



“Pine Labs Limited
Q3 FY2026 Earnings Call”

January 28, 2026



MANAGEMENT: MR. AMRISH RAU – CHIEF EXECUTIVE OFFICER – PINE LABS LIMITED
MR. SAMEER KAMATH – GROUP CHIEF FINANCIAL OFFICER – PINE LABS LIMITED

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Pine Labs Ltd. (Formerly known as Pine Labs Pvt. Ltd.),
Candor TechSpace, 4th & 5th Floor, Tower-6 Plot
No.B-2, Sector-62, Noida-201301

+91 120 495 1500 | info@pinelabs.com
www.pinelabs.com

CIN: L67100HR1998PLC113312

Registered office | Pine Labs Ltd. (Formerly known as Pine Labs Pvt. Ltd.), Unit no. 408, 4th Floor, Time Tower, MG road,
DLF QE, Gurgaon-122002, Haryana, India.



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Moderator: Hello everyone, welcome to the Pine Labs Limited Q3 FY2026 Earnings Call. Please note all participants will be in the listen only mode and this call is being recorded.

Joining us from the Pine Labs management team are Mr. Amrish Rau, CEO and Mr. Sameer Kamath, Group CFO.

The call will begin with opening remarks from Mr. Amrish Rau along with a couple of product demos and then he will discuss the business highlights. Mr. Kamath will then discuss the company's financial performance followed by a Q&A session.

Before we begin, please note that some of the statements made during the course of this discussion may be forward-looking in nature. Actual results may vary significantly due to various external factors. This Zoom conference call is intended solely for investors and analysts. So, if you are joining from a media organization, we request that you please disconnect. Please reach out to the company's investor relations team for any questions.

With that, I hand over the call to Mr. Rau. Over to you, Sir.

Amrish Rau: Thank you very much everybody. Thank you for joining us on this Q3 earnings call.

I look forward to a good conversation, as I start-off and as I had promised in the last earnings call, what I would like to do is I am going to focus on what Pine Labs does and some of the products and services that Pine Labs is innovating, building, and taking out to the market. I have got two product demos for you, one for two minutes, the other for one minute. But I do want to take you through that.



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Let me talk about the first one. If some of you have been following Blinkit, you would get to see, yesterday Albinder tweeted that on Blinkit, you can go and buy a card which is called Bharat Yatra.

Bharat Yatra is a national mobility card entirely powered by Pine Labs platform for prepaid services. You could go to Blinkit, you could go to Zepto, Flipkart, or for that matter, you could actually go to any of the metros and you could buy that card, load money on it. And then we built a really cool technology where money could get transported from your mobile app onto the card and you could do transactions. What that does is you do not need to go to the ticketing counter. You can just simply use the card, tap and complete the transaction. That is the video that we are going to show you. The person running it runs our prepaid business today on the sales side and that is Sam.

Ritesh, if you can just start the video please.

Audio Visual Presentation

“You have probably used prepaid today, maybe without realizing it. A prepaid wallet for a seamless checkout, instant refund for goods returned, a gift card bought using bank loyalty points, a Meal card at work, a Forex card when you travel abroad. Prepaid is programmable money in its simplest form, already embedded in our daily lives. But one experience still has not caught up, public transit. What should be a quick ride often starts with waiting. That is why Government of India introduced National Common Mobility Card, a common payment infrastructure for public travel across the country. So the question became simple. How do you make this usable every day for millions of Indians? This is exactly what Bharat Yatra Card is built for, one contactless transit card for everyday travel across cities in India. And we make sure you do not have to stand in line. Not to buy the



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card, not to recharge it, not while you travel. You can even get it delivered to your doorstep in minutes via all major quick commerce apps like Blinkit and Zepto. Once you have the card, setup is real quick. Let me just show you. You open the Bharati Yatra app, link your card, activate with your mobile number, load money using any UPI app, and the money is added. And now, watch this. Just tap your card, your balance updates instantaneously through NFC on your Android phone. No counters, no machines, no waiting. You are ready to travel with just a tap. Pine Labs Bharat Yatra. This is daily commute simplified for Bharat."

Amrish Rau: Thank you. The second demo is another interesting one. As you know, in the online space, we continue to win volumes. We continue to sign on new merchants. One of the use cases that we have been focused on is in terms of cross border transaction and being able to capture the DCC opportunity. So what we did was we actually enabled for Apple Pay. So if you are a consumer sitting outside of India, want to make a purchase with an Indian merchant, the Indian merchant would want to give capabilities like Apple Pay so that the consumer can easily make that payment transaction. That is something that we have enabled on our online platform. And we wanted to show you that experience. But what we decided was, instead of showing it from a merchant standpoint, let us show it to you from a consumer standpoint, a foreign consumer coming on to an Indian merchant, how this would be beneficial to the consumer. And obviously the merchant, who is our client, benefits with this. So we are going to run you that demo too now.

Audio Visual Presentation

"I live in Singapore and was planning a trip to India. I was really excited to visit Udaipur, the city of lakes and palaces. I wanted to book a two night stay at Wyndham Hotel, and they sent me a payment link. And here is the thing, normally with international payments,

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I would worry about whether OTP would be arriving, whether the cards will be working, and whether the site is even trustworthy in the first place. Now this time round, when I clicked on the payment link, I was so excited to see that they had Apple Pay. And so I clicked on it. Here is the funny thing. It was done within seconds and no card, no OTP. It was just facial recognition. Everything was done. It is as simple and safe as paying at home.”

Amrish Rau: So these are two of the products which I wanted to show you today. Every one of these earning release, we will carry some products that we would want to show to you. With that, I will just move on to the earnings release and the document that we sent out earlier in the day. Ritesh, would you be presenting.

Again, I am just going to reiterate a few topics out here. We have got a very clear vision statement, which is to build the best payments and commerce platform from Asia for the world.

Next, I also wanted to take this opportunity to again remind everybody that Pine Labs is a multiproduct business. If you actually see out there, we have very strong presence in in-store, online, everything around prepaid issuance. We do credit card processing.

We actually announced some very big deals on the credit card processing side just in recent days. But as a company, we want to be a multi-product company.

Second, we also want to be a multi-segment company. So if you look at our revenues and the breakdown of our revenues, we have revenues coming from all the three stakeholders, that is merchants or banks and financial institutions, and at the end of the day, corporates and brands. And finally, we do not want to be just India centric.



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We continue to invest heavily to take our products into global markets. We are showing some very good win. So we do want to be a very broad Fintech player. If you see what Stripe is doing, what Adyen is doing, a very similar playbook is being followed here in Pine Labs and that is what makes us unique.

This is a slide which I used last time. In the market in India, we continue to win with all the large clients. All the top five banks have Pine Labs as their number one payments partner. All the three petroleum companies have some sort of a relationship with Pine Labs.

The top five retailers, may that be the Tata Group, the Reliance Group, DMart, all of them have Pine Labs as their preferred payments partner. And the same goes when it comes to the top three e-commerce companies. All of them have Pine Labs as their payments partner. May that be on the gift card or prepaid or online payment processing or for that matter for delivery related services.

A question which was asked to us last time was how are we looking to go international and I wanted to put a slide to that one. What we have done is we have said anytime that we go into a new market, what we will do is we will first go and see the territory. The first country that we went international was in Malaysia, and that was in about 2019 or 2020. There, what we did was we first partnered with CIMB. We had a software-led deal with them. It was a fairly large deal, but over a period of time, we have actually expanded our presence in the Malaysian market. Now we work with 11 bank issuers in Malaysia. We have got tens of thousands of POS machines deployed in the Malaysian market. That business has been continuing to grow at about 40%. But the idea there is first get a large partnership in place, get our software on the market. Then we put boots on the ground. We commit to the market by putting in our sales team, which can go and win merchants also. and that is how we go on increasing that scale. We started with Malaysia, we have also gone into the Singaporean



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markets and also we are now present in the Middle East markets. We are currently present in almost 20 countries around the world and just reminding everybody in terms of our financials in the international markets only. And that is what you have there at the bottom.

The last piece before I get into the financials and an update in terms of Q3, I wanted to also highlight very specific cases where AI is being used within Pine Labs. I recently commented where about 21% of all code which is written in Pine Labs is now being written using AI. But where is this being applied? These are the six, seven areas where this AI is being applied. And that is really trying to create new products, Next time, maybe I will show you a demo which is related to payments in AI.

Second, purely from sales effectiveness, we have started to use AI. When it comes to merchant and transaction fraud prevention, we have already brought AI in out there.

On the operational efficiency side, which is a very easy area, what we have done is we have actually opened up the data related to all our SOPs, our product information and the classic tickets that we get to see, and we have entirely automated using AI. So these are very real use cases that we are doing using AI today, and that is ensuring that we really do not need to scale in terms of hiring more engineers. Again, I am very clear at this point of time, we have got enough engineering talent within the company. I do not see Pine Labs increasing the number of engineers going forward. If any, it could actually go down, but surely not increase.

Coming to the financials, in Q3, I think we had just a powerful, powerful quarter. This is the second time I am going to say this. I think we crushed it in Q3. Q3 obviously was a quarter which has a lot of festivities in it. But even within that, I thought Pine Lab's performance was very, very strong. One very important fact to share with all of you is in the Q3 quarter, our

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technology platforms have to remain up at all points of time and we literally cannot afford a one minute downtime. May that be in the offline platforms, online platforms, on the prepaid platforms, or for that matter on the BBPS and the bill payments infrastructure. And that is what we delivered. We did not even have one minute of downtime.

Second, all the major merchants and all the major brands continue to use almost 85% of their transaction throughput on the Pine Labs platform. So that was extremely strong. All of the various services that we drive on top of our platforms, and may that be in terms of affordability, or in terms of DCC, or for that matter, anything which is related to offers, that continue to perform extremely well. We have given some more information about that in the rest of the deck, but I can tell you that we had one of the best, best Q3s in Pine Labs history. And that meant that we actually came in with about Rs.744 Crores of revenues, which was about 23% to 24% in terms of year-on-year growth. The contribution margin came in at about Rs.551 Crores. I think I explained this to you earlier. I am a firm believer that you run your business from a contribution margin, standpoint and that is the one that I tend to focus on because from the contribution margin your EBITDA gets played out and again I am going to reiterate that in our presentation.

On an adjusted EBITDA basis we came in at about Rs.171 Crores adjusted only for the ESOP costs and the PAT came in at about Rs.42 Crores. There, obviously, we had to consider for some of the impact related to the recent labor law. Now, while these are numbers, and Sameer will go into detail, I just wanted to give you a flavor of what is happening in the market. In the market, what we are getting to see is that a lot of merchants are coming up with complex payment requirements. A lot of merchants have started to ask for various services over and above the payments platform that we have built and our solution is best fitted to deliver this in the fastest possible manner. That is point number one.



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Point number two, what we are getting to see is consumers using prepaid cards and prepaid instruments and storing currency on those prepaid instruments continues to rise. And that means number of transactions are also continuing to increase. And we are getting to see this not just in terms of gift cards and closed loop prepaid, but also in terms of open loop prepaid. May that be in terms of forex prepaid or, for that matter, credit card processing, or what I just explained to you when it comes to the Bharat Yatra product. And again, our responsibility is to capture all of that into the financials and obviously bring it down to the PAT line. The other piece which I do want to share is we continue to get some very significant wins. As you know, recently we announced a deal with Wio Bank. Wio Bank is the fastest growing digital bank in all of Middle East and arguably is one of the fastest growing digital banks anywhere in the world. They actually wanted to bring in a next generation modern payments platform. They went through a very deep evaluation process.

We competed with global companies on that front and we actually ended up winning there. Just today, coincidentally, along with our earnings release, in the morning we announced another deal in Sri Lanka where a card issuing platform has decided to go with us and we will be actually doing all of the payment processing for them too. So through the Q3 process, we continue to win deals.

Now, unlike these other companies where order value and revenue value, there is a direct co-relationship. We charge by the transaction. We do not charge by the project. Once the client comes on board, as the transactions go on building, we end up making more money. That is the philosophy that we have captured. We brought in almost about 120 new brands in Q3 onto our platforms. May that be in terms of offers, affordability, or for that matter, anything related to prepaid services. So our payments platform continues to win.



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One important point I do want to talk about, which is not directly linked to the revenues of the businesses we ended up processing about \$51 billion of payment volumes on our platform. So that takes us past the \$200 billion number when it comes to transaction processing on our platforms.

With this, what I am going to do is I am going to hand it over to Sameer, and Sameer will go deeper into the numbers.

Sameer Kamath: Thank you Amrishi and welcome everyone to our Q3 earnings call. As Amrishi said that typically Q3 is a strong quarter for us and we have come out with stellar set of numbers given the seasonal impact etc.

Coming to the next slide on revenue, as you can see clearly over the last year-on-year basis we reported revenue of Rs.744 Crores, which is a growth of 24% over Rs.600 Crores we reported a year back. This has been healthily contributed by all our business segments.

We report our business broadly into two segments, the digital payments business, which includes in-store, the online business, the value-added services including affordability, and the fintech infrastructure business.

And the second line of business, which is issuance, which is the card business, the demo which you saw in the first demo we saw during the day. I think across both these businesses, we have reported healthy growth rate.

Our digital business grew by about 16%, and our issuance business grew to about 42%, contributing to an overall growth of about 24%. The contribution margin has been in a steady state of about 76% on a nine-month basis. The marginal fluctuation between the quarters



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you see is largely because of sometimes the mix change you see between the issuance business and the digital payments business.

Our digital payments business typically works at about an 82% gross margin given that there is very little direct cost involved with that business other than certain connectivity costs, etc., whereas the issuance business largely is driven into two revenue streams. The processing that we do for all our prepaid cards and one very critical component of that business is also the distribution strength that we bring to the brand, which becomes a big moat for us as we penetrate new brands and build size and scale for them.

The contribution margins typically of the distribution business, which is a critical moat for us, is lower than that of the processing business because there are partners involved, including resellers, the marketplaces where we list some of the products. And therefore, a mixed change causes some bit of variations between the quarters. But on a steady state basis for nine months, we are at about 76%, which is in line with a 76% to 78% guided growth rate. So our contribution margin is also shown a healthy growth rate at about Rs.551 Crores of contribution margin. Ritesh, go to the next slide.

As we had indicated in our earlier presentations as well, we believe that there is significant operating leverage and scale in our business. Every incremental Rs.100 of contribution will translate between Rs.50 to Rs.60 of adjusted EBITDA and a flow through to PAT will also be similar. PBT will also be of a similar nature, about 40% to 45%. I think that is held true for this quarter as well. We have seen margins expand from about 16% a year back to about 23% as we had guided earlier as well. I think this is contributed by a robust top line growth, effective cost management and operating scale that we have seen in our businesses. We believe these margins are sustainable going forward as well. And this has translated into a significant flow through to our PAT as well. We had reported two quarters of positive PAT for

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this financial year in Q1 and Q2 at about Rs.5 and Rs.6 Crores respectively. However, this flow through has come through with Rs.42 Crores PAT for this quarter. This is after factoring in the Rs.12 Crores exceptional item adjustment, as Amrish said, for the labor code reforms that came in. Had it not been for that one-time impact that we have taken, our reported PAT would have been close to about Rs.52 Crores. This is a swing of about almost Rs.100 Crores on a year-on-year basis, giving a sense of size, scale and change that we are seeing with the operating leverage kick in.

Going a little deeper into where the operating leverage comes from, I think we have been able, as Amrish said, we are fairly well staffed and I think now it is about sweating the workforce and delivering the throughput through technology, AI, and some of the other initiatives we spoke about earlier on.

Our headcount has marginally gone up by about 6%. And with the same headcount and more or less, I think the wage inflation which has come in, I think our people cost have grown at about 6% to 8%, which has translated into a significant operating leverage from about 42% to top line two years back.

We have shown a steady operating leverage kick in here. We were about 37% same time last year. And this year, we have come to about 31%. I think a steady state of about 34% to 35% is what one should expect through the year, given that Q3 was a strong quarter. So that is one big operating leverage that has played out in the adjusted EBITDA chain that you see from about an 18% to 19% in the earlier two quarters to about 23% that we have reported in this quarter.

Likewise, as Amrish said, ESOPs is something we show below the adjusted EBITDA line item before PBT. Philosophically, as we went into the public market space, one big change we had



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brought about is that new issuances of ESOPs will also be available at closer to FMV. And I think that has translated into a more reasonable P&L impact as far as ESOPs cost is concerned. Adjusted for a onetime reversal that was there in Q3 of last year, two years back, we are seeing the ESOP cost both in absolute terms and as a percentage to top line show a steady decline. We are currently at about 4% to top line with an ESOP cost of about Rs.31 Crores and that is a number which will steadily start creeping down both in absolute sense and as a percentage to top line, which results in a better flow through from adjusted EBITDA to PPT.

As we had indicated earlier, as our businesses build scale, technology will be a big driver. We have been making a conscious effort to make our business asset light, which means sometimes directly selling devices to the merchants or to the large banking partners that we have. This makes our balance sheet asset light while it may have a short-term impact in terms of the gross realizations as far as the payments business is concerned.

Our overall depreciation line item has been fairly flat with a rising top line, and therefore the percentage as a percentage to top line has seen a steady decline from about 11% two years back to about 4% and this has translated in a higher PBT and a PAT translation for this quarter as well.

This is the slide we spoke about. I think this is a reference point we will always use to guide through how one should look at the operating leverage with every incremental Rs.100 of contribution. As we had said that every incremental Rs.100 of contribution results in about Rs.50 to Rs.57 of flow through to adjusted EBITDA. And given the changes we are making in ESOPs and depreciation, a further flow through will also translate to PBT, so almost 50% of the incremental contribution margin will actually flow to the PBT line item.

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Coming to business specific details, we have seen a robust growth of about 11% on the digital checkout points, which is a critical variable we look at. One important variable we track within this is how we monetize value added businesses on top of the rails that we laid out, because we are very well entrenched across the merchants, which are in the enterprise segment and the mid-market. There is significant potential to monetize a lot of these merchants beyond the merchant rental fees that we get. And one variable that we have been tracking and reporting to the street is the fact that how many of these digital touch points are actually activated for value-added services and I am happy to report that, that is number that is continuously trending upward. This number was about 21% a year back, and that is about 28%. The value-added services, as is clearly reflected in the volume growth of about 41% on a year-on-year basis at about Rs.76,000 Crores, comprises various things within it.

We are market leaders as far as affordability is concerned, and the season brought in a good amount of volumes almost about one-third of that Rs.76,000 Crores comes from the affordability business where we are powering buy now, pay later across the consumer durable segment, the mobile segment, and we have also seen very healthy high digit growths across the non-consumer durable segment, which is a category first for us, which is also driving a lot of these growth. Our margins continue to remain strong. Our take rates continue to remain strong and I think this is a key lever for us. Overall, I think we have grown at about 25% plus, and I think that is a healthy number to kind of go forward.

Fintech infrastructure business, I think we are doing a lot of innovative things in the Fintech infrastructure side. We are one of the largest rail providers for the Bharat Connect, which is the BBPS system, which connects the utilities to the consumer through the BOUs and COUs. I think we process almost about 31 Crores transactions. We monetize it based on number of



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transactions. We also have a UPI switch and an account aggregator, which helps us penetrate deep into the ecosystem as far as identity and some of the other use cases are concerned. We continue to innovate in this space because we believe there is a lot potential here.

A couple of new innovations that we have done while we have not showcased it in the product demos is integrating the bill payment with the ChatGPT equivalent, which helps you make payments through agentic commerce in a very seamless way. Likewise we are also in the process of simplifying payments and making it seamless.

A couple of initiatives we have done is also to make identity verification, which is otherwise a cumbersome process as far as physical is concerned or gig workers is concerned we have made it extremely seamless through Aadhaar integration, through mAadhaar integration and it makes it absolutely seamless. So I think we continue to work on multiple use cases here. I think there is significant opportunity given the complex workflows we solve and solve it as a solution across our ecosystem to take this to the next level.

Coming to the issuance business, the issuance business registered a very strong growth of transactions at about 28%. We continue to see strong growth across brands that we signed up. We have added a significant amount of brands across geographies, which trust Pine Labs offering for its prepaid solutions, which is a great store value platform for attracting customers, for managing refunds, for managing new client acquisition, for actually driving channel loyalty, and all of those use cases. We are winning not just in India, but across markets. We have a large anchor brand in Australia. We have multiple brands across Southeast Asia. We have won recent mandates with Miniso in US and also with Google Waymo in the US. I think these are markets, as Amrish mentioned early on, where we are



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making fresh entry and I think we are able to participate in these markets given the size, scale, and platform capability that we have distributed.

I think one key point I want to bring out here is we are not just a processing platform, but we also provide a holistic solution where we work with the brands and OEMs in not just providing a world class processing stack, but also customizing use cases to their requirements. And second is distribution is a big strength.

One of the big growth drivers for this quarter has also been our focus on distribution. We have also said in other quarters that distribution is something that we want to bring in because when a brand looks at us, they look at us as an integrated provider for not just processing the card or the virtual cards or prepaid stored value cards, but also taking it across the internet and both in India and also similar tie-ups for global markets to drive that growth. So we have seen a strong distribution.

We have led a lot of channel led programs as well and across both India and overseas, we have seen strong revenue growth of upward of 40%. I think that is where we are as far as the issuance business is concerned. I will take a pause here. I think we have broadly covered the broad highlights of the business. We have covered some of the key aspects that have driven this quarter's performance. Our business remains to be extremely robust and strong. Our cash flows remain strong. We have seen, there will always be, given the nature of our business, where we process GTV as an account aggregator, we will see some seasonal volatility as far as cash flows are concerned. But on a steady state basis, I think we have guided earlier as well, when we came out with our RHP, that roughly 15% to 16% of our net working capital top line is a guided view we should take.



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I will pause here, happy to take questions and any other queries that you had regarding our Q3 performance.

Moderator: Thank you very much, Sir. Ladies and gentlemen, we will now begin the question and answer session. We will take the first question from Kaushik Agarwal. Please go ahead.

Kaushik Agarwal: Thank you for the opportunity and congratulations on a good set of numbers. So a couple of questions from my side. Firstly, if you can help just decode this 29% GMV growth that we have reported on a Y-o-Y basis in this quarter, it is more of a market share play that is playing out in our favor because most of the payments instrument you see like credit card spending has not been going up so great even on the UPI side the growth is broadly in the range of 22% to 25%, so that was one. Second thing I wanted to understand is that has there been any communication from the regulator regarding the PIDF incentive income because there was some media article recently floating around indicating that scheme will not continue. So what would be the proportion of such incentive income as part of our revenue and third piece would be your take rates on the affordability, VAS side. So I did some back of the envelope calculation and noted that the take rates for your affordability, VAS business is slightly coming down. So how should one look at it? So, yes, these were the three things from my side.

Sameer Kamath: So Amrishi, you want to take it or should I go ahead with it?

Amrishi Rau: Let me address the first part. Yes, so what is clear is that we are continuing to win market share. We are continuing to expand our presence in the market. You also need to remember that when we go out globally and we go into newer market that effectively always becomes a net new market for us. So when we are showing a 29% growth in terms of GTV, that is largely because our payment platform continues to win in the marketplace in India and also



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because of the global markets that we are opening up, new volumes are coming on board. Sameer, you can take the next two.

Sameer Kamath: Kaushik, coming to the second question, I think affordability, we report the total number of Rs.74,000 Crores, which combines multiple things. It combines three to four things. Affordability is a one third of our volumes, but it is roughly about two third of our revenues and the take rates there in that segment have remained fairly in the same range. I think we have seen no compression of margins there. Likewise, there is UPI volumes that we do on our own stack. There is DCC and a lot of other value-added services. I think sometimes it is a mixed chain but intra segmental we have not seen any yield more or less even at a headline level if you see and if you work out the broad math, I think it is easily possible the ranges are more or less in the same level. The third question you asked me about PIDF, as we have said, that that is not a segment that we operate in, we serve the mid market and the enterprise segment and not in the villages where typically this incentive was largely for. In our own P&L, the numbers with regard to PIDF for a month, rather for a quarter, would be not more than about Rs.1 Crore. So the impact of any change of the government regulation with PIDF will have almost a negligible impact on our top line and our profitability.

Amrish Rau: I am just going to add out there by just giving a little bit more specifics. I think what we think the PIDF kind of an impact on our business is less than like Rs.4 Crores or Rs.5 Crores on a quarterly basis. So it is not that big a number at all for us, if any. Point number one. Point number two, I think what will be interesting to see what comes out in the union budget and in the union budget if there is any play to incentivize payment transactions. The way I see this personally is that I do not see there would be any charges which will come on the long tail merchant base in India. If there are any charges which were to come, it will largely come on to the organized sector and that would generally be the area that we are playing in today. So



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if there is an MDR to come in, I do believe it might come into the space that we are present in and not into the long tail of the market. But this is all speculation. Let us just see what comes out. But I am just trying to highlight out here is I do generally believe that the government of India and the regulator continues to be extremely supportive to grow digital payments across the country.

Sameer Kamath: Kaushik, does it answer your questions?

Kaushik Agarwal: Yes. That answers my question. Just one followup. So on GTV side, if you can just provide some mix around what would be the mix of Domestic and International? You have given on top line side, but on GTV, it will be.

Amrish Rau: Kaushik, we do not have it handy right now.

Kaushik Agarwal: Sure. Okay. No problem. Thank you.

Moderator: Thank you. That question was from Mr. Kaushik Agarwal of Haitong. We now move to our next question that is from Khush Shah of Niveshaay Investment Advisors. Please go ahead.

Khush Shah: So my first question would be, should we think any gateway side as a medium term opportunity or any internal milestone over the next 12 to 14 months if we are expecting some revenue towards gateway system, gateway payments side?

Amrish Rau: You know, on the online side, there are two parts of our business. One part of the business is when it comes to online classic payment processing for e-commerce companies. Other is what happens when it comes to bill payment services. In both of these services, I think we have actually called out here in our earnings report is our online payments platform. The volumes have actually grown by more than 50% on a year-on-year basis. We have already



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highlighted the fact that today Flipkart, Myntra, Blinkit, not Blinkit, Zepto, Big Basket all of these guys use our services on the online payments platform today.

Sameer Kamath: So online is a clear focus area for us, Khush, and we are seeing growth here. I think we have been sustainably growing there. We have been adding new products like Apple Pay for international. So I think it is a business that is showing a very high growth for us.

Khush Shah: Fair enough. My second question would be on the Japan side international market where there is an UPI pilot rollout. So, is there any side of any possibility or we can gauge around, we would be expanding on that region?

Amrish Rau: Which one? Which region?

Khush Shah: Japan. On the Japan side, there is an UPI pilot rollout.

Amrish Rau: We do not have any presence in Japan. We continue to do some business development work around it, but no we do not have any presence in Japan as of now.

Khush Shah: Sir in coming future we are any expecting from Japan side revenue or any?

Amrish Rau: I would not speculate on that one right now.

Sameer Kamath: Where all we are present and how we are looking at it I think is presented earlier in the slide so that gives you a sense of where we are playing right now.

Khush Shah: Yes, so I was just seeing around Japan that a UPI rollout is going to happen, so I guessed.

Sameer Kamath: I think, Khush, I am going to take an opportunity to just clarify to you what we are not just doing is taking Indian payment platforms and going global. We are actually going into



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global markets, their own unique payment system. So for example, when it comes to Malaysia, Malaysia has their own real-time payments infrastructure. Singapore has its own real-time infrastructure called PayNow and in UAE, there is a real-time payments infrastructure, which is called Aani. We power all of those payment transactions. So our approach to it is that we want to be a full stack payments provider in that market. So it is not just that we are following what UPI does and which countries UPI is going to.

Khush Shah: Okay. My third question would be, from a long-term perspective, how do we access the structural opportunity in the gifting and prepaid instrument ecosystem in India as there is not a proper market size to gauge how big is the market around the gifting side.

Sameer Kamath: In the RHP, we have actually given that information because we have done some market study on that. We also highlighted in some earlier conversations that we continue to process about 3.5 to 4 million transactions on a daily basis when it comes to prepaid. So there is a lot more information in the RHP.

Khush Shah: Thank you. Thank you very much.

Moderator: Thank you. Our next question is from Sucrit Patil from Eyesight Fintrade Private Limited. Please go ahead.

Sucrit Patil: Yes. Good evening to the team. My name is Sucrit Patil from Eyesight Fintrade Private Limited. So I have two forward looking questions. My first question is, as Pine Lab operates a broad merchant payment infrastructure and Fintech platform spanning POS, online payments, credit, and value added services amid strong digital adoption, how are you planning the product innovation and monetization across these verticals to strengthen competitive differentiation, especially as the merchant expectations evolve and new digital rails emerge



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across the global market? That is my first question. I will ask my second question after this.

Thank you.

Sameer Kamath: Sucrit two broader question. Honestly, I do not think so. I am going to take that question up at this point of time. I think, given a lot of information in the RHP. Today, I want to be focused on the Q3 earnings only.

Sucrit Patil: Thank you. Best of luck.

Moderator: Thank you. Our next question is from Srinivasu K from TIA. Please go ahead.

Srinivasu K: Congratulations for the strong set of numbers. My question is about the VAS activation that you said is 28% now. What is the target by FY2027?

Sameer Kamath: I think you have seen the trend at which we are moving, Srinivas. I think the idea is we see a lot of potential for enabling merchants. In fact, we have a large sales force which actually goes and activates merchants across these areas. I think the beauty of our business is, as Amrish said earlier, we work with enterprise and mid market who have complex needs, who have multi products, and each of our value-added services are actually well entrenched for doing in each of these areas. So I think we are continuously working on it. We will not give a forward guidance here, but I think if you see on a year-on-year basis from about 21% of a growing base, we moved up to 28% and that is the reflection of where we are seeing on the VAS business also growing at about 41% as far as the GTV is concerned.

Srinivasu K: Okay the next question is about you launched agentic bill payment on LLMs so how are you going to monetize this and like and what is the privacy like how much data reaches LLMs and how much stays within your Setu?



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Amrish Rau: So when it comes to the transaction process the transaction will happen within ChatGPT in this product that we have created. So what you could do is you could go into the ChatGPT, you can pretty much give a command or a prompt, which says that you want to pay a bill, let know the utility provider and your mobile number and the transaction will get completed. The second part in terms of privacy, I do not have that answer for you just now.

Srinivasu K: Okay. Thank you and best of luck.

Moderator: Thank you. Any participant who wishes to ask a question may click on the raise hand icon. We will take our next question from Vidhin Shah from Motilal Oswal Financial Services. Please go ahead.

Vidhin Shah: Congratulations on the good set of numbers and thanks for this opportunity. My first question is, Sir, depreciation on DCP as a percentage of revenue fell due to refurbished terminals. Do we expect net capex needs to structurally decline henceforth in the coming quarters and in FY2027, Sir? And I will ask my second question later Sir.

Sameer Kamath: So to answer your question, yes, depreciation, both in absolute terms, will remain range bound and as a percentage to top line will reduce because of two to three things. One is the business mix itself, where a lot of international business across issuance, across the Fintech infrastructure online does not require device intensity. And within our own segments, we have realized that we are a tech platform. So I think we want to ensure that some of these devices, etc., are directly bought by merchants and by banks and therefore unless we see a strategic reason to sell and lock in a merchant to us, we will not do that. So that is a structural shift we have done and going forward also, you will see depreciation and capex being fairly range bound and as a percentage to top line coming down.



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Vidhin Shah: All right. That is helpful, Sir. Coming to my second question, Sir, you disclosed that approximately 50% to 60% of the efficiency gains, and as mentioned by Amrish Sir earlier and that the code is written through AI if I remember correctly, 21%. So can you quantify, if possible, as to how many Opex dollars are saved and how much flows to EBITDA versus reinvested?

Amrish Rau: No, we have not started to do that as yet and honestly, the answer related to this is we continue to invest into new products. We continue to invest into new geographies. So no, we do not do that calculation which says that because of this 21% of the code which is being written using AI what could be the potential saving from net account standpoint. What we have very clearly calling out is it is not that we are saying that we will be reducing our team size going forward because there is enough and no more project work expansion work, product work which is coming our way, that is where we go ahead and use the existing capabilities from an engineering standpoint. So specific to your questions, no, we do not calculate it in that fashion.

Vidhin Shah: Understood, understood. That will be all, Sir. Thank you so much and all the best for the future.

Moderator: Thank you. That was the last question. I hand the call back to Mr. Amrish Rau for closing comments. Over to you, Sir.

Amrish Rau: Thank you very much. Look again, like last quarter, I started to give some indication of how Q3 is going. Q3, as I have shown you, has been a terrific quarter, has been a record breaking quarter both on the revenue side as well as at a PAT side. Payments is a very interesting business that you can actually get to see almost what is going to come up over the next nine months or 12 months period. We are in an environment where we think we are continuing to



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win businesses. Volume keeps on increasing on our platforms. So we are feeling extremely good, for example, what we are getting to see both at the economy level as well as market level. So hopefully, we should be gathering again in Q4 in a similar buoyant mood. Thank you.

Sameer Kamath: Thank you, everyone. And if you have any further questions, feel free to reach out to the investor relations desk. I think the contact details are given on our website. Thank you and have a good day. Bye.

Moderator: Thank you, members of the management. Ladies and gentlemen, on behalf of Pine Labs, I would like to thank each one of you for taking time out and joining the call today. We now conclude the call. You may now click on the leave button to exit the meeting. Thank you all for your participation.