#16 FEATURE BY GDEV

The Rise and Reset of Sweden's $19B Gaming Capital Machine

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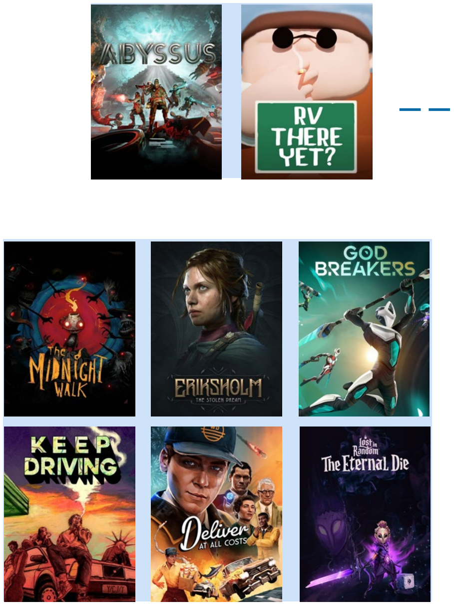
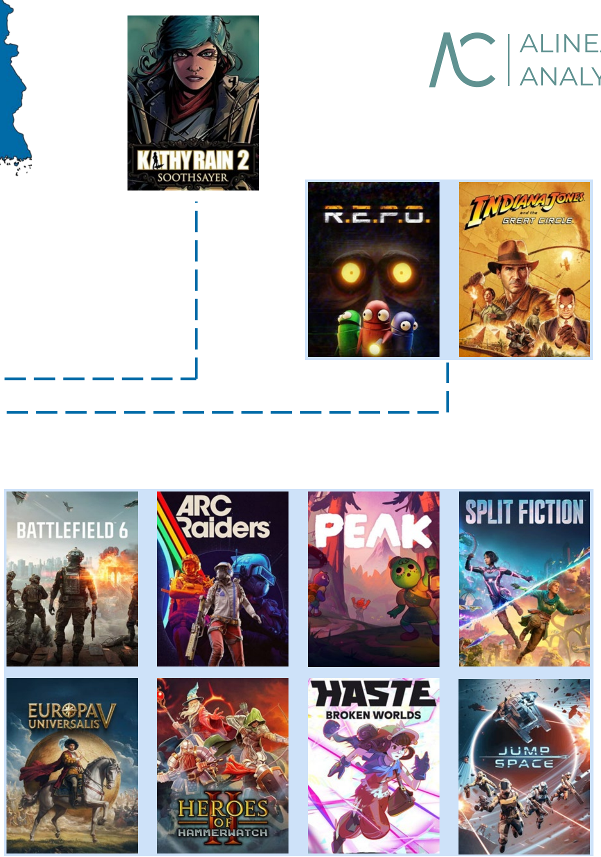
GAMES MADE IN SWEDEN 2024 - 2025

ALINEA ANALYTICS

Sweden accounts for **20%** of STEAM®
Gross Revenue in 2025.





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~$19B INVESTED in SWEDEN'S GAMING ECOSYSTEM, 2014 – 2025 YTD*

TOTAL DEAL ACTIVITY*
2014 – 2025 YTD

$19.2B
DEAL VALUE

362
OF DEALS

METHODOLOGY
- Focused on analyzing Swedish companies in gaming industry
- Included transactions from 2014 to 2025 YTD across VC, PE, Public offerings and M&A to capture the full industry capital flow

I EARLY-STAGE
Pre-seed, Seed and Series A rounds

$344M DEAL VALUE | **176** # OF DEALS

II LATE-STAGE
Series B+ and growth rounds

$467M DEAL VALUE | **22** # OF DEALS

III PUBLIC OFFERING
Listing, Fixed income & PIPE

$8.3B DEAL VALUE | **66** # OF DEALS

IV M&A
Mergers and acquisitions

$10.1B DEAL VALUE | **98** # OF DEALS

Leading Swedish Mobile Gaming Players

King, Stillfront, MTG, MAG INTERACTIVE, toca boca, Snowprint, G5 GAMES, STARBREEZE ENTERTAINMENT

Top Swedish PC & Console Gaming Companies

DICE, paradox INTERACTIVE, ARROWHEAD, embark, MASSIVE (MASSIVE ENTERTAINMENT | A UBISOFT STUDIO), EMBRACER GROUP, Avalanche Studios Group, Coffee Stain

Source: InvestGame
**As corrected to Oct .2025*

HISTORY OF SWEDISH GAMING INDUSTRY

1990-1999 — Engineering First

Demoscene and LAN culture forged an ***engineering-first Sweden DNA***.

The **1997 Home PC Reform** accelerated mass PC adoption, *embedding technical literacy nationwide* – a decade before competitors.

2000-2006 — Talent Migration

Ericsson's collapse *released thousands of elite network engineers* into gaming.

Spray's sale freed future **King** founders.

DICE's 2006 sale *seeded a founder generation* boosting gaming ecosystem.

2006-2012 — Capital Discipline

Mojang and King **scaled profitably** with *minimal or no venture capital*.

Bootstrapped success proved scale without *venture–fueled* burn.

2012-2016 — Exit Validation

King $5.9B and **Mojang $2.5B** validated *capital efficiency at scale*.

Founder-led outcomes ***recycled capital and expertise*** **back** into Sweden's gaming ecosystem.

2016-2019 — Listing Flywheel

Listings by **THQ Nordic, Stillfront,** and peers turned public markets into *growth capital*.

Public equity became ***acquisition currency***, accelerating *scale* and *portfolio expansion*.

2019-2023 — Industrial Roll-Up

Zero rates and *COVID demand* **rewarded scale over profitability**.

Embracer-led roll-ups *expanded rapidly* until macro conditions *shifted*.

2023-2025 — Efficiency Reset

Rising rates and *slowing growth* **collapsed the multiple arbitrage** model.

Embracer's 2023 reset set the sector *template*: divest assets, cut costs and restructuring portfolios.

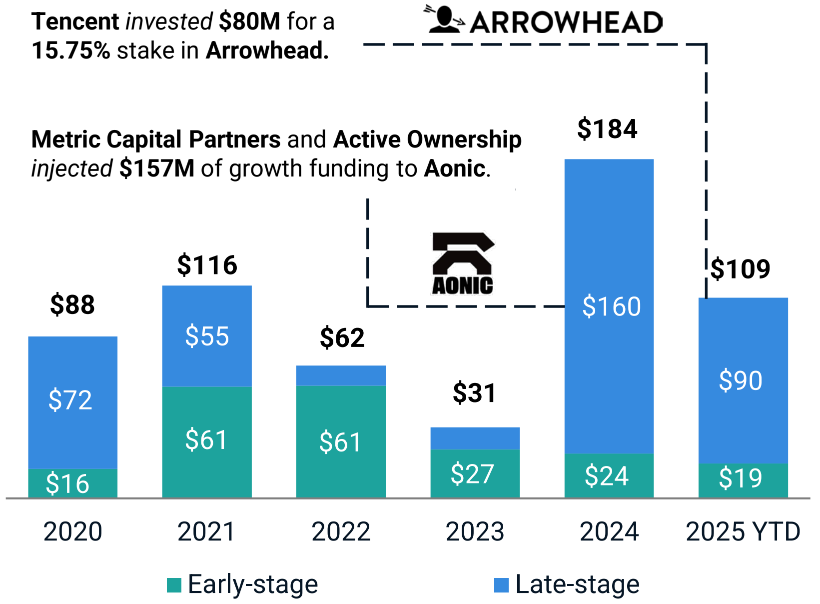
Of Sweden's ~1,100 gaming companies, 202 have participated in tracked capital transactions since 2014. Sweden accounts for roughly 20% of Steam’s 2025 gross revenue and, in the 2024–2025 release window, Swedish developers delivered five of Steam’s global top-10 bestsellers

Top Sweden - domiciled public traded companies*	paradox interactive; Embracer Group; MTG; Stillfront; Enad Global 7; Starbreeze Entertainment; Coffee Stain; G5 Games
Mobile – first Studios & Publisher	King; MAG Interactive; toca boca; Gold Town Games; Snowprint; Resolution
Independent / Creative / Private Studios	Arrowhead; Avalanche Studios Group; mindark; fatshark; Fall Damage; Goodbye Kansas Group; Beyond Frames
Esports & Competitive Gaming Platforms	ESL; NIP Group; Fragbite Group

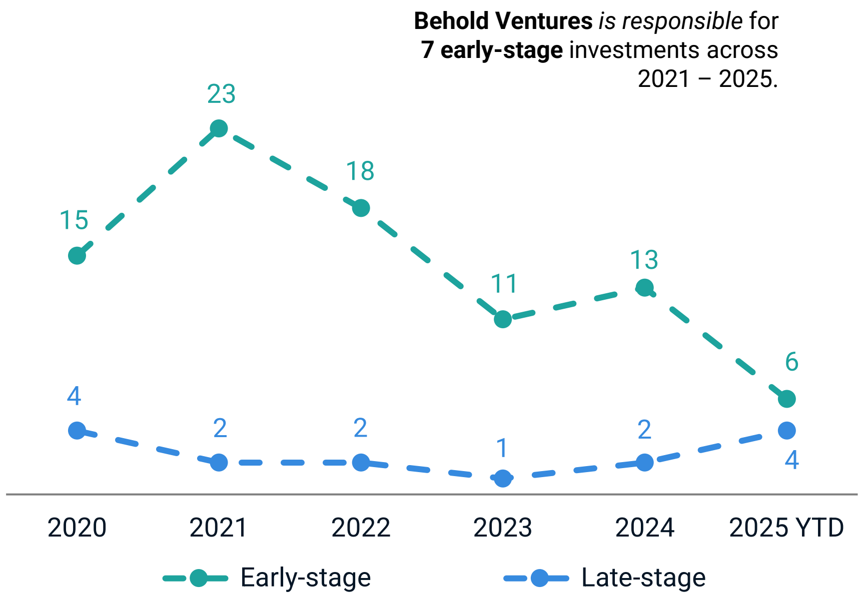
Notes: (*) Selection based on market capitalization value as recorded by December 2025 – Source: Companies Market Cap

- Private capital rebounded in 2024 after the 2022–23 pullback.
- Late-stage rounds now dominate: Aonic's $157M and Arrowhead's $80M reflect investor preference for proven studios with commercial traction.
- Early-stage deal count normalized from 2021's peak, signalling a maturing but still active pipeline.

PRIVATE CAPITAL RAISED BY ROUND CATEGORY ($M)

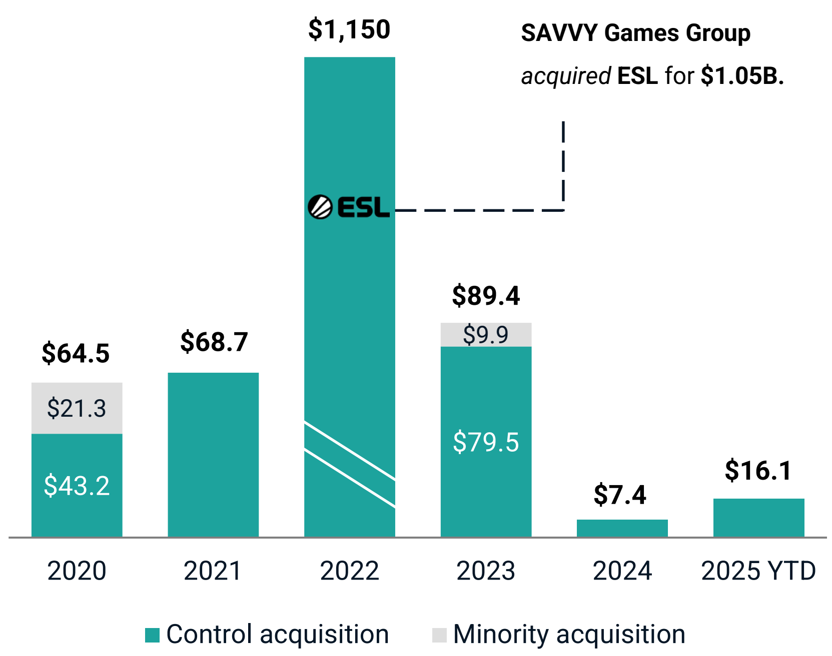


NUMBER OF INVESTMENTS BY ROUND CATEGORY

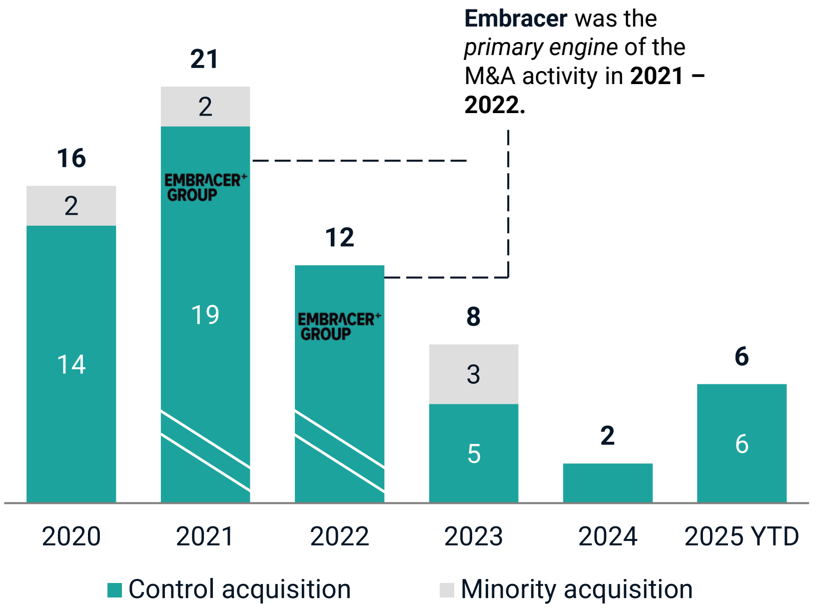


- Swedish M&A shifted from volume to selectivity after the 2021–22 boom.
- ESL's $1.05B exit to Savvy (2022) marked the cycle's peak.

VALUE OF M&A DEALS BY DEAL TYPE ($M)

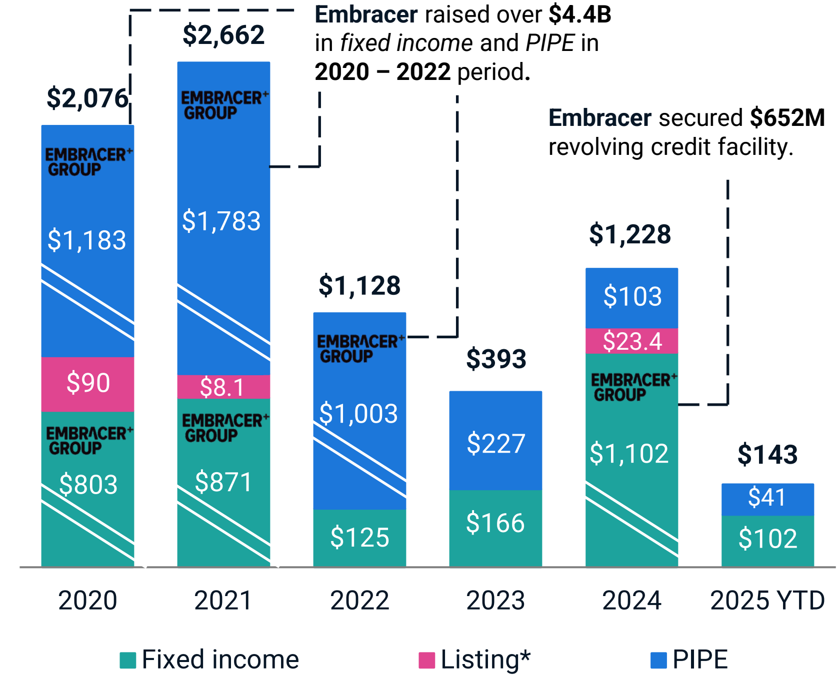


NUMBER OF M&A DEALS BY DEAL TYPE

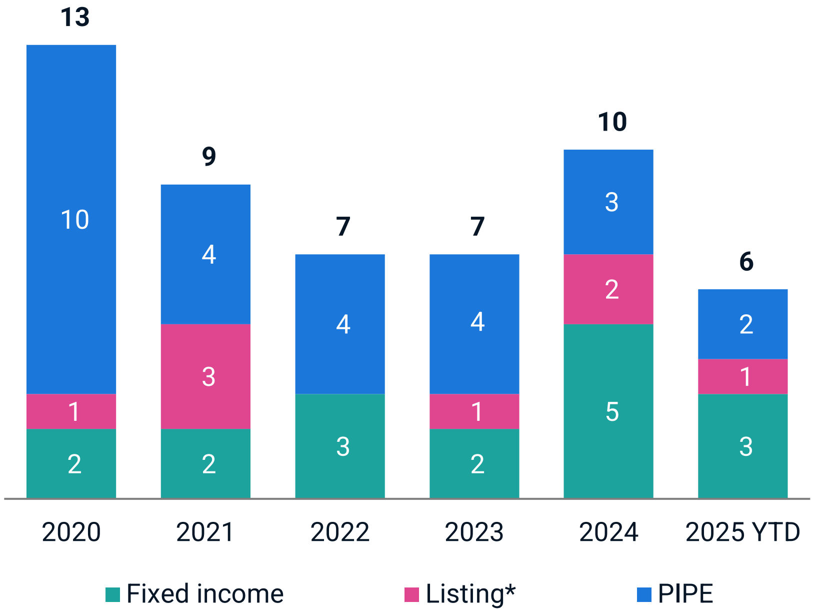


- Sweden's public gaming market shifted from equity-fueled growth (PIPE) to defensive debt financing.
- Listings went silent after 2022 - recent activity centers on Embracer's carveout strategy, with Asmodee and Coffee Stain pursuing separate listings.

PUBLIC OFFERING DEALS VALUE BY TYPE ($M)



NUMBER OF PUBLIC OFFERING DEALS BY TYPE



Notes: (*) Direct listings, IPOs/SPAC.

- Capital concentration intensified: the top 10 private rounds account for $495M+ of $811M total.
- Investors favoured proven studios - 8 of 10 largest rounds went to late-stage companies with commercial traction.

LARGEST PRIVATE INVESTMENTS ROUNDS IN SWEDISH GAMING (2014 – 2025 YTD)

DATE	TARGET	RAISED	TYPE	SUB-SEGMENT	NOTABLE INVESTORS
Dec-24	AONIC	$157M	GROWTH/EXPANSION	MULTIPLATFORM	Active Ownership; Metric Capital Partners
Jun-25	ARROWHEAD	$80M	UNDISCLOSED LATE-STAGE	PC & CONSOLE	Tencent 腾讯
Oct-20*	STRYDA	$56M	UNDISCLOSED LATE-STAGE	PC & CONSOLE	Swedbank Robur; Inbox Capital
Nov-18	embark	$41M	PRE-SEED/SEED	PC & CONSOLE	NEXON
Jan-16	STARBREEZE	$40M	UNDISCLOSED LATE-STAGE	PC & CONSOLE	Smilegate
Apr-21	GLEECHI	$30M	UNDISCLOSED LATE-STAGE	VR/AR	European Innovation Council
Jul-21	RESOLUTION	$25M	SERIES C	VR/AR	BITKRAFT; Qualcomm ventures
Mar-19*	STRYDA	$25M	UNDISCLOSED LATE-STAGE	PC & CONSOLE	Norron Asset Management; Swedbank Robur
May-16	paradox interactive	$21M	UNDISCLOSED LATE-STAGE	PC & CONSOLE	Tencent 腾讯
Apr-23	GOALS	$20M	SERIES A	PC & CONSOLE	SevenSevenSix

Notes: (*) Stryda (formerly knows as G-Loot) has declared bankrupt at the end of 2023.

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- Three deals – King ($5.9B), Mojang ($2.5B), and ESL ($1.05B) – account for 93% of Swedish gaming M&A value.
- Global acquirers pay premium prices for Sweden's proven IP and engineering talent.

LARGEST M&A TRANSACTIONS IN SWEDISH GAMING (2014 – 2025 YTD)

DATE	TARGET	ACQUIRER	UPFRONT EV	SUB-SEGMENT
Feb-16	King	Activision Blizzard	$5.9B	MOBILE
Sep-14	Mojang Studios	Microsoft	$2.5B	PC & CONSOLE
Apr-22	ESL	Savvy Games Group	$1.05B	MULTIPLATFORM/WEB
May-18	Avalanche Studios Group	Nordisk Film Egmont	$133M	PC & CONSOLE
Dec-22	Welcome to Bloxburg	Embracer Group	$100M	MULTIPLATFORM/WEB
Jul-19	embark	Nexon	$96M	PC & CONSOLE
Jan-19	fatshark	Tencent 腾讯	$56M	PC & CONSOLE
Oct-23	Snowprint	MTG	$41M	MOBILE
Nov-21	Early Morning Studio	Thunderful	$39M	MOBILE
Oct-23	Fall Damage	Fragbite Group	$38M	PC & CONSOLE

Sweden's most active gaming acquirers are driven by a strategy to consolidate talent and IP across mobile and PC & Console. Local players like Embracer lead volume to build scale, while global buyers such as Tencent target high-quality studios to deepen their content pipelines.

MOST ACTIVE M&A INVESTORS IN SWEDISH GAMING (2014 – 2025 YTD)

#	ACQUIRER	DEALS[1]	DEALS TOTAL VALUE	SELECT COMPANIES
1	Embracer Group	11	$120M	Welcome to Bloxburg, Tarsier Studios, Palindrome Interactive, Frame Break
2	Tencent 腾讯	5	$65.9M	Fatshark, 10 Chambers, Sharkmob, Stunlock Studios
3	Thunderful	5	$38.6M	Early Morning Studio, Guru Games, The Station
4	THQ Nordic	3[2]	$43.6M	Coffee Stain, 101, Pieces Interactive
5	Fragbite Group	3	$38.4M	Fall Damage, Prey Studios
6	bublar.	3	$24.9M	Goodbye Kansas, Vobling, Plotagon
7	Gold Town Games	3	$2.2M	SideLine Lab, Time Stop Interactive
8	MAG Interactive	2	$12.1M	Apprope, Feo Media
9	Starbreeze Entertainment	2	$2.3M	Enter Space
10	Activision Blizzard	1	$5.9B	King

Notes: (1): Included deals with disclosed values only – a significant number of Tencent's deals do not disclose values.
(2): Recorded deals before being a part of Embracer Group.

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Embracer, Stillfront, and MTG raised $7B combined across 23 offerings – 85% of Swedish gaming public capital. Nasdaq Stockholm emerged as the de facto exchange for European gaming consolidators.

SWEDISH GAMING COMPANIES WITH THE MOST PUBLIC OFFERINGS (2014 – 2025 YTD)

#	TARGET	TOTAL VALUE	OFFERINGS TOTAL	SE	Initial IPO/Listing Dates	TYPE	SUB-SEGMENT
1	EMBRACER GROUP	$5.3B	10	Nasdaq Stockholm	22/12/2022	LISTING & PIPE & FIXED INCOME	MULTIPLATFORM/WEB
2	Stillfront	$1.5B	11	Nasdaq Stockholm	26/05/2021	LISTING & PIPE & FIXED INCOME	MOBILE
3	MTG	$222M	2	Nasdaq Stockholm	17/10/1997	LISTING & PIPE & FIXED INCOME	MOBILE
4	Thunderful	$152M	2	Nasdaq First North Premier Growth Market	07/12/2020	LISTING & FIXED INCOME	MULTIPLATFORM/WEB
5	AONIC	$142M	2	N/A[1]	N/A	FIXED INCOME	MULTIPLATFORM/WEB
6	STARBREEZE ENTERTAINMENT	$110M	5	Nasdaq Stockholm	02/10/2017	LISTING & PIPE	PC & CONSOLE
7	ENAD GLOBAL 7	$93M	3	Nasdaq Stockholm	17/06/2024	LISTING & PIPE & FIXED INCOME	MULTIPLATFORM/WEB
8	paradox INTERACTIVE	$65M	1	Nasdaq First North Premier Growth Market	31/05/2016	LISTING	PC & CONSOLE
9	NIP GROUP	$60M	2	Nasdaq Stock Market	26/07/2024	LISTING & PIPE	MULTIPLATFORM/WEB
10	THQ NORDIC	$25M	1	Nasdaq First North Stockholm[2]	22/11/2016	LISTING	MULTIPLATFORM/WEB

Notes: (1): Raised through bond issues – Aonic is still private.
(2): THQ Nordic is now part of Embracer.

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