

Weekly News Digest #7

17

of announced deals

\$3.1B

announced deals' size

14

of closed deals

Hi everyone,

This week was relatively quiet in terms of investment activity. Several gaming companies announced their financial results:

Embracer Group — Interim Report Oct-Dec'20 ([press release](#) and [presentation](#));

Stillfront Group — Year-end Report 2020 ([report](#) and [presentation](#)).

Rovio — Q4 and full year 2020 financial bulletin ([report](#) and [presentation](#)).

Zynga — Q4'20 financial results ([report](#) and [presentation](#)).



Netmarble has acquired Kung Fu Factory

Seul-based mobile games publisher and developer **Netmarble** has acquired a majority stake in American third-party game development and work-for-hire studio **Kung Fu Factory**.

Founded in 2006, Kung Fu Factory is known for working with such licensed IPs as *Mortal Combat*, *Adventure time*, *Sponge Bob*, *UFC*, and *Lego*. The recent releases include *Hotel Transylvania 3* (match3 with collectible meta), *Pacific Rim: Breach Wars* (RPG match3), and *LEGO: Hidden Side* (AR with collectible meta). Currently, the studio works on the mobile sports game *NBA Ball Stars*, which is going to be published by Netmarble US.



Saudi government invests \$3.2B in three major American gaming companies

Saudi sovereign wealth fund, chaired by Prince Mohammed, has acquired stakes in three major gaming companies for a total consideration of over \$3.3B in Q4'20. The stakes were bought in:

- > **Activision Blizzard** (NASDAQ: ATVI) — 15m shares (3.5% stake) for around \$1.4B;
- > **Electronic Arts** (NASDAQ: EA) — 7.42m shares (2.6% stake) for around \$1B;
- > **Take-Two Interactive Software** (NASDAQ: TTWO) — 3.97m shares (3.5% stake) for around \$825.5m.

This month Activision Blizzard authorized a [buyback plan](#) to repurchase up to \$4B worth of its common stock valid until Feb'23.

In Nov'20, the MiSK Foundation (connected with Prince Mohammed) purchased ~33.3% in Japanese game developer **SNK Corp.** (~\$216m). The MiSK Foundation plans to become a controlling shareholder (51%) of the company in the nearest future.

MERGERS & ACQUISITIONS

UPDATE: U.S.-based video game giant **Electronic Arts** (NASDAQ: EA) has completed the acquisition of UK-based racing games developer **Codemasters Group** (LON: CDM) for up to \$1.2B. [Read more.](#)

LA-based indie game developer **Lucid Sight** has acquired open-source multiplayer game engine **Colyseus** for an undisclosed sum. Now Lucid prepares to launch Colyseus Arena server for multiplayer games developers.

Ault Global Holdings has acquired 9.96% stake in US-based entertainment company **NTN Buzztime** for around \$1m. Ault Global considers the gaming assets of the company underestimated and will use its vote power to keep them for now.

VENTURE FINANCING

Instant games developer **Artie** has raised \$10m from several angel investors to develop mobile games, instantly accessible from *TikTok, Instagram, Snapchat, Twitter, Twitch, YouTube*, and alike via web links. Read more about Artie's service at [Master the Meta](#).

American tech company **Efuse** has raised \$6m to accelerate the growth of its social platform, striving to become "LinkedIn for gamers".

Russian mobile game developer **Colossi Games** has closed a \$2.5m Seed round led by **EQT Ventures** with participation from **Play Ventures** (previous lead investor at \$0.65m pre-seed round closed in Aug'20). The proceeds will help the company to support the development of its first game, an unnamed social survival game in the Ancient Rome setting.

Norway esports organization **Omaken Sports** has raised \$18.2m of funding and acquired Danish esports company **Heroic** for an undisclosed sum. The deals mark the first steps of Omaken towards the creation of "a Nordic powerhouse of esports".

PUBLIC OFFERINGS

Finish PC&console games developer **Remedy Entertainment** has announced its intention to offer up to 1m new shares (~8.3% of all shares) institutional investors. We will update you upon completion of the offering.

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