Date: August 06, 2026

To,

National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001
Symbol: MOBIKWIK	Scrip Code: 544305

Sub: Transcript of the Earnings Call for Analysts and Investors held on August 03, 2026

Ref: Disclosure under Part A of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Part A of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Call, which was held on Monday, August 03, 2026.

The same will be hosted on the Company's website at https://www.mobikwik.com/ir/financial-statements.

This is for your information & records.

Thanking you,

For One MobiKwik Systems Limited

ANKITA SHARMA
Digitally signed by ANKITA SHARMA
Date: 2026.08.06 19:14:23 +05'30'

Ankita Sharma
Company Secretary and Compliance Officer
Membership No.: A37518

"One MobiKwik Systems Limited ("MobiKwik")

Q1 FY27 Earnings Conference Call"

August 03, 2026

MANAGEMENT: **MS. UPASANA RUPKRISHAN TAKU – EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER – ONE MOBIKWIK SYSTEMS LIMITED**
MR. SOHAM ROY – ASSOCIATE DIRECTOR, CORPORATE DEVELOPMENT – ONE MOBIKWIK SYSTEMS LIMITED

MODERATOR: **MR. RAHUL JAIN – DOLAT CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to the One MobiKwik Systems Q1 FY27 Earnings Conference Call. As a reminder, all participants' lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rahul Jain. Thank you, and over to you, sir.

Rahul Jain: Thank you, Anannya. Good evening, everyone. On behalf of Dolat Capital, I would like to thank One MobiKwik Systems Ltd. for giving us the opportunity to host this earnings call. I welcome the senior management of One MobiKwik represented by Ms. Upasana Rupkrishan Taku, Executive Director and CFO of the company, and Mr. Soham Roy, Associate Director - Corporate Development.

I would like to now ask the management to take us through Q1 FY27 results. Over to you guys.

Upasana Taku: Hello and good afternoon to all of you who have joined us today for the MobiKwik earnings call. My name is Upasana Taku, I'm one of the Co-Founders of the company.

With regard to our Q1 FY27 results, I just wanted to make some brief remarks. Q1 FY27 has been our most successful and profitable quarter yet. It has also been a tightrope walk where we have balanced reaping profits today, while at the same time calibrating the investments that we make for our tomorrow, so that we'll be able to deliver better value to our shareholders.

In terms of the key metrics, Q1 PAT stood at INR76 million. We are now profitable for three straight quarters. And the PAT swing that we have delivered from Q1 last year to Q1 this year is INR495 million. EBITDA also delivered at INR158 million with an improvement of INR470 million YoY. In terms of the margin expansion story, payments gross profit landed at INR777 million, up 31% YoY, whereas the financial services gross profit grew 5.6x YoY and landed at INR433 million, demonstrating robust credit quality.

As a result of both payments gross profit and financial services gross profit growing nicely, the contribution profit of the company therefore rose 66% YoY. In terms of the credit quality improvement, we saw 25% improvement and 60% of the loans this time went to repeat customers.

In terms of the payments business, the platform GMV of the company reached an all-time high of INR587 billion. This is 50% up YoY. This is also the 14th straight quarter of growth in payments GMV that the company has delivered. In terms of UPI, the company's UPI transactions grew 5x faster than the overall industry, making MobiKwik the second fastest-growing TPAP, UPI app in the country. In a nutshell, this has been a strong quarter.

In terms of the cost, we have been able to do a great job at compressing costs at scale. Direct costs have been brought down 21% YoY. For payments side, the direct cost was down 15%. Lending side, the direct cost was down 40%.

Net-net, it has been a great quarter, and this is not a one-off quarter. We do believe that this is a sustainable performance. We are targeting full-year PAT profitability for this financial year, and Q1 is of course the baseline. We expect that GMV and revenue will continue to grow in both payment and financial services businesses, and will compound going forward.

While at the same time, we aim to keep fixed costs anchored, and therefore each rupee of incremental contribution should essentially flow to EBITDA and PAT. We are focused on deepening our payments leadership in the market, expanding our digital financial services footprint, and creating sustainable long-term value for all of our customers, merchants, as well as our shareholders. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Divyansh Jaju from Trinetra Asset Management. Please go ahead.

Divyansh Jaju: Hello, good afternoon everyone. Thank you for the opportunity first. My first question is, like over the last seven quarters to eight quarters, the company has seen relatively like muted revenue growth. So, what are the key growth levers that management is expecting which will be very accelerating revenue growth going forward?

Upasana Taku: Can you repeat your question? The voice was not very clear to us.

Divyansh Jaju: Yes, so just my question was around like from last seven quarters to eight quarters, the company has seen like quarterly, on quarterly basis, like revenue growth is very muted. So, what are the key growth levers that management is expecting to like revenue growth will be good going forward?

Upasana Taku: Right. Now we got it. Thank you very much for the question. Great question. See, I think that in the last financial year, almost till half of the year and more, we were trying to re-stabilize some of our businesses. So, I will look at the last few quarters and the current quarter as a baseline to answer your question.

But let's take one business at a time. On the lending side, the revenue this quarter has also been great. Even though there was a dip in disbursements, the revenue is still holding strong. We are expecting to grow the disbursements in lending from the current baseline of about INR700 crores to INR1,000 crores every quarter in the coming quarters. And we are planning to do that on the back of two-three things.

First is that we have added new lending partners this quarter in Q1, and we are adding more in Q2. And on the back of new lending partnerships as well as products, we do expect that we will be able to scale the business.

Secondly, we have also employed a couple of growth initiatives in our lending business. The first one being very simple - we have a very large, engaged user base on MobiKwik thanks to our diversified payments business; and we are trying to generate more and more pre-approved and pre-qualified offers for these customers. And on the back of that, we are confident that we can increase our pace of disbursal.

In addition, currently in our lending funnel, from the start of where the customer gets interested and sees a loan offer to the completion of the journey, there are several points at which there is drop-off. And to address that, we have built our own AI engine which will automatically detect the steps at which a user is getting dropped off, and according to the place in the funnel the drop-off is happening, will automatically address that and therefore try to get the user back into the funnel and get the user converted.

On the back of these two growth initiatives as well as on the back of new lending partners as well as new lending products that we will be launching, we feel very comfortable about generating at least a INR1,000 crores disbursal in every quarter going forward. And that should definitely give us strong revenue growth.

To add to that, we have also shown in our earnings presentation this time that from our past book where the loans are either completed or on the verge of completion, there also we are performing much better than what we had thought, and therefore we are also getting recoveries in the form of revenue on our old books.

So put together, this is how we expect to grow the lending revenue as well as the margin that will be flowing from there to the bottom line of the company.

Now coming to the payments side, which is a tricky business. As you all know, the largest growth that we are seeing, which everybody else in the market also continues to see is on the UPI side. And you know that revenue is a problem over there. So, what has happened is that we have seen significant growth on UPI side, on merchant side, and in the categories where the take rate is either zero or is very low, a few basis points. While at the same time, the high revenue-generating categories are typically categories which are card-linked - either credit or debit card. And in some of those categories actually we've had to pause in the last quarter and this quarter. Due to this, there is a dip in both revenue and direct costs in payments, which is directly visible in the slide that we have given.

We are working on re-launching some of these payment categories, and we expect to recover from the payments revenue dip in the coming quarters. Separately, we have already highlighted last quarter that we are trying to scale up the merchant business in a big way - both our online as well as offline merchant acquiring business. These are revenue-generating businesses and therefore we will see the revenue flow through.

One interesting point I wanted to tell you is that even though it has been hard to see revenue growth in payments, but we have been able to translate the 50% YoY GMV growth into 31% YoY gross profit growth in the payments business. Last year on a similar revenue, we made INR59 crores in gross profit, and this quarter on a similar revenue of INR208 crores we have generated INR77 crores in gross profit.

So, we are trying our level best from all sides to either increase the top-line or the gross profit from the business so that the overall profitability of the company keeps going up.

Divyansh Jaju: Okay ma'am, fair enough. And second question was around like our existing users only. So, are we observing something regarding that our existing users are only purchasing using our more other products? Like any pattern of cross-selling opportunities meaningfully observed there?

Soham Roy: Hi Divyansh, Soham here. So, one of the points which Upasana mentioned is we are looking to tap into that existing customer base. Our largest cross-sell product right now is lending. So, we are working on tapping into that. We have a good set of engaged customers or a ready base which we have mentioned in the investor presentation - roughly 96 million.

We are looking to tap into them and generate roughly about INR150 crores to INR250 crores of additional disbursement every quarter. So that is the biggest line. Obviously, as we continue to build other lending products along with some of the wealth products that we are also working on, this further adds to the cross-sell opportunities.

Upasana Taku: In addition, all of the users that we acquire from UPI, because UPI is a low-cost acquisition funnel for us, we also definitely cross-sell them into the revenue-generating payment categories.

Divyansh Jaju: Okay, okay, understood. Fair enough.

Moderator: Thank you. The next question is from the line of Ankur Gulati from Genuity Capital. Please go ahead with your question.

Ankur Gulati: Hey, hi, am I audible? Hello?

Soham Roy: Yes Ankur, you're audible.

Ankur Gulati: Perfect. Can you give me UPI GMV and non-UPI GMV first in payments?

Soham Roy: For the quarter, it was INR269 billion in terms of UPI GMV. The remaining roughly INR300-odd billion is non-UPI GMV.

Ankur Gulati: So then non-UPI has been pretty much flattish Q-on-Q, correct? Hardly any growth, maybe 2%, 3%?

Soham Roy: Let me correct myself. Last quarter it was INR300 billion, this quarter it is INR317 billion.

Ankur Gulati: 6%. And is that the rate, the take rate on the overall payments business has come down a bit?

Soham Roy: So, one point which we mentioned was that the credit and debit card-linked payment options where we made more money - those segments we have seen a de-growth because of regulatory pressures. But we hope to re-launch those segments in the coming quarters.

Ankur Gulati: If you can give us more colour on those issues, what are the regulatory restrictions?

Upasana Taku: So, for example, you would have heard one of our competitors had also mentioned in their prospectus that they had to lose a good chunk of revenue for a category like rent or education etcetera. These are categories that are quite popular on all the payment apps, and there have been changes in the perception of these products, and therefore the guardrails are being changed across all platforms, not just MobiKwik.

And to that extent, we just mentioned that we have also paused one of our products in Q4 as well as in Q1 and we intend to re-launch it in Q2.

Ankur Gulati: So, going forward, is 35 bps take rate a new norm? Is that what we should work with?

Soham Roy: More or less, as UPI grows further you will see a bit more reduction in terms of gross take rates. But we continue to guide in the roughly 12 bps to 14 bps in terms of net payments take rate. That is what we are focused on.

Ankur Gulati: When you're saying net Payment, this is gross profit level, right?

Soham Roy: Yes, gross profit level.

Ankur Gulati: So, then the question is, let's say if your total UPI, sorry payments GMV is increasing at 30%-40%, the gross profit will keep growing at that rate. We should not be focused much on payments revenue as such. Is that a fair way to look at it?

Upasana Taku: I would agree with that, because see ultimately what matters is that how much of the profit you're going to retain. And to that extent, that is what we've been saying every quarter that the gross take rate or gross revenue will be under pressure. Because firstly UPI will keep bringing it down, as well as all the flux in other categories that we keep seeing across the ecosystem.

So therefore, we've been guiding at the net payments margin level, which is revenue minus direct costs in Payment, what is the net retention, which we call gross profit for payments. And that is what we've been guiding. If you see every quarter we keep giving a number showing it quarter-by-quarter, and so far it has been in that 13 basis point to 15 basis point range.

But because we have also decided to scale up our merchant business significantly and this time we have also given the breakup of merchant GMV versus consumer GMV, and typically merchant GMV also has slightly lower take rate than consumer, which is why we are guiding that on a long-range basis, 12 bps to 14 bps is where we will be on the overall payments volume.

Ankur Gulati: Upasana, can you give us more colour on merchant roll-out? How should we look at numbers next two-three-four quarters and maybe a two years' perspective?

Upasana Taku: So, one number that we have given is in terms of the merchant business. We have done about INR125 billion in Q1 in merchant GMV. And this number was INR107 billion last quarter, so that's a 17% Q-o-Q growth in the merchant GMV. It's only last quarter that we started speaking about how we are trying to build the merchant payments vertical and this includes both our online payment acquiring business called Zaakpay, which is housed in our wholly owned subsidiary, as well as the offline merchant acquiring business, which is housed directly in MobiKwik where we deploy QR, soundbox, and EDC machines.

` Now this scale-up has just literally started at the end of last quarter and the beginning of this quarter. And what we had said last time is that in two years we expect to do a 10x ramp-up here.

We've just started, the early signs seem good - 17% Q-o-Q growth. And therefore, apart from this, whether it is number of merchants, number of devices, merchant revenue, we don't feel comfortable about sharing any of those numbers right now. It is too early.

Needless to say, you know as we ramp up, we will be showcasing more numbers about this business. What I can tell you is that we feel comfortable that the mature consumer payment businesses, we will expect 5% to 6% quarterly growth in terms of revenue. That is our expectation for ourselves. And in the emerging and fast-growing merchant businesses, we expect that we'll be able to grow about 25% in terms of revenue quarter-on-quarter.

Ankur Gulati: This is good. So, this INR127 billion sits in INR318 billion of non-UPI. Is that correct?

Upasana Taku: I don't think that's the right way to think about it. I think one way to think about it is that we are giving you our overall GMV, and the merchant GMV once you remove it, then the consumer GMV is what is the constituent of the UPI, PPI, and recharge and bill payments. But there is overlap between all of them because obviously you can do a bill payment using a wallet, or you can do a bill payment using UPI.

Ankur Gulati: Fair enough. So, when you're saying 10x, let's assume last quarter F26 was INR100-odd billion of merchant, which makes an ARR of INR400 billion. So, the internal targets are to take it to about INR4,000 billion over next...

Upasana Taku: This would be in revenue, not in GMV.

Ankur Gulati: Understood. Sorry, can you give me revenue again this quarter for merchant if you can?

Upasana Taku: It's too early. Apart from the GMV for merchant, we are not revealing any other numbers yet. But I think as we make progress, we will start revealing more metrics.

Ankur Gulati: But directionally this will have lower GPM margins. That's what you guys are guiding for?

Upasana Taku: Yes, and you can also look at the the competitor data, where the businesses are far more merchant-focused. It's a well-known fact in the industry that the net take rate is less than 10 bps.

Ankur Gulati: And how much money have you spent on the merchant equipments if you can share that? I think you mentioned you guys will be spending more on that side from a capex perspective?

Upasana Taku: For capex we've given the disclosure in our financials. We had taken IPO proceeds just for capex and we still have a good amount of that money available for further purchase of equipment. Roughly INR25 crores is what we have available to buy more devices out of the IPO proceeds.

Ankur Gulati: And that's what you guys will spend this year, whole of this year I guess, or more than that?

Upasana Taku: First we have to utilize all of that is what I was trying to say, and the utilization is also getting updated every quarter in the financials itself.

Ankur Gulati: Fair enough.

Upasana Taku: We don't expect that we will need more than that for now for this year.

Ankur Gulati: Right. The last thing for now is if I go to page 23, there is some reference to disbursement from new initiatives. If you can give us more colour on that. Is this just new clients or is this new product?

Upasana Taku: If you're looking at slide 23, I would just ask you to also look at slide 21 and 22, where we are showcasing two initiatives. The first initiative is that basically we have a very large non-lending user base on our platform, which we have identified as 96 million engaged users. And out of those, we are taking a couple of tracks based on which we expect to segment these users and provide them the right pre-approved and pre-qualified offers for loans.

And, from this track, we expect that we will be able to generate about INR150 crores to INR250 crores of incremental disbursements. So, this is one growth initiative. And the second growth initiative is on slide 22 where we are saying that we are trying to leverage AI engine that we've built to potentially re-engage all the customers that we are losing in different parts of the loan journey on our app. Top of the funnel is anyone who has seen the loan offer and filled in the first screen to show their loan intent, and then there are different steps till the end disbursal. So, we have highlighted that there are few steps where we are seeing drop-offs. And by building an engine which will help those users, whether it is by talking to them in their language, whether it is by figuring out what triggered the drop-off and assisting them in their journey, we do believe that there is enough juice here that we are leaving right now and we should be able to generate additional about INR100 crores per quarter, from this engine that we have recently built.

So in slide 23 what we are saying is that if you assume that Q1 is the baseline for the upcoming quarters, then we do believe that we have enough opportunities in terms of these two initiatives based on which we should be able to generate another INR300 crores of disbursals. And therefore our expectation from ourselves is that we should be able to do INR1,000 crores disbursement every quarter in the upcoming quarters.

Ankur Gulati: And how much of that will be pure origination and how much is on the books by FLDG?

Soham Roy: So as of this quarter, 32% is pure distribution and 68% is FLDG. As we go forward, we're looking more at a 40/60 kind of a mix potentially by the end of this year.

Ankur Gulati: And now this is happening through your NBFC? Is that correct? The FLDGs?

Soham Roy: So FLDGs are happening through our NBFC partners. We have a set of roughly 10 to 15 partners in total. We have mentioned some of them previously also, like this quarter we have nine major partners. Through them we are doing this FLDG business.

Ankur Gulati: And when do you expect your own NBFC to start building the book if at all?

Upasana Taku: We've given an update on slide 7 in our earnings presentation that when we received the approval on NBFC application from RBI in April, one of the conditions of that was that we have to take the digital lending business from the parent company MobiKwik to a wholly-owned subsidiary.

And the shareholder approval for that was received on July 2nd. And since then that project is going on. As we have given in this slide 7, we are in progress of transitioning this business, which is a large cumbersome process in terms of re-contracting with all the NBFCs, technology migration from one company to the other, people migration, etc.

So, we intend to close that in August. After completing that, we will be able to go back to the regulator and ask for the final certificate of registration (CoR). And so, in terms of launching our own NBFC and dispersing loans from there, I do believe that we are still some time away from that, and we should have a better update to give you in the coming quarters.

Ankur Gulati: Perfect. And then last call Q4, there was some guidance of let's say INR75 crores EBITDA for F27, which includes other income as well. Now at least for Q1, the operating EBITDA ex other income is roughly INR80-odd million. So, if you can give us more colour on that, should we still hope shoot for INR750 million EBITDA this year including other income? Or would you like to tone it down a bit?

Upasana Taku: I think that we feel very comfortable and confident in the current financial numbers as the baseline. Not only EBITDA but even in terms of PAT if you see, this has been a good quarter and we've delivered INR7.6 crores in PAT. So even if you take that as a baseline, we believe that we should easily able to achieve INR40 crores of PAT for the full financial year assuming some growth in the coming quarters. So yes, INR75 crores EBITDA and INR40 crores PAT is the kind of numbers that we are fairly confident of achieving.

Ankur Gulati: Perfect. And last question, can you give me the cash balance as of 30th June please?

Upasana Taku: Yeah, one moment. So, the net cash that the company has is INR437 crores.

Ankur Gulati: Perfect. Okay, thanks. I'll fall back in queue.

Moderator: Thank you. The next question is from the line of Dikshit Doshi from Whitestone Financial Advisors. Please go ahead.

Dikshit Doshi: Yeah, hi. Thank you for the opportunity. So just wanted to understand, so this quarter our PPI wallet transactions are up by 68% but GMV was up only by 24% if you can explain the reason behind it?

Soham Roy: Hi, thanks for the question. So, I think there is two parts to it. One, people are using wallet more and more for lower ticket transactions. More people are using Pocket UPI, which is effectively using wallet and paying on a UPI QR code. So that is the reason because of which the number of transactions is increasing, but GMV is not at the same rate because of lower ticket sizes. Secondly, which we also mentioned, the card-linked payment transactions have reduced a bit or there has been a pause in terms of card-linked payment transactions.

Dikshit Doshi: Those were higher ticket size.

Soham Roy: Those were higher ticket, yes.

Upasana Taku: Additionally, one point I want to make, which is apparent, is that while the transaction of wallet has grown 68% YoY, but the GMV has grown 24%, which was what you were asking. And Soham is explaining that a good chunk of this also happens to be wallet on UPI where people are using the wallet balance as a bank balance and paying on the UPI rails.

You should also know that we are not making revenue also on this. So, for example, if you use your wallet to pay on a wallet merchant, then I make money on that. But if you are using your wallet to pay on a UPI merchant, then just like UPI where there is no MDR, similarly PPI on UPI also currently we are not earning any MDR. Although RBI had mandated it, but NPCI has still not rolled it out despite 2.5 years. So there again, we are losing revenue.

Dikshit Doshi: Right. Okay. And is it possible to share what was the Zaakpay GMV or revenue this quarter?

Soham Roy: Payment gateway GMV or Zaakpay GMV for the quarter was INR25.6 billion.

Dikshit Doshi: Okay. And the revenue would be for the payment gateway?

Soham Roy: Revenue we do not disclose separately for that at this point. But point taken.

Dikshit Doshi: Okay, no problem. And in the lending business, the gross margin improvement was partly because of the write-back of the guarantee cost of the previous year loan, I think. So, if you can, can you tell us how much that would be?

Soham Roy: So, in the unit economics, we have actually given what percentage was from my existing book and what percentage was from this write-back.

Dikshit Doshi: 1.8% or something. Yes.

Soham Roy: 1.87%. So, you can take my entire gross revenue in lending and roughly 18% of that is my from my past book recoveries, so which contributes to roughly INR16 odd crores if I'm not wrong.

Dikshit Doshi: Okay, and this becomes a cycle, so this write-backs will keep coming every quarter, right?

Upasana Taku: Yes, they'll keep coming every quarter, but they may not be of the same value. Because the write-backs that we are getting now, we could already see in the credit cohorts that the losses are going to be much lower but the lender has already kept a good margin with them, which is what we are getting back.

But over a period of time, as our cohorts kept improving, we also reduced the amount of upfront collateral sitting with them. So therefore write-back will keep coming, maybe not to the same tune.

Dikshit Doshi: Okay, so you are saying that earlier, say we used to provide say 5% upfront, that that provision has come down now?

Upasana Taku: As in it is different. See 5% is the max we can give as per RBI guidelines. But that doesn't mean we give 5% to every lender. Out of the nine lenders, maybe I have given 4.75% somewhere, 4.5% somewhere, and 5% somewhere.

Dikshit Doshi: Okay, so you tweak your provision depending on the behaviour or credit cost that is happening on your loan book?

Upasana Taku: Correct. And which is why if you see, just to address this from a long-range perspective, like if you see Q3 our net Financial Services margin was 4.1% and last quarter and this quarter it's now 5.4% and 5.9%. This is great for us, but on a long-range basis we believe that this will continue to be between 4.5% to 5.5%. And anything beyond 5% we are happy only, but I'm just saying that we can't always assume it will be 5.9%. 4.5% to 5.5% is the right range.

Dikshit Doshi: Right, it will keep fluctuating, right. And in the merchant business, so you said that we want to anchor our fixed cost and this, but as we scale up our merchant business, can you guide us how much this fixed cost can increase maybe in next two years?

Upasana Taku: So, in the fixed cost you can see clearly employee benefit expense is going up. And it has gone up last quarter INR46 crores to INR53 crores this quarter. And most of it is for the new merchant businesses itself, which are of course manpower intensive in the offline business side.

So, we do believe that while this may go up slightly even more, but we will keep that in measure to what we are, as we are breaking even in the different segments of the merchant business. So, we had said that we don't expect for the full year merchant business burn will be more than INR50 crores to INR60 crores and we are running on that timetable only on a quarterly basis. So 15x4 is 60.

And so while our PAT reported is INR7.6 crores, of course we have burnt money to the tune of INR15-16 crores in building the merchant business, and we will continue to do it in that manner only. So, I don't expect this to go up by 50% as an example.

But the merchant-related manpower cost, can it go up by 5% to 15% on a year-to-year basis? Yes, of course it will be, but it will be directly linked to the break-even and the margin that we will generate from that business.

Dikshit Doshi: Right. At what scale do you think merchant business or by what time do you think merchant business should break even? This burn that we are doing INR50 crores, INR60 crores annually, do you think we should break even in next two years?

Upasana Taku: We expect FY28.

Dikshit Doshi: Right. And my last question, ma'am. So, the lending disbursement has degrown since last two quarters. So, what is the reason do you think is for this degrowth in the disbursement amount this quarter?

Upasana Taku: So, I think two things. We have given a lot of detail on this in slide 23 in our earnings presentation, but just to summarize: Firstly, if you look at Q2 and Q3, you will see that while we had more partners, the key partners that we had were six to seven, and the lending concentration in the top three lenders was about 91%, which we saw as a risk and we wanted to consciously bring it down.

So last quarter we brought that to 87% and this quarter to 71%, which we believe is important from a mid to long-range perspective that we should diversify our loans across several partners. And to that extent, we have been adding partners. In Q1 also, we have added two new partners which will further scale up in Q2. And I am happy to tell you, that we are already on the INR1,000 crores run rate in Q2, as on the day we are standing on today.

The second thing is that we also mentioned because of this NBFC license condition, we had to move our digital lending business from the parent company to a wholly-owned subsidiary. And it is a fairly cumbersome project to move all your pipes, novate all your agreements, and redo everything again with all the lenders, with all the bureaus, in a new company, from a new tech stack.

And specifically, in Q1, we have had quite a lot of focus on that technology migration between our parent system, our child company, and all the different lending partners. This project has been going on for the last couple of months and we expect to close it in August, which is why we are confident that whatever we have lost in Q1, we will make good for it in Q2 itself.

And while I am trying to tell you that in Q2 we will do INR1,000 crores easily because we are already on the run rate, plus we have built new capabilities also which give us the confidence, we do hope that we should be able to do even better, in Q3, Q4. But at the least we should be able to do INR1,000 crores.

So yes, I think adding new partners as well as adding new capabilities was a key component. New partner addition will continue and new products also will you will see coming up because we do, we have given some slides on user profiling also and we do believe that with the kind of diverse users we have, we do need a spread of products at different ticket sizes, different pricing models etcetera, and that also we are trying to expand this year.

So, this will be a big year. I think we have made a lot of investments and I think we expect that they will reap benefit, you know in the latter half of the year. But definitely in Q2, there should be much stronger performance from the lending side.

Dikshit Doshi: Great. Thank you, ma'am, and good luck.

Moderator: Thank you. The next question is from the line of Ankush Agarwal from Surge Capital. Please go ahead.

Ankush Agarwal: Yes, hi. Thank you for taking my question. Firstly, if I look at our payments GMV, and if I exclude the UPI which is probably non-monetizable at the moment, the GMV growth has come down to say about 20-odd percent versus earlier which was slightly higher at about 30s range. So, for a medium to long-term perspective, do you assume that ex-UPI, what would be the rough range that typically you can grow the payments business at excluding UPI?

Upasana Taku: In terms of revenue we have two buckets. One is our mature consumer payments business. In the mature consumer payments business, which is where the recharge and bill payment falls, the wallet falls, and the CC-linked categories fall, all of these businesses we expect about 5% to 6% quarterly revenue growth.

In the new and emerging businesses, which is our online payment aggregator merchant business and our offline payment aggregator merchant business combined together, we call them the merchant business. These businesses are still small for us and so therefore we expect to grow them much rapidly and there we are expecting about 25% quarter-on-quarter revenue growth.

So that is sort of how we are looking at it. This time we have given our merchant's GMV and consumer GMV. So, you can assume that the merchant business will grow at the revenue will come out at the rate of 25% versus the consumer side will grow at the rate of 5%.

Ankush Agarwal: Right. And like at scale, you do believe that merchant business will generate profitability, right? Even though it might not be as high as the consumer business that we are doing currently, but it would still be a decent profitable business.

Upasana Taku: Absolutely. I mean in fact that is one of the reasons why we are trying to build the merchant business and diversifying our overall payments business away from consumer only, because the first advantage in the merchant business is that it is possible to make money. Whether you look at offline merchant or you look at online merchant, in both cases it is possible to earn MDR. Unlike UPI on consumer side where there is no way to make money.

Secondly, while we are the second fastest-growing in UPI on the consumer side and our transactions have also grown 5x on UPI, but still there are so many more competitors on the UPI side. We are still ranked 13th in the overall UPI stack rankings published on the NPCI website. Whereas on the merchant side, there aren't 13 players. You can count the number of players on one hand. So, the competition is much lesser, it is easier to acquire and retain merchants.

And in terms of monetization also, if you see there are multiple opportunities. On the UPI transactions, one can make money on CC-on-UPI MDR. On the devices like Soundbox and EDC, one can make money on the device rental itself, followed by all the card transactions that happen where you make the card MDR.

And along these lines, if we are able to lock in the merchants on the device rental and scale of payments business with them, then it is possible to make money out of lending also from those merchants. So, we do believe that merchant acquiring has a strong value proposition. The TAM itself is huge. Offline merchant TAM is around $2 trillion and online payment aggregator is just shy of another $1 trillion.

So, it is a big opportunity I think, and there are very few players taking a stab at it, and we feel well-poised that we should be able to capture a good chunk of it.

Ankush Agarwal: Right. And any thoughts on if and when the UPI might become monetizable for you?

Upasana Taku: That only the government can decide. I mean your guess is as good as mine. If an MDR or a subsidy flows through, then I am sure we will capitalize on it as much as is possible.

Ankush Agarwal: I think six, eight months back there was expectation that at least on the PPI side will start making some money.

Upasana Taku: Yes. And we do want to, because as I mentioned RBI had mandated that PPI on UPI should make money just like RuPay credit card makes money on UPI rails. And so the documentation is there, it is publicly available, RBI's guidance is there. The instrumentation of that seems to keep getting pushed back or delayed on NPCI's end, and NPCI runs the UPI stack as you are aware.

And we along with all the other wallet players in the market have given several written representations at all levels in the government that this MDR should flow through as soon as possible, because we have all spent money for doing full KYC. And it is only full KYC users who are able to transact using their wallet on the UPI rails.

And of course, before the UPI rails, when these users were paying on the wallet rails, I was making money on it. So, it is a cannibalization for all of the wallet players and we are all pushing for it, but so far we have not received any greenlight update on this. And I am as demoralized about it as I can tell you, and I guess this is one of the disadvantages of being a fintech company in a very regulated market like India.

Ankush Agarwal: Yes. Lastly, just the debt and cash number for quarter end?

Upasana Taku: Yes. On the debt side, as of financial year 26 end, which is 31st March, we have repaid all our long-term loans. So, the only loans that we have now are short-term working capital facilities which are from two major private banks, the total of value of which is INR320 crores or INR3,204 million and this is used for payment settlements refunding only.

Ankush Agarwal: Right. And cash would be around INR437 crores.

Upasana Taku: Yes.

Ankush Agarwal: Okay, that's helpful. Thank you.

Moderator: Thank you. The last question is from the line of Darshil Jhaveri from Crown Capital India. Please go ahead.

Darshil Jhaveri: Hi, thank you so much ma'am. A lot of my questions have already been answered. Just one clarification. I think did we say that we want to target INR40 crores PAT this year end, ma'am? Hello?

Upasana Taku: Yes, for the full year.

Darshil Jhaveri: For the full year ma'am. So right now, we are at a very lower scale. So how will this ramp up be? Will it be more H2 or quarter-on-quarter linear growth can we see for that?

Upasana Taku: We are at INR7.6 crores, so 7.6x4 itself is INR30.2 crores. And we do believe that we will try to improve it. Like we have improved it from last quarter where we were at INR4.5 crores. So if we just improve it by INR2-3 crores every quarter, then also we should be able to land at around INR40 crores.

Darshil Jhaveri: Okay, fair enough ma'am. And just two bookkeeping questions from my end. Like so with profitability coming in, how much of a tax shield of prior losses would we have because I'm assuming that we would not have to pay taxes for some time, right? So, could you have any quantification on that? That would be really helpful.

Upasana Taku: Yes, we have substantial losses. I don't have the exact number, but it will be somewhere in the range of INR900 crores to INR1,000 crores.

Darshil Jhaveri: Okay, so this we can carry...

Upasana Taku: Yes, for anytime soon we are not paying taxes.

Darshil Jhaveri: Okay. Fair enough ma'am. Yes, that's it from my side. Thank you so much.

Moderator: Thank you. That was the last question for today. I now hand the conference over to the management for closing remarks. Over to you.

Soham Roy: Thank you, Anannya. On behalf of MobiKwik's management, I thank everybody for joining us on the call and being part of our Q1 FY27 results. Wishing a great start of the financial year to everybody, and have a good day.

Moderator: On behalf of Dolat Capital, that concludes this conference. Thank you for joining us today and you may now disconnect your lines.