

Media Release

Infibeam Avenues Limited to foray into Artificial Intelligence (AI) driven credit/lending Space through strategic Banks & NBFC tie-ups

Infibeam Avenues Limited Announces Consolidated Financial Results for Quarter Ending June 2021

- Transaction Processed Value up 170%, YoY to INR 50,651 crore
- Gross Revenue up 120%, YoY to INR 216 crore
- Profit After Tax up 14% YoY to INR 13 crore

Gandhinagar, India, 10th August, 2020 – Leading global Financial Technology (Fintech) solutions provider Infibeam Avenues Limited (“Infibeam” or “The Company” or “IAL”) (BSE: 539807; NSE: INFIBEAM), today announced its consolidated financial results for the quarter ended June 30, 2021.

Consolidated Financial Highlights – Quarter Ended 30th June 2021 (INR. crores)

| <i>Particulars</i> | <i>Q1 FY21</i> | <i>Q1 FY22</i> | <i>YoY</i> |
|-----------------------------------|----------------|----------------|------------|
| <i>Gross Revenue</i> | 98 | 216 | 120% |
| <i>Net Revenue</i> | 51 | 52 | 3% |
| <i>EBITDA as % of Net Revenue</i> | 61% | 54% | - |
| <i>PAT</i> | 12 | 13 | 14% |
| <i>PAT as % of Net Revenue</i> | 23% | 26% | - |

Infibeam chalked out its growth strategy for its credit/lending business:

With the irreversible digitalization of Indian and global economies, Infibeam Avenues has planned to foray into data-driven credit/lending space. Infibeam’s data-driven credit/lending will be asset-light and digital-only, targeting merchants in factoring (bill discounting) business.

With the recent passing of factoring law amendments, enabling more than 9,000 non-banking financial companies (NBFCs) to participate in the factoring (bill discounting), Infibeam Avenues has set its course to tap the Indian factoring market space, which is estimated to be worth \$6 billion.

We intend to do lending as an enabler by offering credit algorithm, credit platform, frameworks and merchant database

Infibeam’s current payment gateway infrastructure process approximately \$18 billion payments and its software platform enables additional \$10 billion worth of transactions of the platform. If this trend continues, where people, institutions and organizations are adopting digitalization at such a faster pace, Infibeam Avenues may soon be processing more than \$100 billion transactions.

Currently, more than 3 million merchants are on Infibeam's platform, which is expected to reach 10 million merchants as it grows in leaps & bounds almost every month due to the mass adoption of digitalization.

Infibeam Avenues is perfectly posed to capitalise this opportunity, where it can monetize its Artificial Intelligence (AI)-driven platform infrastructure for enabling its credit/lending business.

"We started the new fiscal year by delivering a healthy quarter. We believe in the growth of India's digital economy and we continue to strengthen our technology advantage in improving customer experience and enabling our merchants including enterprise clients to accomplish a successful digital transformation. With current transaction processing value of Rs 50,000 crore per quarter and millions of full KYC merchants on our platform, the AI driven lending opportunity is the future growth and margin driver for IAL". said **Mr. Vishal Mehta, Managing Director, Infibeam Avenues Limited.**

We stay focused on making rationale investments to power our expansion in the growth and digital transformation opportunity, while sustaining our industry-leading profitability. During the quarter our digital payment processing volume registered strong growth despite lower discretionary spending due to pandemic and lower contribution from aviation, entertainment including hotel and hospitality sector "said **Mr Hiren Padhya, Chief Financial Officer.**

Operational Highlights - 1QFY22

Digital Payment Business

➤ **CCAvenue Payment Gateway Solution**

- TPV up 134% YoY and averaging INR 10,000 crore monthly from <INR 5,000 crore YoY
- CPGS integrated with Bank Muscat, Bank Dhofar and Jio, to go commercially live soon
- Plan to roll out CPGS solution globally
- Plan to launch a soft POS for offline retail for customers to just tap and pay cards on merchant's mobile phone

➤ **Express Settlement**

- Started Express Settlement a fully secured lending to the merchant in Sep'20
- Settled US\$50 million worth of merchant funds in Q1
- Currently our daily average express settlement is INR 6 crore, 2x compared to Mar'21
- Guidance given for FY22 to process US\$ 200 mn intact

➤ **Neo Banking Solution**

- Entered into Neo Banking services through the credit tech platform GRIT, IAL's step-down subsidiary. Grit will enable SMEs and corporates with digital banking services, cards, bill payments, lending and more

➤ **Domestic & International Remittances Solution**

- Digital payments portfolio to offer, domestic remittance services, and assisted commerce including cash collection services thru IAL's subsidiary Go Payments for underserved, underbanked and unbanked across India targeting 75% of Indian population through our growing merchant network.
- Participated in series A round of our cross-border payment platform investee company Fable Fintech Company, erstwhile RemitGuru. 9 of the top 10 Indian private banks use this platform.

➤ **New Umbrella Entity - NUE**

- Applied for a retail payment license from RBI along with consortium partners Jio Platforms, Google and Facebook to offer payments globally.

Enterprise Ecommerce Software and SaaS Platform

➤ **Bill Payment Platform Business - BillAvenue**

- Bill Payments volume grew 479% YoY to 16mn
- Gross margins in Q1 has improved 3 times compared to same quarter last year
- Agent network increased to over 725,000 across India, up from 600,000 last year

➤ **Enterprise & Government Ecommerce Platform**

- Achieved highest ever TPV on GeM in Q1 of US\$ 2.5 billion, up 344% YoY.
- Annualised run-rate of US\$10 bn for FY22; 2x compared to FY21

Key Business Development - 1QFY22

• **Investment in Avenues Payments India Private Limited ("RemitGuru")**

During the quarter, pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has approved to make further investment in Avenues Payments India Private Limited ("RemitGuru"). This will further enable the Company to increasing the cross-border E-commerce Business transactions and making the remittance business cash free through fin-tech solutions. Participated in Series A round of investee company, RemitGuru (now Fable Fintech)

• **BOXOP Solutions Pvt Ltd Collaborated with Infibeam Avenues to offer Bill Payment Services across all Akshaya Kendras in Kerala**

The Company has collaborated with BOXOP Solutions Pvt, a Start-up registered with Kerala Start-up Mission (KSUM), to offer its BillAvenue platform an operating unit of Bharat Bill Payment Services (BBPS) to all the customers of Akshaya Kendras across the State of Kerala for collection and processing utility bill payments. Akshaya, an ambitious endeavour of the State of Kerala was inaugurated by Dr. APJ Abdul Kalam, the former president of India, on November 18, 2002. The Government's focus on digitization of the State has led to a revolution in the conceptualization and operation of public services through the reinvention of service delivery channels. Presently, there are nearly 2,650 Akshaya e-centres spread across Kerala with at least 2 centres in each Panchayats.

- **Received ISO 27001:2013 Certification**

The Company has received ISO 27001:2013 certification which is the one of the most widely recognized standard in the world for Information Security Management. The ISO 27001 standard focuses more on the people and processes of an organisation. This certification bears testimony to Infibeam Avenues' adherence with globally recognised standards by providing an enhanced security layer to merchants and their customers. It also ensures optimum business efficiency through constant monitoring of various quality parameters and the resolution of issues that may arise.

- **Renewal of PCI DSS 3.2.1 Certification**

Further, PCI DSS 3.2.1 Certificate has been renewed for the company's payment processing services. PCI DSS 3.2.1 is the latest version of PCI DSS (The Payment Card Industry data Security Standard), launched by the Payment Card Industry Security Standards Council. The PCI DSS standard is basically designed for businesses and intermediaries involved in online card transactions. It consists mainly of compliance protocols that are built to manage sensitive cardholder data of the online payment system. Its standards ensure that storage, processing and transfer of cardholder data are secure.

Past Few Prestigious Awards Conferred

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| ET Best BFSI Brands <i>Felicitiation by Economic Times (Times Group)</i> |
| Superbrands 2021 <i>Consumer & Industry Recognition by Superbrands India</i> |
| Unlocked Awards 2021 <i>Best Use of Technology Accolade at the Unlocked Awards 2021</i> |

About Infibeam Avenues Limited

Infibeam Avenues Limited is one of the leading global financial technology company offering comprehensive digital payment solutions and enterprise software platforms to businesses and governments across industry verticals. The company's payment solution includes acquiring and issuing solutions. The core PG business provides nearly 200 payment options to the merchants allowing them to accept payments through website and mobile devices in 27 international currencies. Infibeam Avenues' enterprise software platform hosts India's largest online marketplace for government procurement. The company processed transaction worth INR 1.4 trillion (US\$ 19 billion) in FY21 for its 2.5 million+ clients across digital payments and enterprise software platforms. The company's vast clientele includes merchants, enterprises, corporations, governments and financial institutions in both domestic (India) as well as international markets. Infibeam Avenues' international operations are based in the United Arab Emirates with recent launches in the Kingdom of Saudi Arabia, Oman and the United States of America.

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