

The OGCP Monthly

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The Gaming Boom

By: Sergio Santisteban



Although the economic outlook for 2022 is not ideal, there are some industries that have managed to continue growing as investors continue to pour money into them. One of these industries is Gaming.

According to a report by the investment bank Drake Star Partners, 2022 has been the hottest year in gaming with a staggering \$107B in total deal value across more than 600 deals. Among those deals, we have encountered great mergers and acquisitions, like the record-breaking acquisition of Activision by Microsoft, or Zynga by Take-Two. Another outstanding deal we have seen, is the \$2B funding round Epic Games raised during the first half of the year, a great company that has its own article in the next page.

Experts believe the relevance of the industry has to do with the blockchain. The number of GameFi projects (those projects that combine blockchain into games) has continued to rise and has reached almost 2,000 games. This is a surprising number, given that it is a new arena for most developers. GameFi offers players the chance to own digital assets in the virtual world, along with the opportunity to bring those assets across various worlds, all connected through the Metaverse. The large number of new dedicated gaming and blockchain funds continue to invest aggressively in private gaming companies, with about half the gaming deal volume in the blockchain segment.

More than half of the investments in early-stage companies (over \$2.2B) went to blockchain and NFT startups. And, if we take into consideration the recent collapse of cryptocurrencies and NFTs, it means that investors still believe this industry is the future of gaming.

2022 has been a record year of consolidation and investments in the industry, and we believe that this trend will continue, with strong and large funding rounds and new diversifications to adapt the new technologies.

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- ❖ *Europe's female founders feel the pinch from VC downturn*
- ❖ *Early-Round Unicorns Still Being Minted Despite Market Pullback*
- ❖ *IPOs aren't in the cards for 2022*

Note: Click the recommended article to read.

Epic Games: Bringing Games to Life

By: Evelyn Lim



Today Epic is a leading interactive entertainment company and provider of 3D engine technology. Epic Games' most renowned offerings are Fortnite and the Unreal Engine. Through Unreal Engine, Epic Games Store, and Epic Online Services, Epic provides an end-to-end digital ecosystem for developers and creators to build, distribute, and operate games and other content.

For players, it is more new and immersive game titles. For developers, it is an opportunity to increase the visibility of their game titles. While Steam is still the dominant platform due to first mover advantage, Epic will massively benefit from its lower take-rates (12% revenue cut, significantly lesser than the industry standard of 30%) and their building of an end-to-end ecosystem in the long run.

On top of the Epic Games Store, Unreal Engine enables game developers and creators across industries to realize real-time 3D content with greater freedom, fidelity, and flexibility than before.

The company provides a free licensing option for creators, publishers, students, and educators, charging a 5% royalty for games earning above \$1M. The lower boundary to entry attracts a 40% increase in downloads in 2021, with 48% of announced next-gen games built on Unreal Engine.

Besides demonstrating graphics, physics, and open world dominance for next-gen games, the versatility of Unreal Engine also facilitates growth in other key verticals such as film production, architecture, etc. Unreal Engine is empowering innovation and shaping the future of digitalization alongside notable companies in other industries through partnership.

Epic Games has set its vision on building a metaverse. It will be the next generation of social media with a 3D mode of social interaction. Hence, games will be a core feature. The metaverse may be decades away from being built, but Fortnite continues to lay the foundations for one, slowly but surely.

In April 2022, Epic Games received \$2B funding from Sony Group Corporation and KIRKBI (investment company behind The LEGO Group) to accelerate the development of metaverse and reimagine the future of digital entertainment. Epic Games not just has the expertise in building tools and immersive worlds that are open and accessible to players and developers. Epic Games is also building an ecosystem via partnerships with notable companies and developers of all sizes keen to explore opportunities in the metaverse.

OGCP Comment:

Despite competition from Steam and Unity in the gaming ecosystem, Epic Games have its competitive edge through an interconnected hub of applications, platforms, and a marketplace for both gamers and creators. There is a clear synergy how everything Epic is doing today could become a critical contributor to what they need to build the Metaverse ecosystem.

Consensys: Dive into Web3

By: Pedro Bravo



The craziness of the 2021 bull market fueled the rise of bitcoin and other digital assets, as the hype grew with every trade. Just like most overhyped assets very few understood the true value behind the asset. Bitcoin's underlying technology is the blockchain.

The blockchain is a distributed and immutable ledger that allows one to track almost any type of transaction tangible, or intangible depending on whether permissions are granted. Blockchains have limitless potential to change the way our current computing infrastructure works, we have already seen a multitude of software products using blockchain, some believe that the NYSE or NASDAQ will one day be powered by the blockchain allowing for the exchanges to streamline.

Consensys has taken full advantage of the groundbreaking impact the blockchain has and could have on the world. Is as a blockchain production studio, a "hub" that coordinates, incubates and accelerates Consensys' ventures through development, resource sharing, acquisition, investments, and the formation of joint ventures. These incubated companies benefit from foundational components built by Consensys that enable new services and business models to be built on the Ethereum blockchain.

Consensys has successfully funded MetaMask, Codefi, Infura, and Quorum which are all blockchain applications used to improve the functionality of the Ethereum blockchain. By far their largest success has been Metamask a browser extension that allows one to access their Ethereum wallet, amassing 30M monthly active users.

Consensys is still early in their journey but they have already received funding from prominent VC's including Softbank, J.P Morgan, Coinbase Ventures, and Microsoft attaining a \$7B valuation. At the helm of Consensys's is CEO Joseph Lubin, one of the co-founders of the Ethereum blockchain, being more than an expert in crypto currencies. It is said that is one of the pioneers in crypto and the blockchain.

OGCP Comment: Although crypto currency and other intangible assets have been on a steep decline, the past year we at OGCP believe that Consensys will succeed. We do not believe in them because of their crypto currency affiliations but because of their overall bet on the blockchain with nearly limitless potential in the future and we think that Consensys's business model as a block chain incubator sets them up for success in the digital age.

Focus List

Bolt Financial

Description	Latest Funding	Our Reasoning
A checkout experience platform designed to generate newfound revenue for e-commerce businesses. The platform offers shoppers an easy checkout with a one-click experience that gets higher conversions without the use of usernames, passwords, or having to use personal or payment data. Overall, the platform enables e-commerce businesses to convert, retain and delight more shoppers.	<u>Late-Stage VC – Series E Round</u> Date: February 09, 2022 Funds Raised: \$355.00M Total Raised: \$957.00M Post-Money Valuation: \$11.00B	E-commerce is on a significant rise. As a platform, Bolt combines all elements of safety that is required by retailers, eliminating their concerns about shift away from the brick-and-mortar business. All while ensuring an easy experience for customers. This ease of business integration is a why Bolt has gained significant traction and will be able to continue their trajectory as the adoption of E-commerce continues.

Consensus

Description	Latest Funding	Our Reasoning
Developer of a blockchain technology-based platform designed to assist enterprises to launch more powerful financial infrastructure. The company's platform offers services ranging from consulting to development and issuing of turn-key blockchain-based projects, token sale advisory and smart contract audits among others, enabling crypto clients and entrepreneurs to optimize business processes.	<u>Late-Stage VC – Series D Round</u> Date: April 01, 2022 Funds Raised: \$450.00M Total Raised: \$733.00M Post-Money Valuation: \$7.10B	Consensus enable developers, enterprises, and people worldwide to build next-generation applications, launch modern financial infrastructure, and access the decentralized web. Their product suite, composed of Infura, Quorum, Codefi, MetaMask, Truffle, Diligence, and NFT platform, serves millions of users, supports billions of blockchain-based queries, and has handled billions of dollars in digital assets.

Epic Games

Description	Latest Funding	Our Reasoning
A video game and software developer whose platform is designed for gamers and game developers. The company provides game developers the ability to build high-fidelity, interactive experiences for PC, console, mobile and virtual reality devices.	<u>Late-Stage VC</u> Date: April 11, 2022 Funds Raised: \$2.00B Total Raised: \$6.36B Post-Money Valuation: \$31.50B	In the last few years, Epic Games has been gaining significant popularity since the release of Fortnite in July 2017. Since then, Epic Games has only further developed their platform, development engines, games store and customer base. While video games were always popular, they have gained significant importance in the last year due to the lifestyle changes experienced. Much of the changes experienced will continue to stay and Epic Games is perfectly positioned to grow as a result.

FTX

Description	Latest Funding	Our Reasoning
The company's platform supports quarterly and perpetual futures for all major cryptocurrencies, leveraged tokens, and OTC derivatives, enabling professional trading firms and individual traders to seamlessly participate in the derivatives market.	<u>Late-Stage VC – Series C Round</u> Date: January 31, 2022 Funds Raised: \$500.00M Total Raised: \$1.97B Post-Money Valuation: \$32.50B	FTX is a centralized global cryptocurrency exchange that separates itself from its competitors by offering innovative products like derivatives, options, and leveraged tokens. It also supports more than 300 cryptocurrencies, which is a very large number compared with some competitors.

SpaceX

Description	Latest Funding	Our Reasoning
SpaceX is a manufacturer of aerospace and space transport systems. Founded in 2002, SpaceX was created to revolutionize access to space and enable a multi-planetary society. Their purpose is to reduce space transportation costs and enable the colonization of Mars. SpaceX actively controls the design, manufacturing and launch of their spacecrafts.	<u>Late-Stage VC</u> Date: June 22, 2022 Funds Raised: \$1.73B Total Raised: \$8.80B Post-Money Valuation: \$125.00B	SpaceX is an innovative, growing and revenue generating, disruptive company focusing on space technology. The company operates in a small space with very few competitors and high barriers to entry. SpaceX has various aspects to its business, just starting the beta test for their Starlink internet service and is poised to further grow. Under the leadership of Elon Musk, SpaceX will be a great investment for investors, just like PayPal and Tesla.

Disclaimer: This Focus List is a proprietary list of the top-5 private companies for which OGCP is currently interested in completing a transaction. This list is based off the various opportunities and demand OGCP has seen for the private companies in the private markets as well as companies OGCP feels are a good investment. Companies on this list are included at the discretion of the author and are subject to change. There is no assurance that any company on the Focus List will be a profitable investment for investors. The Focus List is for informative purposes only and should not be considered as investment advice.

Contact Us

Jeffrey Arsenault
Principal and Founder



917-601-9716



jeff@ogcap.com

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