



July 19, 2024

**BSE Limited**

Department of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

**National Stock Exchange of India Limited**

The Listing Department,  
Exchange Plaza,  
Bandra Kurla Complex,  
Mumbai – 400 051

Scrip Code: 543396

Symbol: PAYTM

**Sub.: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Earnings Release**

Dear Sir / Ma'am,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with NSE Master Circular No. NSE/CML/2024/10 dated April 29, 2024, and BSE Master Circular No. dated April 30, 2024, please find enclosed copy of Earnings Release for the quarter ended June 30, 2024.

The Earnings Release will also be hosted on the Company's website viz. <https://ir.paytm.com/financial-results>.

Kindly take the same on record.

Thanking you

Yours Sincerely,

**For One 97 Communications Limited**

**Sunil Kumar Bansal**  
**Company Secretary & Compliance Officer**

*Encl: As Above*



# Earnings Release

For the quarter ending June 2024



19 July 2024



# Revenue and profitability impact in line with guidance. Payment Operating Metrics rebounding to Jan'24 Levels

## Financial Highlights:

- Operating revenue of ₹1,502 Cr
- Contribution profit of ₹755 Cr (margin of 50%)
- EBITDA before ESOP of ₹(545) Cr
- EBITDA of ₹(792) Cr
- Continued focus on cost reduction, employee cost has declined by 9% QoQ
- Going forward, we expect revenue and profitability to improve, driven by growth in operating parameters such as GMV, an expanding merchant base, recovery in loan distribution business and continued focus on cost optimization
- Strong balance sheet with ₹8,108 Cr of cash on books; we also hold stock acquisition rights in PayPay Corporation (5.4% stake, once exercised)

### 1. Payments Services:

- Revenue from Payment services was ₹900 Cr
- Net payment margin was ₹383 Cr, GMV of ₹4.3 Lakh Cr
- Merchant subscriber base for devices has reached 1.09 Cr as of June 2024

**2. Financial Services:** Revenue from financial services was ₹280 Cr

**3. Marketing Services:** Revenue from marketing services was ₹321 Cr

In Q1 FY 2025, the company reported a revenue of ₹1,502 Cr and EBITDA before ESOP of ₹(545) Cr, which is in line with guidance provided. We expect revenue and profitability to improve going forward.

Net payment margin was ₹383 Cr, with payment processing margin above 3bps (no UPI incentives booked during the quarter as it gets paid in Q4 of the financial year). Financial Services revenue was ₹280 Cr, with majority of loans from the distribution-only model. Marketing services revenue was ₹321 Cr, lower than last quarter mainly on account of seasonality of events business.

As part of our goal to save ₹400-500 Cr annually on employee costs, we have achieved a 9% reduction QoQ. However, excluding employee costs, our indirect costs have increased due to certain one-time expenses (details in the following sections). We expect these costs to reduce in the coming quarters. We remain committed to be disciplined around our overall cost structure.

# Payment Services: Merchant Payment Operating Metrics rebounding to Jan'24 Levels; Consumer Operating Metrics Remain Stable

## Accelerating merchant re-activation and new signups

New merchant signups is reaching January 2024 levels. We are focusing on redeploying devices from inactive merchants to new merchants, resulting in a marginal increase in our merchant subscriber base to 1.09 Cr. We expect net device merchant additions to reach previous run rates by Q3 FY 2025. Additionally, per device subscription revenue has bottomed out and is expected to increase on back of new merchant signups and redeployment from inactive merchants.

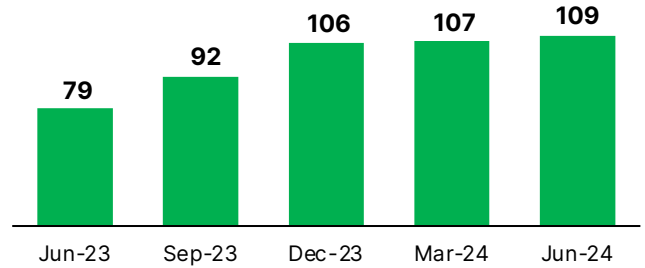
## Daily merchant payment GMV rebounding to Jan'24 levels

Daily average GMV (excluding disrupted products) has shown consistent improvement during the quarter and is almost back to January 2024 levels. With growth in organic volumes, new merchant addition & reactivation, we expect GMV growth to continue.

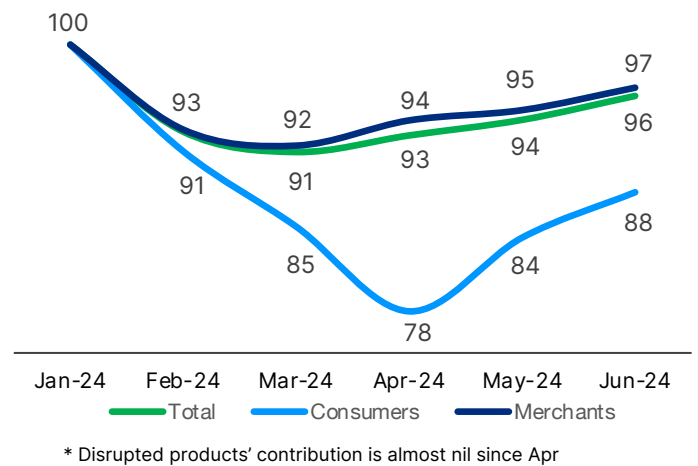
## Consumer base has stabilized; GMV per customer is increasing

Our MTU base has stabilized at ~7.8 Cr while engagement of existing customers is increasing which is reflected in increased customer GMV. We have focused on retaining existing customers and have increased reactivation of inactive customers. We are awaiting approval for starting onboarding of new UPI consumers. We expect growth in MTU once we start onboarding new UPI users.

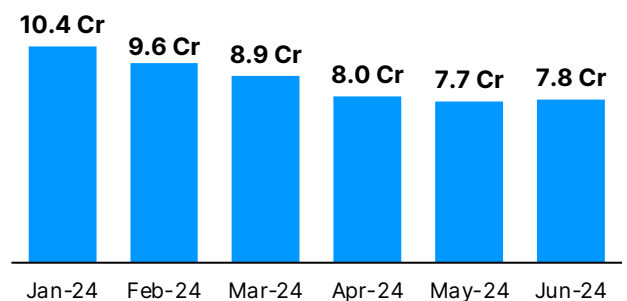
**Merchant Subscription, including devices**  
(in Lakhs) (Qtr ending)



**Daily Average GMV trends Indexed to Jan'24**  
(excluding disrupted products)



**Monthly Transacting Users**



## Payment Services: Financial Performance

In Q1 FY 2025, payments revenue was ₹900 Cr. As communicated in the Q4 FY 2024 earnings release, it was impacted due to: 1) Disruption of PPBL products; 2) Temporary impact on account of conservative approach taken for certain businesses; and 3) Temporary disruptions in operating metrics (MTU, merchant base, GMV). No UPI incentive was received during the quarter as it gets paid in Q4 of the financial year.

Net payment margin was ₹383 Cr during the quarter. Net payment margin is comprised of:

### 1. Payment Processing Margin:

In Q1 FY 2025, GMV was ₹4.3 Lakh Cr. Payment processing margin was above 3 bps (as per guidance). Payment processing margin (including UPI incentive) will be in the range of 5-6 bps for the year.

### 2. Subscription revenues:

As explained earlier, we expect the merchant subscriber base addition to reach a normalized run-rate by Q3 FY 2025, as seen in FY24 before the directive on PPBL. Subscription revenue per device has bottomed out in Q1 FY 2025 and is expected to increase on back of new merchant signups, reactivation of merchants and redeployment from inactive merchants.

We continue to address our merchants' needs through innovative product launches, supported by a large distribution and service network. During the quarter, we launched two more "Made in India" soundboxes customized to the needs of our merchants, featuring louder speakers and longer battery life.



# Financial Services: Driving monetization by distribution of loans, wealth products and insurance

In Q1 FY 2025, revenue from financial services and others was ₹280 Cr.

## Loan Distribution

When our customers receive a loan from a lender, the lender pays us a fee for disbursement. We also offer collection services to the lender in certain cases and earn an additional fee for successful collection of loans.

We are expanding our loan cross-selling by integrating more types of loans from our partners, including secured credit like Loan Against Property and Gold Loans. Lenders provide us with different fees for various types of loans based on their portfolio margins. As we add new secured loan offerings, the total take rate percentage is expected to decrease.

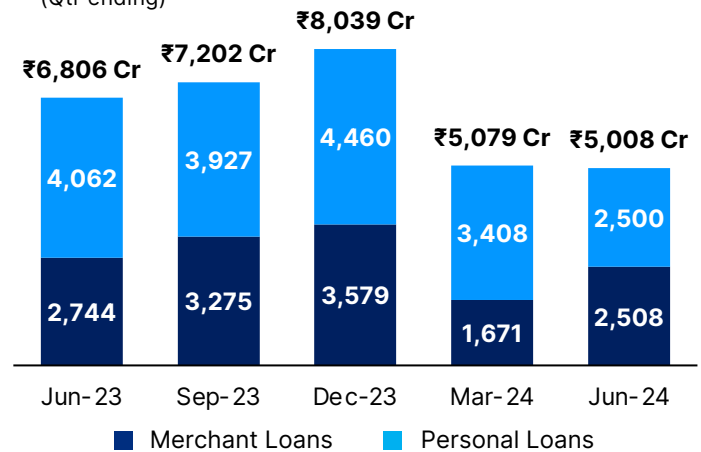
### Merchant Loans

The value of Merchant Loans distributed during the quarter was ₹2,508 Cr. In April, we witnessed a surge in demand from previous months. We and our lending partners continue to be disciplined and focused on high-quality merchants.

About 50% of loans distributed are to repeat borrowers. The average ticket size has increased to ~₹225,000 from ~₹190,000 a year ago, with an average tenure of 13 months. Penetration<sup>1</sup> for Merchant Loans is 4.4% of device merchants.

### Value of merchant loans and personal loans distributed through our platform

(Qtr ending)



### Personal Loans

The value of Personal Loans distributed in Q1 FY 2025 was ₹2,500 Cr. Our partners' approach is consistent with industry-wide trends on tightening risk policies. Average ticket size has remained stable at ~₹135,000 from a year ago, with the average tenure of 16 months. Penetration<sup>1</sup> for Personal loans is at 1.1% of MTU. We continue to engage with banks & non-banks for expanding types of loans, including secured loan products.

## Insurance Distribution

Our focus remains on product innovation for seamless distribution and claims experience. For our merchants, we are seeing a strong product-market fit for our shop insurance by leveraging merchant insights. On the consumer side, we are seeing good traction with embedded and DIY insurance products such as motor insurance. On the health front, we are offering differentiated products that combine Health Insurance, Healthcare, and OPD benefits. In addition to offering insurance products, we have recently launched protection plans for our merchants that provide affordable healthcare and income protection.

## Equity broking and Mutual Fund distribution

Our Equity Broking and Mutual Fund distribution business continues to scale well as we deliver a best-in-class user experience at a low, transparent cost. Our focus is on retaining trading customers by offering a high-quality trading platform. We are also looking to expand the distribution of mutual funds by leveraging SIPs and other wealth management products through Paytm Services Pvt Ltd (PSPL).

<sup>1</sup> Calculation of penetration

Personal Loans: Number of loans distributed in last 12 months as a % of avg MTU in Q1 FY 2025; Merchant loans: Number of loans distributed in last 12 months as % of devices deployed at end of Q1 FY 2025

## Marketing Services: Driving additional monetization from Merchants

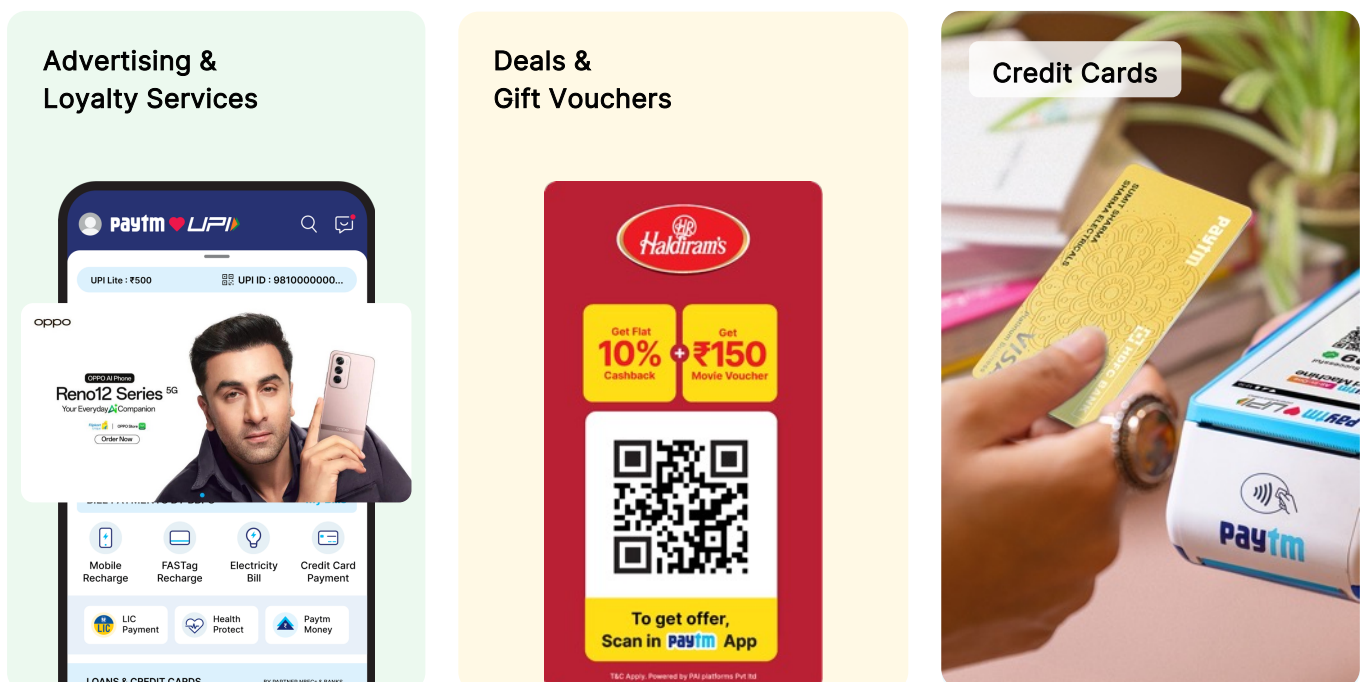
We enable merchants to do more commerce activities and these various offerings are consolidated under marketing services. Our Marketing Services business primarily includes advertising, ticketing (travel, movies and events), credit card distribution, and deals & gift vouchers. In Q1 FY 2025, Marketing Services revenue was ₹321 Cr, impacted QoQ due to the seasonality of the events business and lower MTU.

- The GMV for ticketing, deals & gift vouchers, etc., was ₹2,817 Cr and has remained stable QoQ despite the seasonality of the events business and lower MTU. We continue to see strong growth in the travel segment, driven by partnerships and innovative travel solutions. As highlighted in our press release dated June 24, 2024, in Q4 FY 2024, Paytm gained market share among OTAs, with a 19% YoY increase in flight bookings, surpassing the industry's growth rate of around 3%.
- Credit card distribution continues to scale, with 12.8 Lakh activated credit cards as of June 2024, compared to 7.5 Lakh last year. While the long-term prospects of this business are strong, issuers are currently taking a cautious stance, which is evident in slower growth for the industry. We have added three new partners in the last two quarters, leading to a total of six live partners for credit card distribution.

## Update on Entertainment Business

The Company routinely explores various strategic opportunities aimed at enhancing shareholder value. Accordingly, the potential transfer of Paytm's Entertainment business, a component of our Marketing Services, is under consideration. The entertainment business comprises movie ticketing and events.

As mentioned in our filing dated June 16, 2024, any discussions currently underway are preliminary and do not involve any binding agreements that require approval or disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or other applicable laws.



## Key Focus Areas

We are focusing on the following areas to drive sustainable growth and profitability:

- Lead the market with merchant payment innovations, including new devices and aggregation of various MDR-bearing payment instrument
- Reactivating existing dormant UPI customers. Once we are allowed new UPI user onboarding, we will acquire new monetizable customers with discipline on acquisition costs
- Enhance credit distribution by diversifying lending products and partners. Expand secured lending products
- Allocate more resources to Insurance distribution and Mutual Fund distribution, which offer large monetization opportunities
- Provide marketing services to merchants that drive more commerce opportunities for them
- Stringent focus on compliance first approach across our businesses



## Revenue and Contribution Profit

For Q1 FY 2025, our operating revenue was ₹1,502 Cr. As highlighted in Q4 FY 2024, the full financial impact is visible in this quarter.

In this quarter, contribution profit was ₹755 Cr (contribution margin of 50%). We expect contribution margins to remain in the 50-55% range (including UPI incentives) with some variations from quarter to quarter due to seasonality and UPI incentives timing.

- Payment processing charges have come down to ₹517 Cr (in line with lower payment revenue).
- Promotional cashbacks & incentives were ₹44 Cr, which is 1bps of GMV, lower than recent trends.
- Other direct expenses were ₹185 Cr. QoQ decline was largely on account of seasonality of events business, in line with revenues from marketing services.

## Indirect Expenses

For Q1 FY 2025, Indirect Expenses (excluding ESOP cost) were ₹1,301 Cr.

Employee cost has come down by 9% QoQ, in line with our stated guidance of annualized people cost savings of ₹400 - ₹500 Cr. Given the focus on merchant acquisition, we will continue to invest in the sales team while having a higher focus on productivity of sales employees.

Marketing cost was higher during the quarter as we had focussed on communication to create awareness regarding our new partnerships in the payments business as TPAP. We expect these spends to come down in the subsequent quarters.

Software, cloud and data centre expenses increased QoQ due to one-time charges relating to the migration to the TPAP model.

Increase in other indirect expenses is primarily on account of certain one-off expenses and provisions in this quarter (particularly for aged receivables). We expect indirect expenses to come down significantly in subsequent quarters.

Cost optimisation across the board will continue to be our key focus area & we will continue to be disciplined about our overall cost structure.

### Indirect Expenses

(Qtr ending)

(in ₹ Cr)	Jun-23	Mar-24	Jun-24
Cost of building platform: Employee (excluding sales)	516	522	482
Cost of expanding platform:			
Marketing	181	83	177
Sales employees	213	257	224
Software & Cloud expenses	155	162	182
Other indirect expenses	155	162	236
<b>Total Indirect Expenses</b>	<b>1,220</b>	<b>1,186</b>	<b>1,301</b>

## EBITDA before ESOP and Profit After Tax

In Q1 FY 2025, our EBITDA before ESOP was ₹(545) Cr. We expect revenue and EBITDA Before ESOP to start improving from Q2 FY 2025 on account of growth in operating metrics and cost optimisation. Q1 FY 2025 ESOP cost was lower at ₹247 Cr, on account of ESOP lapses at the time of employee separation during the quarter.

Profit after tax for Q1 FY 2025 was ₹(840) Cr.

## Cash Balance

Our cash balance is ₹8,557 Cr as of quarter ending June 2024, as compared to ₹8,650 Cr as of quarter ending March 2024. The above includes Paytm Money Ltd (PML) customer funds of ₹339 Cr for March 2024 and ₹449 Cr for June 2024. On a QoQ basis, the decline in cash balance (excluding change in PML customer funds) was lower than the EBITDA before ESOP for Q1 FY 2025 as UPI incentive for the previous year was received in this quarter.

We also hold stock acquisition rights in PayPay Corporation (5.4% stake, once exercised)

## ESOP Cost and ESOP Pool Schedule

Q1 FY 2025 ESOP cost was lower at ₹247 Cr, on account of ESOP lapses at the time of employee separation during the quarter.

### ESOP Cost (As on July 10, 2024)

(₹ Cr)	Q1	Q2	Q3	Q4
FY 2025	247	319	275	220
FY 2026	190	183	108	105
FY 2027	100	92	29	28

### ESOP Pool Schedule

As of Jul 10, 2024	(in Cr.)
<b>Basic shares outstanding</b>	<b>63.6</b>
ESOPs vested and unexercised	0.2
ESOPs granted and unvested	3.8
ESOPs available for distribution	0.4
<b>Estimated fully diluted shares</b>	<b>67.9</b>

The above table illustrates expected ESOP cost for all ESOPs granted so far, as of July 10, 2024. The cost assumes all granted ESOPs are vested and no new ESOPs are granted. For any lapses of unvested ESOPs, normally on attrition, the cost of unvested ESOP recorded so far is reversed in that quarter. Actual charges might be different based on incremental issuances as well as lapses. For new ESOP grants, the total estimated charge would be the number of options granted times the fair value per share, which is based on the share price on the day of the grant, among other factors. The charge is front-ended with approximately 38% in Year 1, 28% in Year 2, 18% in Year 3, 11% in Year 4 and 5% in Year 5. Movements of share price after the date of the grant do not affect the ESOP charge for already granted ESOPs.

## Summary of Consolidated Financial Performance

Particulars (in ₹ Cr)	Quarter Ended				
	Jun-24 (Unaudited)	Jun-23 (Unaudited)	Y-o-Y	Mar-24 (Audited)	Q-o-Q
Payments & Financial Services	1,164	1,918	(39)%	1,858	(37)%
Payment Services to Consumers	83	554	(85)%	438	(81)%
Payment Services to Merchants	801	842	(5)%	1,117	(28)%
Financial Services and Others	280	522	(46)%	304	(8)%
Marketing Services	321	405	(21)%	395	(19)%
Other Operating Revenue	16	19	(15)%	14	17%
<b>Revenue from Operations</b>	<b>1,502</b>	<b>2,342</b>	<b>(36)%</b>	<b>2,267</b>	<b>(34)%</b>
Payment processing charges	517	767	(33)%	715	(28)%
As % of GMV	0.12%	0.19%	(7) bps	0.15%	(3) bps
Promotional cashback & incentives	44	85	(48)%	46	(3)%
Other direct expenses	185	186	(1)%	219	(15)%
<b>Total Direct Expenses</b>	<b>746</b>	<b>1,037</b>	<b>(28)%</b>	<b>979</b>	<b>(24)%</b>
<b>Contribution Profit</b>	<b>755</b>	<b>1,304</b>	<b>(42)%</b>	<b>1,288</b>	<b>(41)%</b>
Contribution Margin %	50%	56%	(540) bps	57%	(651) bps
<b>Indirect Expenses</b>	<b>1,301</b>	<b>1,220</b>	<b>7%</b>	<b>1,186</b>	<b>10%</b>
Marketing	177	181	(2)%	83	114%
Employee cost (Excl ESOPs)	706	730	(3)%	779	(9)%
Software, cloud and data center	182	155	18%	162	12%
Other indirect expenses	236	155	52%	162	45%
<b>EBITDA before ESOP cost</b>	<b>(545)</b>	<b>84</b>	<b>(750)%</b>	<b>102</b>	<b>(633)%</b>
Margin %	(36)%	4%	(3,990) bps	5%	(4,084) bps

## Summary of Key Operational Metrics

Operational KPIs	Units	Quarter Ended			
		Jun-24	Jun-23	YoY	Mar-24
GMV	₹ Lakh Cr	4.26	4.05	5%	4.69
GMV – Continued Business*	₹ Lakh Cr	4.26	3.36	27%	4.29
Merchant Transactions	Cr	900	796	13%	962
Total Transactions	Cr	1,023	963	6%	1,129
MTU (average over the period)	Cr	7.8	9.2	(15%)	9.6
Registered Merchants (end of period)	Cr	4.12	3.56	16%	4.06
Value of personal and merchant loans distributed	₹ Cr	5,008	6,806	(26)%	5,079
Payment Devices (cumulative; end of period)	Lakh	109	79	39%	107
Average number of Sales Employees	#	31,607	28,479	5%	36,521
Cost of sales employees (including training)	₹ Cr	224	255	5%	255

\* Continued business excludes disrupted products such as Wallet, Postpaid etc.

## Indicative Performance Metrics for Loan Distribution (Jun 2024 quarter)

	Merchant Loans
<b>Bounce Rates</b>	NA
<b>Bucket 1 Resolution %</b>	80% to 87%
<b>Recovery Rate Post 90+</b>	30% to 35%
<b>ECL%</b>	4.75% to 5.25%

Loans are underwritten and booked by our lending partners in their balance sheets. Paytm acts as a collection outsourcing partner and the numbers are hence indicative of those efforts

## Reconciliation of EBITDA before ESOP with Loss for the period

Particulars (in ₹ Cr)	Quarter Ended				
	Jun-24 (Unaudited)	Jun-23 (Unaudited)	Y-o-Y	Mar-24 (Audited)	Q-o-Q
<b>EBITDA before share based payment expenses (A)</b>	<b>(545)</b>	<b>84</b>	<b>(750)%</b>	<b>103</b>	<b>(631)%</b>
Share based payment expenses (B)	(247)	(377)	(34)%	(326)	(24)%
Finance costs (C)	(4)	(7)	(37)%	(5)	(19)%
Depreciation and amortization expense (D)	(178)	(159)	12%	(196)	(9)%
Other income (E)	138	123	12%	132	4%
Share of profit/(loss) of associates/joint ventures (F)	(1)	(18)	(93)%	(17)	(92)%
Exceptional items (G)	0	0	<i>nm</i>	0	<i>nm</i>
Income Tax expense (H)	(2)	(4)	(66)%	(14)	(89)%
Loss on Impairment of Associate (I)	0	0	<i>nm</i>	(227)	<i>nm</i>
<b>Loss for the period/year (J=sum of A to I)</b>	<b>(840)</b>	<b>(358)</b>	<b>134%</b>	<b>(550)</b>	<b>53%</b>

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

Particulars (in ₹ Cr)	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Cash and Bank Balances in Current Accounts (Net of Borrowings)	1,678	1,831	1,873	3,976	2,327
Deposits with banks	3,996	4,203	4,443	2,329	3,486
Current Investments (Mutual Funds and Commercial Papers)	2,693	2,719	2,584	2,345	2,743
<b>Total Balances</b>	<b>8,367</b>	<b>8,754</b>	<b>8,901</b>	<b>8,650</b>	<b>8,557</b>
Paytm Money Ltd (PML) customer funds	316	319	462	339	449
<b>Total Balances (excluding PML funds)</b>	<b>8,051</b>	<b>8,435</b>	<b>8,439</b>	<b>8,311</b>	<b>8,108</b>

## 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)	Number of unique users in a particular calendar month who have successfully completed a transaction on the Paytm App or have used the Paytm for Business App
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 & logistics, deployment & collection cost of our businesses



# paytm

## Pioneer of India's mobile payment revolution

Paytm is India's leading mobile payments and financial services distribution company. Pioneer of the mobile QR payments revolution in India, Paytm builds technologies that help small businesses with payments and commerce. Our mission is to serve half a billion Indians and bring them to mainstream of economy with help of technology.

### Q1 FY 2025 Earnings Call

Please join for our Earnings Conference call to discuss financial results of the Company for the quarter ended June 30, 2024.

**19<sup>th</sup> July 2024**  
04:00 PM – 05:00 PM

**Pre-Registration**

Download the report at  
**[ir.paytm.com](https://ir.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 ₹ millions into ₹ Cr 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 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.