



Fundamental Report - Metaverse

Prime Rating Report V1.1

Protocol: GALA
Category: GameFi
Version:
Date: 20/04/2022
Previous Report: N/A

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Reviewed by: OriginalSK
Season/competition: Metaverse Rate-athon

Scorecard

1. Value Proposition	Points
a) Novelty of the solution	5 / 15
b) Target market size	15 / 15
c) Product-market fit	12 / 15
Total Points - Value Proposition	32 / 45
2. Competitive moat	Points
a) Integrations & partnerships	2 / 10
b) Intellectual property	2 / 10
c) Infrastructure - security	7 / 10
d) Infrastructure - fees and ancillary infrastructure	5 / 10
e) Treasury management	0 / 10
Total Points - Value Proposition	16 / 50
3. Tokenomics	Points
a) Genesis token distribution	11 / 15
b) Purpose of the token	8 / 10
c) Ongoing token issuance / inflation	2 / 10
d) Value capture	0 / 10
e) Token liquidity	2 / 5



f) Extrinsic productivity	2 / 5
Total Points - Tokenomics	25 / 55
4. Team	Points
a) Credibility and reputation	9 / 10
b) Relevant experience	13 / 15
c) Thought leadership and public presence	3 / 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	2 / 10
b) Active governance contributors	3 / 5
c) Governance infrastructure	6 / 10
d) Robustness of the governance process	2 / 5
Total Points - Governance	13 / 30
Total	123 / 230

For gaming projects only:

6. In-game economy	Points
a) Ease of use / Onboarding	14 / 15
b) Sustainability of P2E or in-game economy	N/A
c) Utilisation of NFTs	12 / 15
Total Points - In-game economy	26 / 30
Total	149 / 260



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?

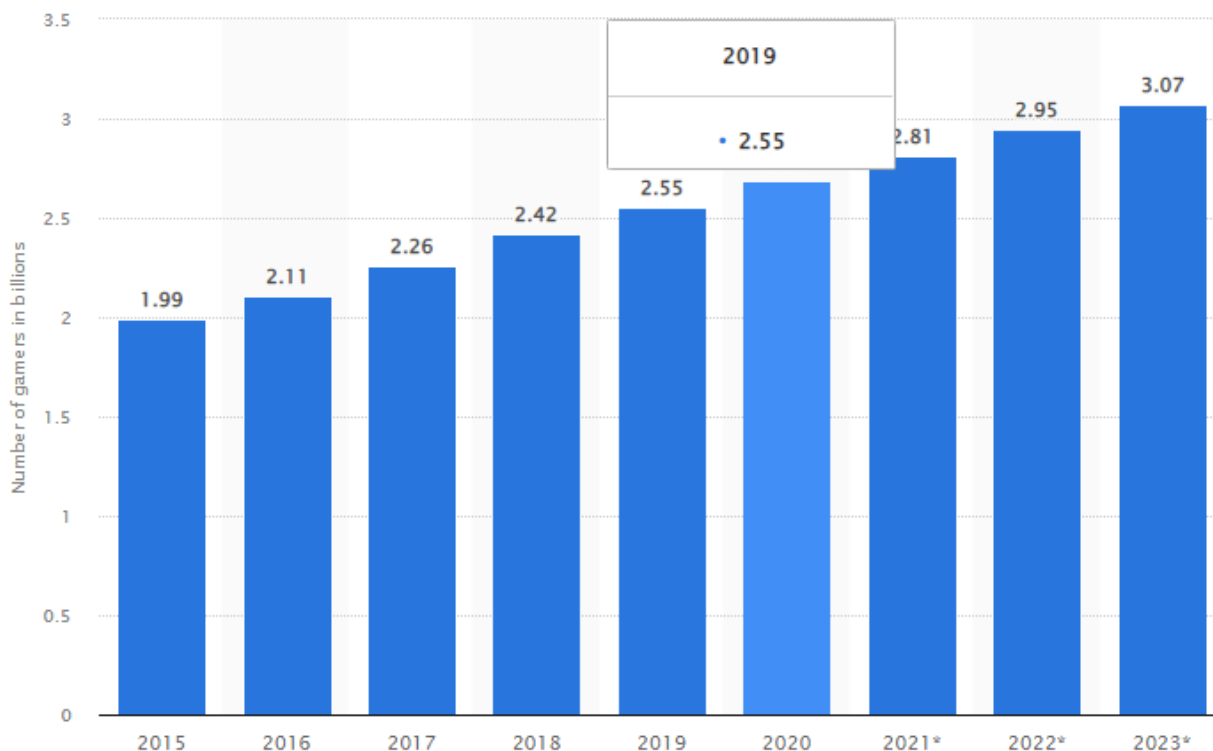
Answer: With over 1.3M+ monthly users, Gala games (created by Zynga co-founder Eric Schiermeyer) employ blockchain technology in building a gaming system that allows users to truly take ownership. You play to earn (P2E) and whatever is earned is verifiable on the blockchain which can be traded, kept, or used to play games on the platform.

There are several articles available online claiming that [CryptoKitties](#), [MetaBlaze](#), and/or [RevoLand](#) were the first gaming platform to ever employ blockchain technology. This indicates that Gala Games is not the first in this space. GALA, the native token of the platform, can be owned by operating a node or buying from an exchange. The closest to an innovation that Gala games did was creating the concept of Founder's Node which is what the ecosystem runs on. Everything that Gala games promised to do or have done has been done by blockchain games who have come before. Axie Infinity, MOBOX, etc. built their games on blockchain and every in-game item is owned by players, hence the score.

Score: 5

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.



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Answer: According to research conducted by [FinancesOnline](#), a website that conducts business reviews, on the traditional gaming industry as a whole, the total number of active video gamers in 2020 was pegged at 2.69 Billion. This figure factors in the pandemic/Covid outbreak in 2020. According to the report, the industry is expected to grow by 5.6% Y-o-Y with 2021, 2022, and 2023 figures expected to be [2.81Billion, 2.95Billion, and 3.07Billion respectively](#). The global games market had \$159.3 billion in revenues for 2020, almost half of which came from the Asia Pacific market. Gala games is a blockchain role-playing game (RPG). A blockchain game where stats and abilities can be improved upon, and you also get to battle each other for wins. According to [The Business Research Company](#), the global role-playing games market reached a value of nearly \$15BN in 2019, having increased at a compound annual growth rate (CAGR) of 6.84% since 2015, and is expected to grow at a CAGR of 9.22% to nearly \$22BN by 2023. The expected growth is way higher than the growth of the entire traditional gaming space at 5.6%. Based on this report, it is to be estimated that a major contributor to the growth of the traditional gaming industry is RPG games.

Score: 15

c) Product-market fit (15 points)

Product-market fit evaluates the degree to which a protocol satisfies market demand in its 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: Gala Games made its debut in 2019 with Eric Schiermeyer, co-founder of major games developer Zynga. And



from 2019 to date, [they have garnered over 2.5Billion users in total, 1.3M+ monthly active users, and sold over 24K NFTs worth \\$3M](#). We could also examine their media numbers like that of Discord and Twitter to determine if their target is interested in their product offering. Gala games [Discord has over 164K members](#), their [medium publication page has over 14K readers](#), and their [Twitter page has 356K followers](#). Gala games have achieved a clear market fit in a promising market.

Score: 12

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: Github page isn't available. This translates to the fact that the protocol is unforkable and makes it difficult for other applications to be built on top, not impossible but difficult. Information about the technology stack or whether there are projects built on the protocol is not publicly available. However, there are a couple of partnerships that Gala games are involved in that are mainly geared towards improving their infrastructure or to better serve their users like that of [Polygon](#) or the [South Korean Media Protocols](#), etc. [Gala games have also partnered with flare to make in-game digital assets representable as Non-Fungible Tokens \(NFTs\)](#). There are no integrations, vertical or horizontal.

Score: 2

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: [Gala games recently partnered with AMC to deliver the walking dead on the VOXverse. Players can now buy one of the 8,888 VOX NFTs](#). The dynamics of this partnership weren't released in the medium update however, in these kinds of partnerships, IPs are usually shared for mutual benefit such as a share of the revenue. Such could be the case for this partnership as well. Additional information about their IP is available in the [Terms and Conditions](#).

Score: 2

c) Infrastructure - security (10 points)

Metaverse projects make all kinds of choices when it comes to infrastructure. Some build their 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: Originally built on the Ethereum blockchain, Gala Games recently leveraged the p.Network Bridge [DApp](#) to bridge the GALA token to [Binance Smart Chain](#) as a [BEP-20](#) asset. GALA inherits the security measures put in place by the Ethereum blockchain and that of the Binance Smart chain.

However, looking at the Binance Smart Chain, you'll discover that the BSC network is a lost cause. Binance Smart Chain has a chain of issues that require fixing which poses a huge security threat. Just how big is the security threat? See below:

- There is no code review, patches are simply committed, in most cases even without a proper description of what they do or what problem they try to solve
- There doesn't appear to be any reasonable testing process in place. Every update appears to make things worse.
- There is zero response to bug reports. Hundreds of people report non-syncing nodes or nodes falling out of sync. Response from the "developers" - zero.
- There is no beta testing, stuff is thrown over the fence. Features like difsync are declared "stable" even though hundreds of people reporting the opposite indicated otherwise. ([Source](#))

Score: 7

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: Due to the expensive gas fees of the Ethereum blockchain, Gala Games recently partnered with Polygon to lessen the burden of expensive fees on their users which seems like a very innovative solution ([Source](#)). Built on Binance Smart Chain, set up originally on the Ethereum blockchain, Gala Games has currently leveraged the Network Bridge DApp to link the GALA token with the Binance Smart Chain as a BEP-20 asset. ([Source](#)). Gala has a crypto bridge to which tokens can be transferred if the need be. [However, comparing BSC to polygon in terms of fees, BSC is still on the high side.](#)

Score: 5

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: Information regarding how the treasury is managed is not available.

Score: 0

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 incentivize 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 distribution of the token happened organically through the node network. There was no premine, presales, or early access to the tokens to avoid any unfair advantages, hence a fair launch. Initial Supply is pegged at 50,000,000,000. ([Source](#)).

Score: 11

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: There are several use cases for the token and according to [coinsultra](#), its use cases include

1. Governance of Gala Games
2. Rewards to the Founder's Nodes
3. The in-game currency of Gala Games Ecosystem
4. Payment for in-games items on Gala Store

Note that GALA token holders do not have equity rights in the Gala Games Ecosystem. Further, holding this token does not make you entitled to any share in the revenue or profits of the organization.

Score: 8

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 incentivize positive-sum behaviour? Are the benefits flowing to all relevant stakeholders or just select groups?

Answer: Besides from the portion of the maximum total supply that has been distributed, it is highlighted therein how they intend to distribute the rest. [The maximum total supply will be 35 billion GALA tokens. Currently, there is about 7 billion GALA in circulation. 17,123,286 GALA is distributed daily at approximately 0200 UTC. Half of this GALA is distributed to Founder's Node operators and a half to the Gala Games management. Each year, on the 21st of July, the distribution of GALA will be halved. For example, beginning on July 21st of 2022, the daily distribution of GALA will be 8,561,643 instead of 17,123,286.](#) Therefore, the incentive for people to stack up the token is increased activity in the game which can drive up its value. As for the Founder's Node, the token available for distribution to them for running the node is the only incentive they have to keep the node running.

Score: 2



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: The token is given to users who own and run the founder nodes. It is however important to note that owning tokens does not translate to a share of the revenue. It only gives you the right to participate in governance.

Score: 0

e) Token liquidity (5 points)

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

Answer: The token is widely available and traded across over 100 different exchanges according to [coinMarketCap](#). GALA is listed on both centralized and decentralized exchanges like Binance, Uniswap, etc. According to [Sushi Analytics](#), GALA has a liquidity of \$28,856.00. If compared to its trading volume, it is extremely small. It should have been a 5 but seeing as the liquidity is small, it is a 2.

Score: 2

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: Of course, GALA isn't only useful in the gaming space or for governance purposes regarding the platform, GALA tokens can also be staked for yield and reward on 4 exchanges. ([Source](#)).

Score: 2

4. Team

The "Team" section describes the quality of the team behind the protocol. The current version of Prime Rating favours publicly identifiable teams. 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 member of the Gala Games team include:

Eric Schiermeyer



Founder (2019 - Present)

Eric has over 15 years of experience as the co-founder of Zynga. He was also a co-founder of the gaming company Luminary. According to his profile on [LinkedIn](#) highlighting his experiences, gaming has always been a part of him and when the opportunity came to bring his passion to the blockchain, he took it. He founded Gala Games in 2019 and the protocol has proceeded to become one of the leading blockchain gaming platforms.

John Osvald

President of Games (Jun 2021 - Present)

John had a plethora of experience in the entertainment industry. As for the gaming industry, it is safe to say that he has spent several years in the industry as well. He was the Senior Vice President for Zynga coordinating their game production for well over 5 years. He has been with Gala for over 11 months.

[LinkedIn](#)

Adam Price

Chief Technology Officer (CTO) (Jul 2020 - Present)

Adam is vast and experienced in the tech and design space and is currently the CTO of Gala Games. Unlike Eric and John, he never worked for Zynga. He was also the CTO of SandBox Games for close to 3 years which means he has experience in the gaming industry as well.

[LinkedIn](#)

Sarah Buxton

Chief Operating Officer (CTO) (Feb 2021 - present)

Sarah has over 15 years of experience building and launching different products. He has also successfully supported companies around the world in building customer bases and scaling talents

[LinkedIn](#)

Jason Brink

Chief Marketing Officer (Aug 2020 - present)

Jason has well over 20 years of experience working either as a marketing officer for a company or as a tech expert. He joined the team in Aug 2020 and has been with them since functioning as the marketing officer (CMO)

[LinkedIn](#)

Michael McCarthy

President of Games (Apr 2019 - present)

Michael has been with Gala Games for over 3 years functioning as the president of games. Before he joined the team, he served as the game director of Sandbox and director of creative for Zynga with a collective experience in these two jobs of close to 10 years.

[LinkedIn](#)

Peter Stadniuk



Growth Marketing - User Acquisition (Jan 2022 - present)

Peter has over 12 years of experience performing in different sales roles in big corporations including the likes of Oracle etc. He joined Gala Games not long.

[LinkedIn](#)

Score: 9

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: The team consists of highly skilled individuals, who have worked in a gaming company or the other, have tech knowledge, or at the very least have worked with team teams in the company they worked in previously, and most of all, they have individuals on the team with strong crypto knowledge. Some of the team members have even built their businesses and have succeeded at it. This team also has a combined average of at least 20 years of experience.

Score: 13

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 team doesn't participate as much in public debate as they ought to, not that they do not participate in public debate and metaverse discussion. Most importantly, as far as gala games and the metaverse is concerned, the CEO, Eric, and Jason participate in AMA sessions which are available on Youtube.

Score: 3

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: Gala games [Discord has over 164K members](#), their [medium publication page has over 14K readers](#), and their [Twitter page has 356K followers](#). Gala games have a growing community and it represents the community well. Information and video content about upcoming games and reward avenues are posted in their community for the betterment of the project and the members.

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 is coordinated by the Gala Games team till the Gala games achieve full decentralization. The team decides on what should be debated and they put forward a proposal for discussion.](#)

Score: 2

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: By structure, only owners of the founder's node can contribute to the governance process. [According to their website, there are about 26,924 nodes.](#) This is over half of the 50,000 Founder's Node that will ever exist.

Score: 3

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: On [Gala games Discord](#), there is a #Node-Owner channel, where proposals submitted by the team are deliberated upon before [voting actually takes place on the founder's Node and only those who own the Node can participate.](#)

Score: 6

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: participation is easy. You participate in governance by joining the discussion and raising your concerns in the #Node-Owner channel, then vote through your Founder's Node.

Score: 2

6. Gaming Specific - In-game Economy

Gaming is and will continue to be an essential part of the metaverse. One of the benefits of NFT gaming and blockchain technology more broadly is authentic verifiable digital ownership. For games, that enables the creation of open in-game economies. However, these economies need to be well balanced through token economics and token design. The "Gaming" section focuses on the analysis of in-game economies and their sustainability.

a) Ease of use / Onboarding (15 points)

Gaming projects are introducing crypto to a lot of people in a short space of time. How easy is it for players to get to grips with the game, token economics, and onboard funds from the traditional financial system? Can the game be played on mobile, PC (browser or install), or both?

Answer: Gala Games platform is relatively easy to use compared to the complexities of the platform behind the scenes. Onboarding is as easy as signing up for any other social media account. Complete the verification process and you would own an account.

There are different games to choose from in the games section of the platform and as a welcome, you would find different games both free and paid. For some other games, only some seasons are free till you are required to own some tokens so you can keep playing. A good example is the TOWNSTAR game. [In-game items are bought using GALA, Towncoin, ETH, and BAT. To onboard your fiat, all you need to do is copy the address of your Gala games wallet and send in the funds.](#)

Score: 14

b) Sustainability of P2E or in-game economy (20 points)

This section scores the sustainability of the in-game economy. Does it rely on the ever-increasing growth to sustain the ecosystem? Are there multiple levers the team can pull to balance the economy?

Answer: This section does not apply to Gala games

Score: N/A

c) Utilisation of NFTs (15 points)

NFTs are the fundamental building block of NFT gaming projects and enable open and transparent in-game economies. Can everything in the game be owned by players (Land, Character, Items) as an NFT, or is it limited? Once owned, can items be traded freely?



Answer: NFTs are a big part of Gala games. [In-game items can be owned through NFTs and once owned can be traded freely on-game exchanges or off-game exchanges.](#)

Score: 12

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