



## Investment Thesis

# Immutable IMX

|                     |   |
|---------------------|---|
| Token type          | Native Currency                                     |
| Price               | \$1.32  |
| GCCS Classification | App-Specific Blockchain, Metaverse, Native Currency |
| Sector              | Gaming  |

## Key Figures

|                                  |                   |
|----------------------------------|-------------------|
| 52-Week Range                    | \$\$0.76 – \$1.32 |
| Market Rank                      | #47               |
| Market Capitalization            | \$1.89B           |
| Volume (24h)                     | \$68.98M          |
| Circulating Supply               | \$1.5B            |
| # of Monthly Active Users        | +800K             |
| # of Games Integrating Immutable | +330              |
| ATH                              | \$9.52            |
| ATH Date                         | November 26, 2021 |
| Down from ATH                    | -86%              |

Source: CoinGecko, DeFi Llama, Immutable. Data as of July 4, 2024

## Overview

Immutable is a pioneering blockchain gaming platform that offers an end-to-end solution. It provides developers with **Ethereum's network effects and security** at a lower cost, transforming the gaming experience with valuable in-game assets for gamers while ensuring speed and affordability.

With 3.2 billion gamers worldwide, the global gaming industry generated over \$180 billion in in-game revenue in 2023 alone. Immutable is on a mission to address this market with two key differentiators:

1. For gamers, idle in-game purchases turn into appreciable assets.
2. Game publishers build on Ethereum without programming language constraints.

Founded in 2018 in Sydney, Immutable powers in-game collectibles and role-playing videogames thanks to the **two scalability solutions** built with industry leaders: StarkWare for **Immutable X** and Polygon for **Immutable zkEVM**. Home to over 330 games, Immutable transforms in-game items into appreciable non-fungible tokens (NFTs). This distinctive feature attracts over **800K monthly active users** wishing to elevate their gaming profiles with in-game collectibles. For example, Immutable's flagship game, "Gods Unchained," has attracted almost 10 thousand unique users who paid over \$10M in the past 30 days on the game's NFT collectibles, made available on leading marketplaces, such as **OKX, Immutable X marketplace**, and **Rarible**, with a combined trading volume of ~\$60M the past 30 days.

Immutable aims to **abstract blockchain's complexity** away from gaming developers by providing them with a Software Development Kit (SDK) that doesn't require them to have blockchain development expertise. This feature allows Immutable to try to capture established gaming developers from the traditional Web2 world. For example, in 2023, Immutable partnered with gaming giant Ubisoft (creators of Assassin's Creed) to introduce their suite of games to Web3.

**Shared Liquidity:** Immutable offers a shared **Orderbook** accessible via all marketplaces within its ecosystem. By consolidating orders from various platforms, Immutable's Orderbook reduces the spread and increases the likelihood of order matching, leading to better price discovery and enhanced trading opportunities for the respective NFTs.

**Unified Gaming Wallet: Passport**, which crossed a million sign-ups in 2024, is a noncustodial gaming wallet that unifies access to all games and marketplaces on Immutable in one place. It provides an intuitive, simple solution that would easily onboard the ever-growing ecosystem by using traditional Web 2 login credentials, such as Google and Apple ID.

- Formerly Fuel Games, **Immutable was founded in June 2018** in Sydney, Australia.
- \$IMX was launched in November 2021, with a maximum token supply of 2 billion.
- In March 2023, Immutable signed a major partnership with Polygon to help developers build more complex games with **Immutable zkEVM**, now boasting over 1.8 million monthly average users.
- In June 2024, Immutable recently partnered with South Korean game publisher **MARBLEX** to bring AAA games to Web3.

## Key Fundamentals

- **Unlike its traditional counterparts**, Immutable empowers users to own their in-game purchases as appreciable assets in the form of NFTs.
- Immutable also has built-in security and market-making parameters such as the identification system **Passport** and its unified **Orderbook**, distributing liquidity across all marketplaces integrated with it.
- Immutable aims to **abstract away blockchain complexities** to attract the Web 2 generation of game developers.
- IMX is used in paying **transaction fees**, earning **daily rewards**, and **governance**.

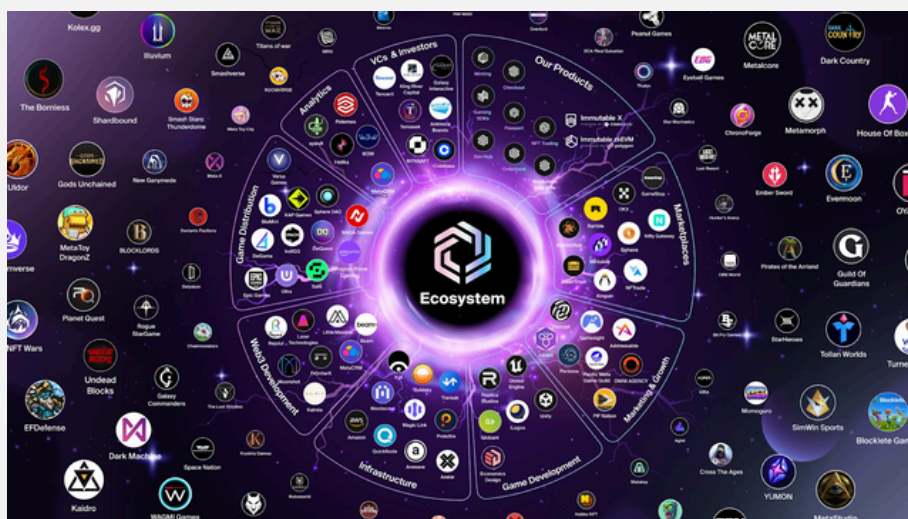
## Risk factors

- **Technology risk:** Immutable's tech solutions might be at risk of smart-contract vulnerabilities since the zero-knowledge technology is yet to be battle-tested.
- **Market Risk:** Due to their niche, GameFi protocols are threatened by a lack of adoption and suffer from seasonal volatility.
- **Competition Risk:** Slow conversions from traditional video gamers are the highest risk. Thus, Immutable provides game developers with simple tools to build enjoyable games and potentially accelerate adoption.
- **Regulatory Risk:** The legal status of scaling solution tokens for gaming applications isn't clear yet.

Figure 1  
Price Performance



Figure 2  
Immutable Ecosystem



Source: Immutable

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