



Zaggle Prepaid Ocean Services Limited

Investor Presentation

November 2023

Safe Harbor

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From the Founder's desk...



Raj P Narayanam
Founder and Executive
Chairman

"In Q2FY24 we delivered a strong performance with revenues of ₹1,842 million growing at 41% on YoY basis. We also registered a 79% growth in Adjusted EBITDA (before ESOP expenses) outpacing the growth in topline. This is on account of strong operating leverage that exists in our business.

At Zaggle, we are pleased about our recent strategic alliance with Kotak Mahindra Bank, marking a major achievement in our growth journey. This follows our strengthened relationship with VISA through our co-branded forex cards.

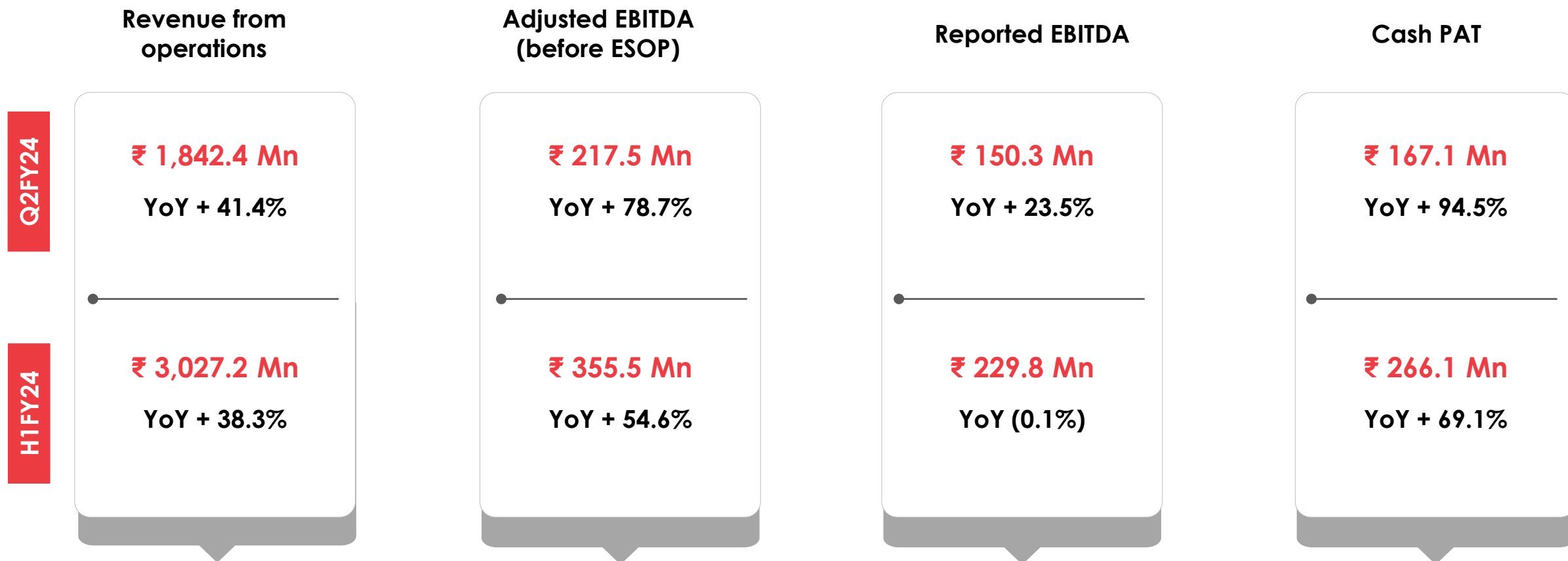
The market opportunity ahead of us is vast, offering a significant runway for growth. As we continue to develop and execute our strategic initiatives, we are confident in our ability to unlock this potential, paving the way for sustained growth and success in the future.

After our IPO, with a stronger financial position, we've lowered our debt and foresee reduced financial costs from Q3FY24, which will further boost our profitability.

In the first half of the year, our revenue growth is over 38% with an Adjusted EBITDA Margin (before ESOP expense) of around 11.75%. This performance is inline with our full year guidance of 40% to 50% revenue growth along with Adjusted EBITDA Margin (before ESOP expense) between 11% and 13%."

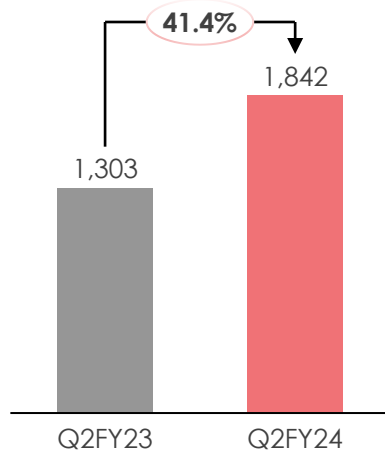
Performance highlights

Steady revenue and profitability

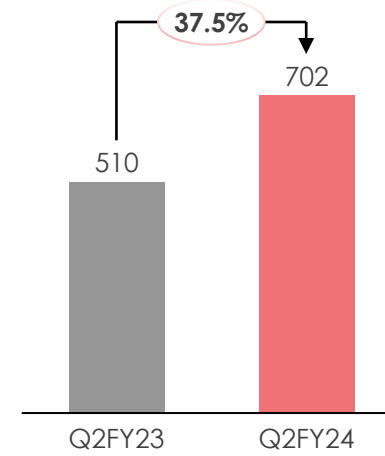


Quarterly Financial highlights

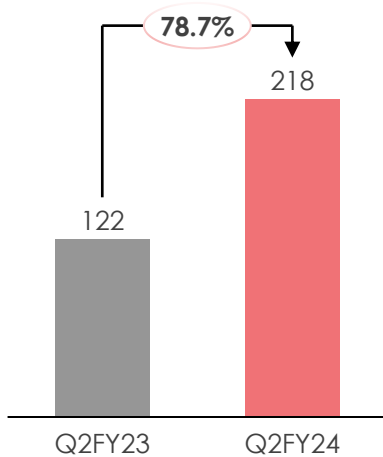
Revenue from operations (₹ Mn)



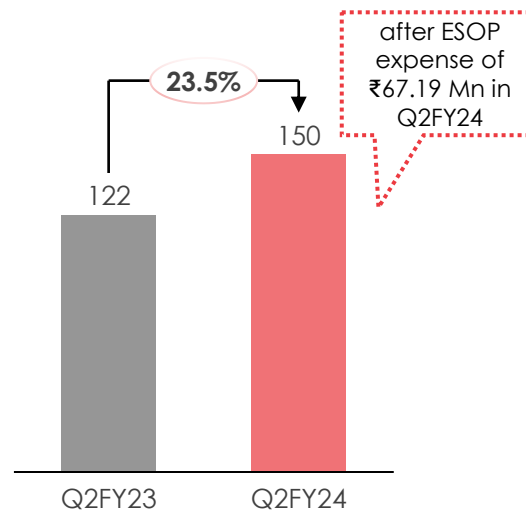
Gross Profit (₹ Mn)



Adjusted EBITDA (₹ Mn)

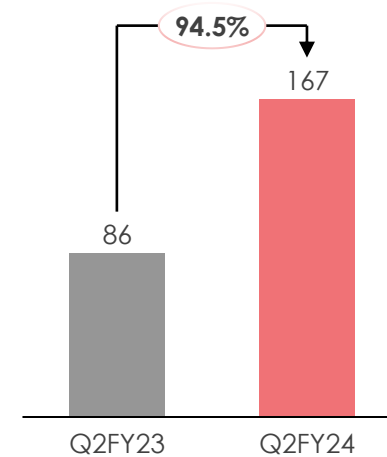


Reported EBITDA (₹ Mn)



Cash PAT (₹ Mn)

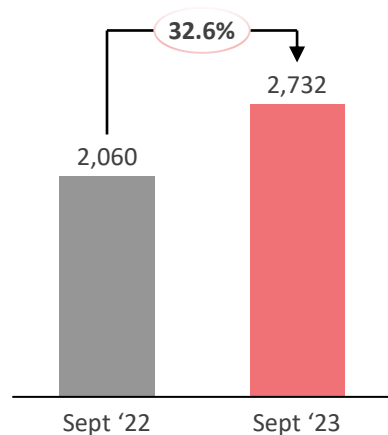
PAT + Depreciation & Amortization + ESOP Expense



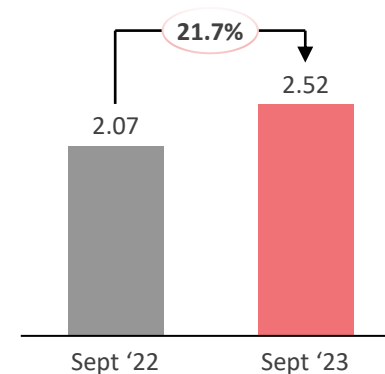
Key operational performance indicators

KPIs

Total customers catered to (number)

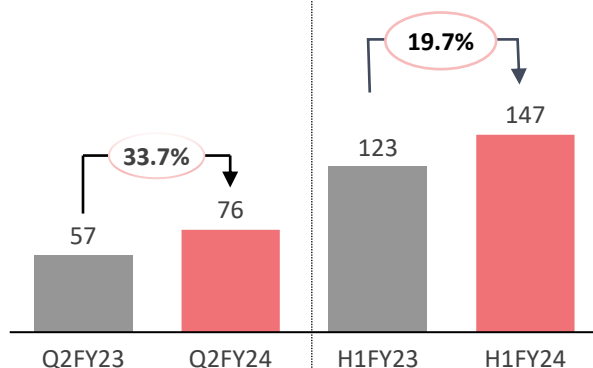


Aggregate users on the platform (million)

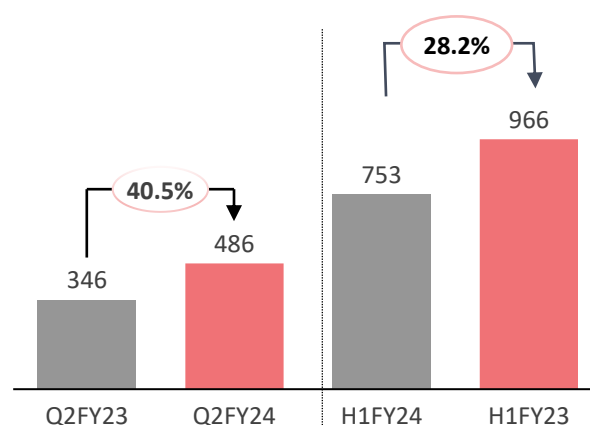


Revenue Mix (₹ Mn)

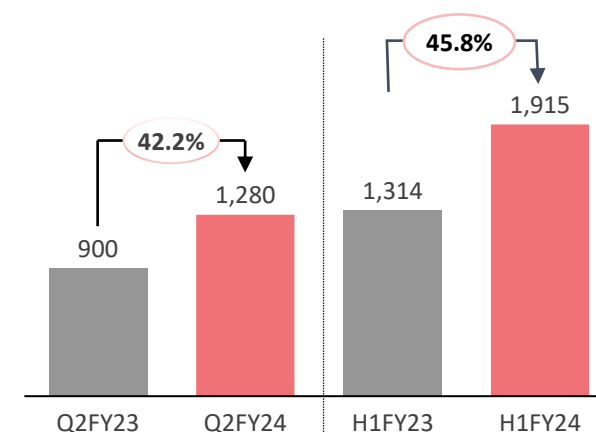
Software Fees



Program fees



Propel platform revenue



Profit and loss statement

(₹ Million, unless stated otherwise)	Q2FY24	Q2FY23	YoY	Q1FY24	QoQ	H1FY24	H1FY23	YoY
Revenue from operations	1,842.42	1,303.35	41.4%	1,184.79	55.5%	3,027.21	2,189.58	38.3%
Cost of point redemption / gift cards	1,144.28	790.43		569.79		1,714.07	1,153.53	
Consumption of cards	-3.33	2.75		8.81		5.48	3.16	
Gross Profit	701.47	510.17	37.5%	606.19	15.7%	1,307.66	1,032.89	26.6%
Gross Profit Margin	38.1%	51.2%		51.2%		43.2%	47.2%	
Employee benefits expense	112.04	94.03		81.02		193.06	155.93	
Incentive and cash back	257.88	212.98		249.85		507.73	467.79	
Other Expenses	114.08	81.44		137.32		251.40	179.17	
Adjusted EBITDA	217.47	121.72	78.7%	138.00	57.6%	355.47	230.00	54.6%
Adjusted EBITDA Margin	11.8%	9.3%		11.6%		11.7%	10.5%	
ESOP Cost	67.19	0.00		58.44		125.63	0.00	
Reported EBITDA	150.28	121.72	23.5%	79.56	88.9%	229.84	230.00	-0.1%
Reported EBITDA Margin	8.2%	9.3%		6.7%		7.6%	10.5%	
Other Income	6.70	4.49		14.56		21.26	4.87	
Depreciation	24.03	10.43		20.05		44.08	18.86	
EBIT	132.95	115.78	14.8%	74.07	79.5%	207.02	216.01	-0.04
EBIT Margin	7.22%	8.88%		6.25%		6.84%	9.87%	
Finance Cost	33.71	14.32		44.13		77.84	28.72	
Profit before Tax	99.12	101.46		29.94		129.06	187.29	
Tax	23.39	25.99		9.39		32.78	48.82	
Profit After Tax	75.73	75.47	0.3%	20.55	268.5%	96.28	138.47	-30.5%
PAT Margin	4.1%	5.8%		1.7%		3.2%	6.3%	
Cash PAT (PAT+DA+ESOP)	166.95	85.90	94.4%	99.04	68.7%	265.99	157.33	69.1%
EPS - Basic	0.78	0.82		0.24		1.02	1.50	
EPS - Diluted	0.77	0.82		0.24		1.02	1.50	

Q2FY24 – Key Highlights

- The growth in revenue driven by increase in spends on Credit card business along with growth in Propel point redemption
- The improved Adjusted EBITDA is a result of the operating leverage coming into play
- All profitability metrics, i.e., reported EBITDA (after ESOP), PAT and Cash PAT showed improvement both on YoY and sequential basis
- Total ESOP expense for FY24 is expected to be around ₹ 200 mn
- Post the IPO, the company has repaid ₹ 470 mn of borrowings which will result in lower finance cost from H2

Balance sheet

(₹ Million)	Period ending Sept' 23	Year ending March 23
ASSETS		
Non-current assets		
Property, plant and equipment	19.09	23.48
Right-of-use assets	125.44	196.73
Intangible assets	96.14	68.90
Intangible asset under development	120.92	108.68
Financial assets		
(i) Investments	5.99	4.85
(ii) Other financial assets	45.63	14.69
Other non-current assets	35.70	29.77
Income-tax assets (net)	0.00	119.01
Deferred tax assets (net)	22.64	23.10
Total non-current assets	471.55	589.21
Current assets		
Inventories	0.70	0.97
Financial assets		
(i) Investments	0.00	12.32
(ii) Trade receivables	1,211.53	1,026.59
(iii) Cash and cash equivalents	249.77	195.89
(iv) Bank balances other than (iii) above	3,468.24	30.07
(iv) Other financial assets	0.00	0.00
(v) Other financial assets	4.41	1.15
Other current assets	1,117.46	491.39
Total current assets	6,052.11	1,758.38
Total assets	6,523.66	2,347.59

Particulars	Period ending Sept' 23	Year ending March 23
EQUITY AND LIABILITIES		
Equity		
Equity share capital	122.10	92.22
Other equity	5,189.70	395.29
Total equity	5,311.80	487.51
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	282.30	513.29
(ia) Lease liabilities	101.01	158.65
Provisions	14.91	11.43
Total non-current liabilities	398.22	683.37
Current liabilities		
Financial liabilities		
(i) Borrowings	390.11	697.44
(ia) Lease liabilities	29.24	44.10
(ii) Trade payables		
- Total outstanding dues of micro and small enterprises	0.00	9.63
- Total outstanding dues of creditors other than micro and small enterprises	41.65	82.56
Provisions	0.28	0.22
Other current liabilities	293.51	294.96
Current tax liabilities (net)	58.85	47.80
Total current liabilities	813.64	1,176.71
Total liabilities	1,211.86	1,860.08
Total equity and liabilities	6,523.66	2,347.59

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

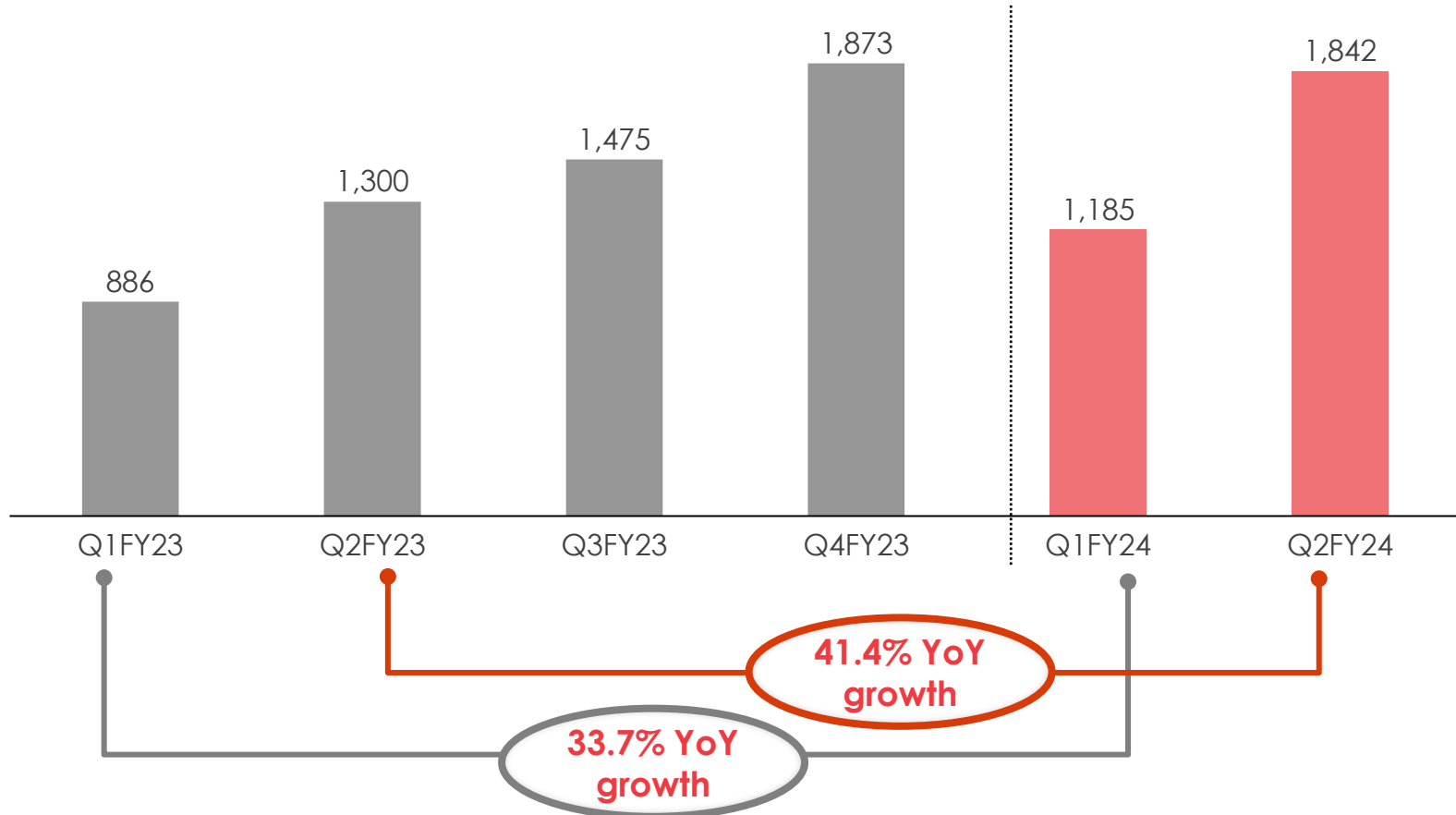
Quarterly revenue contribution

Q3 & Q4 are higher revenue quarters in the business

Contribution to annual revenues



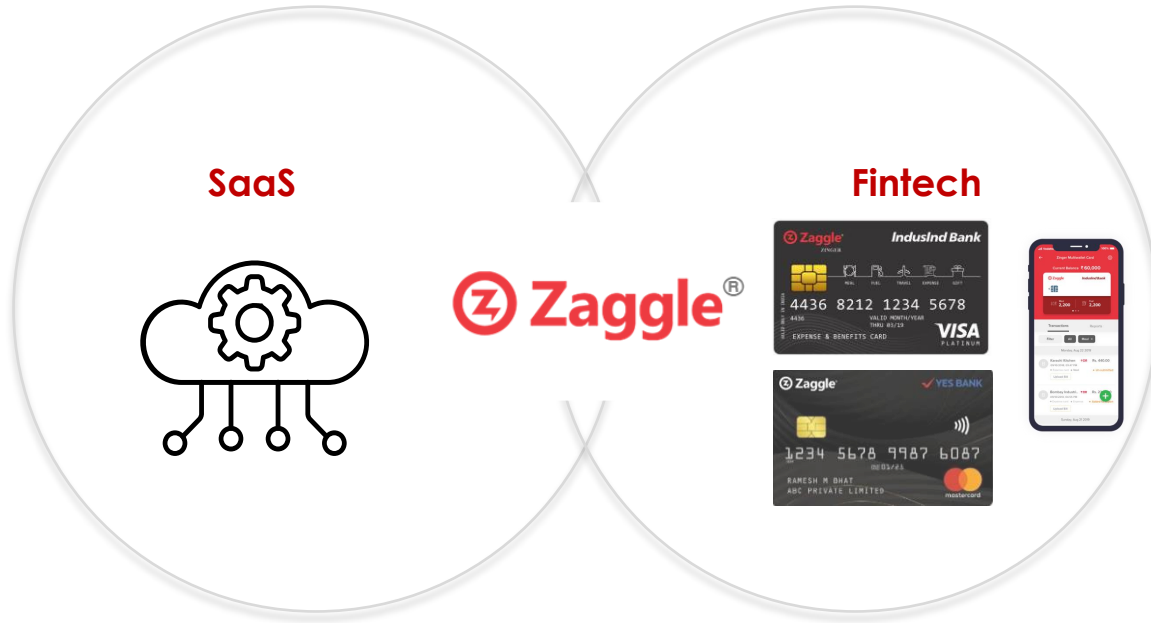
Revenue from operations (₹ Mn)



- The H1FY24 performance has improved over H1FY23 due to the launch of our Accounts Payable product Zoyer bundled with Credit Card and increased cross sell penetration.
- H1 is usually approx. 40% of the annual business
- H2 contributes to more than 60% of total revenue on account of increase in transaction volumes due to festive seasons and end of financial year spends

What we do

Zaggle: At a Glance

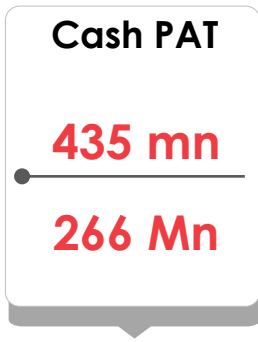


Multilingual interface

GDPR Compliant

FY23

H1FY24



1 Issuer of Prepaid cards in India

50 mn+ cards

16% Market share By txn value

Leading player in spend management space

2,700+ Corporate customers

2.5 mn Users

Key Products

SAVE
Employee Tax benefits

PROPEL
Reward & recognition

ZOYER
Accounts payable platform

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

Note: #Source : Frost & Sullivan Report

GDPR: General Data Protection Regulation

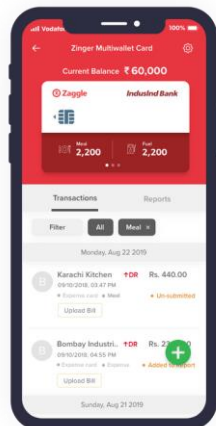
Differentiated SaaS-based fintech platform with...

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

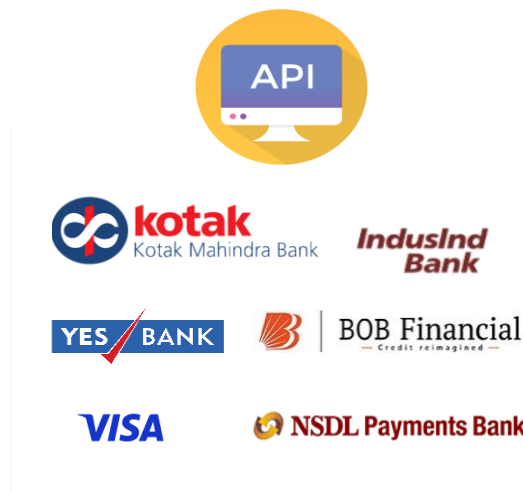
Omnichannel technology offering



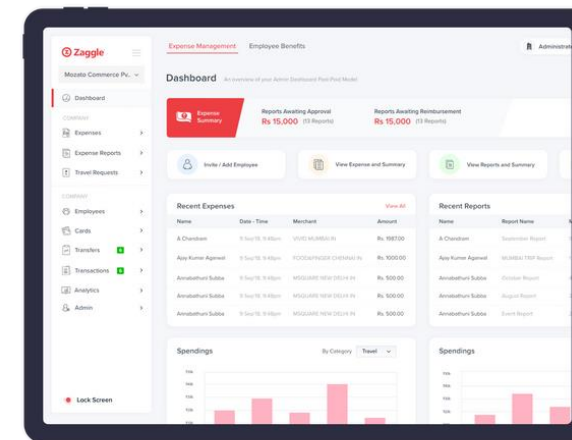
Co-branded cards with bank



Mobile app to manage spends

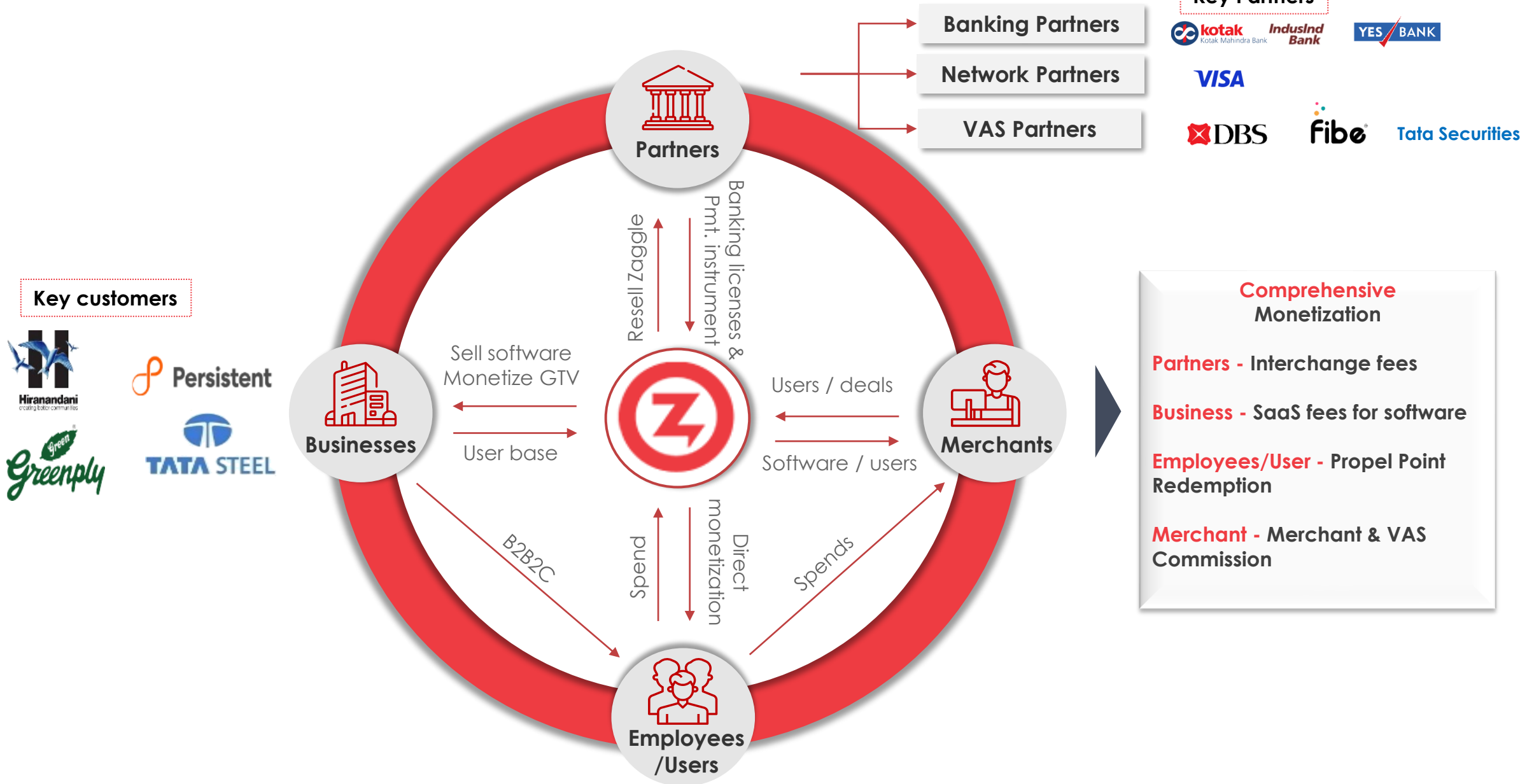


Multiple network partners



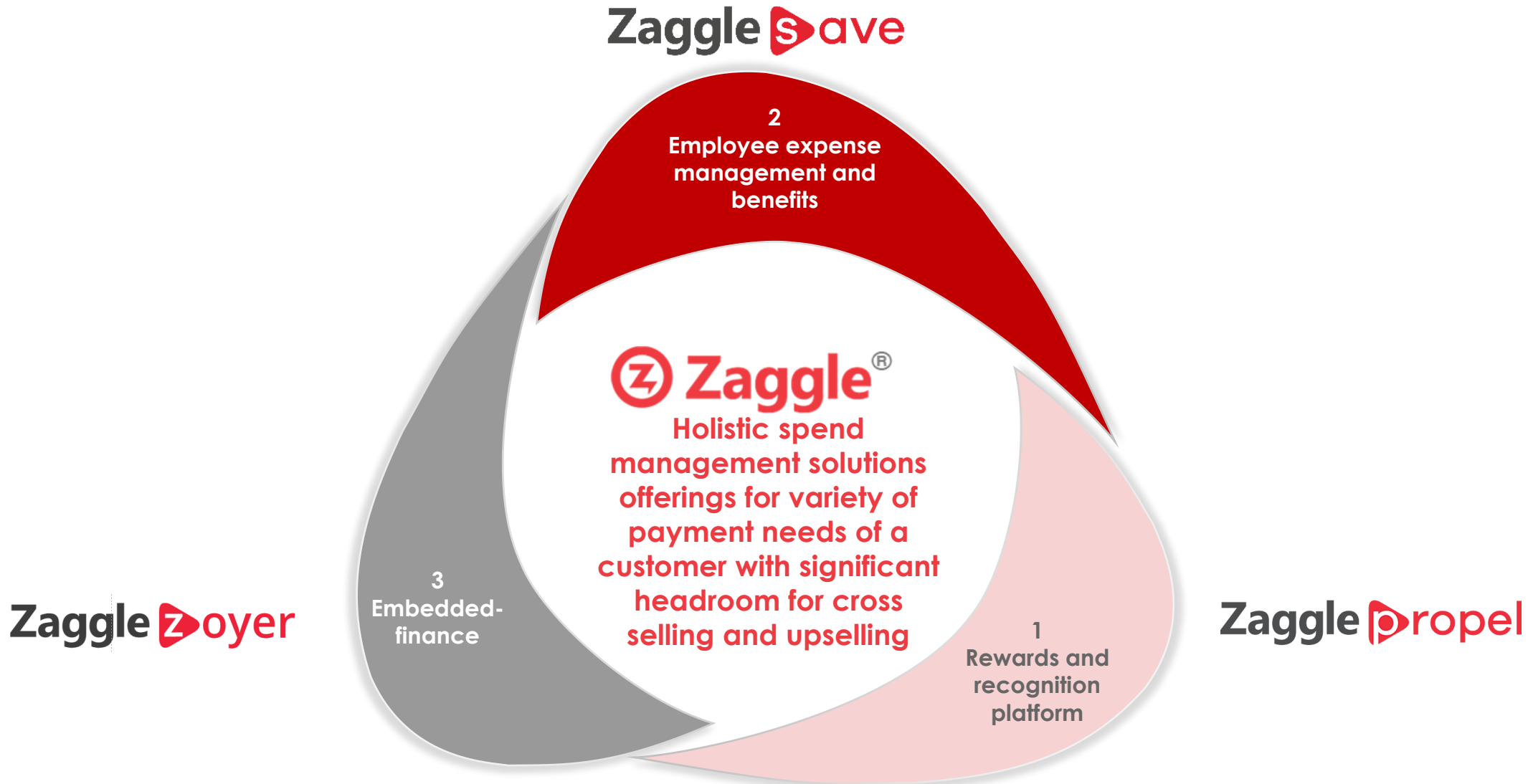
Dashboard to manage reporting & analytics

... 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 product portfolio for a large & growing addressable market



Zaggle: Key product and service offerings

1

Propel

- Channel rewards and incentives
- Employee rewards and recognition

Zaggle  propel

2

Save

- Expense Management
- Employee Reimbursements
- Employee tax benefits

Zaggle  save

3

Zoyer

- Integrated data-driven business spend management platform with embedded finance capabilities

Zaggle  zoyer

Propel – digitizing reward computation and disbursal



- Channel & employee rewards
- Incentives
- Engagement



Seamless partner onboarding



Metric based incentive computation



Leaderboards, badging and achievements



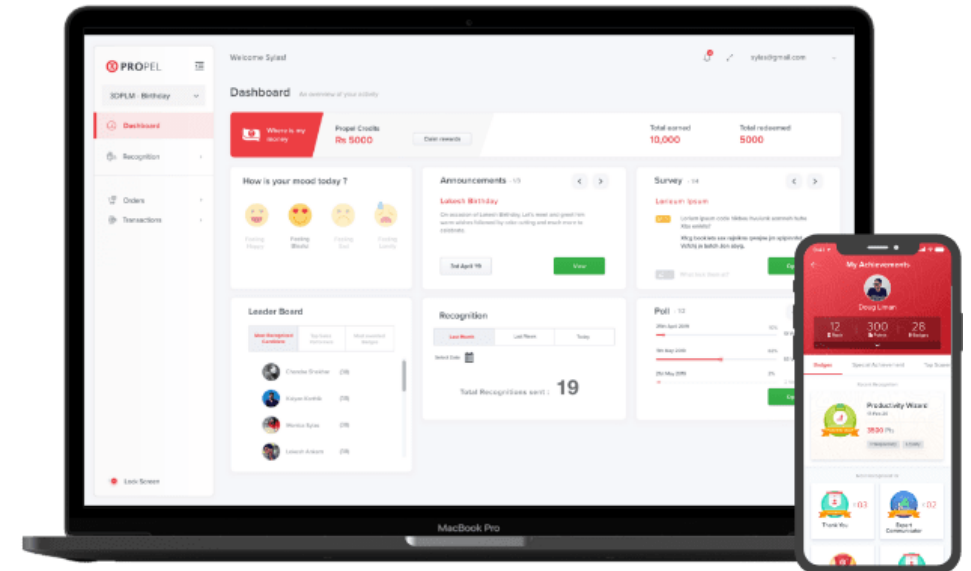
Automated claim management



Reports and analytics



Peer-to-peer recognition



Save – simplifying employee spends



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



All-in-one card



Wide acceptance



100% compliant



Complete control



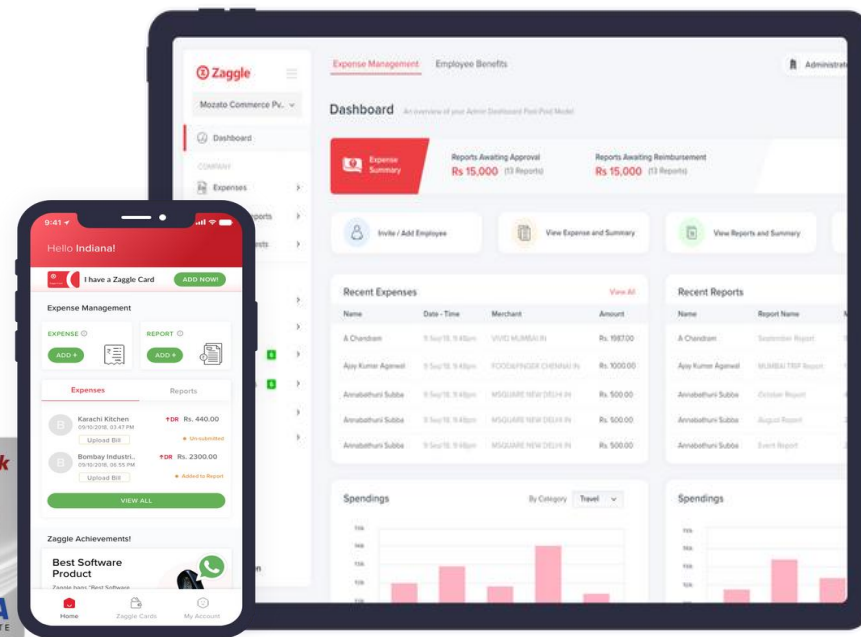
Powerful dashboard for enterprise

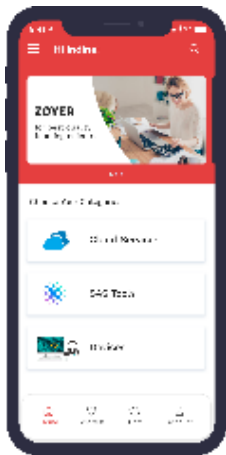


Automatic expense reporting



Real time expense approval





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



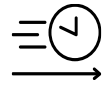
Automated role-based workflow

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)

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

VISA Kotak Mahindra Bank

Entered in strategic alliances for growth

Value Added Services (VAS)

Insurance Loans
Tax Planning Investment

Leveraging on strategic alliances

Recent strategic alliances for growth

	Contract brief	Value proposition	Contract geography	Duration	Long term value
VISA	Co – Branded Zaggle Forex Card for transaction during international travel etc	Sell forex cards to employees of corporate clients with its other offering	International	Next 5 years	~\$20 mn
Kotak Mahindra Bank	Onboarded as a new key partner bank for product offerings	Corporate customers will have access to Kotak's financial products including payroll banking services, such as salary accounts along with Zaggle's employee benefit products	Domestic	36 months	₹ 760 mn

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
- › Directorship: Nirmal Bot Limited



Abhay Deshpande Raosaheb
Independent Director

- › 20+ years of experience in Financial banking
- › PhD Economics and engineering from the Dr. Babasaheb Ambedkar Marathwada University, Aurangabad, Maharashtra
- › He has experience in the IT industry
- › Directorships: Rapidue Technologies, Pay swift Technologies, Recykal Foundation, Anubhuti Welfare 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, Ecofrost Technologies, Suraksha ARC, Ecozen Solutions



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

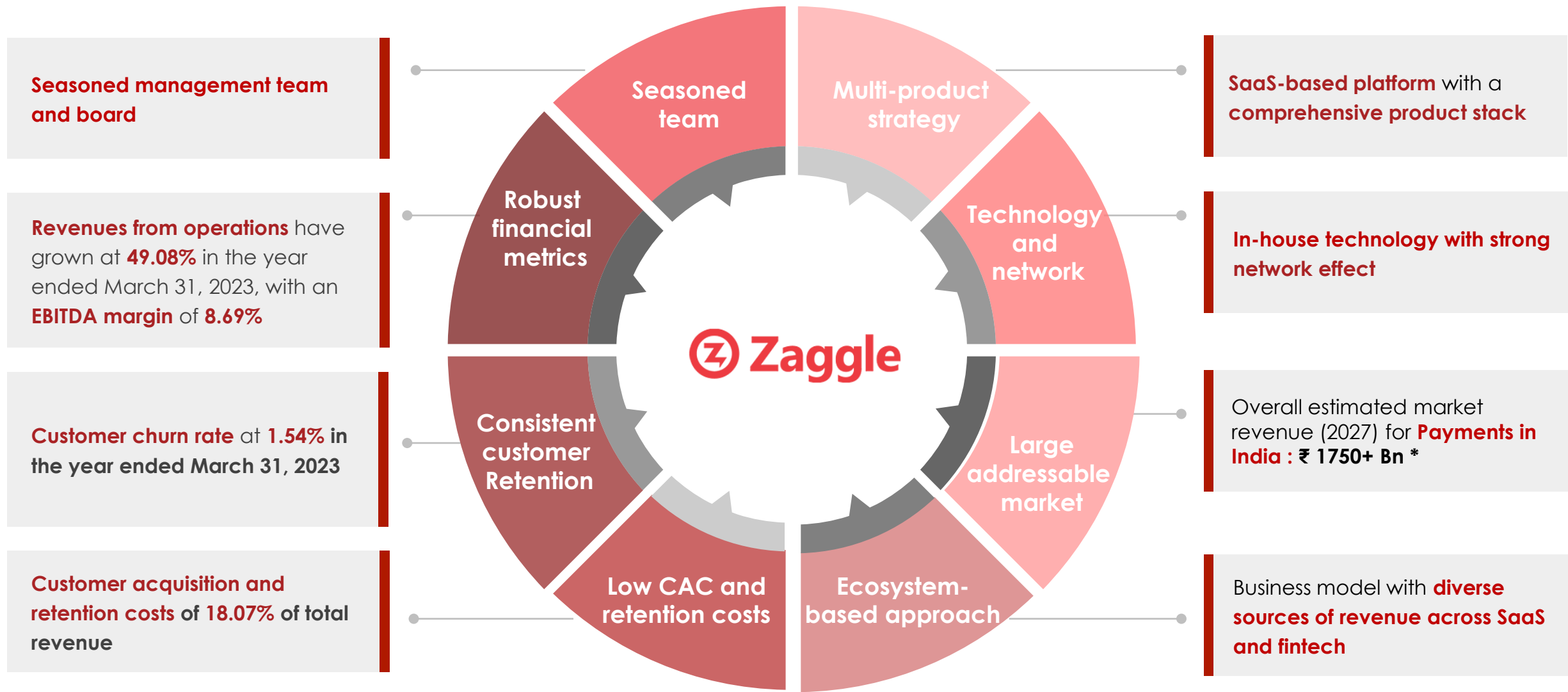


Hari Priya
Company Secretary & Compliance Officer

- › 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

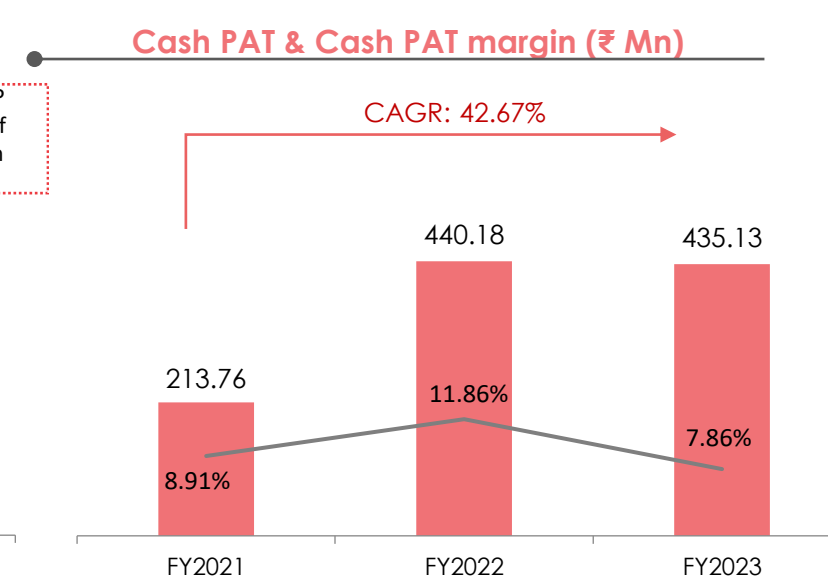
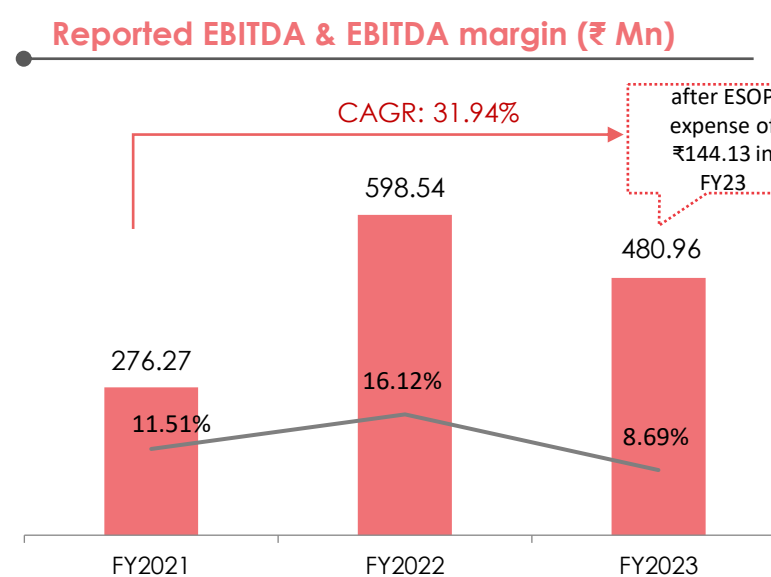
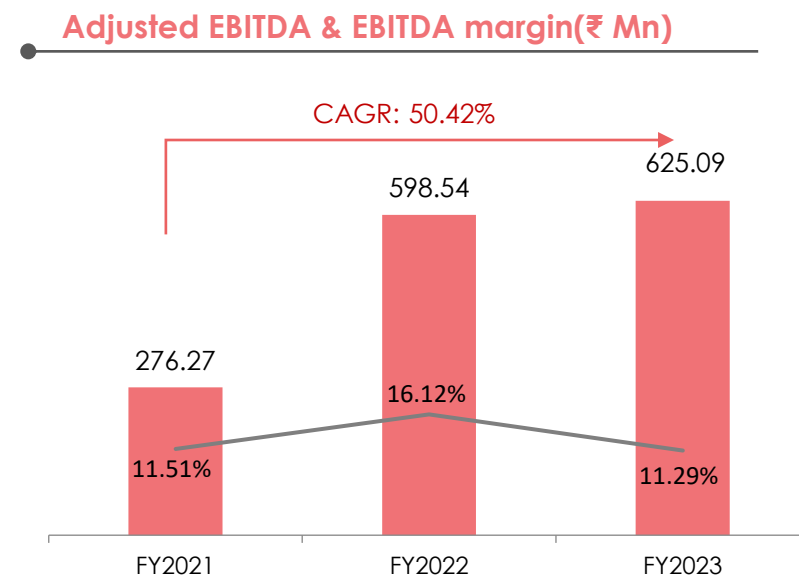
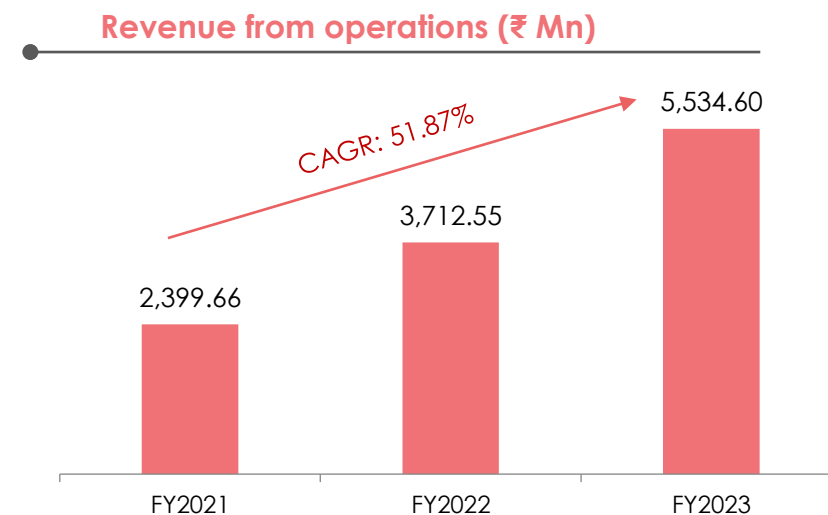
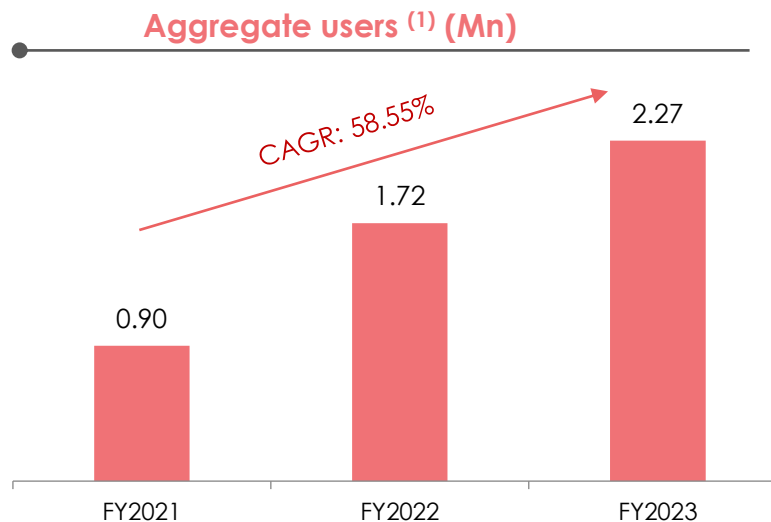
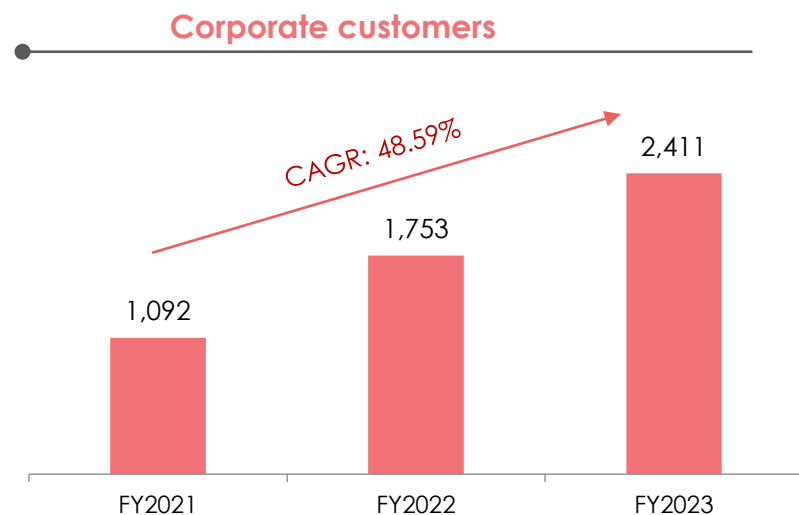


Zaggle in a nutshell



Historical financials

Historical Financial and operating metrics



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

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

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

Annexure

Utilization of IPO proceeds



Net proceeds of IPO - ₹ 3621 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



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



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



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




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



India Digital Awards: Best Prepaid Card Solution, 2019



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



Marksmen Daily: Most Preferred Workplace, 2023-24



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

Devika Shah / Shikha Puri

Email id: devika.shah@sgapl.net /

shikha.puri@sgapl.net

Tel No: +91 9920764659 / +91 9819282743