

PRESS RELEASE

UGRO CAPITAL LIMITED PROGRESSES ON ITS JOURNEY OF CREATING LARGEST SMALL BUSINESS FINANCING INSTITUTION DRIVEN BY DATA + TECH.

OPERATING LEVERAGE IS VISIBLE:

Reports AUM of INR 6,777 Cr, up 85% and PAT of INR 25.2 Cr up 244% (YoY)

Key Highlights

- **New customers on-boarded in Q1'24: 8,664 MSME Customers, up 65% YoY.**
- **Disbursement** of INR 2,036 Cr in Q1'24, up 50% YoY.
- AUM of INR 6,777 Cr, up 85% YoY and 11% QoQ.
- **Net Total Income** stood at INR 125.6 Cr, up 82% YoY.
- **GNPA/NNPA** at 1.8%/1.0% on total AUM.
- **Lending as a Service (LaaS)** – a reality: achieved **off-book AUM** of 43%.
- UGRO Capital is steadily marching towards its target to gain a **1% market share with 1 million small businesses as our customers over the next three years.**

Mumbai, August 1, 2023: UGRO Capital, a DataTech NBFC and India's largest Co-lender in the MSME segment, today announced its robust financial performance for the first quarter of the fiscal year 2024. The Company's investment in distribution channel, large lender base and data driven underwriting model has stabilized monthly AUM increase of INR 500+ Cr per month. The Company's AUM surged significantly to INR 6,777 Cr (as of Jun'23), up 85% from Jun'22, and the PAT at INR 25.2 Cr demonstrated a substantial increase of 244%, up from INR 7.3 Cr the prior year.

The robust performance in this quarter, underpinned by healthy disbursement of INR 2,036 Cr, improved net total income at INR 125.6 Cr, and optimal GNPA/NNPA figures of 1.8%/1.0% on total AUM, further accentuate the quality of the portfolio, reflecting a robust risk management strategy.

UGRO Capital's innovative approach of 'Lending as a Service' and strategic use of co-lending partnerships have played a pivotal role in accelerating this growth. The Company has efficiently leveraged the co-lending partnerships, with off-book AUM at 43%.

UGRO Capital's unique underwriting model GRO Score 3.0 has proven its worth and the Company has collaborated with ten co-lending partners, over 60 lenders, 40 fintechs, and 850 GRO partners to provide data-backed customized finance solutions to over 53,000 MSMEs across India.

Commenting on the results, **Mr. Shachindra Nath, Vice Chairman and Managing Director of UGRO Capital** said, "UGRO Capital has set ambitious goals for FY24, and we are dedicated to gaining 1% market share with 1 million small businesses as our valued customers over the next three years. With our innovative financial solutions, strategic partnerships, and mission to drive sustainable entrepreneurship, we are well-positioned to achieve these objectives. We believe in the power of small businesses to drive India's economy, and we are dedicated to facilitating their success. As the company marches forward on its path of sustainable growth, it offers a compelling opportunity for investors seeking long-term value and returns."

Brief Financial Snapshot (INR in Cr.)

Particulars	Q1'FY24	Q4'FY23	Growth (Q-o-Q)	Q1'FY23	Growth (Y-o-Y)
AUM	6,777	6,081	11%	3,656	85%
Gross loans originated/ Disbursement	2,036	2,314	(12%)	1,359	50%
Total Income	218.3	217.2	1%	121.7	79%
Interest Expense	92.7	90.4	3%	52.8	76%
Net Total Income	125.6	126.8	(1%)	68.9	82%
Operating Expenses	69.1	75.7	(9%)	49.2	40%
Credit cost	20.9	17.5	20%	9.4	124%
PBT	35.6	33.7	6%	10.4	243%
Tax	10.4	10.4	0%	3.0	242%
PAT – Adjusted	25.2	23.2	9%	7.3	244%
Deferred Tax write-off	-	9.2	(100%)	-	0%
PAT	25.2	14.0	80%	7.3	244%

UGRO CAPITAL LIMITED

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Key performance highlights for Q1'FY24

a) Growth, Expansion and Portfolio quality

- AUM of INR 6,777 Cr (up 85% YoY and 11% QoQ)
- INR 2,036 Cr of Gross Loans originated in Q1'FY24 (up 50% YoY and (12%) QoQ).
- Total Income stood at INR 218.3 Cr for Q1'FY24 (up 79% YoY and 1% QoQ)
- Net Total Income stood at INR 125.6 Cr for Q1'FY24 (up 82% YoY and (1%) QoQ)
- PBT increased to INR 35.6 Cr in Q1'FY24 (up 243% YoY and 6% QoQ)
- GNPA / NNPA as on Jun'23 stood at 1.8% /1.0% (as a % of Total AUM)
- Over 53,000 customers as on Jun'23
- 98 branches (as on Jun'23)

b) Liability and Liquidity Position

- Total lender count stood at 62 as on Jun'223
- Total Debt stood at INR 3,342 Cr as on Jun'23, and overall debt to equity ratio was 2.5x
- Healthy capital position with CRAR of 26.56% (as on Jun'23)

About UGRO Capital Ltd (NSE: UGROCAP | BSE: 511742)

UGRO Capital Limited is a Data Tech Lending platform, listed on NSE and BSE. Pursuing its mission of "Solving the Unsolved" for small business credit gap in India, on the back of its formidable distribution reach and its Data-tech approach.

The Company's prowess of Data Analytics and strong Technology architecture allows for customized sourcing platforms for each sourcing channel. GRO Plus module which has uberized intermediated sourcing, GRO Chain, a supply chain financing platform with automated end to end approval and flow of invoices, GRO Xstream platform for co-lending, an upstream and downstream integration with fintechs and liability providers and GRO X application to deliver embedded financing option to MSMEs.

The credit scoring model GRO Score (3.0) a statistical framework using AI / ML driven statistical model to risk rank customers is revolutionizing the MSME credit by providing on-tap financing like consumer financing in India.

UGRO has pioneered the "Lending as a Service" (LaaS) model in India and has effectively operationalized Co-lending relationship with 10+ Large Public Sector Banks and large NBFCs and built a sizeable LaaS book of more than 10% of its AUM through the GRO Xstream platform.

The Company is backed by marquee institutional investors (raised INR 900+ Cr of equity capital in 2018 and INR 340 Cr in 2023) and aims to capture 1% market share over the next three years.

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