

Nazara Technologies Limited

(Formerly known as Nazara Technologies Private Limited)



July 30, 2021

**Head, Listing Compliance Department
BSE Limited**

Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001.

Scrip Code: 543280

**Head Listing Compliance Department
National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C/1. G Block,
Bandra -Kurla Complex, Bandra (East),
Mumbai- 400051.

Scrip Symbol: NAZARA

Dear Sirs/Madam,

Sub: Outcome of Board Meeting held on July 30, 2021

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), this is to inform you that the Board of Directors of the Company at their meeting held today i.e. Friday, July 30, 2021, has, inter-alia,

1. Considered and approved the Unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter ended June 30, 2021 and took note of the Limited Review Report issued by the Statutory Auditors on the Unaudited Consolidated and Standalone Financial Statements of the Company for the quarter ended June 30, 2021.

The copy of the said Unaudited Consolidated and Standalone Financial Statements of the Company as approved by the Board of Directors together with the Limited Review Reports thereon for the quarter ended June 30, 2021 is enclosed herewith.

2. In-principally approved further investment in Nextwave Multimedia Private Limited, Subsidiary, and Moong Labs Technologies Private Limited, Associate Company, for an amount not exceeding Rs. 20 crores and Rs 25 Lakhs respectively by subscription to further equity shares. The Company shall update the Exchange at the time of actual investments.
3. Took note of the revised Inter-Company Licensing Agreement entered between Paper Boat Apps Private Limited (PBA) and Kiddopia Inc., wholly owned subsidiary of PBA, w.e.f August 1, 2021. As per the said agreement, PBA will be providing non-exclusive right to Kiddopia Inc. for distribution of the licensed software application on various platforms and its websites at a license fee in form of royalty as a consideration. Consequently, Kiddopia Inc. will independently act as full-fledged distributor of PBA performing marketing functions.

India | Middle East | Africa | Europe

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Nazara Technologies Limited

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The meeting of the Board of Directors of the Company commenced at 3.00 p.m. and concluded at 5:10 p.m.

Kindly take the same on record.

Thanking You,

Yours Faithfully

For Nazara Technologies Limited



Rakesh Shah
Chief Financial Officer

Encl: a/a

India | Middle East | Africa | Europe

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Nazara Technologies Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Nazara Technologies Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint venture (refer Annexure 1 for the list of subsidiaries, associates and joint venture included in the Statement) for the quarter ended June 30, 2021 being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended June 30, 2020 as reported in the Statement have been approved by the Holding Company's Board of Directors but have not been subjected to audit or review.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The Statement includes the interim financial information of eight subsidiaries, which have not been reviewed, whose interim financial information reflects total revenues of ₹ 16 million, net loss after tax of ₹ 2 million, total comprehensive loss of ₹ 2 million for the quarter ended June 30, 2021, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹ 5 million, and total comprehensive loss of ₹ 5 million for the quarter ended on June 30, 2021, in respect of two associates and one joint venture, based on their interim financial information, which have not been reviewed or audited by their auditors, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates, joint venture, are based solely on such unaudited and unreviewed interim financial information. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on the interim financial information results certified by the Board of Directors.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

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by NIKHIL VAID
Date:
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Nikhil Vaid

Partner

Membership No.: 213356

UDIN: 21213356AAAADQ1940

Place: Hyderabad

Date: July 30, 2021

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Annexure 1

List of entities included in the Statement

Sr. No.	Particulars
	Subsidiaries (including Step down subsidiaries)
1	Nazara Technologies FZ LLC
2	Nazara Pte Limited
3	Nextwave Multimedia Private Limited
4	Absolute Sports Private Limited
5	Nodwin Gaming Private Limited
6	Nazara Pro Gaming Private Limited
7	CrimzonCode Technologies Private Limited
8	Paper Boat Apps Private Limited
9	Halaplay Technologies Private Limited
10	Nazara Technologies
11	Nazara Zambia Limited
12	Nz Mobile Nigeria Limited
13	Nazara Uganda Limited
14	Nzmobile Kenya Limited
15	Nzworld Kenya Limited
16	Nazara Bangladesh Limited
17	Nodwin Gaming International Limited
18	Kiddopia Inc.
19	Nodwin Gaming International Pte Ltd
	Associates
20	Mastermind Sports Limited
21	Moong labs Technologies Private Limited
	Joint Venture
22	Sports Unity Private Limited

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

(Amounts in ₹ millions, except share and per share data, unless otherwise stated)

Particulars	Quarter ended		Year ended	
	June 30, 2021 (Unaudited)	March 31, 2021 (Audited) (refer note 3)	June 30, 2020 (Unaudited) (refer note 4)	March 31, 2021 (Audited)
I Income				
(a) Revenue from operations	1,312	1,234	905	4,542
(b) Other income	49	22	29	143
Total income	1,361	1,256	934	4,685
II Expenses				
(a) Content, event and web server	213	183	56	524
(b) Advertising and business promotion	424	538	715	2,265
(c) Commission	137	143	106	501
(d) Employees benefit	145	152	99	487
(e) Finance costs	2	1	3	9
(f) Depreciation and amortisation	84	75	88	355
(g) Impairment	48	23	-	41
(h) Other expenses	92	100	63	313
Total expenses	1,145	1,215	1,130	4,495
III Profit / (loss) before share of (loss) of joint venture and associates, exceptional items and tax (I - II)	216	41	(196)	190
IV Share of net (loss) of associates and joint venture accounted for using the equity method	(5)	(6)	(7)	(24)
V Profit before tax (III+IV)	211	35	(203)	166
VI Tax expense / (credit)				
(a) Current tax	97	21	27	104
(b) Taxes for earlier years	-	(2)	-	(2)
(c) Deferred tax expense / (credit)	(21)	(26)	(13)	(72)
Total tax expenses / (credit)	76	(7)	14	30
VII Profit / (loss) for the period / year (VI-VII)	135	42	(217)	136
VIII Other comprehensive income / (loss)				
(a) Items that will not be reclassified to profit and loss (net)	-	(1)	-	0
(b) Item that will be reclassified to profit and loss (net)	-	0	(2)	(6)
(c) Exchange differences upon translation of foreign operations	30	9	67	(40)
Other comprehensive income / (loss) (net of taxes)	30	8	65	(46)
IX Total comprehensive income / (loss) for the period / year (VII+VIII)	165	50	(152)	90
X Net profit / (loss) attributable to:				
- Equity shareholders of the Company	53	32	(279)	92
- Non-controlling interest	82	10	62	44
XI Total comprehensive income / (loss) attributable to:				
- Equity shareholders of the Company	84	35	(205)	44
- Non-controlling interest	81	15	53	46
XII Paid-up equity share capital (face value of ₹ 4 each)	122	122	114	122
XIII Other equity (revaluation reserve: ₹ Nil)				6,460
XIV Earnings per share (of face value ₹ 4 each) (not annualised)				
(a) Basic (in ₹)	1.75	1.06	(9.97)	3.20
(b) Diluted (in ₹)	1.73	1.00	(9.97)	3.08

See accompanying note to the consolidated financial results

M. H. S.



STATEMENT OF CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Amounts in ₹ millions, except share and per share data, unless otherwise stated)

Particulars	Quarter Ended		Year Ended	
	June 30, 2021 (Unaudited)	March 31, 2021 (Audited) (refer note 3)	June 30, 2020 (Unaudited) (refer note 4)	March 31, 2021 (Audited)
I Segment Revenue				
(a) Telco subscription	179	178	221	749
(b) Gamified early learning	521	506	357	1,758
(c) Freemium	58	44	43	195
(d) eSports	532	486	266	1,701
(e) Real money gaming	22	20	18	139
Income from operations	1,312	1,234	905	4,542
II Segment Results				
(a) Telco subscription	33	(15)	45	75
(b) Gamified early learning	189	64	(170)	53
(c) Freemium	(2)	(10)	(9)	(30)
(d) eSports	62	42	(13)	187
(e) Real money gaming	(22)	(19)	(70)	(97)
Total	260	62	(217)	188
Unallocated expense	(87)	(30)	(7)	(64)
Other income	43	9	28	66
Share of net (loss) of associates and joint venture accounted for using the equity method	(5)	(6)	(7)	(24)
Profit / (loss) before tax	211	35	(203)	166
III Segment Assets				
(a) Telco subscription	681	695	744	695
(b) Gamified early learning	1,418	1,439	1,588	1,439
(c) Freemium	424	421	504	421
(d) eSports	1,522	1,386	1,499	1,386
(e) Real money gaming	438	443	480	443
Total segment assets	4,483	4,384	4,815	4,384
Unallocated assets	5,593	5,843	2,822	5,843
Total assets	10,076	10,227	7,637	10,227
IV Segment Liabilities				
(a) Telco subscription	370	568	153	568
(b) Gamified early learning	356	447	739	447
(c) Freemium	56	59	44	59
(d) eSports	383	324	362	324
(e) Real money gaming	56	71	123	71
Total segment liabilities	1,221	1,469	1,421	1,469
Unallocated liabilities	716	969	664	969
Total liabilities	1,937	2,438	2,085	2,438

Note: Group has revised allocation of employee benefit expenses amounting to ₹ 26 million of senior management between segments. Until March 31, 2021, these expenses were allocated to telco subscription segment. Hence, to that extent, segment results are not comparable.



Note to the Consolidated Financial Results:

- 1 The Statement/results of Nazara Technologies Limited (the "Company" or "Holding Company") and its subsidiaries (referred to as "the Group") together with associates and joint venture, have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), as prescribed under section 133 of the Companies Act 2013 and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, as amended.
- 2 The above results were reviewed and recommended by the audit Committee and approved by the Board of Directors at their respective meetings held on July 30, 2021.
- 3 The figures for the preceding quarter ended March 31, 2021 are the balancing figures between audited figures for the full financial year ended March 31, 2021 and the unaudited year-to-date figures upto December 31, 2020, which were subjected to limited review by the statutory auditor.
- 4 The figures for the quarter ended June 30, 2020 have neither been reviewed nor audited by the statutory auditors and is based on management certified consolidated financial information of the Group.
- 5 The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of intangible assets, investments, trade receivables including unbilled revenue and other assets. From business perspective, the Group is buoyed with the resilience of digital and interactive gaming, e-sports, learning app market in these challenging times and are confident of its ability to maintain Group's market position.

While there is increase in demand for learning app for kids, digital and interactive games, online esports tournaments hosting, primarily on account of global travel restrictions and limitations on public gatherings, the Group's fantasy sports business saw decline due to adverse impact on the number of daily fantasy sports leagues due to cancellation or deferral of live-in person sports events, particularly cricket. The management do not anticipate such volatility to continue in the long-term.

In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Group, including in respect of each business segment the Group operate into. Management believes that the pandemic will not have a significant negative effect on the Group's financial position and results of its operation. However, in view of the volatility in the global economic conditions pursuant to this pandemic, the impact of COVID-19 on the Group's financial statements may differ from the estimate as on the date of the approval of the results. The Group will continue to closely monitor any material changes to future economic conditions.
- 6 During the quarter, Group has signed binding term sheet on June 16, 2021 with Arrakis Tanitim Organizasyon Pazarlama San.Tic. Ltd. Sti. and founders and shareholders of investee, for the proposed investment of approx. ₹ 200 million through a subsidiary for acquiring 69.82% stake in investee by way of primary and secondary transaction. Investee is a full-service games marketing and publishing agency which works extensively with gaming publishers in Turkey and MENA (Middle East & North African) region.
- 7 The above results are available on the Company's website www.nazara.com and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed

Place: Mumbai
Date: July 30, 2021


Nitish Mittersain
Joint Managing Director
DIN: 02347434



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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Nazara Technologies Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Nazara Technologies Limited ('the Company') for the quarter ended June 30, 2021 being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Attention is drawn to the fact that the figures for the corresponding quarter ended June 30, 2020 have been approved by the Company's Board of Directors, but have not been subjected to audit or review.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

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Nikhil Vaid

Partner

Membership No.: 213356

UDIN: **21213356AAAADR1810**

Place: Hyderabad

Date: July 30, 2021

NAZARA TECHNOLOGIES LIMITED

CIN : U72900MH1999PLC122970

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STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

(Amounts in ₹ millions, except share and per share data, unless otherwise stated)

Particulars	Quarter ended		Year ended	
	June 30, 2021 (Unaudited)	March 31, 2021 (Audited) (Refer note 3)	June 30, 2020 (Unaudited) (Refer note 4)	March 31, 2021 (Audited)
I Income				
(a) Revenue from operations	64	64	104	329
(b) Other income	25	12	59	90
Total income	89	76	163	419
II Expenses				
(a) Content and server expenses	9	8	5	22
(b) Advertising expenses	7	18	14	62
(c) Employees benefit expenses	49	62	38	174
(d) Finance costs	0	0	1	2
(e) Depreciation and amortisation expenses	11	15	15	54
(f) Impairment losses	50	43	-	61
(g) Other expenses	19	13	11	53
Total expenses	145	159	84	428
III Profit / (loss) before tax (I-II)	(56)	(83)	79	(9)
IV Tax expenses / (credit)				
(a) Current tax	-	(10)	11	13
(b) Taxes for earlier years	-	(4)	-	(4)
(c) Deferred tax expense / (credit)	(8)	(13)	(4)	(26)
Total tax expenses / (credit)	(8)	(27)	7	(17)
V Profit/ (loss) for the period / year (III-IV)	(48)	(56)	72	8
VI Other comprehensive income / (loss)				
(a) Items that will not be reclassified to profit and loss (net)	(0)	2	(0)	(0)
(b) Item that will be reclassified to profit and loss (net)	0	(0)	(2)	(6)
Other comprehensive income (net of taxes)	0	2	(2)	(6)
VII Total comprehensive income/ (loss) for the period/year (V+VI)	(48)	(54)	70	2
VIII Paid-up equity share capital (face value of ₹ 4 each)	122	122	114	122
IX Other equity (revaluation reserve: Nil)				4,577
X Earnings per share (of face value ₹ 4 each) (not annualised)				
(a) Basic (in ₹)	(1.58)	(1.86)	2.56	0.28
(b) Diluted (in ₹)	(1.58)	(1.86)	2.50	0.28

See accompanying notes to the standalone financial results



Notes to the Standalone financial results:

1 The Standalone statement/results of Nazara Technologies Limited ("the Company") have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), as prescribed under section 133 of the Companies Act 2013 and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, as amended.

2 The above results were reviewed and approved by the audit Committee and by the Board of Directors at their respective meetings held on July 30, 2021.

3 The figures for the preceding quarter ended March 31, 2021 are the balancing figures between audited figures for the full financial year ended March 31, 2021 and the unaudited year-to-date figures upto December 31, 2020, which were subjected to limited review by the statutory auditor.

4 The figures for the quarter ended June 30, 2020 have neither been reviewed nor audited by the statutory auditors and is based on management certified standalone financial information of the Company.

5 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of investments, trade receivables including unbilled revenue and other assets.

In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company, including in respect of each business segment the Company operate into. Management believes that the pandemic will not have a significant negative effect on the Company's financial position and results of its operation. However, in view of the volatility in the global economic conditions pursuant to this pandemic, the impact of COVID-19 on the Company's financial results may differ from the estimate as on the date of the approval of the results. The Company will continue to closely monitor any material changes to future economic conditions.

6 The Company has disclosed the segment details in its consolidated financial results in compliance of provisions of Indian Accounting Standard (Ind AS) 108.

7 The above results are available on the Company's website www.nazara.com and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed.

Place: Mumbai
Date: July 30, 2021



For and on behalf of the Board of Directors

Nitish Mittersain
Joint Managing Director
DIN: 02347434