

Weekly News Digest #43

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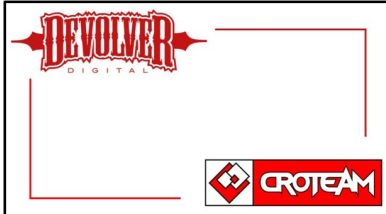
of announced deals

\$180.7m

announced deals' size

9

of closed deals

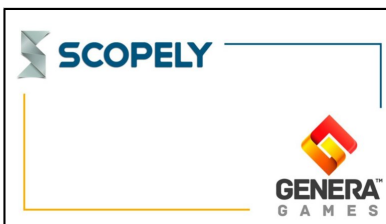
Devolver Digital has acquired Croteam

US-based indie game publisher **Devolver Digital** has acquired Croatia-based PC and console game developer **Croteam** for an undisclosed sum.

The deal comes as a logical step in the companies' long history of working together. In 2009, Devolver Digital entered the video games industry by publishing its first game — Serious Sam HD: The First Encounter, a remake of the first title in Croteam's legendary franchise.

Croteam supports indie developers through its **Croteam Incubator** program. This can surely be a useful source of games for a publisher known for its original indie titles (e.g. I Hate Running Backwards, Battle Bolts).

Croteam will keep its creative freedom as a Devolver Digital subsidiary. Currently, the companies are working together on new games — Serious Sam franchise, The Talos Principle 2, and other original IPs by Croteam and indie developers from Croteam Incubator program.

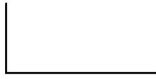
Scopely has acquired Genera Games

California-based mobile games publisher **Scopely** has acquired 100% of the leading Spanish mobile puzzle games developer **Genera Games**, including its subsidiary studio **Genjoy**. The terms of the deal were not disclosed.

Founded in 2003, the studio is well-known for its match 3 mobile game Tuscany Villa, released in April 2020. Up to date, the cumulative net in-app revenue of Tuscany Villa accounts for around \$4m with over 2.5 million downloads. In 2019, the studio had \$19.4m turnover.

With this acquisition, Scopely gets the third office in Spain with 150 employees and becomes one of the major game developers in Spain, reaching 400 professionals in the region.

Scopely remains an active strategic acquirer with huge budgets to "play the M&A game". In September, the publisher revealed its plans to raise up to \$200m at \$3B valuation. This year, the company has already scaled its business with such acquisitions as PierPlay and FoxNext Games.



East Side Games to go public in \$150m reverse takeover

Vancouver-based mobile games developer **LEAF Mobile Inc. (TSXV: LEAF)** has entered into the letter of intent with Vancouver-based mobile games publisher and developer **East Side Games**.

According to LOI, LEAF will acquire 100% of East Side Games for \$150m, including \$50m in cash and \$100m in shares (~50% stake in LEAF). East Side Games already owns +20% of the issued and outstanding LEAF shares. Thus, the acquisition will result in a reverse takeover, whereby East Side Games will become a publicly-listed company without a traditional IPO (time-consuming and expensive process).

The completion of the acquisition is subject to TSX senior exchange listing approval (currently LEAF trades on the TSX Venture Exchange) and other conditions precedent. In conjunction with the transaction:

- LEAF will also raise an equity financing with over \$50m gross proceeds;
- Jason Bailey, CEO of East Side Games, will be appointed Chief Revenue Officer of LEAF;
- Darcy Taylor and Market Leung will continue to operate as CEO and CFO of LEAF, accordingly;
- LEAF may change its name to reflect the consequences of the transaction.

Notable Transactions

UPDATE: UK-based video game developer **Sumo Group** has completed the acquisition of **Lake Street Labs** for up to \$99.5m.

New-York based television network focused on gaming and pop-culture **VENN** has raised \$26m in a Series A round led by the existing investor **BITKRAFT**.

California-based video game developer **Frost Giant Studio** has raised \$4.7m in Seed funding round to create a brand-new real-time strategy. The lead investor in the round was **BITKRAFT**.

Brazilian esports organisation **Rensga Esports** has raised an undisclosed sum from investment group **Componente** in Series A funding round.

Mobile game publisher and developer **Nautilus Mobile**, known for Real Cricket franchise, has been acquired by digital entertainment company **JetSynthesys**.

American esports company **Ghost Gaming** has been acquired by **Atlanta Ownership Group**.

Japanese esports management firm **RELATION X** has received a strategic investment from talent agency group **Gushcloud International**.