

Media Release

Infibeam Avenues Ltd. Announces Financial Results for Q2 FY24

Highest ever quarterly Gross Revenue of INR 7,899 million in 2Q FY24, up by 66% YoY
 Highest ever quarterly EBITDA ³ of INR 678 million, up by 70% YoY.
 Highest ever PAT ³ at INR 383 million, up 191% YoY.
 Payments net take rate at 9.3 basis points (bps) in Q2 FY24, highest since Covid, up by 25% YoY
 Small merchants made big contribution in Q2 FY24 and average 2,900 merchants added daily in CCAvenue payments.

Gandhinagar, November 2, 2023 – India’s first listed software platforms and payments infrastructure company, Infibeam Avenues Limited (“Infibeam” or “The Company” or “IAL”), (BSE: 539807; NSE: INFIBEAM), has today announced its financial results for the second quarter ending September 30, 2023.

Consolidated Financial Highlights (INR million)

| Particulars | Q2 FY24 | Q2 FY23 | Y-o-Y |
|-------------------------------------|------------------|----------------|--------------|
| TPV ¹ | 1,785,235 | 10,00,003 | 79% |
| Gross Revenue | 7,899 | 4,767 | 66% |
| Net Revenue ² | 1,108 | 787 | 41% |
| EBITDA ³ | 678 | 400 | 70% |
| <i>EBITDA margin ^{3 4}</i> | 61% | 51% | - |
| Profit After Tax (PAT) ³ | 383 | 132 | 191% |
| <i>PAT margin ^{3 4}</i> | 35% | 17% | - |

1 Includes i) Payments TPV [CCAvenue India and International + BillAvenue + Go Payments] + ii) GeM platform TPV.

2 Net Revenue = Gross Revenue – Direct Operating Expenses (predominantly payment processing revenue collected on behalf of ecosystem partners)

3 Adjusted for excluding the notional impact arising from mark-to-market gain / (loss) from investment in listed security [this has no impact on cash flows]

4 as percentage of Net Revenue

Consolidated Financial Performance Review:

The rise in total TPV can be attributed to both a rise in payments as well as platforms TPV. While payments TPV rose 28% YoY to INR 769 billion, the Company’s largest software platform implementation customer recorded a growth in TPV by 155% to INR 1+ trillion in a single quarter.

Higher growth in Gross Revenue was led by 28% growth in TPV and increase in gross take rate by 36% to 112 basis points. A high contribution (51%) from credit payment options led to an increase in the gross take rates in the payments business.

A total of 0.6 million merchants were added in 1H FY24, of which 0.27 million merchants were added in 2Q FY24, an average addition of 2,900 merchants daily in the domestic payment aggregation business, also recognized by the brand name, CCAvenue.

The company's payment net take rates experienced a significant increase in Q2 FY24, up 25% YoY to 9.3 basis points (bps), primarily due to a substantial influx of small merchants who, in turn, made the most substantial contribution to the surge in Infibeam Avenues Ltd's payment business net take rates. Payment net take rate is now inching closer to the targeted double-digit take rate by the end of FY24.

For the first time, the company recorded a net revenue more than INR 1 billion, due to improvement in net margins which in turn led to strong operating performance. Both EBITDA and Profit after Tax, grew sharply, by 70% and 191%, respectively. Also, EBITDA and PAT margins improved sharply.

"In Q2 FY23-24, we witnessed an unprecedented onboarding of merchants, primarily small businesses. This influx has resulted in a higher take rate," stated **Mr. Vishwas Patel, Joint Managing Director of Infibeam Avenues Ltd.**

The company attributes the sustained increase in merchant onboarding to the "trust" factor as merchants and banking partners believe in our strong compliance and robust payment technology platform. This has also led to strong brand recognition among small merchants.

Concurrently, the company also observed a rise in the downloads of CCAvenue TapPay, which is now over 400,000. This innovative payment software, available for download on the Google Play Store, can transform any NFC-enabled mobile device into an easy-to-use point-of-sale (POS) machine, allowing for straightforward card payments with a simple tap, as well as QR code payment options.

Mr. Vishal Mehta, Chairman & Managing Director (CMD) of Infibeam Avenues Ltd, commenting on the company's performance, stated, "Our payments and platform business is now firmly established and has become the growth engine for the company. In the years to come, it will continue to be the driving force behind our success. This quarter, we have experienced remarkable growth, as we continue to invest in innovative and robust solutions."

The company's growth remains in line with the financial guidance issued for FY23-24 during the first quarter of this year. The company's CMD expressed optimism about achieving better business growth in the upcoming Q3 results, on account of festive and travel season, typically a strong quarter for the company.

"In addition to our exceptional performance in the domestic market, our payment business, CCAvenue, is experiencing significant growth in the international market, particularly in the UAE. In August, we achieved a historic milestone by recording a monthly transaction volume of AED 1 billion in the UAE," stated **Mr. Vishwas Patel, Joint Managing Director of Infibeam Avenues Ltd.**

Other key updates:

- Company forays into offline payments in UAE by offering QR code for payments at merchant outlets; onboarded multiple merchants in last few months including renowned establishments in Dubai like Prime Association Management, a renowned homeowners' association, and the esteemed Jaffer Bhai's The Biryani King of Bombay, which operates in Dubai. This will be followed by the launch of TapPay (mobile SoftPoS) in UAE before the end of FY24.

- Payments TPV in UAE crossed AED 1 billion in August 2023, achieving a historic milestone (currently TPV consistently >AED 1 billion). Since 2018, company has processed 23.5 million transactions worth over AED 24.5 billion.
- Company made capex of INR 1.2 billion in 1H FY24 in international markets, towards its country-in-a-box strategy. Investments were largely towards data localization, security & IP rights funded from internal accruals.
- Vybe Ventures, owned by Mr Vishwas Patel (JMD at Infibeam Avenues) & his family, in October 2023, converted all the warrants to equity, totaling 95 million.
- Company aspires to emerge as a key player in the Artificial Intelligence (AI) -based fraud detection and prevention market. It has made an investment of INR 1 billion by acquiring a new building, securing a plot area spanning about 76,250 square feet, along with a partially constructed building covering an area of 420,000 square feet. The new campus in Ahmedabad will be an extension to Infibeam Avenues Ltd's GIFT City AI-Hub. Currently, funded through internal accruals.
- Infibeam Avenues Ltd was bestowed with the honour of Fortune India 'The Next 500 Award', acknowledging its status as one of India's top emerging companies in the IT and Fintech sector.

About Infibeam Avenues Limited:

Infibeam Avenues Ltd. is one of the leading global financial technology (fintech) company offering comprehensive digital payment solutions and enterprise software platforms to businesses and governments across industry verticals. The company's payment infrastructure solution includes acquiring and issuing solutions and offering infrastructure for banks. The core Payment Gateway (PG) business provides over 200 plus 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 4.5 trillion (US\$ 54 billion) in FY23. Company currently has over 10 million plus 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, Kingdom of Saudi Arabia, Australia, and the United States of America. We also have business presence in Oman working with three of the largest banks in the country.

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