



**U GRO CAPITAL'S IMPACT FINANCING RECEIVES ENDORSEMENT OF DUTCH ENTREPRENEURIAL DEVELOPMENT BANK, FMO
RAISES ~INR 2,500 MILLION IN THE FORM OF NCDs**

Mumbai, December 19, 2023: U GRO Capital, a leading DataTech NBFC focused on MSME lending, announced today that it has successfully raised ~INR 2,500 million through Non-Convertible Debentures (NCDs) from FMO, the Dutch entrepreneurial development bank. The INR-denominated NCDs issuance was fully subscribed by FMO, reflecting the bank's commitment to fostering inclusive and sustainable prosperity by supporting entrepreneurs.

U GRO Capital has been focused on bridging the credit gap in India's MSME Sector. Over the past 5 years, it has provided credit to more than 80,000 small businesses and has facilitated economic growth and employment. In a recent survey, it was found that 94% of the survey participants witnessed growth in their business turnover and there was a 36% growth in employment post availing loans from UGRO.

In its 5-year journey, the Company has received endorsement of its Impact Financing program in the form of Equity Capital from IFU of Rs. 2,400 million in May 2023. In addition to this, of its total borrowings, ~20% consist of Development Financial Institution and Impact Funds, both in India and globally, such as ResponsAbility, Calvert Impact Capital, Enabling Qapital, SIDBI and others.

U GRO Capital's diversified borrowing profiles and an impact-driven business model have ensured that its liability is well diversified and not to be fully dependent upon the Banking system of India which is also the regulatory guidance. This has happened due to its unwavering commitment towards the Micro Enterprises of India and its ability to demonstrate the impact being generated by its lending to these customers.

Mr. Shachindra Nath, Founder and Managing Director of U GRO Capital, commented on the collaboration, saying, *"This transaction is proof of U GRO Capital's ability to forge partnerships with and attract funding from reputed global DFIs. We share a common vision of financial inclusion with impact funding organizations and are excited to collaborate with FMO to meet the diverse financial needs of India's underserved MSMEs. Impact investors are critical funding partners in enabling us to bridge India's massive credit gap in the MSME sector, and we will continue to leverage our technology and credit expertise to service MSMEs across the spectrum via our multi-channel distribution model."*

Ms Aleksandra Gazy, Senior Investment Officer at FMO said, *"We are pleased to partner with U GRO Capital in their mission to empower MSMEs in India. MSME Finance is a key driver for financial inclusion, and U GRO Capital's mission to solve the small business credit need is in line with our vision of promoting inclusive and sustainable prosperity. We are confident that together we will positively impact the lives of MSME borrowers. The association will help strengthen our commitment towards greater financial inclusion in 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 pioneered the "Lending as a Service" (LaaS) 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 45% 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. For more information, please visit: <http://www.ugrocapital.com/>

About FMO

FMO is the Dutch entrepreneurial development bank. As a leading impact investor, FMO supports sustainable private sector growth in developing countries and emerging markets by investing in ambitious projects and entrepreneurs. FMO believes that a strong private sector leads to economic and social development and has a 50+ year proven track-record in empowering entrepreneurs to make local economies more inclusive, productive, resilient, and sustainable. FMO focuses on three sectors that have a high development impact: Agribusiness, Food & Water, Energy, and Financial Institutions. With a total committed portfolio of EUR ~12 billion spanning over 85 countries, FMO is one of the larger bilateral private sector development banks globally. For more information, please visit: <https://www.fmo.nl/>

Contact Details

U GRO Capital Ankit Chothani E: ankit.chothani@ugrocapital.com M: +91 9833370569	Concept PR Archana Pradhan archana.p@conceptpr.com M: +91 9820330505
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