

Aream &
Co.



Video Game Market Update

Q2 2025

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Aream & Co. global, independent investment bank specialized in gaming and interactive entertainment

COMPANY SNAPSHOT

79

GAMING M&A AND FINANCING
TRANSACTIONS

\$38bn

TRANSACTION VALUE

24

GAMING BANKERS

WORLDWIDE COVERAGE



LONDON



SAN FRANCISCO



BERLIN

OUR STRENGTH



Passionate about Video Games and our craft – core deal team together for 12+ years



Deep institutional knowledge of sector, current market trends and strategic capital allocation among buyer universe



Broad transaction experience across PC, console, mobile and the wider gaming ecosystem



Unparalleled relationships with strategic acquirers and financial investors interested in the sector



Expert execution underpinned by our heritage in global financial institutions and constant market participation

Aream & Co. last twelve months deal activity

TRANSACTIONS ADVISED BY AREAM & CO. (Q3'24 – Q2'25)

					
VIRTUOS Acquisition of  Pipeworks Studios June 2025	APPLOVIN Apps Business Sale to  \$800 million May 2025	dream Debt financing from Blackstone May 2025	MG Acquisition of  up to \$820 million February 2025	Easybrain Sale to  \$1.2 billion January 2025	Lessmore. Sale to  January 2025
 SuperPlay Sale to  up to \$2.0 billion November 2024	 REMEDY Convertible Loan Issuance to Tencent 腾讯 €15 million November 2024	 VIRTUOS Acquisition of  August 2024	 Sale to  \$27 million August 2024	 facepunch Minority Investment from Tencent 腾讯 July 2024	 SWIFT GAMES Sale to  June 2024

12

LTM
GAMING
TRANSACTIONS

\$6bn +

LTM
TRANSACTION
VALUE¹



1

Executive Summary

Q2-2025 in a nutshell

VIDEO GAME MARKET ENVIRONMENT



- Mobile gaming has stabilized at ~\$20bn in quarterly consumer spend, though downloads continue to trend down
- PC gaming continues to grow, with Steam revenue up +20% YoY, powered by several standout indie launches
- Console momentum builds up: Nintendo's Switch 2 becomes its fastest-selling console, while PlayStation hits 120m+ MAUs in its most profitable hardware cycle

DEALMAKING ACTIVITY



- Gaming M&A volume reaches \$6.2bn, driven by the sale of Niantic and a PE-led strategic round in Dream Games
- Deal activity remains concentrated in mobile, as PC/Console dealmaking lags
- Private gaming investments dip to a five-year quarterly low of \$0.4bn, as late-stage VC appetite weakens

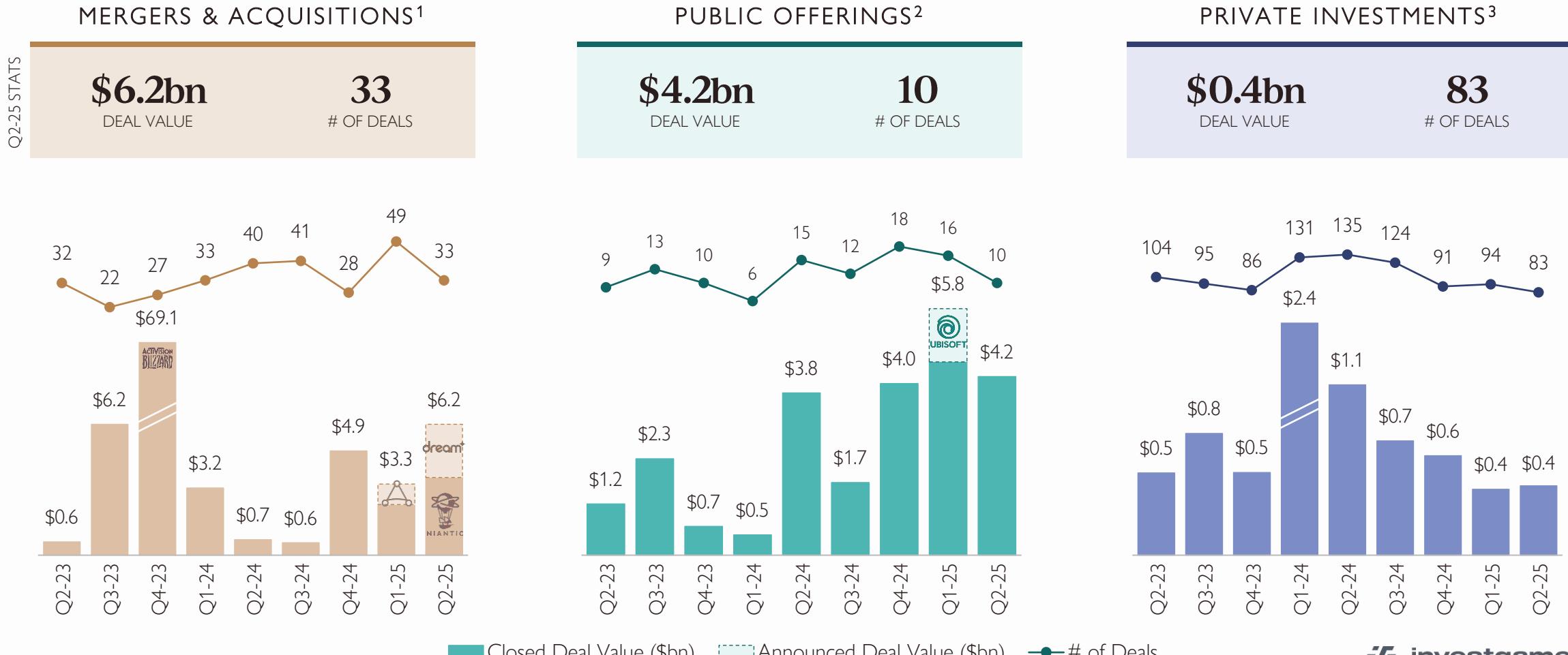
CAPITAL MARKETS



- Public offerings raise \$4.2bn in Q2, with healthy demand across debt and equity issuance
- Gaming equities deliver robust YTD performance despite macro pressure, with many names trading close to their 52-week highs
- Valuation spread widens: PC/Console and diversified comps trade at 15x+ EBITDA, while mobile peers lag at historic lows

M&A momentum persists while investment activity is under pressure

Dealmaking activity in Q2-2025



Mobile drives headline transactions

Most significant gaming transactions in Q2-2025

MERGERS & ACQUISITIONS

TARGET	BUYER	VALUE	CATEGORY
 Niantic	 SCOPELY  SAVVY GAMES GROUP	\$3.5bn	 Mobile
 ANNOUNCED	 APPLOVIN GAMING APPS	\$800m	 Mobile
			
ANNOUNCED	 neptune	KRAFTON	\$115m
			 Mobile
 ANNOUNCED	 CURVE GAMES	 Nazara™	\$29m
			 PC & Console
 ANNOUNCED	 CVC equity Blackstone debt	dream*	n/a
			 Mobile

PUBLIC OFFERINGS

COMPANY	DEAL TYPE	VALUE	CATEGORY
 GameStop	Convertible senior notes	\$2.3bn	 Retail
 T2	Common stock issuance	\$1.0bn	 PC & Console
 bilibili	Convertible senior notes	\$690m	 Mobile
 RUYI HOLDINGS	Convertible bonds	\$300m	 Mobile
ANNOUNCED			
 CTW	IPO	\$17m	 Web

PRIVATE INVESTMENTS

COMPANY	INVESTOR	VALUE	CATEGORY
 ARROWHEAD	 Tencent	\$80m	 PC & Console
 BIG ER	 Goodwater	\$25m	 Mobile
 HYBE	 IMM	\$21m	 Mobile
 AMPLITUDE STUDIOS	 GRIFFIN	\$14m	 PC & Console
 liftoff	 GENERAL ATLANTIC	n/a	 Tech

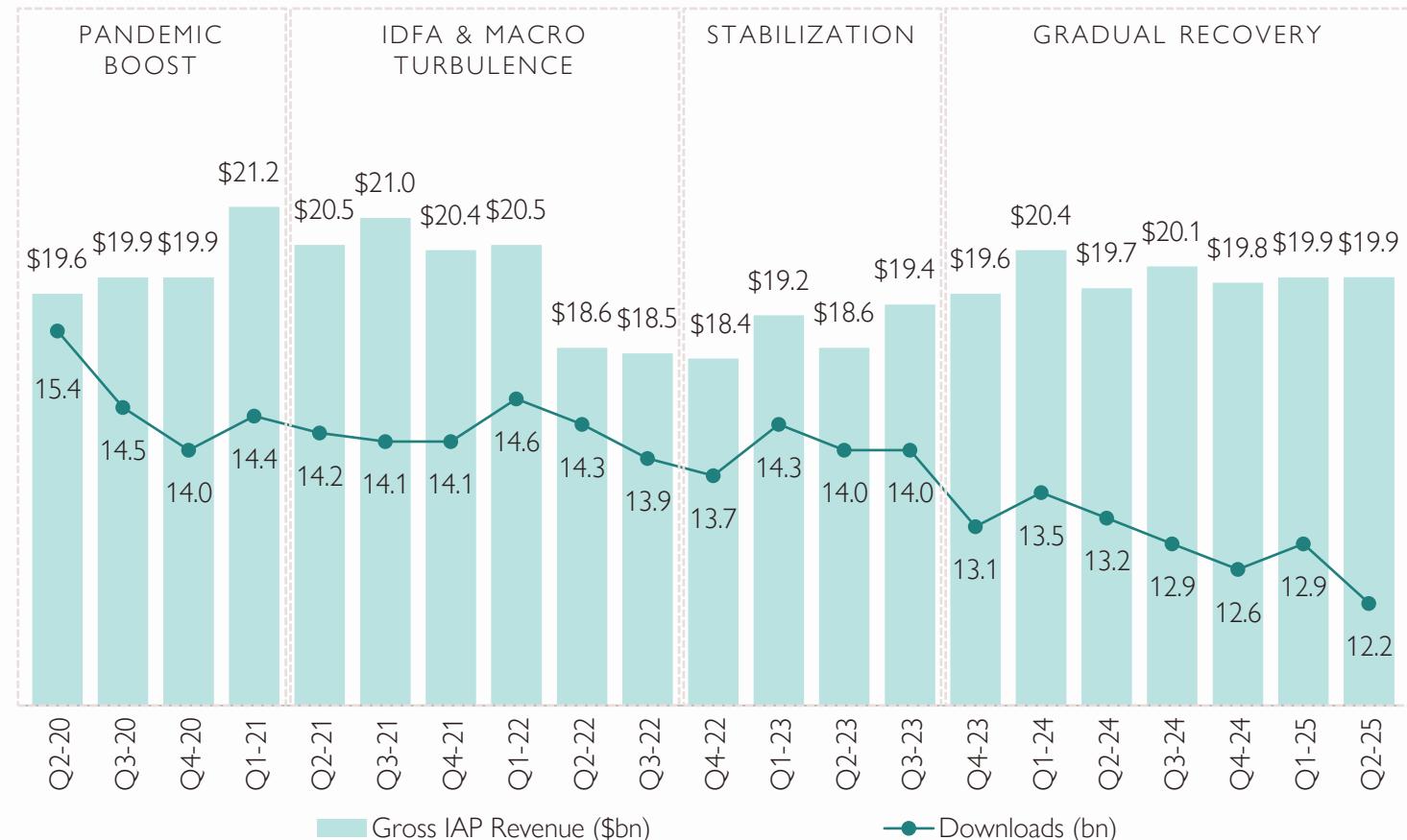
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Gaming Market Backdrop

Mobile gaming settles into post-pandemic baseline

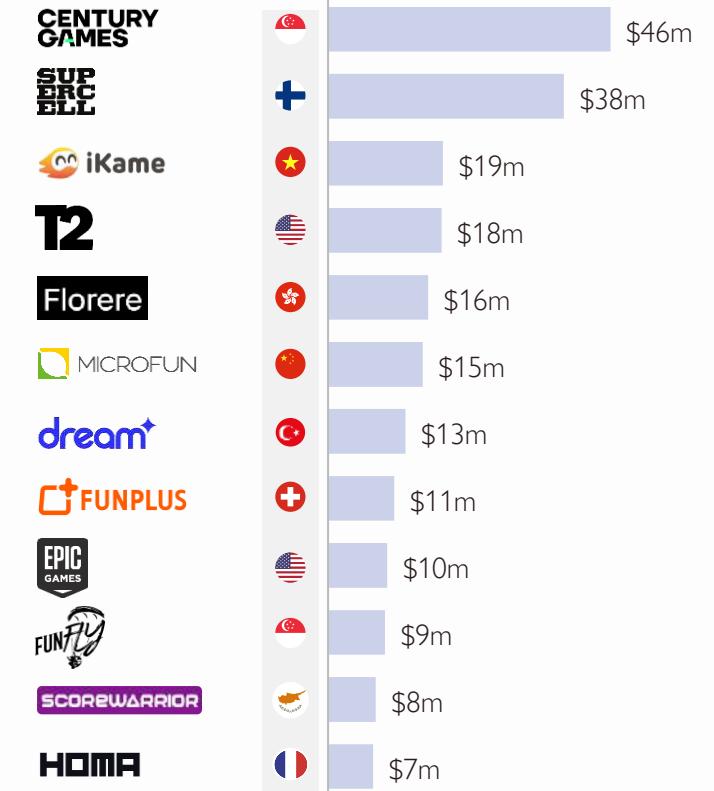
Moderate revenue growth on a smaller install base signals improved monetization

GLOBAL MOBILE GAMING CONSUMER SPEND (GROSS IAP REVENUE)¹



TOP GROWING PUBLISHERS IN U.S.
USA flag

INCREMENTAL IAP REVENUE² (Q2-25 vs. Q1-25)



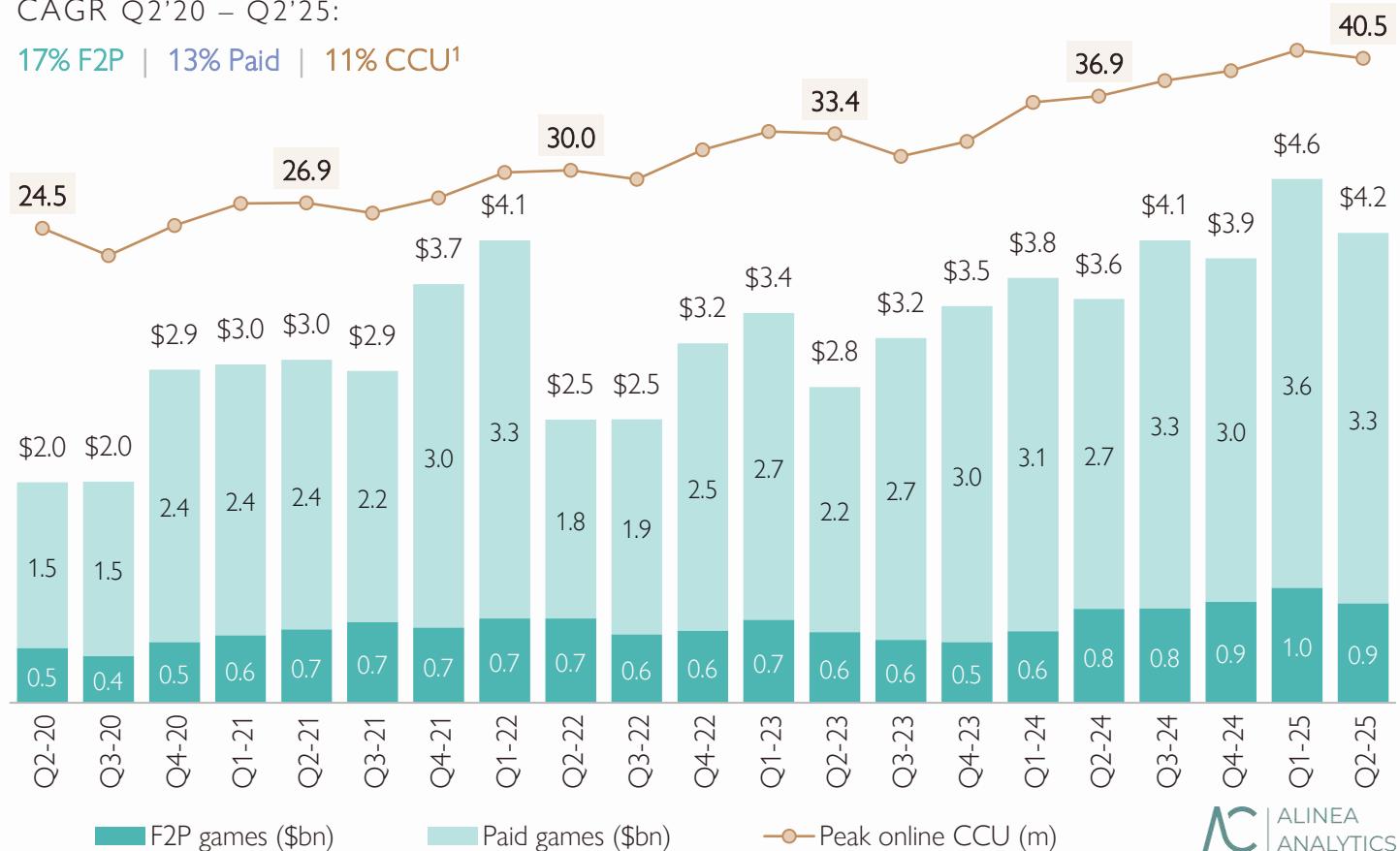
PC gaming continues strong user and revenue growth

+20% YoY growth over the last twelve months

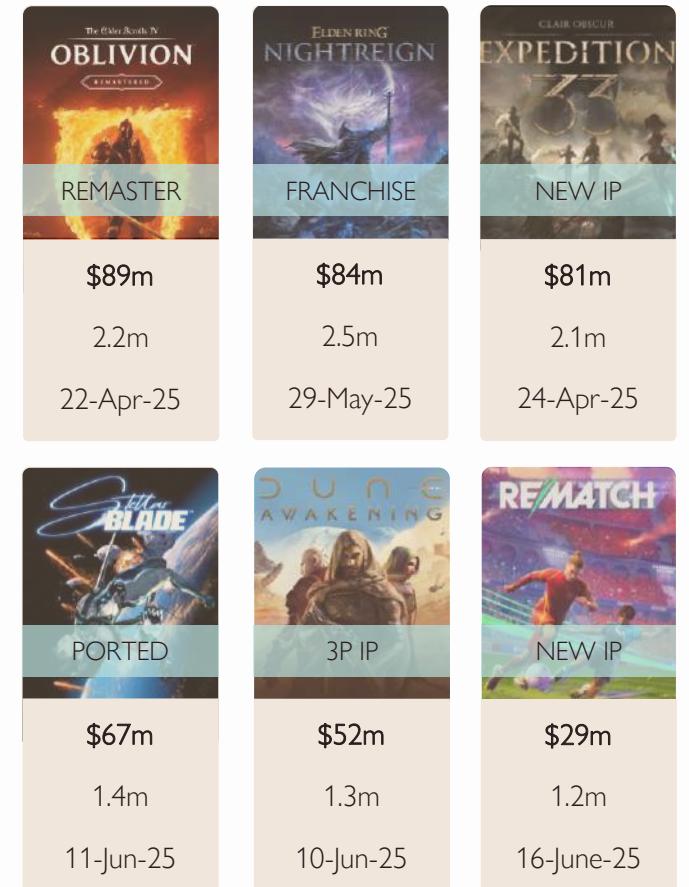
STEAM GROSS REVENUE & PEAK ONLINE USER ACTIVITY



CAGR Q2'20 – Q2'25:
17% F2P | 13% Paid | 11% CCU¹



TOP-GROSSING RELEASES (Q2-25²)



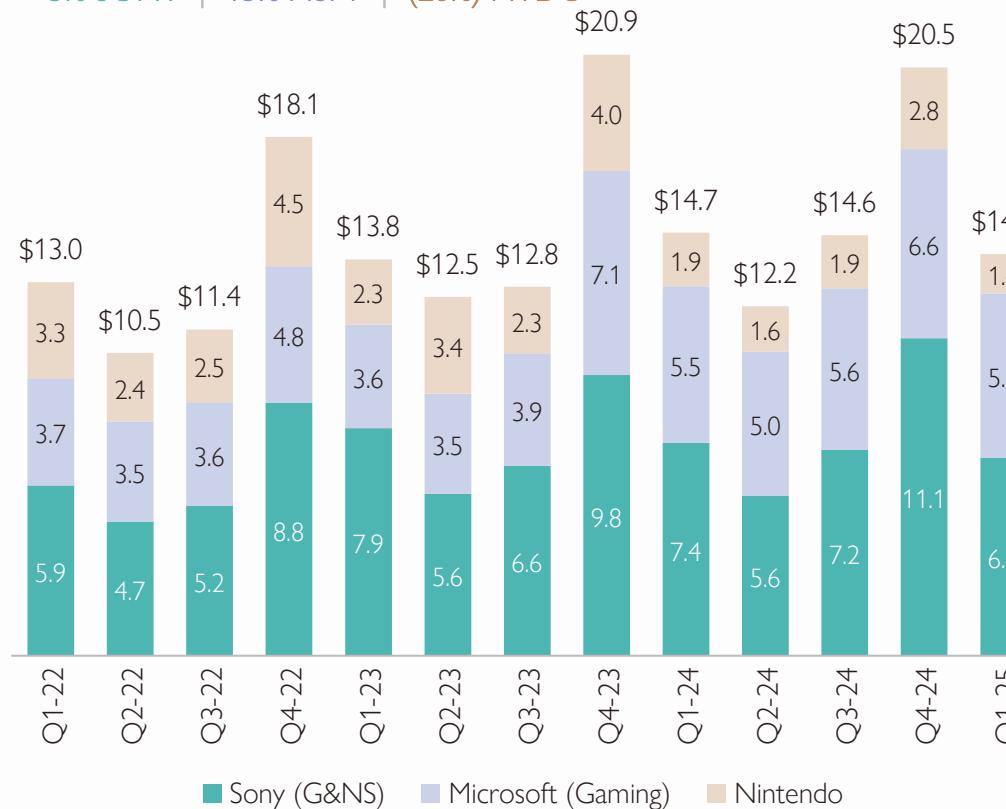
Console market shows steady performance amid industry transitions

Platform holders navigate hardware cycles and major release timing

MAJOR CONSOLE PLATFORMS: QUARTERLY GAMING DIVISION REVENUE (\$BN)

↗ CAGR Q1'22 – Q1'25:

5% SONY | 15% MSFT | (26%) NTDO



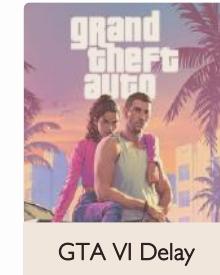
EARNINGS NOTES

Q1-25 Gaming revenue increased 5% YoY, with Xbox content and services growing 8% YoY (driven by Game Pass, Call of Duty, Minecraft) offsetting a 6% hardware decline

FY24 G&NS sales increased 9% YoY, driven by growth in third-party software sales and FX rates impact. PS5 is the most profitable console generation to-date with over 77m units sold

FY25 sales declined by 30%, affected by decrease in hardware and software sales ahead of Nintendo Switch 2 launch (after reporting period)

LATEST MARKET NEWS

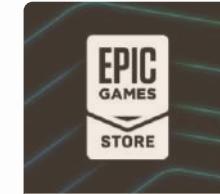


- Initially planned for H2-2025, postponed to May 2026
- Projected revenue impact of ~\$3bn in 2025 CY
- Opportunity for publishers to fill-in the “shelves” and drive sales



Release of Nintendo Switch 2

- Switch 2 becomes Nintendo's fastest-selling console with 3.5m units sold in four days
- Strong third-party titles lineup with AAA publishers porting games to Switch

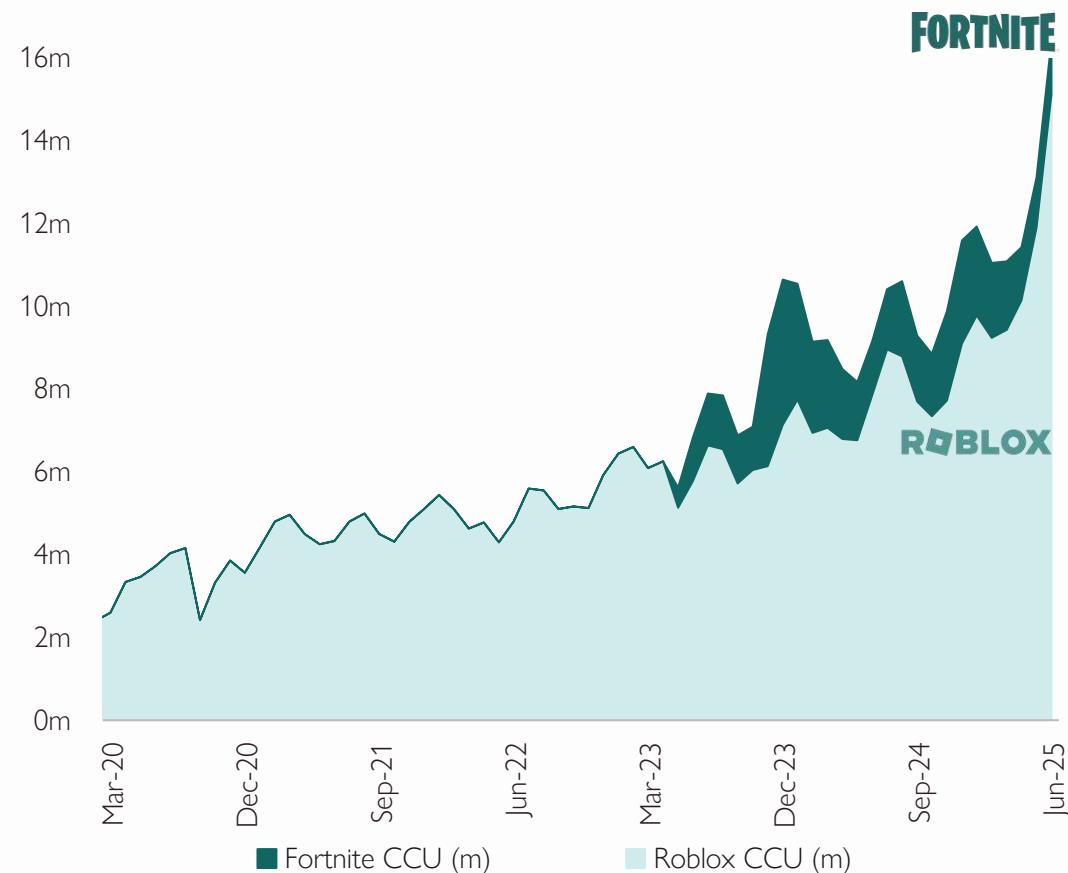


Epic Games Store & Engine Fee Update

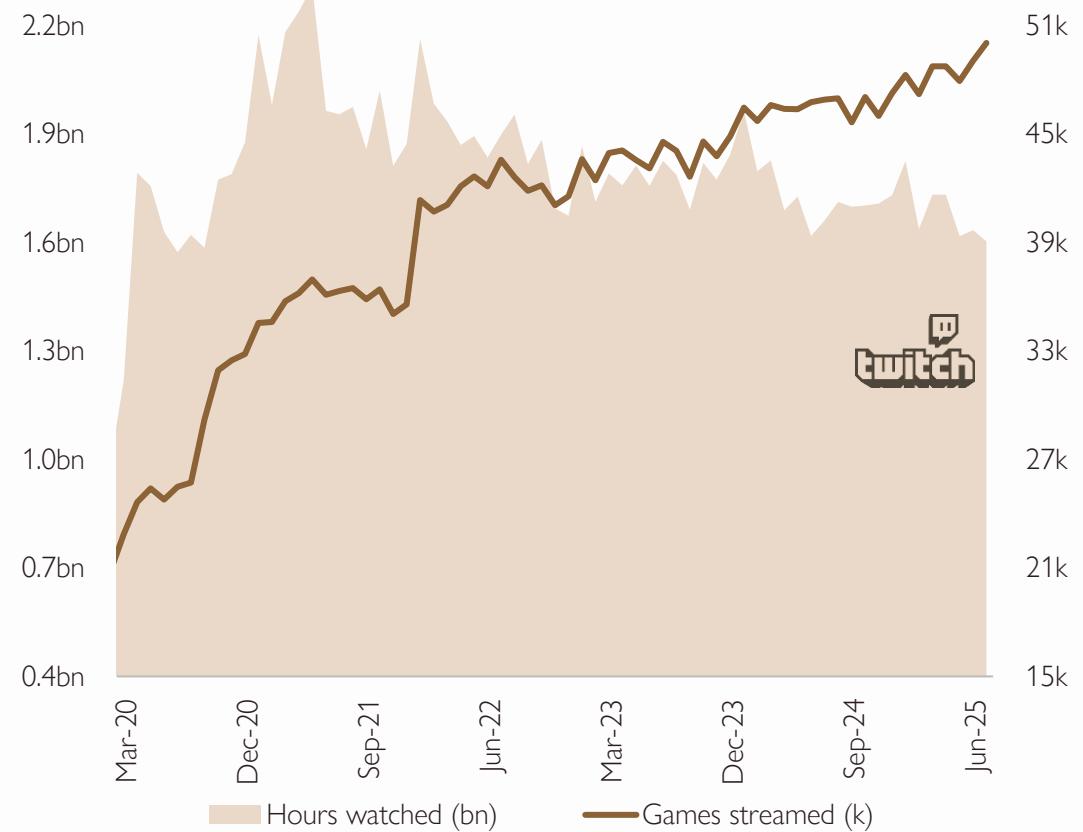
- No revenue share on the first \$1m revenue annually across all platforms
- Unreal Engine royalties cut to 3.5% for Epic Store simultaneous releases

UGC platforms and streaming engagement reach new peaks

CONCURRENT USERS ON MAJOR UGC PLATFORMS¹

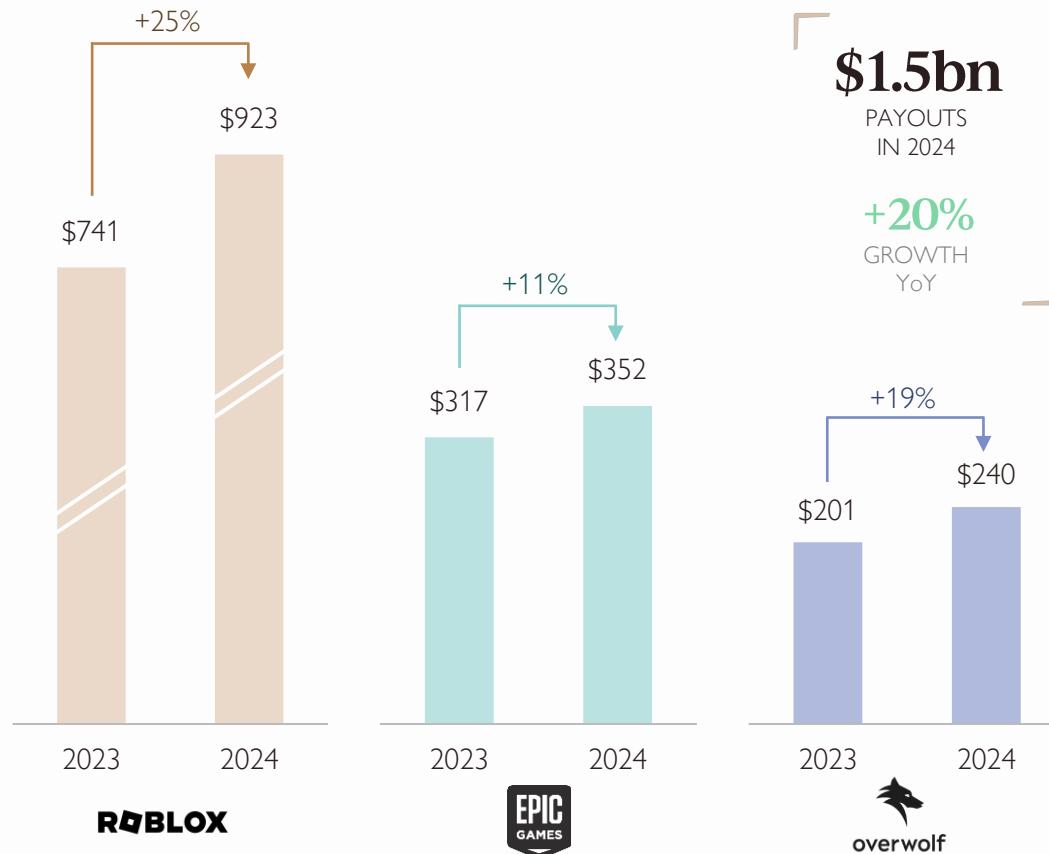


GAMING VIEWERSHIP AND STREAMING STATS



Surge in creator economy payouts accelerated strategic dealmaking activity in UGC space

PAYOUTS TO CREATORS BY PLATFORM (\$M)



RECENT TRANSACTIONS IN UGC SPACE (2024 – 2025 YTD)

	INVESTOR	TARGET	PLATFORM	DATE
ACQUISITIONS	Super League	Supersocial	ROBLOX	Q2-25
	JO GO	RHO CREATIVE	FORTNITE	Q2-25
	VOLDEX	BROOKHAVEN ULTIMATE FOOTBALL	ROBLOX	Q1-25 / Q2-24
	PocketWorlds	infinite canvas	ROBLOX	Q1-25
	BS GAMES STUDIO	Amino Islands	ROBLOX	Q2-24
INVESTMENTS	SPLITTING POINT	[🌱] Grow a Garden 🌱	ROBLOX	Q2-25
	Gaijin	THE PIT	FORTNITE	Q2-25
	RAINESHAMROCK CAPITAL	VOLDEX	ROBLOX	Q1-25
	GENERAL CATALYST	TIRTA	FORTNITE	Q3-24
	Lvp.	FOAD	FORTNITE	Q3-24
		LNW LOOK NORTH WORLD	FORTNITE	Q3-24

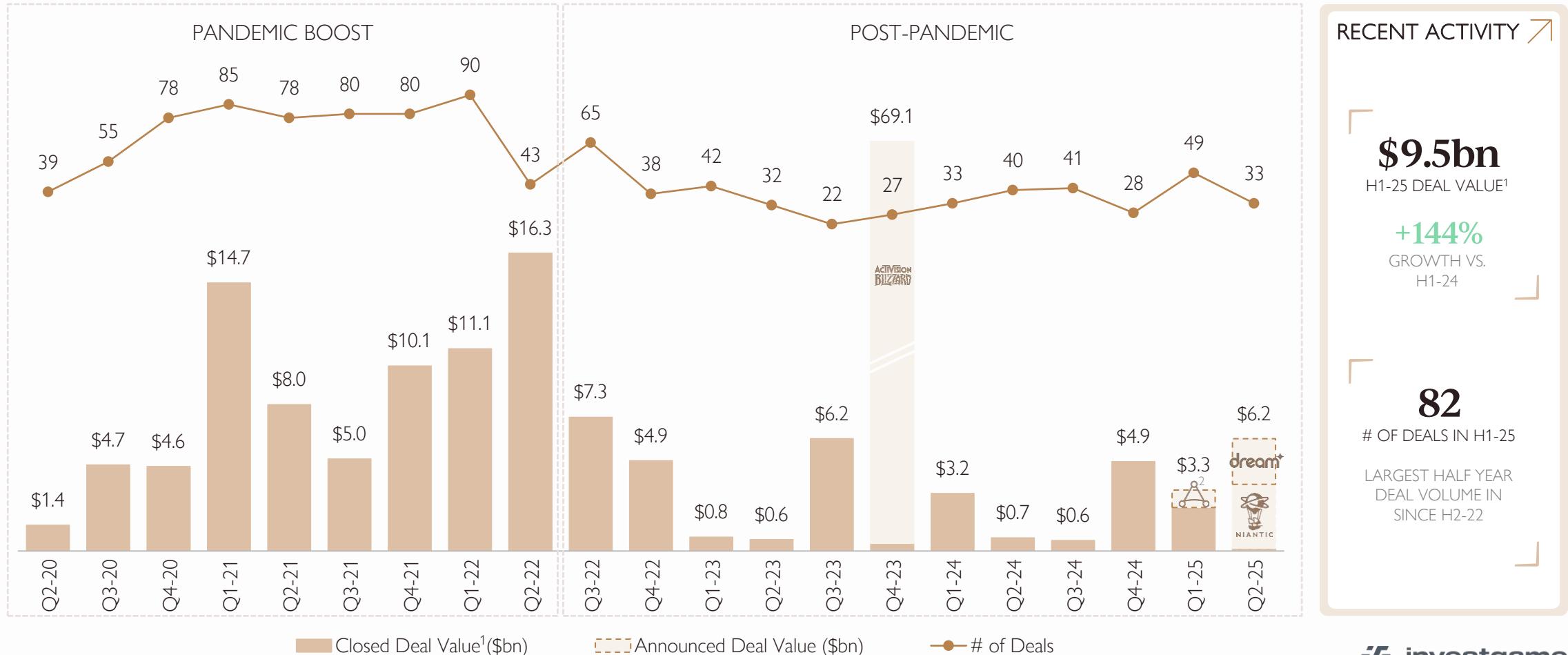


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Mergers & Acquisitions

M&A activity hits post-pandemic high in H1-2025

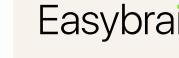
Quarterly activity incl. both minority & majority stake transactions



Mobile dominance continues across gaming M&A landscape

Largest gaming acquisitions of the last twelve months

IG investgame

	MOBILE	MOBILE	MOBILE	MOBILE	MOBILE	MOBILE	MOBILE	MOBILE	SERVICES
TARGET	 Niantic Games	 dream	 APPLOVIN GAMING APPS	 neptune	 PLARIUM	 CORE GAMING	 Easybrain	 SuperPlay	 Keywords Studios Imagine More
ACQUIRER	 SCOPELY SAVVY GAMES GROUP	CVC Equity	Blackstone Debt	 triplerdot	 KRAFTON	 MTG	 Siyata	 MINICLIP PLAY GAMES	BPEA CPP Investments IEQT TEMASEK
EV ¹	\$3.5bn	n/a	\$800m	\$292m	\$620m ⁴	\$160m ⁵	\$1.2bn	\$700m	\$2.7bn
LTM MULTIPLES ²	3.5x	n/a	0.6x	3.2x	1.0x	2.0x	3.8x	2.6x	3.2x
EBITDA SALES	n/a	n/a	n/a	n/a	4.5x	n/a	9.3x	n/a	15.9x
DATE	May-25	May-25 (announced)	May-25 (announced ³)	Apr-25 (announced)	Feb-25	Feb-25 (announced)	Jan-25	Nov-24	Oct-24

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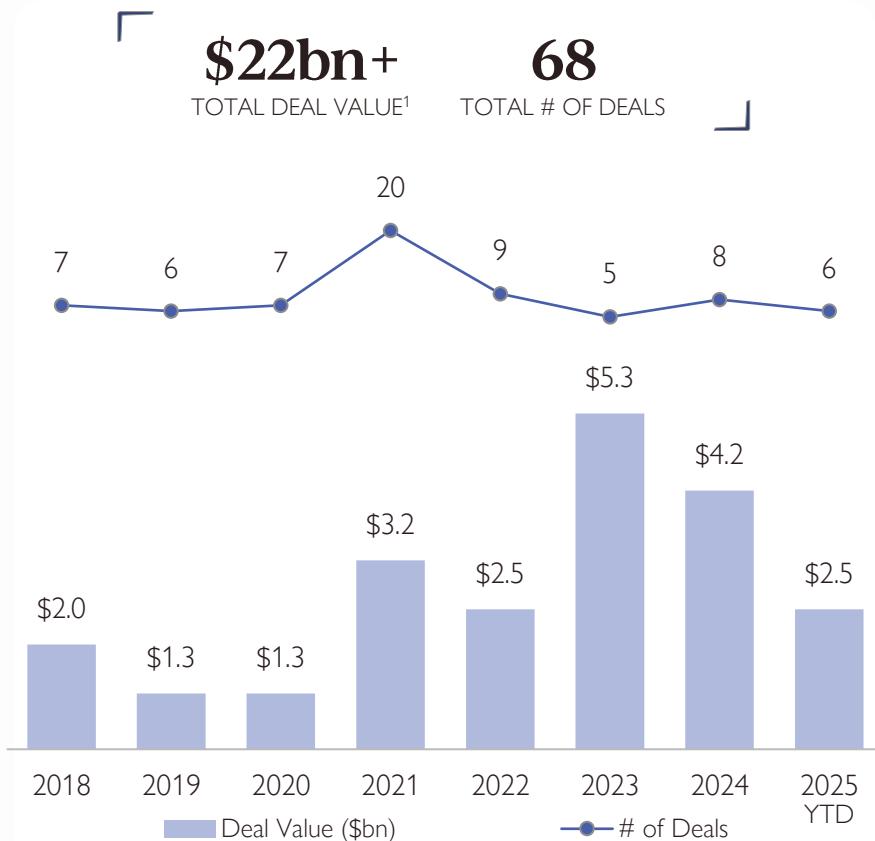
Source: InvestGame

Note: (1) upfront enterprise value excl. earnout consideration; (2) based on upfront enterprise value; (3) the deal has been officially closed on July 1st, 2025; (4) incl. \$20m deferred payment; (5) fair value consideration in the reverse merger

Private equity accelerates investments to record levels

PE-backed transactions surge as institutional capital targets opportunities in gaming

PE-BACKED GAMING TRANSACTIONS SINCE 2018



LARGEST PE-BACKED TRANSACTIONS SINCE 2024

iG investgame

CONTROL TRANSACTIONS



MINORITY TRANSACTIONS

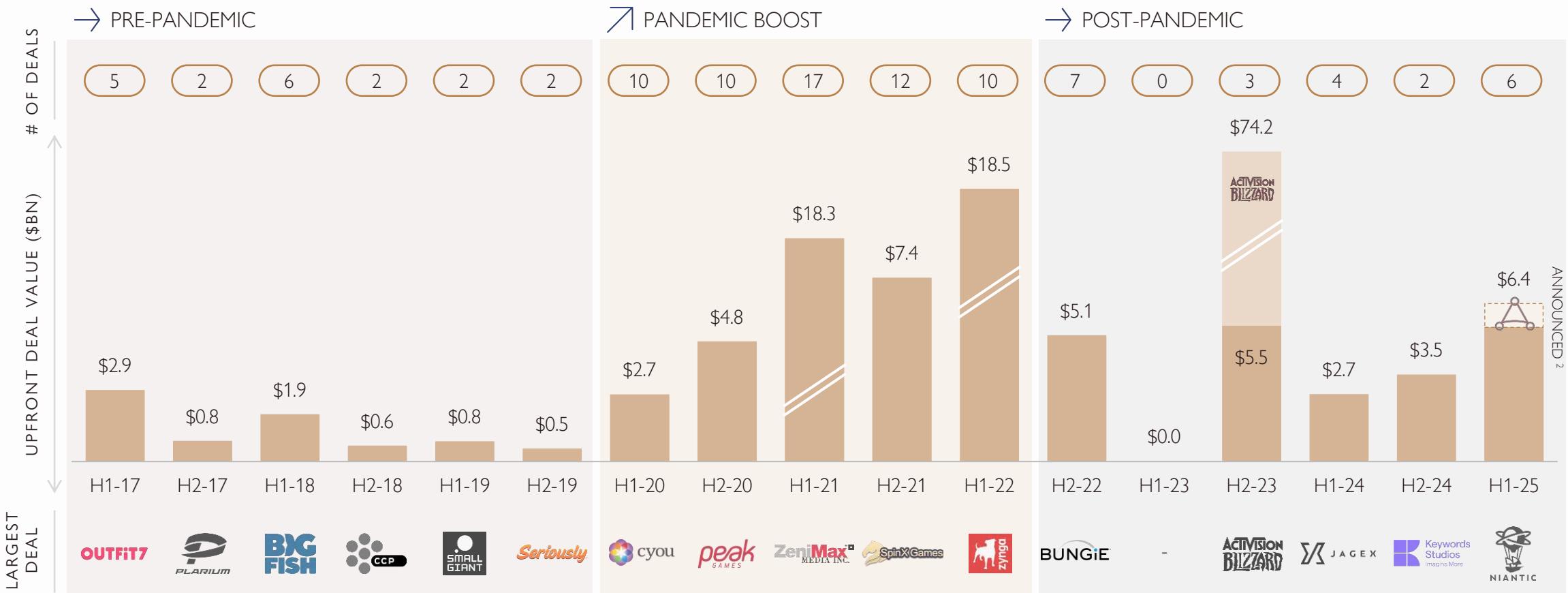


Large-scale content M&A recovery accelerates in H1-2025

M&A activity with game developers and publishers rebounds

GAMING CONTENT CONTROL M&A DEALS (UPFRONT VALUATION >\$100M¹)

IG investgame

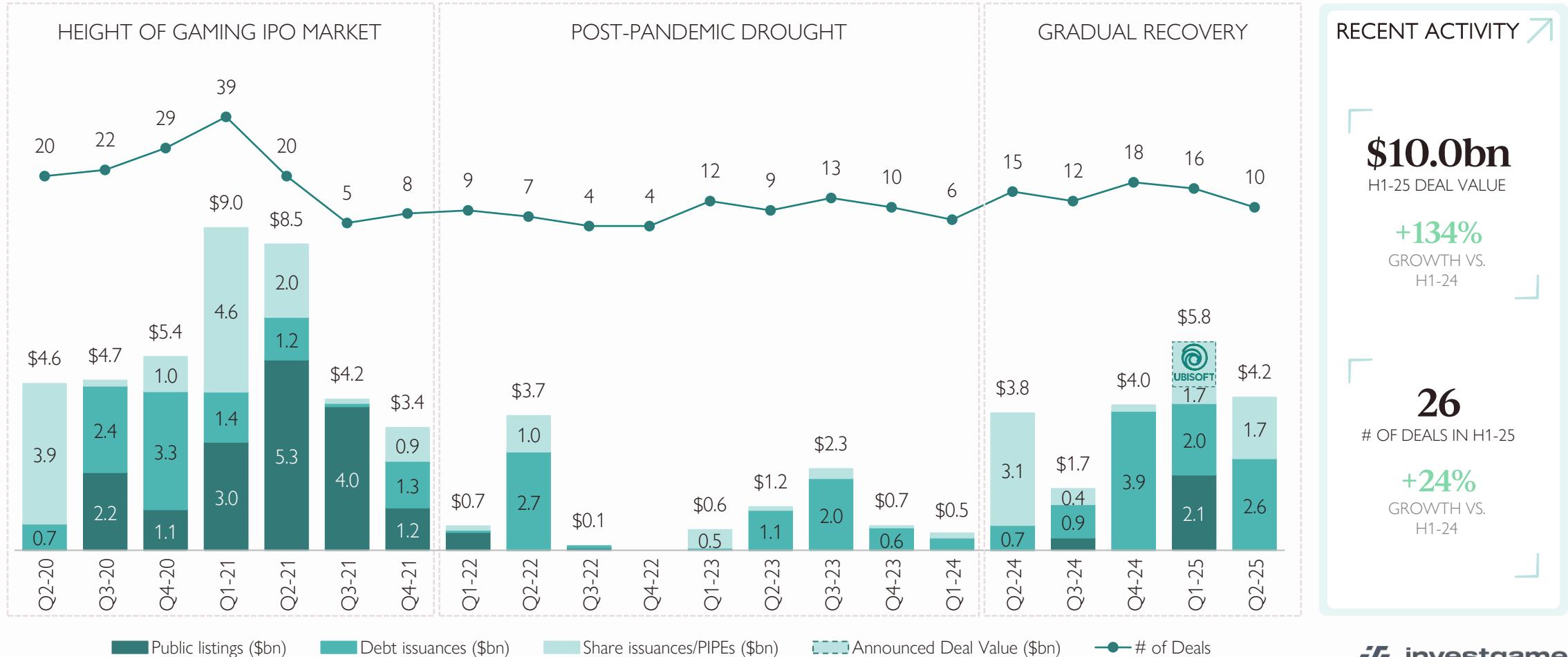




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Public Markets

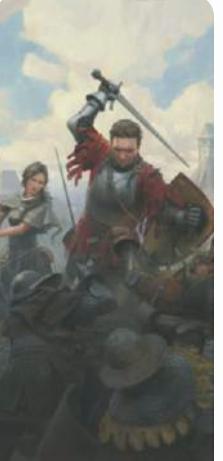
Public gaming markets reach four-year activity peak in H1-2025



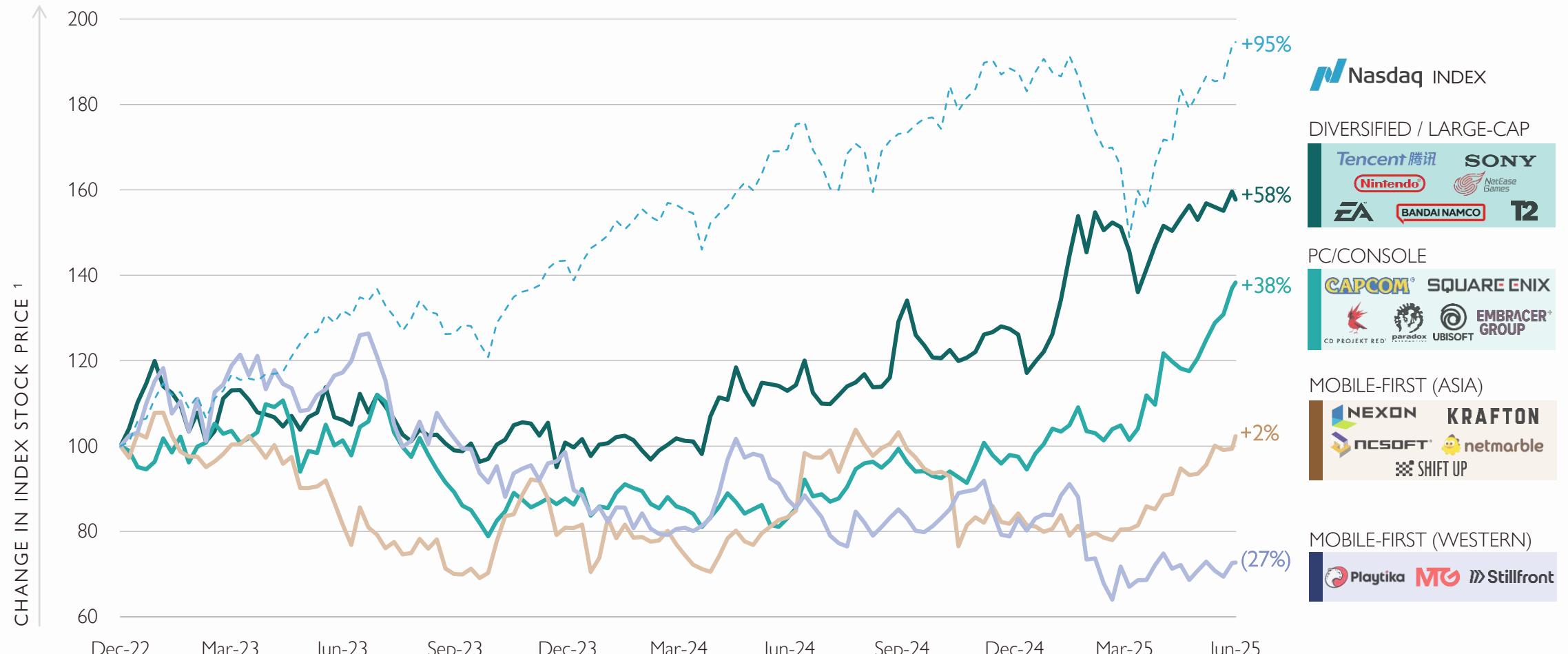
Capital markets support both debt refinancing and equity issuances

Largest public market transactions over the last twelve months

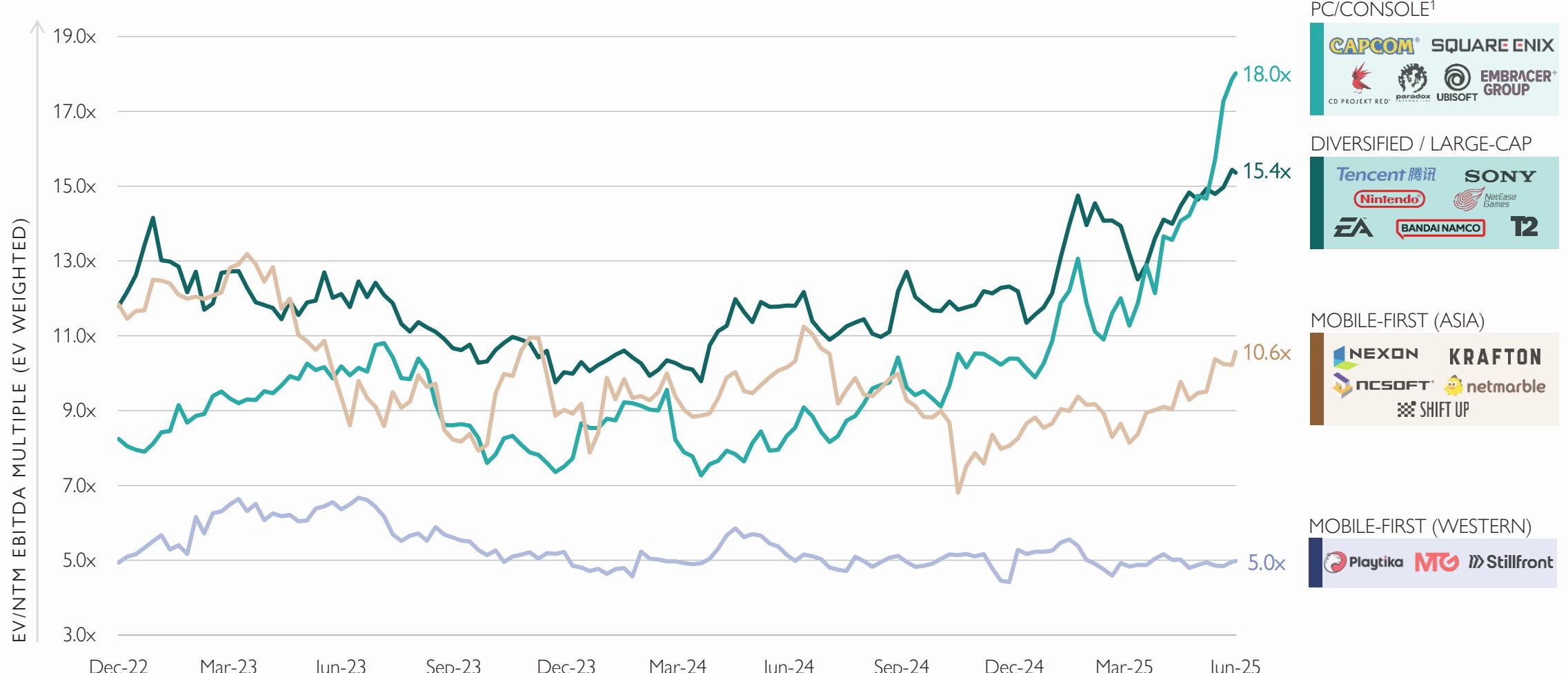
IG investgame

									
COMPANY	GameStop®	T2	bilibili	ANNOUNCED  UBISOFT	 KADOKAWA	 Unity	asmodee	 APPLOVIN	EMBRACER®⁺ GROUP
DEAL TYPE	Convertible senior notes	Common stock	Convertible senior notes	Investment (PIPE)	PIPE	Convertible senior notes	Public spin-off	Senior note	RCF ³
CAPITAL RAISED	\$3.55bn Notes \$2.3bn Notes \$1.3bn	\$1.04bn	\$0.69bn	\$1.25bn	\$0.36bn Tencent ~\$39m ¹ SONY \$320m	\$0.60bn	\$2.10bn (market cap at listing) +10% debut price ²	\$3.55bn	\$0.70bn RCF \$50m RCF \$652m
DATE	Jun-25 / Mar-25	May-25	May-25	Mar-25 (announced)	Mar-25 / Jan-25	Feb-25	Feb-25	Nov-24	Aug-24 / Jul-24

Large caps and PC/Console publishers maintain solid share price gains into Q2 2025

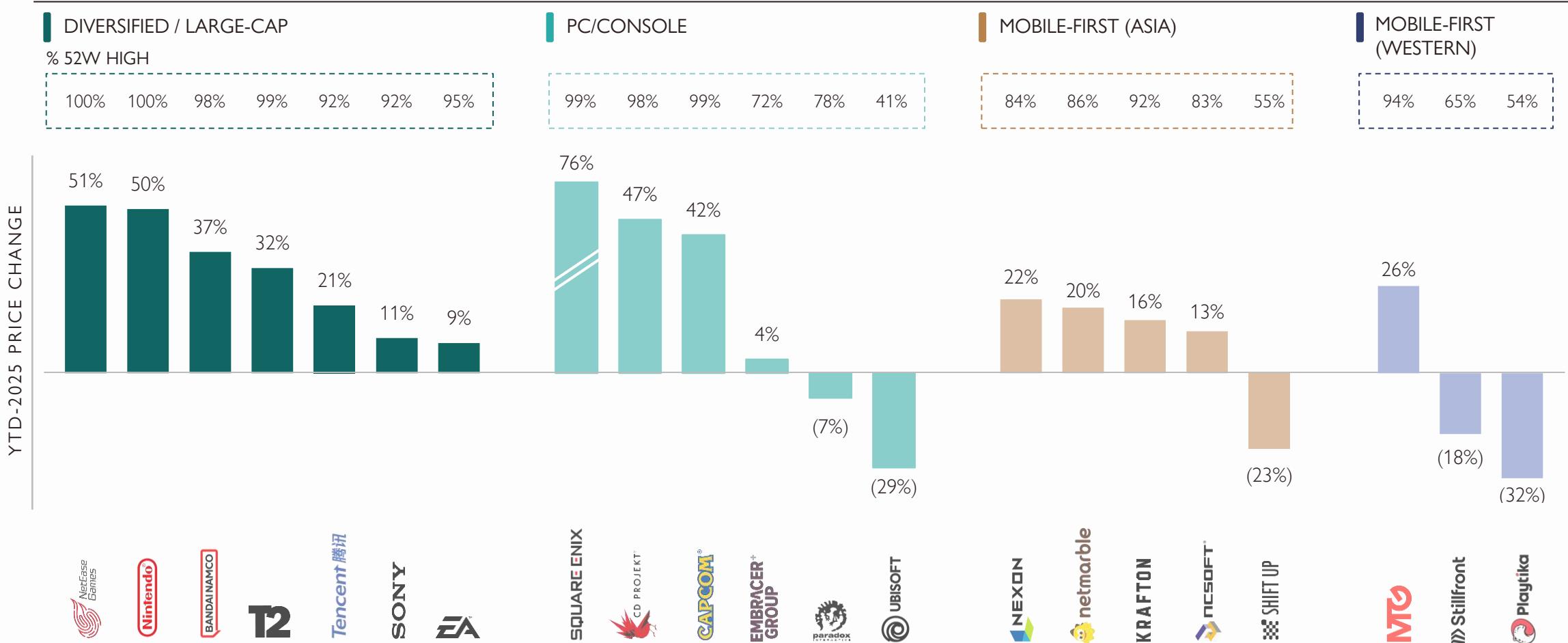


Valuation divergence accelerates: PC/Console and Diversified publishers trade above 15x EBITDA while mobile peers remain at historic lows



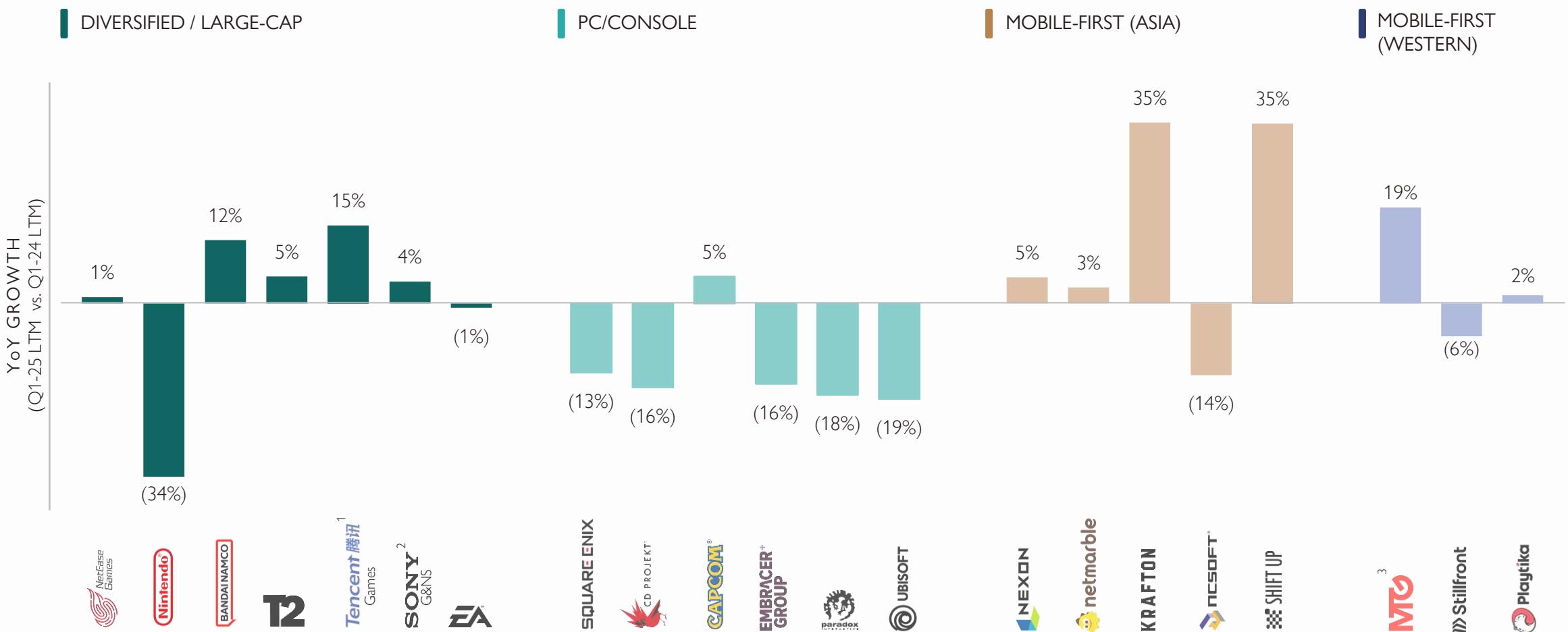
Investor sentiment has recovered with majority of gaming stocks hitting 52-week highs and strong double-digit YTD gains

SHARE PRICE PERFORMANCE AS OF 30ST JUNE 2025



PC/Console publishers face tough comps following prior year's strong release slates, while mobile and large-cap show positive momentum

REPORTED LTM REVENUE GROWTH AS OF Q1-25CY



Premium valuations reward growth and profitability combination

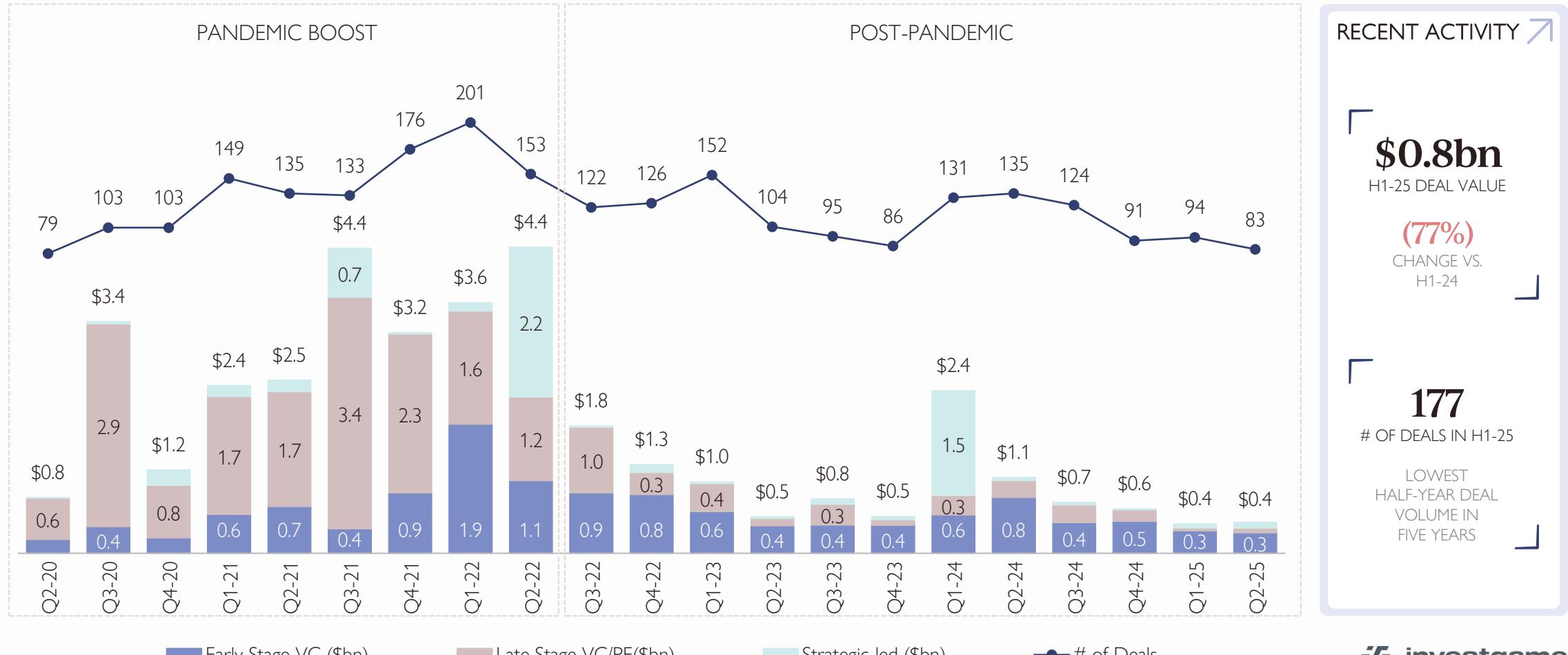
Regression analysis: forward-looking valuation vs. growth + profitability



5

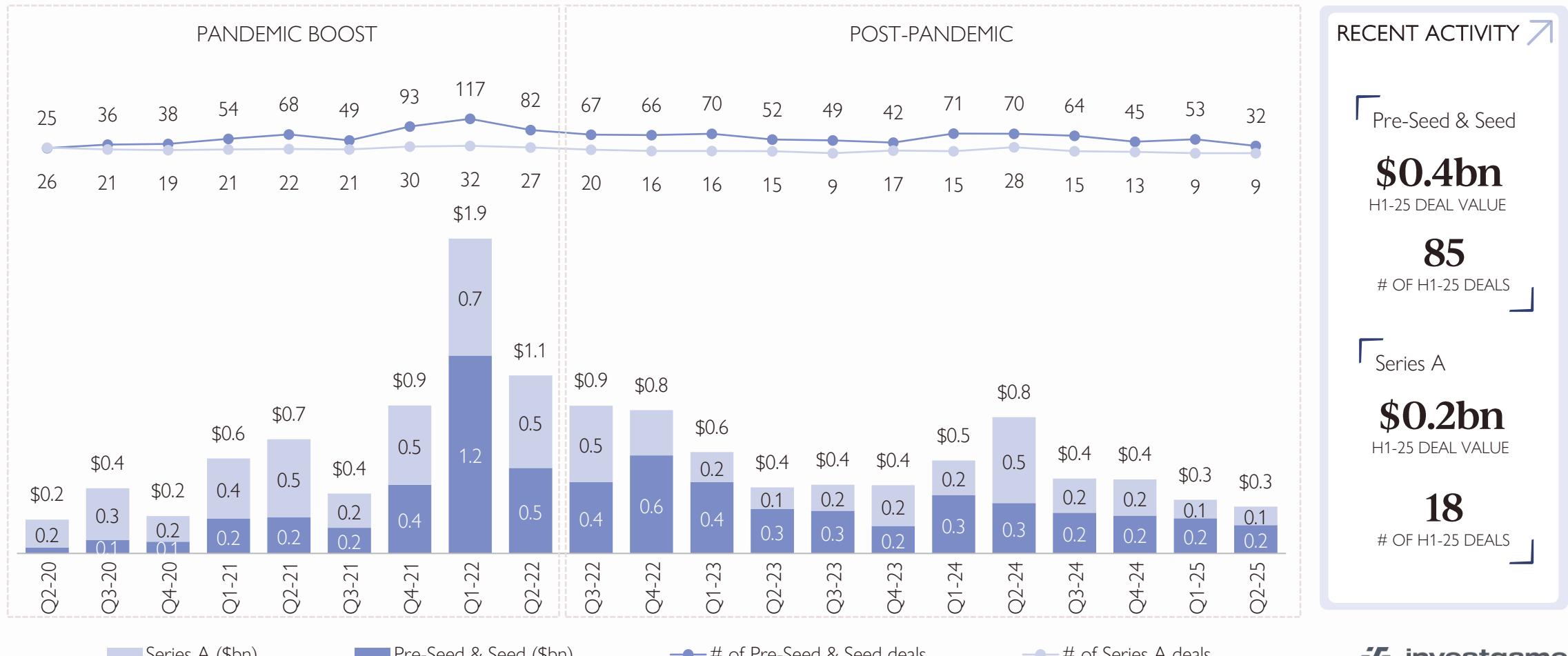
Private Investments

Gaming investments plunge in H1-2025, hitting lowest activity levels in five years



Early-stage funding retreats further, reflecting investor caution

VC-led early-stage rounds (excl. web3 and esports)¹

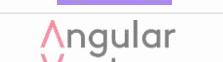


Largest VC-led deals in Q2-2025

GAMING CONTENT¹

DATE	TARGET	INVESTOR LEAD	DEAL TYPE	AMOUNT
Jun-25		Goodwater	Series A	\$25.0m
Apr-25		 	Series B+	\$21.0m
May-25			Series A	\$13.6m
Jun-25			Series A	\$11.0m
May-25			Series A	\$7.0m
May-25			Seed	\$7.0m
Jun-25		 	Seed	\$4.6m
May-25			Seed	\$3.6m
Apr-25		khosla ventures	Seed	\$3.0m
May-25		LUDUS	Seed	\$2.3m

PLATFORM & TECH¹

DATE	TARGET	INVESTOR LEAD	DEAL TYPE	AMOUNT
May-25			Series A	\$15.0m
Apr-25			Series B	\$13.5m
May-25			Seed	\$13.0m
May-25			Seed	\$12.0m
May-25			Seed	\$10.0m
Jun-25			Seed	\$9.0m
Jun-25			Seed	\$8.0m
May-25			Seed	\$6.5m
Jun-25			Seed	\$5.8m
Jun-25			Seed	\$4.2m

Emerging private financing market trends

AI INFRASTRUCTURE DOMINATES GAMING FUNDING

\$2.0bn

INVESTED
2020-2025 YTD¹

283

OF DEALS
2020-2025 YTD

AI gaming startups accounted for 65% of infra deals in 2024 (up from just 4% in 2020) as capital shifts toward scalable, cross-sector tools

stability.ai  

Pika  

DEAL VALUE OF AI GAMING STARTUPS (\$M)



TURKEY EMERGES AS A MOBILE GAMING POWERHOUSE

\$0.8bn

INVESTED
2020-2025 YTD²

113

OF DEALS
2020-2025 YTD

Turkey is now one of the world's top hubs for mobile game development, driven by local studio successes and strong early-stage deal flow

dream*

m.a.n.c

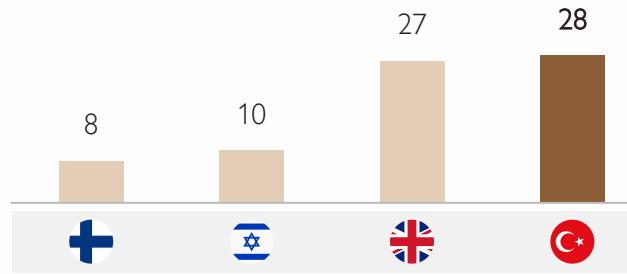
SPYKE

grand

ACE GAMES

agave

OF VC-LED DEALS IN 2024–2025'H1



COHORT FINANCING RESHAPES USER ACQUISITION CAPITAL

SELECT FINANCING PROVIDERS

G GENERAL CATALYST

PvX Partners

TWELVE

Debt financing providers now fund up to 80% of user acquisition budgets, offering mobile studios non dilutive growth capital

STUDIOS LEVERAGING COHORT FINANCING

 **HAIKU GAMES**

 **GULI GAMES**

 **SuperPlay**

 **malpa**

 **JOYCITY**

 **TOP APP GAMES**

 **MYSTERY TAG**

 **Playsome**

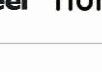
Most active early-stage gaming VCs

Last twelve months activity¹

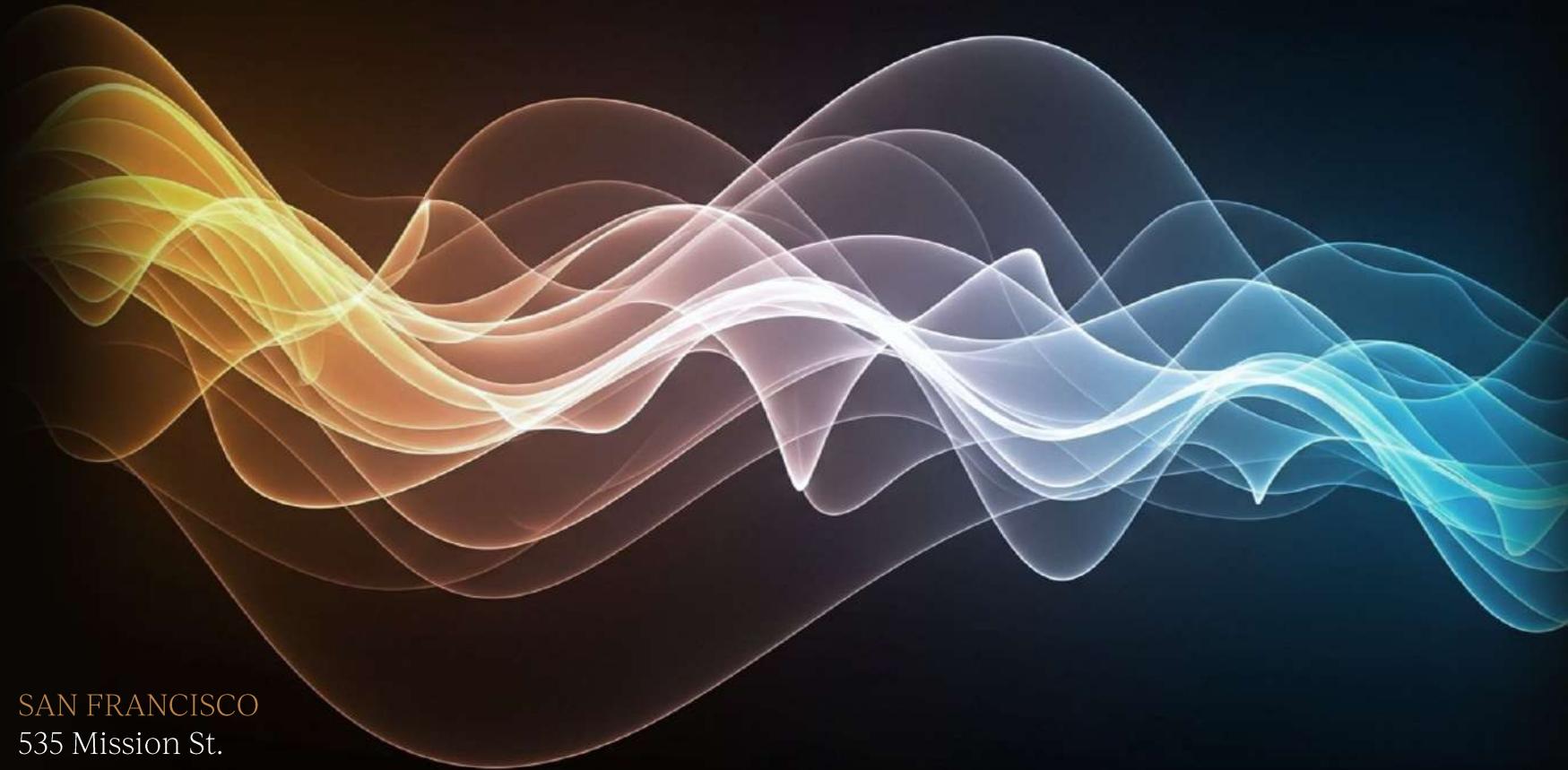
TOP-10 BY NUMBER OF DEALS (LTM)

#	FUND NAME	DEALS TOTAL	DEALS LED	SELECTED INVESTMENTS
1	A16Z GAMES	20	6	 
2	BITKRAFT	19	13	 
3	LATION	11	7	 
4	PLAY	11	5	 
5	vgames	10	6	 
6	Lvp.	9	8	 
7	GRIFFIN	8	6	 
8-9	GEM Capital	7	5	 
8-9	THE GAMES FUND	7	5	 
10	LUDUS	7	3	 

TOP-10 BY DEAL VALUE (LTM)

#	FUND NAME	DEALS TOTAL	DEALS LED	SELECTED INVESTMENTS
1	BITKRAFT	\$123m	\$40m	 
2	A16Z GAMES	\$107m	\$21m	 
3	PLAY	\$98m	\$27m	 
4	Arcadia	\$82m	\$9m	 
5	LATION	\$69m	\$20m	 
6	GRiffin	\$64m	\$50m	 
7	MAKERS FUND	\$59m	\$41m	 
8	Goodwater	\$55m	\$25m	 
9	Balderton capital	\$48m	\$18m	 
10	TIRTA	\$42m	\$11m	 

Aream & Co.



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