

July 31, 2021

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001
Scrip Code: 517214

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block
Bandra – Kurla Complex, Bandra (E)
Mumbai – 400 051
Scrip Code: DIGISPICE

Sub: Results Presentation

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Results Presentation on the Financial Results of the Company for the quarter ended 30th June, 2021:

These may be used by the Company for potential meetings with analysts and investor community and will also be available on the website of the Company i.e. www.digispice.com.

You are requested to kindly take the above on record and oblige.

Thanking you.

Yours faithfully,
for **DiGiSPICE Technologies Limited**
(formerly Spice Mobility Limited)

(M. R. Bothra)

Vice President - Corporate Affairs &
Company Secretary

Encl.: as above



**DiGiSPICE
Technologies Ltd.**

Q1FY22 Results Presentation
July 31, 2021

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Agenda

- About Us
- Financial Technology Services - Spice Money
- Digital Technology Services
 - *Digital Enterprise – Korero Platforms*
 - *Digital Telco*
- Consolidated Financials



About Us

About us

We are a Digital Platforms and Solutions Company focused on the following business segments

Business segments:

- Financial Technology Services , Spice Money – India's leading rural FinTech platform
- Digital Technology Services, DigiSpice - Provides digital platform and solutions for Telco, BFSI and other Enterprises across Asia and Africa

USD 11 bn+

*worth Financial services
transaction in FY '21*

9 bn+

enterprise messages in FY '21

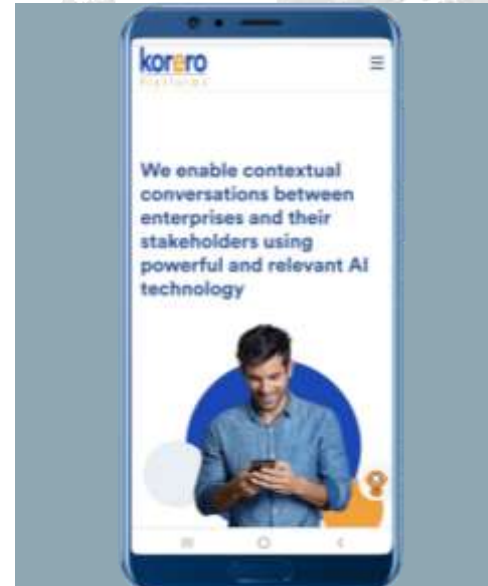
INR 700 Cr+

Revenue in FY '21

Building Digital Platforms



DIGITAL RURAL



DIGITAL ENTERPRISE

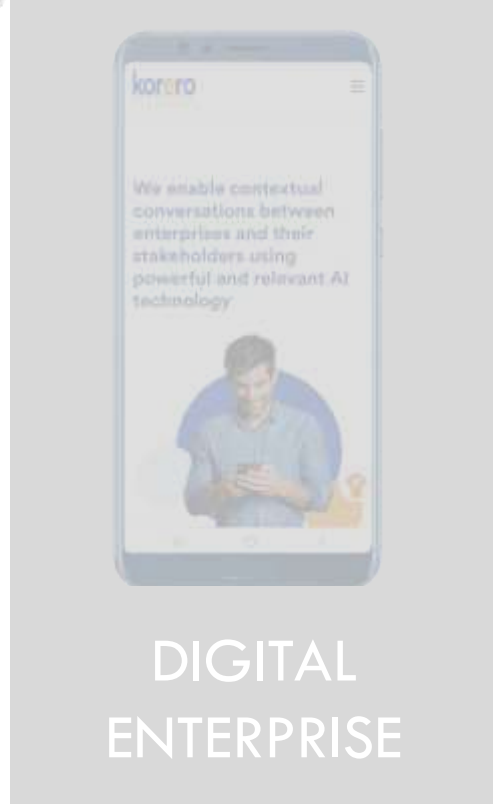


DIGITAL TELCO

Building Digital Platforms



DIGITAL RURAL



DIGITAL ENTERPRISE



DIGITAL TELCO

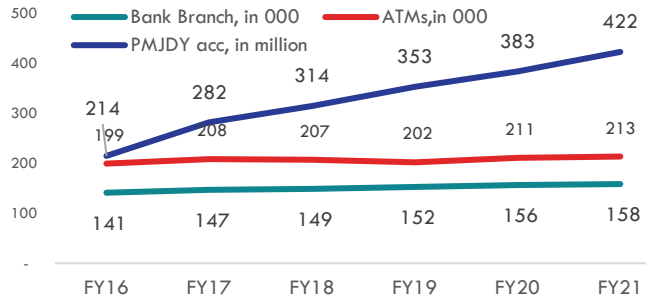
 **Spice money**
तो Life बनी

India's leading Rural Fintech Platform

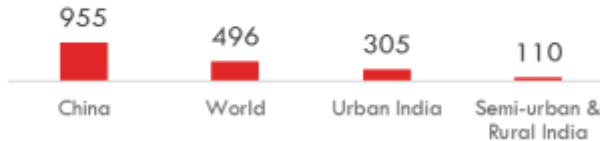


Solving the last mile banking infra problem in Rural India

Problem

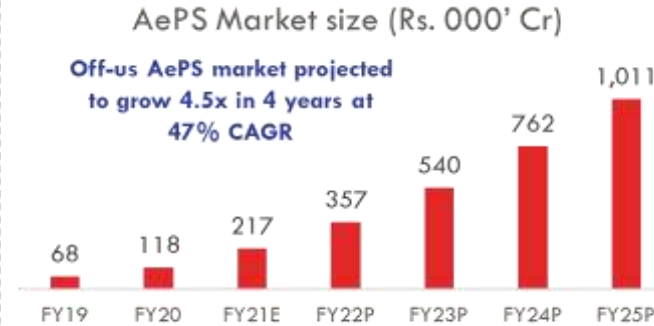


ATMs per Million Population



Number of bank account holders has significantly grown in India driven by a massive government push and direct benefit transfer program. However, Bank Branch and Bank ATM infrastructure has not kept pace especially in semi urban and rural India.

Technology Stack



Source: PwC The Indian Payment Handbook Report Dec 2020



1.24 Billion+ Aadhaar enrolled citizens with majority of them having bank account linked to Aadhaar.

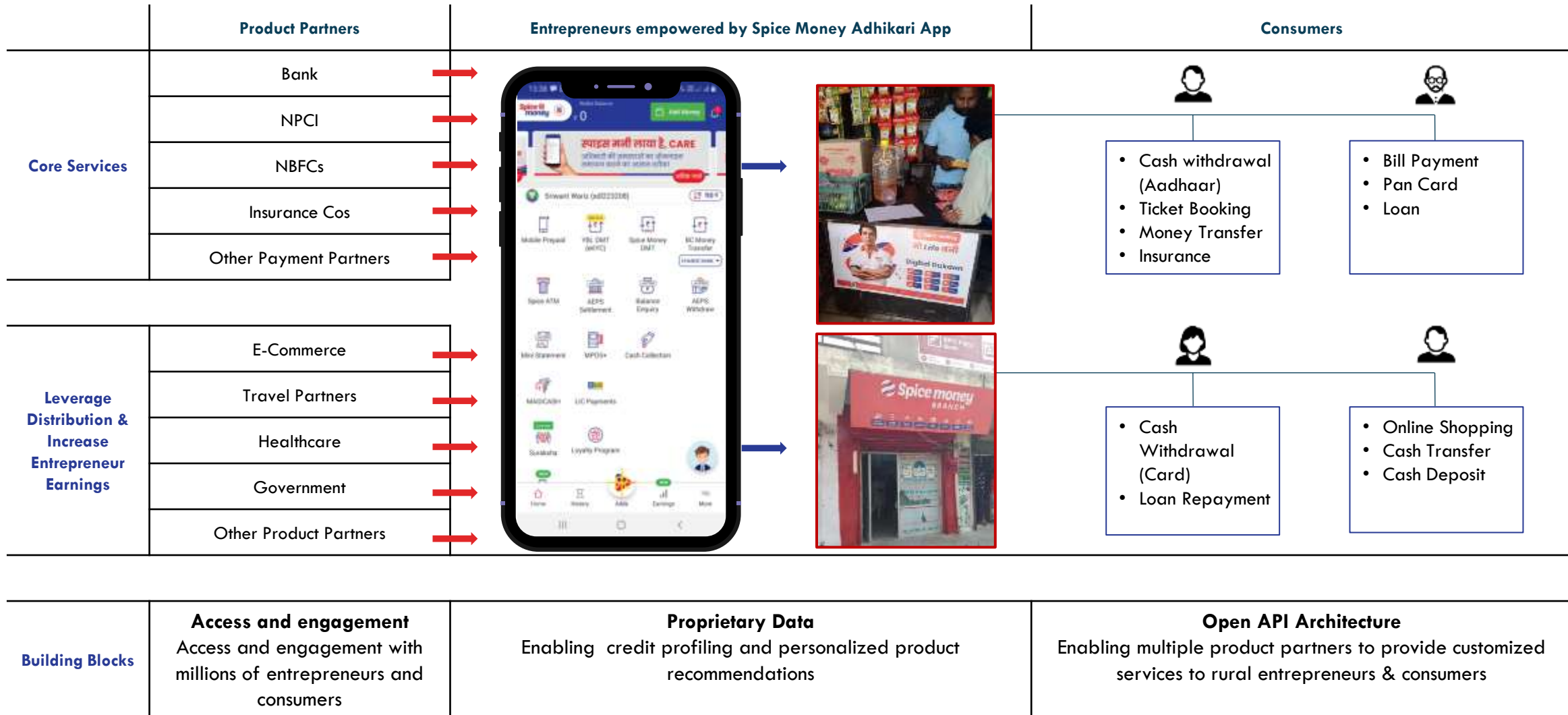
Solution



Spice Money Adhikari App +
Aadhaar Biometric Device

Enabling Customers to avail ATM and banking services using Aadhaar Enabled Payment System at their next door kirana store.

Entrepreneurs/Kirana Stores in Rural India use Spice Money Digital platform to serve consumers



Q1 FY22 Update



Gross Transaction Value during the quarter grew to INR 31K Cr (growth of 35% q-o-q and 65% y-o-y)



Transactions based revenue during the quarter grew from INR 155 Cr to INR 199 Cr (growth of 29% q-o-q and 56% y-o-y)



AePS market share increased to 15.9% in the quarter compared to 13.7% in FY21



Repeat Customers transacted on AePS increased to 21Mn from 17Mn in the previous quarter



The growth in the quarter was primarily driven by the significant growth in Adhikari base in Q4FY21. Growth in Adhikari base has been driven by zero investment marketing campaign which aimed at reducing the entry barriers (entry fee, device cost etc) for new Adhikaris joining the platform and removing engagement barriers for existing Adhikaris to grow business.



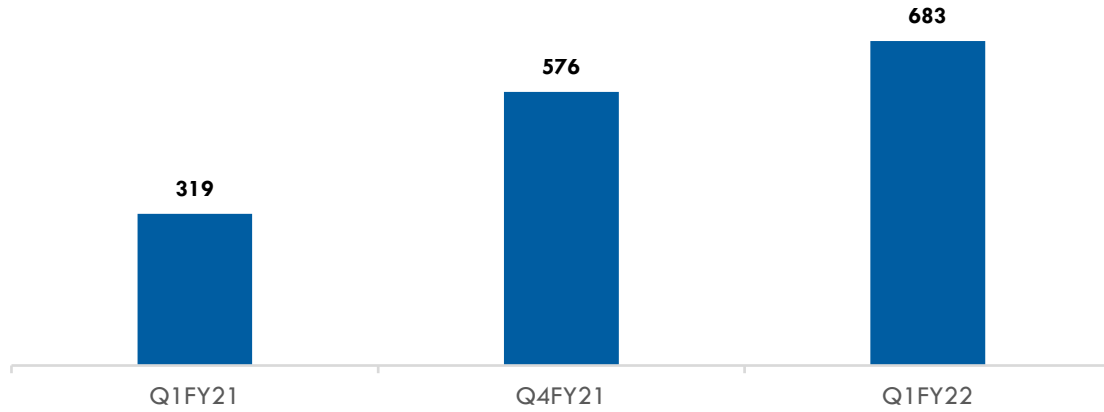
Our coverage improved from 140 dense districts to 186 dense districts q-o-q, with total reach in 708 districts



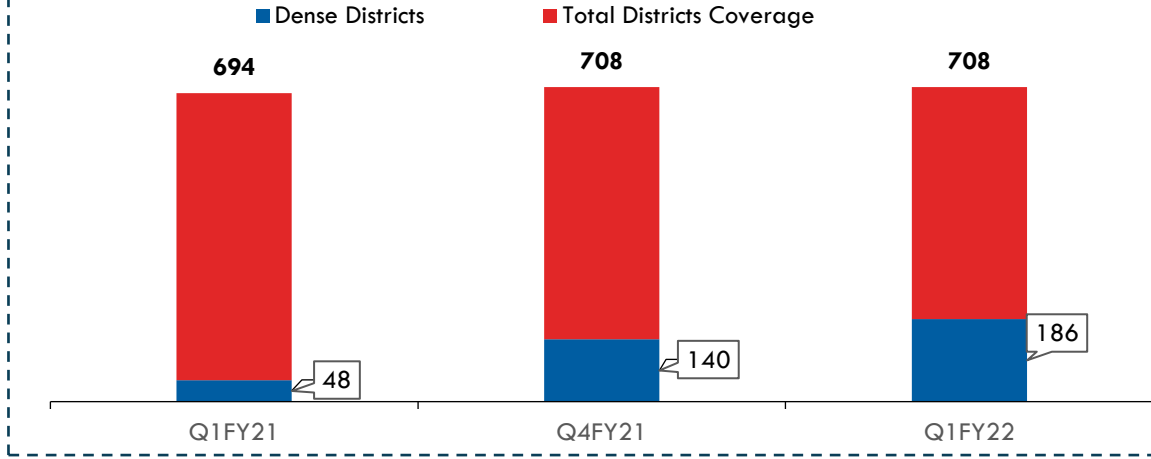
Launched COVREG – Spice Money's initiative to drive vaccination in rural India

Key Metrics

Spice Money Adhikaris '000 (Entrepreneurs/Kirana Stores)

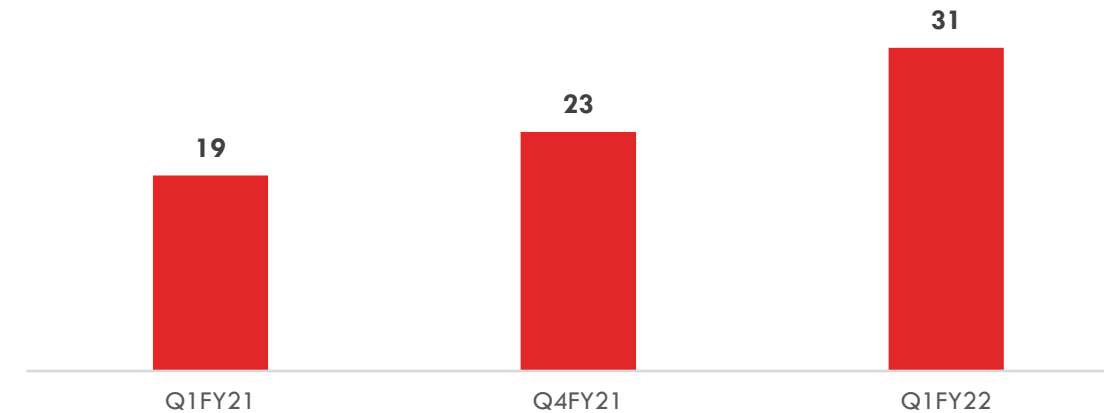


Focus on Dense* Coverage

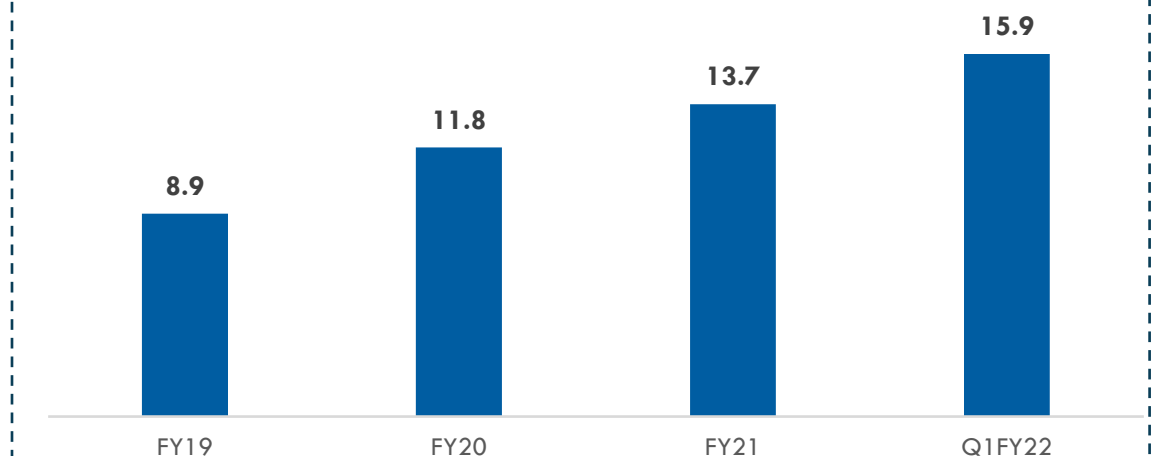


*Dense District = A district where there is at least 1 Adhikari per 1,000 rural population.

Gross Transaction Value (INR.'000 Cr)



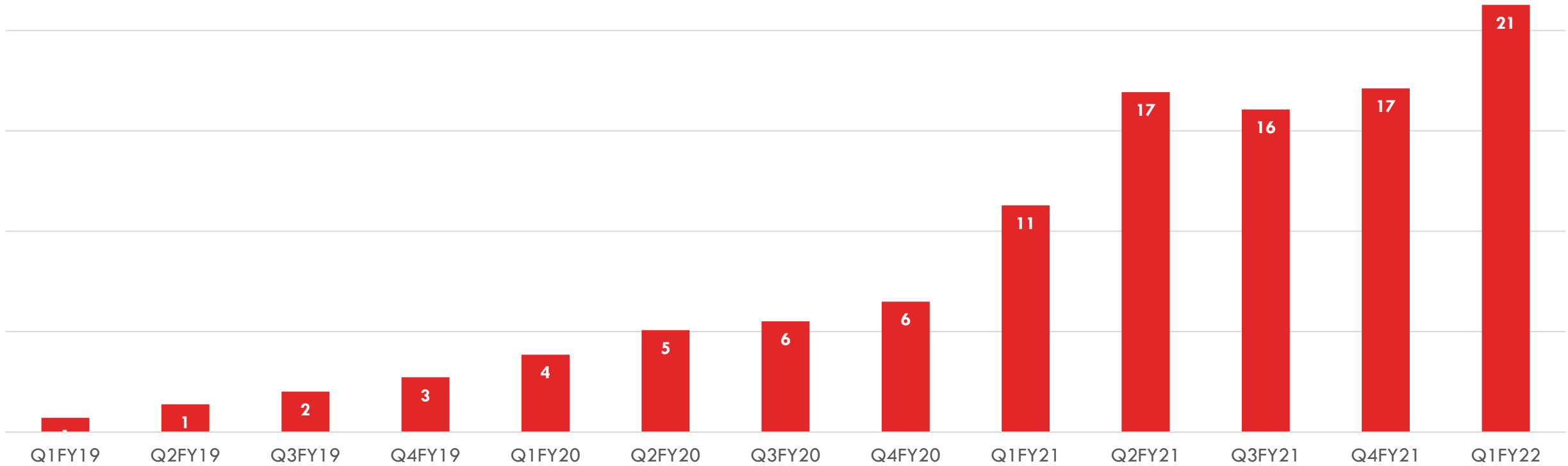
AePS Market Share* (%)



*AePS off-us value market share

Creating a strong repeat end consumer franchise

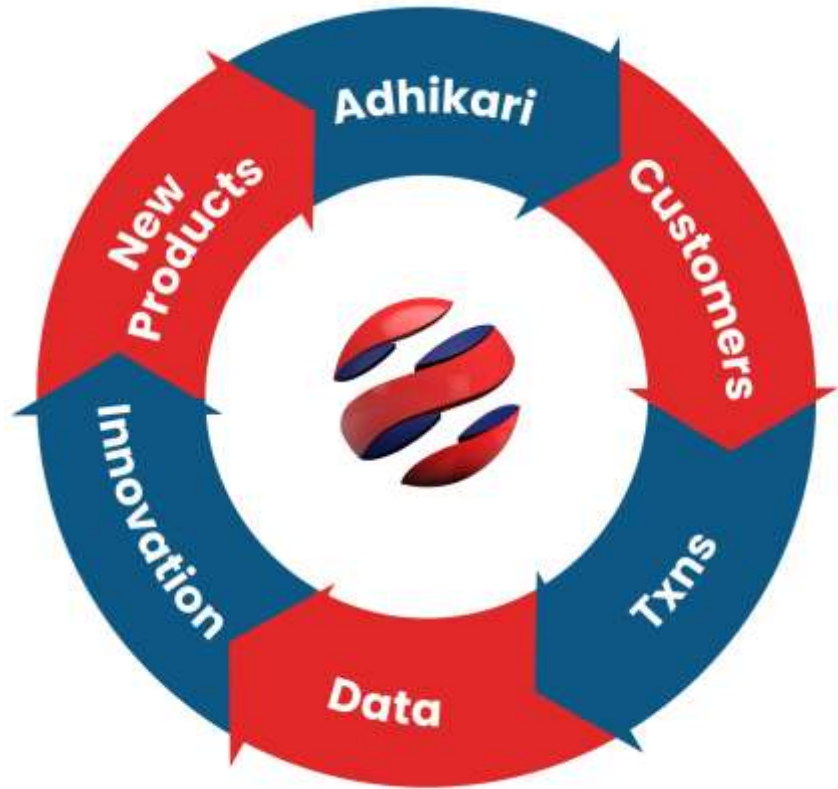
Repeat* Consumers transacted on AePS (In Mn)



While focusing on adding new customers through increase in reach, Spice Money is also building a strong repeat customer franchise.

*Repeat customers transacted during the quarter means returning customers who have transacted in earlier periods.

Investing behind Accelerated Transactions Growth



अब बारी तुम्हारी!
खुद का व्यापार
शुरू करने की।

31 मार्च तक हमसे जुड़ें,
 और **ज़ीरो लागत** के साथ अपनी **डिजिटल दुकान** खोलें।

- **ज़ीरो अधिकारी ID शुल्क**
- **ज़ीरो आजीवन मासिक शुल्क**
- **ज़ीरो मिनी ATM निवेश***

*मिनी ATM 100% डिफ़ेंडबल लिक्विडिटी डिपॉजिट स्क्रीन पर उपलब्ध है, यह एक वैकल्पिक स्क्रीन है।

- Positive unit economics business model
- Operating leverage to be driven by transactions growth

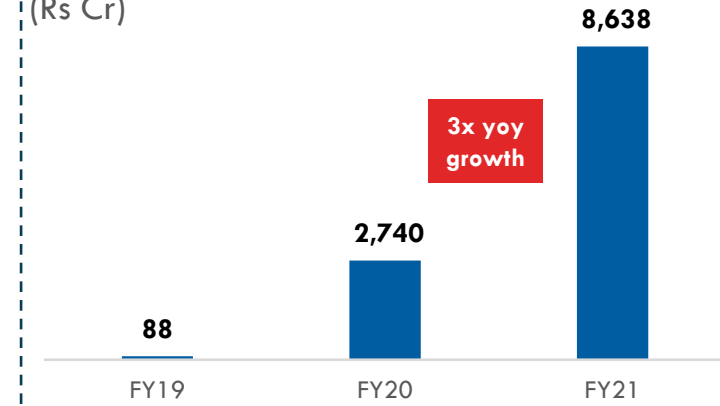
Launching new Products for Bharat

mATM

- mATM allows customer to transact using Debit Card (in addition to Aadhaar via AePS). Adhikari needs a small pinpad device, which works with our app to enable these transactions.
- Launched in Jan 2019 and attained market leadership
- 78K SMAs equipped with mATM devices as of Mar21
- Driving device affordability to penetrate the market.
- 3x growth in FY21. We continue to drive this as a high growth product



mATM Gross Transaction Value (Rs Cr)



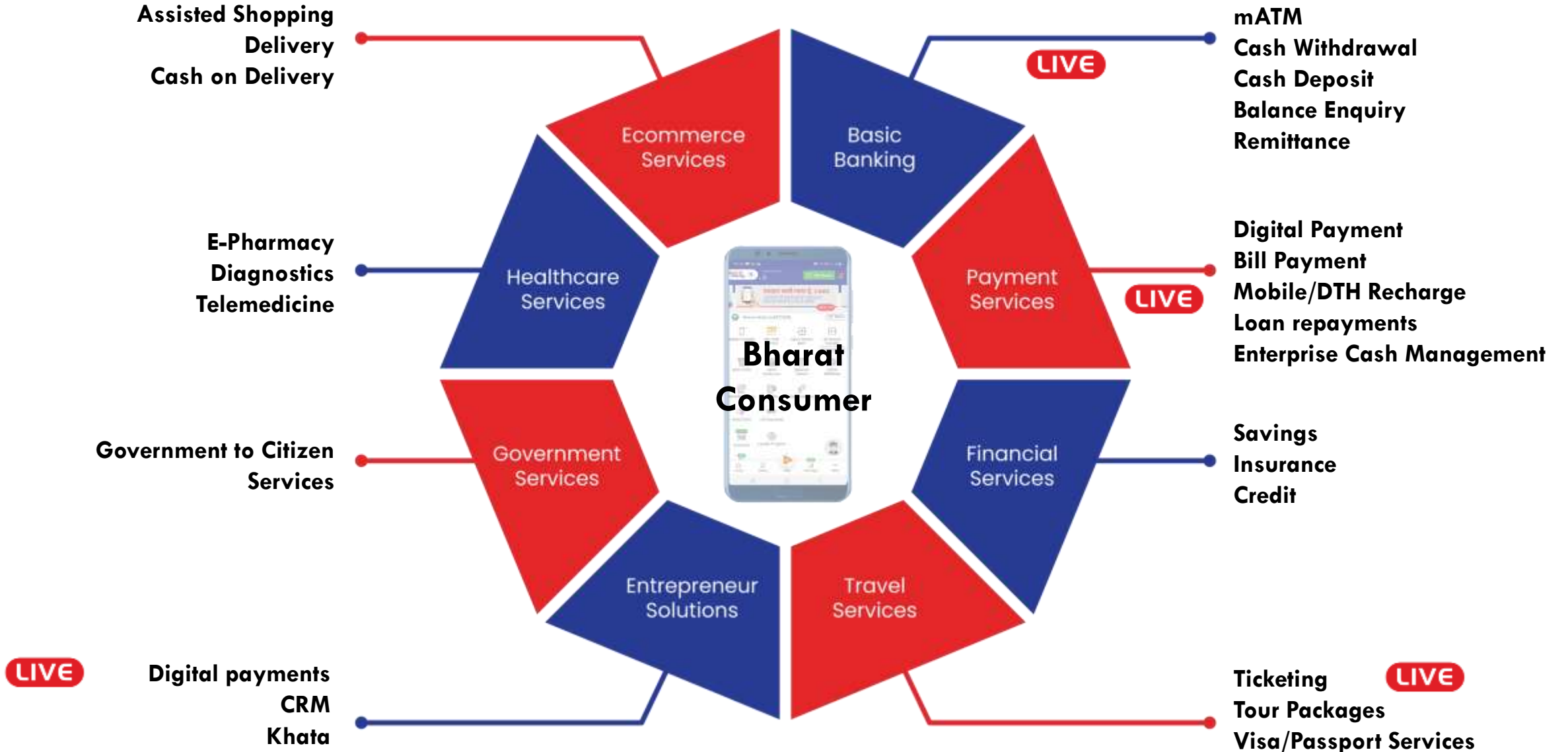
NEW LAUNCH

Enterprise Cash Management

- **Problem Statement** - Enterprises (eg Microfinance NBFCs, Logistics companies, etc) collect cash in rural through their representatives who need to go back to their urban branches end of the day to deposit cash. Branch manager then deposits cash in a Bank branch. Cash management risk and hassles. Limited by banking hours.
- **Solution** – Such representatives now deposit cash at nearby Spice Money Adhikari in the village. Enterprises get near real time credit. Adhikari uses this cash to serve customers with cash withdrawal services.
- Focus growth product for FY22.



Building a Phygital Super App for Bharat



Growth Levers

**Spice
Money**

**Accelerating Growth of Entrepreneurs
Network (Spice Money Adhikaris)**

Expanding Service Portfolio

Enhancing Brand Visibility

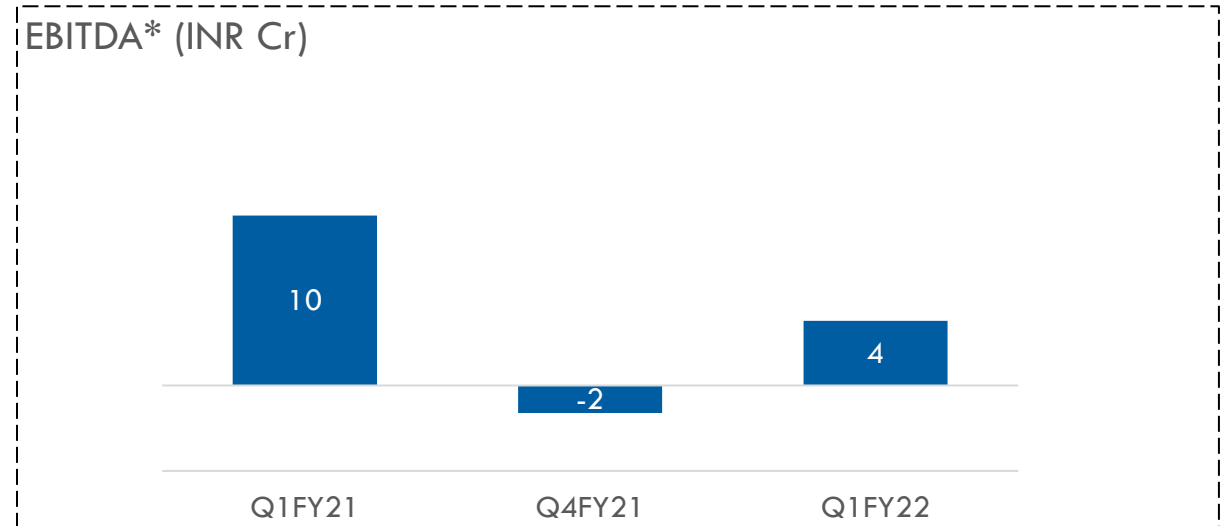
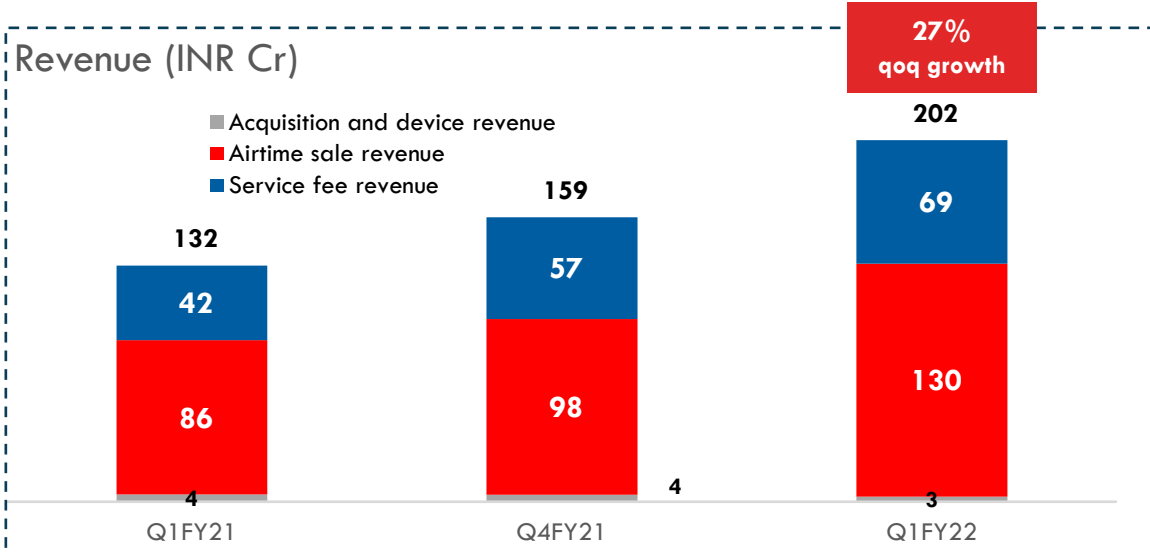
- Removing entry barriers (Eg. zero entry fee, and zero rental since Feb21) with focus on long term transactions revenue growth
- Expanding geographical reach
- Deepening presence in key clusters

- Strengthen core banking and payments use cases with new products
- Enable delivery of financial services (savings, insurance, credit) and digital services (travel, healthcare, government services, etc)



- Aspire to emerge as the most trusted FinTech brand in rural India
- Entered into strategic partnership with Sonu Sood to design new initiatives and products that will bridge the divide between rural and urban India

Financials (Spice Money)



* EBITDA is before other income and exceptional items

27% q-o-q growth in Q1FY22 is driven by the campaign during Q4FY21, which translated into revenues in the current quarter.

Revenue profile

- Service fee revenue – Commission income from transactions
- Airtime sale revenue – Revenue on airtime top-ups transactions. The transaction value is accounted as revenue
- Acquisition and device revenue – Revenue on sale of devices (mATM, biometric etc.) and revenue from entry fee charged

Focused on driving transactions revenue

Sequentially, the EBITDA improved from INR (-)1.6cr to INR 3.8cr because of increase in revenue this quarter, and additional expenses towards zero fee campaign in Q4FY21, part of which did not continue in Q1FY22.

Compared to Q1FY21 the EBITDA moved from INR 9.9cr to INR 3.8cr primarily because of the tailwind in Q1FY21 driven by the pandemic related subsidies granted by the Government. EBITDA in that quarter reflected a significant jump due to this.

Post that, the focus has been on investing behind growth (removing entry and engagement barriers and focusing on transactions-based growth) and organization capacity and capability.

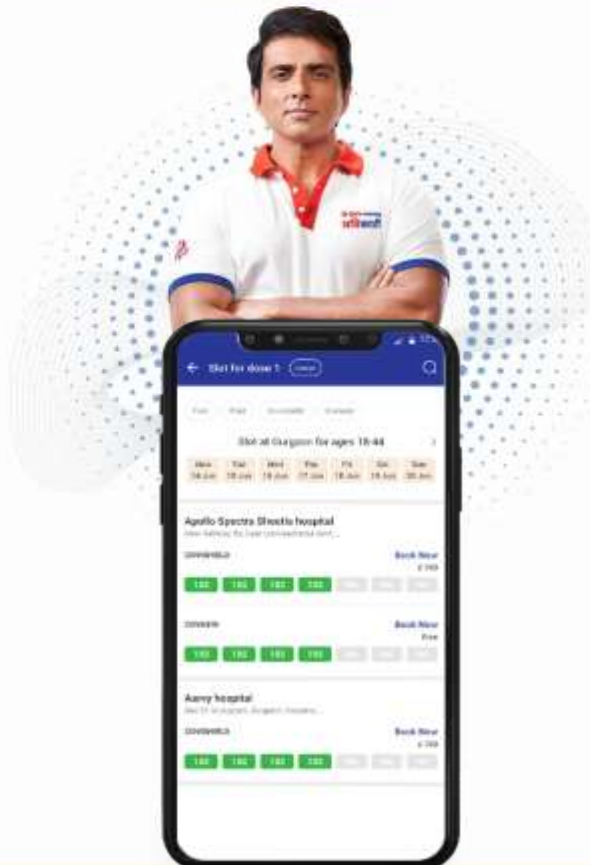
COVREG : A drive for Rural Vaccination

Challenges in Rural India

- Lack of awareness on vaccine registration
- Skepticism to the vaccine
- Need for community influence to drive action
- Lack of assisted registration platform

A SONU SOOD INITIATIVE

India's first volunteer program for Covid Vaccination registration in rural India



Authorised by Government of India



11000+ Volunteers
across India in 4 weeks

Partners



Building Digital Platforms



DIGITAL
RURAL



DIGITAL
ENTERPRISE



DIGITAL
TELCO



korero
P l a t f o r m s

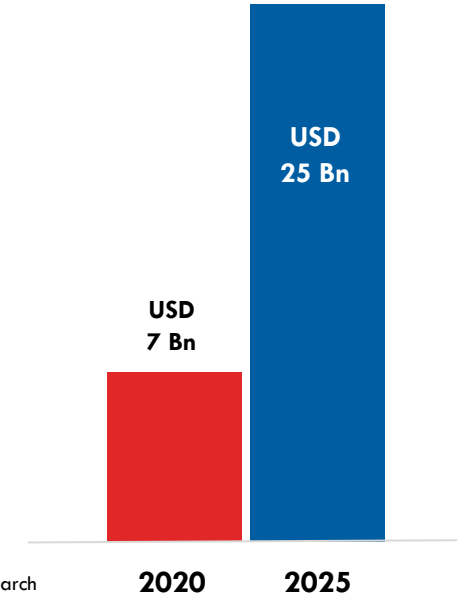
Connect. Engage. Interact

from the first conversation to everlasting connections

Growth in Adoption of Digital Channels & Automation Platforms

Communication Platform as a Service

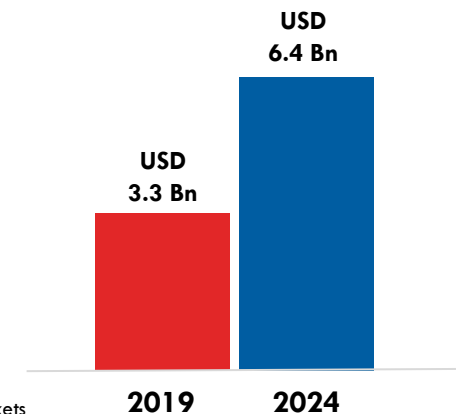
- The total value of the CPaaS market is expected to reach \$25 billion in 2025; rising from an estimated \$7 billion in 2020.
- Over 95% of CPaaS revenue will be attributable to SMS in 2020 owing to the ubiquity of SMS amongst mobile subscribers. However, as alternative rich media messaging solutions gain traction, by 2025, SMS will drop to 70% of revenue.



Source : Juniper Research

Marketing Automation

- The global marketing automation market size is expected to grow from USD 3.3 billion in 2019 to USD 6.4 billion by 2024, at a CAGR of 13.9%.
- Enterprises are increasing focus on leveraging advanced technologies to automate the marketing process and enhance customer experience.



Source : MarketsandMarkets

Korero Platforms : Our Digital Enterprise Offering

NEW LAUNCH



- Serving 3 out of top 5 in Fortune India 500 2020 list
- 60+ live clients across BFSI, Utilities and other industries across Large Enterprises and MSMEs
- Omni channel communications platform – Telecom, OTT and IP channels. Higher growth expected from new, digital channels
- Channel orchestration for customized user journeys across life cycle
- Use of AI for contextual conversations and improved conversion rates
- Marketing automation - Create, manage and maximize the impact of marketing campaigns through digital engagement channels

Q1FY22 - Industry update

- TRAI under the Telecom Commercial Communication Customer Preference Regulations (TCCCPR 2018) directed Telecom Service Providers to adopt Blockchain or Distributed Ledger Technology (DLT) on their networks to control Unsolicited Commercial Communication (SPAM messaging)
- Under the Guidelines, Enterprises willing to communicate with interested users have to confirm their identity through a header registered in their name and Access Providers to provide facility to digitally record and revoke consent of the subscribers
- DLT is being implemented in stages since last year. Enterprises were asked to whitelist SMS templates by April 01, 2021.
- The implementation has led to a sharp decline in number of SMS being sent by Enterprises, especially in Promotional SMS category. The impact is at Industry level. DigiSpice observed a 25% reduction in number of SMS delivered in Q1FY22 as compared to previous quarter.
- In sequential stage of DLT implementation, the user Consent Management is to be implemented by Enterprises starting Aug 2021.
- At Korero Platforms, we have built a DLT compliant platform to support Enterprises in their communication requirements.

Building Digital Platforms



DIGITAL
RURAL



DIGITAL
ENTERPRISE



DIGITAL
TELCO

Growth in Digital Content Consumption

High internet penetration is accelerating content demand, driven by personalized experience

- 4.72 billion globally used the internet in April 2021 – that's > 60 % of the world's total population
Source: DataReportal – April 2021
- The average global internet user spends almost 7 hours online each day.
Source: DataReportal – April 2021
- Global Video On Demand (VoD) Market to reach US \$85 billion (out of total Digital Content Revenue of US \$300 billion) by 2025
Source: Adroit Market Research – May 2021
- 83% of consumers are willing to share their data to create a more a personalized experience
Source: Forbes– Feb 2020

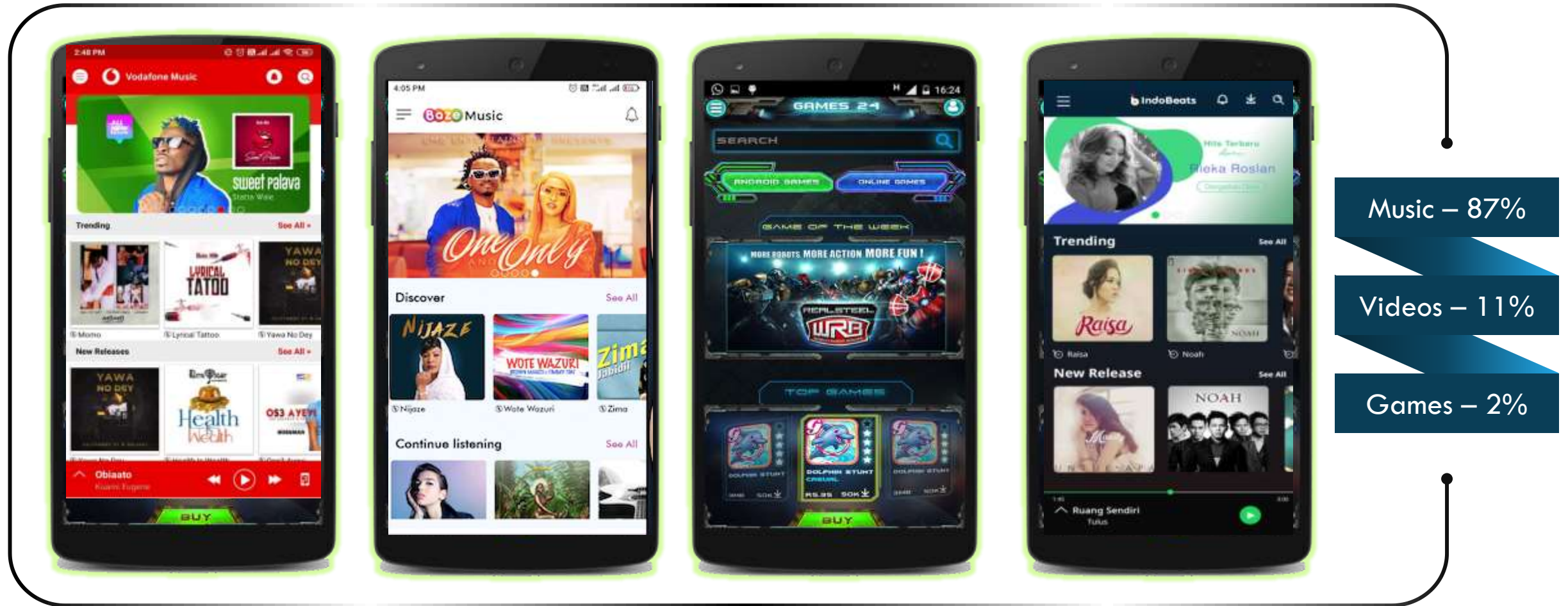


Digital Telco Business : Our offerings

- **Digital Entertainment Products:** Native Mobile Apps & Progressive Web Apps to deliver music, video, games, and other multimedia content over the Internet. The platform brings adaptive user experience, a state of art partner & content management system, and strong content delivery mechanism for rich digital experience to users. It also enables telecom operators to serve & monetize online content from various sources E.g., Local Content Provider, Major Labels, broadcasters and streaming services.
- **Super App (DSA - Digital Service Aggregation):** SuperApp or DSA is a platform developed for Global Telecom Operators & Enterprises to aggregate & offer their plethora of services under one umbrella. It enables to put together products and services that consumers expect in the market today. It supports multiple channels for driving engagement through discovery
- **Self-Service Apps:** A multi-channel smart mobility solution for telecom operators and enterprises helping them connect with their customers and offer them a DIY feature to access account information, handling services and requests, getting new products and services, connecting with customer care, etc. The solution reduces TCO, enhances revenue and ultimately results in improved CSAT.

Leveraging 25+ Telco client relationships across Asia, Africa and Middle East

Digital Entertainment Products



Aligning strategy & focus on videos and gaming, owing to greater revenue realization and associated interest

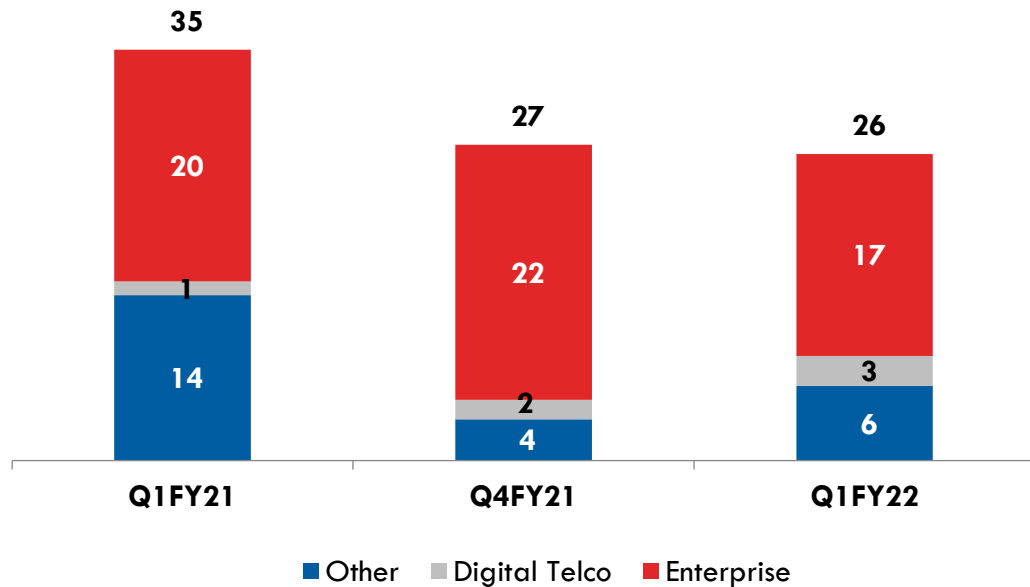
Financials (Digital Technology Services)

Revenue (INR cr)

Revenue Profile

- Enterprise Mobility Revenue
- Digital Telco revenue
- Others – Primarily Telco Voice VAS

Implementation of DLT has resulted in a reduction in Enterprise Revenue this quarter



EBITDA* (INR cr)

- Reduction in EBITDA this quarter is due to reduction in Enterprise Revenue (DLT implementation) and increase in input costs



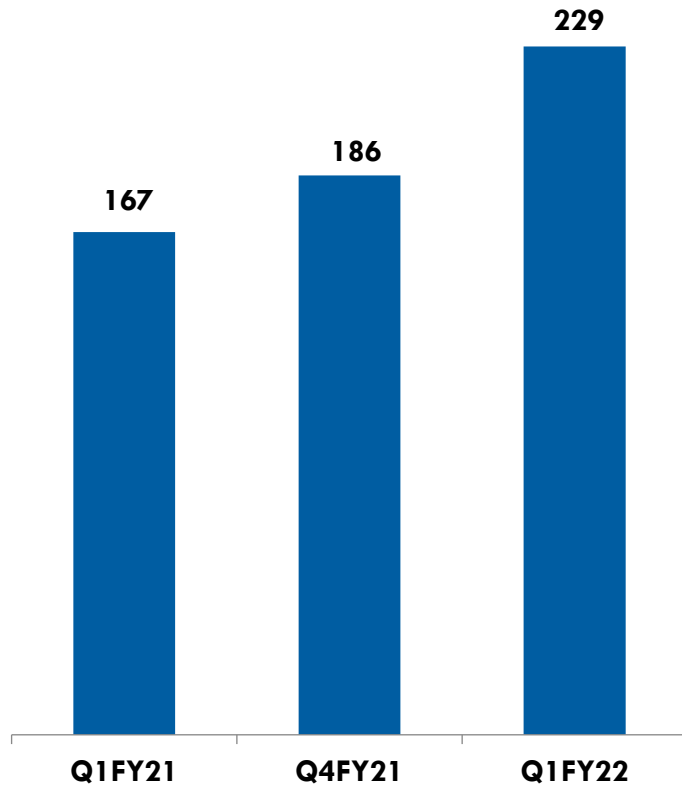
* EBITDA is before other income and exceptional items

Consolidated Financials

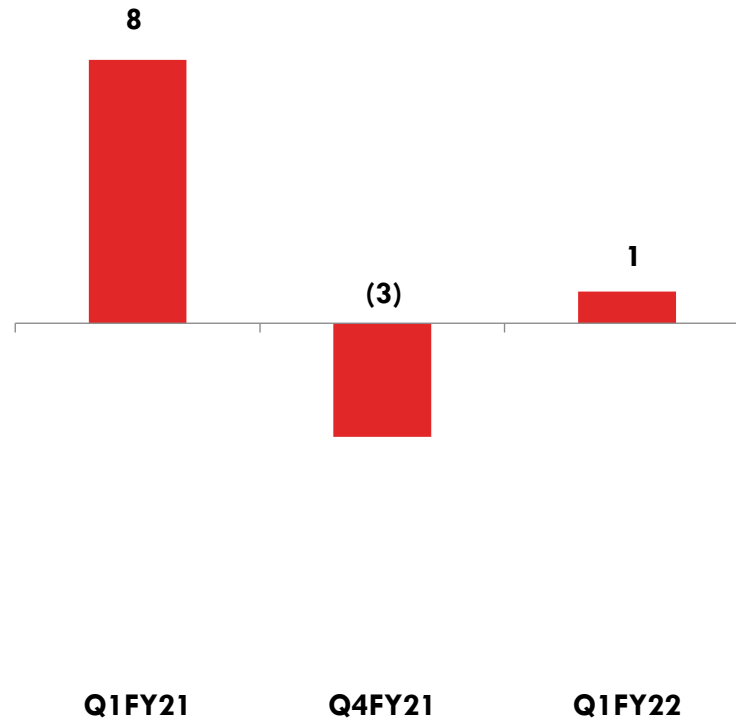


Consolidated Financials Overview (Quarter wise)

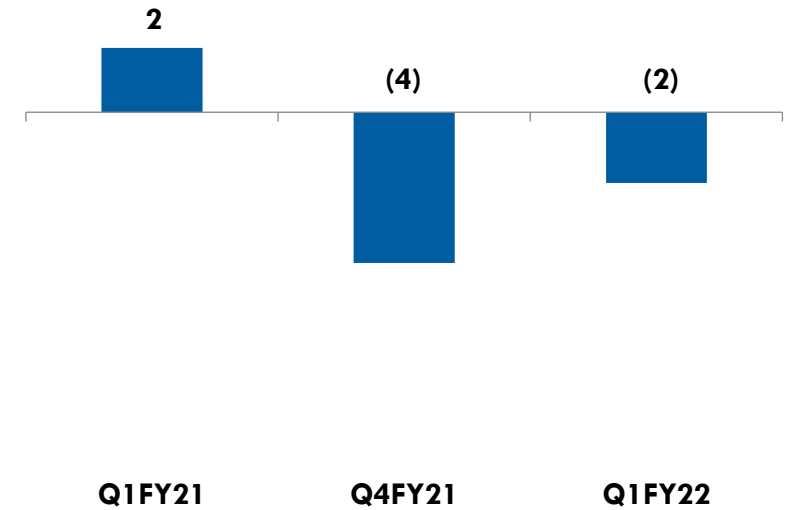
Gross Revenue (INR cr)



EBITDA* (INR cr)



PAT** (INR cr)



* Excludes Exceptional Items

** Before Discontinued Operations

