Earnings Release

for quarter ending June 2022

05 August 2022

Key Metrics for the quarter ending June 2022 (Q1 FY 2023)

Revenue from Operations

$213 mn

▲ 89% growth YoY

Main drivers were increase in subscription revenues due to growing number of payment devices, growth in bill payments due to growing MTUs, growth in disbursements of loans by our partners through our platform, and increase in Commerce revenues

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Contribution profit

$92 mn

▲ 197% growth YoY

Improved to 43.2% of revenue in Q1 FY 2023 from 27.5% in Q1 FY 2022 and 35.0% in Q4 FY 2022, driven by growth in payments profitability, and faster growth of higher margin businesses such as loan distribution

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EBITDA (before ESOP cost)

$(35) mn

▲ $7 mn improvement YoY

Improvement of $12 mn compared to Q4 FY 2022

Margin improved to (16%) of revenues from (37%) of revenues in Q1 FY 2022, despite continued investments in technology, sales and marketing

On track to achieve EBITDA (before ESOP cost) profitability by quarter ending September 2023

Number of payments devices

3.8 mn

▲ 2.8 mn added YoY

Continued strong growth in device deployment, over 0.9 mn devices added in Q1 FY 2023

Loans disbursed through Paytm

$706 mn

▲ 779% growth YoY

Loan distribution business has scaled up significantly over the last 12 months, seeing increased adoption by users. Number of loans at 8.5 mn, grew 492% YoY, while value of loans grew 779% YoY to $706 mn

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Notes:

1 Exchange Rate of 1 USD = 78.7 INR

Key Revenue Metrics

	Q1 FY 2023	YoY growth
Payments Services to Consumers Revenue from payments made by consumer on Paytm App *(Consumer pays platform fee for select use cases and merchants pay MDR)*	$66 mn	73%
Payments Services to Merchants Revenue for processing payment in merchant store or app or website and payments devices subscriptions *(Merchants pay MDR for cards, wallet, netbanking payments and subscription for devices. Government pays incentive for UPI P2M payments)*	$71 mn	67%
Financial Services & Others Revenue from Financial Services primarily loan distribution. Also, includes Paytm Money (wealth and equity trading) and other services	$34 mn	393%
Commerce and Cloud Services to Merchants Revenue from enabling commerce for merchants. Primarily offerings such as advertising, ticketing and deal vouchers	$42 mn	64%

Key operating metrics for loans disbursed through our platform

	Q1 FY 2023	YoY growth
Total Number of Loans Disbursed in Q1 Number of loans disbursed by our lending partners using our platform	8.5 Million	492%
Personal Loans (value of loans) Average ticket size ~ $1,270 and average tenure of 14 months	$171 mn	1,106%
Merchant Loans (value of loans) Average ticket size ~ $1,780 and average tenure of 12 months	$105 mn	1,031%
Paytm Postpaid (Buy-Now-Pay-Later) (value of loans) Consumption credit for purchases at over 11 mn offline and online merchants	$430 mn	656%

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Business Update for quarter ending June 2022 (Q1 FY 2023)

Q1 FY 2023 marks an excellent start to the new fiscal year. Revenue growth was 89% YoY in the quarter, and combined with focus on unit economics, we increased contribution margins to 43% of revenues (from 35% in Q4 FY 2022). As a result, EBITDA (before ESOP cost) losses have reduced by $12 mn since Q4 FY 2022 (quarter ending Mar'22). We are confident that with continued revenue growth, increasing mix of higher margin businesses such as loan distribution, and better operating leverage, we will reach operating profitability (EBITDA before ESOP cost) by September 2023.

Monetization sees continued momentum across businesses

Q1 FY 2023 revenue growth continued the momentum as past few quarters, increasing 89% YoY and 9% QoQ.

Payments revenue increased 69% YoY (3% QoQ) due to (a) continued growth in subscription (and MDR) revenues due to ramp-up of our devices business and (b) growth in bill payment use cases due to higher MTUs. Undertook account level rationalization among online merchants to focus on profitable GMV (revenue impact of $4 mn). Further, there was no UPI incentive recorded[1] in this quarter.

Revenue in the Financial Services business was up nearly 4x YoY (increased 61% QoQ), and now accounts for 16% of total revenue (6% in Q1 FY 2022), driven by sourcing and collection revenues in our loan distribution business.

Commerce & Cloud revenues grew 64% YoY, with significant growth in Commerce revenues (168% YoY) due to higher ticketing sales on our platform for our travel merchants, on account of resurgent demand and seasonal strong quarter (driven by big movie releases) for our entertainment merchants.

Platform expansion driven by both consumers & merchants

Our average monthly transacting user (MTU) stood at 74.8 mn for the quarter, growing 49% YoY and 6% QoQ. Our merchant base has increased to 28.3 mn merchants who are leveraging our innovative product offerings such as Soundboxes, to help in their businesses. We think expansion of our devices business, which has reached a deployed base of 3.8 mn in Q1, will continue to drive higher payment volumes, subscription revenues and merchant loan distribution.

As a result of continued platform growth, GMV for the quarter stood at $38 bn for the quarter, increasing 101% YoY. Growth in GMV from MDR-bearing instruments (such as Cards, Wallets, Net-banking and Paytm Postpaid), was 52% YoY. UPI merchant payments (which are free for the merchant) have become revenue-generating given the government is encouraging digital payments in the form of incentives for UPI P2M transactions. UPI helps us with efficient customer and merchant acquisition and allows us to better monetize our platform by upselling financial services as well as payments devices. We therefore believe, Non-UPI GMV (or GMV from MDR-bearing instruments) is not a relevant metric to focus on going forward. Instead, we drive overall revenue growth, net payments margin and other profitability metrics, while prioritizing resource allocation to Payments Services & Loan Distribution businesses. We are able to monetize transactions through all payment instruments. Customers pay platform fee for certain use cases. Merchants pay MDR on card, netbanking and wallet payments, subscription revenues on payment devices and the Government pays incentives for UPI P2M payments.

[1]Although government incentives on UPI P2M transactions are announced in annual budget, we will record revenues after the final notification is issued by MEITY. Hence, we recorded nil revenues this quarter.

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Firmly on path towards achieving operating profitability on back of better cost leverage

Net payments margin for the quarter (defined as payments revenue less payment processing cost) has increased to 35% of payments revenue, compared to 17% in Q1 FY 2022 driven by (a) continued growth in device subscription revenues, (b) improved margins in online merchants business, and (c) better negotiations with existing partners leading to reduction in payment processing charges. We view this as a significant improvement, despite no UPI incentives recorded[1] this quarter. We have redoubled our focus on driving profitable payments business, across UPI, wallet, cards, and other instruments.

Loan Distribution - huge growth opportunity and an attractive profit pool

Total loans disbursed, in partnership with our lending partners were 8.5 mn in the quarter, amounting to $706 mn, a growth of 56% QoQ and 779% YoY (in value terms). Disbursements in our loan distribution business are annualizing at a run-rate of about $3 bn, and we believe there is ample opportunity for upsell in this business, while being conservative on the quality of the book (especially given the possibility of macro headwinds).

- Paytm Postpaid grew 29% QoQ in terms of volume, resulting in disbursements of $430 mn (55% QoQ) as an increasing number of customers chose to opt for the convenience it offers. In fact, Paytm Postpaid is now accepted at more than 11 mn merchants, both online and offline, arguably transforming into one of the most widely accepted forms of credit
- Personal loans grew 44% QoQ in terms of volume, with disbursements amounting to $171 mn (67% QoQ). Our Paytm Postpaid business is an attractive funnel for upsell into Personal loans, and more than 50% of the disbursements in this quarter were made to existing Postpaid users
- Similarly, the Merchant Loans vertical witnessed healthy growth of 56% QoQ in terms of volume, translating into disbursements of $105 mn for the quarter (46% QoQ). This is further boosted by growth in our devices business, as 75% of loans disbursed in the quarter were to merchants who also have Paytm devices. More than 45% of loans were disbursed to merchants having taken a loan more than once

Committed to building a profitable company & create shareholder value, while driving digitization & inclusive financial access

We remain focused on playing a pivotal role in India's ongoing technology revolution, wherein everyone from consumers to businesses is adopting technology at a rapid scale. The government's and regulators' support in pushing for digitization has been a great enabler of this process. With the evolving regulatory environment, we are constantly evaluating our systems, processes & management depth, in order to follow the letter and spirit of all regulations.

Earlier this year, we had shared that we would achieve operating profitability (i.e EBITDA before ESOP cost) by September 2023, driven by better monetization as well as moderating growth in costs. Q1 FY 2023 results exhibit our strategy is well-in-place, with focused improvement on unit economics, better expense management and increasing mix of higher margin businesses (such as financial services & commerce) steering us on the path to profitability.

[1]Although government incentives on UPI P2M transactions are announced in annual budget, we will record revenues after the final notification is issued by MEITY. Hence, we recorded nil revenues this quarter.

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Financial Update for quarter ending June 2022 (Q1 FY 2023)

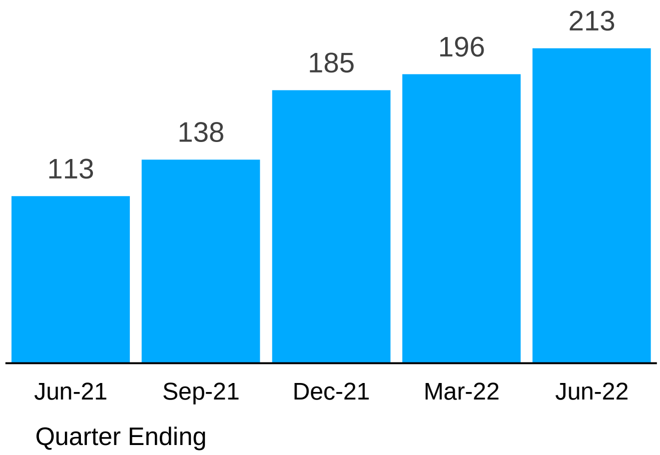
Acceleration in monetization driving revenue growth

In Q1 FY 2023, our revenue was $213 mn, an increase of 89% YoY.

On a QoQ basis, revenues grew 9%, driven by new device subscriptions, utility bill payments, ticketing, and loan disbursements. We undertook account level rationalization among online merchants to focus on profitable GMV (revenue impact of $4 mn). It is also worth noting that in the quarter, there were certain offsetting factors: a) we did not record any government incentives on UPI transactions and b) there was pressure on advertising revenues due to macroeconomic factors.

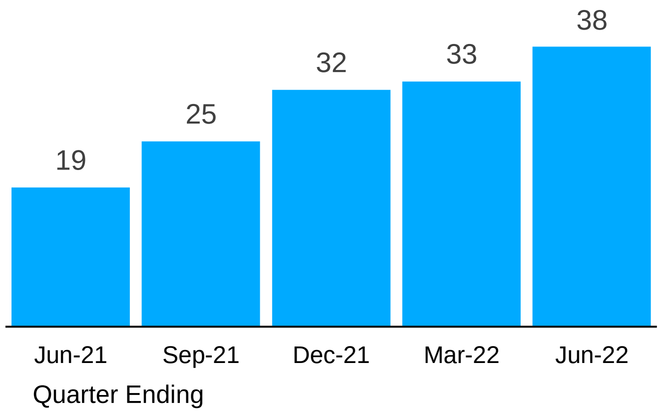
Revenue from Operations

▲ 89% YoY (in $ million)



GMV

▲ 101% YoY (in $ billion)



Payment Services

Payment services are at the core of our business model and support the acquisition and retention of customers and merchants in a cost-efficient manner.

In Q1 FY 2023, our GMV at $38 bn grew by 101% YoY as we sustained growth in our monthly transacting users (MTU), which at 74.8 mn grew by 49% YoY, driven by customer acquisition through UPI and expansion of our registered merchant base which at 28.3 mn (increase of 6.5 mn compared to 21.8 mn in Q1 FY 2022)

GMV from MDR bearing instruments has grown 52% YoY. Government incentives have now also made UPI P2M GMV economically viable. We are therefore able to monetize transactions through all payment instruments. We also earn platform fee and convenience fee from customers in certain use cases, MDR on card, netbanking and wallet transactions from merchants and subscription revenues on payment devices.

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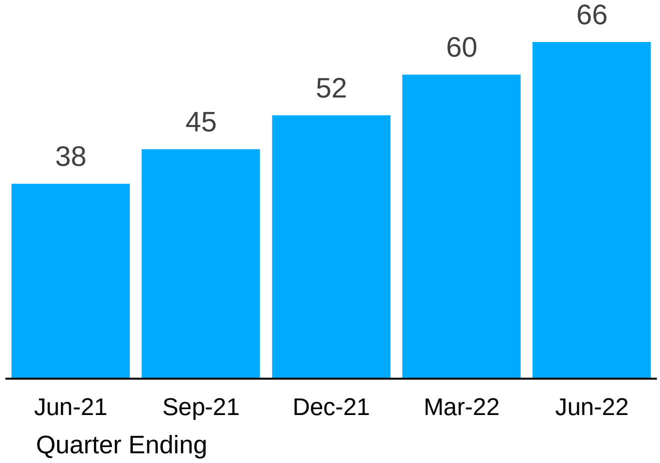
Payment Services to Consumers

Payment Services to Consumers includes revenues from the use cases such as bill payments and top-ups on the Paytm app. Consumer pays platform fee for select use cases and merchants pay MDR.

In Q1 FY 2023, revenue grew by 73% YoY and 11% QoQ to $66 mn as we continue to grow the user base on our app for bill payments and other use cases.

Revenue: Payment Services to Consumers

▲ 73% YoY (in $ million)



Payment Services to Merchants

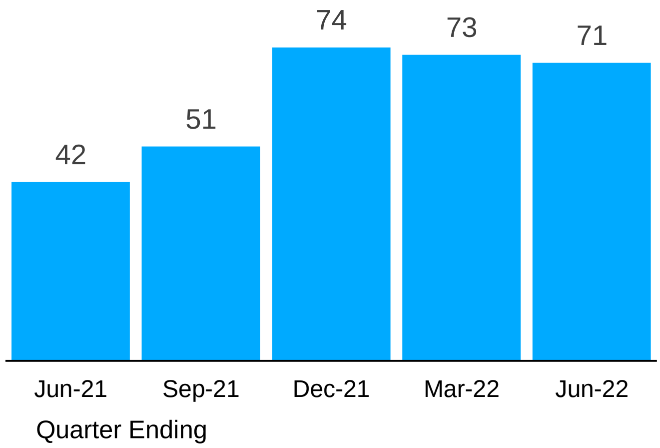
Payment Services to Merchants includes revenues from our comprehensive offerings of online and in-store payment acceptance services. Merchants pay MDR for cards, wallet, netbanking payments and subscription for devices. Government pays incentive for UPI P2M payments.

In Q1 FY 2023, our Revenue from Payment Services to Merchants grew by 67% YoY to $71 mn, driven by the strong growth of MDR-bearing instruments GMV, and subscription revenues from our payments devices, with over 2.8 mn devices added in the last 12 months taking our total deployed base to 3.8 mn by the end of Q1 FY 2023. Our revenue contracted marginally by 3% on a QoQ basis, primarily as we undertook account level rationalization among online merchants to focus on profitable GMV (revenue impact of $4 mn). Although government incentives are announced in annual budget, we will record revenues after the final notification has been issued by MEITY. Hence, we recorded nil UPI revenues this quarter.

In terms of profitability, the drop in revenues was more than offset by the growth in our subscription revenues from payment devices and significant rate reductions in payment processing charges. This has helped our net payments margin, as a % of payment services revenue, to grow from 17% to 35% YoY. Net payments margin is defined as net payments revenue (i.e, payments revenue less payment processing charges), as a % of total payments revenue.

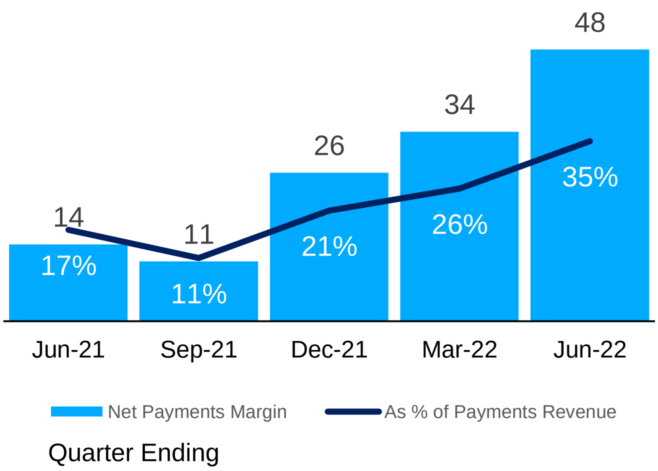
Revenue: Payment Services to Merchants

▲ 67% YoY (in $ million)



Net Payments Margin

▲ 253% YoY (in $ million)



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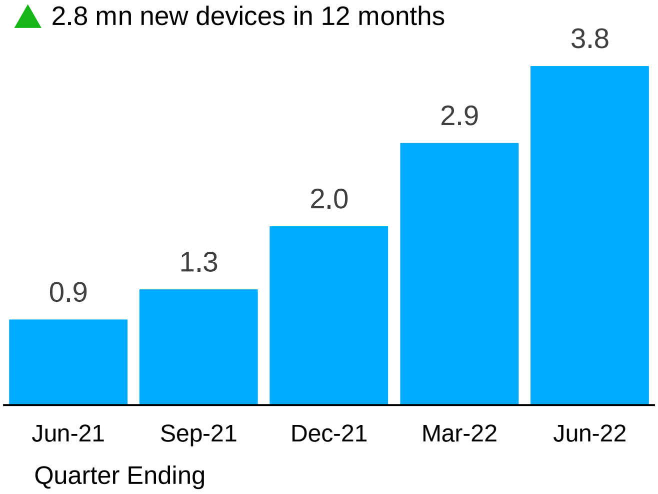
Offline Payment Services to Merchants

We continued strong growth in payments device deployment with over 0.9 mn devices added in the Q1 FY 2023, despite being conservative about the quality of merchants onboarded. Device merchants accounted for over 75% of merchant loan disbursals.

Number of Payment Devices

▲ 2.8 mn new devices in 12 months



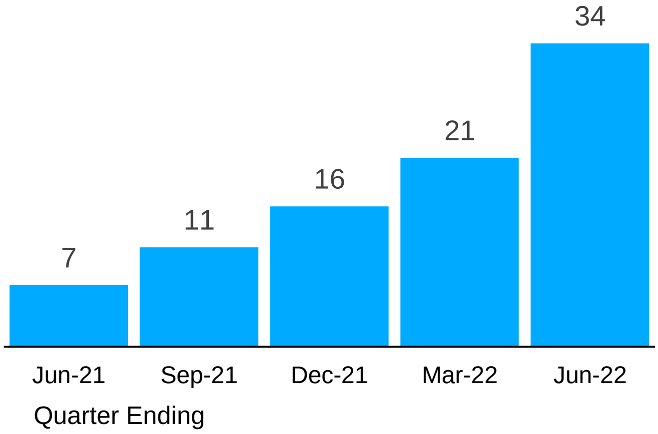
Financial Services and Others

Financial Services and Others include revenues that we make from our financial services partners or consumers from our financial services offerings, primarily loan distribution.

In Q1 FY 2023, revenue from Financial Services and Others grew 393% YoY to $34 mn and accounts for 16% of total revenues, up from 6% in Q1 FY 2022. The growth in revenue was primarily driven by 779% YoY growth in the value of loans disbursed. The QoQ growth in revenue was 61%, driven by an increase in Postpaid and Personal Loans disbursements.

Revenue: Financials Services and Others

▲ 393% YoY (in $ million)



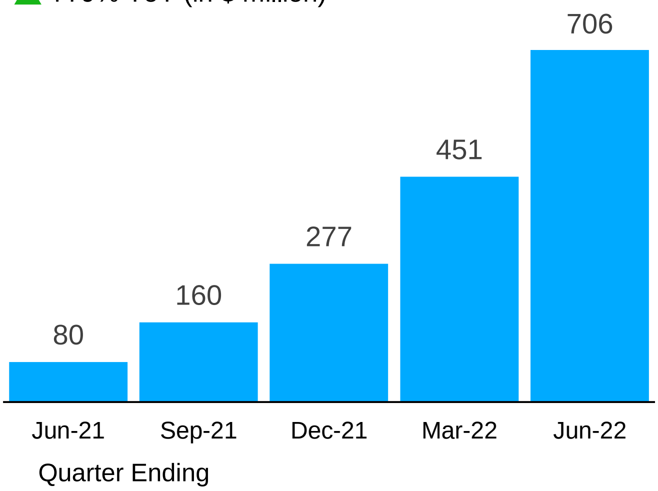
Loan Distribution

In Q1 FY 2023, the number of loans disbursed through our platform grew to 8.5 mn, representing a growth of 492% YoY and 30% QoQ. The value of loans disbursed grew to $706 mn, a growth of 779% YoY and 56% QoQ, thus highlighting increase in average value of loans disbursed. We have seen strong growth across all our products: Paytm Postpaid (BNPL), Personal loans, and Merchant loans.

Disbursements in our loan distribution business are annualizing at a run-rate of about $3 bn, and we believe there is ample opportunity for upsell in this business, while being conservative on the quality of the book (especially given the possibility of macro headwinds).

Value of Loans Disbursed through Paytm

▲ 779% YoY (in $ million)



The MDR from merchants on Paytm Postpaid and the revenues from our credit card partnerships is not recorded in Revenue from Financial Services and Others. MDR is recorded in Payment Services, whereas revenue from our credit card partnerships is recorded in Cloud revenues.

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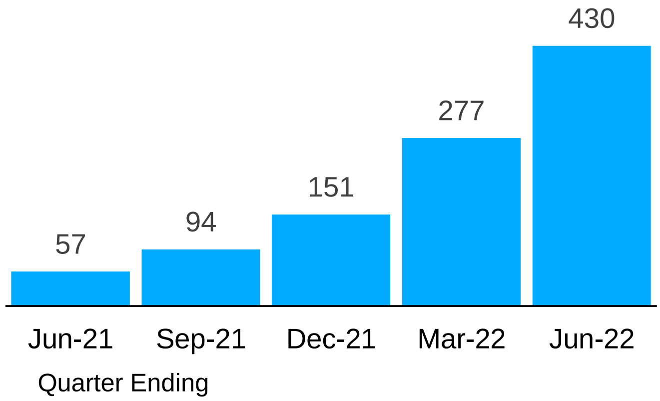
Paytm Postpaid

The number of Postpaid Loans disbursed grew 486% YoY in Q1 FY 2023, while the value of Postpaid Loans grew 656% YoY. We have witnessed strong growth in new user sign-ups, and the signed-up user base has now crossed 5.3 Mn. Merchant acceptance continues to grow, and Paytm Postpaid is now accepted by more than 11 mn online and offline merchants. Postpaid continues to show significant cross-sell opportunities in Personal Loans and Credit cards.

Value of Loans: Postpaid

▲ 656% YoY (in $ million)

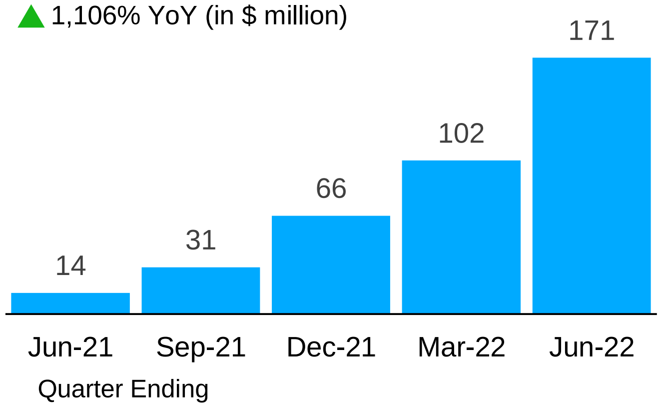


Personal Loans

The number of Personal Loans disbursed grew 887% YoY in Q1 FY 2023, while the value of Personal Loans grew 1,106% YoY. Average ticket size increased by 16% QoQ and is roughly $1,270 with an average tenure of 14 months. Cross-sell from Postpaid continues to see traction, with over 50% of personal loans disbursed in Q1 FY 2023 being to existing Paytm Postpaid users.

Value of Loans: Personal Loans

▲ 1,106% YoY (in $ million)

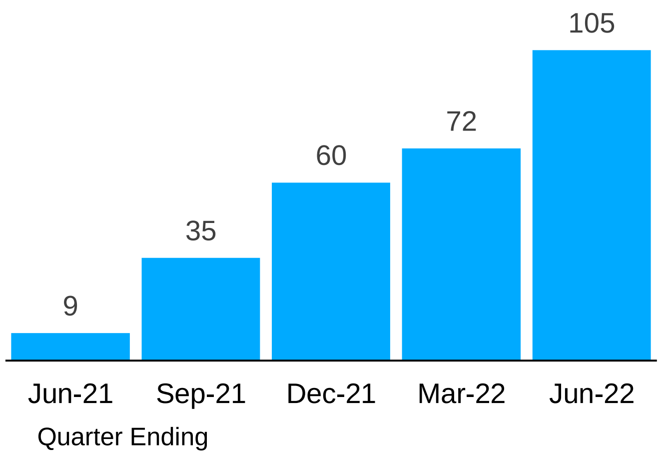


Merchant Loans

The number of Merchant Loans disbursed grew by 907% YoY in Q1 FY 2023, while the value of Merchant Loans grew 1,031% YoY. The average ticket size is roughly $1,780, with an average tenure of 12 months. Repeat loans continue to see a healthy take-up, with more than 45% of merchants having taken a loan more than once. More than 75% of the value disbursed this quarter was to merchants with a deployed Paytm payment device.

Value of Loans: Merchant Loans

▲ 1,031% YoY (in $ million)



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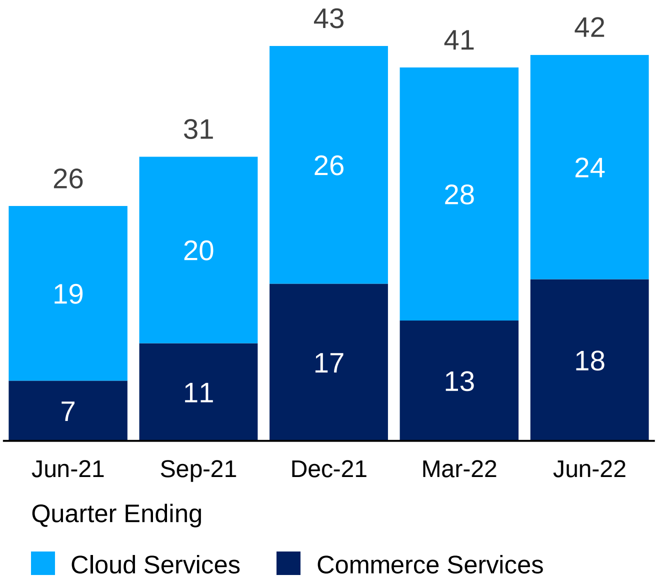
Commerce and Cloud Services

For Q1 FY 2023, revenues from Commerce and Cloud services went up by 64% YoY and 3% QoQ to $42 mn.

Revenue: Commerce and Cloud Services

▲ 64% YoY (in $ million)



Commerce

In Q1 FY 2023, revenue from Commerce grew by 168% YoY and 34% QoQ to $18 mn, primarily due to strong growth in our ticketing revenue with an uptick in demand for travel and entertainment, which had a seasonally strong quarter, supported by some blockbuster releases.

Cloud

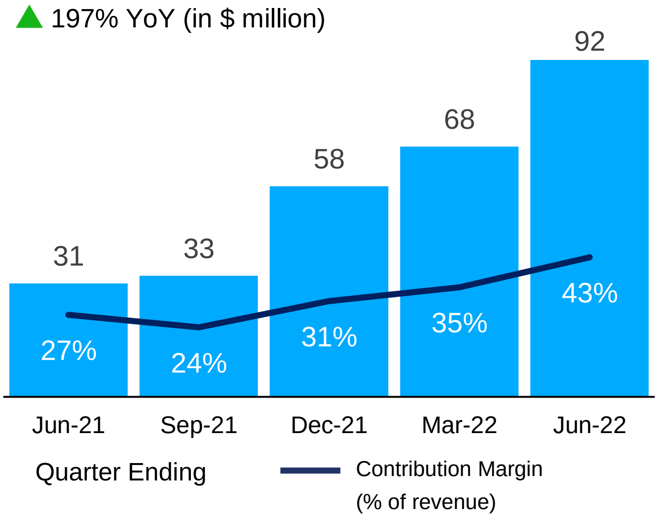
In Q1 FY 2023, revenue from Cloud grew by 29% YoY to $24 mn, but was down 11% QoQ, primarily due to reduced marketing spend appetite of advertisers, particularly consumer internet companies. We have now started to see strong traction in credit card distribution and expect it to continue going forward.

3x growth in Contribution Profit

In Q1 FY 2023, the contribution profit at $92 mn represents a 197% YoY and 35% QoQ growth with margin improvement in payments services and growth in high-margin offerings such as loan distribution and commerce services. Our contribution margin improved to 43% in Q1 FY 2023 from 27% in Q1 FY 2022 and 35% in Q4 FY 2022.

Contribution Profit

▲ 197% YoY (in $ million)



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Indirect Expenses

Indirect Expenses (excluding ESOP cost) reduced from 65% of revenues in Q1 FY 2022 to 60% of revenues in Q1 FY 2023. It has been stable QoQ, despite increase in employee cost (with annual appraisals) and seasonal increase in marketing expenses in form of sponsorships.

In Q1 FY 2023, our Marketing costs (excluding promotional cashback and incentives) at $22 mn increased to 10% of revenues from 9% in Q1 & Q4 FY 2022. On an absolute basis, these costs were up 127% YoY and 33% QoQ almost entirely due to seasonal sponsorship spending.

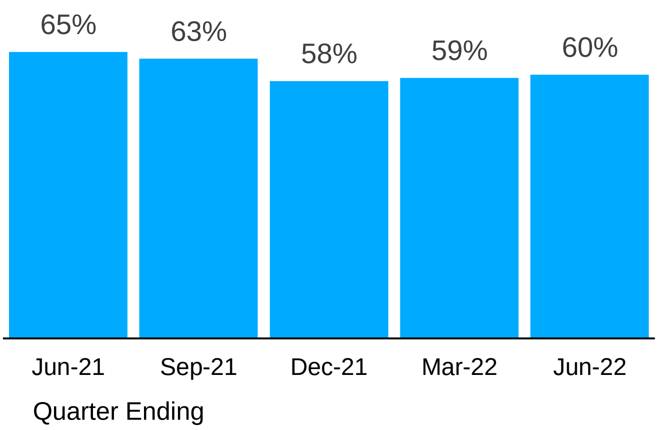
In Q1 FY 2023, our Employee costs (excluding ESOP cost) at $70 mn were 33% of revenues, down from 35% of revenues in Q1 FY 2022. On an absolute basis, these costs were up 77% YoY and 10% QoQ due to the impact of annual appraisals, and our continued investments in our a) sales channels to drive the penetration of our devices that have attractive economics and upsell opportunities, and b) product and technology teams.

In Q1 FY 2023, our Software, Cloud, and Data Center costs at $21 mn were 10% of revenues down from 12% in Q1 FY 2022 and remained flat QoQ. On an absolute basis, these costs were up 53% YoY and 7% QoQ primarily due to an increase in our cloud infrastructure costs, which are linked to our transaction volumes and GMV, which have doubled YoY.

In Q1 FY 2023, our Other Indirect costs at $14 mn were 7% of revenues, down from 9% of revenues in Q1 FY 2022 and 8% in Q4 FY 2022. On an absolute basis, these costs were up 35% YoY, primarily due to an increase in subcontracting payouts to our vendors to scale up our field team and repairs of our Soundbox and POS devices. However, these expenses were down 9% QoQ.

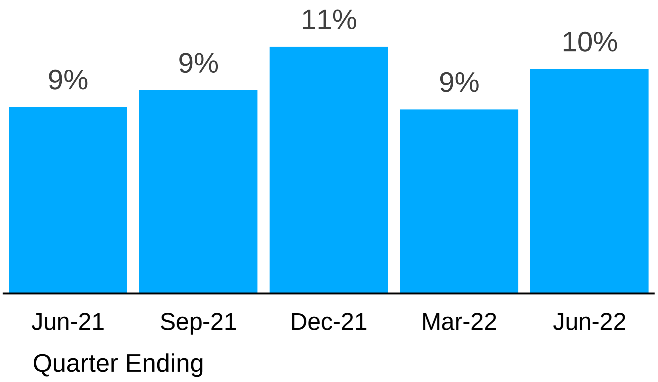
Indirect Expenses

As % of revenue



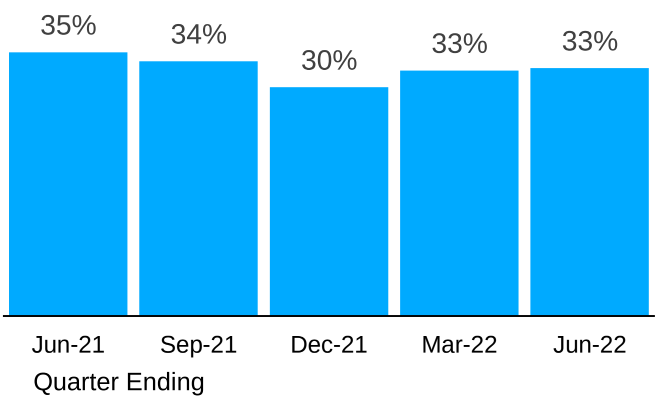
Marketing Cost

As % of revenue



Employee Costs (Excluding ESOPs)

As % of revenue



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EBITDA (before ESOP cost) improved by $12 mn QoQ

In Q1 FY 2023, our EBITDA (before ESOP cost) was ($35 mn) as compared to ($47 mn) in Q4 FY 2022 (25% QoQ improvement).

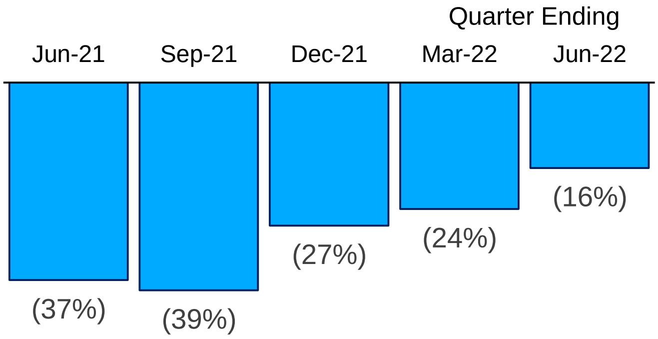
These successive improvements in our EBITDA (before ESOP cost) demonstrate, a) our ability to effectively leverage the distribution and rich insights and learnings from our platform to upsell high-margin use cases, and b) our continued efforts to optimize costs and increase in the operating leverage in our business.

ESOP charges recorded in Q1 FY 2023 were at $46 mn, marginally lower than the previous quarter.

We are well funded with Net Cash, Cash Equivalent and investable balance of $1,196 mn as of June 22.

EBITDA (before ESOP cost) Margin

As a % of revenues



EBITDA (before ESOP Cost) in $ million

($42 mn)	($54 mn)	($50 mn)	($47 mn)	($35 mn)

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Summary of Consolidated Financial Performance

Particulars (in $ mn)	Quarter Ended				
	Jun-21 (Audited)	Mar-22 (Audited)	Jun-22 (Unaudited)	YoY	QoQ
Payments & Financial Services	88	154	171	*95%*	*11%*
Payment Services to Consumers	38	60	66	*73%*	*11%*
Payment Services to Merchants	42	73	71	*67%*	*(3%)*
Financial Services and Others	7	21	34	*393%*	*61%*
Commerce & Cloud Services	26	41	42	*64%*	*3%*
Commerce	7	13	18	*168%*	*34%*
Cloud	19	28	24	*29%*	*(11%)*
Other Operating Revenue	0	1	0	*nm*	*(79%)*
Revenue from Operations	**113**	**196**	**213**	***89%***	***9%***
Payment processing charges	67	98	88	*32%*	*(10%)*
As % of GMV	*0.36%*	*0.30%*	*0.23%*	*(12 bps)*	*(6 bps)*
Promotional cashback & incentives	8	15	18	*136%*	*22%*
Other Expenses	7	14	15	*98%*	*6%*
Total Direct Expenses	**82**	**127**	**121**	***48%***	***(5%)***
Contribution Profit	**31**	**68**	**92**	***197%***	***35%***
Contribution Margin %	*27.5%*	*35.0%*	*43.2%*	*+16%*	*+8%*
Indirect Expenses					
Marketing	10	17	22	*127%*	*33%*
Employee cost (Excl ESOPs)	40	64	70	*77%*	*10%*
Software, cloud and data center	13	19	21	*53%*	*7%*
Other indirect expenses	10	16	14	*35%*	*(9%)*
EBITDA (before ESOP cost)	**(42)**	**(47)**	**(35)**	***(17%)***	***(25%)***
Margin %	*(37.3%)*	*(23.8%)*	*(16.4%)*	*+21%*	*+7%*

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Summary of Key Operational Metrics

Operational KPIs	Units	Quarter Ended				
		Jun-21	Mar-22	Jun-22	YoY	QoQ
GMV	$ billion	19	33	38	101%	14%
Merchant Transactions	million	2,287	4,142	5,124	124%	24%
Total Transactions	million	2,785	5,029	6,126	120%	22%
MTU (average over the period)	million	50.4	70.9	74.8	49%	6%
Registered Merchants (end of period)	million	21.8	26.7	28.3	na	na
Loans	‘000	1,433	6,544	8,478	492%	30%
Payment Devices (cumulative; end of period)	million	0.9	2.9	3.8	na	na
Average number of Sales Employees	#	6,564	22,249	21,775	232%	(2%)

Number of sales employees includes on-roll and off-roll employees. Cost of our on-roll sales force (including training) was $20.5 mn for Q1 FY 2023, up from $19.1 mn for Q4 FY 2022

Indicative Performance Metrics for Loan Distribution (Qtr Ending Jun’22)

	Postpaid	Personal Loans	Merchant Loans
Bounce Rates Healthy bounce rates continued to be exhibited in Q1 for our lending partners	11.0% to 13.0%	11.5% to 12.5%	NA
Bucket 1 Resolution % Capacity building with scale; Postpaid, Personal loans and Merchant loan resolution hold steady with rapidly expanding book size	81% to 83%	89% to 92%	84% to 87%
Recovery Rate Post 90+ Postpaid, Personal loans and Merchant loans continue to exhibit robust recovery rates	25% to 27%	27% to 29%	31% to 33%
ECL% Steady loss rates on static pool in line with Low and Grow model of scaling	1.1% to 1.3%	4.5% to 5.0%	5.0% to 5.5%

Loans are underwritten and booked by our lending partners (NBFC’s and Banks) in their balance sheet. Paytm acts as a collection outsourcing partner and the numbers are hence indicative of those efforts

Notes:
1 Exchange Rate of 1 USD = 78.7 INR

Reconciliation of EBITDA (before ESOP cost) with Loss for the period

Particulars (in $ mn)	Quarter Ended				
	Jun-21 (Audited)	**Mar-22 (Audited)**	**Jun-22 (Unaudited)**	**YoY**	**QoQ**
EBITDA before share based payment expenses (A)	**(42)**	**(47)**	**(35)**	***(17%)***	***(25%)***
Share based payment expenses (B)	(5)	(46)	(46)	*821%*	*(1%)*
Initial Public Offer expenses (C)	0	0	0	*nm*	*nm*
Finance costs (D)	(1)	(1)	(1)	*(43%)*	*(21%)*
Depreciation and amortization expense (E)	(5)	(12)	(12)	*138%*	*2%*
Other income (F)	7	14	13	*78%*	*(5%)*
Share of profit/(loss) of associates/joint ventures (G)	(2)	(5)	(1)	*(50%)*	*(84%)*
Exceptional items (H)	(0)	0	0	*(100%)*	*nm*
Income Tax expense (I)	(0)	(0)	(1)	*55%*	*700%*
Loss for the period (J=Sum of A to I)	(49)	(97)	(82)	*69%*	*(15%)*

Breakup of available Cash and investable balance (Net Cash Balances)

Particulars	Mar-22	Jun-22
Cash and Bank Balances in Current Accounts (Net of Borrowings)	$162 mn	$225 mn
Fixed Deposits with banks	$1,016 mn	$888 mn
Current Investments (Mutual Funds)	-	$83 mn
Total Balances	**$1,178 mn**	**$1,196 mn**

Notes:
1 Exchange Rate of 1 USD = 78.7 INR

Q1 FY 2023 Earnings Call Information

Paytm will hold its earnings conference call for shareholders, investors and analysts on **Saturday, August 06, 2022 from 15:00-16:15 Indian Standard Time**, to discuss the financial results of the Company for the quarter ended June 30, 2022.

Please see below the mandatory pre-registration link for attending the earnings call:

https://paytm.zoom.us/webinar/register/WN_sI8nk1u7Rwu-V1XsZ29KZg

The presentation, conference call recording and the transcript will be made available on the Company website subsequently. This disclosure is also hosted on the Company's website viz. www.paytm.com.

About Paytm

Paytm is India's payment Super App offering consumers and merchants most comprehensive payment services. Pioneer of mobile QR payments revolution in India, Paytm’s mission is to bring half a billion Indians into the mainstream economy through technology-led financial Services. Paytm enables commerce for small merchants and distributes various financial services offerings to its consumers and merchants in partnership with financial institutions.

Notes and Disclaimers for Earnings Release

By reading this release you agree to be bound as follows:

This earnings release is prepared by One 97 Communications Limited (“Company”) and is for information purposes only without regards to specific objectives, financial situations or needs of any -particular person and is not and nothing in it shall be construed as an invitation, offer, solicitation, recommendation or advertisement in respect of the purchase or sale of any securities of the Company or any affiliates in any jurisdiction or as an inducement to enter into investment activity and no part of it shall form the basis of or be relied upon in connection with any contract or commitment or investment decision whatsoever. This earnings release does not take into account, nor does it provide any tax, legal or investment advice or opinion regarding the specific investment objectives or financial situation of any person. Before acting on any information you should consider the appropriateness of the information having regard to these matters, and in particular, you should seek independent financial advice. This earnings release and its contents are confidential and proprietary to the Company and/or its affiliates and no part of it or its subject matter be used, reproduced, copied, distributed, shared, retransmitted, summarized or disseminated, directly or indirectly, to any other person or published in whole or in part for any purpose, in any manner whatsoever.

The information contained in this earnings release is a general background information of the Company and there is no representation that all information relating to the context has been taken care of in the earnings release. We do not assume responsibility to publicly amend, modify or revise any information contained in this earnings release on the basis of any subsequent development, information or events, or otherwise. This earnings release includes certain statements that are, or may be deemed to be, “forward-looking statements” and relate to the Company and its financial position, business strategy, events and courses of action.

Forward-looking statements and financial projections are based on the opinions and estimates of management as on the date such statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements and financial projections. Representative examples of factors that could affect the accuracy of forward looking statements include (without limitation) the condition of and changes in India’s political and economic status, government policies, applicable laws, international and domestic events having a bearing on Company’s business, and such other factors beyond our control.

Forward-looking statements and financial projections include, among other things, statements about: our expectations regarding our transaction volumes, expenses, sales and operations; our future merchant and consumer concentration; our anticipated cash needs, our estimates regarding our capital requirements, our need for additional financing; our ability to anticipate the future needs of our merchants and consumers; our plans for future products and enhancements of existing products; our future growth strategy and growth rate; our future intellectual property; and our anticipated trends and challenges in the markets in which we operate. Forward-looking statements are not guarantees of future performance including those relating to general business plans and strategy, future outlook and growth prospects, and future developments in its businesses and its competitive and regulatory environment. These forward-looking statements represent only the Company’s current intentions, beliefs or expectations, and no representation, warranty or undertaking, express or implied, is made or assurance given that such statements, views, projections or forecasts in the earnings release, if any, are correct or that any objectives specified herein will be achieved.

We have converted financial amounts from ₹ millions into $ millions and hence there could be some totaling anomalies in the numbers

Notes and Disclaimers for Earnings Release

We, or any of our affiliates, shareholders, directors, employees, or advisors, as such, make no representations or warranties, express or implied, as to, and do not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein and accept no liability whatsoever for any loss, howsoever, arising from any use or reliance on this earnings release or its contents or otherwise arising in connection therewith. The information contained herein is subject to change without any obligation to notify any person of such revisions or change and past performance is not indicative of future results.

This document has not been and will not be reviewed or approved by a regulatory authority in India or by any stock exchange in India. No rights or obligations of any nature are created or shall be deemed to be created by the contents of this earnings release.

Use of Operating Metrics

The operating metrics reported in this earnings release are calculated using internal Company data based on the activity of our merchants, consumers and other participants in our ecosystem. While these numbers are based on what we believe to be reasonable estimates of engagement, for the applicable period of measurement, there are inherent challenges in measuring usage across our large online, offline, in-store and mobile presence. The methodologies used to measure these metrics require significant judgment and are also susceptible to algorithm or other technical errors. We regularly review our processes for calculating these metrics, and from time to time we may discover inaccuracies in our metrics or may make adjustments to improve their accuracy, which can result in adjustments to previously disclosed metrics. In addition, our metrics will differ from estimates published by third parties due to differences in methodology.

Definitions for Metrics & Key Performance Indicators

Metric	Definition
GMV	GMV is the rupee value of total payments made to merchants through transactions on our app, through Paytm Payment Instruments or through our payment solutions, over a period. It excludes any consumer-to-consumer payment service such as money transfers.
Monthly Transacting User (MTU)	Unique users with at least one successful transaction in a particular calendar month
GMV / MTU	Total GMV for the period divided by average MTU for the period
Contribution Profit	Contribution profit is a non-GAAP financial measure. We define Contribution profit as revenue from operations less payment processing charges, promotional cashback & incentives expenses, connectivity & content fees, contest, ticketing & FASTag expenses & logistic, deployment & collection cost of our businesses

Non-GAAP Financial Measures

In addition to our results determined in accordance with Ind AS, we believe the following Non-GAAP measures are useful to investors in evaluating our operating performance. We use the following Non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these Non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information may be different from similarly-titled Non-GAAP measures used by other companies. The principal limitation of these Non-GAAP financial measures is that they exclude significant expenses and income that are required by IndAS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these Non-GAAP financial measures. A reconciliation is provided below for each Non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of Non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.