Earnings Release

for quarter ending December 2022

3 February 2023

Letter from our Founder & CEO

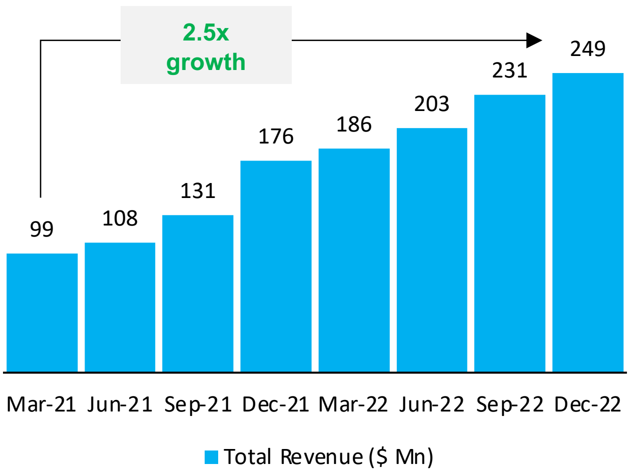
Dear Shareholders,

I wrote to you on April 6, 2022 and set a target for EBITDA before ESOP cost breakeven by the September 2023 quarter.

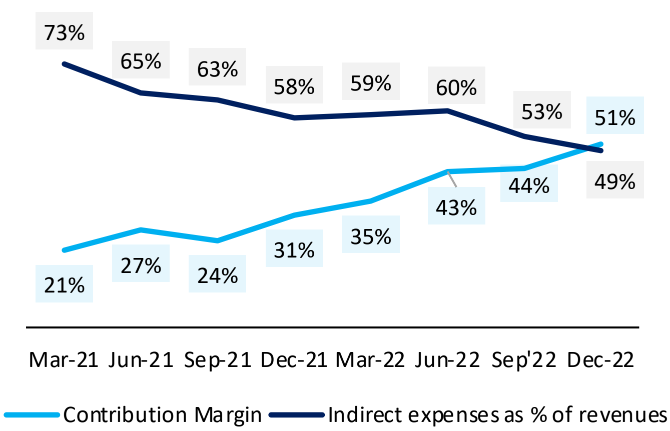
I am very happy to share that our company has achieved this milestone of EBITDA before ESOP cost profitability in the December 2022 quarter itself. This is three quarters ahead of our guidance.

This has been made possible due to the relentlessly focused execution by our team. The team was asked to focus on growth with quality revenues that contribute to the bottom line. We have achieved this milestone without losing sight on growth opportunities and keeping all compliances as well as risk factors under a strict watch. The charts below show the same.

Sustained revenue growth



Higher Contribution Margins + Operating Leverage = Operating Profitability



I believe the opportunity in our country for newer payment and credit disbursement solutions is huge, which gives us quality revenue and attractive profit pools to address.

With our focus on growth and keeping a tight vigil on operational risk and compliances, I am very confident that we will soon achieve our next milestone of becoming a free cash flow generating company.

We have also attached a summary of our Q3 results in line with our investor presentation on our business model provided in December 2022.

Thank you,

Vijay Shekhar Sharma

Note: Exchange rate of 1 USD = 82.8 INR

Paytm achieves operating profitability three quarters ahead of guidance; Reports EBITDA before ESOP of $4 Mn in Q3 FY 2023

Revenue from Operations

Growth driven by increase in merchant subscription revenues, growth in loan distribution and momentum in commerce business. YoY growth comparison was impacted by timing of festive season and UPI incentive recorded in Q3 FY 2022 (for three quarters) versus nil recorded in this quarter

$249 Mn

▲ 42% YoY

No UPI incentive recorded in this quarter

Contribution Profit

Improved to 51% of revenue in Q3 FY 2023 from 31% in Q3 FY 2022 and 44% in Q2 FY 2023, driven by improvement in payments profitability, and growth of high margin businesses, such as loan distribution

$127 Mn

▲ 131% YoY

EBITDA before ESOP

Achieved operating profitability significantly ahead of guidance. Margin improved to 2% of revenues from (27%) of revenues YoY, due to sustained improvement in contribution profit and strong operating leverage. This is despite continued investments for long-term growth

Reported EBITDA improved by $55 Mn YoY
Net Income improved by $47 Mn YoY

$4 Mn

▲$51 Mn YoY

Profitability 3 quarters ahead of target of Sep 2023

Merchant Subscriptions (Payment devices)

With a focus on creating additional payment monetization, we remain focused on subscription revenues. Number of merchant paying subscriptions increased by 1 mn QoQ

5.8 Mn

▲ 3.8 mn YoY

Loans Disbursed through Paytm

Number of loans at 10.5 mn, up 137% YoY. As of December 2022, 8.1 mn borrowers have taken a loan on our platform, adding 1.4 mn new borrowers this quarter. Growing borrower base offers tremendous upsell & lifecycle benefits. Our payments consumer and merchant base offers a large addressable market, thereby providing a long runway for growth

$1,203 Mn

▲ 357% YoY

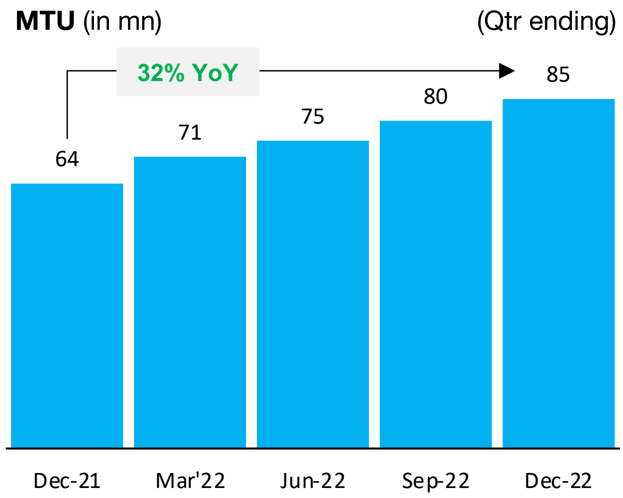
Note: Exchange rate of 1 USD = 82.8 INR

Financial Update (Q3 FY 2023)

We continue to expand our platform by acquiring Consumers & Merchants for Payments

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

- Average Monthly Transacting Users (MTU) continued to grow and were 85 mn for the quarter, increasing 32% YoY driven by customer acquisition through UPI and multiple use cases on our platform
- With continued focus on expanding monetization in our payments business, merchants paying subscription for payment devices were 5.8 mn in the quarter, an increase of 3.8 mn YoY. We see sustained traction in device deployment with deployments of 0.9 - 1 mn devices every quarter

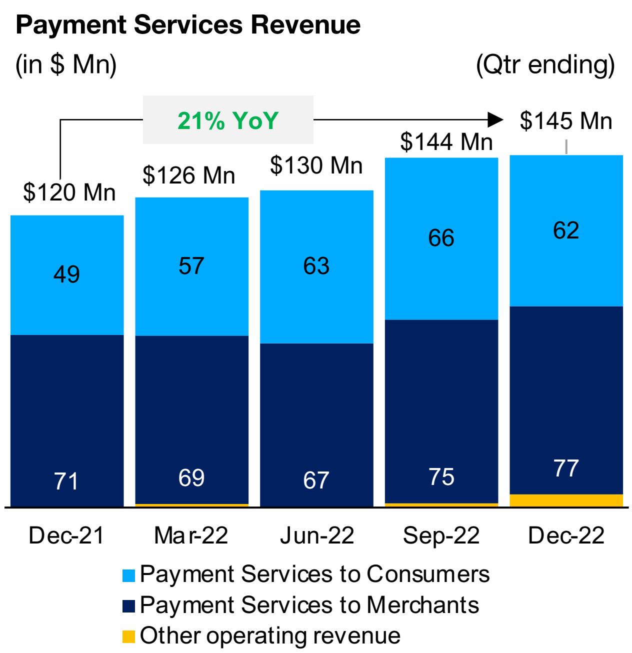


Continued growth in Payments revenues

In Q3 FY 2023, reported revenue grew by 21% YoY to $145 Mn. On a like-for-like basis for UPI incentive, revenue growth would have been 34% YoY. Given the timing of accrual of UPI incentive, there was no UPI incentive recorded in this quarter. In FY 2022, we had recorded $8 Mn of incentives in Q3 FY 2022, for Q1 - Q3 FY 2022 (given the circular from the Government was issued in December 2021). As per notification received from the Government on January 11, 2023, we estimate that for Q1-Q3 FY 2023, we will receive $16 Mn[1] of incentives in Q4 FY 2023. Normalizing for this, payment revenues would have grown by 34% YoY.

(in $ Mn)	Dec-21	Dec-22	YoY %
Reported payments revenues	120	145	21%
Add: UPI incentive for 3 quarters	*Included**	*16*	
Like-for-like Payments Revenue	**120**	**160**	**34%**

**Reported revenues for Q3 FY 2022 includes* $8 Mn *of UPI incentives*



Note: Other operating revenue is included in total payments revenue from Q2 FY 2023 onwards

Further, YoY & QoQ growth rates are impacted by the timing of the festive season (most e-commerce festive sales were in September quarter this year versus December quarter last year).

[1] *Management estimate is based on internal data, subject to confirmation from NPCI/acquirer banks.*

Note: Exchange rate of 1 USD = 82.8 INR

Payments business generated $55 Mn of Net Payments Margin

Net Payments Margin has two components: Payment Processing Margin & Subscription Charges

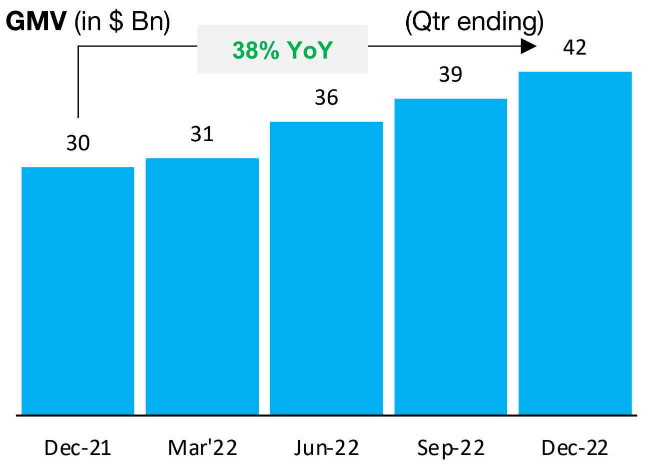
Net Payments Margin is calculated as total payments revenue less payment processing charges, and has two components as explained below.

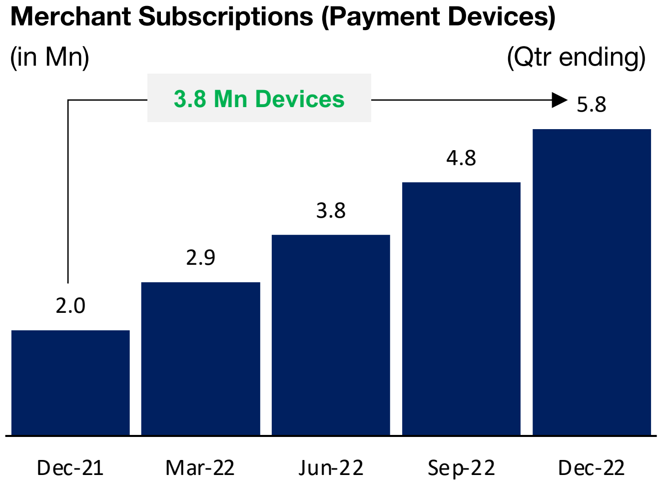
1. Payment Processing Margin:

- Gross Merchandise Value grew by 38% YoY to $42 billion. Our payment processing margin this quarter was within the range of 7-9bps (of GMV) as indicated in December 2022. This is proforma for Q3 FY 2023 UPI incentive, and despite inclusion of interchange costs for Paytm Postpaid
- Since UPI is growing faster than other instruments, we expect payment processing margin to stabilize at 5-7 bps over the long term

2. Subscription Charges:

- Merchant subscriptions drive higher revenues and payment volumes, and also provide an attractive funnel for merchant loans. As of December 2022, merchant subscriptions were 5.8 mn, increasing 3.8 mn YoY
- We see sustained traction and earn more than $1.2 per month per device
- Further, we have received additional incentive on select installations from partner banks, RBI and NABARD etc, which could be lumpy in nature





Starting this quarter, we have new agreements with our lending partners with respect to Paytm Postpaid. We are now incurring interchange costs which are included as a part of Payment Processing Charges ($9 Mn for this quarter). As per our earlier arrangement with lending partners, we were incurring incentives related to Paytm Postpaid as a Promotional Incentive. Correspondingly, our Promotional Cashback & Incentives cost have reduced QoQ.

On a like-for-like basis (i.e., excluding interchange cost for Paytm Postpaid), Net Payments Margin for Q3 FY 2023 would have been $65 Mn, increasing 21% QoQ.

Our reported net payments margin (including interchange cost of $9 Mn for Paytm Postpaid) was $55 Mn, increasing 120% YoY and 4% QoQ.

Payment processing charges (excluding interchange cost for Paytm Postpaid) reduced QoQ on account of festive season sales in Q2 FY 2023 and as we continue to improve payment processing rates from banks.

(in $ Mn)	Dec-21	Sep-22	Dec-22
Reported payments revenue	120	144	145
Payment processing charges *(excluding interchange cost for Postpaid)*	(95)	(90)	(80)
Net Payments Margin *(excluding interchange cost for Postpaid)*	**25**	**53**	**65**
Interchange cost for Postpaid	na	na	(9)
Reported Net Payments Margin	**25**	**53**	**55**

Note: Exchange rate of 1 USD = 82.8 INR

Financial Services and Others: Small credit is best served and collected digitally

In Q3 FY 2023, revenue grew 257% YoY to $54 Mn and accounts for 22% of total revenues, up from 9% in Q3 FY 2022. This has also helped in expansion of contribution profit, given the higher margin nature of this business.

The growth in revenue was primarily driven by 357% YoY growth in the value of loans disbursed.

Loan Distribution & Collection

We partner with lenders and provide a fully digital loan disbursement & collection platform. In Q3 FY 2023, the number of loans disbursed through our platform grew to 10.5 mn, growth of 137% YoY and 14% QoQ. The value of loans disbursed grew to $1,203 Mn, a growth of 357% YoY and 36% QoQ. We believe there is long runway for growth as our payments consumer and merchant base offers a large addressable market.

Total number of unique borrowers who have taken a loan through our platform has increased by 1.4mn QoQ to 8.1 mn in Q3 FY 2023. This growing borrower base offers us tremendous upsell and lifecycle benefits.

Revenue drivers of loan distribution business:

- **Sourcing:** On disbursement of loans, we make 2.5% to 3.5% of loan value upfront
- **Collection:** We make 0.5% to 1.5% of current disbursement value. Most of the fees is received post portfolio closure; typically, 12-14 months for Personal & Merchant loans, and 3 months for Postpaid loans

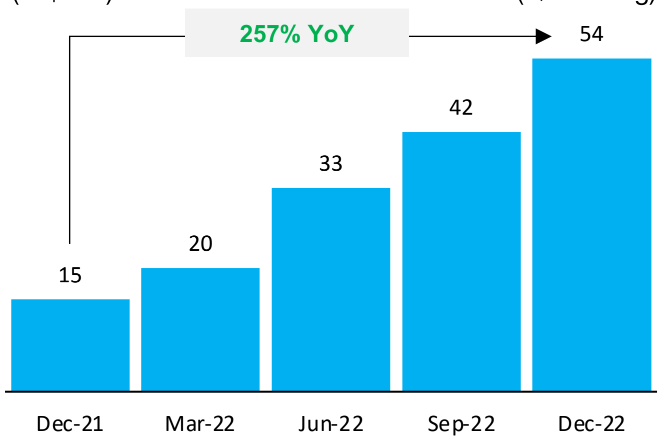
Paytm Postpaid

The number of Postpaid Loans disbursed grew 134% YoY in Q3 FY 2023, while the value of Postpaid Loans grew 336% YoY. Merchant acceptance continues to grow, and Paytm Postpaid is now accepted by 17 mn online and offline merchants, which has grown rapidly from 3.5 mn in Q3 FY 2022. Our large Postpaid customer base also provides cross-sell opportunities for Personal Loans and Credit Cards.

Penetration[1] for Postpaid is at 4.0% of MTU.

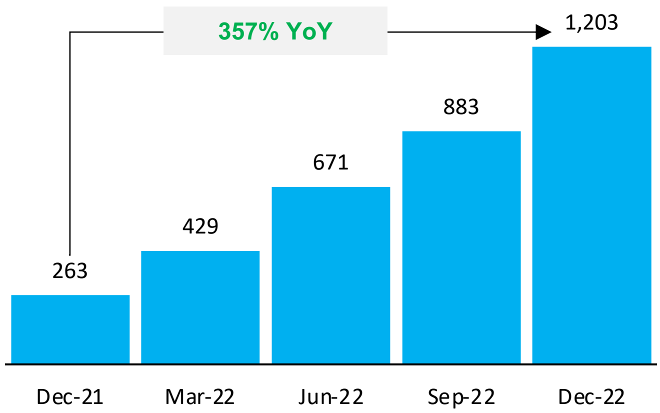
Revenue: Financial Services and Others

(in $ Mn) (Qtr ending)



Value of Loans Disbursed through Paytm

(in $ Mn) (Qtr ending)

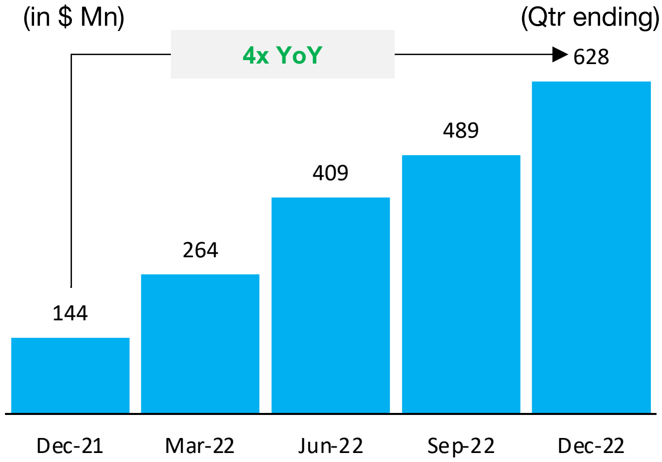


# of Loans (Mn)

4.4	6.5	8.5	9.2	10.5

Value of Loans: Postpaid

(in $ Mn) (Qtr ending)



# of Loans (Mn)

4.3	6.4	8.3	8.9	10.1

Note - 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.

[1]Calculation of penetration for Postpaid: Avg monthly number of loans in a quarter as a % of that quarter’s avg MTU

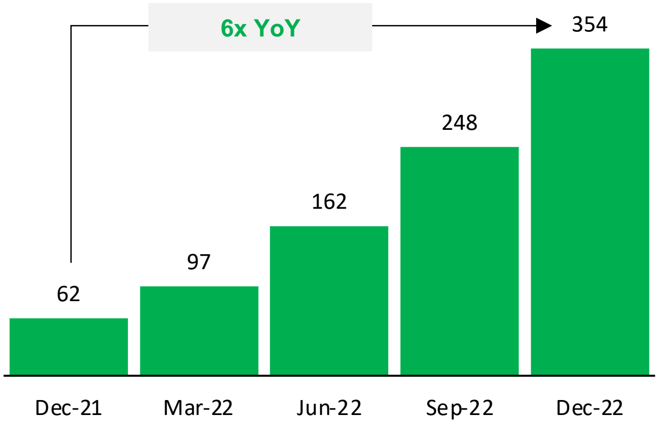
Note: Exchange rate of 1 USD = 82.8 INR

Personal Loans

The number of Personal Loans disbursed grew 309% YoY in Q3 FY 2023, while the value of Personal Loans grew 470% YoY to $354 Mn. Average ticket size is currently at approximately $1,500 with average tenure of 15 months. Cross-sell from Postpaid continues to see traction with over 40% of personal loans disbursed in Q3 FY 2023 to existing Paytm Postpaid users. Penetration[1] for Personal loans is at 0.8% of MTU.

Value of Loans: Personal Loans

(in $ Mn) (Qtr ending)



# of Loans (Mn)

0.06	0.09	0.13	0.19	0.24

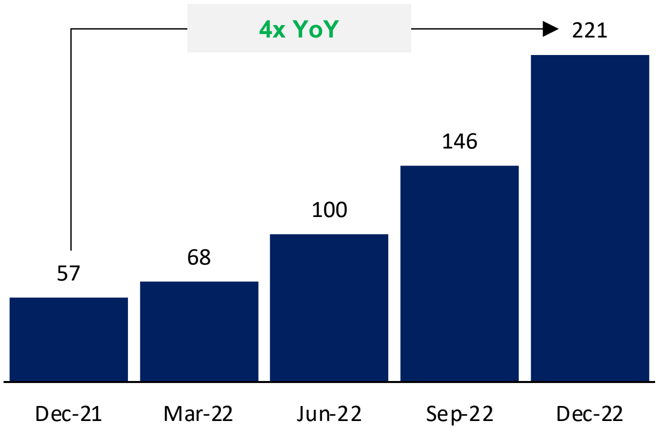
Merchant Loans

The number of Merchant Loans disbursed grew 253% YoY in Q3 FY 2023, while the value of Merchant Loans grew 287% YoY to $221 Mn. More than 85% of value disbursed this quarter was to merchants with a deployed Paytm payment device. Average ticket size continues to remain at approximately $1,200 with average tenure of 12 months. We are also seeing healthy pickup in repeat loans with 45% of disbursements to merchants who have taken a loan before.

Penetration[1] for Merchant Loans is 5.2% of device merchants.

Value of Loans: Merchant Loans

(in $ Mn) (Qtr ending)



# of Loans (Mn)

0.03	0.04	0.06	0.08	0.12

[1]*Calculation of penetration*
Personal Loans: Number of loans disbursed in last 12 months as a % of avg MTU in Q3 FY 2023;
Merchant loans: Number of loans disbursed in last 12 months as % of devices deployed at end of Q3 FY 2023

Note: Exchange rate of 1 USD = 82.8 INR

Commerce & Cloud: Monetizing Paytm app traffic by providing marketing services to other businesses

In Q3 FY 2023, revenue grew by 24% YoY and 11% QoQ to $51 Mn.

Enabling Commerce for Merchants

GMV grew by 6% YoY and 11% QoQ to $278 Mn. Revenue grew by 37% YoY and 48% QoQ to $22 Mn, driven by travel demand and high volumes in the events business. We provide a full stack of services for certain events in the entertainment business, which has high take-rates but also higher direct costs resulting in higher take rate of 8%. On a steady state basis, our take rate is 6%, similar to Q2 FY 2023.

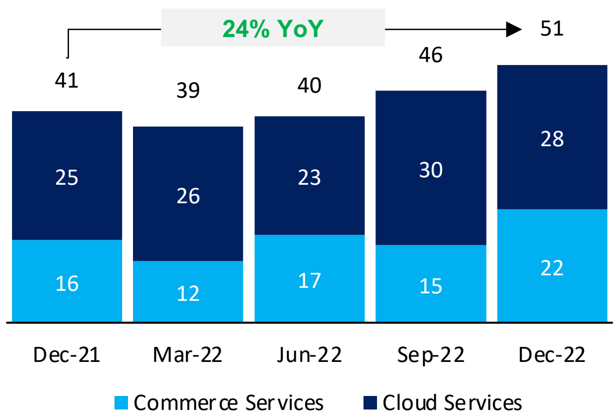
Cloud (including co-branded credit cards)

Co-branded credit cards continue to scale well. We have activated nearly 1.5 Lakh cards in this quarter, resulting in total 4.5 Lakh activated cards as of December 2022. We see strong cross-sell opportunity from our existing user base who have taken loans through our platform.

Revenue in the Cloud business grew by 15% YoY to $28 Mn, with advertising and credit card distribution scaling well. Revenues declined (7%) QoQ as Q2 FY 2023 was a strong quarter for PAI cloud.

Revenue: Commerce and Cloud Services

(in $ Mn) (Qtr ending)



Contribution Profit led by growth in net payments margin & loan distribution revenues

In Q3 FY 2023, contribution profit at $127 Mn represents a growth of 131% YoY and 24% QoQ. Contribution margin improved to 51% from 31% a year ago.

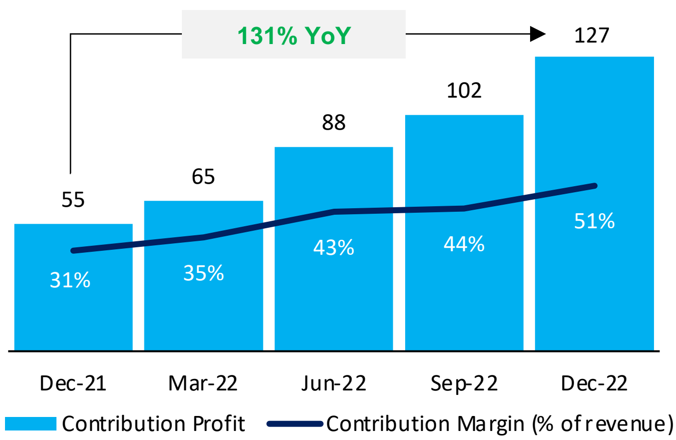
Payment processing charges were $89 Mn in Q3 FY 2023 (down 6% YoY and 1% QoQ). This includes $9 Mn of interchange costs related to Paytm Postpaid in Q3 FY 2023 (included from Q3 FY 2023 onwards). Payment processing charges witnessed reduction on account of festive season sales in Q2 FY 2023 and as we continue to improve payment processing rates from banks.

Promotional cashbacks and incentives were $11 Mn, or 3bps of GMV for Q3 FY 2023. As per earlier arrangements with lenders, we were incurring incentives related to Paytm Postpaid as a part of this cost. From Q3 onwards, we have new agreements with lenders (where we are incurring interchange costs) which is included in Payment Processing charges. As a result, costs were down significantly, compared to $23 Mn in Q2 FY 2023.

Other direct expenses were $22 Mn, 38% higher QoQ on account of expenses associated with high volume in events business.

Contribution Profit

(in $ Mn) (Qtr ending)



Note: Exchange rate of 1 USD = 82.8 INR

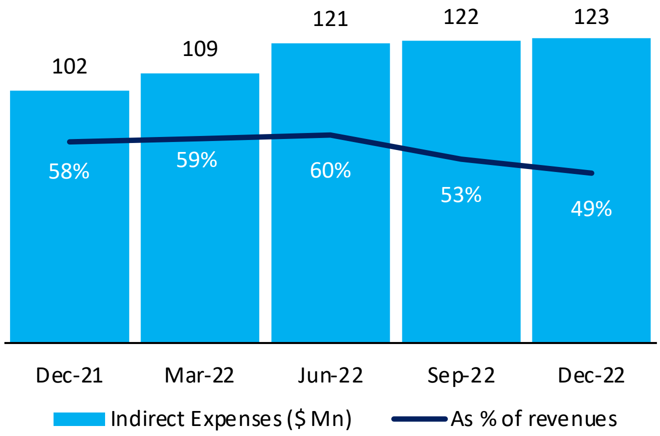
Indirect Expenses down to 49% of revenues driven by improved operating leverage

Indirect Expenses (excluding ESOP cost) have remained flat over the past three quarters and were $123 Mn in the quarter, growing 20% YoY. Operating leverage is demonstrated by reduction in indirect expenses (as a % of revenues), down to 49% in Q3 FY 2023 from 58% YoY.

We continue to make investments in areas where we see attractive growth and monetization opportunities, such as in marketing for user acquisition, and sales team to increase merchant base and subscription services.

- Cost of building the platform (defined as employee cost excluding cost of sales staff), was $50 Mn, increasing 1% QoQ. Going forward, these costs can grow at a 10% - 15% YoY at the current base, unless we enter a new area of business
- Cost of expanding the platform, which is defined as marketing costs and sales employee cost, stood at $38 Mn, increasing 1% QoQ. We continue to invest in areas with future growth and monetization potential. We believe we will improve profitability despite investing for future growth
- Software, Cloud, and Data Center costs were $21 Mn, up 31% YoY and flat QoQ. These costs should decrease as % of revenue over time
- In Q3 FY 2023, our Other Indirect costs at $15 Mn, up 17% YoY and flat QoQ. These costs should decrease as % of revenue over time

Indirect Expenses (Qtr ending)



(in $ Mn)	Dec-21	Sep-22	Dec-22
Cost of building platform: Employee (excluding sales)	37	48	50
Cost of expanding platform:	36	39	38
Marketing	20	17	16
Sales employees	16	21	21
Software & Cloud expenses	16	21	21
Other indirect expenses	13	15	15
Total Indirect Expenses	**102**	**122**	**123**

Note: Exchange rate of 1 USD = 82.8 INR

Achieved operating profitability three quarters ahead of plan; EBITDA before ESOP Cost at $4 Mn

In Q3 FY 2023, our EBITDA before ESOP cost was $4 Mn as compared to ($47 Mn) in Q3 FY 2022 and ($20 Mn) in Q2 FY 2023.

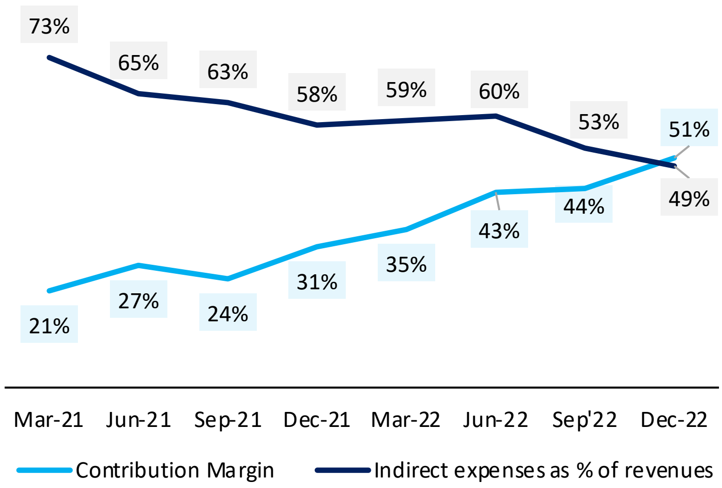
EBITDA before ESOP cost margin improved to 2% of revenues in Q3 FY 2023 from (27%) of revenues in Q3 FY 2022 and (9%) of revenues in Q2 FY 2023. This was driven by:

- Consistent improvement in contribution margins to 51% in Dec-22 from 21% in Mar-21
- Improved operating leverage with indirect expenses (as a % of revenues) decreasing to 49% in Dec-22 from 73% in Mar-21

In April 2022, we had shared our target of achieving operating profitability by September 2023. We have achieved this milestone significantly ahead of our guided timeline. We are focused on sustained growth, monetization opportunities and discipline in cost management.

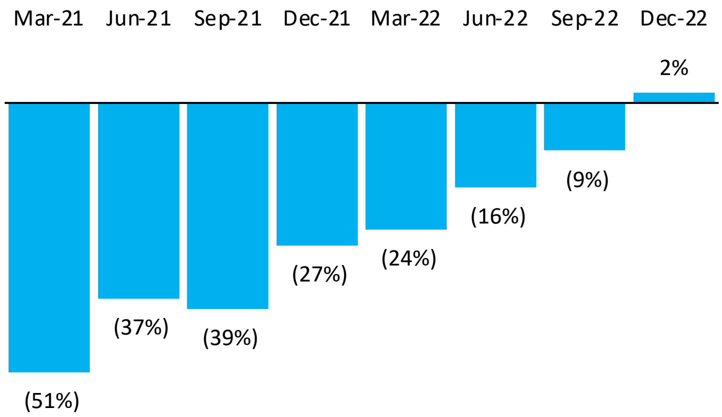
Net Income for Q3 FY 2023 was ($47 Mn), an improvement of $22 Mn QoQ and $55 Mn YoY.

Higher Contribution Margin + Better Operating Leverage = Improved Profitability



EBITDA before ESOP cost Margin

As a % of revenues (Qtr ending)



Note: Exchange rate of 1 USD = 82.8 INR

Cash Balance & Share Buyback

As of quarter ending December 2022, we have $1,082 Mn outstanding as cash balances. During the last quarter, we purchased 1.5 mn shares and utilized $8 Mn of cash. Since the end of the December quarter, we have purchased 13.1 mn shares and utilized $88 Mn of cash. In total till Feb 3, 2023, we have purchased 14.67 mn shares and utilized $96 Mn of cash, at an average price of ₹543/share.

The shares bought back will reduce our outstanding share count (upon extinguishment). We believe that given the Company's prevailing liquidity / financial position, a buyback is beneficial for our shareholders in the long-term.

Update on Reserve Bank of India direction to Paytm Payments Bank Limited (PPBL)

- As we had shared on November 7, 2022, PPBL management had received the IT auditors report and RBI's observations on that report
- The observations were largely around continued strengthening of IT outsourcing processes and operational risk management. The bank management has subsequently submitted a response to the RBI, informing them the manner in which such observations are being addressed by the bank
- Upon review of the bank's response, the RBI has suggested remediating action steps to be taken by the bank in a time bound manner. The bank is in process of complying with these action steps, and submitting compliance with the RBI
- We believe that the measures imposed upon PPBL has not materially impacted Paytm's overall business
- We would also like to update that PPBL has received approval from the RBI to appoint veteran banker Surinder Chawla as its new Managing Director and CEO

Update on Reserve Bank of India direction to Paytm Payments Services Limited (PPSL)

- As we had shared on November 26, 2022, PPSL has been asked by the RBI to resubmit its application for payment aggregator license
- In the interim, the RBI had asked PPSL to stop onboarding any new online merchants
- As we had shared earlier, this does not have any material impact on our online business and revenues, since the communication from RBI is applicable only to onboarding of new online merchants. For offline business, OCL can continue to onboard new merchants and offer them payment services including All-in-One QR, Soundbox, Card Machines, etc
- As per RBI's directive, PPSL has filed the required application with the Government of India for past downward investment from OCL into PPSL, in order to comply with FDI guidelines

Note: Exchange rate of 1 USD = 82.8 INR

Summary of Consolidated Financial Performance

Particulars (in $ Mn)	Quarter Ended					Nine Months Ended		
	Dec-22 (Unaudited)	Dec-21 (Unaudited)	Y-o-Y	Sep-22 (Unaudited)	Q-o-Q	Dec-22 (Unaudited)	Dec-21 (Unaudited)	Y-o-Y
Payments & Financial Services	193	135	*43%*	184	*5%*	540	320	*69%*
Payment Services to Consumers	62	49	*26%*	66	*(7%)*	191	128	*49%*
Payment Services to Merchants	77	71	*9%*	75	*3%*	220	159	*38%*
Financial Services and Others	54	15	*257%*	42	*28%*	129	32	*296%*
Commerce & Cloud Services	51	41	*24%*	46	*11%*	136	95	*44%*
Commerce	22	16	*37%*	15	*48%*	54	33	*66%*
Cloud	28	25	*15%*	30	*(7%)*	82	62	*32%*
Other Operating Revenue	5	0	*nm*	2	*192%*	7	0	*nm*
Revenue from Operations	**249**	**176**	***42%***	**231**	***8%***	**683**	**415**	***65%***
Payment processing charges	89	95	*(6%)*	90	*(1%)*	263	239	*10%*
As % of GMV	*0.21%*	*0.31%*	*(10 bps)*	*0.23%*	*(2 bps)*	*0.23%*	*0.33%*	*(11 bps)*
Promotional cashback & incentives	11	14	*(22%)*	23	*(52%)*	51	32	*63%*
Other Expenses	22	12	*81%*	16	*38%*	53	28	*87%*
Total Direct Expenses	**123**	**121**	***1%***	**129**	***(5%)***	**367**	**299**	***23%***
Contribution Profit	**127**	**55**	***131%***	**102**	***24%***	**316**	**116**	***173%***
Contribution Margin %	*50.8%*	*31.2%*	*1,962 bps*	*44.1%*	*675 bps*	*46.3%*	*27.9%*	*1,833 bps*
Indirect Expenses								
Marketing	16	20	*(19%)*	17	*(1%)*	54	42	*29%*
Employee cost (Excl ESOPs)	71	53	*32%*	69	*2%*	206	135	*52%*
Software, cloud and data center	21	16	*31%*	21	*(1%)*	61	42	*45%*
Other indirect expenses	15	13	*17%*	15	*(1%)*	44	36	*24%*
EBITDA before ESOP expense	**4**	**(47)**	***(108%)***	**(20)**	***(119%)***	**(50)**	**(139)**	***(64%)***
Margin %	*1.5%*	*(27.0%)*	*2,851 bps*	*(8.7%)*	*1,026 bps*	*(7.2%)*	*(33.5%)*	*2,625 bps*

Note: Exchange rate of 1 USD = 82.8 INR

Summary of Key Operational Metrics

Operational KPIs	Units	Quarter Ended			
		Dec-22	Dec-21	YoY	Sep-22
GMV	$ Bn	42	30	38%	39
Merchant Transactions	million	6,284	3,477	81%	5,752
Total Transactions	million	7,634	4,266	79%	6,885
MTU (average over the period)	million	84.9	64.4	32%	79.7
Registered Merchants (end of period)	million	31.4	24.9	na	29.5
Loans	'000	10,473	4,414	137%	9,192
Value of Loans	$ Mn	1,203	263	357%	883
Payment Devices (cumulative; end of period)	million	5.8	2.0	na	4.8
Average number of Sales Employees	#	29,569	18,691	na	24,703
Cost of sales employees (including training)	$ Mn	21	16	39%	21

Number of sales employees includes on-roll and off-roll employees. Cost relates to on-roll employees only.

Indicative Performance Metrics for Loan Distribution (Dec-22 quarter)

	Postpaid	Personal Loans	Merchant Loans
Bounce Rates Healthy bounce rates continued to be exhibited in Q3 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 in their balance sheet. Paytm acts as a collection outsourcing partner and the numbers are hence indicative of those efforts

Shares Outstanding as of December 2022

As of Dec 2022	In Mn
Basic shares outstanding	**649.3**
ESOPs vested and unexercised	0.9
ESOPs granted and unvested	36.6
ESOPs available for distribution	8.1
Estimated fully diluted shares	**694.7**

As per our previous communication, we are currently doing a share buyback. The shares bought back will reduce our outstanding share count (upon extinguishment)
The Company has extinguished 1.49 mn shares which were bought back till December 31, 2022 on January 12, 2023, and therefore have not been accounted for in the table above.

Note: Exchange rate of 1 USD = 82.8 INR

Reconciliation of EBITDA before ESOP cost with Loss for the period

Particulars (in $ Mn)	Quarter Ended					Nine Months Ended		
	Dec-22 (Unaudited)	Dec-21 (Unaudited)	Y-o-Y	Sep-22 (Unaudited)	Q-o-Q	Dec-22 (Unaudited)	Dec-21 (Unaudited)	Y-o-Y
EBITDA before share based payment expenses (A)	**4**	**(47)**	***(108%)***	**(20)**	***(119%)***	**(50)**	**(139)**	***(64%)***
Share based payment expenses (B)	(44)	(47)	*(7%)*	(45)	*(2%)*	(132)	(54)	*144%*
Initial Public Offer expenses (C)	0	(1)	*nm*	0	*nm*	0	(2)	*nm*
Finance costs (D)	(1)	(2)	*(57%)*	(1)	*1%*	(2)	(4)	*(50%)*
Depreciation and amortization expense (E)	(15)	(7)	*104%*	(13)	*19%*	(39)	(18)	*114%*
Other income (F)	9	9	*1%*	12	*(22%)*	34	22	*53%*
Share of profit / (loss) of associates / joint ventures (G)	1	1	*(55%)*	(1)	*(154%)*	1	1	*34%*
Exceptional items (H)	0	0	*nm*	0	*nm*	0	0	*nm*
Income Tax expense (I)	(2)	(1)	*168%*	(2)	*(3%)*	(4)	(1)	*230%*
Loss for the period/year (J=sum of A to I)	(47)	(94)	*(50%)*	(69)	*(31%)*	(194)	(197)	*(2%)*

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

Particulars ($ Mn)	Mar-22	Jun-22	Sep-22	Dec-22
Cash and Bank Balances in Current Accounts (Net of Borrowings)	154	214	169	236
Deposits with banks	966	845	710	642
Current Investments (Mutual Funds, Treasury bills and Commercial papers)	-	79	231	204
Total Balances	**1,120**	**1,137**	**1,109**	**1,082**

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
Net Payments Margin	Payments revenues (including other operating revenue) less payments processing charges
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

Note: Exchange rate of 1 USD = 82.8 INR

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.

Q3 FY 2023 Earnings Call Information

Paytm will hold its earnings conference call for shareholders, investors and analysts on **Monday, February 06, 2023, from 18:00-19:15 Indian Standard Time**, to discuss the financial results of the Company for the quarter ended December 31, 2022.

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

https://paytm.zoom.us/webinar/register/WN_9kvZjo0qS7uO4CuKoR_gTQ

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.

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 ₹ Cr to $ Mn 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.

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 xdifferent 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.