



**Pocket
Gaming**

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WHITE PAPER

THE EVOLUTION OF GAMING

Engaging the Next Generation of eSports,
on the Blockchain with PG Token.

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This White Paper was conceived, designed and written in the English language. The Project's team is currently working with multiple entities to translate this White Papers to other languages. In the event of any conflict or inconsistency, the English version of this White Paper shall take precedence over the translated version.

Abstract

The eSports market has exploded in the past few years. No longer are “sports” limited to a real-world playing field, or by athletes’ physical abilities. Similar to sports leagues such as NFL, MLB, and the UEFA, eSports consists of franchises and teams which compete globally against each other in various different games from League of Legends, Overwatch, Call of Duty and more. eSports companies have grown exponentially and are currently valued in the hundreds of millions of dollars, fueled by the continued growth in the market, where live events attract over 100 thousand attendees and hundreds of millions of views online, such as Intel Extreme Masters event in 2019 which attracted 174,000 fans, and streamed online to an additional 232 million viewers.

With better computing power and telecommunication innovations, players and fans are able to interact with each other in unprecedented ways. High speed internet connectivity has made gaming seamless with players competing against each other from opposite sides of the world while streaming to their fans all over the world.

The eSports betting industry has seen significant growth with fans betting on their favorite team on various different sites. However, as in the case with any new market, users face difficulties. eSports betting services tend to be inconsistent with one another. Increasing numbers struggle to provide decent user experiences. They either take massive cuts on odds, don’t have the depth, or lack proper customer support channels, and some of them are outright scams.

E-Sports Game is the future of eSports fan interaction platforms. No longer are sports fans limited to for-profit platforms that cater to company growth at the expense of user growth. The E-Sports Game platform is designed for fans and the players to foster interaction, community, and market growth.

Mission

E-Sports Game creates meaningful engagement like never before between fans and players of eSports.

On the E-Sports Game Platform, users create communities, provide insight, create fantasy tournaments, engage in safe betting, and sponsor the growth of up-and-coming players all over the world.

E-Sports Game. Engaging the next generation of eSports on the blockchain.

Market Overview

eSports Market

eSports have effectively expanded the definition of “sport”, launching an entire industry that in many ways rivals traditional physical sports. The eSports market has exploded in the past few years. No longer are “sports” limited to a real-world playing field, or by athletes’ physical abilities.

Similar to sports leagues such as NFL, MLB, and the UEFA, eSports consists of franchises and teams which compete globally against each other in various different games from League of Legends, Overwatch, Call of Duty and more.

1961’s “Spacewar!” is widely recognized as the first original video game—that is, an original gaming concept not based on a real-world game such as tic tac toe or pong.¹ In the fall of 1972, a group of Stanford computer science undergraduates obsessed with the E-Sports Game became highly competitive with one another and sought an outlet to “settle” their competition. Enter Stanford alum Stewart Brand, a writer for Rolling Stone, who organized “The Intergalactic Spacewar! Olympics,” with the grand prize being a year subscription to the magazine.²

1 "The Origin of Spacewar - wheels.org."

<https://www.wheels.org/spacewar/creative/SpacewarOrigin.html>.

2 "The story of the first eSports champion, undefeated since 1972 | PC" 7 Feb. 2019,

<https://www.pcgamer.com/the-story-of-the-first-eSports-champion-undefeated-since-1972/>

Whether they knew it or not at the time, this was the first eSports tournament in history; the first of what would eventually be an unstoppable worldwide phenomenon.

The release of 1978’s “Space Invaders” was a watershed event for the industry, and it is broadly recognized as one of the most influential video games of all time, bringing video games outside of the “den of geeks” and into worldwide mainstream pop culture.³ It was of course a massive financial success, crossing the \$1 billion revenue mark in 1981.

The demand among fans for an organized tournament was clear. Equally obvious was the tremendous additional revenue potential behind such an effort. In 1980, the first annual National Space Invaders Championship was held in New York City,⁴ with 10,000 gamers competing in regional championships.⁵

In the 1990's, the video game industry expanded further with the widespread availability of personal computers and access to the Internet. Gameplay and graphics had become much more sophisticated than the comparatively crude early games. It was now possible to hold online tournaments in tandem with the ever in demand live, in-person events.⁶ Results proved to the video game companies that tournaments were extremely lucrative and worth investing significantly in. The first \$1

3 "How Space Invaders Became a Gaming Phenomenon | Den of Geek." 12 Aug. 2018,

<https://www.denofgeek.com/games/how-space-invaders-became-a-gaming-phenomenon/>

4 "It is 1980 and the National Space Invaders Tournament"

<https://web.archive.org/web/20140808154915/http://www.retroist.com/2013/05/20/it-is-1980-and-the-national-space-invaders-tournament-finals-is-approaching/>

5 "History of eSports - eSport Home - Weebly."

<https://eSportsforgamers.weebly.com/history-of-eSports.html>. 6 *ibid.*

million grand prize in a video game tournament was on offer at the FUN Technologies Worldwide Webgames Championship in September 2006.⁷

South Korea is widely credited for its significant role in bringing eSports to the mainstream.⁸ South Korea's superior broadband technology combined with their ubiquitous gaming cafes ("PC Bang") fostered a gaming culture which led to the earliest known live broadcasts of gaming tournaments. South Korea leads the world both in investment in eSports infrastructure, as well as success in tournaments.

The 21st Century has seen the steady rise of the multiplayer online battle arena (MOBA), in which two or more teams (or individual players) compete against each other for awards from the prize pool. As of 2021, the largest prize pool for a single tournament is \$34 million for 2013's Dota 2.⁹ Over \$230 million in prize money has been awarded for the game.¹⁰

eSports Market Growth Figures

As of 2021, yearly eSports revenue is projected to reach \$1.1 billion with a global audience of 474 million gamers and fans.¹¹ With a year-to-year

7 *ibid.*

8 "South Korea eSports: A Brief History & Why Is It So Popular There."

<https://www.koreagamedesk.com/brief-history-of-eSports-in-korea-why-is-it-so-famous- there/>.

9 "Largest Overall Prize Pools in eSports"

<https://www.eSportsearnings.com/tournaments>.

10 "Dota 2 Top Players & Prize Pools - eSports Tracker :: eSports Earnings." 17 Aug. 2011,

<https://www.eSportsearnings.com/games/231-dota-2>.

11 "Study: Global eSports revenues to hit almost US\$1.1bn in 2021, says" 9 Mar. 2021,

<https://www.sportspromedia.com/news/eSports-revenue-2021-live-streaming-audience- global-market-gaming-newzoo>.

growth of around 9%,¹² By 2024, revenue is expected to reach \$1.6 billion.¹³ eSports companies have grown exponentially and are currently valued in the hundreds of millions of dollars,¹⁴ fueled by the continued growth in the market.

eSports has not only managed to match physical sports; in many cases, it has even managed to outdo its traditional counterpart. For example, the 2018 League of Legends World Championship drew 200 million viewers, while the 2019 Superbowl had “only” 98 million.¹⁵

Revenue streams include mainly ticket sales, sponsorships, media licensing, merchandise sales, and game publisher fees.¹⁶ However, this doesn't take into account the significant additional revenue generated by fans exposed to the eSports events who go on to spend cumulative millions of dollars on gaming, and it is difficult to measure the exact increase which results directly from eSports.

Live events attract over 100 thousand attendees and hundreds of millions of views online, such as Intel Extreme Masters event in 2019 which attracted 174,000 fans, and streamed online to an additional 232 million viewers.¹⁷ This has led in turn to lucrative residual revenue in the

¹² "How Do eSports Teams Make Money? | Roundhill Investments."

<https://www.roundhillinvestments.com/research/eSports/how-do-eSports-teams-make-money>.

¹³ "• Global eSports market revenue 2024 | Statista." 18 Mar. 2021,

<https://www.statista.com/statistics/490522/global-eSports-market-revenue/>.

¹⁴ "Top 10 Most Valuable eSports Companies 2020 - eSportsGen." 6 Dec. 2020,

<https://esportsgen.com/top-10-most-valuable-eSports-companies-2020/>.

¹⁵ "Big Time Evaluation for eSports Teams"

<https://www.forbes.com/sites/forbestechcouncil/2019/07/03/big-time-valuations-for-esports-teams/?sh=3d0e3533180b>

¹⁶ "How Do eSports Teams Make Money? | Roundhill Investments."

<https://www.roundhillinvestments.com/research/eSports/how-do-eSports-teams-make-money>.

¹⁷ "IEM Katowice was most-watched ESL tournament series ever" 28 Mar. 2019,

<https://www.gamereactor.eu/iem-katowice-was-mostwatched-esl-tournament-series-ever/>.

form of sponsorships from among the world's largest companies such as Red Bull, Comcast, Intel, Honda, Pepsi, Coca-Cola, and more.¹⁸

eSports Teams

In 1982, German Armin Stürmer formed "Atari VCS Bundesliga," a community project now regarded as the first eSports team.¹⁹ Atari even took interest in the project, later hiring Stürmer to foster new teams according to his model.²⁰

The 90's irreversibly brought eSports to the masses. With better computing power and telecommunication innovations, teams, players and fans are able to interact with each other in unprecedented ways. High speed internet connectivity has made gaming seamless, with players competing against each other from opposite sides of the world while streaming to their fans all over the world. Skilled team members can be scouted and recruited from anywhere in the world.

In addition to their freedom from geographical limits, the vast majority of eSports teams are not limited to one game. A single team can have players dedicated to everything from MOBA games such as League of Legends, strategy games such as Dota 2, to first person shooters, to sports games like FIFA.

18 "Top-10 Biggest eSports Sponsors Ranked In 2021 | SportyTell." 1 Jan. 2021,

<https://sportytell.com/eSports/biggest-eSports-sponsors/>.

19 "The History of the Origin of eSports - ISPO." 11 Jan. 2019,

<https://www.ispo.com/en/markets/history-origin-eSports>.

20 "Gründerzeit des E-Sports - Die Atari VCS Bundesliga"

<https://www.videospielgeschichten.de/die-atari-vcs-bundesliga/>.

eSports teams earn revenue in a number of ways.²¹ Successful teams attract lucrative sponsorships, most visible on their team jerseys worn at tournaments. Teams often hold regional championships, for which they earn ticket sales revenue. The most prominent teams tend to hold online streaming events, attracting millions of viewers and generating ad revenue for the team. Merchandise is also a significant revenue source for teams, with fans eager to buy merch, such as t-shirts and caps. And finally, of course, there's the prize money from tournaments that eSports teams aim to win, and the most successful teams often do.

As of 2020, the top eSports teams are as follows:²²

- 1. Team Solomid (TSM): Valued at 410 million usd**
- 2. Cloud9: Valued at 350 Million usd**
- 3. Team Liquid: Valued at 310 Million USD**
- 4. Faze Clan: Valued 305 Million USD**
- 5. 100 Thieves: Valued at 190 Million USD**

Despite their competitive similarities to traditional physical sports teams, eSports teams' revenue models are more akin to that of a tech company, meaning their potential for exponential growth and scalable revenue are actually much higher.²³

²¹ "How Do eSports Teams Make Money? | Roundhill Investments."

<https://www.roundhillinvestments.com/research/eSports/how-do-eSports-teams-make-money>.

²² "Top 10 Most Valuable eSports Companies 2020 - eSportsGen." 6 Dec. 2020,

<https://esportsgen.com/top-10-most-valuable-esports-companies-2020/>.

²³ "Big Time Valuations for eSports Teams."

<https://www.forbes.com/sites/forbestechcouncil/2019/07/03/big-time-valuations-for-esports-teams/?sh=3d0e3533180b>

Top eSports Countries

#	Country	Share of World GDP
1	South Korea	1.89%
2	China	15.12%
3	United States	24.08%
4	Germany	4.56%
5	Sweden	0.66%
6	Brazil	2.54%
7	Russia	1.95%
	TOTAL	50.80%

Given South Korea's previously discussed role in bringing eSports to the mainstream and the well known popularity of video games in Asia, it may be surprising to hear that only about half of eSports consumers are Asia-based. Fandoms in Europe, North America and South America, and even Australia and Africa, are on the rise.²⁴

The most fervent eSports fandoms tend to be in strong established or emerging markets. A look at the seven top performing countries in eSports²⁵ reveals that they cumulatively hold an over 50% share of the world's GDP.²⁶

²⁴ "Why Invest in eSports - Games Market Growth & Opportunities | Toptal."

<https://www.toptal.com/finance/market-research-analysts/eSports>.

²⁵ "Which Country Has The Best eSports Gamers in 2021? - eSports.net."

<https://www.eSports.net/wiki/players/country-with-best-eSports-gamers/>.

²⁶ "GDP by Country - Worldometer."

<https://www.worldometers.info/gdp/gdp-by-country/>.

COVID-19 Pandemic Impact on eSports

Despite the COVID-19 pandemic, eSports continued to pay to bring multi-million dollar prize pools and online tournaments continued to thrive. The five biggest eSports prize pools totalled \$555 million in 2020, which was an increase of \$50 million over 2019. Due to the pandemic, in 2020 the eSports market slightly decreased when compared to 2019 from an estimated 957 Million dollars 2019 to 947 million dollars in 2020.

However, with the growth of online events and more eSports players and fans, in 2021 the eSports market is expected to rebound to 1.084 Billion USD and up to 1.617 Billion USD by 2024.²⁷

It's even possible that the pandemic came with a silver lining for the eSports industry. YouTube Gaming increased its viewership by 15%, and Twitch's active members nearly doubled between March and September of 2020.²⁸ This has led to many advances in online streaming technology to meet rising demand, which will continue to benefit the market beyond the pandemic.

Cryptocurrency and eSports

27 "The Top 10 Best eSports Countries in 2020 - eSports betting."

<https://www.eSportsbets.com/best-eSports-countries/>.

28 "Live-streaming traffic spikes amid social distancing as streamers" 19 Mar. 2020,

<https://www.geekwire.com/2020/live-streaming-traffic-spikes-amid-social-distancing-streamers-often-community-conversation/>

"eSports is prime real estate for custom currency. Gamers are already used to purchasing credits on gaming platforms and inside games, as well as on streaming platforms. Gamers also tend to be early adopters of new technology. As Gen.G launches its own "GG Strike Coin" this year, it will be interesting to see if fans naturally adopt the idea."

—Andrew Hayward, eSports Insider²⁹

As it turns out, there is high overlap between the gaming demographic and that which is conducive to cryptocurrency adoption. Out of the gate, this makes E-Sports Game more likely than most token initiatives to succeed with its target market.

The internet has come of age and its first generation of users grows up, and eSports demographics have changed in surprising ways. The market is not as male-dominated as one might think; over 40% and rising of gamers are female.³⁰ The gaming market is also not as young as one might assume; as of 2021, eSports viewers are predominantly in their thirties.³¹

Studies show an interesting overlap between the eSports audience and those who have a positive outlook on cryptocurrency, with the plurality

29 "Gen.G makes crypto fan token play with GG Strike Coin - eSports" 21 Oct. 2020,

<https://eSportsinsider.com/2020/10/gen-g-makes-crypto-fan-token-play-with-gg-strike-coin/>.

30 "• U.S. video gamer gender statistics 2019 | Statista." 29 Jan. 2021,

<https://www.statista.com/statistics/232383/gender-split-of-us-computer-and-video-gamers/>.

31 "eSports Audience Stereotypes: Who's watching? - The Game Haus." 1 Apr. 2020,

<https://theGamehaus.com/eSports/eSports-audience-stereotypes-whos-watching/2020/04/01/>.

of cryptocurrency investors being also in their thirties, and over 40% female and rising.³²

Given the demographic overlap and the obvious tech-savviness of esports aficionados, it seems natural that gamers would be more likely than most other market segments to willingly adopt new technologies such as blockchain where there is perceived benefit in doing so.

Finally, the legalization of cryptocurrency sports betting in the United States³³ is a major factor that lifts barriers to market not only in the US, but globally as an increasing number of countries are expected to follow suit.³⁴

eSports Betting Platforms

The eSports betting market is rapidly growing, with the 2020 revenue forecast at \$14 Billion (USD) , which is double the previous year's.³⁵

The eSports market consists largely of consumers from a relatively younger generation, therefore as this younger generation gets older, its buying power rises and the eSports betting market increases in tandem.

32 "Gemini research reveals two in five crypto investors in the UK are" 29 Jan. 2021,

<https://www.finextra.com/pressarticle/85936/gemini-research-reveals-two-in-five-crypto-investors-in-the-uk-are-women>.

33 "Ethereum Sports Betting Deposits, Bet Sports Online With ETH."

<https://sportsbetting.legal/banking/ethereum/>.

34 ibid

35 "Study: Esports gambling revenue set to hit US\$14bn in 2020"

<https://www.sportspromedia.com/news/esports-gambling-revenue-2020-call-of-duty-overwatch-league>

This further results in an increase in demand for quality user experience and security in eSports betting platforms. This leaves considerable room for growth in the market; today's eSports betting platform leaders are not necessarily going to be the market leaders in years to come.

Difficulties

The eSports betting industry has seen significant growth with fans betting on their favorite team on various different sites. However, as in the case with any new market, users face difficulties as technologies are often developed through trial and error.

eSports betting services tend to be inconsistent with one another. Increasing numbers struggle to provide decent user experiences. They either take massive cuts on odds, don't have the depth, or lack proper customer support channels, and some of them are outright scams.³⁶

Platform Related Problems

The Internet era has seen constant development cycles as multiple platforms rush to fill the void created by demand for new platforms to meet the needs of recent shifts in consumer demand. eSports are a case in point where existing platforms fall short of meeting the users' needs comprehensively.

Poor User Interface/User Experience (UI/UX): UI/UX plays a pivotal role in the success of any given platform. Even the leading eSports platforms tend to be plagued with confusing or misleading UI/UX, caused in part

36 "Top eSports Betting Sites (2021) - Where to Bet ... - The Sports Geek."

<https://www.theSportsgeek.com/eSports-betting/sites/>.

by time and budget constraints and in large part due to the fact there is very little precedent upon which to base the user designs: eSports platform developers are essentially navigating uncharted territory, and a lot of guesswork is involved. Introducing even minor improvements often involves significant additional time and effort, and success is not always guaranteed.

Deposits and Withdrawals: Deposits can take between 5-7 days to be cleared and for the funds to be usable on the platform.³⁷ Withdrawals, depending on the amount can, take days to weeks to clear and are subject to arbitrary limits and holds which can make it difficult to sometimes even impossible to withdraw one's own earnings.³⁸

Lack of Help Documentation: A platform's scalability potential depends on many factors, and proper help documentation is essential in enabling users to figure out the platform and use it on their own. In combination with well-designed UI/UX, easily accessible and detailed help documentation facilitates easy use of the platform with minimal user attrition and reduced need for additional live customer support.

Shortage of Customer Support: While adequate help documentation can greatly reduce the need for expensive live customer support, there will always be a need for it, particularly in platforms that involve a high volume of frequent financial transactions. Platforms with poor documentation and inadequate customer support tend to experience high user attrition rates.

37 "Payment provider options in esports betting"

<https://igamingbusiness.com/payment-provider-options-in-esports-betting/>

38 *ibid.*

Poor Security: Many newer platforms are plagued with security issues that put their financial transactions at risk, and some are designed with outright fraudulent motives. To the end user, the results are the same: a lack of confidence and trust in the platform, and sometimes even financial loss. These trust issues affect not only the individual platforms guilty of security deficiencies, but create a "ripple effect" that decreases trust in the industry as a whole, negatively impacting even platforms that operate with high integrity.

Player Compensation

Earlier in this white paper, there was a discussion of eSports teams and their various revenue streams, which are fairly consistent and straightforward.

Less transparent are issues surrounding player compensation in eSports: How much are eSports athletes paid for their participation in a team? Is it a fair wage? When they've won a tournament, what percentage of the prize money are they entitled to, if at all? What about beginning players who have not yet been recruited to a team? Or those eSports athletes who choose to participate in tournaments in their own names without the sponsorship of a team?

Regarding player compensation for those recruited to a team, very little is known. Since transparency is not required of the various teams and leagues, almost none of them reveal their figures. One major exception is present however for those teams participating in League of Legends

Championship Series (LCS), owing to the fact that the organization's rules stipulate minimum wages for players. LCS regulations require a minimum wage of \$12,500 per "season" (year), and a minimum payout per tournament match completed.³⁹

But what about the distribution of prize money? As mentioned above, prize money is a major source of revenue for the leading teams, with the winning players taking an unknown cut.

Let's take for example the player Bugha, who at age 16 won first at the Fortnite World Cup, with prize money totaling \$3 million.⁴⁰ Since that time, it is easy to calculate that Bugha has gone on to win a total of \$9 million in prize money after subsequent competitions.⁴¹

However, he competed under the stewardship of Team Sentinels, who received the prize money and were entitled to allocate it. How much of the prize money actually went to the winner is to this day unknown.⁴²

Esport teams would obviously be nothing without the talents and skills of their exceptional players, who tend to compete out of passion and love for the game. Many athletes report tireless 14-hour days of gameplay in preparation for tournaments, with almost no time for family, friends and school, and negligible compensation.⁴³

39 "2017 NA LCS Official Rules Summer Split Update - AWS." 27 Mar. 2017,

<https://eSports-assets.s3.amazonaws.com/production/files/rules/2017-Summer-LCS-Rule-Set-v1.pdf>.

40 "A year in the life of Bugha, the Fortnite World Cup champ - ESPN." 1 Apr. 2020,

https://www.espn.com/eSports/story/_/id/28921673/a-year-life-bugha-fortnite-world-cup-champ.

41 "Fortnite World Cup winner earnings revealed: Bugha ... - Sportskeeda." 13 Sep. 2020,

<https://www.sportskeeda.com/eSports/fortnite-world-cup-winner-earnings-revealed-bugha>

42 *ibid.*

43 "'It's not as awesome as people imagine': eSports players say 'dream ...'" 13 Dec. 2018,

<https://www.washingtonpost.com/sports/2018/12/13/its-not-awesome-people-imagine-eSports-players-say-dream-job-is-more-than-fun-games/>.

Many leading players make their primary income through online streaming, with all the sponsorship and advertising revenue associated with it. However, even the best players are often overshadowed by casual gamers who happen to be expert entertainers skilled more in the modern art of online streaming than in the game itself.

Then there is the issue of independent and up-and-coming players who are serious about gaming, but wary of the complex team contracts which are likely to leave them with little to nothing for their efforts.⁴⁴

Tournament and Event Related Problems

Atari's aforementioned move in 1980 to invest in an expensive National Championship was both commercially shrewd and visionary at the same time. It was an ingenious business move, because they responded to strong consumer demand for live events which went well beyond their original business model, and reaped tremendous financial rewards, proving that eSports tournaments can play an integral role in the video game industry. It was visionary in that, as discussed, subsequent generations of gaming companies went on to embrace and support the concept even further, to even greater financial and public relations success.

The mainstream video game industry's widespread adoption of tournaments and events as integral to their brand has inadvertently

44 "eSports Contracts - Lexology." 18 May. 2020,

<https://www.lexology.com/library/detail.aspx?g=d2d7502f-e9db-4712-b771-e2624c72d0a8>.

resulted in a top-down approach to tournaments where grassroots events such as the previously mentioned 1972 Spacewar! Tournament at Stanford seem less viable today. This is ironic given the Internet's proven ability to empower worldwide communities to organize in other areas.

As it stands today, generous funding and support are available to industry-sanctioned events and tournaments, while independent initiatives by online communities are left with scarce opportunities to create their own tournaments whether online or offline. Only the most well-known events are successful because of sponsorships from major corporations.

e-Sports Games **Features**

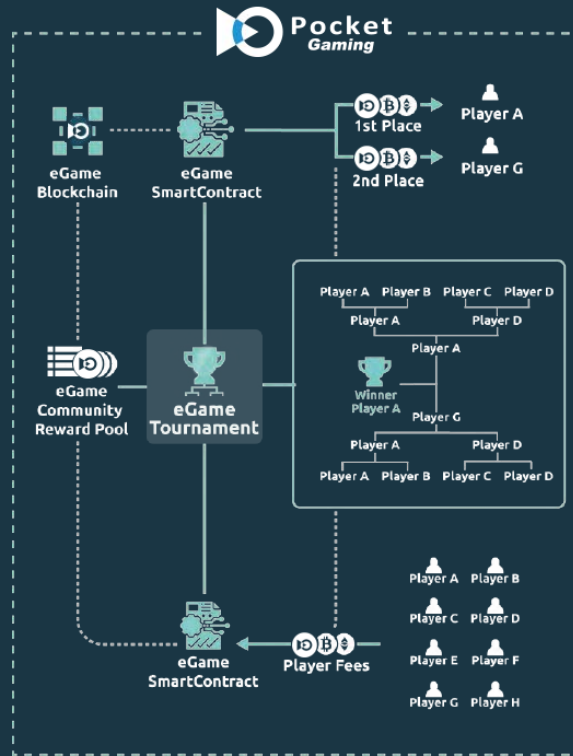
E-Sports Game is a blockchain-based platform that connects gamers of all levels, from professional to amateur players with their fans to create an unprecedented shared gaming experience. E-Sports Game supports community engagement through online tournaments, betting, fundraising, digital sales, and more. On the Platform, users create communities, provide insight, create fantasy tournaments, engage in safe betting, and sponsor the growth of up-and-coming players all over the world.

E-Sports Game is more than just a platform; it is an online economy driven by the proprietary PG token. E-Sports Game opens up the floodgates to gamers around the world to profit from their gameplay through multiple channels. Casual gamers can make some extra money on the side, while more serious gamers who previously had no opportunity can even make a comfortable living off their profits through activity in E-Sports Game.

By using cutting-edge blockchain technology, E-Sports Game drastically reduces both transaction fees and fraudulent activity.

E-Sports Game is the future of eSports fan interaction platforms. No longer are sports fans limited to for-profit platforms that cater to company growth at the expense of user growth. The E-Sports Game platform is designed for fans and players to foster interaction, community, and market growth.

Tournaments



Tournaments are a strong source of revenue for amateur players to new players that are not sponsored or part of a well financed team. Through blockchain technology, tournament payouts in PG will be automatic once the tournament is done through smart contract technology.

Pay-to-Play Tournaments

Tournaments consist of a series of matches between individual players or teams. The E-Sports Game platform initiates featured tournaments (hosted by E-Sports Game) by setting a minimum prize pool from a separate PG token allocation. Each player or team must pay an entry fee in order to compete, which is added to the prize pool. Entry fees can be as low as under \$1 (USD) for amateur tournaments to or much higher (such as \$1000 or more) for professional tournaments. However, E-Sports Game strives to foster player growth through holding numerous amateur tournaments with aordable entry fees.

Free-to-Play Tournaments

E-Sports Game fosters growth on the platform by offering a variety of free-to-play opportunities, on the premise that free-to-play users will go a long way towards building community, and a sizable percentage of them will at some point go on to be paying players. Free-to-play tournaments offer a more modest prize pool from a separate allocation.

While featured tournaments form the initial backbone of the platform's selection of tournaments, we anticipate that in time they will be outnumbered by fan and player created tournaments.

Fan-Created Tournaments

In addition to E-Sports Game's featured tournaments, users in good standing with a minimum PG token balance are eligible to create and host their own pay-to-play or free-to-play tournaments. A single player or team may stake their own PG tokens when setting up a user-hosted tournament similarly to how the platform sets up featured prize pools from a dedicated allocation.

Player-Created Tournaments

Players and teams in good standing with a minimum PG balance are eligible to set up their tournaments (pay-to-play or free-to-play) with the additional option of configuring their own rules.

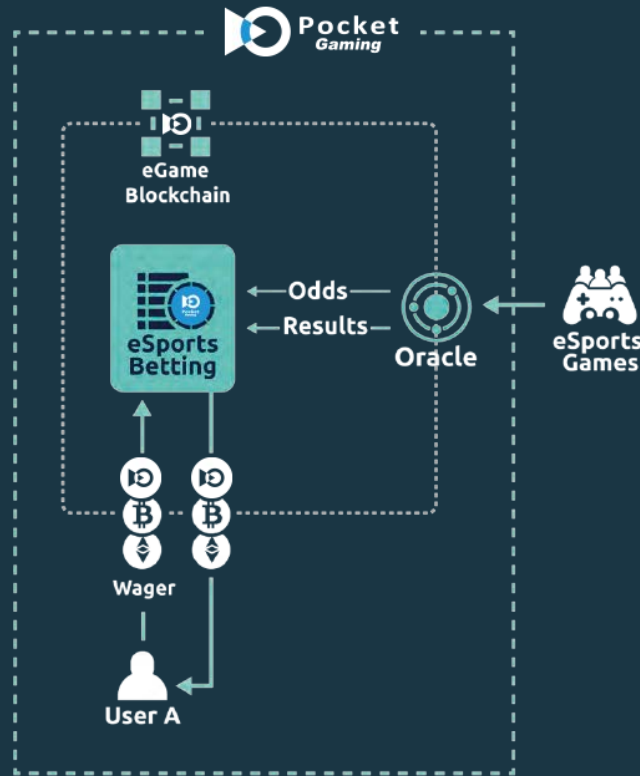
Betting

E-Sports Game supports additional community and economic activity around the platform's tournaments by offering legal and ethical betting. Each featured E-Sports Game tournament offers the opportunity to place house bets in PG on the outcome of the tournament and/or individual matches in a tournament, and profit in the case of a winning bet. Fan and

player-created tournaments may include betting or not at the discretion of the creator.

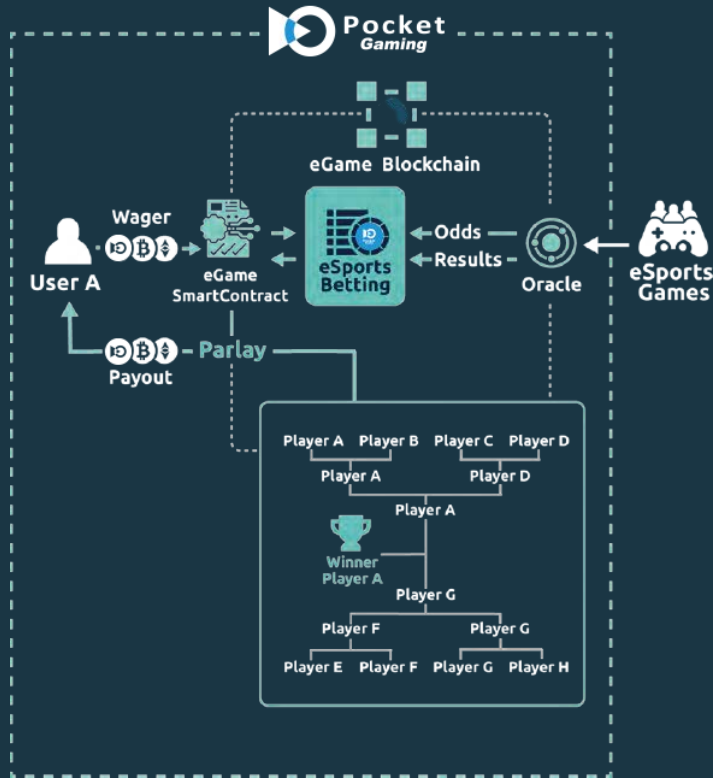
All bets on the E-Sports Game platform are secured by smart contract and moderated by in-house professionals to ensure the integrity and legality of the process.

House Bets



The E-Sports Game platform offers odds and takes bets on tournaments, events, and select matches. Bets and payout are in the PG token with the option to wager instead using one of the major cryptocurrencies.

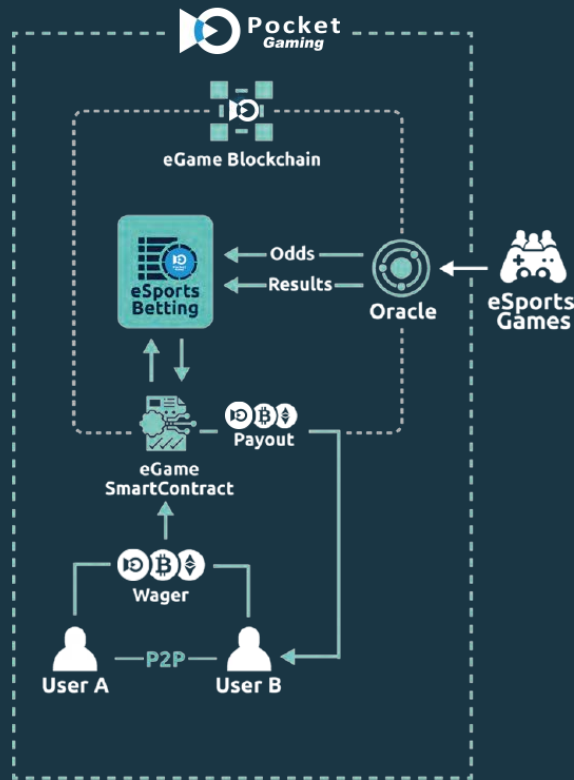
Exclusive Bets



Players in good standing who hold a minimum PG balance may place Exclusive Bets that can lead to higher payouts on a cumulative basis as they continue to accrue wagers across multiple matches or tournaments, known commonly as a parlay. Like in a parlay, an Exclusive Bet is a single bet that combines two or more individual wagers and is dependent on all of those wagers winning together. If any single bet

within the parlay fails, all earnings are forfeited. However, if the bettor wins all of the bets within the parlay, the bettor receives a much higher payout. In the case of an eSports tournament, this can result in much higher earnings for the bettors who wager on each match of the tournament in the form of an Exclusive Bet than if they had placed a single bet on individual matches or the tournament as a whole.

P2P Bets



Individual users may directly place bets with one another on matches and tournaments with the option enabled. Player-to-Player (P2P) bets are secured via smart contract technology and meticulous in-house moderation.

Community Engagement

Teams or individuals may create their own community pages on the eGame platform to meaningful interaction with the fan community. Community pages are alive with social features such as a newsfeed and community discussion forums, with promotion of participating tournaments, and external social media integration and embedded content. Community pages also include potentially lucrative opportunities to sell exclusive digital content and fundraise via donation seeking. Team and individual players can promote themselves within their communities, and sell merchandise and digital goods including NFTs which will be discussed in the next section. Eligible users can create and cultivate expert communities with exclusive access. Such communities may be run by experts such as betting tipsters.⁴⁵ Just as in conventional sports betting where there are tipsters and expert consultancy companies such as www.tipstrr.com and www.betting.com, that provide pre-game analysis,⁴⁶ tipsters can create their own communities on the eGame platform where they can provide analytics, tips, or picks. These tipster communities can even disclose their total profits and win higher rates to grab the attention of other users, drawing new members to join their communities.

“Sports Betting Tipsters: What Separates a Professional Tipster from a Fan with a Laptop”

<https://www.urdesignmag.com/technology/2021/03/12/sports-betting-tipsters-what-separates-a-professional-tipster-from-a-fan-with-a-laptop/>

⁴⁶ “Best Betting Tipster Services 2021 – Find Top Sports Tipsters”

<https://punter2pro.com/best-sports-betting-tipsters-tipping-services/>

Moderators or communities are entitled to eGI token payouts based on the community size and activity, from a specially allocated eGI fund (see Token Allocation). Community members can stake into the community in return for voting rights, which will allow them to vote on moderators. Moderators may vote for themselves. The larger the community with staked eGI, the larger the rewards to the members. Fans or teams can create Stake Communities, which are closed communities that require individuals to stake eGI to enter. In return the eGame platform will provide eGI tokens as rewards to the community members on a daily basis. The larger the community and amount of staked coins, the larger the reward.

Conventional Sports Betting

Even COVID-19, could not stop the growth of conventional sports betting in the United States. 2020 recorded the highest amount of Handle (Amount of money wagered on traditional sports), at a record of over \$21 Billion (USD).⁴⁷ Sports betting platforms have recently sold in the billions of dollars, for example Caesars' acquisition of William Hill at \$3.7 Billion (USD).⁴⁸ The eGame Platform also offers Sports Betting features and the ability to create and foster communities around sports betting. In these

48 "Caesars to buy William Hill for \$3.7 billion in sports-betting drive"

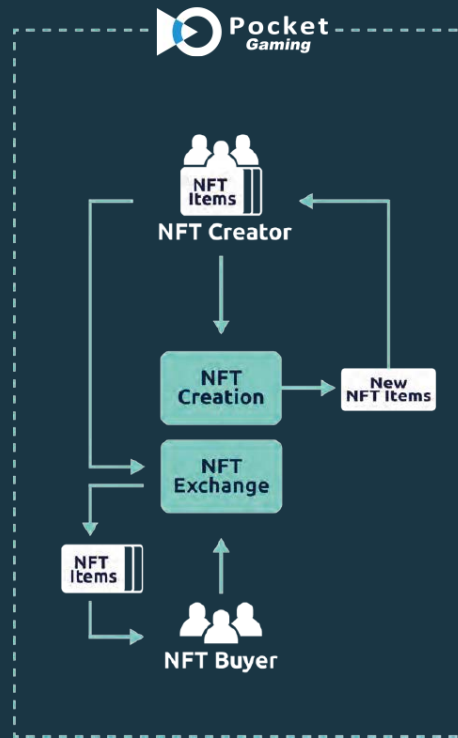
<https://www.cnbc.com/2020/09/30/caesars-to-buy-william-hill-for-3point7-billion-in-sports-betting-drive.html>

47 "Sports Betting Overcame COVID for a Record Year in 2020"

<https://www.sportsbettingdime.com/guides/research/sports-betting-record-year/>

communities, the users will bet on matches in leagues such as the NFL, the NBA, European Soccer, and other regional and global events. Users may also create specialized communities dedicated to a narrow focus, such as fan or team communities.

NFT Features



The eGame platform allows the gamer to create and auction off unique, exclusive digital goods in the technical form of a non-fungible token (NFT). An NFT is a digital good, usually a media file such as an image or video, which is inextricably linked to a digital hash on the blockchain which affirms the actual owner of the original property. Once ownership is written to the blockchain's immutable digital ledger, it cannot be changed unless the owner permits its transfer to a successive owner which is also recorded immutably on the blockchain and easily verified.

Much has been made as of late of NFTs, since several high profile NFT items have netted as much as \$1 million apiece⁴⁹, making NFTs easily the all-time highest priced category of digital goods to date.

The iconic Brazilian footballer Pelé is just one example of a prominent figure in sports who has recently entered the NFT space.⁵⁰ Top mainstream companies such as NBA Top Shot are currently active in the NFT space, with over 500 million (USD) in sales as of March 2021, with their most profitable NFT of LeBron James selling for \$250,000 (USD)⁵¹. This has led to celebrities and athletes creating their own NFTs and auctioning them off with great success. Most recently, Superbowl champion Rob Gronkowski (known colloquially as "Gronk") auctioned off his own NFT, netting \$1.6 Million (USD).⁵²

Unsurprisingly, leading eSports players are there as well. Diamondcon, perhaps the best known Call of Duty champion player as of 2021, has launched an initiative to auction exclusive ownership over video clips of his gameplay in the form of NFT.⁵³

What are these digital items known as non-fungible tokens? From a technology standpoint, each item is recognized on the blockchain as a unique token; however, the token is not fungible in that it cannot be replaced or exchanged. It is in essence a single token tied to the digital item which can only be owned by a single individual, with a decisive record of ownership written immutably to the blockchain and easily verified.

While some may portray NFTs as merely a passing fad, it is widely anticipated that NFTs will continue to grow in demand, including a strong presence in the eSports world.⁵⁴

⁴⁹ "Crypto-art 'Forever Rose' photo sells for \$1M, making it the world's" 19 Feb. 2018,

<https://www.dpreview.com/news/6617425004/crypto-art-forever-rose-photo-sells-for-1m-making-it-the-world-s-most-valuable-virtual-art>.

⁵⁰ "Soccer Icon Pelé Becomes Latest Sports Star to Enter NFT Craze" 17 Apr. 2021,

<https://www.coindesk.com/soccer-icon-pele-becomes-latest-sports-star-to-enter-nft-craze>

⁵¹ "Designing NBA Top Shot Moments: How These 6-Figure NFTs Got" 7 Apr. 2021,

<https://www.pcmag.com/news/designing-nba-top-shot-moments-how-these-6-figure-nfts-got-their-look>.

⁵² "Super Bowl champ Gronk sells out NFT collection ... - Ledger Insights." 15 Mar. 2021,

<https://ledgerinsights.com/super-bowl-champion-gronkowski-nft-nonfungible-token-blockchain/>

⁵³ "Professional Call of Duty League Gamer to Launch ... - Bitcoin News." 27 Mar. 2021,

<https://news.bitcoin.com/professional-call-of-duty-league-gamer-to-launch-esports-nft/>.

NFT Creation and Exchange

For the community content creator, creating a NFT is as simple as recording a screengrab (whether video or still image) of gameplay, editing it to a key memorable moment, and uploading it to the E-Sports Game platform as a NFT on auction for ownership to the highest bidder.. Once the auction is complete, ownership of the item is awarded to the highest bidder verifiable by an immutable record written to the blockchain. The owner of the NFT has the option of downselling the NFT, basically an undisputable record of ownership, to the next buyer.

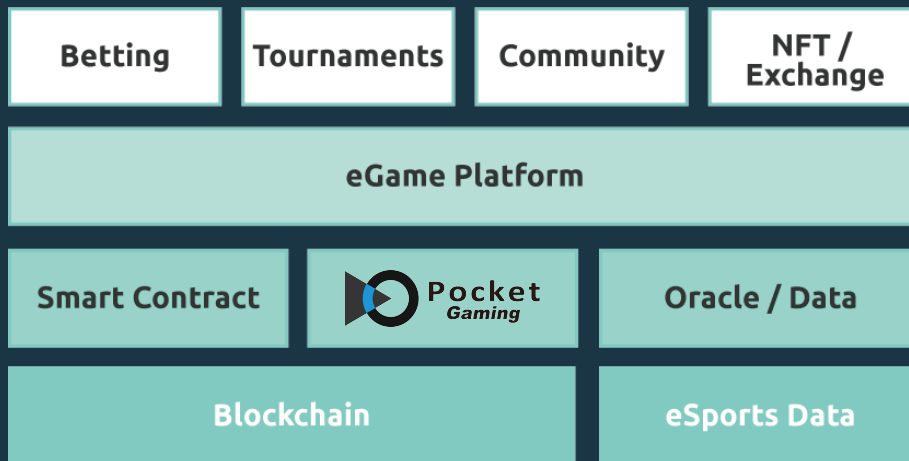
On the E-Sports Game NFT Exchange, fans can bid on player, team or event NFTs. Through the implementation of smart contract technology, users auctioning NFTs are guaranteed to receive the bid amount, as well as the bidder receiving the NFT, secured via smart contract. The highest bidder's bid is escrowed and locked until the end of the auction, in the

54 "NFTs Will Take the World of eSports by Storm | SUPERJUMP" 21 Mar. 2021,

<https://medium.com/super-jump/nfts-will-take-the-world-of-eSports-by-storm-76e4252af91b>.

event another bidder bids a higher amount, the lower bid is unlocked and returned to the bidder. On the eGame platform, content creators have the additional option of setting a fixed royalty percentage, so as to profit with each subsequent purchase of the NFT. While ownership lies squarely with the most current purchaser, the creator of the NFT's content is always entitled to a commission on each subsequent sale on the eGame platform. One precedent for this would be Mike Winkelmann aka Beeple's digital artwork of Joe Biden and Donald Trump, earning Beeple 10% of the value of every trade.⁵⁵

Blockchain Integration



54 "NFT Art Boom is Booming..." 2, Mar. 2021,

<https://www.bloomberg.com/news/articles/2021-03-02/nft-art-boom-is-the-same-conce>

Leveraging the latest blockchain technology, eGame's gaming community platform and crypto economy will empower gamers, whether professional players or casual fans, to get the most out of their activities and engagement on the platform. The eGI token is the lifeblood of the eGame platform's economy.

Authentication Through Blockchain

E-Sports Game user accounts are inextricably linked to the blockchain and remain the property of the users along with their PG balance. The decentralized e-Sports Games platform records all transactions, bets, and user data, ensuring its security and immutability.

Automation Through Smart Contracts

Smart contracts are one of the key features of blockchain technology and are paramount in ensuring the security of all transactions which take place. The smart contract is self-enforcing, taking advantage of the cryptocurrency protocol to provide automatic payouts to the winners of wagers while recording the transactions in a way that is both irreversible and universally verifiable.

Cryptocurrency Transaction Facilitation

Online transactions as we know them are cumbersome and costly. Bank transfers can take days, with most banks not supporting transfers to financial institutions outside their region. Credit card payments tend to be costly, as they charge transaction fees to the card holder. Existing platforms offer only limited features due to the current centralized payment infrastructure.

To facilitate faster and more convenient payments, eGame integrates cryptocurrency within the platform, more specifically its proprietary PG token with the option of other major cryptocurrencies, to offer more features to the users and games within the platform. Transactions take minutes, not days as many are used to now. Most importantly, new features are swiftly deployed to the platform to benefit its user base.

For example, e-Sports Games features direct p2p payment. Users across the world can make transactions easily and instantaneously, allowing them to interact with one another even outside their local market, thereby lifting boundaries and creating a truly global network.

Data Management

Over time, the e-Sports Games platform will accumulate a significant amount of data as gamers achieve points and tournament victories, and share career updates and community content. Community leaders on e-Sports Games are granted complete ownership over their proprietary data and shared content, secured by the blockchain.

Communities leaders can opt-in to provide their community data for sale. Community data can provide essential information into eSports (Trend data). When the community data is sold, every member in the community will receive a reward with the moderators receiving the most.

Using the voluntarily provided data from gamer community leaders, the e-Sports Games platform will over time achieve effective micro-targeting to meet the needs of individual users in ways thus far considered impossible in the eSports industry.

e-Sports Games is firmly committed to abide by strict privacy protocols, ensuring the privacy and propriety of all user data. If any user opts to offer their data for sale, the user will receive rewards whenever their data is purchased.

Data Streams

e-Sports Games will provide internal data and statistics as well as utilize blockchain oracles for data streams on events results and odds. Smart contracts were originally conceived to automatically and immutably record events to the blockchain's immutable ledger only upon pro-active user input, most commonly a token transfer or signature in the form of a digital hash.

With e-Sports Games, we have a case where smart contracts must proceed with events based on the outcome of a tournament or single match. For example, a user may easily place a P2P bet with a second user on the e-Sports Games platform enforced by smart contract, initiated by the first user and confirmed via digital signature (user action). But how does the smart contract know when the match is complete and the winner of the wager is ordained? Smart contracts as we know them are not inherently equipped to proceed with action based on "off-chain" events not initiated by a party to the contract. This is where oracles come in.

A blockchain oracle is a protocol which connects the decentralized ledger with its network of smart contracts to real-world events. The paradox with oracles is that up to now they have tended to be strictly centralized, existing as APIs on a centralized server, defeating the point of the blockchain as a decentralized entity.

These serve as gateways for smart contracts to be dependent not exclusively on user input, but interacting also with off-chain events whether online or real-world. Given e-Sports Games innate dependence on betting odds and outcomes, the innovation of decentralized oracles is crucial to the platform's success and of high priority.

e-Sports Games **Tokenomics**

e-Sports Games PG token lies squarely at the heart of the e-Sports Games platform. While users have the option of using other major cryptocurrencies for wagers, donations, NFT sales and other monetary activity on the platform, usage of PG is highly encouraged. PG will carry with it significant fee reductions and/or no fee events, along with other benefits. The goal is to ensure that the majority of transactions are paid in and paid out in our proprietary PG coin which is the lifeblood of e-Sports Games online economy.

In order for bettors to gain access to exclusive bets they must be able to stake a mandatory minimum amount of PG. This is to give exclusive access to those users who are confident in their betting abilities and have experience in betting, and also to encourage and reward those players who choose to transact in PG.

Select communities on the e-Sports Games platform require the exclusive usage of PG in order to participate. This is intended to foster high-value communities that also have their own rules and governance.

Companies interested in purchasing data from the e-Sports Games platform are required to make the purchase exclusively in PG, which will then be distributed to the individuals that provided the data, or to the community.

NFT creators must stake a minimum of 10% of the NFT initial price (percentage assessed as a proportion of the initial price) when listing their NFT on the NFT exchange. This is to place a safeguard which prevents excessive NFT listing, and more importantly to promote quality NFTs of legitimate value to the community. In the case of a NFT sale, the creator is returned the staked amount, or after the staked period (where the NFT is not sold) the creator is entitled to withdraw the staked amount, effectively and immediately removing the NFT from the NFT exchange and confirming the new ownership.

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Risks

Adherence to All Legal and Regulatory Standards

The purchase of any tokens involves a high degree of risk, including but not limited to the risks described below. Before purchasing E Game Initiative Ltd. (henceforth "Project") Tokens "PG", it is recommended that each participant carefully weigh all the information and risks detailed in this White Paper, and, specifically, the following risk factors.

Dependence on Computer Infrastructure

Project's dependence on functioning software applications, computer hardware and the Internet implies that Project can offer no assurances that a system failure would not adversely affect the use of your Project Tokens. Despite Project's implementation of all of our expert and reasonable network security measures, our processing center servers are to some measure still vulnerable to computer viruses, physical or electronic break-ins or other disruptions of a similar nature. Computer viruses, break-ins or other disruptions caused by third parties may result in interruption, delay or suspension of services, which would limit the use of Project Tokens.

Smart Contract Limitations

Smart contract technology is still in its early stages of development, and its application is of experimental nature. This may carry significant operational, technological, regulatory, reputational and financial risks.

Regulatory Risks

The blockchain technology, including but not limited to the issue of tokens, may be a new concept in some jurisdiction, which may then apply existing regulations or introduce new regulations regarding blockchain technology-based applications, and such regulations may conflict with the current Project Token Smart Contract setup and Project Token concept. This may result in substantial modifications of Project Token Smart Contract, including but not limited to its termination and the loss of Project Tokens as well as a suspension or termination of all Project Token functions.

Taxes

Token holders may be required to pay taxes associated with transactions involving Project Tokens. It is the sole responsibility of the token holder to comply with the tax laws of the relevant jurisdiction and pay all required taxes.

Force Majeure

Project's performance may be interrupted, suspended or delayed due to force majeure circumstances. For the purposes of this White Paper, force majeure shall mean extraordinary events and circumstances which could not be prevented by Project or its management and shall include: acts of nature, wars, armed conflicts, mass civil disorders, industrial actions, epidemics, lockouts, slowdowns, prolonged shortage or other failures of energy supplies or communication service, acts of municipal, state or federal governmental agencies, other circumstances beyond Project's control.

Disclosure of Information

Personal information received from Project Token holders, the information about the number of tokens owned, the wallet addresses used, and any other relevant information may be disclosed to law enforcement, government officials, and other third parties when Project is required to disclose such information by law, subpoena, or court order. Project shall at no time be held responsible for such information disclosure.

Governing Law and Jurisdiction

Governing law and court of jurisdiction of the conditions above ("Terms") comply with the laws and regulations of Pohnpei and shall be interpreted and executed under the laws of Pohnpei. Disputes arising between parties concerning these Terms, their subject, or effectivity shall be resolved in the courts of Pohnpei.

Value of Project Token

Once purchased, the value of Project Token may significantly fluctuate due to various reasons. Project does not guarantee any specific value of

Project Token over any specific period of time. Project shall not be held responsible for any change in the value of Project Token. Assumptions with respect to the foregoing involve, among other things, judgments about the future economic, competitive and market conditions and business decisions, most of which are beyond the control of the Project team and therefore difficult or impossible to accurately predict.

Please note that the Project Project and/or Project Token may be subject to risks not foreseen by its team at this time.