



Infibeam Incorporation Limited
FOR IMMEDIATE RELEASE

Infibeam scales up E-commerce Business to New Heights and Turns Cash Surplus

Reports growth in Operating Cash Flow by 211%; Net Profit grew by 186%; Service Revenue grew by 54%

Consolidated Financial Year Result 2016

Service Revenue grew by 54% to Rs 1,028 Mn compared to Rs 668 Mn in FY15
EBITDA grew by 41% to Rs 633 Mn compared to Rs 449 Mn in FY15

Product Revenue grew from Rs 2,341 Mn compared to Rs 2,214 Mn in FY 15

Profit after Tax (PAT) on the Total Revenue grew by 186% to Rs 87 Mn compared to loss of Rs 101 Mn in FY15

Ahmedabad, 30th May, 2016: Infibeam Incorporation Limited which was listed in the Indian markets on April 04, 2016 has come out with its maiden performance post listing with a complete turnaround in its business for the full Financial Year ending 31st March 2016. The company has turned cash positive and reported an operating cash inflow of more than Rs 233 Mn as against cash burn of Rs 209 Mn in the corresponding period of previous year.

This marks the beginning of turning the Services and Products segments profitable and most importantly earning cash vis-à-vis burning for growth in the e-commerce markets. When most the Indian players in e-commerce segment burn cash and report losses, Infibeam has adopted a proven way of staying cash positive while recording the growth. Infibeam is unique company, in the global e-commerce market, have achieved a rare distinction by providing an integrated and synergistic business model for B2B and B2C segment of customer on cloud based infrastructure, enabling online sale of product and services for merchants locally as well as globally.

Service segment:

Infibeam has built BuildaBazaar platform (www.buildabazaar.com) for enabling online e-commerce services for merchants to sell their products and services to customers. The platform so used by the merchant is provided on the cloud wherein it offers the ease of doing business at an affordable cost. It is a unique proposition for the local and global merchants to use this cloud based platform and get online marketplace instantaneously with ready to sell products on the web, which makes Infibeam a unique service provider in the global marketplace. The scalability of this business model is so high for Infibeam now which helps the company to acquire merchants without losing money and thereby growing the revenues from services, yet remain profitable and cash positive.



Under this model, the company offers various subscription plans across price points to suit the needs of merchants operating at different scales. The company uses data analytics to help merchants target customers and increase rate of transactions. In addition, merchants get training and education to help improve operation of their online storefront, marketing and sales activities. The company earns revenues by offering a combination of set-up cost followed by monthly fee and a per-transaction commission. As of March 31, 2016, company had 53,633 registered merchants on its platform which have grown at a 60% year over year.

Product segment:

Infibeam.com provides wide range of products across 40 product and service categories, including mobile and tablets, computer and accessories, electronics and cameras, housing and kitchen, books and magazines going up to fashion products, music, travel and gifts. **The company strategically follows an asset light inventory model** and has more than 5000 registered merchants who sell directly on Infibeam.com. As of March 31, 2016, company had more than 8.17 Mn active users on Infibeam.com. Infibeam.com has reported revenue of Rs 2341 Mn as of March 31, 2016 and turned positive on contributions in this year. It is a conscious and strategic effort of the management to be positive with contribution in this crowded e-commerce space where online retailers are losing money. Infibeam follows the strategy of forward investing while ensuring profitable track record.

As part of Company's strategic initiatives, Infibeam launched .ooo top level domain registry. It allows the Company to acquire merchants on one end and on the other end helps the company to bring them on to the BuildaBazaar platform. The cross selling opportunity to bring merchants to the platform drives the growth in Services revenue. It is important to note that under this strategy, the company acquires merchants for services segment without burning cash for acquisition. The domain registry business places Infibeam in an extremely strong position wherein it would have the ability to earn revenue in future, **from local and global market place.**

In the warehousing and logistics segment, the company is building the capability of integrating the centers in the regional locations to fulfill the delivery of goods to the customers. This expansion of capability will be offered as a service to merchants on BuildaBazaar platform as well as customers who buy on Infibeam.com. As of March 31, 2016, company had 6 warehouses and 12 logistics centres across 11 cities in India. Company plans to expand across additional 75 centers within the next 3 years at an estimated capital cost of Rs. 375 Mn. The investment is expected to result into cost efficiencies and incremental revenue from services.



New Development

The company thru its fully owned subsidiary NSI Infinium Global Pvt Ltd. Has signed a Term Sheet with Avenues (India) Private Limited (“CC Avenue”) for investment of up to Rs 450 Mn. CC Avenue is a leading payment processing solution provider for thousands of merchants across business verticals. Under the business model of e-commerce, the role of payment processor is very crucial in completing the financial transactions after the purchase is made by the customer. The payment integration is a very critical/equally important for the merchant in expanding his merchandise which on the other hand results into higher sales. The advantage to Infibeam would be in form of incremental revenue by way of deep integration for customers shopping on BuildaBazaar merchant store and also on Infibeam.com.

International Expansion

Infibeam Incorporation Limited is in the advance stage of setting up a Wholly Owned Subsidiary Company in Dubai. The Wholly Owned Subsidiary Company will be helpful in catering the services business of the Company in the MENA region and will also help in increasing the services revenue of the Company.

Update on IPO Proceeds

Infibeam has raised Rs 4500 Mn through IPO this year and is among the first e-commerce company in India to get listed on Indian stock exchange. As of May 27, 2016 the market capitalization stands at Rs 27,592 Mn. It is listed on the BSE with a BSE Code of 539807 and the NSE with an NSE Code of INFIBEAM.

As a part of Issue Object Clause:

1. Setting up of cloud data centre and purchase of property for setting up registered and corporate office of our company

Company has started investment to acquire 0.457 Mn square feet in GIFT City. The advance made so far is 400 Mn and the balance amount is payable as mentioned in the prospectus. The equipment for data center is expected to be purchased within this financial year.

2. Setting up of Logistics Centres

The capex required for setting up the logistics center is 375 Mn. The company will be reporting the progress on Capex as and when they are incurred on quarterly basis under the terms stated in prospectus.

3. Purchase of Software

As stated in prospectus, the purchase of software from third party for providing mobile ad framework, the work has been started and software is expected to be purchased and put to use in a phase wise manner over a period of 3 years. The company will be reporting the progress in successive quarters.

4. General Corporate Purpose

As stated in prospectus, the IPO expenses have been incurred and accounted for in the full year financial statement of March 31, 2016.

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