

The “Dog Days” Are Over?

Executive Summary

Current and future state of the market

Current state of the market

- The global games industry continues to face pressure, with minimal market growth (below inflation), extensive layoffs, turbulent gaming stock prices, and project cancellations frequently making headlines.
- Major public players, holding substantial cash reserves, are not rushing to make acquisitions (public buyers historically account for c.80% of M&A volume¹) and are actively making share buybacks. Simultaneously, corporate venture arms have shown increased interest in VC-type financing rounds, making less solo and more syndicate-type investments.
- The challenging state of the equity markets continues. High interest rates and poor performance of the publicly listed players have narrowed exit opportunities and ultimately impacted Late-stage appetite. Most public listings from 2020-2021 trade below their IPO prices, and there have been no significant gaming IPOs since mid-2022.
- VCs and PEs became very cautious and selective, backing fewer companies per quarter at Series A and later rounds. Seed activity remained stable and less impacted by macro trends, supported by over \$15B capital raised across over 65 gaming-focused funds worldwide².

Note: (1) gaming deals with upfront EV above \$65m (see p. 18) since 2020; (2) see p. 12

Outlook and our expectations

- After a “hangover”-like 2023, it’s too early to predict the direction of 2024. However, while this year may not set new records, it is expected to establish a new “norm” in transaction activity, likely exceeding pre-pandemic levels.
- We maintain a positive outlook on early-stage investments, bolstered by increasing capital availability observed in subsequent fundraisings (e.g., a16z II at \$600m, BITKRAFT III at \$275m) and the announcement of over 10 new gaming-focused funds since the beginning of this year.
- Midcap M&As (valued at ~\$1B or less) are likely to grow amidst the current investor-friendly environment and increased PE interest in the space, assuming robust gaming stocks performance throughout the year.
- High interest rates will continue to pressure Late-stage financing and IPOs. Many startups that secured Early-stage capital between 2020 and 2023 may struggle to secure subsequent funding, leading to shutdowns or “acqui-hire” exits.
- Nevertheless, companies with solid financials and proven metrics will stand out as “outliers,” driving value and increasing the number of deals. Capital efficiency and profitable growth will remain the “North Star” priorities for studios.

InvestGame Update

Recent news and platform additions

Introducing Our AI-Supported Business News Aggregator

investgame

InvestGame.net News Channel

[InvestGame.net News](#) – an all-in-one Telegram channel that aggregates news from the most relevant sources 24/7. It is refined and curated with the power of AI to bring you the essence of each Investment and M&A deal in the gaming industry.

2020–2024 YTD		
Gaming M&A Sell-Side Financial Advisory League Table		
investgame		

M&A Sell-side Advisors Ranking

Available on [Patreon](#), the table is designed with founders and investors in mind. This League Table is your navigator in the ever-evolving M&A landscape, spotlighting over 60 significant acquisitions and relevant sell-side advisors.

Your Gateway to Gaming Investments: List of Industry-Focused Funds									
ASUS	BITKRAFT	A16Z GAMES	Lightspeed	PLAY	vgames	THE GAMES FUND	MAKERS FUND	GRIFIN	
galaxy	WePlay ventures	Transcend.	Ivp.	NARWHAL ACCELERATOR	KONVOY	LUDUS			
RAM GAMING	JOYSTICK VENTURES	Lumikai	HIRO CAPITAL	ROUND VENTURES	RAINE	LEVEL-UP VENTURES			
investgame									

Gaming-Focused Funds

A constantly updated [List of Industry-Focused Funds](#). The list continues to expand and soon will include generalist investors providing capital to gaming startups. Our patrons will receive early access to this expanded list.

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InvestGame is dedicated to providing the gaming community with the most accurate transaction data. For us, 2024 is a year of transformation, growth, and the rollout of new features designed to make the gaming investment market more available and transparent.

Unlock exclusive insights with our premium Excel dataset for \$25 tier [Patreon](#) supporters. This resource offers 18 detailed sheets based on our latest report's charts, perfect for boosting your research and presentations. Your support fuels our ability to provide more in-depth analyses.



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- Behind-the-scenes content
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InvestGame Patreon recent materials shared with subscribers:

- 15 tables with all the industry deals;
- An exclusive Gaming M&A Sell-Side Advisory League Table;
- An extended version of our gaming VC list.

This is just the beginning. Your support enables the InvestGame team to continue providing detailed analyses of key transactions, offering precise insights into global gaming deals. Join us on [Patreon](#) to enhance your decision-making with our expertly curated data and support our project.



MY.GAMES

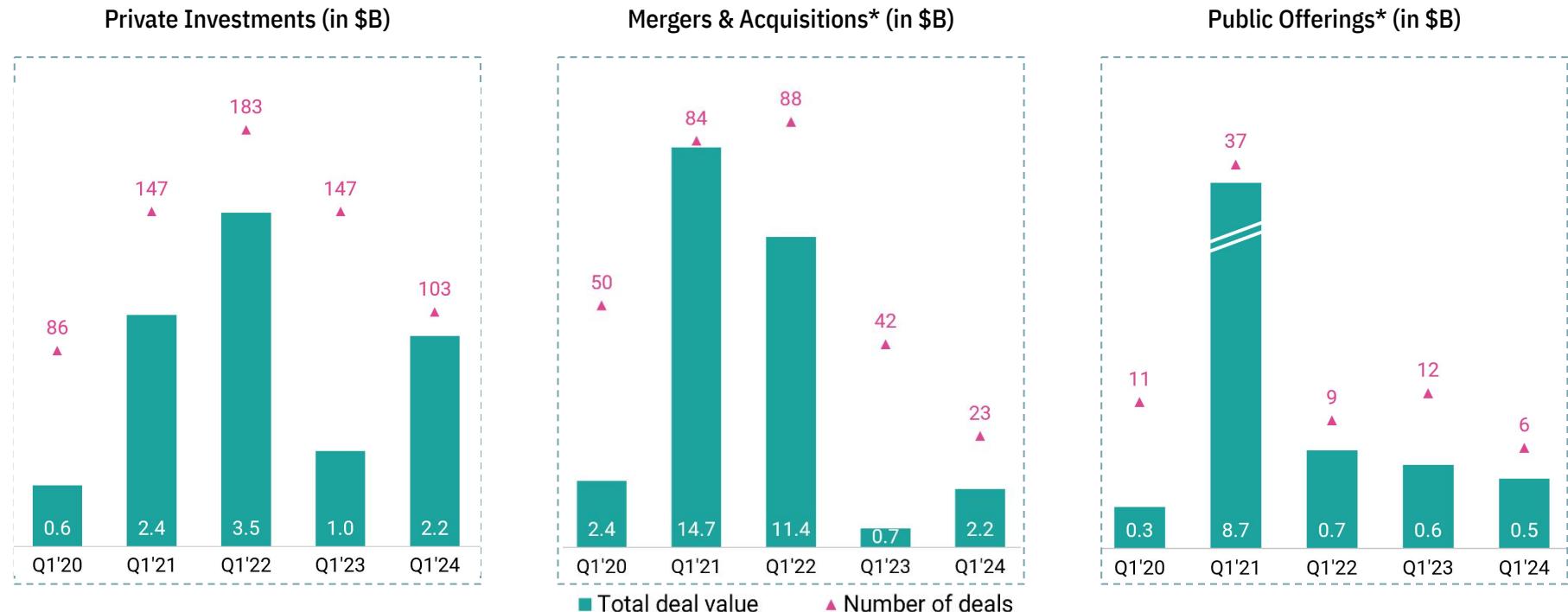
TaylorWessing



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Quarterly YoY performance

Fewer deals but higher values – a glimpse of improvement



Note: some transactions do not disclose deal value but are counted for the total number of deals;

(*) closed transactions only (excl. announced, e.g., Gearbox sale to Take-Two Interactive)

Q1'24 in a nutshell

Most notable transactions

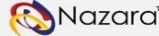
Private Investments

TARGET	KEY INVESTORS	VALUE
CORPORATE (CVC)		
		\$1,500m 
		\$110m 
VC/PE & OTHERS		
	NAWAF ALBISHRI	\$45m ⁽¹⁾ 
	andressen horowitz	\$43m 
	 SOLANA VENTURES	\$35m 

Mergers & Acquisitions

TARGET	BUYER	VALUE
CONTROL & MINORITY		
	 HAVELI	\$1,100m ⁽²⁾ 
		\$590m ⁽³⁾ 
DIVESTITURE / RESTRUCTURING		
		\$460m 
		\$247m 

Public Offerings

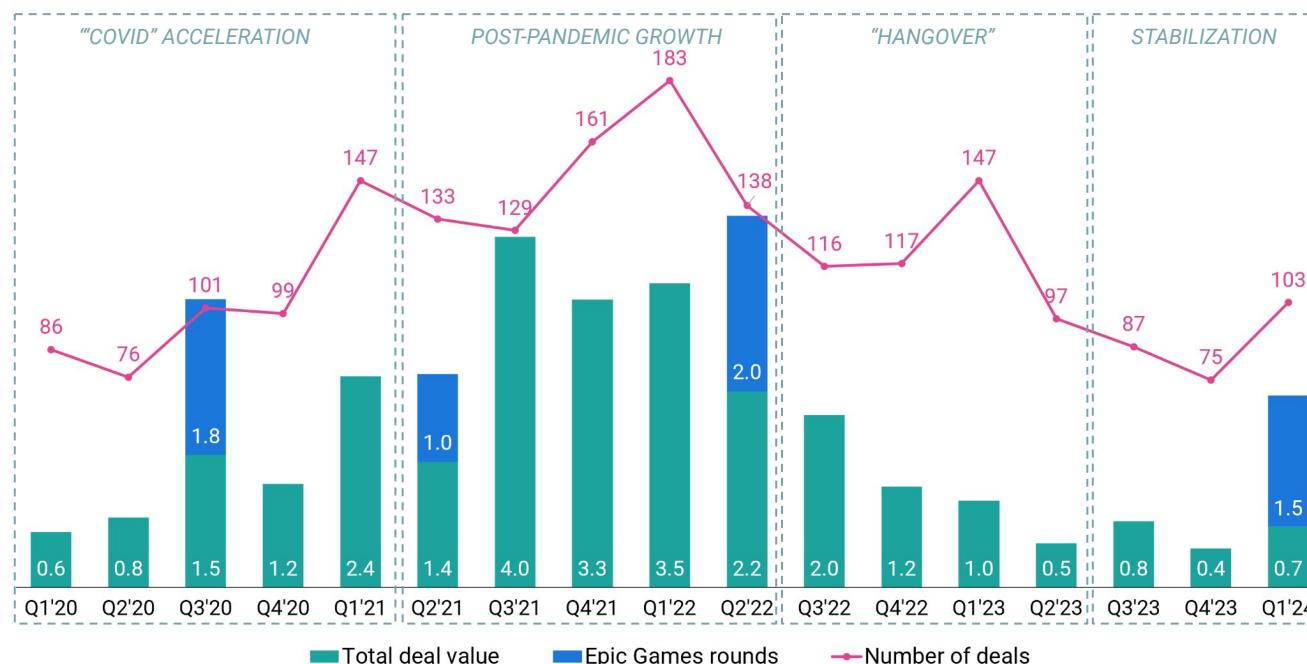
COMPANY	VALUE
FIXED INCOME (NOTES)	
	\$350m 
	~\$93m 
PIPE (SHARE ISSUE)	
	~\$30m  / 
ANNOUNCED DEAL	

Note: (1) a master franchise deal with entrepreneur Nawaf Al-Bishri; (2) rumored valuation; (3) provided \$590m of convertible debt in its subsidiary

Private Investments

Incremental growth in dealmaking, following market “reset”

Private Investment Activity: Corporate, VC & PE (in \$B)



Note: some transactions do not disclose deal value but are counted in for the total number of deals; (*) as of 18-Apr-2024

— In Q1'24, the results seemed to surpass last year's quarterly values, primarily driven by Epic Games raising \$1.5B from Disney. Excluding this deal, the amount of capital deployed was 30% lower than Q1'23.

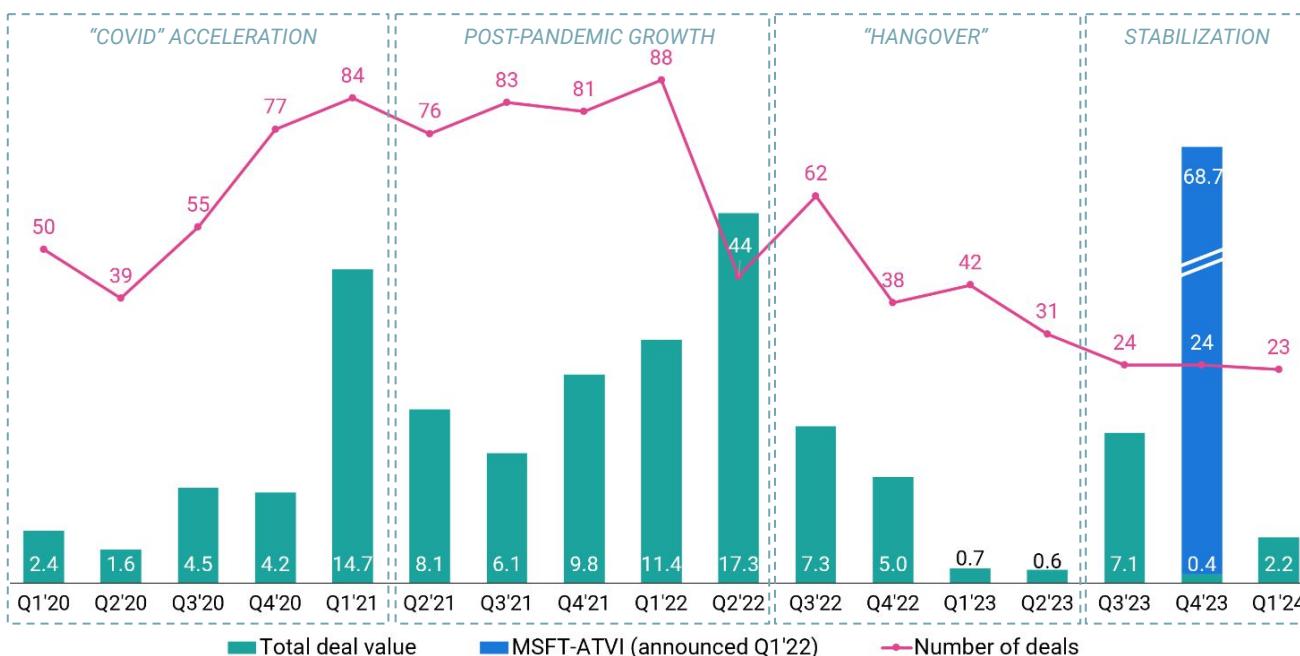
— Over the last year, VCs have become cautious and selective, committing smaller check sizes, forming syndicates with CVCs, and making fewer investments. Nevertheless, the pace of dealmaking has recently improved, mainly driven by growth in Pre-Seed & Seed VC activity.

— We maintain a modestly positive outlook for 2024 amid a stabilized macro environment, more robust exit activity, and positive public markets momentum (S&P 500 +5% YTD*).

Mergers & Acquisitions

Have yet to embark on a steady pace

Closed Mergers & Acquisitions: Control & Minority (in \$B)



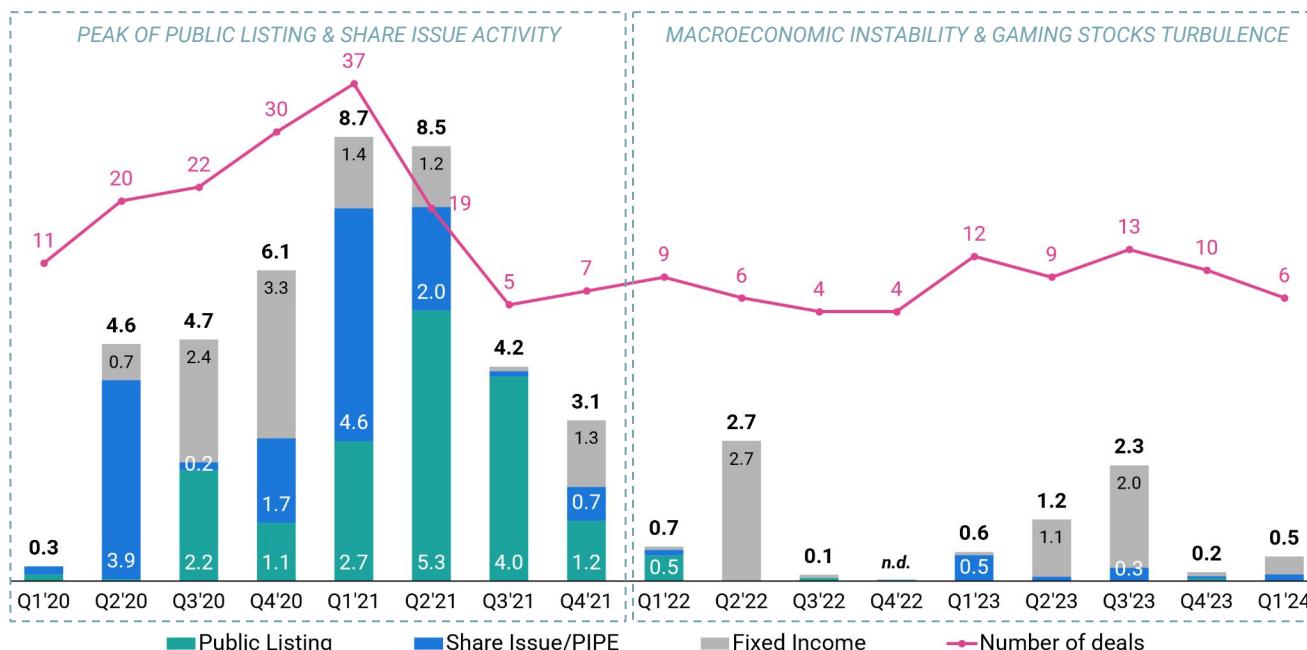
Note: some transactions do not disclose deal value but are counted in for the total number of deals

- The last four quarters' M&A activity indicates impending stabilization, with ~24 closed deals per quarter and a growing number of midcap deals (~\$1B or less).
- PEs (financial sponsors) have increased their role in the sector by making notable acquisitions such as Scopely for \$4.9B in Q3'23 and Jagex for \$1.1B in Q1'24.
- Sponsor-led deals are likely to persist, given the buyer-friendly environment. Strategics focus more on operational optimization through layoffs and asset divestitures (e.g., Embracer-Gearbox / Saber, SEGA-Relic, MTG-Kongregate).
- PE's willingness to deploy capital in gaming and potential gaming stocks' prices growth will likely foster a steady M&A recovery trend during 2024.

Public Offerings

IPO market remains muted

Public Offerings Activity (in \$B)



Note: some transactions do not disclose deal value but counted in for the total number of deals; (*) as of 18-Apr-2024

- Despite some positive market signals, such as the Reddit IPO and a +5% YTD* increase in the S&P 500, public listings remained muted in Q1'24.
- High interest rates, a softening gaming market, and the weak post-IPO performance of many gaming comps (e.g., Skillz, Devolver, tinyBuild) have compelled many firms to postpone their initial listings. The only exception is Shift Up, which has filed to go public on the Korea Stock Exchange with a rumored valuation of over \$2B.
- Trading at significant discounts compared to previous periods, many gaming companies are pursuing share buyback programs (e.g., AppLovin, Tencent, Electronic Arts, MTG).
- Meanwhile, issuing shares is an unpopular option for raising capital, an “expensive” dilutive instrument vs. using loans/notes.

Gaming

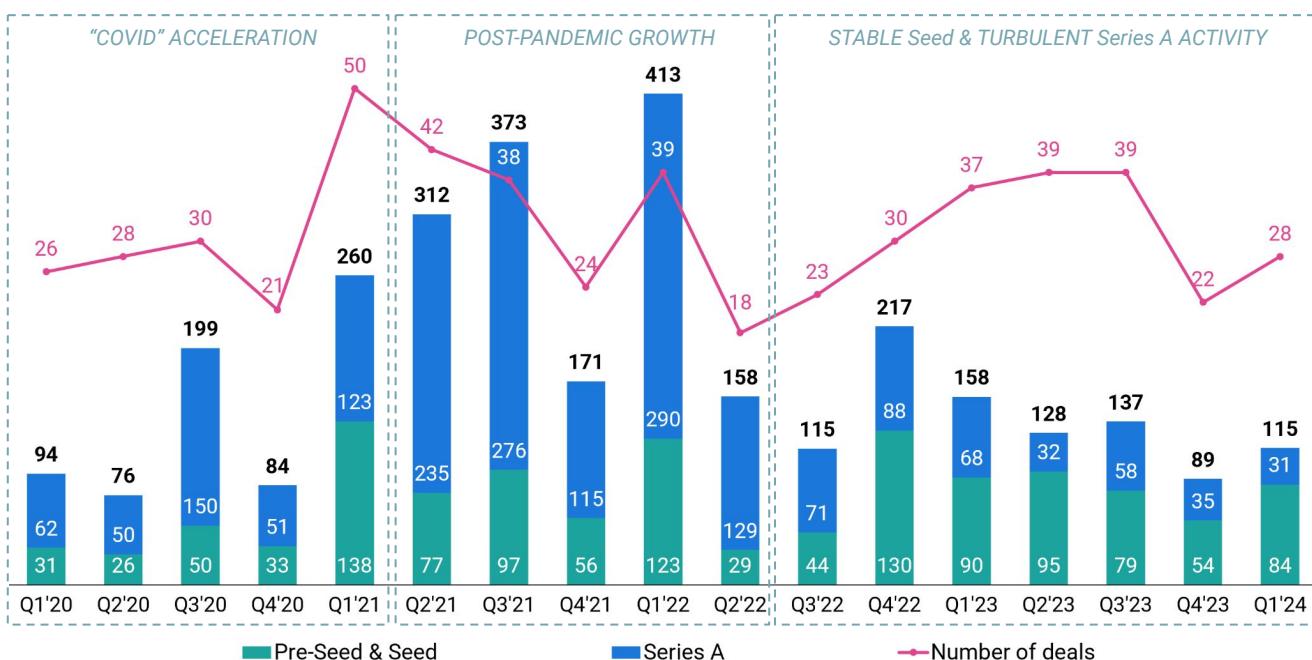
Deals with Targets represented
by video game publishers and/or developers



VC Early-stage Gaming

Solid seed and challenging Series A activity

Game Developers & Publishers: Early-Stage VC (in \$m)



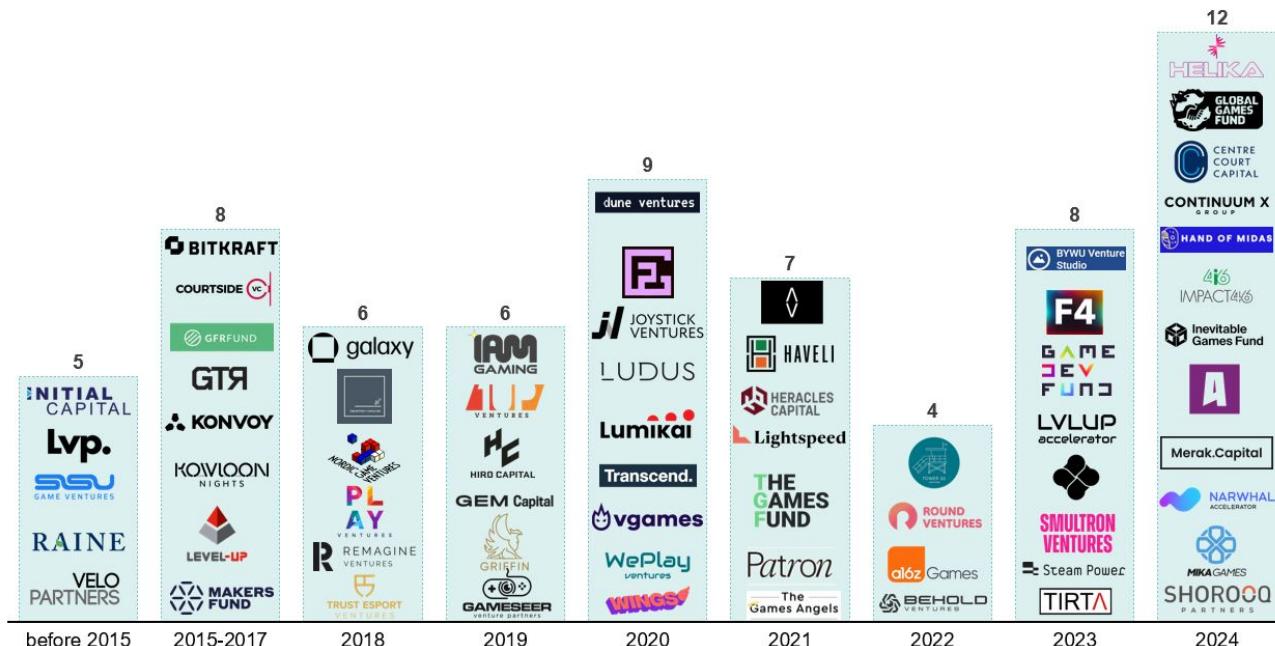
Note: some transactions do not disclose deal value, but counted in for total number of deals

- Pre-Seed and Seed activity remained strong, with ~3x more quarterly capital raised vs. the pre-pandemic level of ~\$30m. This trend is likely to persist in the future.
- On the contrary, Series A rounds continue to slow down - this quarter reaching the lowest point in years, with many Seed-funded startups struggling to raise subsequent rounds.
- VCs are very cautious in their choices, backing fewer startups at higher check rounds, considering more syndicate investments, and introducing more downside protective terms in the deals.
- Capital supply continues to improve as gaming funds announce fundraising (e.g., a16z II, BITKRAFT III) and new gaming VCs emerge in the market (e.g., Laton, Merak Capital, Hand of Midas, IGF, IMPACT46).

Gaming Funds

Vast amount available capital and funds to partner with

Gaming-Focused PE / VC Funds & Accelerators By Year of Establishment



- The gaming industry has seen massive capital infusion over the last five years, with more than 45 gaming-focused funds established since 2019, which is roughly 2x times more than the previous decade.

- Gaming-focused funds cumulatively have raised over \$15B capital to date, with over \$7B deployed in gaming studios since 2020.

- Despite ongoing market turbulence, the gaming sector continues to attract investors, with over 10 funds announced in Q1'24.

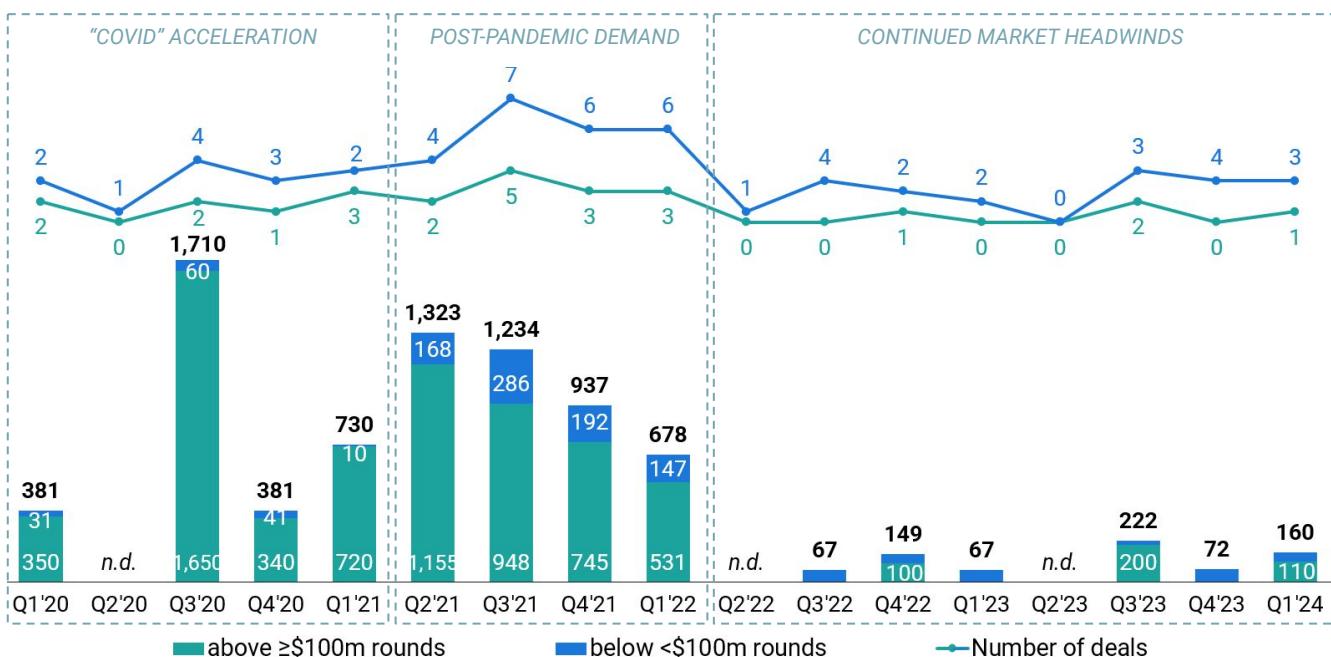
- Over 80% of funds are focused on early-stage investments, with fewer than 10 being stage-agnostic and only one gaming PE fund, Haveli Investments.

- Many Generalist VCs and PEs joined the race by actively co-investing with gaming funds and leading the rounds.

VC / PE Late-stage Gaming

Mixed results with growth prospect

Game Developers & Publishers: Late-Stage VC / PE (in \$m)



Note: some transactions do not disclose deal value but are counted for the total number of deals

- Gaming content businesses typically require less capital in later stages. With less attractive exit options (closed IPO window and volatile M&A activity), VCs and PEs have shown increased hesitancy in funding Late-stage rounds (Series B+) since H2'22.
- Investment in smaller rounds has seen a slight resurgence since Q3'23, with 3 deals per quarter, matching pre-pandemic levels. Larger investment rounds (\$100m+) continue to be rare, occurring roughly once or twice every six months.
- Anticipating a decrease in interest rates and improvements in the equity and M&A markets, we expect to see modest growth in the capital raised and the number of Late-stage rounds.

Most active Gaming VC funds: Seed rounds

Gaming VC Funds Ranked by Number of Seed Rounds*

RANK	2020			2021			2022			2023			Q1' 24		
		NUMBER OF DEALS	VALUE OF DEALS		NUMBER OF DEALS	VALUE OF DEALS		NUMBER OF DEALS	VALUE OF DEALS		NUMBER OF DEALS	VALUE OF DEALS		NUMBER OF DEALS	VALUE OF DEALS
#1	Galaxy Interactive	#8	\$20m	1Up Ventures	#9	\$35m	1Up Ventures	#11	\$61m	Sisu Game Ventures	#10	\$32m	1Up Ventures	#3	\$19m
#2	Play Ventures	#8	\$13m	vgames	#9	\$18m	The Games Fund	#9	\$22m	The Games Fund	#8	\$24m	BITKRAFT Ventures	#2	\$21m
#3	Sisu Game Ventures	#8	\$9m	Play Ventures	#7	\$16m	Sisu Game Ventures	#9	\$21m	GEM Capital	#8	\$20m	Transcend Fund	#2	\$11m
#4	1Up Ventures	#6	\$25m	BITKRAFT Ventures	#6	\$19m	BITKRAFT Ventures	#6	\$38m	BITKRAFT Ventures	#7	\$36m	The Games Fund	#2	\$5m
#5	BITKRAFT Ventures	#5	\$25m	Sisu Game Ventures	#6	\$17m	Transcend Fund	#5	\$50m	vgames	#6	n.d.	Ludus Ventures	#2	\$5m

Note: (*) only include gaming studios (developers & publishers of video games), excluding web3 studios

Most active Gaming VC funds: Series A rounds

Gaming VC Funds Ranked by Number of Series A Rounds*

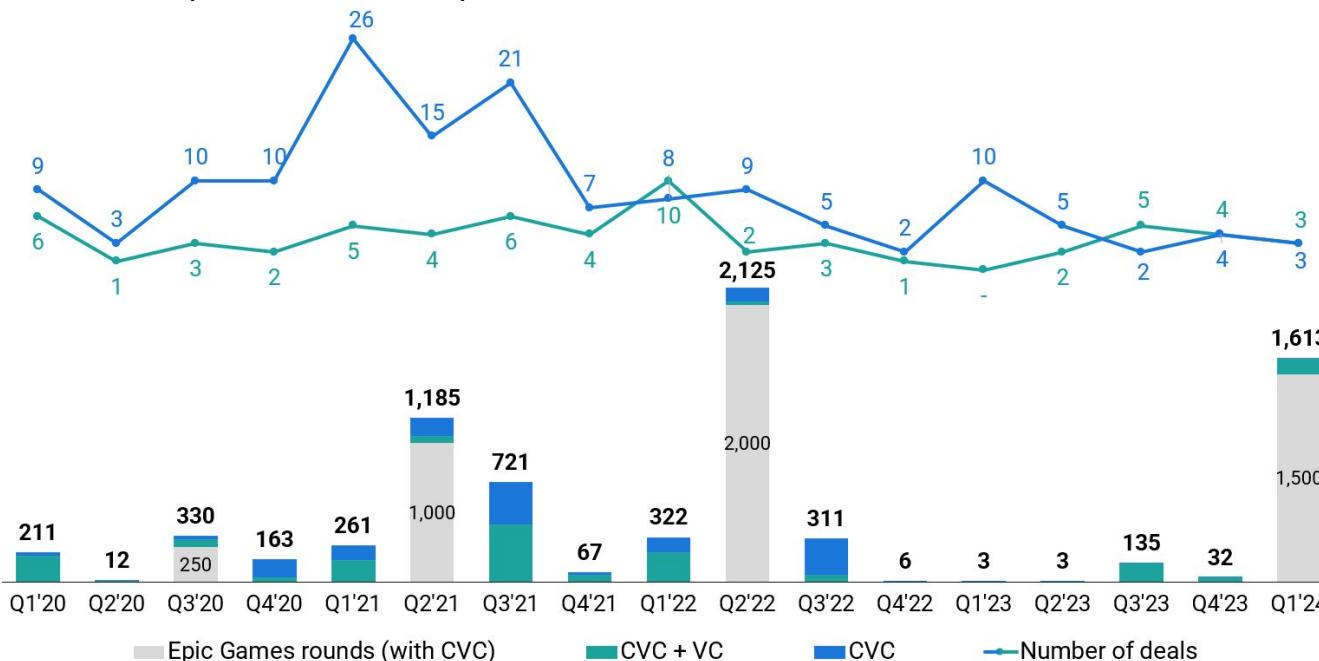
RANK	2020			2021			2022			2023		
		NUMBER OF DEALS	VALUE OF DEALS		NUMBER OF DEALS	VALUE OF DEALS		NUMBER OF DEALS	VALUE OF DEALS		NUMBER OF DEALS	VALUE OF DEALS
#1	Sisu Game Ventures	#5	\$128m	London Venture Partners	#5	\$55m	vgames	#6	n.d.	a16z	#3	\$70m
#2	Galaxy Interactive	#4	\$28m	BITKRAFT Ventures	#5	\$65m	Makers Fund	#5	\$144m	Lightspeed Venture	#2	\$86m
#3	BITKRAFT Ventures	#4	\$27m	vgames	#5	n.d.	Galaxy Interactive	#5	\$68m	1UP Ventures	#2	\$86m
#4	GEM Capital	#3	\$20m	Makers Fund	#4	\$77m	a16z	#4	\$73m	Hiro Capital	#2	\$20m
#5	Play Ventures	#3	\$15m	Galaxy Interactive	#3	\$49m	BITKRAFT Ventures	#4	\$59m	Sisu Game Ventures	#2	\$20m

Note: (*) only includes gaming studios (developers & publishers of video games), excluding web3 studios. Does not include Q1'24, as there were no gaming Series A round deals during this period

Corporate Gaming

Playing a vital role in the investment ecosystem

Game Developers & Publishers: Corporate VC (in \$m)



Note: some transactions do not disclose deal value but are counted for the total number of deals

- An increasing number of Corporate investors participating in VC rounds (labeled as “CVC+VC”) affirms a trend of VC investors being more cautious in their investments, managing risk by sharing rounds and confirming interest in the studio through strategic on-board.
- Strategic investors actively adopt “VC-like” terms and increase their share in Early-stage investments. Asian corporate venture arms of major companies such as Tencent, NetEase, Krafton, Kakao, and Sony have been notably active, participating in over 25 VC rounds combined since 2022.
- Corporate-led solo investments have remained under pressure, with one significant announcement being Disney’s \$1.5B investment in Epic Games.

Gaming Investments Q1 '24

Closed VC & Corporate deals by targets geo

NORTH AMERICA

Early-stage VC: 15 deals, \$77m
Late-stage VC: 2 deals, \$50m
Corporate: 1 deal, \$1.5B

WESTERN EUROPE

Early-stage VC: 5 deals, \$24m
Late-stage VC: 1 deals, \$110m
Corporate: 1 deal, \$2m

MENAT

Early-stage VC: 5 deals, \$6m
Late-stage VC: 1 deal

ASIA

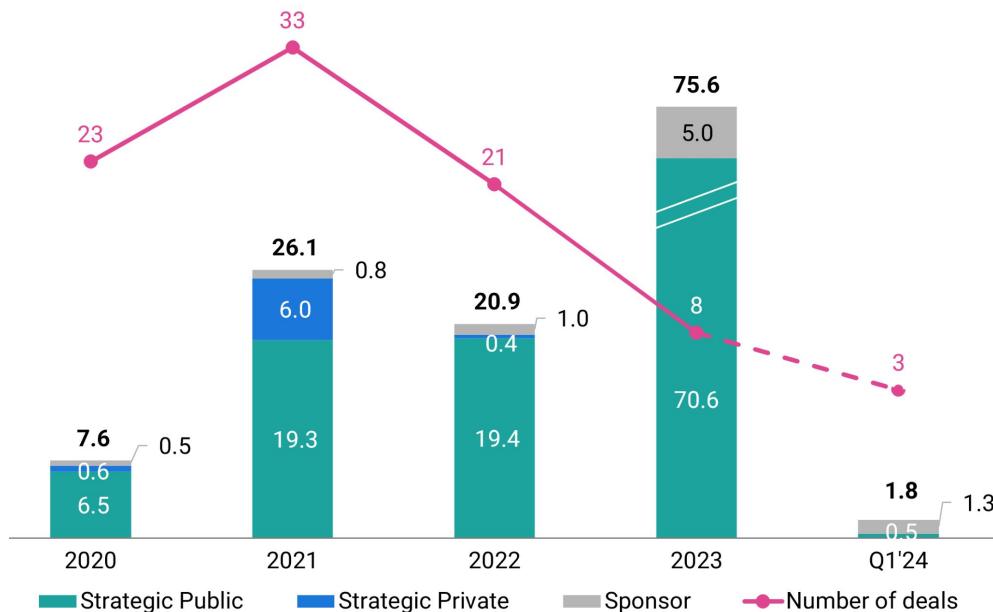
Early-stage VC: 3 deals, \$8m

AFRICA

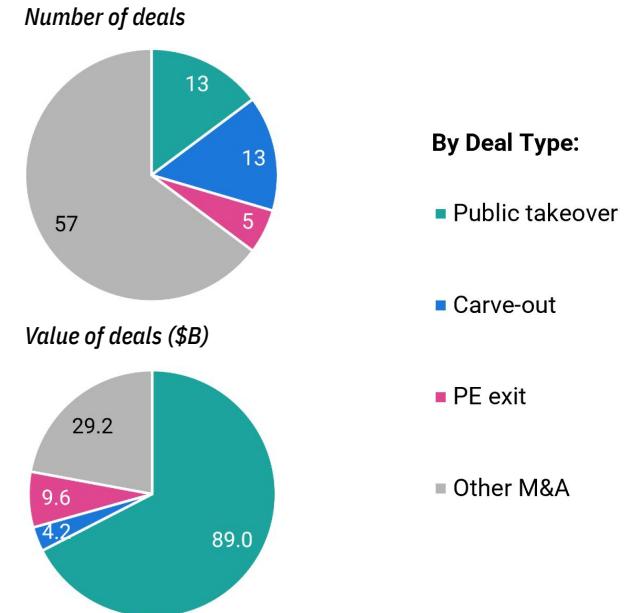
Corporate: 1 deal

Gaming M&A activity remains under pressure as public players have paused their activity. Sponsors are slowly picking up the race

Gaming¹ M&As² – Deals With \$65M+ Upfront EV By Deal Type (in \$B)



Gaming¹ M&As² By Deal Type 2020–Q1'24 (in \$B)



Note: (1) including work-for-hire studios; (2) control M&A transactions with est. upfront EV above \$65m (incl. recently announced \$460m Gearbox sale); Savvy Games Group is categorized as a Sponsor

Sell-Side Gaming¹ M&A² Advisory League Table

2020-Q1'2024

Rank	Financial Advisor	Number of deals	Value of deals	Recent Notable Transactions	
1	Aream & Co.	23	+\$9.2B	 JAGEX	 SABER
2	Goldman Sachs	9	+\$30.8B	 TECHLAND®	 gearbox entertainment
3	RAINE	5	+\$7.0B		 SpinXGames
4	LionTree	4	+\$2.1B	 Next Games	 Playdemic
5	Morgan Stanley	2	+\$3.2B	 JAGEX	 glu
...	Subscribe to InvestGame Patreon to get access to full list of 20+ Financial Advisors and 60+ M&A deals				

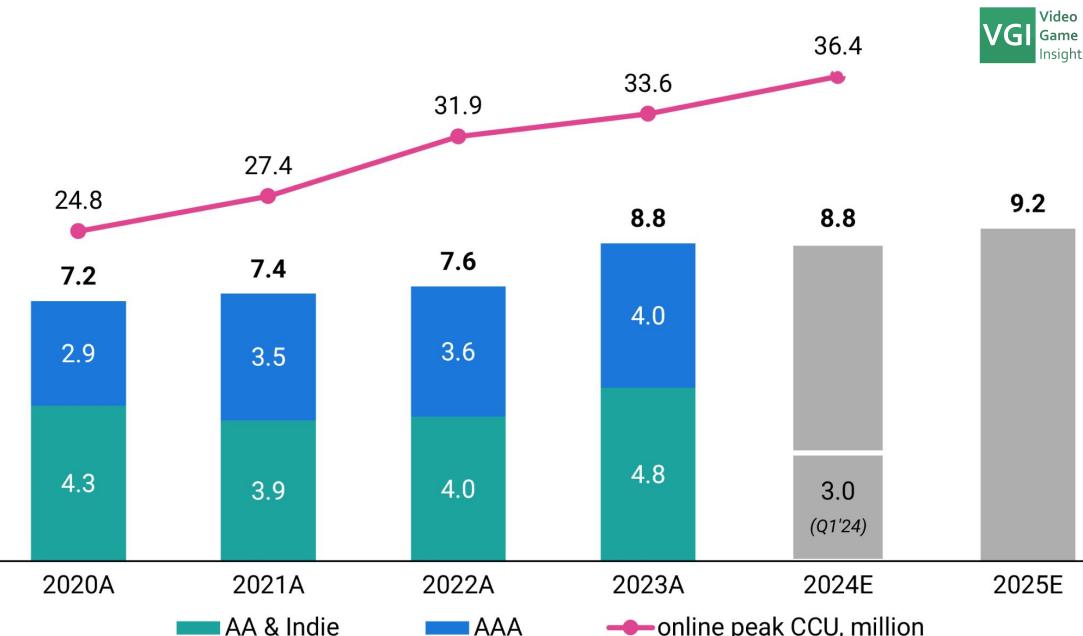
Note: (1) sellers represent game developers or publishers across PC, Console, and Mobile (inc. work-for-hire businesses);
(2) includes transactions with a sale of a controlling stake and estimated upfront deal value above \$65m, excluding earn-outs

Gaming: PC & Console

Deals with targets represented by video game publishers and developers on PC or Console platforms (incl. multiplatform)

Steam demonstrates consistent growth since 2020, bringing ~\$9B in full game revenue

Steam Gross Full Game Revenue¹ And Online Users Activity² (in \$B)

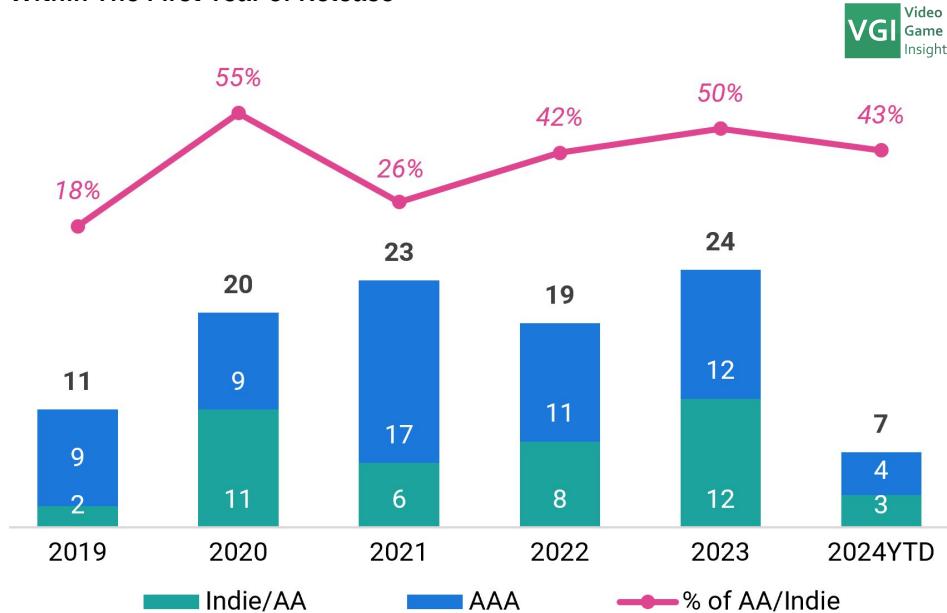


Note: (1) total gross revenue from game sales (excluding microtransactions); (2) 2024E shows YTD Steam peak CCU
Source: [VG Insights](#)

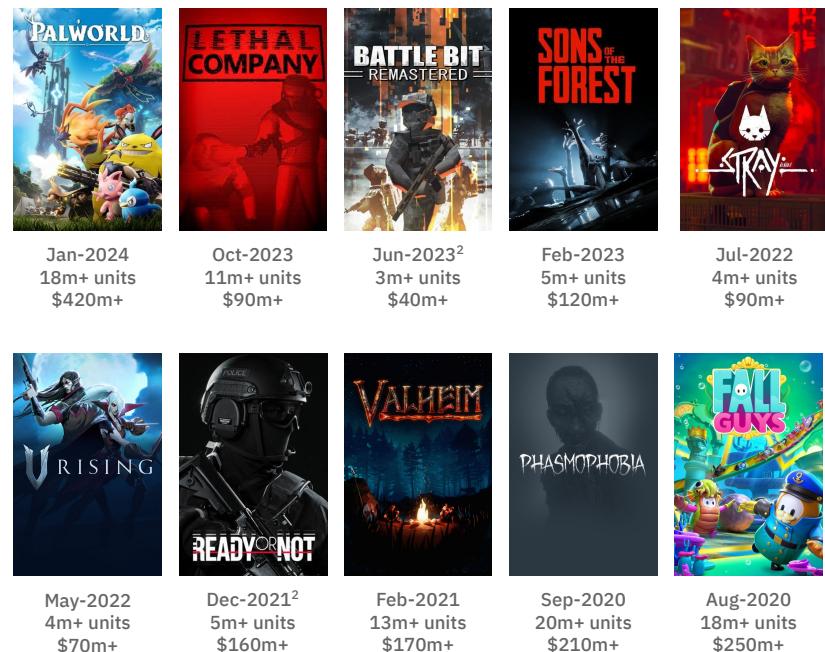
- In 2023, Steam set a new record, bringing ~\$8.8B in full game sales, mainly driven by a strong slate of high-quality premium releases (e.g., *Baldur's Gate 3*, *Hogwarts Legacy*, *Starfield*, *Resident Evil 4*).
- The beginning of 2024 has seen a solid start, with YTD full-game sales approaching \$3.5B and online CCU crossing 36 million in March.
- A less crowded AAA release schedule in 2024 opens up opportunities for independent studios to get players' attention: e.g., *Helldivers 2*, *Palworld*, and *Enshrouded* combined brought almost \$1B in sales.
- Growing sales of new IPs developed by AA/Indie teams (CAGR'2021–23 of 10%) and over \$3B capital deployed in PC & Console studios since 2020 are positive indicators of further market growth.

Indie/AA studios are the driving force behind new PC “hits,” reaching record releases in 2023

Steam Premium Games With \$20M+ Gross Full Game Revenue¹
Within The First Year of Release



Select Indie / AA Successful Titles Released Since 2020

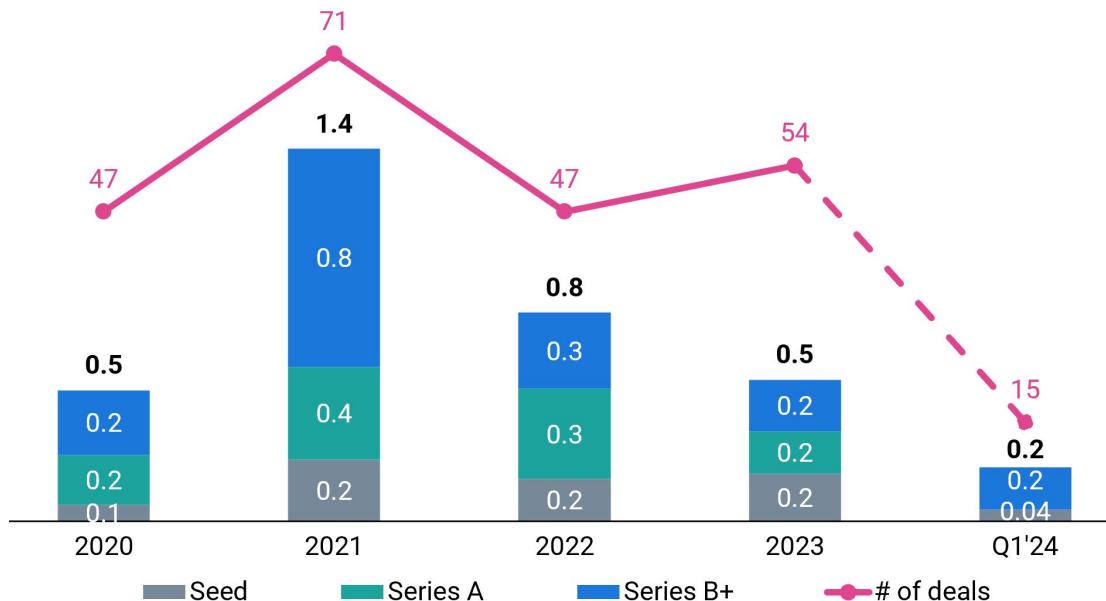


Note: (1) total gross revenue from game sales (excluding microtransactions); (2) Date of Early Access release

Source: [VG Insights](#)

VCs & PEs have deployed over \$3.4B capital into PC & Console studios, providing fuel to drive further market growth

PC & Console: VC & PE Financing Activity Under \$500M¹ (in \$B)

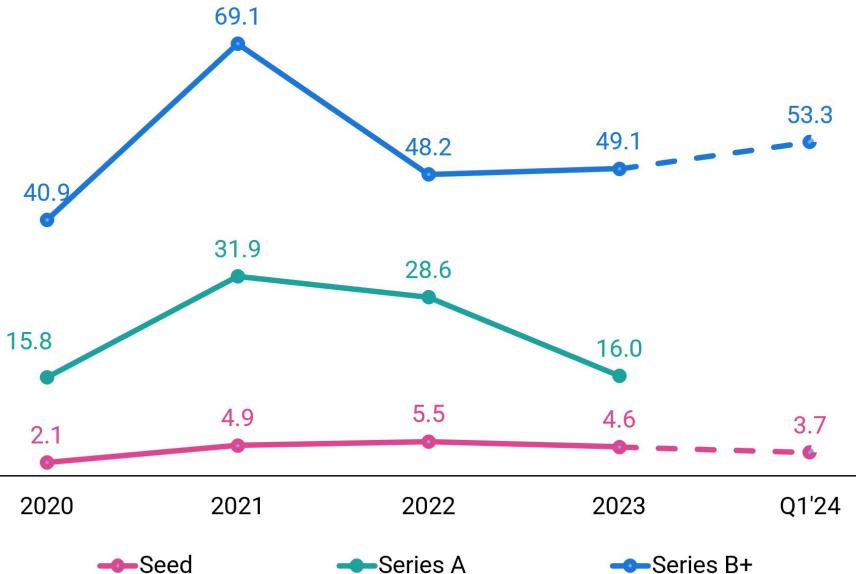


Note: (1) only investment transactions with a disclosed deal value above \$250k and below \$500m check size (excluding grants, accelerators, or buyouts); (2) \$10m are not included in the financing deal value

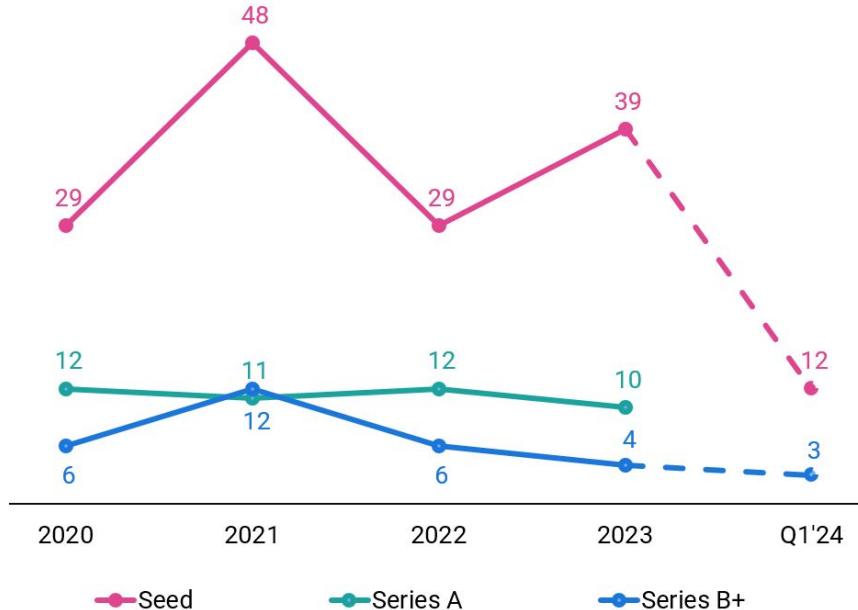
- Tremendous growth in PC & Console exit activity (mainly M&As and a few IPOs) and a relatively stable environment (compared to the mobile sector) have attracted many financial investors.
- Since 2020, VCs have deployed over \$3B of investments into PC & Console studios, with over 50% of capital allocated to Series B+ rounds and the majority of all rounds closed at peak levels in 2021.
- While the number of Seed and Series A rounds have been relatively stable during 2020–2023, Late-stage rounds experienced a notable decline during 2022–2023.
- In Q1'24, Late-stage rounds kicked off with a solid uptick in activity with 3 announcements: Build a Rocket Boy (\$110m), Mountaintop (\$30m), and Gunzilla Games (\$30m incl. \$10m token round²).

Seed rounds remained largely unaffected, while Series A and Late-stage rounds experienced lower check sizes and fewer deals

PC & Console: Average Round Size* (in \$m)



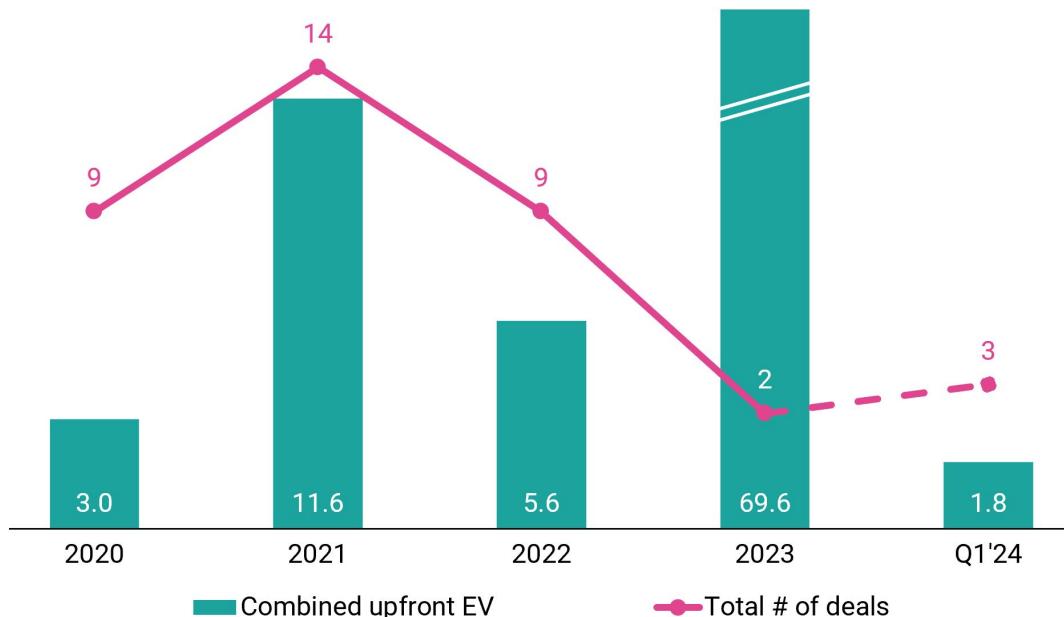
PC & Console: Number Of Closed Rounds*



Note: (*) only investment transactions with a disclosed deal value above \$250k and below \$500m check size (excluding grants, accelerators, or buyouts)

PC & Console studios have brought over \$91B in total upfront proceeds across 37 mid- and large-cap deals since 2020

PC & Console M&As¹ Across Deals With \$65M+ Upfront EV (in \$B)



Largest PC & Console M&A Deals Since 2020 (in \$B)

DATE	TARGET	ACQUIRER	DEAL VALUE
Oct'23	ACTIVISION BLIZZARD	Microsoft	\$68.7B
Mar'21	ZeniMax [®] MEDIA INC.	Microsoft	\$7.5B
Jan'22	BUNGIE	SONY	\$3.6B
Dec'20	LE YOU	Tencent 腾讯	\$1.3B
Feb'21	CODEMASTERS	Electronic Arts	\$1.2B
Feb'24	JAGEX	CVC CAPITAL PARTNERS	\$1.1B
Jul'23	TECHLAND [®]	Tencent 腾讯	\$0.9B ²

Note: (1) including control M&A transactions with est. upfront EV above \$65m (incl. recently announced \$460m Gearbox sale);
(2) the deal value is \$0.9B (67% of equity), and the total EV is \$1.3B

Gaming: Mobile

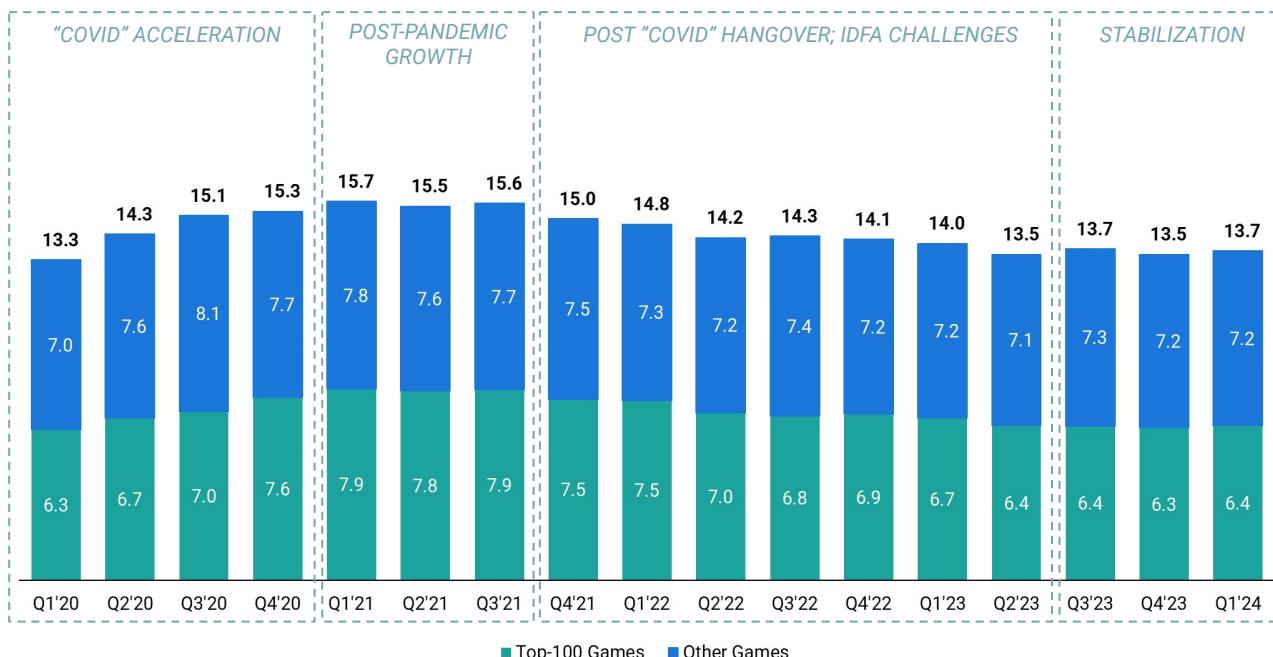
Deals with targets represented by video game publishers and developers on Mobile platforms



Mobile market

Stabilized, yet unready to scale

Mobile Market: IAP Revenue* (in \$B)

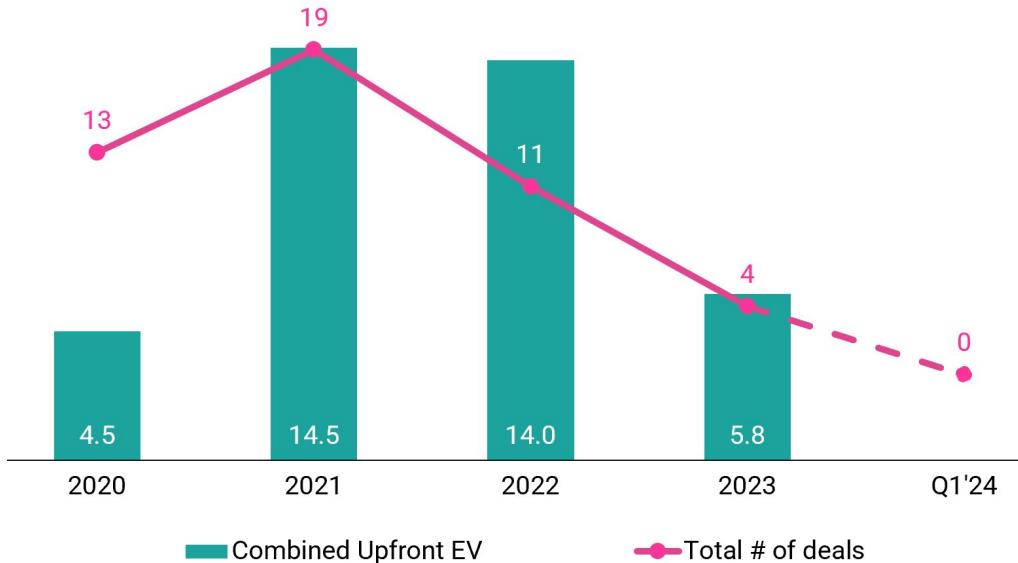


APP MAGIC

- The mobile gaming market has faced challenges since Q3'21 after the implementation of IDFA changes in Apr'21 and was additionally affected by post-COVID players' engagement drop.
- A few last quarters have shown relatively stable dynamics, with public mobile companies reporting tiny organic growth, hopefully a sign of ongoing market recovery.
- Mobile publishers introduce various initiatives to scale games: leveraging third-party IPs, using hybrid gameplay and monetization mechanics, and releasing titles across multiple platforms.
- [AppMagic](#) cautiously expects the market to remain steady or slightly decline in 2024, though less severe than in the previous years. By 2025, the market should start recovering, with significant growth anticipated in 2026.

Mobile M&A activity has been significantly impacted by unfavorable underlying market dynamics

Mobile M&As* Across Deals With \$65m+ Upfront EV (in \$B)



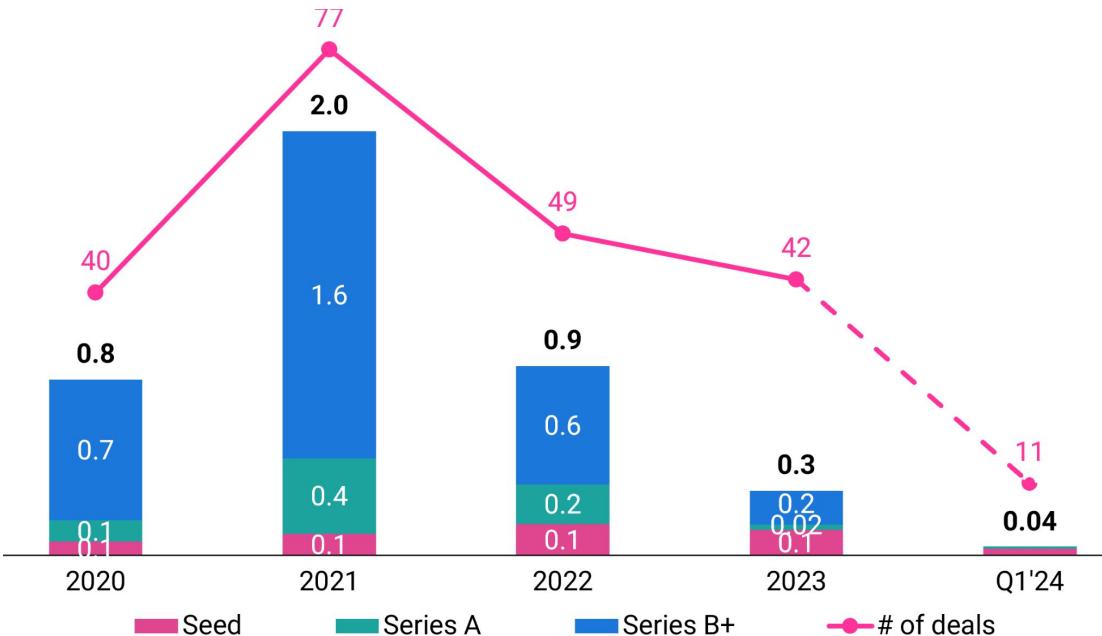
Note: (*) including control M&A transactions with est. upfront EV above \$65m

Largest Mobile M&A Deals Since 2020 (in \$B)

DATE	TARGET	ACQUIRER	DEAL VALUE
Jan'22	zynga	TAKE TWO INTERACTIVE	\$12.7B
Apr'23	SCOPELY	SAVVY GAMES GROUP	\$4.9B
Mar'21	MOONTON	NUVERSE	\$4.0B
Aug'21	SpinXGames	netmarble	\$2.2B
Apr'21	glu	Electronic Arts	\$2.1B
Jul'20	peak	zynga	\$2.1B
Sep'21	Playdemic	Electronic Arts	\$1.4B
Oct'21	GSN games	SCOPELY	\$1.0B

Mobile gaming startups have become less popular among VC & PE investors

Mobile: VC & PE Financing Activity (in \$B)

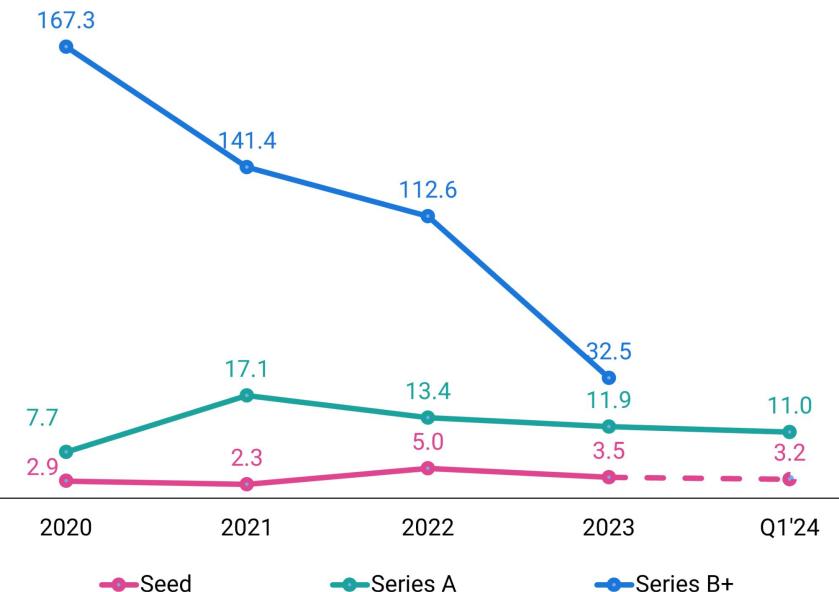


Note: only investment transactions with a disclosed deal value above \$250k and below \$500m check size (excluding grants, accelerators, or buyouts)

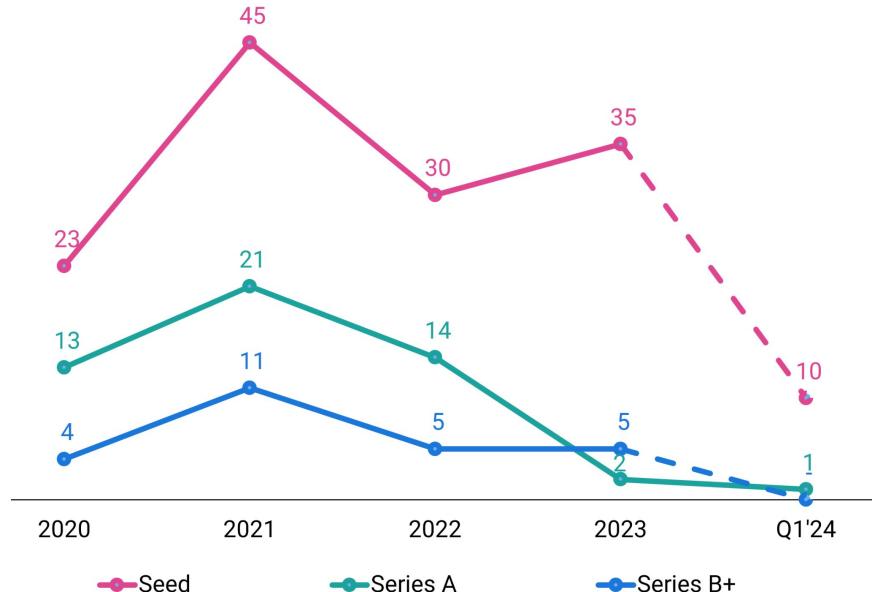
- While VC&PE investments in gaming have struggled overall, mobile studios have been particularly hard hit. Many investors have shifted their focus from mobile (\$0.3B capital attracted in 2023) to PC & Console platforms, which drew \$0.5B in 2023. The latter have shown better results and growth over the past few years.
- Seed investments were less affected than Late-stage rounds, which saw only a few notable transactions last year, including Candivore's \$100m raise from Haveli and Carry1st's \$27m raise in 2023, plus an undisclosed round from Sony Innovation Fund in 2024.
- Many mobile startups have failed to cross the "death valley" to get promising enough metrics, affecting Late-stage activity. In Q1'24, only 2.5% of new mobile titles generated over \$100k per month in net IAP revenue, according to AppMagic's Success Rate Meter.

Seed rounds remain relatively stable, while Series A and Late-stage investment activity has continued to decline

Mobile: Average Round Size* (in \$m)



Mobile: Number Of Closed Rounds*



Note: (*) only investment transactions with a disclosed deal value above \$250k and below \$500m check size (excluding grants, accelerators, or buyouts)

Message from our Partner

MY.GAMES

At MY.GAMES, we've been creating and developing strategic partnerships with independent studios worldwide for more than 6 years. In this timeframe, we've built partnership relations with over 40 teams. Being always tightly connected with developers allows us to identify opportunities and monitor market trends meticulously. We're excited to share some of our observations, which we hope you'll find helpful.

— User Acquisition (UA) management has hardly ever been so challenging: UA of a mobile project involves juggling more than 8 channels, each requiring daily monitoring and management of advertising campaigns. Moreover, modeling UA ROI predictions and setting up and managing the neverending process of finding new hit ad creatives require a team of experienced and highly compensated professionals, which significantly increases the studio's operational costs.

— At the same time, the importance of a comprehensive publishing mix for successful operations is increasing. While historically, a publisher's focus was mainly on UA, it now encompasses a broader scope of activities. We identify growth factors in the entire publishing mix, including brand campaigns, PR, IP collaborations, and more.

— In the current mobile market landscape with tight competition and small margins, finding better distribution and new payment solutions plays a critical role. Introducing off-platform payments (web shop), arranging distribution on various alternative Android stores and the web, and exploring other new revenue streams might be game changers for the studio's performance.

— Considering the low success rate of new game launches, activities related to maintaining and evolving released projects become especially important. This includes the right cadence of live-ops and monetization events, a new content treadmill, monitoring of core audience engagement & happiness, and properly structured community management.

— The current mobile market state, combined with the macroeconomic landscape, leads many investors and publishers to become more conservative in their risk-taking. The chance of securing investment or a publishing contract without the medium-term retention & monetization metrics is extremely low. However, an important exception to note when it comes to raising investment — new star teams originating from large and successful studios. Therefore, a lean approach to managing operating costs makes perfect sense.

— Looking at the worldwide top-100 list of mobile games by revenue, only 7 titles were released in 2023. Big studios created all these projects; most of them are from Asian teams, and only 2 of them are not MMORPGs (AppMagic). Considering the current discoverability challenges on mobile, the chances of successfully launching a new game by a small studio without a major partner and large marketing budgets tend to be close to zero.

— The F2P market on PC & Consoles is extremely competitive and consolidated by several of the largest titles. Only 1 game released in 2022/2023 on Steam managed to reach the top 10 by average CCU — *The Finals*. It leads to F2P PC/Console titles being a very risky bet, and we've seen many studio and project closures that were referred to this trend (*Hyenas* by SEGA is a shining one).

— The number of Asian developers interested in the Western market is growing. The increased competition in the local markets makes Asian developers explore opportunities among the Western audience. Plenty of projects are interested in scaling globally and adapting their gameplay loops and visual style to serve the needs of a broader audience.

MY.GAMES has recently shaped a new pillar: Mobile Publishing. MY.GAMES is uniquely positioned to offer top-notch publishing for mobile games based on our seasoned MY.GAMES Venture Capital team with a solid track record of successful collaboration with partner development studios to streamline the evolution and growth of their products. Within the publishing partnership with MY.GAMES studios receive access to all the resources, infrastructure solutions, and experienced marketing and business development teams that contribute to the growth of such successful titles as *War Robots*, *Rush Royale*, *Grand Hotel Mania*, and more.



NIKITA MATSOKIN

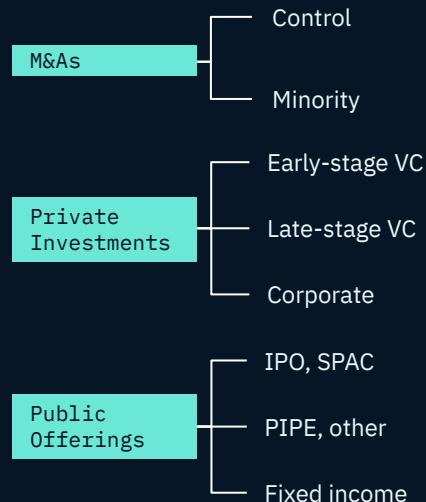
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Methodology & Glossary

InvestGame tracks closed transactions (unless otherwise noted) in the Video Games industry, with target companies having core business operations related to the Video Games market. We do not track pure gambling, betting, and non-gaming blockchain/web3 companies.

Deal Types Overview



Deal Type Terms Glossary

- Control M&As — mergers and acquisitions resulting in the change of control (50%+ ownership)
- Minority M&As — sale of a minority stake in the business
- Early-stage VC — pre-Seed, Seed, and Series A rounds with a lead VC fund
- Late-stage VC — Series B, Series C, and later-lettered venture rounds
- Corporate Investments — investments with a lead investor being a strategic/CVCs
- IPOs — the process of a company going public, including IPOs, SPACs, and direct listings
- PIPE, other — private investment in public equity, direct share issue, and other transactions with publicly traded stock
- Fixed income — debt-related instrument with fixed payments and interest payments

The private data contained in this report is based on information from sources believed to be reliable, but we can't guarantee accuracy and completeness. Sources include public media, our business partners, and market insights.

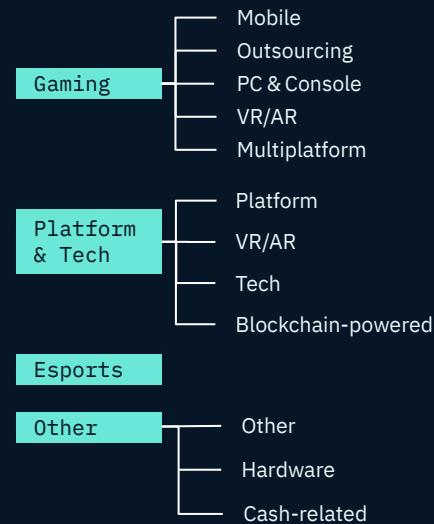
The information, opinions, estimates, and forecasts contained herein are as of the date hereof and are subject to change. We seek to update our research as appropriate.

Our historical datasets undergo ongoing revisions to integrate newly gathered data and updates from our partners.

VC Ratings Calculation

Typically, funds do not publicly disclose their individual participation in financing rounds. Therefore, we do not track the exact investment amounts by each fund; instead, we consider the entire round size in our ranking calculations. Our priority lies in the total number and value of the deals a fund participates in while also emphasizing the value and count of deals where the fund takes a leading role.

Target's Sector Overview



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We would like to thank our dear friends at [MY.GAMES](#) and [Taylor Wessing](#) for supporting this report. Please note that this support did not affect the integrity or fairness of the data and analysis.