

Letter to Shareholders

Dear Shareholders,

Last year has been one of the most significant learning experiences for us. We focused on generating free cash flow and delivered on that for the full year. We were also laser-focused on delivering profits after accounting for all costs, including ESOP costs, and we came very close to achieving that target.

In the last quarter, we encountered regulatory action on our associate entity Paytm Payments Bank Limited ('PPBL'), which presented significant challenges and provided us with many valuable lessons. I am very proud of our resilient Paytm team, who navigated this situation with courage, dedication and humility.

There are times when actions speak louder than words and results speak louder than plans. After resolving many of the challenges that we faced, we are now refocused on our path to deliver a long-term, sustainable and profitable business model. Our resilient and committed team will deliver on our mission to building for India. The focus on financial inclusion and digitizing the informal economy will bring long-term benefits to both the company and the country.

For me personally, this year has been centered on our core business, instilling a compliance-first approach in every team member, and striving to become a consistently free cash generating company. The Paytm team has identified significant savings through the use of AI and has expanded in areas where we see the future of technology heading.

I believe that AI will be as instrumental in advancing India as the mobile/smartphone revolution has been. Your company has always been a technology first company and will not only leverage AI-led cost savings but also build AI-first products that can help small merchants and micro-businesses harness the power of technology previously available only to large enterprises.

Helping and serving our nation is a privilege we do not take lightly. The entire Paytm team remains committed to delivering fully compliant, fully made-in-India innovations that bring millions of Indians the advantages of the formal financial system.

Thank you for your support and guidance.

Best,
Vijay Shekhar Sharma