

PRESS RELEASE

UGRO CAPITAL LIMITED EMBRACES EMBEDDED FINANCING FOR CREDIT NEED OF SMALL MERCHANTS ACQUIRES 'MYSHUBHLIFE' TO TARGET 2 LAC RETAILERS & BUILD OVER 1500 CR AUM THROUGH THIS PLATFORM OVER NEXT THREE YEARS

Mumbai, May 2, 2024: UGRO Capital Limited (NSE: UGROCAP | BSE: 511742), a leading DataTech NBFC focused on MSME lending, today announced a significant development that underscores its commitment to growth, innovation, and delivering value to stakeholders. UGRO Capital's Board of Directors has approved the acquisition of 'MyShubhLife' (MSL), a prominent Embedded Finance Fintech platform headquartered in Bangalore, for an enterprise value of INR 45 Cr through a combination of 64:36 Equity Cash transaction, thereby making it a wholly owned subsidiary.

MSL stands as a market leader in embedded finance solutions, specializing in offerings tailored for small shopkeepers and distributors. Distinguished by its unique products featuring daily and weekly installment options along with an overdraft facility, MSL demonstrates robust underwriting and distribution capabilities, positioning it uniquely to deliver customized credit solutions to last-mile retailers and distributors.

The platform has already sourced over 15 million merchants through anchor partners involving consumer tech. It has already partnered with Pine Labs, Fino, Airtel Payments Bank, Mobikwik, Spice Money, and EasyPay among others for merchant financing. The company was valued at INR 240 Crores when Gozo invested in Series B round. Its major investors include Gojo, Saama Capital IV Ltd., BEENEXT2 Pte. Ltd., among others.

With MSL seamlessly integrated into its ecosystem, U GRO Capital envisions onboarding 200,000 new retailers within the next three years, thereby unlocking substantial growth opportunities. The company anticipates experiencing an incremental Assets Under Management (AUM) of INR 1500 Cr and achieving a Profit After Tax (PAT) of INR 100 Cr over the same period with MSL as its subsidiary.

Reflecting on this acquisition, **Mr. Shachindra Nath, Founder and Managing Director of U GRO Capital**, said, *"The acquisition of MyShubhLife marks a significant milestone in our journey. Scaling up Embedded Finance requires deep understanding & penetration of payments players ecosystem and a cutting-edge data & technology stack. MSL has a proven track record on both counts, and it fits well with UGRO's strategy. MSL's live embedded relationships with leading payment ecosystems and a very contemporary and functional technology architecture will add granularity & yields on our portfolio. This acquisition reinforces our commitment to direct digital lending for small retailers."*

Mr. Monish Anand, Founder & CEO, MyShubhLife, said, *"The realm of lending is primarily a matter of scale, and in UGRO we have found a lender which not only has access to an extensive balance sheet but also has DataTech as its core DNA. Our primary objective is to employ technology as a catalyst for offering contextual and innovative credit products to small-scale shopkeepers and distributors across the nation."*

UGRO CAPITAL LIMITED

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We at MSL are delighted to embark on this new journey together with UGRO, and we aim to work towards achieving our mutual goal.”

With this strategic acquisition, UGRO Capital remains steadfast in its commitment to driving inclusive economic growth and empowering MSMEs across India.

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.

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 10+ Large Public Sector Banks and large NBFCs and built a sizeable off-balance sheet asset of more than 46% 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 and INR 900 Cr in 2024) and aims to capture 1% market share over the next three years. For more information, please visit: <http://www.ugrocapital.com/>

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