

Findi accelerates Indian expansion with TSI acquisition of Tata Communications' White Label ATM business 'Indicash' for A\$75.7 million¹ (A\$23.9 million net)

Delivers more than 4,600 operating ATMs to Findi's existing India-wide network with a further 3,000 warehoused ATMs.

Key Acquisition Highlights²

FY26 Revenue of A\$28 million to A\$30 million

FY26 EBITDA of A\$5 million to A\$7 million (c. 21% EBITDA margin at midpoint)

FY26 NPAT of A\$2 million to A\$4 million

Funded by cash reserves and existing facilities

Indicash's A\$51.1 million cash on balance sheet retained

Identified cash tax benefits of A\$32.85 million approx..

Deepak Verma promoted to CEO and Managing Director

Mohnish Kumar elevated to Vice Chairman

Digital payments and financial services provider Findi Limited (ASX: FND) (**Findi** or the **Company**) today announced Transaction Solutions International (India) Pvt Ltd (**TSI**), Findi's majority owned subsidiary, has signed a binding deal to acquire Tata Communications Payment Solutions Ltd (**TCPSL**), a wholly owned subsidiary of Tata Communications Limited (Tata Communications), for A\$75.7 million gross consideration (the **Acquisition**). The Acquisition is subject to approval from the Reserve Bank of India (**RBI**) and completion of other conditions precedent under the transaction documents.

The Acquisition is a key strategic milestone for Findi's ATM business as it will deliver Findi TCPSL's 4,600 Indicash ATM network, as well as a White Label ATM platform with licence, payments switch, and an additional 3,000 ATMs to be deployed, providing Findi with immediate additional scale.

As part of the Acquisition India's first White Label ATM integrated payment switch is transferring to Findi. Findi's own in-house payment certified switch provides Findi with direct access to all debit and credit card banking facilities across all banks in India.

The payments platform/switch will enable Findi to connect directly with all integrated payments devices like Micro-ATMs, biometric payment devices and UPI based cash withdrawals. Owning our own payments switch will remove

¹ Gross consideration, subject to settlement adjustments.

² FY26 Findi Projected Revenue, EBITDA, and NPAT stated prior to any interchange rate increase and calendarised to Findi's March financial year end. AUD/INR 55.00..

the current cost of utilising a third party switch and enable Findi to immediately and efficiently expand our co-located ecosystem between our own Findi branded ATMs and our Findipay merchant businesses. Our Findipay Digital platform along with switching capabilities will provide Findi with dual capability to drive payment transactions for financial inclusion. We believe this dual capability will be a competitive advantage as we scale up operations to deliver on our financial inclusion strategy.

This latest transaction supports Findi's continued growth in the Indian financial services sector and accelerates Findi's ultimate evolution to become a full-service payments bank.

White Label ATM licence

As previously announced, Findi's subsidiary, TSI, has completed the final milestones required for the in-principle approval of a White Label ATM licence from the RBI. As TCPSL has a pre-existing White Label ATM licence, Findi will now deploy White Label ATMs under this licence once it receives RBA consent which is expected within this financial year.

Financial impact of the Acquisition

The A\$75.7 million Acquisition³ is to be funded from Findi's existing balance sheet resources with A\$19.7 million net initial cash settlement consideration to be paid at completion and a further A\$4.2 million⁴ to be paid 12 months post completion bringing total net cash consideration to A\$23.9 million.

Table 1 – Net initial cash settlement consideration

	A\$m
Acquisition	75.7
Less Deferred Amount	(4.2)
Less Cash on Balance Sheet	(51.1)
Net initial cash settlement consideration	19.7

The Company expects the acquisition to be immediately accretive to cash earnings, contributing a forecast A\$28 - 30 million of revenue, A\$5 - 7 million of EBITDA and A\$2 - 4 million NPAT⁵ in the first full year of ownership (before synergies, operational improvements and any interchange fee increase). TSI also retains future tax depreciation benefits of A\$32.9 million.

In order to agree terms with the vendor, Findi has negotiated an additional contingent payment of between A\$4.5 million and A\$13.4 million, only payable if the RBI increases the interchange fee within 90 days from execution date or receipt of RBI consent, whichever is later.

Table 2 – Annual A\$m impact of interchange fee increase estimated by Findi.

	+1Rs	+2Rs	+4Rs ⁶
Settlement Adjustment	4.5	9.0	13.6
Incremental earnings ⁷ ;			
- Revenue	2.2	3.6	6.5
- EBITDA	2.2	3.6	5.1
- NPBT	2.2	3.6	5.1

³ Subject to interchange rate change and settlement adjustments.

⁴ Subject to settlement adjustments.

⁵ On a 100% basis, prior to non-controlling interest adjustment

⁶ Under the 4 Rs example 1 Rs is passed on to the franchisee

⁷ Forecast incremental earnings for a 12 month period.

Table 2 displays possible settlement adjustments and the forecast impact to earnings for a 1, 2 and 4 rupee (Rs) increase in interchange fee.

Business model and strategy

The Acquisition of the TCPSL business includes TCPSL's 4,600 operating ATMs (operating under the Indicash brand). The Indicash business is a 'capital light' franchisee model, whereby the franchisee pays an upfront franchise fee towards ATM capex and the cash held within the White Label ATM.

Operating White Label ATMs under this franchisee model enables a higher margin than operating a traditional brown label ATM fleet, because of the variable nature of various costs like cash replenishment, site rentals, site maintenance etc. including loading cash in the ATMs.

Comments from Executive Chairman

Findi Executive Chairman Mr Nicholas Smedley said this acquisition was evidence of the Company's strategic growth momentum to deliver the full suite of financial service solutions to India's underbanked.

"The Acquisition of TCPSL brings scale to Findi by immediately expanding our penetration into new semi-urban and rural regions. Cash accessibility continues to be of critical importance to our customers, and as one of the largest White Label ATM operators in India and the second largest in semi-urban and rural geographies, TCPSL's extensive network of ATMs allows Findi to deliver that service to the most remote parts of the country," he said.

"Importantly, under TCPSL's existing White Label ATM licence, Findi will now be able to execute on its strategy to deploy White Label ATMs into its FindiPay merchant outlets, which will help drive product and service innovation across the FindiPay business and deliver market leading customer experiences.

"The TCPSL team has also built strong White Label partnerships with many household names across India over many years, which will allow Findi to add new partners to its White Label ATM network as it pursues growth."

Management Update

The TSI India board is excited to announce that Deepak Verma has been promoted to CEO and Managing Director after 10 years as CFO. Deepak has detailed knowledge of the business which will enable him to accelerate the board's vision for the company's evolution into a Payments Bank in India. Mohnish Kumar is transitioning to Vice Chairman and will continue to support strategic development. The Findi Limited board wish both the best for their new roles.

Findi Ltd CFO Alastair Williams will assume the role of acting CFO for TSI India while a recruitment process is completed to appoint a new TSI India CFO.

Findi Executive Chairman Mr Nicholas Smedley said "Deepak has fostered a culture of operational and commercial excellence in the organisation and led the Acquisition of TCPSL while developing the strategy for its integration into the business. Further, he has extensive experience in both operations and finance which make him the ideal person to drive the next stage of growth for the business."

"Mohnish has guided the growth of TSI India from its infancy as a start up to a thriving organisation of more than 650 employees, with operations in every state and territory in India. This is an incredible achievement and testament to his strategic vision and leadership. I look forward to Mohnish continuing to contribute to the company through bringing his experience and knowledge to the TSI Board."

Other developments - India1 contract for managed services terminated

Findi has provided services to India1, India's largest White Label ATM operator, and has managed its 13,000 White Label ATMs for more than 8 years. Post the Acquisition, Findi will no longer provide managed services to India1, given the two companies will now be competitors.

India1 represented approximately only 2% of Findi's total revenue in FY24 and the Findi Board will take the opportunity to pivot the Company's staff to the higher margin operations and expanding Findi-owned White Label ATMs.



Financial inclusion for a New Digital India

Authorised for release by the Board of Findi Limited.

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