

Nazara Technologies Limited

(Formerly known as Nazara Technologies Private Limited)



August 09, 2021

**Head, Listing Compliance Department
BSE Limited**

Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001.

Scrip Code: 543280

**Head 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: Intimation of Schedule of Analyst / Institutional Investor meetings under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015

Pursuant to the Regulation 30 (6) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we would like to inform you that the Schedule of Analyst or Institutional Investor Meeting(s) with the Company is as under:

Sr. No.	Date	Fund / Conference	Host
1	10 th August 2021	Principal MF	-
2	12 th August 2021	Taiyo Pacific	Equirus Securities

Note: Dates are subject to changes. Changes may happen due to exigencies on the part of Host / Company / Funds.

This is to further inform that the copy of Presentation "August 2021" is enclosed herewith for your information and for the information of members / participants and public at large.

Request you to kindly take the same on record.

Thanking You,

For Nazara Technologies Limited

**Kiran Joshi
Interim Compliance Officer**



Encl : As above

India | Middle East | Africa | Europe



Nazara Technologies Limited

Investor Presentation

August 2021

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Q1FY22 PERFORMANCE

Q1FY22 Consolidated Performance



Key Highlights

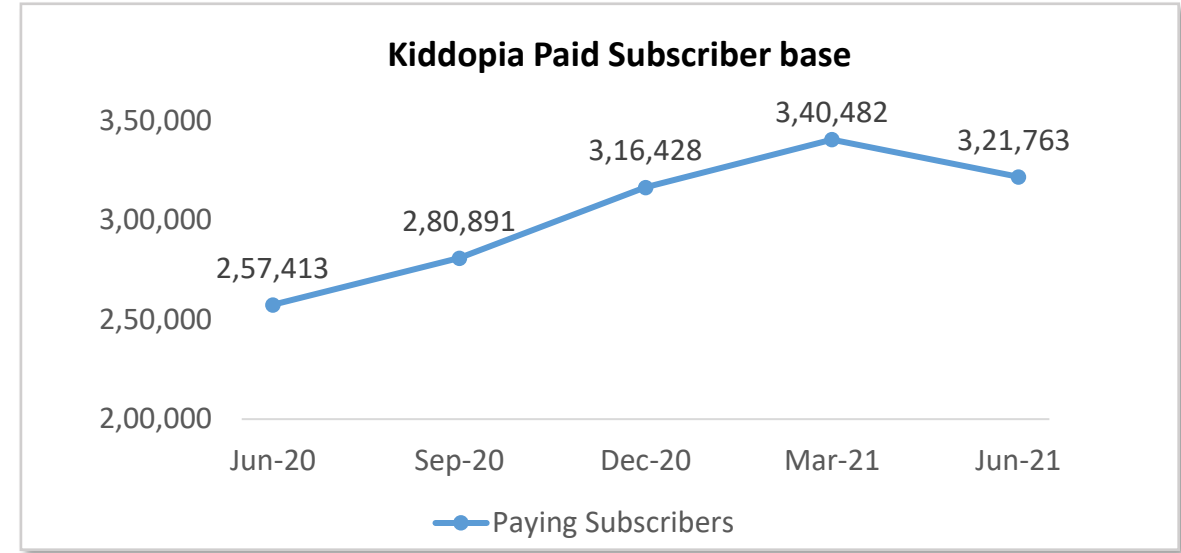
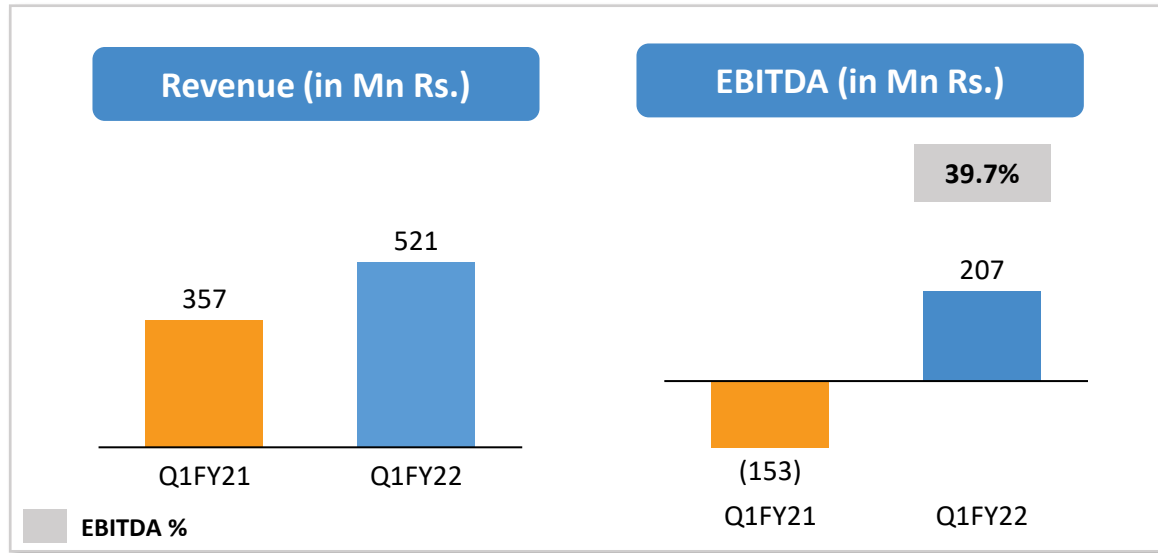
<i>(All figures in INRm)</i>	Q1FY22	Q1FY21	Growth%
Revenue by business segments			
i. eSports	532	266	100%
ii. Gamified early learning	521	357	46%
iii. Freemium	58	42	38%
iv. Real money gaming	22	18	22%
v. Telco subscription	179	221	-19%
Total revenue from operations	1,312	905	

Revenue Contribution
41%
40%
4%
2%
13%
100%

Particulars	Q1FY22	Q1FY21
EBITDA margin	22.9%	-14.8%

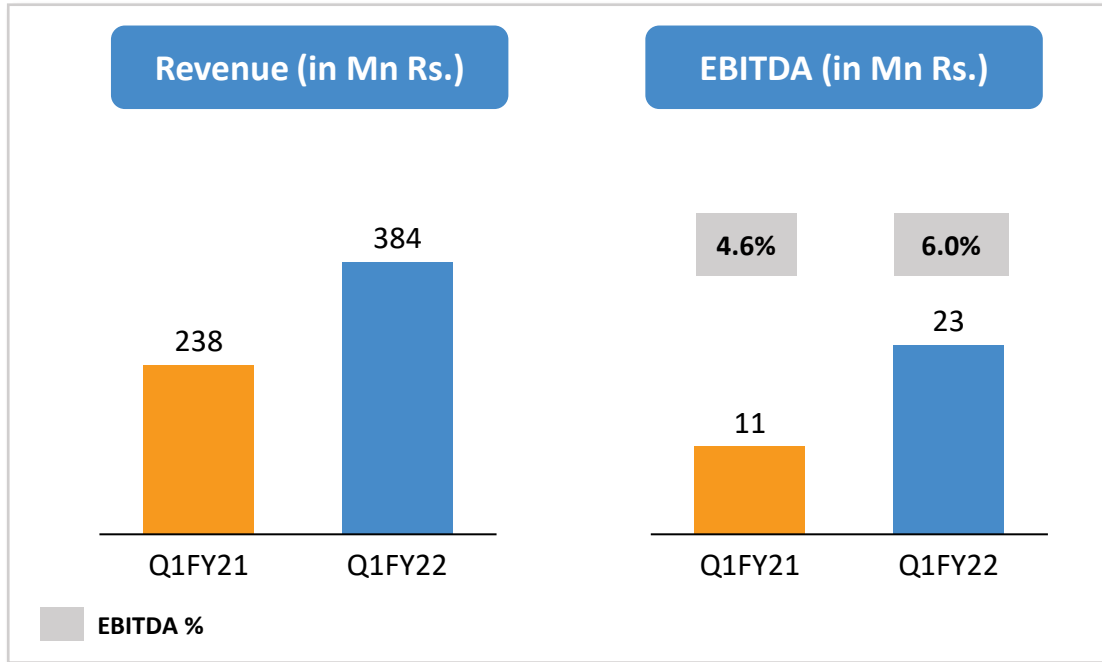
- Gamified learning and Esports segments have not only demonstrated strong growth momentum in 1QFY22 but have also laid foundation for predictable growth on account of proven user engagement and retention KPIs in gamified learning and multiyear media licensing and game publisher agreements in case of Esports
- As Nazara is operating in high growth business segments such as gaming, gamified learning and Esports, we will continue to drive profitable growth while prioritizing growth over profit maximization at this stage so that we can achieve and maintain market leadership in the segments we operate in

Gamified Learning - Q1FY22 Business Highlights



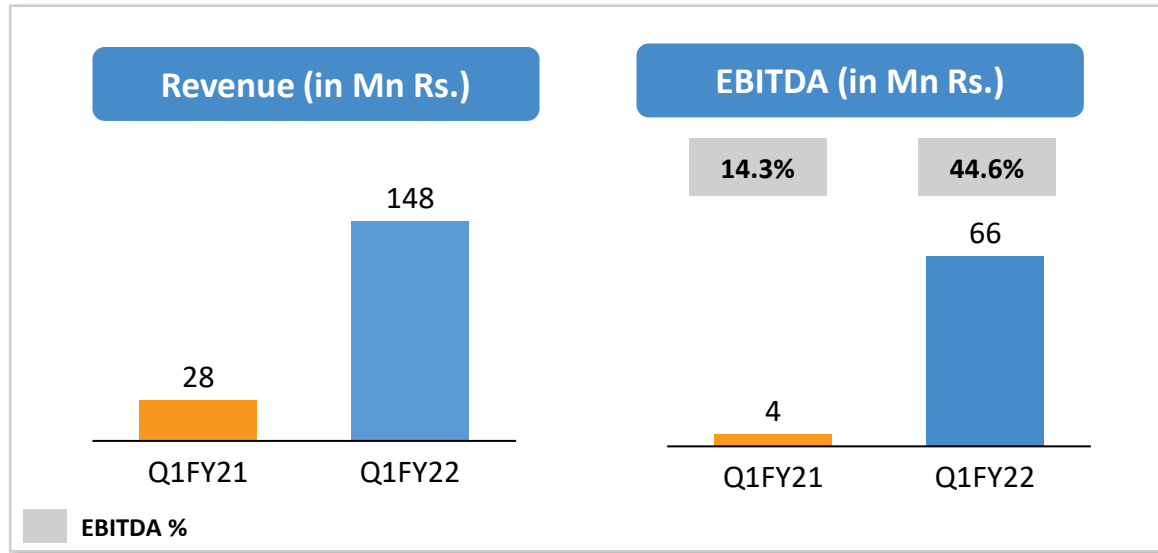
- Kiddopia had 321,763 paying subscribers as of June 2021 which is a 25% increase in number of paying subscribers as compared to June 2020 (257,413). However, paying subscribers as of June 2021 declined by 5% as compared to March 2021 (340,482)
- Overall marketing spends for Q1FY22 stood at US\$ 1.78 million which is lower by 63% compared to Q1FY21 and 43% lower as compared to Q4FY21. This quarter saw reduced customer acquisition due to the impact of Apple’s privacy policy changes that affected our ability to spend. However, we believe the majority of this impact has been absorbed in this quarter and we should be able to stabilize and scale back the marketing spends going forward
- LTV (Lifetime Value) – CAC (Consumer Acquisition Cost) Parameters: Cost per trial has stayed range bound between 22 USD to 28 USD in last 3 months and activation ratio from free trial to subscription has also remained around 70%
- Monthly ARPU of the user has been around \$6.3 to \$6.5 and monthly churn is range bound between 4% - 7% across the months in Q1FY22

Nodwin Gaming - Q1FY22 Business Highlights



- Nodwin continued revenue growth momentum with 61% growth in Q1FY22 over Q1FY21
- Media rights contributed 49% of the revenues in Q1FY22 and 79% in Q1FY21 (55% for FY21). Game publishers formed second largest source of revenue wherein Nodwin partnered with them for grass route community tournaments across India
- Nodwin also expanded into Sri Lanka, Bhutan, Afghanistan and Maldives in Q1FY22. Nodwin continues to be the dominant player in Esports in India with its marquee IPs like ESL India premiership, Dew Arena etc
- Further, Nodwin developed a partnership with a game publisher “RIOT.” Nodwin launched a new IP – Valorant Conquerors Championship (VCC), the official league for Valorant in India and only league, whereby winner gets a place in the Valorant world qualifier
- With the help of partnership with Tencent, Nodwin hosted PMPL S3 event in Southeast Asia, PMCC and PMNC. Nodwin is now also running amateur to professional tournaments of PUBG mobile in South Asian countries other than India. Nodwin continued hosting domin8 2.0 in partnership with One Plus

Sportskeeda - Q1FY22 Business Highlights



Revenue Mix

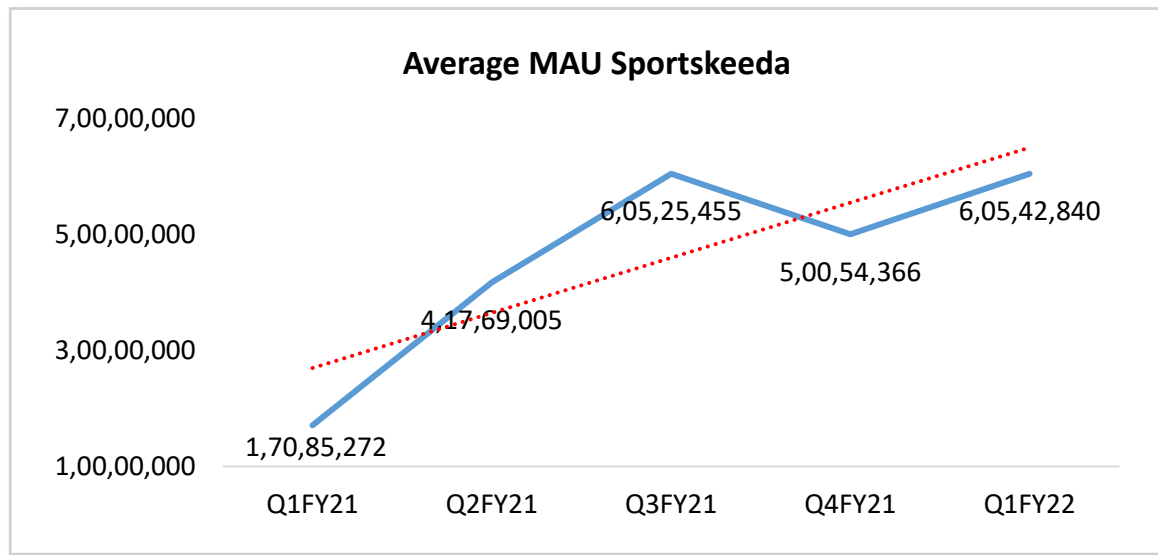
	Q1FY22	Q1FY21
Direct Sales	7%	4%
Programmatic Sales	93%	96%

Geography Mix

India	26%	10%
USA	53%	70%
ROW	21%	20%

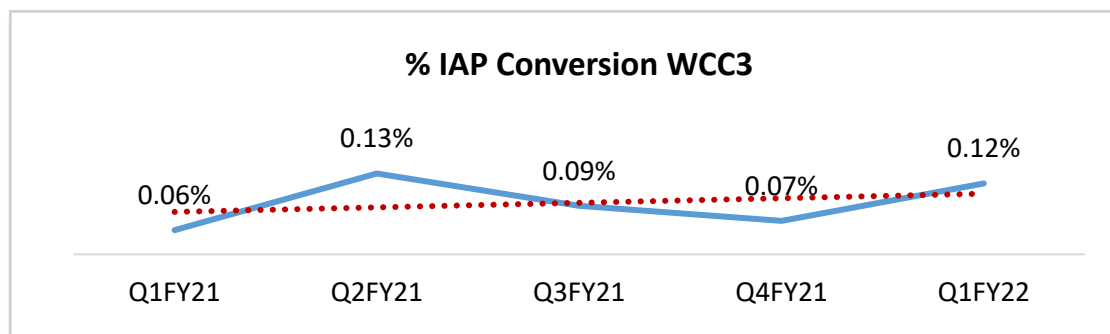
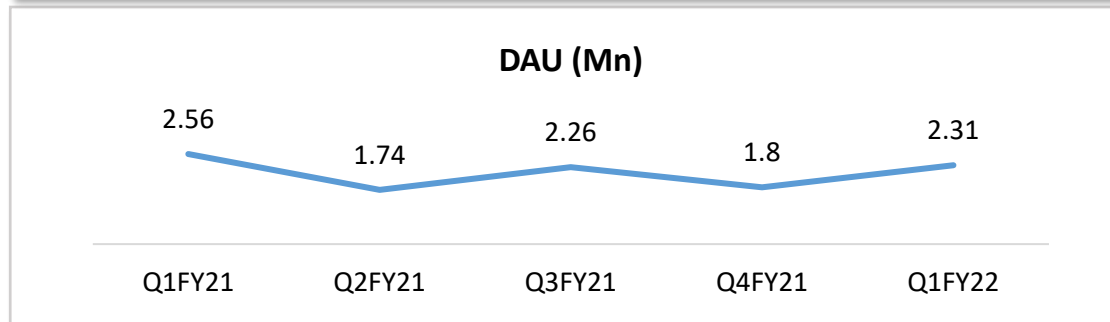
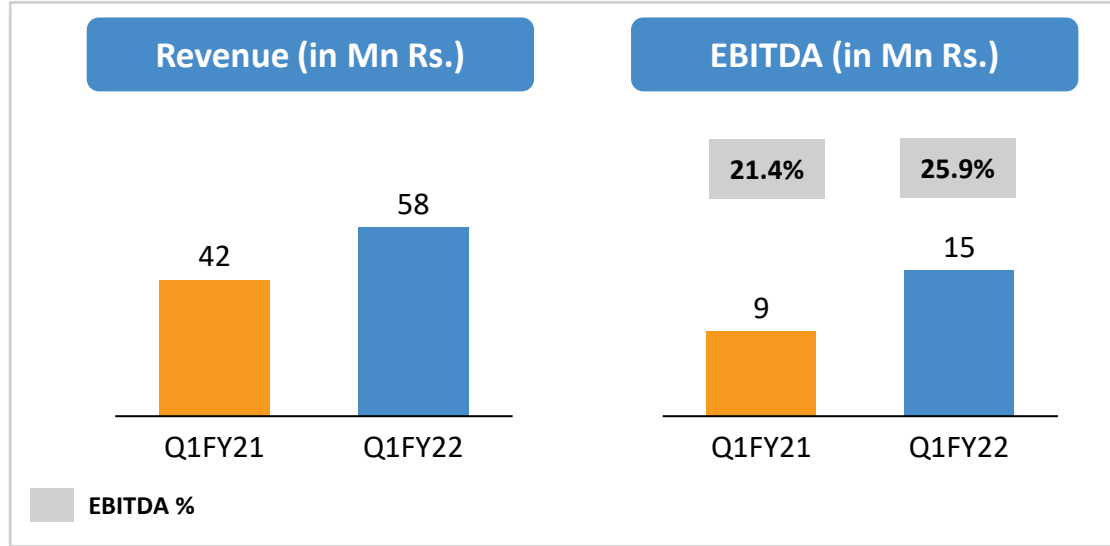
Sports Mix

WWE	48%	48%
eSports	20%	14%
Cricket	21%	6%
Others	11%	32%



- Sportskeeda has emerged as a leading Esports news and content destination in India
- Sportskeeda witnessed MAU growth of 254% on YoY basis and 21% QoQ basis
- During peak cricket season (April 2021), Sportskeeda recorded 59.61 Mn MAU up from 23.51 Mn MAU in June 2020

Freemium- Q1FY22 Business Highlights



- WCC (World Cricket Championship) is the world’s largest cricket simulation game franchise on mobile and is played for ~47 minutes / day by ~13.25 Mn monthly active users. The Game has a very strong franchise among the midcore gamers who love virtual sports simulation genre and gets over 120,000 downloads every day organically and without any marketing spends.
- Revenues grew by 32% in Q1FY22 over Q1FY21 and by 39% over Q4FY21. We expect growth in WCC to come from in app purchases of virtual goods and WCC3 – the latest version of the game launched in July has been designed for enhancing in-app purchase conversion rates. In app revenues grew by 75% in Q1FY22 over Q1FY21.
- Scale of Daily Active Users (DAUs) of world cricket championship (WCC) is stable with few spikes seen during IPL 21 hosted in month of April 2021.
- Tangible progress has continued on % conversion ratio (daily paying to daily active users (DPU/ DAU)) in Q1FY22 via launch of WCC3. The % conversion in WCC3 has increased multi-fold to 0.10% - 0.15% as compared to 0.01% in WCC2. % Conversion in WCC3 is expected to increase further in FY22 through new product updates.
- Once positive LTV/CAC equation is achieved, the company will invest aggressively in user acquisition to scale up its user base on WCC and drive profitable growth.

Telco Subscription

- The business declined by 19% in Q1FY22 over Q1FY21 whereas remained flat in comparison to Q4FY21
- Nazara has acquired rights to distribute a library of premium Disney and Star Wars games based on iconic stories and characters including Star Wars, Frozen, Big Hero 6, Cars, Duck Tales, Finding Dory, Toy Story and many others in 100 countries for three years
- These premium games will be distributed through Nazara's network of telecom operators to their customer base. Under this agreement with Disney, Nazara is the only third party distributor that Disney has granted the right to create and operate Disney themed storefronts for premium Disney and Star Wars games on these telco channels.

Sports Fantasy

- Sports fantasy had witnessed disruption in FY21 on account of lack of live matches in first half of FY21 and regulatory turbulence triggered by legislative ordinances passed in few of the large states banning real money gaming operations. The continued lack of stability in the regulatory framework led to Nazara taking strategically cautious approach in this vertical till further clarity emerges
- We have therefore pivoted to a product driven growth strategy versus an aggressive customer acquisition spends led strategy and the team is focused on enhancing existing as well as bringing new product features to differentiate ourselves in this segment

Nazara's Strengthens International Presence



Nazara's Acquisition of majority stake in Publishme



Overview

Incorporated in February 2018, Publishme is a full-service games marketing and publishing agency which works extensively with gaming publishers in Turkey and MENA region



Industry

Operates in Free to Play Games (Freemium), E-Sports and Brand Marketing industry



Rationale for Acquisition

To lead the Company's foray in the MENA region in the gaming industry. The acquisition will help the company in establishing ourselves as a key player in the region



Consideration

Cash Consideration of an amount of ~Rs. 20 Crores for 69.82% stake through a combination of primary investment and secondary purchase from the founders and existing shareholders

Consolidated P&L

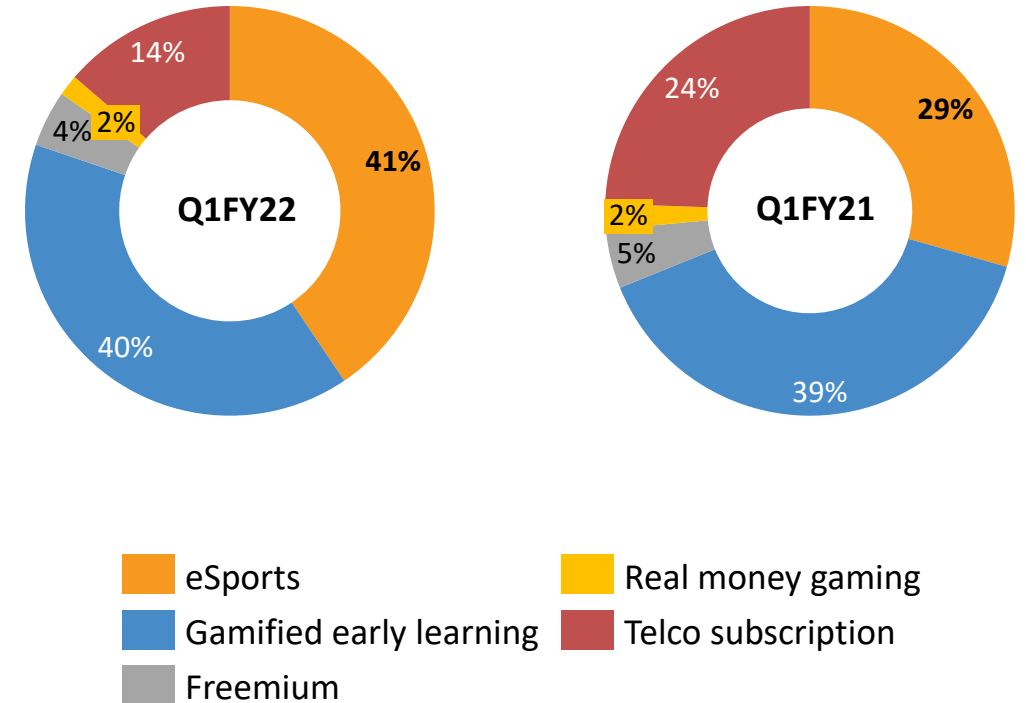


<i>(All figures in INRm)</i>	Q1FY22	Q1FY21	YoY%	Q4FY21	QoQ%	FY21
Revenue from operations	1,312	905	45%	1,234	6%	4,542
Content, event and web server	213	56		183		524
Advertising and promotion	424	716		538		2,265
Commission	137	106		143		501
Employee benefits	145	99		152		487
Others	92	63		100		313
Total expenses	1,011	1,039		1,116		4,090
EBITDA	301	(134)		118	156%	453
EBITDA%	22.9%	-14.8%		9.6%	1,339	10.0%
Impairment Loss	48	0		23		41
Finance costs	2	3		1		9
Depreciation and amortization	84	88		75		355
Other income	49	29		22		143
PBT before share of profit / (loss) from associate	217	(196)		41	435%	191
Tax expenses	76	14		(7)		31
PAT before share of profit / (loss) from associate	141	(210)		48	195%	160
Share of profit / (loss) from associates	(5)	(7)		(6)		(24)
Final PAT	136	(217)		42	221%	136
PAT%	10.3%	-24.0%		3.4%	692	2.9%

Key Metrics - Revenue

<i>(All figures in INRm)</i>	Q1FY22	Q1FY21
Revenue by business segments		
i. eSports	532	266
ii. Gamified early learning	521	357
iii. Freemium	58	42
iv. Real money gaming	22	18
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Total revenue from operations	1,312	905

Revenue Mix



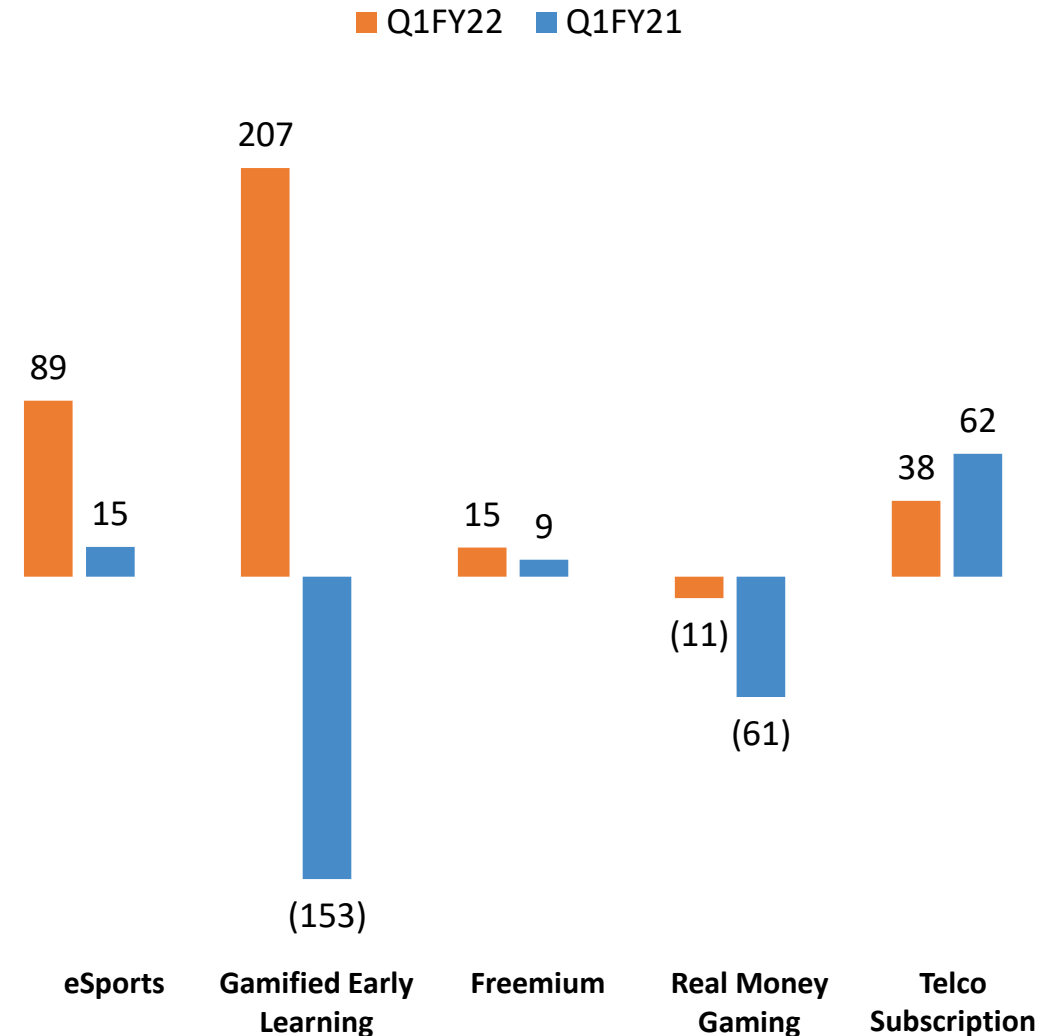
Key Metrics - EBITDA



<i>(All figures in INR mn)</i>	Q1FY22	Q1FY21
EBITDA by business segments		
i. eSports	89	15
ii. Gamified early learning	207	(153)
iii. Freemium	15	9
iv. Real money gaming	(11)	(61)
v. Telco subscription	38	62
vi. Unallocated	(37)	(6)
EBITDA	301	(134)
EBITDA margin (%)	22.9%	-14.8%

<i>(All figures in INR mn)</i>	Q1FY22	Q1FY21
EBITDA % by business segments		
i. eSports	16.7%	5.6%
ii. Gamified early learning	39.7%	-42.9%
iii. Freemium	25.9%	21.4%
iv. Real money gaming	-50.0%	-338.9%
v. Telco subscription	21.2%	28.1%

Segmental EBITDA (in INR million)





OVERVIEW

Company Overview



- **A leading India-based diversified gaming and sports media platform**



Diverse business segments including eSports, gamified early learning, freemium, skill-based, fantasy and trivia real money gaming, and telco subscription



Market-first position in India across esports and sports simulation



Owns and has exclusive access to iconic IPs such as World Cricket Championship (WCC), Kiddopia, Halaplay, Qunami etc.

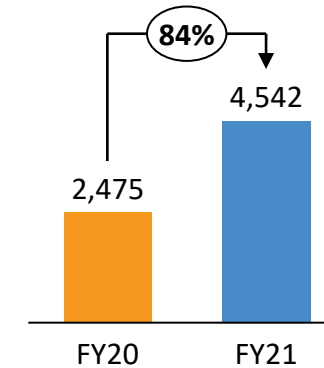


Highly attractive and large user base with 62.59mn Average Monthly Active Users (MAUs) for FY21, a growth of 56% YoY

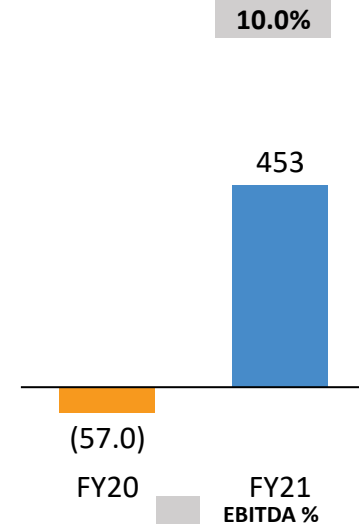


Visionary management team with a deep talent pool (343 employees) – management team has been instrumental in achieving market leading positions across segments

Revenue from Operations
(in Mn Rs.)



EBITDA
(in Mn Rs.)



Key Business Metrics

Kiddopia (Gamified e-learning)



Q1FY22
Paid Subscribers
321,763
25% growth from Q1FY21

Trial to Activation Rate
~ 70%

eSports



Organised 82%* of all unique eSports events in India



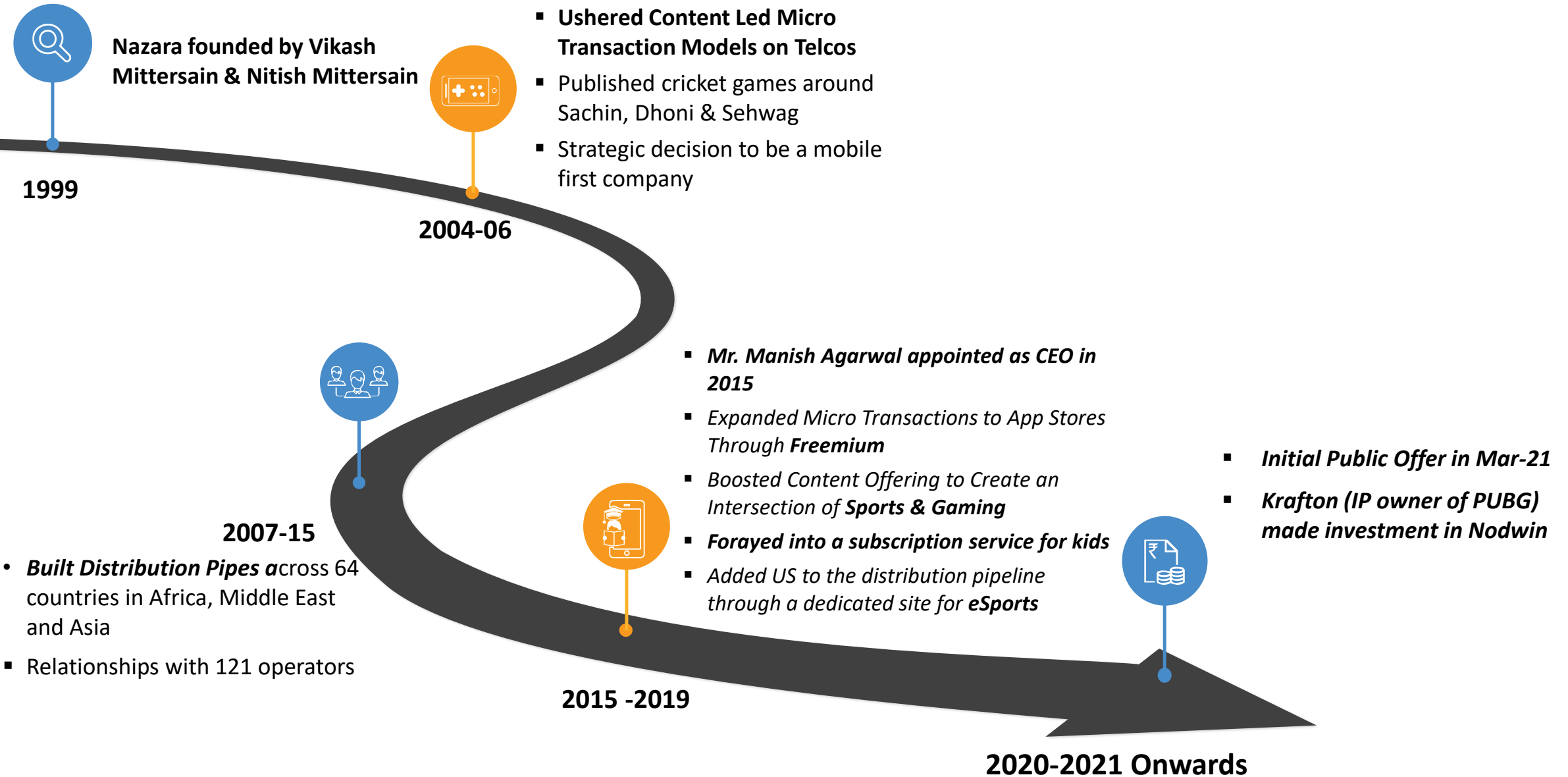
Q1FY22
Average MAUs:
60.54m
254% growth from Q1FY21

Freemium



Q1FY22 Avg. MAUs
13.25 mn

Our Journey





Only Diversified Player in India

- **Across Geography:** Developed and Emerging Markets
- **Business Model:** Advertising, Subscription, Media Rights, In-App purchases, Brand Sponsorships
- **Across Business Segments:** eSports, Sports Simulation, Early Learners and Skill based Fantasy among others



IP Owned Assets

- **Only player in India with owned IP across categories**
- **100% inhouse content creation**
- **Makes its own Software / Game engines**



Global Distribution Network

- Distribution pipelines / network with **52 telcos in 58 countries** including **Africa, Middle East, South Asia**
- **App store relationships with Apple and Google**















Capital Efficient & Sustainable Growth

- **Debt Free**, has a track record of **Positive EBITDA, Net Profit generation** and **Positive Cash Flows** over 10+ years
- Since inception right up to December 2020, primary funding raised only to the tune of INR 126.30 million (in two tranches in 2005 and 2007) and INR 765.31 million in 2018. As a result, we have historically been EBITDA positive

Business Overview Snapshot

Nazara is the leading India-based diversified gaming and sports media platform

	Select offerings	Overview	Target demographics	Revenue Model
Gamified Early Learning (40% of revenue)		Immersive, self-directed learning experience with content designed and developed in-house	 Children aged 2-6 years	<ul style="list-style-type: none"> Subscription based
eSports (41% of revenue)		#1 player in the fast-growing Indian eSports segment and leading sports news destination	 eSports and sports fans  Sports spectators	<ul style="list-style-type: none"> Media rights & Brand Sponsorships Advertisements through ad-networks and programmatic-demand-channels
Freemium (4% of revenue)		Casual to mid-core, free-to-play sports simulation and children's games	 Players aged 15-35 years	<ul style="list-style-type: none"> In-app purchases & Advertisements
Telco subscription (14% of revenue)	Games Hub Games Club Games Lounge	Bouquet of mobile games offered as value-added services to telco subscribers	 Mass mobile internet users  First-time mobile gamers	<ul style="list-style-type: none"> Partnerships with telecom operators
Skill-based, fantasy and trivia real money gaming (2% of revenue)		Strategic presence in real-money gaming and sports fantasy gaming	 Youngsters  Sports Fans	<ul style="list-style-type: none"> Platform fee collected from skill games played on the platform



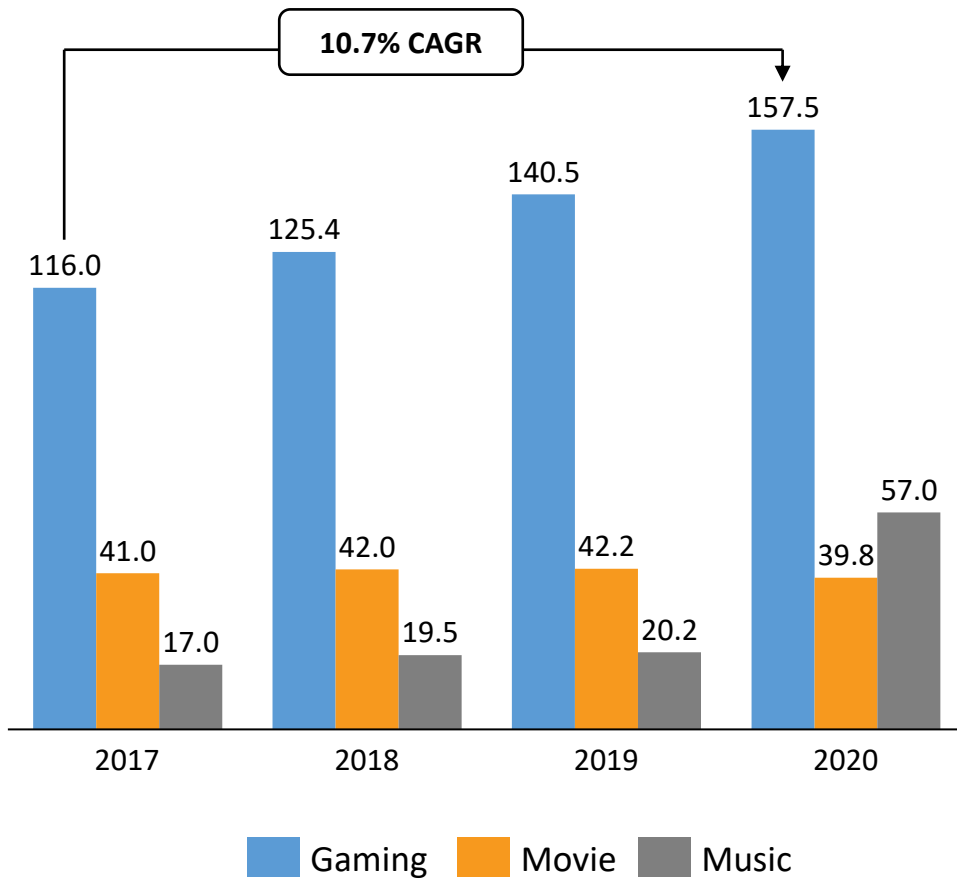
GAMING INDUSTRY

Gaming - New Leader in M&E Sector

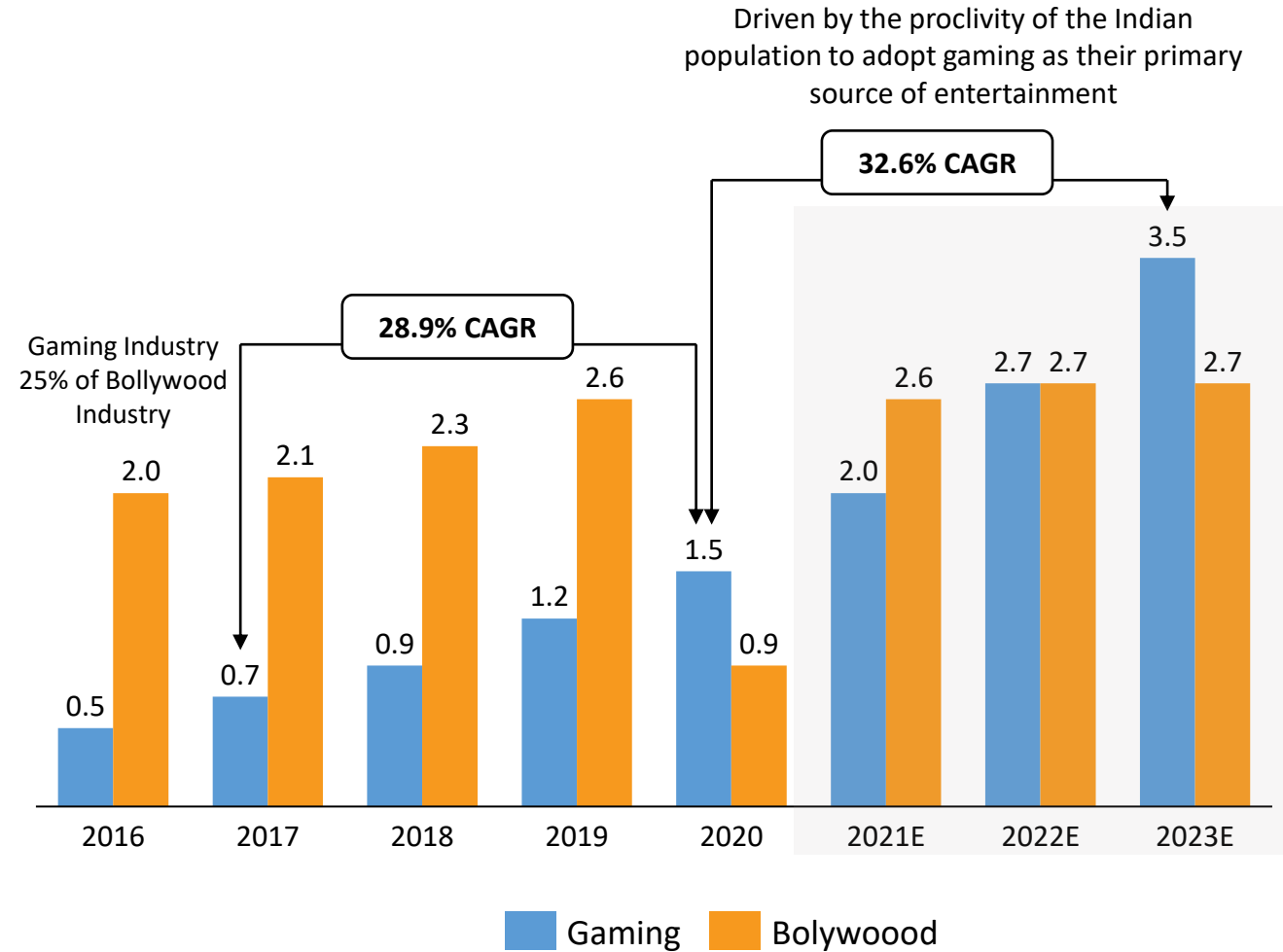


**Global Gaming Industry Compared with Movies & Music
2017-2020 (in USD Billions)**

Global Gaming Industry larger than Music & Movies

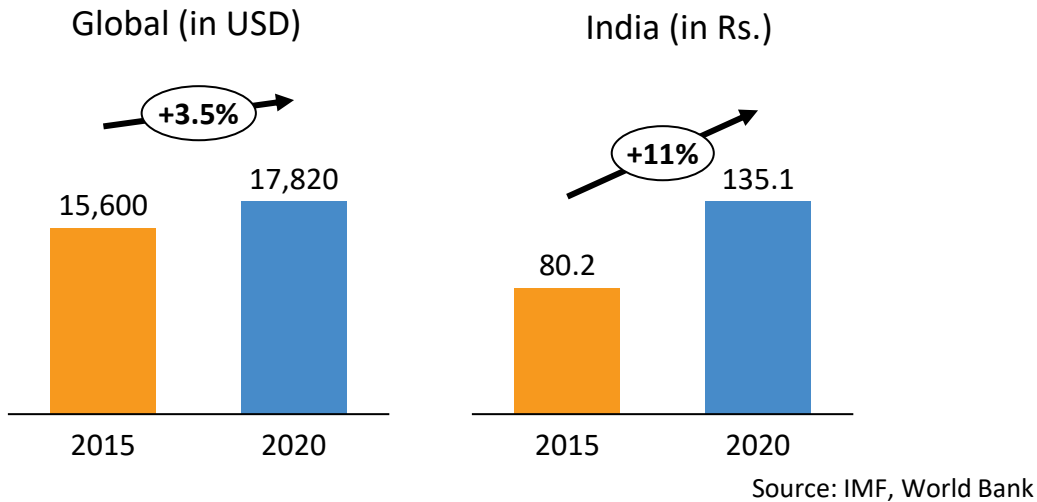


**Indian Gaming Industry Compared with Bollywood
2016-2023 (in USD Billions)**



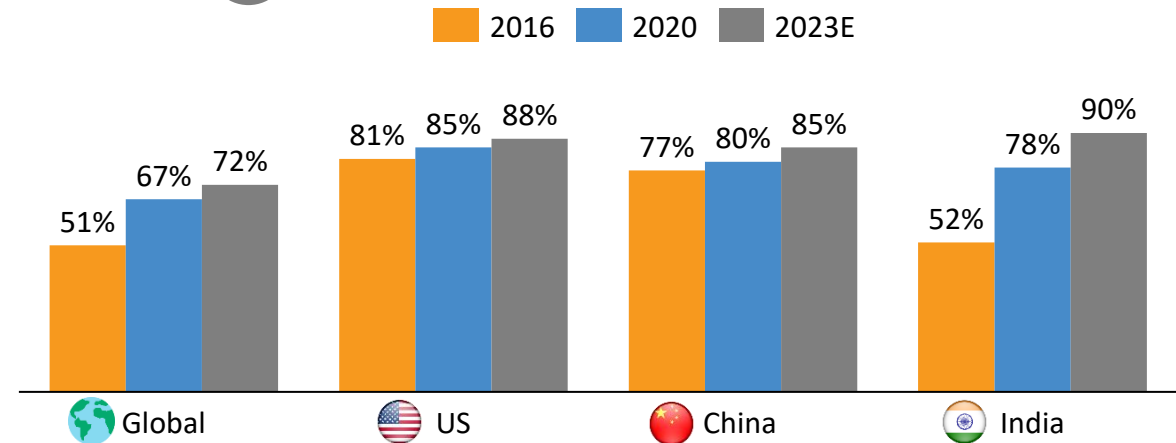
Global Trends Affecting Gaming Eco-system

1 Per Capita Income Growth

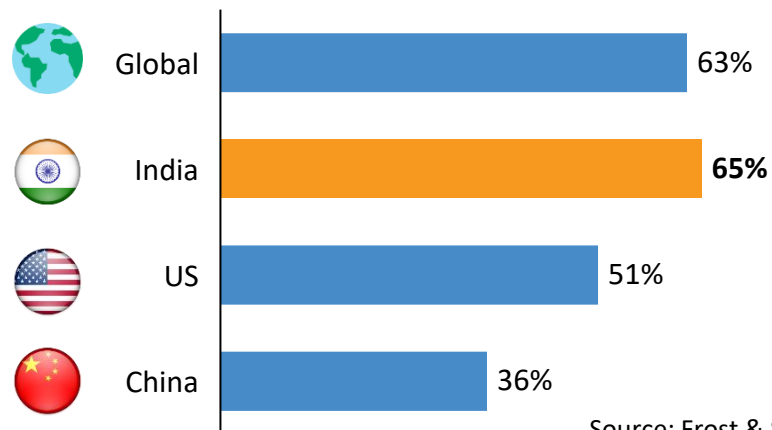


- ✓ India is one of the fastest growing economies globally
- ✓ Rising income levels and disposable income are directly correlated with increase in gaming spends

2 Smartphone User Penetration



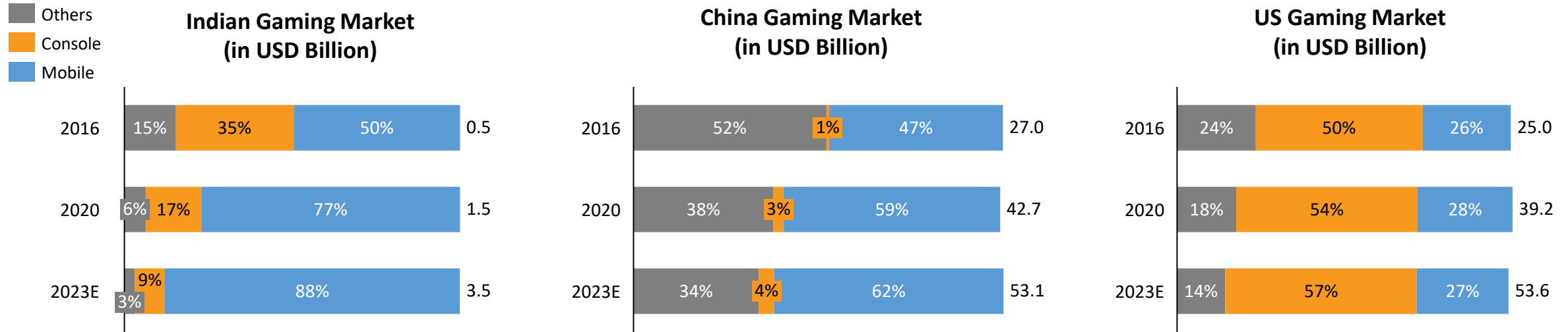
- ✓ The increase in the smartphone penetration is directly correlated with the increase in the number of mobile gamers
- ✓ As smartphones become cheaper and cost of mobile data decreases, the mobile penetration increases and consequentially more people have access to mobile games



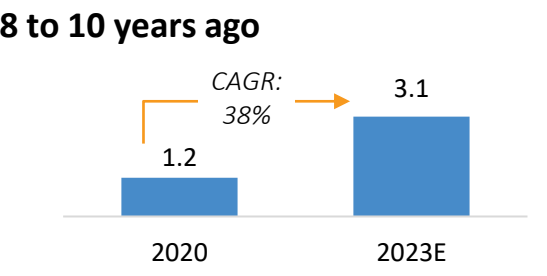
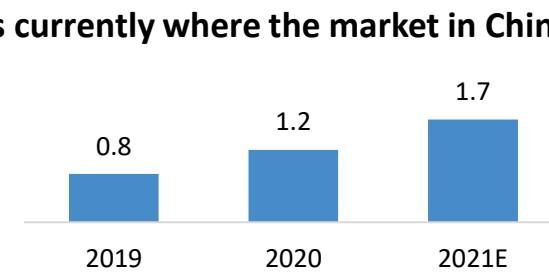
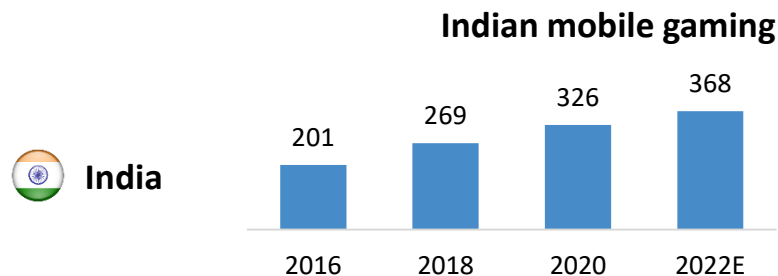
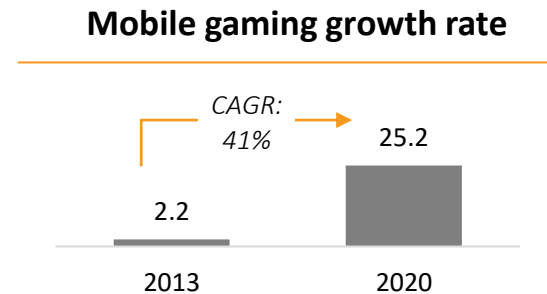
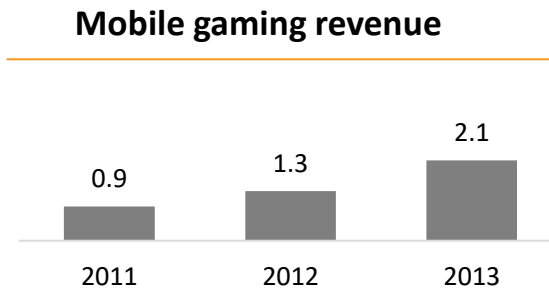
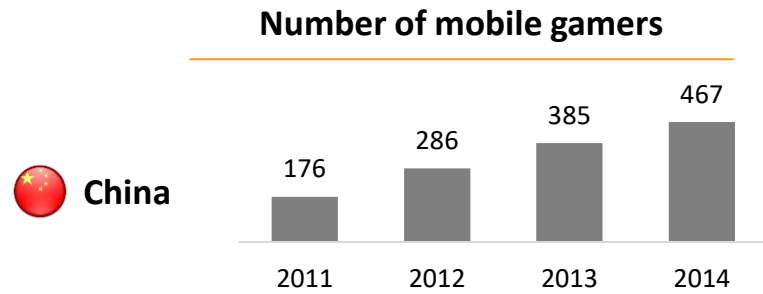
3 Gen Z and Millennial Population

- ✓ The digitally mature Gen Z population engages in gaming more than the millennial generation or generation X
- ✓ India provides a fertile ground for growth – fast growing gaming market and large Gen-Z and millennial population

The Indian Gaming Industry – Mobile gaming expected to increase



Indian mobile gaming market will replicate China's historical growth and follow an equivalent trajectory






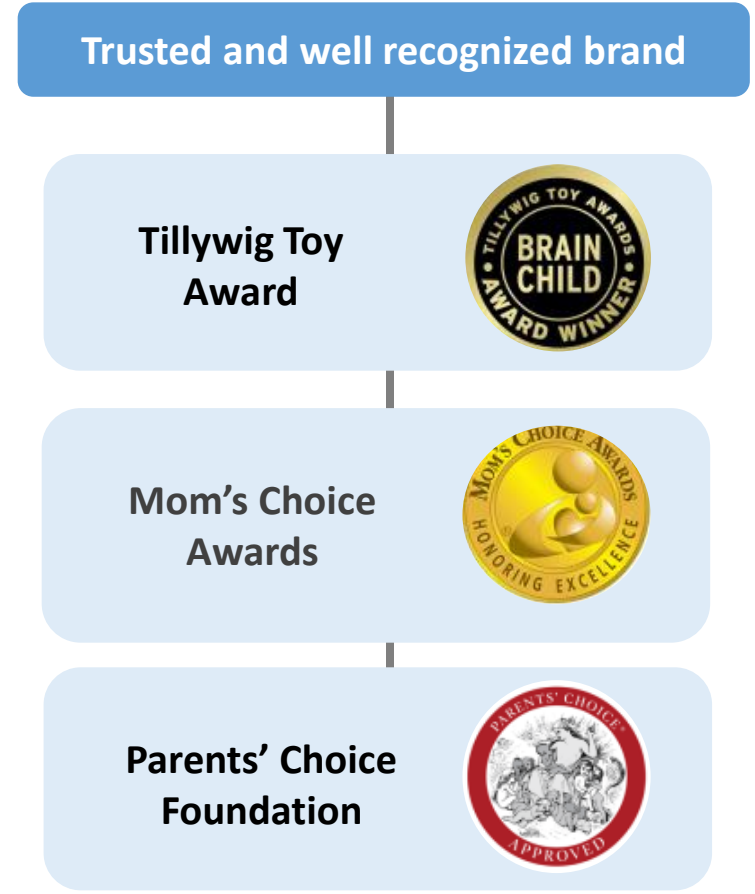
Indian mobile gaming market is currently where the market in China was 8 to 10 years ago



GAMIFIED EARLY LEARNING

Gamified Early Learning

<p>Overview</p> 	<ul style="list-style-type: none"> Flagship App – Kiddopia (COPPA certified by KidSAFE)  Self-directed learning experience through gamification Marketed through Google, Facebook and app stores 
<p>Target Demographics</p>	<ul style="list-style-type: none"> Children Aged 2-7 Years
<p>Geography</p>	<ul style="list-style-type: none"> Present in 4 geographies 89% Revenue from North America for Q1FY22
<p>Monetization</p>	<ul style="list-style-type: none"> Subscription based (Per Month - US\$6.99; Per Year - US\$59.99)
<p>High content arbitrage</p>	<ul style="list-style-type: none"> Content created in India but sold to consumers abroad which leads to lower costs
<p>Expansion plans</p>	<ul style="list-style-type: none"> Roll out operations into Spanish, French, German speaking geographies
<p>Video Link</p>	<p>Click Here</p>



Kiddopia – Key Metrics

Kiddopia Paid Subscriber base

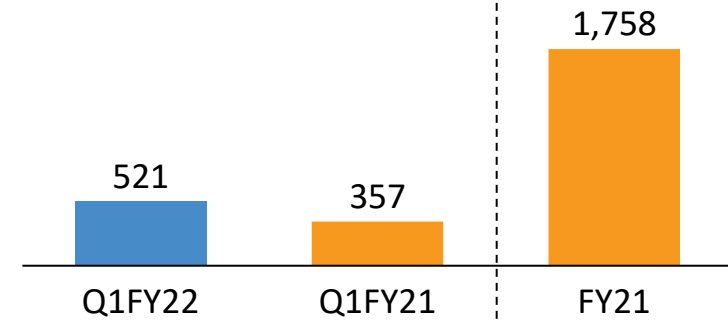


Activation ratio from free trial to subscription has remained around 70%

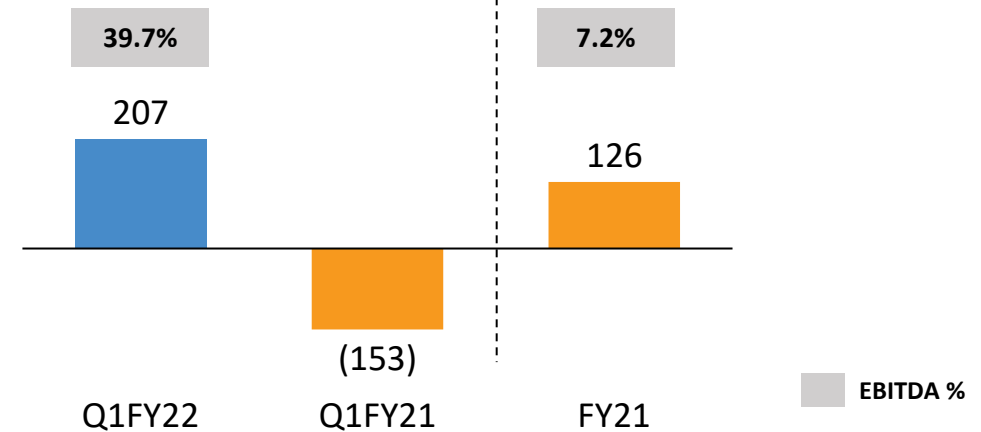
Kiddopia Unit Economics

Particulars	in USD
Lifetime Value (24 months)	61
(less) App Store Commissions	28%
Net LTV (24 months)	44
(less) Cost of Subscription	30
Gross Profit	14
Gross Margin	32%
Content Cost	8-10%
EBITDA Margin	22-24%

Revenue (in Mn Rs.)

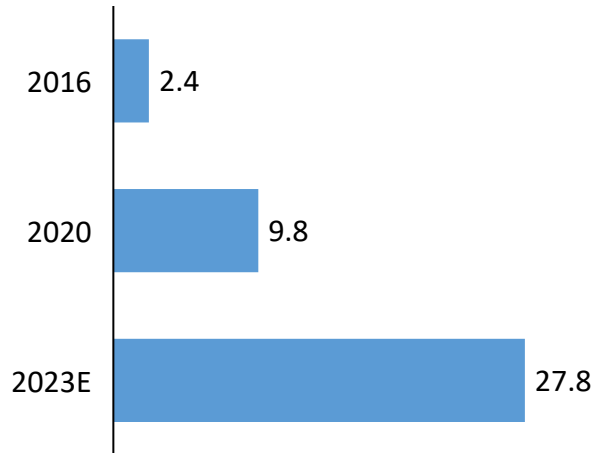


EBITDA (in Mn Rs.)

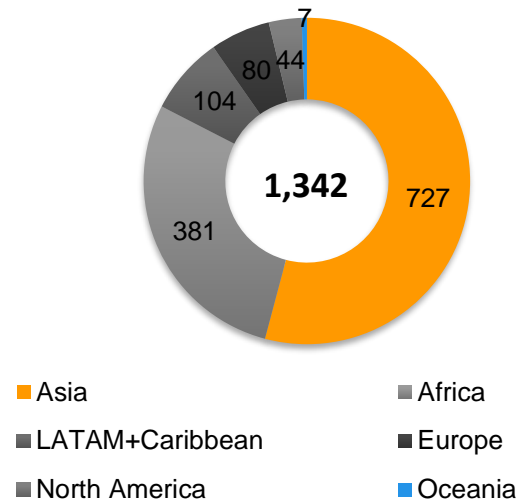


US alone huge enough to absorb Nazara’s marketing spend and gain market share

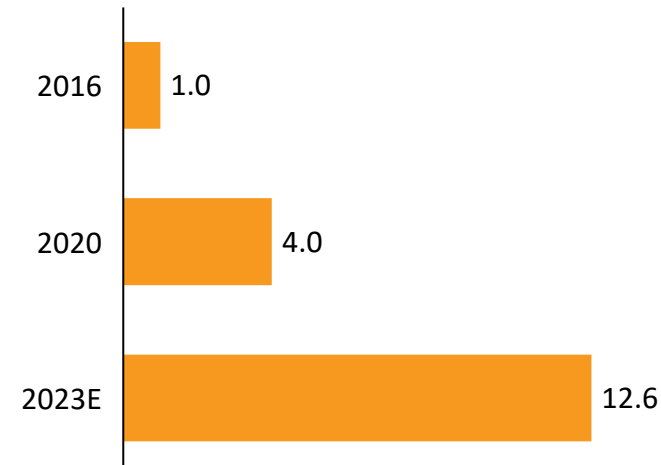
Global Gamified Early Learning Market
(in bn USD)



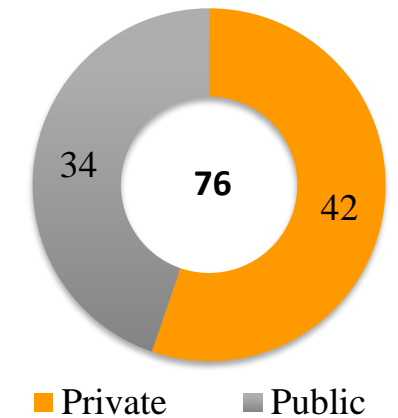
Global Addressable Population¹ (2009)
(mn)



US Gamified Early Learning Market
(in bn USD)



US Early Child Care & Education
(in bn USD)



United States leads the global early childhood education market

- Americans fork out \$ 76bn for early child-care and education, such as preschool programs
- Game-based learning is a key growth driver
- Majority of teachers support gamification initiatives to develop skills

Note 1 : [UN](#)

Source: eSchoolNews, Frost & Sullivan

Source : Company, [CNBC](#)



eSPORTS



A. Nodwin Gaming

What is eSports?

Indira Gandhi Stadium
(New Delhi)



2019

Packed with thrill seeking Gen Z & Millennials,
watching professional athletes
compete in PUBG's World Championships

Streamed Live Worldwide



Intro to
eSports (Video)

<https://bit.ly/3aDrntT>



Fast Forward
6 years



Wankhede Stadium
(Mumbai)




2025

Packed with fans who are there not for a real cricket match,
but to watch gaming professionals
compete in a virtual ICC Final

Streamed Live Worldwide



eSports Overview

<p>Overview</p> 	<ul style="list-style-type: none"> Nodwin Gaming offers premium eSports content (live and on demand) to TV broadcasters and OTT platforms Nodwin Gaming in partnership with game publishers and brands is engaged in providing e-sports gaming consultancy related to organizing gaming events, sponsorships and related consultancy services Only company in India to have rights over professional eSports tournament IP's & content IP's and assets across grassroot, regional, national and international eSports
<p>Intellectual Property Rights</p>	<ul style="list-style-type: none"> Owns and has sustained access to premium IP and popular local brands across eSports in India
<p>Monetization</p>	<ul style="list-style-type: none"> Media rights, sponsorships, white label, data services & ad networks Media rights licensing contributed 49% of Nodwin revenue in Q1FY22 and 55% in FY21
<p>Growth Drivers</p>	<ul style="list-style-type: none"> Growth of in-app (IAP) led mobile gaming revenues in India leading to more global gaming publisher seeing India as an attractive market Growth of Mid-core and Hard-core community base in India

Format IPs

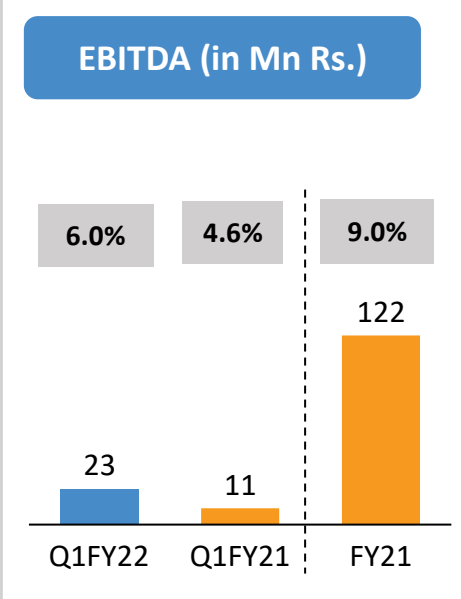
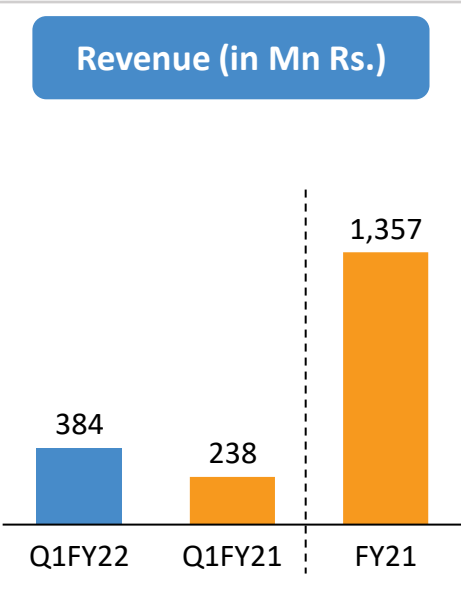


[Video Link](#) [Click Here](#)

Content IPs



Media Relationships

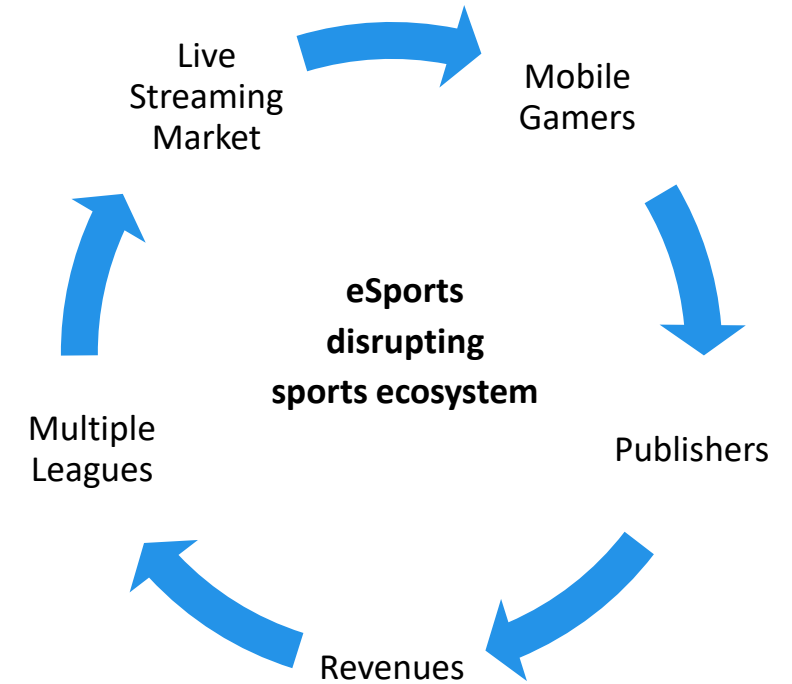


Virtuous Cycles drive eSports

IAP Driven Revenues



Live Stream Viewers



Technology & infrastructure

- Exclusive license partnership with ESL for management and hosting IP based gaming events
- Utilise publicly available technology platforms for hosting tournaments

tournament

challengemode

ESL Play

smash.g

SOSTRONK

Arrangements with game publishers and internet service providers

- Manage and host IP-based gaming events

ESL

VALVE

ESWC

ACTIVISION
BLIZZARD



eSports Ecosystem

Brands

- Partner with eSports events to leverage Gen Z audiences to enhance brand value and create monetization avenues for all stakeholders

Arrangements with tournament operators

- Promote and host online events and tournaments in India

Marketing

- Done via television advertisements, social media, influencer marketing and event marketing on platforms

YouTube facebook Instagram Twitter

Arrangements for broadcasting of eSports events

- Exclusive channel management arrangement for telecasting events

YouTube

facebook

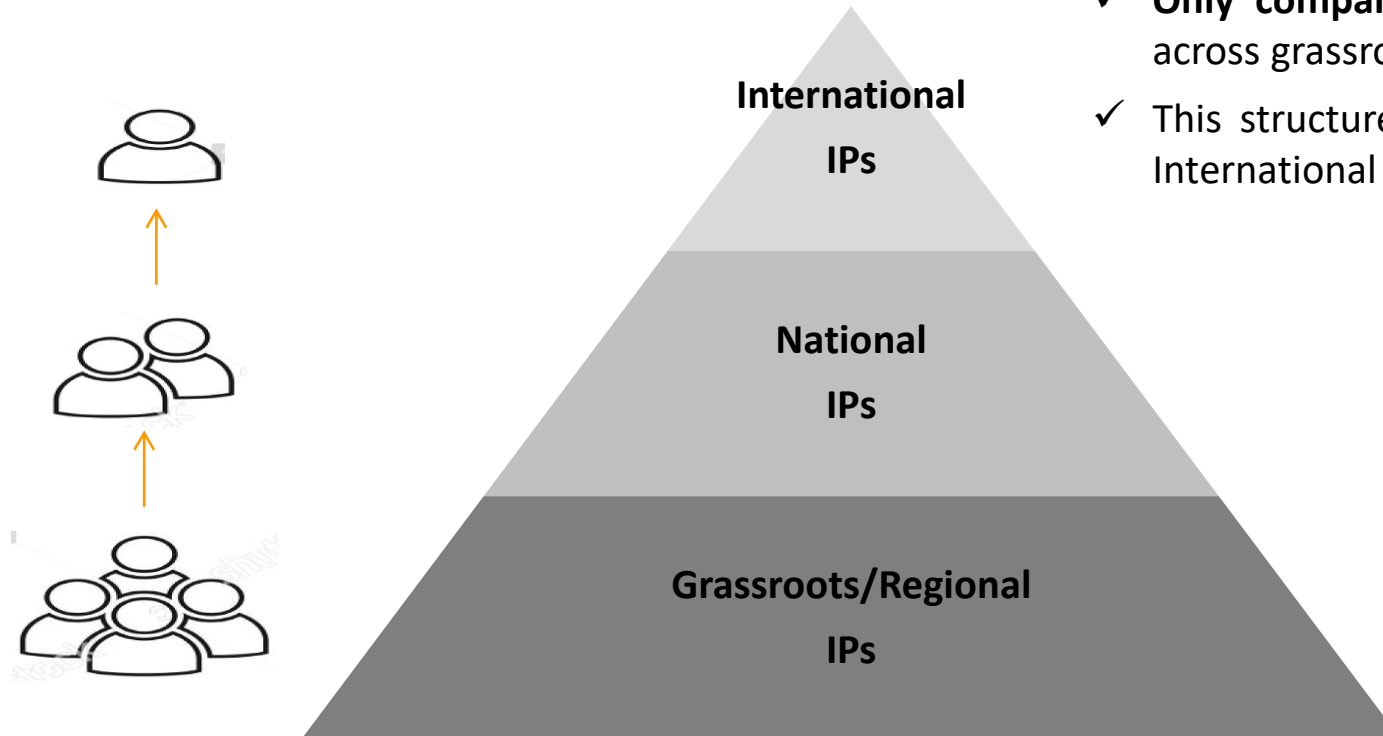
Disney+ hotstar

Why Will We Continue to Dominate?

Deep Moat : Well entrenched community connect. Create & Celebrate Heroes

We Create Heroes

**Zero to Hero
Grassroot to International**



- ✓ **Only company in India to have rights over IP and assets across grassroots, regional, national and international eSports**
- ✓ This structure enables a Grassroot player to break into the International circuit

Why Will We Continue to Dominate?

Nazara builds and owns tech infrastructure on which global games run locally

Publishers want to engage gamers

Brands want to reach consumers





B. Sportskeeda

sportskeeda

Overview

- A leading sport and eSports news destination website with content across WWE, eSports, cricket, soccer and basketball
- Largest eSports news destination in India
- According to Comscore report, Sportskeeda is the 2nd largest sports website in India

Target demography

- eSports fans & sports spectators

Monthly Active users

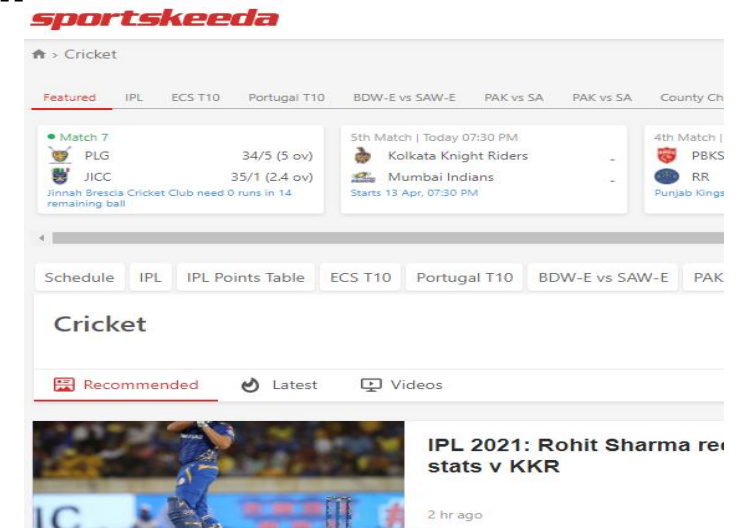
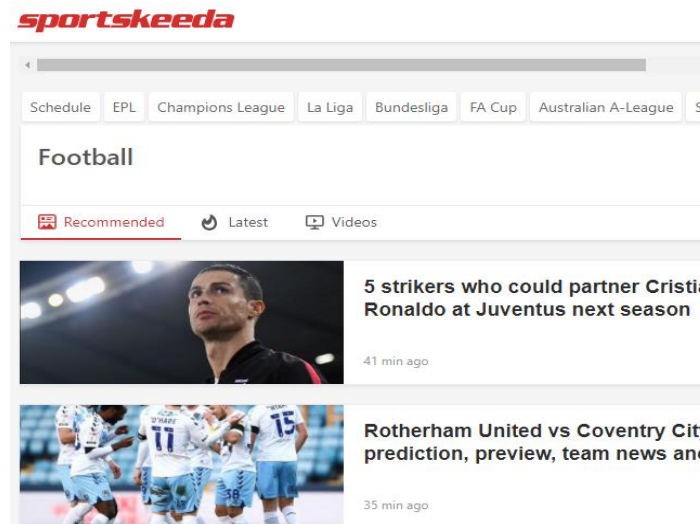
- **Q1 FY22:** 60.54 million MAUs and 121.44 million visits per month

Monetization

- Programmatic Ad inventory monetisation through automated demand channels
- Partnership with game publishers and brands offering audience engagement consultancy and high quality sports content in addition to the reach on the platform

Video Link

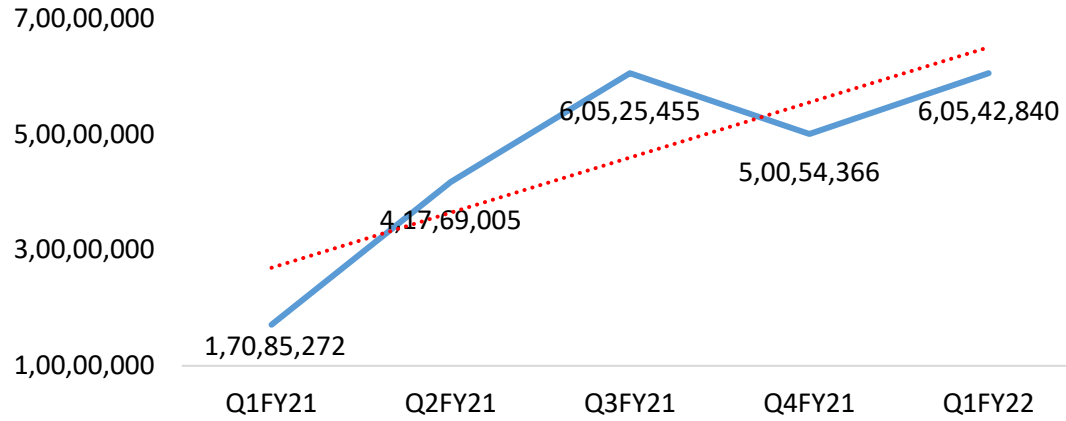
[Click Here](#)



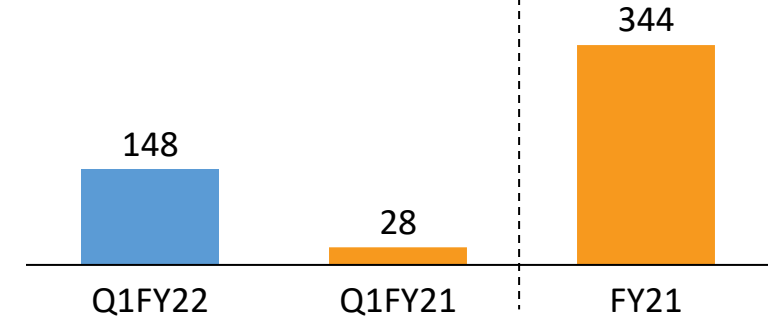
Key Metrics



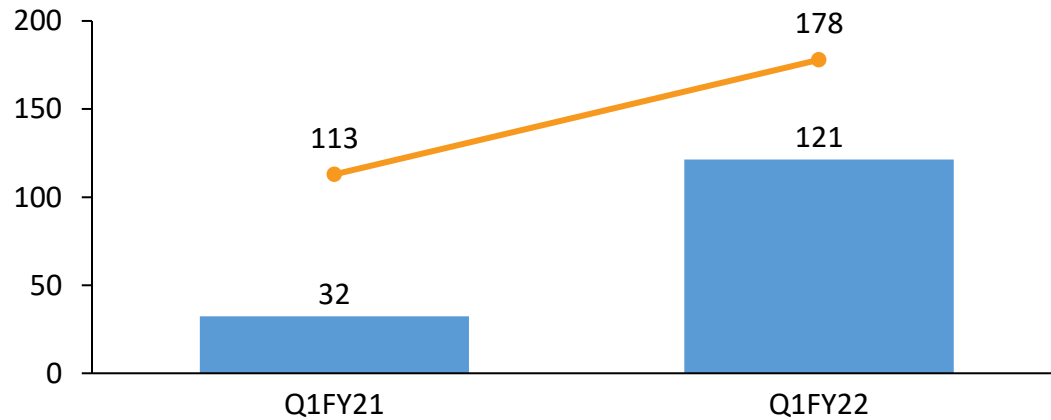
Average MAU Sportskeeda



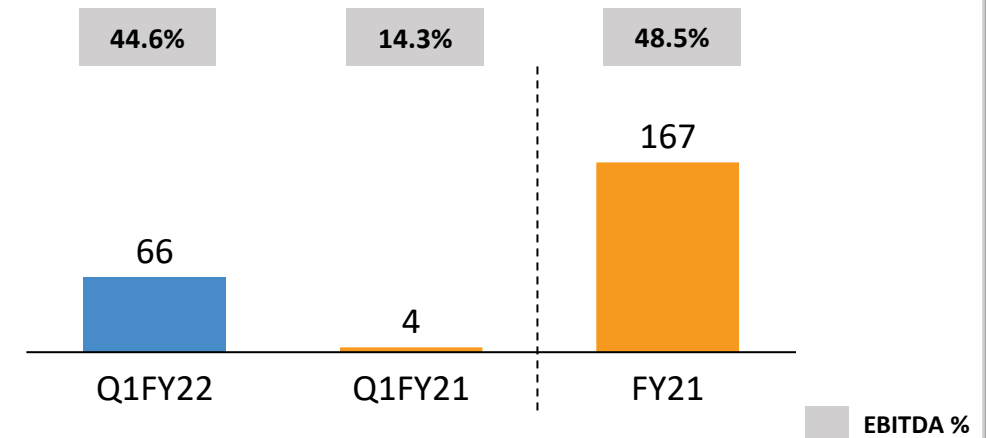
Revenue (in Mn Rs.)



The increase in visits per month has resulted in a corresponding increase in ad revenue



EBITDA (in Mn Rs.)


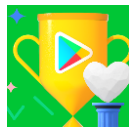



— Average Session Duration (Sec) ■ Visits/month (in million)



FREEMIUM

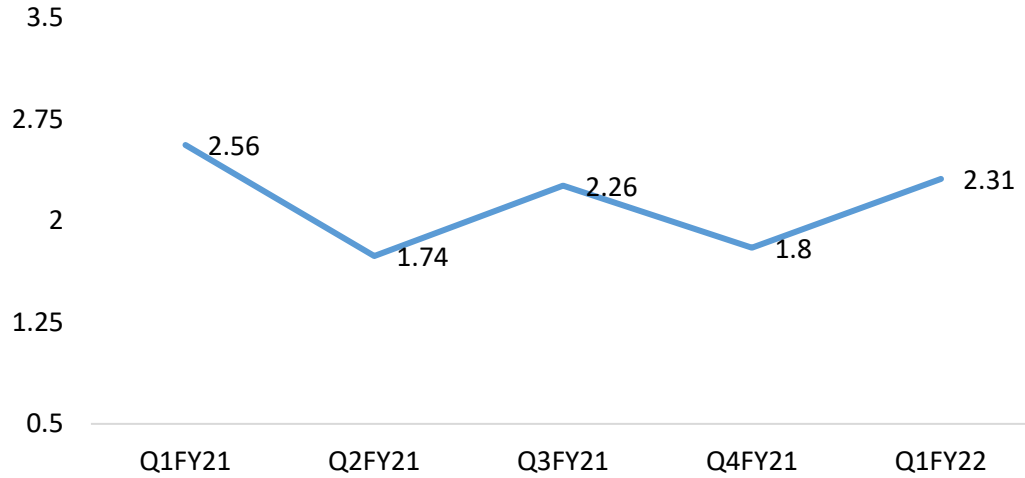
Freemium

Overview	<ul style="list-style-type: none">▪ Freemium is Free to download games from Google play and App store▪ Casual to mid-core, free-to-play sports simulation and children’s games
Established Presence	<ul style="list-style-type: none">▪ World Cricket Championship (WCC) is the largest mobile-based cricket simulation game
Target Demographics	<ul style="list-style-type: none">▪ Players aged 15-35 years and Children
Monetization	<ul style="list-style-type: none">▪ Ads and In-app Purchases
Award-winning gaming titles	
Recognitions	<p><i>Google Play Users Choice Game of 2020 – WCC3</i></p>  <p><i>AatmaNirbhar Bharat App Innovation Challenge – WCC2</i></p> 
Video Link	<p><u>Click Here</u></p>

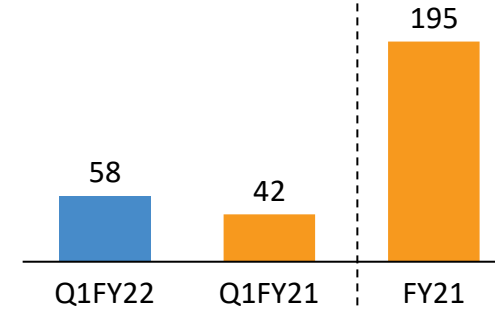
Key Metrics



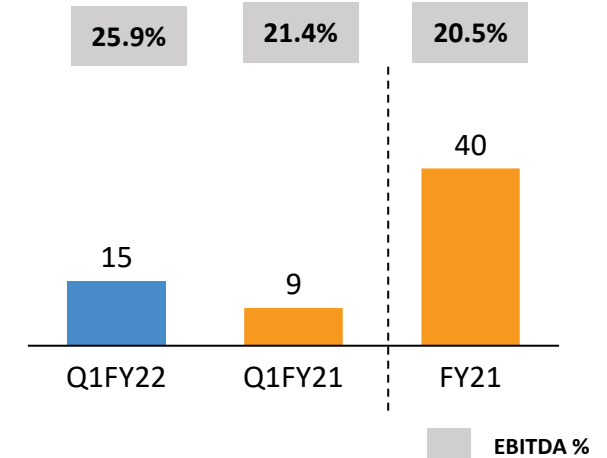
DAU (Mn)



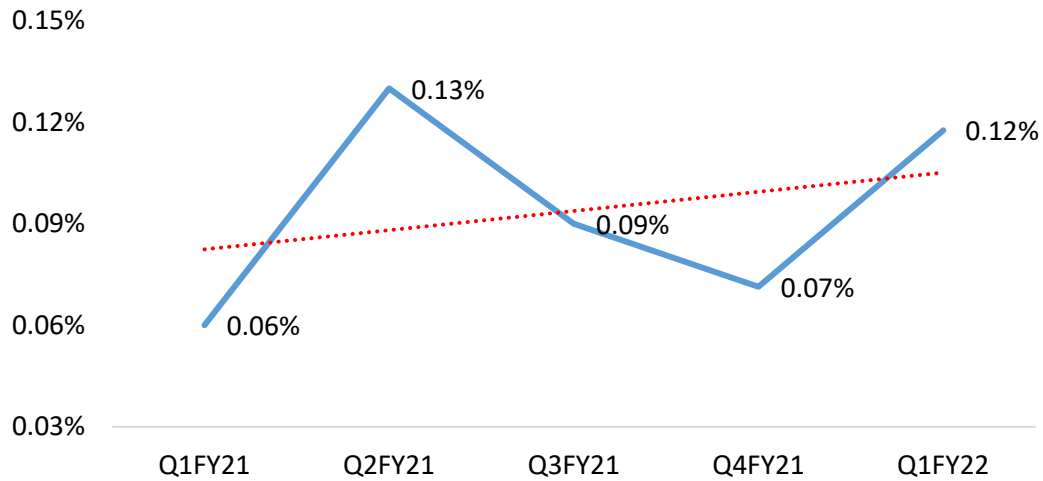
Revenue (in Mn Rs.)



EBITDA (in Mn Rs.)



% IAP Conversion WCC3

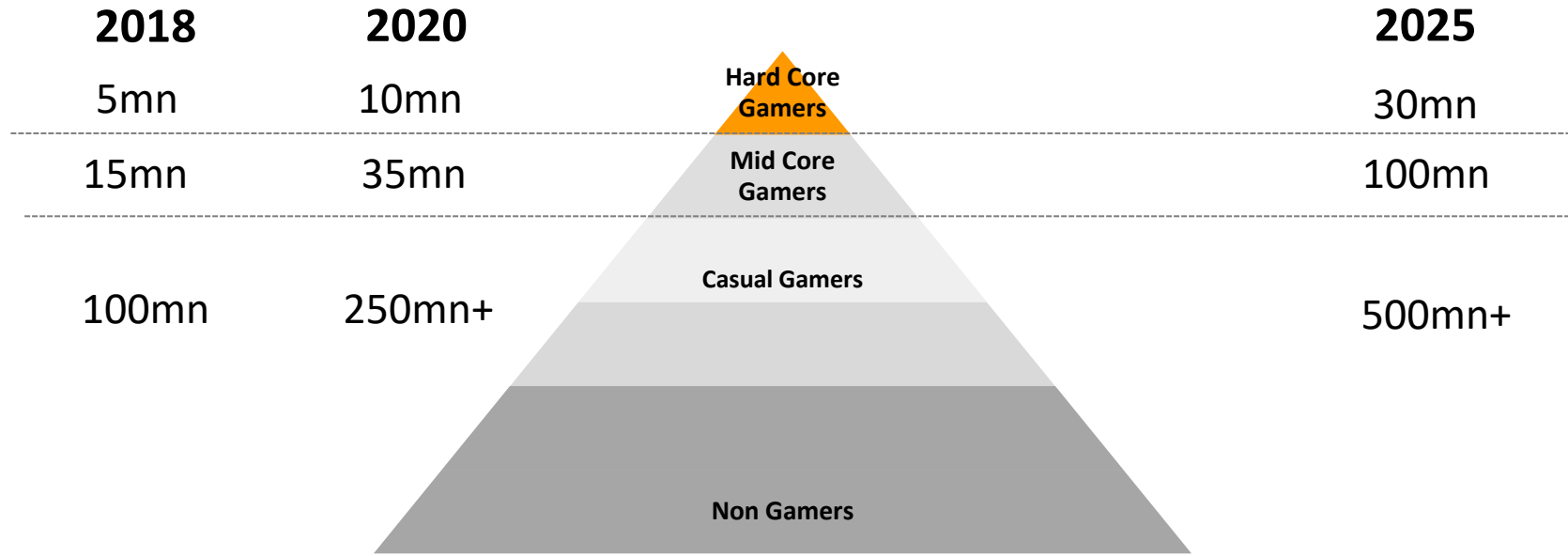


47¹ (WCC)
Time spent
(min./day/user)

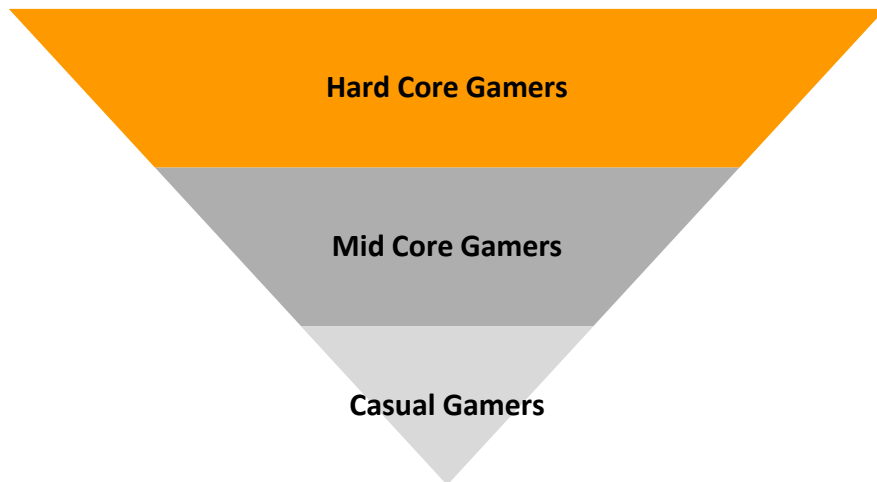
~13.25¹ mn
MAUs

100,000+¹
Total Installs / day

Surge in IAP will be Driven by Growth of Mid & Hard Core Gamers & Higher ARPPU



Revenue Pyramid 2025



Underlying Consumer Behavior – Catalyst in Growth of Mid & Hard core Gamers & ARPPU

- Games are new social community for Millennials & Gen Z
- Shorter Matches - Quick results - Instant Fun & Fame
- Fewer games - longer shelf life - more time spent per day
- Play - Compete - Watch fuelling “cult status”
- Competitive spirit key driver of IAP and inherent part of Sports Simulation/ Mobile Battle Arena Shooting (MOBA)

WCC is the most Downloaded Cricket Game



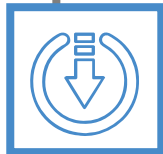
Huge opportunity in cricket crazy India

- In 2018, out of a TV viewing audience of 766mn, 93% watched cricket
- Nextwave's cricket IP is similar to what FIFA (owned by EA) is to football



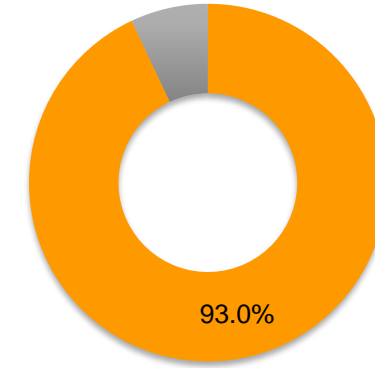
Market leader with a cult like following (mn)

- 110 mn+ installs across Cricket (WCC1, WCC2, WCC3, Big Bash League, Rivals, Battle of Chepauk), Carrom and TT
- Disrupting larger cricket market through virtual cricket as eSports (365 days v/s IPL, only 6 weeks)
- Building own leagues/ cups and media business

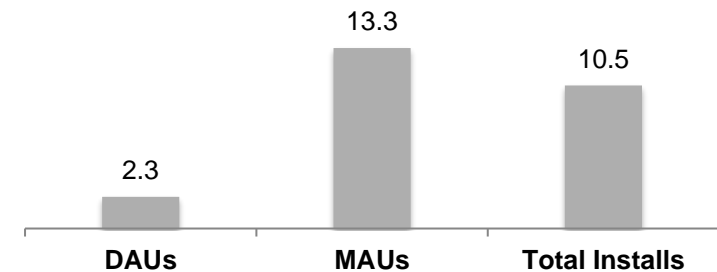


High Organic Downloads for Cricket (WCC3)

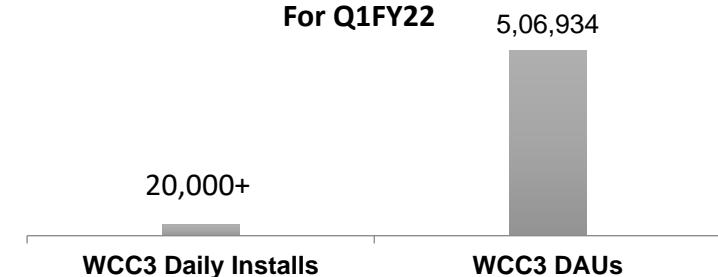
- Beta version of new cricket title (WCC3) launched in May 2020
- Commentary from Mathew Hayden and Akash Chopra
- Inspirations from FIFA, Fortnite, PES and PUBG Mobile (features/monetization)



For Q1FY22 (In Mns)



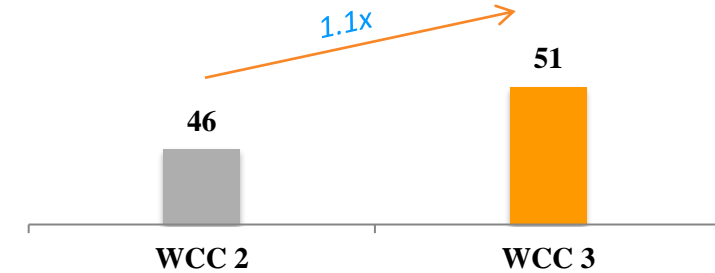
For Q1FY22



Well poised to benefit from IAP led growth

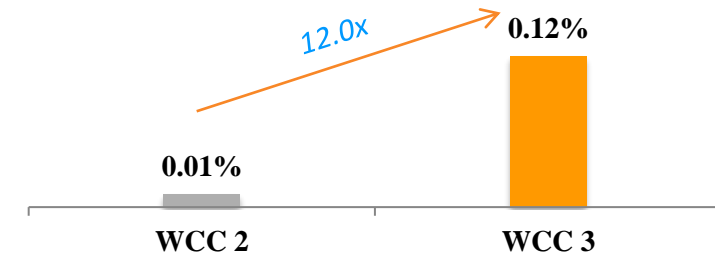
Daily engagement is getting deeper (mins)

- For the new cricket title (WCC3), daily user engagement is already up to 51 mins from 46 mins
- Game economy developed/ fine tuned based on market feedback/ trend



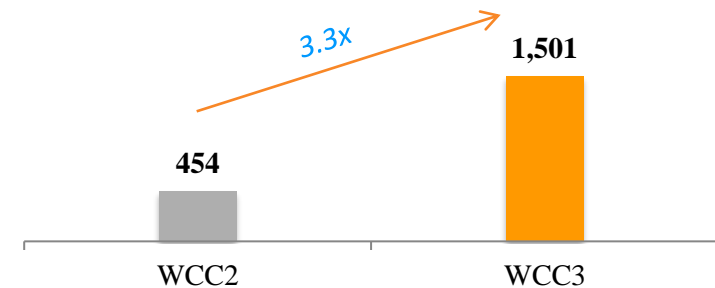
IAP conversion is up (% DAUs)

- DAU's making IAPs is up 12.0x on WCC3, compared to WCC2 (previous title)
- We expect this number to reach 1.0% by FY25



IAP Revenue/ Day is up 3.3x (\$)


- Multi player, game progression and enhanced game economy along with other features are already moving IAP in the right direction
- Nazara is on a winning course here



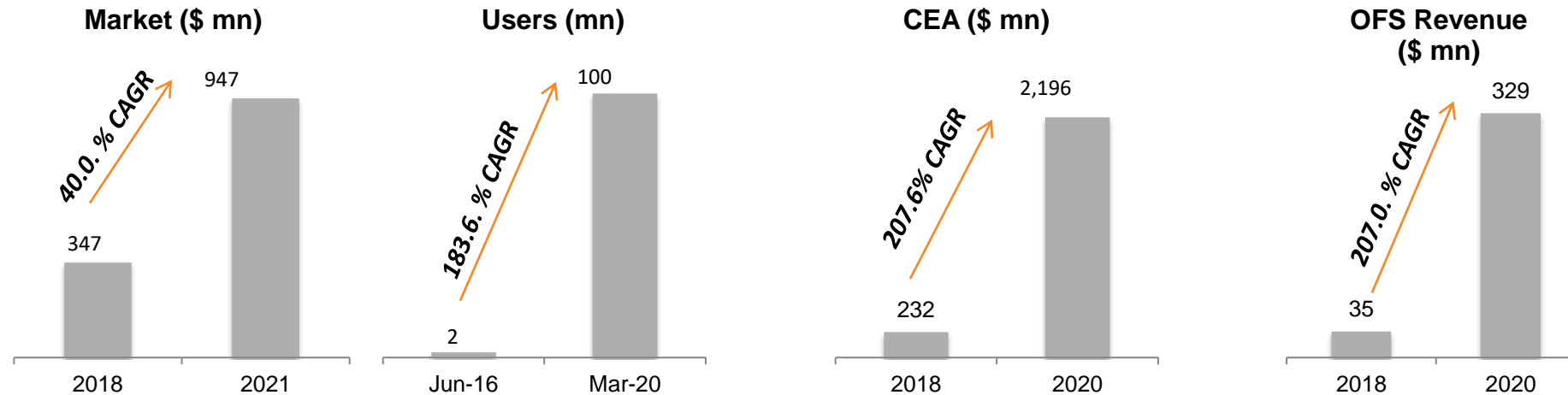


**SKILL-BASED, FANTASY &
REAL MONEY GAMES**

Skill-based, fantasy and Trivia Real Money Gaming

Overview	<ul style="list-style-type: none">▪ Entered skill-based gaming in India and have strategically created presence in the real money gaming segment▪ With the acquisition of Halaplay Technologies, and investments in Sports Unity, the Company is participating in sports fantasy gaming and trivia games
Content	<ul style="list-style-type: none">▪ Sports feed, including audio, visual, data and textual feed provided by official feed providers
Distribution	<ul style="list-style-type: none">▪ Agreements with technology and marketing service providers to manage large user traffic
Regulation	<ul style="list-style-type: none">▪ Strategically cautious entry into real money gaming in light of regulatory uncertainty in India▪ Less than 5% of FY21 revenue from such offerings
Target Demographics	<ul style="list-style-type: none">▪ Youngsters and Sports Fans
Monetization	<ul style="list-style-type: none">▪ Platform Fee (Specified percentage of total gaming transaction)
Key Offerings	

Large Opportunity playing with binary risks of statutory issues



Drivers

- Between 2018 and 2020, Online Fantasy Sports (OFS) revenue registered a 9.4x growth
- While COVID-19 is likely to slow down the rapid growth in user base and engagement (due to lack of live sports)
 - Fundamentals of the business remain robust
- Growth of sports, coupled with digitization, is gradually making India a prime market
 - While cricket remains the favorite sport, Indians have started following football, kabaddi, basketball, hockey etc
 - 50% traffic is from Tier 2 and Tier 3 cities

Regulation

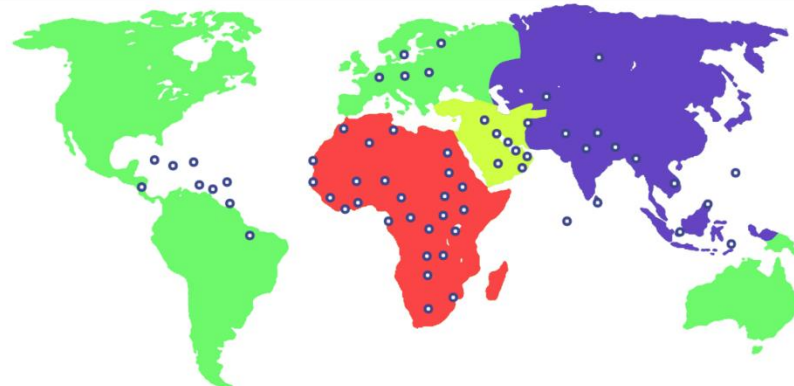
- Legal : Gambling is a state subject in India:
 - If a chance-based game is played with stakes, it is gambling
 - If a skill-based game is played with stakes, it is not gambling but real-money gaming (aka skill-based gaming)
 - More skill, less chance is legal. Less skill, more chance is illegal (exceptions Sikkim, Goa and Nagaland)
- GST : Tax officials are yet to determine if GST is applicable on the total transaction value or the net commissions (revenues) that accrue to gaming companies



TELCO SUBSCRIPTION

Telco Subscription

Overview	<ul style="list-style-type: none">▪ Catalogue of Android and HTML5 games offered as value-add services to telco subscribers▪ Recently acquired non-exclusive global distribution rights for games developed by Disney
Target Demographics	<ul style="list-style-type: none">▪ Late adopters of Internet, First-Time gamers
Monetization	<ul style="list-style-type: none">▪ Subscription based (Daily / Weekly / Monthly) through carrier billing
Distribution	<ul style="list-style-type: none">▪ Strategic partnerships with multiple telecom operators▪ Acquisition also driven through global & local ad networks
Technology	<ul style="list-style-type: none">▪ Asset light model using Nazara Content Management Platform (NCMP)▪ NCMP links content providers with subscribers via telcos
Geographic Footprint	<ul style="list-style-type: none">▪ 1,000+ games offerings to mobile users in 58 countries through 52 telecom operators



Tech Platform

Highly scalable and cost-efficient model

- One common gaming/subscription platform implemented across 52 telcos
- Revenues being generated in Middle East, Africa and S-Asia

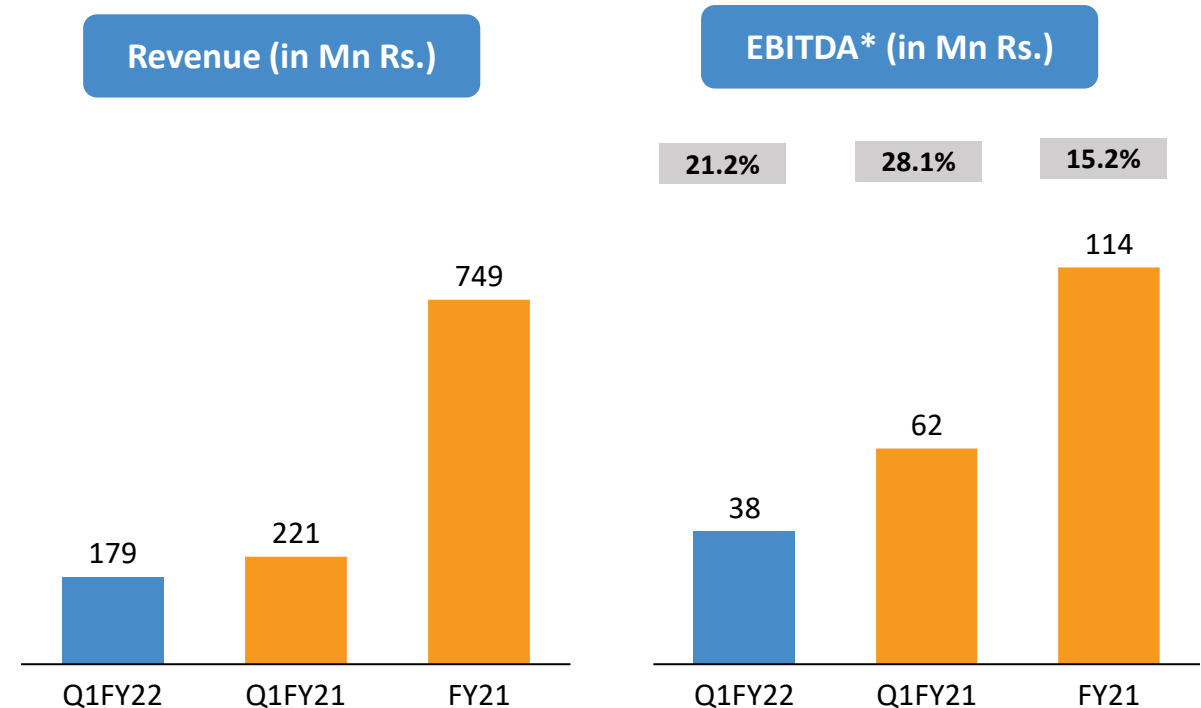
Curated content catalogue, but common for the entire world

- Very low content cost (only 7% of overall business)
- Curated with the mindset of leveraging across the world

High RoI on Marketing Spend

- On every \$ spent, Nazara makes \$3
- Paid user acquisition done by the affiliate
- Risks passed on to them as well

Stable revenues with strong EBITDA generation



*All Corporate overheads is accounted in Telco Subscription business segment only, for Q1FY21 and FY21. Operational EBITDA much higher

EBITDA %



**RAPIDLY SCALING GROWTH THROUGH
STRATEGIC ACQUISITIONS**

Strategic Acquisitions

- **Nazara has expanded its portfolio of business by consistent strategic acquisitions since 2017**

- ✓ Three companies (Paper boat, Nodwin Gaming and Absolute Sports) have scaled exponentially post acquisition
- ✓ World Cricket Championship: Iconic IP and Market leader in sports simulating genre; On track to scale revenues
- ✓ Halaplay – Skill based real money gaming: Binary risk in skill based and fantasy real money gaming and hence the shift in strategy, leading to contraction in investments

2018 – Nodwin Gaming
Dominates eSports with over 80% market share

2019 – Sportskeeda
Largest eSports news destination website in India

2017 – Next Wave
Commands the greatest mind share in mobile cricket segment

2019 – Halaplay
Provided entry into skill-based, fantasy and real-money gaming

2020 – Paper Boat
Provided entry into gamified early learning



Our Future Approach to M&A



Pursue strategic investment and acquisition opportunities in underserved markets and geographies



Increase stake in existing investments

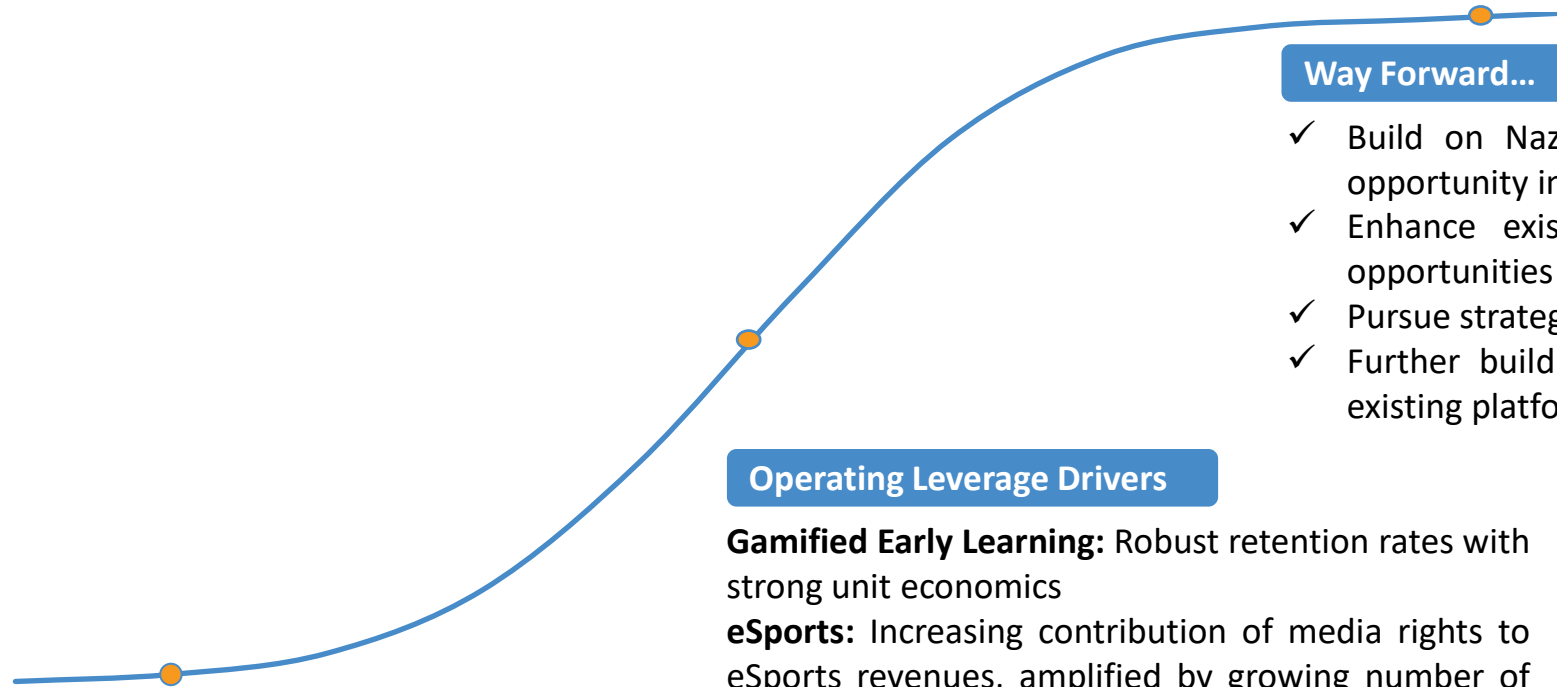


Focus on large total addressable market, strong local moat, clear use cases for growth capital



Grow user base, deepen market penetration, expand into complementary products and new markets

Unique combination of high growth annuity and great value creation



Key Growth Drivers

Gamified Early Learning: Continually develop new content for children aged 2-6 years to further tap into the large US market

eSports: Exclusive rights and ownership of live stream and on-demand premium eSports content for streaming on YouTube, Facebook, Hotstar etc.

Freemium: Monetization via in-app purchases of virtual goods

Operating Leverage Drivers

Gamified Early Learning: Robust retention rates with strong unit economics

eSports: Increasing contribution of media rights to eSports revenues, amplified by growing number of global and local OTT platforms

Freemium: Increasing revenues from sale of virtual items within the game

Way Forward...

- ✓ Build on Nazara's leading market position and growth opportunity in India
- ✓ Enhance existing offerings and increase monetization opportunities
- ✓ Pursue strategic investment and acquisition opportunities
- ✓ Further build the existing technology stack to enhance existing platform

Diversified portfolio in high growth segments and at different stage of evolution offers optionality value for the Investors over the next decade



**PIONEERS OF INDIAN ONLINE
GAMING INDUSTRY**

Management Team



Nitish Mittersain

Joint MD, Nazara

- Founded Nazara in 1999
- Other Experience: Trustee of Dr. B. K. Goyal Heart Foundation



Manish Agarwal

Group CEO, Nazara

- Joined Nazara in 2015
- Other Experience: Reliance Games, Zapak, UTV, Rediff.com, HUL



Anupam Dhanuka

Co-founder and CEO, Paper Boat

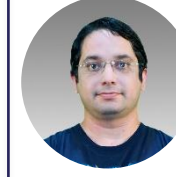
- Co-founded Paper Boat in 2013
- Other Experience: Walnut Labs



Anshu Dhanuka

Co-founder & CPO, Paper Boat

- Co-founded Paper Boat in 2013
- Other Experience: Walnut Labs



Akshat Rathee

Co-founder & ED, Nodwin Gaming

- Co-founded Nodwin Gaming in 2014
- Other Experience: PGM Entertainment, Ernst & Young



Porush Jain

Founder and CEO, Absolute Sports

- Founded Absolute Sports in 2010
- Has experience in various fields including content strategy, coding, marketing and sales



Rajendran Poochi Ramasamy

Co-founder & CEO, Next Wave

- Co-founded Next Wave in 1995
- Created c.200 games for brands, OEM app stores



Jayashree Poochi Ramaswamy

Co-founder and COO, Next Wave

- 25+ years of experience in various fields including digital media and gaming



Rakesh Shah

Group CFO

- Joined Nazara in 2010
- 24+ years of work experience
- Other Experiences: Yahoo India, ANZ Int., Electronic Systems, Vinmar Int., Mazda Colors



Savio Saldanha

CEO, Nazara Digital (Telco Subscription)

- Joined Nazara 10 years ago
- Other Experience: Arvato Mobile Middle, Channel V, City 7 TV

Board of Directors



Vikash Mittersain

Chairman & MD

- Founded Nazara in 1999
- Other Experience: Founder and President of India Business Group (Chamber of Commerce)



Nitish Mittersain

Joint MD

- Founded Nazara in 1999
- Other Experience: Trustee of Dr. B. K. Goyal Heart Foundation



Shobha Jagtiani

Non-Executive, Independent Director

- Partner at D.M. Harish Co Advocates
- Among the first women advocates to specialize in Income Tax litigation



Probir Roy

Non-Executive, Independent Director

- Promoter and Co-founder of Paymate India
- Held senior positions at Star TV, Euro RSCG Advertising Pvt. Ltd. and the Nuclear Power Corp.



Sasha Mirchandani

Non-Executive, Independent Director

- Managing Director and Founder of Kae Capital and Co-founder Mumbai Angels
- Was Managing Director, Blue Run Ventures (India operations)



Kuldeep Jain

Non-Executive, Independent Director

- Founder of Clean Max Enviro Energy Solutions
- Was consulting partner at McKinsey and an IIM-A alumnus



Rajeev Agarwal

Nominee Director of Rare Enterprises

- Board member at Hungama Digital, Rare Enterprises, Concord Biotech, Aptech & Care Hospital
- Rich experience with Accenture and engineering graduate from IIT BHU



HISTORICAL FINANCIALS

Consolidated P&L

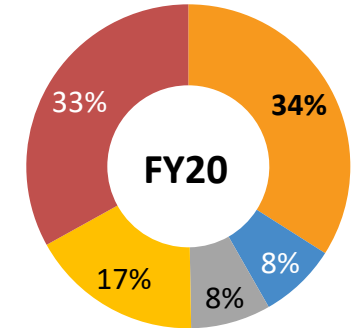
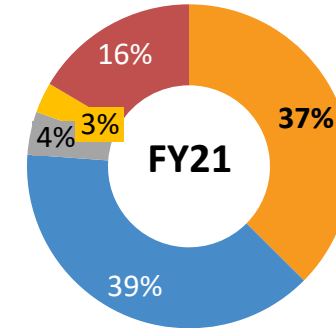
<i>(All figures in INRm)</i>	FY21	FY20
Revenue from operations	4,542	2,475
Content, event and web server	524	507
Advertising and promotion	2,265	1,329
Commission	501	71
Employee benefits	487	319
Others	313	305
Total expenses	4,090	2,532
EBITDA	453	(57)
EBITDA%	10.0%	-2.3%
Impairment Loss	41	0
Finance costs	9	12
Depreciation and amortization	355	263
Other income	143	155
PBT before share of profit / (loss) from associate	191	(178)
Tax expenses	31	72
PAT before share of profit / (loss) from associate	160	(250)
Share of profit / (loss) from associates	(24)	(18)
Final PAT	136	(268)
PAT%	2.9%	-

Key Metrics - Revenue

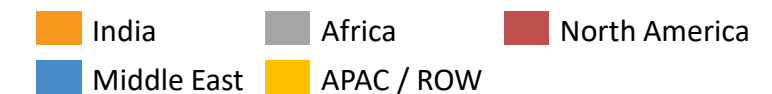
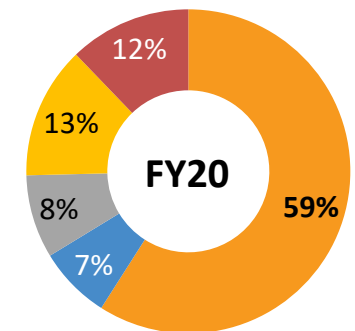
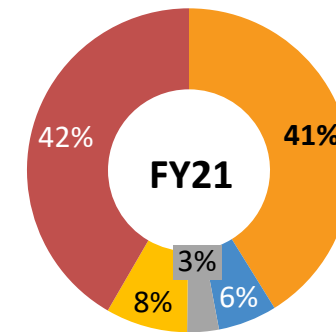


<i>(All figures in INRm)</i>	FY21	FY20
Revenue by business segments		
i. eSports	1,701	842
ii. Gamified early learning	1,758	191
iii. Freemium	195	198
iv. Real money gaming	139	426
v. Telco subscription	749	818
Total revenue from operations	4,542	2,475

Revenue Mix



Geography Mix

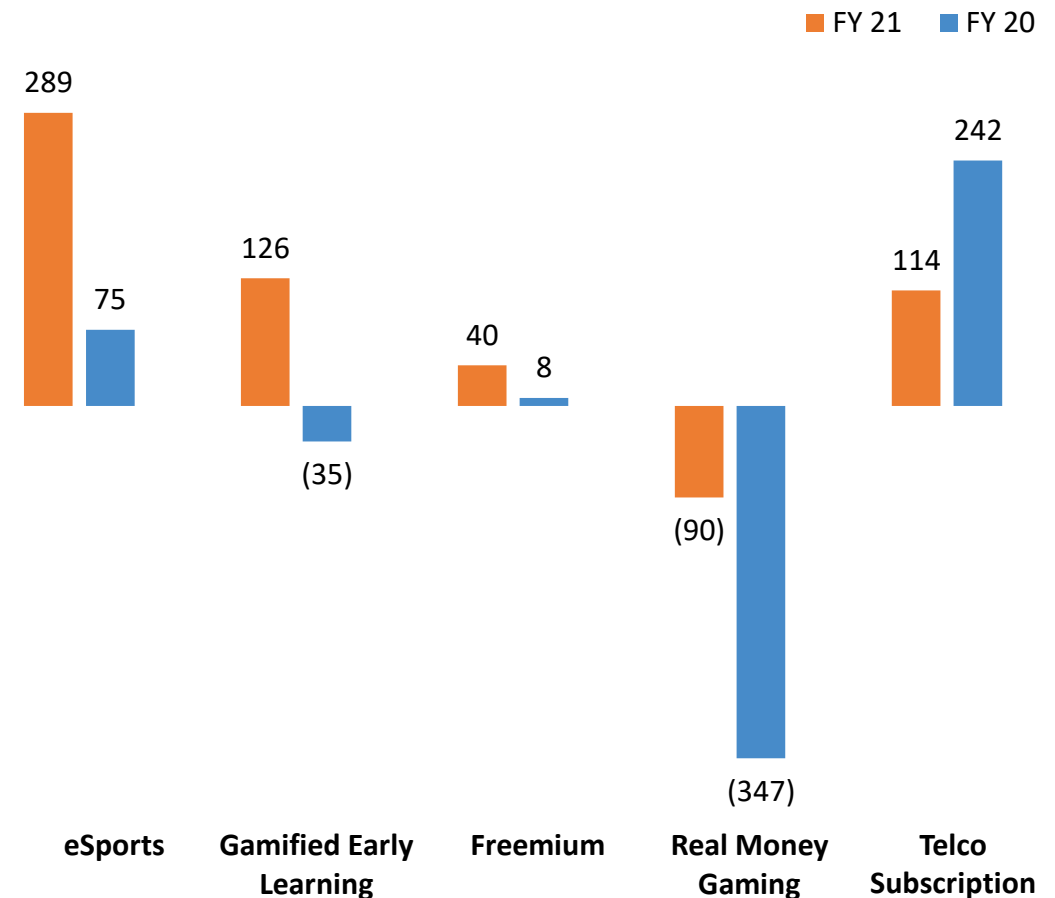


Key Metrics - EBITDA

<i>(All figures in INRm)</i>	FY21	FY20
EBITDA by business segments		
i. eSports	289	75
ii. Gamified early learning	126	(35)
iii. Freemium	40	8
iv. Real money gaming	(90)	(347)
v. Telco subscription	114	242
vi. Unallocated	(26)	0
EBITDA	453	(57)
EBITDA margin (%)	10.0%	-2.3%

<i>(All figures in INRm)</i>	FY21	FY20
EBITDA % by business segments		
i. eSports	17.0%	8.9%
ii. Gamified early learning	7.2%	-18.3%
iii. Freemium	20.5%	4.0%
iv. Real money gaming	-64.7%	-81.5%
v. Telco subscription	15.2%	29.6%

Segmental EBITDA (in INR million)



Consolidated Balance Sheet

(All figures in INRm)	As at March 31, 2021	As at March 31, 2020 (Restated)
Assets		
Non-current assets		
Property and equipment	17.2	22.7
Right-of-use assets	21.4	86.1
Goodwill	1,684.5	1,687.7
Other intangible assets	1,239.4	1,471.2
Intangible assets under development	23.5	63.2
Investment accounted using the equity method	41.5	80.5
Financial assets		
Investments	80.3	136.0
Loans	0.0	14.0
Other financial assets	45.6	68.4
Income tax asset	211.6	86.6
Deferred tax assets (net)	46.4	27.6
Other non-current assets	3.2	3.1
Total non-current assets	3,414.6	3,747.0
Current assets		
Financial assets		
Investments	1,060.4	366.5
Trade receivables	685.6	681.1
Cash and cash equivalents	1,399.7	720.9
Other bank balances	2,323.9	1,146.2
Loans	29.0	21.6
Other financial assets	1,006.7	635.8
Other current assets	307.3	224.8
Total current assets	6,812.4	3,796.9
Total Assets	10,227.0	7,543.9

(All figures in INRm)	As at March 31, 2021	As at March 31, 2020 (Restated)
Equity and liabilities		
Equity		
Share capital	121.8	112.0
Other equity	6,460.0	4,898.7
Equity attributable to equity holder of the company	6,581.8	5,010.7
Non-controlling interest	1,208.0	689.6
Total equity	7,789.8	5,700.2
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	2.5	20.1
Other financial liabilities	4.2	0.0
Deferred tax liabilities (net)	259.9	311.7
Provisions	35.1	27.3
Total non-current liabilities	301.6	359.1
Current liabilities		
Financial liabilities		
Trade payables due to		
(a) Micro enterprises and small enterprises	2.3	1.0
(b) Other than micro enterprises and small enterprises	637.9	691.7
Lease liabilities	10.6	60.3
Other financial liabilities	1,086.6	393.9
Other current liabilities	297.2	306.9
Provisions	13.5	10.5
Income taxes liabilities (net)	87.8	20.2
Total current liabilities	2,135.7	1,484.5
Total equity and liabilities	10,227.0	7,543.9

Extract of Consolidated Cashflow Statement

Particulars (All figures in INRm)	FY 21	FY 20
Profit/(loss) before tax for the year	167.0	(195.8)
Adjustment for non-cash items and others	360.2	159.2
Changes in working capital	306.5	87.0
Cash generated from operations	833.7	50.4
Direct taxes	(159.6)	(72.4)
Net cash flow from operating activities (A)	674.1	(22.1)
(Purchase) / sale of current investments	(640.6)	531.9
Acquisition of shares from non-controlling interest / of associates	(333.9)	(63.4)
Investment in bank deposit (net)	(1,189.5)	(273.0)
Restricted cash related to Selling shareholders	(535.6)	
Investment in fixed assets	(20.5)	(68.8)
Others investing activities	44.8	(37.8)
Cash flow from Investing activities (B)	(2,675.3)	89.0
Proceed from issue of equity share capital	1,117.4	25.5
Proceeds from issue of shares by subsidiaries	1,110.3	72.0
Other financing activities	(57.1)	(63.8)
Cash flow from financing activities (C)	2,170.7	33.7
Net increase in cash and cash equivalents (A+B+C)	169.4	100.5
Effects of exchange rate changes of cash balance	(26.2)	87.7
Cash and cash equivalents at beginning of year	720.9	532.6
Cash and cash equivalents at end of year	864.1	720.9
Other bank balances at end of the year	2,323.9	1,146.2
Total cash and bank balance at the end of the year	3,187.9	1,867.0
Net increase	1,320.9	

Term	Description
<i>APAC</i>	Asia Pacific
<i>CAC</i>	Consumer Acquisition Cost
<i>CAGR</i>	Compounded Annual Growth Rate = $(\text{End Value}/\text{Start Value})^{(1/\text{Periods})} - 1$
<i>COPPA</i>	Children's Online Privacy Protection Rule
<i>CPT</i>	Cost Per Trial
<i>e-Learning</i>	Early Learning
<i>ESL</i>	Electronic Sports League
<i>ESWC</i>	Electronic Sports World Cup
<i>HR</i>	Human Resources
<i>IAP</i>	In-App Purchases
<i>IP</i>	Intellectual Property
<i>ISP</i>	Internet Service Provider
<i>KPI</i>	Key Performance Indicator
<i>LTV</i>	Life-Time Value

Term	Description
<i>M&A</i>	Mergers and Acquisitions
<i>MAU</i>	Monthly Active Users
<i>M&E</i>	Media and Entertainment
<i>MS</i>	Market Share
<i>ROW</i>	Rest of the World
<i>TAM</i>	Total Addressable Market
<i>WCC</i>	World Cricket Championship
<i>WCC2</i>	World Cricket Championship 2
<i>WCC3</i>	World Cricket Championship 3
<i>WWE</i>	Word Wrestling Entertainment
<i>YoY</i>	Year on Year

Company :



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