

Aream &  
Co.

A horizontal, wavy graphic composed of numerous thin, glowing lines that create a sense of motion and depth. The lines are colored with a gradient, transitioning from a warm orange-red on the left to a cool blue on the right. Interspersed among the lines are small, semi-transparent hexagonal shapes, some of which are also glowing. The overall effect is reminiscent of a digital signal or a network of data points flowing across the frame.

# 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

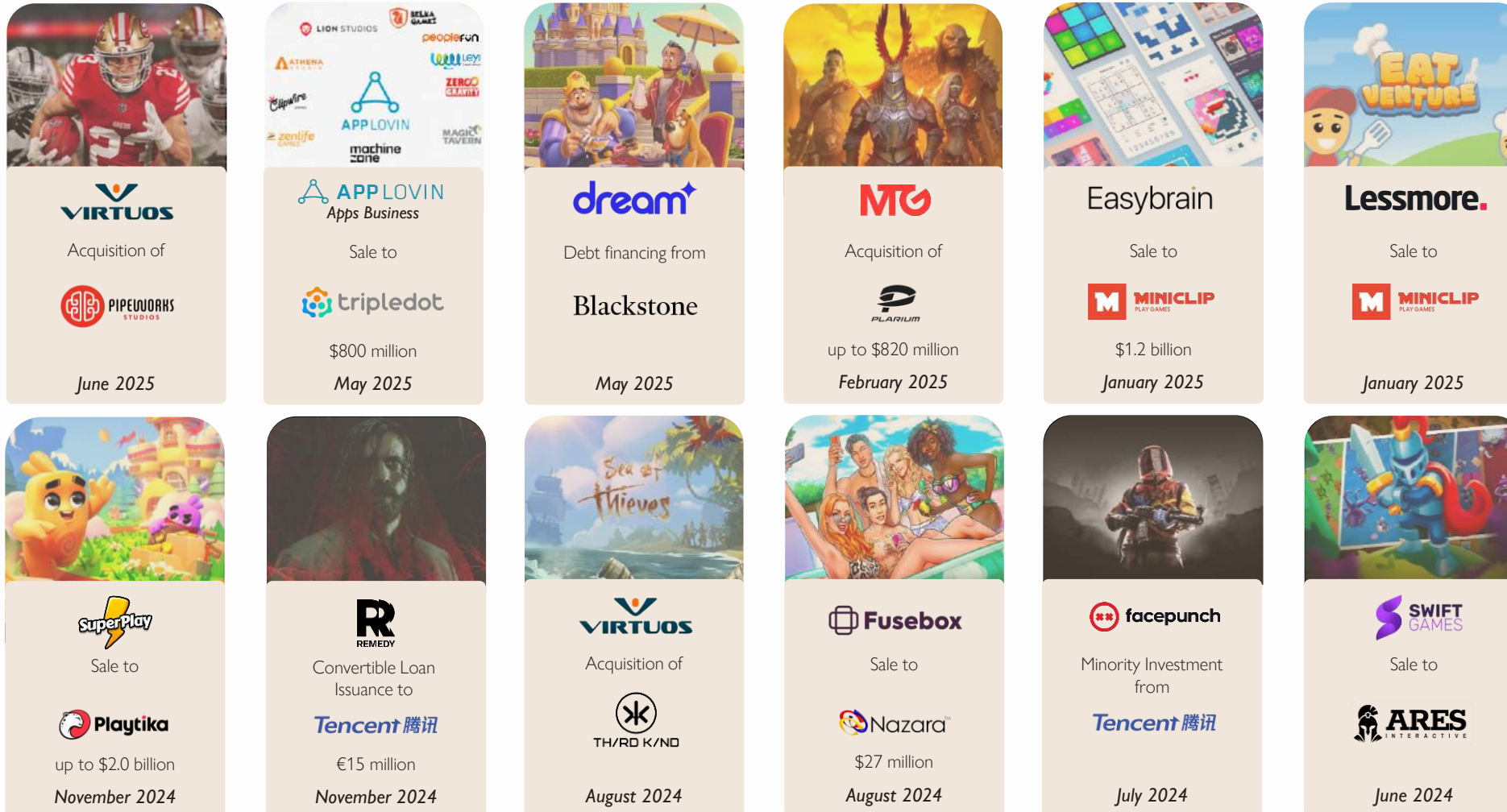


**Expert execution** underpinned by our heritage in global financial institutions and constant market participation



# Aream & Co. last twelve months deal activity

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



12  
LTM  
GAMING  
TRANSACTIONS

\$6bn+  
LTM  
TRANSACTION  
VALUE<sup>1</sup>



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

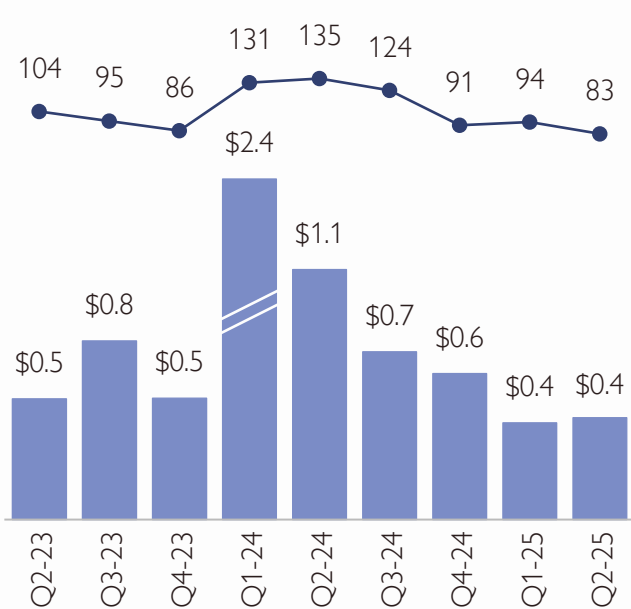
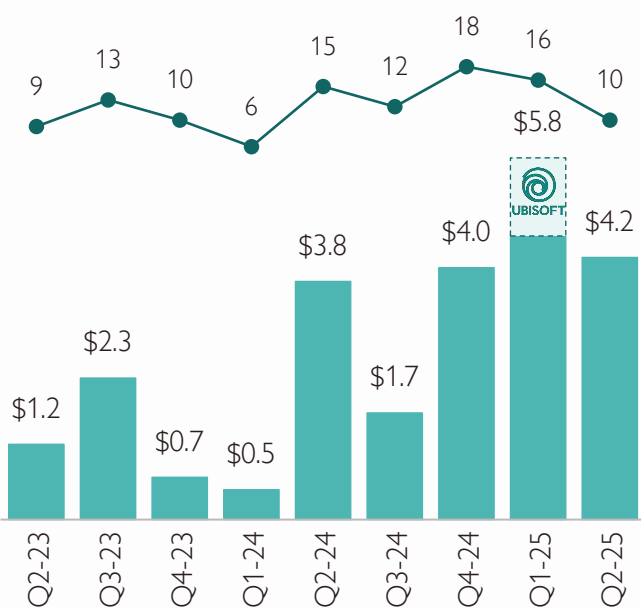
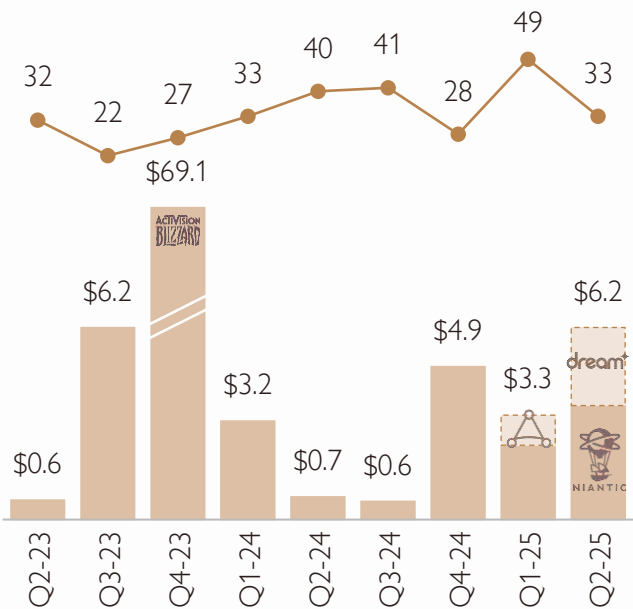
## CAPITAL MARKETS



- 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


















■ Closed Deal Value (\$bn) ■ Announced Deal Value (\$bn) ● # of Deals











# Mobile drives headline transactions

## Most significant gaming transactions in Q2-2025
















### MERGERS & ACQUISITIONS

TARGET	BUYER	VALUE	CATEGORY
 NIANTIC	 SCOPELY SAVVY GAME GROUP	\$3.5bn	 Mobile
ANNOUNCED <sup>1</sup>			
 APPLOVIN GAMING APPS	 tripledot	\$800m	 Mobile
ANNOUNCED			
 neptune	 KRAFTON	\$115m	 Mobile
 CURVE GAMES	 Nazara™	\$29m	 PC & Console
ANNOUNCED			
 dream	 CVC equity Blackstone debt	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
 儒意控股 RUYI HOLDINGS	Convertible bonds	\$300m	 Mobile
ANNOUNCED			
 CTW	IPO	\$17m	 Web

### PRIVATE INVESTMENTS

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





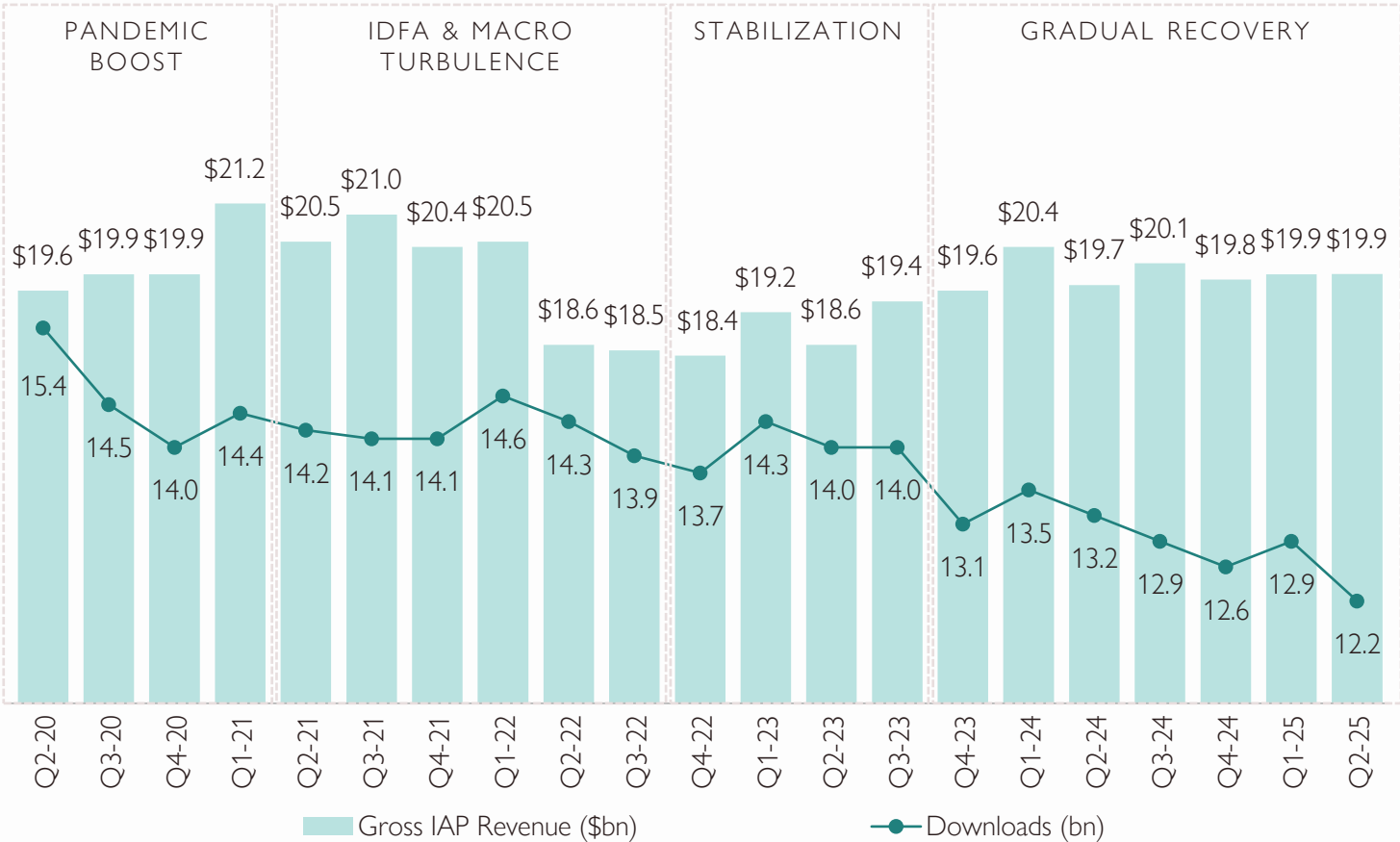
# 2

## Gaming Market Backdrop

# Mobile gaming settles into post-pandemic baseline

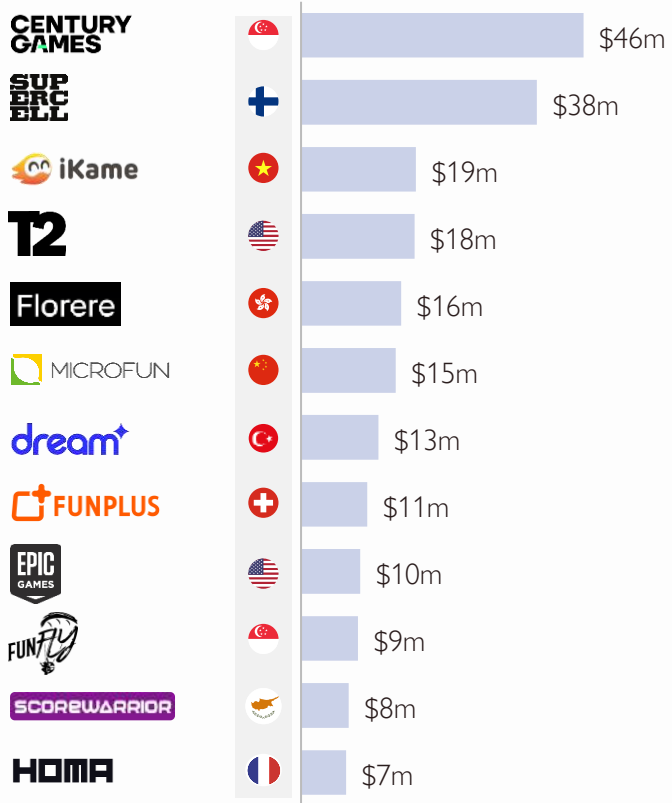
## Moderate revenue growth on a smaller install base signals improved monetization

GLOBAL MOBILE GAMING CONSUMER SPEND (GROSS IAP REVENUE)<sup>1</sup> 



TOP GROWING PUBLISHERS IN U.S. 

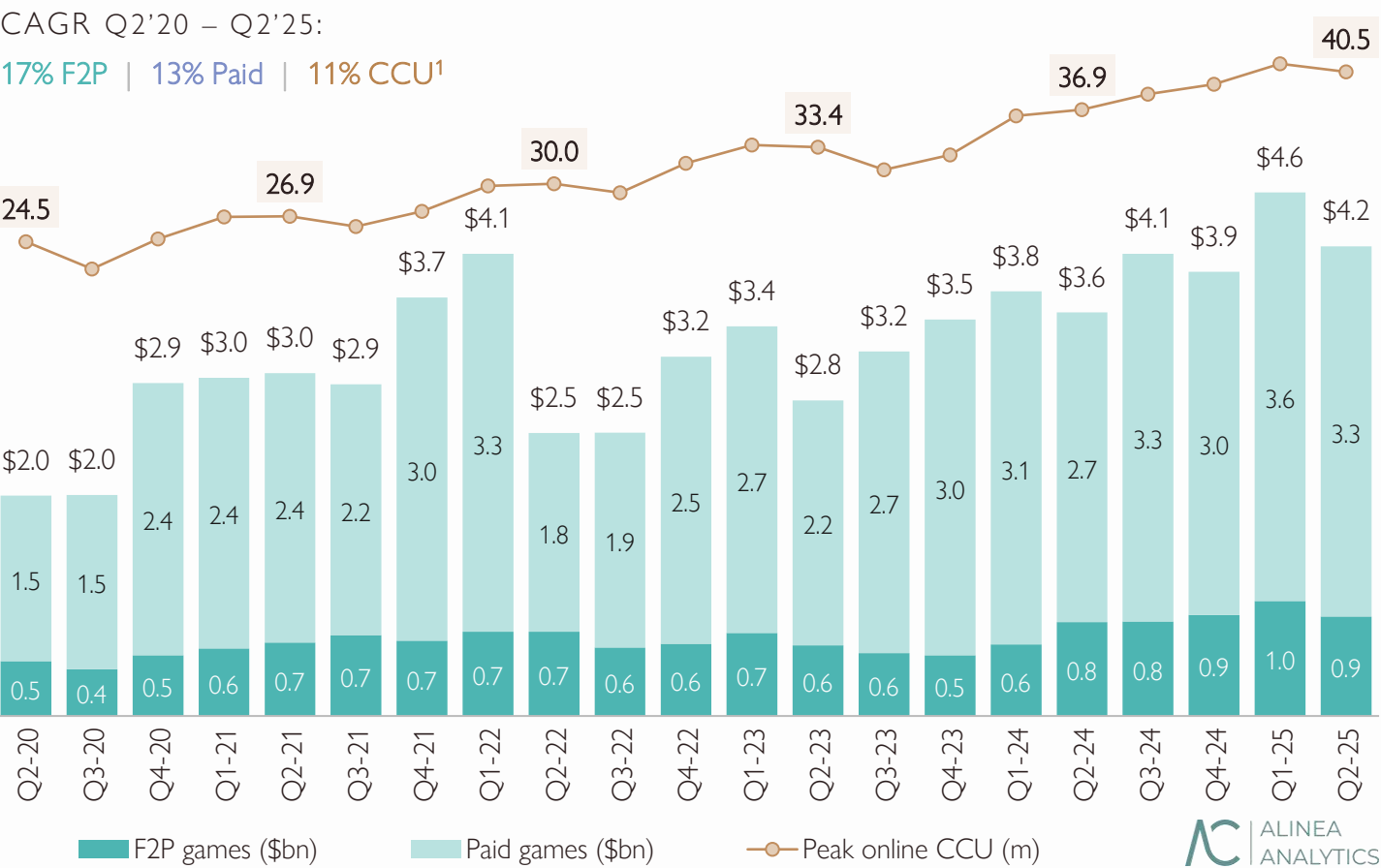
INCREMENTAL IAP REVENUE<sup>2</sup> (Q2-25 vs. Q1-25)



# PC gaming continues strong user and revenue growth

+20% YoY growth over the last twelve months

## STEAM GROSS REVENUE & PEAK ONLINE USER ACTIVITY



## TOP-GROSSING RELEASES (Q2-25<sup>2</sup>)



 REMASTER \$89m 2.2m 22-Apr-25	 FRANCHISE \$84m 2.5m 29-May-25	 NEW IP \$81m 2.1m 24-Apr-25
 PORTED \$67m 1.4m 11-Jun-25	 3P IP \$52m 1.3m 10-Jun-25	 NEW IP \$29m 1.2m 16-June-25

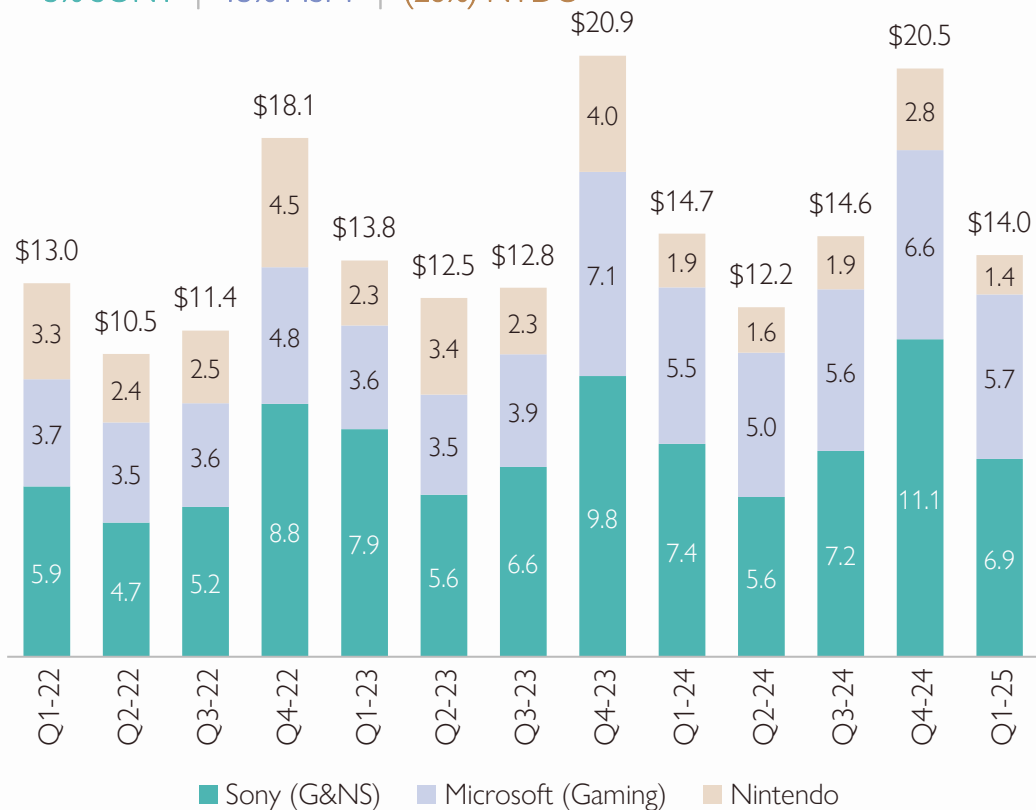
# Console market shows steady performance amid industry transitions

## Platform holders navigate hardware cycles and major release timing

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

CAGR Q1'22 – Q1'25:

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



### EARNINGS NOTES

**Xbox** 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

**PlayStation** 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

**Nintendo** 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



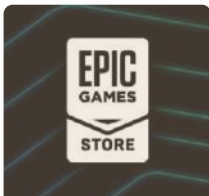
#### GTA VI Delay

- 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



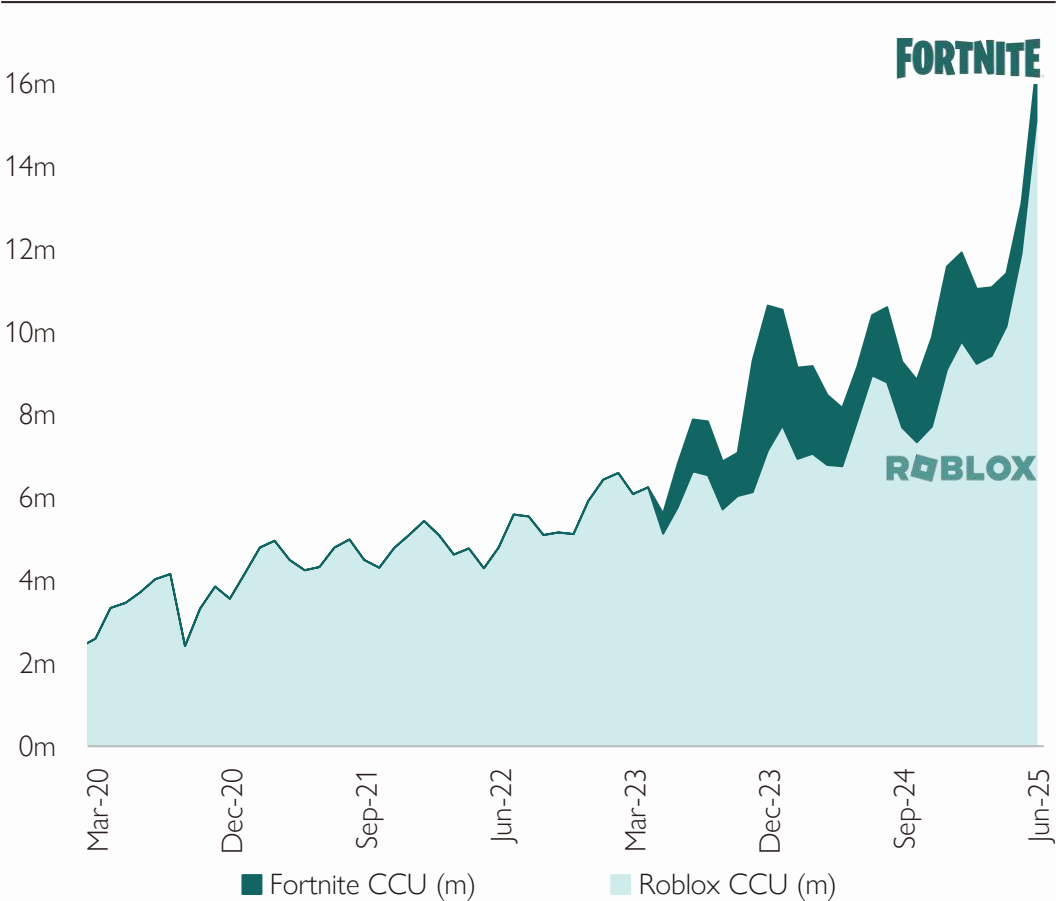
#### Epic Games Store & Engine Fee Update

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

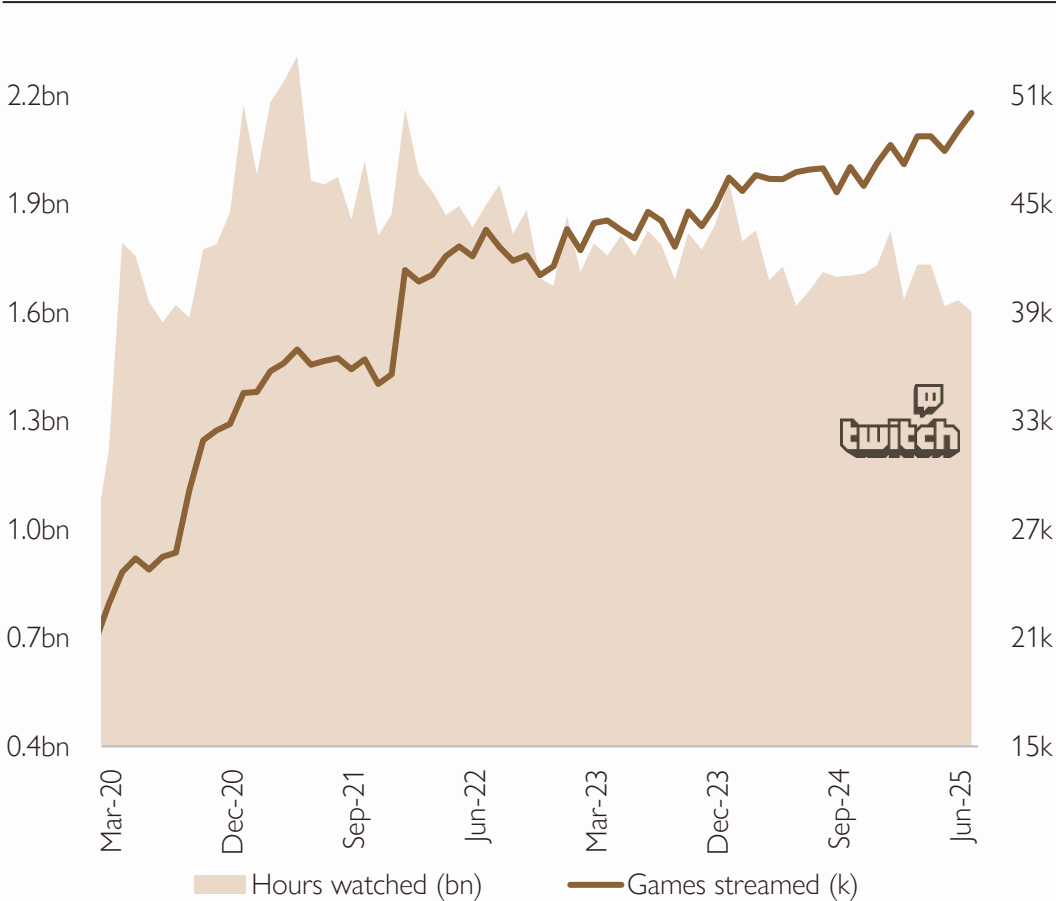


# UGC platforms and streaming engagement reach new peaks

CONCURRENT USERS ON MAJOR UGC PLATFORMS<sup>1</sup>

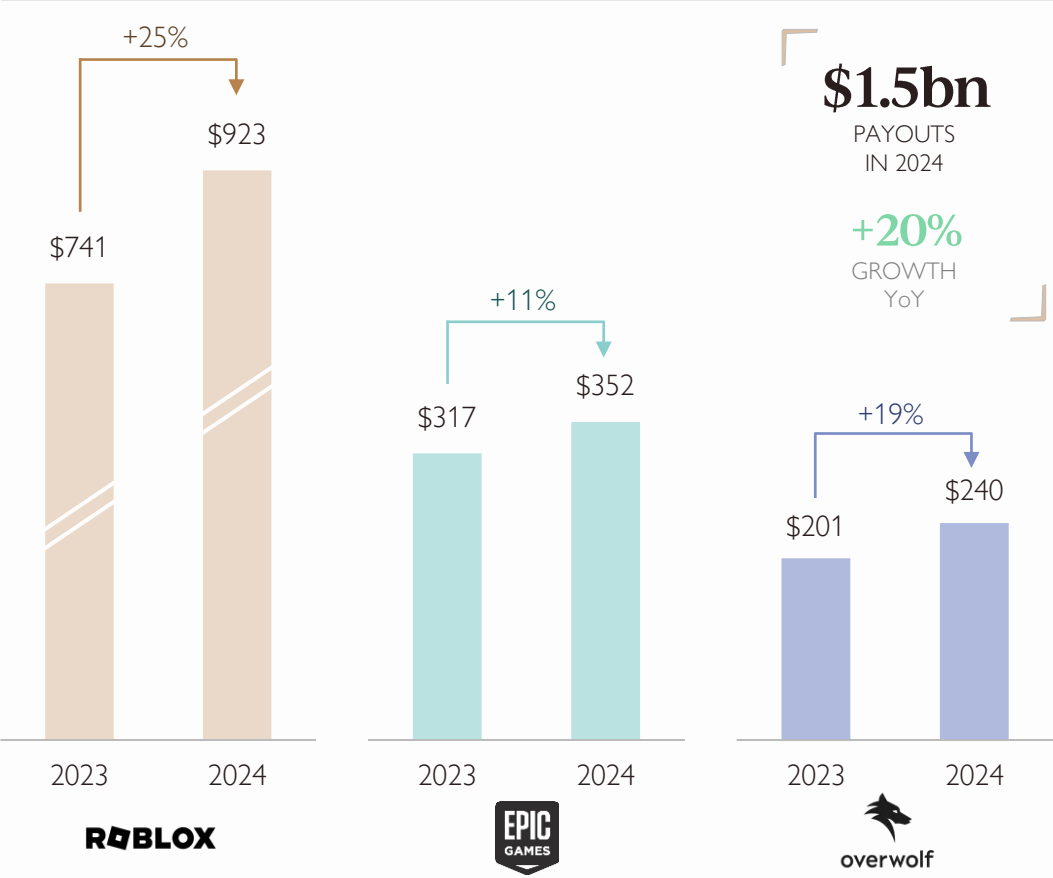


GAMING VIEWERSHIP AND STREAMING STATS



# 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)

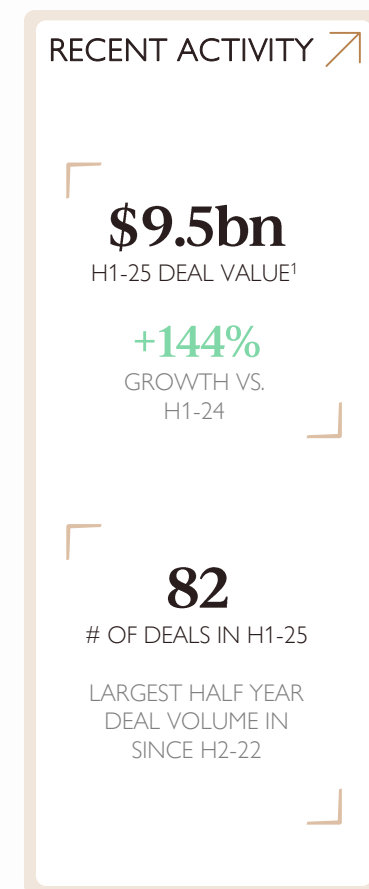
	INVESTOR	TARGET	PLATFORM	DATE
ACQUISITIONS	SUPER LEAGUE	Supersocial	ROBLOX	Q2-25
	JO GO	RHO CREATIVE	FORTNITE	Q2-25
	VOLDEX	BROOKHAVEN ULTIMATE FOOTBALL	ROBLOX	Q1-25 / Q2-24
	PocketWorlds	infinite canvas	ROBLOX	Q1-25
	BS GAMES STUDIO	Anime Legends	ROBLOX	Q2-24
INVESTMENTS	SPLITTING POINT	[ 🌻 ] Grow a Garden 🐛	ROBLOX	Q2-25
	Gaijin	THE PIT	FORTNITE	Q2-25
	RAINE SHAMROCK CAPITAL	VOLDEX	ROBLOX	Q1-25
	GENERAL CATALYST TIRTA	FOAD	FORTNITE	Q3-24
	Lvp.	LNW LOOK NORTH WORLD	FORTNITE	Q3-24



# 3

## Mergers & Acquisitions







## Quarterly activity incl. both minority & majority stake transactions





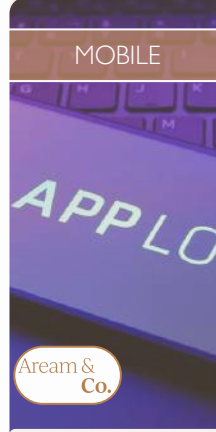












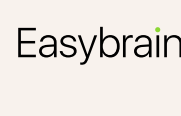




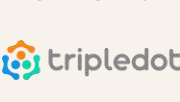








# Mobile dominance continues across gaming M&A landscape

## Largest gaming acquisitions of the last twelve months

		iG investgame	
		MOBILE	SERVICES
			
TARGET	ACQUIRER	 <b>NIANTIC GAMES</b>	 <b>Keywords Studios</b> <small>Imagine More</small>
EV <sup>1</sup>	SALES	 <b>SCOPELY SAVVY</b> <small>GAMES GROUP</small>	 <b>BPEA CPP Investments</b> <small>IEQT TEMASEK</small>
LTM MULTIPLES <sup>2</sup>	DATE	<b>\$3.5bn</b>	<b>\$2.7bn</b>
EBITDA		<b>3.5x</b>	<b>3.2x</b>
		<b>n/a</b>	<b>15.9x</b>
		<b>May-25</b>	<b>Oct-24</b>

MOBILE	MOBILE	MOBILE	MOBILE	MOBILE	MOBILE	MOBILE	MOBILE	SERVICES
								
								
								
<b>\$3.5bn</b>	<b>n/a</b>	<b>\$800m</b>	<b>\$292m</b>	<b>\$620m<sup>4</sup></b>	<b>\$160m<sup>5</sup></b>	<b>\$1.2bn</b>	<b>\$700m</b>	<b>\$2.7bn</b>
<b>3.5x</b>	<b>n/a</b>	<b>0.6x</b>	<b>3.2x</b>	<b>1.0x</b>	<b>2.0x</b>	<b>3.8x</b>	<b>2.6x</b>	<b>3.2x</b>
<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>4.5x</b>	<b>n/a</b>	<b>9.3x</b>	<b>n/a</b>	<b>15.9x</b>
<b>May-25</b>	<b>May-25 (announced)</b>	<b>May-25 (announced<sup>3</sup>)</b>	<b>Apr-25 (announced)</b>	<b>Feb-25</b>	<b>Feb-25 (announced)</b>	<b>Jan-25</b>	<b>Nov-24</b>	<b>Oct-24</b>

Aream & Co.

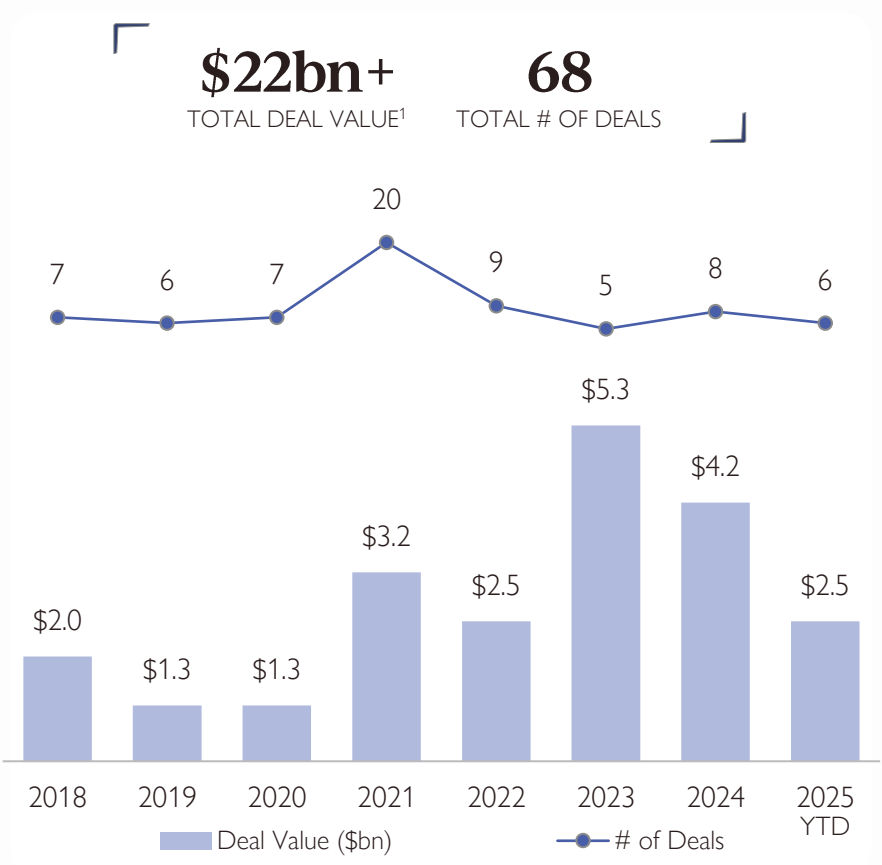
Source: InvestGame

Note: (1) upfront enterprise value excl. earnout consideration; (2) based on upfront enterprise value; (3) the deal has been officially closed on July 1<sup>st</sup>, 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



#### CONTROL TRANSACTIONS



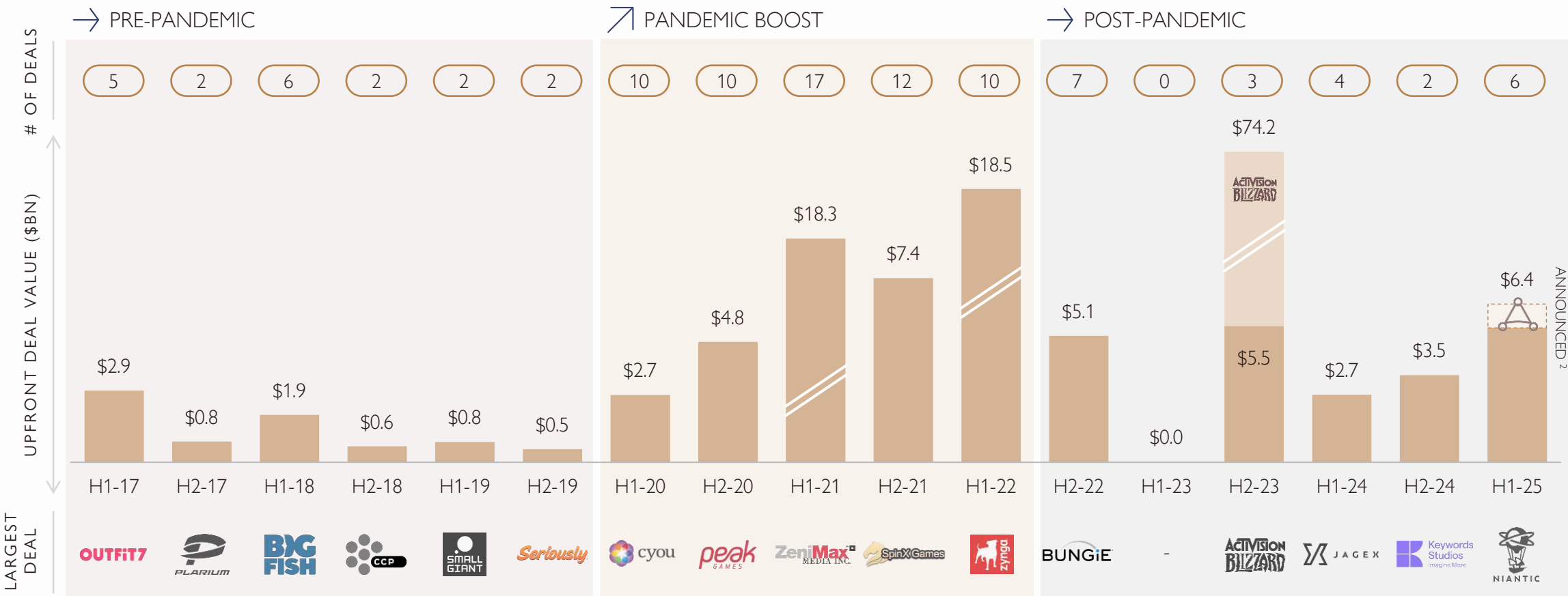
#### MINORITY TRANSACTIONS



# 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 >\$100M<sup>1</sup>)



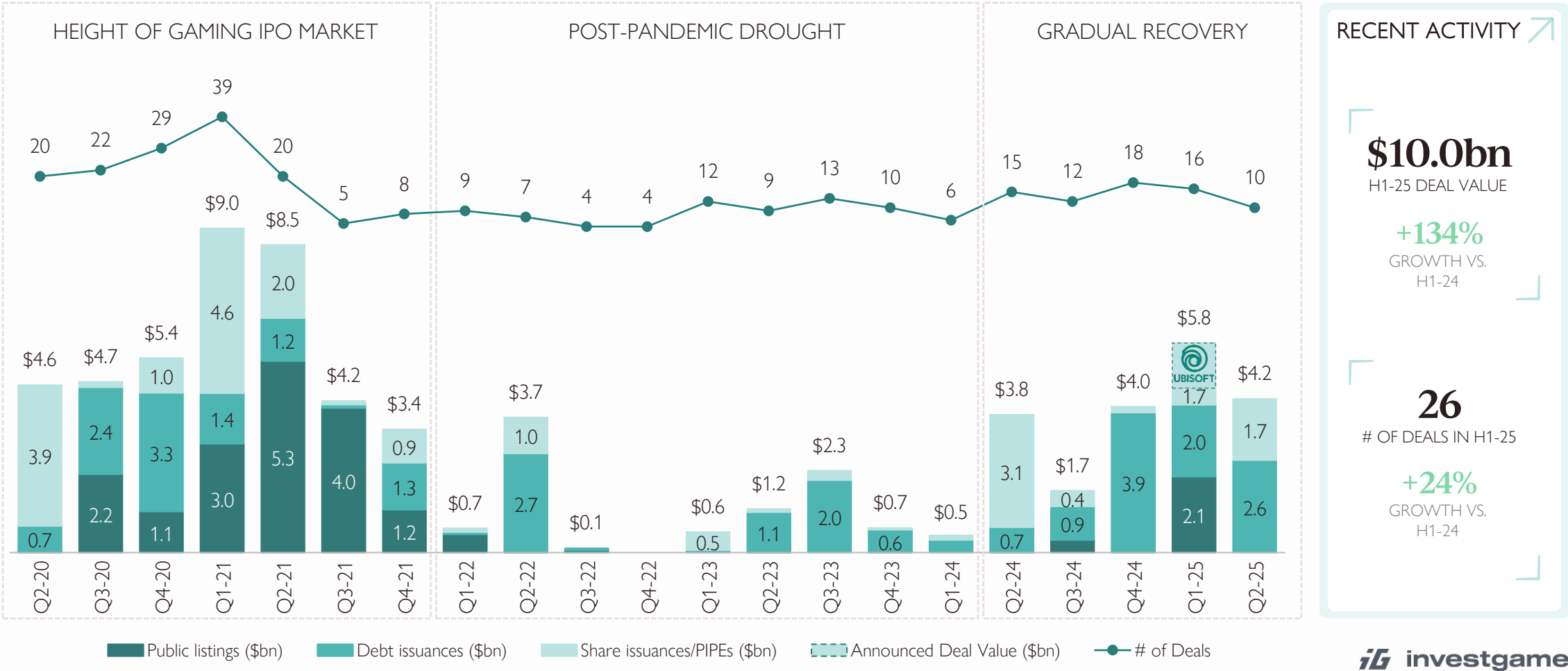


# 4

## Public Markets












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



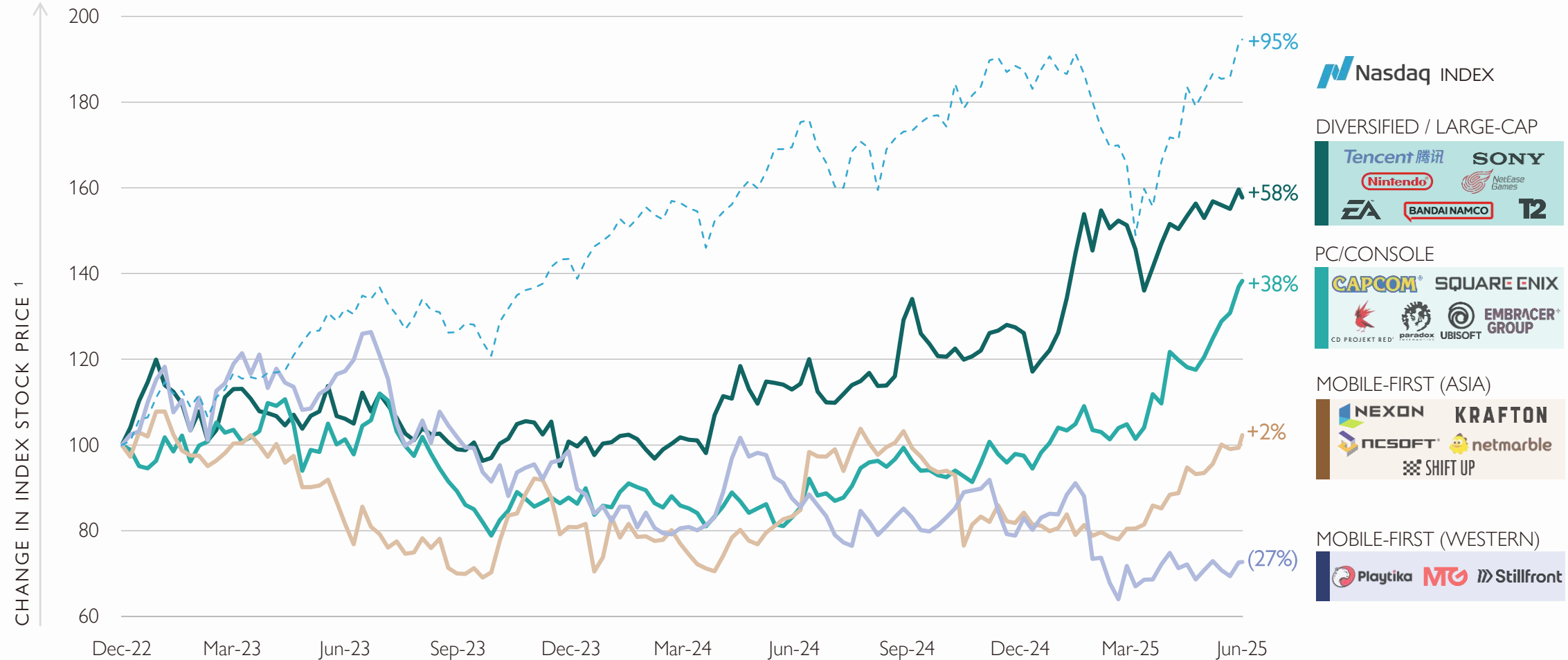
# Capital markets support both debt refinancing and equity issuances

## Largest public market transactions over the last twelve months

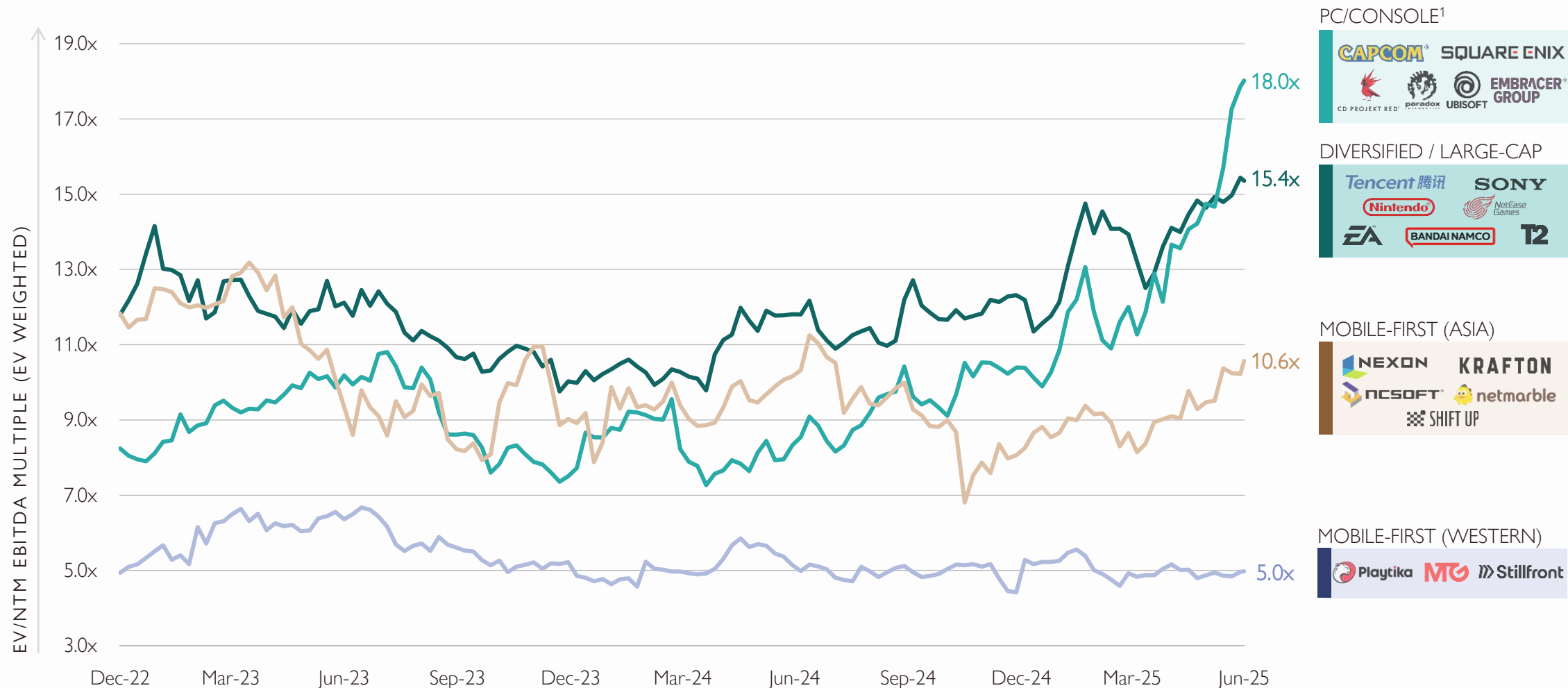
iG investgame

									
COMPANY	<b>GameStop</b>	<b>T2</b>	<b>bilibili</b>	ANNOUNCED <b>UBISOFT</b>	<b>KADOKAWA</b>	<b>Unity</b>	<b>asmodee</b>	<b>APPLOVIN</b>	<b>EMBRACER+ GROUP</b>
DEAL TYPE	Convertible senior notes	Common stock	Convertible senior notes	Investment (PIPE)	PIPE	Convertible senior notes	Public spin-off	Senior note	RCF <sup>3</sup>
CAPITAL RAISED	\$3.55bn Notes \$2.3bn Notes \$1.3bn	\$1.04bn	\$0.69bn	\$1.25bn	\$0.36bn Tencent ~\$39m <sup>1</sup> SONY \$320m	\$0.60bn	\$2.10bn (market cap at listing) +10% debut price <sup>2</sup>	\$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

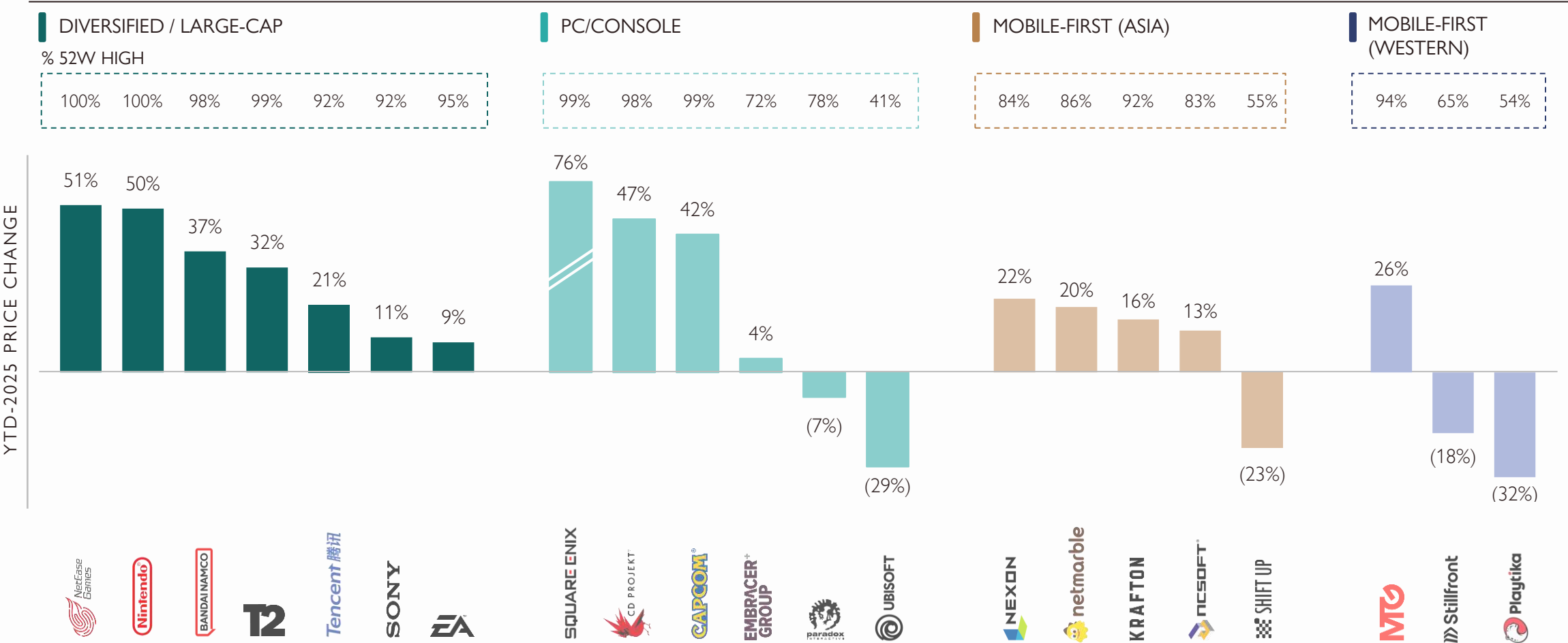


# Valuation divergence accelerates: PC/Console and Diversified publishers trade above 15x EBITDA while mobile peers remain at historic lows



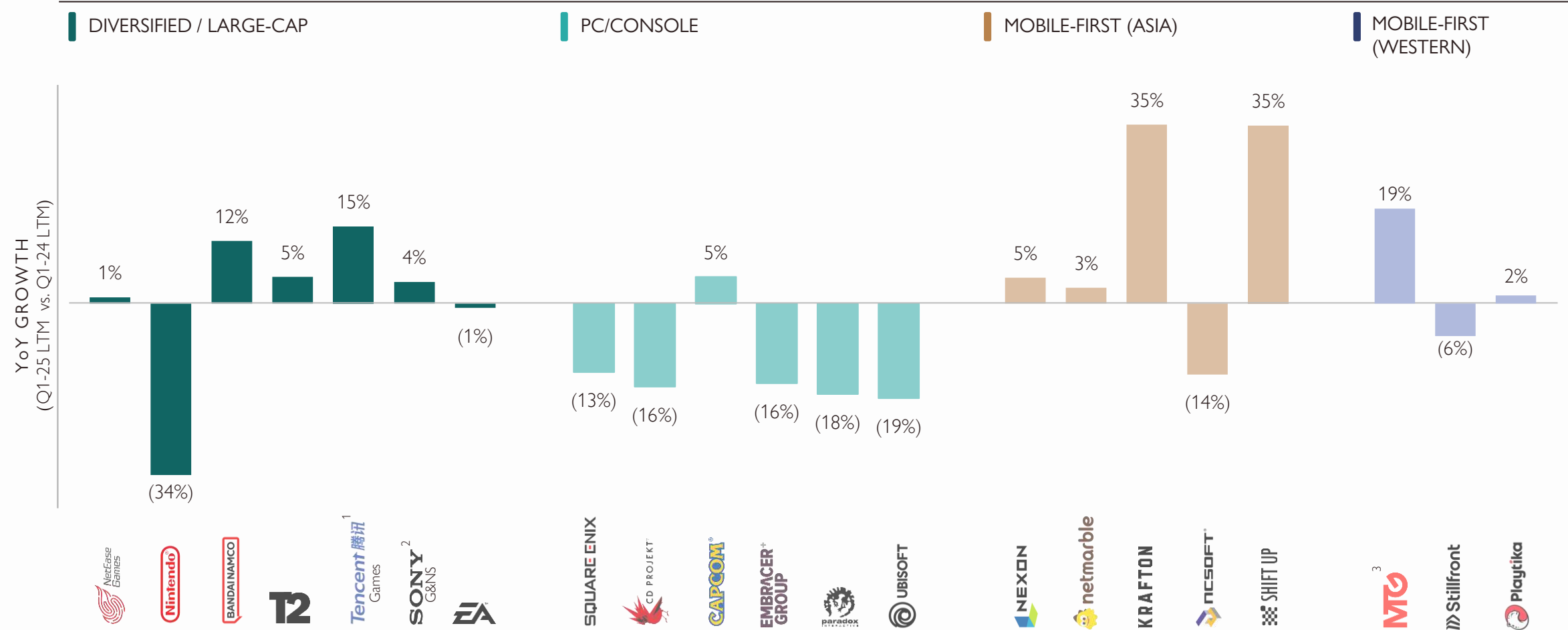
# Investor sentiment has recovered with majority of gaming stocks hitting 52-week highs and strong double-digit YTD gains

SHARE PRICE PERFORMANCE AS OF 30<sup>ST</sup> 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



Source: FactSet as of June 30, 2025 (applying average USD exchange rate for respective periods)  
Note: (1) Gaming domestic and international revenue; (2) Game & Network Services revenue; (3) LTM revenue includes Plarium results consolidated from February 1, 2025



# Premium valuations reward growth and profitability combination

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



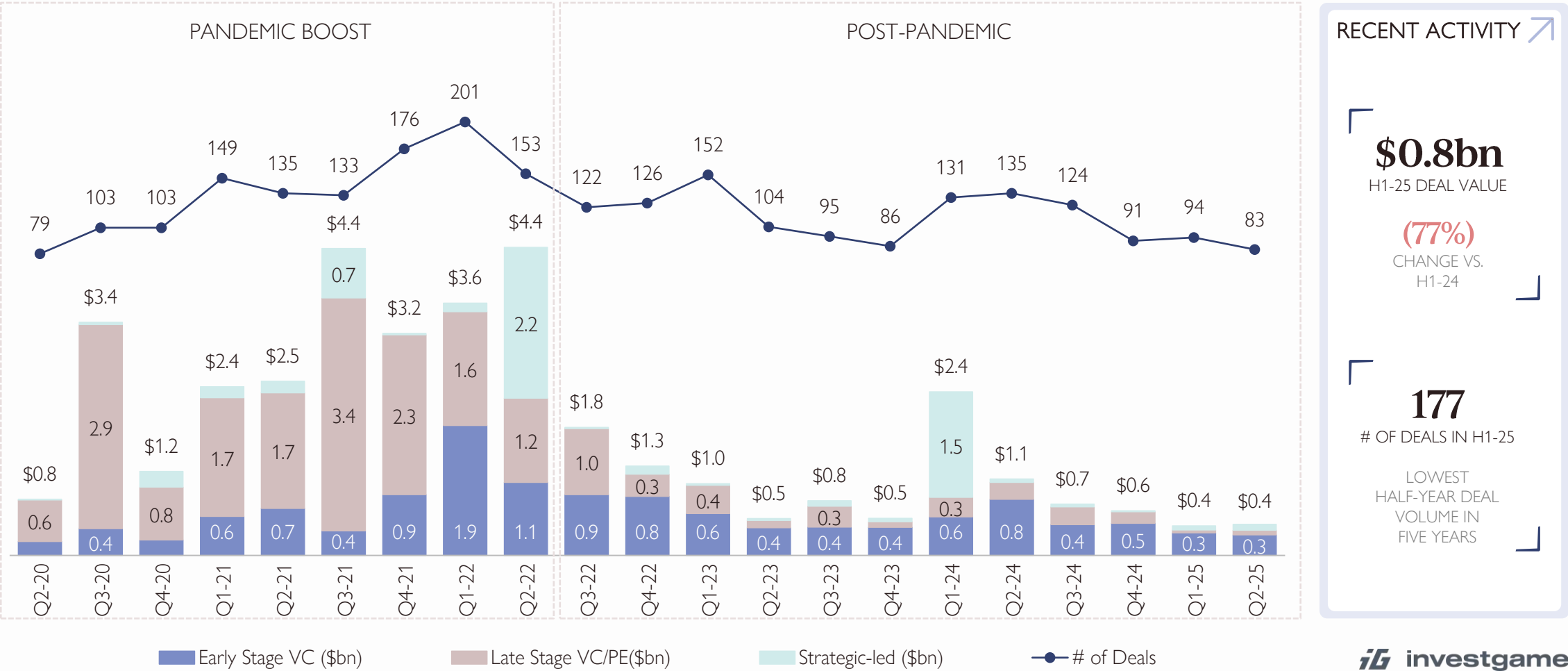
Source: FactSet as of June 30, 2025  
Notes: (1) Cash EBITDA = EBITDA – Capex; (2) MTG's organic revenue growth adjusted for Plarium; (3) Playtika's revenue growth adjusted for SuperPlay; (4) Embracer's revenue growth adjusted for Asmodee and Coffee Stain spin-off



5

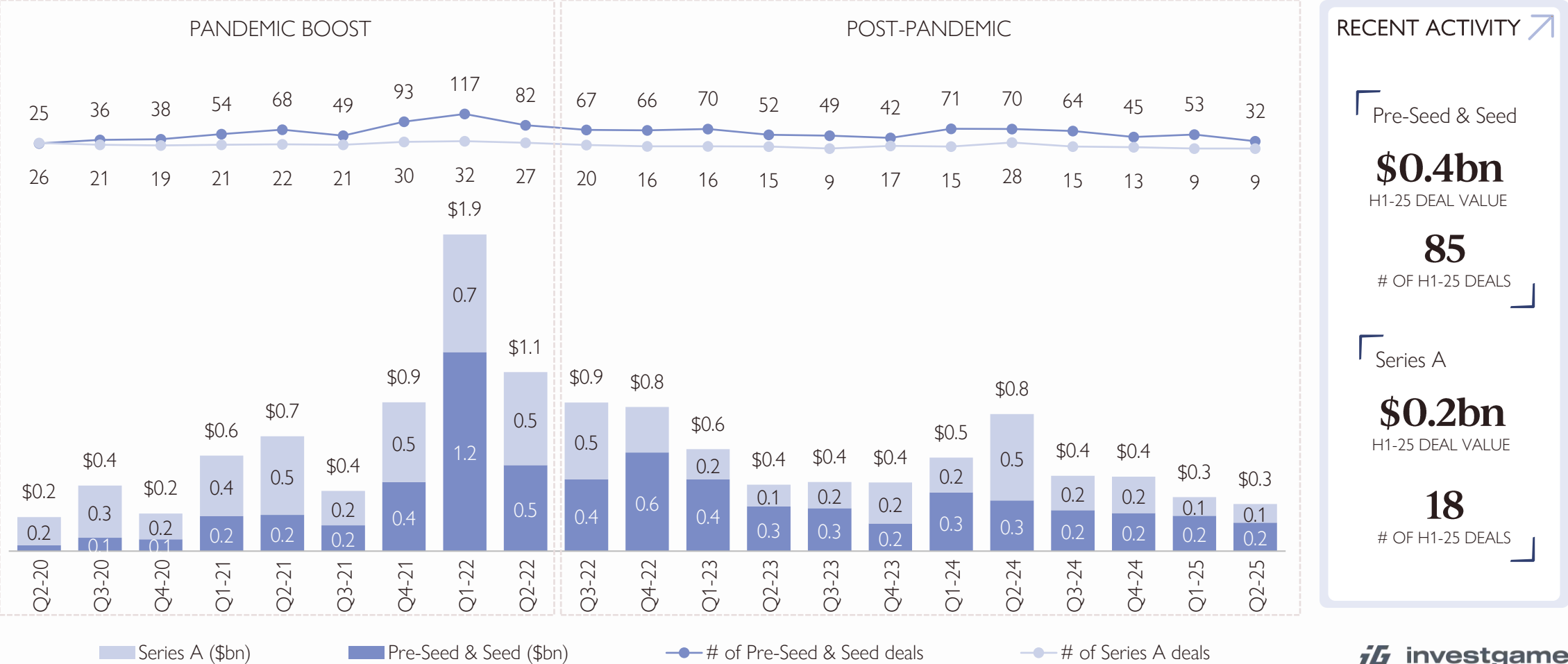
## Private Investments

# 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)<sup>1</sup>
























# Largest VC-led deals in Q2-2025

## GAMING CONTENT<sup>1</sup>

DATE	TARGET	INVESTOR LEAD	DEAL TYPE	AMOUNT
Jun-25			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			Seed	\$3.0m
May-25			Seed	\$2.3m

## PLATFORM & TECH<sup>1</sup>

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

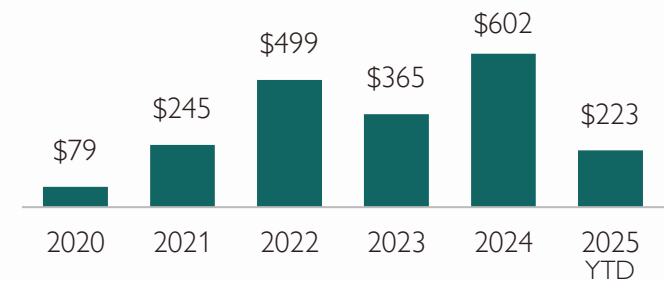
## AI INFRASTRUCTURE DOMINATES GAMING FUNDING



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



DEAL VALUE OF AI GAMING STARTUPS (\$M)



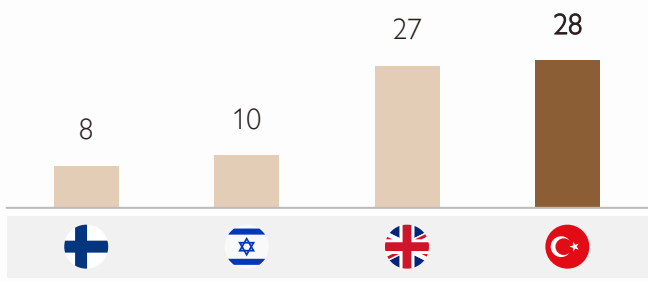
## TURKEY EMERGES AS A MOBILE GAMING POWERHOUSE



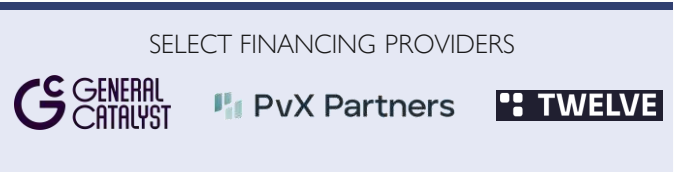
Turkey is now one of the world's top hubs for mobile game development, driven by local studio successes and strong early-stage deal flow



# OF VC-LED DEALS IN 2024-2025'H1



## COHORT FINANCING RESHAPES USER ACQUISITION CAPITAL



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

## STUDIOS LEVERAGING COHORT FINANCING





# Most active early-stage gaming VCs













## Last twelve months activity<sup>1</sup>

TOP-10 BY NUMBER OF DEALS (LTM)

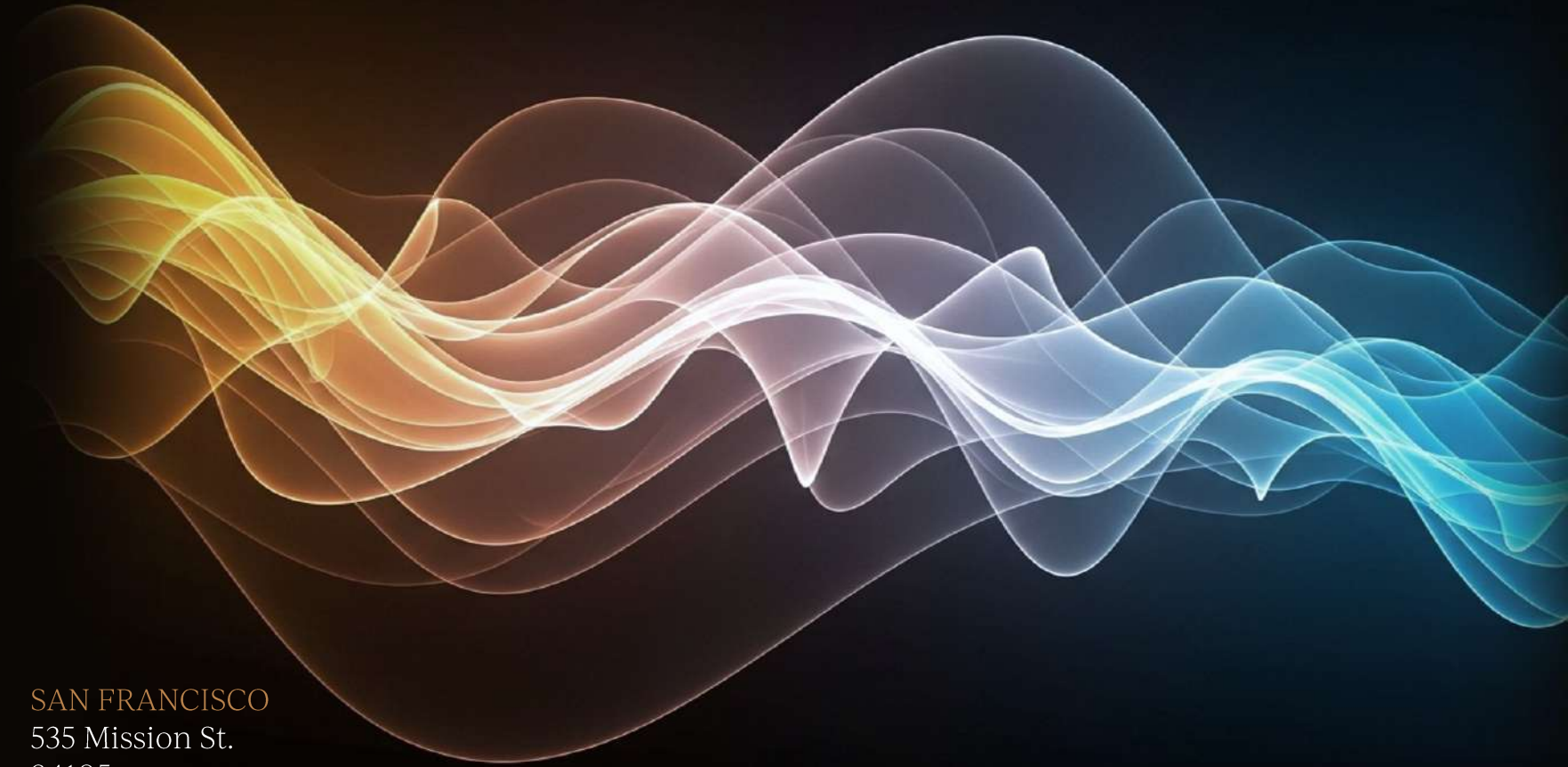
#	FUND NAME	DEALS TOTAL	DEALS LED	SELECTED INVESTMENTS
1		20	6	 <b>nunu.ai</b>
2		19	13	 <b>STARFARM</b>
3		11	7	 
4		11	5	 
5		10	6	 
6		9	8	 
7		8	6	 <b>BIT ODD</b>
8-9		7	5	 
8-9		7	5	 
10		7	3	 

TOP-10 BY DEAL VALUE (LTM)



#	FUND NAME	DEALS TOTAL	DEALS LED	SELECTED INVESTMENTS
1		\$123m	\$40m	 <b>STARFARM</b>
2		\$107m	\$21m	 <b>nunu.ai</b>
3		\$98m	\$27m	 
4		\$82m	\$9m	 
5		\$69m	\$20m	 
6		\$64m	\$50m	 <b>BIT ODD</b>
7		\$59m	\$41m	 
8		\$55m	\$25m	 
9		\$48m	\$18m	<b>agave</b> 
10		\$42m	\$11m	 <b>nunu.ai</b>

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