



EMERGING TECH RESEARCH

Gaming Report

VC trends and emerging opportunities

**Q1
2024**

REPORT PREVIEW

The full report is available through
the PitchBook Platform.





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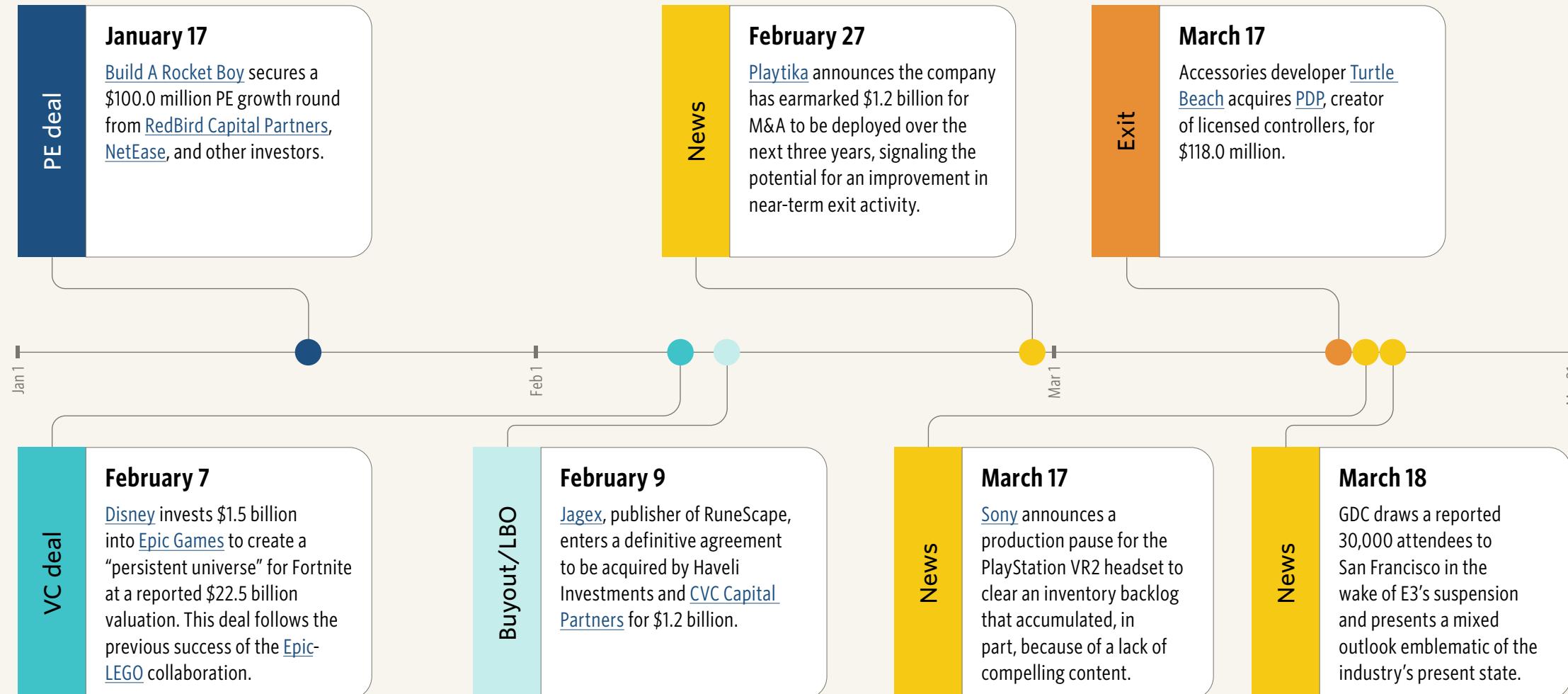
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Q1 2024 timeline



Q1 VC deal count summary

153
total deals

-0.6%
QoQ growth

-17.3%
YoY growth

-17.3%
YTD growth

Q1 VC deal value summary

\$1.3B
total deal value

22.1%
QoQ growth

23.3%
YoY growth

23.3%
YTD growth



Gaming landscape

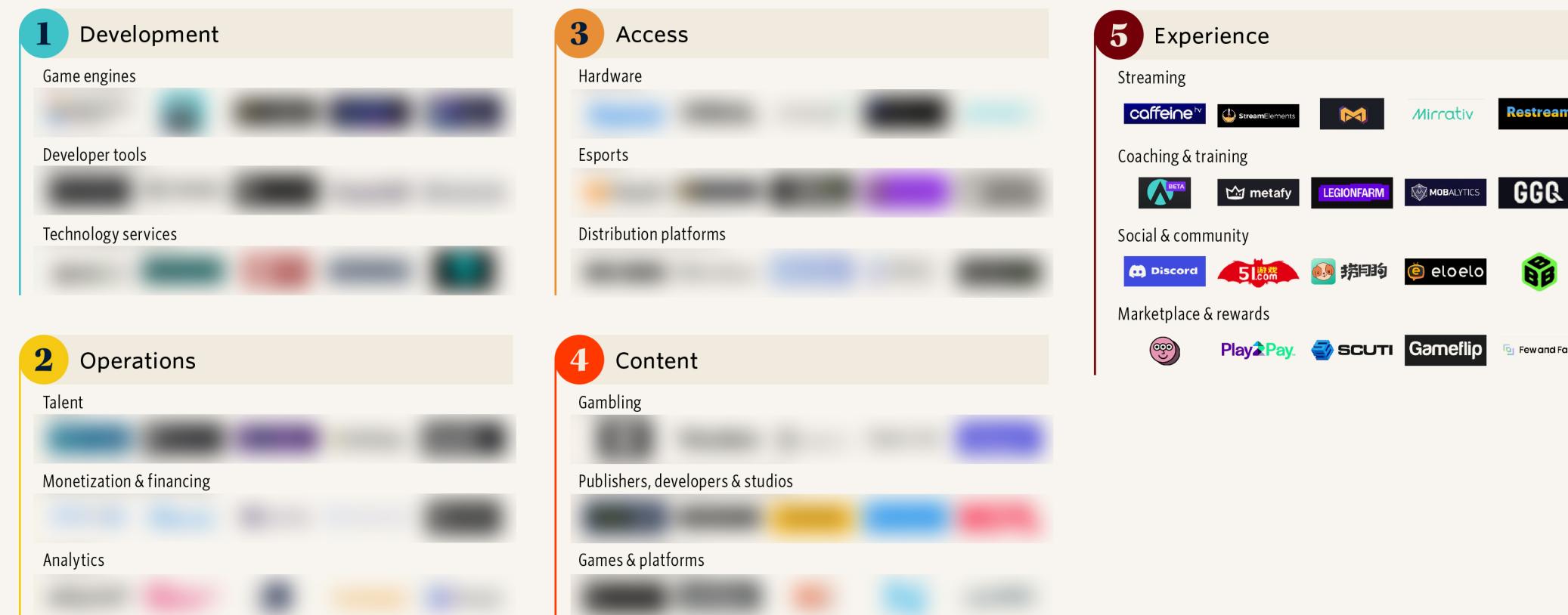
- 1 Development
- 2 Operations
- 3 Access
- 4 Content
- 5 Experience





Gaming VC ecosystem market map

This market map is an overview of venture-backed or growth-stage companies that have received venture capital or other notable private investments. [Click to view the full map on the PitchBook Platform.](#)

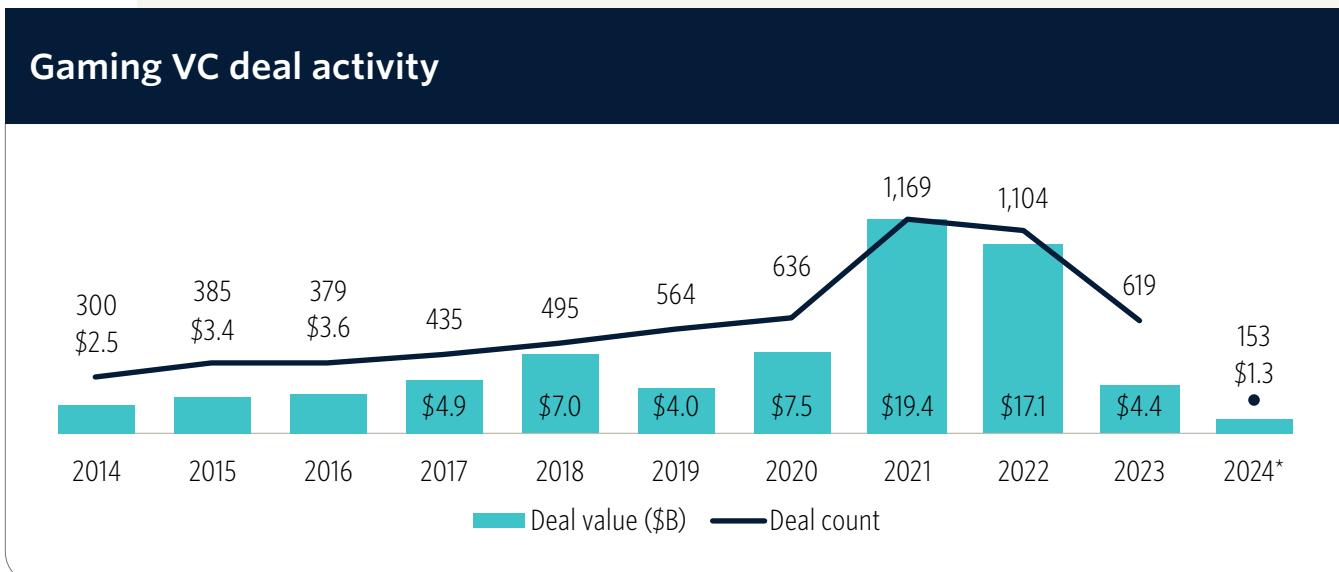




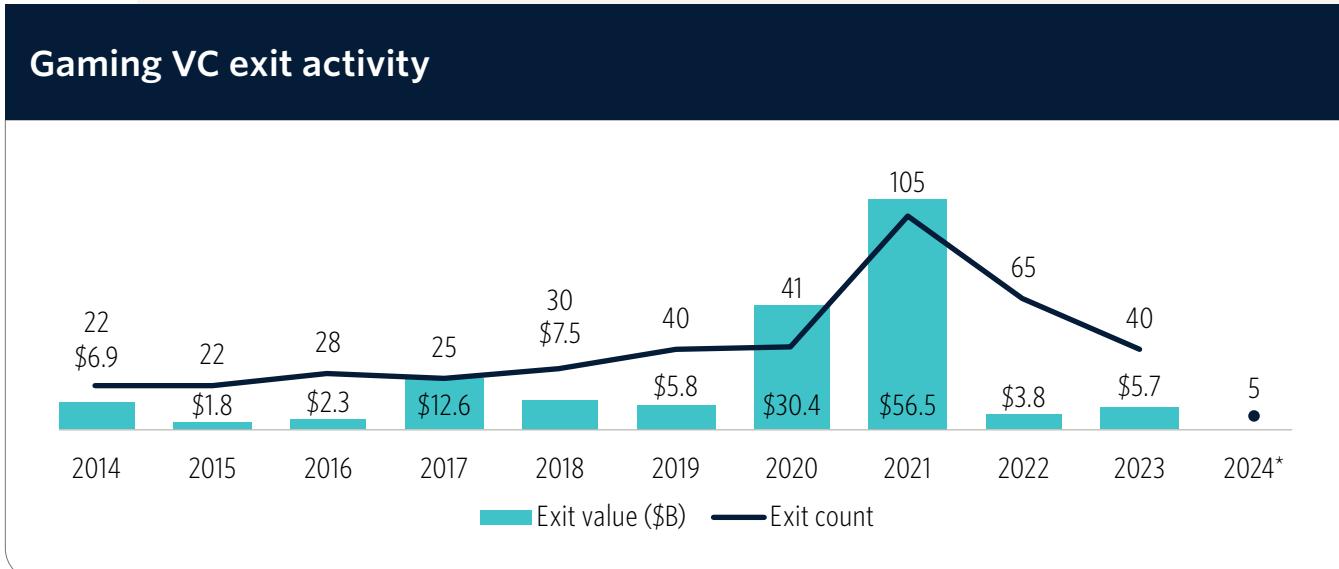
VC activity

In Q1 2024, the gaming ecosystem modestly increased in deal value QoQ while deal count reached parity with Q4 2023's total. \$1.3 billion was invested across 153 deals, marking deltas of 22.1% and -0.6%, respectively. This excludes [Disney](#)'s \$1.5 billion late-stage investment into [Epic Games](#) per our research methodology, as the deal has yet to close. With the hype-driven investment throughout the COVID-19 pandemic further in the rearview mirror, YoY deal value ticked upward 23.3% while deal count slid 17.3%. The gaming venture market has reached a steady state over the past six quarters, each of which has produced between \$800.0 million and \$1.4 billion in investments, a more realistic band as "tourist" Web3 and Metaverse capital dries up. At this pace, 2024 is on track to exceed 2023's aggregate funding by about \$1.0 billion.

In a previous report, we suggested that the chasm between content and development investments would narrow. While this has materialized over recent quarters, the development segment leapfrogged content in Q1, largely attributable to a single blockchain infrastructure deal. We continue to expect content to garner the majority of capital, and our conversations with investors at GDC underscore how many high-quality games are being pitched, creating an increasingly investor-friendly market in the near term. Nevertheless, the competitive dynamics facing studios are material. The free-to-play market is generally saturated, while PC and console gameplay is increasingly concentrated in select "forever titles." While there is a path for breakout content, as demonstrated by [Larian Studios](#)' Baldur's Gate 3 and [Pocket Pair](#)'s Palworld, only 8% of total playtime in 2023 went to new, nonannual franchise content.⁸



Source: PitchBook • Geography: Global • *As of March 31, 2024



Source: PitchBook • Geography: Global • *As of March 31, 2024

Note: Q1 2024 had no known exit value.

⁸: "The PC & Console Gaming Report 2024," Newzoo, Tom Wijman, et al., April 3, 2024.



VC ACTIVITY

Key gaming early-stage VC deals in Q1 2024*

Company	Close date	Segment	Category	Deal value (\$M)	Post-money valuation (\$M)	Lead investor(s)	Valuation step-up
Monad	March 12	Development	Developer tools	\$200.0	\$2,000.0	Paradigm	6.0x
ElevenLabs	January 22	Development	Developer tools	\$80.0	\$1,000.0	Andreessen Horowitz, Daniel Gross, Nat Friedman	9.2x
Eclipse	March 11	Development	Developer tools	\$50.0	N/A	Hack VC, Placeholder Capital	N/A
Luma AI	January 9	Development	Game engine	\$42.4	\$220.0	Andreessen Horowitz	1.8x
Parallel	March 28	Content	Games & platforms	\$35.0	N/A	N/A	N/A
Gunzilla Games	March 26	Content	Publishers, developers & studios	\$30.0	N/A	Blizzard Avalanche Fund, CoinFund	N/A
Mountaintop	January 2	Content	Publishers, developers & studios	\$30.0	N/A	Anthos Capital	N/A
StatusPro	February 5	Access	Hardware	\$23.0	\$80.0	GV	3.1x
Cartridge	March 22	Development	Developer tools	\$20.3	N/A	N/A	N/A
Polyhedra Network	March 14	Development	Developer tools	\$20.0	\$1,000.0	Polychain Capital	N/A

Source: PitchBook • Geography: Global • *As of March 31, 2024



VC ACTIVITY

Key gaming late-stage VC deals in Q1 2024*

Company	Close date	Segment	Category	Deal value (\$M)	Post-money valuation (\$M)	Lead investor(s)	Valuation step-up
True Gamers	January 24	Access	Esports	\$45.0	N/A	Falak Investment Hub	N/A
Meta Trace	March 1	Content	Publishers, developers & studios	\$25.0	N/A	N/A	N/A
Hound 13	January 4	Content	Publishers, developers & studios	\$23.0	\$89.7	N/A	N/A
Betr Holdings	March 6	Content	Gambling	\$15.0	\$375.0	10X Capital, Harmony Partners	1.0x
Kaedim	March 11	Development	Developer tools	\$15.0	N/A	Andreessen Horowitz	N/A
Carbonated	March 14	Content	Games & platforms	\$13.0	N/A	Com2uS	N/A
ONE Store	February 6	Access	Distribution platforms	\$10.0	N/A	N/A	N/A
Parallel	March 20	Experience	Social & community	\$7.6	\$38.0	N/A	1.1x
bHaptics	January 22	Access	Hardware	\$7.6	N/A	N/A	N/A
Gamestream	March 14	Development	Developer tools	\$4.9	N/A	N/A	N/A

Source: PitchBook • Geography: Global • *As of March 31, 2024



SELECT COMPANY HIGHLIGHTS: ANZU



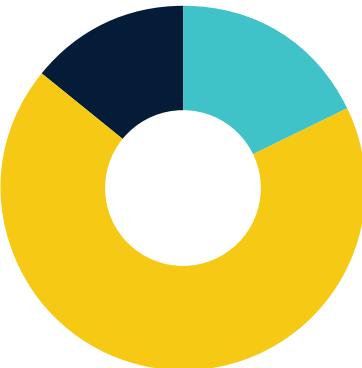
Anzu specializes in providing programmatic in-game advertising to improve game monetization and brand reach. Primary formats include blended displays and videos alongside custom ads across both mobile and PC/console gaming. By functioning as a programmatic gateway, Anzu supports both the demand and supply side of this ecosystem. The platform includes a patented technology that scans a game's screen to recognize branded content and manage impressions. Connecting ad placement to ROI has been a hurdle for the in-game ads market thus far. Anzu currently holds two active patents, with eight others pending.

Anzu has partnered with a variety of leading brands and consumer packaged goods companies, including Procter & Gamble, Tommy Hilfiger, Levi Strauss & Co., 7-Eleven, Vodafone, and others. Select competitors include Admix (\$32.9 million raised at a \$300.0 million valuation), Frameplay (\$29.6 million raised at a \$421.6 million valuation), and AdInMo (\$2.5 million raised at an \$11.3 million valuation).

Key company information

Founded 2016	Total raised \$65.0M	Lead investors Emmis Communications, HBSE Ventures, BITKRAFT Ventures
Employees 109	Last financing valuation N/A	
HQ location Tel Aviv, Israel	Last financing Raised \$48.0M in a Series B	

Exit Predictor



■ **IPO:** 18% probability ■ **M&A:** 68% probability ■ **No exit:** 14% probability

Success: 86% probability

Note: Probability data is based on [PitchBook VC Exit Predictor methodology](#).



SELECT COMPANY HIGHLIGHTS: ANZU

The reach of advertising into video games has increased in recent years. In 2020, [Riot](#) announced plans to introduce digital sponsorships during its League of Legends esports broadcast with support from [MasterCard](#). In 2022, both [Sony](#) and [Microsoft](#) announced plans to implement in-game ads, and [Roblox](#) launched its [Roblox](#) Partner Program advertising network in 2024. Some investors also point to greater utility for [cloud gaming](#) via playable ads based upon a highly competitive cost per install.¹⁸ According to IAB research, nearly 90% of advertisers feel in-game ads are important to their businesses, with 40% planning to increase their investment in the coming year.¹⁹

The company has raised \$65.0 million to date. In its latest round in June 2023, [Anzu](#) raised a \$48.0 million Series B led by [Emmis Communications](#) with participation from a syndicate

including, among others, [Sony Innovation Fund](#), [Axel Springer Digital Ventures](#), [NBCUniversal](#), [PayPal Ventures](#), [Bandai Namco](#), and [BITKRAFT Ventures](#). The deal follows a \$9.0 million Series A in 2021.

The company was co-founded by CEO Itamar Benedy, Chief Technology Officer (CTO) Michael Badichi, and Chief People Officer (CPO) Ben Fenster. Benedy previously served as the CEO of a Berlin-based adtech platform and held VP-level marketing positions at [Sport.com](#) and [Yoga.com](#). Badichi previously led [ironSource](#)'s Innovation Lab. [Unity](#) and ironSource merged in 2022. Fenster has held several CTO/CPO positions at previous companies, including [Pay.com](#), [Safecharge](#), and [Playtech](#).

¹⁸: "2023 Mobile Ad Creative Index," Liftoff, February 2023.

¹⁹: "Changing the Game: How Games Advertising Powers Performance," Interactive Advertising Bureau, Jack Koch, et al., March 2024.

About PitchBook Industry and Technology Research

Independent, objective, and timely market intel

As the private markets continue to grow in complexity and competition, it's essential for investors to understand the industries, sectors, and companies driving the asset class.

Our Industry and Technology Research provides detailed analysis of nascent tech sectors so you can better navigate the changing markets you operate in—and pursue new opportunities with confidence.

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