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Pirate Nation Foundation Proof of Play

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As a fast-growing and fast-improving game, Pirate Nation will evolve beyond plans presented within this litepaper. The purpose of this document is to share the design principles and thinking around the game's economy and future ecosystem.



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Introduction

Pirate Nation is a fully onchain free-to-play pirate-themed roleplaying game (RPG) live on Proof of Play's Apex chain.

Players assemble their crews, build their ships, explore the Infinite Isles, search for treasure, level up, battle fantastic creatures, compete with other players to top the leaderboards, and more. The game aims to define the next wave of casual gaming on mobile, with a fun and engaging FOCG (fully onchain game) that allows players to earn, spend, create, and share.

Pirate Nation can currently be played on desktop browsers, with plans to launch on mobile (iOS and Android) in the future.

The roadmap for the game is informed by, and updated live for the community on a regular basis. Since its launch in early December 2022, the game has seen more than 75 official updates, averaging roughly 1 game update per week. Through this process of open & continuous development, we have earned our player's trust while building & improving features they've asked for. Our ambition is for Pirate Nation to truly feel like a community-owned game.

Pirate Nation is developed by Proof of Play, a game studio and technology company building decentralized games and gaming infrastructure. The game leverages Proof of Play's proprietary Web3 game infrastructure platform.

Pirate Nation's creators include the founding developers of FarmVille along with key team members from Epic Games, Zynga, EA, Activision, and Riot Games.

The team is supported by a16z, Greenoaks, and other investors including leadership across Twitch, Coinbase, Anchorage Digital, Mercury, Firebase, and Alchemy. More details about the Proof of Play team can be found later in this litepaper.

Our mission at Proof of Play is to create fun, accessible onchain games and, in the process, develop novel technology that makes onchain game development easier for everyone.

Pirate Nation is a Fully Onchain Game

To make a bold prediction: we believe it will be eventually faster and more efficient to make games onchain rather than offchain.

The time and capital cost of not having to run your own servers or worry about security while benefiting from collective, open-sourced packages and modules will let developers ship faster than ever before.

As well as being our flagship game, Pirate Nation is also our proof of concept and the centerpiece in our go-to-market strategy. Through the process of making Pirate Nation a success, we will inform and validate the fully onchain gaming thesis, and bring interest and relevance to Proof of Play's infrastructure.

At the time of publishing this litepaper, the game consists of over 300 smart contracts, all game logic lives on chain, and our current player base generates over 1M transactions through in-game actions on Proof of Play's Apex chain every day. Throughout much of Pirate Nation's first Season, Apex has ranked within the top 3 EVM based L2's / rollups for transactions per second (TPS) and gas per second (MGas/s).

That said, players just want to play fun games. They do not care if their favorite game is on AWS or Ethereum. Unfortunately, many blockchain products are currently perceived as complicated or requiring expensive purchases to begin playing.

With this in mind, Proof of Play's goal is to create fun, accessible games in which the underlying technology is invisible to players. By delivering a frictionless and free gaming experience, we believe players will initially play for enjoyment. Over time, they'll discover the benefits of onchain gaming as they delve deeper into the universes they play and create in.

As our first game, Pirate Nation is our sandbox. Building Pirate Nation allows us to address hard problems head-on that we need to solve to bring onchain games to everyone on every device.

What It Means To Be Fully Onchain

A fully onchain game is a game that completely runs on and has all of its data on a decentralized blockchain. Fully onchain games do not use centralized servers. Instead, a network of decentralized nodes handles the game's logic and history and ensures that players are making valid moves.

Games that are onchain are therefore more secure, more resilient (they last as long as their blockchain is around), and are infinitely extensible by anyone.

It's also worth drawing a distinction between onchain games and other types of blockchain games. Many other blockchain games are normal games that replace their optional downloadable content (DLC) or in-app purchases with NFTs. So instead of buying an item with a credit card that is then in a database, players are buying NFTs that are stored on a blockchain.

In these games the game servers and continued operation of the game is still dependent on the game creator, a centralized entity. It's like players paying for and owning the pieces of a chess set but still having to use the board and rulebook of the set manufacturer.

Onchain games are permanent

In traditional server-based games, players do not own their in-game items or the utility behind them; it doesn't matter if they earned them, paid for them, or were gifted them by other players. Once the company decides to shut down the game and stop paying their server costs, the virtual items, and the ability to use those items within gameplay, are gone.

Onchain games are extensible by anyone

Being able to build on top of, and remix, an existing game takes the daunting task of creating a new universe and simplifies it, making it accessible for anyone to be able to create gameplay. As games have moved from downloadable software to services, however, the ability for players to modify games has become gated by centralized, siloed, databases and a lack of data portability.

Onchain is the next evolution in gaming

By putting both source code and data onchain, we're creating a foundation for future games and communities to be built. In the blockchain ecosystem, this is known as composability and it's a powerful concept that allows applications to leverage each other's technical developments to build

faster. In games, this supercharges creativity and creates a positive-sum environment for creators to quickly remix or enhance each other's games. At scale, you have an exponential growth of creativity. This is a new paradigm for game development.

The fully onchain gaming ecosystem is still very young, with the total lifetime amount of institutional / VC funding deployed towards FOCG estimated to be under \$200m. Contrast this against the gaming sector as a whole (which saw \$4.1bn raised in 2023, and \$14.6bn raised in 2022) and it becomes clear how incredibly early we are to this new frontier¹.

We are motivated by the opportunity of leading it, and for Pirate Nation to seize its potential as an innovative, novel, and genredefining title.







Complete quests to earn XP, resour<u>ces and items!</u>



Reach Command Rank 10 to earn your Trade License!

A Trade License unlocks the ability to trade items.



Complete combat to level up your Command Rank!

In combat, cards are unique to your Pirate and ship type!



Level up to earn new cards and use your resources to craft new items!





Customize your island with deco items, and use buildings to generate resources!



Build small ships to start, then bigger and better ships later!

Gameplay

Pirate Nation is a fun and familiar-feeling game that's easy to start playing for both casual & experienced gamers of all ages.



The game's controls are simple, and have already been optimized in places (such as card swiping) for mobile.

The core gameplay loop requires players to spend energy (which currently replenishes over a 24 hour timer) in order to send their Pirate on quests, or to harvest resources from our open, procedurally generated world, through exploration. In both cases, the player's Pirate earns XP that contributes towards leveling up.

As a Pirate levels up, they unlock new combat cards, and are able to go on more lucrative bounties (a type of long-form quest, potentially yielding rarer items).

As a player collects items through quests and bounties, they're able to construct and, later, level up their ships. Better ships are desirable to compete in the game's card-based combat system, which includes a PvE mode known as 'The Gauntlet', and a PvP mode, currently in early access. Completing The Gauntlet allows the player to level up their account-level Command Rank.

Once a player has reached Command Rank 10, their accounts become fully unlocked for trading, which allows them to export / sell items they've earned in the game.



Combat

Pirate Nation's card-based combat leverages two stats associated with the player's Pirate: elemental affinities and expertise to introduce player choice and card variation in each combat encounter. There are five elemental affinities (fire, earth, lightning, air, water), each one is each strong against, and weak against, one of the others. There are five types of expertise (accuracy, speed, damage, evasion, and health) each carrying different cards, allowing for different play styles.

Additionally, each of the 4 different ship types (skiff, sloop, galleon, frigate) have different

AP & HP stats. Upgrading a ship introduces new playable cards when using that ship, and increases its HP.

There will later be a system introducing ship repairs to the game.

Under the hood of Pirate Nation's combat system is the PvP Protocol, enabling real time decentralized gameplay in PvP matches.

More about Proof of Play's technology can be found later in this litepaper.



Settlement Buildings

Settlement buildings are expensive to craft "player owned businesses" in the game, such as the Shipwright. Once constructed and placed on a player's island, the building can (optionally) be set as available for visiting players to use, at a cost determined by the owner.

In the specific case of the Shipwright, the building is used to upgrade Ships, by merging two lower level ones to produce a higher level one. Some of the resources required to do this are burned, and some get paid to the owner of the Shipwright.

Settlement buildings add another surface to the player economy, where in addition to trading resources and items, players can construct a building at significant cost, which in time can break-even against its own material cost, and produce net positive 'resource yield' for the owner.

More settlement buildings will be introduced to the game over time. They will play a particularly interesting and synergistic role with another future feature - guilds - as building owners will be able to restrict access only for fellow guild members, and/or set discounts for them.

Global Events

A global event system exists in Pirate Nation, and has so far been used twice: for the first World Boss event, where Bruce the Megalodon was defeated, and secondly for Forgotten Gods, a team-coordination based event, with surprise twists & turns in social deceptive & incentives, where team Broseph defeated Old Salt & The Dealer.

More events like these will be run in the future, introducing new enemies, new mechanics, and new incentives, leveraging the best of blockchain technology, and culture.



Gacha & The Wishing Well

The game contains several different gacha experiences, ranging from simple chests obtained via completing The Gauntlet, to the more exciting and interactive Wishing Well, which is open for limited periods of time. In the first Wishing Well event, Founder's Pirates, exclusive skin shards, and other lucrative prizes could be won by depositing Worn Copper Coins (an item with a rare drop chance from certain quests & bounties) into the Well. The Wishing Well will reopen in the future, and more gacha experiences may later be introduced to other parts of the game.

All randomness in the game is determined verifiably onchain, presenting another nice advantage over web2 games where player trust is required on the fairness of drop chances and RNG.

Player Motivations

The game's core loop caters to three different but intertwined player motivations:

1. Skullduggery

Combat-based gameplay

2. Exploration

Discovery-based gameplay

3. Privateering

Trade-based gameplay

Some players will bias towards some of these motivations over others.

Fully onchain gameplay, with upgradability

All of Pirate Nation's gameplay logic lives onchain, in the form of smart contracts. The game is still relatively young in terms of its development and economy, and we're keeping a proverbial hand on the helm to ensure gameplay remains fun, balanced, and bugfree as we scale the game. This is ensured through contract upgradeability, allowing us to introduce changes and improvements based on data and player feedback.



Gameplay Summary

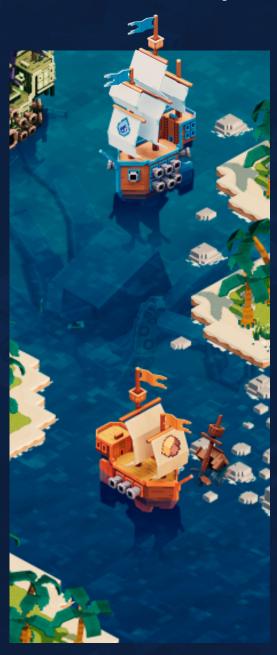
Details of Pirate Nation's gameplay features & systems are kept up to date in the game's public docs.

Pirate Nation's gameplay will, of course, evolve and deepen over time, with the introduction of new social collaboration features like guilds. To date (inclusive of time prior to the introduction of BOOTY Points) the game has achieved strong retention, with >65% of new players retained at D7. Our goal through developing further gameplay, and optimizing the first time user experience, is to protect this high retention rate as we scale our player base over the months & years to come.

Pirate Nation is free-to-play, and a demo of our combat system can be experienced on our website without any sign-in requirements.

Art: A Voxel World

Pirate Nation's in-game assets are composed of voxels – the three-dimensional equivalent of pixels.



But our approach to voxels is different from the norm: we leverage low-poly and pixel art aesthetics to create a distinctive look & feel, establishing the style of a wider voxel world which the game, and future games within the Proof of Play ecosystem, can expand into.

Since the game's launch we've continuously optimized the compression & rendering of voxel assets in Pirate Nation. The purpose of this effort is so that Pirate Nation's game assets - characters, buildings, items and so on, can be high fidelity without causing a strain on graphic processing. This is important both today, but also in the future when we launch our mobile app(s), so that Pirate Nation remains an aesthetically impressive, yet highly performant game, across all platforms.

The final and perhaps most important benefit of our approach to art & world design is that the learning curve for voxel assets & art creation is very beginner friendly. This is relevant when considering our plans to encourage, empower, and reward the creation of UGC. We anticipate both novice and experienced creators alike to have a go at creating assets for Pirate Nation.

Founder's Pirates are the premier asset in the Pirate Nation & Proof of Play ecosystem.

Founder's Pirates

In November 2022, we released a free to mint genesis collection of 9,999 Founder's Pirates NFTs (referred to as 'Gen0').



Initially, these Founder's Pirates acted as a gating mechanism to the game: players had to own at least one Founder's Pirate to access & play Pirate Nation.

Expansion Without Dilution

In order to start growing our player base, we implemented a solution for new players to enter the game, without diluting the collection or special nature of Founder's Pirates. We did this through the creation of a separate, soulbound collection of Pirates (referred to as 'Gen1'), which would allow players to enter the game for free, without impacting the supply or the provenance of Founder's Pirates.

The system works: Founder's Pirates have not only retained but increased in value, and over 100,000+ Pirates have been minted by new incoming players, who are now able to play the game without owning a Founder's Pirate.

Founder's Pirates Benefits

Founder's Pirates are the premier asset in the Pirate Nation & Proof of Play ecosystem. They can be thought of as a premium collectible, and carry benefits both in Pirate Nation (such as exclusive quests & bounties) and our wider ecosystem (such as early access to future games).

We will continue to recognize their special nature as Pirate Nation evolves.

Founder's Pirates Staking Multiplier

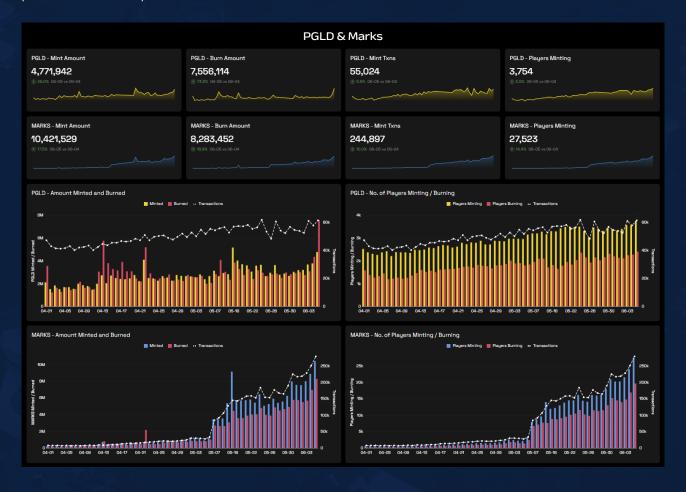
Founder's Pirates can be staked, along with \$PIRATE tokens, to add an additional multiplier to the number of Proof of Play Points being accrued through staking. The staking mechanism here is 'soft', in the sense that a player only needs to hold Founder's Pirates in their wallet for them to be detected and for the multiplier to come into effect. Founder's Pirates that are considered staked and actively earning points can still be used in game.

More about staking, and Proof of Play Points, can be found later in this litepaper.

As a fully onchain game, Pirate Nation's economy is open & transparent by default. All circulating resources and items, and any live trades, are all visible onchain.

Open Game Economy

The game's public economy dashboard has been live for over a year and can be used to track the production and expenditure of various resources & items.



A game economy that is open & transparent like this enables unparalleled levels of information symmetry between us as developers and our players. It also ensures all players have access to the same information at the same time, facilitating an open and fair secondary market for resources and items being earned, traded or burned in the game. This aspect is in part what makes the economic meta game around Pirate Nation particularly compelling.

We believe an open economy like this ultimately leads to a more efficient market for game items, and helps mitigate some of the issues encountered by the first generation of web3 games, in particular those who positioned themselves as P2E.

Controls

While it's still relatively early days for Pirate Nation, it's important that the game's economy includes controls to calibrate the rate at which new players can progress through the game, earn the right to trade, and so on. Pirate Nation has a handful of simple controls, including:

Energy

Currently, players have 150 energy per 24 hour cycle. They can top this up a small amount through the consumption of Rum (an item earned through gameplay), or through the purchase of Gems. We have the option to calibrate the amount of energy, the rate at which it replenishes, along with how much rum or how many gems can be consumed at any given time.

Trade License System

Currently, new players are unable to sell or transfer items they earn, until they reach Command Rank 10 in the game, and unlock trading on their account. We have the option to calibrate the rate at which players level up their Command Rank, or the Command Rank at which the Trade License is earned.

Soulbound Items

Currently, some earned items in the game, such as High Seas Maps, are soulbound, meaning a player cannot purchase or trade their way to owning more. We have the option to introduce more soulbound items as & when necessary, as well as create conditions or criteria under which an item can become un-soulbound.

Drop Rates

Drop rates for items can be changed.

Burn Rates / Crafting Requirements

Crafting requirements for items can be changed.

The Pirate Nation economy is made up of 3 different currencies, seamlessly working together to incentivize gameplay, enable free-to-play, and accrue value to the token as the game's player base grows.



Pirate Gold Soft Currency

Pirate Nation's in-game soft currency. Players earn and spend this throughout the game in a variety of player progression loops. \$PGLD can be crafted into a Stockpile of Gold, which burns ~10% of the \$PGLD, and then it can be sold from one player to another on the Proof of Play Marketplace.

New players to Pirate Nation, who haven't yet reached Command Rank 10, earn Marks instead of \$PGLD, which are untransferable. Once they reach Command Rank 10 and unlock trading, their Marks automatically convert to \$PGLD.



Gems

Hard Currency

Pirate Nation's in-game hard, nontransferable currency. At launch, Gems will only be purchasable using \$PIRATE. Gems can be used in several ways:

- Purchasing additional energy
- Speeding up timers on certain quests
- Topping off questing & crafting prerequisites

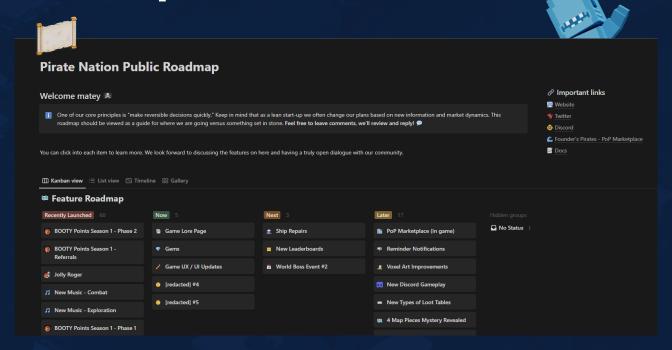


\$PIRATE

Token

An ERC-20 token on Ethereum Mainnet. \$PIRATE is convertible to Gems and is required for many other exclusive game features that add depth, connection, creativity, and fun to a Pirate's life. Pirate Nation has been built in public since the game's launch, with on average one game update shipped every week.

Roadmap



We like to ship fast, and to ship often – this allows us to launch new features, and improvements, on a continuous incremental basis, and receive feedback and data as soon as they are live.

We believe in the massive opportunity of building closely alongside our community, and work in the open to empower them with realtime visibility and context on what's coming next.

The Pirate Nation public roadmap is kept up to date by our product team. The live Notion page can be publicly commented on, and its contents are openly discussed in the Pirate Nation Discord. Prioritization of game features and improvements is informed through game data, as well as suggestions

that are submitted by the community. Any player can submit a suggestion, and other players are able to upvote suggestions they like. All submitted suggestions are reviewed by our product, game design, and community team during a weekly community triage.

New gameplay features and any accompanying incentives & mechanics will align with Seasons, timeboxed periods during which players can compete on leaderboards to earn BOOTY Points, and receive rewards in the form of \$PIRATE and other prizes.

Season 1

BOOTY Points x Gameplay

In Season 1, we rewarded BOOTY Points for a series of gameplay quests (in particular: The Gauntlet), social quests, and for collecting & holding various game assets, with most points and a multiplier attributed for holding Founder's Pirates.

Season 2

BOOTY Points x Gameplay

Season 2 will occur after \$PIRATE's token generating event (TGE). It will include \$PIRATE prize pools and an emphasis on increasing player-ownership in the game's economy, through the launch of new in-game buildings players can craft in order to upgrade and sell goods & services to other players in the game.

Non-gameplay quests will also be added to this Season.

Our goals in Season 2 include (1) ensuring the successful introduction of \$PIRATE to the game economy, (2) leveraging \$PIRATE's utility to deepen the player experience and enable exciting new options and mechanics, while (3) retaining & growing the game's daily active users.

Season 3

BOOTY Points x Gameplay

Details of Season 3 & beyond will be shared with our community once Season 2 is underway or close to its conclusion. It will likely focus on new game features, along with empowering mods & UGC for the game, to foster a community of creators and developers around the game.

A key theme for our onwards game development, likely to be seen throughout all seasons, is an emphasis on social collaborative and competitive gameplay, aimed at making Pirate Nation an even more fun experience with friends, and deepening community engagement.

The best outcomes are achieved when both we and our community remain agile to the sequencing of new game features, and

improvements to existing ones. We consider this agility & dynamism fundamental to our growth as it allows us to reprioritize items and plans in real time based on feedback, data, and the emergence of new ideas and technologies. This is much in line with how we've operated to date, and so the good news for our community is: Pirate Nation's development will follow the same formula you've supported since our launch.



Pirate Nation is natively moddable, meaning no API or creator suite is needed to enable modding, as all game logic & data is publicly available onchain.

Modding & UGC

Pirate Nation is a permissionless platform for players and developers to build on, extend, or remix as they like.

Over the last 30 years in gaming, players have shown a growing appetite to interact with, consume and purchase User Generated Content (UGC), which has become a significant revenue stream for both creators, and game developers. And it's growing fast: net UGC games developer payouts rose from \$1B in FY 22 to \$1.32B in FY 23.

Across the gaming industry, UGC has seen significant support from large publishers and games. For example, Epic has allocated 40% of Fornite's net revenue (estimated at \$1B) to an engagement pool for creators⁴.

The benefits of UGC are numerous, including:

- Increased player engagement and ownership
- 2. Reduction in live service operating costs
- 3. Extension of the longevity of the game

To seize the potential in building a fully onchain like Pirate Nation, we will lean in to support and enable modding & UGC from the community. Our V1 dev docs are already live, along with an active developer chat in our official Discord server.

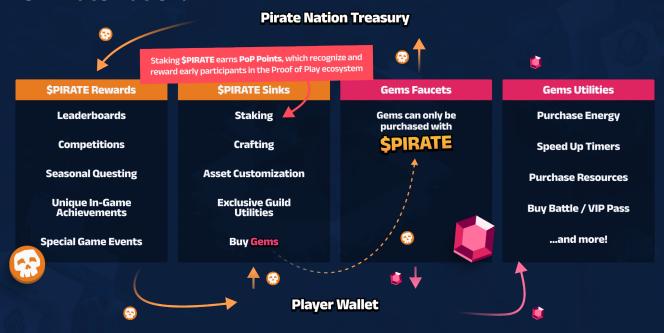
Where a fully onchain game can likely do UGC enablement better than traditional 'web2' game studios and publishers, comes down to both the technology & transparency of the blockchain to reward creators, as well as the culture and ownership ethos of the onchain ecosystem.

Some early projects & tools that have been built by the Pirate Nation community include player quests, a directory of player-owned Shipwright buildings, gauntlet racing, a Pirate pose / meme maker, and more.

We will be showcasing such projects in the months ahead, along with details of a \$PIRATE grant-application process for developers who wish to build in our ecosystem.

\$PIRATE Utility

\$PIRATE is an ERC-20 token on Ethereum Mainnet and one of the first uses of the \$PIRATE token is to serve as a utility token for Pirate Nation.



\$PIRATE will be convertible to Gems (a non-transferrable in-game currency).

Gems are Pirate Nation's in-game hard currency, and gems utilities are \$PIRATE sinks. Gems can only be purchased using \$PIRATE, and will be used for a number of gameplay-enhancing benefits, such as:

- Purchasing additional energy
- Speeding up timers on certain quests
- Topping off questing & crafting prerequisites
- Participating in certain game modes and events, and more

Gems go live in Pirate Nation at or shortly after \$PIRATE's TGE.

Additional \$PIRATE in-game utility

Over time \$PIRATE may be used for all sorts of fun and functional activities within the game, expanding the possibilities of players and guilds in crafting and customization, and providing access to exclusive tournaments and unique game modes or events. When significant new choices, items, or dynamics are added to the game (examples: larger player islands, able to accommodate new settlement buildings, or new types of bidding / special auction events for premier, unique game assets), \$PIRATE may be used as the necessary currency to enable said new dynamic.

The single most important design principle of the \$PIRATE token is ensuring Pirate Nation is made better, and more engaging, through its existence. It's with this in mind that we will design, optimize, and evolve its uses and sinks within Pirate Nation.

SPIRATE Incentives

The \$PIRATE incentive system has been designed to encourage players to play the game and engage in our ecosystem. Across future seasons, players will be able to earn \$PIRATE in a variety of ways. Examples of this may include:

- By completing onchain and offchain quests
- By competing in tournaments and leaderboards
- By establishing and growing their guild
- By building on top of the game ecosystem
- Earning sought-after achievements in-game

\$PIRATE rewards for such actions may be set directly, or represented through tasks & quests during an active season.

\$PIRATE will play an integral role in the future of Pirate Nation, and the larger Proof of Play ecosystem. Increasing its utility within the game ecosystem, will remain at the forefront of design choices we make in upcoming features.



\$PIRATE Tokenomics

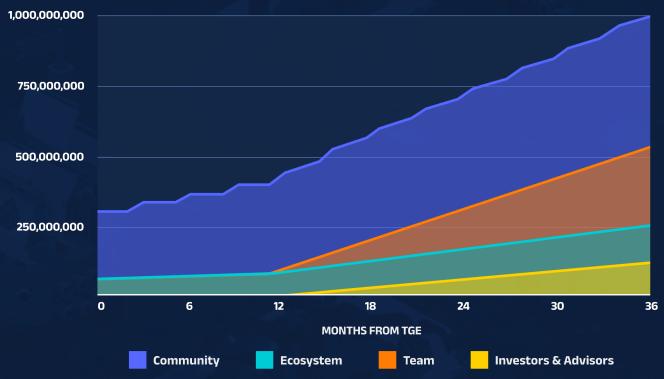


\$PIRATE's supply is 1,000,000,000 tokens and its TGE is scheduled for June 13, 2024.

The majority of tokens (>60%) are allocated towards the community, and ecosystem pools. Our goal with this distribution of tokens is to empower our players, and for our community to be the largest recipients of \$PIRATE rewards.

	Community	Ecosystem	Team	Investors & Advisors	Total
% of Total Supply	47%	13.25%	28%	11.75%	100%
Token Allocation	470,000,000	132,500,000	280,000,000	117,500,000	1,000,000,000
Cliff (Months)	0	0	12	12	
Fully Unlocked (Months)	36	36	36	36	
% Unlocked @ TGE	45.53%	38.11%	0%	0%	
% of Total Supply Unlocked @ TGE	21.4%	5.05%	0%	0%	26.45%
% of Total Supply Claimable @ TGE	15%	0%	0%	0%	15%





Unlock schedule

At the time of launch, only a portion of the community & ecosystem allocations will be unlocked, amounting to 21.40% & 5.15% of the total \$PIRATE supply, respectively.



47%

of total token supply will be allocated directly to the Pirate Nation community

31.91% of this, equivalent to 15% of total token supply, will be claimable at TGE by Season 0 & 1 participants, and Founder's Pirates NFT holders.

The remainder of the community allocation will be claimed over the course of following seasons.

The remainder will unlock over the following 36 months. Allocations for the Pirate Nation Team, Investors, and Advisors, are held to a 12 month cliff post TGE, and then subject to linear monthly vesting over a further period of 24 months, also totalling 36 months.

At TGE, 15% of the total token supply will be claimable by the Pirate Nation community, who participated in Preseason & Season 1. The remainder of unlocked supply for the community will be held, at a minimum, until Season 2.

Ecosystem allocation

The use of ecosystem tokens will span a range of strategic growth and marketing initiatives, from exchange liquidity, to rewards for creators and builders within our ecosystem, and more. Details on the

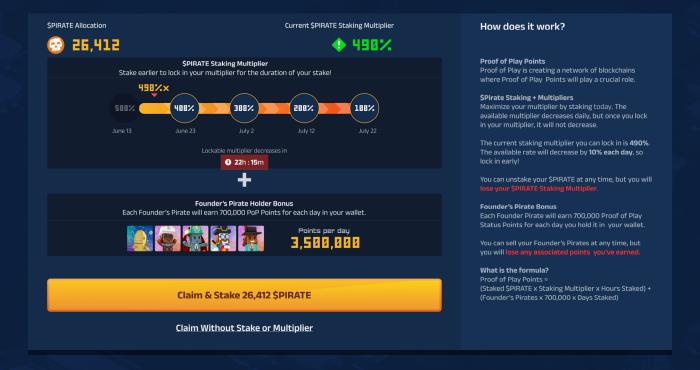
ecosystem proposal process and \$PIRATE grant eligibility, will likely be announced during Season 2.

Pre-sale

No "pre-sales", "insider sales", or any similar practices that are common for web3 gaming token launches have been conducted for \$PIRATE.

The only people able to claim \$PIRATE tokens at TGE are eligible community members and players who participated in Preseason and Season 1. Although pre-sales are popular among web3 games, our decision to avoid a pre-sale was deliberate: Proof of Play is well capitalized and we want to ensure our community playing the game are the only ones to receive \$PIRATE at TGE.

\$PIRATE Staking



At the time of its launch, players will be able to stake \$PIRATE to earn Proof of Play Points, which hold a role in recognizing and rewarding early supporters & participants in the Proof of Play ecosystem.

Immediate staking at the time of claim is incentivized with a +50% multiplier. Early staking is also incentivized, with large multipliers that can be locked in by staking soon after the TGE date.

Long term staking is encouraged by keeping the multiplier in place for all Proof of Play Points accrued, until a withdrawal happens.

If you unstake your \$PIRATE tokens, you will lose your full staking multiplier and whatever remains staked will reset to the current and active multiplier.

In addition to staking \$PIRATE, token holders can also stake Founder's Pirates NFTs to receive an additional amount of Proof of Play Points each day. If you sell the Founder's Pirates NFT, you will lose all Proof of Play points that have been accumulated by it.

The primary purpose of staking is to earn Proof of Play Points. Details about these Points and their accompanying reward(s) will be revealed later.

\$PIRATE stakers will also be recognized & prioritized in other opportunities arising during the staking period.

Use and spend \$PIRATE while staked

As \$PIRATE will have growing in-game utility in Pirate Nation, we've developed a novel system where stakers will still be able to use and spend their staked \$PIRATE within our ecosystem, without affecting their multiplier. It will be possible for stakers to "spend-fromstake" in a single transaction without having to unstake any tokens to do so.

Discounts on purchases with \$PIRATE

As an additional bonus for stakers, purchases made in the Pirate Nation ecosystem using staked \$PIRATE (e.g. Gems or other items) will receive a discount.



\$PIRATE can be staked to earn Proof of Play Points, which recognize and reward early supporters & participants in the Proof of Play ecosystem.

<u>Infrastructure</u>

Pirate Nation runs on Proof of Play's proprietary onchain infrastructure stack, which includes:

Multichain

An ultra fast, constellation of blockchains (<250ms tx speed), capable of reaching internet-scale 100m+ players, while being gas efficient and set up to save engineering time.

Onchain Game Engine

A game engine comprising hundreds of modular smart contracts, including core game systems which can be configured to power other onchain games.

Game Wallet

A secondary, locally stored game wallet limited only to defined gameplay actions (without holding funds or assets), enabling completely signless & gasless gameplay for players.

Token Mirroring

A solution for assets on one chain to be recognized and usable on another without the need for any bridging, allowing game items or assets to work seamlessly across chains.

Verifiable Randomness Function (VRF)

A game-optimized onchain randomization solution, faster and cheaper than well known, mainstream alternatives.

Custom Forwarder

Built to cover player gas fees, with the option to impose a gas tax on bots.

ECS / Editor

A no-code entity component system and accompanying content management system, allowing non-engineers to add or edit game data.

PvP Protocol

Enabling real-time onchain PvP with validation.

Marketplace

A dedicated P2P marketplace for players, with multiple payment methods including fiat (pay with credit card) and crypto, and potential to be embedded directly within the game itself.

To summarize the importance and capability of Proof of Play's infrastructure: Pirate Nation would simply not run as it does today without it.

The development of Pirate Nation has informed the design of Proof of Play's infrastructure, and has been a forcing function for us to optimize for both performance and scale. While the primary application for our technology is games, much of what Proof of Play is building will be of interest to other high-usage / large-data onchain applications.

Decentralization of our infrastructure, consensus / validation and incentive design are key focus areas for Proof of Play over the months ahead.

More news, updates, and announcements about our infrastructure will follow throughout the rest of the year.

Future Games

Proof of Play's focus is entirely on making Pirate Nation a success. However...

...there will eventually be other games we build within our ecosystem, leveraging the learnings and tech built to power Pirate Nation. In this sense, Pirate Nation can be thought of as a template—one that is important to get right before applying to other games.

It's likely that any future game we develop will (a) uphold the same design principles as Pirate Nation (namely fun & accessibility) and (b) interact with or have some form of plausible tie-in with Pirate Nation.

Pirate Nation is being built by the team at Proof of Play.

The team includes veteranlevel professionals with backgrounds in gaming, blockchain, infrastructure, payments, and marketplaces.

About Us: Team & Investors

Team members have operated at both ends of the spectrum: from founding startups (half of team Proof of Play are former founders) all the way up to the senior & executive levels at industry leading, publicly traded companies. It's this blend & range of expertise that gives Proof of Play an edge in fully onchain gaming.

Amitt Mahajan, CEO

https://www.linkedin.com/in/amittmahajan

Prior to founding Proof of Play, Amitt was the founder and CTO of MyMiniLife (acquired by Zynga), founder and CEO of Toro (acquired by Google), and the cofounder and CTO of Rare Bits, an NFT marketplace launched in 2018 the same week as OpenSea. While at Zynga, he co-created the game *FarmVille* (300M players, \$1B+ in revenue) and served as the CTO of Zynga Japan. Before his entrepreneurial work, Mahajan was an engineer at Epic Games on the Unreal Engine and *Gears of War*.

Matt Van, Head of Engineering

https://www.linkedin.com/in/mattvv

Matt is a core gamer and serial entrepreneur. Prior to Proof of Play he founded and grew Optic Power from 2 people to 350 people as a remote-first engineering company focusing on Gaming and Blockchain working with top Esports teams (100 Thieves, TSM) and Gaming IP (*Star Trek, League of Legends*). Before that, he was a Tech Lead at Riot Games's Esports Engineering team on *League of Legends* and *Valorant*. He was also an early employee of multiple startups, including co-founding Washio, CTO of Ringadoc (Acquired by Practice Fusion), CTO of Brand Reporter (Acquired by YPB) and Telesign (Acquired by BICS).

Adam Fern, Product Lead - Platform

https://www.linkedin.com/in/adam-fern

Adam is a tech veteran who was on the founding team of Cash App and the Head of Product at Square Loans. In addition to holding many growth and partnership leadership roles in fintech over the past decade, he is a crypto OG having led the integration of Bitcoin payments into an ecommerce platform in 2013 and consulted for Circle Financial Group (USDC) in 2014 on their risk & fraud strategy.

William Schmitt, Head of Studio

https://www.linkedin.com/in/wschmitt

William has over 30 years of experience running studios and leading teams at companies such as Scopely, Disney, Activision, and Electronic Arts, working on \$100+ million titles like WWE Champions, Marvel Avengers Alliance, Spider-Man III, Madden Football, South Park: Stick of Truth, and Darksiders II. Alongside the billions in revenue generated at several industry-leading publishers, he has also spearheaded multiple development studios, including founding his own in 1998 where he shipped 9 titles, including Tetris Worlds, Road Rash, and Disney's Atlantis.

Dith, BD & Marketing Lead

https://x.com/0xDith

Dith is a lifelong gamer and former startup founder who prior to joining Proof of Play, led a GTM function generating over \$1B in annual revenue at Stripe. The startup he founded prior to his time at Stripe, served Fortune-500 customers incl. Apple, Samsung, MasterCard, Microsoft, SAP, and Coca-Cola. Since 2021 Dith has actively advised a number of blockchain & web3 teams & projects on go-to-market, partnership, marketing & growth strategies. Dith holds an MBA from a top business school and has spoken at TEDx as well as other leading conferences.

Matt Anderson, Product Lead - Game

https://www.linkedin.com/in/teppermatthewanderson

Matthew is a former professional gamer (Warcraft III) who started his career working as a product manager at Google working on Google+. From there, he conquered the mobile space as a product leader who has led teams on mobile games that have grossed >\$4B including hits such as *Call of Duty Mobile, Marvel Strike Force*, and *Disney Emoji Blitz*. His most recent position prior to Proof of Play was Director of Product at WB games where he worked with third party developers on WB IP games.

Aaron B. Murray, Senior Art Director

https://www.linkedin.com/in/aaronbmurray

Aaron is a creative with 19 years of experience in video games, VR/AR, and web3. His work spans a broad range of genres and platforms. After years of working on high-profile titles at Electronic Arts and Ubisoft, Aaron helped develop The VOID's innovative approach to fully-immersive, location-based entertainment on titles like *Ghostbusters* and *Star Wars*. He co-founded Strange Reptile, where he worked closely with partners like Netflix, Universal, and Dave & Buster's in developing experiences based on high-profile IP like *Star Trek*, *Men In Black*, and *The Terminator*, before creating the *Guild of Guardians* IP at Immutable.

Investors

We have raised \$33m in equity funding from a16z (Chris Dixon & Josh Lu, at a16z crypto and a16z games, respectively), Greenoaks (Neil Mehta), and many incredible angels and founders, including Balaji Srinivasan (former CTO of Coinbase), Diogo Monica (CEO of Anchorage Digital), Justin Kan (Cofounder of Twitch), Justin Waldron (Cofounder of Zynga, CEO of PlayCo), Nikil Viswanathan (CEO of Alchemy), Immad Akhund (CEO of Mercury), Gabby Dizon (CEO of YGG), Naval Ravikant (Cofounder of AngelList), and many more.

Conclusion

Pirate Nation is a fun, engaging game that looks & feels like a mass-market web2 game, while being fully onchain at the same time, and benefiting from all the unique elements that make web3 games sticky.

Players have ownership over the items they earn or purchase, and are able to trade them freely once they reach an in-game milestone. Players and developers are able to permissionlessly build on top of the game, encouraging new forms of gameplay and meta-games that extend the player experience and ecosystem around the game.

Pirate Nation is free-to-play and has become the largest, and fastest-growing fully onchain game. Powering Pirate Nation is a proprietary infrastructure stack and game engine being built by Proof of Play. Pirate Nation players and supporters of Proof of Play's efforts can accrue Proof of Play Points by staking their \$PIRATE tokens and Founder's Pirates NFTs.

Proof of Play will continue to develop & grow Pirate Nation hand in hand with our community, and continue to uphold the mantra:

There's never been a better time to be a Pirate.



Appendix

Mobile

From the outset, Pirate Nation has been built with the goal of not only supporting mobile, but ultimately becoming a mobile-first game. This is reflected in decisions like choosing Unity as our front end game engine, so that launching our mobile app will be easy. The reason the game didn't launch on mobile to begin with, is because historically fully onchain UX hasn't played well with mobile - it certainly didn't when Pirate Nation launched in late 2022. This has changed over the course of the last 18 months. The game is also now much further along and is more appealing to, and capable of retaining, non-web3 natives who can be acquired via established mobile marketing channels.

Roughly 80% (2.7bn of 3.3bn) of total global gamers play on mobile devices⁵. Mobile games accounted for 49% of total annual games revenue in 2023 (~\$90bn of ~\$184bn), versus just ~\$2bn generated by browser PC games. With a larger addressable market and far more economic activity, Pirate Nation on mobile devices will allow us to reach more players, and grow the in-game economy, with larger purchasing volumes between players.

More details about our mobile app, and potentially an early beta-testing program for Founder's Pirates holders, will be shared closer to the time of its launch.

Links & Resources

Website

https://piratenation.game/

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https://twitter.com/PirateNation https://twitter.com/ProofOfPlay https://twitter.com/PirateNationFDN

NFT collections

Founder's Pirates Collection
Pirate Nation - Items Collection
Pirate Nation - Ships Collection

Documentation

https://docs.piratenation.game

Pirate Nation Game Roadmap

https://proofofplay.notion.site/proofofplay/Pirate-Nation-Public-Roadmap-9b8bea7259f84dd4b614c8cc19c0d8dd

Onchain Game Economy Metrics

https://ua.helika.io/dashboard/pop-external

Contracts

Founder's Pirates Contract

0x1b41d54b3f8de13d58102c50d7431fd6aa1a2c48

\$PIRATE Contract

0x7613c48e0cd50e42dd9bf0f6c235063145f6f8dc

\$PIRATE Stake Contract

0x6759aCD57cB5EA451a3eDF397734eDDDFc123049

\$PIRATE Claim Contract

<u>0x543ba3e063197b3025a4b2751e9b4b6a2489fa07</u>

References

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- 4. https://naavik.co/deep-dives/state-of-ugc2024/
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