



Zaggle Prepaid Ocean Services Limited

Investor Presentation

February 2024

Safe harbor

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From the Founder's desk...



Raj P Narayanam

*Founder and Executive
Chairman*

"I am thrilled to share that we reported our highest ever quarterly revenues with healthy growth across all profitability metrics. During the quarter we had a 35.1% YoY growth in revenues and a 56.4% YoY growth in Adjusted EBITDA (before ESOP expenses). Our record-breaking performance is a result of our product portfolio's strategic diversification and the successful launch of commercial credit card offerings.

Recently, with Torrent Gas Limited joining as a client, we've entered the fleet loyalty card program, offering significant volume and margin potential. Employing an efficient end-to-end closed-loop system, we are tapping into India's vast fleet spends market estimated to be worth Rs. 730 Bn.

In 9MFY24, our revenue growth was over 37.0% with an Adjusted EBITDA Margin (before ESOP expense) of 55.3%. This performance is in line with our full year guidance of 40% to 50% revenue growth at an Adjusted EBITDA Margin (before ESOP expense) between 11% and 13%.

We see encouraging momentum in our business and are dedicated to maintaining the upward trajectory. Our unwavering commitment to innovation and excellence shall foster growth, solidifying our position as a leader in the industry."

Performance highlights

Growing revenue and profitability



Highest ever
quarterly revenue



Healthy Growth across all
profitability metrics

Q3FY24

₹ 1,995.1 Mn

YoY + 35.1%

₹ 228.6 Mn

YoY + 56.4%

₹ 203.8 Mn

YoY + 175.1%

₹ 195.0 Mn

YoY + 92.7%

9MFY24

₹ 5,022.3 Mn

YoY + 37.0%

₹ 584.0 Mn

YoY + 55.3 %

₹ 433.7 Mn

YoY 42.6%

₹ 461.1 Mn

YoY + 78.4%

Revenue from
operations

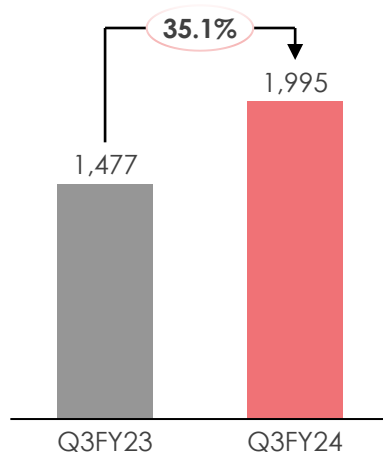
Adjusted EBITDA
(before ESOP)

Reported EBITDA

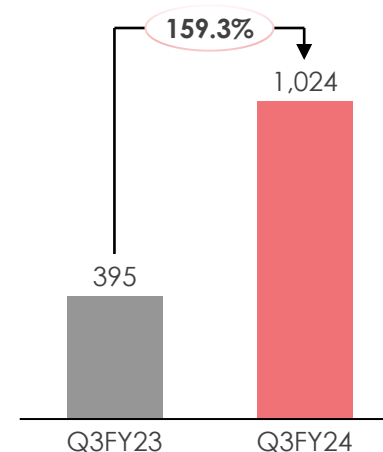
Cash PAT

Quarterly financial highlights

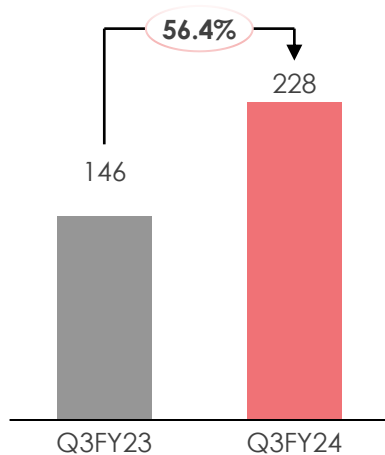
Revenue from operations (₹ Mn)



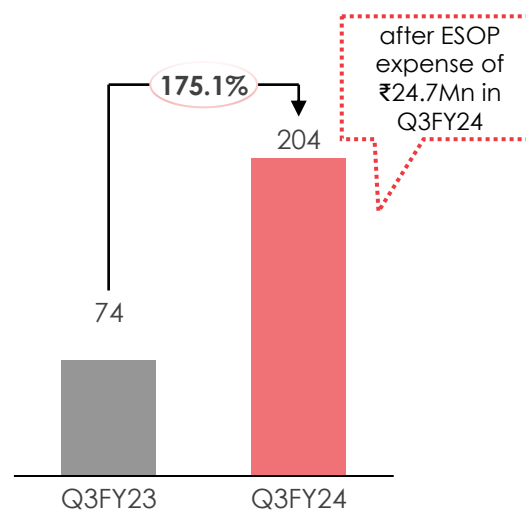
Gross Profit (₹ Mn)



Adjusted EBITDA (₹ Mn)

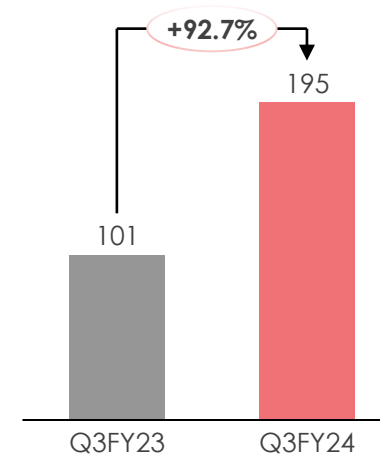


Reported EBITDA (₹ Mn)



Cash PAT (₹ Mn)

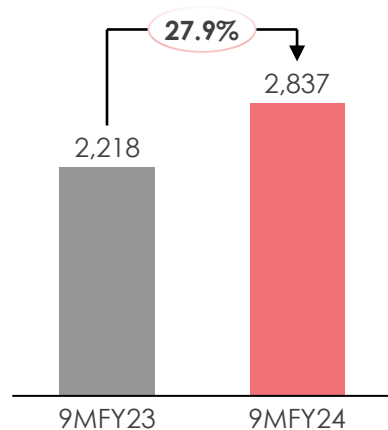
PAT + Depreciation & Amortization + ESOP Expense



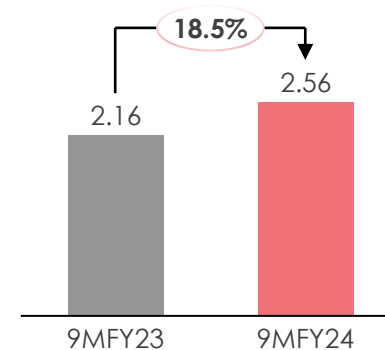
Key operational performance indicators

KPIs

Total customers catered to (number)

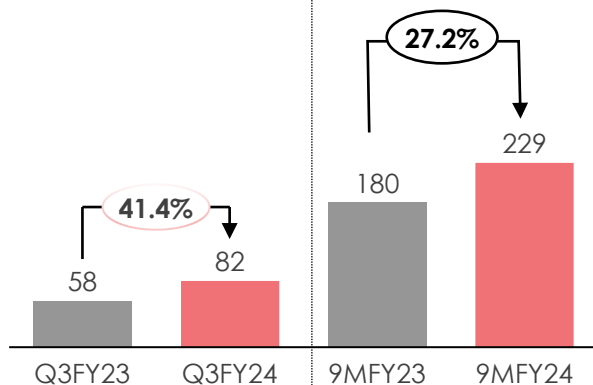


Aggregate users on the platform (million)

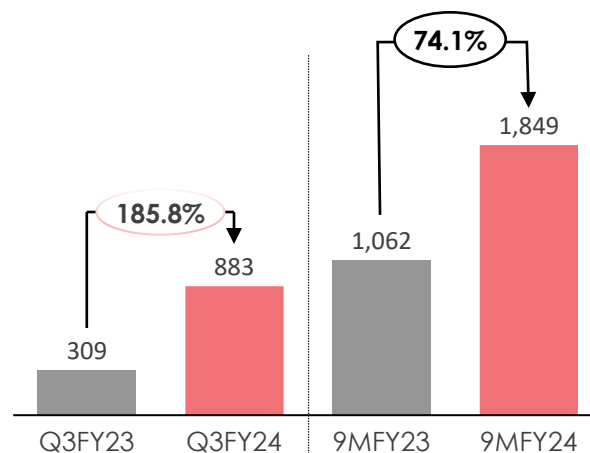


Revenue Mix (₹ Mn)

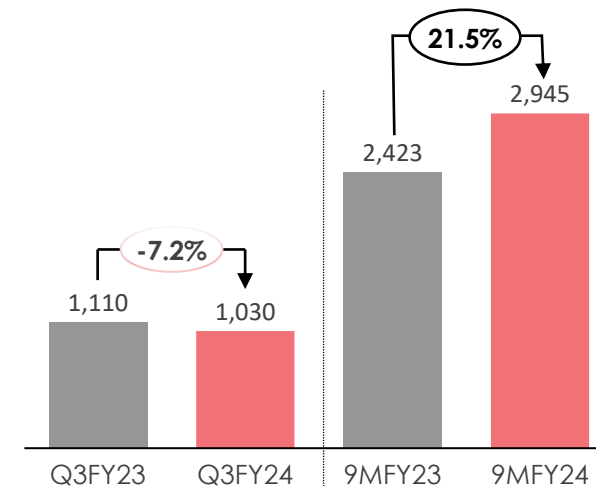
Software Fees



Program fees



Propel platform revenue



Profit and loss statement

(₹ Million, unless stated otherwise)	Q3FY24	Q3FY23	YoY	Q2FY24	QoQ	9MFY24	9MFY23	YoY
Revenue from operations	1,995.1	1,476.5	35.1%	1,842.4	8.3%	5,022.3	3,666.1	37.0%
Cost of point redemption / gift cards	968.0	1,076.3		1,144.3		2,688.1	2,229.9	
Consumption of cards	2.9	5.2		-3.3		8.4	8.3	
Gross Profit	1,024.1	395.0	159.3%	701.5	46.0%	2,311.8	1,427.9	63.3%
Gross Profit Margin	51.3%	26.7%		38.1%		46.4%	38.9%	
Employee benefits expense	86.8	53.9		112.0		279.9	209.9	
Incentive and cash back	562.6	67.8		257.9		1,070.3	535.6	
Other Expenses	146.2	127.1		114.1		397.6	306.2	
Adjusted EBITDA	228.6	146.2	56.4%	217.5	5.1%	584.0	376.2	55.3%
Adjusted EBITDA Margin	11.5%	9.9%		11.8%		11.6%	10.3%	
ESOP Cost	24.7	72.1		67.2		150.3	72.1	
Reported EBITDA	203.8	74.1	175.1%	150.3	35.6%	433.7	304.1	42.6%
Reported EBITDA Margin	10.2%	5.0%		8.2%		8.6%	8.3%	
Other Income	44.7	-2.7		6.7		65.9	2.2	
Depreciation	18.1	14.2		24.0		62.1	33.0	
EBIT	230.4	57.2	303%	133.0	73%	437.5	273.3	60%
EBIT Margin	11.6%	3.9%		7.2%		8.7%	7.5%	
Finance Cost	21.4	29.6		33.7		99.3	58.3	
Profit before Tax	209.0	27.6		99.2		338.2	214.9	
Tax	56.8	12.7		23.4		89.6	61.5	
Profit After Tax	152.2	14.9	919.5%	75.9	100.7%	248.6	153.4	62.1%
PAT Margin	7.6%	1.0%		4.1%		5.0%	4.2%	
Cash PAT (PAT+DA+ESOP)	195.0	101.2	92.7%	167.1	16.7%	461.1	258.5	78.4%
EPS - Basic	1.47	0.15		0.78		2.39	2.00	
EPS - Diluted	1.45	0.15		0.77		2.36	2.00	

Q3FY24 – Key Highlights

- Highest quarterly revenue till date
- Revenue contribution from Zoyer has experienced significant growth
- The finance cost has decreased due to prepayment of debts
- Increase in other income stems from higher interest income on increased cash/ bank balances post IPO

Quarterly revenue contribution

Q3 & Q4 are higher revenue quarters in the business

Contribution to annual revenues



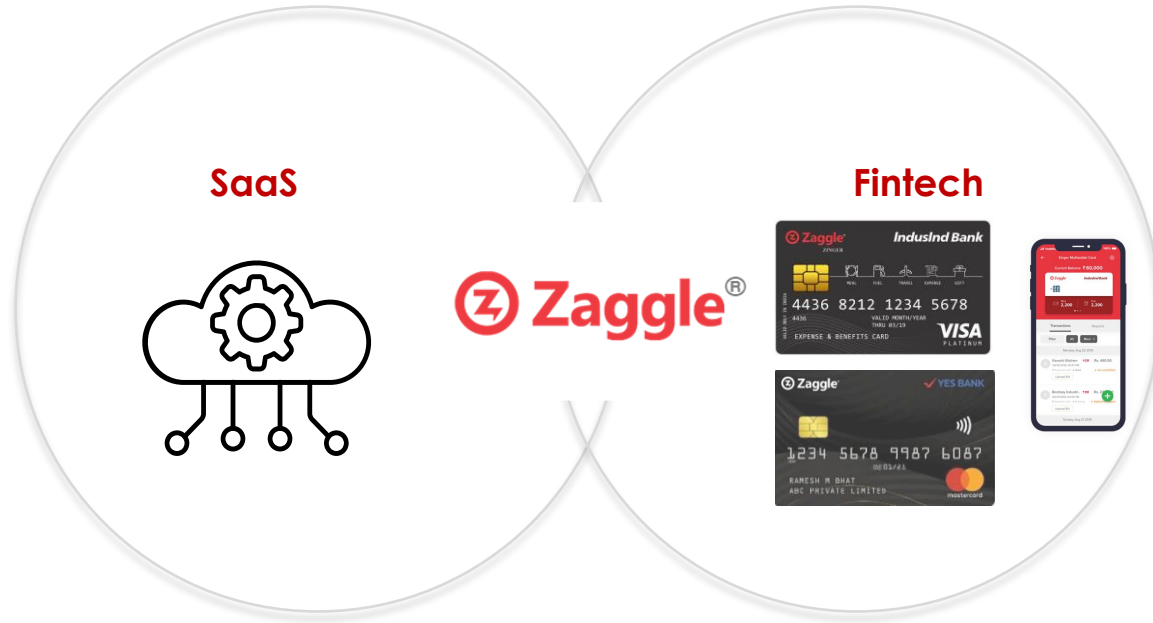
Revenue from operations (₹ Mn)



The cyclical trend of the business continues in Q3, driven by an increase in spends and transactions

What we do

Zaggle: At a glance



# 1 Issuer of Prepaid cards in India		Leading player in spend management space	
50 mn+ cards	16% Market share By txn value	2,800+ Corporate customers	2.5 mn Users

Key Products	SAVE Employee Expense management and benefits	PROPEL Reward & recognition	ZOYER Accounts payable platform
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In-house developed technology with **strong network effect**

Business model with **diversified revenue streams across products**

Diversified customer relationships across sectors along with preferred banking and merchant partnerships

Seasoned management team and board

Multilingual interface

GDPR Compliant

Products are customizable

FY23	Revenue	Adjusted EBITDA	Cash PAT
	5,535 mn	625 mn	435 mn
9MFY24	5,022 mn	584 mn	461 mn

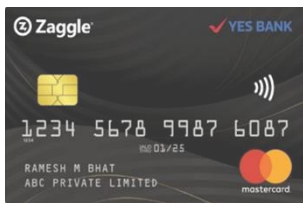
Note: #Source : Frost & Sullivan Report

GDPR: General Data Protection Regulation

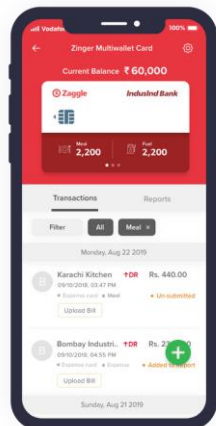
Differentiated SaaS-based fintech platform with...

Offering a combination of payment instruments, mobile application and API integrations

Omnichannel technology offering



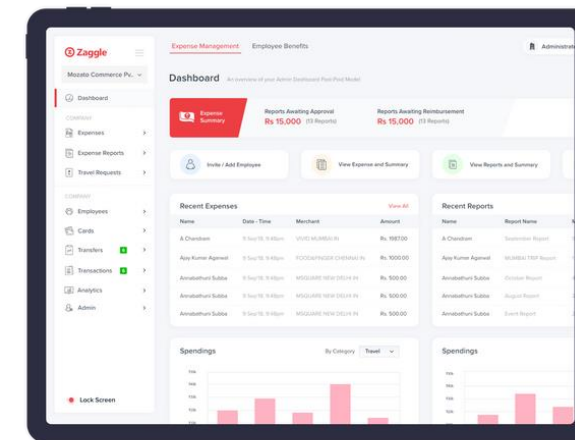
Co-branded cards with banks



Mobile app to manage spends

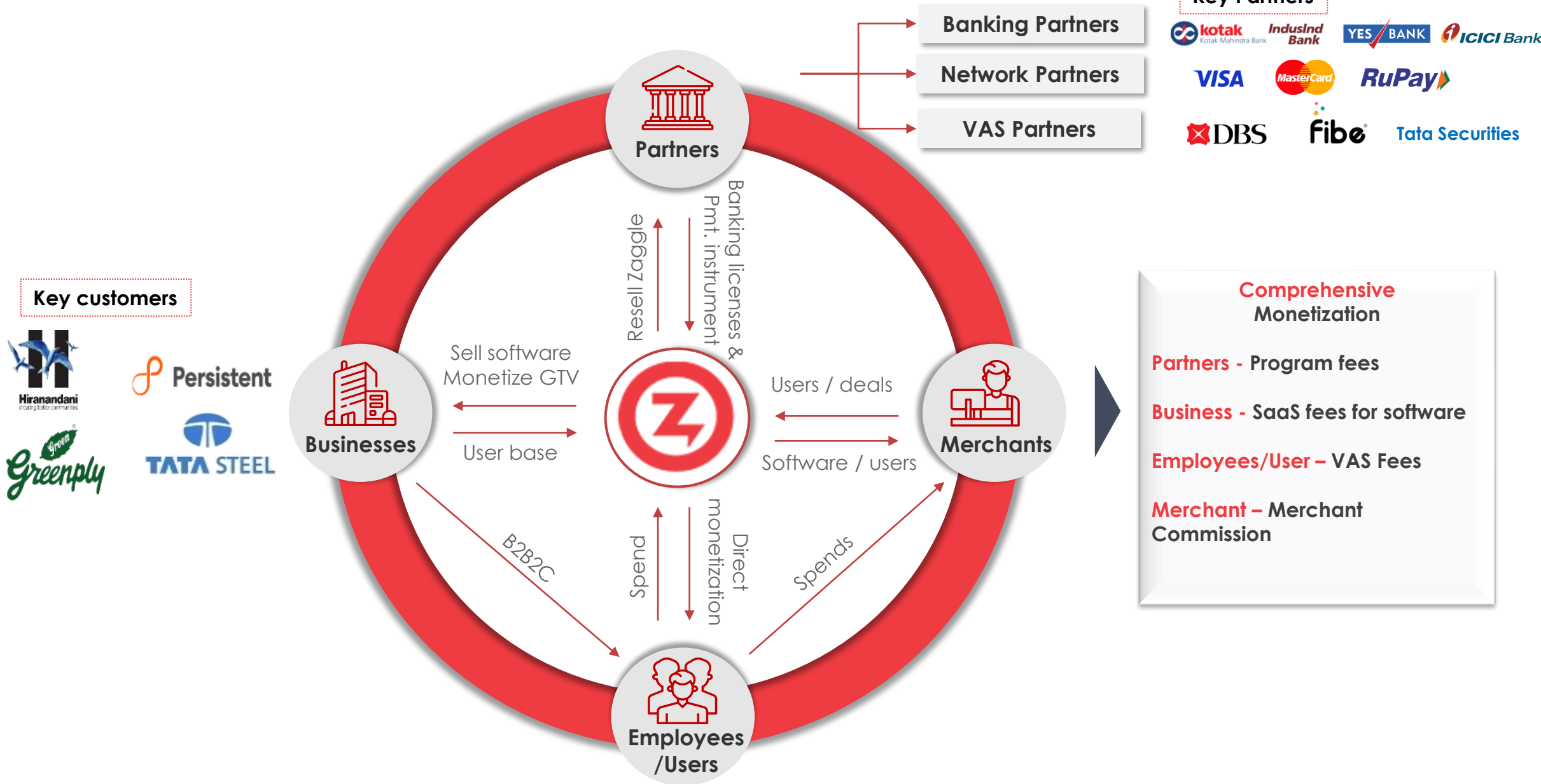


Multiple network partners



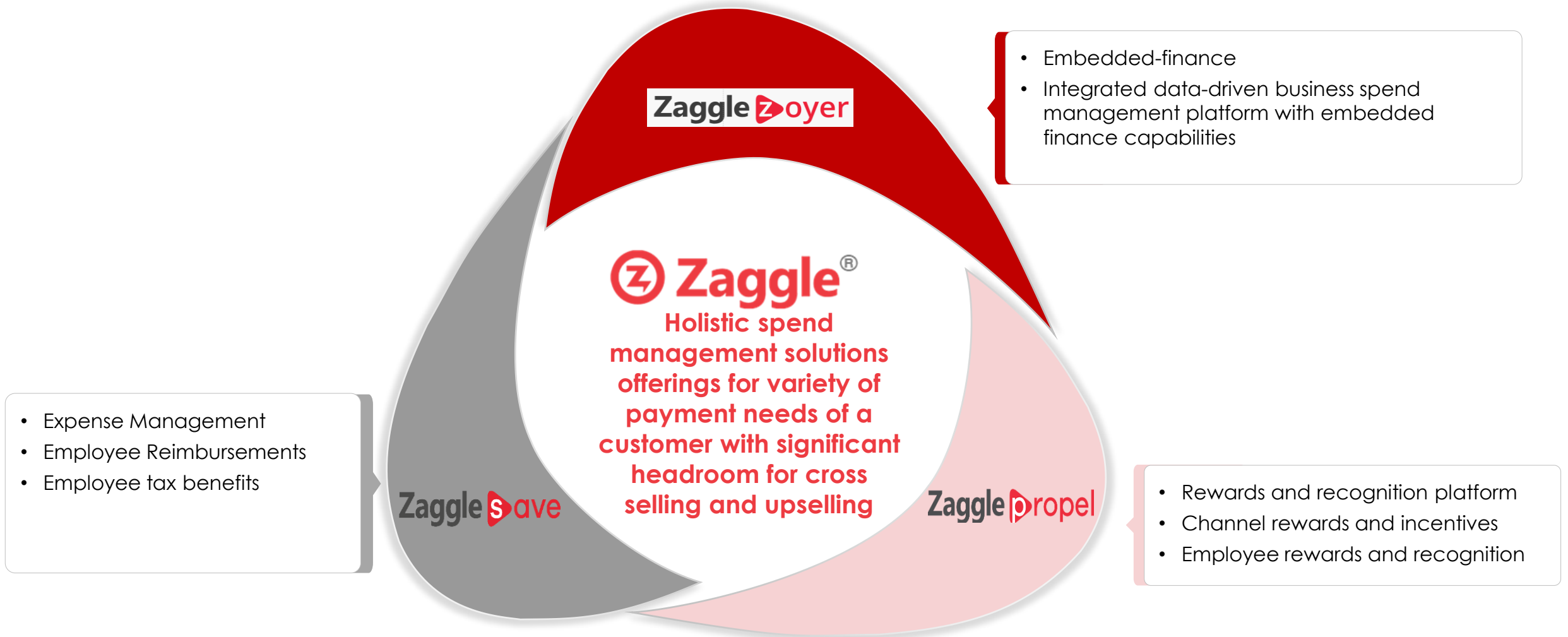
Dashboard to manage reporting & analytics

... Strong network effect



Note: The Brand Names and Logos mentioned are the property of their respective owners and are used here for identification purposes only

Comprehensive suite of products for a large & growing addressable market



Propel – digitizing reward computation and disbursal



- Channel & employee rewards
- Incentives
- Engagement



Seamless partner onboarding



Metric based incentive computation



Leaderboards, badging and achievements



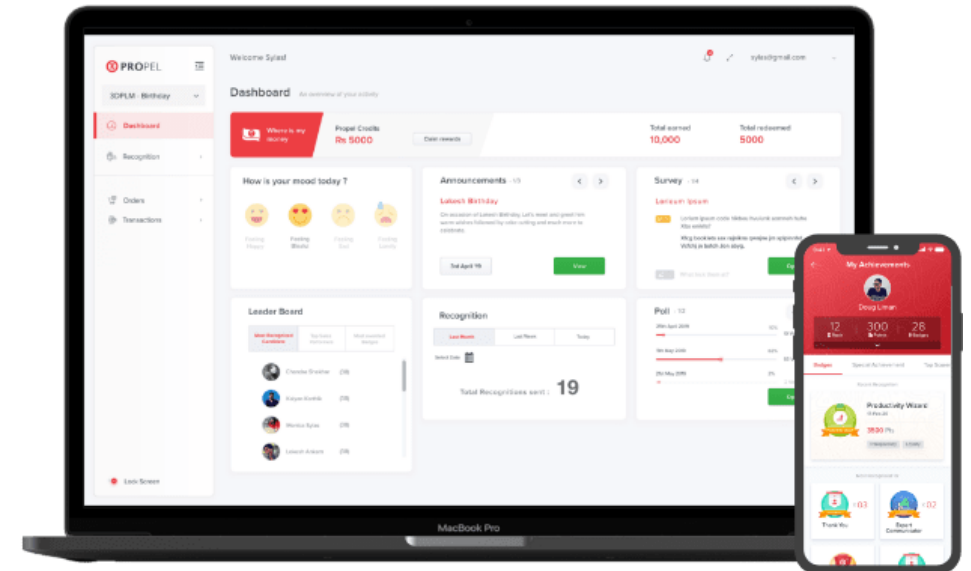
Automated claim management



Reports and analytics



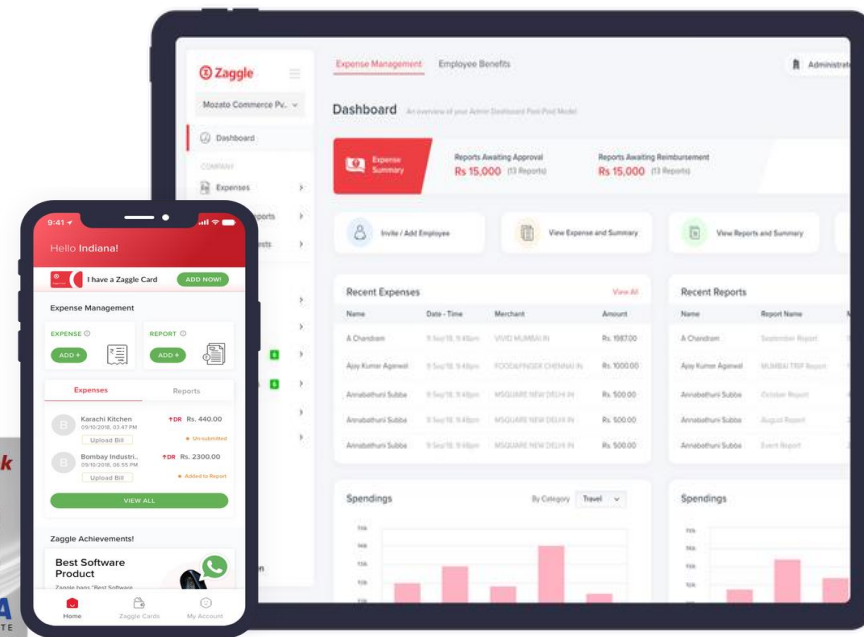
Peer-to-peer recognition

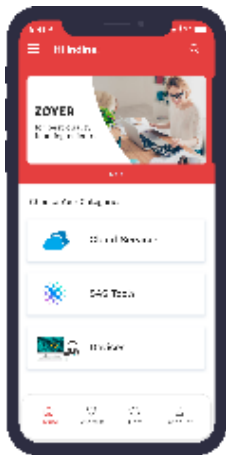


Save – simplifying employee spends



- Robust policy engine
- Strong anti-fraud detection
- Real time visibility
- Easy spend reconciliation





Problems addressed by Zoyer



SaaS spender

Keep control of SaaS purchase, renewal, disposal & Security



Project based spender

Empower project team & track expense across projects



Cloud & infra spender

Tools to recon, compile & tell the stories about the numbers



Marketing and campaign

Marketing spends tracking in Real time. Sales campaign spends



Travel & entertainment

Automate/simplify advance requests, receipt submission & reimbursement for employees



Budget management

Real-time data capture & reporting for better decision-making



Subscription management

Experience easy onboarding & happy employees. Role based SaaS mapping



Automated role-based workflow

Pre configured & rule based for auto movement of process task & approvals



Timely vendor payments

On time payments. Embedded finance for easy access to credit visibility



Faster book closure

Close the financial balance sheet 5x faster with pre-processing for Expense heads

Strategic roadmap for sustained growth



Continue to increase our customer & user base with growing potential market

India's Workforce

528 Mn
(as on Mar-23)

Addition to EPF

55.9 Mn
(2018-2023)

CAGR of Credit cards

16%
(FY 19-23)*

Prepaid cards

₹ 3,000 Bn
Transaction Value
(2027)

35.8%
CAGR
(2023-27)

Propel

Channel and Employee rewards

Save

Employee expense mgmt. and reimbursement

Zoyer

Embedded finance capabilities

VAS (1)

Partnerships (insurance, loans, investments, etc.)

Pursue Cross Sell & Up-Sell Opportunities

- R&D efforts using API integration to gather helpful insights on available data

- Undertake constant market research to know the evolving trends in various industries

- Innovation drive using the intelligence gathered

Continue to innovate and introduce new products & use cases

Leverage on strategic alliances

Build new solutions

Torrent Gas Ltd – fleet loyalty program

VISA forex cards

Kotak Mahindra Bank Co-brand card

Value Added Services (VAS)

Insurance
Tax Planning

Loans
Investment

Entered in strategic alliances for growth

Seasoned management team and board

Leadership

Raj P Narayanam
Founder and Executive Chairman

- › Founded Zaggle in 2011 with a vision to simplify corporate spends
- › Completed post-graduate diploma in business management with specialization in finance from the FORE School of Management - New Delhi
- › He has experience in the technology and fintech industry
- › Has made varying levels of investments in certain companies at different points in time
- › Has served on the board of the company since 2012



Avinash Ramesh Godkhindi
Managing Director and CEO

- › Leading Zaggle's growth since 2012
- › Holds a bachelor's degree in engineering from Bangalore University, Bengaluru, and a master's degree in business administration from the University of Chicago, Chicago
- › Has served on the board of the company since 2012
- › Awarded the "Inspiring CEO" award by the Economic Times in 2022
- › He has experience in the banking industry
- › Prior to joining Zaggle, Avinash worked with Citibank in India



Board of Directors

Arun Vijaykumar Gupta
Non-Executive Director

- › Holds a bachelor's degree in commerce from the P.D. Lion's College of Commerce and Economics, University of Bombay
- › Directorships: Route Mobile, Protinus Fashion Networking



Prerna Tandon
Independent Director

- › Holds a master's degree in business administration from the Panjab University, Chandigarh
- › She worked as the Vice President – operations at Infosys BPO Limited & Vice President – productivity & digitization leader at Genpact India



Abhay Deshpande Raosaheb
Independent Director

- › 20+ years of entrepreneurial experience
- › PhD Economics and engineering from the Dr. Babasaheb Ambedkar Marathwada University, Aurangabad, Maharashtra
- › He has experience in the IT industry
- › Directorships: Rapidue Technologies, Payswiff Technologies, Recykal Foundation, Anubhuti Welfare Foundation, Sarvah Incubation Foundation



Aravamudan Krishna Kumar
Independent Director

- › Holds a bachelor's degree in arts and economics (honors course) from the University of Delhi
- › Certified associate of the Indian Institute of Bankers
- › He retired in 2014 from State Bank of India as MD
- › Directorships: SBI Payment Services, MTAR Technologies, TVS Wealth, Delphi TVS Technologies, Sathguru Catalyser, Suraksha ARC



Management

Aditya Kumar
Chief Financial Officer

- › Member of The Institute of Chartered Accountants of India, New Delhi
- › He has experience in the financial services industry
- › Prior to joining Zaggle, he worked at Spandana Sphoorty Financial Limited as Vice President Investor Relations-Finance

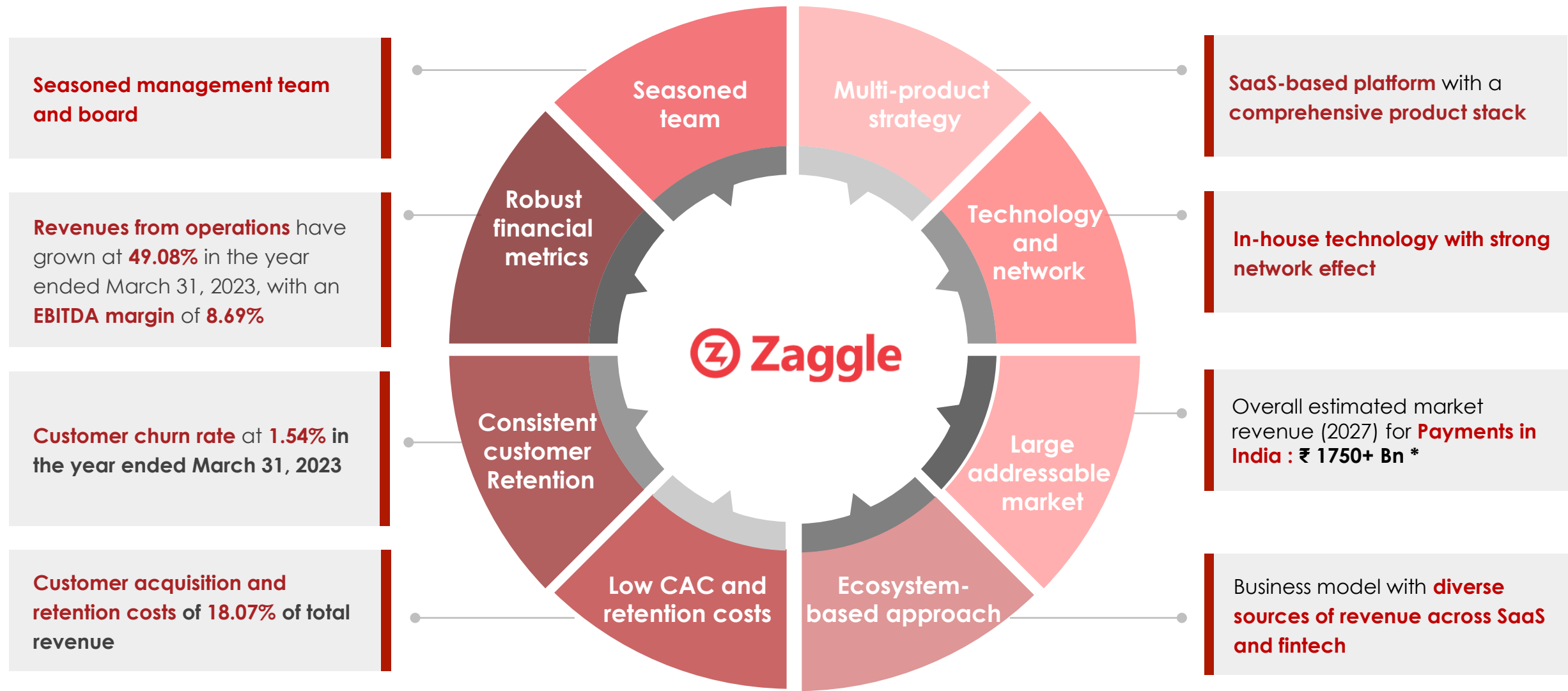


Hari Priya
Company Secretary & Compliance Officer

- › Member of the Institute of Company Secretaries of India, New Delhi and bachelor's degree in law from Osmania University,
- › Prior to joining Zaggle, she worked at Spandana Sphoorty, Gayatri Projects and Axis Clinicals



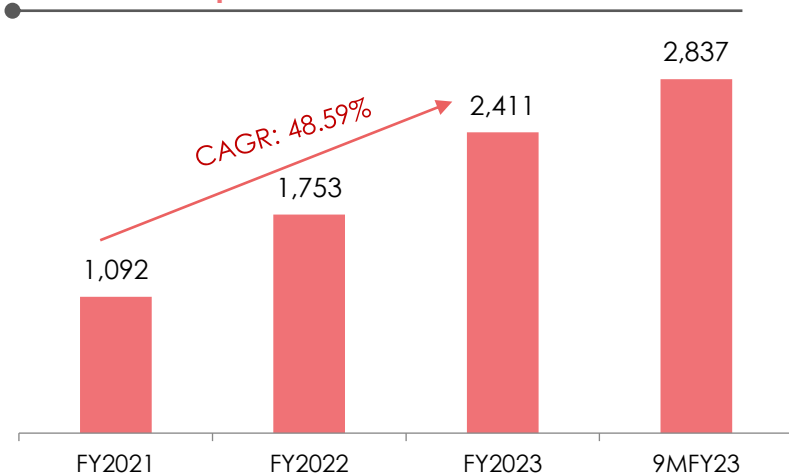
Zaggle in a nutshell



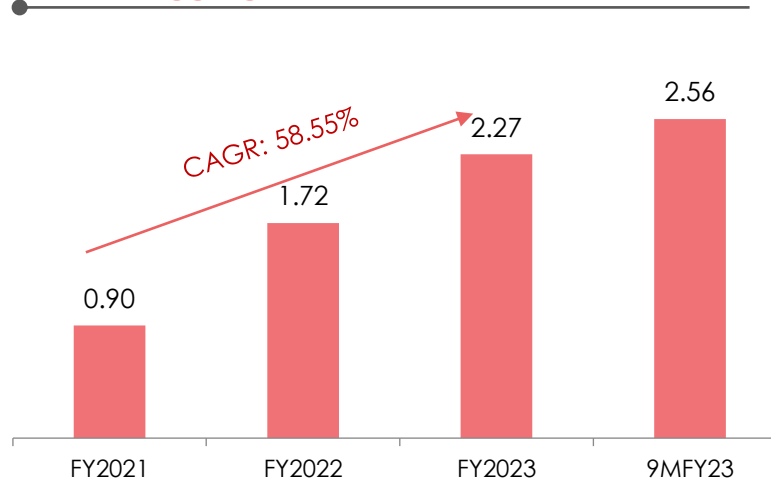
Historical financials

Historical financial and operating metrics

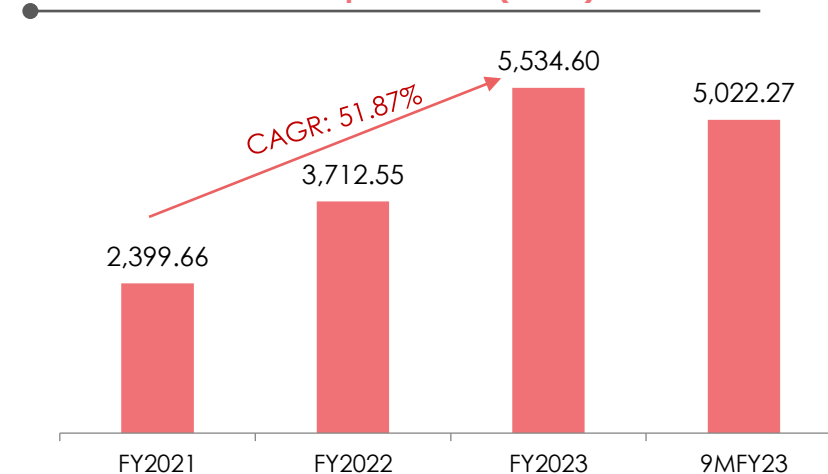
Corporate customers



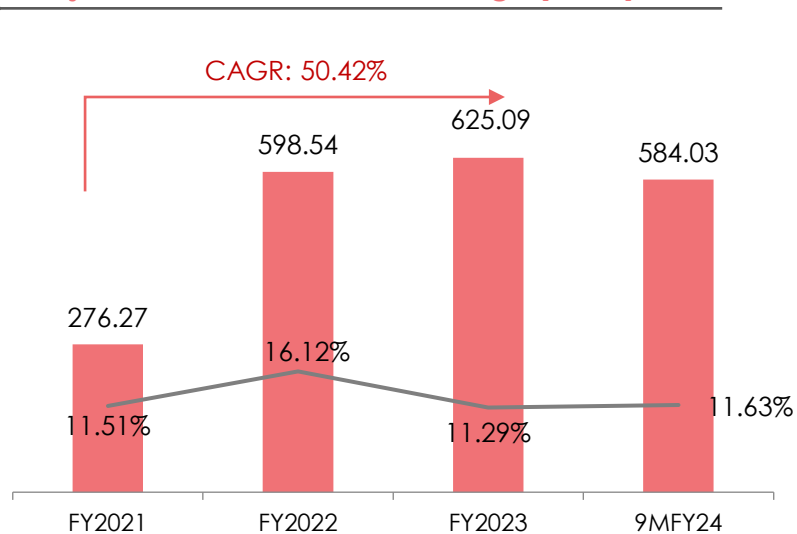
Aggregate users ⁽¹⁾ (Mn)



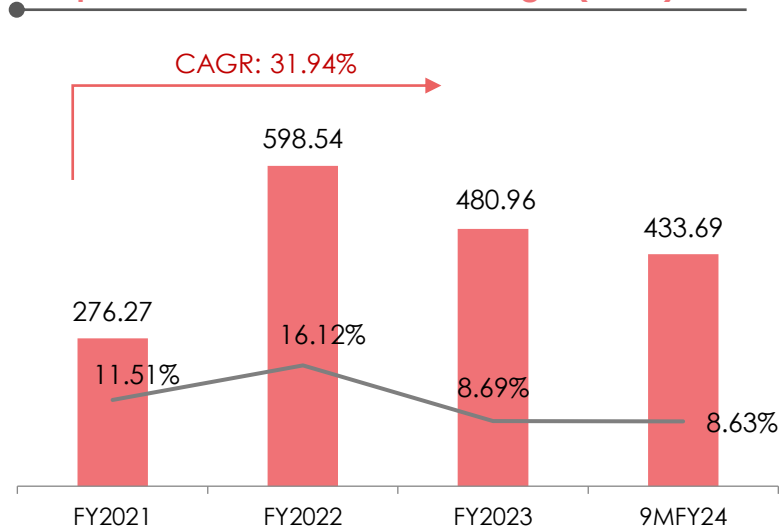
Revenue from operations (₹ Mn)



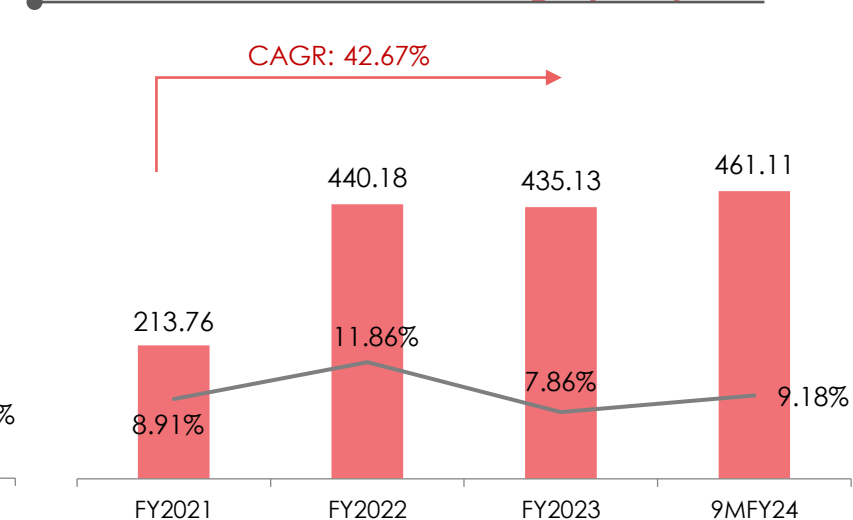
Adjusted EBITDA & EBITDA margin (₹ Mn)



Reported EBITDA* & EBITDA margin (₹ Mn)



Cash PAT & Cash PAT margin (₹ Mn)



Note: (1) Total number of users (Employees, channel partners, and customers of Customers) served by the company, FY: As of and for the year ended March 31

* Reported EBITDA –after ESOP expense ₹144.13 in FY23 and ₹150.3 in 9MFY24

Historical balance sheet

Particulars	FY23	FY22	FY21	Particulars	FY23	FY22	FY21
ASSETS				EQUITY AND LIABILITIES			
Non-current assets				Equity			
Property, plant and equipment	23.48	19.77	9.51	Equity share capital	92.22	1.80	1.80
Right-of-use assets	196.73	55.15	36.75	Other equity	395.29	-37.38	-457.31
Intangible assets	68.90	44.29	26.97	Total equity	487.51	-35.58	-455.51
Intangible asset under development	108.68	15.00	0	Liabilities			
Financial assets				Non-current liabilities			
(i) Investments	4.85	0	0	Financial liabilities			
(ii) Other financial assets	14.69	7.3	4.13	(i) Borrowings	513.29	483.27	376.92
Other non-current assets	29.77	21.38	0	(ia) Lease liabilities	158.65	51.04	31.89
Income-tax assets (net)	119.01	123.59	74.70	Provisions	11.43	7.22	5.66
Deferred tax assets (net)	23.1	24.59	106.88	Total non-current liabilities	683.37	541.53	414.47
Total non-current assets	589.21	311.07	258.94	Current liabilities			
Current assets				Financial liabilities			
Inventories	0.97	1.12	2.69	(i) Borrowings	697.44	161.45	313.92
Financial assets				(ia) Lease liabilities	44.10	7.35	7.85
(i) Investments	12.32	0	0	(ii) Trade payables			
(ii) Trade receivables	1026.59	429.51	226.81	- Total outstanding dues of micro and small enterprises	9.63	7.77	0.08
(iii) Cash and cash equivalents	195.89	7.11	27.89	- Total outstanding dues of creditors other than micro and small enterprises	82.56	99.58	190.96
(iv) Bank balances other than (iii) above	30.07	29.00	5.00	Provisions	0.22	0.14	0.11
(iv) Other financial assets	0	0	0	Other current liabilities	294.96	144.29	148.92
(v) Other financial assets	1.15	0	0	Current tax liabilities (net)	47.80	0	0
Other current assets	491.39	148.72	99.47	Total current liabilities	1,176.71	420.58	661.84
Total current assets	1,758.38	615.46	361.86	Total liabilities	1,860.08	962.11	1,076.31
Total assets	2,347.59	926.53	620.8	Total equity and liabilities	2,347.59	926.53	620.8

The Parent Company had incorporated a wholly owned subsidiary, Zaggle Technologies Limited ("ZTL"), a private Company in the UK in Jan-23, as a subscriber to the memorandum. ZTL had not commenced any business, operations or activities. In Aug-23, the board decided to strike off ZTL's name off the register in compliance with applicable provisions of the UK laws. Hence, all numbers presented are on standalone basis

Historical profit and loss statement

Particulars (₹ Million, unless stated otherwise)	FY23	FY22	FY21
Revenue from operations	5,534.60	3,712.55	2,399.66
Gross Profit	2,328.37	2,259.69	2,087.87
Gross Profit Margin	42.07%	60.87%	87.01%
Employee benefits expense	291.70	154.30	124.60
Incentive and cash back	1,002.01	1,176.43	1,380.31
Other Expenses	409.57	330.42	306.69
Adjusted EBITDA	625.09	598.54	276.27
Adjusted EBITDA Margin	11.29%	16.12%	11.51%
ESOP Cost	144.13	-	-
Reported EBITDA	480.96	598.54	276.27
Reported EBITDA Margin	8.69%	16.12%	11.51%
Other Income	11.15	4.09	3.27
Depreciation	61.99	20.97	20.46
EBIT	430.12	581.66	259.08
EBIT Margin	7.77%	15.67%	10.80%
Finance Cost	113.77	69.88	77.10
Profit before Tax	316.35	511.78	181.98
Tax	87.34	92.57	(11.32)
Profit After Tax	229.01	419.21	193.30
PAT Margin	4.14%	11.29%	8.06%
Cash PAT (PAT+DA+ESOP)	435.13	440.18	213.76
EPS - Basic (₹)	2.48	4.57	2.11
EPS – Diluted (₹)	2.46	4.57	2.11

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Annexure

Utilization of IPO proceeds



Net proceeds of IPO - ₹ 3,621 mn

₹ 3,000 Mn

Customer acquisition & retention

₹ 400 Mn

Development of technology & products

₹ 170 Mn

Debt repayment

₹ 51 Mn

General purpose

Note: The amounts are approximate. Out of unutilised amount of ₹ 3,453.82 million, the Company has invested ₹ 3,405.00 million in deposits with scheduled commercial banks and remaining balance of ₹ 48.82 million is lying in current account.

Key awards, accreditations and recognitions



Global Banking & Finance Award: Excellence in Innovation Business Spend Management Software India 2023



The Digital Fifth

Top 50 Indian Digital Finance Influencers 2024: Raj N., Founder & Exec. Chairman was awarded for his visionary contributions persistently guide the FinTech revolution in India.



10th Payments Industry Awards: Best B2B Payment Solution Provider, 2023



BW Businessworld Festival of Fintech Conclave Awards: Winner – Best Payments Solutions of the Year, 2023



BW Businessworld Festival of Fintech Conclave Awards: Best Digital Card, 2021



Govt of Telangana: Recognized for building a robust and sustainable SaaS and fintech business, 2022



India Startup Festival: "Certificate of Appreciation" by Sri Sathya Sai Grama Muddenahalli, 2022



World HRD Congress and Awards: "Best Employee Engagement Award in B2B Sector", 2021



Human Excellence Award: Awarded the "Best Employee Engagement Program (Multi Industry)", 2021



Marksmen Daily: Most Preferred Workplace, 2023-24



India Digital Awards: Best Prepaid Card Solution, 2019



CERTIVA LIMITED
CERTIFICATION - TRAINING - INSPECTION

Certiva: Certificate of compliance with 'ISO/IEC 27001:2013'



Thank you



Company

Zaggle Prepaid Ocean Services Limited

CIN: U65999TG2011PLC074795

Hari Priya, Company Secretary & Compliance Officer

Email id: Investor.Relations@zaggle.in

SGA Strategic Growth Advisors

Investor Relations Advisor

Strategic Growth Advisors Pvt Ltd.

CIN: U74140MH2010PTC204285

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