
- Increase Digital Payments market share in India and UAE
- Expand and launch digital payments with checkout solutions across multiple countries including Saudi Arabia
- Grow enterprise technology platform with integrated digital payments
- Introduce Data Center Infrastructure to external clients with focus on BFSI sector
- Explore online credit lending services to merchants using company web services

Awards & Recognition

- CCAvenue voted and honoured with the prestigious "Superbrand 2019" recognition of the most trusted online payment facilitator in India. Superbrands organization is a globally acclaimed arbiter of branding and an independent authority
- CCAvenue is conferred with the 'Most Innovative Online Payment Service Provider' in the UAE by Global Business Outlook

- Mr Vishwas Patel, Executive Director, Infibeam Avenues Limited, awarded the payment entrepreneur of the year award 2019 by Kamikaze

About Infibeam Avenues Limited

Infibeam Avenues Limited (IAL) is an Indian company operating an online payment system with technology platform solutions across industry verticals. The Company operates as a payment processor for online merchants, websites and commercial users for which it charges a fee on successful transactions. IAL's payment system, also called CCAvenue, provides nearly 250 unique payment options in India, processing payments across 27 international currencies that enables online and mobile payments for merchants. Company's technology platform hosts India's largest online marketplace for government procurement (Government e-Marketplace, GeM). The company's digital payments and enterprise software platform solutions are used by more than one million clients including merchants, enterprises, corporations and governments in both domestic as well as international markets to enable online transactions. The Company has expanded digital payment solutions to international countries starting with Middle East to execute on plans to operate worldwide payment systems.

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For more information on the company, please go to, www.ia.ooo and www.ccavenue.ooo