
From: Luca Di Mauro [REDACTED]
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Sent: 5/5/2021 8:53:09 PM

To: Luca Di Mauro [REDACTED]; Alan Hartman [REDACTED]; Jill Braff [REDACTED]; Mary McGuane (SHE/HER) [REDACTED]; Noah Musler [REDACTED]; Bo Goodrich (HE/HIM) [REDACTED]; Marielle Rodgers [REDACTED]

Subject: M&A Pipeline Planning - Studios

Location: Microsoft Teams Meeting

Start: 5/10/2021 7:00:00 PM

End: 5/10/2021 8:00:00 PM

Recurrence: (none)

Meeting Status: Accepted

Required Attendees: Luca Di Mauro; Alan Hartman; Jill Braff; Mary McGuane (SHE/HER); Noah Musler; Bo Goodrich (HE/HIM); Marielle Rodgers

Apologies for the lunch meeting, calendars are really tight.

Setting aside some time to finalize our discussion of content opportunities from a M&A perspective. I am attaching the latest draft of the analysis. In terms of agenda, I would be planning to:

- Go over the consideration set, filtering and ranking for each of mobile and console/PC
- Discuss the 8 companies recommended as potential targets
- Focus specifically on mobile recommendations as that is the newer area

I am looking forward to our chat!

Luca

Microsoft Teams meeting

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M&A Pipeline - Q3 FY21 - XGS v10.pptx

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Calendar\M&A Pipeline Planning - Studios



Gaming M&A | XGS

Quarterly Pipeline Review | Q4 FY21
April 2021

Agenda

1. Approach & Gap Assessment
2. Content Opportunities in Console & PC: Mid-Core & Audience Expansion
3. Content Opportunities in Mobile
4. Next Steps

Approach & Gap Assessment

M&A Pipeline Planning | Approach

Overall

- Iterating on investment theses; identifying companies that embody attractive assets & capabilities
- Not advocating for M&A per se; focus on gaps to address business needs

Step 1 – Strategy

- Lay out the strategy of individual product verticals
- Identify structural and market trends

Step 2 – Need Assessment

- Build common framework and taxonomy to understand gaps
- Assess owned assets and determine gaps in assets or capabilities

Step 3 – Watchlist & Pipeline Planning

- Prioritize gaps by looking at Gaming holistically and focusing on common/strategic needs
- Identify companies which own relevant assets or capabilities

M&A Pipeline - XGS

Strategy

- Grow franchises that are relevant to the lives of people both in and beyond gaming
- Expanding our core audience to encompass broader segments, both on-console and off-console
- Nurture highly engaging experiences and make it seamless for players to access socially interactive gaming experiences

Gaps

Lack of Content Supporting Audience Expansion

- Lack of strength beyond core games on console (e.g. casual / cross-generational games)
- Scarcity of relevant PC content, lack of mobile-native content

Need to Enhance our Ability to Engage Audiences

- Value from social interactions not adequately unlocked / addressed by current content and capabilities (instant play)

Limited Alternatives to Acquisition to Fund Content Pipeline

- Lack of internal structure that enables incubation of diverse content slate (e.g. content fund, early funding in return for rights)

Lack of Technical Skills/Tools to Leverage Technical Assets

- Lack of critical mass on leveraging some owned assets
- High reliance on custom-made tools

Recommendations

- Sourcing the highest-fidelity, most attractive franchises will continue to be a priority
- The gaps identified suggest the need to complement traditional areas of franchise strength with content aimed at expanding audience and fostering social engagement
- On Console & PC:
 - Developers owning and running franchises with strong communities and deep engagement are top candidates (**Bungie, IO Interactive**)
 - Developers focused on casual, social and cross-generational franchises pave the way for audience expansion (**Scopely, Niantic**)
- On Mobile:
 - Publishers with a strong track record of designing, making and running a diverse slate of titles support both audience expansion and social engagement (**Zynga, Playrix**)
 - Publishers with strong tech infrastructure to support existing Xbox IP can complement current Xbox's strengths (**Scopely, Niantic**)

M&A Final Watchlist | XGS

XGS	Gap		Company		Assets	
	Audience Expansion		Thunderful		Expertise in cross-gen casual mobile games	
	Audience Expansion		Supergiant Games		Developer of top indie titles including <i>Hades</i> (2020)	
			Niantic		Very strong technology infrastructure; focus on xR and innovative mobile experiences	
			Playrix		Strong franchises and content breadth; world-class in designing, making and running successful games	
			Zynga		Strong franchises and content breadth; world-class in designing, making and running successful games	
Gap		Company		Assets		
Engagement & Social Interaction		Bungie		Owner of AAA franchises with an established ability to ship and scale games		
Audience Expansion		IO Interactive		Owner of AAA franchises with specialized expertise in regional IP game launches		
		Scopely		Very strong tech infrastructure to support non-owned IP; opportunity to complement XGS' IP		

Content Opportunities in Console & PC: Mid-Core & Audience Expansion

1. Consideration Set

100+ companies sourced through:

- Xbox Game Pass data – top 250 companies in PC and Console, by cumulated hours (last 6 months)
- Steam stats – top 100 games by concurrent users
- Existing development partners currently working with Xbox; Industry relationships


Developers

Publishers

- | | | | | | |
|---|---|---|--|---|---|
| <ul style="list-style-type: none">• 11 bit studios• 4A Games• A44• Asobo Studio• Avalanche Studios• Axolot Games• Behaviour Interactive• Blackbird Interactive• Bloober Team• Bohemia Interactive• Bonfire Studios• BonusXP• Bossa Studios• Bungie• Capybara Games• CD Projekt Red• Certain Affinity• Coldwood Interactive• Colossal Order• Counterplay Games• Crytek | <ul style="list-style-type: none">• Deck13• Digital Extremes• Dontnod Entertainment• Dovetail Games• DrinkBox Studios• Dreamhaven• Ember Lab• Facepunch Studios• Fatshark• Final Strike Games• Finji• Fireproof Studios• Fluffy Fairy Games• From Software• Frontier Developments• Funcom• Gearbox Software• gen DESIGN• Ghost Ship Games• Giant Squid• GIANTS Software | <ul style="list-style-type: none">• Harmonix Music Systems• Hazelight Studios• Heart Machine• Hello Games• Hidden Path Entertainment• Hinterland Studio• Hi-Rez Studios• Housemarque• IO Interactive• Iron Gate Studio• Jackbox Games• JP GAMES• Larian Studios• Level-5• Lizardcube• Manticore Games• Midwinter Entertainment• MercurySteam• Moon Studios• Mundfish• Night School Studio | <ul style="list-style-type: none">• No Brakes Games• Oxide Games• Paladin Studios• Peral Abyss• People Can Fly• Playdead• Playful Studios• Playtonic Games• Proletariat• Rebellion Developments• Redhill Games• Reflector Entertainment• Remy Entertainment• Roblox Corporation• SCS Software• Second Dinner• Sharkmob• Splash Damage• Starbreeze Studios• Stardock Corporation | <ul style="list-style-type: none">• Striking Distance Studios• Stoic Studio• Studio MDHR• Supergiant Games• Supermassive Games• System Era Softworks• TaleWorlds Entertainment• Tantalus Media• Tarsier Studios• Team Cherry• Techland• Tequila Works• Thatgamecompany• The Behemoth• The Molasses Flood• Thunder Lotus Games• Thunderful• tinyBuild• Toca Boca• Typhoon Studios• ustwo | <ul style="list-style-type: none">• 505 Games• Annapurna Interactive• Devolver Digital• Focus Home Interactive• Media Indie Exchange• Paradox Interactive• Raw Fury• SEGA• Team17 |
|---|---|---|--|---|---|

2. Filtering

Filtered to include companies that provide:

Audience / community expansion	<p>New Audience</p> 	<p>PC-centric</p> 	<p>UGC</p> 
Dev & live ops	<p>Live Services</p> 	<p>Free to Play & Monetization</p> 	<p>Tech & Infrastructure</p> 
Quality & release cadence	<p>People & Ideas</p> 	<p>Existing IP Ownership</p> 	<p>Steady Flow of Content</p> 

Filtered to exclude companies that :

Developer	<ul style="list-style-type: none">• No original IP experience• Follower without innovation
Developer & Publisher	<ul style="list-style-type: none">• Were recently Acquired• Have lack of cultural fit• Have lack of maturity in business• Have quality of games below XGS threshold• Overlap with XGS business• Have high valuation/likely acquisition price
Publisher	<ul style="list-style-type: none">• Are console AAA publishers• Have no ownership of notable IP• Do not own development studios

3. Final List

17 top candidates for consideration on console & PC

Developer	<ul style="list-style-type: none">• Behaviour Interactive• Housemarque	<ul style="list-style-type: none">• People Can Fly• Remedy Entertainment	
Developer (self-publish)	<ul style="list-style-type: none">• 11 bit studios• Bohemia Interactive• Bungie• Crytek	<ul style="list-style-type: none">• IO Interactive• Larian Studios• Manticore Games• Playdead	<ul style="list-style-type: none">• Rebellion Developments• Thunderful• Supergiant Games
Publisher	<ul style="list-style-type: none">• Paradox Interactive• SEGA		

4. Top Console & PC Opportunities

The following developers add the most value to the Xbox ecosystem by addressing the gaps identified

Social Engagement

- [Bungie](#)
- [IO Interactive](#)

Audience Expansion

- [Supergiant Games](#)
- [Thunderful](#)

*For additional details on each company in Final List, click on the company names.

**For additional details on omitted publishers, see Appendix.

Content Opportunities in Mobile

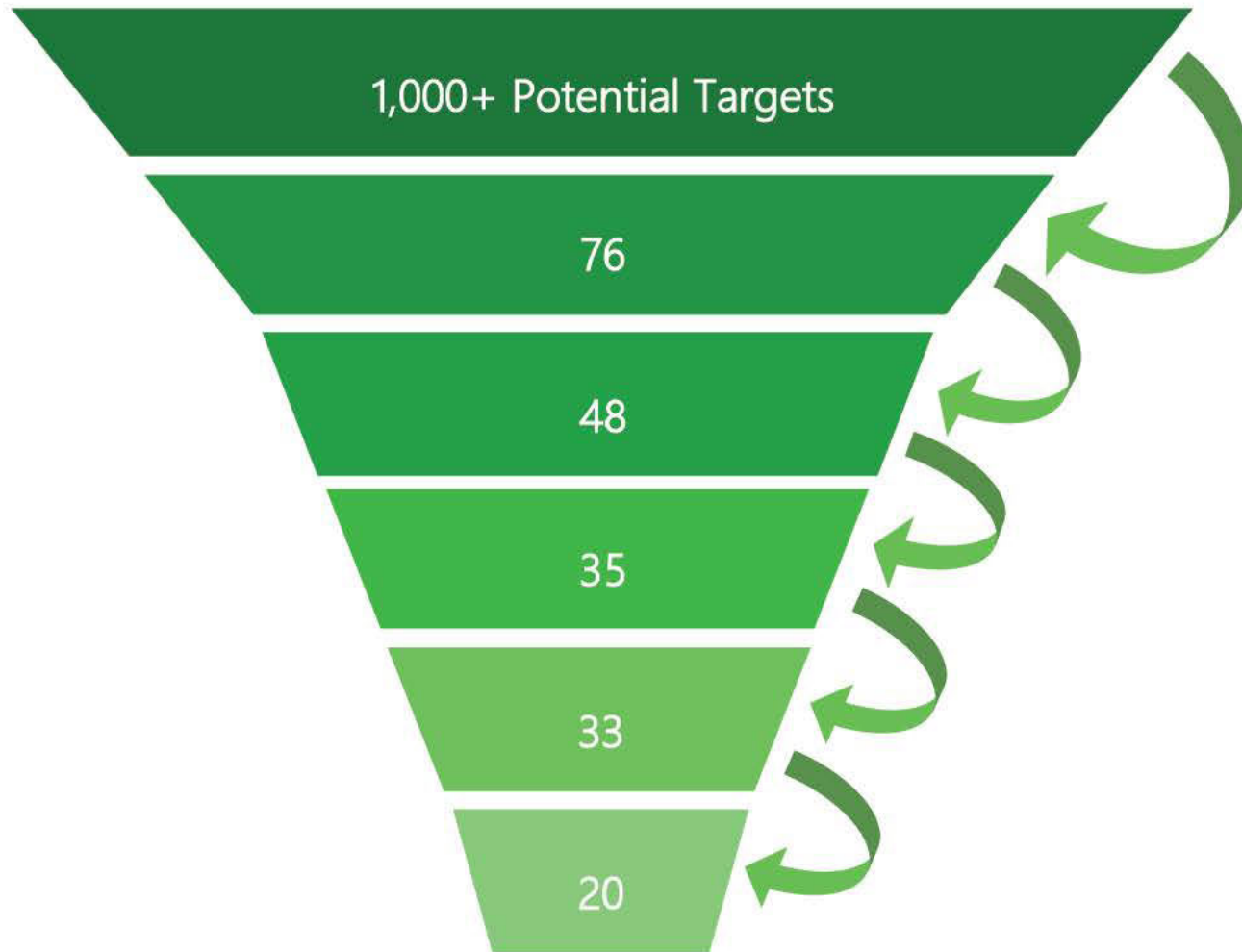
1. Consideration Set

Full set of 76 companies sourced from AppAnnie ^[1]

- Playrix
- Activision Blizzard
- Zynga
- BANDAI NAMCO
- Supercell
- Netmarble
- Playtika
- Sony
- SQUARE ENIX
- Aristocrat
- LINE
- Niantic
- NCSOFT
- Roblox
- mixi
- KONAMI
- CyberAgent
- Scopely
- AT&T (Warner Bros and other media sub-brands)
- NEXON
- GungHo
- Sea Limited (Garena)
- EA
- Glu Mobile
- DeNA
- GAMEVIL
- Mail.Ru Group
- SEGA
- Nintendo

[1] Companies that are fully owned by parent publisher companies were excluded to the extent that reported revenues were included in the parent company's revenues (i.e. Peak, owned by Zynga)

2. Filtering



Filter Applied ^[1]

Low Revenue Targets

Excluding all publishers that make less than \$100M in annual non-casino revenues ^[2]

Encumbered Targets

Excluding 28 targets with HQ in China, or > 50% owned by company with HQ in China

Low ROI Targets

Excluding 13 publishers with acquisition price > \$20B, as approximated by Enterprise Value with 20% premium

High-Casino Revenue Targets

Excluding 2 publishers making > 25% of revenues from casino games

APAC Focused Targets

Excluding 13 publishers making > 60% of revenues from APAC countries

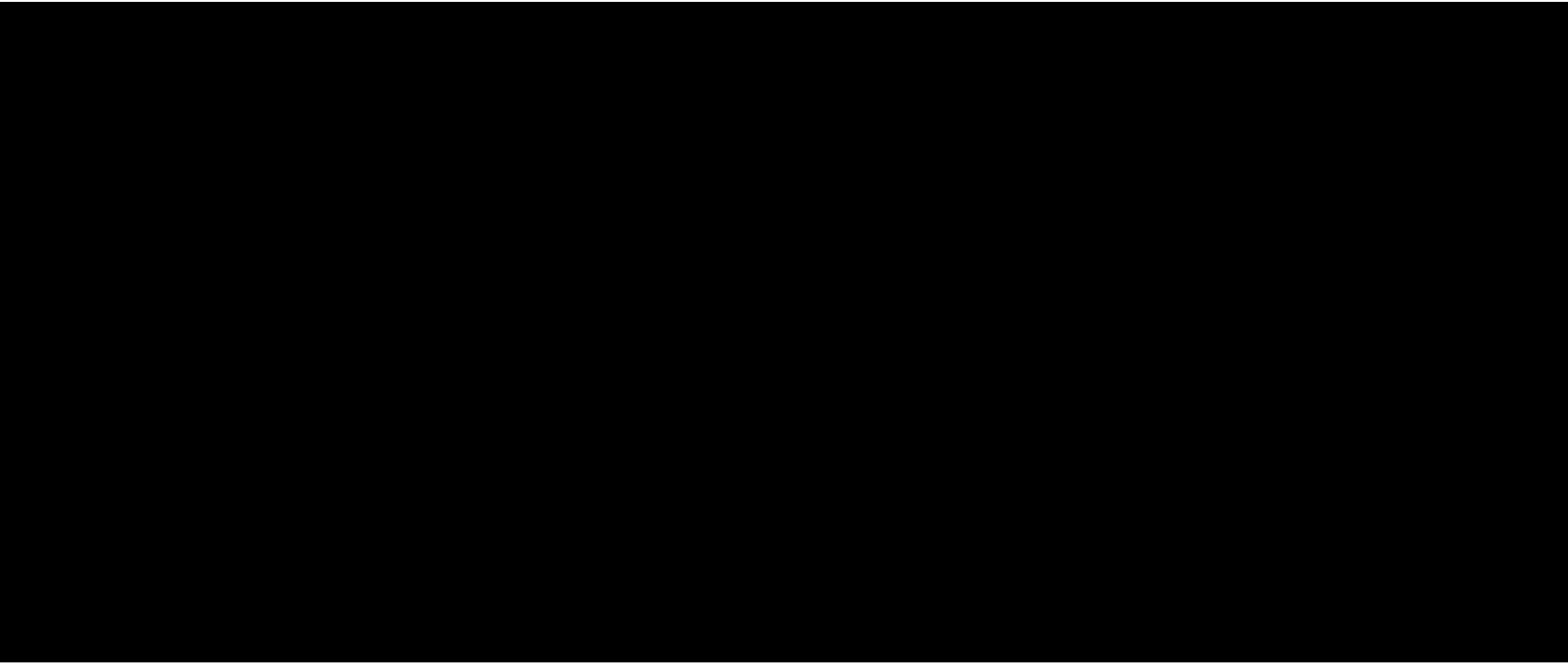
[1] All revenue data is for CY20 and from AppAnnie; EV is from CapIQ, pulled on 4/5/2021; [2] Fully-owned subsidiaries of companies for which revenues are reported by parent companies were excluded at this stage (i.e. Peak, owned by Zynga, and Vivendi Games, owned by Activision)

3. Final List

20 top candidates for consideration on mobile

Remaining Targets

- Playrix
- Zynga
- Netmarble
- Niantic
- Scopely
- Glu Mobile
- GAMEVIL



5. Top Mobile Opportunities

The following developers add the most value to the Xbox ecosystem by addressing the gaps identified

Social Engagement

- Scopely
- Niantic
- Zynga

Audience Expansion

- Playrix
- Scopely
- Niantic
- Zynga

Combined Final Watchlist

M&A Final Watchlist | XGS

XGS	Gap		Company		Assets	
	Audience Expansion		Thunderful		Expertise in cross-gen casual mobile games	
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Gap		Company		Assets		
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Audience Expansion		IO Interactive		Owner of AAA franchises with specialized expertise in regional IP game launches		
		Scopely		Very strong tech infrastructure to support non-owned IP; opportunity to complement XGS' IP		

Appendix

M&A Pipeline Planning

The Problem

Reactivity

Acquisitions tend to be reactive by nature

Siloed Approach

M&A options often considered in isolation

Legacy Use

High reliance or limited exposure to M&A tool

The Opportunity

Proactivity

Strategic rationale based on a need assessment

Horizontal Focus

Efficiencies across verticals

Tool Relevance

M&A as part of the toolbox, deployed as needed

The Outcome

Target Watchlist

Assets or capabilities that are relevant to Gaming

Themes & Commonalities

Commonalities across teams

Faster Organizational Response

Unique vantage point to leverage insights

Company Information

Zynga: Company Overview

Overview

Social and casual mobile game developer best known for *Farmville* and *Words with Friends*

Founded: 2007

Location: San Francisco, CA headquarters with ~10 satellite locations

Employees: ~2245¹

EV: \$12.9B (including 20% premium)

Key Management

Name	Title	Background
Frank Gibeau	CEO & Director	Former EA Product Executive
Gerard Griffin	CFO	Former EA Finance Executive
Matthew Bromberg	COO	Former EA SVP and AOL Games GM

Top 10 Worldwide Mobile Titles (By CY20 Revenue)

Title	CY20 Downloads	CY20 Revenue
Empires & Puzzles	14.3M	\$313M
Merge Dragons	14.7M	\$183M
Toon Blast	7.5M	\$158M
CSR Racing 2	15.1M	\$87M
Toy Blast	5.4M	\$79M
Zynga Poker	10.7M	\$78M
Merge Magic	6M	\$65M
Wizard of Oz Slots	1.8M	\$61M
Hit it Rich	826K	\$53M
GoT Slots	2M	\$41M

Top 10 North America Mobile Titles (By CY20 Revenue)

Title	CY20 Downloads	CY20 Revenue
Merge Dragons	4.4M	\$117M
Empires and Puzzles	1.3M	\$104M
Toon Blast	2.2M	\$89M
Wizard of Oz Slots	816K	\$58M
CSR Racing 2	4.8M	\$55M
Toy Blast	1.5M	\$54M
Hit it Rich	450K	\$49M
Merge Magic	2.3M	\$42M
GoT Slots	1.3M	\$35M
Zynga Poker	1.3M	\$25M

¹ [MacroTrends](#)

Zynga: Funding and Ownership

Funding Rounds ¹					Current Top Shareholders		
Round	Date	Amount	Pre-Money Valuation	Investors	Investor	% CSO Held	Owner Type
Founding	2007	--	--	Mark Pincus, Eric Schiermeyer, Justin Waldron, Michael Luxton, Steve Schoettler, and Andrew Trader	The Vanguard Group	8.1%	Traditional Investment Managers
Seed	2007	Undisclosed	--	Reid Hoffman	Artisan Partners LP	6.0%	Traditional Investment Managers
Series A	2008	\$15M	--	Union Square Ventures, Foundry Group, Avalon Ventures, Reid Hoffman, Brad Feld	Mark J Pincus	5.8%	Individual/Insider (Founder)
Series B	2008-2010	\$355M	--	Union Square Ventures, Foundry Group, IVP, Avalon Ventures, Andreessen Horowitz, Kevin Rose, Google, Softback Capital	Blackrock, Inc.	4.6%	Traditional Investment Managers
Series C	2011	\$490M	--	Morgan Stanley, Kleiner Perkins, T. Rowe Price	T. Rowe Price Group	4.3%	Traditional Investment Managers
IPO	2011	\$1B ²	\$7B		William Blair Investment Management	2.4%	Traditional Investment Managers
Total Raised		\$1.76B			Invesco LTD	2.1%	Traditional Investment Managers
					Goldman Sachs Asset Management	1.8%	Traditional Investment Managers
					Ownership Breakdown	71.2%	Institutions
						22.17%	Public/Other
						6.6%	Individual/Insiders
						.03%	State Owned

¹ <https://angel.co/company/zynga/funding>

² <https://dealbook.nytimes.com/2011/07/01/zynga-files-for-1-billion-i-p-o/>

Playrix: Company Overview

Overview

Mobile game developer of match-3 style games.

Founded: 2004

Location: HQ in Dublin, Ireland with 25 offices WW. Large concentration in Russia.

Employees: ~3000

EV: \$8.4B (includes 20% premium)

Key Management

Name	Title	Background
Igor Bukhman	President and Co-founder	Playrix
Dmitri Bukhman	CEO and Co-founder	Playrix
Matthew Bromberg	COO	Former EA SVP and AOL Games GM

Top 10 Worldwide Mobile Titles (By CY20 Revenue)

Title	CY20 Downloads	CY20 Revenue
Gardenscapes	194M	\$661M
Homescapes	155M	\$588M
Fishdom	103M	\$308M
Township	133M	\$237M
Wildscapes	15.1M	\$24M
Manor Matters	10.2M	\$10M
Puzzle Breakers	227K	\$62K
Farmscapes	46K	\$32K
Farm Slam	1K	\$15K
Pet Savers	2K	\$8K

Top 10 North America Mobile Titles (By CY20 Revenue)

Title	CY20 Downloads	CY20 Revenue
Homescapes	16.4M	\$286M
Gardenscapes	16.7M	\$271M
Fishdom	18.8M	\$168M
Township	6.8M	\$116M
Wildscapes	1.8M	\$12M
Manor Matters	11.4M	\$4M
Farmscapes	14K	\$10K
Farm Slam	<100	\$2K
Pet Savers	<100	<\$1K
Myths of Orion	<100	<\$1K

¹ Playrix company site

Scopely: Company Overview

Overview

Mobile game developer which creates core and casual games using both licensed and original IP.

Founded: 2010

Location: Culver City, CA HQ with 5 satellite locations.

Employees: ~800

EV: \$4B (includes 20% premium)

Key Management

Name	Title	Background
Walter Driver	Co-founder & Co-CEO	Social apps/games startups
Javier Ferreira	Co-CEO	Marketing and publishing at EA & Disney
Ankur Bulsara	Co-Founder & CTO	Software development at Myspace and startups

Top 10 Worldwide Mobile Titles (By CY20 Revenue)

Title	CY20 Downloads	CY20 Revenue
Marvel Strike Force	9.2M	\$177M
Star Teck Fleet Command	3.2M	\$154M
New Yahtzee w/ Buddies	4.4M	\$63M
WWE: Champions	3.6M	\$41M
Walking Dead: Rd to Survival	734K	\$30M
Looney Tunes World Mayhem	6M	\$27M
Wheel of Fortune Play	4M	\$15M
Scrabble GO	24M	\$11M
Dice with Buddies	487K	\$9M
Dice with Ellen	737K	\$3M

Top 10 North America Mobile Titles (By CY20 Revenue)

Title	CY20 Downloads	CY20 Revenue
Marvel Strike Force	2.7M	\$133M
Star Teck Fleet Command	1.3M	\$101M
New Yahtzee w/ Buddies	3.1M	\$58M
WWE: Champions	785K	\$30M
Looney Tunes World Mayhem	1.2M	\$18M
Walking Dead: Rd to Survival	336K	\$18M
Wheel of Fortune Play	3.4M	\$14M
Dice with Buddies	327K	\$9M
Scrabble Go	10M	\$8M
Dice with Ellen	544K	\$3M

Niantic: Company Overview

Overview

Creators of the mobile AR game genre.

Founded: 2010

Location: HQ San Francisco, CA with 7 offices WW.

Employees: ~760

EV: \$4.7B (includes 20% premium)

Key Management

Name	Title	Background
John Hanke	Founder and CEO	Google, Product Management
Phill Keslin	CTO	Google & Nvidia Software Engineering
Mike Quigley	CMO	EA, Google, Jambool Marketing

Top Worldwide Mobile Titles (By CY20 Revenue)

Title	CY20 Downloads	CY20 Revenue
Pokémon Go	57M	\$842M
Harry Potter: Wizards Unite	2M	\$9M
Ingress	226K	\$926K
Catan World Explorers	53.4K	\$33K
Beasts of Balance	1.5K	N/A

Top North America Mobile Titles (By CY20 Revenue)

Title	CY20 Downloads	CY20 Revenue
Pokémon Go	11.5M	\$324M
Harry Potter: Wizards Unite	559K	\$6M
Ingress	70K	\$229K
Beasts of Balance	<1K	N/A

Netmarble: Corporate Overview

Overview

Mobile game developer which licenses Disney content

Founded: 2000

Location: Seoul, South Korea with 7 locations WW

Employees: >3000¹

EV: \$11B (includes 20% premium)

Key Management

Name	Title	Background
Young-Sig Kwon	Co-CEO	Game Publishing at CJ Internet
Park Sean	Co-CEO	Strategy at KakaoTalk
Gi-Wook Do	CFO	Netmarble

Top 10 Worldwide Mobile Titles (By CY20 Revenue)

Title	CY20 Downloads	CY20 Revenue
Seven Deadly Sins	13.6M	\$227M
Marvel Contest of Champs	21.2M	\$180M
Lineage 2 Revolution	930K	\$118M
Blade & Soul Revolution	2.5M	\$85M
Harry Potter Hogwarts Mystery	19.2M	\$72M
A3: Still Alive	5.9M	\$49M
Cookie Jam	2.4M	\$47M
Marvel Future Flight	8.4M	\$46M
Disney Emoji Blitz	6M	\$38M
Bingo Pop	1M	\$32M

Top 10 North America Mobile Titles (By CY20 Revenue)

Title	CY20 Downloads	CY20 Revenue
Marvel Contest of Champs	3M	\$108M
Seven Deadly Sins	3M	\$63M
Harry Potter Hogwarts Mystery	3.8M	\$40M
Cookie Jam	1.6M	\$38M
Disney Emoji Blitz	2.9M	\$32M
Bingo Pop	500K	\$22M
Panda Pop	1.6M	\$21M
Marvel Future Fight	1M	\$19M
Cookie Jam Blast	600K	\$11M
Shop Titans	750K	\$11M

¹ Netmarble LinkedIn

Bungie, Inc.

Company Overview

Founded: 1991 | **Location:** Bellevue, WA | **Size:** 500

Overview: Bungie, from its days of developing Pathways into Darkness and Marathon in the 1990s has gone to becoming one of the greatest first-person shooter development and publishing houses in the gaming industry. In 2000, company was acquired by Microsoft and developed Halo to be the flagship title for Xbox. Based on its critical and commercial success, Microsoft and Bungie developed four additional games: Halo 2 (2004), Halo 3 (2007), Halo ODST (2009), and Halo Reach (2010). In 2007, Bungie split off from Microsoft and starting 2010, entered a 10-year publishing relationship with Activision Blizzard where Bungie developed Destiny and Destiny 2. Bungie terminated its publishing deal with Activision in 2019 after eight years due to difference in ideas of where Destiny franchise should head, and as per agreement, Bungie retained all rights to the Destiny IP. Bungie transitioned the game from Activision's Battle.net to Steam and has been releasing new DLC on a steady cadence. As of 2021, company has more than doubled its headquarters space and plans to open a new studio in Amsterdam by 2022 for ongoing support on Destiny 2 and development of a new IP, currently expected to release in 2025.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
Matter	TBD	TBD	TBD	TBD
Destiny 2: Beyond Light	2020	PC, PS4, PS5, Stadia, X1, X S	Looter FPS	77%
Destiny 2: Shadowkeep	2019	PC, PS4, PS5, Stadia, X1, X S	Looter FPS	78%
Destiny 2: Forsaken	2018	PC, PS4, PS5, Stadia, X1, X S	Looter FPS	86%
Destiny 2	2017	PC, PS4, PS5, Stadia, X1, X S	Looter FPS	83%
Destiny	2014	PS3, PS4, X360, X1	Looter FPS	76%

Strategic Rationale

- Top-tier AAA first-person shooter developer and publisher, with proven track record of creating new long-lasting franchises: Halo and Destiny. For the last 7+ years, company has established a strong foundation in live ops with Destiny 1 and 2, through in-game updates and new DLC
- Acquisition of Bungie will include securing valuable IP, Destiny (and its community) and integration of its dev & live ops infrastructure into XGS
- Acquisition also suggests a major carry in momentum as we continue to position Xbox and Game Pass as the preferred platform for gamers worldwide
- **Notable IP Ownership:** Destiny, Marathon

Risks

- 2018, NetEase invested \$100M USD in exchange for minority stake in company and a seat on the company's board of directors
- Company is known for its high burn-rate

Additional Information

- 2018, Bungie trademarks "Matter", which may be Bungie's next original IP
- One of the highest hours generating titles on console Game Pass
- **Community Development Indicators:**

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Destiny 2	292,314	95,209	61,790	95,804,789	N/A	5,000,000	470,915

IO Interactive A/S

Company Overview

Founded: 1998 | **Location:** Copenhagen, Denmark | **Size:** 117

Overview: IOI has dedicated 30 years to making Hitman into the franchise that it is today. What started as a game concept inspired by John Woo films has gone to becoming a franchise that defines the stealth genre within the gaming industry. IOI was acquired by Eidos Interactive in 2004 (for up to 28M GBP), then Eidos was acquired by Square Enix in 2009 (for 84.3M GBP) to become Square Enix Europe. In 2017, Square Enix announced that it had withdrawn funding from IOI, and IOI performed a management buyout. In 2021, company released its latest game, a conclusion to the Hitman World of Assassination trilogy. IOI is currently developing Project 007 as well as Project Dragon for XGS Publishing.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
Project Dragon	TBD	PC, X S	RPG Shooter	TBD
Project 007	TBD	TBD	Shooter	TBD
Hitman 3	2021	PC, PS4, PS5, Stadia, NSW, X1, X S	Stealth	87%
Hitman 2	2018	PC, PS4, Stadia, X1	Stealth	84%
Hitman	2016	PC, PS4, Stadia, X1	Stealth	84%
Hitman: Absolution	2012	PC, PS3, X360	Stealth	83%
Hitman: Blood Money	2006	PC, PS2, Xbox, X360	Stealth	83%
Hitman: Contracts	2004	PC, PS2, Xbox	Stealth	80%
Hitman 2: Silent Assassin	2002	PC, PS2, Xbox, GameCube	Stealth	87%
Hitman: Codename 47	2000	PC	Stealth	73%

Strategic Rationale

- 20+ year, established AAA studio that can ship every 2 years
- Owns proprietary technology, Glacier engine, that will add value to XGS
- Transformed themselves into a GaaS developer
- Currently developing Project Dragon with XGS Publishing
- **Notable IP Ownership:** Hitman, Freedom Fighters

Risks

- Square Enix maintains minority stake in company
- Repeated pattern of overextending company size then downsizing
- Company has not been able to ship a successful new original IP since Hitman and has not been able to repeat its success through its other games such as Kane & Lynch and Mini Ninjas
- Reason behind Square Enix pulling away from IO is uncertain; is the leadership at IO difficult to manage?

Additional Information

- Hitman 3 is the first Hitman game that IOI self-published after MBO
- 2019, IOI opened subsidiary studio, IOI Malmo (Sweden)
- 2021, IOI opened subsidiary studio, IOI Barcelona (Spain)
- **Community Development Indicators:**

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Hitman 3	N/A (Epic)	N/A (Epic)	N/A (Epic)	N/A	N/A	70,000	207,557
Hitman 2	356,867	1,988	1,327	N/A	N/A	396,000	78,835

Supergiant Games, LLC

Company Overview

Founded: 2009 | **Location:** San Francisco, CA | **Size:** 20

Overview: Supergiant Games was founded by two Electronic Arts employees who decided to quit their jobs, move in together and start work on their first original game, Bastion. After a strong initial showing at a 2010 PAX event, Supergiant signed with WB who published the title. Transistor was their next release, this time self-published and released in concert with a PlayStation co-marketing partnership. Supergiant's third title, Pyre, represents the first misstep from the studio. The title released to high critical praise (just as Bastion and Transistor) but failed to gain traction with gamers and find an audience. Supergiant attributed this blunder to their development philosophy and creative process which kept their projects under wraps until just before release. For their fourth title, Hades, they decided to engage the community during development and opted to release in Early Access. The title was developed with strong consideration of player behavior and community feedback for a period of nearly two years before v1.0 was released. The change in strategy paid off as Hades was one of the most awarded titles of 2020, receiving nearly universal praise, and is a massive commercial success for the studio.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
Hades	2020	PC, NSW	Rouge-like Action RPG	93%
Pyre	2017	PC, PS4	Action RPG	82%
Transistor	2014	PC, PS4, NSW iOS, Apple TV	Action RPG	83%
Bastion	2011	PC, PS4, Vita NSW, X360, X1, iOS	Action RPG	86%

Strategic Rationale

- Track record of innovative, high quality, critically received releases
- Ability to attract a wide audience into Xbox and Game Pass
- Strong creative vision and willingness to try new concepts
- Technical capabilities – studio utilizes proprietary engine and tools and has experience supporting/launching on multiple platforms
- **Notable IP Ownership:** Hades, Pyre, Transistor, Bastion

Risks

- Strong historical relationship with Sony (post-Bastion)
- Lack of experience with Xbox platforms and tools
- Potential desire to remain “indie”

Additional Information

- All four releases have been nominated for numerous industry awards including Game of the Year
- Lead writer for all projects is Greg Kasavin who was previously GameSpot's Editor in Chief
- Bastion was first released as part of the 2011 Xbox Summer of Arcade Promotion
- **Community Development Indicators:**

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Hades	37,586	14,113	7,077	N/A	N/A	163,000	125,245
Pyre	3,995	45	31	N/A	N/A	6,700	35,548
Transistor	6,657	65	42	N/A	N/A	9,400	106,772
Bastion	4,063	85	49	N/A	N/A	9,800	150,877

Thunderful Group AB

Company Overview

Founded: December 2017 | **Location:** Gothenburg, Sweden | **Size:** 59
 Merger: Zoink Games, founded in 2001, and Image & Form, founded in 1997

Overview: Zoink Games and Image & Form, two Sweden-based game studios until recent years have specialized in and developed small indie games. Zoink has been known for games such as Flipping Death and Image & Form for its SteamWorld series. In 2017, the two studios merged to form Thunderful and has now positioned itself to develop higher quality games ("triple-I"), such as Fe (2018 with EA), Ghost Giant (2019 with Sony PSVR) and Lost in Random (2021 with EA). As Thunderful, company has also expanded its business as a micro-publisher under name Thunderful Publishing, publishing games such as Lonely Mountains. Company has recently established a platform exclusivity partnership under ID@Xbox and Game Pass programs for its next game, The Gunk.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
The Gunk	2021 (Expected)	X S, X1	Action Adventure	TBD
Lost in Random	2021 (Expected)	X1, PS4, NSW	Action Adventure	TBD
Ghost Giant	2019	PSVR	Puzzle Story	80%
SteamWorld Quest	2019	NSW	Roleplaying Card Game	80%
Fe	2018	X1, PS4, NSW, PC	Action Adventure	72%
Flipping Death	2018	X1, PS4, NSW, PC	Puzzle Adventure Platformer	79%
SteamWorld Dig 2	2018	PS4, NSW, PC	Metroidvania	88%

Strategic Rationale

- Ability to ship high Metacritic scored games with steady track-record
- Creative mindset focused on delivering unique Nintendo-esque games
- Given support through a parent company like Microsoft, dev looks promising in its ability to create great IP and franchises that will allow Microsoft to widen its audience
- Dev's next game, The Gunk will be exclusive to the Xbox ecosystem in perpetuity
- **Notable IP Ownership:** Flipping Death, Zombie Vikings, Stick it to the Man, SteamWorld

Risks

- Long track record, but dev has yet to create a 'hit'
- Bergsala owns 50% of company
- Last project with EA (Game, Fe) underperformed, EA forecasted sale of ~700K units, however it only sold ~200K; noting however, even with such results, EA signed Lost in Random (Thunderful's next game), which shows EA believes in the company's potential

Additional Information

- Thunderful is owned 50% by Bergsala (retail distributor in Northern Europe for Nintendo) / 25% by Brjann (CEO of Imagine) / 25% by Klaus (CEO of Zoink)
- 2018 Net Revenue: \$2.6M / Gross Revenue: \$8.7M
- **Community Development Indicators:**

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Fe	43	18	10	N/A	N/A	5,300	102,265
SteamWorld Quest	667	43	13	N/A	N/A	1,800	4,653
SteamWorld Dig 2	1060	78	35	N/A	N/A	5,700	33,519

Company Overview

Founded: 1999 | **Location:** Frankfurt, Germany | **Size:** 250

Overview: Crytek is best known for developing the Far Cry and Crysis franchises. They also develop and license their engine, CryEngine. Their games and engine are known for pushing hardware to its limit to achieve high graphical fidelity. Crytek has worked directly with MSFT in the past, on the Xbox One exclusive launch title Ryse: Son of Rome. In the late 2000's / early 2010's, Crytek went through a massive expansion opening several studios before encountering financial setbacks that saw them forced to shutter most of their locations. In 2018, Cevat Yerli (founder) stepped down as CEO and passed leadership responsibility to his two brothers who are now acting as joint CEOs. Recently Crytek has been gaining traction with Hunt: Showdown (originally released in Early Access) and reintroducing the Crysis brand with a remastered version of the original game.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
The Climb 2	2020	OQ	Arcade Exploration	75%
Crysis Remastered	2020	PC, PS4, NSW, X1	FPS	91%
Hunt: Showdown	2019	PC, PS4, X1	FPS, Battle Royale	81%
Ryse: Son of Rome	2013	PC, X1	Action	61%
Warface	2013	PC, PS4, NSW, X360, X1	FPS, Competitive MP	62%
Crysis 3	2013	PC, PS3, X360	FPS	77%

Strategic Rationale

- Experienced in self-publishing and currently operating four development studios
- Proficient in live ops and VR development
- Technical capabilities – studio develops/licenses CryEngine and has experience supporting/launching on multiple platforms
- **Notable IP Ownership:** Crysis, Hunt, The Climb

Risks

- Overlap in target audience with XGS
- Historical business mismanagement (have requested advance against future royalties in past to keep company afloat)

Additional Information

- Crytek operates Gface (MP backend for Warface which was originally intended to be a cloud based social gaming network)
- Amazon licensed a previous version of the CryEngine in 2015 to split off and create Lumberyard
- **Community Development Indicators:**

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Crysis Remastered	N/A	N/A	N/A	N/A	N/A	48,400	30,858
Hunt: Showdown	32,579	32,579	19,287	N/A	N/A	635,000	142,596
Warface	13,867	6,097	3,404	N/A	N/A	444,000	33,099
Crysis 3	1,387	479	293	N/A	N/A	18,500	13,042

People Can Fly

Company Overview

Founded: 2002 | **Location:** Warsaw, Poland | **Size:** 300

Overview: Original founders Chmielarz, Kosieradzki and Poznanski formed People Can Fly in 2002 aiming to bring Polish developed games to a wider global audience. In 2004, PCF developed and released the first-person shooter game, Painkiller which was a critical success. Success on Painkiller led to a new multi-million-dollar project deal with THQ that led to PCF expanding its studio size from 20 to 70. However, in 2006, THQ cancelled the project and during time of financial trouble for PCF (almost leading to a shut down), PCF was able to land a project with Epic Games to port Gears of War. Epic was impressed with PCF's performance and later expanded the partnership to collaborate on Bulletstorm and Gears of War: Judgement, with studio size reaching 120. Success on both projects led to Epic acquiring the studio in 2012. After the acquisition, Chmielarz, Kosieradzki and Poznanski left the company. In 2015, PCF performed a management buyout and became independent again. Since then, company has worked with Epic on Fortnite and has also developed and released Bulletstorm HD with Gearbox. In recent years, company has been focused on development of Outriders with Square Enix, which released on April 1, 2021 with critical and commercial success. PCF currently has five internal studios: three in Poland, one in New York and one in Chicago.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
Outriders	2021	PC, PS4, PS5, Stadia, X1, X S	Co-op RPG shooter	75%
Bulletstorm: Full Clip Edition	2017	PC, PS4, X1	First-person shooter, arcade	82%
Bulletstorm	2011	PC, PS3, X360	First-person shooter, arcade	84%

Strategic Rationale

- Despite the technical (server and network) issues during release, Outriders was a critical and commercial success; the real-time technical challenges that the developer faced will likely have added valuable experience to the company for future projects
- Outriders has now surpassed Borderlands 2 and 3 all-time highs on Steam (concurrent users); game continues to perform well in building a healthy gaming community
- PCF NY ran by former head of Avalanche NY, Dave Grijns and Roland Lesterlin
- Notable IP Ownership:** Bulletstorm

Risks

- Went IPO in 2020; current market cap, \$550M USD
- Developing two projects: One with Take Two and another new project with Square Enix (in addition to Outriders); both \$40-50M Euro projects, subject to releasing in 2023; adds complication to acquisition

Additional Information

- April 2021, acquired Phosphor Studios to establish PCF Chicago
- Even with Outriders releasing on Game Pass (day and date), NPD report shows that Game Pass has not hurt sales, ranking as the third best selling game in the US for month of March next to Cold War and Monster Hunter: Rise
- Community Development Indicators:**

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Outriders	125,123	125,123	38,012	TBD	TBD	107,000	178,757
Bulletstorm: Full Clip Ed	1,547	581	67	N/A	N/A	5,900	26,245

Remedy Entertainment Oyj

Company Overview

Founded: 1995 | **Location:** Espoo, Finland | **Size:** 280

Overview: Widely known for games such as Max Payne, Alan Wake and Control, Remedy has been continuing its trajectory to develop deep story-driven games. Company has recently added a new strategy to its games, for them to take place in one supernatural world (the Sam Lake-universe). Remedy developed Max Payne 1 and 2, with the third game being developed by Rockstar Games (IP owned by Take-Two). From 2006 to 2016, Remedy had an extensive relationship with Microsoft, making exclusive games for the Xbox, including Alan Wake, Alan Wake's American Nightmare and Quantum Break. Starting 2016, Remedy diversified its portfolio, establishing partnerships with 505 Games for Control and with Smilegate for CrossfireX. In 2017, company went IPO, listed on the NASDAQ First North Finland exchange. In 2020, it was announced that Remedy and Epic Games have established a partnership to develop two games, confirmed (within Microsoft however not publicly) as Alan Wake 2 and Alan Wake Remastered.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
Alan Wake 2	TBD	TBD	Action Adventure	TBD
Alan Wake Remaster	2022 (Expected)	TBD	Action Adventure	TBD
Project Vanguard	2022 (Expected)	TBD	Co-op Shooter	TBD
Control	2019	PC, PS4, PS5 NSW, X1, X S	Action Adventure	85%
Quantum Break	2016	PC, X1	Action Adventure	77%
Alan Wake's American Nightmare	2012	PC, X360	Action Adventure	73%
Alan Wake	2010	PC, X360	Action Adventure	83%

Strategic Rationale

- One of the last remaining independent, AAA narrative-driven game developers
- Existing IP value; healthy community following with Alan Wake and Control, the "Sam Lake-universe"
- **IP Ownership:** Control, Alan Wake

Risks

- Public company with market cap of 600 EUR
- Next two games tied to Epic Game Store: Alan Wake 2 and Alan Wake Remastered

Additional Information

- Control sold over 2 million units as of March 2021
- Project Vanguard, a new Free to Play third-person co-op (4-player) game in development, with expected release in Q1/Q2 of 2022 (Steam Early Access); Remedy's version of Destiny / Warframe
- **Community Development Indicators:** Note, numbers for Control on Steam may be low due to the game having first exclusively released on the Epic Game Store

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Control	9,078	4,800	1,301	5,259,599	798,590	80,400	156,194
Quantum Break	2,706	962	174	TBD	TBD	33,600	17,447
Alan Wake's AN	738	23	20	N/A	N/A	3,100	2,783
Alan Wake	6,612	215	136	TBD	TBD	49,200	21,313

11 bit studios S.A.

Company Overview

Founded: 2010 | **Location:** Warsaw, Poland | **Size:** 101

Overview: Founded by former CD Projekt and Metropolis Software developers and staff members, company's goal has been to create games suitable for both hardcore gamers as well as casual gamers. Company also has a goal to make games easily accessible through digital distribution and therefore, 11 bit studios implement and deliver games to all main gaming platforms, including PC, console and mobile/handhelds. Company is best known for its morally challenging games that often force its players to think of the choices they have made in an ethical manner, a rare element in modern video games. 11 bit focuses on developing indie games. In July 2020, company announced that it will be investing \$21M USD to develop seven different games, of which three will be through their first party studios and the rest through their publishing label.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
Children of Morta	2019	PC, PS4, X1, NSW	Action RPG	80%
Moonlighter	2018	PC, PS4, X1, NSW	Action RPG, Biz Simulation	83%
Frostpunk	2018	PC, PS4, X1	City Building Survival	84%
Beat Cop	2017	PC, PS4, X1, NSW	Simulation	72%
This War of Mine	2014	PC, PS4, X1, iOS	Strategy, Survival	83%

Strategic Rationale

- Games developed and published are mainly PC-centric (and UGC for Frostpunk) that could add value to Xbox and Game Pass
- Frostpunk, sold over 3 million units in 3 years
- IP Ownership:** Frostpunk, This War of Mine

Risks

- Public company with market cap of 270M EUR
- While there is a healthy community following, games appear too niche and goes against serving a wide audience

Additional Information

- Community Development Indicators:**

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Children of Morta	3,007	841	768	296,100	148,790	8,650	26,642
Moonlighter	6,158	786	786	325,626	124,055	36,900	30,887
Frostpunk	29,195	4,263	4,263	899,414	524,301	103,000	58,392
Beat Cop	525	525	148	N/A	N/A	6,270	26,142
This War of Mine	9,343	2,787	2,787	N/A	N/A	75,200	17,572

Playdead ApS

Company Overview

Founded: 2006 | **Location:** Copenhagen, Denmark | **Size:** 50

Overview: Playdead's first game, Limbo, began as a pet project for Arnt Jensen who was working for IOI at the time. He left IOI and found Playdead with Dino Patti who Arnt had met after he had put out an art teaser to seek help with Limbo's creation. After securing investment and scaling up their team they were able to develop and release Limbo to critical acclaim. The title first launched as an Xbox timed exclusive and allowed Playdead to reacquire the company back from investors. Their next game, Inside, is a spiritual successor to Limbo and features a similar art style and gameplay mechanics. This title garnered even more critical acclaim for the studio and was again released as an Xbox timed exclusive. In 2017 a rift developed between Jensen and Patti which led to Patti leaving Playdead and starting his own studio. Playdead is now developing a 3rd-person science fiction adventure set in a remote corner of the universe. This new title is funded and published by Epic Games with a TBD release date.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
Inside	2016	PC, PS4, NSW, X1, iOS	Puzzle Platformer	93%
Limbo	2010	PC, PS3, PS4, Vita, NSW, X360, X1, iOS, Android	Puzzle Platformer	90%

Strategic Rationale

- Own IP for two critically acclaimed, successful games
- Track record of delivering artistic experiences
- Have some technical capabilities developing their own engine for Limbo
- **Notable IP Ownership:** Inside, Limbo

Risks

- Small studio with limited experience who has only shipped two games of similarity
- Uncertain how future projects will be received after Patti's departure
- Long development period between each project for what have been relatively short experiences

Additional Information

- Playdead's next title will be developed using UE
- **Community Development Indicators:**

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Inside	3,753	1,087	141	N/A	N/A	44,700	15,002
Limbo	27,454	2,822	133	N/A	N/A	52,800	20,331

Behaviour Interactive Inc.

Company Overview

Founded: 1992 | **Location:** Montreal, Canada | **Size:** 700

Overview: In 1996, Malofilm Communications bought Megatoon and Multimedia Interactive (MMI) and merged the two companies into Behaviour Interactive. In 1999, Remi Racine (original founder of MMI) bought Behaviour back to become an independent company. In 2008, the company acquired Santiago-based Wanako Games from Activision Blizzard, the first and largest South American game studio. Behaviour has been primarily in the business of multi-disciplinary work-for-hire, helping publishers with co-dev and port needs on projects. In 2016, Starbreeze (publisher and developer in Stockholm, Sweden) published a game developed by Behaviour Interactive, Dead by Daylight. The game was a financial success and continues to drive a large community following with the game constantly being ranked top 10-15 on Steam stats, concurrent users. In 2018, during Starbreeze's financial turmoil, Behaviour bought the publishing rights and to-date, has been publishing and live operating the game with additional DLC.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
Game of Thrones Beyond the Wall	2020	iOS	Role-Playing, Strategy	58%
Dead by Daylight	2016	PC, PS4, PS5, Stadia, NSW, X1, X S, iOS	Multiplayer (4v1) horror	71%

*List does not include company's WFH projects.

Strategic Rationale

- Established foundation of tools, tech and process for live ops
- Established mobile development and publishing division
- Ability to scale quickly in WFH and end-to-end service; possible co-dev solution for XGS
- Favorable burn rate
- Notable IP Ownership:** Dead by Daylight

Risks

- Inconsistent quality on WFH co-dev projects (example: inconsistency in results between 343 and TC)
- Unable to deliver on another strong OIP since Dead by Daylight (however, company's current project "Upforce Arena" looks promising)
- 2019, NetEase made a minority stake investment in Behaviour.

Additional Information

Community Development Indicators:

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Dead by Daylight	77,347	56,338	40,435	25,503,224	2,559,014	224,000	146,841

Larian Studios

Company Overview

Founded: 1996 | **Location:** Ghent, Belgium | **Size:** 250

Overview: Larian has been developing games in the Divinity franchise since the company's inception. Divine Divinity and Beyond Divinity were the first two releases from the studio and both found decent critical and commercial reception. Larian turned to developing children's educational software in the mid 2000's before returning to the Divinity series with the 2009 release of Divinity II. It wasn't until the release of Divinity: Original Sin in 2014 the studio gained a community following and critical reception. Both the original game and its direct sequel are hailed as two of the best RPGs in history. They are classic RPGs that allow for a level of freedom, simulation, depth, and respect for player choice practically unmatched. Following the success of both Original Sin titles, Larian received access to the Baldur's Gate IP from Wizards of the Coast and recently released Baldur's Gate III into Early Access. Although the title is still early in development, it has the potential and following to be their most significant release yet.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
Baldur's Gate III	2020 (EA)	PC, Stadia	CRPG	TBD
Divinity: Original Sin II	2017	PC, PS4, NSW, X1	CRPG	93%
Divinity: Original Sin	2014	PC, PS4, X1	CRPG	87%

Strategic Rationale

- PC-centric, proprietary engine and tools
- Strong community following and engagement
- Divinity: Original Sin and Original Sin II two of the highest rated RPGs of the last decade
- **Notable IP Ownership:** Divinity

Risks

- Development dispersed between six studio locations
- Overlap with XGS: inXile and Obsidian

Additional Information

- Swen Vincke and his wife are the majority shareholders
- In 2018 Larian was looking for minor external investment – unclear if they received
- **Community Development Indicators:**

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Baldur's Gate III	48,418	4,845	2,231	N/A	N/A	34,800	194,335
Divinity: Original Sin II	93,350	16,458	9,535	N/A	N/A	189,000	84,954
Divinity: Original Sin	7,547	1,822	1,232	N/A	N/A	30,700	120,632

Housemarque Oy

Company Overview

Founded: 1995 | **Location:** Helsinki, Finland | **Size:** 85

Overview: Bloodhouse and Terramarque, founded in 1993 as the first commercial video game developers in Finland, the two companies merged to form Housemarque in 1995. Housemarque started its business in PC game development with the MS-DOS conversion of Bloodhouse's space shooter Super Stardust, adventure game Alien Incident and shooter game The Reap, all of which gained favorable reception but failed to succeed commercially. Until recent years, company had primarily specialized in developing hyper arcade shooters (side scroll and top-down). In 2017, company shifted its core focus, seeking to develop higher production games. Company self-invested in development of its own battle royale game, Stormdivers, however halted the project as they found opportunity to partner with Sony on developing a PS5 exclusive title, Returnal.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
Returnal	2021 (Expected)	PS4	Third-person shooter	TBD
Matterfall	2017	PS4	Side-scrolling shooter	72%
Nex Machina: Death Machine	2017	PC, PS4	Top-down shooter	84%
Alienation	2016	PS4	Third-person shooter	79%
Resogun: Defenders	2015	PS4	Side-scrolling shooter	85%

Strategic Rationale

- Ability to deliver steady flow of content for Game Pass
- Developer, subject to results on its next game Returnal, shows potential to shift from a Triple I to AAA developer; bet on people, teams and ideas
- While developer specializes in "shooters," Housemarque's games provide a unique arcade-like, hyper-explosive game experience that may distinguish itself from existing XGS IP and compliment (rather than overlap with) our portfolio
- **IP Ownership:** TBD (Sony to likely have ownership on previously developed games)

Risks

- Unproven track record with AAA development; need to assess Returnal upon release, April 30, 2021
- Extensive previous relationship with Sony, having created PS exclusive content for nearly a decade; studio may require time to onboard in the Xbox development pipeline.

Additional Information

- Sony is currently in M&A review of the developer
- Community Development Indicators: N/A (no available data as company's titles have been PlayStation exclusive)

Bohemia Interactive a.s.

Company Overview

Founded: 1999 | **Location:** Prague, Czech Republic | **Size:** 400

Overview: Bohemia released their first title, a military simulation shooter named Operation Flashpoint: Cold War Crisis, two years after their founding. The title received critical acclaim and was financially successful for the studio but a series of downturns and financial losses caused a sequel to be abandoned in development. During this time, the USMC employed the studio to create simulation games to train soldiers which gave them the capital to develop and release a spiritual successor to Operation Flashpoint named ARMA. ARMA would become Bohemia's flagship franchise. DayZ, originally a mod for ARMA II which was later spun off into its own game, released in Early Access in 2013 and v1.0 in 2018. DayZ was one of the first survival battle royale titles and remains one of the most played PC/Console games to this day. Bohemia has a R&D mindset and launched an incubator in 2016 intended to be an even earlier look at titles in development (compared to EA) to gather community feedback and direction. Ylands is the most high-profile game to release from this incubator but the sandbox title is out of Bohemia's realm of expertise and is failing to gain traction and a following. Tencent acquired a minority stake in 2021 for an undisclosed amount.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
Ylands	2019	PC, PS4, X1	Sandbox	N/A
Vigor	2019	PS4, PS5, X1, NSW	FPS, Battle Royale	61%
DayZ	2018	PC, PS4, X1	Survival, FPS	56%
ARMA 3	2013	PC	Military Tactical Shooter	74%

Strategic Rationale

- PC-centric with large modding community
- Extensive experience with simulation games
- Live ops expertise through supporting model with all recent releases
- Technical capabilities through developing proprietary Enfusion engine
- **Notable IP Ownership:** DayZ, Arma, Vigor

Risks

- Recent releases, Ylands and Vigor, have failed to find commercial or critical success
- Poor technical performance on console and games typically buggy
- Minority stake from Tencent

Additional Information

- Bohemia will be releasing Ylands in China on PC/Mobile soon
- Dev working on Arma Reforged, Arma 4 and DayZ 2
- Bohemia has difficulty accepting PC GP but is happy with DayZ's console GP performance
- **Community Development Indicators:**

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Vigor	N/A	N/A	N/A	N/A	N/A	49,400	28,670
DayZ	45,398	34,129	29,710	18,986,964	N/A	2,500,000	107,222
ARMA 3	56,185	27,972	22,209	N/A	N/A	1,200,000	46,087

Rebellion Developments Limited

Company Overview

Founded: 1992 | **Location:** Oxford, England | **Size:** 300

Overview: Rebellion was founded by the Kingsley brothers just after completing University when they decided to focus on their freelance work in the gaming industry rather than pursue doctorates. They first starting gaining traction in the industry working with Atari on titles for the Jaguar. Rebellion established itself in the late 90's / early 2000's with multiple releases on various platforms leveraging mostly licensed IP. In 2006 Rebellion purchased Core Design from Eidos Interactive and Strangelite from Empire Interactive establishing itself as the largest independent studio in Europe. In the 2010s, Sniper Elite emerged as Rebellion's most successful franchise. In 2018 and 2019, Rebellion purchased Radiant Worlds and TickTock Games rebranding them Rebellion Warwick and Rebellion North respectively. Rebellion now operates three full development studios.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
Evil Genius 2: World Domination	2021	PC	Simulation, Strategy	77%
Zombie Army 4: Dead War	2020	PC, PS4, X1, Stadia	Action, Shooter	77%
Strange Brigade	2018	PC, PS4, X1, Stadia	Action, Adventure	75%
Sniper Elite 4	2017	PC, PS4, NSW, X1, Stadia	Action, Shooter	81%
Battlezone	2016	PC, PS4, NSW, X1	Action, Shooter	75%
Zombie Army Trilogy	2015	PC, PS4, NSW, X1	Action, Shooter	72%

Strategic Rationale

- Steady content release cadence supporting multiple platforms
- Technical expertise via development/support of proprietary Asura engine
- Stable company with long history in the industry
- Notable IP Ownership:** Sniper Elite, Zombie Army, Strange Brigade, Evil Genius, 2000 AD, Battlezone

Risks

- Broadly questionable quality in content
- Overlap in genre and tone for other XGS studios and franchises

Additional Information

- Rebellion operates a film/TV studio (Rebellion Productions) as well as a book/comic publisher (Rebellion Publishing) and board game business (Rebellion Unplugged)
- Community Development Indicators:**

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Evil Genius 2: World Domination	26,509	26,509	3,628	N/A	N/A	10,300	39,859
Zombie Army 4: Dead War	3,279	1,902	1,078	N/A	N/A	24,100	27,594
Strange Brigade	1,903	151	70	N/A	N/A	22,200	27,741
Sniper Elite 4	14,918	2,146	1,568	7,124,570	N/A	135,000	39,383

Manticore Games Inc.

Company Overview

Founded: 2016 | **Location:** San Mateo, CA | **Size:** 105

Overview: Manticore Games is a startup that just released its first title, Core, which is a platform rather than specific game. Core leverages the power of Unreal Engine and pairs it with accessible tools that require little/no coding experience. It makes game creation and publishing available to everyone for "free." As of March 2021, Manticore had raised over \$100M in Series C funding to develop Core. Epic is an investor and strategic partner. Core released to a limited audience on Epic Games Store in March 2020 and had over 20,000 games created with the tools leading up to its official EA release on EGS in April 2021. There are reportedly over half a million projects currently being created in Core. Core is in direct competition to Roblox but focuses on an older audience with more realistic graphics. Near future plans for Core include adding features for users such as virtual events and persistent player housing, as well as features for creators, including a physics-based vehicle system and an assets marketplace.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
Core (EA)	2021	PC	Creation System	N/A

Strategic Rationale

- PC-centric game creation platform which could be a disruptive force
- Opportunity to partner in initial phases with what could be one of the next big things in gaming
- **IP Ownership:** Core (platform and tech; creators retain rights to any original IP and Manticore retains the rights to all assets—sound files, graphics files, and the like)

Risks

- A lot of potential competition in this space including from Roblox
- Quality and quantity of content will depend on gaining traction with community which goes hand-in-hand with the platform's popularity

Additional Information

- Dreams is a PlayStation exclusive in the same genre that has failed to gain a mass audience
- Details
- **Community Development Indicators:**

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Core	N/A (Epic)	N/A (Epic)	N/A (Epic)	N/A	N/A	9,800	86,280

Paradox Interactive AB

Company Overview

Founded: 1999 | **Location:** Stockholm, Sweden | **Size:** 479

Overview: Splitting off from Paradox "Entertainment" in 2004, Paradox Interactive has been a publisher and developer of PC-centric games, with primary focus on "grand strategy". For about a decade until 2012, the company had spread somewhat thin with investments in number of projects but without bandwidth, causing many of their published games to be buggy. Crusader Kings II in 2012 was the first game developed and published with more attention and focus on the development timeline that led to better overall sale results, and Paradox has kept the business model since. Company is well known for its success with its Cities in Motion and Cities Skyline series that captured the SimCity market. In 2016, Paradox went IPO on Nasdaq First North under symbol "PDX." Paradox currently operates 9 internal studios: Paradox Development Studios (Stockholm, Sweden), Paradox Artic (Umea, Sweden), Paradox Thalassic (Malmo, Sweden), Paradox Tectonic (Berkeley, CA), Paradox Tinto (Barcelona, Spain), Triumph Studios (Netherlands), Harebrained Schemes (Seattle, WA), Playrion Game Studio (Paris, FR), and Iceflake Studios (Tampere, Finland)

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
Crusader Kings III	2020	PC	Strategy	91%
Europa Universalis IV: Emperor	2020	PC	Strategy	78%
Stellaris: Federations	2020	PC, PS4, X1, X S	4X	74%
BattleTech: Heavy Metal	2019	PC	Turn-based Strategy	73%
Age of Wonders: Planetfall	2019	PC, PS4, X1	4X	81%
Imperator: Rome	2019	PC	Strategy	76%
Surviving Mars	2018	PC, PS4, X1	City Building, Simulation	76%
Cities Skyline	2015	PC, PS4, X1, NSW	City Building	85%

Strategic Rationale

- Owns nine internal studios with primary focus on creating PC and UGC-centric games
- Ability to produce steady flow of DLC per title (strong focus on live ops)
- Notable IP Ownership:** Crusader Kings III, Europa Universalis, Stellaris, BattleTech, Cities Skyline, Prison Architect

Risks

- Public company, market cap: \$2.74B USD
- Minority stake from Tencent, 5% of shares (valued as \$21M, 2016)

Additional Information

- Magicka, first title from Paradox to break 1 million units sold
- Acquired 33% minority stake in developer, Hardsuit Labs at cost of \$2 million
- Community Development Indicators:**

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Crusader Kings III	98,474	23,992	13,725	N/A	6,443,184	69,500	64,778
Europa Universalis IV	47,844	24,596	19,625	N/A	268,781	389,000	13,109
Stellaris: Federations	68,517	57,250	37,602	460,406	2,417,592	160,000	20,877
Cities Skyline	57,421	26,121	21,043	N/A	N/A	473,000	30,755

Sega Sammy Holdings Inc.

Company Overview

Founded: 1960 | **Location:** Shinagawa, Japan (SEGA EU: London, UK) | **Size:** 5,349 (SEGA EU: 278)

Overview: Sega has produced several multi-million selling franchises, including Sonic the Hedgehog, Total War, and Yakuza, and is one of the world's most prolific arcade game producers. It also operates amusement arcades and produces other entertainment products, including Sega Toys. Sega has been recognized for its video game consoles, its creativity, and its innovations. Sega produces games through its first party R&D teams, including Sega's (CS2) Sonic Team that develops Sonic games, Sega's CS3 team that develops games such as Phantasy Star Online 2, and Sega Interactive's AM2 team that has developed smartphone games such as Soul Reverse Zero. Sega also owns third-party studios, including Amplitude Studios, Atlus, Creative Assembly, Hardlight, Relic Entertainment, Sports Interactive, and Two Point Studios. In recent years, Sega has ventured into making the Sonic the Hedgehog film as well as producing Sega Genesis Mini and Game Gear Micro.

Expected Release & Previously Shipped Games

Title	Release	Platforms	Genre	Metacritic Rating
Endless Dungeon	TBD	TBD	Rogue-lite Tactical Action	N/A
Humankind	2021 (Expected)	TBD	4X	N/A
Total War Warhammer III	2021 (Expected)	TBD	Turn-based Strategy	N/A
Total War: Rome Remastered	2021 (Expected)	TBD	Turn-based Strategy	N/A
Yakuza: Like a Dragon	2020	PC, PS4, PS5, X1, X S	Role-playing	89%
Football Manager 2021	2020	PC, X1, X S, NSW	Sports Simulation	85%
Total War TROY	2020	PC	Turn-based Strategy	75%
Team Sonic Racing	2019	PC, PS4, X1, NSW	Kart Racing	73%

Strategic Rationale

- SEGA EU division continues to perform well with PC-centric content, primarily with the Total War and Football Manager franchises
- Relic Entertainment remains a critical component to World's Edge and the Age of Empire business
- Notable IP Ownership:** Total War, Endless Dungeon, Football Manager, Yakuza, Humankind

Risks

- Public company with market cap of \$3.19B USD
- Complicated corporate structure with number of different business verticals; while certain portion of Sega will benefit Xbox, acquisition will come with many other business divisions that may be categorized as liability rather than asset
- Recent investment from Nexon is likely to complicate acquisition process even further

Additional Information

Community Development Indicators:

Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
Yakuza Like a Dragon	9,508	1,933	1,021	N/A	N/A	49,600	41,402
Football Manager 2021	93,775	80,787	64,110	1,088,341	109,751	116,000	25,539
Total War TROY	N/A	N/A	N/A	N/A	N/A	11,300	54,577
Team Sonic Racing	971	39	26	N/A	N/A	12,300	33,765
Total War Warhammer II	84,254	35,719	25,030	N/A	N/A	330,000	39,295

Community Development Indicators

Sorted by Steam all-time PCCU

Company	Game	Steam (all-time PCCU)	Steam (last 30 days PCCU)	Steam (last 24-hour PCCU)	Game Pass (console hours, last 6 months)	Game Pass (PC hours, last 6 months)	Twitch (official game channel followers)	Twitch (all-time peak viewers)
IO Interactive	Hitman 2	356,867	1,988	1,327	N/A	N/A	396,000	78,835
Bungie	Destiny 2	292,314	95,209	61,790	95,804,789	N/A	5,000,000	470,915
People Can Fly	Outriders	125,123	125,123	38,012	TBD	TBD	107,000	178,757
Paradox Interactive	Crusader Kings III	98,474	23,992	13,725	N/A	6,443,184	69,500	64,778
Sega	Football Manager 2021	93,775	80,787	64,110	1,088,341	109,751	116,000	25,539
Larian Studios	Divinity: Original Sin II	93,350	16,458	9,535	N/A	N/A	189,000	84,954
Sega	Total War Warhammer II	84,254	35,719	25,030	N/A	N/A	330,000	39,295
Behaviour Interactive	Dead by Daylight	77,347	56,338	40,435	25,503,224	2,559,014	224,000	146,841
Paradox Interactive	Stellaris: Federations	68,517	57,250	37,602	460,406	2,417,592	160,000	20,877
Paradox Interactive	Cities Skyline	57,421	26,121	21,043	N/A	N/A	473,000	30,755
Bohemia Interactive	ARMA 3	56,185	27,972	22,209	N/A	N/A	1,200,000	46,087
Larian Studios	Baldur's Gate III	48,418	4,845	2,231	N/A	N/A	34,800	194,335
Paradox Interactive	Europa Universalis IV	47,844	24,596	19,625	N/A	268,781	389,000	13,109
Bohemia Interactive	DayZ	45,398	34,129	29,710	18,986,964	N/A	2,500,000	107,222
Supergiant Games	Hades	37,586	14,113	7,077	N/A	N/A	163,000	125,245
Crytek	Hunt: Showdown	32,579	32,579	19,287	N/A	N/A	635,000	142,596
11 bit studios	Frostpunk	29,195	4,263	4,263	899,414	524,301	103,000	58,392
Playdead	Limbo	27,454	2,822	133	N/A	N/A	52,800	20,331
Rebellion Developments	Evil Genius 2	26,509	26,509	3,628	N/A	N/A	10,300	39,859
Rebellion Developments	Sniper Elite 4	14,918	2,146	1,568	7,124,570	N/A	135,000	39,383
Crytek	Warface	13,867	6,097	3,404	N/A	N/A	444,000	33,099
Sega	Yakuza Like a Dragon	9,508	1,933	1,021	N/A	N/A	49,600	41,402
11 bit studios	This War of Mine	9,343	2,787	2,787	N/A	N/A	75,200	17,572
Remedy Entertainment	Control	9,078	4,800	1,301	5,259,599	798,590	80,400	156,194
Larian Studios	Divinity: Original Sin	7,547	1,822	1,232	N/A	N/A	30,700	120,632
Supergiant Games	Transistor	6,657	65	42	N/A	N/A	9,400	106,772
Remedy Entertainment	Alan Wake	6,612	215	136	TBD	TBD	49,200	21,313
11 bit studios	Moonlighter	6,158	786	786	325,626	124,055	36,900	30,887
Supergiant Games	Bastion	4,063	85	49	N/A	N/A	9,800	150,877
Supergiant Games	Pyre	3,995	45	31	N/A	N/A	6,700	35,548
Playdead	Inside	3,753	1,087	141	N/A	N/A	44,700	15,002
Rebellion Developments	Zombie Army 4: Dead War	3,279	1,902	1,078	N/A	N/A	24,100	27,594
11 bit studios	Children of Morta	3,007	841	768	296,100	148,790	8,650	26,642
Remedy Entertainment	Quantum Break	2,706	962	174	TBD	TBD	33,600	17,447
Rebellion Developments	Strange Brigade	1,903	151	70	N/A	N/A	22,200	27,741
People Can Fly	Bulletstorm: Full Clip Ed	1,547	581	67	N/A	N/A	5,900	26,245
Crytek	Crysis 3	1,387	479	293	N/A	N/A	18,500	13,042
Thunderful	SteamWorld Dig 2	1060	78	35	N/A	N/A	5,700	33,519
Sega	Team Sonic Racing	971	39	26	N/A	N/A	12,300	33,765
Remedy Entertainment	AW American Nightmare	738	23	20	N/A	N/A	3,100	2,783
Thunderful	SteamWorld Quest	667	43	13	N/A	N/A	1,800	4,653
11 bit studios	Beat Cop	525	525	148	N/A	N/A	6,270	26,142
Thunderful	Fe	43	18	10	N/A	N/A	5,300	102,265
IO Interactive	Hitman 3	N/A	N/A	N/A	N/A	N/A	70,000	207,557
Bohemia Interactive	Vigor	N/A	N/A	N/A	N/A	N/A	49,400	28,670
Crytek	Crysis Remastered	N/A	N/A	N/A	N/A	N/A	48,400	30,858
Manticore	Core	N/A	N/A	N/A	N/A	N/A	9,800	86,280
Sega	Total War TROY	N/A	N/A	N/A	N/A	N/A	11,300	54,577

Developers to Watch

Developers	Location	Size	Key Titles	Core Competencies
A44	Wellington, NZ	70	Ashen / Saltpeter	People & Ideas
Bonfire Studios	Irvine, CA	30	Project Torch	People & Ideas / Live Ops
Counterplay Games	Emeryville, CA	90	Godfall / Thronemaster	People & Ideas
Dreamhaven	Irvine, CA	30	TBD	People & Ideas
Ember Lab	Orange, CA	28	Kena: Bridge of Spirits	People & Ideas / New Audience
Facepunch Studios	Walsall, ENG	36	Rust	UGC / Live Ops
Fatshark	Stockholm, SE	120	Vermintide / Vermintide 2	Steady Flow
Ghost Ship Games	Denmark, CPH	20	Deep Rock Galactic	People & Ideas / New Audience
Hazelight Studios	Stockholm, SE	65	A Way Out / It Takes Two	People & Ideas / New Audience
Heart Machine	Culver City, CA	35	Solar Ash / Hyper Light Drifter	People & Ideas
Hello Games	Guildford, ENG	26	No Man's Sky / Joe Danger	People & Ideas / Live Ops / Steady Flow
Moon Studios	Vienna, AT	54	Ori / Forsaken	People & Ideas / Tech & Infrastructure
Mundfish	Moscow, RU	39	Atomic Heart	People & Ideas
Proletariat	Boston, MA	60	Spellbreak	Live Ops / Free to Play
Striking Distance Studios	San Ramon, CA	150	The Callisto Protocol	People & Ideas
Team Cherry	Adelaide, AU	5	Hollow Knight	People & Ideas