

MOBILE GAMES ANNUAL INVESTMENT REPORT

JUNE 2024

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

18

Years in the industry

70+

Consulting clients

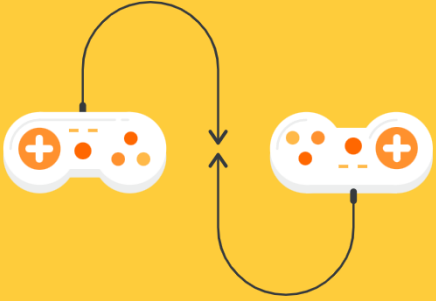
700+

Deals signed across
our service areas

16

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.

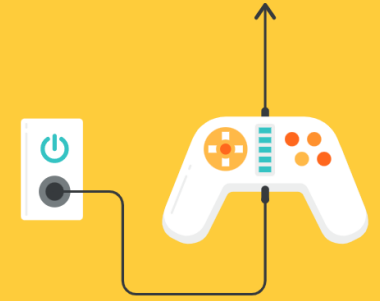
Consulting from experts who know the games business. We create action plans that are actually used.



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

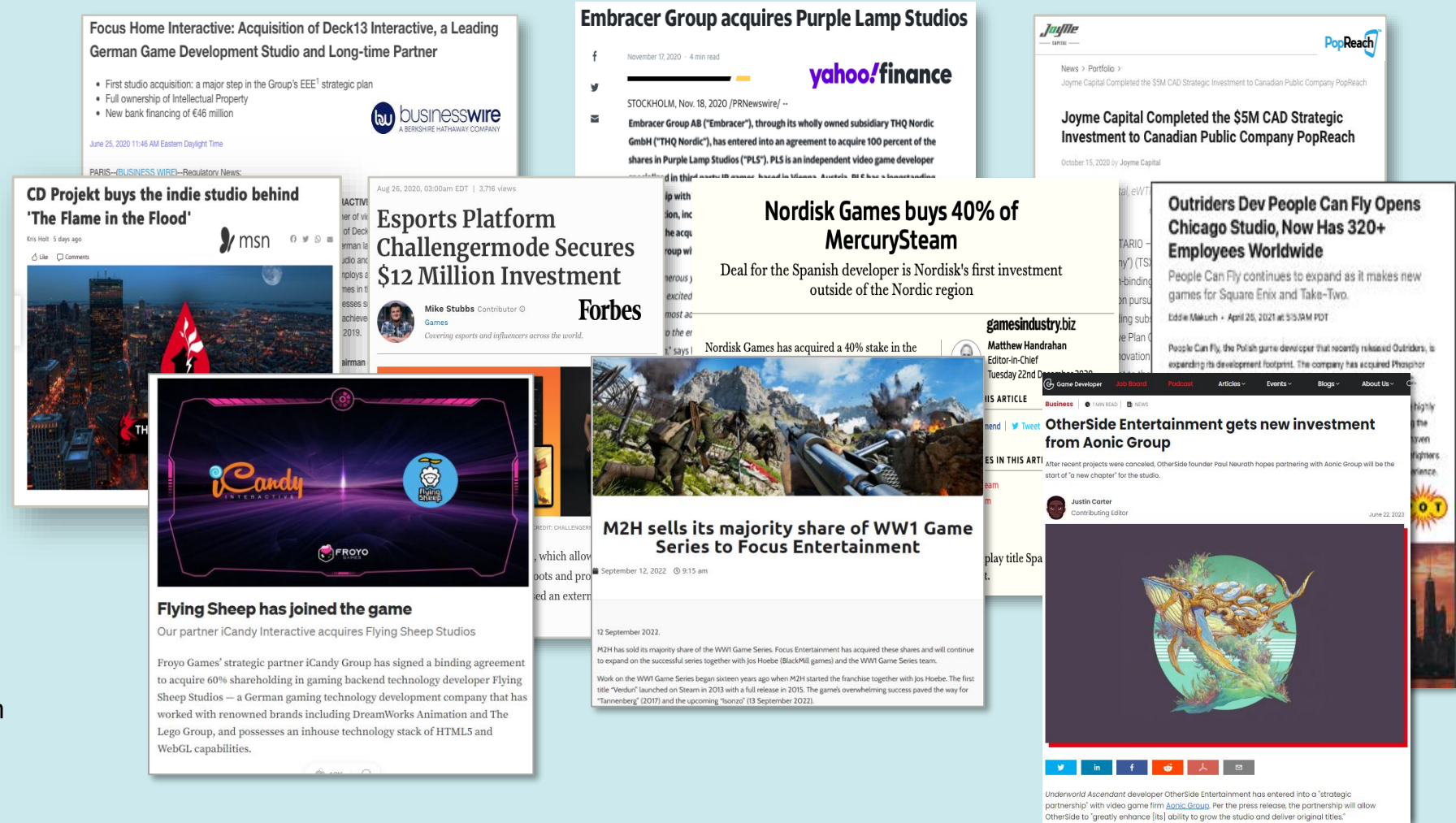
DDM consults as an M&A Broker for companies in the game industry looking to secure a buyer as well as those looking to source acquisition targets. Our extensive knowledge of the games industry and worldwide business development capabilities are combined with deep financial expertise and rich investment 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 700+ deals over 17 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
 - Unparalleled 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





Mobile Games Annual Investment Report June 2024

For a full look at the games industry investments and M&As, download the free Executive Summary or purchase the Transaction Bundle (complete list of the most recent quarter's investments and M&As in PDF and Excel format) at

www.DDMGamesInvestmentReview.com.



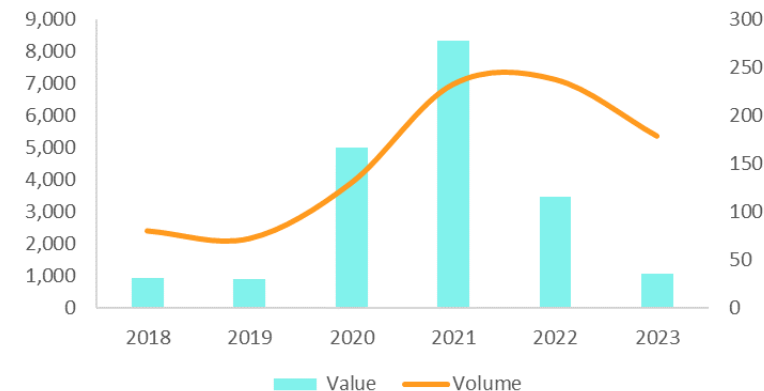
2023's \$7.8B Mobile Investments/M&As Marks 4 Year Low

- ▶ 2023 mobile investments and M&As totaled \$7.8B across 211 transactions (-63% in value and -33% in volume compared to 2022's \$21.0B across 313 transactions), marking a four year low in value for the mobile segment
- ▶ 2023 mobile investments totaled \$1.1B across 179 investments (-69% in value and -25% in volume compared to 2022's \$3.5B across 238 investments); this drastic decline in value continues a three-year decline of value and volume since mobile games investment peak of \$8.3B across 233 investments back in 2021 when Applovin and Playtika both went public with a combined value of \$3.9B and market capitalization of \$39.7B
- ▶ 2023 mobile median investment was \$2.4M, -49% from 2022's \$4.7M and still -52% from mobile median investments peak of \$5.1M back in 2008
- ▶ 2023 mobile M&As totaled \$6.7B across 32 transactions (-62% in value and -57% in volume compared to 2022's \$17.6B across 75 transactions), ending a trend of increased mobile M&A values that began with 2019's \$923.3M across 40 transactions
- ▶ Unlike 2022 where no mobile companies went public, 2023 totaled \$383.8M in combined total market capitalizations from 2 IPOs
- ▶ 2023 Exits (M&As + IPO) totaled \$7.1B across 34 transactions (-60% in value and -55% in volume compared to 2022's \$17.6B across 75 transactions)

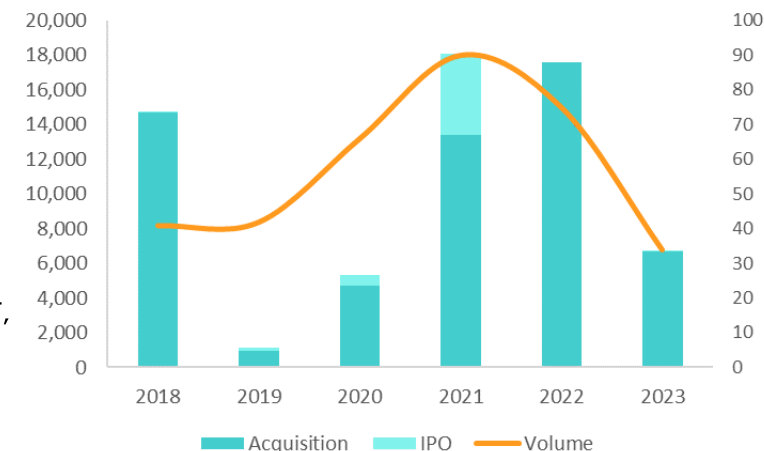
Noteworthy 2023 Mobile Investments and M&As

- ▶ The Public Investment fund of Saudi Arabia's \$4.9B acquisition of mobile games developer/publisher Scopely, was the largest mobile M&A in 2023
- ▶ USA-based blockchain games platform provider LINE NEXT's \$140.0M late-stage round from Crescendo Equity Partners was the largest mobile investment in 2023
- ▶ Vietnam-based mobile games developer/publisher VNG's public debut on the Unlisted Public Company Market with a market capitalization of \$363.4M, the largest mobile IPO in 2023
- ▶ Six of the top 10 private placements in 2023 within the mobile segment were blockchain game studios which included LINE NEXT, Animoca Brands, Proof of Play, Heynext Software, and Matchday

Mobile Investments 2018 – 2023 (\$M)



Mobile Exits (M&As + IPO) 2018 – 2023 (\$M)

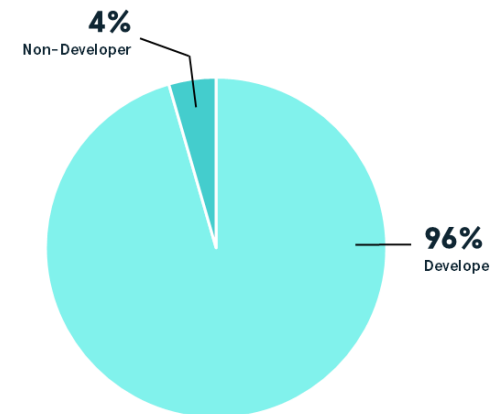




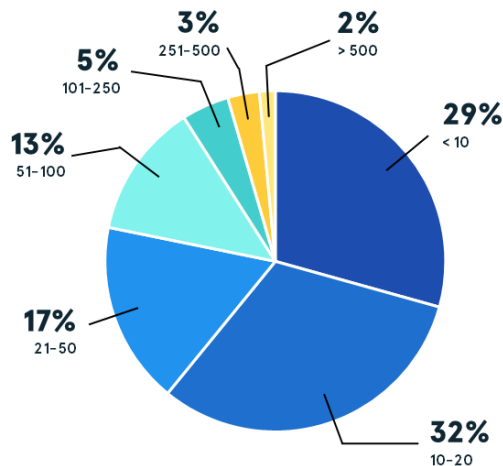
Investors/Acquirers Target Mobile Game Developers within NA/EU/Asia

- ▶ 2023 mobile game developers received \$7.4B across 184 investments and acquisitions (96% of the value and 87% of the volume) compared to non-game developers such as mobile publishers and monetization/tech service providers that received \$347.9M across 27 investments and M&As (4% of the value and 13% of the volume)
- ▶ Investors focused on mobile studios within North America, Europe, and Asia where the top three regions were separated by a total of three investments; North American investments led by value and by volume totaling \$419.8M across 49 investments (39% of the value and 27% of the volume); although Asia nearly doubled Europe's value of \$152.2M across 48 investments (14% of the value and 27% of the volume), Asia still came in at third for the most active region totaling \$296.4M across 46 investments (28% of the value and 26% of the volume)
- ▶ Similarly to investments, Europe, North America, and Asia were the most active regions for M&As where Europe led the year by volume totaling \$819.5M across 11 transactions (12% of the value and 34% of the volume); whereas North America led by value totaling \$4.9B across 9 transactions (73% of the value and 28% of the volume), Asian M&As were not far behind by volume totaling \$532.2M across 8 transactions (8% of the value and 25% of the volume)
- ▶ Mobile game studio investors focused on smaller studios (78% with 50 or fewer employees with a median of 15 employees), while acquirers targeted slightly larger studios (74% with 10-100 employees with a median of 36 employees)

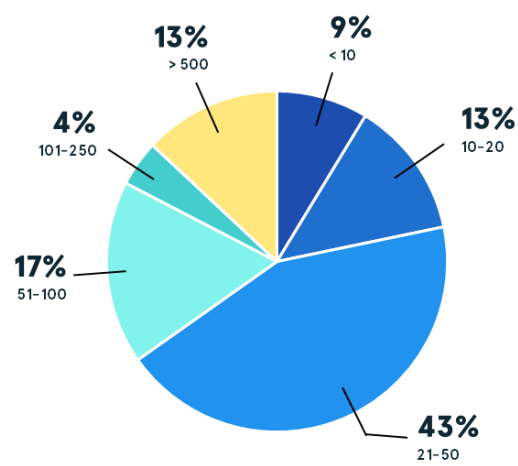
2023 Investment/M&A Offering by Value



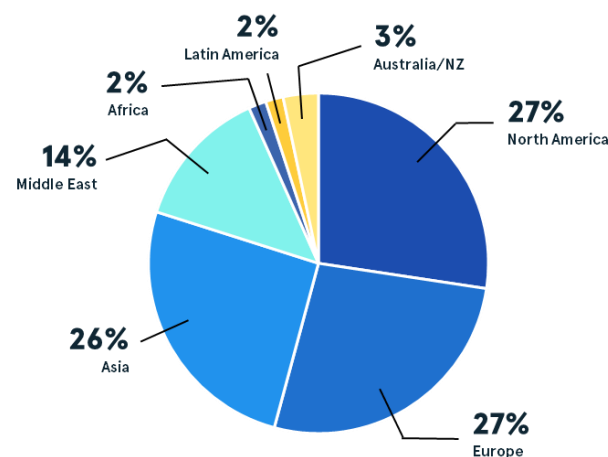
2023 Investment Volume by Studio Size



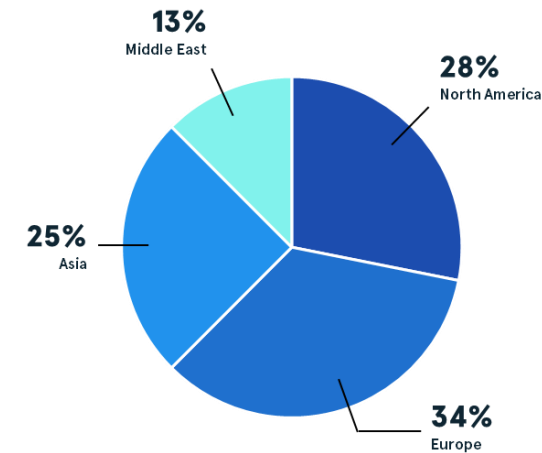
2023 M&A Volume by Studio Size



2023 Investment Volume by Region



2023 M&A Volume by Region





Top 20 Mobile Investments by Value 2023*

Category	Date	Company	Value (\$M)	Stage	Company description	Country
Mobile	12 Dec 23	LINE NEXT	140.0	Mid/Late	Blockchain games platform provider	USA
Mobile	14 Aug 23	Candivore	100.0	Mid/Late	Mobile games developer	Israel
Mobile	01 Sep 23	Second Dinner Studios	100.0	Mid/Late	Mobile games developer	USA
Mobile	31 Dec 23	Animoca Brands	50.0	Mid/Late	Blockchain and mobile games developer/publisher	China
Mobile	07 Sep 23	Nazara Technologies	49.3	Other	Mobile, educational, and eSports games developer	India
Mobile	20 Sep 23	Proof of Play	33.0	Early	Blockchain games developer and infrastructure provider	USA
Mobile	20 Jul 23	Heynext Software	30.0	Early	Blockchain mobile games developer	Samoa
Mobile	17 Jan 23	Carry1st	27.0	Early	Mobile games publisher	South Africa
Mobile	20 Sep 23	Eloelo	22.0	Early	Social gaming and livestreaming platform provider	India
Mobile	23 Mar 23	Matchday	21.0	Early	Soccer-focused blockchain mobile games developer	USA
Mobile	11 Sep 23	Animoca Brands	20.0	Mid/Late	Blockchain and mobile games developer/publisher	China
Mobile	13 Jul 23	Embrace	20.0	Mid/Late	Mobile games infrastructure analytics provider	USA
Mobile	11 Apr 23	Mayhem Studios	20.0	Early	Mobile games developer	India
Mobile	17 Jun 23	Drest	19.2	Early	Fashion-focused mobile games developer	UK
Mobile	10 Jun 23	Skybound Entertainment	17.8	Other	Entertainment/comic books and mobile/PC/console games developer/publisher	USA
Mobile	06 Nov 23	TapNation	16.1	Early	Mobile games publisher	France
Mobile	09 Feb 23	Mino Games	15.0	Mid/Late	Mobile and blockchain games developer	Canada
Mobile	12 Jul 23	Xterio	15.0	Early	Mobile/PC blockchain games developer and publisher	Switzerland
Mobile	17 Oct 23	One Store	14.8	Mid/Late	Mobile app store provider	South Korea
Mobile	15 Aug 23	ZTX	13.0	Early	Metaverse game developer and platform provider	South Korea

*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








Top Mobile M&As by Value 2023*


Category	Date	Company	Acquirer	Value (\$M)	Company description	Country
Mobile	12 Jul 23	Scopely	Public Investment Fund of Saudi Arabia	4,900.0	Mobile games developer/publisher	USA
Mobile	18 Aug 23	Rovio	Sega	775.4	Mobile games developer	Finland
Mobile	29 Sep 23	InnPlay Labs	Playtika	300.0	Mobile games developer	Israel
Mobile	04 Jan 23	MultiMetaVerse	Reverse Merger SPAC or CPC	300.0	Mobile games developer and service provider	China
Mobile	28 Feb 23	Good Job Games (Zen Match asset)	Moon Active	150.0	Mobile games developer	Türkiye
Mobile	01 Nov 23	Playsimple Games	MTG	90.2	Mobile word game developer and publisher	India
Mobile	31 Dec 23	Tencent (mobile application service provider asset)	Huya	81.0	Internet product service and entertainment provider	China
Mobile	27 Oct 23	Shift Up	Tencent	58.9	Mobile/Console games developer	South Korea
Mobile	05 Oct 23	Snowprint Studios	MTG	44.1	Mobile games developer	Sweden
Mobile	09 Oct 23	Nazara Technologies (Publishme asset)	Nodwin Gaming, angel investors	2.0	Mobile, educational, and eSports games developer	India

*From disclosed deals with values




2023 Top Mobile Active Investors (#1-5)

		Andreessen Horowitz	8 Investments	
2023 Round Total (\$M, USD)		2023 Top Round Value (\$M, USD)	Stages	
63.0		33.0	Early	
	▶ Proof of Play , a blockchain games developer and infrastructure provider, raised \$33.0M in a Seed-stage funding round			
	▶ Mobile games publisher Carry1st raised \$27.0M in an early-stage funding round			
	▶ Mobile games developer Closing Theory Studios raised \$0.5M from Andreessen Horowitz's SPEEDRUN accelerator			




Polygon


8 Investments




2023 Round Total (\$M, USD)	2023 Top Round Value (\$M, USD)	Stages
20.4	11.9	Early, Late




▶ Blockchain and mobile games developer/publisher **Animoca Brands** raised \$11.9M in a late-stage funding round



▶ **World of Neopia**, a pet-themed games developer, raised \$4.0M in an early-stage funding round




▶ **GAM3S.GG**, a blockchain games developer, raised \$2.0M in a Seed-stage funding round




Animoca Brands


7 Investments




2023 Round Total (\$M, USD)	2023 Top Round Value (\$M, USD)	Stages
14.8	7.0	Early








▶ Blockchain games developer **Upland** raised \$7.0M in Series A extension funding round








▶ **Earn Alliance**, a blockchain games aggregator and rewards platform provider, raised \$4.8M in an early-stage funding round



▶ Blockchain games and media developer **Gacha Monsters** raised \$3.0M in a Seed-stage funding round

	BITKRAFT Ventures	6 Investments	
2023 Round Total (\$M, USD)	2023 Top Round Value (\$M, USD)	Stages	
27.7	7.0	Early	
	▶ Blockchain mobile games developer Redemption Games raised \$7.0M Seed-stage funding round		
	▶ Jungle , a blockchain games developer and publisher, raised a \$6.0M Seed-staged funding round		
	▶ Scriptic , an AI-driven mobile games developer, raised a \$5.7M in a Seed-stage funding round		

		Lumikai	5 Investments	
2023 Round Total (\$M, USD)	2023 Top Round Value (\$M, USD)	Stages		
34.0	22.0	Early		
	▶ Eloelo , a social gaming and livestreaming platform provider, raised \$22.0M in an early-stage funding round			
	▶ Mobile fantasy sports games developer Buystars raised \$5.0M in an early-stage funding round			
	▶ Studio Sirah , a mid-core mobile games developer, raised \$2.6M in an early-stage funding round			

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.



Top 20 Mobile Investments by Value 2013 - 2023*

Date	Company	Value (\$M)	Company Value (\$M)	Stage	Company description	Country
05 Sep 14	MZ	377.0	≤ 5,000	Mid/Late	Freemium multiplayer mobile games developer	USA
18 Jan 22	Animoca Brands	358.9	≤ 10,000	Mid/Late	Blockchain and mobile games developer/publisher	China
08 Sep 21	Jam City	350.0	≤ 2,500	Mid/Late	Mobile games developer	USA
28 Oct 20	Scopely	340.0	≤ 2,500	Mid/Late	Mobile games developer/publisher	USA
30 Jul 21	Voodoo	315.8	≤ 2,500	Mid/Late	Mobile games developer/publisher	France
25 Nov 21	Moon Active	300.0	≤ 5,000	Mid/Late	Mobile games developer	Israel
18 Jan 22	Dream Games	255.0	≤ 5,000	Mid/Late	Mobile games developer	Turkey
07 Jul 21	Tilting Point	235.0	≤ 2,500	Mid/Late	Free-to-play mobile games publisher	USA
07 Mar 22	Immutable	200.0	≤ 2,500	Mid/Late	Blockchain platform developer and games developer/publisher	Australia
19 Mar 20	Scopely	200.0	≤ 2,500	Mid/Late	Mobile games developer/publisher	USA
29 Oct 19	Scopely	200.0	≤ 2,500	Mid/Late	Mobile games developer/publisher	USA
29 May 18	Voodoo	200.0	≤ 2,500	Mid/Late	Mobile games developer/publisher	France
02 Mar 22	thatgamecompany	160.0	≤ 2,500	Mid/Late	Console/PC games developer	USA
30 Jun 21	Dream Games	155.0	≤ 1,000	Mid/Late	Mobile games developer	Turkey
24 Nov 22	Fenix Games	150.0	≤ 1,000	Early	Blockchain games publisher	USA
16 Jan 19	Jam City	145.0	≤ 1,000	Mid/Late	Mobile games developer	USA
12 Dec 23	LINE NEXT	140.0	≤ 1,000	Mid/Late	Blockchain games platform provider	USA
23 Jul 15	Jam City	130.0	≤ 1,000	Mid/Late	Mobile games developer	USA
14 Feb 18	Kakao Games	130.0	≤ 1,000	Mid/Late	Mobile games publisher	South Korea
28 Mar 13	Supercell	130.0	≤ 1,000	Mid/Late	Mobile games developer	Finland

*From disclosed deals with values

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Top Mobile M&As by Value 2013 - 2023*

Date	Company	Acquirer	Value (\$M)	EV/ Revenue	EV/ EBITDA	Company description	Country
23 May 22	Zynga	Take-Two Interactive	12,695.7	4.5x	19.8x	Social games developer/publisher	USA
21 Jun 16	Supercell	Tencent	8,600.0			Mobile games developer	Finland
23 Feb 16	King	Activision Blizzard	5,900.0			Mobile games developer	Malta
12 Jul 23	Scopely	Public Investment Fund of Saudi Arabia	4,900.0			Mobile games developer/publisher	USA
29 Jul 16	Playtika	Shanghai Giant Network Technology Co., Yunfeng Capital	4,400.0			Mobile games developer/publisher	Israel
15 Sep 14	Mojang	Microsoft	2,500.0	7.7x	19.5x	Mobile/PC/Console games developer	Sweden
28 Jun 22	Playtika	Joffre Capital	2,200.0			Mobile games developer/publisher	Israel
11 Aug 21	SpinX	Netmarble	2,190.0	5.0x		Mobile social casino games developer	China
29 Apr 21	Glu Mobile	Electronic Arts	2,100.0			Mobile games developer/publisher	USA
01 Jul 20	Peak Games	Zynga	1,850.0			Mobile games developer	Turkey
21 Oct 13	Supercell	SoftBank	1,500.0	3.7x		Mobile games developer	Finland
20 Sep 21	Playdemic	Electronic Arts	1,400.0			Mobile social games developer	UK
01 Oct 18	Asmodee	PAI Partners	1,389.4			Mobile/PC/VR and board games developer/publisher	France
21 Jun 21	PLAYSTUDIOS	Reverse Merger SPAC or CPC	1,100.0	2.5x	12.3x	Mobile social casino games developer	USA
04 Jan 22	Twitter (MoPub asset)	AppLovin	1,050.0			Mobile monetization service provider	USA
25 Apr 16	CMGE	Zhejiang Century Huatong Group	1,000.0	4.9x	28.6x	Mobile games developer	China
07 Mar 17	Outfit7	Jinke	1,000.0			Mobile games developer	Cyprus
24 Dec 16	Outfit7	United Luck Consortium	1,000.0			Mobile games developer	Cyprus
18 Oct 21	Sony (GSN Games asset)	Scopely	1,000.0			Mobile games developer	USA
09 Jan 18	Big Fish Games	Aristocrat Leisure Limited	990.0	2.2x	11.9x	Mobile/social/casino games developer	USA

*From disclosed deals with values



Methodology

The mobile segment encapsulates video game companies whose primary business operate on mobile platforms such as iOS and Android. These can include various companies from platform-tech companies to game development studios. These may also include companies whose business cross other industry segments such as AR/VR, browser, console/PC, eSports, mass community games (MMO, MOBA, battle royale), and tech/other.

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 16 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.

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