

May 25, 2023

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

Dear Sir/Madam,

Subject: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) – Transcript of call with Analysts/ Investors to update on raising of fund by Nodwin Gaming Private Limited

This is further to our letter dated May 19, 2023 and pursuant to Regulation 30 read with Part A of Schedule III of the Listing Regulations, please find enclosed herewith the transcript of the call with Analysts/ Investors to update on raising of fund by Nodwin Gaming Private Limited conducted through digital means on Friday, May 19, 2023 at 01.00 PM (IST).

We request you to take the same on record.

Thanking You,

Yours faithfully,

For Nazara Technologies Limited

Pravesh Palod
Company Secretary and Compliance Officer
M. No. A57964



“Update call for the fund raised by Nazara Technologies subsidiary company–Nodwin Gaming”

May 19, 2023



**MANAGEMENT: MR. NITISH MITTERSAIN – CHIEF EXECUTIVE OFFICER
& JOINT MANAGING DIRECTOR
MR. AKSHAT RATHEE – CO-FOUNDER & MANAGING
DIRECTOR - NODWIN GAMING
MR. SIDDHARTH KEDIA – CHIEF EXECUTIVE OFFICER –
NODWIN GAMING
MS. ANUPRIYA SINHA DAS – HEAD OF CORPORATE
DEVELOPMENT**

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 19th May 2023 will prevail.

Moderator: Ladies and gentlemen, good day and welcome to the update call for the fund raised by Nazara Technologies subsidiary Nodwin. This conference call may contain forward-looking statements about the company which are based on beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. 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. Nitish Mittersain, CEO & Joint Managing Director, Nazara Technologies Limited. Thank you and over to you Sir!

Nitish Mittersain: Thank you. Good afternoon everyone. Thank you for joining us at this short notice for a big business update to discuss the recently announced fund raise at Nodwin Gaming our subsidiary on eSports. I have with me Akshat Rathee who is the founder of Nodwin, Anupriya Sinha Das who is Head of Corporate Development, and SGA our investor relations advisor. Nodwin has announced a fundraise which consists of a primary fund raise of INR197.2 Crores through private placement and a secondary sale of shares of INR34.76 Crores by the founding shareholders to Nazara. Accordingly the total transaction value amounts to INR232 Crores. These funds are envisaged to be channelized towards growing the eSports ecosystem in India by Nodwin as well as expanding and incubating newer IPs, growing the emerging market footprint and carrying out strategic acquisitions that will drive value to the overall ecosystem. All the existing investors of Nodwin Gaming which includes us a majority owner of Nodwin as well as Krafton team and JetSynthesys will join new incoming investors which include Sony Group and Innopark India Private Limited in this funding round. Post this round of fund raise Nazara will continue to hold 52.71% stake in Nodwin. I will now open the floor for Q&A. Thank you.

Moderator: The first question is from the line of Abhishek Banerjee from ICICI securities. Please go ahead.

Abhishek Banerjee: Yes Sir just a couple of questions from my side. First of all with this dilution how much stake is left for the original promoters?

Akshat Rathee: Post this round how much stake is left for the founder?

Abhishek Banerjee: Yes.

Nitish Mittersain: The founders have approximately 17.5% to 18%.

Abhishek Banerjee: Understood and any clarity that you can provide on what the infusion is for I see an interesting name in your investor list which is Sony so does this kind of indicate a bigger foray into the devices part?

Akshat Rathee: Great question and thank you for that. I will try to answer this as much as possible to go ahead and not wishy-washy I am not one of those people or some of the people who have talked. I think it is an intent that we have. Sony if you go ahead and look at it v/s what Nodwin we are trying to go ahead and build has very similar overlaps on multiple vectors. For example we have devices division which we know which is called Wings. Sony has a great devices business, Sony has a music business, Nodwin has a gaming music business that we have that we do on weekender and festivals, Sony has a live event business we have a live event business, Sony has a camera business which becomes very interesting for us as part of our broadcast solutions, Sony has a OTT business that we believe we can go ahead and find synergies on and finally Sony has obviously the play station and the gaming business which has been very core to us and we also have a scripted content business which we have through Rusk which allows us and begin synergies with Sony Pictures and Sony Entertainment. So across different sectors we have multiple opportunities to go ahead and cooperate. We do not have any specifics that we have to go ahead and discuss. I think we are all getting into this boat together, all going towards the same road trip and I think we have a lot of commonality of interest. I think cooperation is going to be a tactical layer as we go forward.

Abhishek Banerjee: So did you say cooperation will be our tactical layer?

Akshat Rathee: Correct because look they are not a majority shareholder of ours right so tomorrow if we want to go ahead and do a festival together or a music line together or a device together or gaming events together or any sports IP together that is the tactical layer for us.

Abhishek Banerjee: Understood but you can always do something with that tech right you can utilize that tech give them royalties and all, so with that you do not need them to be the majority shareholders?

Akshat Rathee: No and it does not matter. I think the answer to your question here is they have shown an intent that we are very similar and this is great partnership potential for everyone in the future and they have stake in the ground to go ahead and invest into us. Sony Corp has not invested for a very long time. We have not been invested in by Sony Music, by Sony Entertainment and by Sony Pictures. We have been invested in from Sony Corporation itself.

Abhishek Banerjee: So basically you got funding from the holding Company?

- Akshat Rathee:** No, Sony Corporation is not the holding company Sony Corporation is the listed entity in Japan.
- Abhishek Banerjee:** Got it. Fair enough understood. Thanks so much.
- Moderator:** Thank you. The next question is from the line of Jinesh Joshi from Prabhudas Lilladher Private Limited. Please go ahead.
- Jinesh Joshi:** Thanks for the opportunity. Sir I just wanted to know out of this \$20 million that was coming in from new investors how much is Sony bringing in and what will be their stake in Nodwin post money?
- Anupriya Sinha Das:** So in terms of the investment on the cap table on the post money basis, so Sony after the investment will roughly have around 3.2% stake.
- Jinesh Joshi:** And the amount invested by Sony is 10?
- Akshat Rathee:** 10 million yes. It is a simple calculation. 10 on 349.
- Jinesh Joshi:** Correct. Sure got that part and secondly if you can also provide an indicative breakdown as to how much money will be utilized for new IP development or for that matter expanding into new geography and any specific funds which you have earmarked?
- Akshat Rathee:** I think the best way to go ahead and answer your question is this is not a specific utilization of funds that we are looking at. The way Nodwin looks at it is not like I will say for my new geography I do not know, Africa I am going to allocate \$1.2 million and then we will be out of it. We believe we will be armed with banks and dry powder at this time gives us flexibility and choose our territories or (audio cut) 09:45 across the world of gaming everywhere in the developing market and let us be flexible around what we want to go ahead and do for that market. We are in the lookout for companies that go ahead and get us great gaming IPs which are multiple year running properties that have renewability or profitability or we are looking for capacity which has the ability to have delivery centers that can go ahead and deliver things profitably by going and reducing costs from developed markets or we are looking at capabilities. We are looking for people and company that playing the AHA factor and the differentiating factor for quality of delivery. So there is no specific breakdown. Nearly all of it is for both either through mergers and acquisitions or (audio cut) 10:40.
- Jinesh Joshi:** Sure I get that. Sony will be holding 3.2% stake on a post money basis. Will it just be a financial investor into Nodwin or will they also provide any kind of strategic guidance as such?

Akshat Rathee: I guess Sony that you have asked because I could not could not hear the first word you have said is that is that your question saying is Sony just a financial investor or would that also be a strategic guidance?

Jinesh Joshi: Yes.

Akshat Rathee: The answer in this is look every one of our cap table people is a strategic investor with us. We believe in the strategic nature of investors because they give us patient long-term capital to go ahead and building what we like to go ahead and build over a long term and obviously for that they will go ahead and join as an observer in our Board and as part of the observer we will continue to go ahead and interact on strategy and growth and vectors that we will go ahead and have together.

Jinesh Joshi: Sure thank you so much.

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

Rahul Jain: First of all congratulation on this development and my question is we also saw Krafton infusing fresh money into this transaction so just wanted to understand their rationale into it and incidentally also we saw some media article now that there is a lift on the BGMI ban so anything more on that if you could share?

Akshat Rathee: Yes, I think it is just lucky for us I guess where our funding and the game ban lift happened simultaneously. Sometimes you have a bad luck games get banned and sometimes it becomes both together so thank you for the well wishes that you said at the start of this we truly appreciate it and respect everyone's opinion here of what we are building. Your specific question was why has Krafton won an investment it is not my place to go ahead and talk for them but the intent for Krafton was they appreciate what we had built. If you remember they were our last investors and in this tumultuous market across the world where stock markets, tech companies and everything have gone and taken hits and everything have been repriced. We have gone ahead and given them 270% return on their investment in approximately 25 months so they are very, very appreciative of what we are building. They see what we are and they were happy to go ahead and join in. Their support to us remains. We run multiple IPs for them not only in India now, but we believe Krafton and we are great partners and some of their IPs are extremely relevant to those markets. We also provide the means let just say or having any sports company within the Krafton family ecosystem to go ahead and help them across the world.

Rahul Jain: Sure and another question extended to that is that we saw that in FY2023 in the second half we saw significant drop in the media rights revenue and some of these things are also related to the kind of frequent ban that kept on coming on different games that we were

more supporting and as a result media rights revenue specifically next to and also over from FY2021 until FY2023 has not grown to the true potential, now with have two aspects one BGMI coming back that how you see that on the media rights side and secondly as we already saw Star taking some interest in taking it to the Linear TV and now with Sony coming in do you see that the media rights opportunity both from having the key title back and also from multiple media companies having interest in the India gaming ecosystem both way the vector should help drive our media rights revenue potential in the next two to three years?

Akshat Rathee:

We have answered both of the questions so yes we are sports media company right. Fundamentally what we are trying to go ahead and build is a sports media business. Our sport of choice is eSports we are not doing cricket or kabaddi or any other sports our choice of sport always remains eSports and when we try to build this ecosystem around that which is there whether it is sports entertainment with our playground series that is a scripted content series that had 400 million reach on Amazon or we had our BGMI series which you saw with Star Sports which we have a three-year contract with Star or any other properties that we keep on manifesting. We believe in the business of sports media rights and anything we can go ahead and do to invest short term, long term, and medium term into that either building through IPs or to bring in partners and investing in the business of sports media for eSports is (inaudible) 17:29. The outcome of the causality is just like in the past every year whether it was the PUBG mobile ban three to four years ago, whether it was the free fire ban or the BGMI ban we have given this exam multiple number of times. Nodwin has had to give this exam three times already we kind of passed with 50%, 70% and 80% through different times and we have been able to go ahead and do that because of the robustness of the revenue streams that we have from different parts of the business so while we might have the media rights business for BGMI, which is the largest game in our country as a portfolio going in tanking because the game was banned. We have been able to go ahead and supplement some of that with our scripted language series or we have been able to go and supplement that with white label services so that is just market evolutionary. As far as guidance I do not like giving guidances and forward-looking statements but I do believe with the game coming back we are in a happier place today than we were.

Rahul Jain:

Sure. A short term kind of a question that some of the partnerships that you think can potentially happen with Sony and also BGMI coming in. You think some of this could play out in this year second half itself or you have to wait a little longer for these things to play out?

Nitish Mittersain:

I will tell you one thing about our business and there are lots of analysts here today and it is a very important thing to do. We cannot control future it is impossible unlike any kind of cyclical business which is there we can only promise certain efforts which are there and I will give you an example and I am not joking about it. Day before yesterday I landed in Delhi from Dubai and there was this big storm in Delhi and the pilot said the outside

temperature is 25 degrees. It is May 15, 2023 and I have this as an answer, which is there. We are living in a world of war. We are living in a world where everything is topsy-turvy. Nobody knows any kind of this. All I can go ahead and tell you is look at what we are doing. We have got a great strategic partner. We will put in the effort. Nobody has like example if there is a sports cricket tournament happening on Star Sports that was booked five months ago or one year ago. No one is going to change that tournament because we have now BGMI coming back right. We will have to find the next slot that is available. Now that can happen this quarter, next quarter, next to next quarter, April, May, June, next year that is just when we can find that slot. This effect has just come we will go ahead and evaluate the impact of this effect. Will we have something in that of course we will. When it is not something that I can control or whatever we have talk to your partner, we sit down with them, we could figure out the opportunities and the people who can go ahead and figure out the opportunities is the team that can actually go, have that ability to go ahead and execute and which is what we have been always exhibiting during this time also that we have the ability to execute if and when the opportunities come.

Rahul Jain:

Sure thanks for that color. Just last bit from my side regarding the utility of this fund you said that there are many areas where you may like to work on but specific to understand from M&A perspective so whatever allocations goes towards that, what are your thought process in terms of A in the area if you think some of the gaps which you need to participate on and secondly what kind of EBITDA margin profile you would have in your filter because some of the recent transactions that we have done were not very accretive to our profitability?

Nitish Mittersain:

I think profitable is a better answer for us in terms of what the profitability and it is an important thing I need to go ahead and do. The value upside of Nodwin is not shorter for us so we do not like losing money, but that does not mean we will go ahead and declare a huge amount of profitability and then sit on that cash to go and do nothing. I will utilize all cash that is necessary for me to go and keep up my growth momentum. I think my revenue of global company not just in India powerhouse. We want to build for the world out of India and I will continue to go ahead and invest as many resources as I can to go out and have profitable revenue growth across the world. The profitability margin and the margin contribution to us I think is something which we will go ahead and look at after three to four years as such. It does not mean we are going to be losing money or whatever, but what I really need to go ahead and do is become the world's number one and number two company in my sector. This is of utmost important to us by going redefining the entire business model across the world. Most of the companies in my sector globally go ahead and lose money we do not we do not like losing, but we want to ensure the world that a profitable business model for us runs across the world and hence that gives me the answer to your first question. Where are we going to deploy this? We will believe we want to go ahead and build horizontals than verticals so look at it this way saying we want to go ahead and find out delivery centres that are extremely profitable for our business across the world

and we want to find out revenue centres that are extremely value accretive for us from an IT perspective from across the world. We look at those two lenses to find great IPs that we can go ahead and invest in and find great profitability and delivery centres and capability centres that we can go ahead and invest in. It is just a matter of actual location they might be in Turkey or they might be in Romania or they might be in Philippines or they might be in Mexico or they might be in the Middle East that is just the outcome of the search.

Rahul Jain: Right and just a small clarification when you say delivery center. Are you trying to talk about something like what we did with Publishme?

Akshat Rathee: Publishme what I think was a transaction that was done by Nazara and Nitish & Manish is no longer a part of it. So Nitish can answer that.

Nitish Mittersain: That is correct.

Rahul Jain: Understood. That is it from my side and best wishes for the future.

Moderator: Thank you. The next question is from the line of Akshat Agarwal from Jefferies. Please go ahead.

Akshat Agarwal: Good afternoon everyone and thanks a lot for the opportunity and congrats on the fundraise. Most of my questions have been answered. Just one quick clarification can you please help me with what would be Nazara's ownership in Nodwin on a fully diluted basis after this transaction?

Anupriya Sinha Das: That will be 52.71% Akshat.

Akshat Agarwal: No, that is the prediluted right that is non-diluted basis there are some partly paid up shares as well or not fully paid shares in Nodwin?

Anupriya Sinha Das: It is around 43% including partly paid up shares.

Akshat Agarwal: Sorry how much?

Anupriya Sinha Das: 43%.

Akshat Agarwal: I do not think that is correct maybe we can send for the correct information.

Anupriya Sinha Das: Yes.

Siddharth Kedia: I can jump in. This is Siddharth I am the CEO of Nodwin. On a fully diluted basis considering all considering everything it is about 47%.

- Anupriya Sinha Das:** 47.63%, yes that is correct.
- Akshat Agarwal:** Perfect. Thanks a lot. That is all from my side.
- Moderator:** Thank you. The next question is from the line of Abhishek Agarwal from Gems Quest. Please go ahead.
- Abhishek Agarwal:** Thank you for giving me the opportunity and congratulations on the fundraise. So my question is related to the earlier participant's question my question is why the fundraise at this point in time. Do we actually have anything on the anvil or any concrete opportunities that we are building on or in advance stages of?
- Akshat Rathee:** Nitish do you want to help us answer that question please.
- Nitish Mittersain:** I will answer it. So I think there are two reasons. I think for us the participation of global marquee investors that can be strategic in nature for us including Krafton coming back in and investing which is after entering or investing two years ago, coming back and investing after having a turbulent period in India right. I think it is a great validation for Nodwin as well as the overall ecosystem Nazara is building in India as well as the Indian eSports opportunity, so I think that was one important aspect that we continue to build strategic partners in this business as we are building it out and this was an opportunity to provide an access to them to come in and second is I think it is an opportune time for us to double down on investing in the business, building the ecosystem and also as you see globally given market sentiments over the last year or year-and-a-half on tech related stocks, etc., valuations are suppressed so we would get more value opportunities to buy so we can eye on that. We took a call to do this fundraise. We are engaged with many prospects that we would like to consider but there is nothing imminent.
- Abhishek Agarwal:** Just one more on this, have we actually signed any definitive agreements with Sony in terms of OTT or broadcasting or any other event that we would like to go with?
- Nitish Mittersain:** Not at this point.
- Abhishek Agarwal:** Fine. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Mohana Kumar an Individual Investor. Please go ahead.
- Mohana Kumar:** Congrats on the fundraising just a quick question from my side so how do you envisage the splitting of this particular fundraise between organic and inorganic means, could you throw some light on that?

Akshat Rathee: Most of it is going to be like true definition of the word inorganic it is most of it is going to be inorganic this is dry powder for us to go ahead and acquire assets but we do believe some of it is going to be used by us for experiments to go ahead and either go ahead and run keeping running our experiments on new communities and new games because remember in our ecosystem, games often come and go over multiple times so we will continue to go ahead and run, let us just say an accelerator for gaming and eSports games as an opportunity to go ahead and keep investing in it but most of this is supposed to be for us to work and grow there and scale fairly quickly on an international basis.

Mohana Kumar: By when are you expecting to probably announce the first couple of deals with this financial year or is it a longer term process?

Akshat Rathee: As soon as possible.

Mohana Kumar: Perfect. Thank you. All the best.

Moderator: Thank you. Ladies and gentlemen that was the last question. I now hand the conference over to the management for their closing comments.

Nitish Mittersain: Thank you again everyone for joining us at a short notice. I hope some of your queries have been answered and there is more clarity. Wish you a very good day. Take care. Thank you everyone. Appreciate it.

Akshat Rathee: Take care. Thank you everyone. Appreciate it.

Moderator: Thank you members of the management team. Ladies and gentlemen on behalf of Nazara Technologies Limited that concludes this conference call. We thank you for joining us. You may now disconnect your lines.