



TOKEN LAUNCH RESEARCH REPORT

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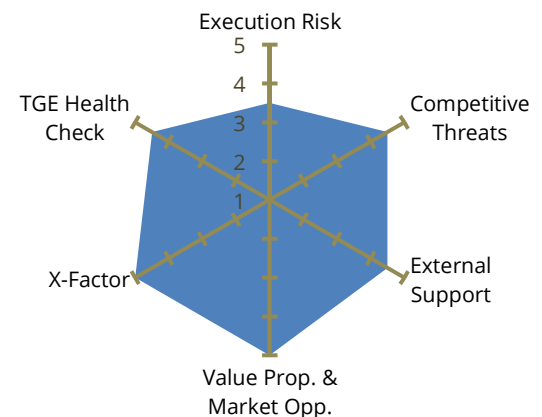
Rating	4.48/5.00
Product Maturity	1.0 Product
Expected Raise	18,000 ETH
Tokens in Raise	43.20%

Gameflip, founded in 2014 in Silicon Valley, California, is a corporation that facilitates the buying and selling of digital goods. Prior to the invention of the Ethereum blockchain and ERC20 utility tokens, Gameflip developed one of the leading centralized digital goods marketplaces in the sector. Now they're planning to move its success onto the blockchain.

Before Gameflip, a player would lose all digital goods purchases when they left a video game. Items were forever locked up in the game, and there was no way to get compensated for them. A player may put years into a game, gathering items and making progress that would otherwise be highly valued in the gaming community, only to leave the game and not be rewarded for all its achievements. Gameflip realized this problem, and created a web-based digital goods marketplace that has thrived.

Gameflip's next stage of evolution is blockchain and utility token integration. Because fraud and double spending is so prevalent in the legacy system, Gameflip realized that a transparent, immutable blockchain ledger would make its product even more compelling, allowing first-time gamers to buy and sell digital goods peer-to-peer.

Strategic Coin Viability Matrix



Key Takeaways

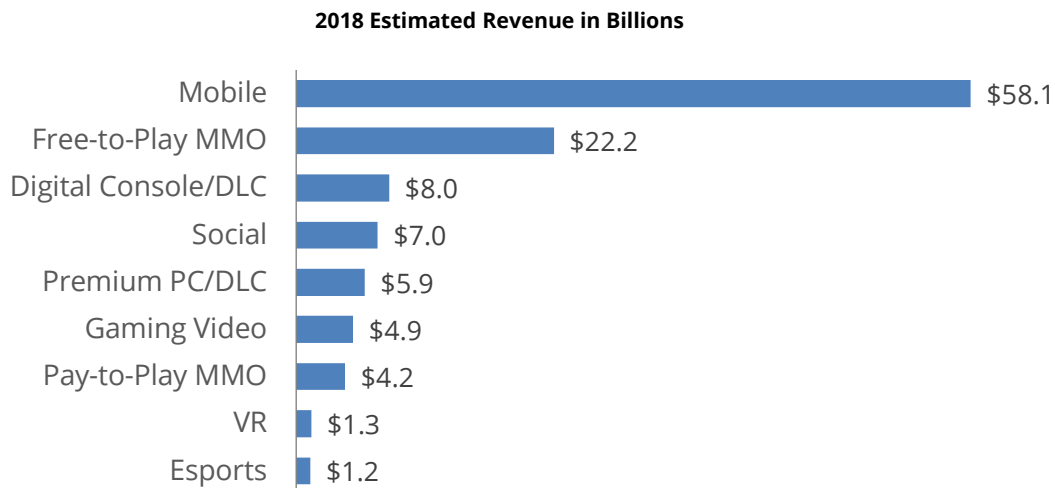
- Gameflip has proven success in the digital goods marketplace.
- FLIP lets gamers recoup their time, effort, and sometimes money they have invested in their favorite games.
- With an existing product and a relatively simple migration path to blockchain technology, the viability of FLIP's token generation event is strong.

Market Opportunity

Currently, gamers are only able to buy in-game items directly from publishers. These items are obtained by purchasing a digital key, which is then input into the game. The game then generates the items randomly and awards the player. Once they are unlocked, the items, which previously had a cash-value are now essentially worthless. They cannot be resold.

The gaming industry is projected to generate \$108.9 billion in revenue by the end of 2017. Of that total, 87%, or \$94.4 billion, was made entirely from free-to-play digital in-game purchases. This is how gaming giants like Supercell (developer of Clash of Clans and Clash Royale) make their money. Just in 2016, Supercell generated \$2.3 billion in digital goods sales. By moving Gameflip to the Ethereum blockchain, this revenue will no longer be stagnant after purchase, but liquid – fueling the gaming industry’s economic growth even further.

Free-to-play revenues are a mix of upgrades and sales of virtual goods. Its spending levels dwarf what pay-to-play massively multiplayer online receive



Token Use Case

The FLIP token will be an ERC20 token that will back every transaction on the Gameflip decentralized marketplace. From a player perspective, gamers need confidence that they will be able to recoup the funds they spend on digital goods.

In the current world, gamers are essentially burning assets in exchange for in-game items. There is no way to get a “return on investment” in the gaming world. Using the FLIP utility token, however, its purchases will look more like an investment. Putting funds into an in-game item today could boost their skill in a way that pays more later when they sell that item.

Further, using Ethereum's smart contracts in conjunction with FLIP will provide an additional layer of security against double spending. This occurs in the legacy world when a digital good is "sold" to someone, and once the buyer receives the item, he or she reports the transaction to PayPal or credit card company as fraudulent. This cancels the transaction, allowing the buyer to keep the seller's money and the digital item.

Because Ethereum is powered by smart contracts, and backed by FLIP, Gameflip can hold funds until confirmation is received from all parties that a transaction went as planned. Once satisfaction is guaranteed by everyone, the digital good and the funds are released. This is an important step forward in the gaming space.

Gaming publishers will be able to use FLIP too. They could easily receive new revenue from commissions on the resale of every digital item. Publishers could also encourage gamers to resell their in-game items by working with Gameflip to develop their own branded Ethereum wallet.

Comparable Utility Tokens

	Token Name	Sector	TGE Status	Hard Cap	Total Raise	Product Maturity
Dmarket	DMT	Gaming	Active	\$40,000,000	\$15,570,735	Beta
Eloplay	ELT	Gaming	Active	\$12,000,000	\$367,673	Beta
Enjin	ENJ	Gaming	Complete	\$25,000,000	\$23,000,000	Prototype
Game Coin	GMC	Gaming	Complete	\$15,750,000	\$8,855,329	Specs, No product
MobileGo	MGO	Gaming	Complete	No Cap	\$53,070,000	1.0 Product
Playkey	PKT	Gaming	Active	\$80,000,000	\$6,152,504	1.0 Product
Refereum	RFR	Gaming	Planned	\$25,000,000	N/A	Beta
SRG	SRG	Gaming	Active	\$15,000,000	\$878,437	Specs, No product
Tap Project	TTT	Gaming	Active	\$23,000,000	\$215,000	Specs, No product
Unikoin Gold	UKG	Gaming	Complete	\$100,000,000	\$31,000,000	Beta
Wax Token	WAX	Gaming	Complete	\$50,000,000	\$45,500,000	Specs, No product

How It Works

Currently, the Gameflip system delivers a "seamless, secure, and transparent peer-to-peer digital e-commerce" solution. Gamers can access their service through the App Store or the Google Play Store, on both computer and mobile platforms. Gameflip provides fraud detection and prevention (which the space severely lacks), escrow of digital items when applicable, auto and instant delivery, seller reputation, a simple and clean user interface, and it offers digital goods of all types on PC, mobile and console platforms.

The Gameflip platform is already successful, and it is growing rapidly. However, the team believes it has not yet reached its full potential for being transparent and frictionless. This is where the utility

token FLIP and the Ethereum blockchain will significantly upgrade Gameflip’s capabilities, by making every transaction fully transparent and auditable, preventing fraud and double spending.

The Ethereum blockchain will be Gameflip’s backbone. Using Ethereum compatible wallets, gamers will be able to securely transfer digital goods outside of the game in exchange for FLIP, which can be sold on third-party exchanges for fiat. Gameflip will provide open-sourced software development kits (SDKs) for game developers to plug into their games, allowing gamers to sell their items to their peers. All transactions will be totally transparent and fully auditable, preventing fraud and ensuring the satisfaction of all parties. In this way, the Ethereum blockchain will act as a multi-game database, securely storing all digital goods, tracking and verifying who owns them.

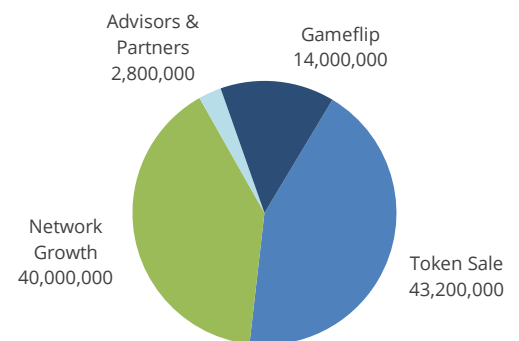
The rest of the report details risks and opportunities associated with the both the TGE and the utility token’s overall viability.

Token Generation Event

Gameflip plans to utilize 40% of the tokens issued in its token sale to facilitate network growth within the platform. Gameflip will release 10,000,000 tokens every three months between March 2018 and January 2019. This distribution is prepared through a schedule that runs parallel with game publishers’ sales on digital goods. In order to maintain low volatility within the digital goods ecosystem there needs to be a steady release of tokens as the platform gains acceptance. Game publishers that participate early in the token sale will receive generous discounts to incentivize participation within Gameflips token economy. During the distribution of tokens, any excess tokens that are not distributed to game publishers will be reallocated for future network growth.

After the FLIP token sale no new tokens will be created. As demand increases the value of the FLIP token will adjust. Since the FLIP token represents a medium of exchange within the digital product ecosystem, a token’s value is expected to increase as the platform gains acceptance. As digital products are priced relative to the supply of tokens and increasing demand, early token holders such as gamers will have higher purchasing power within the Gameflip platform.

FLIP Token Distribution



Offering Summary

- Token Sale Date: Dec-04-17
- Initial Price per Token: 1 FLP = 0.005 ETH
- Hard Cap: 100,000 ETH
- Minimum Purchase: 0.1 ETH
- “First Come First Serve” Structure

Strategic Coin Viability Assessment

Strategic Coin analyzes six areas that can affect a utility token's viability. The process highlights the factors that will impact the token's medium-term viability. Below are some highlights about how the research and advisory team arrived at the ratings.

TGE Health Check: 4.5

- Gameflip's utilizes token reserves to foster network growth through a scheduled release by incentivizing game publishers to facilitate sales to gamers within the platform.
- With nearly 21,000 Facebook likes and 54,000 twitter followers Gameflip announces daily contests, prizes and discounts for gamers to use on their platform.
- Gameflip's whitepaper is organized and clearly explains the token's utility and purpose within the digital gaming marketplace.

Value Proposition and Market Opportunity: 5

- No one in the gaming/blockchain space has addressed such a large economic problem quite as well as Gameflip. Its centralized service has already proven to be a massive success, servicing a need that has been unmet in the gaming community for years. By unlocking the \$94 billion of stagnating digital good revenue, Gameflip, through its utility token FLIP, is poised to revolutionize the market by making assets liquid, accessible, and profitable to gamers of all types.

Execution Risk: 3.5

- Gameflip's team is led by CEO JT Nguyen, who has over 15 years of experience building and managing businesses. CTO Terry Ngo, has 19 years of experience building and leading engineering and product development, with 11 of those years being in the gaming industry. Ngo attracted approximately 40 million gamers to his last project at Aeria Games. The Head of Marketing, Udayan Sharma, has led the launch of over 10 PC and mobile games, including X-Men and Assassin's Creed.
- Perhaps the only risk to Gameflip's success in blockchain execution is its lack of team members with utility token experience. While Tony Simonovsky, Gameflip's ICO Success Manager, does have success in the space, it is impractical to assume he will be able to handle all scalability and onboarding problems alone.
- Gameflip's roadmap will be easily attainable. Because there is already a viable product, its most significant obstacle will be blockchain implementation. It plans a partial blockchain implementation by Q1 of 2018, and to complete the process by Q3 of 2018, assuming the Ethereum blockchain solves its scalability issues by this time. The Gameflip team has foreseen the possibility that this may not happen, however, and will utilize a semi-centralized solution until scalability is resolved.

Competitive Threats: 4.5

- There are few if any blockchain and utility token-based platforms that have a product as compelling or well-developed as Gameflip. Nearly all its direct competitors are underdeveloped and lack solid advisory and development teams. Gameflip's indirect competitors will most likely mutually benefit from Gameflip's decentralized marketplace, because gaming assets will flow more freely between gamers and developers.
- In the legacy world, the Steam Community Market directly competes with Gameflip's model, generating as much as \$120,000 worth of transactions a day. However, Steam do not currently use any form of utility token, and they do not allow players to redeem their digital goods for cash, merely Steam credit. Because of this, Gameflip's business model is far more liquid and will most likely be more successful.



External Support: 4.5

- Gameflip already has an impressive corps of venture capital invested in them. It raised more than \$10 million from top tier venture capital investors when Gameflip was founded in 2014. With these funds, it built a platform with two million registered users, and 500,000 active monthly users.
- Gameflip is advised by a star-studded panel of noteworthy professionals, including: Tony Simonovsky, Gameflip's ICO Success Manager, advised the KickICO team and helped them raise \$23 million; Richard Melmom, Emeritus Partner of Bullpen Capital and Co-Founder of Electronic Arts; Takayuki Nagashima, CEO of Aeria, Inc; and Kevin Xu and Xiang Wang, both blockchain advisors.
- Gameflip (the legacy company) is backed by the following Silicon Valley venture capital firms: Bullpen Capital, GoAhead Ventures, PlayNext, Inc, Lightbank, and Forefront Venture Partners.

Team and Advisors

Name	Role	Background
JT Nguyen	Co-founder and CEO	COO of Aeria Games and PlayNext Operations Strategy Consultant for HSBC Business Management Program at Honeywell
Terry Ngo	Co-founder and CTO	CTO, Co-founder of PlayNext and Aeria Games Sr. Software Engineer of Good Technology Sr. Software Engineer of Open Harbor Software Engineer of Bluedog, Inc
Bryan Talbot	Head of Engineering	Architect for Aeria Games and Entertainment Principal Software Engineer for Carrier IQ Senior Architect for Iconix, Inc.
Matheus Arnellas	Head of Live Operations	Operations Manager of PlayNext FIFA Digital Product & Marketing Manager, Electronic Arts Publishing Manager at Aeria Games & Entertainment
Ed Kim	Head of Business Development	VP, Business Development for IJJI, Inc Advisor for Crypto Lux Capital CEO and Co-Founder of Vector Gfx
Udayan Sharma	Director of Marketing	Senior Marketing Manager at Aeria Games SEM Strategist at Aeria Games User Acquisition Specialist for HPI
Tony Simonovsky	ICO Success Manager	ICO Focused Growth Hacker for KICKICO CEO of GoodVertising Board of Advisors for EventChain International SmartTickets Google Analytics CRO Specialist
Richard Melmom	Advisor	Emeritus Partner at Bullpen Capital Co-Founder of Electronic Arts
Kotaro Yamagishi	Advisor	CEO of Keio Innovation Initiative, Inc. Board Member and Co-Founder of GREE, Inc.
Heiko Hubertz	Advisor	CEO and Founder of WHOW Games GmbH Founder of BIGPOINT GmbH
Yoon Im	Advisor	SVP of Publishing and Platform of Perfect World
Malte Barth	Advisor	Head of Esports at Modern Times Group
Chris Akhavan	Advisor	Chief Revenue Officer, Glu Mobile
Billy Sungwoo Lee	Advisor	COO of PayLetter Inc
Takayuki Nagashima	Advisor	CEO of Aeria, Inc.
Masahiro Yasu	Advisor	CEO of ALIS
Xiang Wang	Advisor	Blockchain Advisor
Kevin Xu	Advisor	Blockchain Advisor

SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Gameflip is an experienced gaming industry. • A well-developed platform that can be easily integrated onto the Ethereum blockchain. • Gameflip will generate market liquidity, encouraging gamers and game developers of all types to use its platform. • Gameflip is backed by a group of experienced and well-funded. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Gameflip's development team only has one experienced blockchain/utility token developer, and only two advisors with experience in the space. • If Gameflip relies purely on Ethereum's chain, gamers will experience slight delays in transaction confirmation.
<p>Opportunities</p> <ul style="list-style-type: none"> • Gameflip could easily become a monopoly in the digital goods industry. Few competitors are as far along in their development. • Should Ethereum explode in growth over the next several months, Gameflip's timeline could be accelerated, and they could be even more successful than they expect. 	<p>Threats</p> <ul style="list-style-type: none"> • Game developers will need to be convinced it is beneficial to them to allow their digital goods to be sold. • Gameflip will need to clearly define FLIP as a utility token to avoid regulatory problems.

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