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Oregon

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ETHLAS

Introduction

Ethlas is a gaming and blockchain software company that aims to disrupt the future of gaming by leveraging web3 technology to unlock innovative and fresh user experiences. The company is pioneering the use of web3 in gaming with the goal of making it accessible and safe for everyone. Ethlas aspires to be the next Valve or Epic Games of web3, with the intent to build a lasting impact through the game titles they create and the gaming infrastructure they provide to other game companies.

General Background on Protocol

Ethlas was founded by a group of 4 individuals with big tech roots in 2021 and officially launched in January 2022. The first product that they created was Ethlas Metaverse, constructed on the Polygon chain that operates on a Free-To-Play (F2P) model, giving access to anyone with a device connected to the Internet. Users could participate in various skill-based games in order to obtain gems, which serve as the primary currency in the Ethlas Metaverse. Rewards such as cryptocurrency tokens, NFTs and in-game items could be collected by virtually any user. Ethlas Metaverse is now defunct, but its success lowered the barrier to entry for web3 with casual games and paved the way for Ethlas to release multiple other successful projects, such as Battle Showdown and PokPok Protocol.

The current web3 products offered by Ethlas focus on building the rails for onchain engagement. Battle Showdown adopts NFT interoperability by representing a cross-IP platform shooter game, where partner NFT projects can easily plug and play their NFTs into the Ethlas game. PokPok Protocol alters financial instruments by combining the strengths of NFTs, options and Tamagotchi-style gaming. The game was envisioned with the goal of introducing genuine sustainability to the Play-to-Earn (P2E) gaming sector. In this model, game earnings are supported by a continuous cash flow generated from financial activities like options trading.

Ethlas is enhancing web3 experiences and establishing an ecosystem powered by \$ELS through various projects with a strong emphasis on infrastructure. This includes addressing essential challenges such as hybrid authentication, chain-agnostic experiences, secure cloud-to-blockchain transactions with fraud detection, and gamified financial instruments for DeFi.



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Macro Factors Impacting Protocol

Web 3 gaming has been on the forefront of minds as the widely anticipated next wave of crypto adoption. Ethlas aims to capitalize on this through offering a wide selection of games within the \$ELS ecosystem and leveraging new interoperable blockchain solutions to reach multiple chains. With gaming developers looking to maximize their opportunity in the new market of web3 gaming, they will look to plug-and-play game engines, such as the Unreal Engine created by Epic Games. Ethlas plans to provide a function similar to Epic Games by creating this plug-and-play game engine as well as creating a hub for builders to create their own games, similar to Steam.

In the same light as building a plug-and-play game engine to make game developing more accessible, Ethlas is building Ethlas web3 Services (EWS). With this, they hope to service existing web2 games, continuing to leverage gaming as the front end of blockchain backends.

Who's the Team Building the Protocol

Headquartered in Singapore, with presence across the United States (Bay Area and New York) and Vietnam (Ho Chi Minh), the Ethlas team is composed of tech leaders with extensive leadership experience within various industries, including major players in tech, finance and digital services. They possess a wide range of expertise in areas such as AI/ Machine Learning, Product Management, Blockchain Engineering, Game Development, Design, NFT Smart Contracts, Crypto Security and Growth Hacking.

Ethlas was co-founded by Wui Ngiap Foo (CEO), Ari Medvinsky (CTO), Elston Sam (Product and Growth) and Henry Foo (Engineering). The rest of the core team is made up of Nick See Tong (Finance), Dean Xu (Economics) and Aneirin Flynn (Design GM, Eleos Labs). Working under them is a panel of advisors with expertise across the world of web2 and web3. Their affiliated companies include Sequoia Capital, Dragonfly Capital, Makers Fund, CoinMarketCap, Coinbase and countless others (**Figure 1**).



General Auditing Background for Protocol

Ethlas was audited in 2022 by Hacken, a trusted blockchain security auditor that offers smart contract auditing services to over 1,000 clients globally and has audited 1,200+ crypto projects to date. In an effort to enhance transparency regarding Ethlas' high security standards, the audit focused on the company's core platform contracts that are used across their product offerings. They received a 10 out of 10 score for every criteria examined in the smart contract audit. The physical audit is not available for public access.

Specific on What Protocol Does

Ethlas currently has four games that it has produced as a studio, two web2.5 games and two web3 games. The first web2.5 game is Komo Valley. This is a virtual pet simulator idle game where users hatch eggs of their virtual pets and take them on adventures and collect them. Along with feeding their Komos, users can dress them up, creating an experience that the player gets to create.

The second web2.5 game is My Pizza Story. This is an idle resource management pizza simulator where users role-play as a chef, catering to customers and upgrading their pizza shop. Rare furniture and kitchen sts boost cooking speed, serving time, and other stats. Secret recipes impact customer activity. Users can also hire someone to be a part of their kitchen crew.

The first web3 game made by Ethlas is Battle Showdown, a shooter game integrating different NFT projects. Communities have the ability to compete with each other in tournament modes, or engage in free-for-all player-versus-player (PVP) battles with fellow community members. By gamifying real-world crypto events, Battle Showdown serves an educational purpose, simplifying these events through Story Mode and rendering them accessible and comprehensible to a wide audience.

Ethlas's second web3 game, PokPok, is a gamified options protocol where each step in the options life cycle corresponds to actions in caring for chicken NFTs (see **Figure 2**). Users engage in a semi-idle, Pokemon-style game as chicken caretakers, with the goal of maintaining the chickens' health until they can be harvested, while also dealing with external factors affecting their well-being.



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Along with its suite of games, Ethlas also provides EWS. Similar to Epic Games's Unreal Engine mentioned before, Ethlas wants to build its own set of composable game tools. This suite of products can be used independently by 3rd party developers, continuing to expand Ethlas's footprint and gaming ecosystem. These services will include:

Hybrid authentication systems	EthlasPay
LP staking	Anti-fraud SDK
Multi-chain infrastructure	Token deposits
Smart contract templates	Marketplace

While Ethlas is integrating web3 aspects to its existing games slowly, it does have a plan for integration (**Figure 3**). Nibel.eth had this to say in the Ethlas discord:

we're taking a gradual approach to blockchain integration into Battle Showdown. For example, we were named by BNB chain as their exclusive gaming partner for their 3rd Year Anniversary and players were able to mint limited edition BNB avatars onchain via RNFT.

There's some interesting RNFT integration with Battle Showdown coming up soon, and we're looking to integrate \$ELS utility into this function if there's good traction.

Working with BNB chain will certainly continue to expand Ethlas's user base and allow them to gain more exposure to the broader market.

Why the Protocol Offering Matters to Consumers

Ethlas offers a modular gamestack for developers to use and turn into scalable platforms. This enables a suite of games within a single ecosystem using similar economy functions and interoperability. Additionally, by providing the services of the EWS, Ethlas can work with existing games and existing game developers to integrate aspects of blockchain technology. This further expands the footprint of the Ethlas ecosystem and therefore increases the interoperability between a variety of games.



If NBA 2k interacted with Fortnite or GTA 5, all the games that interacted would benefit from a broader player base and the feeling that progress on one game can be transferred to another. This is what Ethlas's suite of games using the same infrastructure aims to do. Utilizing blockchain interoperability and composability to enhance the user experience, Ethlas aims to weaken the barrier between games and increase transferability. Whether it be characters, avatars, experience levels, in game items, or identities, a group of interconnected games will allow the user to get more out of their game.

This is important for developers, too. A game developer will not have aspects of their game limited to just people that play it. Users will be able to bring their in-game items and experiences with them, increasing the footprint and impact of a game and its developer.

Protocol Versus Competitors Chart

Project	Suite of Games?	web3 Services for Existing Games?	Game Features
Ethlas	Yes	Yes	<ul style="list-style-type: none"> - Idle & active games - Partnerships with big NFTs - DeFi education/ integration - Many games to use \$ELS
DeFi Kingdoms	No	No	<ul style="list-style-type: none"> - RPG - In-game marketplace to trade with others - Play to Earn - Active game
Sky Mavis	Yes	No	<ul style="list-style-type: none"> - Games on Ronin network - Gaming studio partnerships - Axie brand focus
Sipher	No	No	<ul style="list-style-type: none"> - PvE & arena style gameplay - Co-op - Vast world traits like trading, ownership, game characters



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Animoca Brands	No*	No	<ul style="list-style-type: none"> - Sandbox metaverse game - Bored Ape metaverse - Create own experiences & games on virtual real estate - Partnerships with gaming studios, celebrities, and brands
Nakamoto Games	Yes	No	<ul style="list-style-type: none"> - Hundreds of games, focusing on volume - Party games - Play to earn as a source of income

**While Animoca Brands does invest in several games, it does not look to integrate their ecosystems like Ethlas does with the \$ELS token*

Protocol Go To Market Strategy Versus Competitors

Ethlas's primary strategy to differentiate itself from its competitors is to offer an array of games that offer both idle and active experiences. For example, Komo Valley and My Pizza Story are games that are consistent and focus on user play time to accumulate better collectibles. On the other hand, Battle Showdown and PokPok offer a much more engaging environment for users to enjoy. This combination of games that will all use the \$ELS token for their in-game economy makes a perfect mix for a vibrant ecosystem.

Additionally, EWS sets Ethlas apart from its competitors by providing infrastructure and integrating with existing games and giving tooling to other developers. Developers looking to integrate blockchain tech into their games will be able to use Ethlas's selection of modular and composable services and tailor it to their specific needs. By creating infrastructure for other gaming companies to use, Ethlas will be able to continue to grow its footprint and potential sources of future revenue. Additionally, other games that use this modular tooling will be able to interact more easily with other games that use the same infrastructure.



How Token Extracts Value

\$ELS is the governance token for the Ethlas project and is built on the Ethereum blockchain. The total supply of \$ELS tokens is 350 million and they are distributed among 167 holders. The primary goal of the \$ELS token is to leverage value from the Ethereum blockchain, enabling its holders to participate in the growth and development of the Ethlas project.

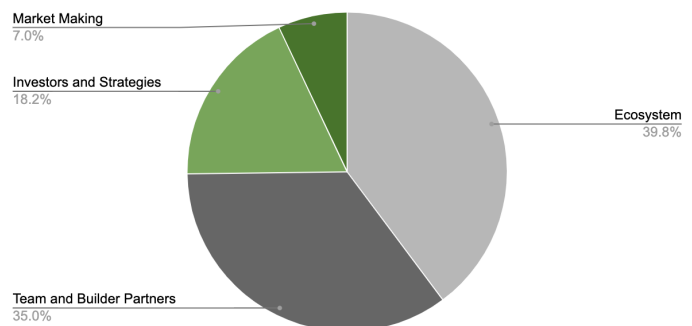
The process of value extraction for \$ELS tokens is multifaceted. Firstly, \$ELS tokens serve as a means for unlocking additional features for infrastructure tools on Ethlas web3 Services. This means that as more users and companies utilize these services, the demand for the \$ELS tokens will rise and consequently drive up their value. Secondly, \$ELS tokens enable in-game transactions and perks, establishing a tangible utility within the Ethlas ecosystem. Further, token holders of \$ELS possess voting rights that influence the direction of Ethlas' development. This allows token holders to steer the project toward decisions that can maximize the value of their tokens.

Just like all other tokens on the Ethereum blockchain, every transaction or engagement with decentralized applications (dApps) developed on Ethereum requires users to pay a gas fee, which is denominated in \$ETH. This fee is used to offset the computational costs associated with processing different transactions. Tools such as Ethereum ETL enable the export and analysis of Ethereum blockchain data which can be used to track \$ELS token transactions and utilization trends. This data has the potential to provide valuable insights into how the token extracts value on the blockchain.

Tokenomics/Vesting Schedule

The Ethlas \$ELS token officially launched on Gate.io and MEXC on June 28, 2023. The pre-launch sale was completely sold out through

Token Distribution



participating launchpads at GameFi.org, Spores Network and Finblox. The \$ELS token supply has a hard cap of 350 million tokens with roughly 6.85% in circulation. Governance weights are distributed to four core components that are critical to the growth of Ethlas: Ecosystem (39.8%), Team and Builder Partners (35%), Investors and Strategies (18.2%), and Market Making (7%).

Modeling/Ratio Analysis

Project	Ticker	TVL (\$M)	FDV (\$M)	Active Users	
				(monthly)	FDV/Users
Ethlas	\$ELS	-	149	-	-
Nakamoto Games	\$NAKA	-	138	-	-
Axie Infinity	\$AXS	-	1,183	311,217	3,801
DeFi Kingdoms	\$JEWEL	2	13	222	58,559
Sipher	\$SIPHER	-	56	-	-
Sky Mavis/Ronin	\$RON	51	415	15,250	27,213
Step'n	\$GMT	-	922	10,683	86,305

Within the blockchain/web3 gaming market, it is difficult to find good metrics for comparisons. Only two gaming projects above have value locked on platforms, and that is because many games are not built on blockchain and are integrating cryptocurrency slowly. Additionally, data regarding active users is hard to come by and typically comes from the game studio itself, who may be biased. Additionally, all of these projects had vastly different approaches to the games they are developing. For these reasons, it is hard to compare them as direct competitors and look for quantitative measures. FDV/users is the only relatively informative metric we were able to find. This tells us that at a conservative estimate for the valuation of Ethlas is 3,801 times the number of monthly active users. However, this multiple can get all the way up to 86,305 times. This is a huge spread which is why this metric is not informative.

A metric that is informative is the growth rate of the blockchain gaming market as a whole. Grandview Research and Allied Market Research put the Compound Annual Growth Rate (CAGR) of the blockchain gaming market to be between 66.5%-68.3% over the next 7-10 years. This is incredibly high as CAGRs for most industries tend to be 8%-25%. With such a high growth rate, companies developing in the blockchain gaming market are poised to experience high returns over the coming years.

Road Map

Ethlas has disclosed a complex and broad roadmap of the \$ELS ecosystem (**Figure 4**). Along with this visual roadmap, Ethlas has laid out four phases.

Phase I includes launching 10 new games aiming for >40% retention. It also includes completing ReadyNFT and integration of ReadyNFT into Battle Showdown as a part of EWS, and finally progression of \$ELS as a governance token with tiered subscriptions for mobile games and limited edition in-app items.

Phase II includes expanding EWS by adding partners to integrate in Battle Showdown via ReadyNFT.

Phase III looks at existing web2 games and communities. It looks to add interoperability between web2 virtual currency and cryptocurrency and minting these web2 digital assets onchain.

Finally, Phase IV is the exploration of subnets or supernets with \$ELS used as gas. This roadmap along with many other plans of Ethlas rely on the monthly active users.

Investment Thesis

The investment thesis of Ethlas is predominantly tied to the blockchain gaming market. Looking at the CAGR of the industry, blockchain gaming companies have an opportunity to catch narratives and capture massive returns on the backs of them. Not only is it likely that there will be a large influx of users and attention on web3 gaming, but the Ethlas vision of building a modularized composable suite of web3 gaming infrastructure tools gives Ethlas the opportunity to have a large footprint in the gaming ecosystem. Games Ethlas works with to integrate its web3 solutions will further expand the utility of the \$ELS token and its ability to be used cross-platform. Overall, by building infrastructure to foster interoperability between games, EWS and the \$ELS token have the opportunity to expand communities and bring them together in addition to its own vibrant game selection.

Fund Recommendation

2 ETH purchase via Rocket Exchange





Appendix

Figure 1: Team

Meet the Team

 Wui Ngiao Foo CEO, Co-founder	 Ari Medvinsky CTO, Co-founder	 Elston Sam Product & Growth, Co-founder	 Henry Foo Engineering, Co-founder	 Nick See Tong Finance	 Dean Xu Economics	 Aneirin Flynn Design GM, Eleos Labs

Advisors

 Aakash Kapoor VP, Sequoia Capital	 Michael Cheung GP, Makers Fund	 Mia Deng Partner, Dragonfly	 Spencer Yang Product, Coinbase	 Shaun Heng VP CoinMarketCap	 Nikhil Dwarkanath Head of Data, Grab	 Chuck Kim Head of Fundraising, Grab	 Jill Priya Animoca Brands	 Alex Shin Ex-founder, Hashed
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Empowering Web3 Journeys for the Next Billion

Figure 2: PokPok Protocol

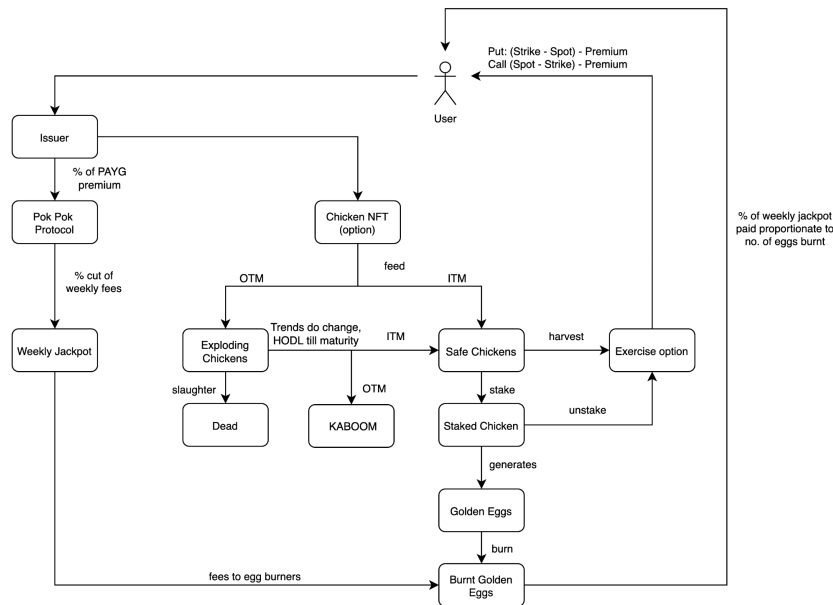
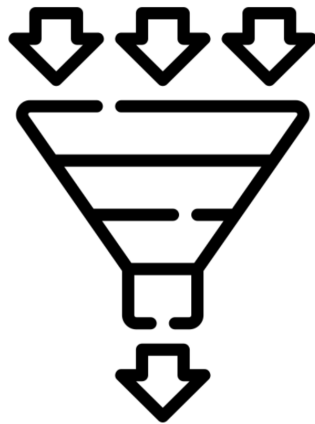


Figure 3: Integration Plan



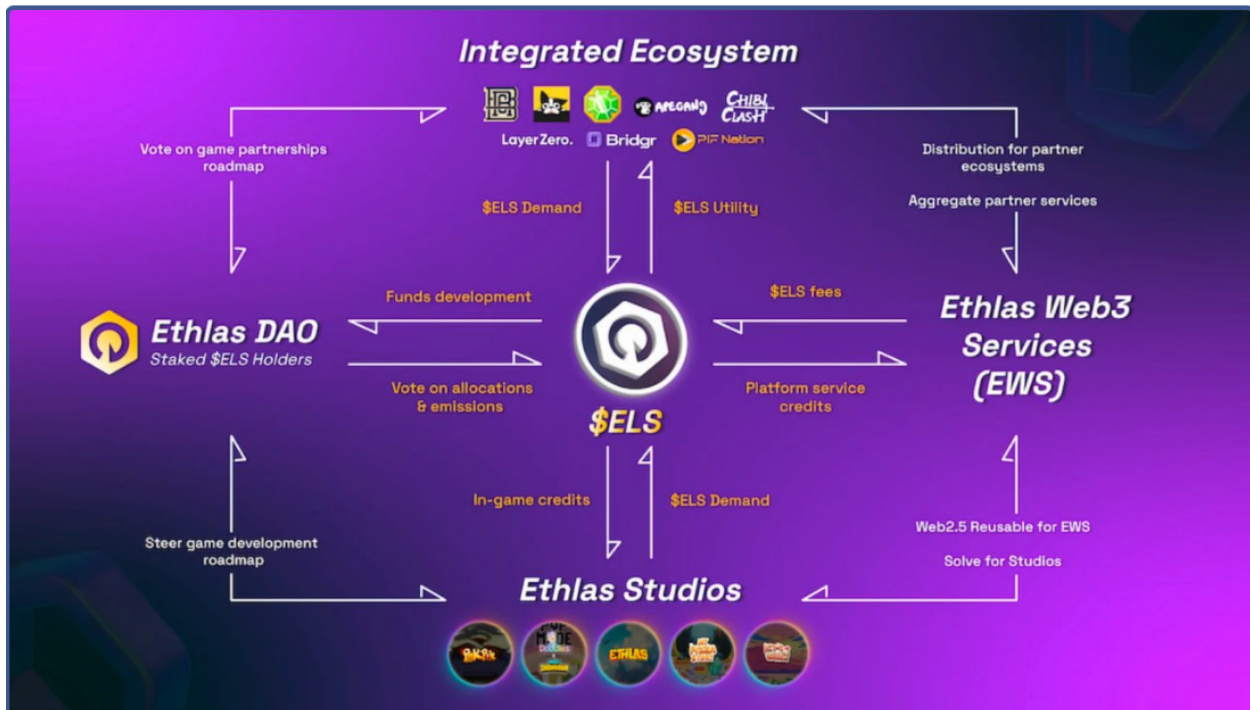


Top of Funnel: Web2 Acquisition
Web2 mobile games e.g. Komo Valley, Komo Cafe

Middle of Funnel: Web2 Conversion to Web3
Linking Web2 games (In-App purchases) to Web3 wallet creation and token drops

Bottom of Funnel: Web3 Immersion via fully onchain games
PokPok Gamified Options, Battle Showdown, Ethlas.com, Komo Founder Pass

Figure 4: Ethlas Roadmap



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Nibel.eth on discord:

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