

Gaming Industry Report

Q4 2024



Gaming industry: at a glance

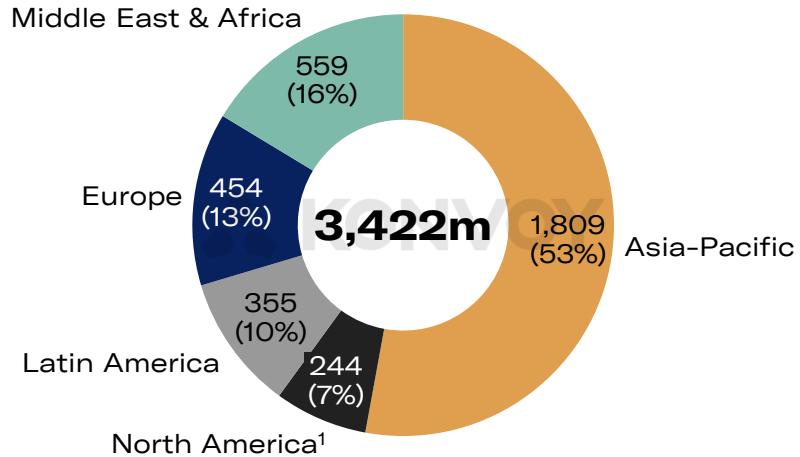
In gaming

- **2024 market size:** \$188bn (+2.1% YoY)
- **Public markets:** leading public gaming ETFs grew up to 50% in 2024 (vs S&P 500 = 24.5%)
- **Venture funding in Q4-24:** \$286m across 83 deals (funding -47% QoQ, number of deals -25% QoQ)

Key trends

- US vs Google (potentially divest Chrome, Android)
- TikTok loses bid to overturn US ban
- Google announces Android XR
- Switch becomes the most sold console in the US
- Child protection scrutiny of games, social media

Total gamers in 2024 by region (millions):



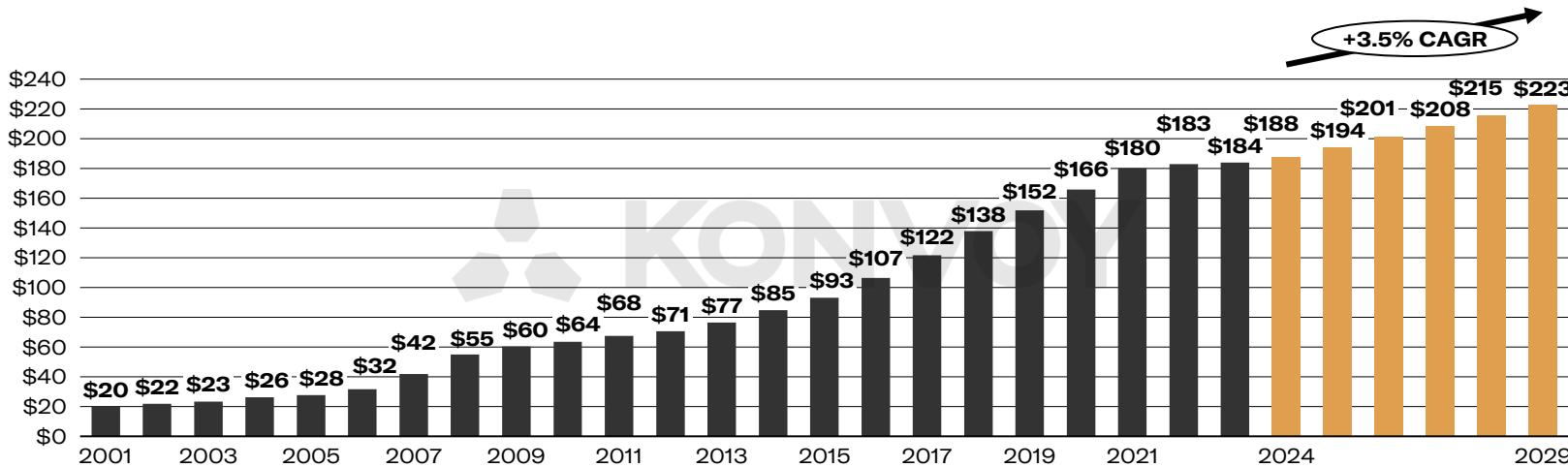
¹: Per source (Newzoo), North America includes Canada and the US while Latin America includes Argentina, Brazil, Chile, Columbia, and Mexico; Source: CB Insights (Konvoy-adjusted), Newzoo, public reporting, Drake Star



Gaming is expected to be a \$188bn market in 2024

\$ in billions

Actual Projected



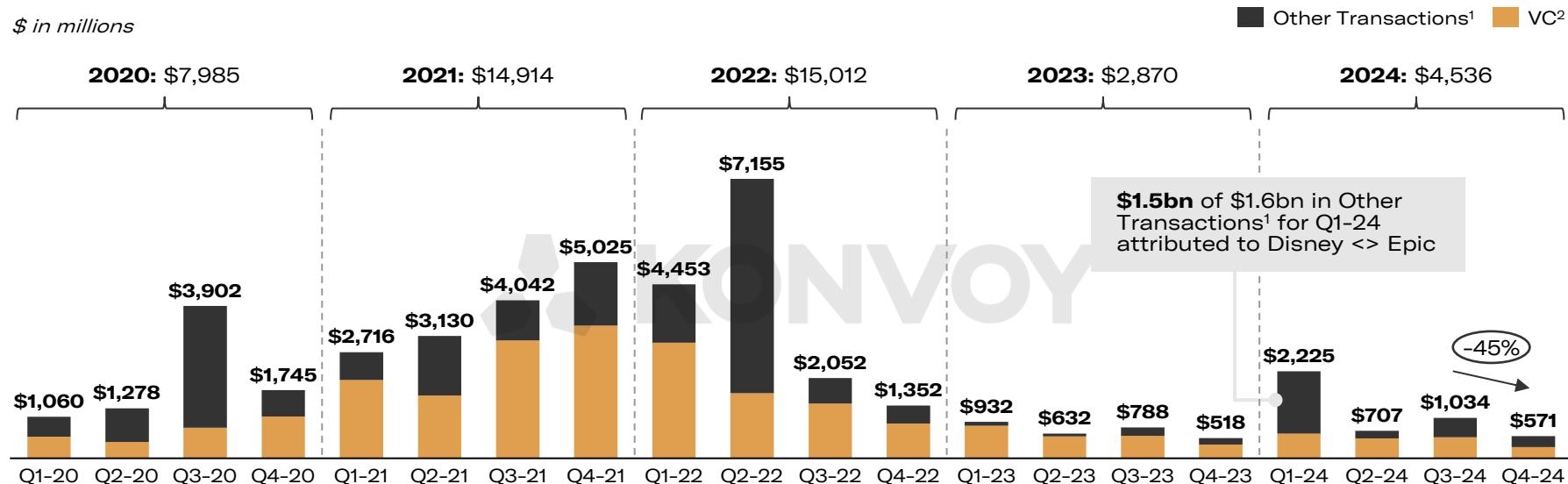
Source: IFPI, Newzoo, ArsTechnica, MPAA, Mordor Intelligence, Konvoy



Gaming funding: private markets overview

Private market funding in gaming grew 58% from 2023-2024 (driven by Disney <> Epic)

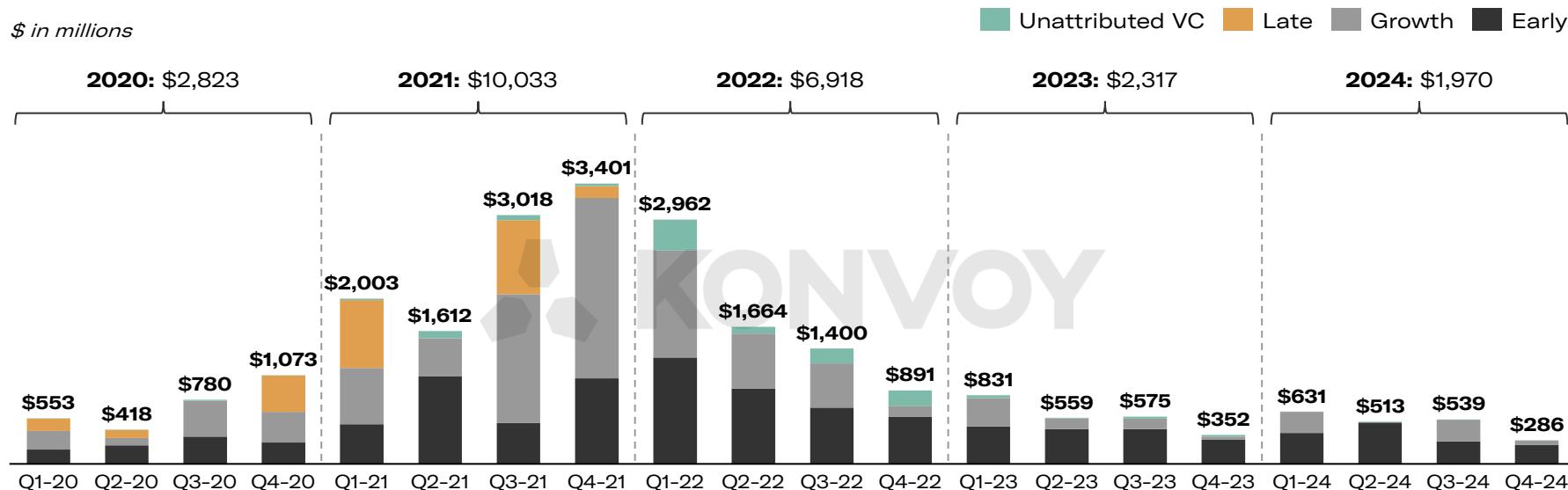
\$ in millions



Gaming VC funding: \$286m (-47% QoQ) in Q4-24

Lowest funding quarter in 5+ years; Majority of funding decline came from growth-stage

\$ in millions

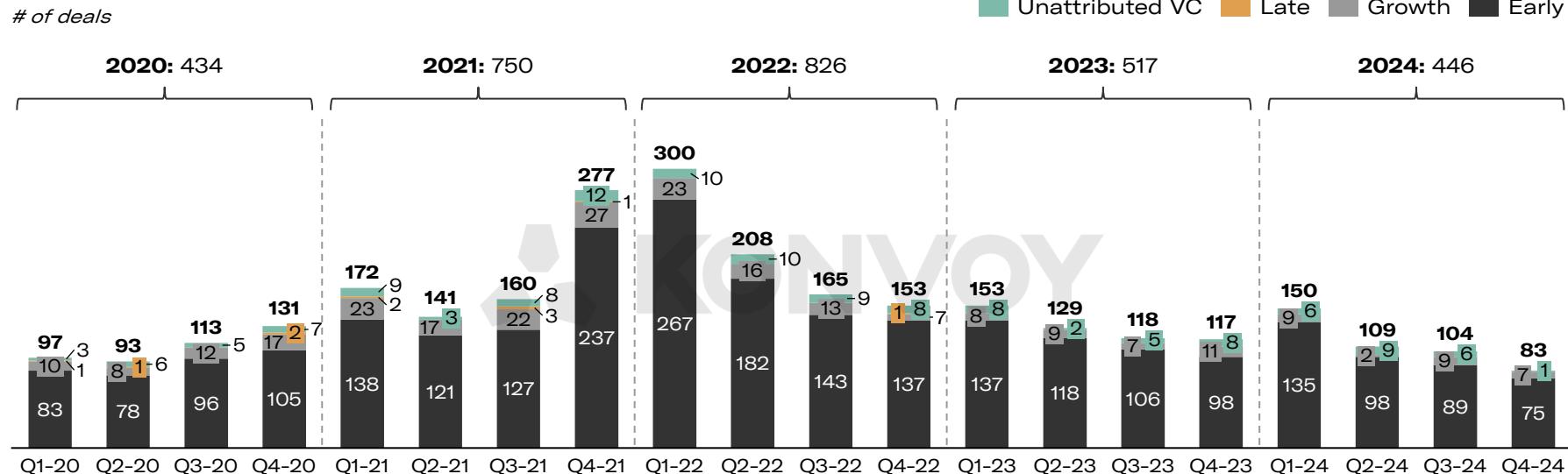


Note 1: Early = Pre-Seed through Series A, Growth = Series B through D, Late = Series E+ VC; Note 2: Historical data across reports is subject to change, as source adds new deals as they become public; Source: CB Insights (Konvoy-adjusted)



Gaming VC deals: 83 (-25% QoQ) in Q4-24

Despite flat early-stage funding, the number of early-stage deals continues to decrease



Note 1: Early = Pre-Seed through Series A, Growth = Series B through D, Late = Series E+ VC; Note 2: Historical data across reports is subject to change, as source adds new deals as they become public; Source: CB Insights (Konvoy-adjusted)



Gaming VC: drop in graduation to Series A

Seed stage startups in Gaming that graduated to Series A, cumulative percentage by Seed cohort

	Weighted Avg.	0.0%	0.7%	1.9%	3.3%	5.5%	7.5%	9.4%	11.5%	13.2%	14.5%	15.9%	17.0%	20.2%	23.8%	24.7%	25.5%
	Q1	0.0%	3.8%	7.7%	11.5%	13.5%	13.5%	19.2%	21.2%	23.1%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
2018	Q2	0.0%	3.8%	5.8%	7.7%	7.7%	11.5%	13.5%	13.5%	13.5%	17.3%	17.3%	17.3%	21.2%	23.1%	23.1%	25.0%
	Q3	0.0%	0.0%	1.9%	1.9%	9.4%	13.2%	13.2%	15.1%	17.0%	17.0%	17.0%	17.0%	18.9%	20.8%	22.6%	
	Q4	0.0%	0.0%	2.0%	10.0%	12.0%	12.0%	16.0%	22.0%	22.0%	26.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
	Q1	0.0%	0.0%	0.0%	0.0%	1.9%	9.6%	11.5%	11.5%	17.3%	19.2%	19.2%	19.2%	23.1%	23.1%	23.1%	23.1%
2019	Q2	0.0%	0.0%	0.0%	0.0%	5.9%	8.8%	11.8%	14.7%	17.6%	23.5%	23.5%	23.5%	23.5%	26.5%	26.5%	26.5%
	Q3	0.0%	0.0%	0.0%	2.3%	2.3%	4.7%	7.0%	16.3%	18.6%	20.9%	20.9%	20.9%	20.9%	25.6%	25.6%	
	Q4	0.0%	5.9%	5.9%	5.9%	8.8%	17.6%	23.5%	29.4%	38.2%	41.2%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
	Q1	0.0%	0.0%	0.0%	6.3%	6.3%	12.5%	14.6%	14.6%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%
2020	Q2	0.0%	0.0%	0.0%	0.0%	7.7%	10.3%	15.4%	17.9%	23.1%	23.1%	23.1%	23.1%	23.1%	23.1%	23.1%	23.1%
	Q3	0.0%	2.2%	6.5%	8.7%	8.7%	17.4%	21.7%	26.1%	26.1%	30.4%	30.4%	30.4%	30.4%	32.6%	32.6%	
	Q4	0.0%	1.5%	3.1%	3.1%	12.3%	15.4%	15.4%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
	Q1	0.0%	1.1%	2.3%	5.7%	11.5%	14.9%	18.4%	18.4%	18.4%	19.5%	19.5%	19.5%	20.7%	21.8%	21.8%	23.0%
2021	Q2	0.0%	1.9%	1.9%	9.4%	13.2%	13.2%	15.1%	15.1%	17.0%	17.0%	18.9%	18.9%	20.8%	20.8%	20.8%	
	Q3	0.0%	1.3%	2.6%	5.1%	6.4%	7.7%	11.5%	15.4%	16.7%	16.7%	16.7%	16.7%	16.7%	17.9%		
	Q4	0.0%	1.3%	3.8%	5.0%	5.7%	6.3%	6.3%	6.3%	6.3%	6.3%	6.9%	6.9%	6.9%			
	Q1	0.0%	0.0%	0.0%	0.0%	0.6%	1.8%	1.8%	2.3%	2.3%	2.9%	2.9%	2.9%				
2022	Q2	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.9%	2.9%	3.8%					
	Q3	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	1.3%	1.3%	2.6%	3.9%						
	Q4	0.0%	0.0%	1.3%	1.3%	2.6%	2.6%	6.5%	10.4%	10.4%							
	Q1	0.0%	0.0%	0.0%	1.3%	2.6%	2.6%	2.6%	3.9%								
2023	Q2	0.0%	0.0%	1.5%	1.5%	3.0%	3.0%	3.0%									
	Q3	0.0%	0.0%	1.6%	1.6%	3.3%	3.3%	3.3%									
	Q4	0.0%	0.0%	2.2%	2.2%	4.4%											
2024	Q1	0.0%	0.0%	1.3%	1.3%												
	Q2	0.0%	0.0%	1.8%													
	Q3	0.0%	0.0%														
	Q4	0.0%															
Time since initial Seed financing		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		Year 1				Year 2				Year 3				Year 4			

- Cohorts with a drastic decline in graduation rates
- Cohorts that positively outperformed

Comments:

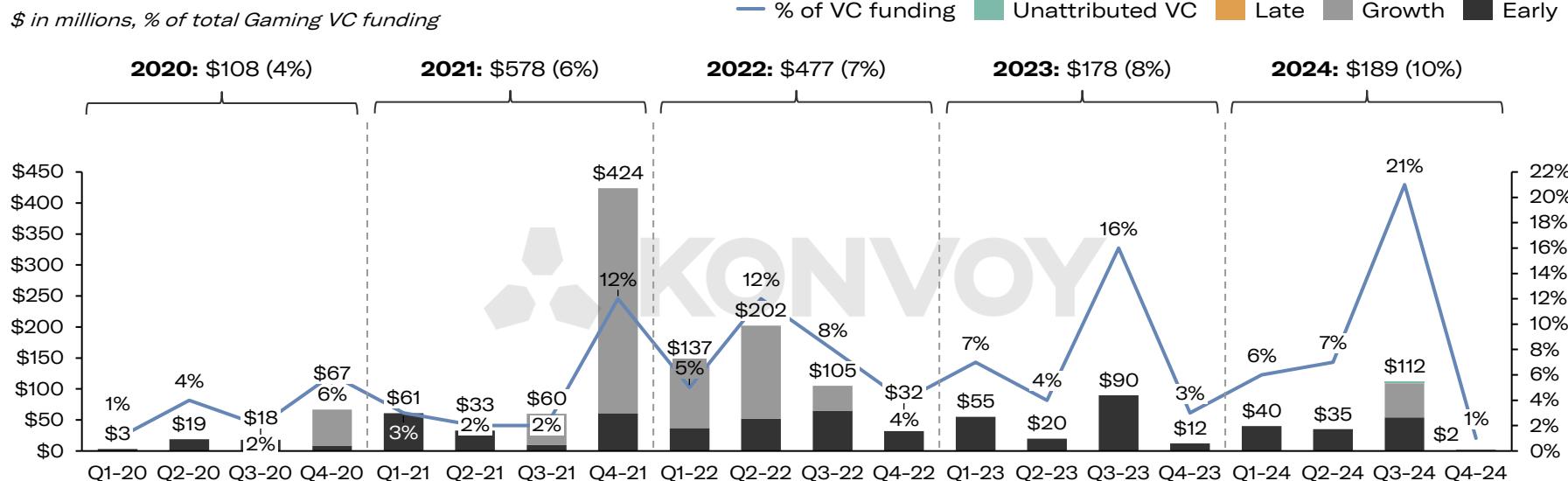
- Since Q1 2018, 11.5% of Gaming startups that raised a Seed round raised a Series A round within 2 years (vs 20-30% of all startups)
- Graduation has steeply declined within the last 3 years – only 4% of Gaming startups that raised a Seed since Q4 2021 have raised a Series A
- The Q4 2019 cohort was a significant outlier and included Dream Games (\$467m total raised) and Probably Monsters (\$270m total raised); Note: Q3 and Q4 2021 were the two highest quarters for gaming funding in the last 5 years

Source: CB Insights (modified by Konvoy to reflect extensions and follow-on financing properly), Carta



Gaming VC: AI funding (10% of funding in 2024)

There has been an increasing proportion of funding going into gaming x AI since 2020



Note 1: AI = companies with “artificial intelligence”, “machine learning” or “AI” in their company description; Source: CB Insights (Konvoy-adjusted)

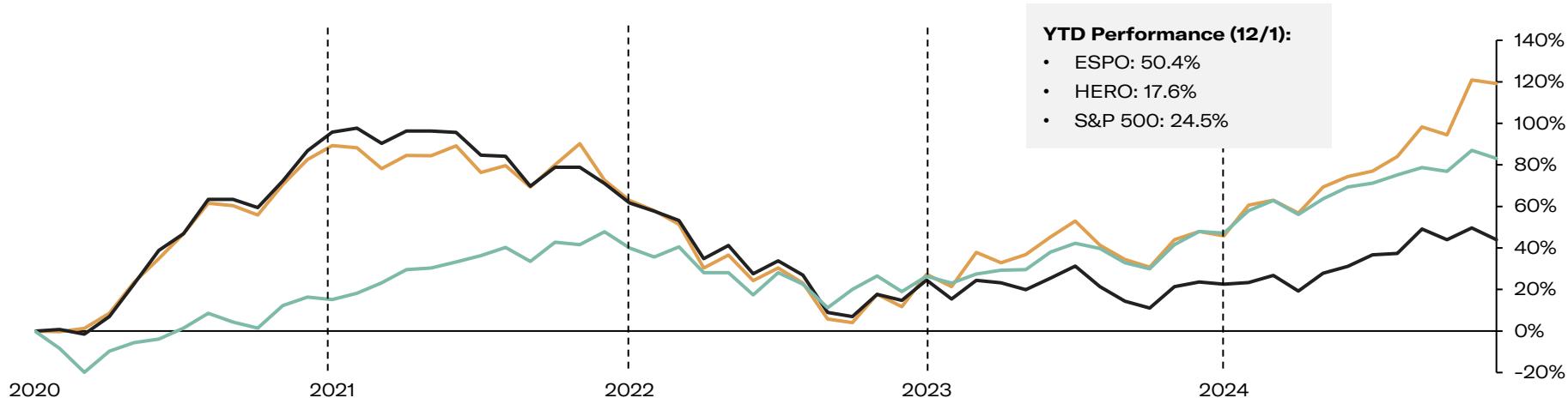


Gaming in the public markets

ESPO outperformed the S&P 500 this year by 25.9%

Stock performance of gaming ETFs, % change from January 2020

— ESPO — HERO — S&P500



Source: Public reporting as of January 1, 2024; Note: ESPO seeks to track the MVIS Global Video Gaming and eSports Index (MVESPTR), HERO seeks to track a modified market-cap-weighted global index of companies in video games and esports industry



Public gaming companies hold \$33bn in cash and equivalents; a healthy M&A environment

Gaming companies

Company	Cash & equivalents ² (USD)
Nintendo ¹	\$9.4bn
NetEase Games	\$2.9bn
KRAFTON	\$2.6bn
BANDAI NAMCO	\$2.5bn
Electronic Arts	\$2.2bn
NEXON	\$2.1bn
KONAMI	\$1.9bn
Others ¹	\$9.6bn
Total	\$33.0bn

Tech companies with gaming divisions

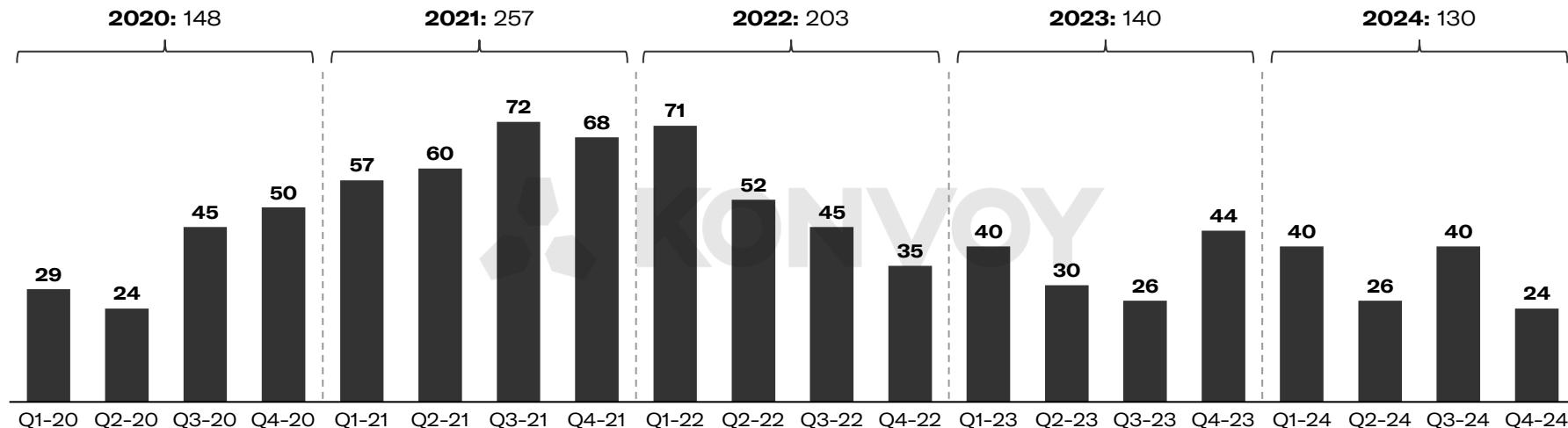
Company	Cash & equivalents ² (USD)
amazon	\$75.1bn
Meta	\$43.9bn
Microsoft	\$20.8bn
Tencent 腾讯	\$20.7bn
Google	\$20.0bn
SONY	\$12.1bn
NETFLIX	\$7.5bn
Apple	\$3.0bn
Total	\$203.0bn

1: Square Enix, Unity, Sega, Playtika, Ubisoft, TTWO, NCSoft, Roblox, Applovin, Embracer; 2: Does not include short-term investments;
Source: Latest public reporting and converted to based on historical exchange rate on September 30, 2024



Gaming M&A: 24 transactions in Q4-24

Gaming M&A deal count -7% from 2023 to 2024



Note 1: Deals are not included in the private markets overview or the debt financing overview; Note 2: Deal transaction values are predominantly not disclosed; Note 3: Q2-24 does not include BeReal's acquisition of Voodoo (\$500m) or Sensor Tower's acquisition of data.ai; Note 4: Historical data across reports is subject to change, as source adds new deals as they become public; Source: CB Insights (Konvoy-adjusted)



Largest gaming tech & platform VC deals

Gaming tech & platform investments – Q4 2024

	Company name	Stage	Raise, \$m	Region
	Appcharge	Series A	\$26.0	Asia
	Winna	Seed	\$15.0	North America
	Tilt Five	Series B	\$13.9	North America
	Kratos Studios	Seed	\$10.0	Asia
	Lucra	Series B	\$10.0	North America
	E-Pal	Seed	\$10.0	North America
	Thynk	Seed	\$7.4	North America
	REJECT	Series B	\$6.9	Asia
	Ray Browser	Seed	\$6.5	Europe
	TGO	Series B	\$5.6	Europe

Comments:

- Funding for the top 10 T&P¹ deals totaled \$111.3m (-50% QoQ); last quarter, there were 2 deals >\$50m (ID Planet: \$80m, Volley: \$55m)
- 0 of the top 10 T&P¹ deals are primarily artificial intelligence companies
- Only 2 of the top 10 T&P¹ deals are blockchain-related companies

1: Tech & platform; Source: CB Insights (Konvoy-adjusted)



Largest game content VC deals

Game content investments – Q4 2024

	Company name	Stage	Raise, \$m	Region
	Rukus Games	Series A	\$19.0	North America
	Agave Games	Series A	\$18.0	Asia
	BIT ODD	Series A	\$18.0	Europe
	NEKCOM	Series B	\$15.0	Asia
	Infinitar	Series A	\$11.9	Asia
	Top App Games	Series A	\$10.0	Europe
	BitBall	Series A	\$5.0	North America
	FunStop Games	Series A	\$5.0	Asia
	SPF Meta	Series A	\$5.0	Asia
	81RAVENS	Seed	\$4.5	Asia

Comments:

- 9 of the top 10 Content deals were considered Series A or later deals
- The top 10 Content deals totaled \$111.4m (-55% QoQ; however, last quarter, HYBE IM raised \$80m, an outlier)
- 3 of the top 10 Content deals (\$21.9m) were into web3-related studios

1: Bitball is considered both tech & platform and content, however, the deal did not qualify in the top 10 for the former; Source: CB Insights (Konvoy-adjusted)



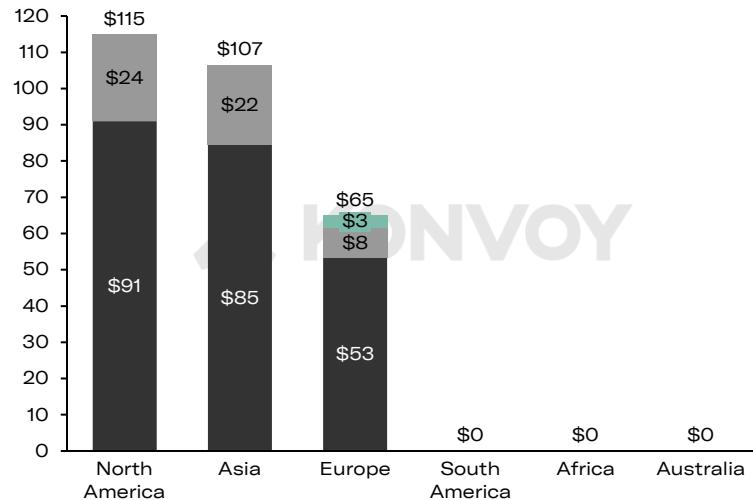
Regional Breakdown

14

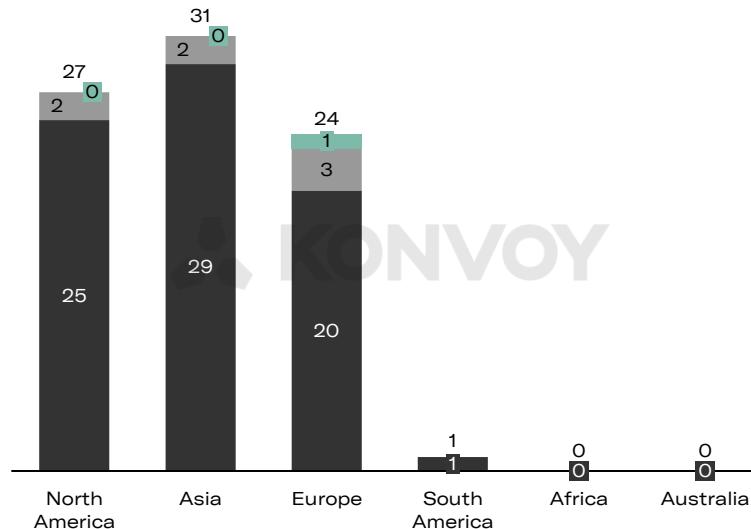


Gaming deals globally: at a glance

Gaming venture funding in Q4 2024, \$m



Number of gaming venture deals in Q4 2024

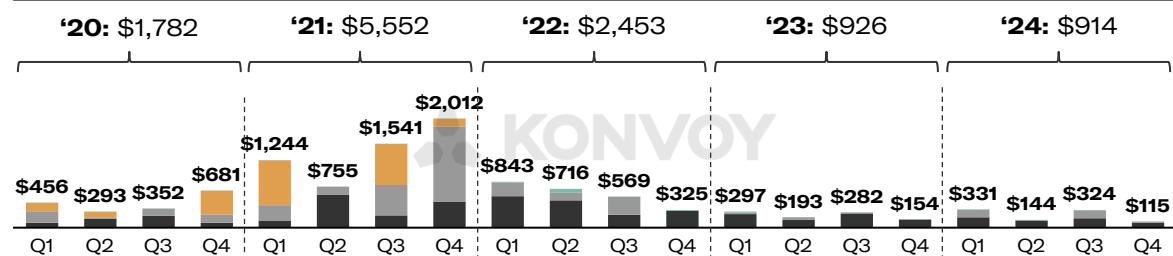


Note 1: Early = Pre-Seed through Series A, Growth = Series B through D, Late = Series E+ VC; Note 2: Some funding amounts may not be disclosed in source data; Source: CB Insights (Konvoy-adjusted)

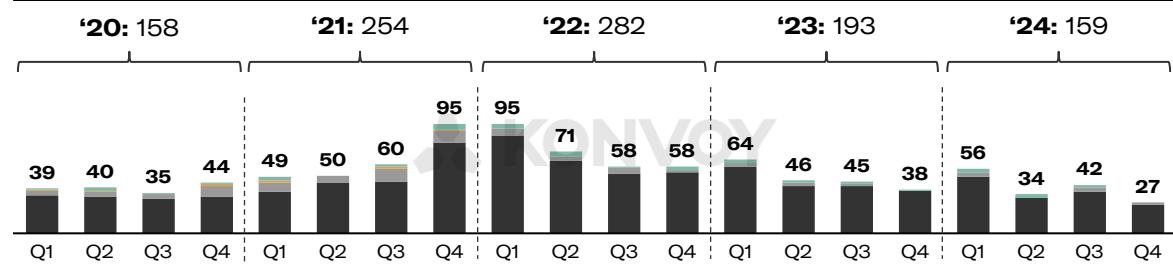


NA: flat funding (-1%) from 2023-2024

Gaming venture funding from Q1 2020 through Q4 2024, \$m



of gaming venture deals from Q1 2020 through Q4 2024



Note: Early = Pre-Seed through Series A, Growth = Series B through D, Late = Series E+ VC; Source: CB Insights (Konvoy-adjusted)

■ Early ■ Growth ■ Late ■ Unattributed VC



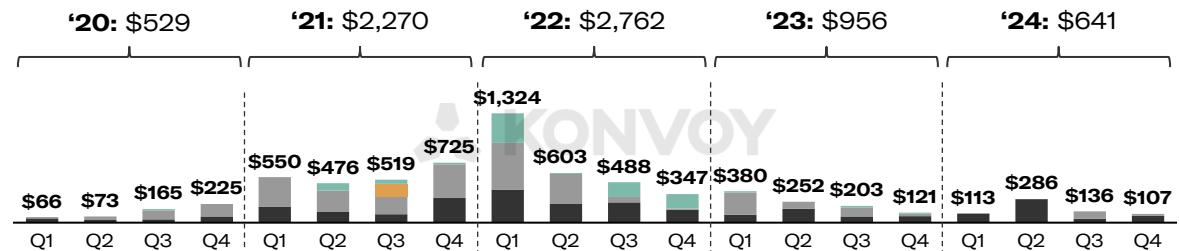
Largest VC deals in Q4

Company	Size
Rukus Games	\$19.0m
Winna	\$15.0m
Tilt Five	\$13.9m
Lucra	\$10.0m
E-Pal	\$10.0m
Thynk	\$7.4m
BitBall	\$5.0m

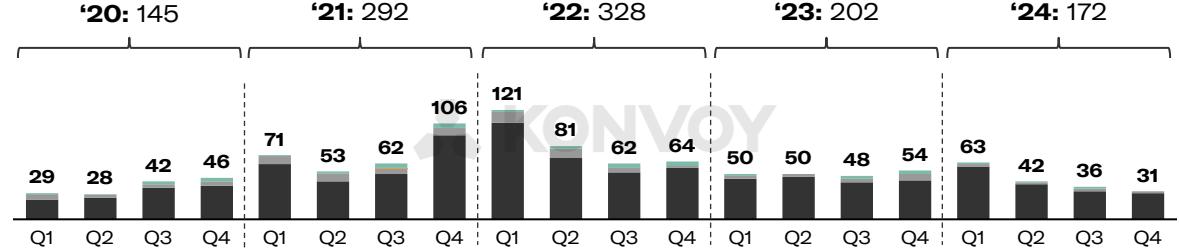


Asia: funding drops -33% from 2023-2024

Gaming venture funding from Q1 2020 through Q4 2024, \$m



of gaming venture deals from Q1 2020 through Q4 2024



Note: Early = Pre-Seed through Series A, Growth = Series B through D, Late = Series E+ VC; Source: CB Insights (Konvoy-adjusted)

■ Early ■ Growth ■ Late ■ Unattributed VC



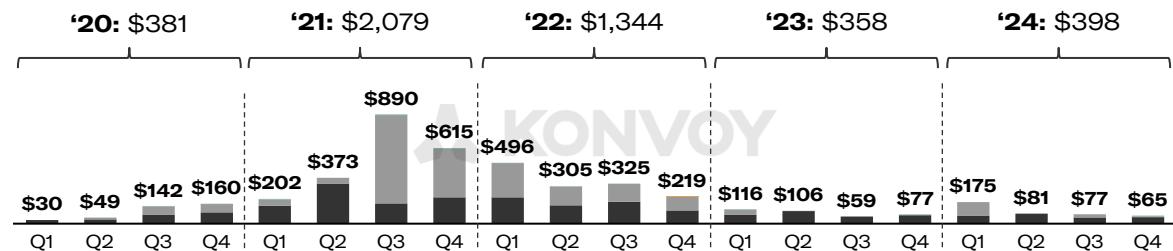
Largest VC deals in Q4

Company	Size
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Agave Games	\$18.0m
NEKCOM	\$15.0m
Infinitar	\$11.9m
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REJECT	\$6.9m
FunStop Games	\$5.0m
SPF Meta	\$5.0m

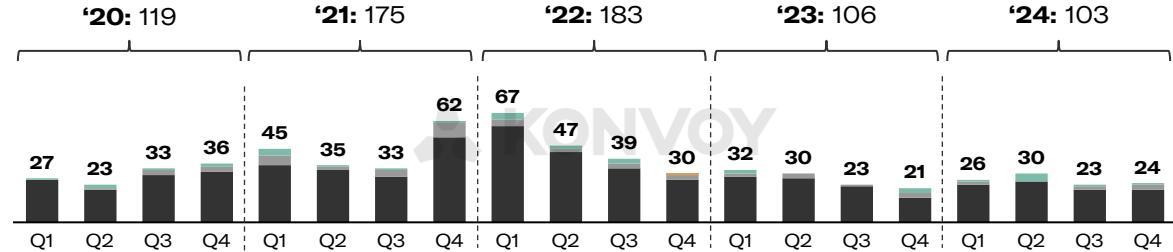


Europe: funding +10% from 2023-2024

Gaming venture funding from Q1 2020 through Q4 2024, \$m



of gaming venture deals from Q1 2020 through Q4 2024



Note: Early = Pre-Seed through Series A, Growth = Series B through D, Late = Series E+ VC; Source: CB Insights (Konvoy-adjusted)

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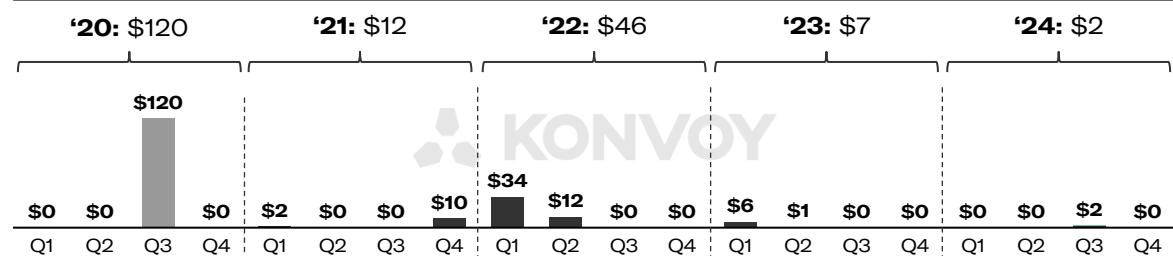
Largest VC deals in Q4

Company	Size
BIT ODD	\$18.0m
Top App Games	\$10.0m
Ray Browser	\$6.5m
TG0	\$5.6m



South America: 1 deal¹ done in Q4

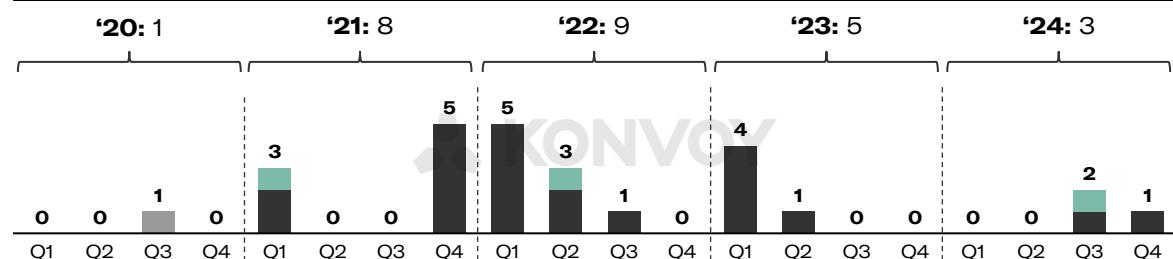
Gaming venture funding from Q1 2020 through Q4 2024, \$m



Largest VC deals in Q4

Company	Size
OxFutbol	Unknown

of gaming venture deals from Q1 2020 through Q4 2024

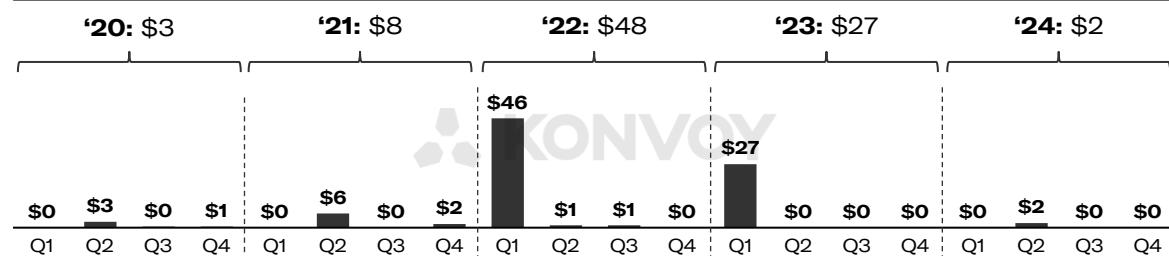


1: Announced deals; Note 1: Early = Pre-Seed through Series A, Growth = Series B through D, Late = Series E+ VC; Note 2: Some funding amounts may not be disclosed in source data; Source: CB Insights (Konvoy-adjusted)



Africa: no deals¹ done in Q4

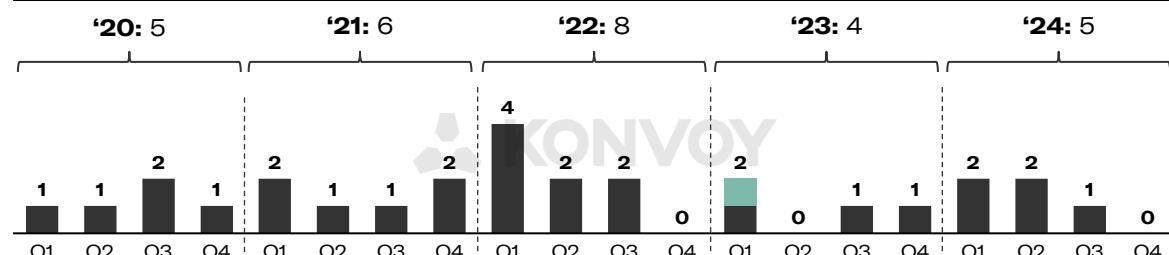
Gaming venture funding from Q1 2020 through Q4 2024, \$m



Largest VC deals in Q4

Company	Size
No deal data available	

of gaming venture deals from Q1 2020 through Q4 2024

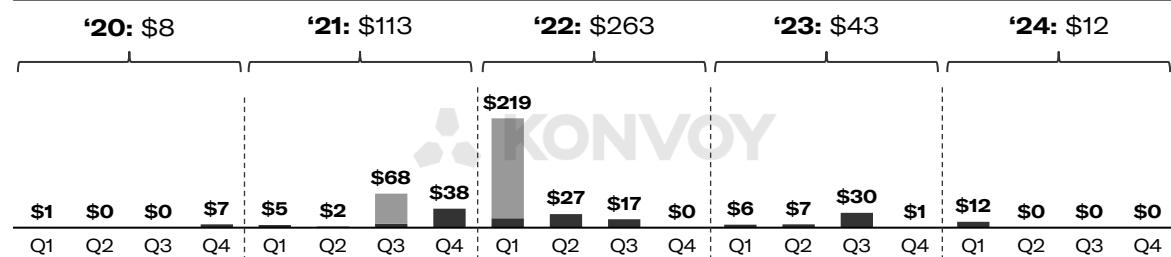


1: Announced deals; Note: Early = Pre-Seed through Series A, Growth = Series B through D, Late = Series E+ VC; Source: CB Insights (Konvoy-adjusted)



Australia: no deals¹ done in H2 2024

Gaming venture funding from Q1 2020 through Q4 2024, \$m



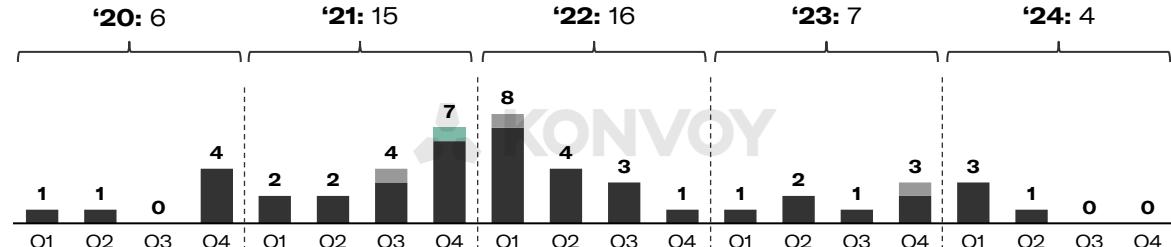
■ Early ■ Growth ■ Late ■ Unattributed VC



Largest VC deals in Q4

Company	Size
No deal data available	

of gaming venture deals from Q1 2020 through Q4 2024



1: Announced deals; Note: Early = Pre-Seed through Series A, Growth = Series B through D, Late = Series E+ VC; Source: CB Insights (Konvoy-adjusted)



1 US vs Google: Google to potentially divest Chrome, Android

2 TikTok loses bid to overturn US ban

3 Google announces Android XR

4 Switch becomes the most sold console in the US

5 Heightened child protection scrutiny of games and social media

Trends + Current Events



Google to potentially divest Chrome, Android

Context: The US Department of Justice (DOJ) filed an antitrust lawsuit against Google, accusing them of monopolizing the online search market. In August 2024, Judge Mehta, ruled in favor of the DOJ.

In November 2024, the DOJ asked the federal court to:

1. Force Google to sell Chrome, its web browser
2. Either sell Android, its smartphone operating system (OS), or be barred from making Google services mandatory on phones that utilize Android
3. Stop Google from entering into paid agreements with Apple¹ and others to be automatically set as the default search engine for smartphones and browsers
4. Force Google to shed any stake in artificial intelligence (AI) companies that could compete with search engines. Google is an investor in Anthropic (developer of ChatGPT rival, Claude) and Character.AI

Judge Mehta is expected to issue a ruling by August 2025.

In tandem, the DOJ has a separate antitrust lawsuit against Google over their monopoly over digital advertising. A ruling is expected in early 2025.

Konvoy perspective: While Google owns >70% of the mobile OS market and 90% of the search market, a divestiture is highly unlikely. We expect a lengthy legal battle with a resolution that leaves Google intact but strips away its monopolistic capabilities. This may be achieved through forcing Google to share the data it collects and barring it from paid agreements to become the default search engine for mobile. In the background, the search market is seeing the rise of AI-powered entrants such as ChatGPT and Perplexity, which strengthens Google's argument against the DOJ's concerns.

¹: Google currently pays Apple \$20bn a year to be the default search engine (5% of '24 revenue); Source: Google, The Verge, New York Times, StatCounter



TikTok loses bid to overturn US ban

Context: Early in 2024, President Biden signed the Protecting Americans From Foreign Adversary Controlled Applications Act due to concerns around national security and data privacy.

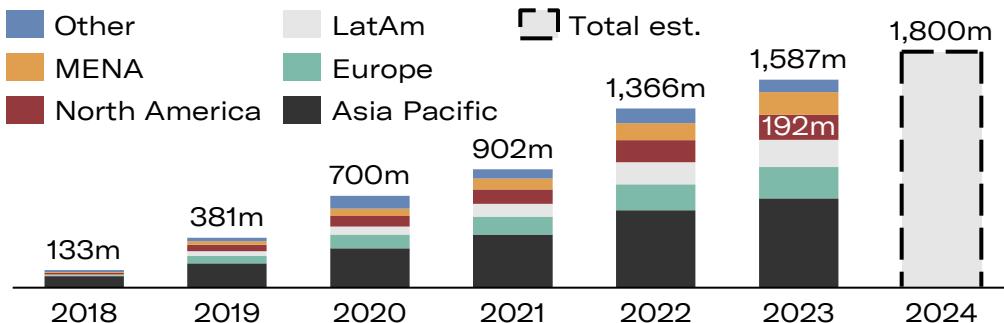
TikTok petitioned to overturn the law, which was unanimously denied by the US Court of Appeals, upholding the previous decision in April 2024 that requires TikTok owner, ByteDance, to sell the app to a non-Chinese company by January 19, 2025, or face a ban in the US.

While the law was upheld in the lower courts, the Supreme Court heard out ByteDance's arguments on January 10. At the time of this report's release, no decisions have been made.

In tandem, in December 2024, attorneys representing President-elect Donald Trump have asked the Supreme Court to pause on enacting this law. This has not yet been decided upon.

1: 14 not voting; Source: US House of Representatives, SEO.ai, The New York Times

TikTok monthly active users by country, millions



Konvoy perspective: We expect the Supreme Court will further delay the ban's enforcement to allow for more time to consider the case given the ~170m+ affected US users. Once in office, we believe the Trump administration will likely work at an attempt to undo the ban, either through a convoluted sale (that includes access to the all-important algorithm) or through a reversal of the ban. **We anticipate TikTok in the US will survive in 2025.**



3

Google announces Android XR



- In December 2024, Google announced Android XR, an operating system (OS) for extended reality (XR) devices such as headsets and glasses¹
- The OS will include Gemini, a context-aware companion that understands surroundings and user intentions, initially introduced in December 2023
- Android XR was built in collaboration with Samsung and will first launch on a Samsung headset (Project Moohan)

Konvoy perspective: This is important because it is the first major XR-specific OS not tied to any specific hardware (HorizonOS <> Meta Quest, visionOS <> Apple Vision Pro); Android XR will be compatible with any XR device that wants to leverage their system. While AVP sales did not hit expectations and Meta Quest usage has grown slowly, **big tech still believes that XR headsets are the future**, and they will continue investing resources to capture dominance on this platform. The inclusion of Gemini in Android XR is also notable. AI, coupled with a voice interface, can help unleash the true potential of XR devices by understanding and visually contextualizing your surroundings and actions in real-time.

1: Android XR will be compatible with various XR devices, not just those manufactured by Google or Samsung; Source: Google

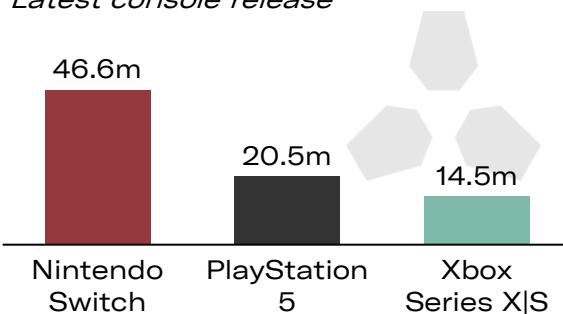


Switch becomes most sold console in the US

According to Circana, the Switch has reached 46.6 million units sold in the US since the console's release in 2017, surpassing the previous record held by the PlayStation 2 (PS2).

US unit sales, millions

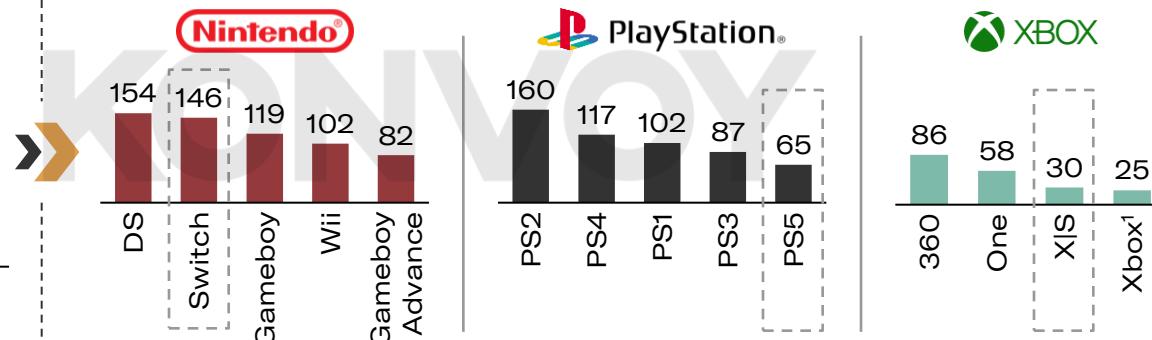
Latest console release



1: Xbox original (first generation); Source: Nintendo, Sony, Microsoft, Circana, VGChartz, Statista

Konvoy perspective: The success of the Switch in the US is unsurprising given the brands global hardware sales compared to Playstation and Xbox and the model's age (2017 vs the PS5 and the Xbox X|S which were both released in 2020). With the Switch 2's upcoming release in 2025, Nintendo will continue to compete successfully with its cross-compatibility as a console and handheld as well as its strong first-party content library.

Global unit sales of top models by company, millions



Heightened child protection scrutiny of games and social media

Roblox to implement new changes regarding underage players

- Players under 13 will need permission to access “certain chat features”; those under 9 will need parental permission to access content with “moderate violence or crude humor”
- Parent accounts allow parents to monitor what their children access, including access to usage insights

FTC study on how companies are failing to protect teens

- The study analyzed the vulnerability of teens to targeted advertising and online dangers and found that teen accounts were treated like that of adults

Australia passes bill to ban social media for kids under 16

- According to Reuters, 77% of the population was in support of the Social Media Minimum Age bill

Source: Roblox, GamesIndustry.biz, Reuters, The Federal Trade Commission (FTC)

Konvoy perspective

Roblox is the largest gaming platform for kids. This requires them to invest heavily in tools and infrastructure to maintain the appeal of the platform while giving parents some control over how their kids interact with other users and features on the platform.

Teens are not protected by legislation focused on children's privacy. If these underage accounts are being treated like those of adults, these children are at risk.

This bill sets up Australia as a test case for other governments interested in passing age restrictions or bans amid concerns on the impact of social media on minors.



Top gaming industry conferences / events

2025 events schedule

Event	Location	Dates	Category
Consumer Electronics Show (CES)	Las Vegas, NV	January 7-10	Technology
Pocket Gamer Connects*	Multiple	Multiple	Gaming
Design, Innovate, Communicate, Entertain (DICE) Summit*	Las Vegas, NV	February 11-13	Gaming
South by Southwest (SXSW)	Austin, TX	March 7-15	Gaming, Media, Technology
Game Developers Conference (GDC)*	San Francisco, CA	March 17-21	Gaming
Gamescom LatAm	São Paulo, Brazil	April 30 – May 4	Gaming, Media
GamesBeat Summit*	Los Angeles, CA	May 19-20	Gaming
Augmented World Expo (AWE)*	Long Beach, CA	June 10-12	Gaming, Technology
Siggraph*	Vancouver, Canada	August 10-14	Gaming, Media, Technology
Gamescom (Germany)*	Cologne, Germany	August 20-24	Gaming
Tokyo Game Show	Tokyo, Japan	September 25-28	Gaming
Slush*	Helsinki, Finland	November 19-20	Gaming, Technology
India Game Developer Conference (IGDC)*	Hyderabad, India	Unannounced	Gaming

* denotes events our team at Konvoy plans to attend



Konvoy: Overview and Team

30



Konvoy: by the numbers

\$260m

Assets under
management (AUM)

52

Investments¹



3

Funds

38%

Of all funds invested
outside of NA

Our top newsletters published in Q4 2024:

1. [Roblox Is Not Aging Up](#)
2. [Where Have All the Kids' MMOs Gone?](#)
3. [Ubisoft's Future](#)
4. [AppLovin Should Buy Unity](#)
5. [Epic Games \(33 Years\)](#)

1: Initial investments



Konvoy invests in the platforms and technologies at the frontier of gaming

Investment Stage

Pre-Seed, Seed,
Series A

Check Size

\$1m - \$5m

Fund III

\$150m



The Konvoy Team

Managing Partners



Josh Chapman



Jason Chapman



Jackson Vaughan

Investment Team



Taylor Hurst
Principal



Dani Tran
Senior Associate



Anthony Schena
Associate

Platform Team



Dhinuka Perera
Head of Platform



Carly Martin
Associate

Operations



Sam Epstein
EA & Office Manager

