



EMERGING TECH RESEARCH

Gaming Report

VC trends and emerging opportunities



Q2
2023

REPORT PREVIEW

The full report is available through the PitchBook Platform.



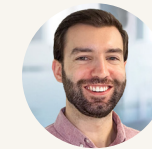
Contents

Vertical update	3
Q2 2023 timeline	5
Gaming landscape	6
Gaming VC ecosystem market map	7
VC activity	8
Emerging opportunities	16
User generated content	17
Cloud gaming	19
Select company highlights	21
HyperPlay	22
Triumph Labs	23
Goals	24

We are adding PitchBook Exit Predictor probabilities to our Emerging Technology Research reports. PitchBook's proprietary [VC Exit Predictor](#) estimates the probability that a startup, or VC-backed company, will successfully IPO, be acquired, or merge. The tool is available exclusively to PitchBook subscribers.

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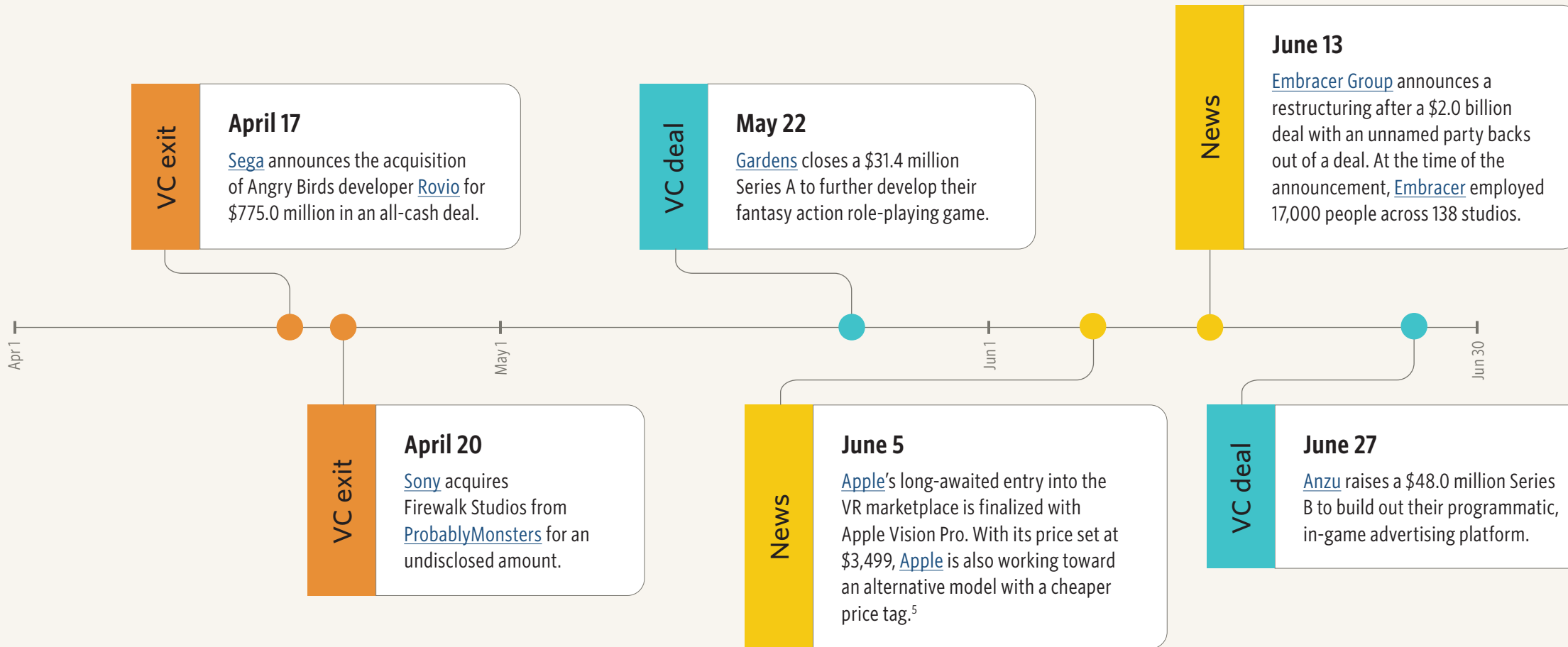
Publishing

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Q2 2023 timeline



5: "How Apple Can Bring Down the Price of Apple Vision Headset From \$3,500," Bloomberg, Mark Gurman, June 11, 2023.

Q2 VC deal count summary

110
total deals

-29.0%
QoQ growth

-57.5%
YoY growth

-56.3%
YTD growth

Q2 VC deal value summary

\$1.1B
total deal value

12.1%
QoQ growth

-82.1%
YoY growth

-79.7%
YTD growth



Gaming landscape

- 1** Development
- 2** Operations
- 3** Access
- 4** Content
- 5** Experience





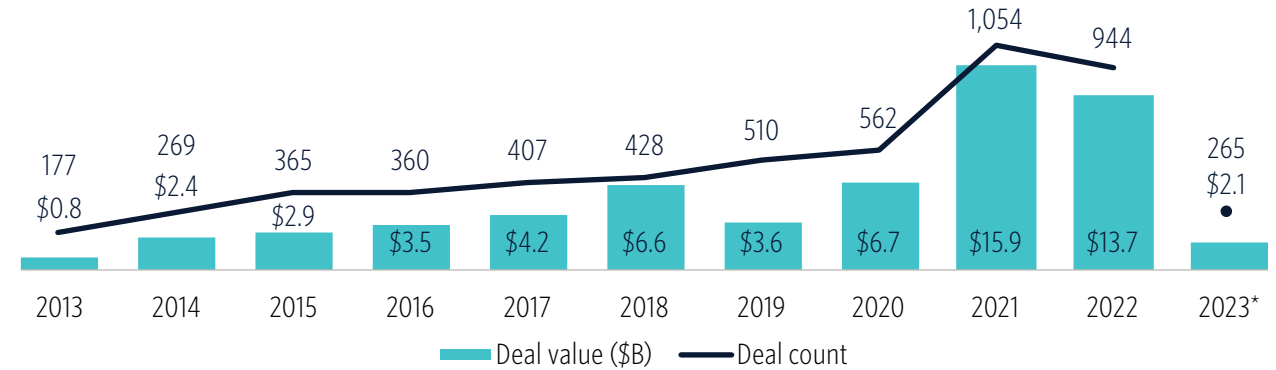
VC activity

The gaming startup ecosystem experienced a slight QoQ increase in deal value but a decrease in deal count during Q2 2023. Deal value totaled \$1.1 billion across 110 deals, an increase of 12.1% from \$1.0 billion, and decrease of 29.0% from 155 deals, respectively. Both figures represent substantial step-backs relative to 2022, as deal value fell over 80% and deal count is down 57.5% YoY.

Despite the deceleration, several notable deals occurred, including specialized cloud provider [CoreWeave's](#) \$421.0 million Series B, developers [Metagame's](#) \$100.0 million early stage, [Mythical Games'](#) \$50.0 million Series C, [Gardens'](#) \$31.4 million Series A, and in-game advertising platform [Anzu's](#) \$48.0 million Series B. Overall, development startups led all segments with \$488.0 million in deal value, narrowly edging out the content segment with \$483.4 million in deal value. Publishers, developers, and studios led all subsegments with \$304.1 million in VC investment, followed by technology services at \$437.5 million—which was boosted significantly by [CoreWeave](#).

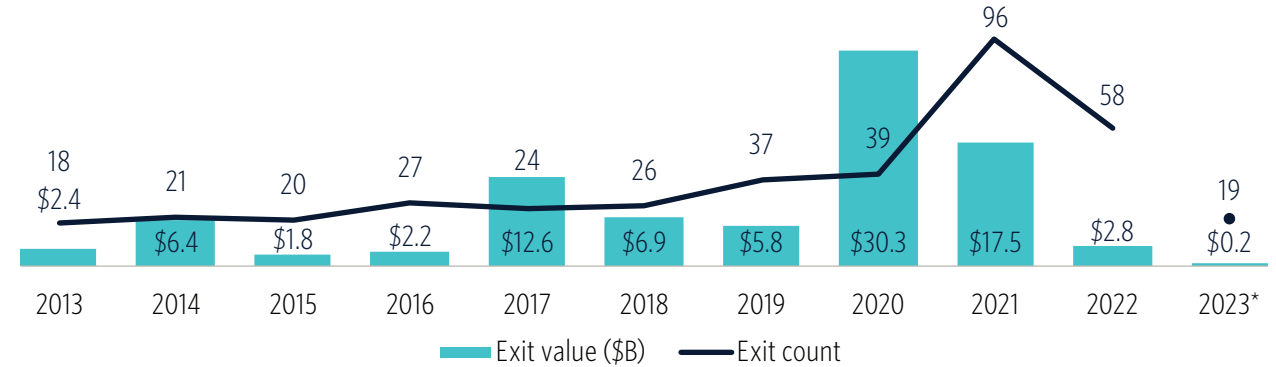
Late-stage deals accounted for the largest portion of VC investment in Q2 2023, totaling \$611.0 million. This was the first time since Q1 2022, and the largest such delta since Q3 2021, when late-stage capital outperformed other categories. Despite late stage out-performing in deal value, early-stage and angel and seed deals accounted for 71.8% of VC deal count. This amount of activity in early-stage startups underscores investor optimism for the industry's long-term growth potential. Geographically, North America (\$1.3 billion) continues to outpace other regions, namely Asia (\$400.0 million) and Europe (\$300.0 million), through H1.

Gaming VC deal activity



Source: PitchBook • Geography: Global • *As of June 30, 2023

Gaming VC exit activity



Source: PitchBook • Geography: Global • *As of June 30, 2023



VC ACTIVITY

Key gaming early-stage VC deals in Q2 2023*

Company	Close date (2023)	Subsegment	Stage	Deal value (\$M)	Lead investor(s)
Metagame Industries	May 19	Publishers, developers & studios	N/A	\$100.0	N/A
betr	June 27	Gambling	Series A2	\$35.0	Eberg Capital, Fuel Venture Capital, IA Sports Ventures
Gardens	May 22	Publishers, developers & studios	Series A	\$31.4	Krafton, Lightspeed Venture Partners
Radio Caca	April 6	Games & platforms	N/A	\$30.0	N/A
Goals	April 19	Games & platforms	Series A	\$20.0	Seven Seven Six
HyperPlay	June 8	Developer tools	Series A	\$12.0	BITKRAFT Ventures, Griffin Gaming Partners
Triumph Labs	May 10	Developer tools	Series A	\$10.2	General Catalyst
Cheelee	June 14	Social & community	N/A	\$10.0	N/A
Illuvium	June 4	Games & platforms	N/A	\$10.0	N/A
BigBrain	April 28	Games & platforms	Series A	\$8.5	N/A

Source: PitchBook • Geography: Global • *As of June 30, 2023



VC ACTIVITY

Top VC-backed gaming companies by total VC raised to date in Q2 2023*

Company	VC raised to date (\$M)	Subegment	HQ country	IPO probability (%)	M&A probability (%)	No exit probability (%)
Epic Games	\$5,750.0	Publishers, developers & studios	US	20%	78%	2%
Dream Sports	\$1,182.5	Gambling	India	86%	12%	2%
Voodoo	\$1,115.4	Publishers, developers & studios	France	79%	19%	2%
Discord	\$1,100.3	Social & community	US	60%	38%	2%
Forte	\$952.0	Technology services	US	40%	57%	3%
Niantic	\$780.0	Games & platforms	US	90%	8%	2%
Sorare	\$738.0	Games & platforms	France	17%	79%	4%
Dapper Labs	\$643.6	Publishers, developers & studios	Canada	66%	32%	2%
Cockroach Labs	\$633.1	Developer tools	US	65%	33%	2%
CoreWeave	\$481.4	Technology services	US	64%	34%	2%

Source: PitchBook ▪ Geography: Global ▪ *As of June 30, 2023
 Note: Probability data based on [PitchBook VC Exit Predictor methodology](#).



SELECT COMPANY HIGHLIGHTS: TRIUMPH LABS



Founded 2020	Total raised \$14.0M	Last financing valuation \$51.2M
Location San Francisco, California	Last financing Raised \$10.2M in a Series A	Exit Predictor 92% success probability, M&A

Overview

[Triumph Labs](#) enables game developers to monetize their games by adding real-money tournaments to mobile games via their proprietary SDK and engine. The startup’s most recent fundraise will be used to expand to other platforms beyond mobile. This deal reflects the need

of developers to consistently attract and monetize their user base, as well as novel strategies to leverage esports enthusiasm. Other games do incorporate real-money offerings, but few offer services to third-party developers. Legal ambiguity and technical complexity have discouraged developers from integrating these real-money experiences, but [Triumph Labs](#)’ plug-and-play integration is positioned to significantly reduce this complexity.

Leadership

[Triumph Labs](#) was co-founded and is led by co-CEOs Jacob Brooks and Jared Geller. They are both computer science students and past roommates at Stanford University. This is the duo’s first company.

Financing history

[Triumph Labs](#) raised \$10.2 million in its Series A in May 2023, led by [General Catalyst](#) at a \$51.2 million post-money valuation. [Strike Capital](#), [Flux Capital](#), [Tribe Capital](#), [Raven One Ventures](#), [NOMO Ventures](#), and others participated in the round. The funds will be used to expand to additional platforms beyond mobile and will offer novel real-money experiences. The company previously raised \$3.8 million of seed funding from [Flux Capital](#) at a pre-money valuation of \$24.2 million.

About PitchBook Industry and Technology Research

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As the private markets continue to grow in complexity and competition, it's essential for investors to understand the industries, sectors and companies driving the asset class.

Our Industry and Technology Research provides detailed analysis of nascent tech sectors so you can better navigate the changing markets you operate in—and pursue new opportunities with confidence.

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