

# Ethical play-to-earn games for decent human beings

Patrick Moran, VP of Games Kongregate



### About Me - Game Development























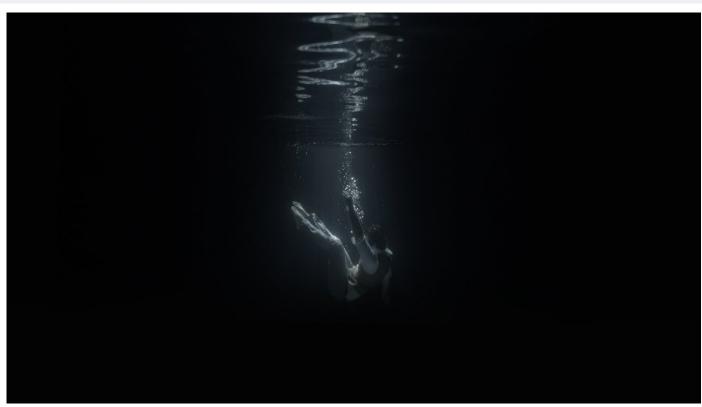
### 22 YEARS IN GAME DEV

Over 100,000,000 players

AAA Console, Mobile, Web, Premium, F2P, NFTs / Play-To-Earn

Indie Dev, Intern, Game Designer, Creative Director, Product, Product Manager, General Manager, Executive

### About Me - Possible Impossible

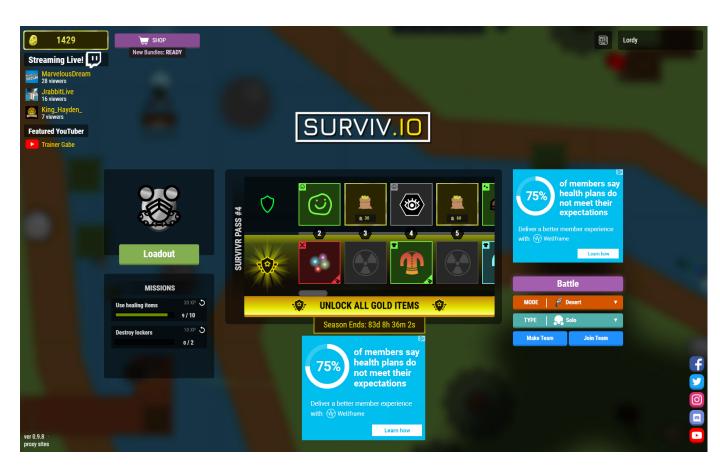


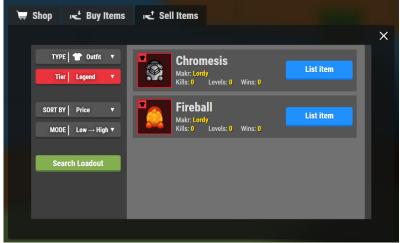


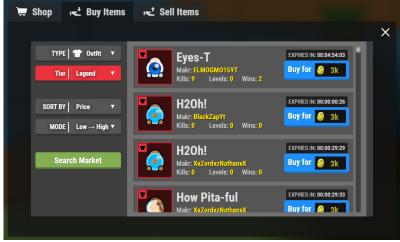
**OVER 1M STREAMS / PLAYS / VIEWS** 

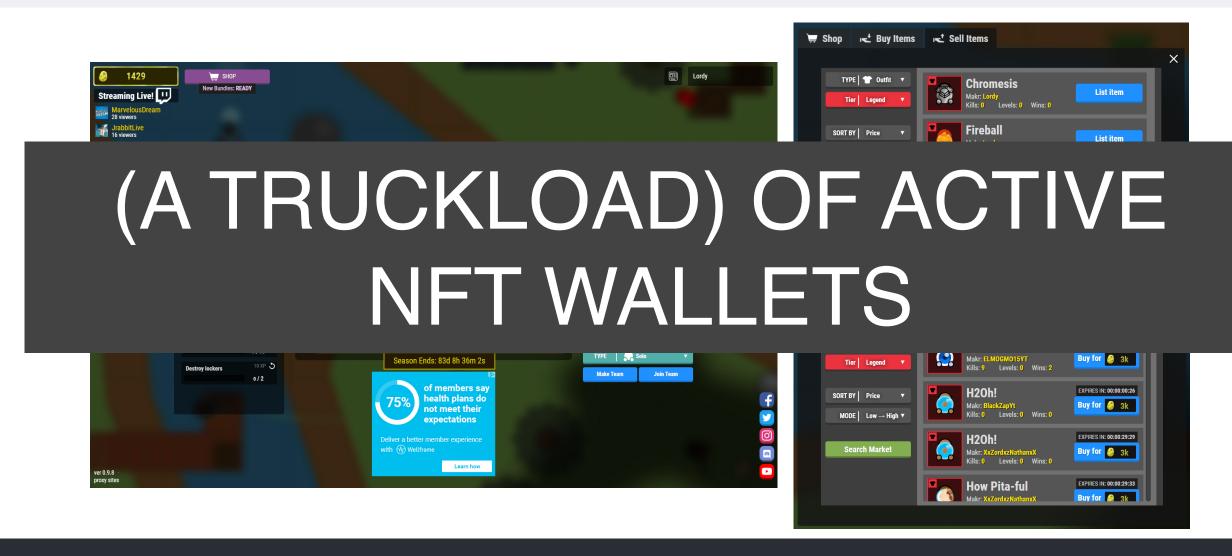
Across social media, YouTube, audio DSPs Produced and Directed the Music Videos for "Normal" and "Subtle" All singles received Spotify featuring

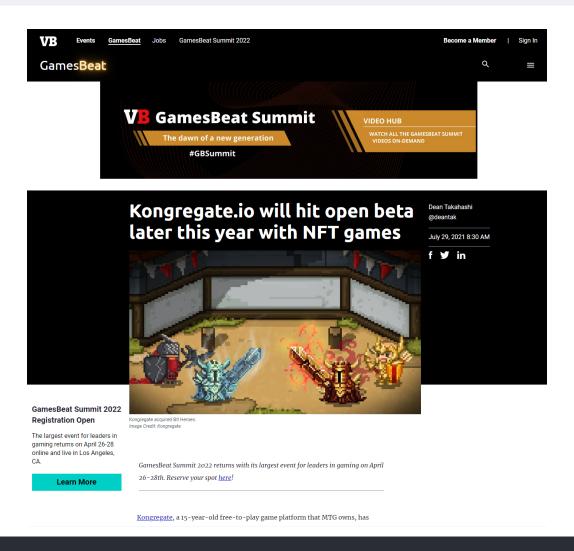
















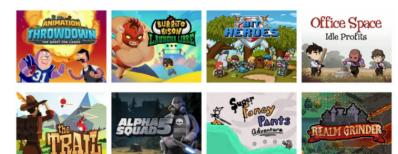
### Kongregate Enters the Web 3 World With Immutable X

Posted on 2022-02-21 by Nicolas Roos

After announcing its <u>partnership with GameStop</u>. Immutable partners with Kongregate, another giant of the gaming industry. With this strategic partnership, Kongregate joins the web 3 world and opens a whole new world of possibilities to its existing and future titles.

Do you remember playing flash games on kongregate.com? If not, you might just be too young to remember it. But many of us remember the hours spent on the portal playing casual games in their web browsers. Kongregate was created in 2006 as a portal hosting Flash games and supporting indie game developers. By offering free access to thousands of games, Kongregate has always been focused on bringing fun to players across the globe.

Kongregate also started publishing their own games, and focused later on towards mobile gaming. Their mobile games have been downloaded hundred of million of times and cumulate billions of gameplays.



Part of Kongregate's mobile games portfolio

### **Empowering Developers and Gamers**

To this day, they still support a community of independent game developers by offering them tools to develop their games and a platform to distribute them.

With the announcement of their partnership with Immutable, Kongregate and its community of

### Overview

### 1. A case for self-regulation

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2. Ethical concerns and why you should take these seriously

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- 1. A case for self-regulation
- 2. Ethical concerns and why you should take these seriously
- 3. Available solutions to biggest concerns

### Why this talk?

Regulation is coming, but we influence who regulates our industry and to what degree

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VS

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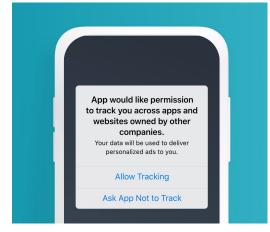










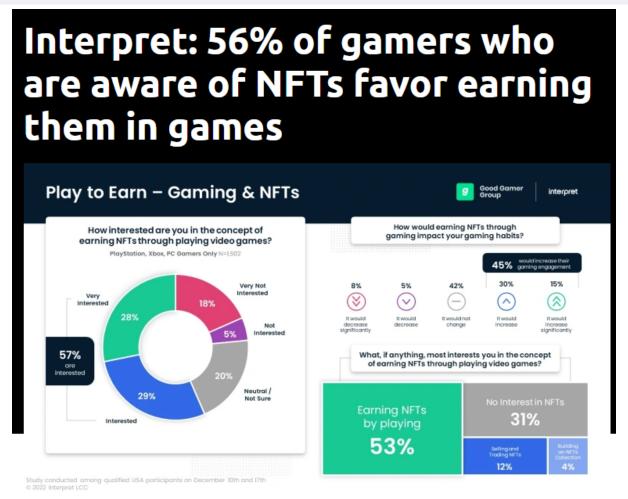




1. No paywall required to play

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- 2. No direct IAP required to monetize

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- 2. No direct IAP required to monetize
- 3. A path to equity and income for players who help build your community

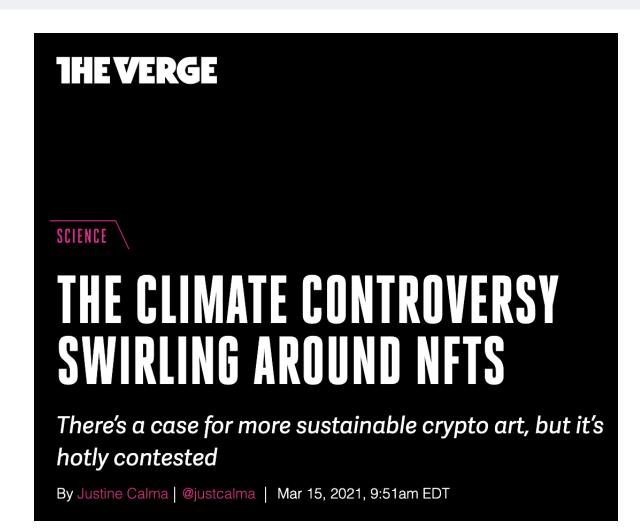


Interpret's survey of gamers on NFTs. Image Credit: Interpret

# A NEW & SUPERIOR BUSINESS MODEL FOR THE POTENTIAL MAJORITY OF PLAYERS

### **Ethical Concerns**

### Ethical Concerns *Climate Impact*



Mailing a physical art print = 2.3kg CO2 1

<sup>1. &</sup>lt;a href="https://qz.com/1987590/the-carbon-footprint-of-creating-and-selling-an-nft-artwork/">https://qz.com/1987590/the-carbon-footprint-of-creating-and-selling-an-nft-artwork/</a>

Mailing a physical art print = 2.3kg CO2 1

1 ETH-based NFT Transaction = 48kg CO2 2

<sup>1.</sup> https://qz.com/1987590/the-carbon-footprint-of-creating-and-selling-an-nft-artwork/

<sup>2. &</sup>lt;a href="https://digiconomist.net/ethereum-energy-consumption">https://digiconomist.net/ethereum-energy-consumption</a>

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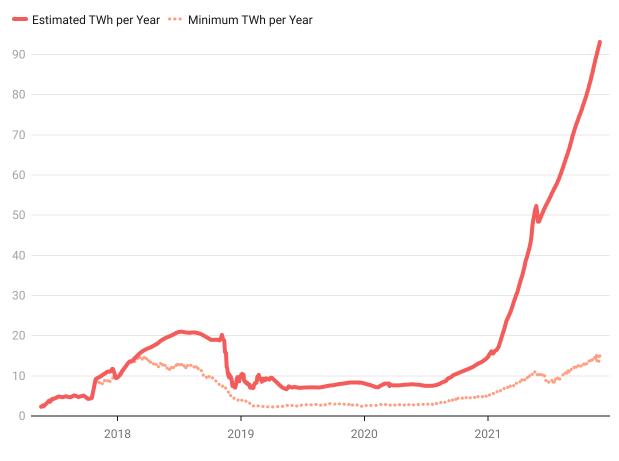
71% of carbon emissions come from just 100 companies 3

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<sup>2.</sup> https://digiconomist.net/ethereum-energy-consumption

<sup>3.</sup> https://www.theguardian.com/sustainable-business/2017/jul/10/100-fossil-fuel-companies-investors-responsible-71-global-emissions-cdp-study-climate-change

### **Ethereum Energy Consumption**



Source: EthereumEnergyConsumption.com • Created with Datawrapper

### Climate Impact *Upcoming Wins*

Move from Proof-of-Work (POW) blockchains to **Proof-of-Stake** (POS) blockchains **reduce carbon emissions** by blockchains like **Tezos**, **Symbol** or **Polygon**.

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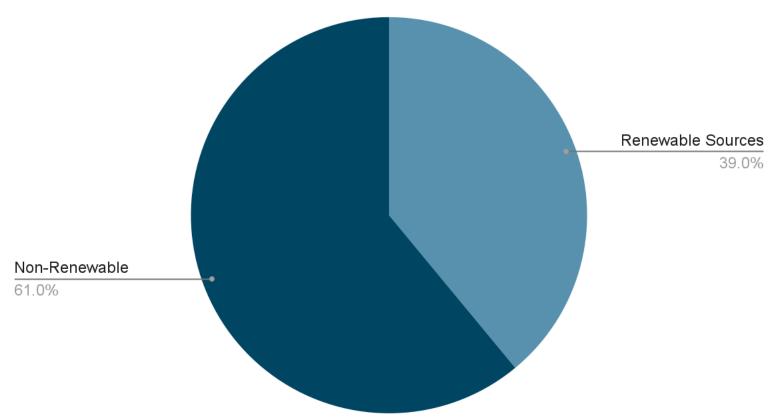
Annual Energy Consumption (est. at time of measurement): 1
Tezos = 0.00006Twh
vs.

Etherium = **33.57000Twh+** 

<sup>1. &</sup>lt;a href="https://earth.org/nfts-environmental-impact/?gclid=Cj0KCQiA47GNBhDrARIsAKfZ2rBdBKQ8Cig7DRvS8ICzsKASbl0sJ-0Rg\_RHy29wxDmWz-Ez6lkWWBwaAv\_HEALw\_wcB">https://earth.org/nfts-environmental-impact/?gclid=Cj0KCQiA47GNBhDrARIsAKfZ2rBdBKQ8Cig7DRvS8ICzsKASbl0sJ-0Rg\_RHy29wxDmWz-Ez6lkWWBwaAv\_HEALw\_wcB</a>

### Climate Impact Accelerating Clean Energy





1. <a href="https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/3rd-global-cryptoasset-benchmarking-study/">https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/3rd-global-cryptoasset-benchmarking-study/</a>

### Climate Impact *Innovations*





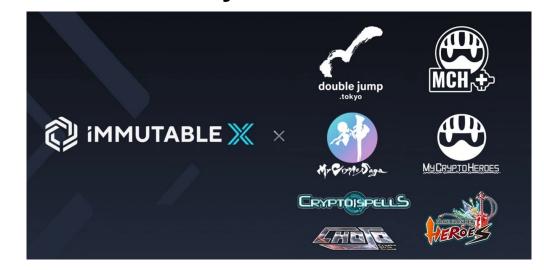
1. <a href="https://medium.com/starkware/starkex-now-for-nfts-bfdc9f4655a2">https://medium.com/starkware/starkex-now-for-nfts-bfdc9f4655a2</a>

8 million *Gods Unchained* cards on **Ethereum** consume approximately **490 million kWh** 

With Immutable X, 8 million NFT cards with only 1,030kWh =

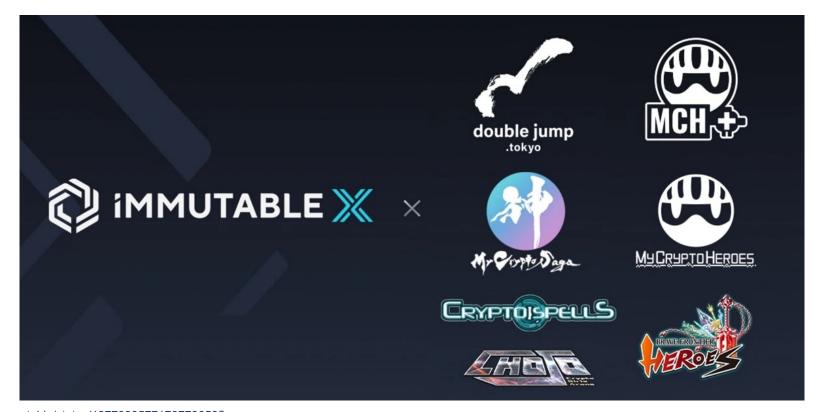
844 kg CO2

That's 475,000x less energy consumption.



<sup>1. &</sup>lt;a href="https://twitter.com/lmmutable/status/1377099577178779659?">https://twitter.com/lmmutable/status/1377099577178779659?</a>
ref\_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwterm%5E1377099577178779659%7Ctwgr%5E%7Ctwcon%5Es1\_&ref\_url=https%3A%2F%2Ffinance.yahoo.com%2Fnews%2Ffirst-carbon-neutral-nft-scaling-082400459.html

The balance (1,030kWh) are offset paying for Energy Credits.



<sup>1. &</sup>lt;a href="https://twitter.com/lmmutable/status/1377099577178779659?">https://twitter.com/lmmutable/status/1377099577178779659?</a>
ref\_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwterm%5E1377099577178779659%7Ctwgr%5E%7Ctwcon%5Es1\_&ref\_url=https%3A%2F%2Ffinance.yahoo.com%2Fnews%2Ffirst-carbon-neutral-nft-scaling-082400459.html

Any NFT that is created or traded on Immutable X is 100% carbon neutral.

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ref\_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwterm%5E1377099577178779659%7Ctwgr%5E%7Ctwcon%5Es1\_&ref\_url=https%3A%2F%2Ffinance.yahoo.com%2Fnews%2Ffirst-carbon-neutral-nft-scaling-082400459.html

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- Any NFT game that is built on Immutable X is 100% carbon neutral.

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<a href="ref=src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwterm%5E1377099577178779659%7Ctwgr%5E%7Ctwcon%5Es1\_&ref\_url=https%3A%2F%2Ffinance.yahoo.com%2Fnews%2Ffirst-carbon-neutral-nft-scaling-082400459.html">https://twitter.com/lmmutable/status/1377099577178779659%7Ctwgr%5E%7Ctwcon%5Es1\_&ref\_url=https%3A%2F%2Ffinance.yahoo.com%2Fnews%2Ffirst-carbon-neutral-nft-scaling-082400459.html</a>

#### Climate Impact 100% Carbon Neutral

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# THIS IS A PROVEN PLAYBOOK FOR OUR INDUSTRY

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ref\_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwterm%5E1377099577178779659%7Ctwgr%5E%7Ctwcon%5Es1\_&ref\_url=https%3A%2F%2Ffinance.yahoo.com%2Fnews%2Ffirst-carbon-neutral-nft-scaling-082400459.html





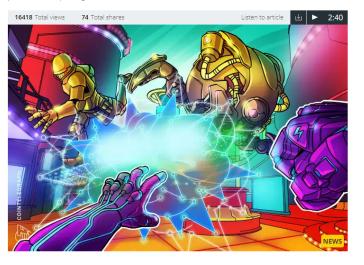






#### NFT game Guild of Guardians raises \$5.3M, token sale oversubscribed 82x

The play-to-earn game's soft launch is planned for Q1 2022, with 400,000 users across social platforms and pre-registration list.

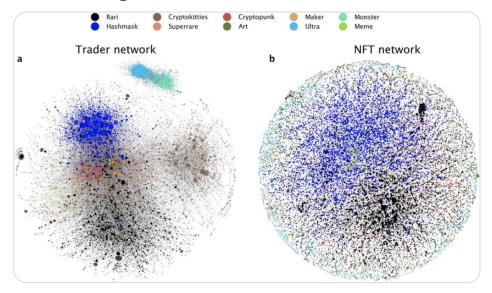




NFT oligarchy? A study of 6.1M NFT trades finds a few folks at the center of the market

The top 10% of traders account for 85% of transactions & trade at least once 97% of all assets

■ 10% of buyer–seller pairs have the same volume as the remaining 90% nature.com/articles/s4159...



#### Fraud *Unethical Behavior*

#### Suspicious NFT game vanishes from Twitter after stealing art

By Meghashree Das - September 15, 2021



An art game has gone viral just one week after it was released but was mysteriously removed from Twitter.

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# Crypto Twitter cries foul after noticing NBA star John Wall's NFT has a Fortnite background

"Celebs really think they can come into an industry they know nothing about, never interact with the community, then launch a scam project they'll abandon in three months?" questioned Twitter user 0x\_fxnction.



#### Fraud *Unethical Behavior*

### Logan Paul 'CryptoZoo' NFT Game Delay Controversy—Fans Complain About Losing Money!

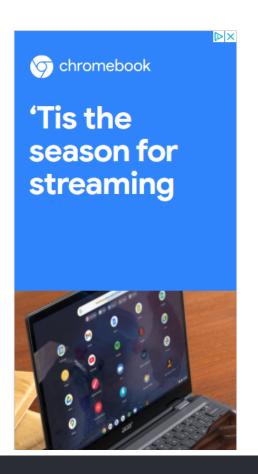
Griffin Davis, Tech Times | 02 September 2021, 02:09 pm

Logan Paul's "CryptoZoo" NFT game was supposed to be released last Sept. 1. However, it seems like the actual game has been delayed since the official website removed the provided launch date.



(Photo: Screenshot from Twitter post of @KILO\_CUTS)

Logan Paul CryptoZoo NFT Game Delay Controversy—Fans Complain About Losing Money!



#### Fraud *Player Despair and Cynicism*

#### **EA calls NFT and blockchain games** 'the future of our industry'

By Tyler Colp November 03, 2021

But also says they're 'early' during an earnings call.













(Image credit: EA)

#### Fraud *Player Despair and Cynicism*

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(Image credit: EA)



Legion Ventures @Legion\_Ventures · Nov 17

Even EA and Ubisoft are in agreement that #NFTs and #crypto are set to revolutionise the gaming industry.

A crypto-native project which is going to be facilitating this is @InfiniteLaunch

#InfiniteLaunch is primed to be a leading cross-chain launchpad for gaming and #NFTs 🚀



#### Fraud *Player Despair and Cynicism*

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(Image credit: EA)



Gregoshi Nakamichi @NFT\_HallofFame · Nov 5 Andrew Wilson, CEO of Electronic Arts (EA) said that #NFTs and #NFTGames are the gaming industry's future.

Looking for the #BlueChipNFT?

DON'T MISS OUT on @MiniCybee 🔥

2 10,101 Cool Cybees

10,000 Giveaway

To Qualify:

✓ Like + RT

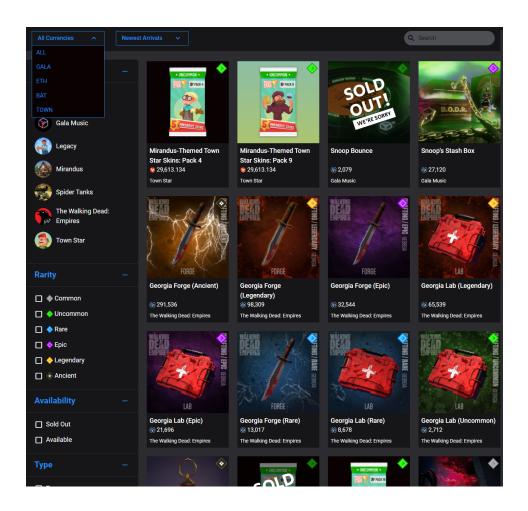
Join Discord:

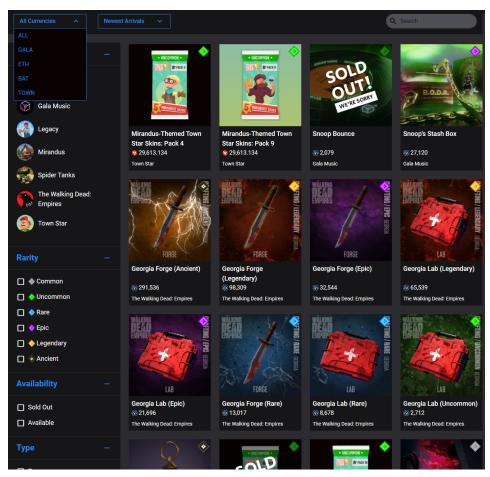
discord.gg/5EY7wSb2XN



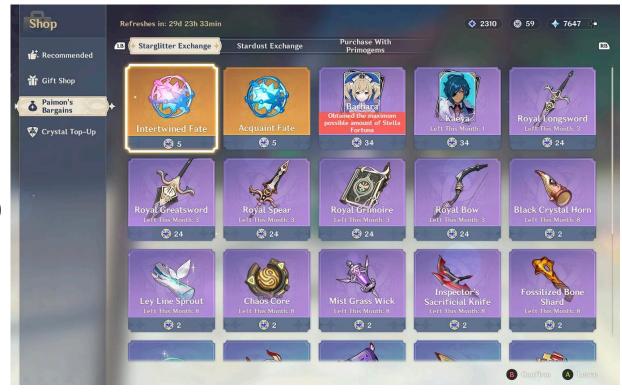
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   "Play-to-Earn" is a start vs. just saying "NFTs".
- Transparent pricing and conversions to tie NFT prices to familiar cash currencies.
- Transparent roadmaps and community engagement.
- Access to open marketplaces to trade items in event of game shutdown.









 Partner with government officials and assist with intel on fraudulent NFT game activity.





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- Educate your players on reporting processes to equip them.





- Partner with government officials and assist with intel on fraudulent NFT game activity.
- Educate your players on reporting processes to equip them.
- Lead by increasing your transparency and service to Players.

### Is the NFT Bubble About To Burst?





There is barely a topic that has been discussed as much this year as NFTs. Only recently celebrity investor Cathie Wood attracted a lot of public attention due to her opinion on NFTs. Wood sees a lot of potential in the buzz around NFTs: "That's exactly how I felt when the Internet first came along.". Read more on her opinion <a href="here">here</a>.

Even though the first hype cycle paused, the sector continues to develop.

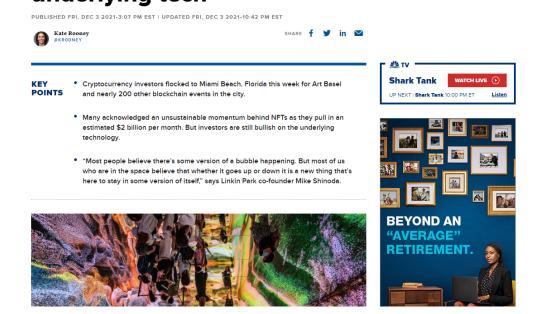
Non-fungible tokens (NFT) reached their first peak with the auction of the Beeple digital artwork "Everdays: The first 5,000 Days" for \$69.3 million at Christie's auction house. Until then, mainly unknown artists had offered their digital images for sale on marketplaces such as <a href="OpenSea">OpenSea</a> or <a href="Superrare">Superrare</a>. This market still exists and grows. Still, it is getting harder and harder for newcomers to sell to establish themselves on the NFT market.







## Crypto investors see looming NFT bubble but tout staying power of the underlying tech











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# Yes, NFTs are a bubble. But like many bubbles of the past, they will change everything

You may think that NFTs (non-fungible tokens) are just another bubble in a world full of bubbles. Well, they are. But that's actually no bad thing, says Dominic Frisby. Here's why.

#### Manipulation *Utility*

Ethically designed NFTs *might* maximize short-term "fast cash", **AND** have a **roadmap to long-term utility**.

#### Manipulation *Plan For Sustainability*

Ethical NFTs build long-term economies which are sustainable without new Payers entering the ecosystem.

#### Manipulation *Market Access*

Ethical NFTs allow transferability across open marketplaces like Open Sea, so NFTs sustain beyond the service life of their titles.

 Utilize Carbon Neutral blockchain solutions, and/or pay for energy carbon offset credits.

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- Orient your external communication around player benefits.

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- Orient your external communication around player benefits.
- Educate players on reporting NFT game fraud and scams.
- Build towards long-term, sustainable, and open economies.

#### Thank you! *Questions?*

Patrick Moran VP of Games, Kongregate

Twitter: @LordyX3