

PRESS RELEASE

UGRO CAPITAL ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st December 2021

The Board of Directors of UGRO Capital Limited approved the financial results for the quarter and nine months ended 31st December 2021 at its meeting held through video conference on Tuesday, 8th February 2022.

Key performance highlights for Q3FY22

a) Loan Portfolio:

- Disbursements for the quarter stood at INR 1,053 Cr registering a Q-o-Q Growth of 33.1% and a staggering Y-o-Y Growth of 186.1%. Disbursements for nine months ended stood at INR 2,175 Cr registering a 212.1% Y-o-Y Growth. The company clocked its highest ever disbursements in Dec'21 (INR 414 Cr).
- Total cumulative disbursement stands at INR 4,689Cr, since inception
- The Company's AUM as of the end of December 31, 2021, stood at INR 2,589 Cr compared to INR 1,127 Cr as of Dec-20 registering a 129.7% increase on a Y-o-Y basis
- With all distribution channels following an aggressive strategy, the company clocked its highest ever disbursements in Dec'21 (INR 414Cr)
- Our GRO Micro expansion is showing good traction and currently stands at 2.9% of the AUM vs 2.6% a quarter ago
- The loan book is 77% secured with a well-diversified portfolio across sectors and geographies
- Portfolio GNPA stands at 2.4% as of December 31, 2021, Company has implemented the revised NPA recognition norms and GNPA stands increased by 0.4% on account of implementation of revised norms by RBI.

b) Liability and Liquidity Position

- The Company further expanded its active lender base to 50 lenders by adding 28 new lenders over past 12 months, testimony to the faith in the business model of U GRO Capital.
- The Company's total Debt rose to INR 1,764 Cr in Q3FY22, with overall debt equity ratio still at 1.84x indicating a long runway for growth.
- Leading the future-trend in the industry of Co-lending collaborations. U GRO Capital partnerships with SBI and Central Bank of India during the quarter expanded our portfolio of partners, giving weight to our various product offerings.
- The company maintains a CRAR of 36%, indicating a comfortable capital position.

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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c) Branch and Customer Network

- Our customer base touched a new milestone of 16,500.
- Aggressive expansion strategy saw our branch count jumping to 82 compared to 55 in last quarter.

d) People Power

- In line with the growth strategy, the Company continued to hire additional workforce. From 300 employee strength last year, end of the quarter saw the strength go up to 944.
- Total employee strength as of January end crossed the 1,050 mark.

e) Financial Performance

- The company's total income (NII + Other Revenue) increased to INR 47.0 Cr in Q3FY22, as compared to INR 27.3 Cr in Q3FY21 an increase of 72.7% on a Y-o-Y basis
- The Net Interest Income (NII) for Q3FY22 stood at INR 39.5Cr compared to INR 23.3Cr in Q3FY21. 69.5% increase on Y-o-Y basis. Net interest margins for Q3'22 stood at 7.6%
- The total provisioning as of Dec-21 stood at INR 33.2Cr vs the regulatory requirement of INR 26.9Cr.
- The Company declared a PBT of INR 5.1Cr, as compared to INR 2.9Cr in Q3 FY21, Company has done additional provision of Rs. 2.7 Crores as management overlay provision to provide for future contingencies in view of third wave of Covid in early January of this year.
- The net worth of the Company stands at INR 959 Cr as on December 31, 2021

Commenting on the results, **Mr. Shachindra Nath, Executive Chairman and Managing Director of U GRO Capital** stated, "On the back of our past investments in building infrastructure and now with our entire team being in place (Strong leadership team supported by execution oriented second layer of management) all our asset engines have been firing well which is evident from our Q3'FY22 growth numbers. UGRO's people and business infrastructure is well prepared to support the next phase of growth which will be a key milestone for us to achieve our Vision 2025. Our Growth objectives are well supported by our liability franchise which now includes Co-lending partnerships with one of the Largest Public Sector Banks in India. Our GNPA numbers are a testimony of our robust credit underwriting model and our unique sect approach to MSME Credit (bringing homogeneity to a heterogenous MSME sector)."

About U GRO Capital Ltd

U GRO Capital limited is a listed (NSE, BSE), MSME lending fintech platform. U GRO Capital's mission is 'Solve the Unsolved' – Small Business Credit Need with its omnichannel distribution model combining physical and digital journey of the customer. The Company envisions to spearhead India's transition of MSME lending market to the new age of on-tap financing. It uses the emerging Data Tripod of GST, Banking and Bureau coupled with its sectoral analysis to solve the problem of credit for small businesses.

U GRO aspires to serve one million small businesses with an asset book of 1% of outstanding MSME credit of India as its first milestone.

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Technology underpins every aspect of U GRO's lending process, from API integrations, sectoral and sub-sectoral statistical scorecards, state-of-the-art AI/ML credit underwriting engine combining bank, bureau and GST statement analyzers, automated policy approvals, and machine learning OCR technology. Company's GRO Extreme platform empowers fintech and other institutional platforms to deepen their distribution reach through a plug and play API driven seamless integration with U GRO. The company has developed full tech stack to fully automate the complete life cycle of a loan right from origination to collection during the entire customer journey.

The Company has raised ~₹ 2500 crore of equity & debt capital from marquee Private Equity Investors, Family Offices, Banks and other Financial Institution over last 3 years.

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