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Use of Operating Metrics

The operating metrics reported in this Presentation 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. We have converted financial amounts from ₹ millions into ₹ Cr and hence there could be some totaling anomalies in the numbers.
To bring Half-a-Billion Indians to the Mainstream Economy through Technology-led Financial Services
Our Core Business is to Acquire Customers for Payments and Cross-sell Loans

1. Payment Business
   - Paytm app has pioneered consumer mobile payments using UPI, Wallet, Postpaid and Cards
   - Paytm enables micro to large Merchants accept payments on their app or in-store, or on Paytm app
   - Merchants leverage reach of Paytm consumer app to enable mobile commerce and sell to our consumers

2. Loan Distribution

   We offer small ticket mobile credit to consumers and merchants, in partnership with our lending partners
   - Paytm Postpaid
   - Personal Loans
   - Merchant Loans

Average Monthly Transacting Users for the quarter

<table>
<thead>
<tr>
<th>Month</th>
<th>Jul-22</th>
<th>Aug-22</th>
<th>Sep-22</th>
<th>Oct-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.5 Cr</td>
<td>8.0 Cr</td>
<td>8.5 Cr</td>
<td>9.0 Cr</td>
<td>9.2 Cr</td>
</tr>
</tbody>
</table>

Registered Merchants & Devices at end of quarter

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.8 Cr</td>
<td>3.0 Cr</td>
<td>3.1 Cr</td>
<td>3.4 Cr</td>
<td>3.6 Cr</td>
<td>3.8 Cr</td>
<td>4.1 Cr</td>
<td>4.4 Cr</td>
<td>4.7 Cr</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Devices</th>
<th>Registered Merchants</th>
</tr>
</thead>
<tbody>
<tr>
<td>38 L</td>
<td>48 L</td>
</tr>
<tr>
<td>58 L</td>
<td>68 L</td>
</tr>
<tr>
<td>79 L</td>
<td>79 L</td>
</tr>
</tbody>
</table>
Payments business has two margin drivers

1. Payment Processing

<table>
<thead>
<tr>
<th>Payment Method</th>
<th>Margin (Blended)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wallet, Postpaid, Credit Card, EMI</td>
<td>15 to 18 bps</td>
</tr>
<tr>
<td>Overall Margin</td>
<td>7 to 9 bps</td>
</tr>
<tr>
<td>UPI</td>
<td>3 to 4 bps</td>
</tr>
</tbody>
</table>

Net payment processing margin by payment method

2. Subscription Revenues

- 79 Lakh Soundbox and card devices deployed, adding over 10 Lakh devices a quarter
- Merchant pays ₹100 to ₹500 per month for these premium services
- On select deployment we also earn incentives from banking partners and Government
- Potential market of 10 Cr merchants in India: large subset of this will be paying monthly subscription

Note: We have excluded UPI incentives of ₹182 Cr from Mar-23 net payment margin for like-for-like comparison
Our Mobile Credit business is based on distribution and collection using Paytm network

1. Distribution

- We help various lenders disburse small ticket personal loans and merchant loans
- Postpaid drives credit volumes with small loan amount of good quality
- On disbursement of loans, we typically make 2.5% to 3.5% of loan value upfront

2. Collection

- In addition to distribution, we also collect loans for various lenders. Led by mobile & digital capabilities our collection business is a low-cost process
- On collection we make 0.5% to 1.5% of current disbursement value
- On loans issued on Paytm App, most of the collection fees is received by us post portfolio closure (typically, 12-14 months for Personal and Merchant Loans, and 3 months for Postpaid loans)
We offer only 3 types of loans that are based on our payment business

**Postpaid Loans**
- Penetration at 4.5% of MTU
- Large Postpaid user base also provides cross-sell opportunities for Personal Loans & Credit Cards

**Personal Loans**
- Cross sell opportunities continue with over 40% of loans to existing Postpaid users
- Penetration at 1.1% of MTU

**Merchant Loans**
- Device merchants accounted for more than 85% of disbursals; Repeat rate of 45%
- Penetration at 6.2% of devices merchants

- **Value of Loans for the quarter**
  - Jun-22: ₹3,383 Cr
  - Sep-22: ₹4,050 Cr
  - Dec-22: ₹5,202 Cr
  - Mar-23: ₹6,794 Cr
  - Jun-23: ₹8,039 Cr

- **# of Loans (Lakh) for the quarter**
  - 83
  - 89
  - 101
  - 115
  - 123

- **Value of Loans for the quarter**
  - Jun-22: ₹1,344 Cr
  - Sep-22: ₹2,055 Cr
  - Dec-22: ₹2,931 Cr
  - Mar-23: ₹3,447 Cr
  - Jun-23: ₹4,062 Cr

- **# of Loans (Lakh) for the quarter**
  - 1.3
  - 1.9
  - 2.4
  - 2.7
  - 3.0

- **Value of Loans for the quarter**
  - Jun-22: ₹827 Cr
  - Sep-22: ₹1,208 Cr
  - Dec-22: ₹1,825 Cr
  - Mar-23: ₹2,313 Cr
  - Jun-23: ₹2,744 Cr

- **# of Loans (Lakh) for the quarter**
  - 0.6
  - 0.8
  - 1.2
  - 1.4
  - 1.4

Calculation of penetration:
Postpaid: Avg monthly number of loans in a quarter as % of that quarter’s avg MTU;
Personal Loans: Number of loans disbursed in last 12 months as % of avg MTU in Q1 FY 2024;
Merchant loans: Number of loans disbursed in last 12 months as % of devices deployed at end of Q1 FY 2024
We also monetize Paytm app traffic by providing marketing services to other businesses

**Commerce**

Paytm app is a destination for our merchants to get more business
- We sell travel, movies and event ticketing and deals, gift vouchers to customers
- Commerce services GMV was ₹2,537 Cr in Q1 FY 2024, up 10% YoY
- In the Commerce business, we generally earn 5-6% take rate on GMV

**Cloud**

We offer advertising, marketing loyalty services to various enterprises and distribute co-branded credit cards
- As of June 2023, we have a total of ~750,000 active cards with SBI Card and HDFC Bank
- We earn upfront revenue on card activation and receive a portion of the interchange fee for the lifetime of the card
- Advertising is a healthy revenue growth driver for the Cloud business. As of date, we have around 300 advertisers on our platform
Delivering positive and growing EBITDA before ESOP with revenue growth

**Revenue growth of 39% YoY**

- June-22: ₹1,680 Cr
- Sep-22: ₹1,914 Cr
- Dec-22: ₹2,062 Cr
- Mar-23: ₹2,152 Cr
- Jun-23: ₹2,342 Cr

**Contribution Profit growth of 80% YoY**

- June-22: ₹726 Cr
- Sep-22: ₹843 Cr
- Dec-22: ₹1,048 Cr
- Mar-23: ₹1,101 Cr
- Jun-23: ₹1,304 Cr

**Margin improvement of +12% YoY**

- June-22: 43%
- Sep-22: 44%
- Dec-22: 51%
- Mar-23: 51%
- Jun-23: 56%

**EBITDA before ESOP improved by ₹359 Cr YoY**

- June-22: (₹275 Cr)
- Sep-22: (₹166 Cr)
- Dec-22: ₹31 Cr
- Mar-23: ₹52 Cr
- Jun-23: ₹84 Cr

**Payment Services**
- June-22: ₹1,078 Cr
- Sep-22: ₹1,188 Cr
- Dec-22: ₹1,197 Cr
- Mar-23: ₹1,285 Cr
- Jun-23: ₹1,414 Cr

**Commerce & Cloud**
- June-22: ₹331 Cr
- Sep-22: ₹349 Cr
- Dec-22: ₹446 Cr
- Mar-23: ₹475 Cr
- Jun-23: ₹522 Cr

**Financial Services**
- June-22: ₹271 Cr
- Sep-22: ₹377 Cr
- Dec-22: ₹420 Cr
- Mar-23: ₹392 Cr
- Jun-23: ₹405 Cr

**Note:** We have excluded UPI incentives of ₹182 Crore from Mar-23 revenues, contribution profit and EBITDA before ESOP for like-for-like comparison.
Growth Drivers in Our Business

1. **Early days of Payments in India**: UPI has ~25 Cr signed up customers, and ~1 Cr devices in market

2. **Large TAM for merchant subscriptions and other services**: Potential of 10 Cr merchant entities and > 50 Cr payment customers in near term

3. **Innovations can help increase adoption**, such as UPI Lite, RuPay Credit Cards on UPI, and Multi-Bank/Brands EMI aggregation

4. **Growth opportunities from Bank Partnerships**: FASTag and Co-branded Credit Card are already a success, and EMI Aggregation on PG, Remittance could be next

5. **Focus on growing loan and stock brokerage offerings**: Scale up is supported by regulatory clarity on digital lending and addition of new lending partners
Thank you!