



Date: November 11, 2021

Scrip Code – 532960, 890145
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI – 400 001

DHANI – EQ, DHANIPP
National Stock Exchange of India Limited
“Exchange Plaza”,
Bandra-Kurla Complex, Bandra (E).
MUMBAI – 400 051

Sub: Earnings Update for the quarter ended September 30, 2021

Dear Sir,

Please find enclosed an Earnings Update of Dhani Services Limited for the quarter ended September 30, 2021, for your information and record.

Thanking you,

For **Dhani Services Limited**

Lalit Sharma
Company Secretary

CC:
Luxembourg Stock Exchange, Luxembourg



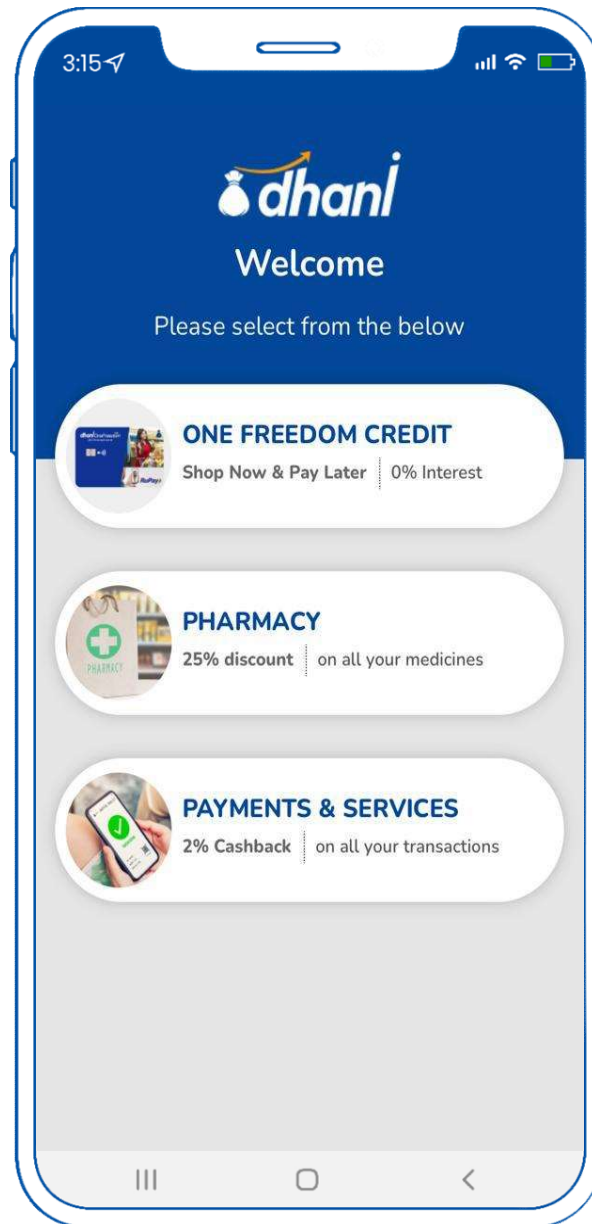


Earnings Update Q2 FY22

November 2021



Q2 Update: New UI Launched → Focused and Simplified

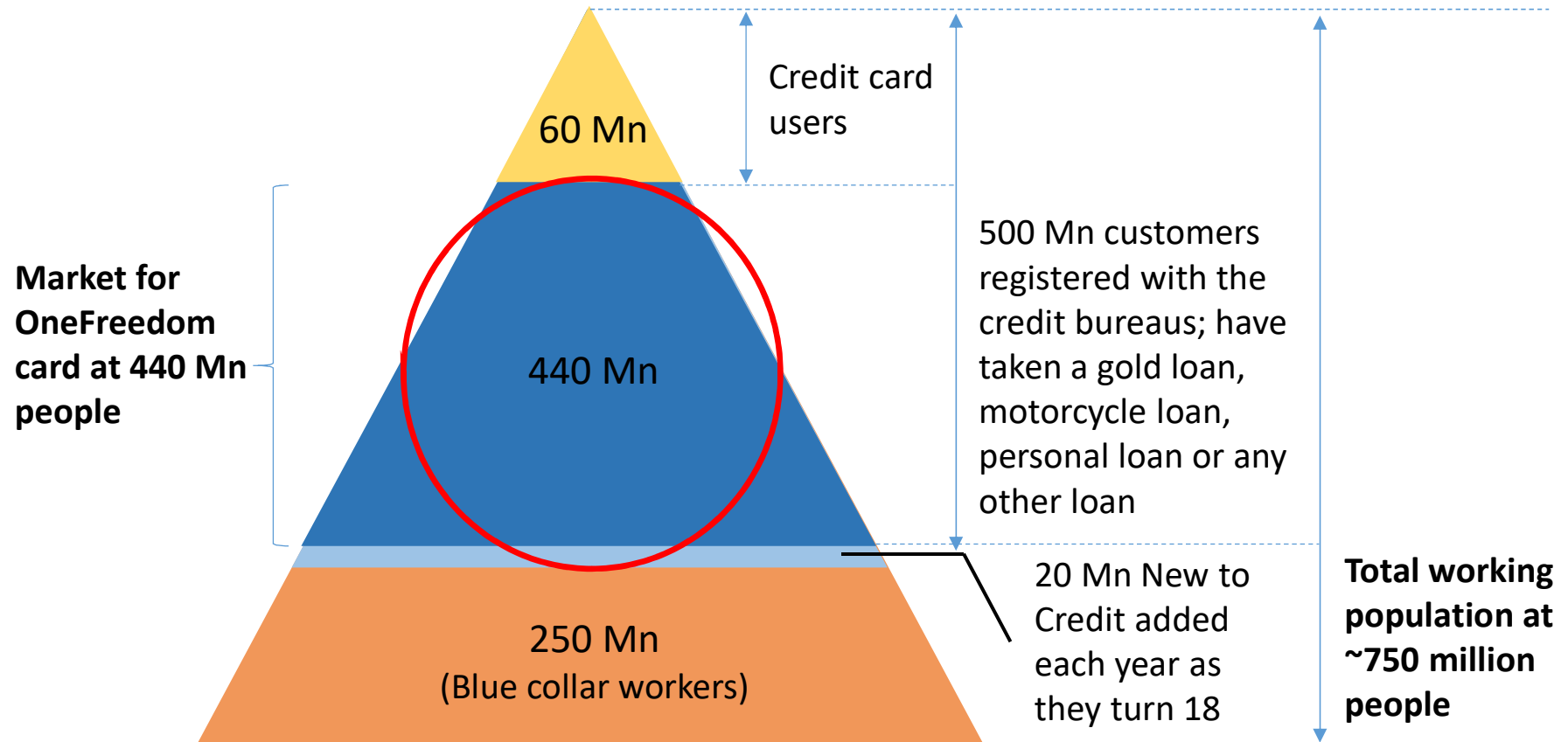


Fintech: 80% Business

Pharmtech: 20% Business

Value added services to our subscribers

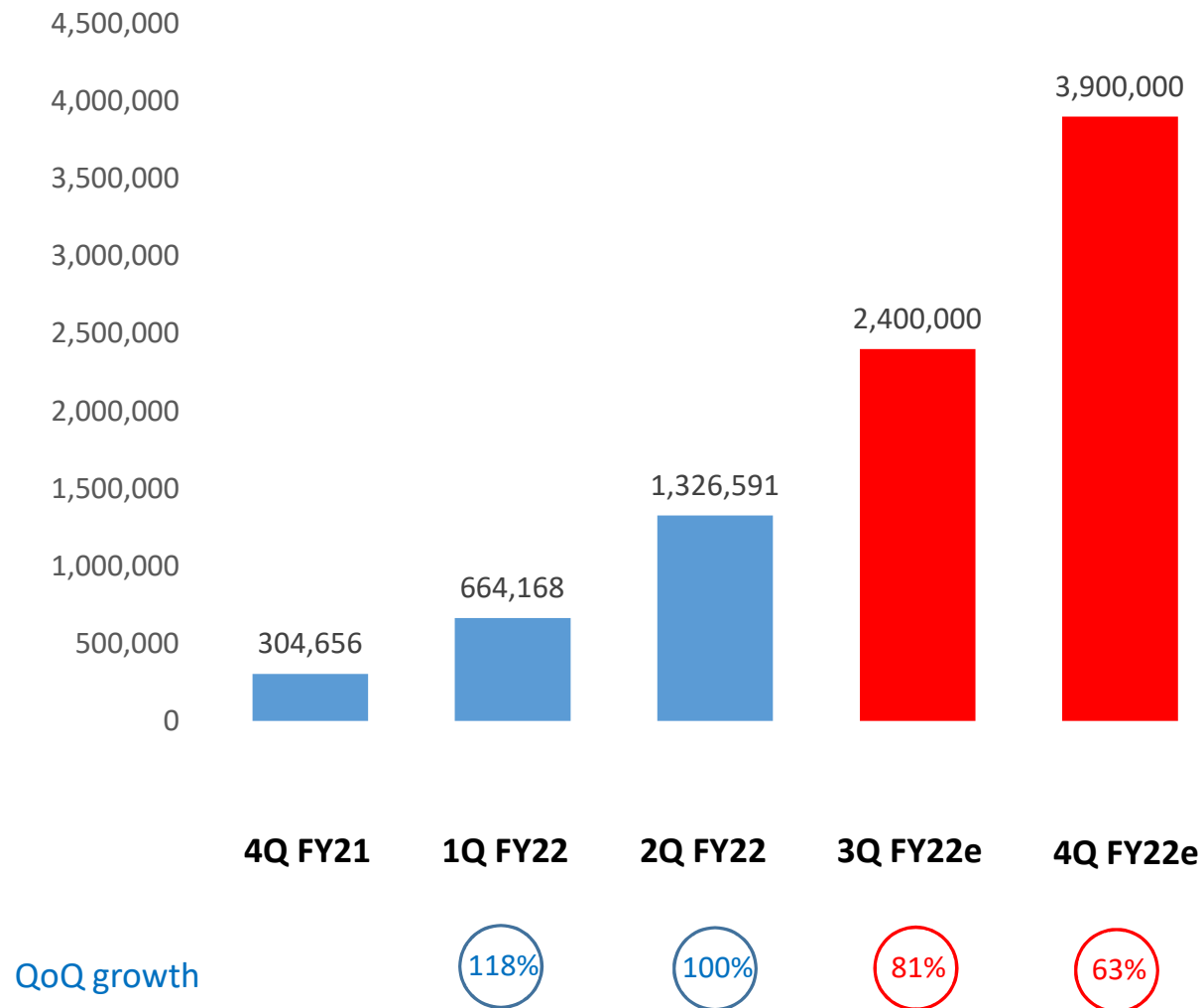
Market for OneFreedom Subscribers



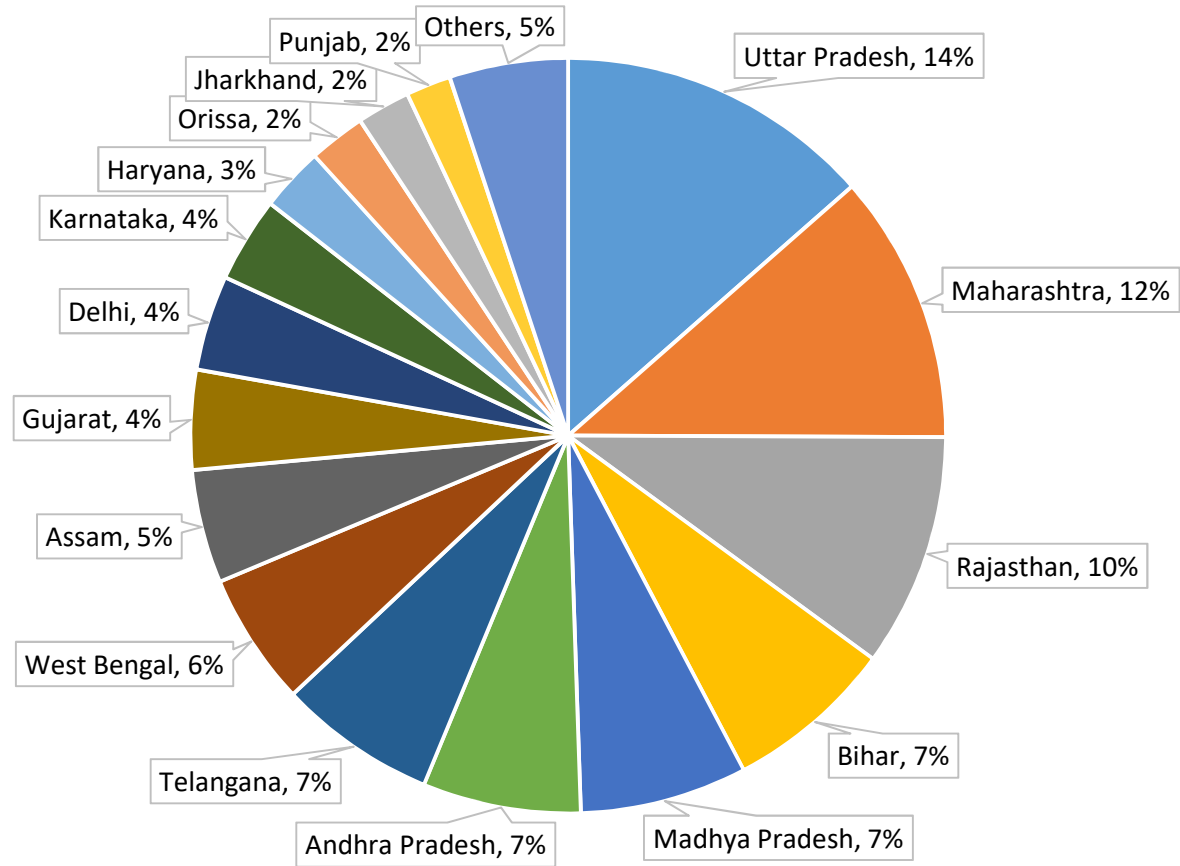
OneFreedom Historic Retained Subscribers & Estimates



OneFreedom Paying Subscribers, End of Quarter



OneFreedom Card Subscribers by State



1.32 Mn Retained OneFreedom subscribers in 916 cities and towns across India

OneFreedom Historic Subscriber Growth & Estimates



Month	OneFreedom Retained Subscribers	OneFreedom Avg Fees/ Subscriber/ Month	A. OneFreedom Monthly Subscription Revenue	B. OneFreedom Monthly Interchange Revenue	OneFreedom Monthly Revenue (A + B)	OneFreedom Monthly Revenue (A + B)	Month on Month Growth %
Apr-21	434,784	\$3.81	\$1.7 mn	\$0.2 mn	\$1.9 mn	₹ 14.2 Cr	43%
May-21	540,064	\$3.97	\$2.1 mn	\$0.3 mn	\$2.4 mn	₹ 18.7 Cr	32%
Jun-21	664,168	\$3.92	\$2.6 mn	\$0.4 mn	\$3.0 mn	₹ 22.8 Cr	22%
Jul-21	863,318	\$4.00	\$3.4 mn	\$0.5 mn	\$3.9 mn	₹ 29.5 Cr	30%
Aug-21	1,044,881	\$4.00	\$4.2 mn	\$0.6 mn	\$4.8 mn	₹ 35.8 Cr	21%
Sep-21	1,326,591	\$4.04	\$5.4 mn	\$0.7 mn	\$6.1 mn	₹ 45.3 Cr	27%
Oct-21	1,600,000	\$4.51	\$7.2 mn	\$1.0 mn	\$8.2 mn	₹ 61.6 Cr	36%
Nov-21	2,000,000	\$4.59	\$9.2 mn	\$1.2 mn	\$10.4 mn	₹ 77.9 Cr	26%
Dec-21	2,400,000	\$4.67	\$11.2 mn	\$1.5 mn	\$12.7 mn	₹ 95.4 Cr	22%
Jan-22	2,900,000	\$4.71	\$13.7 mn	\$1.7 mn	\$15.4 mn	₹ 115.3 Cr	21%
Feb-22	3,400,000	\$4.76	\$16.2 mn	\$1.9 mn	\$18.1 mn	₹ 135.5 Cr	18%
Mar-22	3,900,000	\$4.80	\$18.7 mn	\$2.1 mn	\$20.8 mn	₹ 156.2 Cr	15%
Total			\$95.6 mn	\$12.2 mn	\$107.7 mn	₹ 808.8 Cr	

By March 2022, we expect to have ~1% market share in our overall target market of 440 Mn

Unit Economics As On Date



A. OneFreedom subscriber

Subscription fees per subscriber	+ \$4.6 x 12 = \$55.2
Credit costs and negative carry per subscriber	– \$15.0
Gross margin per subscriber	<u>\$40.2 (73%)</u>

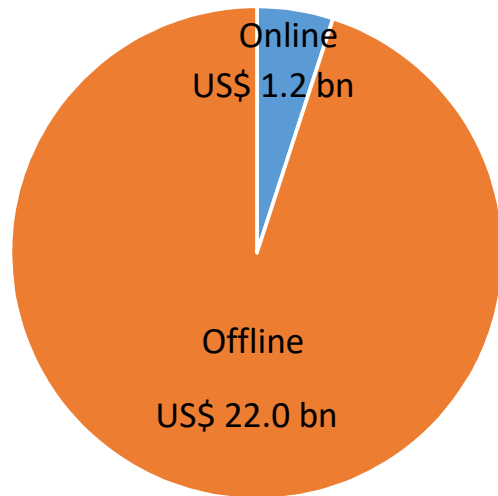
B. Medicine delivery

Gross value per medicine delivery	+ \$11.9
Discount on medicine	– \$3.1
Cost of medicine	– \$7.8
Gross margin per delivery	<u>\$1.0 (8%)</u>

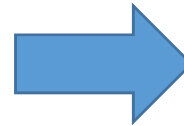
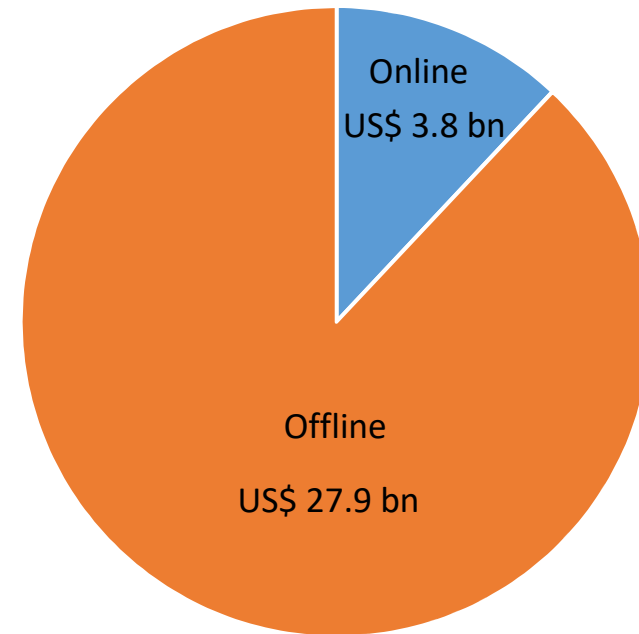
Market for Online Pharmacy



Total Pharmacy Market in FY21 = US\$ 23.2 bn

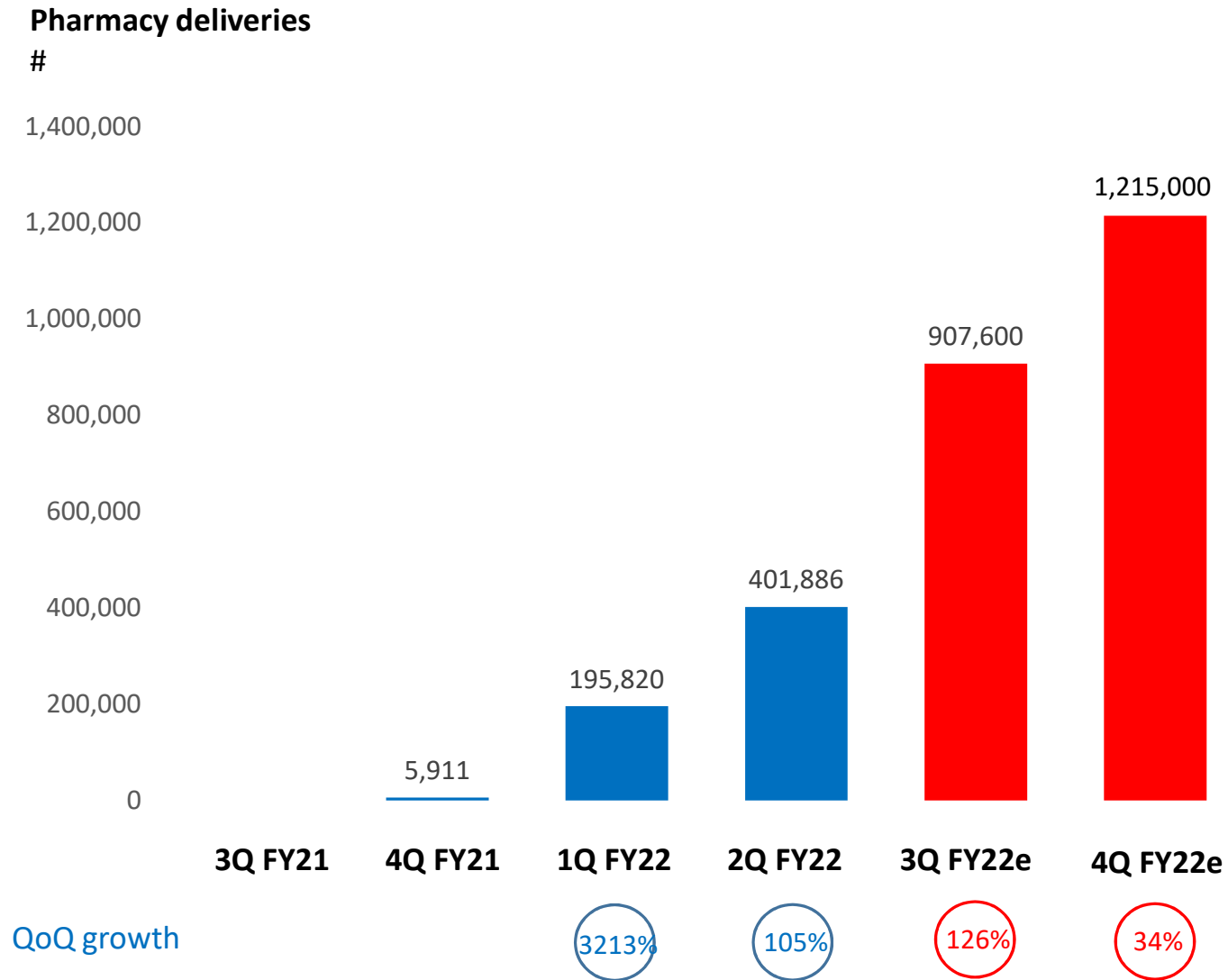


Total Pharmacy Market in FY25 = US\$ 31.7 bn



Current online pharmacy penetration is 5% of total market and expected to grow to 12% by FY25

Medicine Delivery Historic Growth & Estimates



* Online delivery launched in Mar 2021

Online Pharmacy Historic Sales & Estimates



Month	Average Daily Deliveries	Total deliveries in month	Average Gross Order Value	Average Net Order Value	GMV	Net Revenue	Net Revenue	Month on Month Growth %
Apr-21	520	15,600	\$8.5	\$6.5	\$0.1 mn	\$0.1 mn	₹ 0.8 Cr	297%
May-21	2,747	85,144	\$3.0	\$2.3	\$0.3 mn	\$0.2 mn	₹ 1.5 Cr	86%
Jun-21	3,170	95,100	\$3.1	\$2.4	\$0.3 mn	\$0.2 mn	₹ 1.8 Cr	20%
Jul-21	2,177	67,487	\$8.6	\$6.6	\$0.6 mn	\$0.4 mn	₹ 3.3 Cr	89%
Aug-21	3,750	116,259	\$10.9	\$8.3	\$1.3 mn	\$1.0 mn	₹ 7.2 Cr	117%
Sep-21	7,272	218,147	\$10.6	\$8.0	\$2.3 mn	\$1.7 mn	₹ 13.1 Cr	82%
Oct-21	8,600	266,600	\$11.9	\$9.1	\$3.2 mn	\$2.4 mn	₹ 18.1 Cr	38%
Nov-21	10,000	300,000	\$13.2	\$10.0	\$3.9 mn	\$3.0 mn	₹ 22.5 Cr	24%
Dec-21	11,000	341,000	\$13.8	\$10.5	\$4.7 mn	\$3.6 mn	₹ 26.9 Cr	19%
Jan-22	12,000	372,000	\$15.1	\$11.5	\$5.6 mn	\$4.3 mn	₹ 32.1 Cr	19%
Feb-22	13,500	378,000	\$16.4	\$12.5	\$6.9 mn	\$5.2 mn	₹ 39.2 Cr	22%
Mar-22	15,000	465,000	\$17.1	\$13.0	\$8.0 mn	\$6.0 mn	₹ 45.3 Cr	16%
Total		2,720,337			\$37.1 mn	\$28.2 mn	₹ 211.8 Cr	

We expect to be at ~5% of market share of online pharmacy market by March 2022



Updated Estimates for March 2022 ARR & GMV

- **Estimates given in Sep 2021 for March 2022**
 - Annual Recurring Revenue run rate of US\$170mn
 - Annual GMV run rate of US\$100mn on Pharma
- **Updated estimates for March 2022**
 - Annual Recurring Revenue run rate of US\$250mn, up 47% from earlier estimates
 - Annual GMV run rate of US\$100mn on Pharma

In current financial year and our second year of operations, revenues from Fintech (80%) and Pharmtech (20%) are estimated at \$135 Mn, establishing a proof of concept and firm path for multi year high growth trajectory

Dhani Card Is Central To Our Business

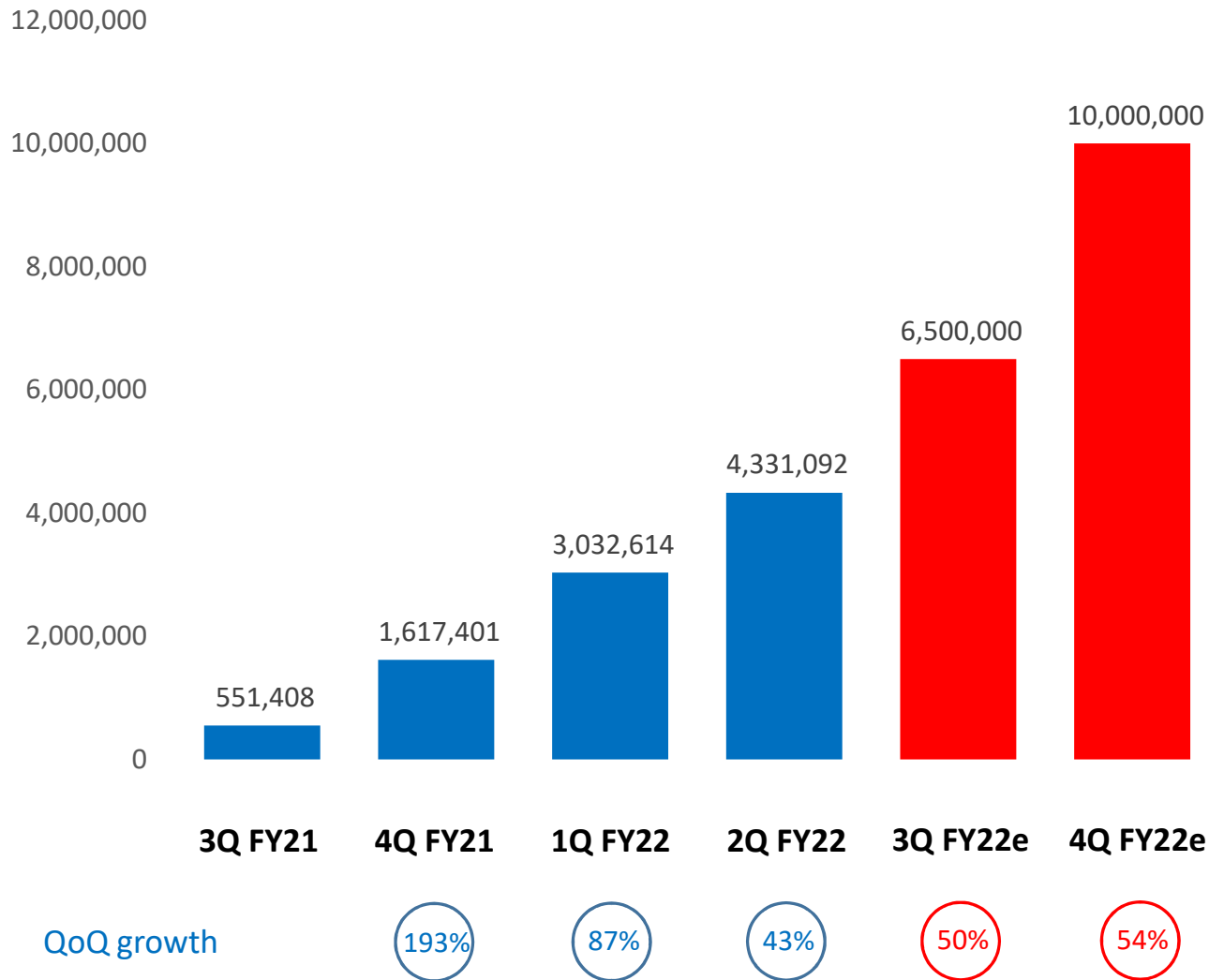


- Highly useful for our customers as card is issued **instantly** and serves as **convenient power for everyday transactions** in our customers pockets (who don't have credit cards)
- Both digital and physical card formats accepted across 10m+ merchants gives versatility and provides high level of **customer engagement** with dhani
- More value in hands of our customers through offers ensures **customer stickiness and longevity**

Within 12 Months of Launch We Are #1 RuPay Card Issuer Amongst PPI Issuers: Historic Growth & Estimates



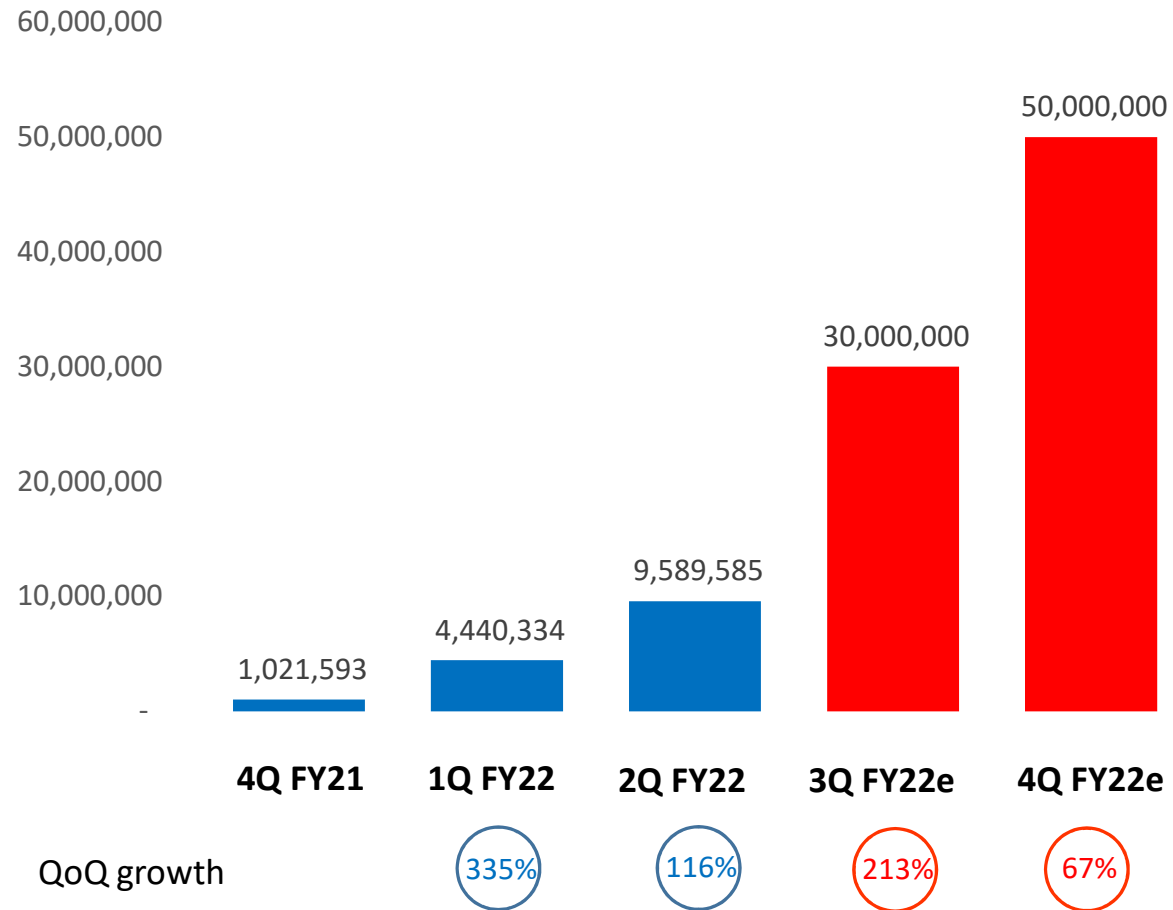
Total Dhani cards at the end of the quarter



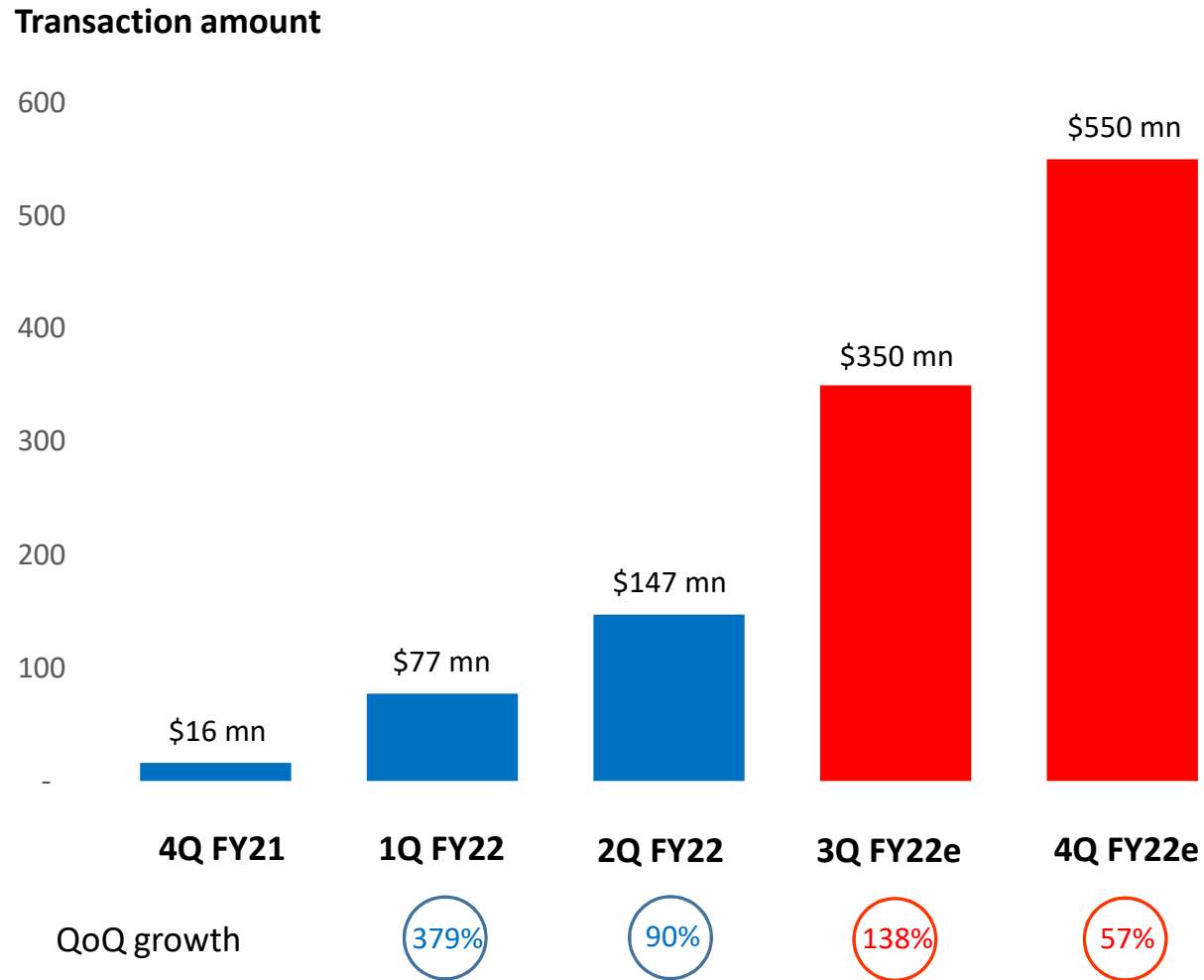
Historic Transactions & Estimates on Dhani Cards (Paid For Transactions)



Number of revenue linked transactions on Dhani cards



Dhani Card Historic Usage & Estimates by Value



Q2 FY22 P&L



	(In ₹ Bn)	
	Q2 FY22	Q1 FY22
Revenue	3.34	3.08
Expenses	5.62	5.60
PAT	-2.06	-1.92

- Non-cash expenses on account of employee options/ stock awards and depreciation are ₹0.47 bn for Q2 FY 22. Adjusting for non-cash expenses, PAT is ₹ -1.70 bn

Q2 FY22 Consolidated Financials



	(In ₹ Bn)
	<u>30 Sep, 2021</u>
OneFreedom Card Loan Book	+ 4.95
Legacy Loan Book	+ 34.44
Borrowings & NCDs	- 20.03
Cash in Hand, FDs & Liquid Investments	+ 21.67
Fixed Assets & Net of Receivables, Other Liabilities	+ 11.04
Net Worth	<u>52.07</u>

- Gross NPA is 3.38% and Net NPA is 1.89%
- Net Worth includes ₹ 2.86 bn of advance received towards last call of rights issue

SAFE HARBOUR STATEMENT



This document contains certain forward-looking statements based on current expectations of Dhani Services Ltd.'s (CIN: L74110DL1995PLC069631) management. Actual results may vary significantly from the forward-looking statements in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, and outside India; volatility in interest rates and in the securities markets; new regulations and government policies that might impact the business of Dhani Services Ltd.; the general state of the Indian economy; and the management's ability to implement the company's strategy. Dhani Services Ltd. doesn't undertake any obligation to update these forward-looking statements.

This document does not constitute an offer or recommendation to buy or sell any securities of Dhani Services Ltd. or any of its subsidiaries or associate companies. This document also doesn't constitute an offer or recommendation to buy or sell any financial products offered by Dhani Services Ltd.

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