

Enabling Growth: Cohort User Acquisition Financing

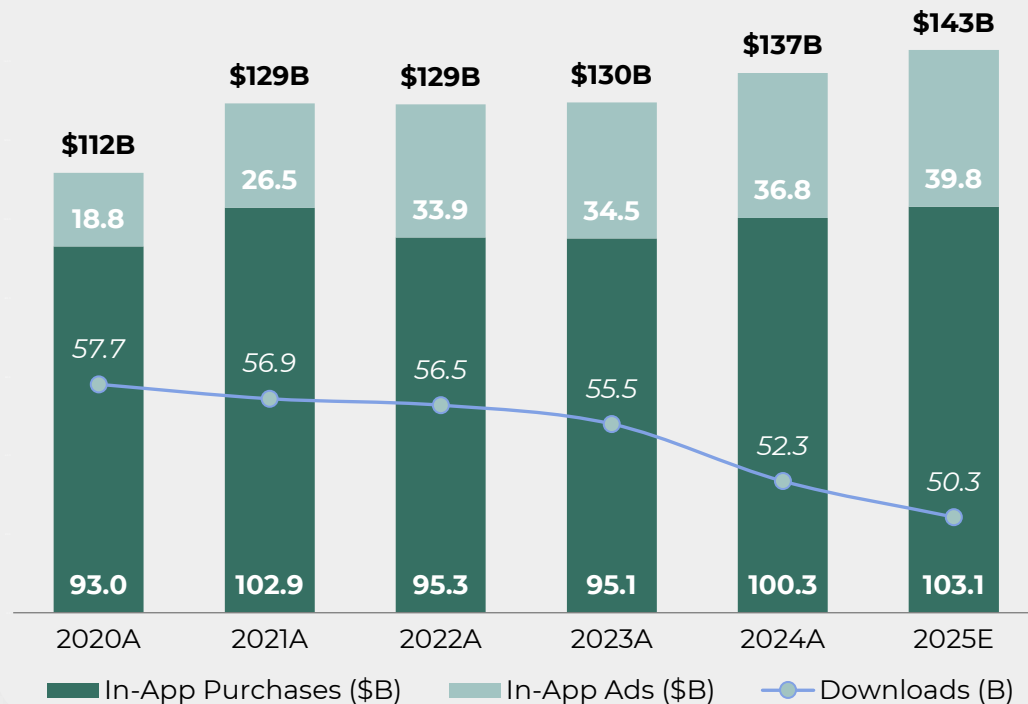
Mobile gaming market has returned to growth

Weathering a challenging 2022-2023, the mobile sector proves its resilience through innovation

Mobile gaming rebounds from adversity...

2020A-2025E CAGR

TOTAL: 5.0% | IAP: 2.1% | IAA: 16.2%



... as industry players adapt to new environment

- **Strong IAA growth** driven by growing popularity of casual puzzle genre and implementation of hybrid monetization and mechanics
- **AI-powered AdTech engines** improving user acquisition campaigns performance (notably AppLovin's AXON)
- **Rewarded Ad platforms** opening new user acquisition channels and driving user loyalty
- **Multiplatform adaptability** as studios launch titles on PC/web platforms to bypass mobile app stores fees
- **IP licensing collaborations** with major IP holders leveraging their popularity to bring new audience/fanbase into games

Projected mobile gaming market growth

+4% CAGR
2025E – 2027E

Source: NewZoo, Omdia, SensorTower, Business of Apps

Yet, mobile founders operate in a scarce VC capital environment

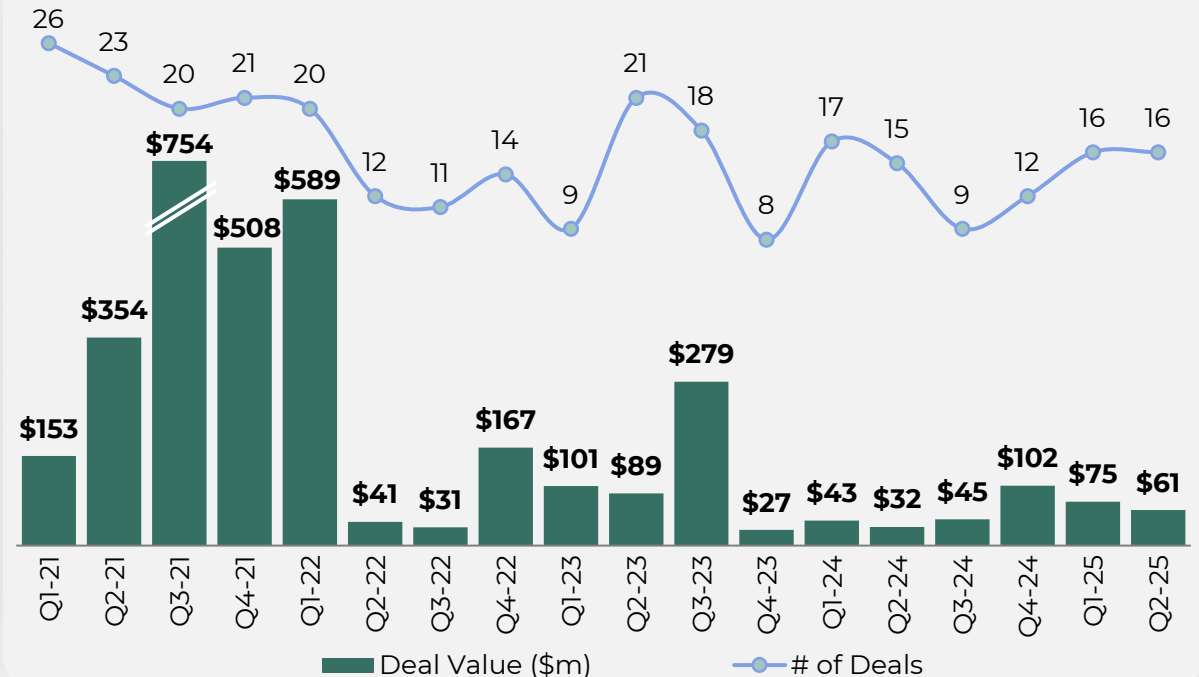
Despite industry growth and notable VC-backed exits, mobile studios struggle to raise capital

Mobile gaming has seen many sizable exits...



...but VCs remain cautious about doubling down on the sector

VC CAPITAL DEPLOYED IN MOBILE GAMING STUDIOS (\$M)



How should mobile studios adjust to this capital scarcity?

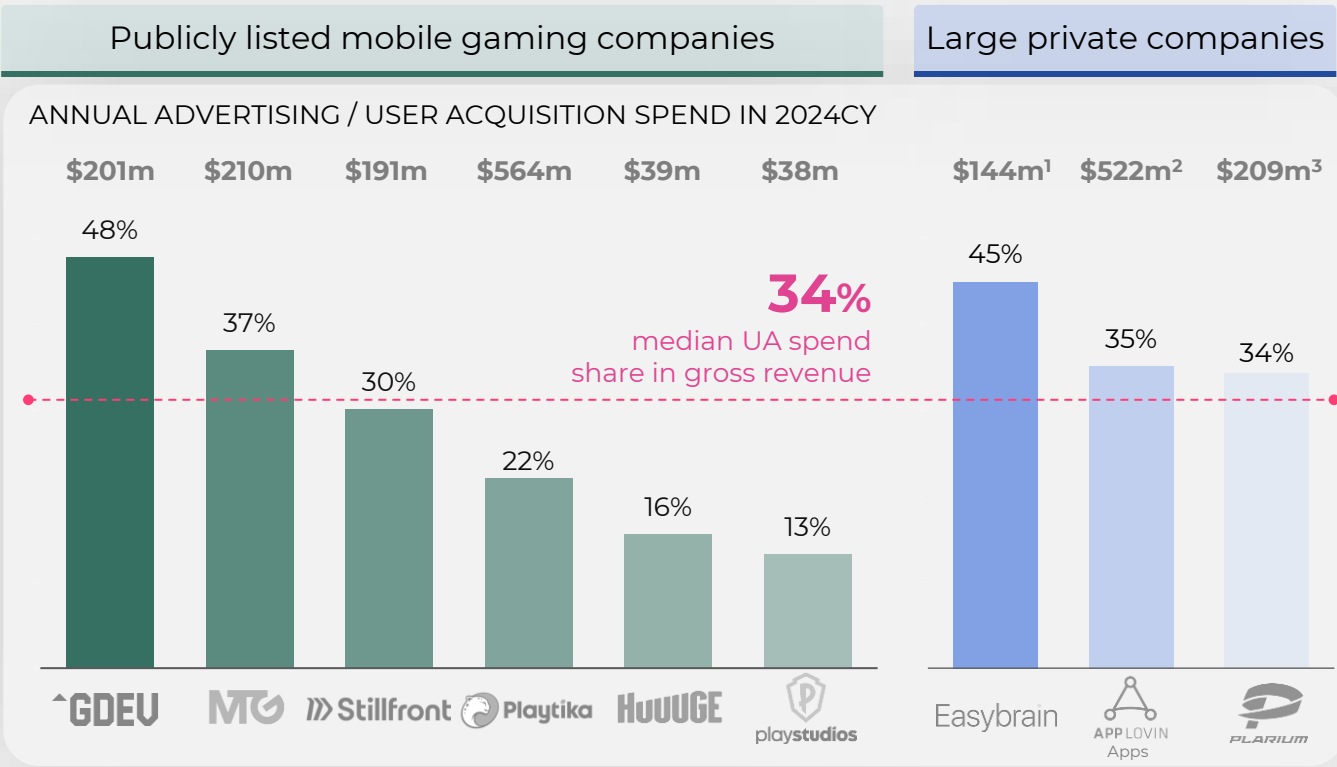
Source: InvestGame; press releases

Note: (1) market cap at initial IPO offering price; (2) announced or estimated upfront enterprise value of the company

Mobile companies require massive UA investments to scale

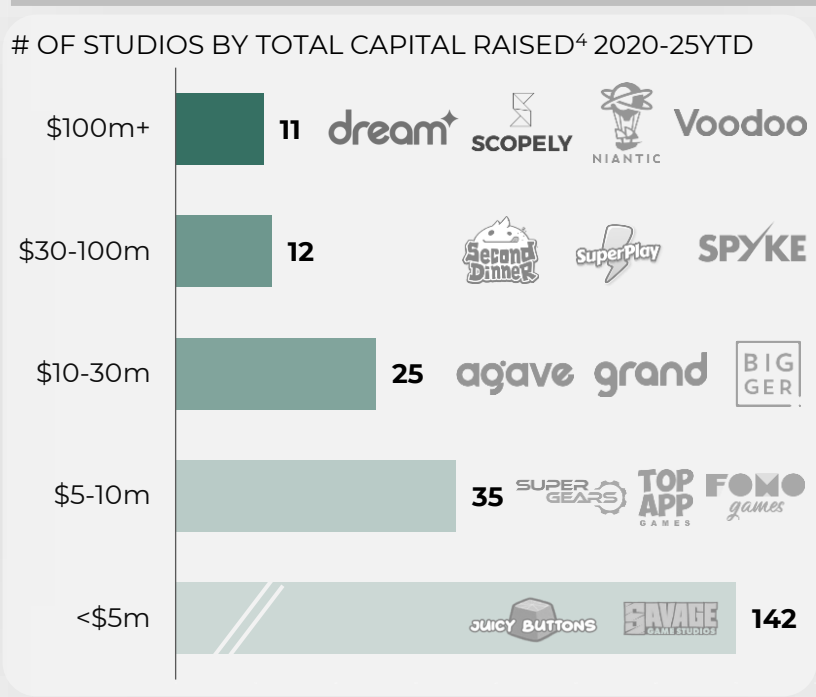
High capital-intensive nature of mobile gaming business is a true barrier to growth

Mature mobile gaming companies reinvest ~1/3 of revenue in UA



Only a few studios raise enough capital

~10% of all mobile startups raise \$30m+



Can strong newcomers truly be competitive with limited access to capital?

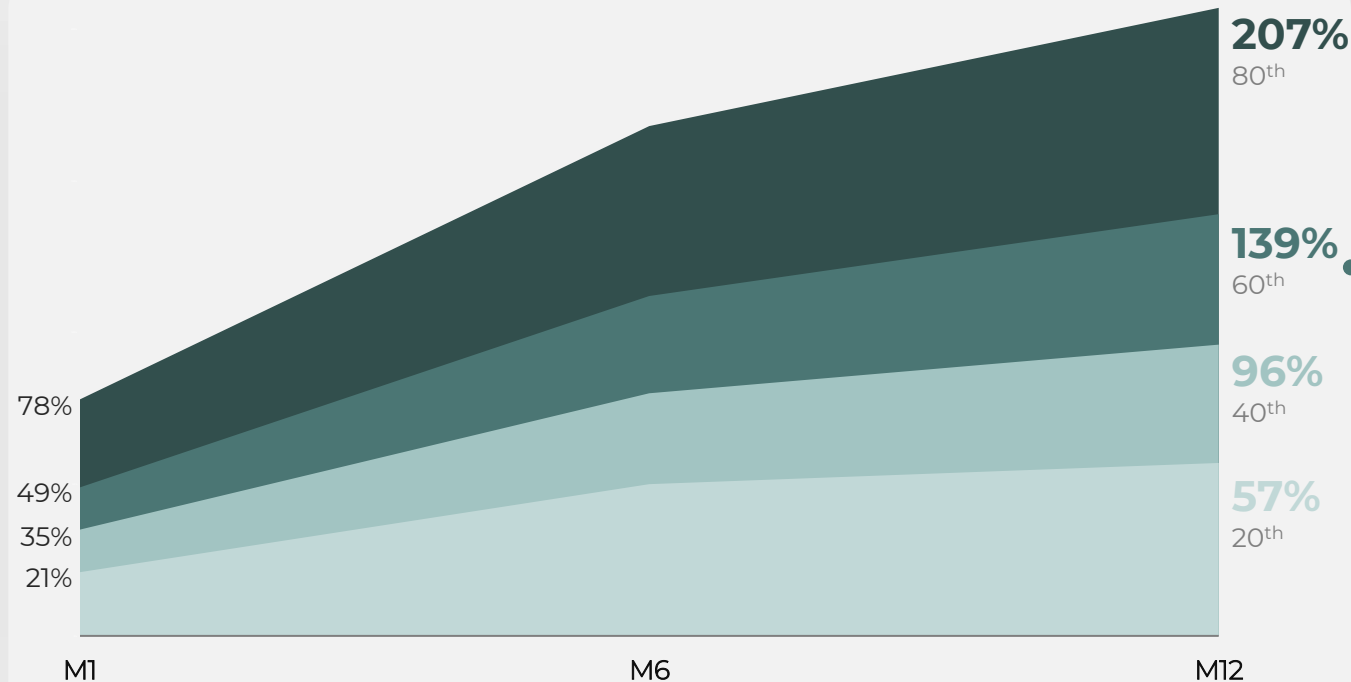
Source: earnings releases; InvestGame
Note: (1) disclosed in M&A announcement press release; (2) includes only stand-alone Apps division (CY2024); (3) estimated based on reported Q1'25 MTG results; (4) based on rounds with disclosed value

Smaller players require an even higher share of reinvestment

PvX Partners analysis of 3,000+ cohort metrics reveals the inconvenient truth of scaling mobile apps

Net ROAS benchmarks for casual games by percentile

NET RETURN ON MARKETING SPEND AFTER DEDUCTING PLATFORM FEES



Marketing Investment

~70%

of net revenues are spent on user acquisition¹

vs.

34%

of gross revenue for large-scale publishers

- At ~200% Net ROAS, the 80th percentile of profitable gaming studios can expect to spend ~50% of net revenues on marketing
- At 139% Net ROAS and below, most studios can expect to spend 70%+ of net revenues on marketing

Smaller mobile studios are even more dependent on marketing funds to scale revenues and cover operating expenses

Given the high UA investment requirement, traditional VC funding is simply not enough

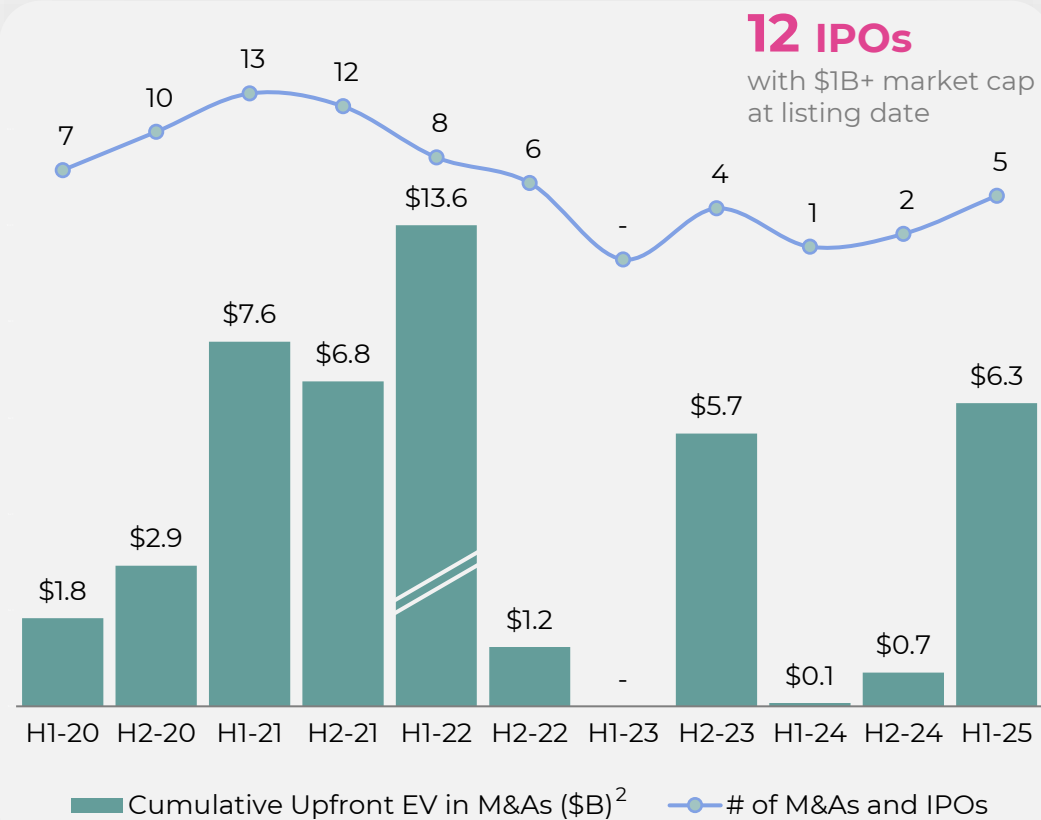
Source: PvX Partners

Note: (1) vast majority spend 70% of net revenue, equivalent to ~50% of gross revenue (adjusted for 30% platform fees)

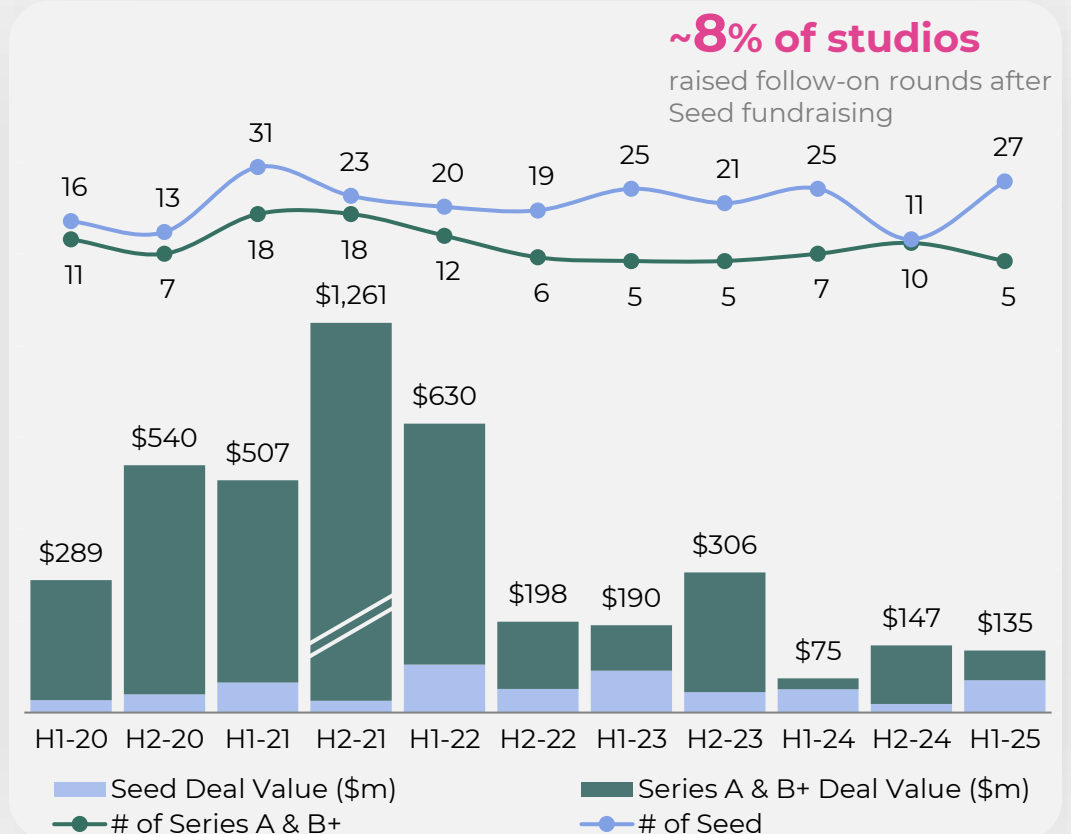
Despite M&A recovery, growth capital remains constrained

While Seed rounds remain healthy, follow-on rounds are rare despite strategics seeking scaled assets

Control M&A deals¹ and IPOs in mobile gaming



Mobile gaming VC-led rounds over 2020-2025 YTD



Source: InvestGame

Note: (1) mobile gaming M&A transactions with upfront EV above \$60m; (2) incl. AppLovin deal closed on 1st July 2025

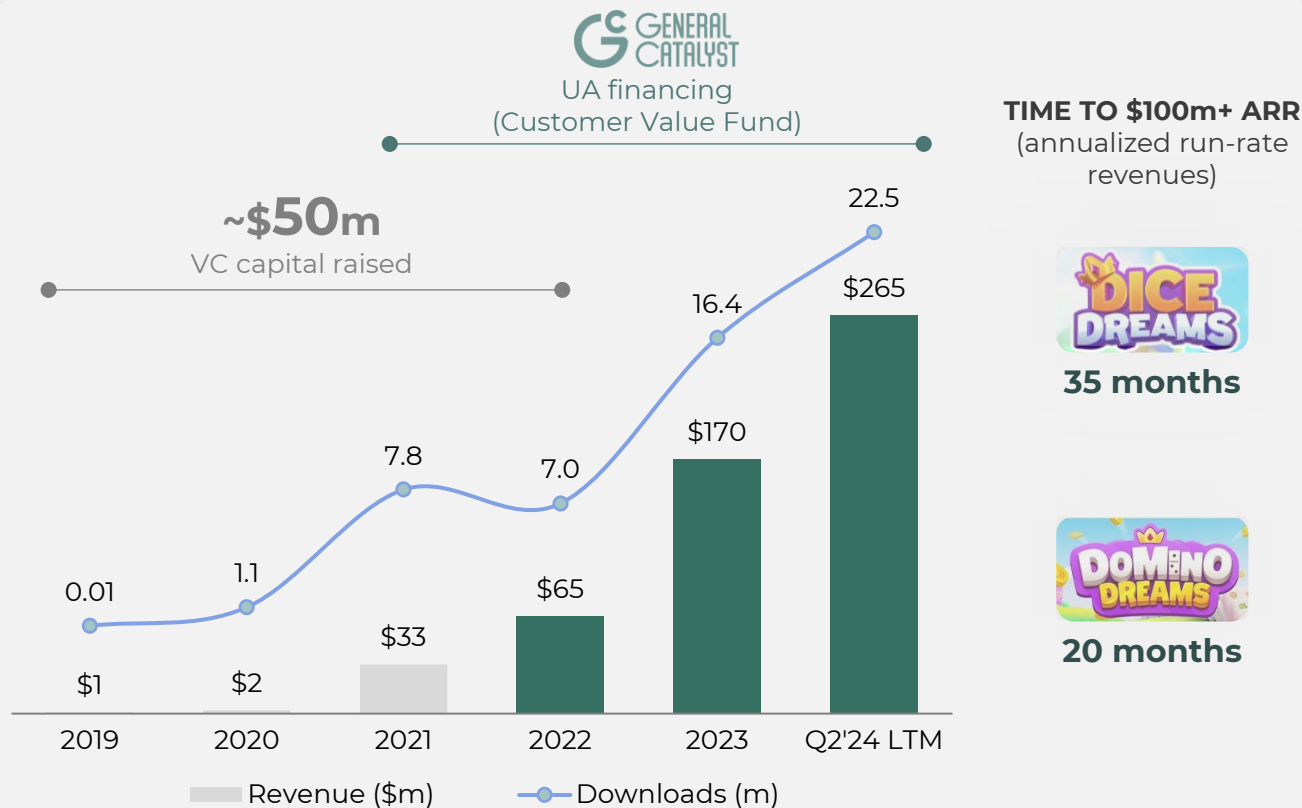
Trailblazing a new path to scale: case study



Proved that UA financing works at scale

Omnichannel financing enabled explosive growth...

...leading to a successful and fast exit



ACQUIRED BY **Playtika**

(deal closed in Nov-24)

~\$50m Capital raised

GENERAL CATALYST

\$2B exit
Total EV (incl. earn-out)

YEARS TO EXIT
(since inception)

~5 years
Founded in 2019



VS.






~8 years
Mobile-industry average among M&As and IPOs¹

Source: CTech, Playtika press release; General Catalyst, InvestGame

Note: (1) average years to exit among mobile gaming companies with upfront EV \$500m+ or \$500m+ market cap at listing

Newcomers following this path to scale

Cohort financing enables studios to increase monthly spends and simultaneously grow cash balance

				
Genre	Puzzle Word	Real-time Strategy	Match Merge 2	Turn-based RPG
UA financing amount	\$20m	\$12m	\$5m	\$2.5m
Increase in peak monthly spends	16%	21%	259%	38%
Increase in cash balance since scaling	+\$3.4m	+\$1.2m	+\$850k	+\$500k
Financed by  PvX Partners				

User acquisition financing with PvX Partners

A credit facility secured by the revenues generated by user cohorts acquired during a specific period

Cash flow mechanism

- 1. PvX invests **80% of company's CaC¹** via PvX Capital
- 2. PvX collects **80% of the net revenues**, while the company keeps 20% until the CaC is repaid
- 3. PvX interest charged when **Net ROAS = 100%**
- 4. After interest is paid, **the company keeps all future CFs²**

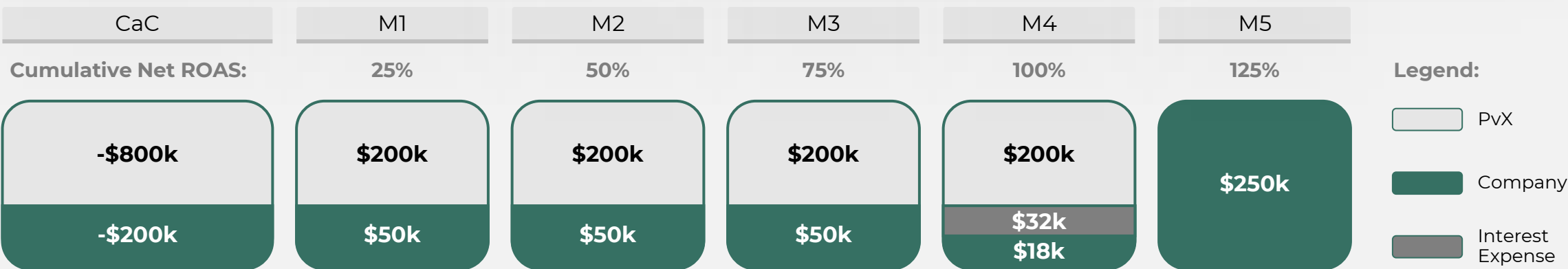
Key terms

- Funds **up to 80%** of monthly marketing expenditure
- Share **up to 80%** of cohort revenues until principal is repaid
- **9-12%** annualized cash cost

Key benefits

- Unlock UA scale
- No equity dilution
- No share/IP pledge
- No P&L covenants

How it works: example of funding cash flows

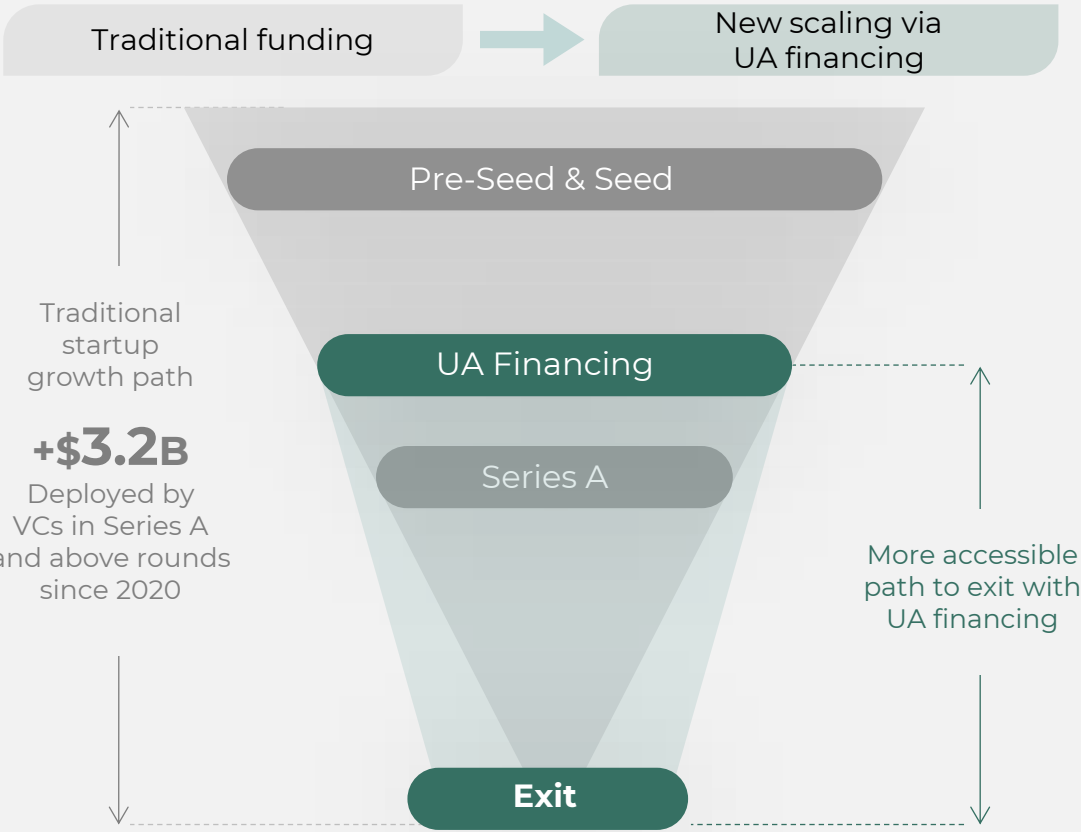


Source: PvX Partners
Note: (1) customer acquisition costs; (2) cash flows

Filling in a clear growth funding gap in mobile gaming

Cohort-based user acquisition financing unlocks new opportunities to scale at a much faster pace

Disrupting the mobile gaming studio fundraising lifecycle



Source: InvestGame, NewZoo, Omdia, SensorTower, Business of Apps

Mobile market growth playbook transformation

~\$143B
Estimated mobile gaming market size in 2025E
● ○ ○

- Mobile gaming market has returned to growth, expecting +4% in 2025E, as industry players have adapted to new environment

~\$50B
Estimated total UA spending by mobile gaming companies
○ ● ○

- Mobile companies require consistent user acquisition investments to scale
- Large players spend ~34% of gross revenue in marketing, whereas smaller players spend up to 50% gross revenue

+\$2.5B
Estimated user acquisition financing scale by 2027E
○ ○ ●

- With scarce VC financing, cohort-based UA financing has strong potential, providing mobile studios with an opportunity to regain growth momentum

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