

## PRESS RELEASE

### UGRO CAPITAL COMPLETES ACQUISITION OF PROPECTUS CAPITAL

#### A HIGHLY ACCRETIVE TRANSACTION DESIGNED TO MAXIMIZE SHAREHOLDER VALUE

**Mumbai, December 08, 2025:** UGRO Capital Limited (NSE: UGROCAP | BSE: 511742), a leading DataTech NBFC focused on MSME lending, today announced the completion of its 100% acquisition of Profectus Capital, marking one of the most value-accretive transactions in its journey to build India's leading MSME lending institution, strengthening scale, profitability, capital productivity, and return ratios, and positioning the company for accelerated earnings growth over the next several years.

With the addition of Profectus ₹3,468 crore AUM, UGRO's consolidated AUM rises to ₹15,471 crore, a consolidated 29% AUM expansion. The acquisition materially strengthens the company's fundamentals through an immediate ₹150 crore annualized profit accretion, achieved with zero origination cost and delivered on Day 1. The integration unlocks an additional ₹115 crore in operating synergies, expanding margins and driving a 60–70 bps improvement in ROA, thereby accelerating UGRO's path toward stronger long-term ROE. With a significant shift to a 75% secured asset mix, the combined entity benefits from greater earnings stability and lower credit-cost volatility, key drivers of sustainable valuation growth. The transaction represents highly efficient deployment of UGRO's recent equity rise into a fully secured, high-yield asset base that is accretive to capital adequacy and enhances the profitability per unit of capital deployed. In addition, Profectus established lender relationships to strengthen UGRO's liability franchise, supporting better funding costs and incremental spread improvement. The deal also opens a new ₹2,000 crore medium-term opportunity in school financing, expanding UGRO's future profit pools and further diversifying earnings. With the acquisition now complete, UGRO is poised to deliver stronger EPS growth, improved return ratios, and superior long-term value for its shareholders.

Profectus now becomes a wholly owned subsidiary of UGRO Capital effective December 8, 2025. The company will soon initiate the merger process of Profectus into the parent company, subject to Board and shareholder approvals. Both companies will continue operating independently until formal approval of the merger.

Commenting on the completion, **Mr. Shachindra Nath, Founder and Managing Director of UGRO Capital** said, *"With the completion of this acquisition, we have strengthened the foundation for the next phase of UGRO's growth, one that is defined by stronger returns, more efficient use of capital and a sharper, more resilient earnings engine. Profectus brings a secured, high-quality book that immediately enhances our profitability profile, but more importantly, it gives us long-run compounding power through a better asset mix, deeper distribution and a more diversified lender base. This transaction is an investment in stability, scalability and value creation, and sets us firmly on the path to delivering consistently higher ROE for our shareholders."*

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

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

#### UGRO CAPITAL LIMITED

**Registered Office Address:** Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla (West), Mumbai - 400070

**CIN:** L67120MH1993PLC070739

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The Company's prowess in 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 executed Co-lending model in India which is prevalent in the West through Co-Lending relationships with 16 Banks and NBFCs and built a sizeable off-balance sheet asset of ~43% 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, INR 340 Cr in 2023, INR 258 Cr in 2024 and INR 915 Cr in 2025) and aims to capture 1% market share over the next three years. For more information, please visit: <http://www.ugrocapital.com/>

#### Contact Details

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