

June 02, 2025

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 May 26, 2025:

Dear Sir/Madam,

In furtherance to our letter dated May 26, 2025 regarding the audio recording of the investors earnings call for the quarter & financial year ended March 31, 2025, 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 & Compliance Officer

Encl.: As above



“Nazara Technologies Limited
Q4 & FY25 Earnings Conference Call”

May 26, 2025



MANAGEMENT: **MR. NITISH MITTERSAIN – CHIEF EXECUTIVE OFFICER
AND JOINT MANAGING DIRECTOR – NAZARA
TECHNOLOGIES LIMITED**
**MR. RAKESH SHAH – CHIEF FINANCIAL OFFICER –
NAZARA TECHNOLOGIES LIMITED**
**MS. ANUPRIYA SINHA DAS – HEAD OF CORPORATE
DEVELOPMENT – NAZARA TECHNOLOGIES LIMITED**
**MR. TERRY LEE – CHIEF EXECUTIVE OFFICER – FUSEBOX
GAMES**
**MR. AKSHAT RATHEE – CO-FOUNDER AND MANAGING
DIRECTOR – NODWIN GAMING**
**MR. AJAY PRATAP SINGH – CHIEF EXECUTIVE OFFICER –
ABSOLUTE SPORTS PRIVATE LIMITED**
**MR. PUNEET SINGH – CO-FOUNDER AND CHIEF
OPERATING OFFICER OF BAAZI GAMES**
**MR. SENTHIL GOVINDAN – FOUNDER AND CHIEF
EXECUTIVE OFFICER – DATAWRKZ BUSINESS SOLUTIONS
PRIVATE LIMITED**

MODERATOR: **MR. JAYRAM SHETTY – ICICI SECURITIES**



Nazara Technologies Limited

May 26, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Nazara Technologies Q4 and FY '25 Earnings Conference Call. 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 the 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. Jayram Shetty from ICICI Securities. Thank you, and over to you, sir.

Jayram Shetty: Hi, everyone. On behalf of ICICI Securities, I welcome you all to the Quarter 4 FY '25 Earnings Call of Nazara Technologies. We have with us the management represented by Mr. Nitish Mittersain, CEO and Joint MD of Nazara Technologies; Mr. Rakesh Shah, the CFO of Nazara Technologies; Ms. Anupriya Sinha Das, Head of Corporate Development, Nazara Technologies; Mr. Terry Lee, CEO of Fusebox Games; Mr. Akshat Rathee, Co-Founder and Managing Director of Nodwin Gaming; Mr. Ajay Pratap Singh, CEO, Absolute Sports Private Limited; Mr. Puneet Singh, Co-Founder and COO of Baazi Games and Mr. Senthil Govindan, Founder and CEO of Datawrkz Business Solutions Private Limited.

I would like to hand over the call to the management for opening remarks. Over to you, Nitish sir.

Nitish Mittersain: Thank you. Good evening, everyone and thank you for joining us, especially on a very rainy day in Mumbai. In FY '25, we delivered our highest ever annual EBITDA of INR 153.5 crores on revenues of INR 1,624 crores with a PAT of INR 62.5 crores. Our gaming EBITDA margins stood at 20% as well as generated healthy operating cash, reinforcing our intent to focus on core gaming business going ahead.

In Q4 FY '25, we delivered revenues of INR 520.2 crores, up 95% year-on-year and EBITDA of INR 51 crores, reflecting a 74% year-on-year increase. I'm also happy to share that since our IPO in FY '21, 4 years ago, Nazara's revenues have grown 3.6x and EBITDA has grown 3.4x, translating into a compounded growth of 38% and 36%, respectively. During this year, we have been very busy building out our strategic plans. We acquired Fusebox games in the U.K. establishing a stronghold in narrative-based mobile gaming.

We also entered offline gaming with Funky Monkeys and Smaaash, creating a 360-degree gaming ecosystem. We took full ownership of Kiddopia, enabling fungible cash flows for faster strategic execution. We made our largest investment to date in PokerBaazi, strengthening our leadership in skill-based real money gaming, and we also acquired well-known gaming IPs from

ZeptoLab. We made strong progress on key leadership hires and strengthening our internal capabilities.

Our centers of excellence in user acquisition, analytics and AI are rapidly taking shape and they will drive cross-group efficiencies and enable organic scale up in FY '26. As we look ahead into the coming year, FY '26 is poised to be a year of acceleration with increased contribution from high-margin gaming business, expecting to further strengthen our profitability.

Our latest acquisition of Curve Games enhances our global publishing capabilities with a strong portfolio of PC and console titles, further expanding Nazara's footprint across Western markets. We remain focused on building a sharper and locally relevant gaming platform, defined by creativity, execution excellence and strong IP ownership.

With our growing presence across North America and Europe, strategic global acquisitions and recognition among the world's top gaming publishers, Nazara is steadily making its mark on the global stage, not just as India's gaming leader, but as a rising force in the global gaming ecosystem. With this, I would like to request Anupriya to talk to you about segmental performance. Thank you, and over to you, Anupriya.

Anupriya Sinha Das:

Thank you, Nitish. Good evening, everyone. In Q4 FY '25, our Gaming segment revenue grew by 72%, EBITDA grew by 111%, with EBITDA margin of 21.4%. In FY '25, the segment revenue grew by 27%, EBITDA by 27% with EBITDA margin of 19.9%.

Moving to Fusebox:

Fusebox reported revenue of INR 161.6 crores and EBITDA of INR 30.2 crores in FY '25 for the period it has been consolidated with the books of Nazara. Q4 FY'25 revenue stood at INR 79.1 crores and EBITDA at INR 13.1 crores, up 149% year-on-year. Higher UA spend in Q4 FY '25 led to a strong top-line growth with a temporary margin dip. These UA investments are expected to drive growth in FY '26. Momentum will also be boosted by new game launches, starting with Big Brother and Bigg Boss in it.

Moving to Kiddopia:

In FY '25, Kiddopia posted revenue of INR 191.8 crores and EBITDA of INR 43.7 crores with a strong EBITDA margin of 22.8%. Revenue stood at INR 46.3 crores with EBITDA of INR 9.3 crores in Q4 FY '25 with an EBITDA margin of 20.1%. Kiddopia launched branded mini games in FY '25 through strategic licensing deals with Moonbug and Mattel, featuring Little Angle and Barbie respectively. A new partnership with Hasbro will introduce PJ Masks themed content featuring Catboy, Owlette and Gekko set to launch later this year.

Moving to Animal Jam:

Revenue grew organically 11% to INR 104.9 crores, while EBITDA rose 16% to INR 21.9 crores. In Q4 FY '25, revenue increased 12% to INR 26.8 crores with EBITDA surging 69% to INR 4.9 crores. This growth was driven by strong engagement with premium features such as Wishing Coins, super boxes and themed content highlighting the effectiveness of our live ops and monetization strategy. Animal Jam signed a partnership with Slinky in January '25 and is developing a new casual game aimed at cross-generational appeal.

Moving to Funky Monkeys:

Nazara acquired 60% of Funky Monkeys, a leading indoor play center for kids aged 2 to 14 years in tier-1 Indian cities. FY '25 revenue was INR 17 crores and an EBITDA of INR 7.3 crores with a flat growth due to temporary closures in Gujarat, partially offset by gains in Chembur and Bandra. Q4 FY'25 revenue was INR 4.3 crores, EBITDA rose 45% year-on-year to INR 1.6 crores. Focus in FY '25 was on stabilizing operations and reopening centers. FY '26 will prioritize expansion, center revamps and enhanced marketing and CRM with Nazara strategic support.

Moving on to PokerBaazi:

Moonshine PokerBaazi's parent is accounted as an associate and not consolidated in our books. PokerBaazi delivered strong operating metrics in Q4 FY '25, gross gaming revenue up 50% year-on-year, gross transaction value up 38% and deposits up 35%. Moonshine reported revenue of INR 588.3 crores in FY '25 with an EBITDA of negative INR 57.5 crores. Q4 revenue was INR 180.5 crores with EBITDA of negative INR 22.1 crores. March 2025 was PokerBaazi's best ever revenue month driven by NPS 2025, IPL and shark tank campaign and increased mid-to-high stake engagement, strengthening monetization and top funnel growth for FY '26.

Moving to other segments:

Nodwin continues to execute its strategy of a strong organic growth and targeted acquisitions backed by hands on integration across teams, geographies and internal delivery centers. Q4 FY '25 grew 50% year-on-year post Wings deconsolidation. The business update will be covered by Akshat in a later section.

In October 2024, Datawrkz through its UK subsidiary acquired 100% of Space and Time for an equity value of GBP 4.8 million or INR 52.3 crores. Following the acquisition, S&P has been consolidated into Nazara's financials. On a standalone basis, Datawrkz was reported 3% year-on-year revenue growth and 13% year-on-year EBITDA growth in FY '25. This performance reflects the successful shift towards more profitable business lines in its independent active operations.

Absolute Sports, including Sportskeeda and PFN, grew revenue and EBITDA by 22% and 19%, respectively, in FY '25. The core Sportskeeda business continues to grow well, with revenue and EBITDA increasing by 25% and 25%, respectively in FY'25. PFN revenue grew by a robust 51% in Q4 FY '25 reflecting a strong recovery with each quarter. This business continues to have strong EBITDA margin in Q4 FY '25. In May 2025, Absolute Sports has signed definitive agreements to acquire two IPs, TJRWrestling.net and ITRWrestling.com, from Titan Insider Digital in an all-cash deal valued at \$1.25 million or around INR 10.5 crores. Before we open the floor for Q&A, we'd like to take a moment to spotlight two of our key businesses. Starting with Nodwin. I'll hand over the mic to Akshat. Akshat, over to you.

Akshat Rathee:

Thank you, everyone, for joining the call. I'm very happy to go and take you through what Nodwin has been up to the last year including public information on the company acquiring some assets and very, very actively getting our hands dirty to go out and do consolidation, but also integration of those assets into our businesses.

And typically, we acquire companies for growing one of three metrics for us and it's very always important. We either grow in geographies we care about. We either invest into IPs we care about or monetization metrics that we care about.

You'll be happy to know that our live business vertical, which typically has Dreamhack, the Gaming Matters, All That Matters, NH7 and all our Comic Con properties is doing extremely well. When we acquired Comic Con, they were running 5 IPs and we have gone from 5 to 8 in the first year of acquisition and we are now expanding from 8 to multiple cities in double digits now this year.

And since we acquired Comic Con internationally, we'll also be expanding Comic Con internationally to multiple markets this year. We'll also go and talk about our portfolio of the battles. So, Gaming Matters went to the UAE, Cricket Matters with the ICC in the U.S.A, with Sport Matters with Hong Kong and for that matter, it remains the large one that sits out of India.

DreamHack, obviously does really well and you'd be very happy to know that now gaming and e-sports are all doing well. We have states that come to support us in our activities. It's all great news for us. Our content IP, which is typically our influencer business, our media business and our broadcast business keeps on growing very well. Playground happens to be one of our marquee properties.

You might have seen that we just announced a big partnership with Endemol/Banjay to go out and expand that into multiple languages India and also co-develop this into other languages across the world. We'll also be building other properties with Endemol and Banijay in different markets.

Our influencer partnerships, are again, doing extremely well with master partnerships in multiple geographies with YouTube, Meta and X. We've also been adopting the flywheel approach, which is the ability to go and get really large clients to go ahead and keep on engaging with our portfolio approach, which has allowed us to go ahead and get over 100% growth in all our large client base, the people who typically pay about \$1 million to us.

The e-sports business featured BGMI with our BGMS properties on Star Sports. We are also executing BMPS and the VALORANT Championship in India. And also, StarLadder has announced the world's largest major on Counter Strike in Budapest in December, whose tickets are selling out like hot cakes.

Finally, our Central Asia division is doing very, very well. We've been able to go and make beachheads into Kazakhstan and Uzbekistan, while our German operations with Prime League on esports continues to do well and that has allowed us to be market leaders in CIS and in Africa within 18 months of setting up.

And these are typically growing because some of our founders we acquire. You typically have two, three people founder teams who go ahead and take new missions and they go across the world to go ahead and find newer and crazier things to go into and they will help us to have very high momentum in what we are building.

Finally, our Middle East, which is UAE, Saudi Arabia and Egypt, continues to do well. The EBITDA loss that you actually see is predominantly because of our NH7 Pune cancellation and the Freaks4U EBITDA hits that are there. And the good news is we've been able to go ahead and absorb most of those hits because of the diversification and the integration we were able to do.

I often like to say Nodwin is a big ship that we fly and sometimes we don't know, which engine gets hit every year, either a game gets banned or something bad happens, but the diversification and the integration has helped us go ahead and not to get hit as badly as we could have. We are also focused very clearly into turning around Freaks4U into a core EBITDA positive engine as we go forward.

Final note on Brandscale, we've had proactive measures in play for a onetime impairment of INR 15 crores on the OCD investments that we have done that was in Q4 of '25 and there are also an additional loans worth about INR 25 crores, which will be provisioned in due course based on the recoverability and the fixing of that business.

And finally, we'd also like to go ahead and declare that Nodwin will continue to go ahead and raise additional capital to fuel its growth in the future. As we go and carry forward this momentum become -- trying to become one of the largest people in the youth media culture in the world. Back to you Anupriya. Thank you.

Anupriya Sinha Das:

Thank you, Akshat. I'll now call upon Puneet Singh who is the Co-Founder and COO of PokerBaazi Business. Puneet, over to you.

Puneet Singh:

Thank you, Anupriya. Hi, everyone. Just to begin with, FY '24 to '25, our journey has been about capturing the market share and also optimizing deposits to the gross revenue percentages. We all know that the new GST regime on deposits came into effect from October '23. Our strategy

post October has all been about optimizing the deposits to the gross growth revenue numbers and also about brand building.

In terms of deposit to gross revenue percentage, we went from 33% to 57% currently. In terms of the gross gaming revenue, we grew from INR 848 crores to INR 1,363 crores. That's almost 60% growth from financial year '24 to '25. We were able to achieve this because of our product optimization and scale. The growth from Q4 FY '24 to FY '25 represents that. We grew our GGR from INR 229 crores to INR 343 crores, while optimizing the deposits. The deposits grew only 35% during that period.

Brand building becomes even more important post the new GST regime because at scale, we need to reduce our marketing spends to achieve higher EBITDA margins. We have spent monies on properties like Shark Tank, IPL to create that top of the mind recall for poker and PokerBaazi. Apart from that, we've also launched and spend monies on IPs like National Poker Series and Circuit to support the brand recall.

The result of all this is an excellent March '25, where we have recorded peak numbers. Our focus will continue to grow the entire Poker system and the ecosystem around poker. Our focus will be on the pillars of the game like Watch, Learn, Play, Analyze and Glorify. And for all such features, we have made some products around that as well. We have developed a Poker TV app to support the Watch aspect, where a person can personalize and create content-based one poker journey.

For the Learn aspect, we have the PokerBaazi school app, which focuses on the learning aspect of the game. Then for the Play aspect, we have the best-in-class desktop and mobile products, which are highly engaging in terms of the game play. For Analyze, we have the Poker shorts tool, which helps one analyze and improve one's game play.

And for Glorify, we are building our products like an IP like National Poker Series and Indian Poker Master, which helps the winners and also helps us in glorifying that. Going forward, our focus will continue to be spending on the ecosystem of poker and a main driver for the long-term growth would be the levers like Watch, Learn, Play and Glorify.

We all know Poker is a globally recognized game. And we as the category leaders currently will be focusing on growing the market of poker in India, which will indeed benefit our numbers going forward as well. Thank you, Anupriya over to you.

Anupriya Sinha Das:

Thank you. With this, I conclude my remarks and we'll now open the call for Q&A. I would request Nitish, Rakesh and rest of the management team to join me for the session.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Jinesh Joshi from PL Capital. Please proceed.

Jinesh Joshi: Sir, my question is on Nodwin. What is the path to profitability over here? We have seen an EBITDA loss of INR 15 crores in FY '25. And you also mentioned in the opening remarks that performance of Freaks 4U has been a bit subpar and we intend to turn that around in the near future. In addition to that, I believe additional provision of INR 25 crores from Wings might also come through. So just to get the big picture right, I mean, how should we think about the profits coming back into Esports. While in terms of scale, we are doing reasonably well, but consistently, we have been in the negative territory at the EBITDA level. So, your thoughts on that?

Nitish Mittersain: As you know, for us, all along, we are focused on growth for the Esports business and the Nodwin business, given that they are market leaders, and we want to ensure that we build the right kind of moats for this business going forward to take advantage of the macro trend that eSports offers us and the market leadership opportunity that it offers us. So I think broadly, we've all along been okay with a breakeven business as long as it's growing strategically and growing fast. I think that's how we have approached it. This year a couple of issues - a little lag on Freaks 4U profitability and the surprise last-minute cancellation of NH7 Weekender colored the P&L a bit. But we are quite hopeful that FY '26 will be better. Akshat, can you add comments to this?

Akshat Rathee: Yes, exactly what Nitish has said. And my answer to this is our core businesses remain extremely profitable. The reason you can see a small EBITDA loss is because there are aberrations. And this is the nature of the business -- you'll see that across the world, very few companies in the world in the eSports and in the pop culture space that we are in are profitable because most of them go ahead and invest into long-term growth. And that's exactly where we want to go ahead too. We do not like losing money. It's very against our DNA to go out and lose money. We will continue make sure that we hedge our businesses as we go forward. But we do live in a territory, where last-minute aberration are the nature. Rest assured that I want to go ahead and make sure that having an EBITDA positive business is extremely important for us, but we'll continue to go ahead and create momentum as we want to be the best in the world.

Jinesh Joshi: Sure. One bookkeeping question from my side. So if I look at our commission cost, it has gone up to about INR 61 crores in this quarter versus the past run rate of about INR 15 crores to INR 18 crores. Now I believe this cost predominantly pertains to the App store commission for our early learning business. So has there been any change in the share with our app store partners, so that's one? And secondly another bookkeeping question is, if I look at our stock-in-trade, it is at about INR 39 crores in this quarter. But I believe after the deconsolidation of brand scale, we do not have any product-centric business, if I'm right. So what does this exactly pertain to?

Nitish Mittersain: So Jinesh, I'll take this. On your first question around the app store commission – this because of the addition of the business of Fusebox. So it's not only for Kiddopia or early learning, but also for the addition of Fusebox which is a much larger business. So I think that's what's happening.

I think what you should look at is that globally the app stores are under significant pressure to reduce commissions. There has been a recent ruling to let people bypass Apple's payment flow in the US. I think internal mandate is to push downwards on these commissions that we pay.

I hope that answers your first question. I'm not sure I got the second question properly. Could you just repeat that?

Jinesh Joshi: Sir, the purchase of stock-in-trade in this quarter, that figure is INR 39 crores. And I believe we don't have any product-centric business after the deconsolidation of Brandscale. So what does this pertain to?

Nitish Mittersain: Jinesh, I will have to check on that and come back to you.

Jinesh Joshi: Sir, just one last question from my side, and that is on PokerBaazi. I think in Q3 we were in the positive territory at the EBITDA level with about INR 18 crores of EBITDA. And in this quarter, I think we are into losses at about INR 22 crores. And also for the full year, given the change in tax regime, I think our EBITDA loss what we have stated is about INR 58 crores.

So from a 2-3-year perspective, how should we think about the path to profitability given the fact that we are operating in a slightly unfavorable regime. And what would be that breakeven level, which we should ideally look forward to in this business?

Nitish Mittersain: Sure. So in terms of PokerBaazi, I will give it the first shot and then Puneet can add to it. PokerBaazi is by far the clear market leader, and it's imperative for us to create the maximum moat for this business. And the biggest brand which will become a long-term differentiator for us.

And I think from that perspective, the PokerBaazi team is quite aggressively using the current market situation to build out this brand. You will see the movements in profitability, depending on the season and the spend.

So for example, in Q4, you would have seen a lot of spends on Shark Tank. In Q1 of '26, you will see significant spends on IPL. So I think some of these spends are seasonal in nature when the large opportunity presents itself, and that's what we're really seeing.

Puneet, do you want to add something here?

Puneet Singh: Yes. So just to add on it, in the Poker market in India, we already hold around 60% market share. Like Nitish rightly pointed out, the Q4 negative EBITDA was because of the spends which we have done on Shark Tank and IPL, which falls in the first quarter of FY '26.

The idea behind this is to grow the market. Being the market leader, we will be the first ones to benefit once the market grows further in terms of poker, and we are very confident on doing that going forward.

Moderator: The next question is from the line of Samarth Patel from Equirus Securities.

Samarth Patel: My first question is on Nodwin. Can you just help me with Nodwin's revenue mix between, let's say, ticketings, IPs, sponsorships and merchandise?

Nitish Mittersain: Akshat can you take that please?

Akshat Rathee:

Of course. I'm happy to take you through a very 1 minute crash course on what's the right way to think about the Nodwin business. IPs are not independent, right. So I'll give you an example. Nodwin works on a strategy, which is called the triple dip strategy. That means our influencer that we manage through Playground and we discover through Playgrounds is the person we go ahead create content with and which also leads to brand endorsement.

That influencer then also comes in at our festival and then also participates in our eSports tournaments, which is there, right? And then finally, we launched business lines with this influencer for any merchandising, so where do we put what all goes there? You can actually go out and look at categorization across all our downstream subsidiaries and our consolidated results, which has line by line details on the separate businesses.

On the top of that, you will actually have intracompany transfers, where those services and those products are then utilized across the board. When you actually go ahead and look at our standalone of our downstream companies, I think you'll be able to go and look at some semblance of an answer. But we actually do not go ahead and report lines of revenue or profitability in any of our segment.

Samarth Patel:

Understood, Akshat. That was helpful. My second question is on Curve Games. So with the Curve Games' global publishing reach, how do we plan to scale, let's say, Indian development games through this channel. And what would success look like for us over the, let's say, medium term i.e. the next 2 to 3 years?

Nitish Mittersain:

So I think what we have been noticing in the Indian market is increasingly a large number of games are being developed on the PC platform. And we see this even in IGDC, etc. which is the large gaming conference that happens in India, that there's a lot of velocity of Indian developers.

Now with the AI available to a lot of the developers in India, they can also make PC games faster, better and somewhat bridge the talent gap that has been there on certain aspects like monetizing spend or graphics, etc.. as compared to global titles. So I think India is going to have a large opportunity and a large funnel of games coming in. But a lot of these developers in India don't really have access to global markets or the marquee publishers.

So I think with Nazara now owning Curve Games, Nazara becomes a perfect bridge for Indian developers to the world. Curve already has fantastic relations with the major distribution platforms on PC and Console and I think Indian developers can take advantage of the same through the Nazara gateway.

So I think that's what we are quite excited about, and even from Curve's perspective, getting high-quality games at potentially lower costs would improve their unit economics a lot. So I'm sure they will be very excited in coming down to India and spending time on ground with us discovering what the Indian market has to offer.

In terms of what success would look like in the next 2-3 years, it would be our ability to work together with the Curve team, who's already very strong. They are a fantastic management team, who understands what games could potentially work. If we can add the Nazara network credibility and brand to them and jointly be able to negotiate and get a good funnel of games to publish and see some breakouts from that funnel that we launch in the next year or two, I think that would be very successful for Curve.

They've already seen successful titles like For the King, Humans Fall Flat, etc, which have been very popular. And we are very hopeful to get more such titles in our funnel over the next couple of years.

Samarth Patel:

Understood Nitish, that was helpful. My next question is on capital allocation. So for FY '25, I believe we would have deployed around INR 1,500 crores towards inorganic growth. Now what IRR threshold do you have in mind across verticals? And how does that shape our FY '26 capital deployment?

Nitish Mittersain:

Yes. I think for us, what is important is that the business that we acquired is not short-term IRR that we are chasing. It can strategically plug into the overall ecosystem we are building. Obviously, as you know, we like to acquire businesses that are profitable, cash flow generating and can take us to the next level.

So what we are seeing across our core gaming investments, where we are having the thesis of acquiring established gaming IPs, good teams, decent scale of revenue, existing profitability - we really like that segment of the business because there are a lot of tailwinds coming ahead of us. Like I mentioned earlier, the App Store commissions are potentially coming down, AI is going to help us improve the velocity of content at the same cost or even potentially optimize our cost. So we see future margin expansion happening in these businesses and also very healthy cash flows. These businesses are usually working on positive working capital.

They get paid by an Apple or a Google before they have to spend money on user acquisition, etc. So we like that as well. So I think this year, we are surely going to double down our capital investments towards that segment.

Moderator: The next question is from the line of Madhvendra, an Individual Investor.

Madhvendra: Sir, I have 2-3 questions. First, our depreciation and amortization has increased significantly in FY '25. So where do you see this in FY '26 and the same for advertising and promotion expenses. And the third question is that Kiddopia is still struggling since I think it's been 2 years, and the segment is still struggling. And also the recent acquisition Curve Games, where I checked that its last 3 years revenue is stagnant.

So how do you plan to bring growth in this segment? And the third one is that we have acquired a lot of businesses in the last 2-3 years and revenue have almost doubled which is really encouraging. But the bottomline is still not showing that much growth. So can't we just consolidate all these entities as of now and aim to bring the growth in these entities rather than going into acquisition in the years ahead.

Nitish Mittersain: Those are many questions, so I'll try and answer some of them. I didn't really get your first and second question well, but let me answer a couple of questions and you can ask the follow-on. So with respect to Kiddopia, as you know, we took control of this business a few months ago by acquiring 100% stake from the Founders.

And thereafter, we have put in our own growth strategies in play. We are starting to see results. As you can see from our presentation, in this quarter, you've seen a significant drop in the cost per trial, which had gone up to \$40-\$42 and has now come down to \$33-\$34 which is almost a 20% reduction on cost per trial, while more or less maintaining the amount of money we are spending at the number of trials we are getting.

So I think that is a positive sign. We've also increased monthly pricing from \$9.99 to \$12.99, somewhere in the middle of Q4, and we will start seeing results of that. That has been fairly well accepted, and we've not seen any real negative reaction to that. It also helped us increase our annual activations to 40% from 30%.

Usually, the annual activations give us better ARPU. So that's again a positive. So I think we're seeing a lot of positives in what we are doing. We've put in technology layers, which allow us for faster AB testing and there are a lot of different experiments we are doing to find at a sweeter spot that allows us to scale the business.

Lastly, we've spoken many times about building IPs or bringing IPs to Kiddopia. The good news is that you've started seeing that happen. We launched a small IP called Little Angel from Moonbug. And we've seen good results from that. Then we have launched Barbie from Mattel, which has seen even better results.

So early signs show that the IP Strategy is working for us and should show positive results going forward. So I agree that the last 4 years have been a lot of, I would say, efforts without measurable results, but we continue to feel optimistic that FY '26 will be the year of turnaround for Kiddopia.

So I hope that answers your question on that. In terms of your question around the many acquisitions we have done and the growth versus new acquisitions, right?

I think if you zoom out since the time of our IPO, , which was in March '21 and if you look at products like Kiddopia and Nodwin gaming, or many of the other businesses like Sportskeeda, they have actually grown extremely well.

Sometimes when you zoom into 1 or 2 years of these businesses, they may have plateaued, but if you zoom out you will see that a CAGR on them still remains very efficient. And we will obviously continue to focus and prioritize organic growth wherever we can.

That said, I think, especially in the gaming space, we are at a moment in time, when Nazara is perfectly placed to very aggressively expand globally because we have the brand in place, we have a playbook in place, and we have very, very attractive valuations and opportunities in the global markets due to a multitude of reasons. So I think this time will not present itself to us forever. And therefore, we must act on it simultaneously. That's our view.

Madhvendra:

Okay. And sir, and the Curve Games revenue is stagnant for 3 years. So how do we plan to scale this business?

Nitish Mittersain:

For Curve, I think with the business, there were a couple of issues like they bloated it up a bit in the run-up to COVID and during the boom of COVID and then it came off in terms of revenues post-COVID, which a lot of gaming businesses have. But a lot of the optimization that was required to be done over there has already been done. So we're buying a business with a strong team, and a lot of the cleanup has already happened there.

And therefore, we can focus on positive growth going forward, which is why we bought this business. It has good revenues, strong profitability and very good cash flows. We'll be able to reinvest by its own cash flow in its growth, and we will, of course, continue to support our team.

Madhvendra:

And sir, one small question. Where do we see depreciation and amortization spends and advertising and the promotion expense in FY '26. I'm asking because there has been a significant jump in FY '25?

Nitish Mittersain:

Yes. See, the thing with amortization is because we are a very acquisitive company, we tend to bring on a lot of intangibles onto our books through the acquisitions, which lead to a non-cash amortization, which has been growing, which is why our PAT looks much lower thanks to the amortization that is happening on these acquisitions. You will find that our cash flow is actually much higher than the PAT we report and even in the current year, I believe, close to 75% of our EBITDA has been converted into free operating cash flow.

So I think we're very focused as a company on our operating cash flow. The EBITDA to cash that we are generating is a key North Star metric for ourselves. In terms of the user acquisition, I would say it's very dependent on what the opportunity with each of our gaming businesses provides us. If we get a sweet spot where we are able to scale user acquisition and scale the revenues, we will definitely press on the accelerator.

So we don't have fixed budgets for it. We're looking for profitable growth. And if we see profitable metrics, we will spend as much as we can.

Moderator:

The next question is from the line of Ramanuj Chandak, an Individual Investor. Please proceed.

Ramanuj Chandak:

Sir my question is regarding our ad-tech platform. What kind of ad-tech platform does Nazara have? Is it open ended like Meta or Google or a close-ended platform only for limited customers?

Nitish Mittersain:

I think it will be best for me to get Senthil, he's on the call to answer this question in more detail.

Senthil Govindan: So question broke up a little bit, but I think the question was -- do we have an open stack advertising for our ad-tech platform? Or is it closed with an...

Ramanuj Chandak: Can common people access our ad-tech platform directly?

Senthil Govindan: I see. Understood. So yes, so we have a product which is 100% self-serve. So anyone who wants can actually go to the platform which is called Vizibl.ai And they can just log in into the credentials and pay as they go. So the whole purpose of that stack is to try and democratize ad-tech for people who are relatively smaller in size as well. Otherwise, there are some very large minimum thresholds for people to get access to similar products, if they were to approach the market at large.

Ramanuj Chandak: Sir, what are the pricing plans in that platform? How is the pricing decided?

Senthil Govindan: So is the question, how is the pricing decided?

Ramanuj Chandak: Yes, yes.

Senthil Govindan: Okay. So the pricing is essentially a percentage of the budget. So essentially, whatever amount is placed through our Vizibl platform, it will essentially retain a percentage of that advertising budget and the rest of it will go towards the actual media that is being purchased.

Ramanuj Chandak: Do we have a pay-per click or pay-per view?

- Senthil Govindan:** No. Currently, the platform essentially allows impressions to be purchased so every time you see an ad, it's an impression. So currently, it allows the impressions to be purchased. It gives algorithms internally, which allow you to optimize towards clicks or conversions.
- Ramanuj Chandak:** So do you see any more acquisition further needed to expand our adtech platform or is this sufficient what we have as of now.
- Senthil Govindan:** So I think the current intent is to focus on the acquisition that we have, right? Obviously, as with the larger Nazara ecosystem, if there is something that opportunistically we can look at we might review it. But our current energy is going towards ensuring that we are able to extract synergy from the acquisition that we made last year, which was Space & Time.
- Ramanuj Chandak:** So my second question is regarding PokerBaazi. Are there any tax litigation pending on PokerBaazi? And if there is any, what is the current status?
- Nitish Mittersain:** Sure. As you know, there has been an ongoing GST litigation on past tax, which I can ask Puneet to talk a bit more in detail.
- Puneet Singh:** So as of now there is only the point of the retrospective GST, which is in the court. That's an industry matter, which affects the whole gaming industry. And all the gaming companies, in India are already in the Supreme Court and the court is currently hearing that matter. Apart from that, there is no other tax issue, which is pending at PokerBaazi's side or I can see on the gaming side.
- Ramanuj Chandak:** So I want to know more about PokerBaazi. We have seen that Nazara is a global company, and we have well-established markets in Middle East, Northern Africa, Europe and U.S.A. Is there any opportunity that we could send PokerBaazi into these other markets also, not just India?

- Nitish Mittersain:** Sorry, can you repeat that I have not heard it properly.
- Ramanuj Chandak:** We have seen earlier, our games have been very successful in U.S.A., Europe, Middle East and Northern Africa as well -- so do you want to expand PokerBaazi into those markets also or do you want to keep PokerBaazi only for Indian market?
- Nitish Mittersain:** Yes. Sure. Look, I think right now, PokerBaazi has an amazing opportunity to really grow big in India and it's very important for the team and all the capital that is being allocated to focus on achieving what is possible in India.
- That said, PokerBaazi has a fantastic technology platform, it's an in-house technology platform, which are continuously updating. And I believe the product is already very competitive in global markets. So at the appropriate time, the team may consider taking it global. At this point of time, they are focused on the Indian market.
- Ramanuj Chandak:** I want to know that what is the current regulatory regime regarding real money gaming in other countries outside India. Are other countries friendly for real money gaming -- what's the current environment?
- Nitish Mittersain:** I think different countries have different regulations. A lot of countries are open to skill-based gaming, including the U.S. markets. But yes, every country has its own specific regulation around skill-based gaming.
- Ramanuj Chandak:** So compared to other countries, how do you find Indian regulation and our regulatory environment?
- Nitish Mittersain:** I would say, except for -- at this point of time, the GST taxation issue, there is not a national regulation put out around skill-based gaming. There was some talk about it earlier, but it hasn't come through yet.

Ramanuj Chandak: So my last question is what kind of company should we see as the competitors of Nazara? We have seen in 2021 that Berkshire-Hathaway was trying to take control of Activision business. But later on, they could not -- so should we consider gaming companies as our competitors or whom should we really treat as our competitors of Nazara?

Nitish Mittersain: Look, we are quite a diversified platform and of course gaming companies definitely have different IPs, different games and we would be competitors to them. At the same time, we are more diversified in a stand-alone gaming company.

So I would say -- it really depends on how you look at it, you can compare us to Tencent in China, you can compare us to Electronic Arts in the U.S., could be much smaller companies, much larger companies. I would say, we have our own first company from India with that kind of approach.

Ramanuj Chandak: Are there competitors like Nazara, who have same business model like us where Nazara looks like a holding company?

Nitish Mittersain: Like I said, there are different companies with different platforms. And yes, it's difficult to compare exactly any company to us, I would say.

Moderator: The next question is from the line of Abhiram Reddy, an Individual Investor.

Abhiram Reddy: I have two questions. One - Poker has been a core growth drivers for Moonshine. So what are our plans to expanding into adjacent categories and RMG space like Rummy and Fantasy - both at Moonshine level and also at Nazara level?

Nitish Mittersain: I think right now for Moonshine, the biggest focus is on Poker given their market leadership in that space and the rapid growth that they're experiencing -- that said, of course, we will continue to look at all opportunities and do what is the right thing for the business.

From a Nazara perspective, given the size of our investment in Moonshine, at this point of time, we are not taking other initiatives ourselves directly on the skill-based RMG space. Like I mentioned earlier, at least in FY '26, a lot of our capital allocation and focus is on the core gaming studio business.

Abhiram Reddy: And the second question is what's the current revenue of Smaaash, if you can share that? And what are the plans to make it either EBITDA positive or profitable and also grow the business moving forward?

Nitish Mittersain: Yes. We will probably get control of this business sometime in June. So we'll be in a position to share specific financial numbers, maybe next quarter or the quarter after that. But we do see a lot of low-hanging synergies between what we do online as well as Smaaash Centers.

So after we acquired them, given it's been in NCLT for 2-3 years, the first plan is to get it up to speed and then start driving synergies, for example, we have a large online user base, which we can drive offline. There are a lot of partners with large ecosystem players, which we can bring offline. So I think we have a lot of ideas, but we will detail it out maybe in the next quarter.

Moderator: The next question is from the line of Nikhil Porwal.

Nikhil Porwal: My first question is related to Nodwin. So I think earlier in the call, Akshat mentioned that the core business remains profitable. So what is core here? Does it exclude Freaks and NH7?

Nitish Mittersain: Yes, Akshat. I'll let you take that.

Akshat Rathee:

Of course. AtNodwin had three core businesses that Nodwin runs. One is the Live business, one is the eSports business that we have and the third is the media business that we have. These are the three core engines of Nodwin. But as an example of the Freaks business which you talked about, Freaks is a company based out of Germany. They go ahead and do GamesCom, which typically happens in Cologne in Germany.

They also do market entry consulting and agency work. They have an IP called Prime League that they go ahead and run -- and so across this, you see the spread across 3, 4 verticals, which is there. We like to go ahead and keep the core business going, which is either the festive business, the Live business or the media business or the eSports business.

The other businesses which are much more agencies than our businesses, we actively try to optimize for centers of delivery across the world. It makes no sense for us to go out and have manpower which is very expensive that is doing just agency business across the world. And those are the optimizations that take time to go ahead and rationalize. Our core businesses remain the 3 long-term value creation businesses of media, eSports and Live events.

Nikhil Porwal:

Got it. And in the long run speed, what's the steady state EBITDA margin possible for Nodwin as a consolidated business? And how long will it take for the company to achieve that?

Akshat Rathee:

I wish I knew the long-term answer to this question, and I'm not going and just being smart about it and then answering that, I'm being very honest. See, I think you have to understand where Nodwin is in its journey, started off as a 9-year-old company, and we've been able to go ahead and make a name that government and Presidents and Prime Minister now invite us to go ahead and build for them.

I believe Nodwin will continue to go ahead and grow its top line, while defending its profitability on a steady level for the next 2 to 5 years. We don't like losing money, I would say that. We believe that for very strong IPs, steady-state EBITDA is typically if you look at any sports IPs there are 25% costs, so you have 70% to 80% EBITDA that come from long-term IP -- that's the one that creates value for you.

That's the reason you create that, but you need typically 5 to 7 years to go ahead and build those out, and you're seeing it, right? You're seeing it with when you do BGMS. We are in Season 4 right now, Playground season 4 - the cost that you would invest typically to go ahead and build IPs would be between 2 and 4 years of cash breakeven, but then they go ahead and create numerous rewards in the future.

Good question is how many can I go and invest in? And obviously, accept the fact that there will be failures as we go ahead and do it, because I wish I knew the answer of which IP will work or not. So a very simple answer on steady-state EBITDA on a long-term basis on IP is that we are looking at between 60% and 80% EBITDA on long-term IPs.

On a consolidated basis because we will keep on running experiment and those would fail, they would ahead bring down that EBITDA into more sustainable levels. We do believe on a long-term basis, that's going to be anywhere between 30% and 35%.

Nikhil Porwal:

You already answered my second question partially. I wanted to actually ask what kind of investments have gone into building a few own IPs like BGMI or even Playground for that matter? And I'm sure that actually some of them have already made money.

Akshat Rathee:

And among the number of things that you see us make money, we actually lose money on a lots that you would not know about because we try smaller expense experiment, right, like a INR 20 lakh experiment here of INR 50 lakh experiment there an INR 85 lakh experiment there. We all hear about the big ones when you do a Comi Con and we're doing 11 Comic Con, but behind every Comicon a lot goes on. But we need to try, otherwise, there'll never be enough supply for us to go out and have these big ones that are successful.

Nikhil Porwal:

Right, right. Got it. Got it. My next question is related to publishing. Can you talk about how does this business work? In general, now you've acquired Curve Games, and you are also trying to publish a lot of games out of India, take them to the world. But in terms of revenue, etc., how does the business work?

Nitish Mittersain:

Publishing is basically, where you partner with third-party developers. Or you publish your own games, which are first party games and the focus is how to market the games better, monetize them better, leverage distribution platforms and relations over there to be able to get these games distributed widely.

Live ops is another important thing - how these games are ongoing update support to keep it interesting for the users. So I think there's a host of publishing activities that need to be done, which is a value add for the developers, who can't usually do it themselves. Publishers also,

many times, fund the development process for the developer. So whether it's on mobile, whether it's some PC, console, whether it's in India, whether it's globally, I think that's what the publishing business is about.

In India, we are trying to push the Nazara publishing business because we believe that as an Indian publisher, we can add a lot of value to local developers as well as global developers wanting to promote games in India effectively. Curve is already established globally in the PC and Console space. So they have an existing business that works well and they understand it. And we just plan to put a lot more into the funnel.

Nikhil Porwal: Got it. And in general, we just acquired Curve Games. Now how do you look at the return on capital employed in such businesses?

Nitish Mittersain: Like I mentioned earlier, I think this business is a high EBITDA margin business. On the current business of GBP 20 million, they're doing maybe GBP 9 million or GBP 10 million of EBITDA. But the post capex EBITDA is also pretty good at GBP 4 million, or GBP 5 million. There's high free cash flow generating.

So I think the business is in a good stage right now. A lot of the cleanup, I was talking about a lot of the optimization has already been done and is behind us before our acquisition. I think the whole focus right now is on getting the right games and pushing it. The return on capital is already very high in this business.

Nikhil Porwal: Okay. My last two questions are related to PokerBaazi. So in the presentation, I see the GGR growth has been higher than the GTV growth. So does that mean that the take rate has increased?

Puneet Singh: The take rate has not increased. As of now, the whole GST hit is something which we are taking, and we are not passing it on to the end user. And you know that post the new regime post October '23, the GST is 28% on deposits. So because of that hit which we are taking, most of it gets reduced from the gross before it comes to the net.

Nikhil Porwal: Right. No, I particularly asked about the current quarter where the gross gaming revenue growth has been higher than the gross transaction value. So how does that usually happen?

Puneet Singh: So that is because of the smaller stakes tables because what we have also seen in the past quarter is that smaller stakes table and mid stake table traffic has increased. And usually, the percentage of the rate that is a service fee is slightly higher. And as soon as you go to the higher stake tables, that percentage goes down. So that's the reason why you are seeing that percentage decrease as compared to the GR.

Nikhil Porwal: Perfect. So the blended take rate has increased broadly for the business..

Puneet Singh: That's more to do with the traffic, because the users, which we acquired on lower and mid-stake tables, that has increased.

Nitish Mittersain: Can we move to the next question in line, please. And prior to that Anupriya, can you clarify that one question that was asked earlier which was not answered.

Anupriya Sinha Das: Yes, sure. So the INR 40 crores of purchase of stock-in-trade is all related to Epins, which is a digital recharge inventory that Nodwin sells for Google, Steam, Roblox and Riot Games recharges. I hope that clarifies.

Moderator: Thank you. Due to time constraints, that was the last question. I would now like to hand the conference over to the management for the closing comments. Thank you, and over to you.

Nitish Mittersain: Thank you, everyone, for logging in today. I hope to call us productive for you. Thank you, and goodbye.

Moderator: Thank you. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect the lines.