

Nazara Technologies Limited

(Formerly known as Nazara Technologies Private Limited)



October 29, 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

Sub: Outcome of Board Meeting held on October 29, 2021

Dear Sir/Madam,

Pursuant to Regulations 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), this is to inform you that the Board of Directors of the Company at their meeting held today i.e. Friday, October 29, 2021, has, inter-alia,

1. Considered and Approved the Unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter and half year ended September 30, 2021 and took note of the Limited Review Reports issued by the Statutory Auditors on the Unaudited Consolidated and Standalone Financial Statements of the Company for the quarter and half year ended September 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 and half year ended September 30, 2021 is enclosed herewith as **Annexure 1**.

2. Approved the re-constitution of the following committees of the Board of Directors w.e.f October 29, 2021:
 - a. Audit Committee
 - b. Corporate Social Responsibility Committee and
 - c. Risk Management Committee

The details of the change in the constitution of committees is enclosed as **Annexure 2**.

The meeting of the Board of Directors of the Company commenced at 06:45 p.m. and concluded at 7:35 p.m.

Kindly take the same on record.

Thanking You,

Yours Faithfully

For Nazara Technologies Limited

**Rakesh Shah
Chief Financial Officer
Encl: As above**



India | Middle East | Africa | Europe

Walker Chandiok & Co LLP

7th Floor, Block III,
White House, Kundan Bagh,
Begumpet
Hyderabad – 500 016
India

T +91 40 4859 7178
F +91 40 6630 8230

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and six-month period ended 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 30 September 2021 and the consolidated six-months results for the period 1 April 2021 to 30 September 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 30 September 2020 and the corresponding period from 1 April 2020 to 30 September 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. Attention is drawn to the fact that the cash flow figures for the corresponding six-month period ended 30 September 2020 have been approved by the 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.

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 and upon consideration of the review reports of the other auditors referred to in paragraph 5 below 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. We did not review the interim financial information two subsidiaries included in the Statement whose interim financial information reflects total assets of ₹ 343 million as at 30 September 2021 and total revenues of ₹ 31 million and ₹ 31 million, total net profit after tax of ₹ 5 million and ₹ 5 million, total comprehensive income of ₹ 5 million and ₹ 5 million, for the quarter and six-months period ended 30 September 2021 respectively, and cash inflow of ₹ 133 million for the six months period ended 30 September 2021, as considered in the Statement. These interim financial information have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, of these subsidiaries, two subsidiaries are located outside India, whose interim financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors in accordance with accounting principles which are generally accepted in their respective countries. The Holding Company's management has converted the financial information of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the balances and affairs of these subsidiaries is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

6. This Statement includes the interim financial information of eight subsidiaries which have not been reviewed audited by their auditors, whose interim financial information reflects total assets of ₹ 514 million as at 30 September 2021, and total revenues of ₹ 8 million and ₹ 24 million, total net loss after tax of ₹ 31 million and ₹ 33 million, total comprehensive loss of ₹ 31 million and ₹ 33 million, for the quarter and six-month period ended 30 September 2021, respectively, and cash outflow of ₹ 14 million for the period ended 30 September 2021, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹ Nil million and ₹ 5 million and total comprehensive loss ₹ Nil million and ₹ 5 million, for the quarter and six-month period ended 30 September 2021, respectively, in respect of two associates and one joint venture, based on their interim financial information, which have not been reviewed 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 and joint venture, are based solely on such 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.

Walker Chandiok & Co LLP

Nazara Technologies Limited

Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year to Date Financial Results

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

NIKHI
L VAID

Digitally signed
by NIKHIL VAID
Date: 2021.10.29
19:43:04 +05'30'

Nikhil Vaid

Partner

Membership NO.:213356

UDIN: 1213356AAAAGN7917

Place: Hyderabad

Date: October 29, 2021

Walker Chandiok & Co LLP

Nazara Technologies Limited

Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year to Date Financial Results

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
20	OpenPlay Technologies Pvt. Ltd.
21	Publishme Global FZ LLC
22	Arrakis Tanitim Organizasyon Pazarlama SAN. TIC. A.S.
	Associates
23	Mastermind Sports Limited
24	Moong labs Technologies Private Limited
	Joint Venture
25	Sports Unity Private Limited

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

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

Particulars	Quarter ended		Half year ended		Year ended	
	September 30, 2021 (Unaudited)	June 30, 2021 (Unaudited)	September 30, 2020 (Unaudited) (refer note 3)	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited) (refer note 3)	March 31, 2021 (Audited)
I Income						
(a) Revenue from operations	1,296	1,312	1,100	2,608	2,005	4,542
(b) Other income	56	49	37	105	66	143
Total income	1,352	1,361	1,137	2,713	2,071	4,685
II Expenses						
(a) Content, event and web server	165	213	99	378	154	524
(b) Advertising and business promotion	509	424	481	933	1,196	2,265
(c) Commission	131	137	121	268	227	501
(d) Employees benefit	202	145	119	347	219	487
(e) Finance costs	1	2	3	3	5	9
(f) Depreciation and amortisation	96	84	77	180	165	355
(g) Impairment	7	48	-	55	-	41
(h) Other expenses	94	92	85	186	147	313
Total expenses	1,205	1,145	985	2,350	2,113	4,495
III Profit / (loss) before share of (loss) of joint venture and associates, exceptional items and tax (I - II)	147	216	152	363	(42)	190
IV Share of net (loss) of associates and joint venture accounted for using the equity method	-	(5)	(9)	(5)	(16)	(24)
V Profit before tax (III+IV)	147	211	143	358	(58)	166
VI Tax expense / (credit)						
(a) Current tax	49	97	19	146	46	104
(b) Taxes for earlier years	4	-	-	4	-	(2)
(c) Deferred tax expense / (credit)	(51)	(21)	(8)	(72)	(21)	(72)
Total tax expenses / (credit)	2	76	11	78	25	30
VII Profit / (loss) for the period / year (VI-VII)	145	135	132	280	(83)	136
VIII Other comprehensive income / (loss)						
(a) Items that will not be reclassified to profit and loss (net)	(4)	-	-	(4)	-	(0.34)
(b) Item that will be reclassified to profit and loss (net)	-	-	1	-	(1)	(6.00)
(c) Exchange differences upon translation of foreign operations	(13)	30	(108)	17	(41)	(40.00)
Other comprehensive income / (loss) (net of taxes)	(17)	30	(107)	13	(42)	(46)
IX Total comprehensive income / (loss) for the period / year (VII+VIII)	128	165	25	293	(125)	90
X Net profit / (loss) attributable to:						
- Equity shareholders of the Company	101	53	245	154	(32)	92
- Non-controlling interest	44	82	(113)	126	(51)	44
XI Total comprehensive income / (loss) attributable to:						
- Equity shareholders of the Company	83	84	128	167	(74)	44
- Non-controlling interest	45	81	(103)	126	(51)	46
XII Paid-up equity share capital (face value of ₹ 4 each)	122	122	114	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 ₹)	3.31	1.75	8.56	5.05	(1.12)	3.20
(b) Diluted (in ₹)	3.31	1.75	8.42	5.05	(1.12)	3.08

(#) represents value less than one million

See accompanying note to the consolidated financial results



STATEMENT OF CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

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

Particulars	Quarter Ended		September 30, 2020 (Unaudited) (refer note 3)	Half year ended		Year Ended March 31, 2021 (Audited)
	September 30, 2021 (Unaudited)	June 30, 2021 (Unaudited)		September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited) (refer note 3)	
I Segment Revenue						
(a) Telco subscription	166	179	207	347	428	749
(b) Gamified early learning	539	521	430	1,059	787	1,758
(c) Freemium	42	58	47	99	90	195
(d) eSports	498	532	371	1,030	637	1,701
(e) Real money gaming	51	22	45	73	63	139
Income from operations	1,296	1,312	1,100	2,608	2,005	4,542
II Segment Results						
(a) Telco subscription	51	33	38	84	83	75
(b) Gamified early learning	130	189	100	319	(70)	53
(c) Freemium	(28)	(2)	(5)	(30)	(14)	(30)
(d) eSports	22	62	43	84	30	187
(e) Real money gaming	(24)	(22)	(8)	(46)	(78)	(97)
Total	151	260	168	411	(49)	188
Unallocated expense	(40)	(87)	(37)	(127)	(42)	(64)
Other income	36	43	21	79	49	66
Share of net (loss) of associates and joint venture accounted for using the equity method	-	(5)	(9)	(5)	(16)	(24)
Profit / (loss) before tax	147	211	143	358	(58)	166
III Segment Assets						
(a) Telco subscription	657	681	722	657	722	695
(b) Gamified early learning	1,279	1,418	1,183	1,279	1,183	1,439
(c) Freemium	395	424	487	395	487	421
(d) eSports	1,836	1,522	2,264	1,836	2,264	1,386
(e) Real money gaming	1,570	438	472	1,570	472	443
Total segment assets	5,737	4,483	5,128	5,737	5,128	4,384
Unallocated assets	5,279	5,593	2,613	5,279	2,613	5,843
Total assets	11,016	10,076	7,741	11,016	7,741	10,227
IV Segment Liabilities						
(a) Telco subscription	271	370	277	271	277	568
(b) Gamified early learning	346	356	476	346	476	447
(c) Freemium	23	56	51	23	51	59
(d) eSports	740	383	827	740	827	324
(e) Real money gaming	97	56	130	97	130	71
Total segment liabilities	1,477	1,221	1,761	1,477	1,761	1,469
Unallocated liabilities	750	716	499	750	499	968
Total liabilities	2,227	1,937	2,260	2,227	2,260	2,437

Note: Group has revised allocation of employee benefit expenses amounting to ₹ 33 million (30 June 2021 - ₹ 29 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.

(#) represents value less than one million



CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2021

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

	As at September 30, 2021 (Unaudited)	As at March 31, 2021 (Audited)
Assets		
Non-current assets		
Property and equipment	31	17
Right-of-use assets	38	21
Goodwill	2,057	1,684
Other intangible assets	1,966	1,239
Intangible assets under development	30	24
Investment accounted using the equity method	1	42
Financial assets		
Investments	66	80
Loans	-	0
Other financial assets	149	46
Income tax asset	189	212
Deferred tax assets (net)	82	46
Other non-current assets	766	3
Total non-current assets	5,375	3,414
Current assets		
Financial assets		
Investments	1,110	1,060
Trade receivables	1,007	686
Cash and cash equivalents	1,612	1,400
Other bank balances	998	2,324
Loans	8	29
Other financial assets	594	1,007
Other current assets	312	307
Total current assets	5,641	6,813
	11,016	10,227
Equity and liabilities		
Equity		
Share capital	122	122
Other equity	6,743	6,460
Equity attributable to equity holder of the company	6,865	6,582
Non-controlling interest	1,924	1,208
Total equity	8,789	7,790
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	14	2
Other financial liabilities	-	4
Deferred tax liabilities (net)	408	260
Provisions	52	35
Total non-current liabilities	474	301
Current liabilities		
Financial liabilities		
Trade payables due to		
(a) Micro enterprises and small enterprises	2	2
(b) Other than micro enterprises and small enterprises	734	638
Lease liabilities	24	11
Other financial liabilities	541	1,087
Other current liabilities	296	297
Provisions	20	13
Income taxes liabilities (net)	136	88
Total current liabilities	1,753	2,136
Total equity and liabilities	11,016	10,227



CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2021

(All amounts in ₹ million, except share and per share data, unless otherwise stated)

	For the half year ended September 30, 2021 (Unaudited)	For the half year ended September 30, 2020 (Unaudited) (refer note 3)
I Cash flow from operating activities		
Profit/(loss) before tax for the year	358	(58)
Adjustments for:		
Interest expense	1	3
Depreciation and amortisation	179	165
Interest income	(34)	(17)
Liabilities written back / provision no longer required	(24)	(16)
Provision for gratuity and compensated leaves	8	-
Gain on sale of current investments (net)	(14)	(22)
Employee stock option expense	16	-
Fair value gain on financial instruments carried at fair value through profit or loss (net)	(18)	-
Profit on sale of property and equipment (net) (#)	1	-
Allowance for doubtful debts	18	17
Unrealised (gain) / loss on exchange fluctuation (net)	22	39
Share of loss of investments accounted using equity method	5	16
Impairment of investments, financial assets and intangible assets	55	-
Lease concession gain	(1)	-
	572	127
Changes in working capital:		
(Decrease) / increase in trade payables	71	417
Increase / (decrease) in provisions	(1)	7
Increase / (decrease) in other liabilities (*)	(590)	99
(Increase) / decrease in trade receivables	(324)	(669)
(Increase) / decrease in other assets	330	(35)
Decrease / (increase) in loans and advances	22	3
Cash generated from / (used in) operations	80	(51)
Direct taxes paid	(87)	(17)
Net cash generated from / (used in) operating activities	(7)	(68)
II Cash flow from Investing activities		
Purchase of property and equipment including intangible under development	(13)	(10)
Proceeds from sale of property and equipment	-	1
Net cash paid for acquisition	(1,290)	-
Purchase of current investments	(503)	(20)
Proceeds from redemption/maturity of current investments	485	153
Proceeds from redemption/maturity of non-current investments	15	15
Acquisition of shares from non-controlling interest	(10)	(50)
Redemption/maturity of bank deposit	1,324	84
Interest received on investments	32	17
Net cash generated from / (used in) investing activities	40	190
III Cash flow from financing activities		
Proceeds from issue of shares by subsidiaries (net of share issue expenses)	179	6
Payment of finance lease liabilities	(18)	(24)
Payment of interest on finance lease liabilities	(1)	(3)
Net cash generated from / (used in) financing activities	160	(21)
Net increase in cash and cash equivalents	193	101
Effects of exchange rate changes of cash and cash equivalents	19	(12)
Cash and cash equivalents at beginning of year	1,400	721
Cash and cash equivalents at end of year	1,612	810
Cash and cash equivalents as per above comprises of the following:		
Cash in hand	2	2
Balances with bank	1,200	726
Deposit with original maturity of less than 3 months	410	82
Cash and cash equivalents at end of year	1,612	810

(*) The Group has made payment of ₹ 496 million during the six months ended on 30 September 2021 for expenses incurred towards IPO of the Company. Amount collected from selling shareholders towards such IPO expenses were kept in a specific bank account as at 31 March 2021.

(#) represents value less than one million



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 October 29, 2021.
- 3 The figures for the quarter and half year ended September 30, 2020 have neither been reviewed nor audited by the statutory auditors and is based on management certified consolidated financial information of the Group.
- 4 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.

- 5 The Group made following additional investments in subsidiaries and new acquisition during the period under review:
 - a) The Company has acquired 23.30% controlling stake in Openplay Technologies Private Limited ("Openplay") on 1 September 2021 by paying cash of ₹ 434 million. Under the agreement, Company will be acquiring remaining 76.70% for ₹ 1,430 million through issuance of equity shares of the Company.
 - b) The Company has acquired additional 3,000 shares of Absolute Sports Private Limited from one of existing shareholder for a cash consideration of ₹ 9.6 million as on August 10, 2021.
 - c) The Group has acquired controlling stake in Arrakis Tanitim Organizasyon Pazarlama San.Tic. Ltd. Sti. by payment of AED 9 million.
- 6 The Company has obtained Board approval as on 06 October 2021 for issuance of 20,77,391 equity shares of face value of ₹ 4 each at an issuance price of ₹ 2,206 per equity share to Gamnat Pte Ltd, Unnati Management Consultants LLP (shareholders of OpenPlay) and Plutus Wealth Management. Approval from shareholders will be taken in EGM dated 3 November 2021.
- 7 Group has given advance of ₹ 730 million as at 30 September 2021 for acquisition of assets and liabilities of OML as a part of slump sale. This has been disclosed under other non-current assets in Balance sheet and under investing activities in cashflow statements.
- 8 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: October 29, 2021




Nitish Mittersain
Joint Managing Director
DIN: 02347434

Walker Chandiok & Co LLP

7th Floor, Block III,
White House, Kundan Bagh,
Begumpet
Hyderabad – 500 016
India

T +91 40 4859 7178
F +91 40 6630 8230

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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 September 30, 2021 and the year to date results for the period April 1, 2021 to September 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 corresponding quarter September 30, 2020 and year-to-date period ended September 30, 2020 have been approved by the Company's Board of Directors, but have not been subjected to audit or review. Attention is drawn to the fact that the cash flow figures for the corresponding six-month period ended 30 September 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.

Walker Chandiok & Co LLP

Nazara Technologies Limited

Independent Auditor's Review Report on Standalone Unaudited Quarterly and Year to Date Financial Results

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

NIKHI
L VAID

Digitally signed
by NIKHIL VAID
Date: 2021.10.29
19:43:52 +05'30'

Nikhil Vaid

Partner

Membership No. 213356

UDIN: 21213356AAAAGM9206

Place: Hyderabad

Date: 29 October 2021

NAZARA TECHNOLOGIES LIMITED

CIN : U72900MH1999PLC122970

Registered office: Maker Chambers 3, 51-55, Naniman Point, Mumbai, Maharashtra 400021

Website: www.nazara.com ; Email: info@nazara.com ; Tel.: +91-22-40330800 ; Fax: +91-22-22810606

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

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

Particulars	Quarter ended		Half year ended		Year ended	
	September 30, 2021 (Unaudited)	June 30, 2021 (Unaudited)	September 30, 2020 (Unaudited) (Refer note 3)	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited) (Refer note 3)	March 31, 2021 (Audited)
I Income						
(a) Revenue from operations	42	64	89	106	193	329
(b) Other income	31	25	6	56	65	90
Total income	73	89	95	162	258	419
II Expenses						
(a) Content and server expenses	12	9	4	21	9	22
(b) Advertising expenses	0	7	15	7	29	62
(c) Employees benefit expenses	51	49	37	100	75	174
(d) Finance costs	0	0	0	1	1	2
(e) Depreciation and amortisation expenses	9	11	11	20	26	54
(f) Impairment losses	84	50	-	134	-	61
(g) Other expenses	19	19	10	38	21	53
Total expenses	175	145	77	321	161	428
III Profit / (loss) before tax (I-II)	(102)	(56)	18	(159)	97	(9)
IV Tax expenses / (credit)						
(a) Current tax	-	-	15	-	26	13
(b) Taxes for earlier years	4	-	(6)	4	(6)	(4)
(c) Deferred tax expense / (credit)	(27)	(8)	0	(35)	(4)	(26)
Total tax expenses / (credit)	(23)	(8)	9	(31)	16	(17)
V Profit/ (loss) for the period / year (III-IV)	(79)	(48)	9	(127)	81	8
VI Other comprehensive income / (loss)						
(a) Items that will not be reclassified to profit and loss (net)	(1)	(0)	0	(1)	0	(0)
(b) Item that will be reclassified to profit and loss (net)	(1)	0	1	(0)	(1)	(6)
Other comprehensive income (net of taxes)	(2)	0	1	(1)	(1)	(6)
VII Total comprehensive income/ (loss) for the period/year (V+VI)	(81)	(48)	10	(129)	80	2
VIII Paid-up equity share capital (face value of ₹ 4 each)	122	122	114	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 ₹)	(2.60)	(1.58)	2.82	(4.18)	2.86	0.28
(b) Diluted (in ₹)	(2.60)	(1.58)	2.78	(4.18)	2.81	0.28

See accompanying notes to the standalone financial results



NAZARA TECHNOLOGIES LIMITED

CIN : U72900MH1999PLC122970

Registered office: Maker Chambers 3, 51-55, Nariman Point, Mumbai, Maharashtra 400021
Website: www.nazara.com ; Email: info@nazara.com ; Tel.: +91-22-40330800 ; Fax: +91-22-22810606

STANDALONE BALANCE SHEET AS AT SEPTEMBER 30, 2021

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

	As at September 30, 2021 (Unaudited)	As at March 31, 2021 (Audited)
ASSETS		
Non-current assets		
Property and equipment	1	1
Right-of-use assets	17	7
Intangible assets	1	1
Financial assets		
Investments	3,790	3,382
Loans and deposits	38	44
Deferred tax assets (net)	81	45
Other non-current assets	14	22
Total non-current assets	3,942	3,502
Current assets		
Financial assets		
Investments	698	1,060
Loans and deposit	9	75
Trade receivables	16	42
Cash and cash equivalents	60	562
Other current financial assets	48	438
Other current assets	23	36
Total current assets	854	2,212
Total assets	4,796	5,715
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	122	122
Other equity	4,463	4,577
Total Equity	4,585	4,699
LIABILITIES		
Non-current liabilities		
Provisions	15	15
Total non-current liabilities	15	15
Current liabilities		
Financial liabilities		
Trade payables due to		
Micro and Small Enterprises	1	2
Other than Micro and Small Enterprises	29	132
Lease liabilities	15	-
Other financial liabilities	140	842
Other current liabilities	3	17
Provisions	7	7
Current tax liabilities (net)	1	1
Total current liabilities	196	1,001
Total Equity and Liabilities	4,796	5,715



NAZARA TECHNOLOGIES LIMITED

CIN : U72900MH1999PLC122970

Registered office: Maker Chambers 3, 51-55, Nariman Point, Mumbai, Maharashtra 400021
Website: www.nazara.com ; Email: info@nazara.com ; Tel.: +91-22-40330800 ; Fax: +91-22-22810606

STANDALONE CASHFLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2021

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

	Six months period ended September 30, 2021 (Unaudited)	Six months period ended September 30, 2020 (Unaudited)
Cash flow from operating activities		
Profit/(loss) before tax	(158)	81
Adjustments to reconcile profit and loss to net cash provided by operating activities:		
Tax expense	-	16
Fair value gain on financial instruments at fair value through profit and loss	(14)	(9)
Sundry balances written-back	(16)	(0)
Depreciation and amortisation	20	26
Share based payment expenses	13	0
Bad debts written off	-	-
Provision for doubtful debts	-	2
Unwinding of interest on loans and advances	(0)	-
Interest on lease liabilities	1	1
Lease concession gain	-	(9)
Unrealised foreign exchange (gain)/loss, net	-	1
Net gain on sale of current investments	(14)	(1)
Impairment on investment in subsidiary, associates and joint ventures	134	-
Interest income	(9)	(7)
Dividend income	-	(39)
Operating profit before working capital changes	(43)	62
Working capital adjustments:		
(Decrease) / increase in trade payables	(89)	(16)
(Decrease) / increase in provisions	(1)	2
(Decrease) / increase in other liabilities	(11)	18
(Decrease) / increase in other financial liabilities (*)	(205)	-
Decrease in trade receivables	26	(66)
Decrease / (increase) in loans and advances	71	(50)
Decrease / (increase) in other financial assets	(212)	0
Decrease / (increase) in other assets	12	24
Cash generated from/(used in) operations	(452)	(26)
Direct taxes paid/(refunds) (net)	5	(7)
Net cash flow from/(used in) operating activities (A)	(447)	(33)
Cash flow from investing activities		
Purchase of property and equipment, including intangible assets	(1)	(1)
Acquisition of shares in subsidiary/associates	(444)	(64)
Purchase of current investments	(95)	(25)
Movement of restricted bank balances	(39)	-
Decrease in other bank balances	-	(50)
Sale of current investments	485	117
Interest received on fixed deposits, bonds and loans given to subsidiary	15	2
Dividend received from subsidiary company	-	39
Net cash flow (used in) investing activities (B)	(79)	18
Cash flow from financing activities		
Issue of equity shares (including premium)	-	-
Repayment of lease liabilities	(15)	(18)
Net cash flow from/(used in) financing activities (C)	(15)	(18)
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	(541)	(33)
Cash in hand at the beginning of the year	1	1
Balances with bank at the beginning of the year	561	38
Cash and cash equivalents at the end of the year	21	6
Cash and cash equivalents as above comprises of the following		
Cash in hand	1	1
Balances with bank	59	5
Total cash and bank balance	60	6
Less: Restricted bank balance	(39)	-
Total cash and cash equivalents	21	6

(*) Company has made payment of ₹ 496 million during the six months ended on 30 September 2021 for expenses incurred towards IPO of the Company. Amount collected from selling shareholders towards such IPO expenses were kept in a specific bank account as at 31 March 2021.



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 October 29, 2021.
- 3 The figures for the quarter and half year ended September 30, 2020 have neither been reviewed nor audited by the statutory auditors and is based on management certified standalone financial information of the Company.
- 4 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

- 5 The Company has disclosed the segment details in its consolidated financial results in compliance of provisions of Indian Accounting Standard (Ind AS) 108.
- 6 The Company made following additional investments in subsidiaries and new acquisition during the period:
 - a) The Company has acquired 23.30% controlling stake in Openplay Technologies Private Limited ('Openplay') on 1 September 2021 by paying cash of ₹ 434 million. Under the agreement, Company will be acquiring remaining 76.70% for ₹ 1,430 million through issuance of equity shares of the Company.
 - b) The Company has acquired additional 3,000 shares of Absolute Sports Private Limited from one of existing shareholder for a cash consideration of ₹ 9.6 million as on August 10, 2021.
- 7 The Company has obtained Board approval as on 06 October 2021 for issuance of 2,077,391 equity shares of face value of ₹ 4 each at an issuance price of ₹ 2,206 per equity share to Gamnat Pte Ltd, Unnati Management Consultants LLP (shareholders of OpenPlay) and Plutus Wealth Management. Approval from shareholders will be taken in EGM proposed to be held on 3 November 2021.
- 8 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: October 29, 2021



For and on behalf of the Board of Directors

Nitish Mittersain
Joint Managing Director
DIN: 02347434

Nazara Technologies Limited

(Formerly known as Nazara Technologies Private Limited)



Annexure 2 – Details of Revised Constitution of Various Committees of Board of Directors of the Company

Sr. No	Name of the Committee	Current Composition up to October 29, 2021	Revised Composition with effect from October 29, 2021
1	Audit Committee	Mr. Sasha Mirchandani- Chairman	Mr. Kuldeep Jain- Chairman
		Ms. Shobha Jagtiani-Member	Ms. Shobha Jagtiani-Member
		Mr. Probir Roy-Member	Mr. Probir Roy-Member
		Mr. Nitish Mittersain-Member	Mr. Nitish Mittersain-Member
2	Corporate Social Responsibility Committee	Mr. Vikash Mittersain- Chairman	Mr. Vikash Mittersain -Chairman
		Mr. Nitish Mittersain-Member	Mr. Nitish Mittersain-Member
		Ms. Shobha Jagtiani-Member	Ms. Shobha Jagtiani-Member
		Mr. Probir Roy-Member	Mr. Sasha Mirchandani-Member
3	Risk Management Committee	Mr. Nitish Mittersain- Chairman	Ms. Shobha Jagtiani- Chairperson
		Mr. Sasha Mirchandani-Member	Mr. Nitish Mittersain-Member
		Mr. Kuldeep Jain-Member	Mr. Rakesh Shah- Member (Chief Financial Officer)
		Mr. Rakesh Shah- Member (Chief Financial Officer)	

Yours Faithfully

For Nazara Technologies Limited

Rakesh Shah
Chief Financial Officer



India | Middle East | Africa | Europe

Regd. Office: 51-55, Maker Chamber III, Nariman Point Mumbai - 400021. Tel. : +91-22-40330800 / 22810303 / 22813030

Fax: +91-22-22810606 E-mail: info@nazara.com Website: www.nazara.com CIN: U72900MH1999PLC122970