OVERVIEW OF INDIA’S GAMING MARKET

KEY METRICS & NUMBERS - 2022

$2.9B
Total Market Size

520M
# of Gamers

115M
# of Gamers that Pay

1 in 5
Global Mobile Game Downloads from India

3.1 hours
Average Time Spent on Gaming (per week)

18K+
# of Game Developers

700+
# of Gaming Companies

$3B
Funds Raised by Gaming Companies (Since ’17)
SECTION A: OVERVIEW OF GAMING IN INDIA
INDIA - THE NEXT GAMING DESTINATION

HOME TO THE WORLD'S SECOND LARGEST BASE OF GAMERS

YOUNG, MALE DRIVEN, INCREASING RURAL PARTICIPATION

# OF GAMERS

520M
2022

700M
2025 (E)

- Over 50% of gamers onboarded since 2018 alone
- Globally, India is only behind China in terms of total number of gamers

- Share of females increased from < 18% in 2020
- Share of Tier 2 & 3 on a rise, expected to reach 40% over the next 18 months

INDIA - THE NEXT GAMING DESTINATION

GAMECONOMY '23
INDIANS FINALLY PLAYING & PAYING

WILLINGNESS OF INDIAN GAMERS TO PAY ON THE RISE

# OF PAYING GAMERS
115M
2022

200M
2025 (E)

RMG TO CONTINUE DOMINATING AS THE LEAD SPEND CATEGORY

CARD BASED + FANTASY SPORTS + LOTTERY BASED

150M+
RMG GAMERS (2022)

- In 2022, 1 in 5 Indian gamers spent money on games
- Average Non-RMG spend has almost doubled since 2020

- Promise of a financial return continues to be the primary motivation
- >55% of total gaming market is accounted for by RMG
In-app purchases across Casual, Hyper-casual and Midcore segments growing at a 35-40% CAGR.

Average Non-RMG spend to cross $20 by 2025.

In-game advertising revenues to go from $300M to over $1B by 2030.

India’s contribution to global gaming revenue to double from 1.5% to 3% by 2025 and 5% by 2030.
**GAMES ATTRACT MAXIMUM ENGAGEMENT**

**TIME & DATA CONSUMPTION ON THE RISE**

<table>
<thead>
<tr>
<th>PRIMARY MOTIVATION</th>
<th>SOCIALISING &amp; CONNECTING</th>
<th>SELF-EXPRESSION</th>
<th>FINANCIAL REWARD</th>
<th>TIME KILL / RELAXATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASUAL GAMERS</td>
<td>3.5 HRS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACTIVE GAMERS</td>
<td>6.5 HRS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROFESSIONAL GAMERS</td>
<td>8.0 HRS</td>
<td></td>
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</tr>
</tbody>
</table>

**AVG TIME SPENT ON GAMES PER WEEK**

- **11% OF TOTAL SMARTPHONE TIME ON GAMING**
- **2GB MOBILE DATA CONSUMED ON GAMING PER MONTH**

**AVG TIME SPENT ON LEADING GAMES PER DAY**

- **Indianans spend a higher proportion of their smartphone time on gaming vs other forms of entertainment including OTT & Music streaming**
- **Social engagement remains the biggest motivator and form of discovery for new games**
India will continue to be a mobile-first gaming market - currently accounts for the highest share of mobile game downloads globally (15B+). Majority of gamers that start with mobile will evolve to adopt PC & Consoles which currently are aspirational. Serious gaming will fuel E-sports and professional gaming as a career choice.
SECTION B: ECOSYSTEM BREAKDOWN
# Key Stakeholders in Game Supply

<table>
<thead>
<tr>
<th><strong>Game Dev Studios</strong></th>
<th><strong>Game Publishers</strong></th>
<th><strong>Advertising Networks</strong></th>
<th><strong>Distribution Platforms</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible for the overall development of a game, from vision and concept to the final release of a playable version</td>
<td>Responsible for managing funding, producing, marketing, distributing and licensing of a game</td>
<td>The commercial intermediary between game publishers and advertisers, enabling monetisation and expanding reach</td>
<td>App markets, platforms and marketplaces which host and distribute games - across channels - Mobile, PC, Console</td>
</tr>
</tbody>
</table>

- Example: [99Games](https://www.99games.com/)
- Example: [Nazara Games](https://www.nazara.com/)
- Example: [Google AdSense](https://adsense.google.com/)
- Example: [App Store](https://apps.apple.com/), [Steam](https://store.steampowered.com/)

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- Majority of the Indian gaming industry's revenue is generated by Game Dev studios
- India is known to be a back-end factory for larger global game studios and publishers
## Revenue Split for Key Stakeholders

*Source: Lumikai Redseer 2021*

<table>
<thead>
<tr>
<th>Revenue Stream</th>
<th>Hyper-Casual</th>
<th>Mid/Hard Core</th>
<th>RMG</th>
<th>PC &amp; Console</th>
<th>Esports</th>
<th>Streaming</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-App Purchases</td>
<td>5% - 10%</td>
<td>45% - 50%</td>
<td>10% - 20%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Player/ features upgrade, ad-free, extra lives</td>
<td>5% - 10%</td>
<td>35% - 40%</td>
<td>10% - 20%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Season passes &amp; downloadable content</td>
<td></td>
<td>5% - 10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loot boxes &amp; special gift items/ boxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertisements &amp; Partnerships</td>
<td>90% - 95%</td>
<td>50% - 55%</td>
<td>5% - 20%</td>
<td>70% - 80%</td>
<td>55% - 60%</td>
<td></td>
</tr>
<tr>
<td>Advertising / media revenue</td>
<td>90% - 95%</td>
<td>50% - 55%</td>
<td>5% - 20%</td>
<td></td>
<td>20%</td>
<td>45% - 50%</td>
</tr>
<tr>
<td>Sponsorships</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>50% - 55%</td>
<td>5% - 10%</td>
</tr>
<tr>
<td>Direct to Developer / Publisher Revenue sources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Games purchases</td>
<td></td>
<td></td>
<td></td>
<td>60% - 70%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commission &amp; rake</td>
<td></td>
<td></td>
<td></td>
<td>60% - 65%</td>
<td></td>
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</tr>
<tr>
<td>Subscriptions</td>
<td></td>
<td></td>
<td></td>
<td>20% - 30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tournament Entry Fees</td>
<td></td>
<td></td>
<td></td>
<td>20% - 30%</td>
<td>10% - 25%</td>
<td>20% - 30%</td>
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<tr>
<td>Virtual tipping</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Donations to developers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5% - 10%</td>
<td>5% - 10%</td>
</tr>
<tr>
<td>Merchandise sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5% - 10%</td>
<td>5% - 10%</td>
</tr>
</tbody>
</table>

*Source: Lumikai Redseer 2021*
INDIA'S GAMING LANDSCAPE

Real Money Gaming
- adda52
- GAMES24
- MPL

Midcore GameDev Studios
- Studio Sirah
- Atrara
- Hitwicket
- nautilus
- StoryPix
- GameStacy

Hardcore GameDev Studios
- Nodding Heads Games
- GameOn
- SUPERagi
- nCORE
- LILA

Publishers
- Nazara Games
- JetSynthesys

Casual GameDev Studios
- Bombay Play
- Hi
- All Star Games
- PlaySimple
- Moonfrog
- BuffBaer
- Crazy Labs
- hashcube

ESports & Streaming
- FANCLASH
- rooter
- LOCO
- turnip
- elocto
- XD

Web 3.0
- RARIO
- GUARDIANLINK
- FanCraze
- lysto

Infrastructure
- Gamezop
- The Gaming Project
- driftle

*Not an exhaustive list
STRONG INVESTOR INTEREST ENABLING STARTUPS

Majority of funding has gone into Real Money and Fantasy sports platforms
There has been an uptick in the number of gaming studios that have received VC funding
The increase in funding is cognisant of few marquee exits and greater visibility of monetisation potential
India is expected to produce 2000+ gaming companies and 250K+ jobs by 2025.

Esports has seen an enormous level of interest in India and gaming is fast-becoming a viable and preferred career option.

The number of Esports players are expected to go from 200K to over 1.5M by 2025.

**Gaming is no longer exclusive to hardcore gamers**

**Indian Ecosystem Maturing Significantly**

**Esports Viewers in India (2022)**

- **25M+** viewers

**Popular Streaming Platforms**

- Youtube
- Loco
- Rooter
- Twitch

**Prize Money for Key Esports Competitions**

- **$300K+**
- **$140K+**
- **$150K+**
- **$100K+**
- **$103K+**
- **$60K+**
SECTION C: KEY AREAS OF OPPORTUNITY
KEY MOVEMENTS

AREAS FOR DISRUPTION AND INNOVATION

- Localisation of Game Content
- Gaming 3.0 and Gamefi
- Community Formalisation
- Game Dev Tooling & Infrastructure
- Cloud Gaming for Unlocking Access
LOCALISATION OF GAME CONTENT

**STRONG INCLINATION TO PLAY GAMES INSPIRED BY INDIAN CULTURE**

- Scenic landscapes, architecture, history
- Tales & stories from religious scriptures & mythology
- Famous known persona's, icons & celebrities

**GAMES WITH AN INDIANIZED GAME CONTENT - ACROSS PLATFORMS**

- Raji: An Ancient Epic (2020 release)
- Kurukshetra (2023 release)

**70% OF INTERNET USERS PREFER LOCAL LANGUAGE > ENGLISH**

- 199M prefer English
- 536M prefer local language

**Game content hooks for maximising relatability, interest, engagement and long-term monetisation potential**

**Games integrating vernacular capabilities early in development possess scalability potential across emerging Tier 1/2/3 geographies**

### India's Internet User Base

<table>
<thead>
<tr>
<th>Language</th>
<th>User Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hindi</td>
<td>254M</td>
</tr>
<tr>
<td>Tamil</td>
<td>40M</td>
</tr>
<tr>
<td>Marathi</td>
<td>64M</td>
</tr>
<tr>
<td>Telugu</td>
<td>32M</td>
</tr>
<tr>
<td>Bengali</td>
<td>53M</td>
</tr>
<tr>
<td>Kannada</td>
<td>32M</td>
</tr>
<tr>
<td>Telugu</td>
<td>40M</td>
</tr>
<tr>
<td>Malayalam</td>
<td>22M</td>
</tr>
</tbody>
</table>
Global crypto-currency owners scaled past 300M mark and more than $6.5B VC investments were made into GameFi startups.

Blockchain stacks under development but the feature enhancements they provide will enhance user experience and ownership, which will ultimately lead to the formalisation of the black & grey gaming market, estimated to be worth over $12B globally.

GameFi will potentially upgrade the entire gaming experience.

- Trading unique assets/profiles
- Investing in Early-stage projects and game currency tokens
- Drop campaigns
- Revenue sharing with brands/other game studios
- Commission on asset trades
SOCIALIZING IS A CORE MOTIVATION FOR INDIAN GAMERS

- Games that foster a ‘social’ experience witness significantly better discovery and retention rates across all user & game demographics

EFFECTIVE COMMUNITY CREATION & MANAGEMENT IS A MOAT

- Gaming communities are deeply personal and exclusive. They are proving to be critical for prolonging a game's life and improving monetisation

GUILDS FURTHER EMPOWERING ENGAGEMENT

Players formalise various communities naturally where they exchange items, play together, make new friends, and accomplish various game goals together.

IMPROVEMENT IN FORTNITE’S ENGAGEMENT UPON INTRODUCTION OF COMMUNITY FEATURES

140%

EMERGING INDIAN GUILDS
CLOUD GAMING & GAME DEV TOOLS

CLOUD GAMING & GAME PASSES WILL UNLOCK HARDCORE GAMING

- Opportunity for emergence of India-first ‘game passes’ and cloud platforms that deliver heavy game titles to Indians at a fraction of the cost

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>India release</td>
<td>INR 350</td>
<td>Price (per month)</td>
</tr>
</tbody>
</table>

GAME-DEV TOOLS
- Tools that focus on user acquisition, retention, gamer profiling, data mining, analytics, audience engagement and personalisation in current context.

GAMEFI TOOLS
- Platforms and tools that allow for game developers to migrate their existing games/libraries and offer FT/NFT/Crypto integration functionalities.

SOLVING PAIN POINTS ACROSS DEVELOPMENT FOR GAME DEVS

- As Indian game developers mature, there is an opportunity for the emergence of tools that ease and solve development challenges, and scale globally.

GAMEC E O N O M Y ’2 3
SECTION D: KALAARI PORTFOLIO
Dream11 is the largest Indian fantasy sports platform with more than 150M users! Started in 2008 by Harsh and Bhavit, users can create a virtual team of real sports players and compete with other fans to build the best combination and win big cash prizes.

**HARSH JAIN**  
CO-FOUNDER, CEO

**BHAVIT SHETH**  
CO-FOUNDER, COO

Dream11 had a first mover advantage coupled with the right execution.

With exclusive partnerships and tie-ups, Dream11 continues to hold more than 80% of the market share in Fantasy Sports.

Due to regulatory challenges, Dream11 did not have the luxury of using the App Stores and cracked other channels of distribution to win the market.

Passion is always paramount and Harsh and Bhavit showed that from our very first meeting.

PART OF #KALAARIFAMILY SINCE 2014
WinZO provides 100+ skill-based casual games to its users across 12+ languages. With 70K+ Micro influencers onboarded and 100M+ registered users, WinZO is India’s largest real money-based gaming & entertainment platform for the masses.

WinZO has been able to build a strong community of influencers and word of mouth has helped them build a greater reach in Tier 2 cities and beyond.

For gaming studios, WinZO is able to provide additional distribution channel and in turn enable higher earnings.

They continue to innovate on content creation and partnerships, adding new casual and midcore games to the library.

Saumya and Paavan have shown tremendous execution in building the 'Netflix for Gaming'.

**CREATING AN ECOSYSTEM CATERING TO ALL SOCIAL GAMING NEEDS OF INDIA**
CREATING CASUAL GAMES FOR THE MASSES

OLIVER JONES
CO-FOUNDER, CEO

ABHAS SAROHA
CO-FOUNDER, CTO

Bombay Play is a building hypersocial, multiplayer casual games for the global market. They have launched 15+ casual games across Native platforms (Apple Store, Play Store) and Instant Games (Facebook Gaming platform).

NINAD BHAGVAT
CO-FOUNDER, CEO

KESHAV SUNDER
CO-FOUNDER, CTO

All Star Games (earlier Deftouch) is a game development studio that focusses on building social, real time multiplayer cricket games. With over 3M players and 200K daily active users, All Star Games is building world class sports IP for mobile devices.
DEVELOPING INDIA-FOCUSED MIDCORE GAMES

STUDIO SIRAH

Studio Sirah is building cross platform midcore games based on Indian mythology. Kurukshetra: Ascension’ is Studio Sirah’s first game and has recently crossed 120K downloads in open beta. The game is expected to fully launch in 2023.

Part of #KALAARIFAMILY since 2023

PRATEEK SHAH
CO-FOUNDER, CTO

ABHAAS SHAH
CO-FOUNDER, CEO

ATIRATH

Atirath is focused on building strategy-based mobile games for the Indian as well as the global market. Their first game, Asva is currently in open beta and expected for a full-fledged release in 2023.

Part of #KALAARIFAMILY since 2021

SHIVA BAYYAPUNEDI
CO-FOUNDER, CEO

RAMACHANDRA RAJU
CO-FOUNDER, CTO

SHIVA BAYYAPUNEDI
CO-FOUNDER, CEO

PRATEEK SHAH
CO-FOUNDER, CTO
BUILDING INTERACTIVE & GAMIFIED PLATFORMS

**eloelo**

SAURABH PANDEY  
CO-FOUNDER, CEO

AKSHAY DUBEY  
CO-FOUNDER, COO

Eloelo is a creator-led entertainment platform that enables micro-creators to host interactive live events. With 17 formats live on the app, Eloelo recently crossed 15M+ downloads and is becoming the go to entertainment platform for Bharat.

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**Creative Galileo**

PRERNA JHUNJHUNWALA  
CO-FOUNDER, CEO

NIKHIL NAIK  
CO-FOUNDER, COO

Creative Galileo is a gamified early learning platform for kids between the ages of three to twelve. With exclusive EdTech license to popular Indian & international characters, Creative Galileo has crossed 7M+ downloads and building a strong IP moat.

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**PART OF #KALAARIFAMILY SINCE 2022**

**PART OF #KALAARIFAMILY SINCE 2021**
WANT TO JOIN THE GAMING TRIBE?

REACH US AT GAMING@KALAARI.COM
ABOUT KALAARI CAPITAL

Kalaari Capital is an early-stage, technology-focused venture capital firm based in Bengaluru, India. Since 2006, Kalaari has empowered visionary entrepreneurs building unique solutions that reshape the way Indians live, work, consume and transact. The firm’s ethos is to partner early with founders and work with them to navigate the inevitable challenges of fostering ideas into successful businesses. At its core, Kalaari believes in building long-term relationships based on trust, transparency, authenticity, and respect.

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THANK YOU!

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SOURCES:

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