



Flipkart announces spin-off of PhonePe

Move will help PhonePe access dedicated, long-term capital to fund its growth ambitions, Flipkart to remain PhonePe's majority shareholder

Bengaluru – December 3, 2020: Flipkart, India's homegrown e-commerce marketplace, today announced a partial spin-off of PhonePe, India's largest digital payments platform.

In just four years since its founding, PhonePe has crossed the 250 million registered user milestone, with over 100 million monthly active users (MAU) generating nearly one billion digital payment transactions in October 2020.

Recognizing the momentum that has been achieved, as well as PhonePe's significant growth potential, Flipkart's Board determined that this was the right time to partially spin-off PhonePe so it can access dedicated capital to fund its long-term ambitions over the next three to four years.

The partial spin-off also provides PhonePe an opportunity to constitute a new Board of Directors focused on supporting its development, and to create a tailor-made equity incentive or ESOP program for its employees.

In this financing round, PhonePe is raising USD \$700Mn in primary capital at a post-money valuation of USD \$5.5Bn from existing Flipkart investors led by Walmart.

Flipkart will remain PhonePe's majority shareholder, and the two businesses will retain their close collaboration.

Speaking on the development, **Sameer Nigam, Founder and CEO at PhonePe**, said, "Flipkart and PhonePe are already among the more prominent Indian digital platforms with over 250M users each. This partial spin-off gives PhonePe access to dedicated long-term capital to pursue our vision of providing financial inclusion to a billion Indians."



Kalyan Krishnamurthy, CEO of Flipkart Group, said, “As Flipkart Commerce continues to grow strongly serving the needs of Indian customers, we are excited at the future prospects of the group. This move will help PhonePe maximize its potential as it moves to the next phase of its development, and it will also maximize value creation for Flipkart and our shareholders.”

About the Flipkart Group

The Flipkart Group is one of India's leading digital commerce entities and includes group companies Flipkart, Myntra, and Flipkart Wholesale. Started in 2007, Flipkart has enabled millions of consumers, sellers, merchants, and small businesses to be a part of India's e-commerce revolution, with a registered customer base of over 300 million, offering over 150 million products across 80+ categories. Our efforts to democratize e-commerce in India, drive access and affordability, delight customers, create lakhs of jobs in the ecosystem and empower generations of entrepreneurs and MSMEs has inspired us to innovate on many industry firsts. Flipkart Wholesale, our digital marketplace, is a testament to our commitment to accelerate the growth of kiranas and MSMEs in India. Flipkart is known for pioneering services such as Cash on Delivery, No Cost EMI and easy returns – customer-centric innovations that have made online shopping more accessible and affordable for millions of Indians. Together with Myntra, which holds a prominent position in the online fashion market and Flipkart Wholesale, the Flipkart Group will continue to steer the transformation of commerce in India through technology.

For more information, please contact media@flipkart.com.

About PhonePe:

PhonePe is one of India's leading digital payments platform with over 250 million registered users. Using PhonePe, users can send and receive money, recharge mobile, DTH, data cards, pay at stores, make utility payments, buy gold and make investments. PhonePe forayed into financial services in 2017 with the launch of digital gold providing users with a safe and convenient option to buy 24-karat gold securely on its platform. PhonePe has since launched Mutual Funds and Insurance financial products like tax-saving funds, liquid funds, international travel insurance and Corona Care, a dedicated insurance product for the COVID-19 pandemic. PhonePe also launched its Switch platform in 2018, and today its customers can place orders on over 260 apps including Ola, Myntra, IRCTC, Goibibo, RedBus, Oyo etc. directly from within the PhonePe mobile app. PhonePe is accepted at 13 million merchant outlets across 500 cities nationally.

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