



Jake 02:18

Thank you, Sandy, for joining me on the show today. It's a real pleasure to have you on I've been looking forward to this conversation for a while now. You are the co founder and CEO of polygon, a blockchain scalability platform with a pretty large market cap, you're also the founder of India COVID Relief Fund, which was a huge success to support. You know, COVID relief in India, obviously, it's great to have you on for those who don't know you, we'd love to hear the long version of your story from sort of as early as you're willing to start to where you are and what you're doing today. And some of the decisions you made along the way.

Sandeep Nailwal 02:55

Awesome. Thanks for having me here, Jake. I mean, yeah, I mean, the, the journey for me has been fairly long. I've been, I got born in a very humble, you know, background in India. And basically, but, you know, doing business, sort of like was always in my mind, I would not say in my blood because, you know, like, all my, you know, ancestors like previously, they used to be like, my, my, like, for example, my grandfather, and my maternal grandfather used to be household servants in some big people's home. So, you know, the business I don't think was in blood, but somehow, like, I always wanted to do business, right, from a very early, early age, you know, trying to sell some pens in my distinct dose to trying to build some computer applications. When I when I joined my computer science, engineering. I mean, I was not lucky enough to have computer in my home when I was in, let's say, you know, fifth or sixth standard, or when I was 10, year, 11 year old, I got my first computer when I actually joined by engineering after finishing my school, the elementary school. So, you know, I mean, I tried my hands at various different kinds of businesses before and then you know, off late, like, in the last 510 years, I was full, I was more focused on tech. So during my last year of engineering itself, I landed a very, you know, although very complicated, but very interesting project from a political party in India, who wanted to scan through all the you know, kind of manual, you know, PDF based information of all the Indian citizens, let's say in their voter cards, and then you know, do some analytics On top of it so it's very complicated project and some of the you know kind of you know agencies were not able to do it or they were able to do it



but they were not able to do it at a scale where you could actually scan through you know 10s of millions of you know, user records so, we kind of figured out some efficient way of of doing that. So that was very interesting and that was like a first real world project that I did and you know made some money from that and then you know, eventually I you know, joined some enterprises initially computer sciences competition from the US to understand how business is conducted at a larger scale and then you know, I also landed later on a very senior role in a ecommerce company as the CTO over there and that this was the time you know, I mean, as I said that I came from humble background I had to put food on the table but you know, I generally mentioned this that my girlfriend at that time now my wife you know she you know said that you know I'm I will like you know, I'm also a name Don't worry about it take the risk and go out and this was the first time somebody was somebody you know gave me some support that okay you know before that I was the support for because being the eldest child in the whole kin basically so So yeah, I mean then I you know, didn't look back from there immediately went out some people had been looking to invest in whatever I I was going to do and then Indian startup ecosystem was also blossoming. So I raised some Angel funds did a small you know initially did a b2b marketplace kind of like doing trying to do Alibaba for India but for the services because India is like the way China is for manufacturers India is for you know knowledge service providers, but then you know, it's very hard to scale it in the form of a product because the projects require a lot of to and fro interaction between human beings. So, I kind of figured out that this will this will not scale although it started making me a decent amount of money I had quite a few clients and and then that is the time when when I started you know I started thinking about because I was very clear that if I want to I wanted to come in business, but I did not want to do a small scale business I want to do something big and that was a time I started going back to my computer science you know I was playing the CEO role in the startups but then I said that you know, I want to go back to my technology roots and I started learning about AI initially it was kind of had too much of mathematics for me to go deep into it. So I stumbled on to you know, Bitcoin which was picking up steam back in 2016. And yeah, and I started reading about mastering Bitcoin and I think one good insight somehow luckily I got is that you know this the way this you know, the way this this



basically Bitcoin blockchain is is nothing but a decentralized computer which is computing a very small logic which is basically somebody pays something to someone and their balance goes up the other guy's values go down and this is the small business logic that is being computed but what if you know more complicated business logic can be computed you know, at this distributed and decentralized scale or decentralized manner? And you know, few weeks or probably a month later I stumbled onto aetherium and which was you know, exactly what you know, I mean, but but I had thought and then I was like, really all in into that like, from that day you know, very funny story is that that you know, before that I had bought some bitcoins The moment I got to know about aetherium and you know, thought about it like for a few days, and I immediately converted everything I had in aetherium. And since then, like even after like, you know, I mean, I am now like one of the cofounders at matrix so I hold large amount of medic technically all of my medic I have not sold too much of it, like only 510 percent 90% I still own So, but then my rest of the portfolio has for the largest time existed existed always in aetherium. So, you know, that was the kind of because I was, I was already looking for something like that. And when I came across a theorem, it was kind of the hero kind of like the love at first sight, kind of situation for me. And then since then, you know, I've been into aetherium community and then you know, I met my other co founder, you know, JD who was who was from Indian community, where we met and then he was, he's like, more on the like, although he has great business sense, but he's was Working on this developing this plasma solution with the theorem group and when I saw the the PLC that he was working for and I had already built like as consultant because in between I did some consulting for other people once I started learning coding and all that and setting up the nodes and all that so I had done some consulting and build some dapps and I clearly knew that you know, with especially with that crypto kitties moment I clearly knew that you know this is not ready for dapps and if we could build something like that this is the this is what the world is looking for. And and yeah like from there the whole journey of polygon started and since then I'm going falling deeper and deeper into the rabbit hole

Jake 10:45



Yeah, that's awesome. I appreciate you sharing the story and given us the long version here I want to plug into a few different parts of sort of the story that you said the first thing I thought was super interesting you know coming from a super humble background it sounds like in India your grandparents having been like how servants and now obviously with polygon success if not the success of some of your other ventures before that but this on a totally different scale you know, you're able to sort of like bring money to your family and friends I assume what's it like just like in a lifetime not even a full long lifetime yet you're still relatively young to just have that change of circumstance that you sort of earned through you know your interest in technology and business and starting to act on it and actually build and and realize this enormous success

Sandeep Nailwal 11:44

Yeah, I mean it's been like a really you know proud feeling from from for my family also and definitely you know, their lifestyle has also you know, changed drastically like as as early as 2015 16 we still used to live in a single room kind of place like single room Kitchen like a very small place like Wi Fi like we are we are three siblings and then you know we you know today Today our lifestyle has immensely changed from there so definitely for them they are very happy I mean I you know, like even remember my mom saying that you know like just going to the grocery store and buying a lot of stuff like you know gives gives her some sort of adrenaline adrenaline rush because you know previously it was like you know you go and then you basically go hand to mouth like you pick up whatever you need for the next next week and things like that so so small small things like that you know, flying in the aeroplane like you know, I think six six months back only the first time they flew in and in on a on a plane so that was also a very nice experience for them so definitely like you know, it's very very you know, heartwarming and being the being a man I think overall like I mean, again, I don't want to go into the you know, stereotypes but I'm saying being like a you know, especially growing in an Indian household where you know, you are considered to be the you know, the provider of the house and things like that you anyways develop this feeling like this this sort of pleasure in giving right so I mean, that's that's true for me also in any case, and being the eldest child in the entire game that even you know makes it make that



feeling even stronger so now I'm not even like you know, I mean, doing whatever for my immediate family but for my cousins and whatever they have been doing and they do like very kind of menial jobs and I'm trying to kind of you know, see how I can you know, uplift them from their kind of situation they're like you know, sososo things some of the things like that and then but the on the flip side for my wife, like she never really was behind money like she was always like, okay, you spend time with me and then you know, we we experience we have a good experience of life I mean, she's not the one who runs after the money and all that and then you know, from her side the reaction is sometimes slightly different and she's like, Oh, you know, you are always busy and you know, what, what is all of this for, like, you know, at the end of the day, if you are not keeping, you know, on you're taking care of your health and all that. So it's kind of mixed reactions in from various sides. But definitely it's it's, it's like, you know, now, very, very different situation and for personally for me, I feel that you know, with where polygon has come and what the potential that web three technology has, you know, especially coming from India, like where we come from a socialist background previously, and then, you know, now, I mean that corruption is rampant. There is still A lot of hunger for tea and all that. And, you know, somehow I feel that, you know, crypto basically is a mid path between, you know, communism and capitalism, right, like communism is like everything is owned by the community. And as an individual, you lose your existence. Whereas, you know, capitalism focuses on being like extremely individualistic, and you know, incentives driven and things like that, whereas, crypto somehow brings in a means to bring like these incentives, whereas, you know, incentives while contributing to a community, you know, to to one place so I kind of feel that it kind of offers a new paradigm which can uplift people, you know, in terms of building a building a, building a good and a benevolent, as well as, like growing system are thriving system where everybody can achieve prosperity, at least in the basic necessities of life. And that's why like, you know, it kind of makes me feel immensely responsible that now I'm in am at this situation, and I need to, like maybe probably God has chosen me or not, like only me, but you know, a lot of people like me, but I have a very strong responsibilities and the responsibility that we, you know, we need to do something, to uplift large number of people out of their, you know, whatever miseries they



have in life and then provide them at least the basic necessities of life. And I feel in India, there is a lot of scope for public goods and having blockchains in governance and things like that, where it can bring more transparency as well as accountability, thereby bringing a more efficient system for the masses.

Jake 16:46

Yeah, and I appreciate that. That response I mean, it was really interesting to hear not only your own perspective on sort of the the change of circumstance that you've created for yourself, but also your wife's perspective, your family's perspective. And, you know, understanding like your wife's perspective also that like it's not all good, like you're very busy now. And to your point, you have this tremendous responsibility, which I imagine like you're working super hard and oftentimes health and taking care of yourself can sort of be sacrificed in the process of all that, but you've certainly already started along this path. You know, before we get into polygon, maybe we can talk about the India COVID Relief Fund, which I brought up at the top of the show. You started this when there was a big surge of COVID and India earlier this year, and I'm not sure what you had in mind for it exactly. But it ended up raising tons and tons of money I think you guys have over \$400 million currently and in your crypto wallets for the nonprofit I'm curious to hear like what you know, it's one thing to say like I want to help out and another thing to raise a fund that you know, raises that much money and then you then have the issue of like how do I actually deploy all this money and give it to the right people to do the right things? And I imagine it's just like a huge challenge and you know, it's not like this is your your first and only job you're also building this you know, hugely powerful protocol and polygon which has a ton of pressure and running like those two projects combined must be a lot and I'm curious how you sort of got the conviction that you were the person to do that and to start that and then secondarily how it's been to to manage and run with you know, whatever your early expectations were I'm sure they've been exceeded

Sandeep Nailwal 18:37

Yeah, I mean, I never really thought you know when I made that tweet that okay I will take personal responsibility of this and and and you



know, to doing that I thought maybe you know, I'll get maybe a million dollars or maybe \$5 million in the wildest of scenarios and I can take you know, responsibility of that I thought that you know, I'll receive that money I'll immediately deployed for the immediate need with a group of volunteers and then from there we will you know, sort of you know, go from there and I can transparently provide all the data and everything to the government and all that because it's anyways it's blockchain and things like that. But once once it went viral from there it is like it has become like a huge as I was saying that you know, responsibility because all of these funds like first of all these are like a large amount of like DD has to be done because you know, India has had a history of like a lot of NGOs you know, kind of looking for cash grabs and things like that. So we need to ratify that whether an NGO is going to do what they are going to do and imagine like if even if a single dollar lands in wrong hands and you know something that that that you know, is not in line with the local establishment they say something and we know how Twitter space acts right you know, even some guys say some small thing, everybody He forgets everything else. And those those like, you know, small, let's say something happens and then everybody focused on that even if it's, it's a wrong allegation, you lose your reputation and all that and, and, you know, that will be like completely unfair to polygon also and my other co founders, let's say if something happens on this, and, you know, or something he, uh, you know happens and which kind of takes effect on the, you know everybody else's interests also so, you know, that's why like, you know, I mean I I set up a very strong, you know and very ethical team of for doing due diligence and then we have currently deployed around \$45 million out of \$400 million. And you know, definitely that, you know, even I have spoken to vitalik also a few times, he was also like, you know, just deployed as soon as possible on the ground, but I explained to him that, you know, you know, this, this is a huge amount of money for India, and if it goes and falls in the wrong hands, or even, let's say the, the, the opposition parties in the, in the establishment, this might create a huge problem for, for me also, like, you know, on a regulatory level and probably for the whole crypto ecosystem. So, you know, it's been an immensely challenging, you know, situation for setting up these entities and things like that, that time when it was happening, I mean, I had to go with a very fast setup, so that I can bring money



into India and India, you know, you can't touch crypto, I mean, I didn't, I could not send crypto directly to you know, these engines because nobody would accept that. So we had to convert that money into a bank account and then send that money to only government approved NGOs, who are kind of eligible to receive money from outside and you have to do a lot of due diligence for them. So, it's kind of like a like a you know, big deal in itself, I mean, a big kind of work in itself, but then now we are looking at because of now, this COVID live wave has also COVID wave has also passed. So, now we are looking at doing long term stuff like one of the proposals now we are working at is basically setting up a cutting edge, you know, viral and infectious disease, you know, Institute in India, who, which kind of take the leadership and predicting, as well as, you know, specifying the way like a lot of people in India died, because there was no coherent, you know, manual for the doctors to follow on how to treat this, right. So, that was also also a big thing. But on the other side, we are also still, you know, trying to help however, we can, the government in the form of, you know, deploying vaccines to the to each and every citizen of India, we recently secured around 300 series just because now India has vaccine, but the problem is now on the cylinder side, and then, you know, distribution channels have also been problem. So, you know, we we are technically, the government does not allow any private party in India to get into vaccines, but what we are doing is trying to support governments on the, on the ancillaries around it, so, yeah, I mean, there are there are a lot of friends open over there, like I can talk probably for more than an hour on only that, but yeah, that's where we are today with that.

Jake 23:15

Yeah, well, I don't want to spend the whole time on it, because I do want to discuss your, your main project polygon, but it's, it's really, you know, I admire the work that you're putting in on both ends, too. I view both projects as being very beneficial, but one in the immediate term is certainly helping a lot of people mentioned like deploying already \$30 million or so and I think the good news is, despite like, you know, it makes sense why you can't just deploy all this stuff overnight. The good news is, I think, hopefully, most of it is sitting in in you know, where it's sitting in crypto, I think the vast majority of it's in aetherium, and other ERC 20 tokens, and



hopefully, those will just depreciate over time, and you can actually end up doing even more, you know, having a greater impact with all this money than maybe even initially, you thought was possible, even though it's already a ton of money. But I want to switch gears a little bit and talk about polygon. But before we get there, just rewinding sort of your origin story in crypto. You mentioned discovering Bitcoin, I think in 2016 reading like mastering Bitcoin book, and then, in just a matter of a few weeks, or maybe a month, you found a theorem, which was, you know, that wasn't so early for Bitcoin. But that was very early for aetherium. And quickly realized, like you said, Love at first sight. This is something that you sort of had imagined before you came across the fact that it existed. I'm curious to know, what was sort of different given that you had sort of come to this conclusion that something like aetherium should exist in your head? I'm curious to know like when you actually came across the theory, um, were there any like surprises or differences between what it was doing and what you had sort of imagined and just with that initial recognition of this project that you had sort of envisioned it to some degree, like what that experience was like, and what might have been different,

Sandeep Nailwal 25:11

you know, a when, when I came across, you know, aetherium, as I said that, you know, I was expecting, I was like, in back of the mind, I would not say that I had this, like, exact vision on how it will happen. But, you know, the way if aetherium was doing it was very, you know, was kind of, you know, long term and, you know, kind of developer focus, because I also saw after that, like, some platforms like witchwood, doing non Turing complete languages where you can do something, but you can't do everything, but aetherium was focusing on building a Turing complete, you know, virtual machine, which was very interesting to me, because, you know, then technically sky's the limit, to build on that. And if you want to, kind of have a developer ecosystem, which you, you know, want to become like, self sustainable people are, are kind of incentivized and motivated to do you know, and, you know, kind of pursue crazy ideas. And, you know, those ideas don't have any limits. I think that's what they did. Very well, previous to that, I was thinking that okay, probably, you know, you will have some sort of, you know, common design patterns, and then you



can match them because obviously, I had like, you know, a deeply studied the Bitcoin network, and UT EXO, so, you know, kind of my mind, by that time was coming, or thinking in that direction, that, you know, probably these ut axos, you know, instead of UT Exocet will have these chunks of some common, you know, computation patterns, and then you will combine them and you can do some things, but then the way aetherium was doing with an account based model and a Turing complete language, you know, AVM was like, really amazing. And then, you know, from there, there was no stopping, and I started myself doing some solidity contracts and, and things like that, and, you know, like, how, you know, web three, you know, library came in, and you can integrate your web pages with that, all those were all that was very fascinating. And, you know, like, as a, as an early developer at that point in time, your mind, you know, used to wonder that, okay, what all is possible with this? So, so yeah, I mean, I mean, definitely, it was much, much better than any ball then. But, you know, I had, you know, vaguely thought in the back of my mind.

Jake 27:38

Right, and so you see, aetherium, and you like it a lot, but you quickly realize that there's going to be some scaling issues here. And I guess you came to the conclusion at some point that, you know, you were in a position to help solve these issues, potentially before Ethereum, you know, itself as, like, the layer one could sort of solve it on its own. So you sort of had this moment, I guess, in 2017, when you realize this and started building, I'd love to hear like sort of the, you know, the motivation behind polygon from day one. And then secondarily, for those who aren't familiar with polygon and what it is, if you could give sort of I know, you're like a very technical guy, but if you could give the simplest explanation possible that maybe like a fifth grader could try to understand, I think that would be that'd be pretty cool.

Sandeep Nailwal 28:31

Yeah. So, you know, firstly, I mean, I could I did not realize the scaling issue, you know, immediately I came across aetherium I think this was like, I started developing some D apps in late 2016. Two, I mean, this was just after the Dow the whole routing had happened and I was not there. Like, you know, I think when the doubting happened, but



after just after that, I had, you know, gotten involved. And I started building some dapp. So, I did not figure the scalability issue that early and that I mean, I did realize that okay, this is still kind of costly. But then when, you know, this, this whole crypto kitties thing happened, then it was like, you know, it was very clear. You know, that, okay, you know, this is not going to happen that, you know, even with, with the few 100 or a few 1000 users, the whole network, his job is not going to happen. And then, you know, I think scalability also in that around that time started becoming a big team. I think the larger attention grabbing to scalability happened via some of these other layer ones trying to build aetherium killers and things like that. And you know, we all know the mania of 2017, where these projects raise like the zillions of have dollars to build and just on the white papers basically in the profile of the of the founders, and you know that that drew a lot of attention to the scalability, but everybody wanted to compete and build something, you know, different than aetherium. And then approaches that many of them mentioned that there will be a separate programming language and all that. I don't know why but probably solidarity and this this stack, even though whatever problems it has, it has some level of stickiness to to it, you know, I think it might be the same JavaScript kind of a, you know, kind of effect on this. So immediately when, you know, we when I used to read those white papers as like, you know, who is going to develop on these platforms. And of course, like aetherium rise has also been meteoric, in that sense, like, in that around that time when the developer community was completely engrossed by aetherium. So, you know, I never really picked up any conviction on these chains, which were building aetherium combinators, I found that, you know, very, very unprofitable or improper, improbable in that sense, right. So, and then, you know, I stumbled upon these, you know, aetherium, scaling approaches and all that, and I was looking at looking at them from a distance. But then, and, uh, you know, I had seen jozefzoon and metallic, they came up and omisego was there. And, you know, definitely, I mean, in this in this market, whether you're a developer, a marketer a business guy, you know, markets, and then omisego was going crazy. And that's when I first time I heard about plasma and all that. And later on, I met, you know, JD, who's my technical, you know, I mean, who's the, who, who basically came up with this idea. And then, you know, he kind of reached out to me, we



used to solve a lot of technical queries in, in Indian community. So, you know, we both knew that, okay, we both understand the sort of technology more deeply than others over there, but we did when I, you know, kind of met JD and you know, so, this is like, kind of PLC that he was working on, I was immediately you know, kind of convinced that something like this, I did not know whether this but I knew that something like this will eventually end up scaling aetherium because, even though like now, it feels like it was it is It was long go but aetherium still had a huge amount of traction, even by that time also, you know, also with this all these ERC 20s and, and, you know, things on the on chain, so it looked and it felt like eath 2.0, the way the sharding was being discussed, the specs being made, and all that, it was very clear that it is going to take a huge amount of time. And, and, and, you know, like, it's not going to, it's not going to be easy to build an alternate layer one. So, you know, kind of it was it was some sort of intuition that you know, the solution lies somewhere in the middle in the form of layer two, where there is one strong layer one, like aetherium, which has a strong native asset, which provides the crypto economic security to this chain, and then you can and this chain can act as a settlement layer or the security layer for the other computation layer or transaction layers you know, on top of it so so I mean, I think that those those intuition and you know, you're kind of the real time experience with the daps led to this this this thing that you know, this is something where we can we can dedicate our lives into and then we started with as Matic network and it was a plasma based you know, solution and then what happened is that aetherium community has this kind of tendency to move from one hype to other hype right. So, you know, initially it was it was before plasma, I think it was state channels and everybody was like, yeah, state channels are going to solve the scalability forever and all that, and then we realized the problems of the state channels, then plasma was there and for good amount of time plasma was the thing and then after that, you know, then then optimistic roll ups came along, like as an idea in I think, 2019 nosaka, then Zika roll ups came in and then you know, starkweather was there in parallel and all that. So, the community kept on moving. So what we realized and I kind of reached out to my, you know, like, we had our board meeting with other co founders and all that and I said that, you know, if we want to build a long term impact on a long term solution, long term product, which



people adopt, we need to move away from these approach centric, scalability, this thing and go after our vision, our vision is bringing scalability to aetherium that is, in a larger scope, not like a very narrow description of what exactly is layer two and how it can add you know, and think on a larger sense that how it can add value to the etherium main chain. And the second thing is bring adoption these two are the word The main visions for us like scale aetherium and then on the layer two or the secondary layer not on the base layer and second thing is you know get adoption right so these two were the ones that have been are not boats basically not stars now with that like you know i mean they also got intrigued intrigued with this and all that and we came along mihaylo who was like you know who we later on boarded as co founder on polygon where he was working on also working on something similar that having a multi approach scaling aggregator for for aetherium and then you know, we completely hit it off and then you know, we on boarded him as one of the co founders and then we rebranded into polygon, we know where he's one of the co founders and then polygon essentially is is is a is a secondary layer or layer two aggregator which actually believes that you know, aetherium scaling is basically a spectrum where on the left extreme you have a you know, you can have sovereign side chains which are which have their own consensus own token or whatever but they're still integrated with aetherium kind of like you know, x day but they still add some network effect to aetherium. And then on the other extreme, you can have let's say pure layer twos which are like zero labs and you know, like optimistic roll ups, but there can be be you know, on the on these two extreme there can be middle solutions also like falling on POS which you know, arguably is the most adopted chain today has 1500 plus applications in terms of the daily average users it surpassed aetherium maintain daily active addresses in terms of that and all that it lies somewhere in the middle it's not a sovereign chain, that means it cannot exist without aetherium but it also doesn't use aetherium for the entire amount of our entire security of the transactions it somehow is a is a kind of attach chain on top of aetherium but it's it has no identity if we remove you know aetherium from from the below the chain will technical stuff. So, through and then between this POS chain and the in the end the kind of layer twos like the pure layer twos you have valid items, where you you keep the dispute resolution on aetherium but you keep the data availability on



an external chain or external committee like start like the way start with start where does these are called valid Um, so, you know across this spectrum, you have different kinds of solution which can add value and scale Ethereum. So, we add polygon is is basically that that we are a suit of solutions which provides various different kind of technology you know kind of stacks which you can use as per the requirement of your of your of your application. But the other thing is that this chain comes with a full aetherium like we believe that all these chains should have EBM and aetherium compatibility so that you can have exactly the same development experience as the main chain you know, maintain aetherium and that has been the core thesis and that has worked for us pretty well and on a larger scale also we believe that you know at the end of the day layer one v feel and you know, I personally also feel that layer one is our last man standing game because layer one is all about decentralization and you know like I don't believe in the in that narrative that you know the layered the decentralization doesn't matter i mean you know, if you look at the longer large enough times timeframe decentralization is is why we started this whole industry for so I find that argument very kind of myopic in nature. And the main thing is that once you have that layer one as a decentralized layer you can make it decentralized if there is a native asset which can act as the you know, maybe crypto economic security agent in that in that layer one right and then that asset needs to have strong money properties because then only it can be a hard asset which can actually guard or act as the security asset on this layer one right and that's where you know I feel that you know people say that the future is going to be multi chain I say yes future is going to be going to be multi chain but you know, it is going to be multi chain on top of aetherium because on layer one I feel that it's a last minute thing forget about you know, other layer one competing with aetherium and coexisting together. I feel that even between Bitcoin and aetherium they will be one layer one which will eventually become the become the fundamental layer for web three and I definitely have more reasons to believe that that is aetherium not Bitcoin because you know, a lot of things in Bitcoin, like how a bit accrues value are like I personally don't believe in them and I have been in those camps that were have like you know, gone through all those like you know, stock to flow ratios and all kinds of things that you know Bitcoin maximalist would say so, so our thesis is very clear that you



know, at the eventually aetherium is going to emerge as the as the fundamental layer for the, for the internet, it's kind of the, the optical fiber lines and, you know, transcontinental optical fiber lines, but then each, you know, application might have its own subnets with V within it, geographies might have their own subnets within between them. So, kind of that analogy you can think of, and then if EDM is that base layer, the central layer which collect connects the whole, you know, globe or probably even, you know, within within interplanetary system and other and I don't want to go into the, you know, like the sci fi thing, but I'm saying that you know, it can become one central layer where the value exists. And then the you know, the the kind of business logic on this value can be applied and computations can be done on the layer two. And that's, that's where is our thesis is, and we believe especially the zero knowledge technology is eventually going to come up, which which will provide Internet level scale to this fundamental, you know, value layer. So that is, that is our thesis, and that's where we are with polygon.

Jake 41:28

I appreciate you laying that out. And I'd love to dig into multiple parts of that. But we're coming up on time, and I did want to discuss a few new sort of news coming out like some some pieces of news coming out of polygon relatively recently. You guys have polygon studios now \$100 million fund to incubate gaming and NF T's just this week, you came up with the partnership with DraftKings also focused on NF T's and web three. I'm curious, like, you know, the focus on NF T's and gaming. And you mentioned earlier, like, you guys have more active addresses on a daily basis than a theory, I'm even what's sort of behind this focus? And this will be the last question, because I know, I know, we're coming up on time, but what's the focus on NF T's and gaming? And specifically, like going after as many daily active users as possible? What's driving this emphasis for you guys?

Sandeep Nailwal 42:27

Yeah, so I mean, for us, like, as I said, that our thesis is very clear that we are we are very adoption focus, and we want to do things which bring more users on the platform. And our job is to provide the infrastructure to these applications. But in the short run, also provide them distribution channels where they can grow their user



basis. And that's where the ecosystem is, like this ecosystem fund was also built where we can support them with initially investments and later on, like, you know, bringing them connects and helping them with more distribution for their applications. So it's a kind of an all round Saturday and why I wanted to separate polygon studios from polygon is that you know, so that it can have a it can it can basically have a, you know, kind of razor focus on the on the NFT side of things because I personally feel that NF T's are probably like, like the Trojan horses of crypto industry to go into the real world and you know, get users start getting users into there. And you know, we don't even we can't even imagine how many millions of users are going to create their first ever blockchain wallets probably not even knowing that they created their own blockchain wallets. You know, due to NF T's and and you know, that's why like your that vision or like our larger vision of getting adoption is what like as I said is our is our north pole or the North Star, which we chase and then we're polygon studios is doing exactly that. In terms of gaming and NF T's. I mean one thing is that because we grew up and we kind of started from India we did not have a lot of sick you know, Silicon Valley VCs and all that. In fact back in 2018 beer market almost nobody invested in us we raised a very small amount of capital compared to \$15 billion fully diluted valuation polygon today has we raised in total like 600 or 700k VC money and then \$5 million in an ieo that we did on by Nance Launchpad apart from that we did not raise any VC capital and do that like we don't have we still feel that you know, especially on that Twitter world, we still don't have that level of visibility, which a lot of Silicon Valley projects enjoy even if they do a smaller thing like you know, recently talked about drafting and all that because polygon is basically the basically the hub of NF T's like we talked we all talk about meta versus like all these web three meta verses, the biggest one, they exist on polygon, right? I mean, you talk about D Central. And you talk about you know somnium space or whatever you know, I mean the bigger ones you will you will dig through you will find out that the top six seven or even the top 10 one probably 80 90% of them exist on polygon or integrated with polygon. Similarly on the on the blockchain and gaming side of things if you speak to 10 different games, I can guarantee you that six to seven applications will tell you that they are building on polygon and polygon is fairly fairly fairly big on that and then the purpose of another bubble of



polygons studios was also to be able to educate the community on what all is happening on the NFT side of things. He says that we don't have these we do have but then we don't have like any of these NF T's which you know have these arts and these you know, degenerative arts which which swells for hundreds of 1000s of dollars and technically right so also because the thesis is that those kinds of trades should happen on the main chain itself. So we have that but then those those do not give get enough traction in the in the market. But as you mentioned about drafting and all that like there is so much of IP and so much of you know various kinds of projects that are coming on polygon celebrities coming on polygon and celebrity platforms coming on polygon that it's absolutely crazy and that's why polygon should use is is there to exclusively focus on that. Yeah, there's

Jake 46:27

the story of polygon sort of serving as the bridge to mainstream and adoption through these different things like NF T's and games and, you know, partnerships with DraftKings in the like it definitely resonates and makes a lot of sense and I'm looking forward to seeing how polygon grows in the years to come and I just want to thank you one more time Sandy for coming on the show. It's it's been great talking with you and appreciate the candor throughout and also you know hope hope the charity thing goes well as well and that you're able to somehow manage them both at the same time but it's really awesome to watch and and yeah, I appreciate you coming on again. Where do you want to drive people to follow you and your story and polygon and all the rest after the show?

Sandeep Nailwal 47:14

Yeah, so we are on polygon. I think our Twitter and telegram handles are the most you know, kind of active ones and where we broadcast like I think Twitter handle is the most easiest one so go to 0x polygon on Twitter and then for me You can follow me at the rates on the bell well my exact name and you know, I keep shilling polygon from there. So if you and all the news you want from Polygon you can get from 0x polygon and if you need any extra spicy kills, then follow me also about polygon. And you can get a lot of information from from us about polygon from there.

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Jake 47:53

Awesome. Well, thanks again, Sandeep. Awesome talk with you.

Sandeep Nailwal 47:57

Thank you so much, Jake, for having me. Thanks. This was really amazing.