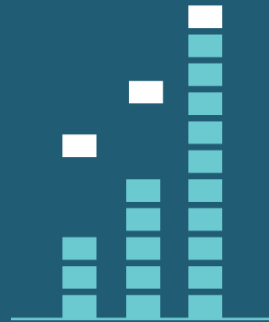


Games Investment Review

Q4 2024 EXECUTIVE SUMMARY REPORT



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

19

Years in the industry

70+

Consulting clients

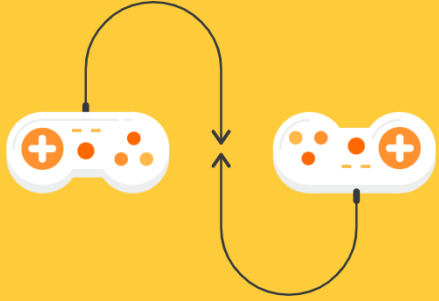
750+

Deals signed across
our service areas

17

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.

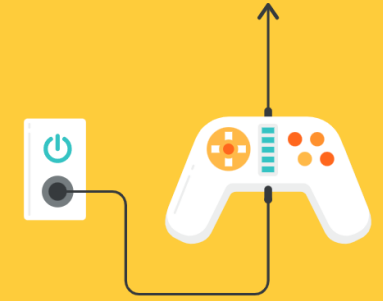
Consulting from experts who know the games business. We create action plans that are actually used.



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 750+ deals over 19 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
 - Unparallel 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

The collage features several key news items:

- Focus Home Interactive: Acquisition of Deck13 Interactive, a Leading German Game Development Studio and Long-time Partner** (Business Wire, June 23, 2020). Key points: First studio acquisition; Full ownership of Intellectual Property; New bank financing of €46 million.
- Embracer Group acquires Purple Lamp Studios** (Yahoo Finance, November 17, 2020). Embracer Group AB ("Embracer"), through its wholly owned subsidiary THQ Nordic GmbH ("THQ Nordic"), has entered into an agreement to acquire 100 percent of the shares in Purple Lamp Studios ("PLS").
- Joyme Capital Completed the \$5M CAD Strategic Investment to Canadian Public Company PopReach** (Joyme Capital, October 15, 2020).
- CD Projekt buys the indie studio behind 'The Flame in the Flood'** (MSN, August 26, 2020).
- Esports Platform Challengermode Secures \$12 Million Investment** (Forbes, August 26, 2020). Contributor: Mike Stubbs.
- Nordisk Games buys 40% of MercurySteam** (GamesIndustry.biz, August 26, 2020). Deal for the Spanish developer is Nordisk's first investment outside of the Nordic region.
- Outriders Dev People Can Fly Opens Chicago Studio, Now Has 320+ Employees Worldwide** (GamesIndustry.biz, April 26, 2021). People Can Fly continues to expand as it makes new games for Square Enix and Take-Two.
- Virtuos Launches a New Era of Collaborative Game Development with Strategic Acquisitions of Pipeworks (USA), Abstraction (Netherlands), and Umanaia (Canada)** (Business Wire, January 22, 2025). Acquiring best-in-class studios in the Western region enhances Virtuos' creative game development, establishing it as a globalized development powerhouse.
- M2H sells its majority share of WW1 Game Series to Focus Entertainment** (GamesIndustry.biz, September 12, 2022). M2H has sold its majority share of the WW1 Game Series. Focus Entertainment has acquired these shares and will continue to expand on the successful series together with Jos Hoebie (BlackMill games) and the WW1 Game Series team.
- OtherSide Entertainment gets new investment from Aonic Group** (GamesIndustry.biz, June 22, 2023). After recent projects were cancelled, OtherSide founder Paul Neuroth hopes partnering with Aonic Group will be the start of "a new chapter" for the studio.



2024 Investment and M&A Highlights

In December 2024, DDM published our 2024 Investment and M&A Highlights which reflected the current events that the games industry navigated throughout 2024. The full in-depth analyses and insights of the highlighted list below is provided on our [website](#):

- ▶ Post-COVID normalcy mixed with macroeconomic headwinds brings record layoffs, closures, and divestitures
- ▶ Public gaming companies are now considering going private
- ▶ Embracer Group and its subsidiaries have a turbulent 2024 by reducing debt and finding stability
- ▶ While AI has replaced blockchain as the latest “shiny” technology, AI within the video game industry has not received the same amount of interest from investors and acquirers
- ▶ The next frontier for XR games funding may be mixed reality
- ▶ User-Generated Content (UGC) is attracting investment interest with prominent UGC game platform Roblox’s share price recovering from questions around its business practices
- ▶ Poland continues to lead the world in gaming companies going public although the market prices of such companies have been rocky in recent months
- ▶ The Indian video game market is fast-growing and Nazara Technologies is at the forefront
- ▶ Saudi Arabia has actively created partnerships with fewer game investments and M&As, but a “megadeal” is coming soon
- ▶ Chinese gaming giants' investments and M&As in Western companies slowed in 2024
- ▶ Blockchain survives the “crypto winter,” boosting blockchain games investments from improved market conditions
- ▶ Incubators and accelerators continue to be a resource for early-stage game studios and emerging technology
- ▶ More countries are using tax incentives and grants to boost their video game industries
- ▶ The eSports winter brought a blizzard of industry change leading to layoffs, divestitures, pivots, and consolidations
- ▶ Blockchain TON-based gaming is rising on social media platform Telegram
- ▶ Apple and Google being forced to allow 3rd Party app stores brings more game storefronts and investments
- ▶ Games’ mainstream success across transmedia brings in investments for proven IPs



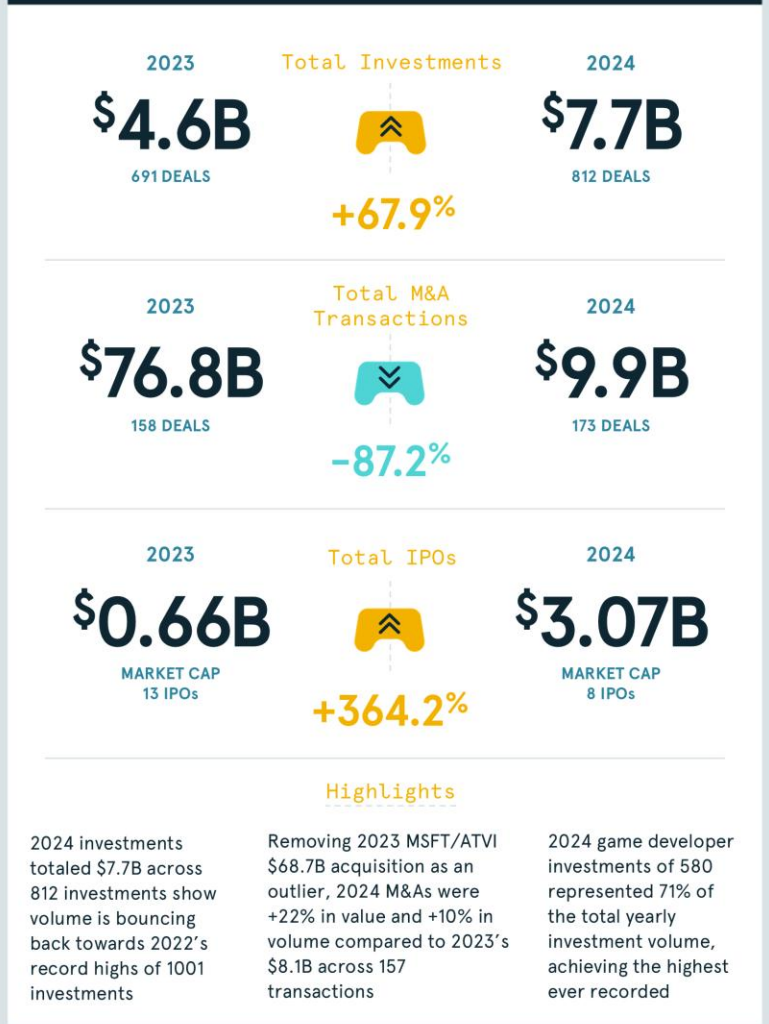
Q4 and Annual 2024 Executive Summary

The Transaction Bundle, a complete list of the quarter's transactions in PDF and Excel format, is available for single and annual subscription at www.GamesInvestmentReview.com.



2024

COMPARED TO PREVIOUS YEAR



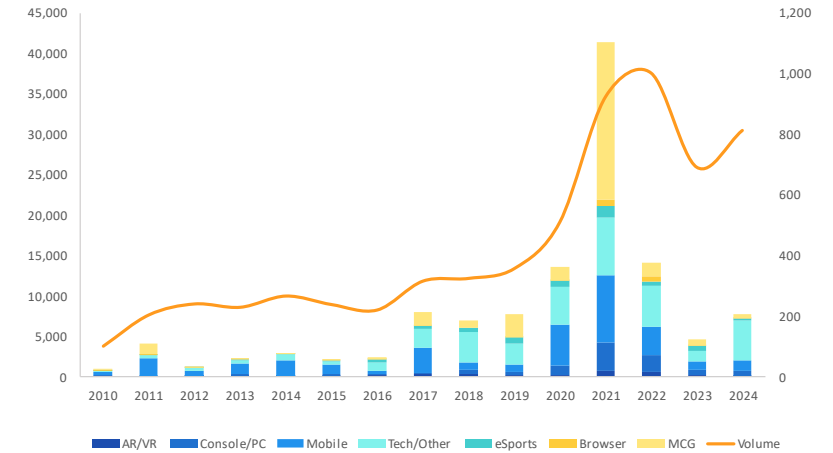


2024 Ends as a Strong Year with \$17.5B Across 985 Investments and M&As

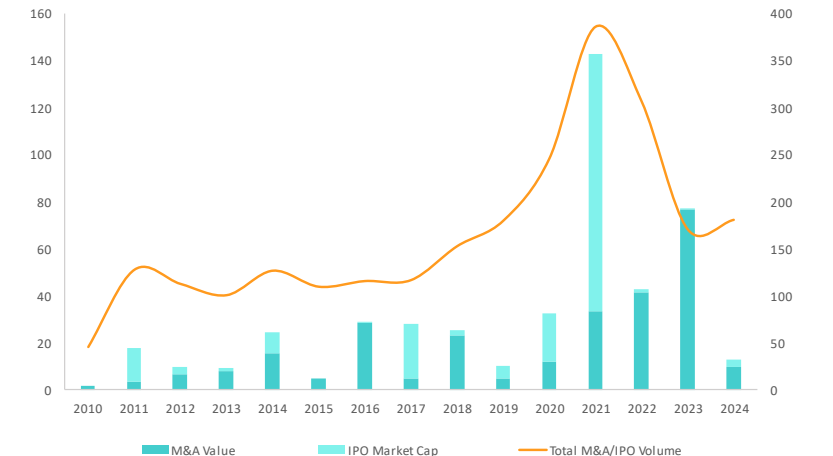
To compare 2024 to 2023, it's important to remember that in Q4 2023 Microsoft acquired Activision Blizzard for \$68.7B recording the largest gaming M&A in history by over 5.4x its nearest counterpart of Take-Two Interactive's \$12.7B acquisition of Zynga. Thus, to properly compare both years, by removing Microsoft's acquisition as an outlier within 2023, 2024 was an improved year totaling \$17.5B across 985 in combined investments and M&As (+39% in value and +16% in volume compared to 2023's \$12.6B across 848 investments and M&As):

- ▶ 2024 investments totaled \$7.7B across 812 investments (+68% in value and +18% in volume over 2023's \$4.6B over 691 investments); although investment values are -81% from 2021's \$41.4B, volume is bouncing back towards 2022's record highs of 1001 investments
- ▶ 2024 M&As totaled \$9.9B across 173 transactions (-87% in value and +10% in volume compared to 2023's \$76.8B across 158 transactions); 2024's sharp decrease in M&A value is from Microsoft's colossal \$68.7B acquisition of Activision Blizzard (90% of 2023's M&A value) and if removed as an outlier, 2023 M&As would have totaled \$8.1B across 157 transactions, resulting in 2024's M&A value to be +22% of 2023
- ▶ 2024 IPOs totaled \$3.1B in total market capitalizations across 8 IPOs (+364% in value and -38% in volume compared to 2023's IPOs totaling \$660.9M in combined market capitalizations across 13 IPOs); while Shift Up's \$2.5B IPO contributed 82% of the combined market capitalization, Poland-based game studios provided 63% of the volume within 2024
- ▶ 2024 Exits (M&As + IPOs) totaled \$12.9B across 181 transactions (-83% in value and +6% in volume compared to 2023's \$77.4B total across 171 transactions) which is slightly above with pre-pandemic and 2019 levels of \$10.1B across 180 transactions
- ▶ 2024 game investments with blockchain and artificial intelligence continued to receive interest as blockchain game investments totaled \$1.6B across 282 investments (+9% in value and +24% of the volume compared to 2023's \$1.5B across 227 investments); while games with AI technology totaled \$469.0M across 95 investments (-42% in value and +16% in volume compared to 2023's \$806.9M across 82 investments)
- ▶ 2024 developer investments totaled \$4.4B across 580 investments (+84% in value and +25% of volume compared to 2023's \$2.4B across 465 investments); investments in game developers represented over 71% of the total yearly investment volume, achieving the highest ever recorded
- ▶ 2024 new fund announcements totaled \$58.9B in new capital raised across 132 funds (+25% in value and +7% in volume compared to 2023 totaling \$47.2B across 123 funds)
- ▶ In 2024, DDM tracked over 626 new investors and or acquirers across investments and M&As

Investments (\$M)



Exits (M&A + IPOs) (\$B)

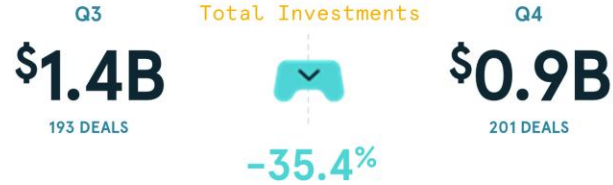




Q4 2024



COMPARED TO PREVIOUS QUARTER



Highlights

Q4 2024 investments total of \$906.2M across 201 investments is the lowest value since Q3 2018, despite being above the 2-year volume average

Q4 2024's new fund announcements totaled \$9.8B, propped up by Founders Fund, Coatue Management, and General Catalyst (collectively raised 51% of the capital)

Q4 2024 M&As totaled \$5.0B across 35 transactions causing Q4 to surpass Q1-Q3's combined total M&A value of \$4.8B

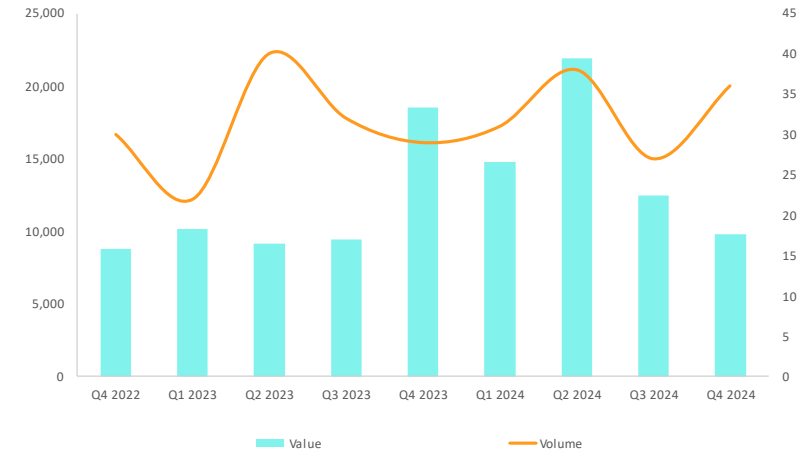


Q4's \$6.0B Across Investments/M&As Was the Largest Quarter in 2024

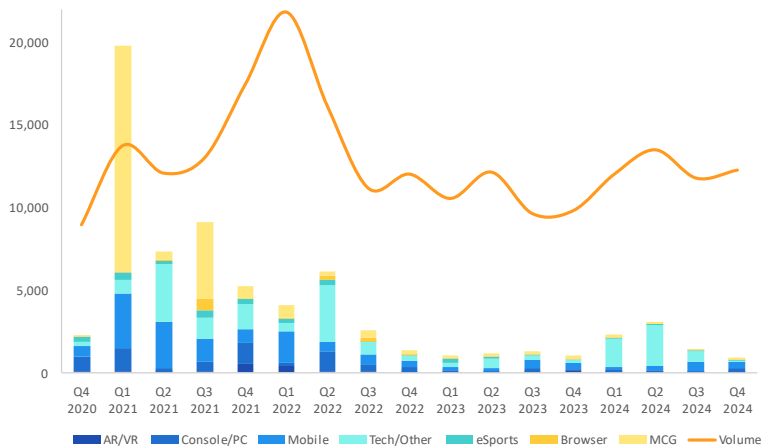
Q4 2024 achieved the largest quarter in 2024 by combined games investments and M&As totaling \$6.0B across 236 transactions (+177% in value and -3% in volume compared to Q3's \$2.2B across 243 combined investments and M&As):

- ▶ Q4 2024 investments saw a sizable decline in value totaling \$906.2M across 201 investments (-35% in value and +4% in volume compared to Q3's \$1.4B and 193 investments) recording the lowest value since Q3 2018 of \$650.6M; investment values were dampened, with early-stage investments representing the majority (66% by value), while volume remained strong as Q4 was +7% above the 2-year quarterly average of 187 investments
- ▶ Q4 2024 M&As saw a large increase in value totaling \$5.0B across 35 transactions (+572% in value and -30% in volume compared to Q3's \$751.1M across 50 transactions) enabling Q4 to surpass the combined value of Q1-Q3 M&As of \$4.8B; this was achieved through EQT Groups and others' \$2.7B acquisition of Keywords Studios and Playtika's \$2.0B acquisition of Superplay (collectively 94% of the total M&A value)
- ▶ Q4 2024 IPOs had a significant decline in market capitalization totaling \$15.9M across 4 IPOs (-99% in value and -25% in volume compared to Q3's \$3.0B across 4 IPOs)
- ▶ Q4 2024 new fund announcements assisted by three funds raising \$1.0B or more (51% of the capital raised) bringing Q4 to reach \$9.8B across 36 funds (-21% in value and +33% in volume compared to Q3 2024's \$12.5B across 27 funds)

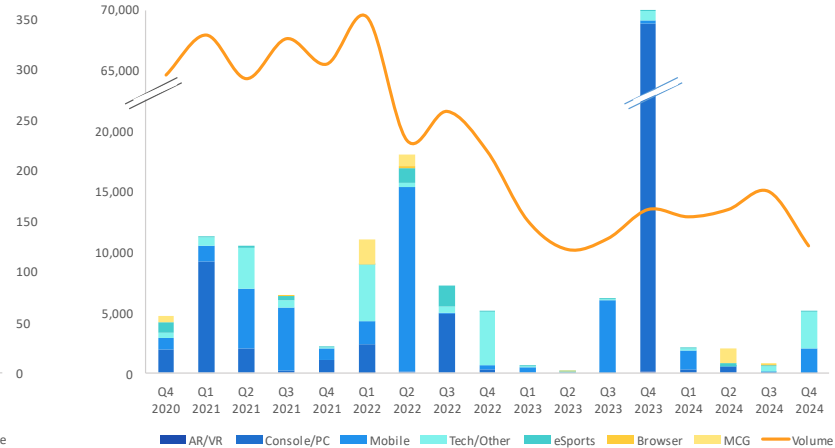
Fund Announcements (\$M)



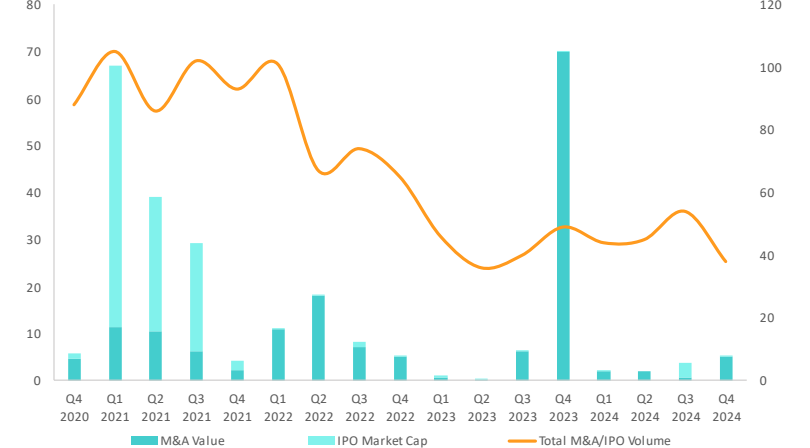
Investments (\$M)



M&As (\$M)



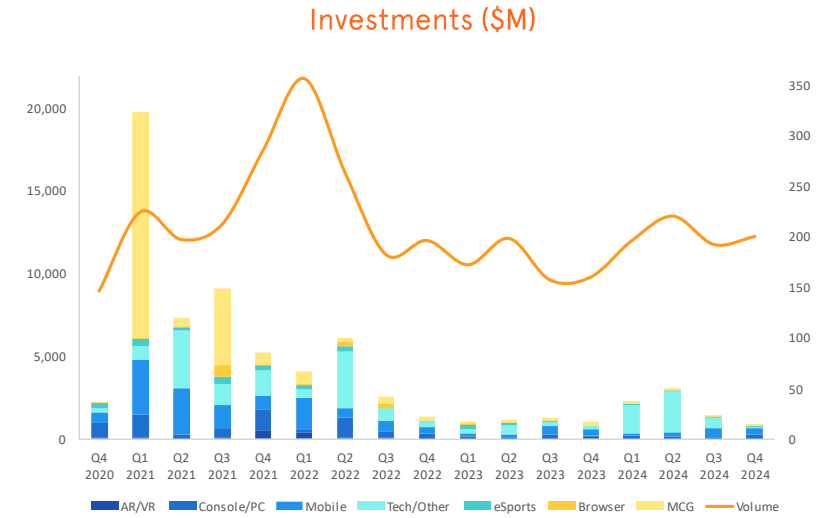
Exits (M&A + IPOs) (\$B)



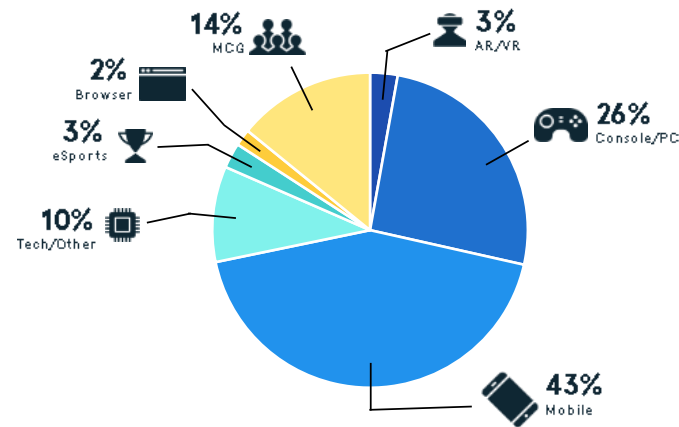


Q4's \$906.2M in Investments Marks Lowest Value Since Q3 2018

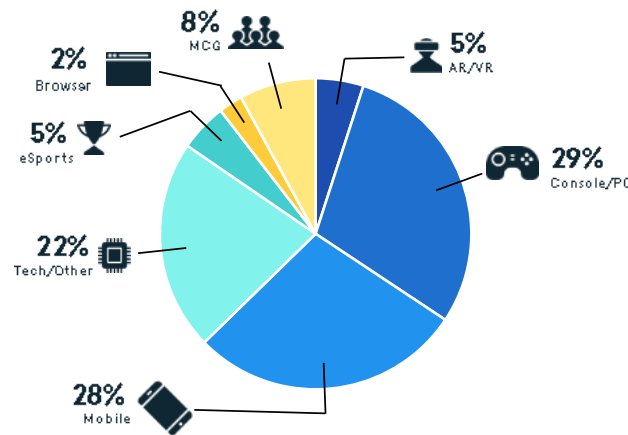
- ▶ Q4 2024 investments totaled \$906.2M across 201 investments (-35% in value and +4% in volume compared to Q3's \$1.4B and 193 investments) recording the lowest value since Q3 2018 of \$650.6M; investment values were dampened, with early-stage investments representing the majority (66% by value), while volume remained strong as Q4 was +7% above the 2-year quarterly average of 187 investments
- ▶ Q4 2024 game developer investments totaled across \$679.5M across 134 investments (-39% in value and -4% in volume compared to Q3's \$1.1B across 140 investments)
- ▶ Blockchain and artificial intelligence continue to receive interest in Q4 2024 as game industry blockchain investments totaled \$179.6M across 54 investments (-70% in value and -17% in volume compared to Q3's \$607.7M and 65 investments) and game industry artificial intelligence investments totaled \$120.7M across 26 investments (-39% in value and +30% in volume compared to Q3's \$197.2M across 20 investments)
- ▶ Highest segment by value led by Mobile (43%), followed by Console/PC (26%), MCG* (14%), Tech/Other (10%), AR/VR (3%), eSports (3%), and Browser (2%); highest segment by volume led by Console/PC (29%), followed by Mobile (28%), Tech/Other (22%), MCG* (8%), AR/VR (5%), eSports (5%), and Browser (2%)
- ▶ Q4 2024 undisclosed investments totaled 60 investments (30% of the quarter); using historical averages to estimate the undisclosed investment values, Q4 2024 reached \$1.3B [+/- \$120.0M]



Segments by Value



Segments by Volume



% of Undisclosed Investments vs Deal Volume



*Mass Community Games (MCG) are games driven by online community play. Includes MMOs, MOBAs, battle royale, and metaverse games.



Top and Median Segment Investment Q4 2024

Disclosed Investments Q4 2024							
Category	AR/VR	Browser	Console/PC	eSports	MCG*	Mobile	Tech/Other
No. Investments	8	5	29	8	14	49	30
Top Deal by Value (\$M USD)	Tilt Five's \$13.9M mid/late-stage investment from undisclosed investors	Ray Browsers' \$6.0M early-stage investment from Play Ventures, Samsung, Spatial Capital, and others	Aonic Group's \$159.6M mid/late-stage investment from Metric Capital Partners, Active Ownership	Nodwin Gaming's \$7.6M mid/late-stage investment from Nazara Technologies	Decart's \$32.0M Series A investment from Benchmark, Sequoia Capital, Zeev Ventures	Azra Games' \$42.7M Series A investment from Pantera Capital, Andreessen Horowitz, NFX	Balance's \$10.0M early-stage investment from Animoca Brands, Amber Group, GSR Markets, MARBLEX, Mask Network, MetaBlast Group, and others
Seed by Volume	63%	60%	66%	25%	43%	43%	43%
Series A by Volume	13%	0%	7%	13%	29%	22%	13%
Other by Volume	25%	40%	28%	63%	29%	35%	43%
Q4 Median Segment Investment (\$M USD)	0.9	3.0	2.0	6.8	4.2	3.4	1.2
Q4 Segment Total Value (\$M USD)	25.2	15.5	222.0	16.9	79.4	262.8	74.3
Q3 Median Segment Investment (\$M USD)	4.0	2.3	3.5	5.8	3.6	4.5	3.5
Q3 Segment Total Value (\$M USD)	11.6	11.6	43.3	13.5	30.9	266.5	656.2

- ▶ We prefer medians instead of averages to reduce the impact of large mid/late-stage rounds from skewing the picture of typical investments; conversely, if a category has low volume, any blockbuster investment can have an outsized effect

- ▶ Chart excludes other-stage investments: IPO, Post IPO, crowdfunding, grants, and token offerings

*Mass Community Games (MCG) are games driven by online community play. Includes MMOs, MOBAs, battle royale, and metaverse games. Early stage = Angel to Series A, Mid/Late Stage = Series B and later, Other = Grants, Crowdfunding, Initial Coin Offerings, IPO, and Post IPO



Top Active Investors Q4 2024 (#1-5)

al6z **Andreesen Horowitz** 35 Investments

Q4 Round Total (\$M, USD)	Q4 Top Round Value (\$M, USD)	Stages	Top Segments
105.2	42.7	Early	Mobile, Tech/Other, Console/PC, Browser

- Azra Games**, a blockchain RPG games developer, raised \$42.7M in a Series A funding round
- Mobile gaming payment platform provider **Neon** raised \$14.0M in an early-stage funding round
- Mobile fitness games developer **Endo Health** raised \$9.4M in an early-stage funding round

animoca BRANDS **Animoca Brands** 6 Investments

Q4 Round Total (\$M, USD)	Q4 Top Round Value (\$M, USD)	Stages	Top Segments
20.7	10.0	Early	Mobile, Tech/Other, MCG

- Balance**, an AI-powered blockchain infrastructure provider, raised \$10.0M in an early-stage funding round
- Alliance Games**, an AI-driven blockchain infrastructure solutions provider, raised \$5.0M in a Series A funding round
- Blockchain games developer **Moonray** raised \$4.7M in an early-stage funding round

BITKRAFT Ventures 5 Investments

Q4 Round Total (\$M, USD)	Q4 Top Round Value (\$M, USD)	Stages	Top Segments
66.0	26.0	Early	Mobile, Console/PC, Tech/Other

- Mobile games monetization platform provider **Appcharge** raised \$26.0M in a Series A funding round
- Ruckus Games**, a Console/PC game developer, raised \$19.0M in a Series A funding round
- Blockchain games developer **Meta Icons Lab** raised \$9.0M in a Seed funding round

Big Time Studios 5 Investments

Q4 Round Total (\$M, USD)	Q4 Top Round Value (\$M, USD)	Stages	Top Segments
N/A	N/A	Early	MCG, Mobile, AR/VR

- Blockchain MMORPG games developer **Lowkick Studio** raised an early-stage funding round
- Pixward Games**, a blockchain VR/PC games developer, raised an early-stage funding round
- Blockchain mobile games developer and eSports organization **Qor Gaming** raised an early-stage funding round

PLAY **Play Ventures** 4 Investments

Q4 Round Total (\$M, USD)	Q4 Top Round Value (\$M, USD)	Stages	Top Segments
32.0	26.0	Early	Mobile, Browser

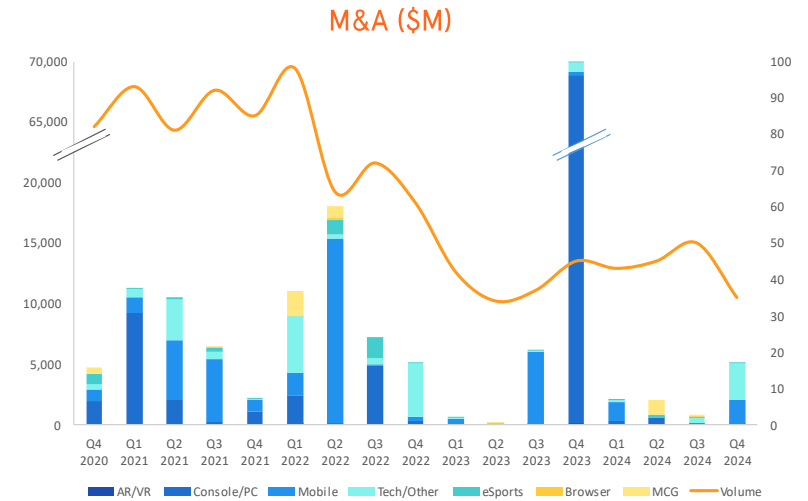
- Mobile games monetization platform provider **Appcharge** raised \$26.0M in a Series A funding round
- Browser games storefront platform provider **Ray Browser** raised \$6.0M in an early-stage funding round
- BeyondOs**, an AI-driven interior design game developer, raised an early-stage funding round

Some transactions also may be repeated if multiple investors invested in the same round for the company. 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.

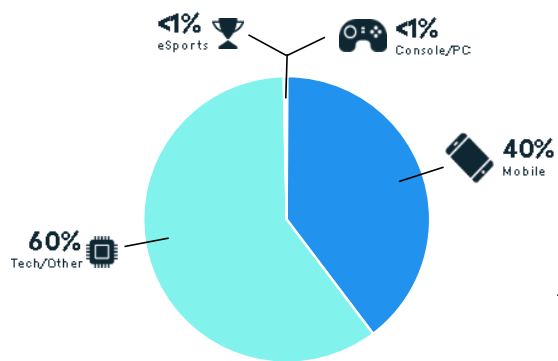


Q4's \$5.0B in M&A Value Surpasses Q1-Q3's \$4.8B Combined Total

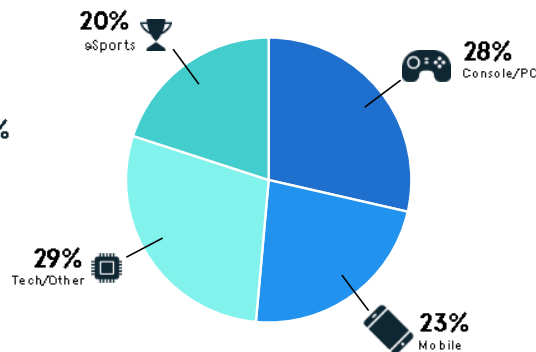
- ▶ Q4 2024 M&As totaled \$5.0B across 35 transactions (+566% in value and -30% in volume compared to Q3's \$751.1M across 50 transactions), surpassing the combined total M&A value of \$4.8B from Q1-Q3; Q4's M&As were propped by EQT Groups and others' \$2.7B acquisition of Keywords Studios and Playtika's \$2.0B acquisition of Superplay (94% of the total M&A value)
- ▶ Q4 2024 game developer M&As totaled \$2.0B across 27 transactions (+41% in value and -47% in volume compared to Q3's \$1.4B across 32 transactions)
- ▶ Q4 2024 undisclosed M&As totaled 26 transactions (74% of the total volume); this is slightly above or +7% the quarterly average of 67% undisclosed M&As
- ▶ Highest M&A segment by value was led by Tech/Other (60%), followed by Mobile (40%), eSports (<1%), and Console/PC (<1%); highest M&A segment by volume was led by Tech/other (29%) followed by Console/PC (28%), Mobile (20%) and eSports (20%)
- ▶ Europe and Asia were the most active regions by M&A value and volume with Europe totaling \$2.7B across 13 transactions (57% of the value and 37% of the volume) and Asia totaling \$2.0B across 4 transactions (40% of the value and 11% of the volume)
- ▶ North America the Middle East, Africa were the least active regions by M&A volume totaling a combined \$2.4B across 11 transactions (47% of the value and 31% of the volume)



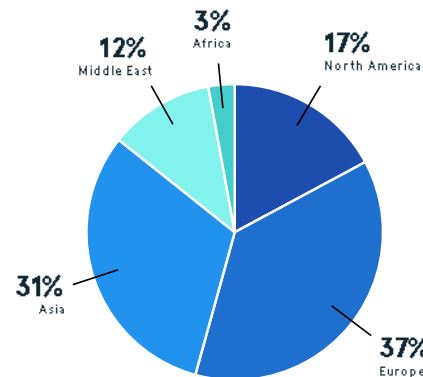
Segments by Value



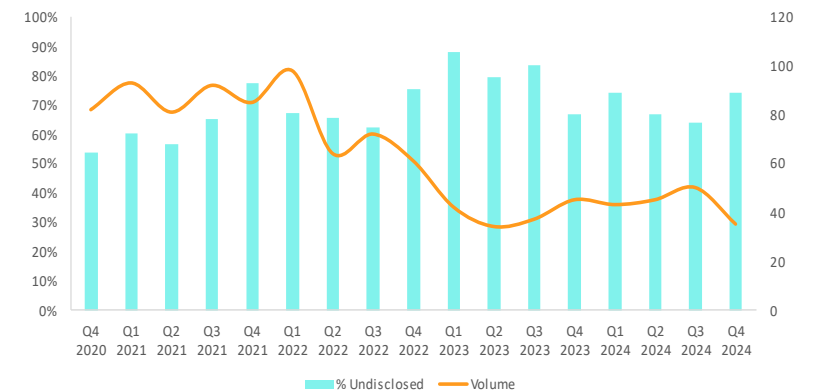
Segments by Volume



Regions by Volume



% of Undisclosed M&As vs Deal Volume

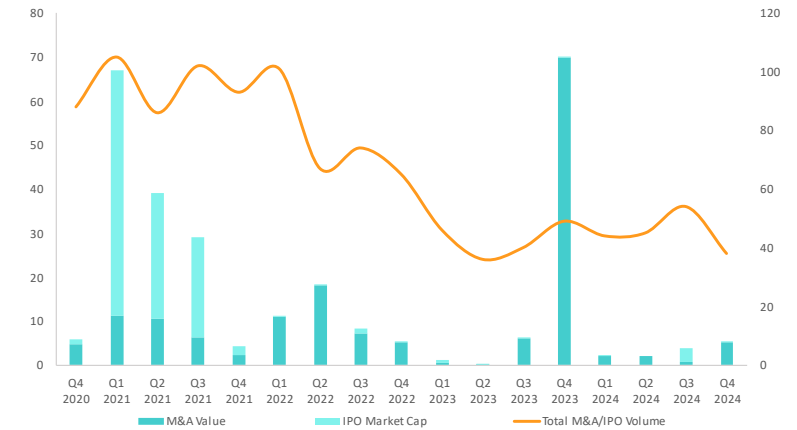




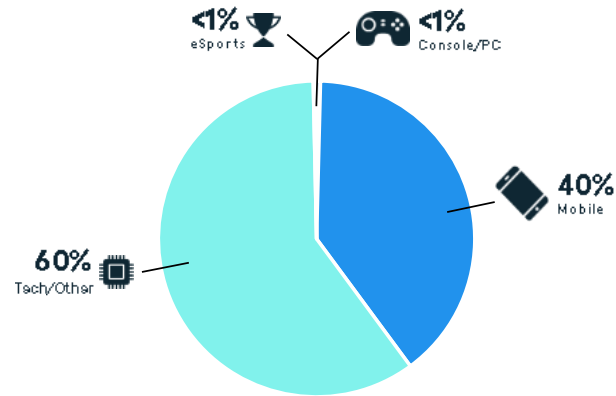
Q4's 38 Exits (M&As + IPO) Records Highest Exits Value in 2024

- ▶ Q4 2024 Exits (M&As + IPO) totaled \$5.1B across 38 transactions (+33% in value and -30% in volume compared to Q3 2024's \$3.8B in value and 54 in volume); despite Q4 recording lowest exit volume since Q2 2023's 36 exits, Q4 achieved the highest exit value in 2024
- ▶ Q4 2024 IPOs totaled \$15.9M in total combined market capitalizations across 3 IPOs (-99% in value and -25% in volume compared to Q3's \$3.0B across 4 IPOs)
- ▶ Poland continues to provide the games industry with a steady rate of IPOs per quarter with 3 in Q4 2024 (100% of the volume); all of which were PC game developers including Dark Point Games (\$9.2M market capitalization), G-DEVS (\$1.8M market capitalization), and Madnetic Games (\$4.9M market capitalization)
- ▶ Highest Exits (M&A + IPOs) by segment value was led by Tech/Other (60%), followed by Mobile (40%), Console/PC (<1%), and eSports (<1%)
- ▶ Highest Exits (M&A + IPOs) by segment volume was led by Console/PC (34%), followed by Tech/Other (26%), Mobile (21%), and eSports (19%)

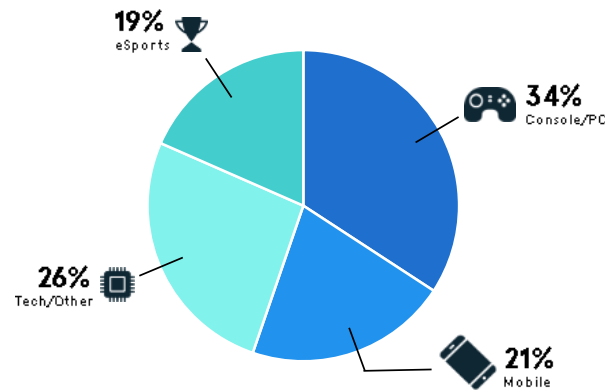
Exits (M&A + IPOs) (\$B)



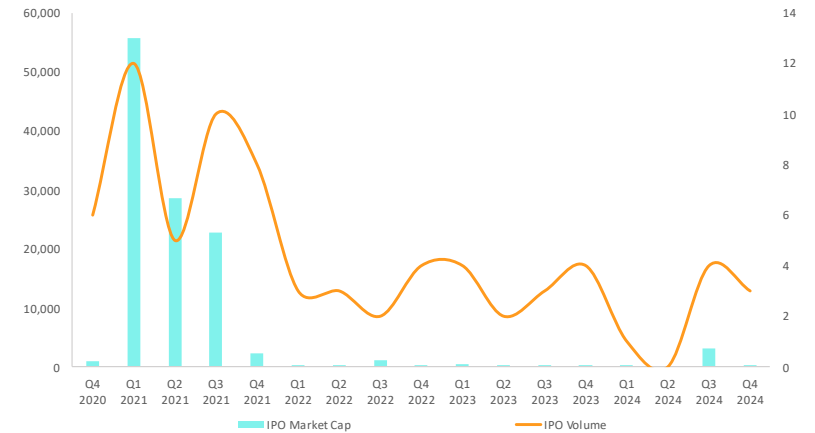
Segments by Value



Segments by Volume



IPOs (\$M)

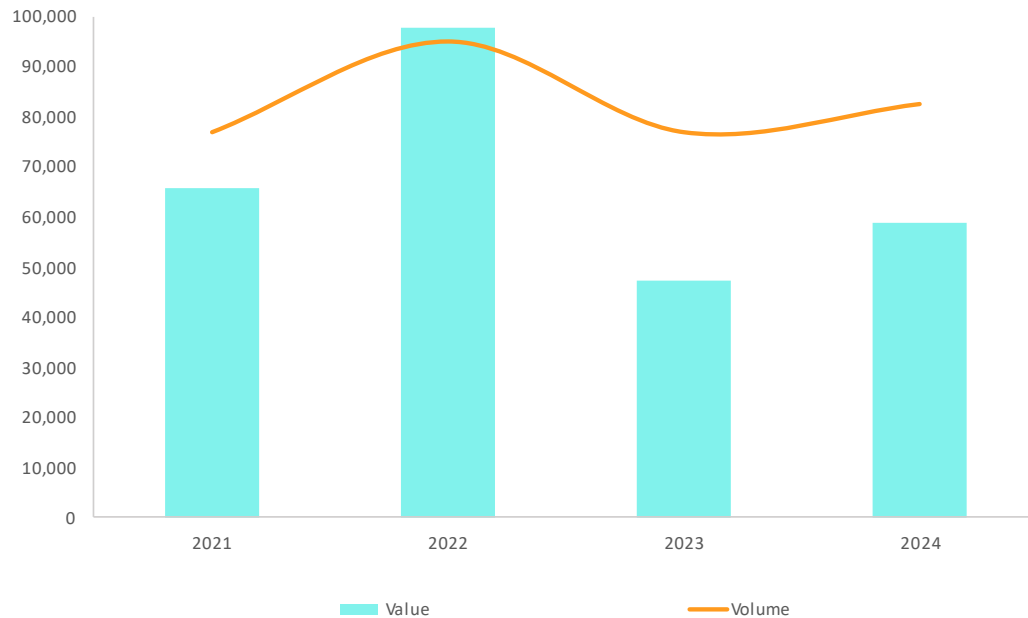




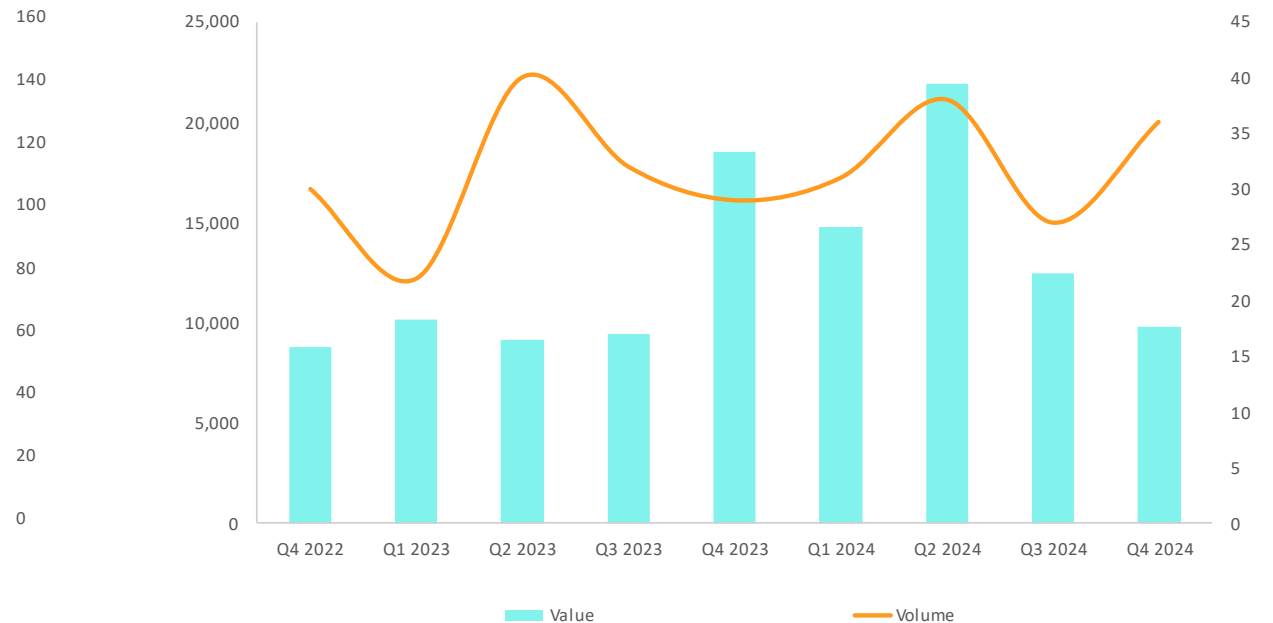
2024's \$58.9B in New Fund Announcements Exceeds 2023's Total of \$47.2B

- ▶ 2024 new fund announcements totaled \$58.9B in new capital raised across 132 funds (+25% in value and +7% in volume compared to 2023 totaling \$47.2B across 123 funds)
- ▶ Q4 2024's new fund announcements totaled \$9.8B across 36 funds (-21% in value and +33% in volume compared to Q3 2024's \$12.4B across 27 funds); this funding was driven by three funds collectively raising over \$5.0B (51% of the capital raised): Founders Fund (\$3.0B), Coatue Management (\$1.0B), and General Catalyst (\$1.0B)
- ▶ Artificial intelligence and blockchain continue to receive interest from venture capital firms as funds targeting AI totaled \$2.2B across 12 funds (-77% in value and +72% in volume compared to Q3 2024's \$9.8B across 7 funds) and blockchain totaled \$1.7B across 13 funds (+13% in value and +44% in volume compared to Q3's \$1.5B across 9 funds)
- ▶ New fund announcements focused solely on early-stage companies dominated by volume representing 75% of the fund announcements in Q4 2024; however, the funding distribution by value was more balanced, with early-stage funds raising \$3.4B across 27 funds (35% by value), mid/late-stage funds raising \$3.1B over 3 funds (31% by value), and stage-agnostic funds raising \$3.3B across 6 funds (34% by value)

Fund Announcements By Year (\$M)



Fund Announcements by Quarter (\$M)





Notable Transactions & Announcements*

We also monitor announced transactions that will affect future quarters as well as ones considered “adjacent” to the games industry, and these values are not included in our preceding sections to present a clear landscape of transactions officially settled for the quarter.

Video gaming transactions with a future impact on the Games Investment Review Report:

- ▶ Tencent subsidiary, Miniclip’s \$1.2B acquisition of mobile games developer [Easybrain](#) from The Embracer Group [closed](#) in Q1 2025
- ▶ MTG’s \$820.0M acquisition of mobile games developer [Plarium](#) from Aristocrat Leisure and is expected to close in Q1 2025
- ▶ Sony’s \$317.2M Post IPO Equity investment in Console/PC games developer [Kadokawa Corporation](#) [closed](#) in Q1 2025
- ▶ Scopely’s \$34.5M acquisition of mobile games developer [Chengfeng Studio](#) from Perfect World is expected to close in 2025
- ▶ DoubleU Games \$27.0M acquisition of mobile games developer [Paxie Games](#) is expected to close in Q1 2025

Video gaming and industry-adjacent transactions with no impact on the Games Investment Review Report:

- ▶ AI-driven data intelligence platform provider [Databricks](#) \$10.0B Series J funding round with a valuation of \$62.0B
- ▶ Mobile games marketing and monetization platform provider [Applovin’s](#) \$3.6B senior notes debt raise
- ▶ Console/PC games developer/publisher [The Embracer Group’s](#) \$991.6M senior notes debt raise
- ▶ AI cloud infrastructure provider [Coreweave's](#) \$650.0M secondary share sale to Jane Street and others providing Coreweave a \$23.0B valuation
- ▶ MMO games developer/publisher [Stillfront Group’s](#) \$227.5M credit facility and a \$77.0M [bond](#) issuance debt raise

*Transactions listed within Notable Transactions & Announcements is by no means exhaustive!



2025 Outlook

Throughout 2024 game studios continued to pivot their businesses models, slash expenses, and divest non-core offerings making H2 2024 dip in combined investments and M&As totaling \$8.1B across 479 transactions (-14% in value and -5% in volume compared to H1's \$9.4B across 506 combined investments and M&As). While 2024 game investments and M&As slowed as the year progressed, 2025 is looking to build on a more stable ground:

Investments

- ▶ H2 2024's investments totaled \$2.3B across 394 investments (-57% in value and -6% in volume over H1 2024's \$5.4B and 418 investments), suggesting that while investors are still investing with steady volume, they are more cautious
- ▶ From our January 2025 [Project and Studio Financing Snapshot](#), studio and game financing will slowly grow in 2025 as many companies end their fiscal year in March, loosening purse strings for 2026/2027 games and strategic investments
- ▶ Top gaming giants and publishers including [Hasbro](#), [Krafton](#), [My.Games](#), [Nazara Technologies](#), and [Say Games](#) have all announced cash reserves to invest in games
- ▶ As Artificial intelligence and crypto [adoption](#) progresses, increased liquidity will drive fund announcements for investments in games with AI and blockchain technology
- ▶ As geopolitical tensions rise between the United States and China, Chinese companies expanding to the West may opt more for launching their own studios rather than invest in existing ones as NetEase launched its own [Bullet Farm](#) and [Jackalope Games](#)

Exits (M&A + IPOs)

- ▶ H2 2024 M&As totaled \$5.8B across 85 transactions (+43% in value and -3% in volume compared to H1 2024's \$4.1B across 88 transactions); although Q4's lack of M&A activity caused H2's volume to decrease marginally, 2025 has already hit the ground running with [Miniclip's](#) \$1.2B acquisition of [Easy Brain](#), MTG's \$820.0M acquisition of [Plarium](#), and Scopely eyeing a [megadeal](#) this year
- ▶ In 2024, the games industry suffered mass [layoffs](#), closures, and divestitures where gaming giants such as [Embracer Group](#) sold businesses not vital to their core-offering; in 2025 activity will be consistent with 2024 and tight belts will continue with companies like [Saga](#) acquiring distressed studios or IPs
- ▶ In 2024 private equity firms snapped up a few large gaming studios including [Keywords Studios](#), [Jagex](#), and [Kahoot!](#); if interest rates decrease, private equity firms will continue to have interest in large gaming M&A deals
- ▶ Since 2023, IPO volume has remained consistent thanks to Poland's supply of small gaming IPOs (13 IPOs since 2023 and 40 since 2020); however, 2025 could bring a slight increase in overall IPO activity as [Animoca Brands](#), [AppsFlyer](#) and [Inmobi](#) consider going public if conditions become improved



Methodology

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 17 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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