Nazara Technologies Limited

November 21, 2024

To,

Listing Compliance Department	**Listing Compliance Department**
BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers	Exchange Plaza, Plot No. C/1. G Block,
Dalal Street,	Bandra -Kurla Complex, Bandra (East),
Mumbai - 400 001.	Mumbai- 400051.
Scrip Code: 543280	**Scrip Symbol: NAZARA**

Subject: Transcript of the Investor/Analyst Earnings Call held on November 18, 2024:

Dear Sir/Madam,

In furtherance to our letter dated August 18, 2024 regarding the audio recording of the investors earnings call for the quarter & half-year ended September 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.

We request you to take the same on record.

Thanking You,

Yours faithfully,
For **Nazara Technologies Limited**

RAKESH CHANDRAKANT SHAH
Digitally signed by RAKESH CHANDRAKANT SHAH
Date: 2024.11.21 19:22:40 +05'30'

Rakesh Shah
Chief Financial Officer

Encl.: As above

"Nazara Technologies Limited Q2 & H1 FY25 Earnings Conference Call"

November 18, 2024

MANAGEMENT:	**MR. NITISH MITTERSAIN - CEO & JT. MANAGING DIRECTOR, NAZARA TECHNOLOGIES LIMITED** **MR. SUDHIR KAMATH - CHIEF OPERATING OFFICER, NAZARA TECHNOLOGIES LIMITED** **MR. RAKESH SHAH - GROUP CFO, NAZARA TECHNOLOGIES LIMITED** **MS. ANUPRIYA SINHA DAS - HEAD OF CORPORATE DEVELOPMENT, NAZARA TECHNOLOGIES LIMITED**
MODERATORS:	**MR. SUNDARAM - AVENDUS SPARK**

Moderator: Ladies and gentlemen, good day and welcome to Nazara Technologies Limited Q2 & H1 FY25 Earnings Conference Call.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in 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. Sundaram from Avendus Spark. Thank you and over to you, sir.

Sundaram: Thank you, Seju. This is Sundar from Avendus Spark. Hi, one and all. Festive greetings from our side. Avendus Spark is pleased to welcome you all to the Q2 & 1H FY25 Conference Call of Nazara Technologies Limited. The Management today is represented by Mr. Nitish Mittersain – CEO & Managing Director; Mr. Sudhir Kamath – Chief Operating Officer; Mr. Rakesh Shah – Group CFO; and Ms. Anupriya Das – Head of Corporate Development.

I now hand the call to Nitish for "Opening Remarks" and then for the Q&A session. Over to you, Nitesh.

Nitish Mittersain: Hi everyone, a very good morning.

Let's get started by looking at our numbers:

In H1 FY25, we achieved revenues of INR 569 crores and an EBITDA of INR 50.1 crores. Q2 revenue came in at INR 318.9 crores with an EBITDA of INR 25.2 crores.

Our focus remains on driving profitable growth through both organic initiatives and strategic M&A with a strong emphasis at this point of time on the core game studio business. In Q2, we announced the raise of INR 900 crores via preferential equity issue from a group of marquee investors. These funds will support both our organic and inorganic growth initiatives. We have made our largest investment to date in PokerBaazi parent Moonshine Technologies. PokerBaazi is India's dominant online poker platform, backed by an extremely strong team and strong technology. With this step, we now have significant ownership in two market leaders, NODWIN Gaming in Esports and PokerBaazi in the skill-based gaming space, that further strengthens our position as India's leading diversified gaming platform.

Another important step this quarter was to acquire 100% ownership in Kiddopia parent Paper Boat Apps and further increase in our stake in Absolute Sports, the parent of Sportskeeda**.** In addition to acquiring a minority stake in an exciting fast-growing Esports community app called Stan, our intent has been to increase our ownership in our existing cashflow generating businesses. In addition to that, the merger of Kiddopia Parent Paper Boat Apps with Nazara Technologies Limited has been approved by our board recently. And this step is aligned towards bringing core gaming businesses into the parent entity that will provide for fungible cash flows that can be subsequently deployed for organic and inorganic growth moving forward.

A key focus to improve operational efficiencies involves creating centers of excellence in various strategic areas such as data analytics, user acquisition, M&A, and particularly artificial intelligence which we believe can be used effectively to have a lot of positive impact on our businesses. We are also going to try and create centers of excellence for some back office operations such as HR, compliance and finance. We will continue to roll out these initiatives over the next 12 months and believe that these will bring significant benefits due to shared knowledge pools and provide opportunities also for cost optimization.

Some of the initiatives in the last few quarters are showing early signs of positive impact that should be visible in our H2 performance.

With that, I now hand over the call to Anupriya, our Head of Corporate Development, for further business highlights. Thank you very much, 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, Esports, and Ad-tech. We are well diversified across demographic, geography and business model. In H1 FY25, Gaming contributed 36% of revenues and 66% of EBITDA, while Esports contributed to 57% of revenue and 28% of EBITDA, with Ad-tech accounting for the remaining share. North America continues to be our largest market with 39% revenue contribution, while India and Rest of the World are at 31% and 30% respectively in H1 FY25.

Within Gaming, if you look at Kiddopia, the H1 FY22 revenues were INR 97.8 crores, and EBITDA of 22.4 crores with an EBITDA margin of 22.9%. In Q2 FY25, as Nitish mentioned, we completed the 100% acquisition of Paper Boat, the parent of Kiddopia. Subsequently, several changes have been initiated to drive growth via product changes, refresh, new strategy and IP partnerships. We expect the results from these changes to be visible in the subsequent quarters. In addition, Nazara's Board of Directors has approved the merger of Paper Boat with Nazara Technologies Limited. This step is aligned towards us bringing core gaming businesses into the parent entity to provide a fungible cash flow that can subsequently be deployed for organic and inorganic growth.

Moving to Fusebox:

Nazara has announced the acquisition of a 100% stake in UK-based Fusebox Games, a well-established IP-based gaming studio. Fusebox has been consolidated from 23rd August 2024 in our books. During this time, the business reported revenues of INR 23.2 crores with an EBITDA of INR 4.5 crores.

Moving to Animal Jam:

The core Animal Jam business is profitable and growing again. Product metrics for retention, engagement, and monetization of users are healthy. In H1 FY25, the revenue increased to INR 247.6 crores with an EBITDA of INR 7.7 crores. We had higher investment in user acquisition in Q2 FY25, which is expected to payback over the 12 months to 18 month period.

Moving to OpenPlay:

The Gross Gaming Revenues have declined only slightly, as customers are still playing among this almost the same, while the portion paid out as a GST bonus has increased sharply from 13.4% to 46.7% of the Gross Gaming Revenue. As a result, the net revenue, which is reported after GST and bonuses, has fallen sharply. Profitability has dropped across the sector and smaller and mid-sized companies have been hit hardest by this change.

Moving to the Esports segment:

This segment the revenue grew by 8% while EBITDA grew much faster by 36% in H1 FY25. NODWIN's Q2 FY25 revenue grew by 4% compared to Q2 FY24. However, the like-for-like revenue growth was 111%, excluding Wings from Q2 FY24 numbers. The synergy in expansion base that was set last year has started seeing fruit in IPs and acquisition, especially Freaks4U. NODWIN continues to be a content provider of choice for nearly all global mobile publishers.

In H1 FY25, the year-on-year revenue, excluding Wings, grew by 69%. The growth was led by strong performance from NODWIN's proprietary IPs and live events such as BGMI Master Series 3, multiple activities at Gamecom, Snapdragon Pro Series, All That Matters Season 19, Esports World Cup Global Broadcast, and Prime League for League of Legends. NODW|IN has announced dates of new or expanded IPs entering in second half with Comicon expansion to eight cities from existing five cities, PUBG Mobile in Uzbekistan, NH7 coming back for Season 14, and announcement of Playground Season 4. NODWIN will continue consolidating multiple assets worldwide in emerging markets while investing in organic growth, thereby expanding its share of international revenue. Notably, international revenues were 40% of total in H1FY25 versus 15% in H1FY24.

Moving to Sportskeeda, Sportskeeda continues to maintain its ranking among top 10 US sports news websites. Absolute Sports, the group grew its revenue and EBITDA by 22% and 18% respectively in H1 FY25. The core Sportskeeda business continues to grow well both in terms of revenue and EBITDA. However, overall revenue reported an impact due to a short term dip in Pro Football Network which recorded a year-on-year decline in EBITDA. Pro Football Network was impacted during September which affected its traffic flow when the NFL season was starting. We believe this is a temporary glitch and the site should recover in the next few quarters.

Moving to the Ad-tech segment, during Q2 FY25, we continue to move away from lower margin business. This strategic pivot resulted in a year-on-year revenue growth of 7%, with gross margin improving significantly reflecting the higher share of product business. Throughout Q2 FY25, we have continued to invest in product development and increase marketing efforts, especially in the US market. EBITDA remained stable as compared to Q2 FY24. We expect the impact from these investors to show business outcomes during the coming quarters..

Datawrkz through its 100% owned step-down subsidiary Datawrkz Operations UK acquired 100% of Space & Time Limited for an equity value of GBP 4.8 million, around 52.3 crores of INR. This acquisition is a key move in advancing Datawrkz growth ambition across Europe and North America, positioning it as a scaled player in global digital marketing.

With this, I conclude by remarks. And we will now be open for Q&A. I invite Nitsh, Sudhir, and Rakesh to join me for the session.

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

Abhishek Kumar: I have three questions on Outlook. First on Kiddopia, I see that the cost per trial has gone up again and it has almost crossed $40. While I know we have been trying alternate ways of monetizing and acquiring users. So how should we look at this metric going forward? And because what that is doing from what we see is that we are cutting down on our marketing spend, and that is in a way impacting user acquisition and revenue. So just any color on both the cost of acquisition and our marketing strategy, which would have some bearing on the user acquisition?

Nitish Mittersain: Abhishek, hi, this is Nitish. So I think a couple of points there. One is the reality is that the cost per trial has been kind of floating around this $40 mark, give or take plus minus 5%. And we haven't really proactively cut down our marketing spends, but we've really not been able to find an easy way to scale the marketing dollars at this price point. And even if we were to increase it, we don’t see that kind of result. So I think we need to find alternate solutions to break out of this logjam. In my personal opinion, one big breakthrough is going to be partnering with popular IP and starting to integrate it within Kiddopia. And I think we have probably spoken about it generally over the last few quarters. We are very close to closing some IP transactions of meaningful, large global IPs. And I think that would help us in multiple ways. It would help us bring down our cost per trial because conversion rates would increase. It would help reduce churn. It would help generate organic traffic for us beyond just the paid acquisition that we are doing. So, I'm quite bullish on this path that we are trying to take at this point of time. And hopefully within this quarter, which is Q3, we should be in a position to at least announce one or two IP partnerships.

So, I think that's one thing we are doing. The second thing is after acquiring 100% stake in the company, we are a lot more hands-on now and there are multiple quick iterations we are doing in terms of price points, monthly versus quarterly versus annual type of subscription plans, etc. I think we should be able to find some opportunities over there. So, I think this is what we are currently doing in Kiddopia while maintaining our current marketing spends in the best, sufficient manner as possible.

Abhishek Kumar: That's clear, second is on NODWIN. So, I noticed that you know while the headline number ex of Wing looks strong but there would have been a consolidation of Freaks4U and from my calculations if we remove that, the uptick that we generally see I think from Q1 to Q2 has not been very strong so just general demand environment both in terms of media rights and physical games, and outlook for second half for NODWIN specifically. And if we can separately provide for Freaks4U that would be helpful?

Sudhir Kamath: So, if we actually remove Freaks4U, we would simply have about 40% kind of organic growth across all the other businesses and keeping in mind that the three quarters have not been ahead, we think we're quite well positioned for good growth in this year.

Abhishek Kumar: Maybe just one clarification. The revenue composition of Freaks4U, would that be similar to NODWIN in India in terms of media rights and sponsorship revenue, etc.?

Sudhir Kamath: The core business model and therefore the core revenue streams are similar in the sense of media rights plus sports events. There was a little bit of media, not too much on that side, but very similar in that sense to NODW|IN. The cost structures are slightly different of course, where the company based in Germany, Switzerland, Central Europe and Middle Europe, so therefore that cost structure is higher. And one of the things that NODWIN will be able to leverage is the India team, its Turkey team, to also help drive more profitable revenue for people, but core business **is** similar.

Abhishek Kumar: Okay, one last question is on margin and again outlook. Despite us moving towards higher margin business on a YoY basis, there was a dip in EBITDA margin. Now going forward, how should we look at overall margins for the company? Can we get back to double digit within this year itself or any color on the way forward on margin? Thank you.

Sudhir Kamath: In general, I think we've kind of strived to steer away from giving specific guidance on this. But we do expect second half to be stronger. For many of the businesses, that's the bigger season or a **more peak** season. So, we do expect that, but I don't think we're giving any specific guidance at this point.

Moderator: Thank you. The next question is from the line of Jinesh Joshi from Prabhudas Lilladher Capital. Please go ahead.

Jinesh Joshi: Sir, I have a bookkeeping question. You have mentioned that the depreciation increased in 2Q due to amortization of Freaks and Fusebox. But if I look at the number on sequential basis or even on YY basis, it appears to be quite high. So, is this an amortization or some kind of a write down, if you can clarify on that? And if it is not a write down, is this the new run rate going ahead? That is one. And the second question is also if I look at the employee cost, it has moved up considerably. And I believe it is predominantly due to consolidation of Freaks. And in the past, you had mentioned that there were some challenges to cut down the staff on this business, which operates in Germany. So, is the consolidation the primary reason for rising cost? And do you expect it to taper off going ahead and what should be the run rate?

Sudhir Kamath: Thanks for the question again. Two quick responses. So, one is, these are not right now. These are amortization after the acquisition. Higher expenses are for two reasons. I think one is the general cost as we mentioned, but the other isdeal related expenses, which have been expensed off fully as cost. That covers both questions.

Jinesh Joshi: So, that means, from third quarter the depreciation run rate should ideally be lower right?

Sudhir Kamath: It may be amortization of intangibles. I will need to come back to you on whether the run rate will drop. It probably should but maybe later in the call we can, I will just check exact data and come back to you on that one.

Jinesh Joshi: On the employee cost side if you can clarify?

Sudhir Kamath: On the employee cost side, as we said, there definitely is a move to have more of the projects which are there for the Esports segment delivered out of India and Turkey or leveraging those now. So, as the revenue keeps growing, which we expect, the percentage cost which is being delivered from offshore will increase. So, there's that impact as well. So, overall, as a percentage, we do expect employee costs to drop-down significantly ahead.

Jinesh Joshi: And sir my second question is on Kiddopia. I mean, you responded to earlier participants a question that we're trying to close some IP partnerships and basically boost the organic user acquisition. But have any of your peers been able to do that recently in the US market? And once the partnership deal is concluded, which you highlighted that it may in 3Q, what kind of growth can we expect because we have seen the subscriber numbers dwindle for quite a few quarters. If you can just kind of give some insights on growth?

Nitish Mittersain: So, far, we have seen several companies in the US as well as in the UK, which are focused on kids' IP or kids' related content, which have taken the IP approach and been quite successful. They have been able to overcome the user acquisition challenges and grow the business. So, we are very hopeful of emulating the same. It's not a first time attempt. We've seen other companies successfully do that playbook and we are just now replicating the same. It's taken us some time because our idea was to really go for best in class IP and as we announce, you will see that the quality of IP we are bringing to the table is important. It is important to note that given that we are working with global IP, it will take us at least a couple of quarters to really launch, but we are trying to accelerate it as soon as possible.

Jinesh Joshi: One last question from my side and that is on margins in the NODWIN business and the Fusebox business. So, in NODWIN, despite the consolidation of Freaks pre-EBITDA, we have barely managed a breakeven. So, how should we think of profitability from here on? That is question one. And also in Fusebox, I mean, if I look at the Jan to July number, which you had shared when we acquired Fusebox, the margin was 28% but now in the consolidation period it has fallen to about 19%. So, if you can highlight the reason behind that as well.

Nitish Mittersain: So, I think coming first to Fusebox, you know because these games are related to TV IP, during the summer months they have a much larger organic spike because the TV shows go on air in the UK as well as in the US. You're probably seeing a period of higher revenues during that period. I think we should look at Fusebox margins similar to our other gaming company margins, whether it is Kiddopia or the other IPs that we have, like Animal Jam. We will be aiming for that 20% to 25% kind of a EBITDA margin on a steady state. NODWIN gaming, I think Q3, Q4 is definitely the main seasons for this business. And you will see better EBITDA margins coming. Overall, as a business, I think we are at a point where we are starting to push for higher margins. There is strong alignment with the team. And hopefully you will also see that play out in the coming financial year beyond Q3-Q4.

Moderator: Thank you. The next question is from the line of Samarth Patel from Equirus Securities Pvt Ltd. Please go ahead.

Samarth Patel: So, given we are currently focusing on growth in PokerBaazi, what kind of topline CAGR, let's say, we can expect for next three years? And should we be able to sustain the current margin trajectory or would we try to improve upon it as well? So, that's the first question.

Nitish Mittersain: So, I'm going to take that on PokerBaazi, look at this point of time, we are not consolidating the business. So, until we consolidate the business, you will not see direct impact on our financials. At the same time, Pokerbaazi is by far India's most dominant poker platform, going at a very healthy 30% to 40% year-on-year growth rate. And this business as it expands, as it scales, the margins would actually significantly expand because one of the core costs besides the increased GST payout is the money being spent on branding. And I think that will pay off rich dividends on this business over a period of time. So, we expect over 2-3 years is to be a very highly cash generating business. But more specific numbers we will be able to give in coming quarters.

Samarth Patel: Now, coming to the Ad-tech segment, with the combining space and times growth, marketing expertise with the Datawrkz what kind of synergies we are expecting here, if you can just double click into that and any revenue update in near term, we would be able to see in this particular Ad-tech segment, which had been stagnant for some time now for us?

Nitish Mittersain: Yeah, I think there are three points here. One is Datawrkz on its own. We are starting to see better output for many of the businesses, especially on the product side. And I think on a standalone basis, it will continue to improve, in Q3-Q4 and beyond. Now with Space and Time, which is a sizable business in relation to existing size of Datawrkz, there are at least a couple of immediate synergies. One is many of the products made by Datawrkz now can be sold in the UK and European market by space and time, therefore expanding, the revenue opportunity quite quickly. The second is Datawrkz can do some of the work of Space and Time in terms of execution and therefore lead to cost optimization for the Space and Time business, again creating an uplift of margins. So, we expect some of these synergies to show impact in the next couple of quarters. So, I think you'll really see the large impact of it in FY26. But yes, this business will add significant EBITDA to Datawrkz and Adtech business' existing EBITDA.

Samarth Patel: And the last question from my side is what kind of revenue and EBITDA contribution that we can see from the upcoming Big Brother game for Fusebox? Is it a medium term kind of play for us or should we see some revenue uptick in the near term from the Big Brother game?

Nitish Mittersain: We aim to launch the game in Q1 of FY26. And in games usually you will soft launch it for 3-4 months, iterate the KPIs, and then make it mainstream. So, I think Q2 or Q3, FY26 onwards, we should be able to see them back. Big Brother, of course, as you know, is a large, well-established IP, and we have global rights for it. So, we are obviously very hopeful that we should be able to monetize it at scale. And you've already seen the kind of scale the existing IP, Love Island, is doing.

Samarth Patel: And just one last question from my side. Any further updates on the Smaaash entertainment, if you can just give some color on that, that would be really, really helpful.

Nitish Mittersain: It is still in the NCLT process. We hope to get approval in the next couple of months or so.

Moderator: Thank you. The next question is from the line of Manan from MKP Securities. Please go ahead.

Manan: I have a couple of questions. First, with respect to PokerBaazi, like you said, that the margins will go higher. If you could just call out the margins before the GST issue and right now in EBITDA terms, because I know you report revenue net of GST, right? If you could just give us some guidance on that and another suggestion is, even if you're not incorporating PokerBaazi numbers into your console books, if you could just call them out on the presentation, I think that would be slightly helpful.

Nitish Mittersain: As we are still in the final process of closing the transaction, we thought it would make sense to start providing more detailed information from Q3 onwards So, I won't share specific margin profile right now but generally, if you look at pre and post GST, new GST policy implementation, all GST costs are basically 4X for most of the companies.

Manan: So, that's a number we can work with, right?

Nitish Mittersain: Yes.

Manan: And sir my second question is with respect to the business that we are already in with Classic Rummy, do we see any place to scale it some sort of tie up with PokerBaazi or endorsement from PokerBaazi or something of that sort? And how are we thinking about the current existing business that we have in RMG?

Sudhir Kamath: Let me take that question, Manan. The existing business which is OpenPlay that is relatively smaller scale. As we have called out in our presentation as well, the smaller companies have been worst hit. So, let's look at numbers to what you had asked earlier. This is a business which was doing say 25%-30% EBITDA margins before the GST change. Now effectively all of that is going towards the higher GST and we have seen just about break even kind of numbers. We are doing a lot in terms of operational changes to help move that number up. We still expect that to be in the maybe low single digits to early teens kind of numbers in the coming quarter. Baazi is different, because it's a market leader in poker and has a much larger scale. They actually do expect margins to be higher even post GST. But in the present period, it will also be investing a lot of money back into brand marketing. It's already the leader, it also has a dominant position. So, over time, I think it will be a different profile. I think in the initial stage, it will be slightly different. And as Nitish mentioned in the previous one, right now we're not in any case consolidating the revenue and EBITDA for Baazi and obviously you'll be informed as well.

Moderator: Thank you. The next question is from the line of Rahul Jain from Dolat Capital. Please go ahead.

Rahul Jain: Basis some of the input that has been shared so far, if I do a back of the envelope calculation, it seems like we're expecting a very strong profitability in Q3-Q4, with some consolidation coming into play, as well as the improved commentary on the profitability. So, is it safer to assume the favorable seasonality of H2 would be more sharper this time versus the past trend?

Nitish Mittersain: I believe so, that we should see a very positive H2.

Rahul Jain: And from Kiddopia perspective, this IP upcoming IP announcement that we are talking about, let's assume it fructifies over Q3. Then ideally, what is the time lag between some of these things actually playing into the cash benefit or retention benefit? Is there any trend or observation that you might have seen that could help us build our thought process of the business?

Nitish Mittersain: So, assuming we close a couple of IPs in Q3, we would definitely try to launch them into Kiddopia in Q1 of FY26. If earlier possible, then we will do it. But I'm saying on a safer side Q1 FY26 because these IPs have a lot of approval processes, etc. because we are working with global companies, large companies. So, Q1 FY26, we will launch, and hopefully we should be able to see early signs very quickly, maybe within a month, 45 days, two months of launching. So, hopefully we should be able to report back something in Q1 26. If not, then most definitely have some clarity of how it is helping us or going to help us in Q2 of FY26.

Rahul Jain: And since there is still some time away from that point to happen, what should be the interim strategy in this business? Because I understand the reason of not spending so much on marketing is also about the kind of retention metric that you're seeing. And what kind of LTV **CAC** you may be getting. But if you think with these IPO customer acquisition is going to improve later on and retention may improve on the across portfolio, will it make sense to start scaling up on the spends or general retention strategy to sustain the momentum right from post announcement of IP that step up would only happen once we are launching those IP in the game?

Nitish Mittersain: I think irrespective of IP or not, our objective and focus obviously is to enhance and improve the business metrics in all aspects. And I think we are looking at it at multiple areas. One I think there's a significant product enhancement we can do which has not happened for quite some time. Generally just standard content updates were happening. But we're looking at introducing new elements to the product which will I think add more value to the children playing it but also the parents who are downloading it, actually paying for it, right? So, we have some parent tools, etc. that we're going to introduce. I think one is increased focus on the product. Second is, I think there's a lot of opportunity in experimenting with different price points, different periods of subscription, different periods of free trial that we give to the consumer, different geographies. We restarted a thrust in geographic expansion, which had kind of taken a backseat in the last I would say 18 months or so. So, I think there are multiple axis that we are working on besides the IP. So, it's not that we are only betting on the IP initiative. Beyond that, I think there's a lot we are doing on an ongoing basis, and you will see momentum pick up on that now that we have taken over this business completely.

Rahul Jain: And how the capital allocation of the funds that you might have in the Kiddopia subsidiary, what the strategy would change once now this is integrated? Will this unit can be leveraged to do subsequent M&A or this is not the thought process at this point?

Nitish Mittersain: Two things, we are looking at a couple of kids IP I see that we may invest in and acquire, but early days. So, if we get good opportunity, we will do that. But also remember that we are going to merge Paper Boat with Nazara, which means that we will have these funds available at the Nazara level to deploy wherever we need to.

Moderator: Thank you. The next question is from the line of Nikhil Gupta, who is an individual investor. Please go ahead.

Nikhil Gupta: Nitish, I just want to understand a long-term aspect in the sense that, let's say, 4-5 years down the line, which segment do you think will contribute more revenue and EBITDA? Will it be the core gaming segment or it will be the NODWIN, the Esports segment?

Nitish Mittersain: It's difficult to give a perspective for five years out, but at this point of time, I'm actually very bullish on all three key segments, I would say. So, just to be specific, the core gaming studio business, I think has a lot of potential to scale. I think we can really build a large business out of India, and especially with the new initiatives that we're doing, which is building a center of excellence around AI etc. I think there's a lot of optimization we can do to studios that we are acquiring and scale them. So, this will also be a high margin business and a high cash flow generating business. So, we will continue to build it out. NODWIN of course has been scaling revenues. The EBITDA margins have been lagging. But like I was mentioning earlier, I think going forward, the focus is now going to be to also start increasing EBITDA margins wherever we can. So, 3-4 years out, hopefully that should deliver good EBITDA because there's a lot to catch up on that front. The Adtech business with certain recent steps we have done should grow in EBITDA. And I think the RMG business, especially with our large position now in a market leader like PokerBaazi, can be a very large cash generating business for us. So, in that sense, I think directionally, all 3-4 businesses of ours are in the right direction. And I think 3-4 years out, we should and we must see much higher EBITDA margin profile from where we are today.

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

Nitish Mittersain: Thank you everyone for joining the call. Looking forward to speaking to all of you again in Q3. Have a good day.

Moderator: On behalf of Nazara Technologies Limited and Spark Institutional Equities Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.