

ICONIC AI

Redefining AAA game development and pushing the frontiers of interactive entertainment.

Gaming is HUGE.

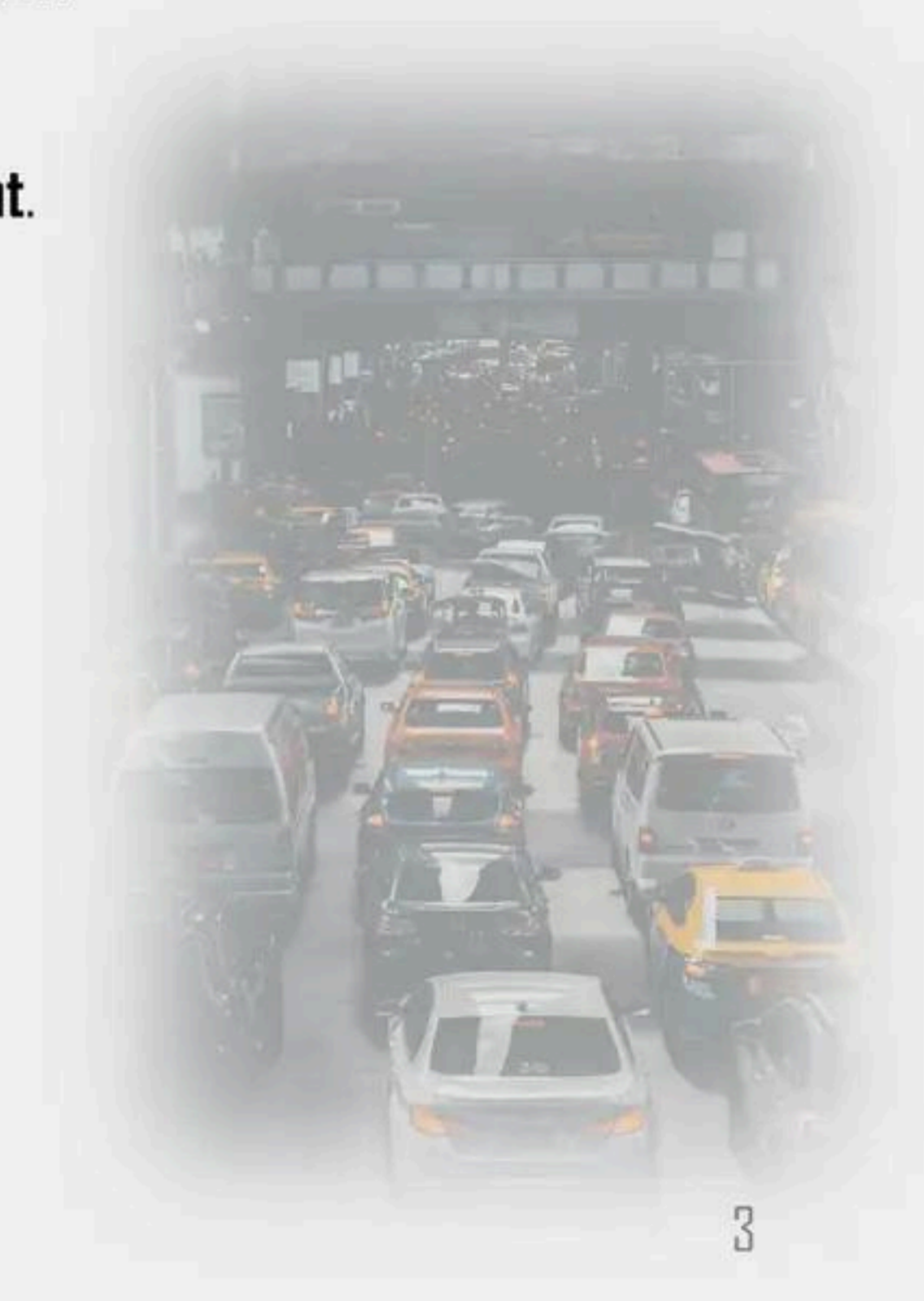
- **Billions** of people play games all over the world.
- The games industry is several times larger than the film and music industries **combined**.
- AAA games such as GTA, The Witcher, Diablo, Red Dead Redemption, Diablo, Elder Scrolls, Cyberpunk, Elden Ring, and Hogwarts Legacy consistently gross **far higher** than even blockbuster films.
- Grand Theft Auto V has sold over 200 million **copies**.
- Microsoft paid **\$69 billion** for Activision Blizzard - the largest acquisition globally this decade.



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AAA has barely changed since the 90s.

- For 30 years, AAA game development has grown in complexity and **bloat**.
- A single game can reach **hundreds of millions of dollars** and **thousands of people** for **years on end!**
- There is a **critical supply bottleneck** at a time when players are demanding more for less.
- The model is **no longer sustainable** or profitable, causing a wave of cancelled games and closed studios.
- In AAA, PC and console gaming, there hasn't been a unicorn startup challenger in EMEA **since the 1990's**.



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The industry is in paralysis.

Blizzard cancels survival game following layoffs



The news comes after Microsoft laid off 1,900 workers from Activision Blizzard and Xbox.

The Last Of Us: Developer Naughty Dog cancels next game

The last of us developer has announced that it will not be releasing a next-gen game in 2023 and has instead opted for a TV adaptation. For the next game in the series, we're not sure when it will be released.



Embracer Group cut 27% of its workforce in the last year

Embracer Group's latest financial reports have revealed significant cuts to its workforce.

24 May 2024

Leah J. Williams

Industry News 28.09.2023 13:24

[UPD] Creative Assembly to become victim of Sega's "structural reforms" expected to result in losses of over \$95 million

Published by Eugénie Chénouard

Tags: creative assembly, sega, loss

Sega Sammy announced a restructuring of its gaming divisions in Europe, which is expected to result in losses for the Japanese company. As part of the process, some games currently in development will be cancelled.



PlayStation to axe 900 jobs and close London studio

by @gaming



PlayStation Games, which announced earlier this year, is one of the studios affected by the cuts.

What's driving the flood of layoffs in the video game industry?

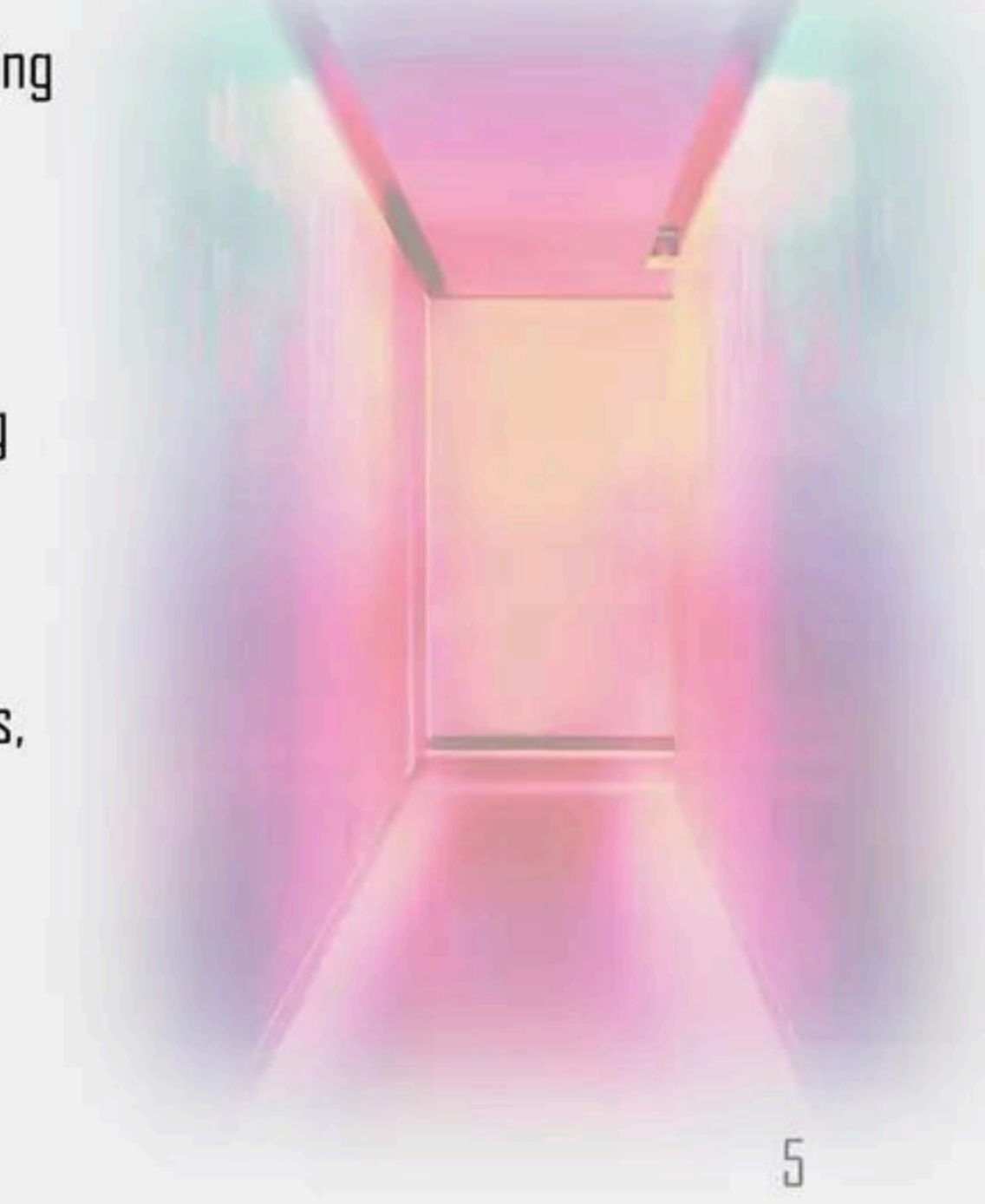
Some of the rapidly escalating cost of game development and a spike in interest rates.



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Generative AI is a big deal for AAA gaming.

- AAA game development is the **most complicated** form of software, spanning 3D asset creation, game design, programming, lightning, physics, testing, animation, audio, translation, etc.
- AI is redefining workflows across every single one of these areas, bringing **huge leverage** to individual talent, unleashing creativity, accelerating production, and making new things possible.
- **Most** 'picks and shovels' are being built by the tech giants, tooling startups, and game engine companies.
- Gameplay itself will be **transformed** by more immersive environments, natural conversations with intelligent in-game characters, and dynamic storylines driven by deeper personalisation.



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And a generational opportunity.

- Tremendous value will come from **combining** AI tools and technologies with incredible talent to craft amazing games, which is where the lion's share of the revenue is.
- Incumbents will move **slowly** and don't have the right talent or culture.
- There is a generational opportunity to build the **category-defining** company in this new era of gaming.
- Previous major technological disruption in media (CGI, VR/AR, social, mobile, etc.) was always spearheaded by **startup challengers** such as Pixar (\$7bn), Spotify (\$60bn), Niantic (\$9bn), Zynga (\$13bn), and Supercell (\$10bn).



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\$4 million: proprietary R&D and our first game.

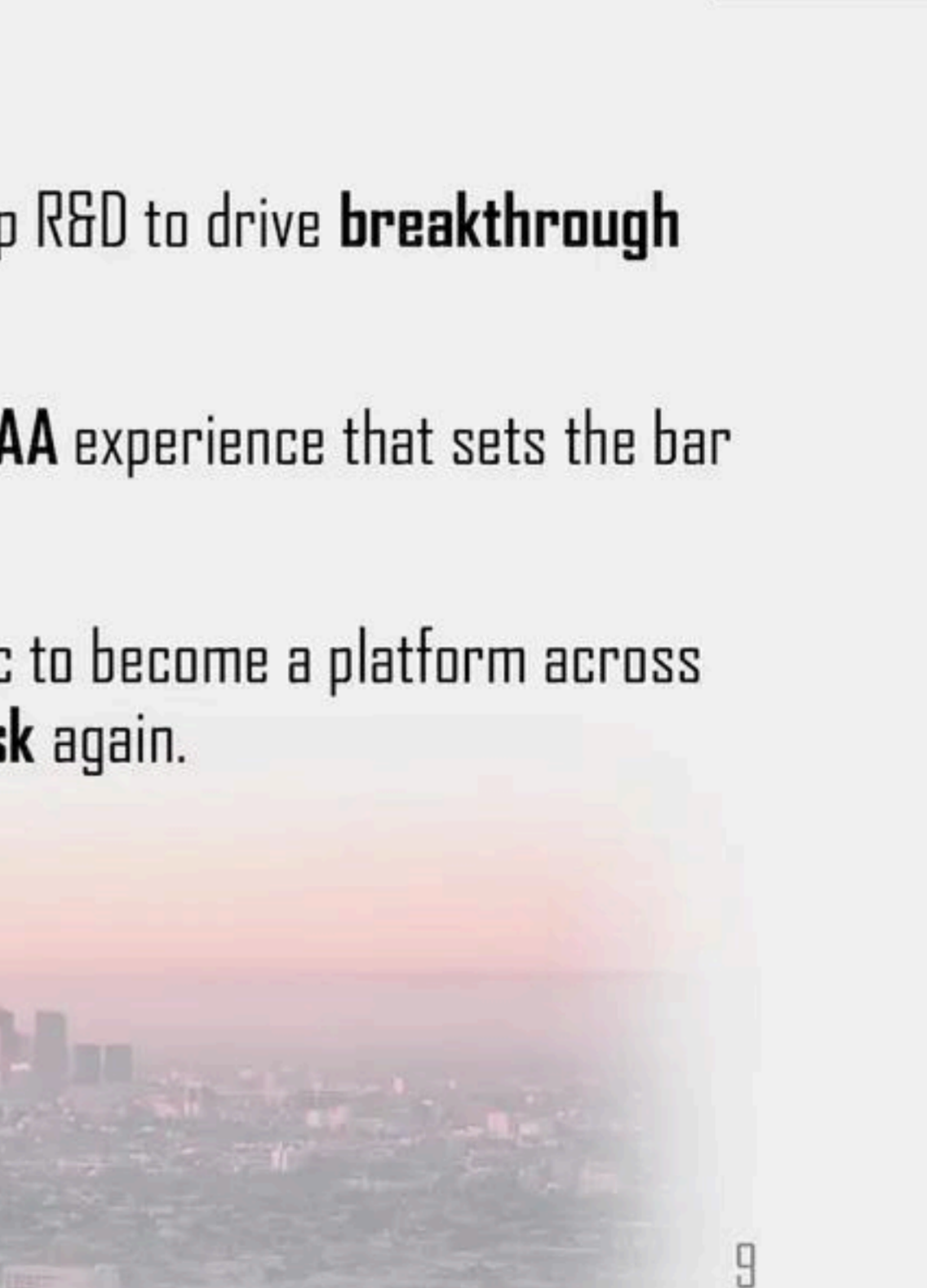
- Off the back of proprietary R&D, we are developing our first internal product: an **engine for AI-powered gameplay**.
- Using early prototypes of our engine, we have built playable demos that showcase a **whole new kind** of gaming experience.
- With the team and a set of technical capabilities in place, we are now working on our **first game**.
- We need enough runway to sustain our 'minimum viable team' through to securing our first **game deal**.



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The long-term future of gaming.

- In parallel to our near-term goals, we are continuing to work on deep R&D to drive **breakthrough capabilities** for future games.
- Our medium-term goal is to deliver a groundbreaking **open world AAA** experience that sets the bar for immersion, interaction, and storytelling.
- As development costs and timelines come down, our aim is for Iconic to become a platform across many games, empowering incredible teams to take real **creative risk** again.



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ICONIC AI

Thank you!

Iconic AI: a hybrid culture under one roof.

Deep R&D talent:

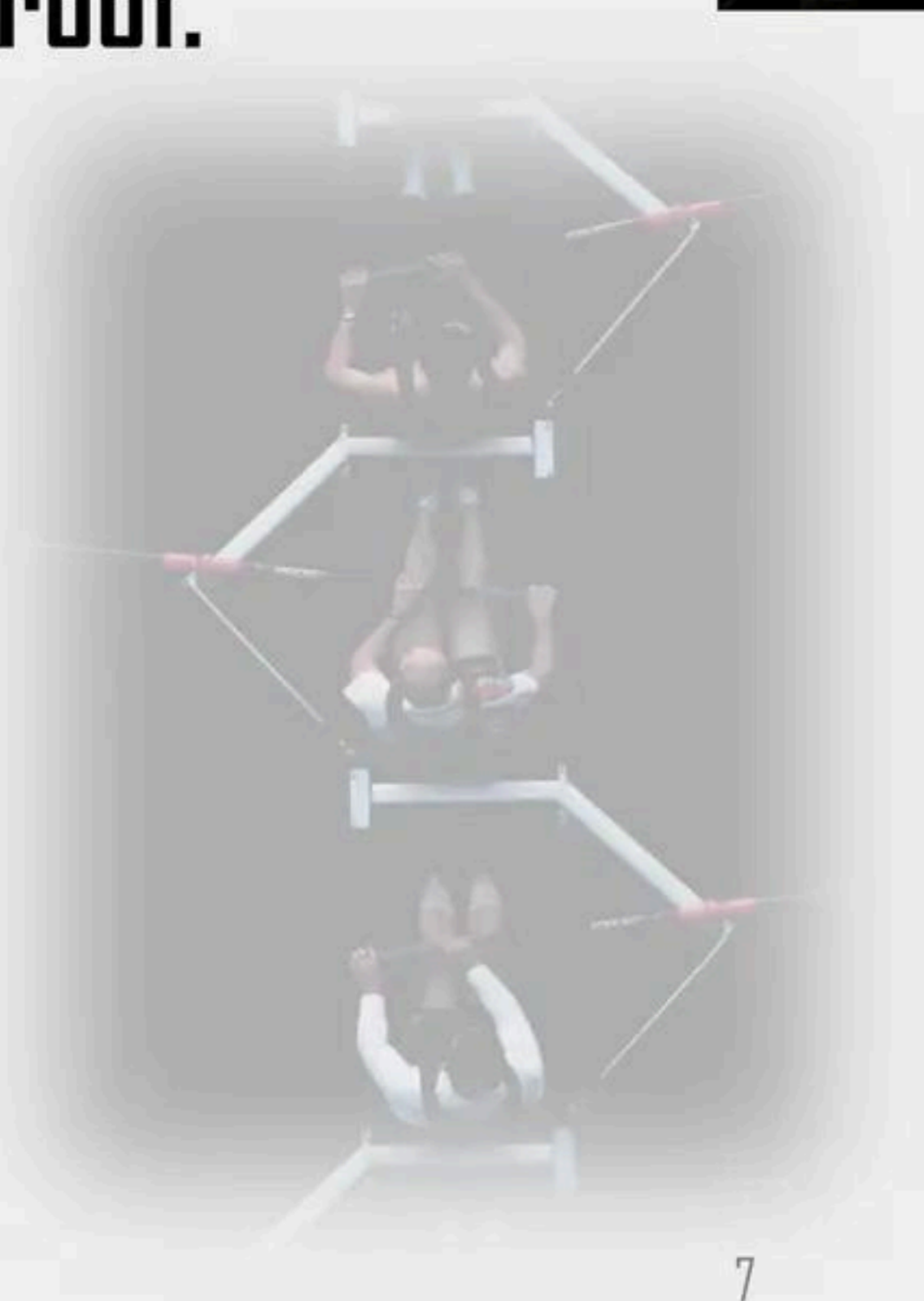
DeepMind, Microsoft, Sony AI, Meta, Oculus, Five AI, Apple, and Unity

Leading creative/gaming talent:

Rockstar, Pixar, CD Projekt, Square Enix, Ubisoft, Tencent, Sony, DreamWorks, King, and Zynga

Network of advisors and angels:

Disney, DeepMind, OpenAI, NBC, Embracer Group, and Cambridge



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