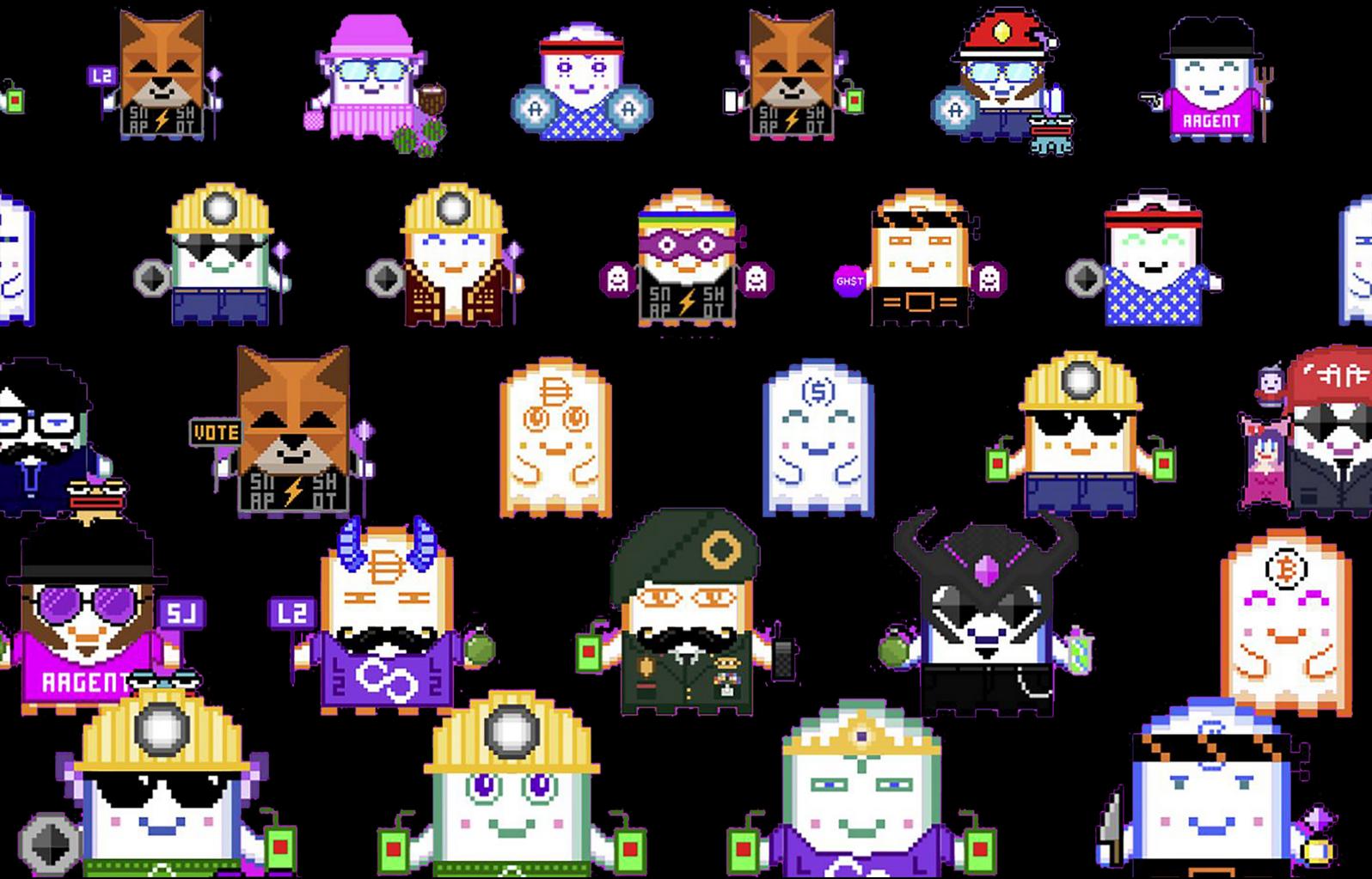




BLOCKCHAIN
GAME
ALLIANCE

Market Report

Blockchain Gaming



March 2023

Foreword

Over the past few years, the blockchain gaming industry has been quietly laying the foundations of what will turn out to be one of the most exciting and compelling segments of web3.

Its emergence proposes to not only provide solutions to many of the pitfalls commonplace in the behemoth web2 gaming industry, but build upon the gaming experience in a richer and more meaningful way for all stakeholders. The enhancement is rooted in foundational blockchain technologies that enable new paradigms in gaming such as true asset ownership, verifiable social reputation aggregation, and the vitalization of micro-economies.

In turn, blockchain technology empowers a complexity and depth of experience within and around the core game that can foster much more interesting gaming outcomes than before. While the blockchain gaming industry has found a few smaller successes and thereby its initial foothold, we've yet to see a game fully capitalize on this core technology in a sustainable and enjoyable way that fully propels the space into the mainstream.

Within our "Blockchain Gaming" report, we provide a full overview of what's been happening in blockchain gaming over the past years and take a deep-dive into the most exciting market verticals and actors in the space.

Although blockchain gaming is still in search of its "killer game" that will propel it to mainstream adoption, the technology's potential to enrich games and gamer's experience is beyond question. Similarly, game developers' activity remains strong among both web3-native and traditional gaming studios, all aiming to carve their stake into one of the most transformative technologies of our time.



web3 Studios x Polygon Labs x BGA



**Karl-Martin
Ahrend**



**Bernard
Schmid**



**Jan-Philip
Grabs**



**Findlay
Boothroyd**



**Diana
Chimes**



**Flavien
Defraire**

Acknowledgements

A special thanks to all contributors and experts who generously shared their perspectives on the current state and future outlook of blockchain gaming, in order of appearance:



Peter Kieltyka
Co-founder & CEO at
Horizon Blockchain Games



Trip Hawkins
Founder & First CEO
at Electronic Arts



Jesse Reich
Co-founder & CEO at
Splinterlands



Gerry
ApeCoin DAO
Special Council



Jesse Johnson
Founder at Aavegotchi



Urvit Goel
VP Gaming at
Polygon Labs



Mathieu Nouzareth
CEO US at Sandbox



Dragos Dunica
Co-founder at DappRadar



Charnjit Bansi
VP Game Design at
Polygon Labs



Yida Gao
Founder at Shima Capital



Kenrick Drijkoningen
General Partner at
Play Ventures

A huge thank you to each and every one of you!

Content

Executive Summary	1
Latest Learnings from GDC 2023	2
I. Market Overview	4
II. Blockchain Gaming Key Moments	11
III. The Past and Present of Blockchain Gaming	13
IV. Financial Context	17
V. The Future of Blockchain Gaming	23
Deep-dive: Polygon Ecosystem	25



Executive summary

This research report helped us learn two things about the blockchain gaming industry. First, blockchain technology has incredibly meaningful implications for the broader gaming industry. And second, although we're early, the fundamental pieces of a sweeping transformation are beginning to fall neatly into place.

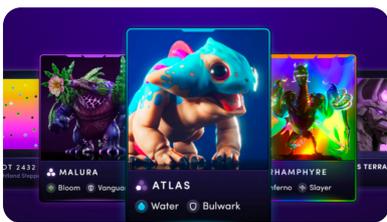
Learning from historical pitfalls, this report suggests that we first must see a **refocusing of industry priorities towards building fun and sustainable games** that can attract gamers on their own.

Off the back of these games can we then build out the rich micro-economies and the broader range of enriched experiences for stakeholders. We believe the emergence of novel game models is a testament to the blockchain gaming industry's understanding of this realignment; coupled with the **rate of development and inflow of resources**, it appears primed to achieve its big goals.



Blockchain Gaming's Value Proposition

I. Asset Ownership



- **Provable ownership** of in-game assets
- More **efficient secondary markets**
- Illustrative gamer profiles

II. Verifiable Social Capital



- On-chain **social reputation** across games
- **Differentiated value flows** (ie. non-monetary)

III. Micro-economies



- Incentivization of **community involvement** (eg. UGC)
- **Rich secondary effects** (eg. guilds/clans) that enhance core games

Latest Learnings from GDC



Peter Kieltyka

Co-founder & CEO at

Horizon Blockchain Games



Web3 + games were a very popular topic at GDC 2023 – noticeably more prevalent than the two previous years which our team also attended. This **consistent appetite and interest from game developers** year-over-year is evident when reflecting on the number of web3-oriented booths, and the quantity of leads to the Sequence Stack from game developers.

I. New Framing of Web3 in the Broader Gaming Landscape

Discussions with game devs were more about **web3 elements added to video games, and less about entire games designed around web3**. Thinking about the MVP / lightweight integration of web3 in a game.

II. Our Mental Model

Web3 adds a new dimension to gaming, analogous to in the 90's when single-player video games added multi-player support. Multi-player games created a whole new dimension of gaming to remotely play live with friends. **Web3 shifts virtual items to an open and standardized format**, allowing them to be owned by players and interoperable between experiences, which is **opening a new design space** for game developers and new player incentives.



Latest Learnings from GDC



III. Reshuffling Developer Priorities

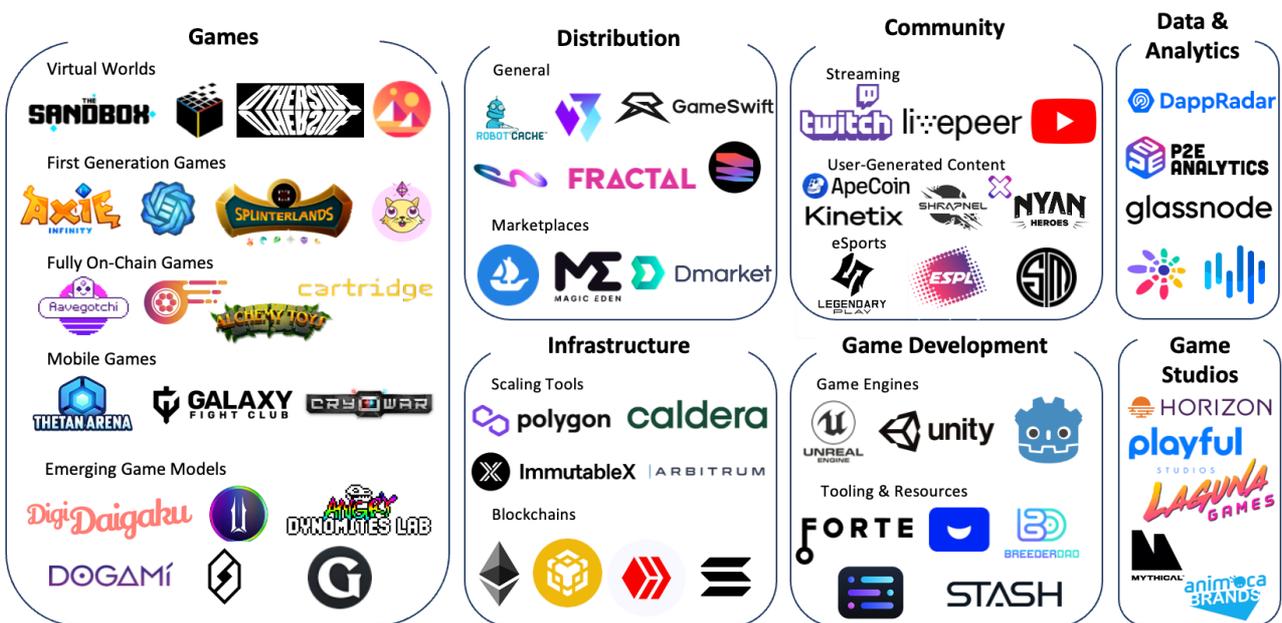
It's also clear that the first generation of game developers experimenting with web3 spent **more time on the blockchain tech and less on their actual game design**. As web3 tech is brand new and complex, naturally developers will first want to be acquainted and learn to wield its powers in a meaningful and fun way for games. But this is changing significantly as there are **dozens of capable web3 developer platforms helping developers, including Sequence**. With all of the pioneers before us, as an ecosystem there have been many lessons and the message today is: **focus on your game, less on the web3 tech and keep the web3 integration simple, lightweight, and minimal**. A simple way to think about web3 game integrations is to think about premium items within games which can be owned and traded.



I. Market Overview

The inherent composable nature of many aspects of the gaming industry means there is often overlap in categories when attempting to refine vertical segments. In designing our blockchain gaming market overview, we've decided to make a distinction between the games themselves, including models and genres, and the technology stack and underlying services surrounding them.

Blockchain Gaming Landscape



"Web3 methods offer needed breakthroughs for both game developers and players. Like all new industries, there are growing pains like we have seen, as early experiments got some results but not others. We are also learning from prototypes of the metaverse such as Roblox and Fortnite Creative, and a next generation of Web3 games is coming soon. I'm confident that within a decade, Web3 games will be a bigger deal than console or mobile games have ever been."



Trip Hawkins
 Founder & First CEO of Electronic Arts



I. Games

Taking into account the diverse range of games emerging in the blockchain gaming industry, we have identified a few key categories that best represent the space.

These classifications showcase the evolving nature of blockchain gaming and its growing appeal to a wider audience:

- a) **Virtual Worlds** like **The Sandbox** or **The Otherside**, which were among the earliest examples of blockchain games and continue to attract many users,
- b) **First-generation Games** that pioneered web3 gaming dynamics, such as **Axie Infinity** and **Splinterlands**,
- c) **Fully On-chain Games**, like **Dark Forest**, where every in-game action is recorded on a blockchain,
- d) **Mobile Games**, exemplified by **Thetan Arena**, and
- e) **Emerging Game Models**, bringing new dynamics to web3 games, such as NFT co-op dynamics such as **AngryDynomitesLab**, or virtual pet games like **Dogami**.

"The future of the blockchain gaming space is incredibly exciting. We're just scratching the surface of what's possible, and as more developers enter the market and more players embrace blockchain technology, we can expect to see an explosion of new games and experiences that will transform the way we think about gaming and digital ownership."



Jesse Reich

Co-founder & CEO at Splinterlands



II. Distribution

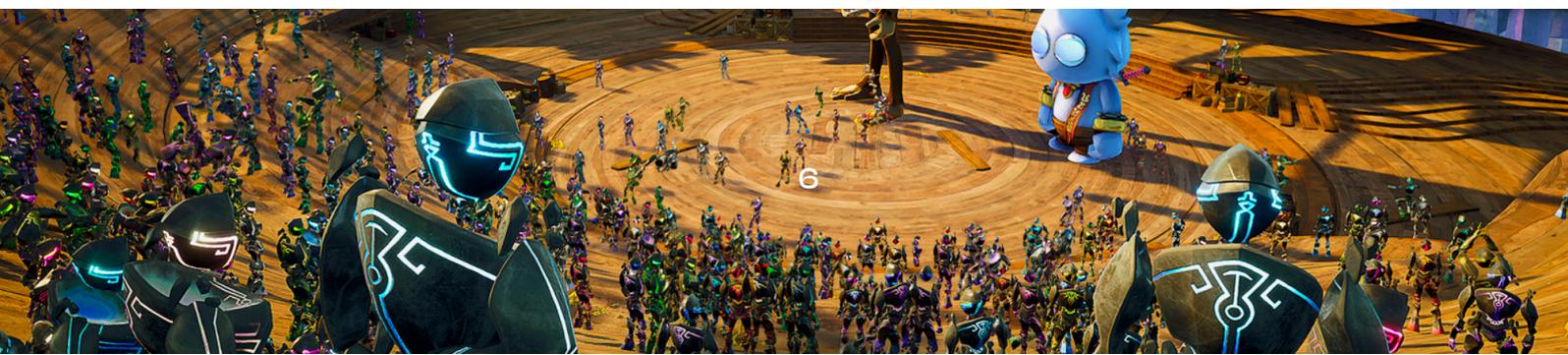
New video games are only as good as their ability to reach users. Efficient distribution channels are of emphasized importance in web3 as there are additional frictions (eg. wallet setup, steep learning curves, stigma, etc.) to onboarding traditional gamers to blockchain games. **EPIC League** is a GameFi service platform that aims to abstract away those complexities for users and help them find new games through a clean & simple UX/UI. Additionally, a plethora of different marketplaces have emerged next to incumbents like **OpenSea**, offering users different venues to sell/rent/trade their digitally owned game assets.

"Communities possess significant value, and Web3 enables them to tap into this potential and collectively decide their direction. ApeCoin and The Otherside are at the forefront of this transformation, connecting the gaming landscape with a universe full of opportunities and new ways to build relationships. Gaming goes beyond mere play; it's about fostering human connections. With ApeCoin, The Otherside, and the innovative realm of blockchain gaming, we are about to introduce a new era of engagement, weaving together our digital lives and shaping the future of connectivity for years to come."



Gerry

ApeCoin DAO Special Council



III. Infrastructure

Underlying all on-chain activity, which enables the aforementioned unique value proposition of web3 games, is a blockchain. Many prominent gaming chains are EVM-compatible (eg. **Polygon, BNB Chain**) largely due to their proximity to the massive liquidity layer of **Ethereum**. Given that games can be taxing on a network with numerous users submitting multiple transactions in quick succession, there is a need for rigid scaling infrastructure - most commonly roll-ups like **ImmutableX** - to reach the desired end-state of blockchain games.

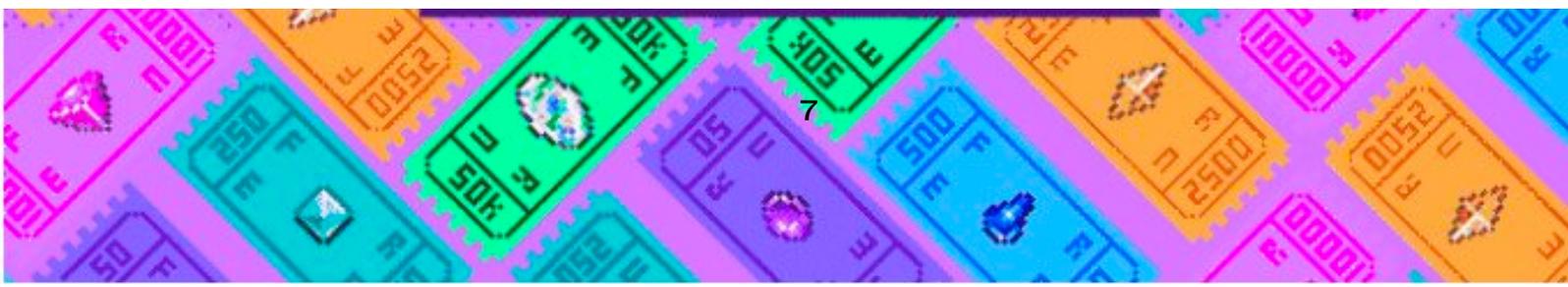
IV. Community

Blockchain's ability to facilitate incentive alignment across different stakeholders in an ecosystem has unique implications for gaming communities. Specifically, user-generated content (UGC) is unlocked to a degree that wasn't possible before as transparency, asset ownership, and powerful contribution incentives are more simply integrated using web3. Additionally, web3 gaming communities are often rallied around many of the web2 streaming Goliaths **Twitch** and **YouTube**, with new web3-native communities emerging such as the **Game7 DAO**.

"The blockchain is poised to revolutionize the gaming industry, offering new levels of transparency, security, and ownership for players and developers alike. By leveraging blockchain technology, we can create games that are more immersive, more rewarding, and more engaging than ever before."



Jesse Johnson
Founder at Aavegotchi



V. Game Development

Many of the leading traditional gaming industry tools are also commonplace for game development in web3. For instance, blockchain game developers have built out integrations with **Unreal** and **Unity** game engines to support the creation of games of the same quality as from traditional games studios. Emerging Gaming SDKs like **Sequence** or **Mirage** provide key tools to facilitate Game Development such as the native integration of wallets.

VI. Data & Analytics

The transparency of on-chain transactions provides unique data sources that are highly valuable to both players (eg. reputation aggregation) and game developers (eg. new title traction). The insights gleaned from applications like **DappRadar** and **P2E Analytics** can inform decision-making and improve the overall gaming experience for everyone involved.

VII. Game Studios

While there is a lot of attention on traditional game studios entering the web3 industry, there already exist fully web3-native game studios that are currently laying the foundation for all future development. **Mythical Games** and **Horizon Blockchain Games** are the studios behind some of the foremost web3 games such as **Skyweaver**, **NFL Rivals**, and **Blankos Block Party**. Other studios, **Playful**, **Gunzilla**, and **Xterio** all raised significant funding in 2022 for their continued development in blockchain gaming.

"The bottom line is, consumers don't care about the underlying technology, they care about what it means for them. I believe that customers will truly enjoy and derive more value out of owning their digital assets, which will be powered by blockchain."



Urvit Goel
VP Gaming at Polygon Labs



Market Size: What's the impact?

A \$70B opportunity by 2030

Despite its nascency, the blockchain gaming industry is the benefactor of numerous tailwinds. The accelerated growth of the traditional gaming industry is undeniable, and as blockchain-based games become comparable in gameplay quality, while enhancing the broader gaming experience and ecosystem, the industry is poised to realize this growth as well.

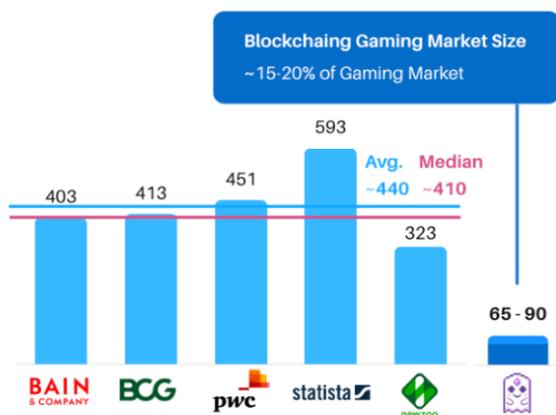
Further, relative to historical emerging technologies, the current rate of adoption of new transformative technology is unprecedented. Given this, and the size of the existing gaming market, traditional gaming incumbents are sensing an opportunity to tap into new and meaningful revenue streams, and have begun to funnel resources towards their web3 strategies.

With increased focus of investors and underlying technology advancements, **we forecast the blockchain gaming space may generate more than \$70bn by 2030.**

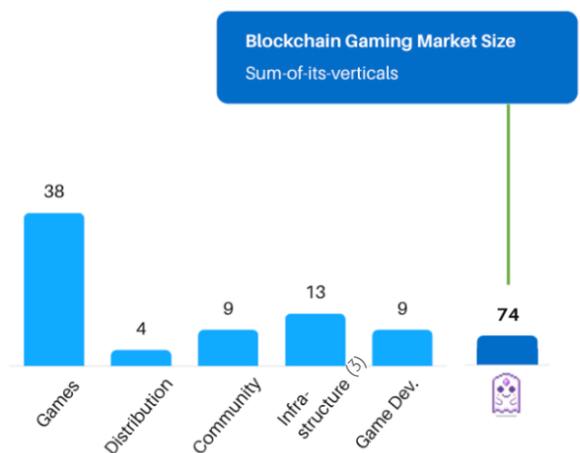


Blockchain Gaming Market Size

Top-down: Gaming Market Size (\$bn) ⁽¹⁾



Bottom-up: Blockchain Gaming Verticals (\$bn) ⁽²⁾



(1) Source: Bain, BCG, PwC, Statista, NewZoo, Independent Market Experts;

(2) Source: Bain, BCG, NewZoo, Bitkraft, BGA, Independent Market Experts

(3) Excl. underlying blockchains

Details of the market size analysis

With everything we do, we take a 10-year time horizon, so what is most relevant to us is what the space will look like in 2030.

To triangulate our market size number, we took a two-pronged approach:

- 1. Top-down based on Gaming market size:** We analyzed the Gaming market size estimates from leading firms in research and consulting, and took the average assumption as a baseline for the entire Gaming market. Based on expert interviews with knowledge leaders in the blockchain gaming space, as well as alignment with market benchmarks on the share of blockchain gaming verticals in the gaming industry, we estimated the share of the blockchain gaming space in the overall Gaming market. This approach results in a market opportunity of \$65-90bn by 2030.
- 2. Bottom-up based on the sum of blockchain gaming verticals:** We looked at the components of the blockchain gaming space we previously defined in our market overview. For each vertical, we leveraged average market size estimates from leading companies and pressure-tested those with experts, i.e. the blockchain gaming space size is the sum of its parts. This results in a market opportunity of \$74bn by 2030.

By calibrating with knowledge leaders in the blockchain gaming industry our estimates should provide an indication of how large and relevant the space could become in the future. It is our best estimate and can hopefully guide strategic decisions for players in adjacent, transforming industries.

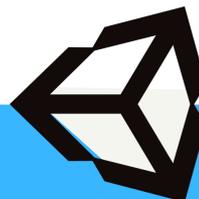


II. Blockchain Gaming's Key Moments



2017

- **CryptoKitties** launches and catalyzes blockchain gaming industry
- **Ethereum** blockchain consequently struggles to handle the network congestion caused by CryptoKitties
- **Decentraland** ICO raises \$24m



2018

- **Unity** commits to making blockchain-based integrations for Unity game engine
- **ImmutableX** launches
- **Enjin Wallet** launches for mobile storage of blockchain-based game assets



2019

- **The Sandbox** raises \$2.5 million to fund development of its virtual world
- The first blockchain-based game to be approved by Apple's App Store, "**Blockkeys**" is released



2020

- **Axie Infinity** launches as the first meaning introduction of the Play-to-Earn model
- **Dapper Labs** launches **Flow**, a purpose-built blockchain proposing to solve the scalability/congestion

2021



- **Meta** commits \$10bn investment into their metaverse development
- **Axie Infinity** peaks earning more than \$100m monthly fees in summer 2021
- General NFT market explodes



2022

- **Ronin**, the sidechain for Axie Infinity, hacked for \$625m, the biggest crypto exploit ever
- **Stepn** reaches 3m+ users, kicking off an "X-to-Earn" craze
- **Minecraft & GTA** ban the use of NFTs on their servers

2023+



- The soft launch of many highly anticipated games including **Illuvium**, **Guild of Guardians**, and **EmberSword**
- Surely many other exciting events that remain to be seen...



III. The Past and Present of Blockchain Gaming

Albeit brief in duration, with the first blockchain-based game **CryptoKitties** - a game for the collection, breeding, and trading of digital cats - launching in late 2017, the blockchain gaming industry has had a colorful and eventful history to date. The success of CryptoKitties catalyzed interest in the potential for blockchain technology to truly transform the gaming industry which led to the development of a range of other blockchain-based games, including **Splinterlands**, **Gods Unchained**, and **The Sandbox**.

Most notably, it gave rise to the birth of **Axie Infinity**, which championed the play-to-earn (P2E) game model to rampant success (for a time). At its peak Axie Infinity was earning more in fees than **Bitcoin** and **Ethereum** combined, peaking at a daily high of \$17.5m*. The game gained a particular foothold in developing economies where stable employment is rare. Early adopters saw an opportunity to benefit financially from playing the game and embraced it. As aforementioned, web3 games are conducive to the genesis of powerful secondary effects. True to this, with P2E games we saw the arrival of guilds, who formed a novel business model around the renting of the prohibitively expensive NFTs needed to play games to a broad collection of players in exchange for a portion of their earnings.

"By leveraging blockchain technology, the gaming industry is about to undergo a revolutionary change that will bring new levels of transparency, security, and ownership for players and developers. In the case of The Sandbox, it already empowers creators and players by rewarding them for their contributions to our ecosystem through true digital ownership. As the industry matures, the blockchain will enable the creation of more immersive, rewarding, and engaging games than ever before."



Mathieu Nouzareth
CEO US at Sandbox



However, seemingly as rapid as its ascension to blockchain gaming dominance, came the P2E model’s fall driven by a deceleration of new users and the consequent reduction in earnings for playing. The exodus of users from P2E games gave rise to questions about the sustainability of these games’ token models.

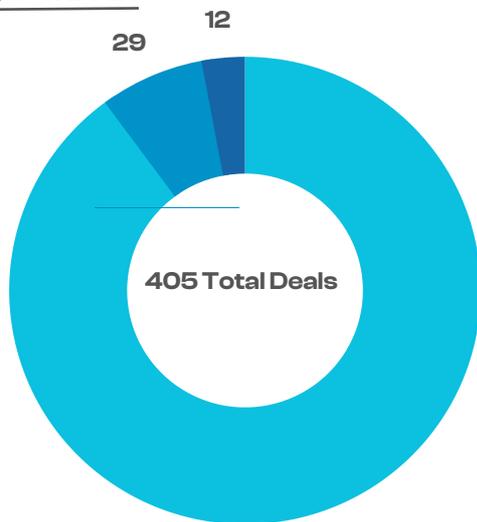
The culmination is a costly but necessary learning for the blockchain gaming industry: to realize mainstream adoption, **the development of new blockchain game models must prioritize fun, immersive, and meaningful experiences** for all stakeholders and not the unilateral extraction of value from the system.

In light of this realization, we’ve seen a foundational shift in the industry. New teams are more nuanced and thoughtful, developing token models which place the long-term sustainability of their game’s economy as the central priority, instead of cramming half-baked tokens into their game to attract liquidity-seeking investors and onboard profit-seeking users. This trend is reflected undeniably in the amount of investments early stage blockchain games received last year.

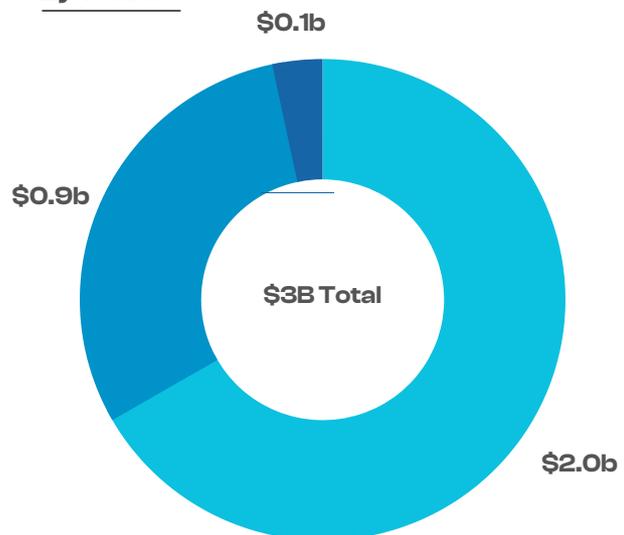
Private Blockchain Gaming Deals Breakdown by Stage (2022)



By # of Deals



By Volume



Rising Web3 Interest from Traditional Gaming Incumbents

Square Enix, one of the most renowned gaming studios, has been delving into the world of Web3 for years. In 2020, they invested in **The Sandbox** and procured their own real estate plot. They've further proven their commitment to exploring web3 gaming by selling some of their flagship IP, **Tomb Raider** and **Deus Ex**. Further, they released a collectible supported by an NFT from their most popular franchise, **Final Fantasy 7**. Their President, Yosuke Matsuda, has repeatedly emphasized the company's commitment to integrating web3 moving forward.

Ubisoft, a major player in the gaming industry for just under 40 years, has announced its plans to create Web3 games in partnership with blockchain startup, **Ultra**. Demonstrating their commitment to exploring the potential of blockchain technology in gaming, the studio has also made several investments, including **Horizon Games**, **White Star Capital**, and **Cross the Ages**.

In addition, Ubisoft released their own NFTs for **Ghost Recon: Breakpoint**, proving their willingness to combine their traditional IP with web3-native technologies.

"The blockchain gaming industry is on the cusp of a major breakthrough, and our recent Blockchain Games report at DappRadar highlights several key indicators that confirm this trajectory. The entrance of Unity into Web3 gaming, along with significant investment in game and metaverse projects, are clear signs of a thriving ecosystem. As a builder in this space, I am bullish on this vertical, and I firmly believe that the ongoing efforts of creative companies will lead to unprecedented growth and adoption in the near future."



Dragos Dunica
Co-founder at DappRadar



Take-Two Interactive

Take-Two Interactive is one of the premier global gaming companies, owning titles such as **Grand Theft Auto V**, **Red Dead Redemption 2**, and the entire **2K Games** series. The company is "highly convinced" by the value proposition of blockchain and has shown its interest by investing in startups in the blockchain gaming space, such as **Horizon Games**.

Take-Two Interactive is also reportedly preparing to launch its own blockchain-powered titles soon, signaling its commitment to leveraging the potential of blockchain technology in gaming. With a wealth of experience in producing popular games, the company's foray into the blockchain gaming space is sure to generate significant interest and could pave the way for new opportunities in the industry.

"Rather than players chasing a short-term cash win (which reduces the value of the game and its token when the player sells), game developers instead offer players tangible value by giving them the chance to own elements of their game world. In effect, this gives players a tactile slice of their favorite games, which would otherwise only be represented in their memories"



Charnjit Bansi
VP Game Design at Polygon Labs

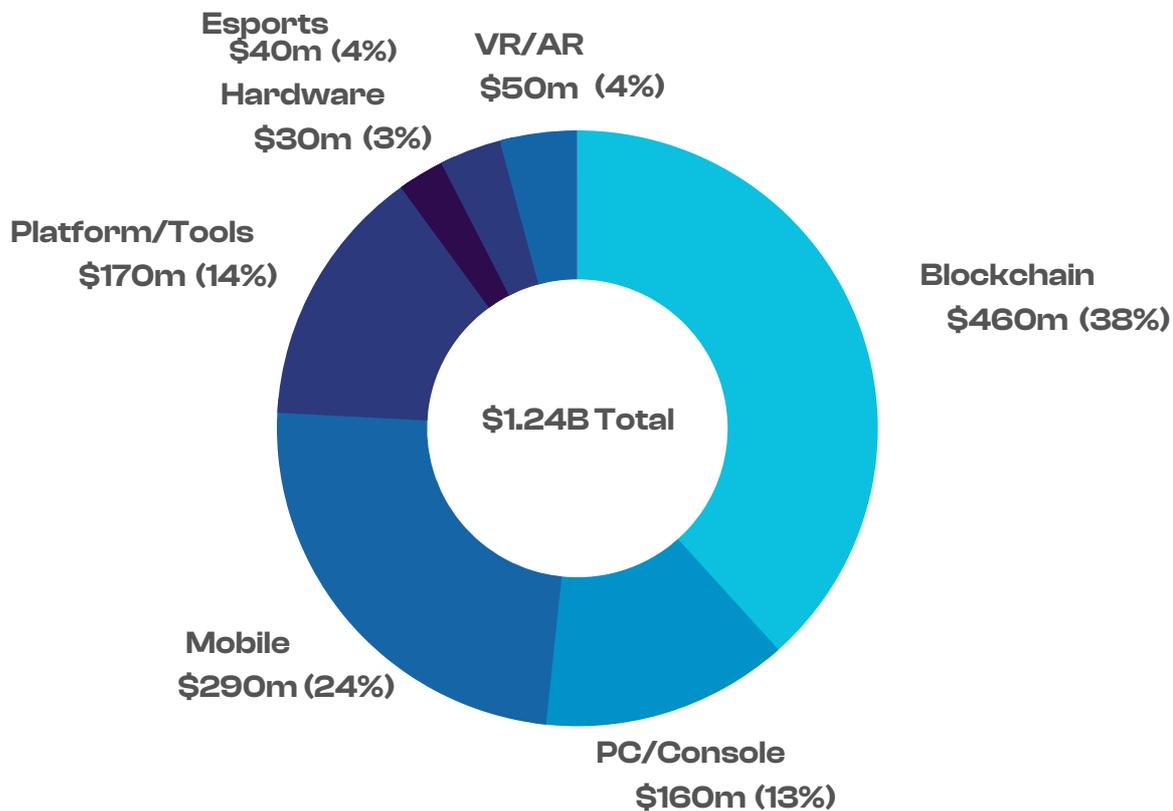


Rockstar Games Titles

IV. Financial Context

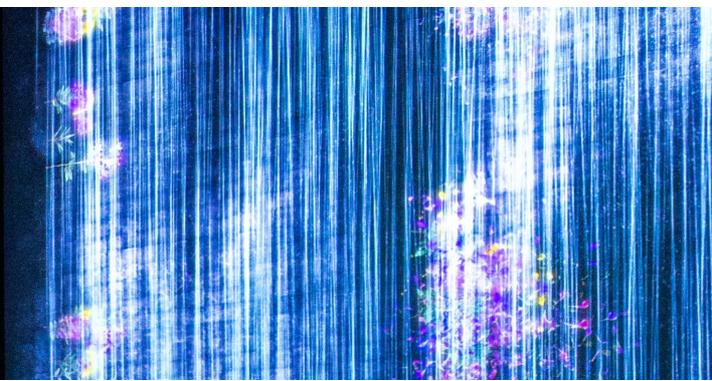
Although the first iterations of blockchain games have proven unsustainable - and as such have received much scrutiny from the broader gaming community - the meteoric rise of Axie Infinity has given support to the core value proposition of the space and ushered in millions of dollars in investments, talented developers, and new gamers. Specifically, web3 games and metaverse projects raised \$7.6bn in 2022, marking a 59% increase over the previous year.

Private Gaming Deal Value by Segment (Q4 2022)



Source: Blockchain Game Alliance Report 2022

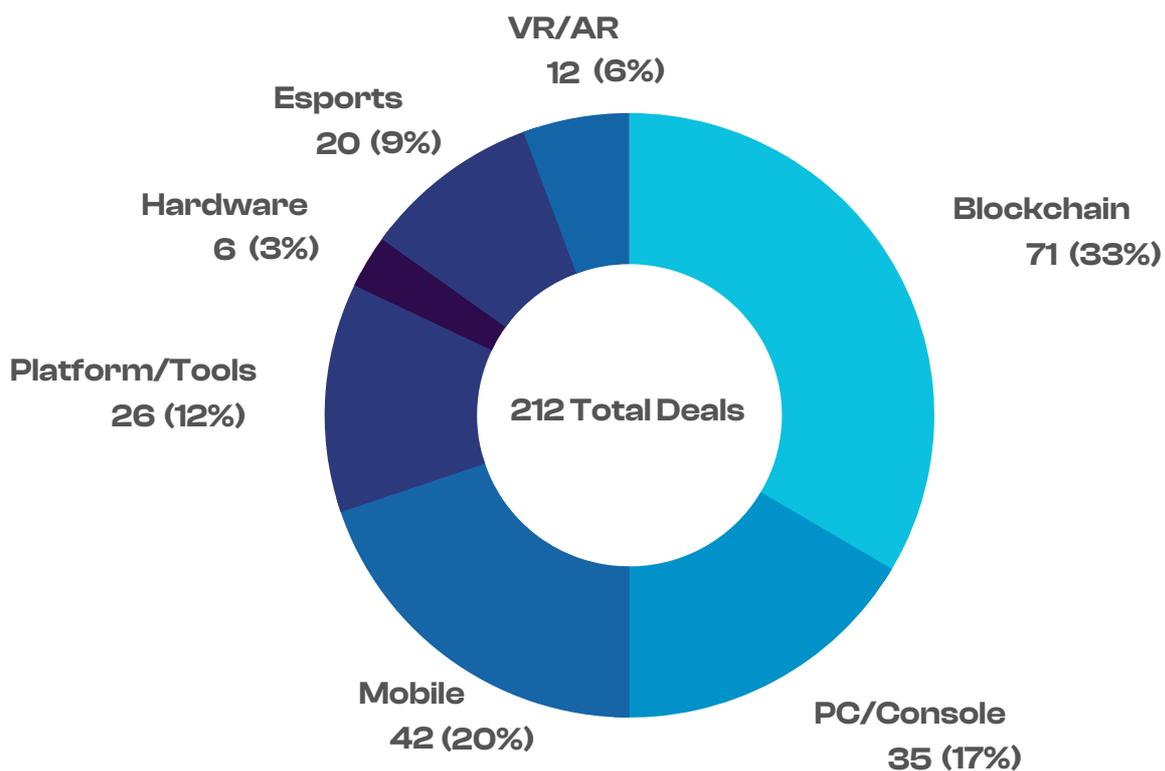
Source: Drake Star Gaming Report 2022



The investment pathways for blockchain games look very similar to the rest of web3. There is an active liquid market for the trading of tokens, which serve various utilities within their respective games.

Uniquely to web3, there are often public token pre-sales held prior to the launch of the game, democratizing access to the financial upside of the game’s success. Further, this unlocks a new avenue for game studios to raise money for game development. **Illuvium’s** ILV token is one such example where the team pre-sold 10% of the total supply to the public market.

Count of Private Gaming Deals by Segment (Q4 2022)

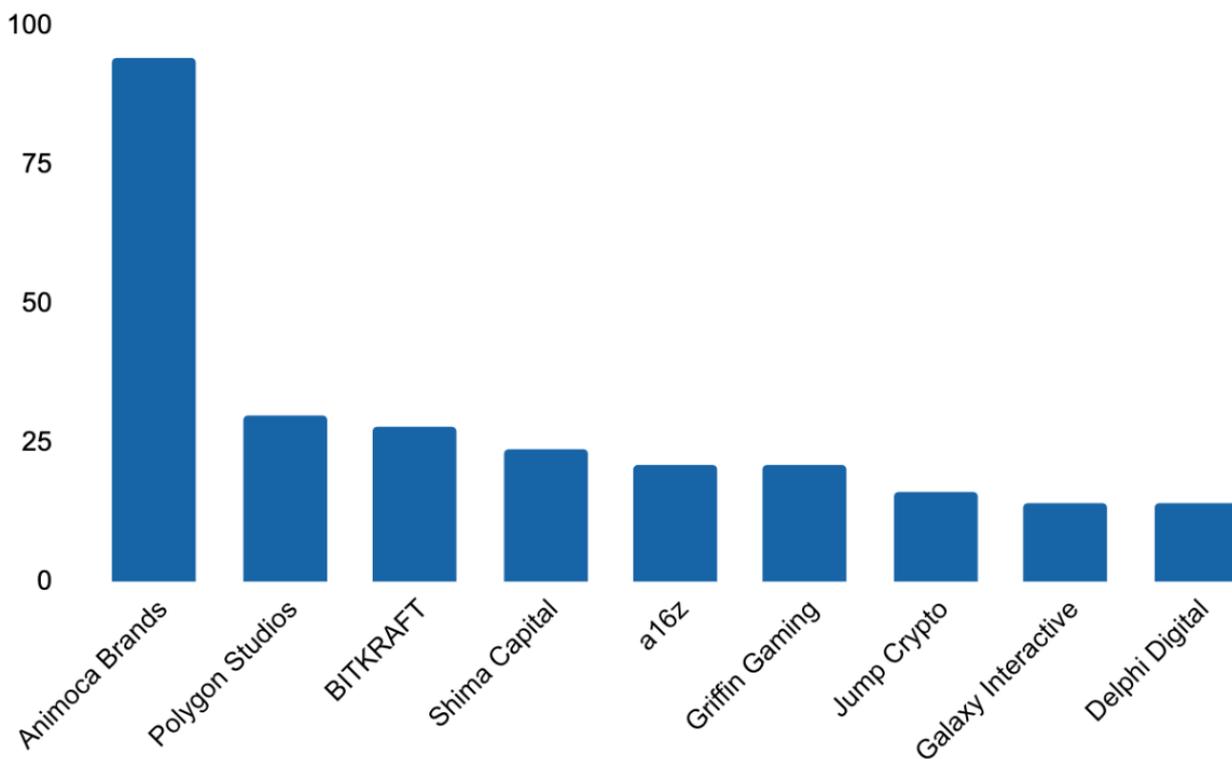


Source: Drake Star Gaming Report 2022

Another investment pathway is the private fundraising market. The blockchain gaming industry has caught the attention (and capital) of renowned web2 incumbent general investors and gaming-specific VC's alike, from **Andreessen Horowitz** to **BITKRAFT** or **Shima Capital**.



Top Blockchain Gaming VC Investors by Number of Deals (2022)



Source: InvestGame Global Report 2022

Long feedback loops, which are common with investing in the gaming industry, are intensified by the nascency of blockchain games. While it remains that the development of games takes a long time, given the amount of resources flowing into the industry there are still many projects building the new phase of web3 games, and 89% of interviewees from the BGA report said they still expect to be working in blockchain gaming in a year's time.

*Source: BGA Member Survey 2022



Recent Web3 Gaming Deals

Company	Deal Value	Date	Key Investor
	\$359m	Jan'22	Sequoia
	\$200m	Sep'22	Paradigm
	\$150m	Nov'22	Cypher Capital
	\$55m	Mar'23	Lightspeed
	\$46m	Nov'22	Animoca
	\$46m	Jun'22	Griffin Gaming
	\$46m	Nov'22	Microsoft
	\$40m	Oct'22	Brevan Howard
	\$40m	Mar'23	a16z

"Assessing the funding landscape for a new industry is like reading the tea leaves of its future growth. In the context of blockchain gaming, the amount of developer activity and investment pouring in serve as strong leading indicators of its potential for future growth."



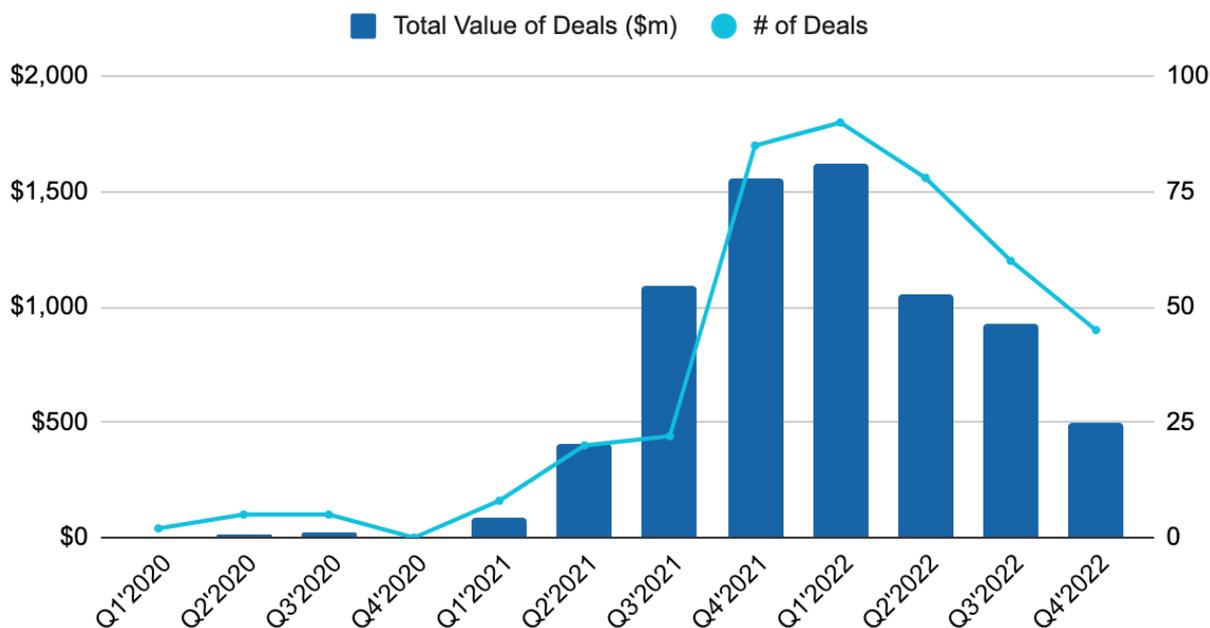
Yida Gao
General Partner at Shima Capital



Naturally, through this development cycle there are long revenueless periods where projects are dependent on the funding they have raised from investors. While there are some web3-native tools to defend against this financial predicament (NFT/token pre-sales), we are seeing many teams who did not raise during the web3 bull market begin to struggle with financing game development.



Historical Blockchain Game Investments



Source: InvestGame Global Report 2022

"Despite recent headline grabbing setbacks the continued influx of world class talent is a clear sign that this space has a bright future. As blockchain technology continues to mature and more players enter the market, we expect to see innovative new games and business models emerge that will transform the gaming industry as we know it."



Kenrick Drijkoningen
General Partner at Play Ventures



With tremendous amounts of valuable IP, specialized talent, and often broad communities, these financially distressed gaming companies present a potent opportunity for M&A; especially when you consider that c. 27%* of blockchain gaming companies cite talent acquisition as a major hurdle.

While there are a few M&A precedents in web3 gaming, it lags behind the level of consolidation that is standard in the traditional gaming industry. Instead, capital raises are dominating the present financial context, serving to bridge the current state of the industry with its future aspirations.



Gaming Industry M&A Precedents

Target	Acquirer	Sector	Date	LTM Multiple ⁽¹⁾
	Microsoft	Web2	Jan'22	7.8x
		Web2	Jan'22	4.5x
		Web3	Jun'22	n/a
		Web2	Jul'22	6.0x
		Web3	Jan'23	n/a

1) LTM Enterprise Value / Revenue Multiple

Source: Drake Star Gaming Report 2022

*Source: BGA Member Survey 2022

V. The Future of Blockchain Gaming

In many ways, the existing technical and social infrastructures in place for blockchain gaming (distribution, AAA development, public awareness, etc.) make it much more primed for explosive adoption than the traditional gaming industry ever was.

Taking learnings from the traditional gaming industry and their blockchain predecessors, the next generation of games are actively building out novel sustainable models. One example is the Free-to-Own (F2O) model, pioneered by **Limit Break's DigiDaigaku**, which offers the opportunity for players of a future game to mint free NFT assets which will align their ownership with developers over the success of the game and (in theory) reduce extractive practices.



The cyclical nature of attention, and especially as it plays out in the web3 space, has meant that resources have flowed in and out of the space with the tides of popular attention. DeFi summer in 2020, followed by NFT summer in 2021. These waves ushered in new adoption, yet upon reflection, the transience of the new entrants was driven by speculation in two catalysts that were yet to find their true product market fit.

In contrast, the blockchain gaming industry offers a very different on-ramp for crypto adoption. Importantly, it's a reason to venture into the web3 world. More importantly, it might be a reason to stay.

Key Themes We're Excited For...

1. Improving Quality

- **Fun and entertaining blockchain games are a necessary first step** to the advancement of web3 gaming industry
- **Increased focus on AAA titles** (as opposed to hypercasual games) with sustainable in-game economic models will drive further adoption

2. Incumbents Incoming

- The increased involvement of **traditional gaming incumbents will bring a wealth of resources (investment, talent, valuable IP, etc.)**
- A ton of **experience** is entering into the burgeoning blockchain gaming space

3. Communities & Collaborations

- **Novel incentivization models** are helping to create better, more community-oriented, games with players having ownership stakes in the game
- A win for any web3 gaming company is a **win for all web3 gaming companies**

Square Enix Final Fantasy 7





POLYGON GAMING ECOSYSTEM



About web3 Studios

web3 Studios (“w3s”) is an investment banking firm exclusively focused on companies building the open economy.

Founded by Blackstone and McKinsey alumni, we provide a full spectrum of financial advisory services to DAOs and web3 organizations:

- **Mergers & Acquisitions:** Execution of buy- and sell-side processes, acquisition strategy & market intelligence
- **Capital Raises:** Structuring and execution of growth capital raising and financing processes
- **DAO Strategy & Finance:** Strategic financial advisory services for DAOs

We are on a mission to establish institutional-grade financial services in the web3 world.

Want to become part of our journey?

- **Open Roles:** We are hiring - reach out directly and become part of the w3s family!
- **Fellows:** Apply to our top-talent program for students, graduates, and young professionals leaping into web3.

✉ team@web3-studios.com

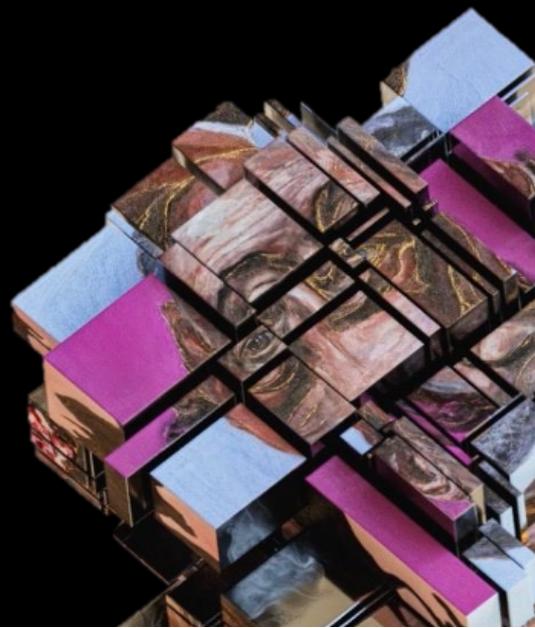
🌐 web3-studios.com

🐦 [@web3_studios](https://twitter.com/web3_studios)

📘 [company/w3_studios](https://www.linkedin.com/company/w3_studios)

© 2022 web3 Studios

All rights reserved.



About Polygon Labs



Polygon is the most proven way to build and scale your projects on Ethereum, the world's largest blockchain ecosystem.

Polygon Labs develops Ethereum scaling solutions for Polygon protocols. Polygon Labs engages with other ecosystem developers to help make available scalable, affordable, secure and sustainable blockchain infrastructure for Web3.

Polygon Labs has initially developed a growing suite of protocols for developers to gain easy access to major scaling solutions, including layer 2s (zero-knowledge rollups and optimistic rollups), sidechains, hybrid chains, app-specific chains, enterprise chains, and data availability protocols.

If you're an Ethereum Developer, you're already a Polygon developer! Leverage Polygon's fast and secure transactions for dApps you develop, [get started here](#).

 polygon.technology

 [@Oxpolygon](https://twitter.com/Oxpolygon)

 [@PolygonGaming](https://twitter.com/PolygonGaming)

 [company/polygonlabs/](https://www.linkedin.com/company/polygonlabs/)

About Blockchain Game Alliance



The Blockchain Game Alliance is an organization **committed to promoting blockchain within the game industry.**

Our goal is to spread awareness about blockchain technologies and encourage adoption by highlighting their potential to foster new ways to create, publish, play, and build strong communities around games.

The BGA also provides an open forum for individuals and companies to share knowledge and collaborate, create common standards, establish best practices, and network.

Take a multi-faceted approach, the BGA's mission is to raise awareness of the benefits of advancing blockchain gaming by providing our members with a community of industry professionals across the gaming ecosystem, enabling them to collaborate, network and advance their game related projects, advancing blockchain technology through gaming and integrating best practice and spreading wider education. The BGA is present at a number of related events and conferences that offer our members the opportunity to gain wider exposure by joining us on our booth to showcase their products, as well as speaker opportunities at global high-level industry related events.

Visit the BGA website or contact us to find out more on how to become a member and join the alliance.

 www.blockchaingamealliance.org

 [@Bgamealliance](https://twitter.com/Bgamealliance)

 [company/blockchain-game-alliance/](https://www.linkedin.com/company/blockchain-game-alliance/)

Disclaimer

This report is for informational purposes only, and is not intended to provide financial, or investment advice. Recipients should consult their own advisors before making investment decisions.

This material contains links to third-party sites that are not under the control of web3 Studios. Access to such information does not imply association with, approval of, or recommendation by web3 Studios, and web3 Studios is not responsible for the products, services, or other content hosted therein.

web3 Studios does not guarantee the accuracy, completeness, timeliness, suitability, or validity of the information in this report and will not be responsible for any claim attributable to errors, omissions, or other inaccuracies of any part of such material.

We'd love to hear from you!

Please contact us if you have any questions or feedback about the report.

