



February 10, 2026

To,
Listing Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001.
Scrip Code: 543280

Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1. G Block,
Bandra -Kurla Complex, Bandra (East),
Mumbai- 400051.
Scrip Symbol: NAZARA

Subject: Transcript of the Investor/Analyst Earnings Call held on February 04, 2026:

Dear Sir/Madam,

In furtherance to our letter dated February 04, 2026 regarding the audio recording of the investors earnings call for the Q3 & FY2026 Results, please find enclosed herewith the transcript of the said call. The Transcript is also available on the Company's website i.e. www.nazara.com.

We request you to take the same on record.

Thanking you,

Yours faithfully,
For **Nazara Technologies Limited**

Arun Bhandari
Company Secretary and Compliance Officer

Encl.: As above

Nazara Technologies Limited

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“Nazara Technologies Limited
Q3 & 9M FY '26 Earnings Conference Call”
February 04, 2026



MANAGEMENT:

MR. NITISH MITTERSAIN – CHIEF EXECUTIVE OFFICER AND JOINT MANAGING DIRECTOR
MR. RAKESH SHAH – CHIEF FINANCIAL OFFICER
MR. ROHIT SHARMA, EXECUTIVE DIRECTOR
MS. ANUPRIYA DAS – HEAD OF CORPORATE DEVELOPMENT
MR. SHREYES MENON – HEAD, OFFLINE GAMING
MR. AKSHAT RATHEE – CO-FOUNDER AND MANAGING DIRECTOR – NODWIN GAMING
MR. AJAY PRATAP SINGH – CHIEF EXECUTIVE OFFICER – ABSOLUTE SPORT PRIVATE LIMITED
MR. SENTHIL GOVINDAN – CHIEF EXECUTIVE OFFICER – DATAWRKZ BUSINESS SOLUTIONS PRIVATE LIMITED
MR. TERRY LEE – CHIEF EXECUTIVE OFFICER – FUSEBOX GAMES
MR. JEFF AMIS – CO-FOUNDER AND CHIEF EXECUTIVE OFFICER – WILDWORKS
MR. STUART DINSEY – CHIEF EXECUTIVE OFFICER – CURVE GAMES
MR. CHRIS JONES – CHIEF EXECUTIVE OFFICER – SPACE & TIME

Moderator: Ladies and gentlemen, good day, and welcome to Nazara Technologies Q3 & 9M FY '26 Earnings Conference Call hosted by Choice Equity Broking Private Limited. As a reminder, all participant 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 the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Kunal Bajaj from Choice Equity Private Broking Limited. Thank you, and over to you, sir.

Kunal Bajaj: Thank you, Shubham. Good morning, everyone, and a very warm welcome to all of you. On behalf of Choice Equity Broking, I would like to extend a warm welcome to the Q3 & 9M FY '26 Post Results Conference Call of Nazara Technologies Limited. I would like to take this opportunity and welcome the senior management team joining us on the call today.

Today, we are pleased to have with us Mr. Nitish Mittersain, CEO and Joint MD, Nazara Technologies; Mr. Rohit Sharma, Executive Director, Nazara Technologies; Mr. Rakesh Shah, CFO, Nazara Technologies; Ms. Anupriya Sinha Das, Head of Corporate Development, Nazara Technologies; Mr. Terry Lee, CEO of Fusebox Games; Mr. Jeff Amis, Co-Founder and CEO, WildWorks. Mr. Stuart Disney, CEO, Curve Games; Mr. Shreyes Menon, Head of Offline Gaming at Nazara Technologies; Mr. Akshat Rathee, Founder, NODWIN Gaming Private Limited; Mr. Ajay Pratap Singh, CEO, Absolute Sports Private Limited; Mr. Senthil Govindan, CEO of Datawrkz Business Solutions Private Limited; Mr. Chris Jones, CEO, Space & Time. I now hand over the call to Mr. Nitish for the opening remarks. Thank you, and over to you, sir.

Nitish Mittersain: Hi, everyone. Good morning, and thank you for joining us this morning. In Q3 FY '26, Nazara delivered revenues of INR406 crore, which were lower by 24.1%, primarily due to the deconsolidation of our NODWIN Esports business. However, our EBITDA came in at INR67.8 crore, which was up 29.4% during the same period and our margins expanded to 16.7% as the company refocused on its higher-margin IP-based gaming business.

For 9M FY '26, revenue grew by 29.7% year-on-year to INR1,431.2 crore, while EBITDA increased 73% year-on-year to INR177.2 crore with our overall margins expanding to 12.4%. Kiddopia achieved a much-awaited resumption in subscriber growth in this quarter, driven by the hard work of the team as well as Nazara's centers of excellence in user acquisition, data analytics, growth and product.

In parallel, the company continued to explore new platforms. And in this quarter, soft launched Animal Jam on the Roblox platform. And we believe these new platforms can unlock growth for us going forward. Also in this quarter, our associate company, NODWIN, which is the leader in Esports space in India, delivered strong operational performance and profitability.

Nazara continues to make strong progress in building a global gaming company focused on creating scalable world-class IP and franchises. This quarter was driven by disciplined

execution, improving operating efficiencies and multiple growth engines across new launches, live content expansion and platform extensions.

I must say we are also doing a lot of work on AI and introducing these components into some of our games, which I believe will have positive benefit for us going forward. We remain focused on disciplined capital allocation, including through strategic M&A.

And our centers of excellence that we have created will bring a lot more synergy in the acquisitions that we do going forward. With that, I will now hand over to Anupriya to discuss a little bit more details in the segmental performance. Over to you, Anupriya.

Anupriya Das:

Thank you, Nitish. Good morning, everyone. In Q3 FY '26, our Gaming segment revenue grew to INR257 crore, growing 66% year-on-year and EBITDA grew to INR64.2 crore, growing 87% year-on-year, resulting in an EBITDA margin of 25% for the segment. In 9M FY '26 on a year-on-year basis, our core gaming segment revenue grew by 119% to INR793.8 crore and EBITDA grew by 172% to INR188 crore with an EBITDA margin of 23.8%.

In mobile gaming, the momentum remains strong with revenues rising to INR534.7 crore, up 48% year-on-year and EBITDA increasing to INR99.2 crore, up 43% year-on-year. As Nitish mentioned, performance is driven by both the management teams and the COE-led initiatives such as user acquisition and data analytics, which tightened the LTV guardrails and strengthen our live ops cadence. Kiddopia returned to subscriber growth in Q3 FY '26 after several quarters, supported by the coordinated COE efforts with the management team and unlocked multiple levers of growth.

During the period, Animal Jam was also launched on Roblox, a new platform alongside many content updates across Kiddopia, CATS and KoT. A sharp increase in marketing spend for Love Island in December impacted EBITDA in the near term with the benefits expected to translate into higher revenues in the subsequent months.

Moving to PC and console publishing. We continue to deliver high-margin IP monetization and expanding platform reach. Curve's evergreen catalogue and new platform initiatives supported durable monetization. Human Fall Flat with lifetime sales of 58 million units remains a long tail seller, while Wobbly Life showed strong early momentum on Switch 1 with sales of over 200,000 units.

Turning to offline gaming. The portfolio reported healthy profitability with 36% EBITDA margin in Q3 FY '26. In Q3, Smaash delivered INR24.3 crore of revenue and INR7.1 crore of EBITDA, while Funky Monkey posted INR6.1 crore of revenue and INR3.7 crore of EBITDA. We also expanded footprint through four new Funky Monkey centers in the quarter and continue to progress the Smaash Experience 2.0 revamp as a medium-term relaunch.

Moving on to other segments. In 9M FY '26, Adtech delivered stronger growth and improving profitability. Revenue was up 86% year-on-year and EBITDA by 95% year-on-year. In Q3 FY '26, EBITDA increased 26% year-on-year, while revenue was down by 22% year-on-year, attributable to reduced focus on low-margin non-tech managed services business. This reflects

broader product mix improvement and increasing focus on tech-enabled offerings that are increasingly higher margin.

Moving to NODWIN. As mentioned, our associate company, NODWIN delivered a strong Q3 and demonstrated EBITDA profitability after the impairment and cessation of Freaks. In Q3 FY '26, revenue was up 58% year-on-year at INR261 crore and EBITDA reached INR40 crore. The quarter featured marquee executions and new IPs, including DreamHack and Starladder in Budapest. Within Absolute Sports, the portfolio has stabilized and selective product expansion is happening.

Sportskeeda executed significant cost realignment as Q3 FY '26 costs were down 32% year-on-year. Other properties of Absolute Sports continue to perform well. Pro Football network revenue is up 59% year-on-year on a YTD basis, while PrimeTimer posted strong post-acquisition revenue gains. With this, I conclude my remarks, and we'll now open to the call for Q&A.

Moderator: Thank you very much. We'll now begin with question-and-answer session. The first question comes from the line of Sachin Dixit from JM Financial.

Sachin Dixit: I had three questions. The first one to start with is on Kiddopia, right? So congratulations on increasing the subscription numbers there. But how do we think of the margin dip, right? Because are there expectations that the stickiness from these acquired customers is going to deliver leverage in the coming quarters?

Or even if you can break down maybe like what is the ratio of monthly versus yearly subscriptions there? So just to understand something on the stickiness side so that we can anticipate a better margin in coming quarters.

Nitish Mittersain: Why don't you complete your questions and then we can answer one by one.

Sachin Dixit: Sure. So, that was the first question on Kiddopia. The second one is if you can explain any seasonality that we see in margins in offline gaming, right? They spiked in this quarter. Last quarter was relatively poorer. How should we expect the sort of benchmark margins for the offline business, if there is a festive quarter related seasonality or anything?

And the final question is on the couple of investments that you highlighted in the press release, nCore Games and Rusk Media. If you can shed some more light there, what's the plan there? Are these just minority investments for now? How should we look at those pieces?

Nitish Mittersain: Okay, sure. So let me start with Kiddopia. This is Nitish. I think for us, we have created these centers of excellence on user acquisition, on data analytics, on AI and growth. And we are starting to see these really add value to our existing businesses, starting with Kiddopia. We kind of focused on Kiddopia first. And what we have managed to achieve really in the last couple of quarters, which is now showing up in Q3 is that we are able to spend and acquire more users, but at good cost per trial and CAC.

So if you see in Q2, our CAC was \$37.5. But in Q3, we have spent more, acquired more users and at \$35.8 per user. At the same time, our ARPUs have been steadily increasing. In Q3, we were at \$7.45 per user compared to \$7.34 in Q2. So, in effect, what we are able to now do is scale our user acquisition spend, acquire more users, but at the price that we want to, and we will continue to optimize that.

So this is, I would say, the drop in margins is actually a very healthy sign in this particular case because we are acquiring more users that are profitable for us. And over the years in the coming quarters, you will see revenue growth that will make up for the short-term margin erosion. Kiddopia usually has a two years LTV that we see. So we will continue to generate users or revenues from users over a two to three years period that we acquire.

All along the last two years, we've maintained that we will maintain a very strong discipline on the cost of acquisition of the user because we don't want to acquire users at any cost. And I think that's what we are able to achieve now. So we are feeling very positive about Kiddopia's growth and defensibility of margins going forward.

Sachin Dixit: Just to clarify on this, right, obviously, margins in Kiddopia have consistently dipped from 25% in Q3 last quarter to reaching 9% this quarter, right? So should we anticipate that margins will remain ~9% range, as you highlighted, like you spent on customer acquisition and without basically seeing a lot of leverage on the currently acquired cohort, unlikely that you will see margin improvement in the near future?

Nitish Mittersain: No. I think the point is the margins have dipped because we have spent more in this quarter.

Sachin Dixit: But do you plan to spend.

Nitish Mittersain: Yes. And we will continue to spend, but also you have to realize that as we keep spending higher, the revenues will also start scaling. So they will start offsetting the higher spends in terms of margins. So margins until unless we really get good fantastic traction and let's say, we are able to further significantly increase our spend, let's say, if the spends remain as they were in Q3 and Q4, Q1, Q2 of next year, then the margins will automatically start coming back as the revenues will grow.

Sachin Dixit: And just to close this, do you have any margin number in mind FY '27, '28 that I will hit these numbers?

Nitish Mittersain: I think I would say I would not hazard a guess on margins. The only point I would like to say is that within our profitable equation of acquiring users, we usually follow a policy where we want to earn back 100% in two years period of whatever capital we invest in user acquisition. As long as we are able to achieve that, we will maximize our spends for growth.

On offline business, let me give you -- I have Shreyes here, who's heading our offline gaming business. But let me give a quick overview of what's happening. Our Funky Monkey centers have been expanding pretty rapidly, and we're launching about one to two new centers per month

currently. So we're seeing rapid expansion. These centers have a breakeven period of less than one year. So we can continue to see rapid growth over there.

In terms of Smaaash, we are right now in the midst of relaunching all new imagine Smaaash, I think that will take probably a couple of quarters to launch before we start expanding. So we've kind of optimized a lot of costs in the current operations, which show up in the margins. We've also closed down one center, which was kind of loss-making, so that loss has gone away.

So I think some level of optimization has been going on. But the real growth in Smaaash will come once we relaunch the all-new Smaaash in the next couple of quarters. Do you have any specific question on this? Otherwise, I can move on.

Sachin Dixit:

No. I just wanted to comprehend right? So for example, if I look at Funky Monkey, we have 61% EBITDA margin, right, which means that we are able to sweat our assets quite well. If I have a business which breaks even in a year and does 60% margins, I'll probably invest all my money there. So just to understand, which is why I'm asking the question, is 61% the sustainable margin or maybe something like a 40-ish percent the right margin?

Nitish Mittsain:

I think on a steady-state basis, 35- 40% is what we should project. But we are doing actually that, right? We have an intent to really expand the number of centers. But because it's launching new centers is operationally heavy, we want to make sure we are well geared to do that before we really scale. But right now, this one to two centers a month launch is already in way. If I were to zoom out, I think over the next couple of years, can we get to 100 Funky Monkey centers in India, we surely can.

On core gaming, the last question you asked was on investments, the minority investments we have made. I think the point here really is twofold. One is what is the strategic Indian opportunity. As you know, Indian gaming today, if you look globally, in terms of number of downloads on mobile phones is Number 1 on Google Play, Number 1 on Apple Store, 1 or 2 sometimes. So there's a lot of consumption.

However, we are not even in the top 10 on monetization. But slowly and steadily, I'm very confident that we will inch up and get there. And India will eventually become a very large monetizable gaming market going forward. So our intent is that while today, Nazara's revenues are largely coming from international markets.

And in the near term, I believe that will continue to grow faster in the international markets. It's very important for us as our home base being India, we kind of continue to invest very aggressively in this market. So, I think, some of these investments you've seen in the past also like Stan, Rusk, in this time nCore are with an intent to invest in the local gaming ecosystem and create a network and ecosystem for Nazara that we can continue to exploit as the market grows.

Specifically for nCore, they are makers of the FAU-G game, which is made in India competitor to many of the international games like PUBG in India. So I believe that's a game that Nazara is already publishing. The game is on a good track in terms of the KPIs, early KPIs we are seeing

with the quality and the feedback of customers we are getting. So we've taken this call to have a minority position.

These investments are all minority at this point of time. We will continue to engage with the respective companies. And at some point, we may either monetize these investments or we could take larger stakes or we could acquire. So we've kept all the options open for ourselves.

Moderator: The next question comes from the line of Jinesh Joshi from PL Capital.

Jinesh Joshi: Sir, in the NODWIN business, the turnaround that we have seen in the PPT, we have mentioned that it is primarily attributable to breakeven in some of the IPs like Comic Con. But given the swing that we have seen in this quarter on the EBITDA side, can you talk a bit more about which all IPs broke even? And also the fact that it appears multiple IPs seem to have done well in this quarter. So what led to turnaround in most of them in this quarter? So, yes, your thoughts on that?

Nitish Mittersain: Why don't I get Akshat, who's the CEO of NODWIN to answer this. Akshat?

Akshat Rathee: Thanks so much. I appreciate the question. Look, I think the core business of NODWIN was always doing well, has always been doing well for a very long time. It is the reason why we are such a dominant in the world and one of the top three companies in the world. What clouded us in the last one year was this attempt that we had done to go ahead and build a European business in Germany specifically that didn't work out.

And that was a drag on everything, right? So even if we were making natural profitability in the business for around 20%, 25%, 30% margins, that was all eaten away. And not only was that eaten away, it prevented an R&D investment in growth, which we typically do over the business. So, NODWIN actually likes going in profit, building IPs and IPs typically have a three-year build-out cycle for us. Year one is what we call an experiment.

We typically expense this out. Year two is when it starts going and generating traction, and we know it's successful. We have a 60% culling rate in IPs that you would test in the first year to second year gestation. And then second year once they are good enough to go ahead and do and they scale up in the way, and we believe they will go ahead and have payback periods that are viable. IPs start being called IPs really in year three for us.

And that takes time, right? So if you looked at some of the things that we've been building over a certain number of years, most of our IPs in the large businesses are over 10 years old, whether it be NH7, All That Matters, DreamHack, Comic Con, large ones, the BGMI, etcetera. Even the domestic ones that we have are hitting five-year cycles. So all of those cycles that are now sustainable cycles start going and generating farming revenue for us, which is sustainable, long-term, repeatable for us.

The first three years are always the chaotic period for us, and those are the ones that are also going to start showing some offshoots in the next one to three years. Even Starladder, for example, we won the award for the world's best Esport tournament literally, the Grammys and

the Oscars, the way we won the tournament of the year award. This is a team that has total staff size of 18 people.

They were when we acquired them, we then ingested them into the NODWIN ecosystem. We supported them, which is there. And then with Indian hard work and Starladder's finesse, we were able to go ahead and do this. And the profitability in that business is what you see that comes out of it. So sustainably on a long-term basis, this is our road map.

The other thing that we've done is we also rationalize the certain costs as all the organizations go through, we have a synergy team whose entire job is to go and integrate every company that we acquire into a more holistic. So, typically, those would be six months to nine months after acquisitions, we would have layoffs that would happen on adjustments or some of those people would be put into newer projects. So both cost-cutting exercise and likely maturing has gone and helped. And hopefully, this goes and sustains as we go forward.

Jinesh Joshi: Understood. So, basically, just to sum it up, deconsolidation of for you and some of the legacy IPs did well in this quarter, and that is the reason why you see the outperformance, right?

Akshat Rathee: Correct. So Freaks 4U was always a trap like it was something that we made a mistake, right? Like -- and it's not the only mistake we have made. We also had the wings time which are there. So we do keep trying, and we've also done four other investments during this time, which is Comic Con, Trinity, AFK Gaming, others, which have done phenomenally well for us there. And that's the reason NODWIN is going out and raising a new round and in that part of the raising the round. The world loves what we do. It just makes me a little greyer more and more often when things don't work out, but the world does like what we do. So, yes.

Jinesh Joshi: Understood. Two small bookkeeping questions from my side. First is that if I look at our depreciation expense on a sequential basis, it has basically remained flat despite the deconsolidation of NODWIN. Ideally the amortization figure for you should have been eliminated and to that extent, the expense should have been lower. So any reason why we have not seen a decline over there? That is one.

And secondly, I mean, in response to previous participant's question, you mentioned about the EBITDA margin profile of the offline business. I just wanted to check because I believe most of these centers would be on lease. So whatever margins you are seeing, whether these are pre-Ind AS EBITDA margins or post-Ind AS EBITDA margin?

Nitish Mittersain: Sure. I think on the depreciation question, while some of the Freaks depreciation has gone out, you have Smaash and other depreciation that have got added. So, I think, Curve depreciation is also added. So, I think, it's kind of got balanced out in terms of the other acquisitions we have done.

In terms of the other question on the offline business, this is the 40-45% elevated margin we are seeing is because of also the Ind AS accounting, as you rightly point out, where the lease comes below EBITDA.

Jinesh Joshi:

Right. So what will be the true EBITDA margin? Any color you can share on that?

Nitish Mittersain:

I think on a steady state, what I said earlier, between 25% to 35% is where we should land up at.

Moderator:

The next question comes from the line of Pranav Mashruwala from Dolat Capital.

Pranav Mashruwala:

Just doubling down on NODWIN just again. So this is again largely -- which were some of the key IPs that drove this outperformance, almost 60% Q-on-Q growth despite Freaks 4U deconsolidation?

Akshat Rathee:

So, NODWIN as its expanded into its global role. Just as a matter of record, NODWIN is among the top 2 Esports companies and gaming companies in the world now, both by revenue. We are the only profitable one, which is the largest emerging market one. So we've been able to go ahead and build this.

What it does is -- I'm going to take a little longer, maybe two minutes to explain this. What it does is when we acquire assets and when we go ahead and build the IP, for example, when I say this Counter-Strike, it just sounds like a normal another event that we do, right? So the Counter-Strike made is like the World Cup that we hosted. It's the world championship of Counter-Strike.

That was in Budapest, the best teams in the world come in, the millions of dollars of high schools are coming in. And when you build something like this and go ahead and do this, it goes and does multiple tens of millions of dollars of a onetime exercise. But what it does really, the reason it is there is that's onetime, right? I mean it's not really sustainable. The next time we'll do this is two to three years later, something as large.

But what it does is it builds credibility for someone like NODWIN, which is coming from India and the world doesn't think that India is the best place to go ahead and do it, but that reputation is changing really fast with what we do. That gives other publishers and other world championships, the opportunity to go ahead and tell us, hey, would you like to go ahead and do our championship?

And so on the back of this acquisition on the back of the world championship that we did and the fact that we won the tournament of the year, we've now got a order book of at least 10 other events that have come in into our portfolio that we would not have. The bigger companies in the world, mostly the Europeans or the Chinese ones would have got the opportunity to do it. So that's the reason why this has happened and that makes it sustainable.

Now on a specific IP level, we've been able to do a Major. We've been able to do DreamHack. We did the Honor of Kings Championship, Kings Championship in Astana, and then we went and did a Dubai event. So all of those have now just started creating on the Esports part of the business, but also the culture side of the business, when we go ahead and do something like a Comic Con.

It creates the opportunity for Disney to come to us and say, hey, would you like to go ahead and do something with our launch portfolio that is interesting for us. So most of these things, when you do great things, go and just does a cascade effect that allows you to go ahead and do more in the future.

Pranav Mashruwala: Thanks for the detailed answer. The bookkeeping side again, although NODWIN has reported a healthy profit, it has not quite trickled down to share of associates and JV in the P&L statement, which is right now just a mild INR3 lakh loss. What explains this?

Nitish Mittersain: There's, I think, Freaks 4U for impairment that would have translated into below EBITDA.

Pranav Mashruwala: What would be the impairment size?

Nitish Mittersain: Sorry, you are asking for NODWIN's contribution or earnings per share or you're talking of Nazara's?

Pranav Mashruwala: No, I was asking, so have the Freaks 4U impairment really netted off most of the proportionate gains that we recorded in NODWIN?

Rakesh Shah: Rakesh here. In Associate you are not seeing the impact of NODWIN's profit because there is a loss which is coming from the Moonshine.

Nitish Mittersain: Let me explain that. So you have the share of associate of profit coming from NODWIN, but that is completely offset by incurred loss of Moonshine, which is PokerBaazi. They have an operating loss of INR30 crore for the quarter. So we are 46% of that is offsetting the NODWIN gains.

Pranav Mashruwala: Okay. Understood. So, going forward, would there be further loss to record for the real gaming business?

Nitish Mittersain: We had impaired most of the value that we were carrying in the last quarter. Exact amount maybe Rakesh can confirm that we are still carrying on the books, of which INR30 crore would have eroded in this quarter.

So, there could be some, but also they are working on different revenue streams, etcetera. So, hopefully, some of that will reduce going forward.

Pranav Mashruwala: Okay. Just last one. The minority interest of about INR9 million is attributed largely to Adtech.

Nitish Mittersain: Minority, what?

Pranav Mashruwala: Minority interest outgo of INR9 million.

Nitish Mittersain: Yes, yes.

Moderator: The next question comes from the line of Kunal Bajaj from Choice Equity.

Kunal Bajaj:

Congratulations on a good set of results. So I have two questions in particular. Firstly, we see Sportskeeda. So we have observed that there is some arrest in a quarter-on-quarter decline in top line, but on a Y-o-Y basis, still down. So how do we see this business growing? How are we placed in terms of initiatives post the Google update changes? This is one.

And secondly, we see that Fusebox obviously has taken a hit this quarter. So do you see any seasonality effect because of absence of an on-air show? Or have any trend on this, that's the question.

Nitish Mittersain:

Sure. Let me answer the second one. I think we have Terry here on the call, right?

Anupriya Das:

Yes, Terry here.

Terry Lee:

I'm here.

Nitish Mittersain:

Okay. So, I think, maybe Terry can answer them.

Terry Lee:

Yes, sure. Thank you for the question. So, yes, with Fusebox Games being all linked to TV show IPs, we definitely do see seasonality effects, but more specifically somewhat in the organic, but more specifically in our user acquisition. So when the TV shows are on and also depending on how well the TV shows do.

Whether or not there's a virality effect similar to what we saw in the summer in Q2 with like exposure on TikTok and Instagram about particular storylines and celebrities, then user acquisition becomes a lot cheaper for us because it's a lot easier to find our players. And so we end up spending very aggressively, still within profitability, but we end up spending very aggressively.

So, what you'll see is over the year, our UA is kind of very stable, but we do have kind of quarterly and even monthly spikes. But as I think the presentation states is whilst we spend aggressively where we can, which is what you're seeing, we will then see that profit come back, and we normally have a 60-day payback period for our user acquisition.

Nitish Mittersain:

Thank you, Terry. And can we have Ajay, who's the CEO of Sportskeeda to respond.

Ajay Pratap Singh:

Sure. Thanks, Nitish. Thanks for the question. See, when you look at the ASPL level, right now, we have a portfolio approach. Along with Sportskeeda, we have seven, eight other domains that we've acquired and managed. Yes, there has been a decline in Sportskeeda pertaining to the March core update that came in FY '25. And since then, we've seen a decline in traffic. Now this is a normal phenomenon, to be honest, which happens across all the publishers.

We've been lucky over the last five years that we've been able to manage it so well that never once was Sportskeeda impacted. But unfortunately, we were wrongly caught in the crossfire last March.

Now to address that, we have significantly decreased cost. If you look at the Y-o-Y quarter cost comparisons, we are down by 32% in terms of cost. However, we are also seeing and witnessing good growth on the other domains that we have. For example, Pro Football Network.

Now Pro Football Network Y-o-Y has seen an increase in revenue of 36% with a decrease in expense of 11%. At a YTD level or nine months level, this has been the best year for Pro Football Network. 58% increase in revenues, while expenses just growing 3%. So we believe Sportskeeda will also come back. Now when it comes back, we don't know, till then we want to run it lean.

Just to add one more point, Pro Football Network also saw this Google Core impact update last year, and it took them around 2.5 to 3 quarters to come back. So we believe in the next couple of updates, we should see some bounce back.

The other thing is that while Google and relying on Google gives us high volume, we have now also started focusing a lot on other initiatives. One such initiative, if I could mention here is CricRocket, which is a live scoring app. We have a well-built direct sales team here in India. We have been working CricRocket app for the last 1, 1.5 years.

And come with World Cup and IPL, we will be spending a little higher on that. So, on one end, we would still want to come back on Google for volumes. And on the other hand, we would also want to kind of akin ourselves to the Google volatility and build more towards the new initiatives.

Kunal Bajaj: Sure. That's helpful. And one last question to Nitish sir. So, sir, we obviously see that margins have expanded because of the Nodwin desubsidiarisation. So are we seeing this trend to continue going forward for the next quarters?

Nitish Mittersain: Yes, I think you will see higher margins. And I think as our businesses focuses on the core gaming business, which is the IP-driven games that we make. Eventually, the margin should rise to beyond 20% is what we are working towards.

Kunal Bajaj: Okay. Any timeline for that?

Nitish Mittersain: I think in the coming year, maybe in two, three quarters, we should get there.

Moderator: The next question comes from the line of Bhavik from Invexa Capital LLP.

Bhavik: Sir, when I see the presentation and the numbers, I just fail to understand like where exactly our growth will come from, say, in FY '27. Could you just point out some specific divisions or IPs or like things which will actually drive growth in terms of numbers, one? And what will lead to improvement in margins?

We say we are doing IP-related work, but I'm just not able to understand how that will translate to numbers in, say, FY '27. So if you could provide some color or some guidance, that would be really helpful. And sir, how much is the net cash in the books? And how do we plan to utilize it going ahead?

Nitish Mittsain:

Yes. So while we have many growth drivers and many things happening, maybe I'll give you a couple of specific examples on where we see tangible growth coming in FY '27. One is our portfolio of Fusebox games where we are doing IP licensing, right? Most of the revenues that you see in the current year, FY '26 have come from only one game, which is Love Island.

However, in the last six, nine months after we've acquired the business, we work closely with the team to launch many more well-known games, including Big Boss in India, Big Brother globally. And we have a very large launch for the traders license, which is again a global launch, and that IP is even more popular than Love Island.

So we've got multiple products out there, which we believe will drive meaningful growth in the coming year. That's one example. The second is Kiddopia, as you can see in this quarter, we've got the right traction in terms of the user acquisition in the range of spends or costs we want to do. So we are going to continue to step on the pedal there.

And I believe you will see Kiddopia growing well again in FY '27. Another example is our offline gaming businesses, which are driving growth, especially Funky Monkey, which continues to expand very actively.

So, I would say, by and large, most of our businesses are on a growth curve. We've got good growth plans and new IP launches for the PC and console space through Curve. Maybe I'll just ask after I stop talking, I'll ask Stuart, who is the CEO of Curve to throw some light on that. So, I think, broadly, we feel quite confident that our existing businesses will deliver good growth in the coming year.

In terms of the cash question that you have, we have a net cash of approximately INR700 crore in our books at this point of time, including our subsidiaries. In terms of usage, we will deploy in organic growth where we require the capital.

And we will also undertake additional M&A, especially of gaming studios going forward. If I can just ask Stuart to throw a little light on what's happening on Curve and the IPs that we are adding to the portfolio, it will be helpful. Stuart, are you there?

Stuart Dinsey

Yes. Thanks, Nitish. Hi, everybody. As Anupriya mentioned earlier, we are performing in line with our expectations with a relatively high-margin business. And we've been maximizing our catalogue, and we've also had a number of new platform initiatives. Going forward, with the help of Nazara being part of the Nazara Group, we are investing in new titles. And really growth for us comes from the release of new games.

And we have signed five or six new titles since we were acquired, and they will start to appear through FY '27 and FY '28. So, for us, it's really about increasing the pipeline whilst retaining the relatively low cost base of running a traditional games formats publisher with a comparatively high margin outlook on the performance.

Bhavik:

To understand when we say we will expand in offline business, like how many stores do we plan to open? And how much will be the investment we require generally? And what is the time we take to break even at the stores?

Nitish Mittersain:

Look, like I said in an earlier question, sorry, since Stuart is offline. So I'll take it up. Shreyes, are you there?

Shreyes Menon:

Yes.

Nitish Mittersain:

Shreyes, why don't you answer that question?

Shreyes Menon:

As this was explained before as well. So in a steady state, we are looking at 25% to 30% EBITDA margin coming in with a typical breakeven point of 18 to 24 months in the offline business, both for Smaash and Funky.

Bhavik:

Yes. And what is generally the economics for to open a new outlet or a store?

Shreyes Menon:

So, right now, given that at fundamentally the growth sector that we are looking at, this is a typical investment from a INR1 crore to INR2 crore per store. At Smaash, like how we have earlier also spoken, Smaash 2.0, which will open in H1 next year. Post that, we'll be able to give you more clarity on the economics for Smaash.

Nitish Mittersain:

I just want to step in and add one more to your earlier question on the growth for FY '27. I think one more area that we are quite excited about growth into FY '27 is our Animal Jam business of WildWorks because there are multiple things we have done there in terms of the existing product, launching it on Roblox.

And for the first time that studio, WildWorks is launching a new game called Go Slinky. So a lot of activity happening there. And if I may just call Jeff, who is the CEO of WildWorks, to give us a quick overview. It will be helpful. Jeff, over to you.

Jeff Amis:

Thanks, Nitish. Yes, thanks for the question. I hope you can hear me okay.

Nitish Mittersain:

Yes.

Jeff Amis:

We are very excited about an alpha release of Slinky. This is Go Slinky Go, which is a hyper-casual game in the likes of MONOPOLY GO! It has been received so well by those that we have done some beta alpha testing with so far. We'll go to a public release in by the end of the first quarter of FY '27. And we really are advocates that growth within WildWorks is going to principally come from new games.

And we're thrilled over the last several months of development of this new game that we get to launch in the coming months Animal Jam as noted on Roblox now. It will just stay there for a little bit before we're going to see the performance increase, and we will be patient with it.



But our core game, both on desktop and mobile for Animal Jam continues to hold steady, and we're thrilled with opportunities that are coming up to monetize even better as we now have validating our data appropriately after a massive migration away from Amazon or AWS to Google Cloud Platform and with the COE.

Moderator: The line has been disconnected.

Nitish Mittersain: Okay. Anyway, I think we got the points. We can carry out.

Bhavik: And any numerical guidance which you can provide?

Nitish Mittersain: Not at this point.

Moderator: As there are no further questions from the participants, I now hand the conference over to the management for closing comments. Thank you, and over to you, sir.

Nitish Mittersain: Thank you, everyone, for the detailed questions. Thank you for all the Nazara management to be on the call, many of them at very early mornings all over the world. And I wish you all a very good day.

Moderator: Thank you. On behalf of Choice Equity Broking Private Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.

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