



GLOBAL GAMING REPORT Q3 2022

LOS ANGELES | SAN FRANCISCO | NEW YORK | LONDON |
PARIS | MUNICH | BERLIN | DUBAI | SINGAPORE



PROVEN TRACK RECORD IN GAMING M&A AND GROWTH FINANCING ADVISORY

GAMING DEAL TEAM



MICHAEL METZGER

PARTNER | LOS ANGELES

+1 310 696 4011
michael.metzger@drakestar.com



MOHIT PAREEK

PRINCIPAL | LOS ANGELES

+ 1 310 696 4006
mohit.pareek@drakestar.com

 spiketrap SALE TO reddit Gaming Audience AI / Analytics 	 WILDWORKS SALE TO Nazara Video Games Developer 	 CINDER PRIVATE PLACEMENT animoca BRANDS Blockchain Gaming 	 FIREFLY STUDIOS SALE TO DEVOLVER DIGITAL PC / Mobile Games 	 LIGHTSTREAM SALE TO CS THE VITEC GROUP Gaming & Content Cloud Livestreaming 	 ECHTRA SALE TO zynga AAA Games
 CODEMASTERS HAS ACQUIRED SLIGHTLYMAD STUDIOS AAA Game Developer 	 FreshPlanet SONGPOP SALE TO GAMELOFT A subsidiary of vivendi Mobile Games 	 elgato GAGING SALE TO CORSAIR Video Game / Content Streaming 	 BLAST SALE TO VEKSTFONDEN CREANDUM MAKI.VC HERC RTC DRE Esports 	 animoca BRANDS SHARE SALE UNDISCLOSED INVESTORS Blockchain Gaming 	 HEARST corporation SALE TO UGO SALE TO IGN Game Review and Advertising
 nWay Power Rangers SALE TO animoca BRANDS Mobile / Console Games 	 JUMPSTART SALE TO ND Mobile Gaming 	 OUYA SALE TO RAZER Gaming Console 	 WGT MEDIA SALE TO TOPGOLF Mobile / Online Gaming 	 aeria GAMES HAS MERGED WITH Gamepot SONY Mobile / Online Gaming 	 chillingo SALE TO EA Mobile Game Publisher

Note: Some transactions executed by current Drake Star Partners employees while employed at other firms

RECORD DEAL ACTIVITY IN GAMING AND ESPORTS!

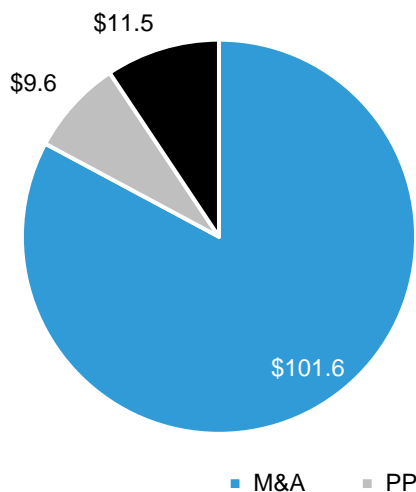
\$123B

Disclosed value for announced and/or closed deals

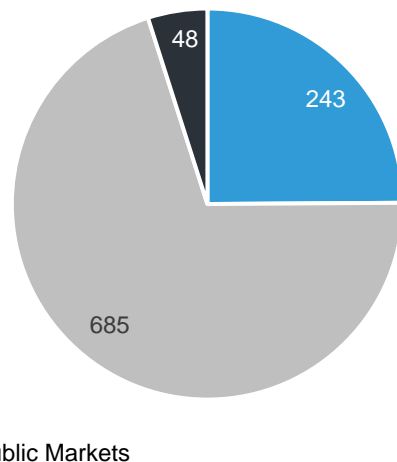
976

Deals announced and/or closed

YTD Deal Value (\$B)



YTD Deal Count



2022 YTD September Summary

- 2022 has been a mixed year with some of the largest M&A deals ever in Q1'22 followed by a notable slow-down in Q2'22 due to global macroeconomic challenges. While many gaming stocks traded at record low levels, deal activity picked up some steam in Q3 with a significant increase in M&A and financing volume.
- For the first 9 months of the year, total disclosed deal value was \$123B through 976 announced and/or closed transactions. 954 deals were announced with a \$115B in disclosed total deal value during this period.
- \$102B in announced and/or closed M&A activity across mobile, PC / console and esports including the largest ever gaming acquisition of Activision by Microsoft. Embracer remained the most active consolidator in the industry. PC / console and mobile went head-to-head with 68 and 64 transactions, respectively.
- \$9.6B has been raised through 685 financing rounds for private companies including 15 large \$100M+ raises. The most active VCs included Bitkraft, a16z, Galaxy Interactive and Griffin Gaming.
- More than \$3.4B was raised by blockchain / NFT gaming companies with almost half of total amount raised by early-stage companies.

Q3 2022 Summary

- Q3 saw a significant increase in M&A volume to 81 announced deals, up from 70 deals in Q2'22. Unity's announced \$4.4B acquisition of ironSource was the largest deal in the quarter. While the majority of the deal values were undisclosed, many of the top buyers were active including Embracer with 8 deals (Middle-Earth Enterprises, Tripwire, etc.), NetEase (Quantic Dream), Sony (Savage Games, Repeat.gg), Zynga (Storemaven), and Scopely (Stumble Guys).
- Private financings also increased in Q3 to 216 deals, up from 169 financings last quarter. A total of \$2.3B was raised, including large financings for FromSoftware (\$260M from Tencent and Sony), Loot Mogul (\$200M), Limit Break (\$200M) and Animoca (\$185M).
- While the Crypto market continued to be under pressure, investors continued to show strong interest in blockchain gaming companies. Half of the total amount raised and 40% of all financing rounds for private gaming companies were investments in blockchain gaming.
- In public markets, Faze Clan (\$750M valuation) went public through a SPAC while Valofe (\$3.5B valuation) and Asia Innovations Group (\$2.5B valuation) announced new SPAC deals. Technicolor Creative Studios spun off to focus on VFX and games, now listed on the Paris stock exchange at \$1B valuation.

Note: Public Markets include IPOs, SPACs, and Public Financings
Source: CapIQ, Pitchbook & DSP Research

GAMING KEY HEADLINES: Q3 2022

M&A



- In one of the largest deals this quarter, Unity announced its acquisition of ironSource in an all-stock deal for [\\$4.4B](#).
- Embracer Group was the most active buyer with 8 acquisitions totaling over [\\$765M](#). Embracer acquired The Lord of the Rings video games rights owner Middle-earth Enterprises, as well as Tripwire Interactive, Tuxedo Labs, Tatsu, Bitwave Games, Limited Run Games and Singtrix.
- NetEase acquired [Quantic Dream](#), the maker of games like Detroit: Become Human, Beyond: Two Souls and Heavy Rain.
- Aleksander Chachava, Managing Partner of Leta Capital, acquired gaming developer and publisher MY.GAMES for [\\$642M](#).
- Sony acquired [Savage Game Studios](#), PlayStation mobile's first acquisition, and [Repeat.gg](#), an esports tournament platform.
- Chess.com acquired Play Magnus Group, a chess-related e-learning and eSports platform, for [\\$83M](#)
- Scopely, known for Star Trek: Fleet Command mobile game, acquired battle royale title [Stumble Guys](#) from Kitka Games.



Fundraising



- FromSoftware, developer of games like Dark Souls and Bloodborne, raised [\\$260M](#) from Sony and Tencent.
- LootMogul raised [\\$200M](#) from Gem Global Yield to build sports metaverse platform.
- Limit Break raised [\\$200M](#) in a round led by Buckley Ventures, Standard Crypto and Paradigm Ventures.
- Animoca brands raised [\\$185M](#) across two rounds led by True Global, Temasek, Boyu Capital, GGV Capital and others.
- Wolf3D aka Ready Player Me raised [\\$56M](#) in Series B round led by Andreessen Horowitz.
- Lithosphere (LITHO) GameFi Project Jot Art raises [\\$55M](#) round led by KaJ Labs, ACP & Psalms Capital.
- Theorycraft Games raised [\\$50M](#) in Series B round led by Makers Fund, NEA and Andreessen Horowitz.
- Inworld AI raised [\\$50M](#) in Series A round led by Intel Capital and Section 32.



Public Markets



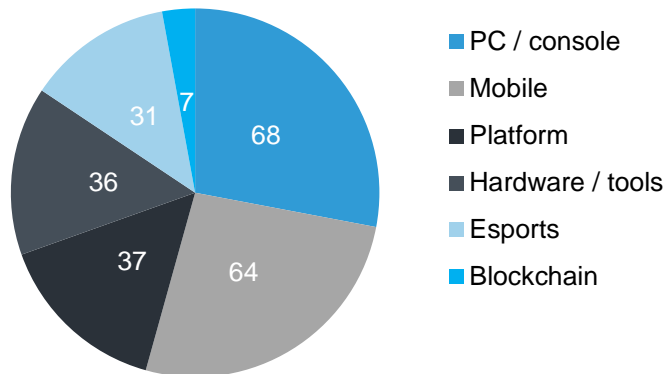
- Korea based Valofe announced to go public via a SPAC deal with Kyobo 9 at a [\\$3.5B](#) valuation.
- Singapore based Asia Innovations Group announced to go public via a SPAC deal with Magnum Opus Acquisitions Limited at a [\\$2.5B](#) valuation.
- Technicolor Creative Studios spun off to focus on VFX and games, now listed on the Paris stock exchange [\\$1B](#).
- Faze Clan went public through a SPAC merger deal with B. Riley Principal 150 Merger Corp. at a valuation of [\\$725M](#).
- Tencent acquired 49.9% stake in Guillemot Brothers Limited (5% voting rights), Ubisoft's largest shareholder for [\\$297M](#).



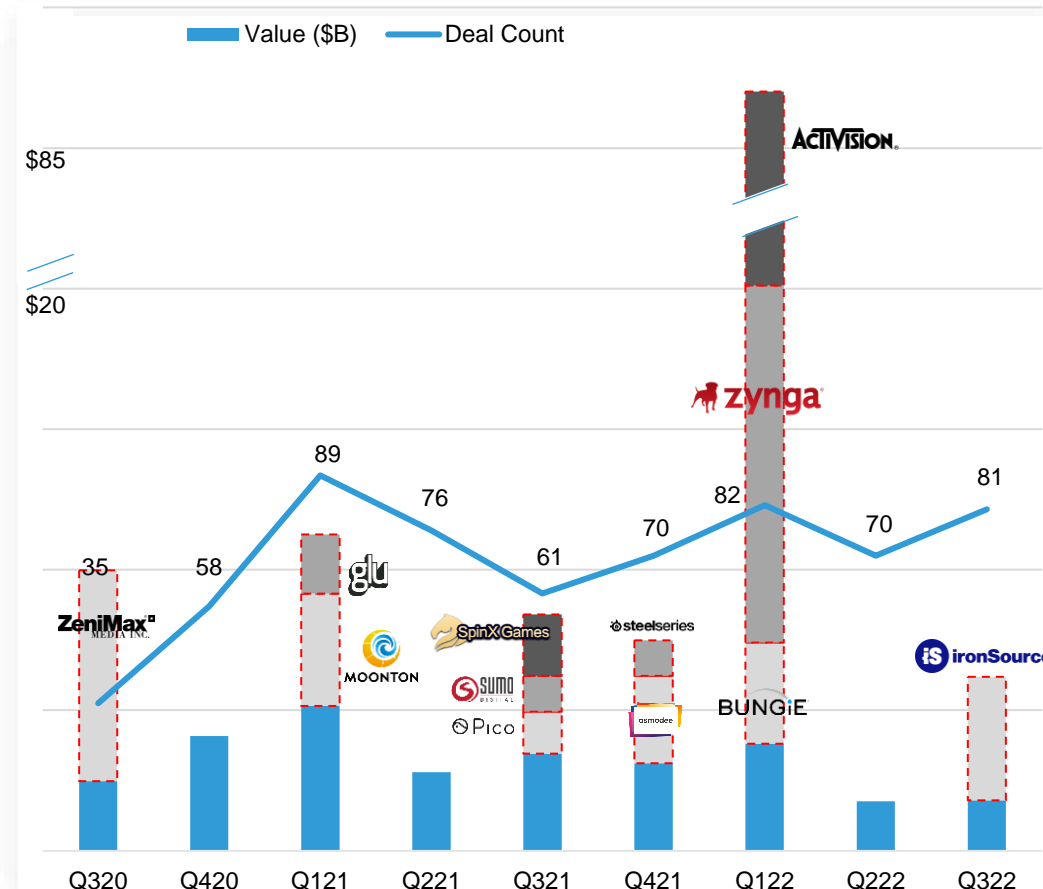
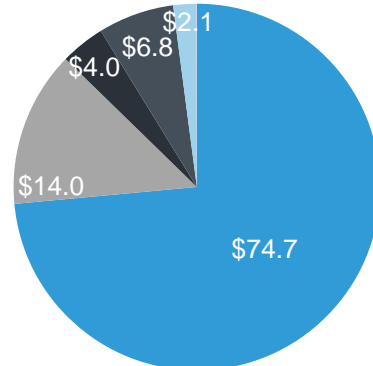
GAMING M&A TRANSACTIONS & VALUATIONS

243 DEALS ANNOUNCED/CLOSED AND \$101.6B IN DISCLOSED DEAL ACTIVITY YTD SEPTEMBER 2022

OF DEALS BY SEGMENT
YTD SEP 2022



DEAL VALUE (\$B) BY SEGMENT
YTD SEP 2022



Note: Deal value not to scale; Bar chart shows announced deals only

M&A DEAL VALUATION / MULTIPLES

Oct 2021 – Sep 2022

All Segments

# of Announced and or Closed Deals / # of Disclosed Deals	310 / 99
Disclosed Deal Value (\$B)	\$105.2
Revenue Multiple (Median)	
Total Value (27 deals with reported revenue) ⁽¹⁾	3.2x
At Close (21 deals with reported revenue) ⁽²⁾	2.4x
EBITDA Multiple (Median)	
Total Value (17 deals with reported EBITDA) ⁽¹⁾	13.7x
At Close (12 deals with reported EBITDA) ⁽²⁾	7.0x

(1) Multiples calculated including earn-outs, wherever disclosed

(2) Multiples calculated using only closing consideration for private transactions (excluding earn-out wherever disclosed)

Note: Quarterly chart based on date of deal announcement, pie charts based on all announced and/or closed deals H1 2022

GAMING M&A TRANSACTIONS: JANUARY - SEPTEMBER 2022

TOP 15 ANNOUNCED DEALS

TARGET	ACQUIRER	SEGMENT	DATE	DEAL SIZE (\$M)	UPFRONT (CASH + EQUITY)	EARNOUT	TOTAL LTM REV MULTIPLE ⁽¹⁾	AT CLOSE LTM REV MULTIPLE ⁽²⁾	TOTAL LTM EBITDA MULTIPLE ⁽¹⁾	AT CLOSE LTM EBITDA MULTIPLE ⁽²⁾	TARGET COUNTRY
ACTIVISION	Microsoft	PC / Console	Jan-22	\$68,987.1	\$68,987.1	-	7.8x	-	19.4x	-	
zynga	T2	Mobile	Jan-22	\$12,695.7	\$12,695.7	-	4.5x	-	25.2x	-	
ironSource	unity	Hardware / tools	Jul-22	\$4,400.0	\$4,400.0	-	6.0x	-	15.0x	-	
BUNGIE	SONY	PC / Console	Jan-22	\$3,600.0	\$2,400.0	\$1,200.0	-	-	-	-	
ESL	SAVVY GAMING GROUP	Esports	Jan-22	\$1,050.0	\$1,050.0	-	7.3x	7.3x	-	-	
44 Studios	EMBRACER GROUP	PC / Console	Aug-22	\$765.0 [^]	\$439.0	\$326.0	4.6x	2.6x	10.9x	6.3x	
MY.GAMES	LETO CAPITAL	PC / Console	Sep-22	\$642.0	\$642.0	-	-	-	-	-	
Rekt GLOBAL	INFINITE REALITY	Esports	Apr-22	\$470.0	\$470.0	-	-	-	-	-	
BLACK SHARK	Tencent	Hardware / tools	Jan-22	\$470.0	\$470.0	-	-	-	-	-	
FACEIT	SAVVY GAMING GROUP	Esports	Jan-22	\$450.0	\$450.0	-	-	-	-	-	
6waves	STILLFRONT GROUP	Mobile	Jan-22	\$300.6	\$200.6	\$100.0	3.5x*	2.4x*	10.9x*	7.2x*	
alictus	SciPlay	Mobile	Mar-22	\$300.0	\$100.0	\$200.0	-	-	-	-	
EIDOS MONTREAL	EMBRACER GROUP	PC / Console	May-22	\$300.0	\$300.0	-	-	-	-	-	
admix	LANDVAULT	Platform	Jun-22	\$300.0 [^]	\$300.0	-	-	-	-	-	
AXES IN MOTION	Media and Games Invest plc	Mobile	Apr-22	\$173.6	\$52.6	\$126.6	20.9x	6.3x	33.0x	10.0x	

(1) Multiples calculated including earn-outs, wherever disclosed

(2) Multiples calculated using only closing consideration for private transactions (excluding earn-out wherever disclosed)

[^]Q3 2021 LTM Financials

[^] Consolidated deal value and multiples (based on Apr 2022 – Mar 2023 financials) for the 6 companies acquired

[^] Combined valuation of \$300M for Admix and LandVault

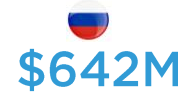
Note: Drake Star did not act as financial advisor on transactions listed on this page

GAMING M&A TRANSACTIONS Q3 2022

81 ANNOUNCED DEALS (MAJORITY UNDISCLOSED) AND \$6.2B IN DISCLOSED DEALS



- Unity Software Inc. has announced the acquisition of ironSource Ltd., a platform that allows mobile content creators to monetize their apps, for \$4.4B.
- The acquisition would allow creators to streamline every step from the game creation to promoting its growth and monetization.
- The combined company is expected to generate a \$1B run-rate in Adjusted EBITDA by the end of 2024.



- Aleksander Chachava, Managing Partner of Leta Capital, has acquired MY.GAMES from VK for \$642M.
- MY.GAMES develops and publishes games for PC, console and mobile devices. It has over 150 titles such as War Robots, Warface, Left to Survive, et cetera in its portfolio.



- Embracer Group acquired Middle-Earth Enterprises, Limited Run Games, Tuxedo Labs, Tripwire Interactive, Singtrix and an unnamed target for \$765M expanding their IPs and franchises including The Lord of the Rings. The transactions are expected to generate \$171M-\$199M in sales and \$52M - \$71M in EBITDA.
- The group also purchased Tatsujin and Bitwave Games in separate transactions.



- Sony acquired the Finland based game developer Savage Gaming Studios, a company that focuses on shooter-based games and cooperative player-versus-environment experiences, for an undisclosed amount.
- The acquisition will add Savage Game Studios to PlayStation Studios and allow the company to focus on creating games based on new and existing PlayStation IP.



- NetEase acquired Quantic Dream, the maker of narrative games such as Detroit: Become Human, Beyond: Two Souls and Heavy Rain, for an undisclosed amount.
- The acquisition is NetEase's first acquisition of a European studio and considered an important step towards fulfilling their vision of becoming a global player. NetEase was a minority investor in Quantic Dreams.



- Scopely, known for Star Trek: Fleet Command mobile game, announced its acquisition of battle royale title Stumble Guys from Kitka Games.
- Stumble Guys is a multiplayer knockout party game with over 20 million daily active players. Scopely aims to extend the company's reach into new games, demographics and markets with the acquisition.

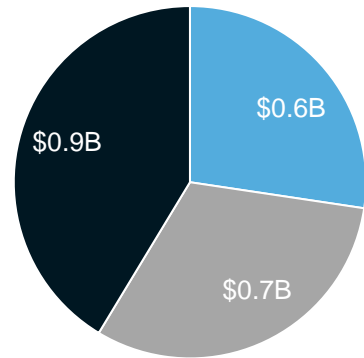
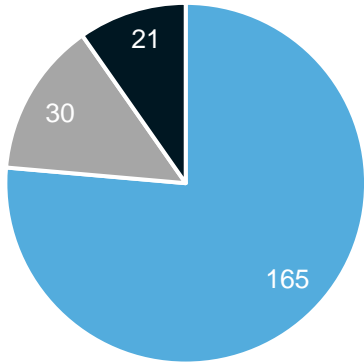
Source: CapIQ, Pitchbook & DSP Research

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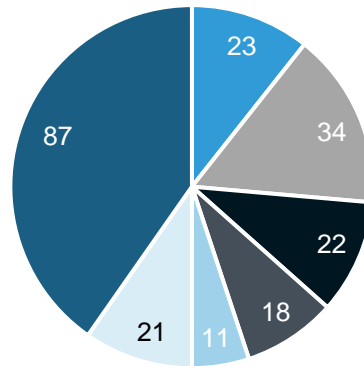
GAMING PRIVATE PLACEMENTS Q3 2022

216 DEALS AND \$2.3B IN DISCLOSED PRIVATE PLACEMENTS

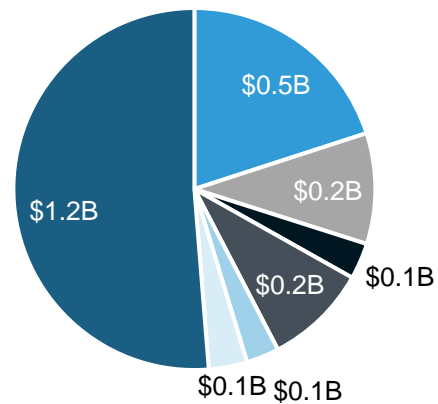
Q3 2022: 216 Deals Q3 2022: \$2.3B Raised



of Deals by Segment



Deal Value By Segment



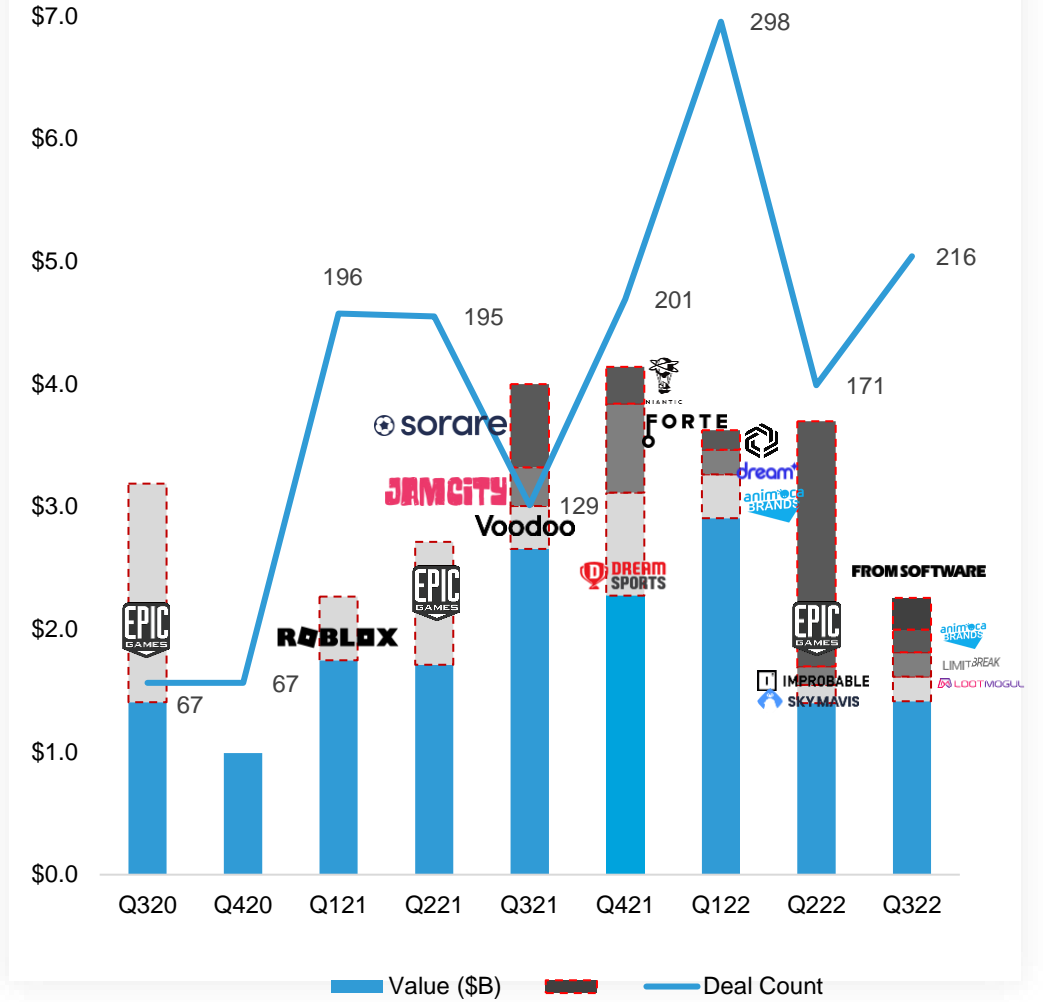
■ PC / console ■ Mobile ■ Platform ■ Hardware / tools ■ Esports ■ VR / AR ■ Blockchain

Source: CapIQ, Pitchbook & DSP Research

Note: Drake Star did not act as financial advisor on transactions listed on this page
















Private Placements (\$B): By Quarter



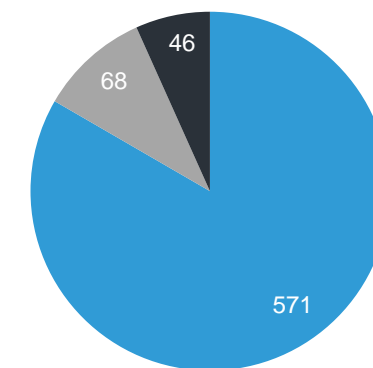
GAMING PRIVATE PLACEMENTS: YTD SEPTEMBER 2022

TOP 15 PRIVATE PLACEMENTS

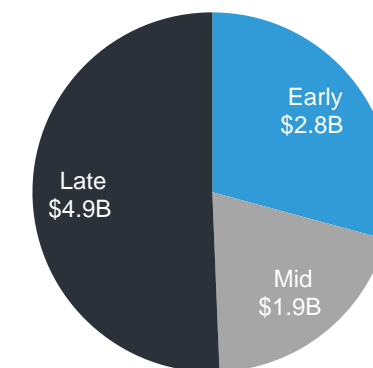
TARGET	SEGMENT	DATE	DEAL VALUE (\$M)	VALUATION (\$M)	SELECT INVESTORS	TARGET COUNTRY
	Platform	Apr-22	\$2,000.0	\$31,500.0	Sony, KIRKBI	
FROM SOFTWARE	PC / console	Aug-22	\$260.0	\$857.0	Sony, Tencent	
	Mobile	Jan-22	\$255.0	\$2,750.0	Index Ventures, Makers Fund, Balderton Capital	
	PC / console	Mar-22	\$160.0	-	TPG, Sequoia Capital	
	VR / AR	Apr-22	\$150.0	\$1,000.0	Andreessen Horowitz, Softbank	
	PC / console	Mar-22	\$125.8	\$395.0	Galaxy Interactive, Alignment Growth, Raptor Group	
	Mobile	Feb-22	\$116.0	\$1,400.0	20VC, Lightspeed Venture, Access Industries	
	Mobile	Jan-22	\$102.0	\$600.0	Nepean Capital, AJ Capital, Matrix Partners	
	Hardware / tools	Jan-22	\$100.0	-	Sequoia Capital, 5Y Capital, Gaorong Capital	
	Mobile	Feb-22	\$83.0	\$829.8	Neptune, Netmarble, NetEase, Kakao Games	
	Mobile	Mar-22	\$76.0	-	Hiro Capital, Accel, Makers Fund	
	Mobile	Mar-22	\$75.0	\$2,500.0	Malabar Investment, Tiger Global Management	
	eSports	Mar-22	\$75.0	-	Thrive Capital, Tiger Global Management	
	Hardware / tools	May-22	\$60.0	-	Softbank, Sony Interactive Entertainment, Galaxy Interactive, NetEase	

■ Early ■ Mid ■ Late

YTD 2022: 685 Deals



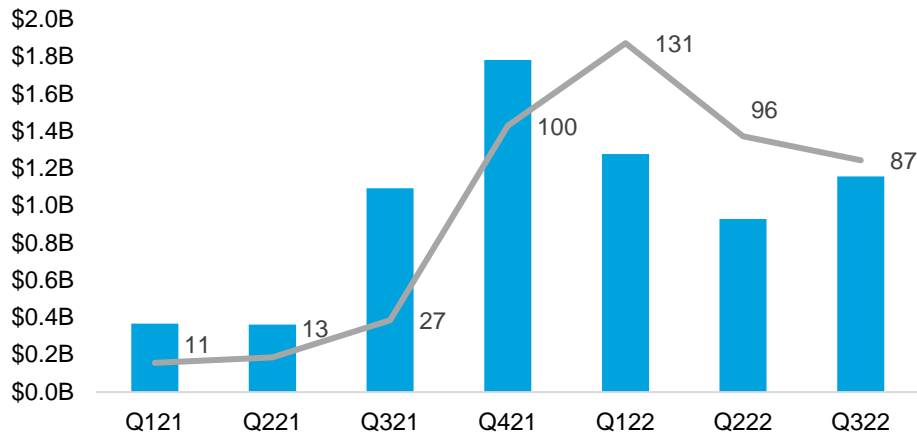
YTD 2022: \$9.6B Raised



GAMING NFT / BLOCKCHAIN PRIVATE PLACEMENTS

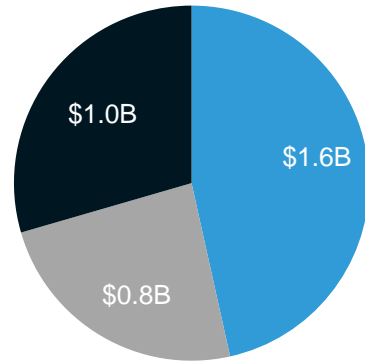
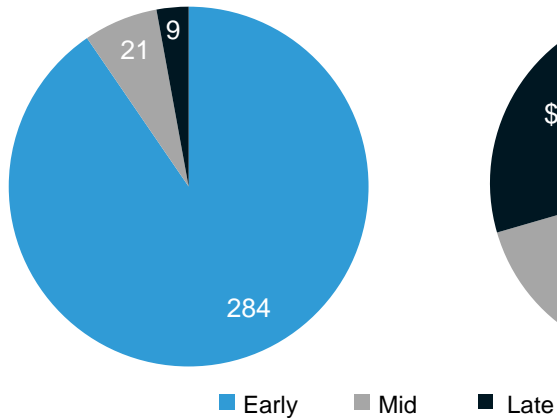
\$3.4B RAISED YTD SEPTEMBER 2022

Gaming NFT / Blockchain Private Placements (\$B)



YTD 2022: 314 Deals

YTD 2022: \$3.4B Raised



TARGET	SEGMENT	DATE	DEAL VALUE (\$M)	SELECT INVESTORS	VALUATION (\$M)	TARGET COUNTRY
animoca BRANDS	Games	Jan-22	\$358.9	Liberty City, Sequoia, Mirae Investment	\$5,358.9	
IMMUTABLE	Protocol	Mar-22	\$200.0	Temasek, Tencent, Animoca	\$2,500.0	
LOOTMOGUL	Games	Sep-22	\$200.0	Gem Global Yield	-	
LIMITBREAK	Platform	Sep-22	\$200.0	Buckley Ventures, Standard Crypto, Paradigm	\$1,800.0	
animoca BRANDS	Games	Jul/Sep-22	\$185.3	10T Holdings, Temasek, Boyu Capital, GGV Capital	\$6,000.0	
SKYMAVIS AXIE INFINITY	Games	Apr-22	\$150.0	Binance, Andreessen Horowitz, Paradigm, Accel	-	
EVERYREALM	NFTs, Games	Feb-22	\$60.0	Andreessen Horowitz, Griffin, Lightspeed	\$195.0	
Jot Star	Platform	Sep-22	\$55.0	Kaj Labs, ACP, Psalms Capital	-	
PROOF	NFTs	Aug-22	\$50.0	Andreessen Horowitz, 776, Flamingo DAO, SV Angel	-	
VeeFriends	NFTs	Jul-22	\$50.0	Andreessen Horowitz	-	
GONZILLA	Games	Aug-22	\$46.0	Republic Capital, Animoca, Shima Capital, Griffin	-	
PLAYFUL STUDIOS	Games	Jun-22	\$46.0	Paradigm, Griffin Gaming Partners, Sabrina Hahn	-	
NETWORK STUDIOS	Games	May-22	\$46.0	Griffin Gaming Partners, Galaxy Interactive	\$70.0	
xterio	Games	Aug-22	\$40.0	FTX, FunPlus, Makers Fund, Animoca	-	
Irreverent Labs	Games	May-22	\$40.0	Andreessen Horowitz, Solana Ventures, Advancit	\$175.0	
NEW SIN CITY	Games	Jan-22	\$40.0	Metrix Capital, ZBS Capital, Oddiyana Ventures	-	

GAMING PRIVATE PLACEMENTS Q3 2022

216 DEALS AND \$2.3B IN DISCLOSED PRIVATE PLACEMENTS

FROM SOFTWARE



\$260M Raised

- Investors – Sony, Tencent
- The funding will be used across two main areas: to expand its global presence and become a larger publisher; to improve game development capabilities by taking for assertive position towards investments into in-house production



\$200M Raised

- Investors – Gem Global Yield
- The new funding will be used to support company's plans to build "athlete-led sports metaverse" in which fans can play games, collect NFTs and interact with virtual stadiums and other virtual properties

LIMITBREAK



\$200M Raised
at \$1.8B Valuation

- Investors – Buckley Ventures, Standard Crypto, Paradigm, Coinbase Ventures, FTX, Positive Sum, Anthos Capital, SV Angel, Shervin Pishevar
- Company brings Web3 components into "free-to-play" ecosystem, creating "free-to-own" ecosystem. It allows users mint NFTs without paying a fee. Funding will be used towards the development of studio's first game



\$185.3M Raised
at \$6B Valuation

- Investors – True Global Ventures, Temasek Holdings, Boyu Capital, GGV Capital, 10T Holdings, Liberty City Ventures
- The funding will be to fund strategic acquisitions, and product development, secure licenses for popular intellectual properties, and advance the open metaverse



\$56M Raised

- Investors – Andreessen Horowitz, Konvoy Ventures, Hartbeat Ventures
- The funding will be used across three main areas: to continue hiring; to expand the platform with more developer tools, including those for monetization and to build more services for creators; to improve cross-environmental capabilities



\$55M Raised

- Investors – KaJ Labs, ACP, Psalms Capital
- The funding will be used to aid in launching the cross-chain metaverse for the Jot Art play-to-earn "Finesse" game, which has two chapters "Shadow Warriors" and "The Kingdom"

Source: CapIQ, Pitchbook & DSP Research

Note: Drake Star did not act as financial advisor on transactions listed on this page

GAMING LEAGUE TABLES: ANNOUNCED DEALS

TOP 10 FINANCIAL GAMING INVESTORS YTD SEPTEMBER 2022

VC LEAGUE TABLE - EARLY TO LATE

VC	DEALS	SELECT INVESTMENTS	STAGE	LOCATION
BITKRAFT	33	LIGHTFORGE GAMES inworld ggwp	Seed to Late	
andreesen.horowitz	23	THE CRAFT WOLF3D PROOF	Early to Late	
GRIFFIN GAMING PARTNERS	21	SPYKE UNRAID NETWORK STUDIOS	Seed to Late	
GALAXY INTERACTIVE	20	MetaverseGo! GADSMG	Early to Late	
MAKERS FUND	17	ANCIENT8 RAMEN VR ALTA	Seed to Late	
SEQUOIA	11	FanClash thatgamecompany animoca BRANDS	Seed to Late	
vgames	11	DORIAN CANDIVORE WHALEAPP	Seed to Late	
Lightspeed	10	tripledot ZIGAZO ONE MORE CRIME	Early to Late	
Dragonfly Capital	10	EVERYREALM METATHEORY ETHLAS	Seed to Late	
HIRO CAPITAL	8	FRVR INCREDIBUILD AXIOMATIC	Seed to Late	

Source: CapIQ, Pitchbook & DSP Research












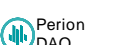



































VC LEAGUE TABLE - SEED FOCUSED

VC	DEALS	SELECT INVESTMENTS	STAGE	LOCATION
SHIMA CAPITAL	37	NYAN COMMUNITY GAMING CNET	Seed to Early	
PLAY VENTURES	29	SOCIAL FIRST AYARA GAMES cypher	Seed to Early	
INFINITY VENTURES CRYPTO	26	EUDOMIA C2X mirrorworld	Seed to Early	
SPARTAN	23	Digital Entertainment Asset Pte.Ltd. APERION SOLCHICKS	Seed to Early	
Sfermion	16	atmos lab METATHEORY BREEDERDAO	Seed	
LD CAPITAL	16	POLEMOS METADERBY mirrorworld	Seed to Early	
SOLANA VENTURES	15	Irreverent Labs WILD GUILD SKATE X	Seed	
NGC ventures	15	EVERYREALM CHIBI CLASH mixmob	Seed to Early	
MORNINGSTAR VENTURES	14	CROSS THE ACES ETHLAS APERION	Seed to Early	
DOUBLE PEAK	13	ajuna network BREEDERDAO	Seed to Early	


















NFT / BLOCKCHAIN GAMING LEAGUE TABLES

TOP 10 INVESTORS YTD SEPTEMBER 2022

INVESTOR LEAGUE TABLE

INVESTOR	DEALS	SELECT INVESTMENTS	FOCUS	LOCATION
	61	  	Seed to Late	
SHIMA CAPITAL	34	  	Seed to Early	
 ALAMEDA RESEARCH	30	 	Seed to Early	
	25	  	Seed to Early	
	25	  	Seed to Early	
	25	  	Seed to Early	
	21	  	Seed to Early	
LD CAPITAL	15	  	Seed to Early	
	14	  	Seed to Early	
	13	  	Seed to Early	

2022 ANNOUNCED BLOCKCHAIN / GAMING / NFT FUNDS

FUND	FUND AMOUNT (\$M)	DATE	FOCUS	LOCATION
ANDREESSEN HOROWITZ	\$4,500	May-22	Crypto, Web3	
	\$2,500	Jan-22	Gaming, DeFi	
	\$750	Mar-22	Gaming	
ANDREESSEN HOROWITZ	\$600	May-22	Gaming	
	\$500	Jun-22	Blockchain/Web3	
	\$500	Mar-22	Gaming, Media	
	\$500	Jun-22	Gaming, NFT	
 variant	\$450	Aug-22	Web3, DeFi	
Multicoin Capital	\$430	Jul-22	Crypto	
 HIRO CAPITAL	\$340	Feb-22	Gaming	

GAMING LEAGUE TABLES: ANNOUNCED DEALS

TOP 10 STRATEGIC BUYERS YTD SEPTEMBER 2022

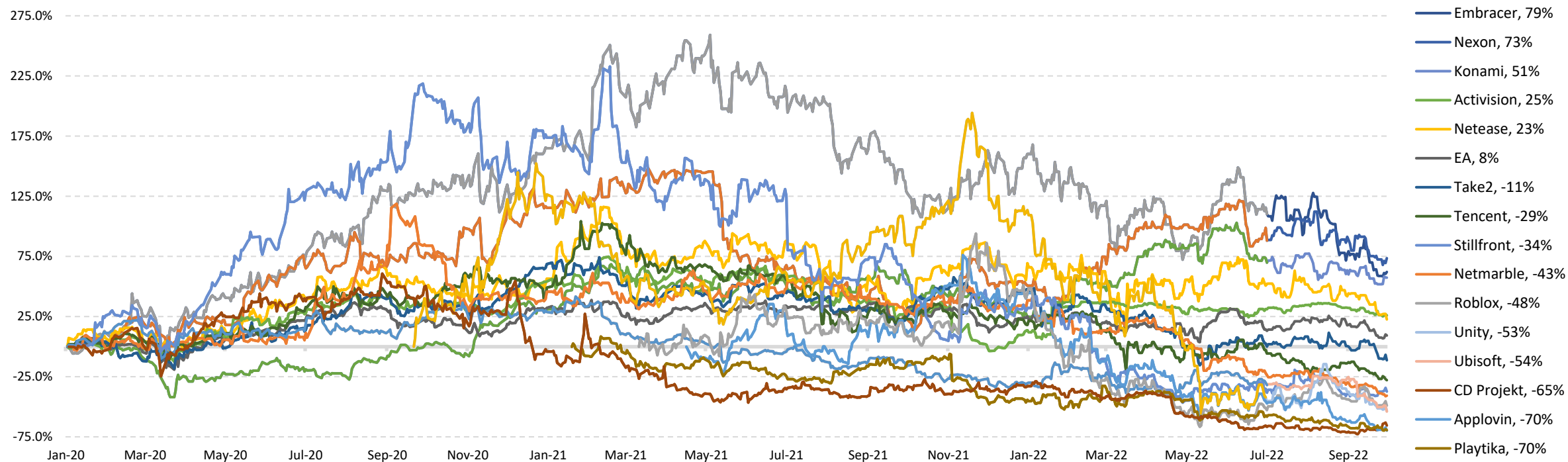
BUYERS LEAGUE TABLE			
COMPANY	DISCLOSED DEAL VALUE (\$M)	# OF DEALS	SELECT DEALS
EMBRACER+ GROUP	\$1,065.9	14	  
Tencent	\$530.0	7	  
animoca BRANDS	\$54.2	5	  
SONY	\$3,600.0	4	  
 Microsoft	\$68,987.1	3	  
 T2	\$12,695.7	3	  
team17	\$215.5	3	  
nexters	\$143.0	3	  
 Niantic	-	3	  
 Savvy Gaming Group	\$1,500.0	2	 

Source: CapIQ, Pitchbook & DSP Research
 Note: Deal value only includes publicly disclosed transaction values
 Drake Star did not act as financial advisor on transactions listed on this page



GAMING PUBLIC MARKETS

STOCK PERFORMANCE



Gaming IPOs/SPACs: Q3 2022

Company	Announced	Closed	Segment	Exchange	Amount Raised (\$M)	Listing Valuation (\$M)	EV/Rev at Listing	Current M-Cap (\$M)	Listing Day Return	Return Since Listing
VALOFE	Jul-22	-	PC / console	KOSDAQ	-	\$3,540	-	-	-	-
Asia Innovations Group Limited	Sep-22	-	Mobile	NYSE	\$350	\$2,500	-	-	-	-
FAZECLAN	Oct-21	Jul-22	Esports	NASDAQ	\$232	\$725	18.9x	\$394.4	-4.9%	-4.0%

Source: CapIQ, Pitchbook & DSP Research, as of September 30, 2022

PUBLIC MARKET VALUATIONS

DEVELOPERS IN JAPAN / KOREA & HARDWARE / PLATFORMS / ADVERTISING / TOOLS

COMPANY NAME	TICKER	COUNTRY	LTM	PRICE	MCAP	EV	REVENUE LTM	EBITDA LTM	EV/REVENUE		EV/EBITDA		PRICE/EARNINGS		REVENUE GROWTH		EBITDA GROWTH		EBITDA / REV LTM
Japan/Korea																			
Sony	6758	JP	30-Jun-22	\$64.18	\$79,269.5	\$97,457.6	\$73,413.5	\$14,367.2	1.4x	1.2x	6.8x	7.5x	13.1x	13.1x	7%	15%	20%	4%	19.6%
Nintendo	7974	JP	30-Jun-22	\$40.46	\$47,104.2	\$36,291.0	\$12,364.1	\$4,305.8	3.1x	3.0x	8.7x	9.1x	13.6x	17.9x	-3%	4%	-7%	1%	34.8%
NEXON	3659	JP	30-Jun-22	\$17.64	\$15,272.3	\$11,692.7	\$2,246.6	\$790.0	5.5x	4.4x	16.7x	12.3x	18.3x	19.9x	5%	26%	-10%	28%	35.2%
Krafton	A259960	KR	30-Jun-22	\$146.24	\$6,859.3	\$4,808.6	\$1,476.2	\$608.9	3.6x	3.2x	8.9x	7.2x	15.8x	13.7x	17%	12%	10%	21%	41.2%
Konami Holdings	9766	JP	30-Jun-22	\$46.17	\$6,199.5	\$5,065.2	\$2,230.5	\$648.9	2.4x	2.2x	8.3x	7.4x	17.2x	15.5x	5%	10%	41%	12%	29.1%
Capcom	9697	JP	30-Jun-22	\$25.16	\$5,361.4	\$4,717.1	\$639.2	\$256.9	7.9x	5.5x	19.6x	12.1x	32.1x	21.6x	-28%	44%	-31%	61%	40.2%
Square Enix	9684	JP	30-Jun-22	\$43.06	\$5,152.0	\$4,147.1	\$2,587.0	\$470.9	1.7x	1.7x	9.4x	8.9x	13.2x	15.4x	5%	-1%	35%	5%	18.2%
Ncssoft	A036570	KR	30-Jun-22	\$240.95	\$4,893.0	\$3,696.5	\$2,066.5	\$516.5	2.0x	2.1x	8.0x	7.4x	13.9x	26.3x	22%	-4%	8%	7%	25.0%
Sega Sammy	6460	JP	30-Jun-22	\$13.61	\$3,003.2	\$2,509.1	\$2,410.9	\$323.3	1.1x	0.9x	8.8x	6.1x	12.2x	13.9x	13%	17%	45%	35%	13.4%
NetMarble	A251270	KR	30-Jun-22	\$35.72	\$2,927.1	\$4,133.3	\$2,046.4	\$166.9	2.2x	2.0x	14.1x	18.3x	NM	21.9x	10%	11%	-38%	50%	8.2%
Kakao Games	A293490	KR	30-Jun-22	\$29.70	\$2,419.6	\$3,096.9	\$1,048.2	\$222.5	3.3x	2.7x	4.7x	10.8x	7.5x	15.0x	146%	20%	244%	42%	21.2%
Pearl Abyss	A263750	KR	30-Jun-22	\$32.49	\$1,990.6	\$1,866.3	\$308.6	\$47.7	6.7x	4.7x	38.1x	16.8x	38.8x	22.6x	-3%	42%	-31%	159%	15.5%
DeNA	2432	JP	30-Jun-22	\$12.64	\$1,471.2	\$816.7	\$968.3	\$118.6	0.9x	0.8x	5.7x	6.5x	9.3x	15.6x	-7%	8%	-18%	13%	12.3%
WeMade Entertainment	A112040	KR	30-Jun-22	\$31.89	\$1,066.9	\$1,088.3	\$331.9	\$18.8	3.6x	2.4x	89.6x	23.8x	6.7x	40.1x	99%	51%	-46%	170%	5.7%
Gree	3632	JP	30-Jun-22	\$6.09	\$1,054.6	\$732.7	\$551.2	\$89.2	1.4x	1.4x	8.8x	10.1x	16.3x	20.5x	32%	-0.2%	96%	13%	16.2%
GungHo Online	3765	JP	30-Jun-22	\$15.38	\$951.8	\$225.3	\$737.5	\$219.0	0.3x	0.3x	1.1x	1.1x	7.9x	NA	-7%	-4%	-21%	3%	29.7%
Com2uS	A078340	KR	30-Jun-22	\$53.83	\$639.6	\$724.1	\$475.3	\$39.0	1.7x	1.2x	11.2x	12.4x	7.8x	13.6x	16%	39%	-44%	67%	8.2%
DOUBLEUGAMES	A192080	KR	30-Jun-22	\$30.57	\$519.0	\$467.6	\$464.0	\$148.8	1.1x	1.0x	3.5x	3.2x	11.8x	8.6x	-8%	8%	-18%	7%	32.1%
NHN Entertainment	A181710	KR	30-Jun-22	\$14.97	\$493.0	\$146.7	\$1,582.3	\$112.9	0.1x	0.1x	1.4x	1.3x	14.3x	16.0x	16%	13%	0.4%	10%	7.1%
DoubleDown Interactive	DDI	KR	30-Jun-22	\$9.23	\$457.1	\$217.5	\$339.4	\$36.4	0.6x	0.7x	5.8x	2.3x	18.1x	0.6x	-9%	-6%	-70%	162%	10.7%
GAMEVIL Inc.	A063080	KR	30-Jun-22	\$30.22	\$198.9	\$290.8	\$102.5	\$20.7	3.1x	2.3x	15.6x	11.6x	NM	17.1x	11%	35%	17%	35%	20.2%
JOYCITY	A067000	KR	30-Jun-22	\$2.48	\$169.9	\$217.8	\$135.4	\$10.9	1.8x	1.6x	22.6x	14.7x	NM	22.7x	-12%	11%	-45%	50%	8.1%
Me2on	A201490	KR	30-Jun-22	\$3.07	\$96.1	\$97.1	\$84.9	\$25.0	1.3x	1.4x	4.3x	NA	16.4x	NA	-8%	-10%	-31%	NA	29.5%
Vespa	A299910	KR	30-Jun-22	\$2.20	\$17.2	\$24.6	\$17.6	-\$18.9	1.6x	NA	NM	NA	NM	NA	-63%	NA	NA	NA	-107.5%
Average									2.4x	2.0x	14.0x	9.6x	15.2x	17.7x	11%	15%	5%	43%	15.6%
Median									1.7x	1.7x	8.8x	9.0x	13.8x	16.0x	5%	11%	-10%	24%	18.9%
Esports																			
FaZe Holdings Inc.	FAZE	US	30-Jun-22	\$9.68	\$701.9	\$824.1	\$62.2	-\$32.7	13.2x	NA	NM	NA	NM	NA	NA	NA	NA	NA	-52.5%
Skillz	SKLZ	US	30-Jun-22	\$1.02	\$427.6	\$135.1	\$377.7	-\$343.4	0.4x	0.6x	NM	NM	NM	NM	26%	-39%	NA	64%	-90.9%
Enthusiast Gaming Holdings Inc.	EGLX	CA	30-Jun-22	\$0.86	\$129.1	\$126.6	\$154.2	-\$34.5	0.9x	0.7x	NM	NM	NM	NM	58%	26%	NA	87%	-22.4%
Super League Gaming, Inc.	SLGG	US	30-Jun-22	\$0.68	\$25.3	\$22.2	\$17.8	-\$25.6	1.2x	0.9x	NM	NM	NM	NM	NM	35%	NA	11%	-143.3%
Esports Technologies	EBET	US	30-Jun-22	\$1.22	\$20.1	\$47.2	\$44.4	-\$22.4	1.1x	0.6x	NM	67.4x	NM	NM	NM	69%	NM	103%	-50.5%
Astralis	ASTRLS	DK	30-Jun-22	\$0.27	\$15.8	\$13.9	\$11.3	-\$1.0	1.3x	NA	NM	NA	NA	NA	NM	NA	NA	NA	-9.1%
Guild Esports Plc	GILD	GB	31-Mar-22	\$0.02	\$12.4	\$6.2	\$3.4	-\$12.5	2.1x	NA	NM	NA	NM	NA	NM	NA	-48%	NA	-361.8%
Esports Entertainment Group	GMBL	MT	31-Mar-22	\$0.12	\$8.7	\$64.7	\$55.4	-\$28.0	1.2x	1.4x	NM	NM	NM	NM	NM	-15%	NA	54%	-50.6%
Average									2.7x	0.8x	NA	NA	NA	NA	42%	15%	0%	64%	-97.6%
Median									1.2x	0.7x	NA	NA	NA	NA	42%	26%	0%	64%	-51.5%

Source: CapIQ, As of September 30, 2022, in \$M except share price, EV/EBITDA and P/E multiples less than 0 and greater than 100 are denoted as NM

PUBLIC MARKET VALUATIONS

ONLINE / MOBILE GAME DEVELOPERS IN CHINA / INDIA / SE ASIA AND ESPORTS

COMPANY NAME	TICKER	COUNTRY	LTM	PRICE	MCAP	EV	REVENUE LTM	EBITDA LTM	EV/REVENUE		EV/EBITDA		PRICE/EARNINGS		REVENUE GROWTH		EBITDA GROWTH		EBITDA / REV LTM	
									LTM	NTM	LTM	NTM	LTM	NTM	LTM	NTM	LTM	NTM		LTM
China, South East Asia (US and HKG listed) & India																				
Tencent Holdings	700	CN	30-Jun-22	\$33.94	\$319,767.6	\$338,561.1	\$83,002.9	\$23,085.7	4.1x	4.0x	16.7x	13.5x	12.5x	17.9x	4%	7%	-16%	15%	27.8%	
NetEase	NTES	CN	30-Jun-22	\$75.60	\$46,892.5	\$35,535.2	\$13,923.7	\$3,262.1	2.6x	2.5x	10.9x	9.3x	18.8x	16.1x	17%	8%	25%	24%	23.4%	
Sea Limited	SE	SG	30-Jun-22	\$56.05	\$31,485.4	\$28,921.0	\$11,753.2	-\$1,718.8	2.5x	1.9x	NM	NM	NM	NM	72%	27%	NA	20%	-14.6%	
G-bits Network	603444	CN	30-Jun-22	\$34.93	\$2,510.4	\$2,103.5	\$707.9	\$283.2	3.2x	2.7x	7.9x	6.5x	14.2x	10.4x	27%	18%	20%	21%	40.0%	
YY	YY	CN	30-Jun-22	\$26.00	\$1,854.5	-\$1,165.1	\$2,534.1	\$283.0	NM	NM	NM	NM	31.0x	42.4x	-0.2%	-4%	NA	0.4%	11.2%	
XD Inc.	2400	CN	30-Jun-22	\$2.04	\$962.0	\$695.6	\$435.6	-\$143.2	1.6x	1.3x	NM	NM	NM	NM	5%	30%	NA	88%	-32.9%	
NetDragon	777	CN	30-Jun-22	\$1.82	\$982.5	\$626.1	\$1,182.2	\$279.9	0.5x	0.5x	2.2x	2.3x	5.6x	5.0x	19%	12%	-1%	2%	23.7%	
iDreamSky	1119	CN	30-Jun-22	\$0.46	\$636.4	\$879.3	\$395.9	\$12.9	2.2x	2.1x	54.7x	27.1x	NM	36.4x	-11%	14%	-71%	168%	3.3%	
HUYA	HUYA	CN	30-Jun-22	\$2.22	\$531.1	-\$1,058.3	\$1,570.9	-\$64.7	NM	NM	NM	NM	19.0x	NM	-7%	-12%	NA	16%	-4.1%	
Nazara	543280	CN	30-Jun-22	\$8.03	\$527.8	\$457.6	\$90.3	\$11.8	5.2x	3.4x	39.8x	22.8x	NM	56.7x	44%	56%	-1%	75%	13.1%	
Archosaur Games Inc.	9990	CN	30-Jun-22	\$0.36	\$288.0	-\$35.7	\$104.0	-\$78.8	NM	NM	NM	NM	NM	NM	-40%	125%	NA	60%	-75.8%	
Ourgame	6899	KY	30-Jun-22	\$0.03	\$30.2	-\$0.7	\$23.6	-\$16.1	NM	NA	NM	NA	NM	NA	NA	NA	NA	NA	-68.5%	
FingerTango	6860	CN	30-Jun-22	\$0.01	\$23.0	-\$79.2	\$108.0	-\$94.9	NM	NA	NM	NA	NM	NA	20%	NA	NA	NA	-87.9%	
Digital Hollywood	2022	CN	30-Jun-22	\$0.01	\$16.8	-\$8.3	\$12.9	-\$2.5	NM	NA	NM	NA	NM	NA	-7%	NA	NA	NA	-19.5%	
									Average	2.7x	2.3x	22.0x	13.6x	16.8x	26.4x	14%	26%	-7%	44%	-11.5%
									Median	2.5x	2.3x	13.8x	11.4x	16.5x	17.9x	11%	14%	-1%	21%	-0.4%
China (Shenzhen listed)																				
Qihoo 360	601360	CN	30-Jun-22	\$0.91	\$6,395.2	\$3,449.5	\$1,506.1	\$87.0	2.4x	2.2x	33.0x	19.9x	NM	48.2x	-18%	9%	6%	117%	5.8%	
37Games	002555	CN	30-Jun-22	\$2.45	\$5,430.6	\$4,560.3	\$2,503.2	\$604.6	1.9x	1.7x	8.0x	8.2x	10.3x	12.2x	20%	16%	100%	3%	24.2%	
Perfect World	002624	CN	30-Jun-22	\$1.75	\$3,459.7	\$3,532.6	\$1,229.2	\$126.2	3.1x	2.6x	25.8x	11.6x	18.9x	13.4x	-11%	17%	-2%	156%	10.3%	
Beijing Kunlun	300418	CN	30-Jun-22	\$1.74	\$2,048.2	\$2,310.4	\$716.1	\$132.1	3.4x	2.8x	17.2x	10.3x	12.4x	9.5x	9%	21%	NA	80%	18.5%	
Kingnet Network	002517	CN	30-Jun-22	\$0.92	\$1,939.6	\$1,722.9	\$507.1	\$193.2	3.6x	3.1x	9.4x	8.3x	15.4x	14.2x	98%	16%	38%	14%	38.1%	
Giant Network	002558	CN	30-Jun-22	\$1.06	\$1,536.7	\$1,330.0	\$321.3	\$100.4	4.4x	4.4x	13.9x	8.6x	15.1x	17.2x	6%	0.04%	32%	63%	31.2%	
Ourpalm	300315	CN	30-Jun-22	\$0.39	\$1,071.3	\$729.5	\$194.2	\$6.2	4.0x	4.0x	NM	13.5x	NM	29.4x	-23%	-1%	3%	828%	3.2%	
Youzu Interactive	002174	CN	30-Jun-22	\$1.05	\$948.5	\$868.2	\$367.4	\$59.7	2.5x	2.0x	14.6x	6.7x	NM	17.6x	-38%	23%	16%	130%	16.3%	
Dalian Zeus	002354	CN	30-Jun-22	\$0.47	\$774.5	\$672.0	\$297.1	-\$6.6	2.4x	NA	NM	NA	NM	NA	74%	NA	NA	NA	-2.2%	
ZQ Games	300052	CN	30-Jun-22	\$2.39	\$627.0	\$635.5	\$52.5	\$4.6	12.9x	12.4x	87.8x	89.4x	NM	NM	8%	4%	9%	64%	8.8%	
									Average	4.1x	3.9x	26.2x	19.6x	14.3x	20.2x	13%	12%	25%	162%	15.4%
									Median	3.2x	2.8x	15.9x	10.3x	15.0x	15.7x	7%	16%	12%	80%	13.3%
Hardware, Platforms, Advertising & Tools																				
NVIDIA	NVDA	US	31-Jul-22	\$121.39	\$302,139.7	\$296,939.7	\$29,738.0	\$10,680.0	10.0x	11.3x	27.4x	36.4x	39.6x	34.9x	36%	-12%	26%	24%	35.9%	
Dell	DELL	US	29-Jul-22	\$34.17	\$25,045.2	\$47,480.2	\$106,957.0	\$8,754.0	0.4x	0.5x	5.2x	4.6x	5.1x	5.2x	20%	-7%	8%	19%	8.2%	
Roblox	RBLX	US	30-Jun-22	\$35.84	\$21,388.1	\$19,760.9	\$2,206.4	-\$455.0	9.0x	6.6x	NM	58.9x	NM	NM	57%	36%	NA	174%	-20.6%	
Hewlett Packard	HPE	US	31-Jul-22	\$11.98	\$15,414.7	\$26,643.7	\$27,979.0	\$4,655.0	1.0x	0.9x	5.3x	4.9x	4.3x	5.8x	1%	2%	-2%	17%	16.6%	
Unity	U	US	30-Jun-22	\$31.86	\$9,572.9	\$9,635.3	\$1,219.4	-\$502.0	7.9x	6.4x	NM	NM	NM	NM	31%	23%	NA	101%	-41.2%	
Logitech	LOGN	CH	30-Jun-22	\$46.82	\$7,661.0	\$6,625.2	\$5,328.9	\$813.1	1.3x	1.3x	8.2x	8.0x	14.6x	13.6x	-8%	-3%	-40%	2%	15.3%	
Applavin	APP	US	30-Jun-22	\$19.49	\$7,223.0	\$9,564.5	\$2,922.1	\$566.1	3.3x	2.9x	15.7x	7.4x	NM	22.7x	35%	13%	33%	128%	19.4%	
ASUS	2357	TW	30-Jun-22	\$7.36	\$5,467.5	\$6,152.1	\$18,696.8	\$1,340.7	0.4x	0.4x	4.5x	8.5x	4.9x	9.3x	13%	-8%	-11%	42%	7.2%	
IronSource	IS	IL	30-Jun-22	\$3.44	\$3,496.7	\$3,148.6	\$671.2	\$108.3	4.7x	3.7x	27.3x	11.7x	60.5x	15.6x	49%	27%	28%	149%	16.1%	
MSI	2377	TW	30-Jun-22	\$3.38	\$2,857.0	\$2,432.4	\$7,008.3	\$661.8	0.4x	0.5x	3.9x	6.0x	5.7x	9.3x	18%	-18%	21%	34%	9.4%	
Acer	2353	TW	30-Jun-22	\$0.69	\$2,067.5	\$1,862.1	\$10,699.4	\$439.5	0.2x	0.2x	4.3x	5.9x	7.2x	11.4x	1%	-10%	-8%	23%	4.1%	
Corsair Gaming	CRSR	US	30-Jun-22	\$11.35	\$1,087.2	\$1,388.3	\$1,566.3	\$30.5	0.9x	0.9x	24.7x	13.8x	NM	17.0x	-22%	1%	2%	230%	1.9%	
									Average	3.3x	3.0x	12.6x	15.1x	17.7x	14.5x	19%	4%	6%	79%	6.0%
									Median	1.1x	1.1x	6.7x	8.0x	6.5x	12.5x	19%	-1%	5%	38%	8.8%

Source: CapIQ, As of September 30, 2022, in \$M except share price, EV/EBITDA and P/E multiples less than 0 and greater than 100 are denoted as NM

MARKET OUTLOOK

ERA DEFINING YEAR FOR GAMING

- 2022 has been a record year of consolidation, diversification and investments in the industry, and we believe that we will continue to see strong M&A and financing activity towards the tail end of this year and beyond.
- With a bumper Q1, and a quieter Q2, we saw a notable rebound in Q3 in M&A and financing activity. Microsoft and Tencent, two of the largest strategics, publicly reiterated their intention to continue acquiring companies and Savvy Group (backed by PIF) plans to heavily invest in gaming companies, we are hopeful to see more mega deals in Q4.
- Considering the lower valuation levels of the public companies across global markets, many of the public gaming strategics are now more focused on higher quality targets that exhibit strong profitability. Listed companies are now under even more pressure to show growth and profitability, and we expect a strong volume of smaller and mid-sized M&A deals and a few mega deals going forward.
- The large number of new dedicated gaming and blockchain funds continue to invest aggressively in private gaming companies, with about half the gaming deal volume in the blockchain segment. Valuations for top deals will likely stay high, while overall valuations will continue to adjust down.
- IPO / SPAC market for gaming companies has been quiet in the 1H'22 and we saw first activities again up in Q3 with Faze Clan SPAC deal, the Valofe and Asia Innovations Group SPAC announcement and Technicolor directly listing its gaming and VFX division. As we are only left with a quarter in the year, we do not see many new listings in the market but there might be some surprise take-private events as private equity firms are attracted by the current lower valuations of listed companies.

BUYERS TO WATCH



DRAKE STAR PARTNERS

A LEADING GLOBAL MEDIA AND TECH M&A INVESTMENT BANK

400+
TRANSACTIONS
COMPLETED

50
TRANSACTIONS
COMPLETED IN 2021

70%
CROSS-BORDER DEALS

100+
BANKERS

9*
OFFICES
GLOBALLY



NEW YORK



LOS ANGELES



SAN
FRANCISCO



LONDON



DUBAI*



MUNICH



PARIS



BERLIN



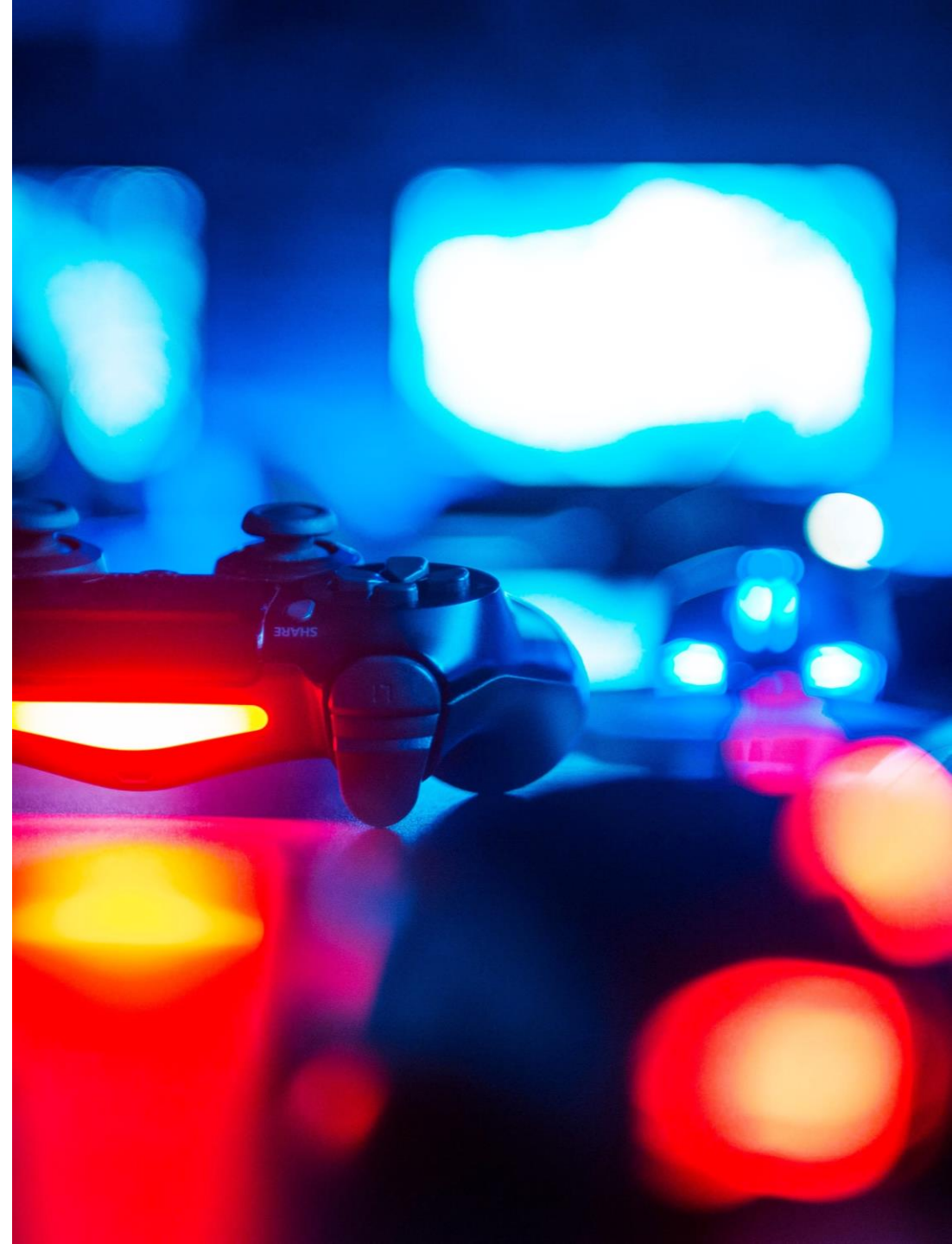
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