

August 20, 2024

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 August 14, 2024**

Dear Sir/Madam,

In furtherance to our letter dated August 14, 2024 regarding the audio recording of the investors earnings call for the quarter ended June 30, 2024, 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](http://www.nazara.com).

We request you to take the same on record.

Thanking You,

Yours faithfully,

For **Nazara Technologies Limited**

**Varsha Vyas**  
**Company Secretary and Compliance officer**

Encl: A/a



# “Nazara Technologies Q1 FY-25 Earnings Conference Call”

**August 14, 2024**



**MANAGEMENT:** **MR. NITISH MITTERSAIN – CEO & JOINT MD,  
NAZARA TECHNOLOGIES**  
**MR. SUDHIR KAMATH – CHIEF OPERATING OFFICER,  
NAZARA TECHNOLOGIES**  
**MR. RAKESH SHAH – GROUP CFO, NAZARA  
TECHNOLOGIES**  
**MS. ANUPRIYA SINHA DAS – HEAD OF CORPORATE  
DEVELOPMENT, NAZARA TECHNOLOGIES**

**MODERATOR:** **MR. ABHISHEK BANERJEE – ICICI SECURITIES**



*Nazara Technologies  
August 14, 2024*

**Moderator:** Ladies and gentlemen good day and welcome to the Nazara Technologies Q1 FY25 earnings conference call hosted by ICICI Securities.

As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhishek Banerjee from ICICI Securities. Thank you and over to you sir.

**Abhishek Banerjee:** Good morning, everyone. On behalf of ICICI Securities, I would like to welcome all of you to the Q1 FY25 Earnings Call of Nazara Technologies.

We have with us from the Management Team, Mr. Nitish Mittersain – CEO and Joint MD, Mr. Sudhir Kamath – Chief Operating Officer, Mr. Rakesh Shah – Group CFO and Ms. Anupriya Sinha Das – Head of Corporate Development.

With that introduction, let me now hand over the call to Nitish for his "Opening Remarks". Please go ahead sir.

**Nitish Mittersain:** Thank you Abhishek. Good morning, everyone.

For the 1st Quarter of the Year Ending Financial Year 2025, we achieved a consolidated revenue of INR 250.1 crores, an EBITDA of INR 24.9 crores and a PAT of INR 23.6 crores. This is our fourteenth successive profitable quarter since our IPO and our focus remains on driving growth with profitability in FY25 and beyond through the organic growth of our existing businesses as well as M&A especially in the core gaming sector.

Recently we announced the acquisition of the remaining stake in PaperBoat apps. Now our holding is 100% and we believe that there are several opportunities in front of us that can help grow this business going forward. We also acquired Fusebox an exciting IP based gaming studio in the UK that has done very well and again we believe this will add a lot of value in terms of potential growth and profitability to our business.

Our other subsidiaries have also been very active in the M&A side with NODWIN recently acquiring 100% of a leading e-sports company in Europe Freaks 4U as well as iconic property Comic Con India, Sportskeeda also acquired SaopCentral and Delta's gaming in recent days.

In FY24 our team has worked very hard to create a strong pipeline of opportunities that fit our objectives, very patiently but at the same time very actively and as can be seen, we are now deploying our cash reserves this year to acquire such businesses that we like and we expect that

these acquisitions will help us accelerate towards our FY27 goal of achieving EBITDA of INR 300 crores that we have set for ourselves.

With that I now handover the call to Anupriya our Head of Corporate Development for further “Business Highlights”. Thank you and over to you Anupriya.

**Anupriya Sinha Das:**

Thank you, Nitish. Good morning, everyone. As you're aware Nazara operates across three business segments gaming, e-sports and Ad Tech.

We are well diversified across demographics, geography and business models. In Q1 FY25 gaming contributed 37% of revenues and 43% of EBITDA while e-sports contributed 53% of revenue and 55% of EBITDA. Our third segment Ad Tech accounted for the remaining share. If you look at businesses within gaming Kiddopia reported revenues of 49 crores, EBITDA of 10.4 crores with an EBITDA margin of 21.4% in Q1 FY25.

Most of our key performance indicators have either improved or stabilized this quarter, especially our cost per trial has decreased, our activation rate has increased and the average revenue per user has improved. The churn has also reduced in the same period. As a result, the rate of decline in subscribers in Q1 FY25 was lower compared to other quarters in the past. With stable or improving KPI's we anticipate that our subscriber base will begin to grow again in the coming quarters. We are also making progress on closing IP partnerships which will provide a boost to organic user acquisition going forward.

**Moving to Animal Jam:**

Q1 FY25 revenue increased by 7% to 23.6 crores, driven by the ongoing success and monetization of Wishing Coins and the launch of a new pet Dragons via the wishing well within the game. We had higher investments in user acquisition in Q1 FY25 which is expected to pay back over 12 to 18 months timeframe.

**Moving to OpenPlay, the RMG business:**

While gross gaming revenues have declined only slightly that is customers are still playing almost the same, increased GST has led to a sharp decline in net revenue after GST. Our organic focus has been on enhancing operating efficiencies to achieve profitability within the constraints of the new GST regime. Our e-sports segment revenue grew by 12% while EBITDA grew much faster by 85% in Q1 FY25.

**Moving to NODWIN:**

The NODWIN revenue grew by 3% compared to the last year to 71 crores. However, accounting for the deconsolidation of Wings which took place on 3<sup>rd</sup> February 2024, the revenue growth is much higher of 35%. The growth is led by strong performance from NODWIN's proprietary IP,

including branded gaming matters, Comic Con and others and the media business which showed 44% growth year-on-year. Profitability was muted as NODWIN continued to invest in new events and IPs. With a healthy pipeline of upcoming events in the next two quarters, we expect accelerated growth for the year ahead with profitability.

On the M&A side:

NODWIN has increased its investment in Freaks 4U gaming from 13.5% to 57% initially and subsequently 100%, eventually through a share swap deal valued at 271 crores. Notably Freaks 4U reported revenues of INR 223 crores in CY23 and we will consolidate this business in NODWIN from the 1<sup>st</sup> July, 2024 onwards.

Moving to Sportskeeda:

Sportskeeda continues its growth journey for both revenue and EBITDA this quarter reporting a year-on-year revenue growth of 33% in Q1 FY25 while EBITDA increased by 28%. So Sportskeeda has done two acquisitions. In June 2024 the company acquired SoapCentral.com for US\$1.4 million which is approximately 11.6 crores. This acquisition aligns with an overall strategy of acquiring smaller niche assets and expanding them under full ownership and control for Sportskeeda. In August 2024, the company agreed to acquire Deltia's Gaming in an all-cash deal worth US\$ 900 K. Deltia's Gaming produces high quality content for specific games such as Baldur's Gate 3 and Elder Scrolls Online on platforms including Youtube, Twitch and its own website.

Moving to the third segment Ad Tech:

During Q1 FY25, we strategically shifted away from lower margin business resulting in a year-on-year revenue drop to 25.7 crores from 27.6 crores. However gross margin improved significantly, leading to a gross profit increase to INR 7.3 crores from 6.2 crores due to a higher share of product business. We continue to invest in product development and increase marketing efforts especially in the US market which has kept EBITDA subdued compared to Q1 FY24. We expect these investments to positively impact business outcomes in the coming quarter.

With this I conclude my remarks and will now open the call for Q&A. I would like to invite Nitish, Sudhir and Rakesh to join me for this session.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Abhishek Kumar from JM Financial.

**Abhishek Kumar:**

First question is on the GST notice I saw that we have got 1,100 odd crores. Now we understand this is an industry wide phenomenon. What is our view on this and is there any provision that we plan to make against this notice?

**Nitish Mittersain:** Let me take that. This is Nitish. So, there are a couple of things. Of course, it's an industry wide known issue and it is subsidized. The various hearings are going on and we will see how that pans out as well as the position that the GST Council takes. In terms of the notices, they are on two of our subsidiaries OpenPlay and Halaplay. And as you know both of these do not at this point of time contribute material revenues or profitability to our overall performance. At this point of time, we do not require to take any provisions on the Nazara balance sheet.

**Abhishek Kumar:** Second on our recent acquisitions, I just wanted to understand given the speed with which we have been acquiring some of these assets, what is the risk and governance framework that we have to select these to basically assess their future potential etc. given these are not in India and we are doing it at a fast pace.

**Nitish Mittersain:** Again, I will answer that one. You know while it may look like we are you know executing at a very fast pace, there are a couple of points here. One is as I mentioned in my earlier commentary you know most of last year, we spent a lot of time diligently looking at opportunities and going through because we have a very clear framework of opportunities that we want to go ahead and acquire in terms of the potential business of the company, the management, the structure of the deal as well as the value that we pay. So, I think we have been very selective in what we are buying and not going after every deal that is offered to us. So that's one point.

The second point is also, as you can see many of our subsidiaries are active in M&A, whether it is NODWIN, Sportskeeda for example. And these have focused managements who understand their core business value very well. And alongside support from Nazara and the Nazara corporate strategy team, they are able to execute these transactions which provides us with a lot of bandwidth. This is I think one of the unique positionings of our company's platform that allows us to do this at a scale with a lot of bandwidth. Lastly I think there is a common set of format, agreements, legal teams that work on this, so that a lot of our basic thought process of M&A remains constant in the way we have done over the years and also incorporates the learning that we have gathered over the years. I hope that answers your question.

**Abhishek Kumar:** And maybe just one last question again on the acquisition. So, this 100% stake in Paperboat, I think this is the second instance. Earlier we had done it with WCC if I am not wrong. What is the rationale here to take this up? Because that would mean that the founders of that business will no longer be associated with us. So, does that create any sort of risk going forward?

**Nitish Mittersain:** I think the founders have done a fantastic work of bringing the business to the stage it is. In any business that we would acquire 100% and we believe that there is potential in the business which is why we are acquiring 100%. We also believe that the value we are acquiring is accretive to us and our stakeholders which is why we are acquiring the business. I think if you look at Sportskeeda as an example where we acquired stake from the founder, who builds Sportskeeda into a fantastic company. The professional management over there has done a fantastic work beyond that in being able to scale the business to the next level. So, we also believe that in the

most recent acquisition of Kiddopia for example, by acquiring 100% stake it opens up a lot of synergies that we directly at Nazara can operate. We do have a strong management team in place and will continuously strengthen it and try and scale the business. We have specific ideas. Some of these we have actually shared in our presentation which we are very actively working on which we believe can help Kiddopia break out of the kind of plateau it has been since a few quarters.

**Moderator:** The next question is from the line of Jinesh Joshi from Prabhudas Lilladher Private Limited.

**Jinesh Joshi:** My question is again on Kiddopia. I understand you have shared some insights with respect to how you plan to scale the business up for instance, by planning beyond the US geography or for that matter entering into India. But I mean wherever we choose to operate the Apple IDFA issue will continue to trouble us. So, what exactly are we trying to think through? Why acquiring this balance sheet and how do we plan to get back on the growth path? I am asking this because for quite some time, we have seen the subscriber base fall off in Kiddopia. So just your thoughts on that.

**Nitish Mittersain:** I think the biggest opportunity here is to boost organic traffic and for achieving that we need to partner with popular IP characters of kids from all over the world and integrate them into Kiddopia. We are very actively in discussions with many such large IP holders, most names you would know but I will not disclose on the call till we have an agreement in place which I believe will lead to a large boost in organic traffic for the company. I think what we need to do is move away from the pure user acquisition led model and we have seen competitors of ours in the US for example do very well through this organic IP driven road. Given that Kiddopia's core product remains very popular remains very sticky, we think the combination of Kiddopia product with popular IP can be a very successful one and we are hoping that in the coming months we announce and integrate these and take them to market to give a fresh lease of life to the product. We still believe there is a lot of potential, this can be a much larger scale business but we need to think out of the box which is what we are currently very actively working on.

**Jinesh Joshi:** When do we plan to induct the IP character that you just spoke about?

**Nitish Mittersain:** The companies that we are talking to are very large corporations and therefore they have their own processes. We have been in discussions for the last two quarters at least and I believe we are coming to a point where maybe in Q2 or latest by Q3 we should be able to announce some deals. We will go with the content that we have that is easily adaptable to these characters so that the time to market takes a lot of time. I think Q3 or latest Q4 which is October to December period is when we look at launching IP driven content in Kiddopia.

**Jinesh Joshi:** My second question is on Fusebox, from whatever I have understood is that we basically publish themes based on popular TV IPs. So, are we supposed to pay any kind of royalty to the production studio? That is question one. And secondly if our game is dependent on some TV

show or an IP for that matter, basically the content intelligence is with someone else then we are just trying to basically mimic it. So just wondering how durable and successful this format can be.

**Nitish Mittersain:**

It is actually the way this works is, firstly of course it's actually an IP play, so similar to what we are talking about Kiddopia which is licensing popular IP. In this case also the studio is licensing popular IP which gives them a significant boost in organic traffic. So, in Fusebox we can already see the success of what IP can do which is what we are trying to replicate in Kiddopia. And if you have seen the Fusebox numbers we uploaded, you have seen rapid growth. With a lot of the revenue coming from iOS despite the IDFA issues etc. Now the model that works is basically a revenue share. So usually, you are paying net revenue, in some cases after UA, in some cases before UA you are paying you know anywhere from 12% to 20% range for IP. But that cost generally is lower than the cost that you would pay for user acquisition. So, the margin profile is much higher even after factoring in for this cost. In terms of content, for example in the case of Fusebox while you draw on some of the characters of the show, the content is actually fairly delinked. It's within the guidelines of the show but it is pretty delinked. And with now with AI etc., the ability to produce its content is much faster. With Fusebox particularly why we were very excited is, that they have got a proven engine for narrative based, story-based games and we believe that beyond the current IPs that they have, one which is very successful, one which is going to launch in the next few months, we believe we can take this engine across the world in different geographies, partner with local you know popular television, serials or shows and launch. So, I think it's quite a scalable platform that we have acquired, and we will build on.

**Jinesh Joshi:**

One last question from my side. I believe we still own about 40% in Brandscale and our exposure is about 53 crores as of date. But I believe the business is not making money. And currently we are also evaluating options to raise money. So just wanted to know have we taken any write down in our investments so far within Brandscale?

**Nitish Mittersain:**

So, we own 40%. As you know that we deconsolidated this business due to two reasons. One they wanted to venture into the laptop stage which was not you know conducive to our own model or where we wanted to go. And second it was not able to making losses which we could not really want to sustain. So, at this point of time, we are evaluating options to either sell the hard stake if we can get a buyer or the company is looking to raise capital. At this point of time, we have not taken any impairments but there is a potential risk of impairment in the future.

**Moderator:**

The next question is from the line of Manan Poladia from MKP Securities.

**Manan Poladia:**

My first question is on the Datawrkz business. I think it's been I am not sure five or six quarters or more since we have acquired the business.

**Moderator:**

Ladies and gentlemen, we have lost the connection of the current participant. We will move on to the next participant. The next question is from the line of Samrat Patel from Equirus Securities.



**Samrat Patel:** I had three questions. The first one is with the BGMI Master Series tournament now streaming on Star Sports, how should we think about the growth trajectory and margin outlook for e-sports segment this particular year?

**Nitish Mittersain:** I am going to call Sudhir to take up questions around the e-sports business.

**Sudhir Kamath:** Samrat, I think as you mentioned streaming has started. In this quarter if you look at the numbers, we have seen an uptick in media revenues for NODWIN's business, so almost a 45% kind of an uptick compared to the same time last year. That doesn't actually reflect a lot of the BGMI Master Series revenue yet. So that will still come in the coming quarters. So, we do expect a pretty nice growth on that front.

**Samrat Patel:** Would that quantum be similar to what we had last time when the streaming used to happen on Star Sports or is there any material difference in terms of media revenue?

**Sudhir Kamath:** I think it's still a little early to say that. Earlier with Star Sports apart from the series there was also different packages that we were providing. I think on that front there is still work being done. So, I think maybe just wait a quarter or so and then we'll give you a more detailed update on that.

**Samrat Patel:** Apart from that considering the Smaaash Entertainment which operates the physical entertainment centers across various cities in India and how do you envisage the synergy between Nazara's core gaming business, e-sports business and the Smaaash Entertainment going forward?

**Sudhir Kamath:** I'd just like to first call out that Smaaash as you know it's in a NCLT led process. So, the committee of creditors has selected Nazara as the preferred bidder but it still awaits NCLT court approval so that we think will take a few more months. So, until then we can't say anything much about Smaaash at this point. But just broadly from a strategic point of view, the way we see it is there is an emerging kind of hybrid gaming model that we see where you will have physical centers like Smaaash or others which also become an avenue for online games like ours to have cross selling synergies. The same customer segment is there, and they can get exposure to both sides. So, we do see synergies especially with two parts of our business. One is the kids gaming side with Kiddopia and Animal Jam and the second is with the e-sports and live event side. And I think both will hopefully come through in future years.

**Samrat Patel:** And my last question is on RMG. So, is there any change in our acquisition strategy in the RMG segment? And like if we are pursuing it how close are we to securing a deal of any significant scale here?

**Sudhir Kamath:** So, there is no change in the strategy. As we mentioned in previous quarters, we are looking at sizable companies which are market leaders or in the top three at least in their segments and that

continues to be the focus. So, these will be sizable. The alternate thing is which we are looking at is very small tuck ins which can combine entirely with OpenPlay and use their tech and product platform which would be smaller in nature. So, both are still in the pipeline. I would say that we are working on this. It is very difficult to predict when things will close. And specifically, in RMG there is also the added complexity of the legacy tax claims which are there. So, we do need some resolution. I do believe as we have seen in the budget the government has now got the powers to waive past tax rates. We are just waiting to see how the government uses those. And then I think some of these transactions will do us much more quickly.

**Moderator:** The next question is from the line of Nikhil Gupta, who is an individual investor.

**Nikhil Gupta:** My question is for Nitesh. It is around Smaaash only. I know you cannot share more details at this point but I just want to know, let's say we go ahead with the deal. What is your vision for next 5 years? How do you see getting integrated the offline and the online and the revenue growth, the projections we can see in the next 5 years?

**Nitish Mittersain:** I will answer in context to offline or physical gaming zones and entertainment zones versus a specific response to Smaaash. So, we think that as Sudhir mentioned, one is e-sports with NODWIN what we have, NODWIN e-sports already has a lot offline tournaments etc. which we believe can integrate very well with a footprint that we have in the offline gaming zones. I think that is one clear cut opportunity for us. The second is we believe that VR/AR etc. taking off very well. We have been actively looking at acquiring some VR studios for example and I think online offline VR experiences could be also very interesting play. Third is we want to roll out our online-offline Nazara loyalty platform which can also integrate into this. So, we have several ideas on how we can really make this value accreditive for both online and offline. In terms of just the offline entertainment, I think increasingly with India's growing consumerism, the ability to expand significantly across the country, the scale and opportunity for such businesses over the next years is going to be immense. And we want to have our own play in the same.

**Nikhil Gupta:** So, if you can have some tentative number you have in mind which can grow in the next 5 years?

**Nitish Mittersain:** Not at this point.

**Moderator:** The next question is from the line of Abhishek Banerjee from ICICI Securities.

**Abhishek Banerjee:** A couple of questions for me. So, with regards to the Kiddopia business, I understand that the CPT has remained in a bag, and you managed to contain that but the marketing spends are still pretty low. So, you used to have a 2.7-2.8 million kind of run rate and it is much lower than that as of now. Given that the subscriber number has been declining, I take your point that the decline has arrested a little bit but it's still a decline, nevertheless. So why are we not being more aggressive on acquisitions at this point by increasing the marketing spend?

- Sudhir Kamath:** Abhishek absolutely thanks for hosting this and also for the question. I think on the CPT side what you said is correct. I mean we have managed to keep it at the current level but that's at the current spend level of about 2.4 million or so. What we have seen in the past is that when we scaled up CPTs and churn have typically increased a little beyond what we think is a comfortable level for the citizens. So, I think as Nitish said in one of the earlier answers, for Kiddopia the growth we'll keep the UA probably stable at this level or maybe slightly higher as we can. We keep exploring other channels for that. But eventually the bigger chunk of growth will come from non-UA led measures. So IP integration is probably the number one, IP initiated there which is where we want to acquire minimum organic users. And that's what has to be drive a bigger goal.
- Abhishek Banerjee:** But if we even look at that route, so whatever royalties will be paying will that be in the same, I mean the CAC, will it come to the similar kind of a number as what we are seeing today?
- Sudhir Kamath:** So, we have done various simulations on this, and we also seen how some of our competitors not just in Kid but also other segments which have used IP have done. And we do firmly believe that the cost including royalty of what we pay for those users. So, the CAC there would be lower than what we are seeing from a purely....
- Abhishek Banerjee:** My next question would be on the Pro Football Network. So, there you have talked about some changes to the product that has happened. So first I mean so PFN has been an exceptional performer for you guys. So exactly what has been modified here and what kind of growth are you expecting in PFN for the Q2, the peak season?
- Sudhir Kamath:** I think it's not so much changes, it's actually new product which PFN has been able to create with the support from the Sportskeeda team. So PFN had a fairly small team and Sportskeeda obviously has a much larger infrastructure in terms of people who could help them both on the tech side and on the content tool side. And many tools have been developed which will then be given to customers in the coming NFL season which actually starts in September. So that's what we are looking forward to. In Q1 what you saw there was about a 50% kind of revenue growth over the previous year. Obviously, that's off season. We are waiting to see if that gets replicated in the actual season as well or not. I don't want to really put a number on it at this stage, but I think by next quarter's results you will start seeing some numbers.
- Abhishek Banerjee:** And finally on the e-sports business, there also you've spoken about a lot of new IPs which are coming in the next quarter. So, any clarity on what is exciting you there?
- Sudhir Kamath:** I think there obviously the biggest excitement is around the whole Freaks 4U acquisition and that allows us to expand into a very high value geography and at the same time leverage teams which for us can sit in India, Turkey and other places. So, we think that combination is going to be quite powerful. That also brings with it a bunch of IPs for those markets and the IPs from the

India market as well which are coming up. So, I think it's generally very exciting times for NODWIN.

**Abhishek Banerjee:** So, thanks a lot for the answers but just a request from my side if we can give some sort of guidance on what happens to the organic business at least that would really help us to make our models at least for the next one year.

**Moderator:** The next question is from the line of Keval Shah, who is an individual investor.

**Keval Shah:** My question is related to the publishing division of ours. So, I see we have recently tied up with FAU-G, one of our decent size games I believe. So, I just wanted to understand in detail what is the business model here for publishing? What is the opportunity size and how do we have revenue sharing etc. and what are the long-term margins possible in this division as well?

**Nitish Mittersain:** So first I want to clarify. What we have signed is the contract for publishing a new game which is called FAU-G Domination. There was a game called FAU-G a couple of years back. That's a different game from the same team but we are basically going to be focusing on the new game which is being launched. So, at this point we are still in the pre-registration kind of a process of stage right now. We expect a full release to happen around Diwali time, end of October or thereabouts. And our target is to have at least 5 million pre-registrations before that. If we do that then the game will be one of the biggest successes out of India. The way the revenue would work is, again there is the revenue share kind of a structure. So, we have not actually disclosed the percentages etc. here but I think broadly the way this would work is as you would understand that we as Nazara would invest in the marketing and promoting that game, helping it to scale and then the revenues get shared between the studio which developed it, nCore and Dot Net and us.

**Keval Shah:** I just wanted to know overall for the publishing division, how does the business model works in general not only specific to FAU-G?

**Nitish Mittersain:** So, publishing follows the same model which is somebody else let's say has developed a game which we like and which you think works in our selected markets, which could be India, could be Middle east or could be global rights. For those markets, Nazara would then invest funds for user acquisition, marketing, branding, any other kind of support which we need. And the revenue typically flows through Nazara and then a percentage of that is given to the developers. So that's the typical model.

**Moderator:** The next question is from the line of Rahul from Dolat Capital.

**Rahul:** I just wanted to understand the seasonality, some of the newer businesses that we are integrating soon, how this would play out in some of these businesses and even on the revised way how we have to see from the existing businesses that how this should play out?

**Sudhir Kamath:** Rahul I didn't exactly get the question; you are talking about seasonality for Q2) coming up or.

**Rahul:** So, what I am trying to understand like for example the bigger units like Freaks 4U or Fusebox. What are the right ways to think about in terms of the flow of revenue through the year? Are they more seasonal because of the kind of a back-end events that they are linked to or they are more like through the year kind of businesses? And at the overall level if you could give that you know how the weight of the revenue for Nazara as a company should play out over four quarters, is it going to be bigger, two big quarters versus two smaller quarters or anything of that flavor would be of help?

**Sudhir Kamath:** So, I think Nazara if you know it's fairly diversified across businesses, so it does help us to smooth out these kinds of variations. But at the individual business level there definitely are seasonalities in play. Let me go through a couple of them individually first. So, if you take something like Freaks 4U, that definitely sees significantly higher revenue in the second half. Just given the nature of how tournaments will happen in Europe again this is winter kind of season which works better. Similarly, for PSN there is very high seasonality. The season typically runs from September to January for them. On the e-sports side as well for Sportskeeda there is an IPL season which is Q1. But other than that, for US sports and for the US part of the business second half is again higher, ad rates are also higher in that period. So again, from revenue quality there is a significant seasonality there. If you look at something like Fusebox which was the other one, Fusebox because it is linked to a TV IP, there is a linkage to when the season is airing. And historically they had high seasonality linked to that. But what the team has done successfully over the last year and one of the reasons why we really like that business is they've been able to kind of be linked how the seasons in the game go versus seasons on the TV show. So that makes it now a lot more spread out over the course of the year. Overall if I would say I think for Nazara as a whole second half of the year is definitely higher seasonality wise in aggregate but it does balance out a bit more than these individual businesses do.

**Rahul:** And just follow up on the Fusebox question. Of course, there is some more input that you have shared in the PPT but just to try to understand how the scalability potential out here is because I think we are going to widen the number of IPs that it would. I think there is a mention of Big Brother. So, is that already baked into the Jan-July number, or this is going to be a bigger part of it is going to be in the future?

**Sudhir Kamath:** No, all of this is in the future. Let me clarify. So, the current revenue is almost (+90%) from a single game which is the Love Island game. And that has scaled very nicely over the last year, year and a half for them. And we do expect that specific game itself to continue scaling for the coming quarters and years. In addition, Big Brother is new IP based game which is going to be launched which we expect to launch maybe by the end of this financial year, early next financial year for us. However, we are most excited about is that the platform that they have built, the tech platform and the product and the processes around it, that can be leveraged for other IPs as well which is beyond these two and which we would like to work with the team to figure out for those

same markets or other markets as well. And obviously that will require more investment also in terms of team and content creation ability scale. But we do believe there is ability to grow that platform further beyond the first and the second game.

**Rahul:** One last question from my side. Given that now we have the entire control on the Kiddopia business as well, so does that change the way we could possibly strategize it? Given that the operational day to day is now in a much more control, is it going to change the way we strategize or it's more about the consolidation thing that is going to happen but from an operational point of view, it would not have much of a difference?

**Sudhir Kamath:** I think there will be differences which you will see in the coming quarters. I think the consolidation is one part of it but especially the focus on IP based games which Nitish spoke about and other expansion plans which we have. I think you will see a difference in the coming quarters.

**Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

**Nitish Mittersain:** Thank you everyone for joining the call. I believe that with all the activity that is currently ongoing, the remainder of FY25 should be exciting for us and we will continue to work hard to deliver value for all our stakeholders. Thank you very much.

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