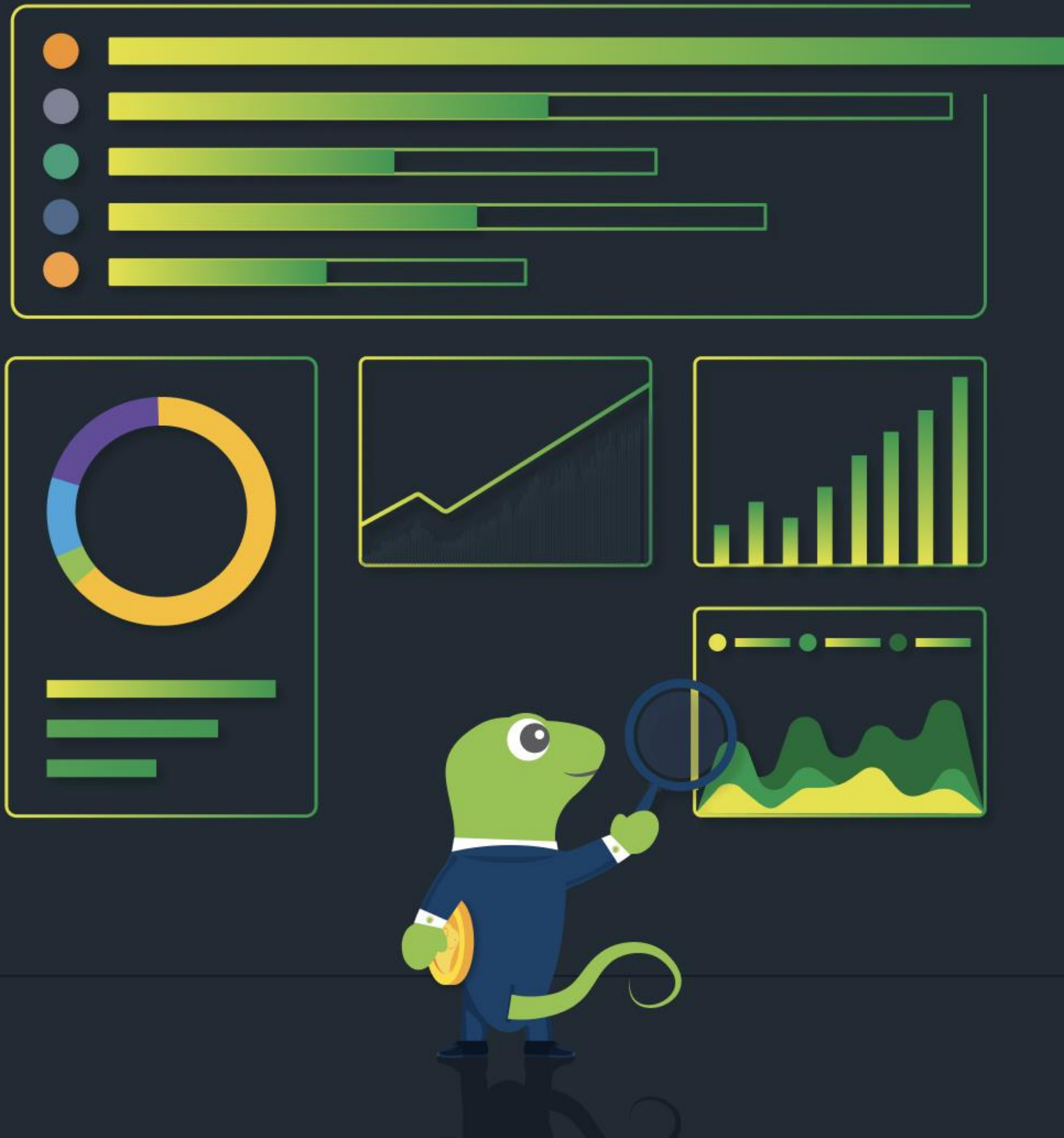
GeckoCon By CoinGecko

WEB3 GAMES UNLEASHED

KEYNOTE

The Current State of Web3 Games

Market Data. Analysis. Crowdsourced Insights.



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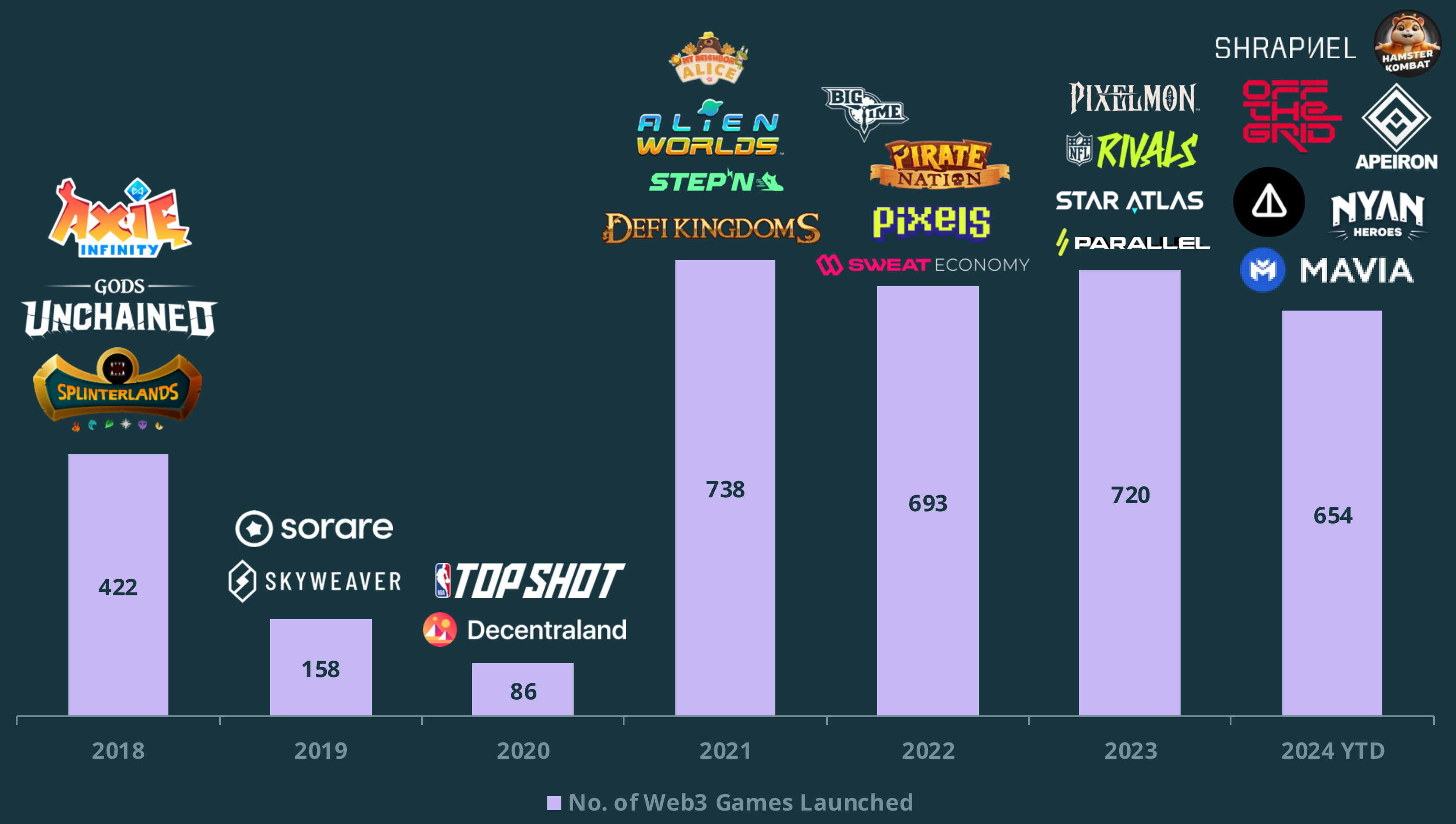
Number of Web3 Games Launched

Since the Play-to-Earn boom in 2021, we have seen an average of 700 Web3 games launched each year between 2021 to 2023; 2024 is also on track to reach close to 700 new titles

No. of Web3 Games Launched (2018 – 2024 YTD)



654

New Web3 Games Launched in 2024 YTD

Web3 Games post-2021 have generally **grown in scope and ambition** compared to earlier games, particularly as funding raised from investors drastically increased post-2021. **AAA standard Web3 game titles** began to emerge post-2021 as Web3 games look to expand beyond the casual audience.

An important observation is that **games may not be hits immediately** at launch, but could take off as games or market conditions improve. Axie Infinity actually launched way back in 2018 but really took off in 2021.

Not shown on the chart but equally important has been the **growth of the broader Web3 gaming ecosystem**, led initially by gaming guilds but also funds, KOLs, etc. that all contribute towards the success of this nascent sector.

Source: Footprint Analytics, CoinGecko Research
**Launched games are considered as titles that are released in its complete state or have entered open alpha/beta.*

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The Current Web3 Gaming Landscape*

While Web3 gaming started with simple Pet Breeding & Battling games, there are now projects across all major gaming genres

RPG

- TreeVerse
- Nine Chronicles
- Ni no Kuni Cross Worlds
- Cradles Origin of Species
- Ember Sword
- Tatsumeeko
- Guild of Guardians
- The Beacon
- Big Time
- DeFi Kingdoms
- Legends of Elumia
- Avarik Saga
- MapleStory Universe
- Aurory
- CryptoBlades

FARMING/MINING

- Town Star
- Pixels
- CropBytes
- Farmers World
- My Neighbor Alice
- Alien Worlds
- DeFi Land
- Mines of Dalarnia
- Sunflower Land

SHOOTERS

- Sipher
- Shrapnel
- Deadrop
- Matr1x Fire
- Nyan Heroes
- Off The Grid
- The Machines Arena

MOVE-TO-EARN

- STEPN
- Moonwalk
- Sweat Economy
- Genopets

CARD GAMES

- Splinterlands
- Mixmob
- Kingdom Karnage
- Skyweaver
- Gods Unchained
- Parallel

PET BREEDING & BATTLING

- Axie Infinity
- Crypto Unicorns
- My DeFi Pet
- Fancy Birds
- Aavegotchi
- Battlefly
- Pixelmon
- Elfin Kingdom
- Illuvium

STRATEGY

- Thetan Arena
- Apeiron
- Star Atlas
- Fusionist
- Mavia
- League of Kingdoms
- Civitas
- Pirate Nation
- BridgeWorld
- Gas Hero
- df

RACING

- Pegaxy
- REVV Racing
- Zed (Beta)
- Oh Baby Kart

METAVERSE

- The Sandbox
- Decentraland
- Somnium Space
- SecondLive

SPORTS

- Sorare
- NFL Rivals
- Motodex
- NBA Top Shot

TELEGRAM MINIGAMES

- Hamster Kombat
- Catizen

*This list is non-exhaustive and does not represent the entire Web3 Gaming space

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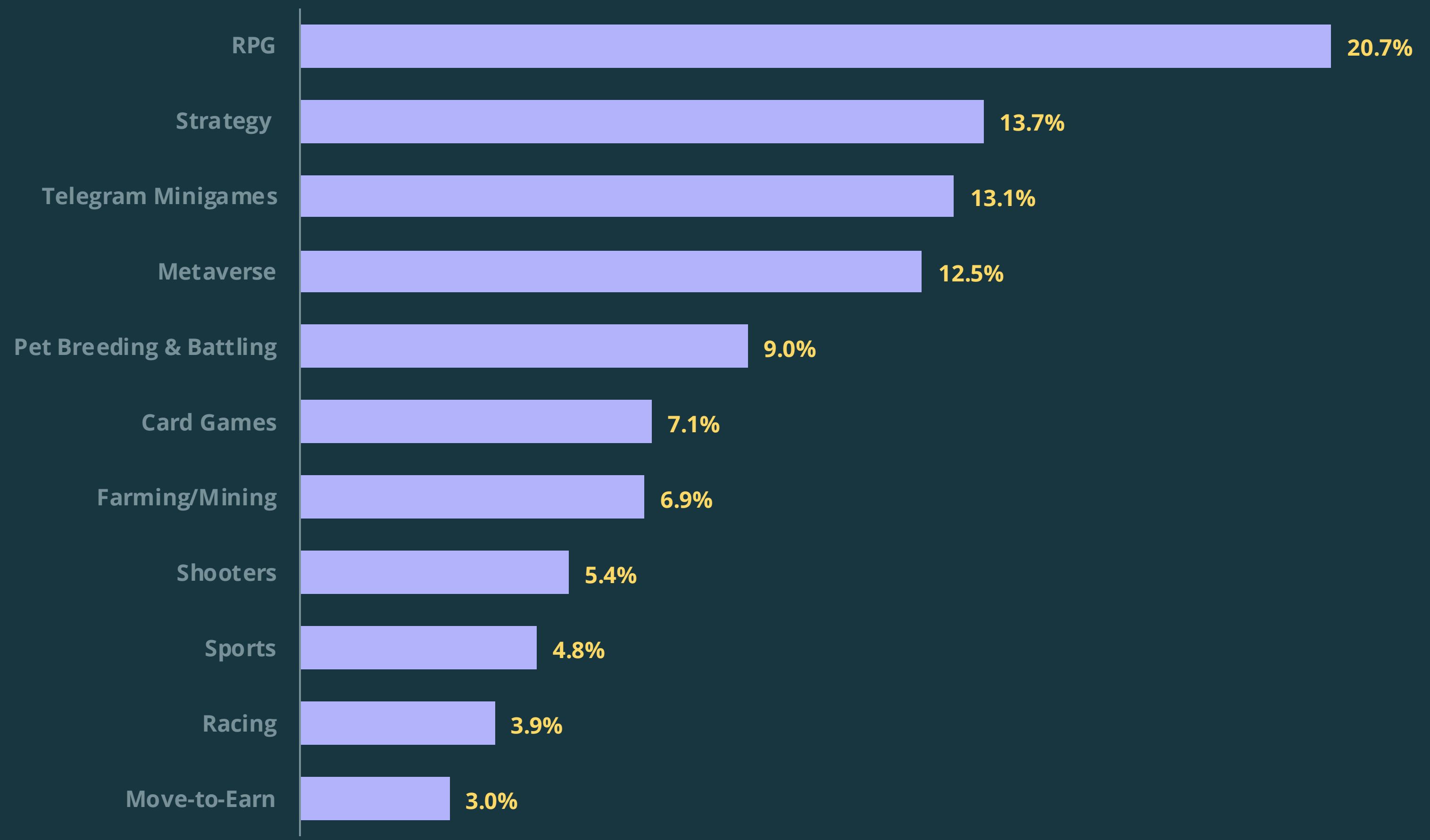
Breakdown of Web3 Games by Genre

RPG titles make up ~20% of all Web3 Games, making it the most popular genre; There are now 450 Telegram Minigames, which is ~13% of all Web3 Games

Breakdown of Web3 Games by Genre



Source: Chainplay, sample of 3,429 games; selected genres have >100 titles

60%

Share of Web3 Game Titles between the Top 4 Genres

The **Top 4 genres make up 60% of all Web3 game titles**, indicating a long tail.

Setting aside Telegram minigames, the next two most popular genres after RPGs are **Strategy** and **Metaverse** games which each have ~13% of all Web3 Games (~450 titles).

Telegram minigames are now the third largest genre with ~450 games, representing ~13% of of all Web3 Games. This is a massive development given that Telegram only launched mini apps in 2023.

The most popular genres within the traditional video gaming sector are **Shooters, Adventure, RPGs, and Battle Royale**. Other than RPGs, the other 3 genres don't seem to be as popular currently within the Web3 Gaming sector, though Shooters are definitely an emerging genre.

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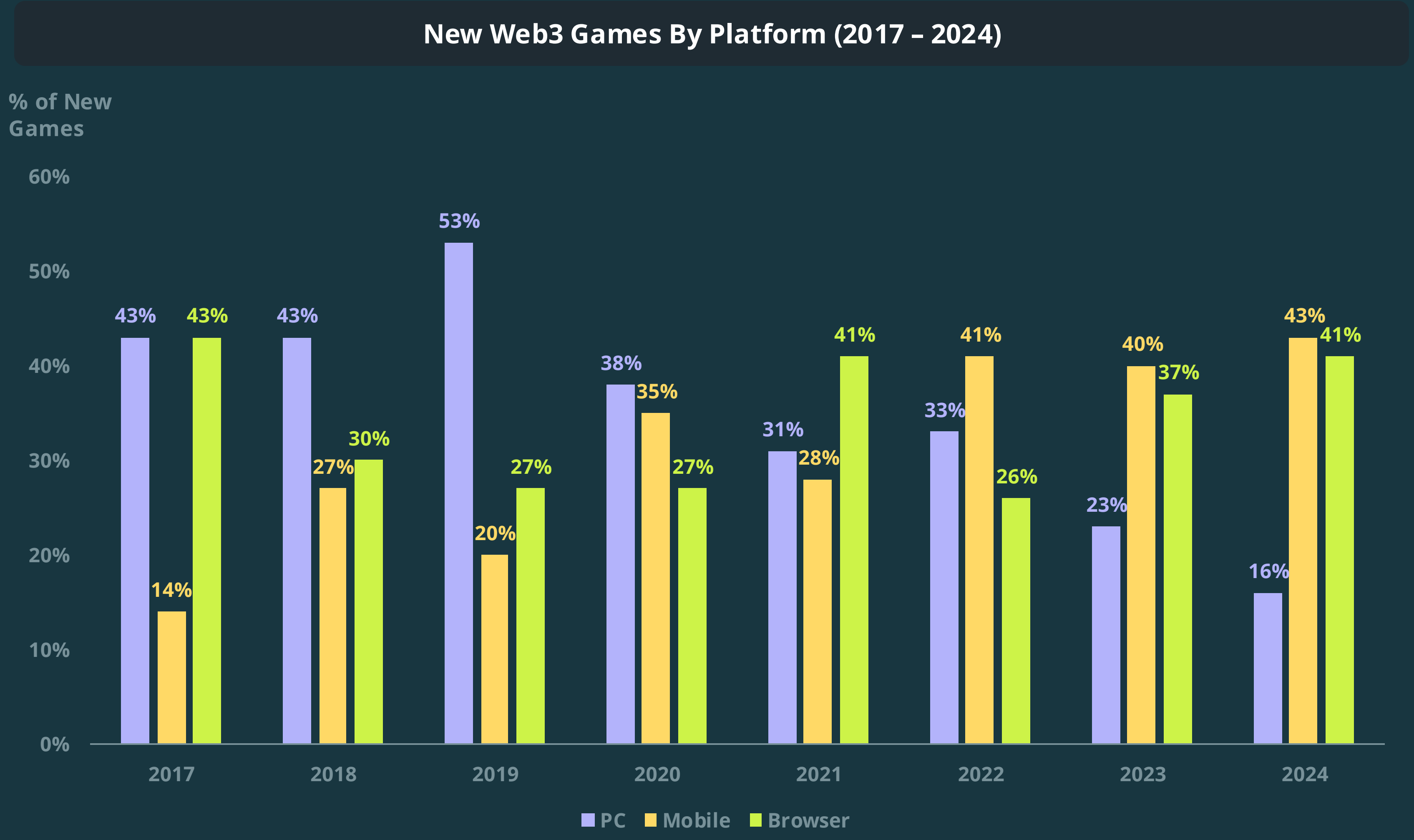
New Web3 Games by Platform

While the early Web3 Games were either PC or browser-based, there has been a strong shift from PC to mobile in the past 3 years



84%

of 2024's New Web3 Games are either Mobile or Browser

Since 2022 **>40% of new Web3 games published have been mobile**, a shift from earlier trends. Consequently, there has been a steady decline in share of new PC-based Web3 games in the past three years.

The surge in mobile games in 2024 has also been partly driven by the success of **Tap-to-Earn games**.

Browser-based games have continued to see popularity amongst Web3 Game developers. This is likely due to the widespread use of browser extensions for connecting wallets. However the growing prevalence of **mobile-native wallet apps** have also made it easier for mobile games to integrate wallets.

Certain game devs have also began building their own crypto wallets which are natively integrated into the game.

Source: Game7 Research data up to Oct 15th, 2023; 2024 data estimated by CoinGecko

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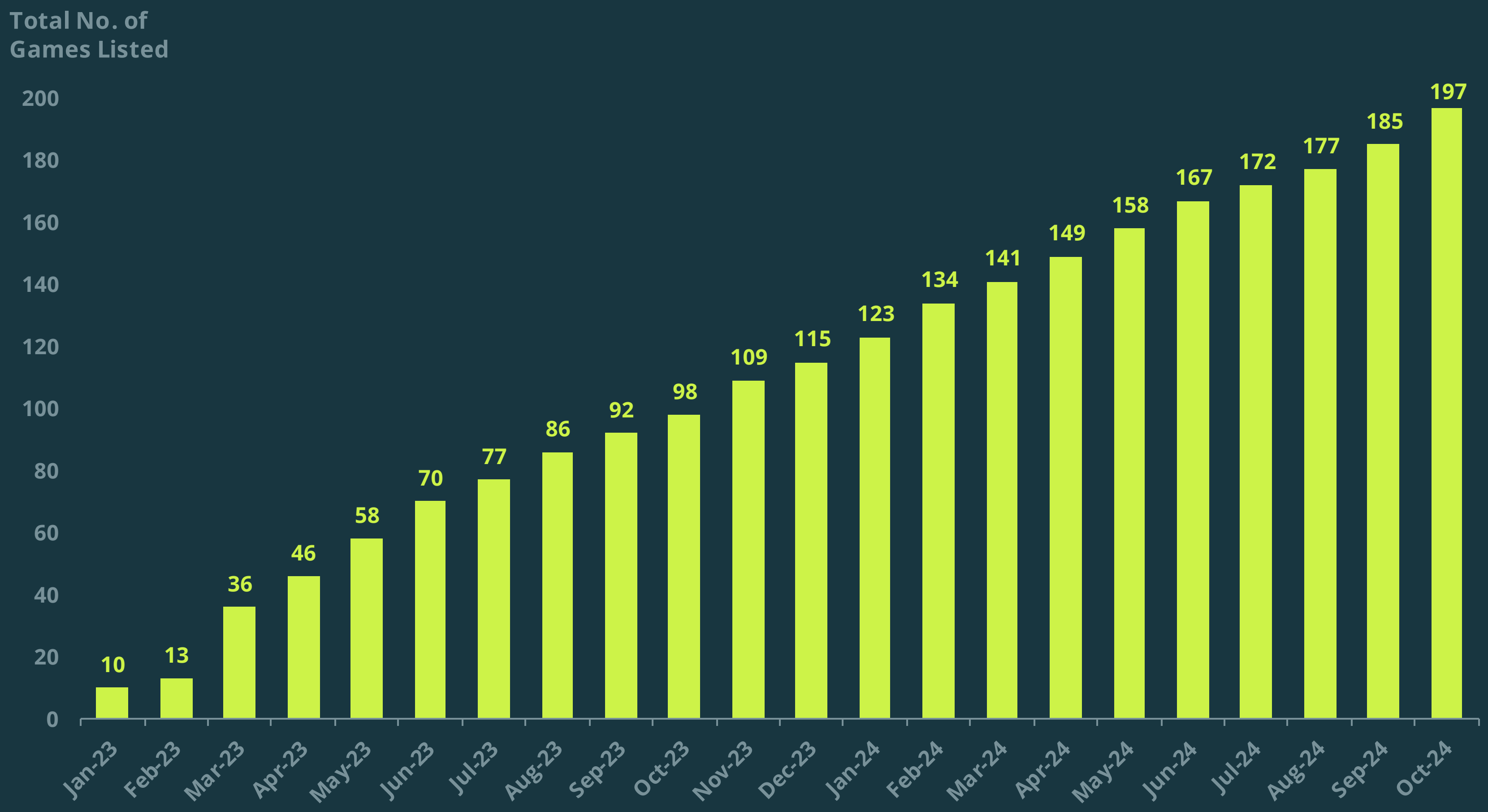
Web3 Game Listings on Epic Games Store

In a short span of two years, there are now close to 200 Web3 Games listed on the Epic Game Store, compared to just 10 at the start of 2023

Epic Games Store Web3 Game Listings (Jan 2023 – Oct 2024, Cumulative)



Source: EGData

197

Web3 Game Listings on Epic Game Store in October 2024

Since the start of January 2023, there are **8 – 9 new Web3 Game listings** being added to the Epic Game Store every month.

Out of the total 197 listed Web3 Games in October 2024, **76 titles have yet to be released**, indicating a healthy pipeline to come.

Amongst all Web3 Game listings, **Shooters and Action games** dominate the list by genre, followed by Action-Adventure, RPG, Open World and Card Game genres.

More than half the games are also tagged “**Online Multiplayer**” or “**Competitive**”.

Only a handful of games have a sales price, while the rest are **free-to-play**.

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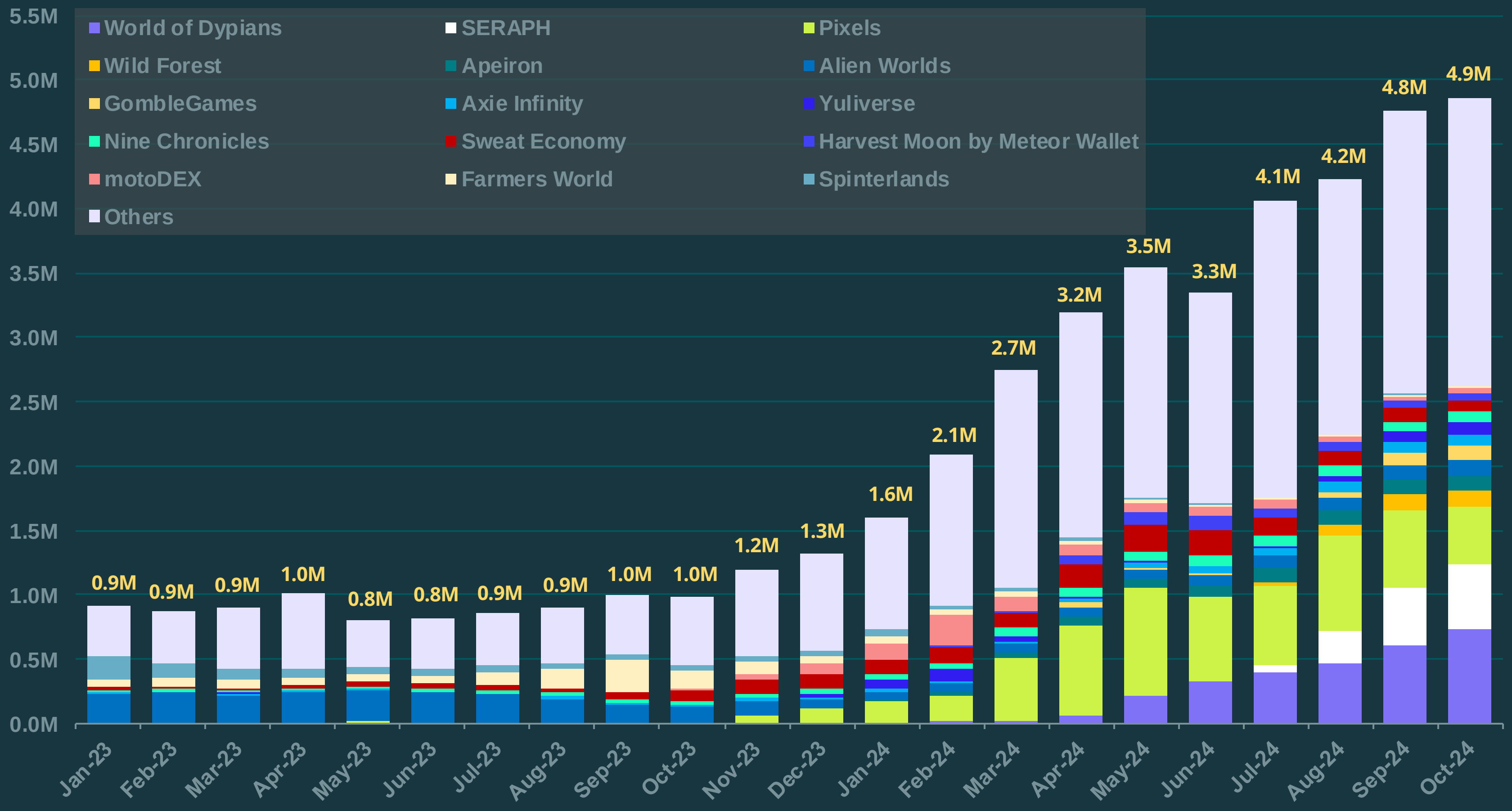
Most Active Web3 Games by Number of Active Addresses

The Top 15 most active Web3 games* tend to control ~50-60% of active gamers; as the total number of gamers have grown, the largest games have >500k average daily active gamers

15 Most Active Web3 Games by Average Daily Active Gamers (Jan 2023 – Oct 2024)



Source: Footprint Analytics

4.9M

Average Daily Active Gamers in 2024 October

The **largest games tend to control the lion's share of active gamers**. Taking the Top 5 games of each month, they tend to have ~42% share of total active gamers.

The Top 5 most popular games do tend to shift between titles as time passes, and **sustaining the longevity of a game's player base remains a challenge**.

Amongst the Top 15, only **Alien Worlds, Pixels, Axie Infinity, Sweat Economy, and Nine Chronicles** have displayed resilience in the past two years.

While on-chain metrices are good, there are limitations to this methodology. Certain games, such as **Hamster Kombat**, has reported 50M daily active players, and having onboarded 300M users; **Notcoin**, another Tap-to-Earn game, reported >30M users onboarded.

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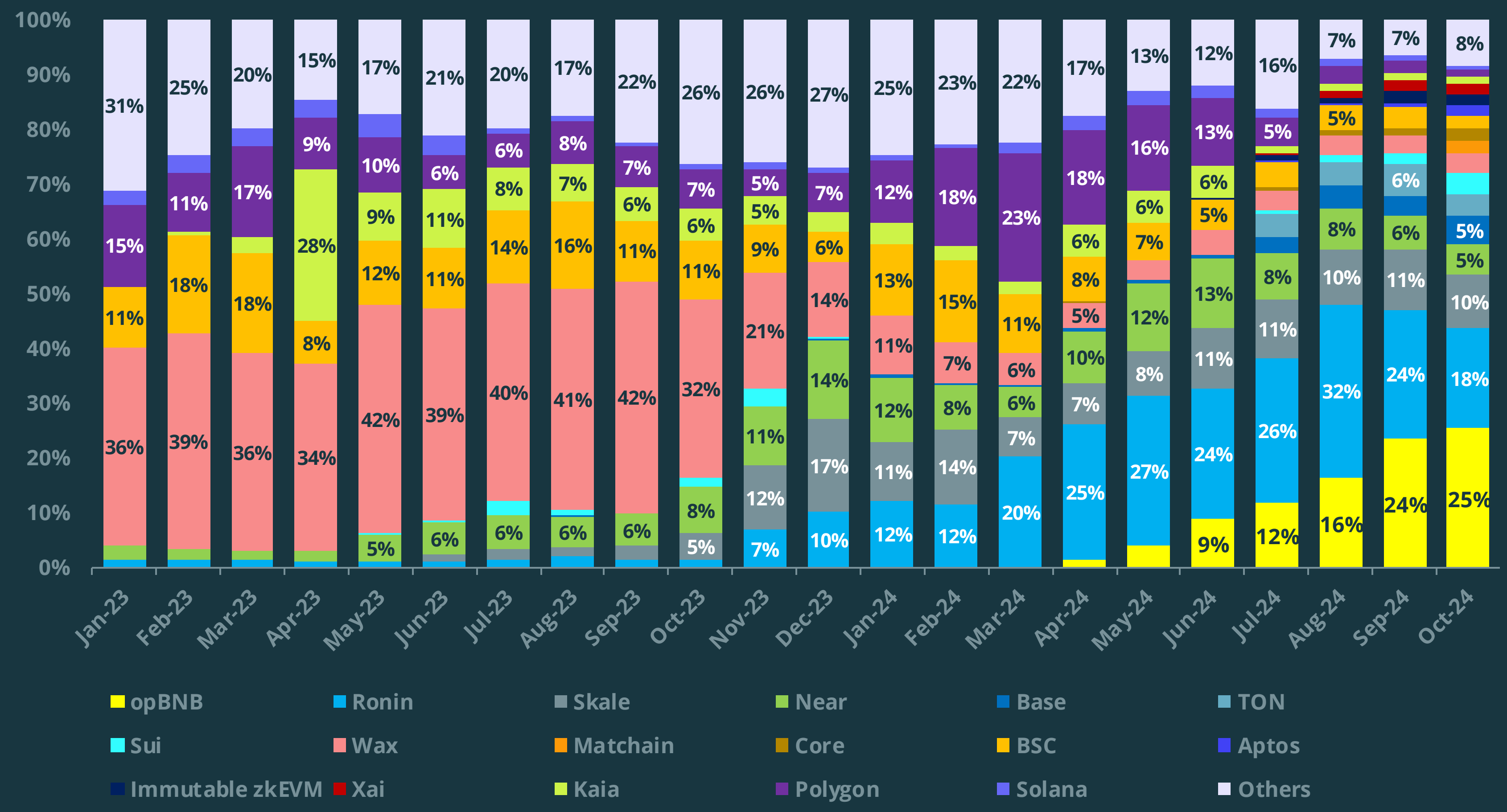
Active Web3 Gamers by Chain

Since the bottom in 2023, active Web3 Gamers have seen a significant rebound, with ~4M – 5M average daily active gamers since the start of the second half of 2024

Average Daily Active Gamers by Chain (Jan 2021 – Oct 2024)



Source: Footprint Analytics

90%

Share of Active Gamers by Top 15 Chains in October 2024

2023 was the absolute bottom of the Web3 Gaming sector, with only ~1M average active gamers recorded. Since then the **daily active gamer base has grown by ~5x**.

The **current base has far surpassed the last cycle**, which recorded ~2M daily active gamers at its absolute peak in late-2021.

The resurgence in active gamers has been mainly led by Ronin (since the end of 2023), and more recently opBNB. Skale and Near have also seen the emergence of a decent gamer base since end 2023.

Collectively the **Top 5 Chains have 63% of all active gamers**, though there is a long tail.

Conversely, Wax has fallen off significantly since 2023, while other chains have seen more patchy traction in 2024.

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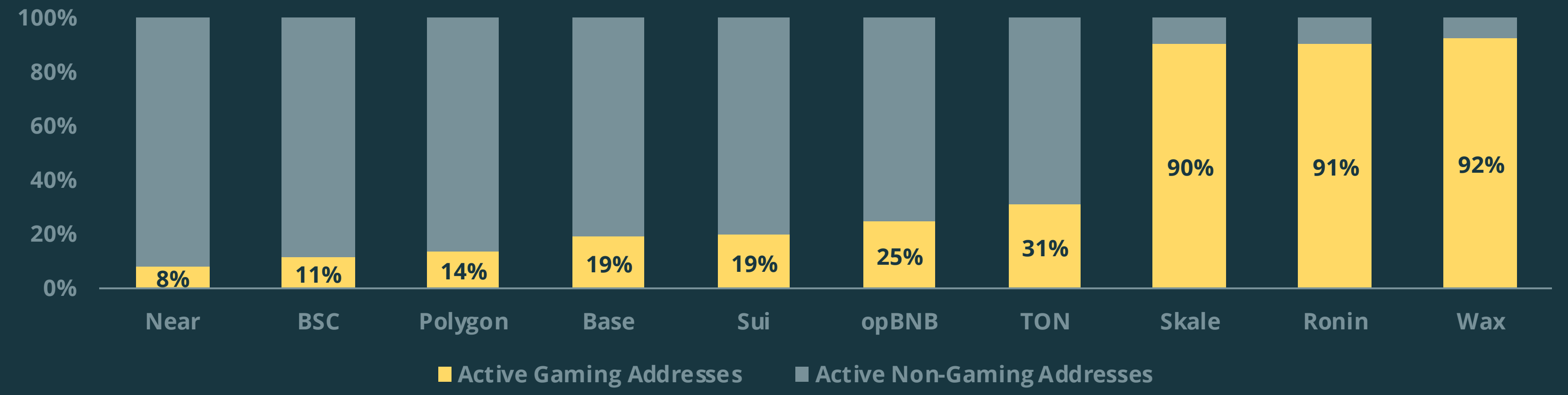
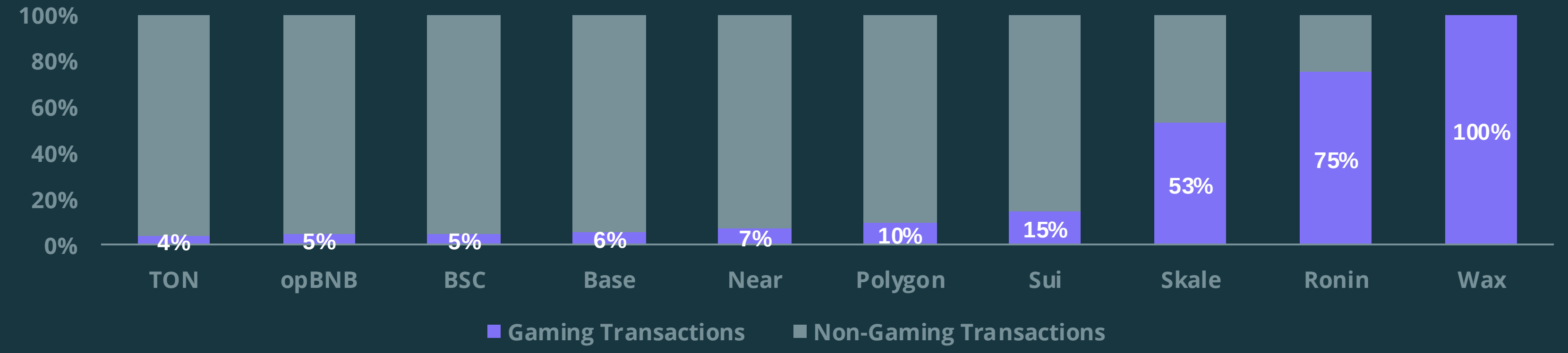
Share of Active Gaming Addresses & Transactions

Generalized networks have a lower share of active gaming addresses and gaming transactions compared to gaming-specific chains, but gaming activity is growing on these chains

Active Gaming Addresses vs Active Non-Gaming Addresses on Top 10 Gaming Chains (Oct 2024)*



Gaming Transactions vs Non-Gaming Transactions on Top 10 Gaming Chains (Oct 2024)*



Source: Footprint Analytics, BscScan, Nearblocks, PolygonScan, Suiscan, opBNBScan, TonStat, Token Terminal

Generalized networks, such as BSC, Polygon and Base are still **more widely used for trading memecoins and DeFi activities**.

However compared to our analysis a year ago, the **share of gaming-related active addresses and transactions have actually increased**. BSC now has 11% gaming active addresses compared to 5% a year ago, while Polygon now has 14% vs 6% a year ago.

Chains built specifically for gaming such as Ronin, Skale, and Wax have a much larger share of active Gaming addresses on their network, with **>90% of active addresses on these chains participating in gaming**. A majority share of their on-chain transactions are also gaming related.

Surprisingly, TON only has 31% of active addresses participating in gaming, and only 4% of onchain transactions are gaming-related, despite the popularity of Telegram minigames. This may be a reflection that the minigames themselves may not be heavily utilizing on-chain transactions, and certain minigames may not settle on TON.

Web3 Gaming Market Capitalization

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Web3 Gaming Market Cap mounted a strong recovery between 2023 Q4 to 2024 Q2, reaching a yearly peak of $32.2B; however it has since tumbled, ending 2024 October at $15.7B

Web3 Gaming Market Cap and Share of Overall Market (April 2021 – October 2024)

Source: CoinGecko

$15.7B

Web3 Gaming Market Cap as at 2024 October 31

Web3 Gaming Market Cap reached a **yearly peak of $32.2B on March 11, 2024** from $6.1B on October 1, 2023. This represents a remarkable **5x recovery in the span of 5 months**. Such high market cap numbers were only last seen during the all-time peak from the previous cycle in November 2021.

All prior cycle Web3 Gaming tokens saw strong performance during this period, culminating in the listing of $RON on Binance. There was also the introduction of new coins such as $NOT from this cycle.

Unfortunately the market **couldn't sustain** these levels, and fell to $15.7B by end-Oct.

Web3 gaming is still a relatively nascent and small sector, and even **at peak it only had 1.52% share** of the overall crypto market cap. As at end-Oct 2024 it sits at 0.64% share of overall market.

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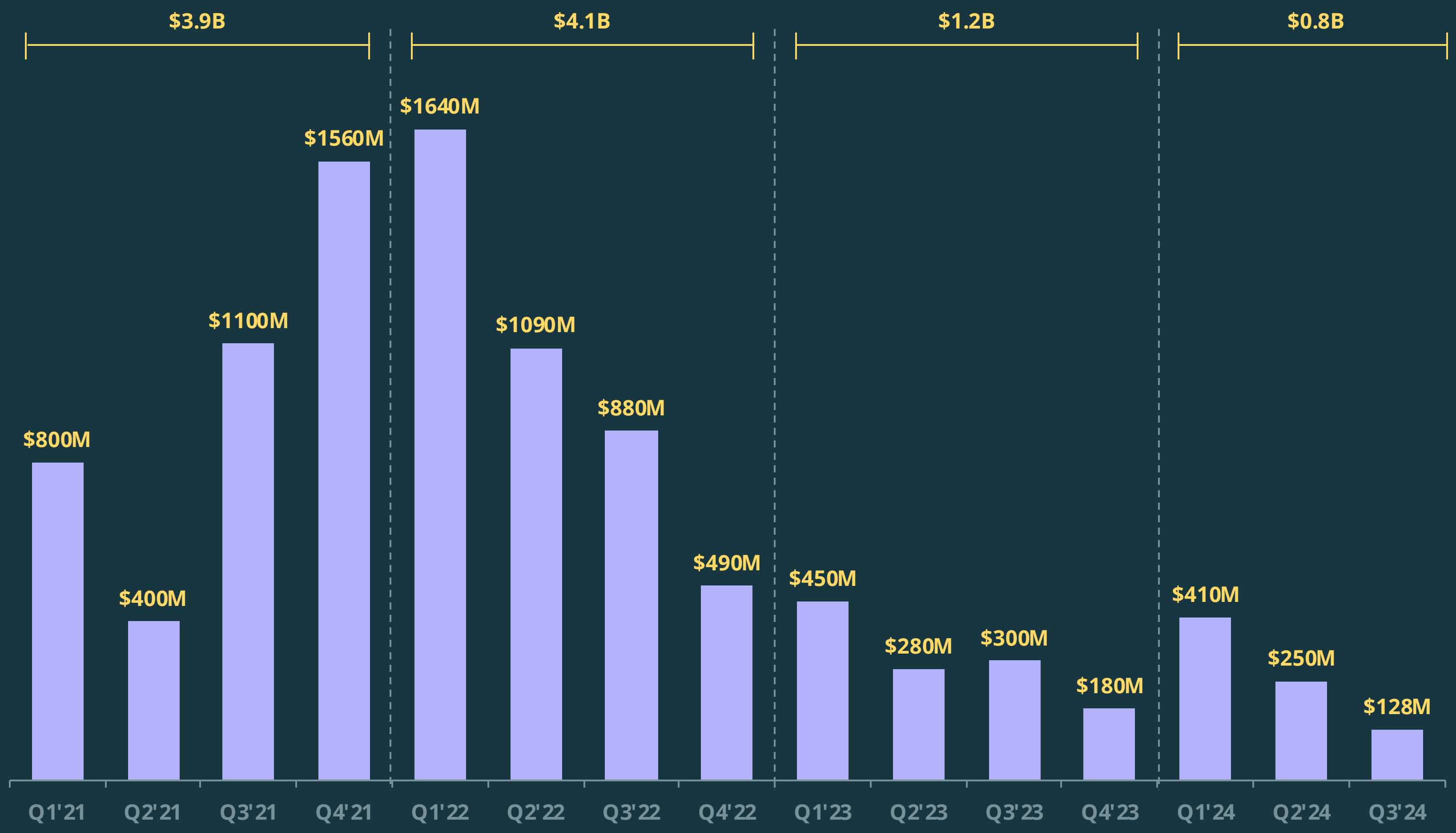
Quarterly Funding of Web3 Gaming Projects

Since 2021, a total of $10B has been invested into Web3 Games, but Q-o-Q funding has been on a steep decline since the peak of end-2021 / early-2022

Quarterly Funding of Web3 Gaming Projects (2021 Q1 – 2024 Q3)



Source: Delphi Digital, Blockchain Gamer

$788M

Total Funding for Web3 Gaming Projects in 2024 YTD

While 2021 and 2022 saw close to $4B pour into Web3 Games each year, **funding for the sector dipped by ~70% to $1.2B in 2023**. Based on current trajectory, funding for Web3 Games in 2024 will probably come in close or lower than 2023.

Largest raises this year include Azra Games ($42M), Parallel ($35M), Gunzilla Games ($30M), and Balance.fun ($30M).

Based on Game7's State of Web3 Gaming 2023 Report, **Sports, MMO, RPG were the primary Web3 gaming genres** that have historically received the most funding.

Given that most **modern games may take several years to build**, it is likely that funds that have invested in 2021/2022 are waiting for their portfolio games to come to market before deploying further capital.

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