



FINTECH FUND

SERIES II
with focus on GenAI

I. INTRODUCTION

Quick Summary

IIFL Fintech Fund – Leading Fintech Focused Fund Backed by a Financial Services Conglomerate



We Test for Scale and Then Invest - Leading to Successful Identification of Winners

8/13 Companies

Follow on funding received from Westbridge, Nexus, A91, HDFC, Flipkart Ventures etc

40% Portfolio

EBIDTA positive

26.2x Revenue Growth

Average Holding Span of 2.5 years

80% Return

Maiden Exit

0%

Writeoff/Deadpool

Proven record of investing in winners of the segment



India's Largest Document Infrastructure Platform

Entire IIFL Ecosystem uses the platform for document signing



Account Aggregator with Highest Market Share

IIFL Finance's account aggregator system is powered by Finvu



Fastest Growing Embedded Fintech Platform

IIFL Finance' MSME lending is powered by Finbox' infra stack



Most Used Analytics Platform

IIFL Securities uses trendlyne's platform for market and portfolio analytics

Differentiated & Niche Offering



Focused on early stage fintechs with proven product market fit

FINTECH FOCUSED FUND WITH CORPORATE BACKING

- **Huge white space** in the market given lack of funds having deep domain knowledge.
- Fund is **backed by a financial services conglomerate** that gives a unique advantage.
- Opportunity to **spot the winners early** in the cycle given deep product understanding.

UNPARALLED ACCESS TO DEAL FLOW

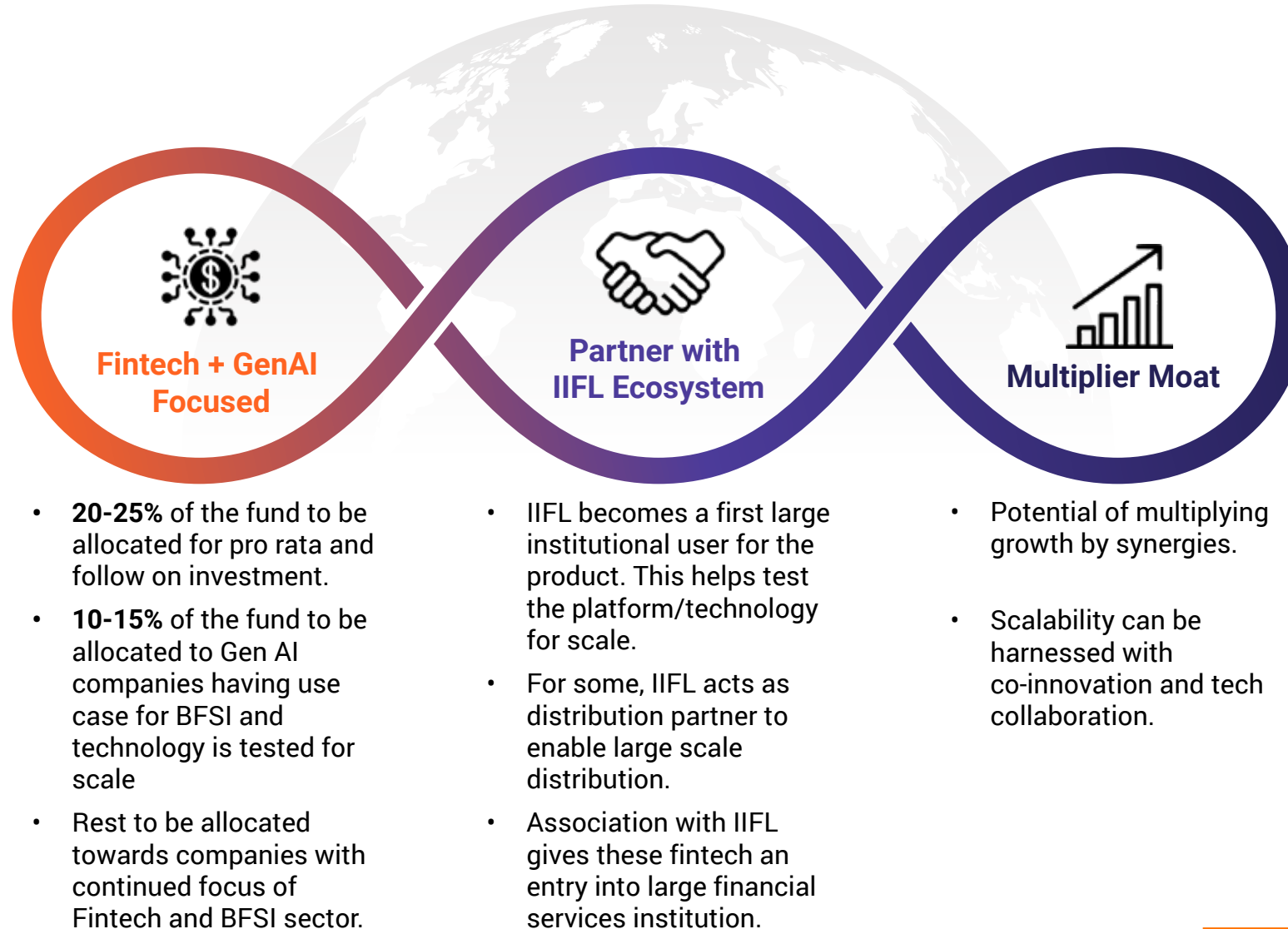
- IIFL has **deep rooted relationships** within the founder & investor ecosystem.
- IIFL group **collaborates** with various fintechs for business synergies that adds to the deal pipeline.
- Several **high quality deals** are already in advanced stages of negotiation.

STRONG TRACK RECORD

- IIFL Fintech Fund - I has **demonstrated the ability to pick winners** across fintech domain.
- Generated **80% return for investors** from maiden exit.
- **Zero dead pool investments & 40% portfolio has turned EBIDTA positive** in less than 24 months of investments.

SEEDED BY STRONG ANCHORS

- IIFL Group has an experience of building an integrated platform around “Retail” customers over last two decades.
- IIFL Finance is a leading retail focused diversified NBFC engaged in the business of loans.
- IIFL Securities is the largest independent full service retail & institutional broking house along with a leading investment advisory firm.



Identify winners across fintech + GenAI domain

FUND CONSTRUCT

- Fund Size: ~INR 500 cr
- 30-35 investments
- 7+1+1 years fund (from first close)

INVESTMENT CRITERIA Fintech + GenAI domain

- 20-25% for winners of Fund 1 for pro rata and follow on rounds
- Focus on picking up winners across fintech + GenAI domain
- Create a mix of winner assets at attractive entry price
- Target attractive business models that can sustain long term growth
- Choose assets that can multiply growth by synergizing with IIFL ecosystem

SITUATIONS WE WILL AVOID

- Idea stage startups
- No strong business moat or differentiation on technology front
- High exposure to limited number of assets

II. FINTECH FUND I STRONG TRACK RECORD OF PICKING UP WINNERS

The information presented regarding portfolio companies is for illustrative purposes only and does not constitute investment advice. Any references to specific companies are based on publicly available information and should not be considered endorsements or guarantees of future performance. The inclusion of such information does not imply that similar results will be achieved by other investments.



Strong performance track record

Portfolio Performance

80% Return Generated In Maiden Exit

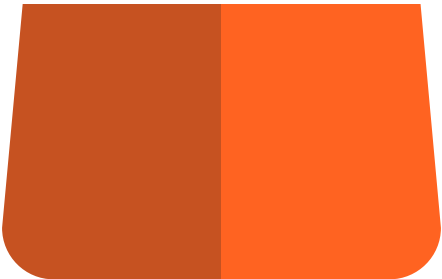
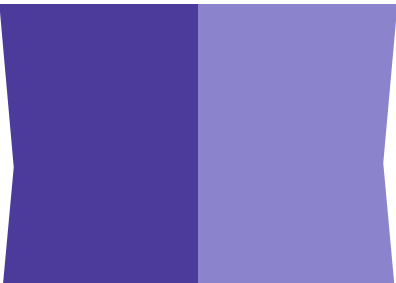
Fund has taken its maiden exit from Trustcheckr as a strategic sale to Truecaller, generating an return of 80%

40% Portfolio EBITDA Positive

Leegality, Trendlye & finvu which together constitute 40% of the portfolio have turned EBDITA Positive

0% Deadpool

All of our portfolio companies have enough runway for growth.
31% of the fintech companies in India are deadpooled and 84% of the fintech companies are unfunded or deadpooled*



Impact Created

USD 100+ Mn Follow On Funding

Our Portfolio companies have received a follow-on funding of USD 100+ Mn post investment from IIFL

500+ Jobs Created

Investment from IIFL has helped the portfolio companies to create more than 500 job opportunities across the startup ecosystem

26.2x Revenue Growth








Post IIFL investment, revenue of portfolio companies have grown 26.2x in an avg span of ~2.5 years

Source: Internal Sources and Tracxn

IIFL Fintech Fund I - Portfolio Snapshot



Strong revenue performance demonstrated

	% Investment [#]	Current Revenue	Rev Growth	Time since Investment	Synergies with IIFL	Growth Industry vs Portfolio Co.
	14.5%	INR 75-100 Cr	20.8x	3.5 Years	Docusign Infra for IIFL Cos.	<div> <div>0.2x</div> <div>5.6x</div> </div>
	27.0%	INR 0-25 Cr	26.1x	3.1 Years	Market analytics Infra for IIFL Sec	<div> <div>0.3x</div> <div>8x</div> </div>
	8.7%	INR 50-75 Cr	2.4x	2.8 Years	Loyalty & Referral platform for IIFL Fin & Sec	<div> <div>0.1x</div> <div>0.4x</div> </div>
	16.2%	INR 0-25 Cr	3.7x	2.1 Years	Insurance grievance redressal for Livlong	<div> <div>0.2x</div> <div>1.3x</div> </div>
	5.4%	INR 25-50 Cr	14.3x	1.7 Years	Tech platform for LivLong	<div> <div>0.2x</div> <div>7.7x</div> </div>
	7.3%	INR 0-25 Cr	9.9x	1.7 Years	Escrow platform for IIFL Fin	<div> <div>0.2x</div> <div>5.2x</div> </div>
	51.0%	INR 25-50 Cr	55.0x	1.5 Years	IIFL Fin as lending partner	<div> <div>0.2x</div> <div>13.5x</div> </div>

[#]% Investment is as % of the Commitment amount

Source: Internal Sources

 Industry  Portfolio Co.

IIFL Fintech Fund I - Portfolio Snapshot



Strong revenue performance demonstrated

	% Investment [#]	Current Revenue	Rev Growth	Time since Investment	Synergies with IIFL	Growth Industry vs Portfolio Co.
FinBox	2.6%	INR 50-75 Cr	11.9x	3.4 Years	Digital lending infra for IIFL Fin	<div> <div>0.2x</div> <div>3.2x</div> </div>
data sutram	6.2%	INR 0-25 Cr	31.2x	3.0 Years	Business expansion strategy for IIFL Cos	<div> <div>0.2x</div> <div>10x</div> </div>
TrustCheckr *	2.5%	INR 0-25 Cr	1.8x	1.6 Years	Fraud Detection in Lending	<div> <div>0.2x</div> <div>1.5x</div> </div>
multipl ENJOY LIFE, DEBT FREE	3.4%	INR 0-25 Cr	6.3x	2.7 Years		<div> <div>0.3x</div> <div>1.9x</div> </div>
FINVU	4.0%	INR 0-25 Cr	87.7x	2.7 Years	Account aggregator for IIFL Cos	<div> <div>0.2x</div> <div>32.6x</div> </div>
Finarkein Analytics	4.3%	INR 0-25 Cr	70.0x	3.0 Years	Multi account aggregator services for IIFL Cos	<div> <div>0.2x</div> <div>22.9x</div> </div>
			26.2x	2.5 Years		

*Exited

[#]% Investment is as % of the Commitment amount

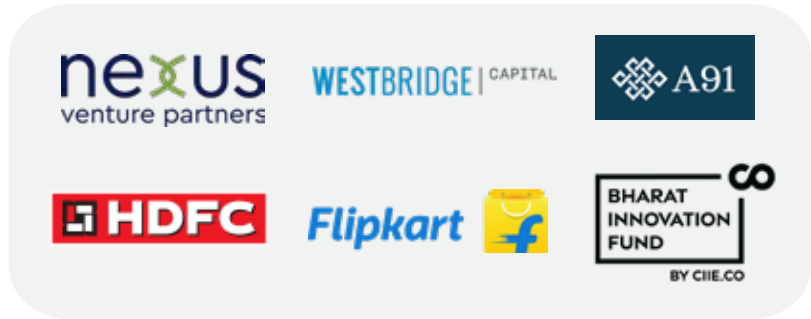
Source: Internal Sources

Industry Portfolio Co.

IIFL Fintech Fund I - Highlights



Follow on funding raised from the following investors



8/13 Companies did follow on funding round after IIFL' investment

Segments leaders have lead the uptick in MOIC since the first investment

2 companies with ~5x
3 companies with ~3x
2 companies with ~2x

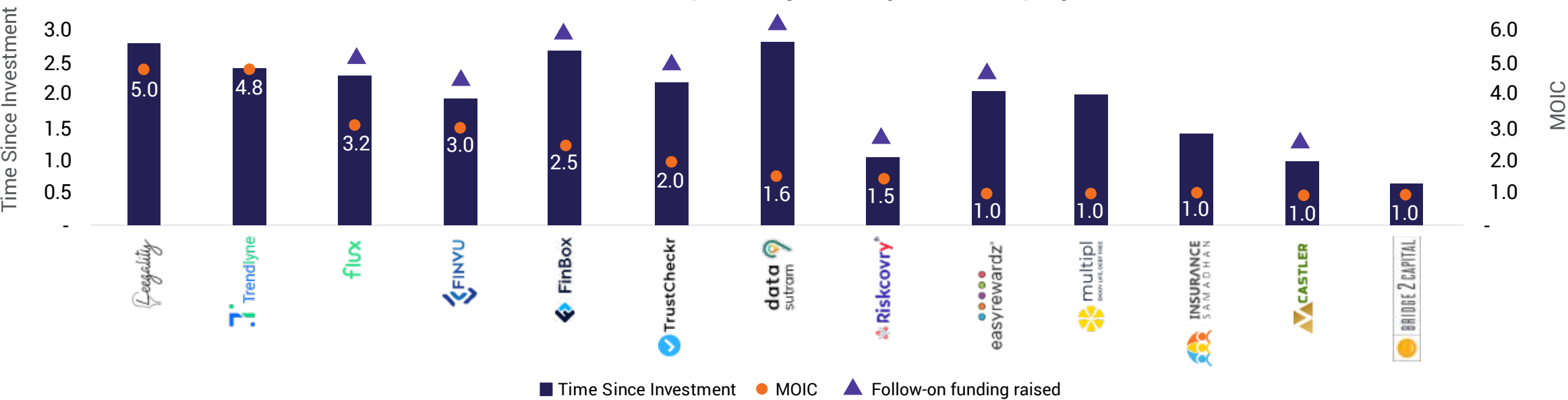
2.5 Years
Investment Period

1000+
Startups Evaluated till date

0.045
DPI

1.36
TVPI

Investments have multiplied in just 2.5 years of deployment

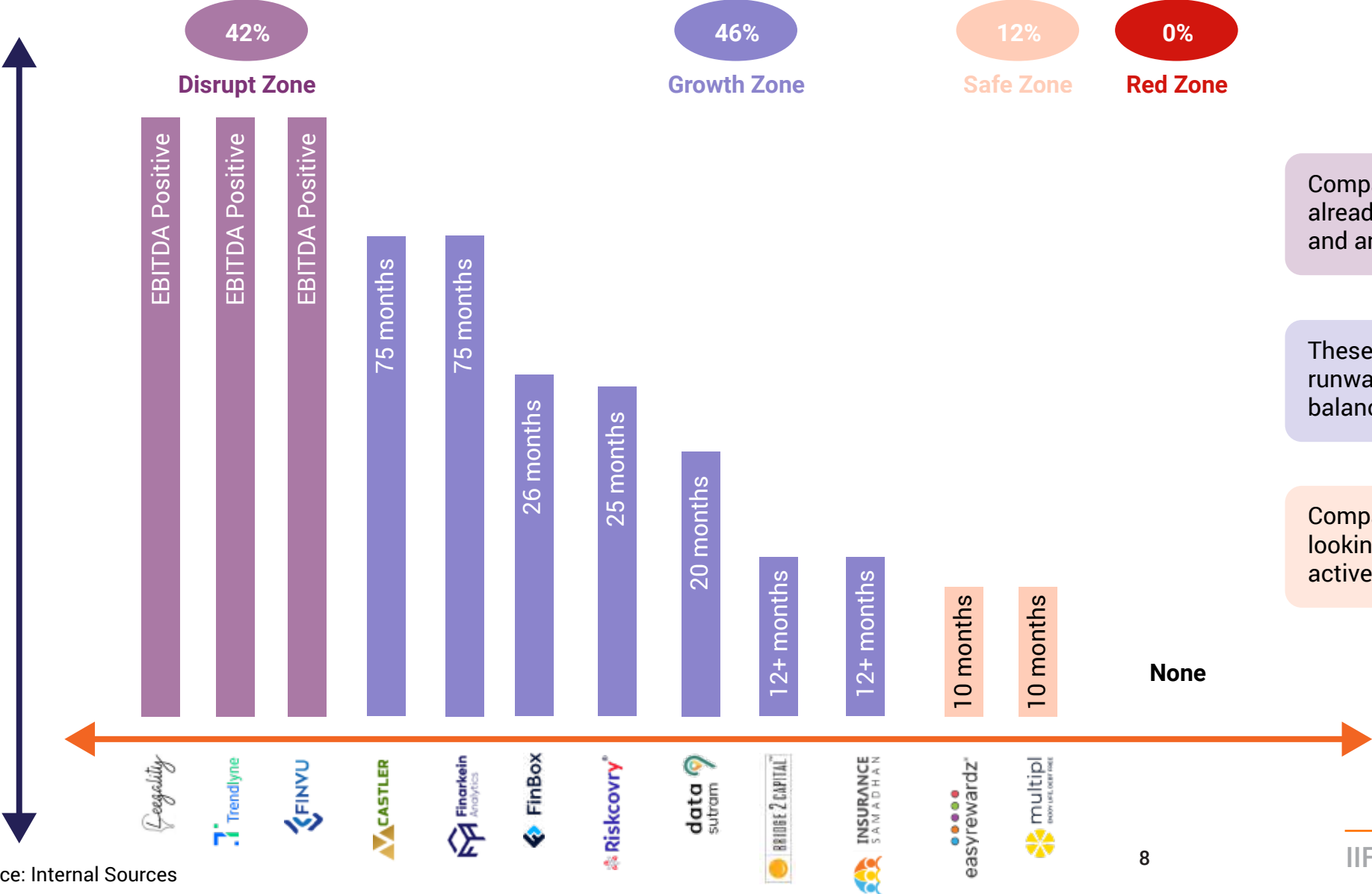


Note – MOIC is depicted since the first investment in the company

IIFL Fintech Fund I- Proven Ability to Pick Winners (1/2)



88% portfolio in disrupt & growth zone, 0% in red zone



Companies in the disrupt zone have already achieved EBITDA profitability and are self sustainable

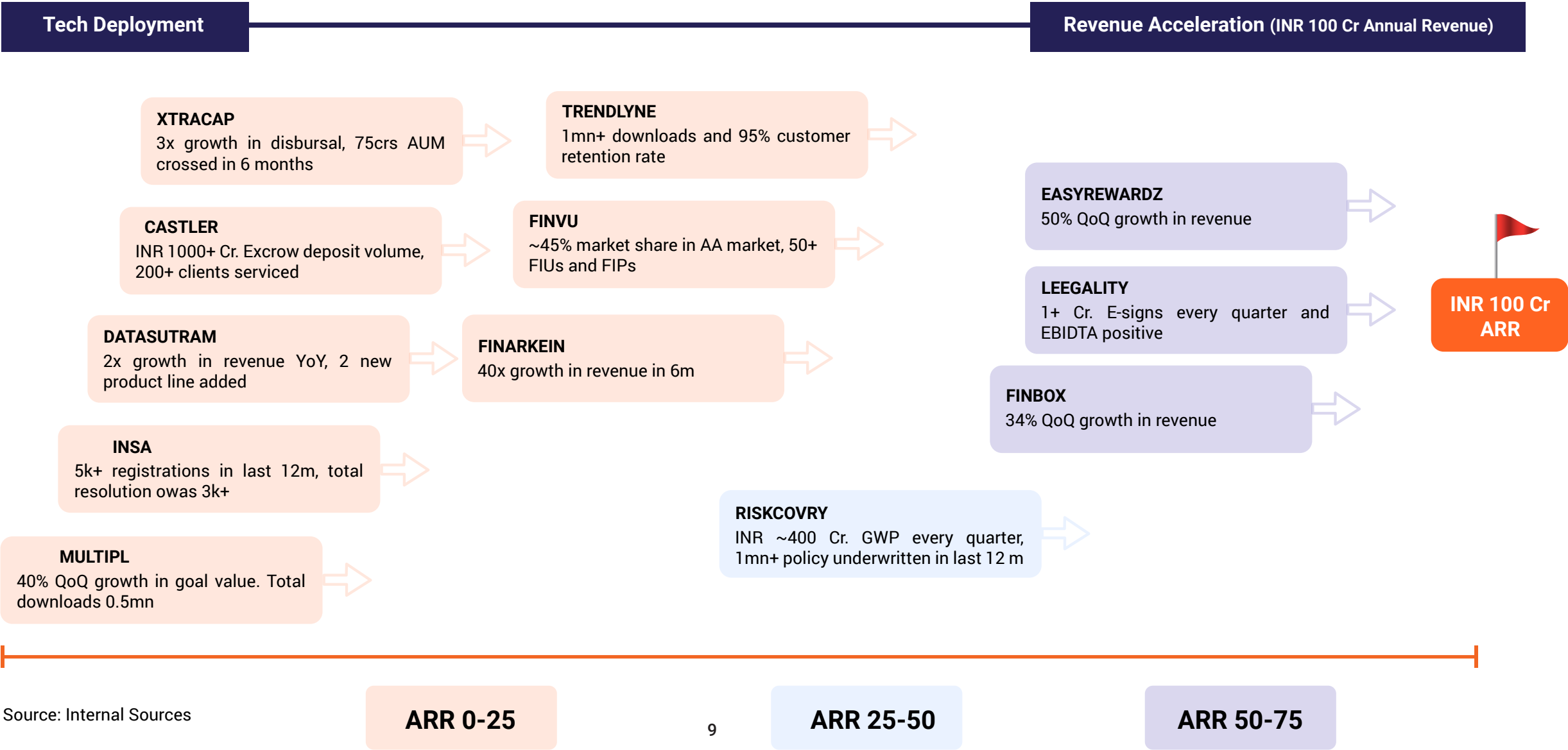
These companies have enough runway to scale as there is cash balance.

Companies in the safe zone are looking to raise fund and are seeing active interests from investors.

IIFL Fintech Fund I- Proven Ability to Pick Winners (2/2)



50% portfolio companies have reached the revenue acceleration stage

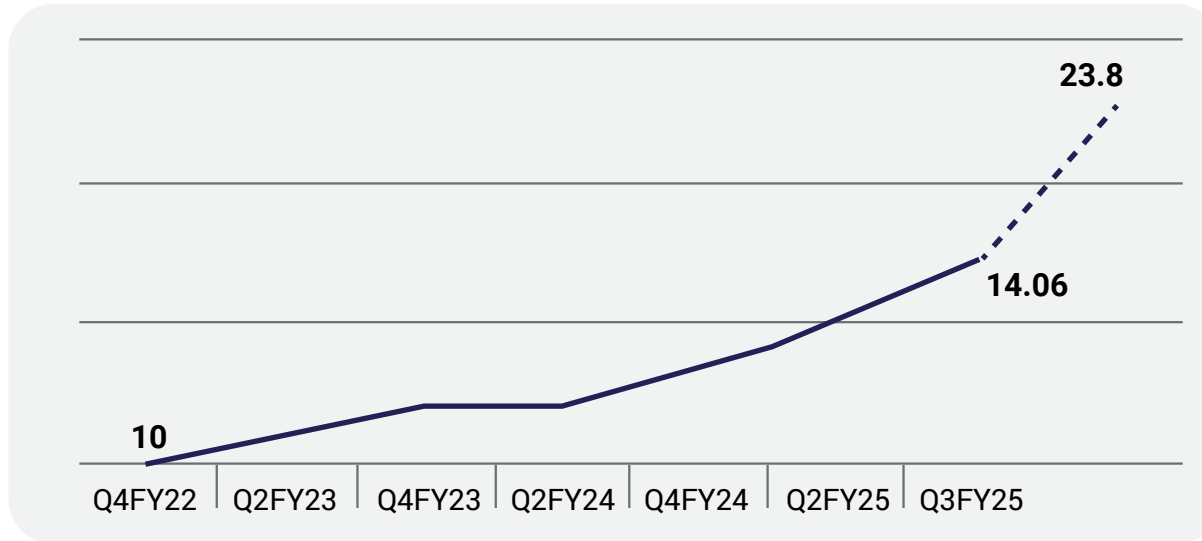


IIFL Fintech Fund I – NAV Performance



Most of the portfolio companies have become market leader in their particular niche segment

NAV Movement



Key benchmarking ratios

Parameters	Current Value
TVPI	1.35
DPI	0.07
Maiden Exit Return	80%

Parameters	Current	Fair
MOIC	1.5x	2.4x*
NAV	14.06	23.8

*This is basis our internal assessment and transaction multiples of the current competitors. This is subject to market risk.

Companies on track to contribute to this NAV growth journey



Perfios valued at 7200 Cr in FY23 i.e implied multiple of 30x. Lentra multiple was 17x multiple. At 14x, Finbox valuation should be INR 1000 Cr (ARR is 72 Cr)



Bridgeweave, an asset management platform for listed equities, is recently raising a new round at INR 300 Cr valuation with a revenue of INR 5.5 Cr., a 54x multiple. Taking a conservative multiple of 16x, Trendlyne can be valued at INR 250 Cr, with current ARR of INR 15 Cr.



Trackwizz valued at INR 900 Crs, implied revenue multiple of 14.5x. Leegality has similar profitability and generates cash. At 11.3x mutiple and INR 88 Cr ARR, valuation should be INR 1000 Cr.

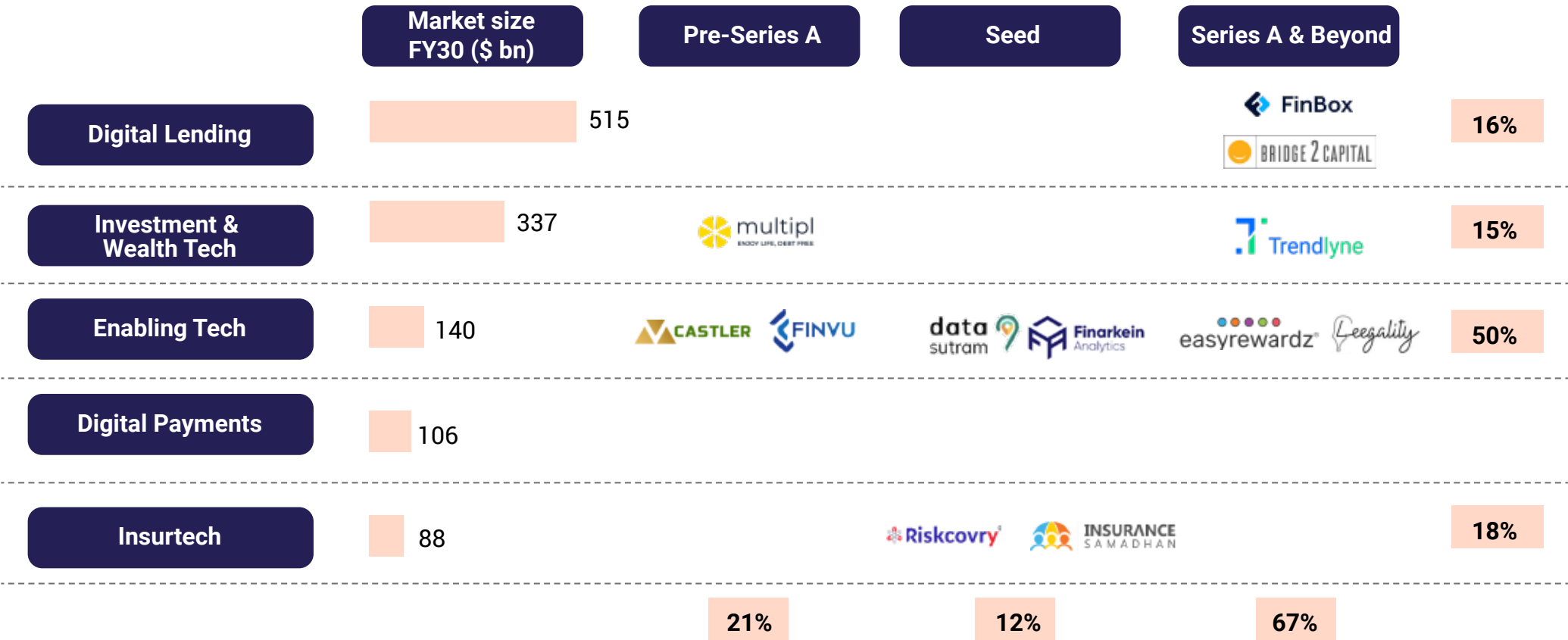


Mintifi valued at USD 825 Mn for monthly disbursement of INR 2000 Cr. Vayana valued at INR 1925 Cr at an AUM of 1927 Cr, implied multiple of 1x. So, even at, 0.5x AUM multiple, Xtracap fintech should be valued anywhere between INR 50-100 Cr.

Fintech Fund I- Portfolio Strategy- Well Diversified



All segments across fintechs present a huge opportunity size



Our portfolio strategy is well diversified across themes and stages- Largely focused on Series A with businesses acting as tech enablers in the fintech domain

Boxes depict the % allocation of investment in this space

Source: Internal Sources

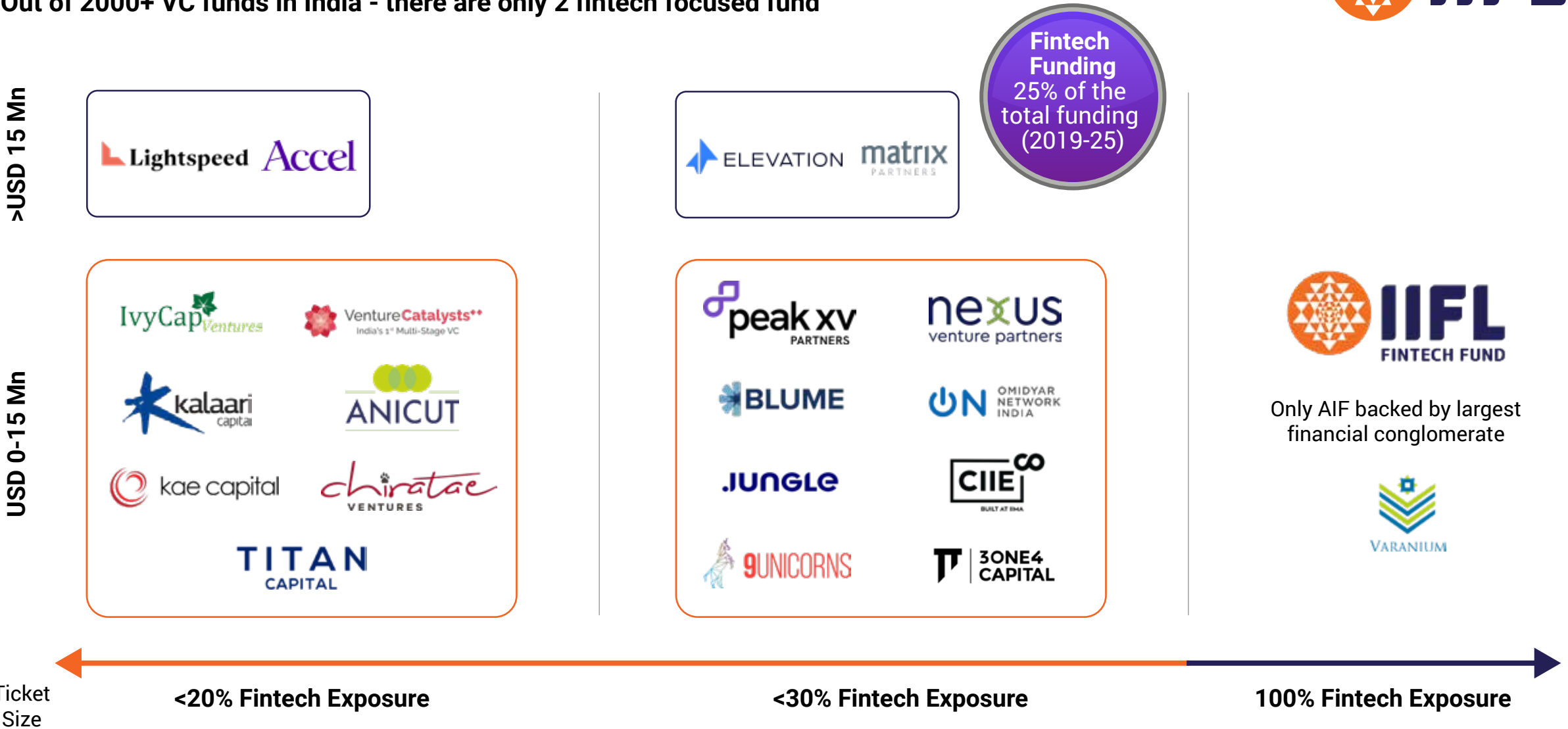
III. THE OPPORTUNITY

FINTECH FOCUSED FUND BACKED BY A CORPORATE

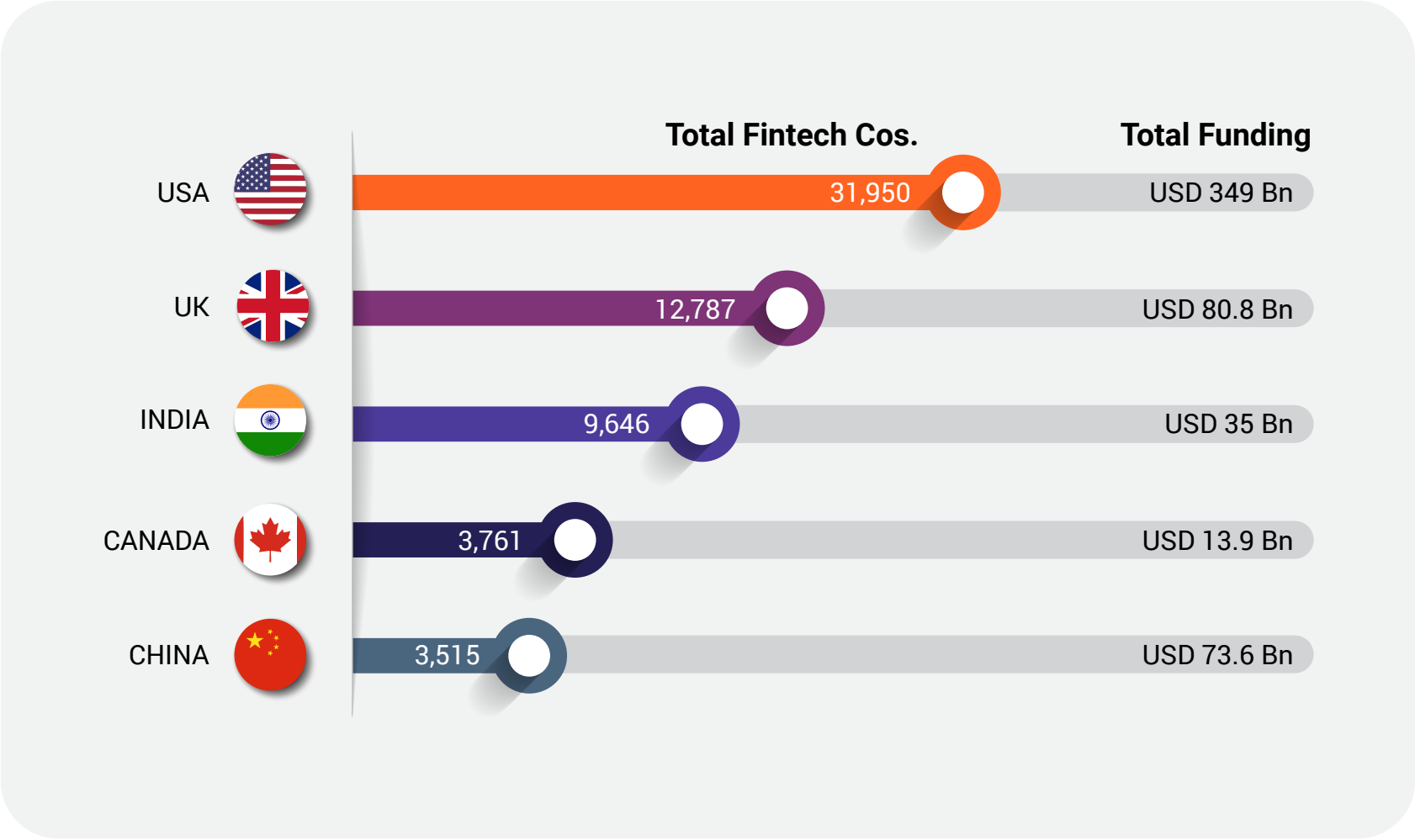
White Space in Fintech Investing



Out of 2000+ VC funds in India - there are only 2 fintech focused fund



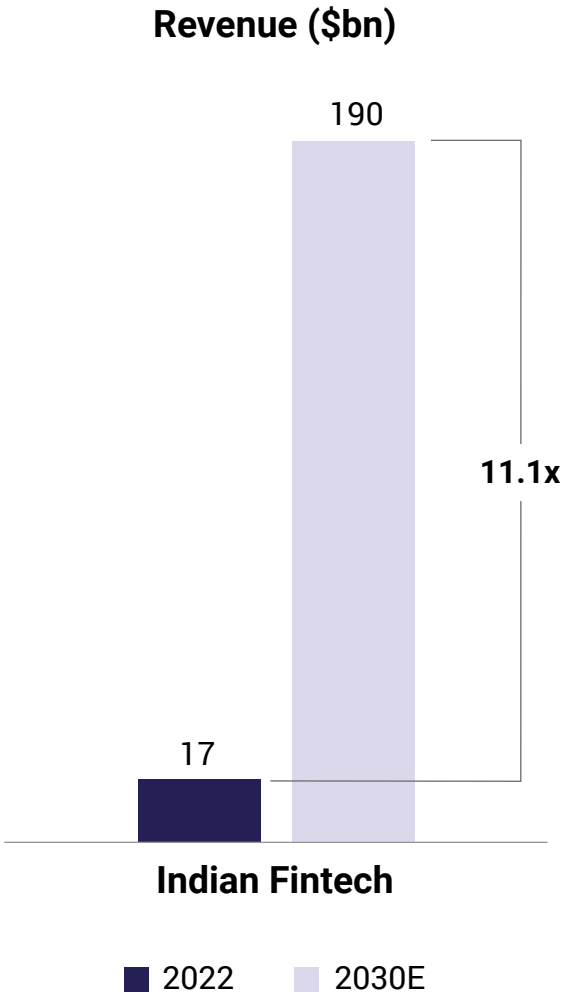
Source: Tracxn Data



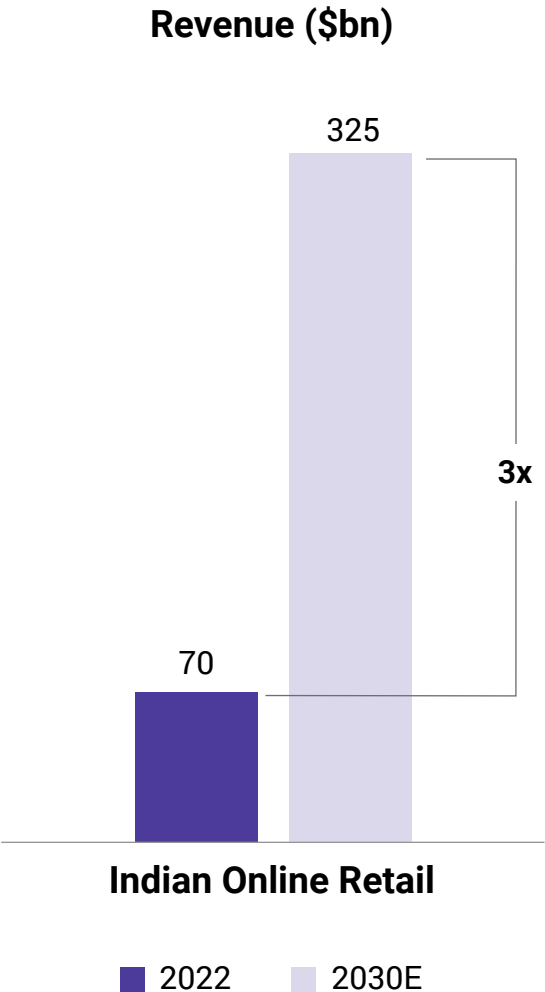
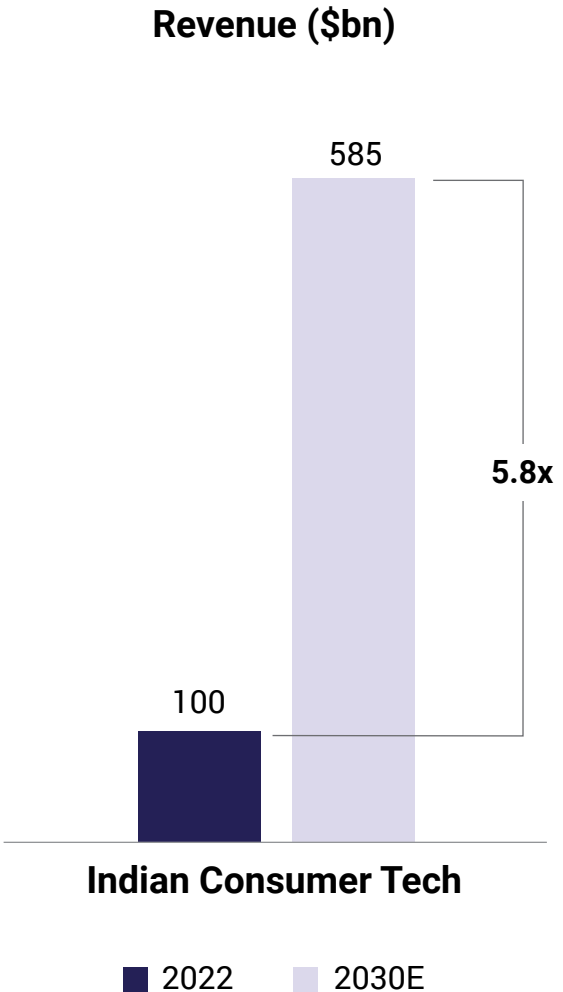
Indian Fintech – Expected to be the Fastest Growing Segment



17% of total funding deals (last 5y)

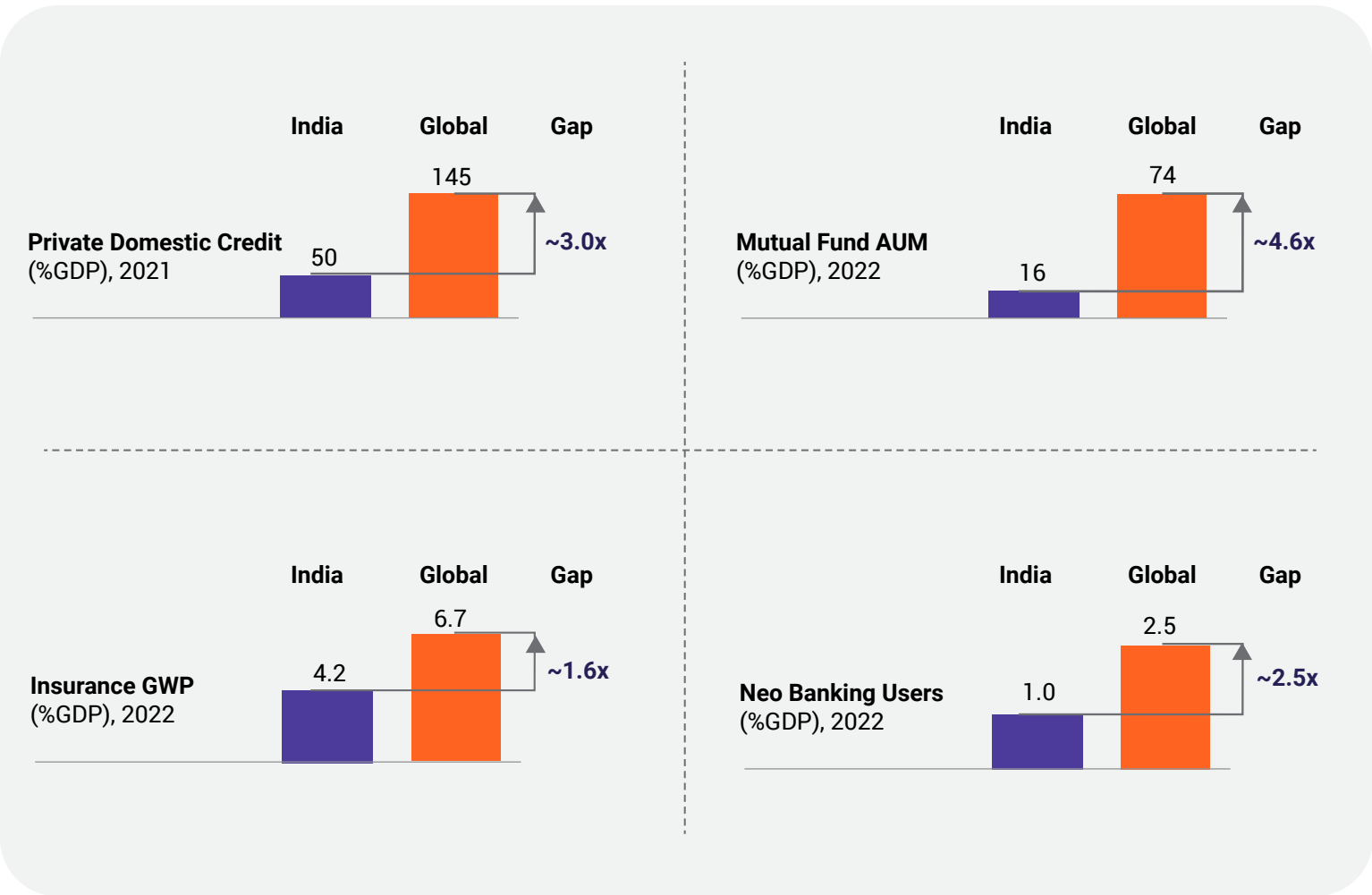


30% of total funding deals (last 5y)

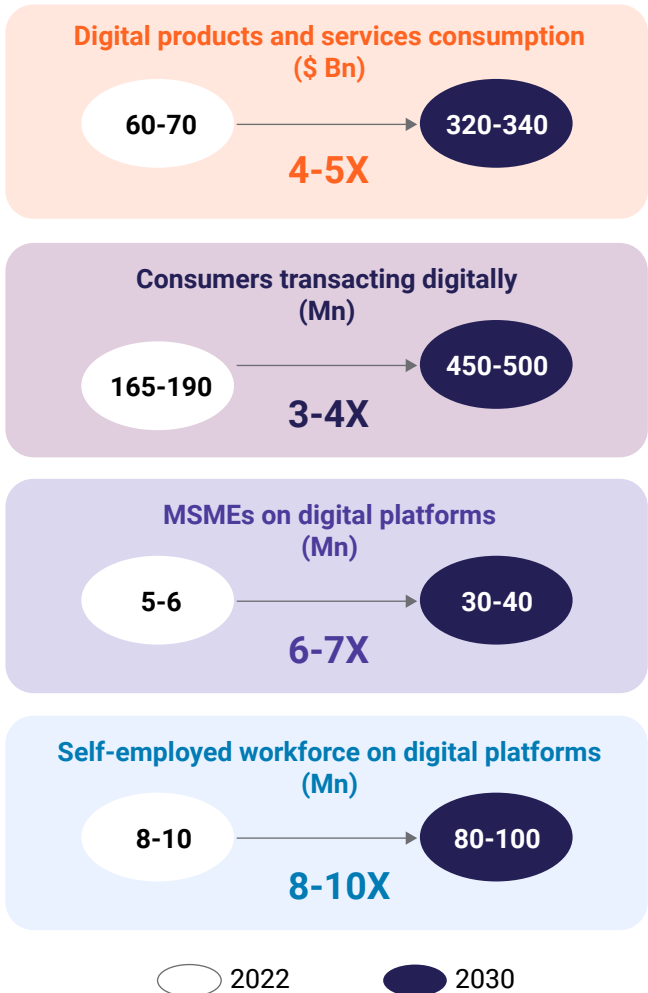


Source: BCG Report, Elevation Report, India brand equity foundation, Deloitte India Report

Financial Services remain under-penetrated...



...digital penetration is high and accelerating



Source: Elevation Fintech Report- Bottomline

Generative AI in Fintech Will Further Propel Growth

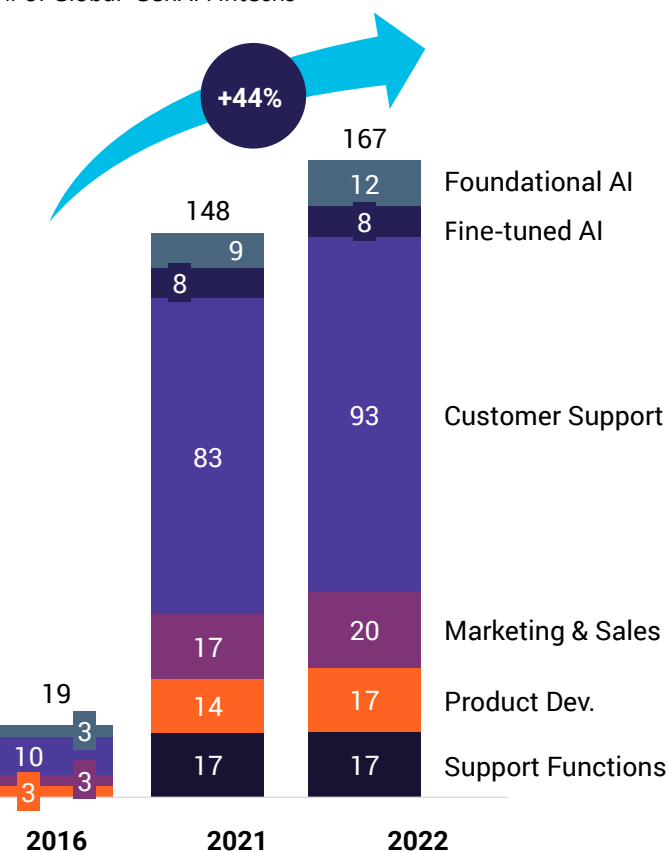


Adaptive AI focuses on learning and adapting from data to improve decision-making and process optimization. In contrast, generative AI creates human-like content for your business, such as text, photos, music, or other types of creative output.

GenAI Fintechs on the rise, expected to unlock unparalleled efficiencies in the long run

Cumulative # Global Gen AI Fintechs across use cases on the rise¹

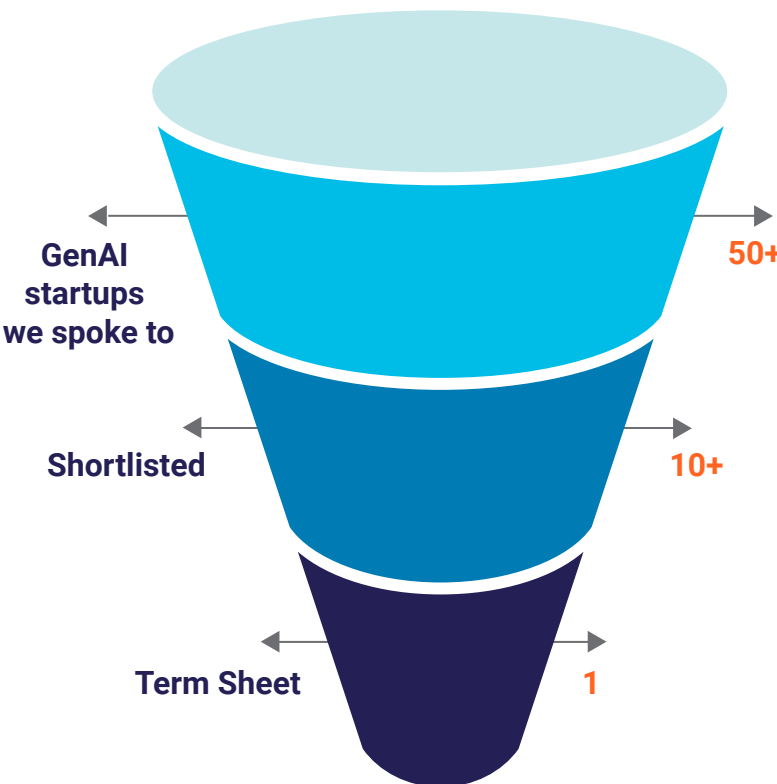
of Global GenAI Fintechs



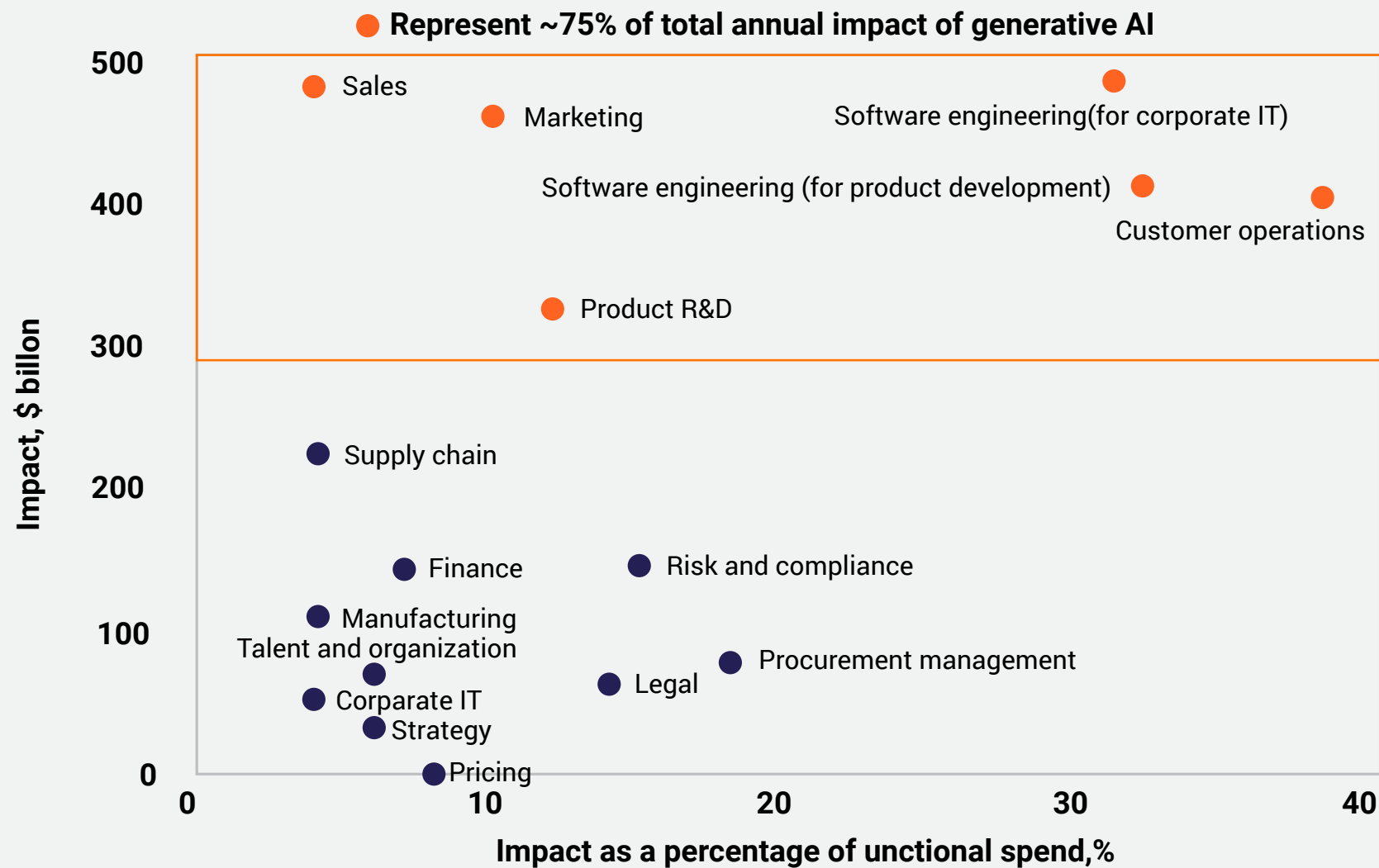
Typical use cases picking up traction in the GenAI led Fintech space



IIFL Fintech Fund activities in GenAI

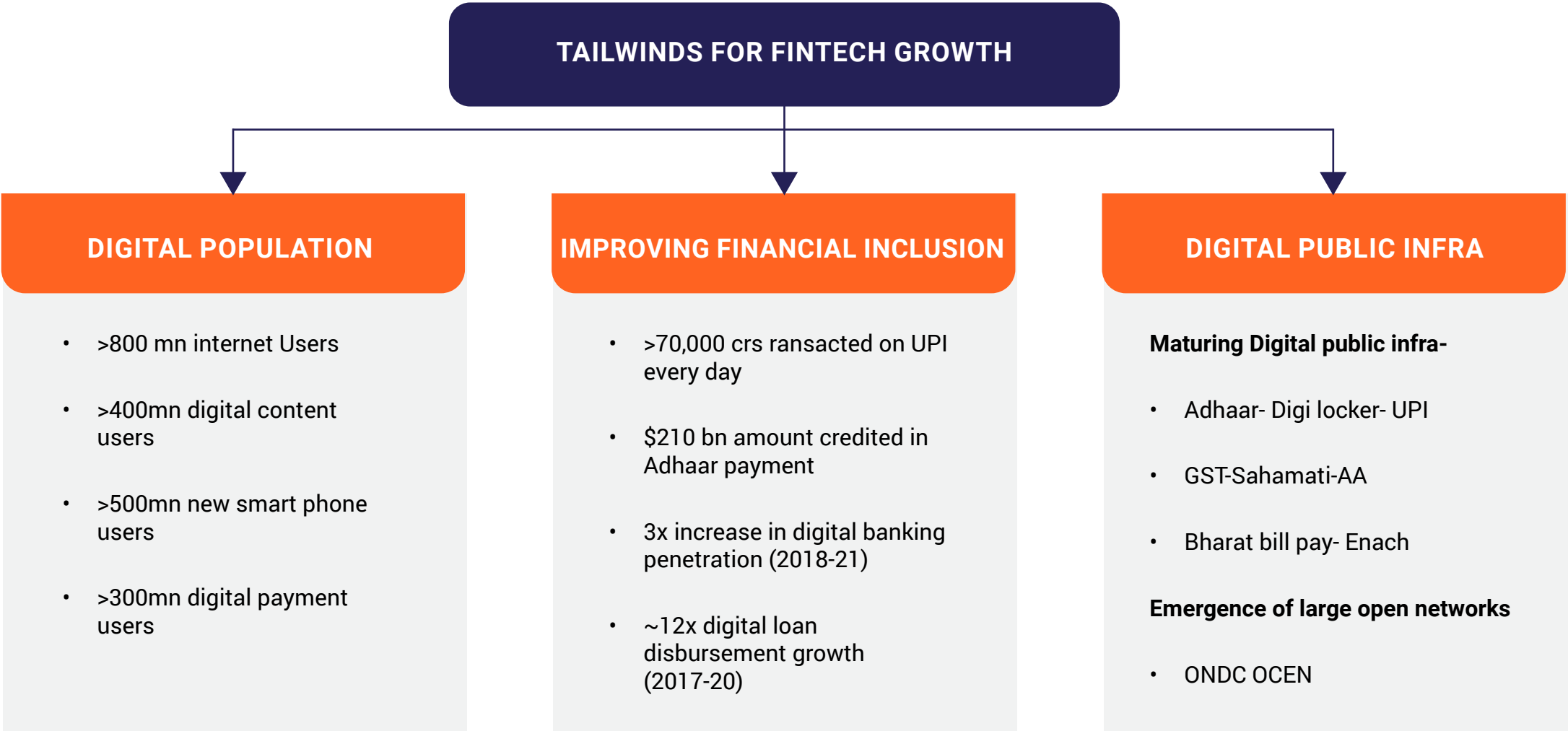


Source: 1 - BCG Fintech Control Tower Report



Approximately 75% of the total value generated by adopting GenAI in business operations is expected to originate from these domains.

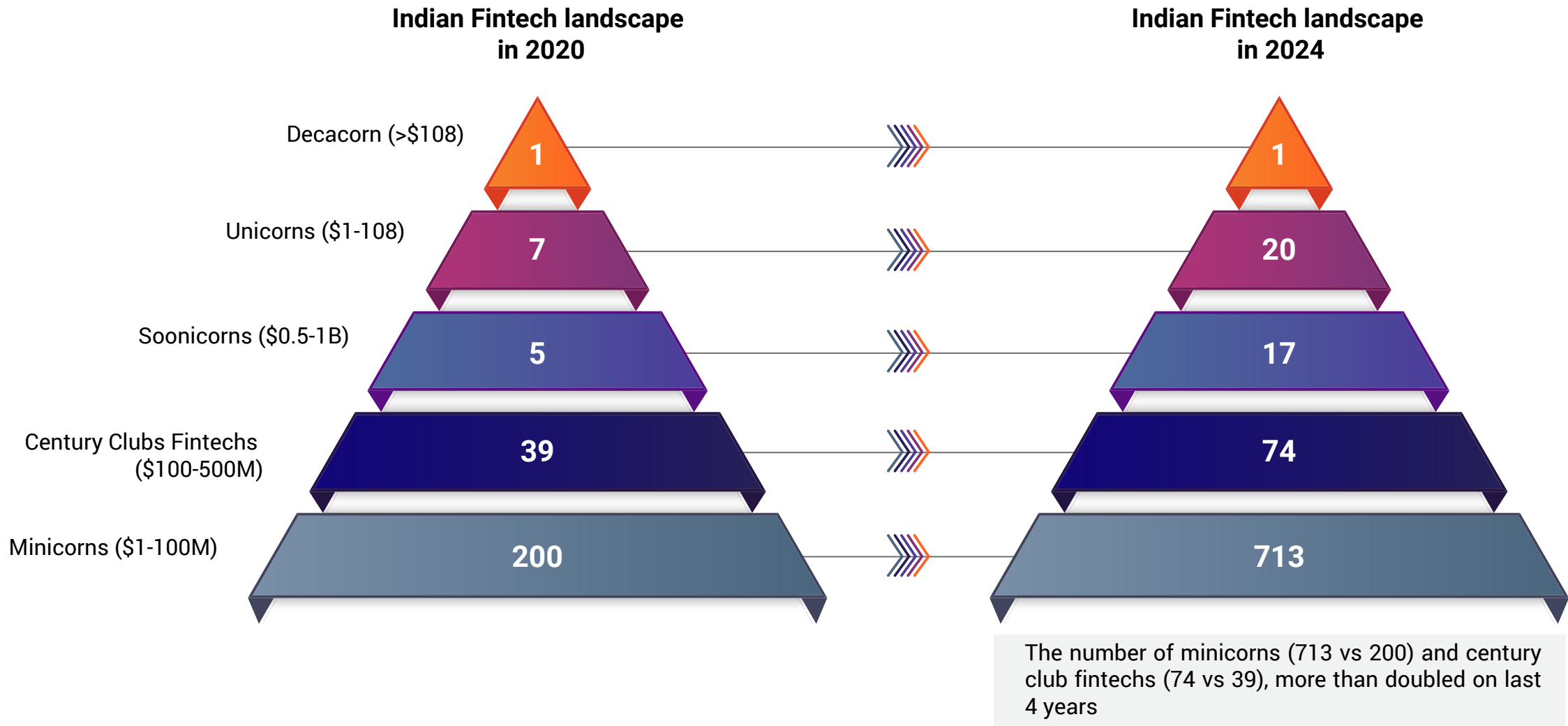
Source: Mckinsey, Inc42 Analysis



Source: Mckinsey Report on democratising digital commerce in India & industry expert conversations



Many Fintechs Are Moving Up The Valuation Pyramid



Source: BCG Report on State of Indian Fintech

Acquisition in Enterprise Fintech		
ACQUIRER	ACQUIREE	SEGMENT
Razorpay	curlec	Paytech
	Zealiant	Paytech
	POSHVINE	Rewards
	ezetap	Paytech
	billmc	Paytech
pine labs	SETU	Bankingtech
	fix	Paytech
	mosambee	Paytech
	Qwiksilver	Paytech
	fave	Paytech
Cashfree Payments	zecpe	Paytech
LENDINGKART	UPWARDS	Lending
Varaha	SahiGST	Compliance Software

Razorpay has acquired Curlec, which marks its foray into the global market. It has focused on expanding offerings into Offline Payments i.e. POS, NFC etc.

Players such as Pine Labs, Cashfree Payments, Lendingkart and others are moving towards capturing the entire value chain.

Acquisition in Enterprise Bankingtech		
ACQUIRER	ACQUIREE	SEGMENT
M2P	finflux	LOS/LMS
	SYNTIZEN	Regtech
	BSG	CBS
	data > opinion	Analytics
Perfios	karza	Regtech
	fego	Open Finance Platform
	FINTECHLABS	LOS / LMS
Yubi	CORPORATORY	Regtech
	spocto	Collections
	FinFort	BRE
aurionpro	A S Software Services Pvt Ltd. Omnifin	LMS

M2P, which started as a Payments-focused company, has now acquired diversified entities to become a full-stack enterprise player.

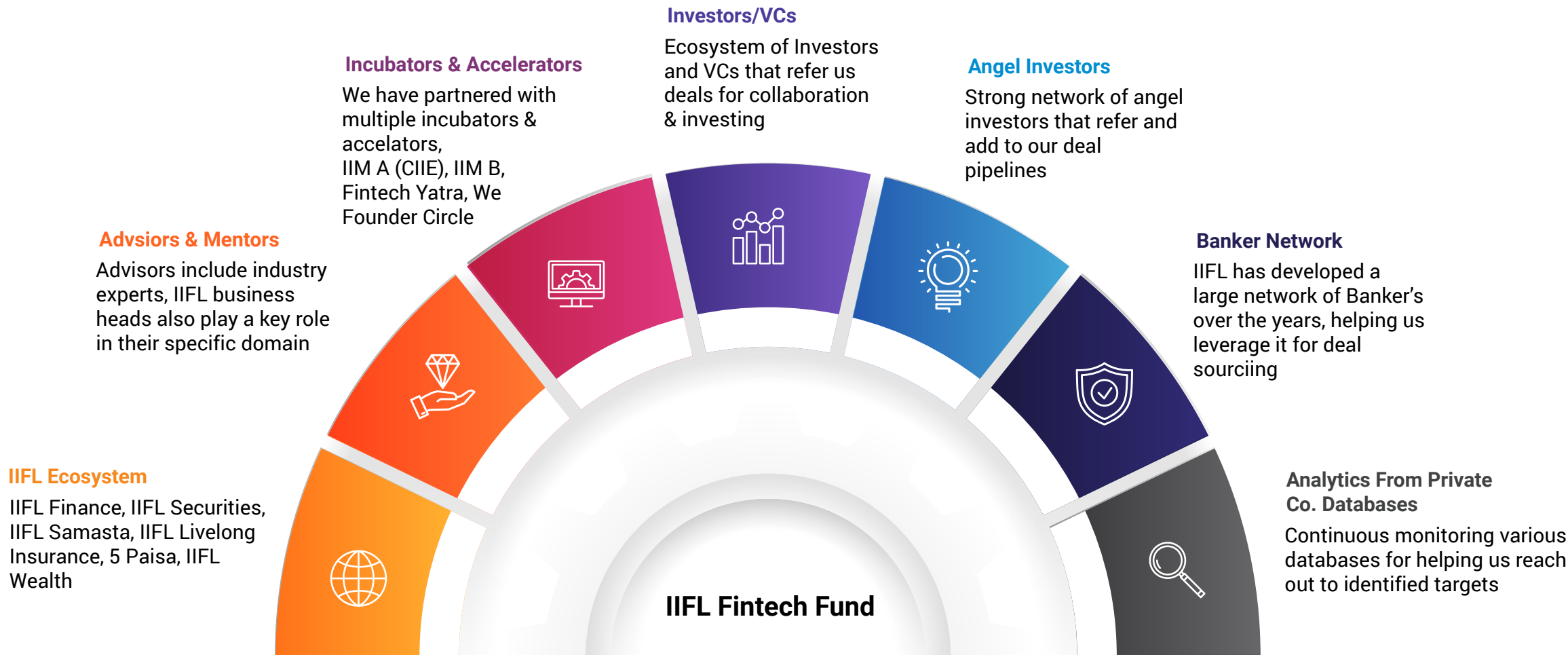
Perfios has acquired startups in Analytics, LOS/LMS and Regtech to widen lending capabilities.

Yubi has acquired leaders in related areas to deepen expertise across the entire lending lifecycle.

IV. UNPARALLELED ACCESS TO DEAL FLOWS

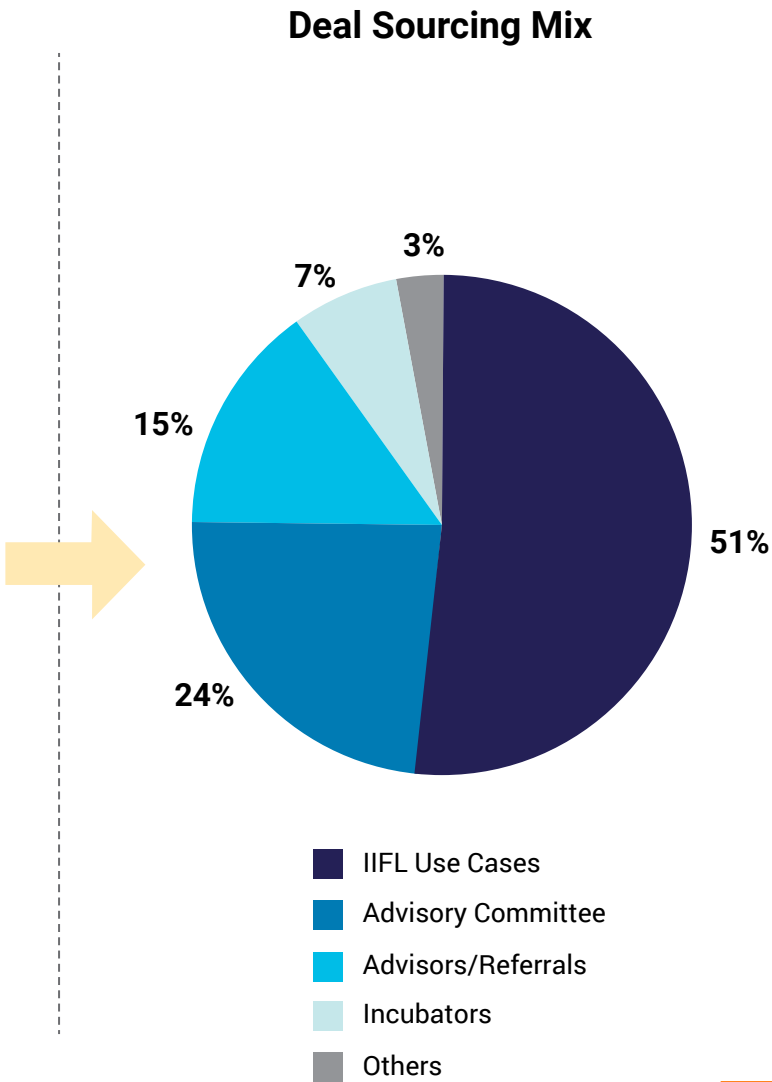
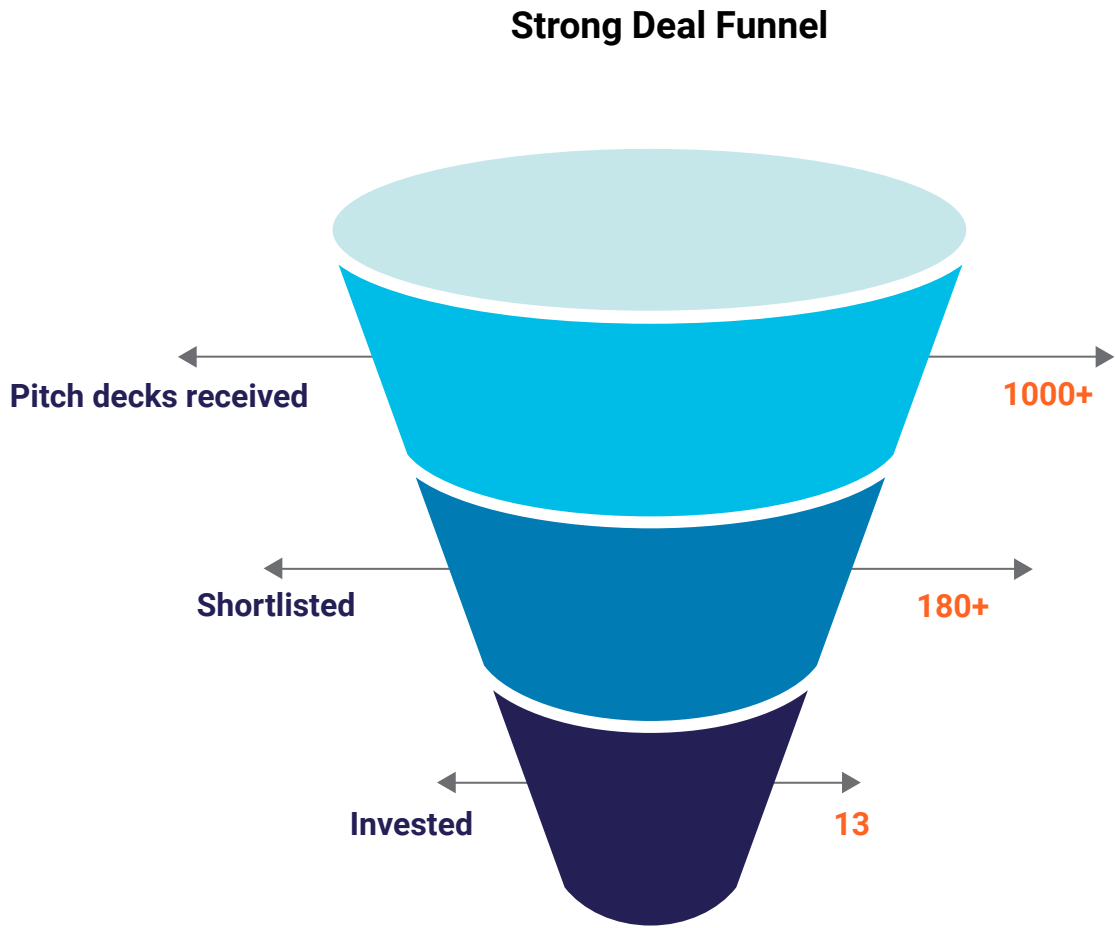
Extensive Sourcing Network

Strong cohesive venture investing network created



Unparalleled Access To Deal Pipeline

90% Deals are proprietary in nature and sourced internally



IIFL Use Cases

IIFL actively engages with the startup ecosystem for various use cases in lending, wealth management, finance etc. This gives us a detailed understanding of the product and its efficacy

Advisory Committee

IIFL advisory committee consists of founders of IIFL Group & industry veterans. Their connects from the industry helps source a good chunk of deals.

Referrals

The fund has created a good network amongst fintech founders and industry veterans that refer deals to us.

Source: Internal Sources

V. INVESTMENT PROCESS & FILTRATION

Strong Filtration Process



~1% of the deals reach the investment stage depicting a strict investment criteria

	Deals Sourced	Shortlisted	Screened	Presented to IC	In Diligence	Invested
Infra Enablers	750+ (USD 3,750M)	250+ (USD 1,250M)	150+ (USD 750M)	20 (USD 100M)	18 (USD 90M)	9 (USD 45M)
Alternate Data	150+ (USD 750M)	50+ (USD 250M)	20+ (USD 100M)	15 (USD 150M)	10 (USD 50M)	3 (USD 15M)
B2B2C/ B2C	100+ (USD 500M)	20+ (USD 100M)	10+ (USD 50M)	7 (USD 35M)	5 (USD 25M)	1 (USD 5M)
Total	1000+ (USD 5,000M)	320+ (USD 1,600M)	180+ (USD 900M)	42 (USD 285M)	33 (USD 165M)	13 (USD 65M)

Source: Internal Sources



Deal Sourcing

- Leverage IIFL ecosystem
- Referral from advisors, mentors
- Incubators, accelerator pitch days



Screening & Due Diligence

- Financial Analysis & legal due diligence
- Verification from network
- Feedback gathering from business heads



Due Execution & Finalization

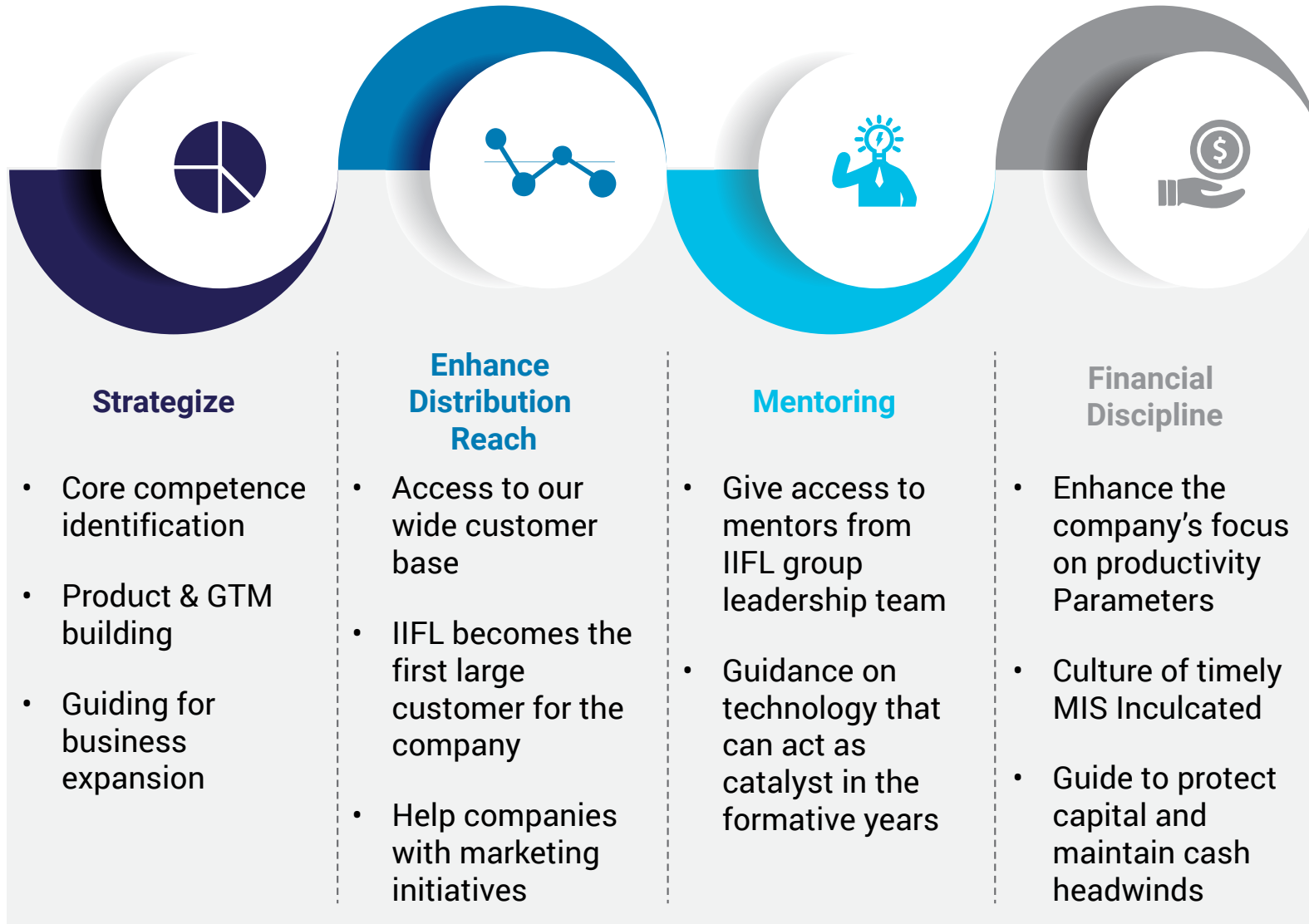
- Issuing term sheet and ensuring documentation
- Deal terms
- Different structure and ensuring favourable terms
- Pre-emptive/anti-dilutive interest



Monitoring & Exit

- Review of financials & KPIs to provide strategic inputs
- Identification of exit opportunities

VI. IIFL'S VALUE ADD



Portfolio Company - Engagement With IIFL

Empowering portfolio companies for success



VII. FUND TEAM & KEY TERMS



MR. NIRMAL JAIN

Founder and Chairman of IIFL Group, is a first generation entrepreneur, who is credited with building one of the largest financial services groups in India in just about two decades.



MR. R VENKATARAMAN

Co-founder of IIFL Group, one of India's largest financial services firm. He is also the Chairman of IIFL securities. He is one of the leading thought leaders in financial services industry.



MR. ABHISHEK GOYAL

Co-Founder of Tracxn- an intelligence platform used by Venture Capital Funds, Private Equity Funds & Fortune 500. Abhishek is a graduate from IIT Kanpur, worked with Yahoo and Amazon before joining Accel and then starting Tracxn.



MR. KRISHNA V IYER

A startup investor having more than a decade of experience in investing in early stage startups. Has earlier worked with WNS global and Cognizant technology. An MBA from IIM, Ahmedabad.



MR. GAURAV SHARMA

He is the Chief Technology Officer at IIFL and is a seasoned tech professional. Over 3 decades of experience in technology, product operations, information security. In the past he has worked with TCS, L&T Finance, Max Life & Poonawalla Fincorp. He is a B.Tech from IIT Roorkee.



MR. APURVA CHAMARIA

He is currently the Head of Partnership Solutions, Startups and Venture Capital at Google India. Prior to joining Google he was the SVP & Chief of Staff to CEO & MD at Tech Mahindra. He was recognized by Economic Times as amongst the top 10 angel investors in India in 2018.



MS. MEHEKKA OBEROI

She has completed her MBA finance from Welingkar Institute and is a Gold medalist. She has 10 years of professional work experience. Some accolades won by her are Bharat fintech Women fintech leader of the year'24, BMA young managers award, Top 15 Infocom Future leaders, Lights of Podar and Principal Special Award in the past.

ANALYST & ASSOCIATES

MR. GOVIND CHANDAK **Investment Analyst**

He is a Chartered Accountant and completed FRM from GARP, US and has 4+ years of professional work experience. Prior to joining IIFL, he has worked in Investing and Research roles with leading Bank and VC firm

MS. LISA SOPORI **Investment Associate**

MBA from FORE School of Management and has 2+ years of work experience. Prior to joining IIFL, she has worked in Operations with an American bank.

MS. SHWETA CHOWDHARY **Investment Associate**

She is a graduate with 4+ years of work experience. Prior to joining IIFL, she worked in taxation and auditing roles at a well-renowned CA firm and co-founded a fashion company in the clothing apparel sector.

Fund Key Terms

Fund Category - AIF CAT II

Trustee - Orbis Tursteeship Services Pvt Ltd



Share Class	Class A	Class B
Minimum commitment	₹ 1cr	₹ 5crs
Management fees (% p.a)	1.75	1.5
Hurdle rate (pre tax,post expenses) (% p.a)	12	12
Operating cost (% of NAV) (% p.a)	Upto 0.2%	Upto 0.2%
Setup Fees	Nil	Nil
Performance fees (with catch up) (%)	15	15
Initial Drawdown (as a % of capital commitment)	15	15
Fund Tenure (years)	7	7
Commitment Period (in months from final closing)	24	24

*In addition to these, Class S also exist which shall be offered to employees of IIFL Group companies. Minimum commitment in this class is ₹ 25 lakh

Securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Fund will be achieved.

The information provided regarding performance and portfolio companies is for informational purposes only and should not be construed as investment advice or a recommendation to buy, sell, or hold any securities or investment products. Past performance is not indicative of future results, and investment outcomes may vary. Performance related information is not verified by SEBI.

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