Fundamental Report - Metaverse

Prime Rating Report V1.1

Protocol: Wilder World
Category: Virtual World
Version: 1
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Previous Report: N/A

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Reviewed by: Verto
Season/competition: N/A

Scorecard

1. Value Proposition	Points
a) Novelty of the solution	8 / 15
b) Target market size	12 / 15
c) Product-market fit	9 / 15
Total Points - Value Proposition	**29 / 45**
2. Competitive moat	**Points**
a) Integrations & partnerships	8 / 10
b) Intellectual property	5 / 10
c) Infrastructure - security	10 / 10
d) Infrastructure - fees and ancillary infrastructure	2 / 10
e) Treasury management	1 / 10
Total Points - Value Proposition	**26 / 50**
3. Tokeneconomics	**Points**
a) Genesis token distribution	7 / 15
b) Purpose of the token	4 / 10
c) Ongoing token issuance / inflation	7 / 10
d) Value capture	7 / 10
e) Token liquidity	4 / 5
f) Extrinsic productivity	0 / 5
Total Points - Tokenomics	**29 / 55**

4. Team	Points
a) Credibility and reputation	8 / 10
b) Relevant experience	10 / 15
c) Thought leadership and public presence	7 / 10
d) Ability to foster a community and coordinate resources	12 / 15
Total Points - Team	**37 / 50**
5. Governance	**Points**
a) Extent of governance capabilities	1 / 10
b) Active governance contributors	1 / 5
c) Governance infrastructure	0 / 5
d) Robustness of the governance process	0 / 10
Total Points - Governance	**2 / 30**
Total	**123 / 230**

1. Value Proposition

The "Value Proposition" section assesses the value a protocol delivers to its users. The rating is based on the size of the problem a protocol addresses and the product/market fit of the protocol's solution.

a) Novelty of the solution (15 points)

This score evaluates the novelty (uniqueness) of the protocol. Has the protocol introduced any innovations that help solve users' problems, either technical or organisational? Or has it just forked someone else's code?

Answer: Wilder World is actually just the first universe (read: virtual world) built using the Zero Operating System (zOS) from the team behind Wilder. It aims for greater depth and immersion than similar virtual worlds, achieved through photorealistic graphics, a liquid NFT marketplace and built-in social platform.

While zOS itself has spawned a number of novel solutions during development - for example, zSpace, which gives the ability to '*stitch together massive real-time landscapes across a distributed network of Zero Nodes*' - the focus of this report will be Wilder World and the $WILD token, as opposed to zOS at large, which has its own token and ecosystem. To be clear, the point of zOS will be to stitch together an interoperable metaverse, providing builders with a way to integrate tokens, NFTs and social elements. Wilder World is just the first example of this.

Focusing on the virtual world then, it's built using Unreal Engine 5 and zSpace powered by zOS. Using the two technologies in tandem is what allows for a massively multiplayer world to be combined with NFTs and social elements. zSpace specifically enables the virtual world to be enormous, and still retain all its features in high definition.

So while use of Unreal Engine is not novel, the deployment of zOS to try and achieve high quality graphics and social aspects are where the novelty lies. Judging by very early shots of the alpha gameplay it certainly seems the graphics have achieved a high quality, which is a unique direction compared to other virtual worlds in crypto like Decentraland and The Sandbox. It still remains to be seen if all the various facets of the ecosystem can come together in a coherent solution, to give players a high quality and engaging virtual environment to engage with.

Score: 8

b) Target market size (15 points)

The target market size evaluates the current and future size of the problem a protocol aims to solve. While the term Metaverse is all-encompassing, what is the target market size for the relevant sector? For example, NFT games are trying to disrupt the traditional gaming industry, which is reported to be worth roughly $175 billion.

Answer: The gaming industry itself was worth $176bn in 2021, according to NewZoo. It's predicted to climb from there to $269bn by 2025. Meanwhile crypto specific gaming continues to make up >50% of all blockchain transactions according to dAPPRadar. If we look at virtual worlds within the mainstream gaming market, Minecraft sits at 141m monthly active users and Roblox is at 54.7m daily(!) active users. The potential for a crypto-native metaverse containing interoperable virtual worlds is therefore pretty large.

Adding a social element to the Wilder environment will likely help with traction too, as we've seen players cite community as a big reason to play in the first place. The drawback of Wilder's high quality, open world approach however is that it won't be available on mobile, and could require high spec equipment to enjoy fully, limiting appeal.

Score: 12

c) Product-market fit (15 points)

Product-market fit evaluates the degree to which a protocol satisfies market demand in their specific sector. How many users does a protocol have? What is the trading or transaction volume on a platform? Is there growth on both the buy and sell side of the market? Is the protocol targeting the right product segment at all?

Answer: With the Wilder virtual world not yet live, we can instead take adoption of the assets related to it as signs of PMF. Firstly, $WILD token holders continue to increase, currently sitting at over 20k.

A better proxy however might be the NFTs that can be used when the project goes live. This includes the likes of AIR WILD kicks (seasons 0, 1 & 2), Wilder Wheels racing cars and Wilder Craft. At the time of writing there are 2,279 unique wallets holding a total of 6790 Wilder NFTs.

So far, all of these collections have sold out, showing high speculative demand for their future in-game utility. Total sales volume is now over $6m and 30 day volume is close to 1000ETH, putting the Wilder NFT collection into a similar volume bracket to projects like Capsule House and assets for The Sandbox Game at the time of writing.

Of course this is just a snapshot in time, and it remains to be seen if the launch of Wilder World will excite or disappoint. But as it stands today, there is both primary and secondary demand for Wilder assets and a growing community of token holders. Finally, the latest roadmap signals a continuation of the strategy, tapping into demand for assets with expansion into Pets and Motorcycles, plus the reveal of how land in Wiami (the first playable area in Wilder World) will be divided.

Score: 9

2. Competitive moat

The "Competitiveness" section looks at a protocol's competitive moat in the space and its unforkable assets. This includes integrations and partnerships, intellectual property, the underlying infrastructure being used, and treasury management.

a) Integrations & partnerships (10 points)

Due to crypto's open-source nature, the code of most protocols can easily be forked. This score represents one piece of unforkable value. Some indicators are the number of applications built on top of the protocol (vertical integration) and other entities integrating the protocol's services (horizontal integration).

Answer: By its very nature, zOS is designed to be built on. This can be through virtual universes like Wilder World, or by using the social protocol (think decentralised Twitter) within a game, either way vertical integration is encouraged. As discussed, Wilder World is just the first example of this. So at the base layer the team are clearly focused on openness and the potential for anyone to build on their protocol.

As for Wilder World, they have announced numerous partnerships already, including:

- Illvium
- VaynerNFT
- ZedRun
- Yield Guild

These partners are primarily creating buildings within Wiami, the kind suitable for headquarters where their communities can socialise and play in the Metaverse. The 2022 roadmap linked above talks about how the South Beach map within Wiami will soon be released, detailing the position and size of these partner buildings.

The main caveat here is again that without a playable world, these announcements remain 'on paper'. The team gets credit for building with interop in mind, but will need to actually deliver to get a top score here.

Score: 8

b) Intellectual property (10 points)

Intellectual property is and will continue to be a crucial part of the metaverse. This score considers if a project, for example, developed a unique IP that creates a sustainable competitive moat around it or, as an alternative, secured IP through agreements with outside parties.

Answer: In a lot of their copy, Wilder World talks about being an artists guild, or 'by artists for artists'. In the linked article they go as far as to say Wilder World can be the decentralised Marvel Studios. At its core, the project is trying to provide a platform for artists to get noticed and have their work in the WIlder universe. After all, Frank Wilder is well known for unique pieces of jewellery in the real world.

There is evidence of this strategy working too, with Wilder Cribs, Craft and the Land, unique IP is being developed in the Wilder universe. The creation of IP via the partnerships listed above will also continue as Wilder World is built out over time.

Some aspects however seem to be copies of existing IP (Worsche Wayman and AIR Kicks for example), which could land them in hot water for using brand likeness, and doesn't demonstrate much in the way of originality.

Score: 5

c) Infrastructure - security (10 points)

Metaverse projects make all kinds of choices when it comes to infrastructure. Some build their own solutions, whether Ethereum side-chains or a new blockchain entirely, and some deploy to an existing sidechain or a level 1 blockchain. These decisions have significant trade-offs across security, maintenance, ease of use, costs and scalability, etc. This score assesses specifically the security of the chosen infrastructure solution.

Answer: Wilder World is being built on Ethereum mainnet, and would continue to function regardless of the status of the Zero network. As such the basis for this assessment is to consider purely the Ethereum chain as providing security.

Score: 10

d) Infrastructure - fees and ancillary infrastructure (10 points)

The section above assessed specifically the security of the chosen infrastructure solution. This score, however, looks at the other side of the scalability trilemma - fees and the ancillary infrastructure like bridges, wallets, etc.

Answer: Ethereum is well known for having the highest fees of all smart contract chains, this can make it difficult for gaming and virtual world projects to attract users. For now, with just an NFT marketplace Wilder World is somewhat unaffected, but with the ambition they have it might not be a viable solution for launching the virtual world. There is no bridging to consider as the entire ecosystem exists on mainnet.

Score: 2

e) Treasury management (10 points)

Treasury management refers to the project's management of its assets and balance sheet. How diversified is its treasury? If diversified, are the assets productive? For example, does the project own its liquidity? Are there procedures and plans in place for managing the treasury?

Answer: The entire project treasury exists in the form of $0.55billon worth of WILD tokens. There is no evidence to show any diversification has been considered or undertaken.

In future, 50% of Wilder World economy earnings will be converted to $LOOT tokens and held by a treasury managed by the Wilder Nation DAO. LOOT is a token that is specifically used within the Wilder ecosystem to incentivise artist participation and future partnerships. From the documentation "$WILD hodlers… will oversee how capital is allocated. As more capital is accumulated into the $LOOT reserve, the Wilder Nation can vote to allocate how funds will be used to improve Wilder World. It could be art, it could be technology, it could be special partnerships, smart contract or monetary changes. It could even be launching a Wilder city…" As of the time of writing however, the DAO has not been launched and token holders are not able to influence treasury management.

Score: 1

3. Token Economics

The "Token Economics" section assesses the function of a protocol's token. This includes the token distribution, its functionality, the ability of the token to incentivise desired behaviours and value capture potential.

a) Genesis token distribution (15 points)

Token distribution can be an indicator of a healthy protocol and, if done well, can improve coordination and alignment among different stakeholders. Was the initial distribution fair and balanced? Are the tokens distributed widely or is the ownership concentrated?

Answer: The initial token distribution is fairly neutral in the context of other projects that launched in 2021. With team and investors making up 39%, plus a further 10% for partnerships and ecosystem building. Even at that point the amount remains below 50%. The public sale was small at 1%, but a further 10% was put aside for community with another 6% for artist incentives.

Lockups were on the shorter side, with 12 months for investors after an initial 15% available immediately. The team had the longest schedule, with a 12 month lock and 12 months of vesting, but even that is pretty short.

Score: 7

b) Purpose of the token (10 points)

This score evaluates the purpose of a token in the project's ecosystem. For example, does it provide utility? Does it have governance rights attached to it or a built-in value capture mechanism?

Answer: $WILD is primarily a governance token, but as mentioned in section 2.e, the governance function is not yet up and running. Holders can stake the tokens either single-sided or as WILD/ETH liquidity providers and earn from the staking portal. Rewards are paid out from the earnings generated by the Wilder economy, after creators have been paid first (more on this in section 3.d).

The token will eventually be used for all economic activity inside Wilder World, including any play-to-earn functions and for gated access to certain activities.

Score: 4

c) Ongoing token issuance / inflation (10 points)

Most tokens have built-in inflation. This section evaluates the purpose of that inflation. Is it justifiable? Does it help improve the coordination and alignment of incentives for the protocol? Does it incentivise positive-sum behaviour? Are the benefits flowing to all relevant stakeholders or just select groups?

Answer: As of April 2022 the only set of locked tokens that haven't begun vesting are that of the team. These are due to unlock in May and begin vesting. Of the remainder, tokens purchased in private sales are some 80% unlocked, and those set aside for incentives and operations are continuing to vest. So there is a fair amount of planned issuance taking place, most of which is going to marketing/ops/incentives where they will be held until useful.

With the addition of staking pools there is a reasonable alignment of incentives between participants, as any tokenholder is able to capture value generated by the protocol. Meanwhile the majority of tokens that are becoming available are being put towards activities that should benefit Wilder World as a whole through development, marketing, new artists and partnerships.

Score: 7

d) Value capture (10 points)

The ability to accrue value and consequently distribute it to stakeholders can be an effective coordination mechanism and deliver long-term benefits to a project.

Answer: Staking rewards are paid out from the earnings generated by the Wilder economy, but only after creators have been paid. 50% of the rewards can be claimed in $WILD tokens which are locked for 12 months from claim. The other 50% is converted to LOOT and held in the DAO treasury. Overall then, there is value capture for the token holders both directly, and via the accumulation of LOOT tokens for artist incentives and partnerships in future. This setup coordinates the community and team nicely given the current stage, where they are still focused on partnerships and attracting artistic talent.

The economy overall is not yet mature enough for this model to be sufficient going forward, the project will need more than just NFT sales to succeed. Referring back to the total sales volume of Wilder NFTs to date, which is only $6.5m in 12 months, this is unlikely to generate the revenue required to build out a complete virtual world and associated features.

Score: 7

e) Token liquidity (5 points)

Is the token widely available and is there sufficient liquidity to facilitate all protocol functionalities?

Answer: WILD has very good DEX liquidity on Uniswap V2, totalling $9.5m at the time of writing. There are a number of centralised venues on which the token trades, the largest of which include Gate.io, Huobi and Bitfinex. The token is still missing a top tier listing, and a single large DEX pool makes arbitrage more difficult. Overall though the token has decent availability.

Score: 4

f) Extrinsic productivity (5 points)

Can the token be used outside of the project's ecosystem? For example, can it be used as collateral elsewhere, be staked for yield or rewards, etc.

Answer: There are currently no extrinsic use cases for WILD.

Score: 0

4. Team

The "Team" section describes the quality of the team behind the protocol. The current version of Prime Rating favours teams that are publicly identifiable. In the case of an anon team, the track record of the specific anons involved can be taken into account.

a) Credibility and reputation (10 points)

Are the identities of the core team public? In the case of anon team members, do they have a track record or reputation in the crypto space?

Answer: The team behind WIlder World is a mixture of anon and public members. Heading up the project is co-founder Frank Wilder. Called the 'Banksy of Blockchain' Frank remains anonymous, but has a track record of producing real-world jewellery and being one of the first artists to use NFTs as a medium for his digital work. In contrast, fellow co-founder Dave Waslen has a very public profile with a varied professional background.

The rest of the team is made up of anon contributors like Phoenix Wilder and n3o who have built up large followings and a track record of working on the WIlder World project.

Score: 8

b) Relevant experience? (15 points)

Does the team have a track record of execution? Have individual team members built a product or a business before? Does the team have the necessary skills? For example, if a project is making a game, do they have a game developer?

Answer: As mentioned, Frank Wilder is known for creating unique pieces of jewellery and his understanding of fashion and culture bleeds over into WIlder World. Making 1 of 1 jewellery is just about the most relevant background one can have for creating an artist guild and virtual world based around user-generated content.

On the business side, Dave Waslen graduated from London Business School with an MBA, having previously studied at Dartmouth. During his career Dave has managed and operated a variety of businesses, including some related to digital currency.

Score: 10

c) Thought leadership and public presence (10 points)

To what extent do the protocol contributors participate in the public debate around the metaverse? Are the team members giving presentations, sharing their thoughts and opinions, and do they help raise the industry's collective intelligence?

Answer: The whole team is fairly active on Twitter, a good example being the recent Twitter Space with popular Bitcoin commentator Anthony Pompliano. Dave, as the more public face of the team, appears on panels and podcasts to discuss the project and the wider Metaverse space.

Score: 7

d) Ability to foster a community and coordinate resources (15 points)

How effective is the team at attracting and coordinating resources for the benefit of the protocol? Do they manage the community well, fostering a welcoming and positive environment? Does the community represent the project well externally?

Answer: The discourse in public is positive and there are a number of accounts specific to the ecosystem that retweet and/or cover information relating to the project. In terms of public following they have 31k in Discord and 107k followers on Twitter.

Some of the discussion and coordination is done via the proprietary Zero network, and some takes place in Discord. While activity on Zero is slower, it is welcoming and there are examples of idea discussion, partnership opportunities and general support. Discord is easier to navigate but has levels that gate access to posting certain things or in certain channels. This keeps the server clean for more engaged members of the community

Bringing artists like Chad Knight to the ecosystem is another form of fostering the community, or in the case the artist guild. The one area that can be improved would be on more serious discourse relating to operations, but this will likely come with the rollout of DAO governance.

Score: 12

5. Governance

The "Governance" section evaluates all aspects of the protocol's governance, from infrastructure to processes and distribution of governance power.

a) Extent of governance capabilities (10 points)

Distributed governance should allow token holders to participate in the governance process. How much influence does the current governance process have when everything works as intended? What parts of the protocol does governance touch? Who can put forward a vote, and are there any limits or requirements (number of tokens, only the team can queue votes up, etc.)?

Answer: Governance of Wilder World is currently centralised and remains with the core team. Given the Zero network is governed by holders of the $ZERO token, it is likely that Wilder World will see progressive decentralisation over time, starting with the aforementioned Wilder Nation DAO. For the time being however, the community has little influence.

While there is no official governance structure, there is evidence that the team takes on feedback from the community. For example during the Wilder Wheels mint, the team acted on feedback that remaining Wheels should be burnt, to increase the rarity of those that had already been minted. They have also chosen to launch Wilder Pets and tailored the experience using input gathered from community members.

Score: 1

b) Active governance contributors (5 points)

Governance is time-consuming, and governance apathy is a common problem in most democratic systems, including crypto. Therefore, it's essential to have a sufficient number of community members allocate resources to the governance process of the protocol. How many individuals participate in the debate around the protocol? How active are voters? Is delegation enabled?

Answer: While there is no official structure, debate does take place in the Discord and the team will often poll decisions with the community. This doesn't leave much opportunity for governance contributors per se, but does allow for open discussions and for community engagement.

Score: 1

c) Governance infrastructure robustness (10 points)

Robust infrastructure relates to how well the technology, software, and models used by the protocol's governance withstand actual use cases. Does the protocol have a reliable voting mechanism? How robust is the governance process, and does it facilitate good governance? Are the votes binding, or do they function solely as signals to the team?

Answer: N/A - not classing Discord voting as infrastructure.

Score: 0

d) Process and ease of use (5 points)

This score is based on the documentation and process for governance. More specifically, how easy it is to participate in governance. Does the protocol have a formal governance process? Is sufficient documentation available? Is there a basic framework to establish social consensus? Are there channels dedicated to governance debate?

Answer: N/A - arbitrary based on enough community input.

Score: 0

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