

Weekly News Digest #44

9

of announced deals

\$469.6m

announced deals' size

8

of closed deals

Hi everyone,

We are glad to announce that we've slightly updated the **Deals section** on our website. Following the [link](#), you can find a list of the largest closed deals during the Q1-Q3 period. You can also apply different filters and quickly sort the data to find relevant information. Hope you enjoy it!

And here's your weekly summary of investments in the video game industry.



Scopely has raised \$340m at \$3.3B valuation

California-based mobile game developer and publisher **Scopely** has raised \$340m in Series E funding at \$3.3B valuation, which is a 70%+ increase compared to \$1.9B post-money valuation in March 2020. Scopely expects more than \$900m in annual revenue in 2020, which values the company at around 3.6x EV/Rev'20 multiple.

Multiple late-stage investors have joined the round (incl. Wellington Management, NewView Capital, funds managed by BlackRock, D1, Battery Ventures, and many others). Given a great list of traditional pre-IPO funds joining Scopely in the recent round, big product launch plans for 2021/2022, and strong M&A activity, we expect the IPO in 2021/2022 as the most probable exit plan for the investors.

Founded in 2011, Scopely has raised around \$1B in funding, and it has become a widely profitable business to date. Thus, the major part of the financing will go for further business expansions — acquisitions and launch of new product categories.

Over the last 16 months, Scopely remains an active strategic buyer with 4 announced acquisitions (Genjoy, Pierplay, FoxNext Games, and Digit Game Studios), having a very selective M&A strategy and acquiring established genre-leading developers. According to [SensorTower](#), Scopely ranks #3 publisher for RPG with Marvel Strike Force (by FoxNext Games) and #4 publisher for strategy games with Star Trek: Fleet Command (by Digit Game Studios) during the first nine months of the year in the U.S.



Stillfront Group has acquired Everguild Limited for up to \$14.2m

Stockholm-based mobile game developer and publisher **Stillfront Group (OM:SF)** has acquired 100% of Madrid-based cross-platform digital collectible card games (CCG) developer **Everguild Limited** for up

to \$14.2m.

The purchase price consists of:

- an upfront consideration of approximately \$1.4m on a cash and debt free basis, including \$0.7m payable in newly issued Stillfront shares and the remaining amount — in cash;
- up to \$12.8m of the total aggregate max earn-out, depending on the Everguild's EBIT levels for the financial years 2021—2024.

Everguild is known for its two cross-platform games within the digital CCG genre — Drakenlords (mobile) and The Horus Heresy: Legions (PC&mobile). The acquisition allows Stillfront to expand into the fast-growing digital CCG genre.



VSPN has raised \$100m in Series B funding round

Shanghai-based esports company **VSPN (Versus Programming Network)** has raised about \$100 million in Series B funding round, led by existing investor **Tencent Holdings (SEHK:700)** with participation from Tiantu Capital, SIG (Susquehanna International Group), and Kuaishou.

According to Dino Ying, CEO of VSPN, the funding will be used to continue global expansion, to open an esports research institute and an esports culture park.

Founded in 2016, VSPN specializing in esports content production and distribution, commercialization, and organization of offline esports venues. Currently, VSPN partners with over 70% of Chinese esports tournaments, and is the principal tournament organizer and broadcaster for many Tencent-operated games — Honor of Kings, PUBG mobile, Peacekeeper Elite, CrossFire, League of Legends, QQ Speed, and Clash Royale.

Leading the financing round is a logical step for Tencent, which holds its esports gaming tournaments using VSPN turnkey solutions. It is the second time Tencent invests in the company; the previous financing was made in May 2018.

Notable Transactions

California-based AR tabletop board games designer **Tilt Five** has raised \$7.5m in Series A funding for its future AR board game hardware set comprising of AR glasses, game board and wand controller.

US-based interactive platform and marketplace for streamers **Shotcall** has raised \$2.2m of Seed funding to create new ways of interaction between creators and their viewers.

US-based gaming hardware manufacturer **Corsair Gaming** (also known as Corsair Components) has acquired EpocCam, a mobile app for streaming and video conferencing platforms.

Sweden XR solution provider with mobile gaming apps **Bublar Group** has entered into agreement to issue convertible bonds of \$5.7m to Swiss equity investment firm **Nice & Green**.

American esports organization **Centric Gaming** has received an undisclosed investment from professional basketball player **Dion Waiters**.

US-based professional esports organization **XSET** has raised an undisclosed sum from American rapper **Swae Lee**, who previously invested in **Faze Clan**.

Betting-related news: **Esports Entertainment Group** acquired **Helix eSports** and **GGCircuit** for \$43m.

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