DDM DATA & RESEARCH

DIGITAL DEVELOPMENT MANAGEMENT

Games Investment Review

GAME DEVELOPERS INVESTMENT REPORT

March 2025

Digital Development Management

DDM

We are the Video Game Business Experts

DDM HIGHLIGHTS

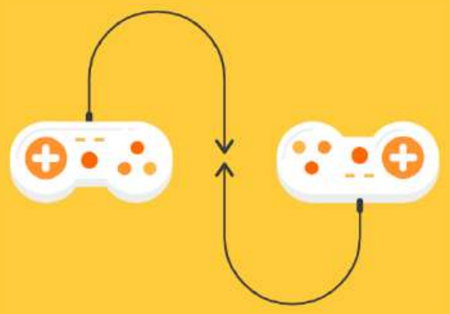
$1.2 Billion

In deals secured for DDM Representation Clients

Established in Asia, Europe and the US Coasts

19	70+	750+	17
Years in the industry	Consulting clients	Deals signed across our service areas	Years of industry investment data

DDM Provides Comprehensive Services for the Video Games Industry



Representation

DDM represents talented development studios around the globe that create great games on every platform. With its worldwide business development team and deep industry relationships, DDM secures full game deals and co-development projects for its clients. Always with a personal touch, DDM has secured hundreds of deals and deeply understands how to run extensive business development in an efficient and effective manner.

We secure the project deals to achieve your company's goals.

Consulting

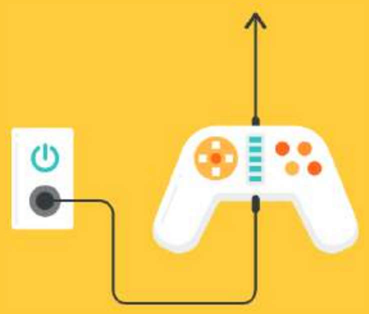
DDM provides best-of-class consulting to help companies succeed in their games industry initiatives. Whether entering the games space, expanding on an existing endeavor, or undertaking a new project that can benefit from interactive technologies, DDM partners with you to build and execute upon a tailored strategy. With a network of consulting executives, development studios, production services experts and publishing capabilities, plus DDM's own internal extensive expertise and research department, DDM can tackle any games industry project you've got.

Consulting from experts who know the games business. We create action plans that are actually used.

Data & Research

DDM's research team provides our clients with bespoke services based on extensive industry experience, a wealth of data we maintain on a regular basis and the most comprehensive and up-to-date game industry investment database that exists. We leverage our overall company's Representation, Investment and Consulting services to help our clients succeed in their project funding, investments, acquisitions, exits and strategic initiatives. Our team publishes the quarterly DDM Games Investment Review reports which is regularly featured on Forbes, GamesIndustry.biz, VentureBeat and many others.

We provide the data and research to take your company to the next level.



Investment Services

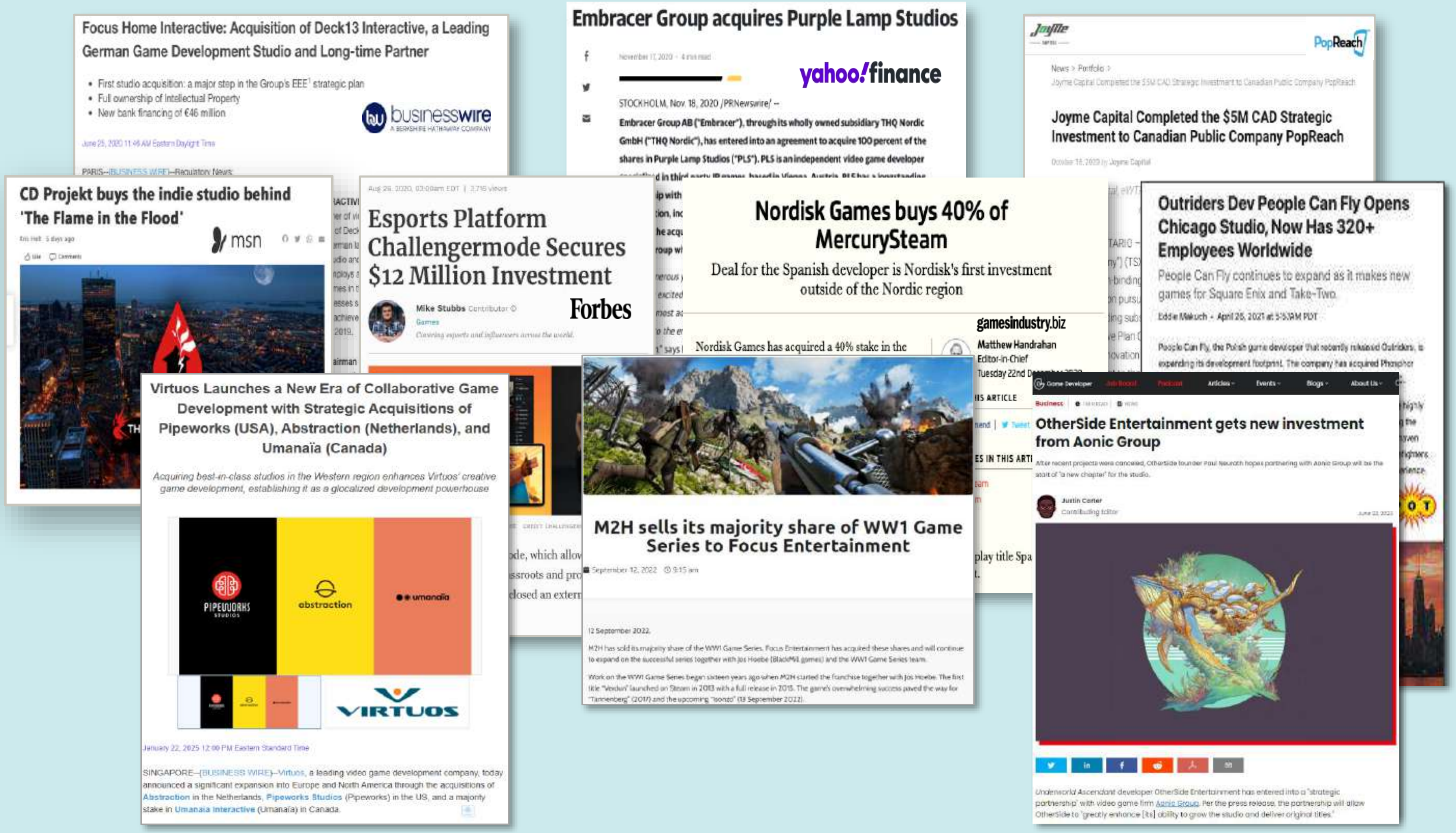
DDM consults as an M&A Broker for companies in the game industry looking to secure a buyer as well as those looking to source acquisition targets. Our extensive knowledge of the games industry and worldwide business development capabilities are combined with deep financial expertise and rich investment data. Whether you are seeking partial investment or full acquisition, we globally source business prospects that match your strategy and criteria.

We secure the investment or M&A required for you to take your next major strategic step.

DDM's Investment Services and Consulting Drive Key Acquisitions and Investments

Leveraging the knowledge obtained from having closed 750+ deals over 19 years, keeping the most comprehensive M&A transaction level data in the industry and being involved in some of the most interesting consulting projects and M&A transactions, DDM truly offers an unrivaled value proposition second to none.

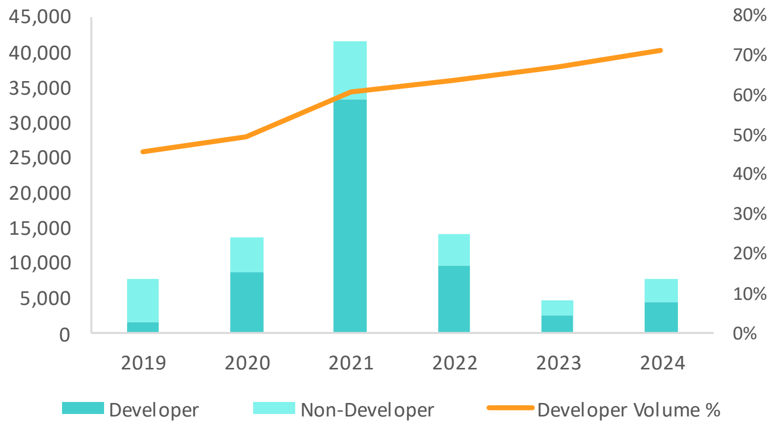
- Fully dedicated investment team
  - Unparallel industry & deals knowledge
  - Global presence with offices in key territories
  - Full understanding of the needs at each stage of the process
  - Second-to-none industry network
- Up-to-date proprietary market information – DDM Game Investment Review (GIR)
- Unique set of proprietary tools and methodologies developed for the video game industry
- Holistic approach
- Relationship vs transactional driven



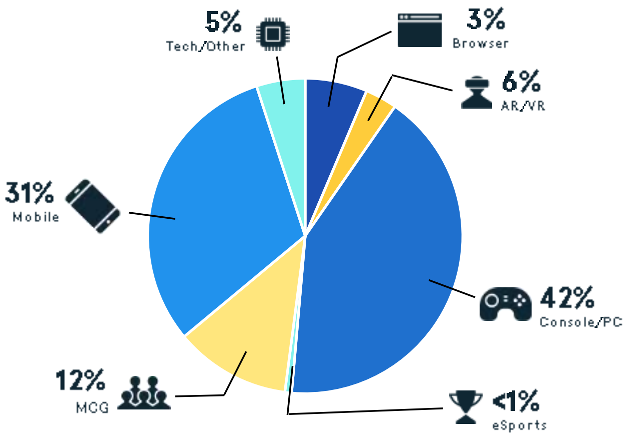
2024 Developer Investments Reaches $4.4B Across 580 Investments

- Of the $7.7B invested across 812 deals in 2024, game developers accounted for $4.4B across 580 investments (representing 57% of the total value and 71% of the volume); since 2019, game developer investments by volume percentage have increased year-over-year from 49% to a record 71%, which marked the highest ever recorded across 17+ years of data
- 2024 developer investments increased +84% in value and +25% in volume compared to 2023's $2.4B across 465 developer investments; this 1.8x growth in value was driven by Disney's $1.5B investment in Epic Games (accounting 34% of the value)
- Highest developer segment by investment volume was led by Console/PC (42%), followed by Mobile (31%), MCG* (12%), AR/VR (6%), Tech/Other (5%), Browser (3%), and eSports (<1%)
- Investors focused on smaller studios (90% with 50 or fewer employees with a median of 11 employees) particularly within Europe, North America and Asia as these regions received most of the investments; Europe investments totaled $700.0M across 214 investments (16% the value and 37% of the volume), North America investments totaled $2.6B across 167 investments (60% of the value and 29% of the volume), and Asia totaled $880.1M across 103 investments (20% of the value and 18% of the volume)
- Australia/New Zealand, Latin America, and the Middle East were the least active regions for investments reaching a combined total of $173.3M across 96 investments (4% of the value and 17% of the volume)

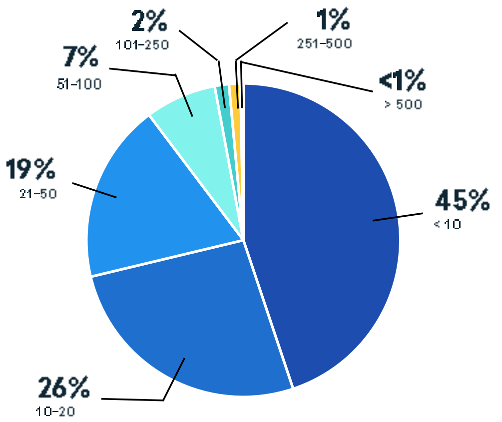
Developer Investments 2019 – 2024 ($M)



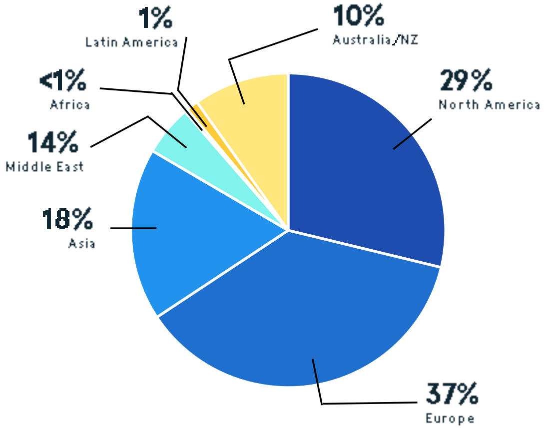
2024 Investment Volume by Segment



2024 Investment Volume by Studio Size



2024 Investment Volume by Region



Mass Community Games (MCG) are games driven by online community play such as Roblox and Fortnite. Includes MMOs, MOBAs, battle royale, and metaverse games.

Top 5 Developer Active Investors and Top 10 Investments by Value 2024

Top 5 Developer Active Investors by Deal Volume 2024

Company	Country	Volume	Disclosed Rounds Total ($M)	Stages	Top Segments	Recent Targets
Andreessen Horowitz	USA	32	206.4	Early, Mid/Late	Mobile, Browser	SPF Meta, Azra Games, Mountaintop Studios, Carbonated
Animoca Brands	China	30	96.2	Early	Mobile, MCG*	Illuvium, Mystic Moose, Metacene, GOMBLE, Pixelmon
Spartan Group	Singapore	19	147.4	Early, Mid/Late	Console/PC, MCG	Parallel, Illuvium, Mystic Moose, Metacene, GOMBLE, L3E7
Merit Circle	The Netherlands	14	63.1	Early	Mobile, MCG	Gameplay Galaxy, Mystic Moose, Pixelmon, Param Labs
BITKRAFT Ventures	USA	13	166.2	Early, Mid/Late	Mobile, MCG	Volley, Series Entertainment, Ruckus Games, Carbonated

*From disclosed deals with values. We list the most active firms by deal volume as well as the total value of the disclosed investments in which they participated and top value for single deal along with select investments. Further, our investment tracking focuses on deals that involve Western companies. As always, since announcements do not typically list the contribution breakdown by firm, we do not include a breakdown of how much is invested by each firm. Some transactions also may be repeated if multiple investors invested in the same round for the company. *Mass Community Games (MCG) are games driven by online community play such as Roblox and Fortnite. Includes MMOs, MOBAs, battle royale, and metaverse games.*

Top 10 Developer Investments by Value 2024

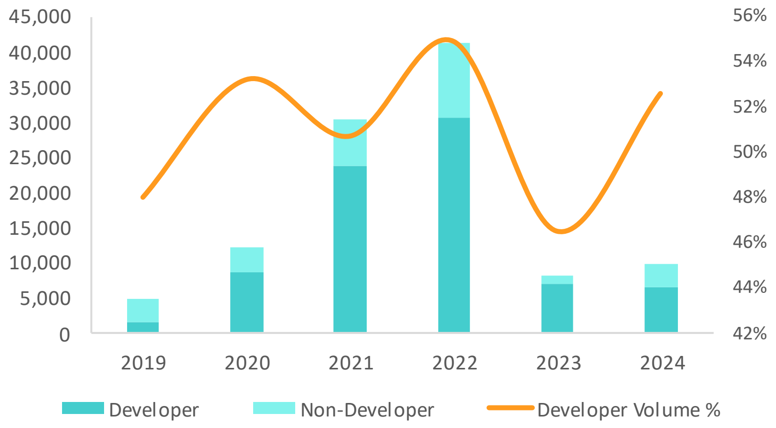
Category	Date	Company	Value ($M)	Stage	Company Description	Country
Tech/Other	07 Feb 24	Epic Games	1,500.0	Mid/Late	Console/PC/mobile games engine, distribution and games developer	USA
Tech/Other	09 Jul 24	Infinite Reality	350.0	Mid/Late	Media and entertainment production service provider	USA
Mobile	11 Jul 24	Shift Up	314.3	Other	Mobile/console games developer	South Korea
Console/PC	16 Dec 24	Aonic Group	159.6	Mid/Late	Games developer/publisher and marketing service provider	Sweden
MCG	17 Jan 24	Build A Rocket Boy	110.0	Mid/Late	Console/PC/mobile open-world game developer and UGC tools provider	UK
Mobile	27 Nov 24	Nazara Technologies	101.4	Other	Mobile, educational, and eSports games developer	India
Mobile	06 Sep 24	Hybe Interactive Media	80.0	Early	Mobile games developer	South Korea
Tech/Other	12 Jul 24	Volley	55.0	Mid/Late	AI voice-based games developer	USA
Mobile	23 Apr 24	SPF Meta	50.0	Early	Blockchain games developer and infrastructure provider	China
Mobile	02 May 24	Spyke Games	50.0	Early	Mobile game developer	Türkiye

From disclosed deals with values. Certain stages are consolidated for this report: Early Stage = Angel to Series A, Mid/Late Stage = Series B and later, Other = Grants, Crowdfunding, Initial Coin Offerings, IPO, and Post IPO.

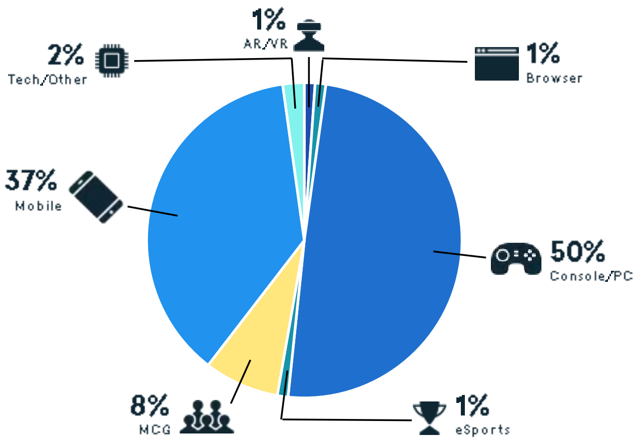
2024 Developer M&As Reaches $6.4B Across 91 Transactions

- Of the $9.9B across 812 M&A deals in 2024, game developers accounted for $6.4B across 91 transactions (representing 65% of the total value and 53% of the deal volume) marginally below the historical M&A volume percentage of 55%
- By removing Microsoft's $68.7B acquisition of Activision Blizzard as an outlier, 2024 developer M&As decreased -8% in value and +23% in volume compared to 2023's $7.0B across 73 developer M&As; despite the strong uptick in volume, the decline in value can be attributed to strategic and financial buyers purchasing distressed gaming companies at a lower valuation
- Highest developer segment by M&A volume was led by Console/PC (50%), followed by Mobile (37%), MCG* (8%), Tech/Other (2%), eSports (1%), Browser (1%), and AR/VR (1%)
- Acquirers focused on large studios (60% containing 21 to 250 employees with a median of 50 employees) particularly within Europe, North America and Asia as these regions received most of the M&A deals; Europe M&As totaled $3.3B across 36 transactions (51% the value and 40% of the volume), North America M&As totaled $1.0B across 26 transactions (16% of the value and 29% of the volume), and Asia M&As totaled $190.2M across 20 transactions (3% of the value and 22% of the volume)
- Australia/New Zealand, Latin America, and the Middle East were the least active regions for investments reaching a combined total of $2.0B across 9 transactions (31% of the value and 10% of the volume)

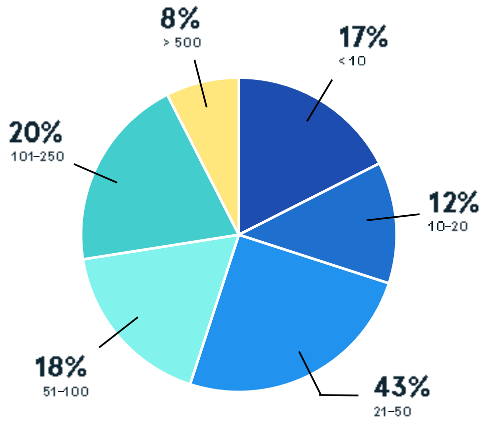
Developer M&As Without Activision Blizzard 2019 – 2024 ($M)



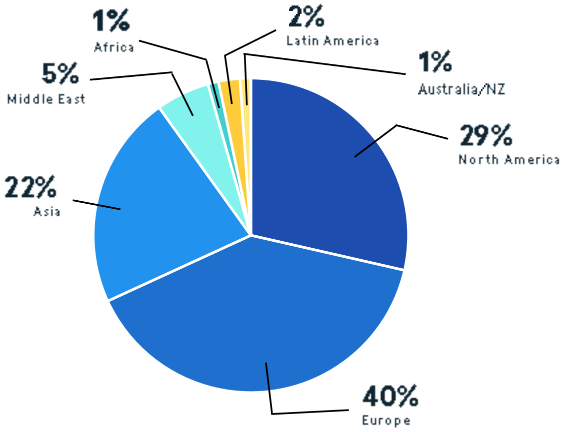
2024 M&As Volume by Segment



2024 M&As Volume by Studio Size



2024 M&As Volume by Region



*Mass Community Games (MCG) are games driven by online community play such as Roblox and Fortnite. Includes MMOs, MOBAs, battle royale, and metaverse games.

Top 5 Developer Active Acquirers and Top 10 M&As by Value 2024

Top 5 Developer Active Acquirers by Deal Volume 2024					
Company	**Country**	**Volume**	**Disclosed M&A Total ($M)**	**Top Segments**	**Recent Targets**
Atari	USA	5	7.0	Console/PC	Frontier Developments (Rollercoaster Tycoon 3 asset)
Nazara Technologies	India	4	65.1	Mobile	Paper Boat Apps, Fusebox Games, Nextwave Multimedia
Tencent	China	4	N/A	Console/PC, Tech/Other	ByteDance (Saluosi asset), FuturLab, Kuro Games
Infinite Reality	USA	3	708.0	Tech/Other, eSports	LandVault, Drone Racing League, Stakes
Reforged Studios	UK	3	N/A	Console/PC, Mobile	Ground Shatter, Yellow Lab Games, Extra Mile Studios

From disclosed deals with values. We list the most active firms by deal volume as well as the total value of the disclosed M&As in which they participated along with select M&As. Further, our M&A tracking focuses on deals that involve Western companies. Some transactions also may be repeated if multiple companies acquired shares in the same company.

Top 10 Developer M&As by Value 2024						
Category	**Date**	**Company**	**Acquirer**	**Value ($M)**	**Company Description**	**Country**
Mobile	20 Nov 24	SuperPlay	Playtika	2,000.0	Mobile games developer	Israel
Mobile	23 Jan 24	Kahoot!	Goldman Sachs, General Atlantic, KIRKBI, Glitrafjord	1,555.9	Educational games platform provider	Norway
MCG*	14 May 24	Jagex	CVC Capital Partners, Haveli Investments	1,141.3	MMO games developer	UK
Console/PC	11 Jun 24	Gearbox Entertainment Company	Take-Two Interactive	460.0	Console/PC games developer	USA
Tech/Other	09 Jul 24	LandVault	Infinite Reality	450.0	Metaverse branded games developer	UK
eSports	18 Jun 24	Drone Racing League	Infinite Reality	250.0	Drone racing entertainment provider and console/PC games developer	USA
Console/PC	28 Mar 24	Saber Interactive (various studios and assets)	Beacon Interactive Group	247.0	Console/PC games developer/publisher	USA
Browser	01 Jul 24	NitroPlus	CyberAgent	103.8	Visual novel games developer	Japan
Console/PC	28 Jun 24	Thunderful Group (Amo Toys, Bergsala Aktiebolag, Thunderful 1 AB, others)	angel investors	59.8	Console/PC games developer/publisher	Sweden
Mobile	06 Sep 24	Paper Boat Apps	Nazara Technologies	35.9	Mobile educational games developer	India

*From disclosed deals with values. *Mass Community Games (MCG) are games driven by online community play such as Roblox and Fortnite. Includes MMOs, MOBAs, battle royale, and metaverse games.*

Methodology

DDM classifies a game developer as a studio who designs, prototypes, and creates games for internal or external parties on any platform. We did not include companies who are solely hardware developers; middleware developers such as engine, VR creation tools and eSports aim trainers; or other games-related software developers such as play-to-earn community management and chat platforms. We made no distinction between work-for-hire and original IP studios, as many studios work on both.

In reporting our values, we only include deals where the investment or acquisition officially closes, not simply announced. This methodology has been used consistently with our data for 17+ years and it ensures that we are measuring actual activity instead of potential activity.

Additionally, with SPACs we consider the investment value to be what was raised in the transaction, not the company valuation afterward. This is consistent with how we track investment data, where we track the money raised in the transaction and, separately, its effect on the company's overall enterprise value.

The exclusion of announced deals may result in a large difference between our quarterly total and other firms, but our methodology gives a clearer picture of the money deployed in each quarter, providing valuable data consistency for companies evaluating game industry investment and acquisitions.

Digital Development Management maintains and continuously updates the only source of investment, acquisition, and merger data specific to the video game industry that has been gathered and rigorously tracked for over a decade. We focus on Western investments that span development, publishing and technology across PC, console, mobile, browser, mass community (MMO, MOBA, battle royale), eSports and AR/VR games. In short, our focus is fully on the games industry, where other reporting organizations include non-games technology investments and acquisitions by companies such as Apple and Microsoft, which overshadow and obfuscate what is happening in games.

Contact

DIGITAL
DEVELOPMENT
MANAGEMENT

GIR Team
Mitchell Reavis, Katie Williams, and
Peggy Twardowski

EMAIL
data@ddmagents.com

Digital Development Management
PO Box 180
Northampton, MA 01061-0180

www.ddmagency.com

OFFERING CUSTOM INVESTMENT REPORTS WITH MORE TRANSACTION DETAILS AND 17+ YEARS OF DATA.

LEARN MORE ABOUT US AT:
http://ddmgamesinvestmentreview.com

CHAT WITH US ON TWITTER:
@GamesInvestment

FOLLOW US ON LINKEDIN:
linkedin.com/company/
digital-development-management

DDM